

5 December 2023

ASX Market Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

## Re: TAKEOVER BID FOR WHISPIR LIMITED: TARGET'S STATEMENT

Whispir Limited ABN 89 097 654 656 (ASX:WSP) (**Whispir**) refers to the unsolicited off-market takeover bid by Soprano Design Technology (Australia) Pty Ltd (**Soprano**) for all the shares in Whispir in which Soprano does not have a relevant interest.

In accordance with item 14 of subsection 633(1) of the Corporations Act 2001 (Cth), we enclose a copy of the target's statement prepared by Whispir (**Target's Statement**) and the accompanying independent expert's report in relation to the off-market takeover bid.

A copy of the Target's Statement has today been lodged with the Australian Securities & Investments Commissions and sent to Soprano.

In accordance with section 110D and item 12 of section 633(1) of the Corporations Act, Whispir will today despatch the Target's Statement to Whispir security holders, by the following means:

- Whispir securityholders who have provided Whispir with an electronic address for the purposes of receiving electronic copies of shareholder communications will, unless they have validly elected to receive hard copies of shareholder communications, be sent by email a letter providing a link to an electronic copy of the Target's Statement (**Access Letter**); and
- Whispir securityholders who have not provided Whispir an electronic address for the purposes of receiving electronic copies of shareholder communications, and Whispir shareholders who have validly elected to receive hard copies of shareholder communications, will be sent a hard copy of the Access Letter to their registered postal address.

Yours sincerely



Brendan Fleiter  
Chairman  
Whispir Limited  
(ASX : WSP / ACN : 097 654 656)



WHISPIR LIMITED

ABN 89 097 654 656

# Target's Statement

in response to the off-market takeover offer by Soprano Design Technology (Australia) Pty Ltd, a wholly-owned subsidiary of Soprano Design Pty Ltd, to acquire all of your Whispir Shares for \$0.48 cash per Whispir Share

The Board of Directors of Whispir recommend that you

# **REJECT**

the Soprano Offer.

The Independent Expert has concluded that the Soprano Offer is not fair but reasonable for Whispir Shareholders not Associated with Soprano. The Independent Expert values Whispir Shares in the range of \$0.4859 to \$0.5649.

**This is an important document and requires your immediate attention.  
If you are in doubt as to how to deal with this document, you should consult your financial or other professional adviser immediately.**

Financial Adviser



Capital  
Markets

Legal Adviser

CLAYTON UTZ

# Important notices

## Nature of this document

This document is a Target's Statement dated 5 December 2023 issued by Whispir Limited ACN 097 654 656 (**Whispir**) in accordance with Division 3 of Part 6.5 of the Corporations Act 2001 (Cth) (**Corporations Act**), in response to the off-market takeover bid announced on 6 November 2023 by Soprano Design Technology (Australia) Pty Ltd ACN 672 092 241 (**Soprano**).

## Defined terms and interpretation

Capitalised terms used in this Target's Statement are defined in Section 10. That Section also sets out some rules of interpretation which apply to this Target's Statement.

## Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, their actual calculations may differ from the figures, amounts, percentages, prices, estimates, calculations of value and fractions set out in this Target's Statement. Discrepancies between totals in tables and or in calculations are due to rounding.

## Investment decision and no account of personal circumstances

The Board of Directors of Whispir recommend that you read this Target's Statement and the Bidder's Statement in full and seek independent advice if you have any queries in respect of the Soprano Offer. This Target's Statement should not be taken as personal financial, investment or tax advice, as each Whispir Shareholder's deliberations and decision will depend upon their own individual financial situation, tax position, investment objectives and particular needs. You should seek independent financial, taxation, legal or other professional advice before making a decision whether or not to accept the Soprano Offer.

## Forward-looking statements

This Target's Statement may contain forward-looking statements, which include all statements other than statements of historical fact. Whispir Shareholders should note that forward-looking statements are only expectations or predictions and are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Whispir. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

The risks, variables and other factors that may affect the forward-looking statements include matters specific to the sectors in which Whispir operates, as well as economic and financial market conditions; legislative, fiscal or regulatory developments; the price performance of Whispir Shares, including the risk of possible price decline in the absence of the Soprano Offer or other takeover or merger speculation; and risks associated with the business and operations of Whispir.

None of Whispir, its officers, advisers, employees, nor any other person (including any person involved in the preparation of this Target's Statement), subject to the Corporations Act, gives any representation or warranty (express or implied) or gives any assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements, or any events or results expressed or implied in any forward-looking statements, except to the extent required by law. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements in this Target's Statement reflect views held as at the date of this Target's Statement.

## ASIC and ASX

A copy of this Target's Statement was lodged with ASIC on 5 December 2023 and provided to the ASX on 5 December 2023. Neither ASIC nor ASX, nor any of their respective officers, takes any responsibility for the content of this Target's Statement.

## Disclaimer as to information

The information in this Target's Statement about Soprano has been compiled from, or is otherwise based on, information obtained from either Soprano, or publicly available sources, and has not been independently audited or verified by Whispir or its advisers. Accordingly, Whispir does not, subject to

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the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information. If any information obtained from Soprano or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward-looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward-looking statements.

The Independent Expert's Report has been prepared by the Independent Expert for the purposes of this Target's Statement and the Independent Expert takes responsibility for that report. Neither Whispir nor any of its officers, advisers or employees assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of Whispir, in relation to the information which it has provided to the Independent Expert.

### **Foreign shareholders**

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

### **Privacy**

Whispir has collected your information from the register of Whispir Shareholders for the purpose of providing you with this Target's Statement. The type of information Whispir has collected about you includes your name, contact details and information about your holding of Whispir Shares. Without this information, Whispir would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Whispir Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (including the Whispir Share Registry and print and mail service providers) and may be required to be disclosed to regulators such as ASIC.

### **Further information**

If you would like more information about Whispir Shares which you hold, please contact the Whispir Share Registry on 1300 850 505 (for calls made from within Australia) or +61 3 9415 4000 (for calls made from outside Australia) between 9.00am and 5.00pm (AEDT) on Business Days.

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## Key Dates

<b>Announcement Date</b>	Monday, 6 November 2023
<b>Date of the Bidder's Statement</b>	Monday, 6 November 2023
<b>Offer Period commences</b>	Monday, 20 November 2023
<b>Date of First Supplementary Bidder's Statement</b>	Tuesday, 21 November 2023
<b>Date of this Target's Statement</b>	Tuesday, 5 December 2023
<b>Last date for Soprano to provide Notice of Status of the Condition<sup>1</sup></b>	Wednesday, 13 December 2023
<b>Offer Period ends (unless extended by Soprano)</b>	7.00pm (Sydney time), Thursday, 21 December 2023

## Further information

If Whispir Shareholders have any queries in relation to the Soprano Offer, they may: call 1300 043 194 (for calls made from within Australia) or +61 2 8355 1006 (for call made from outside Australia) between 9.00am and 5.00pm (AEDT) on Business Days; email [whispir@shareholdersfirst.com.au](mailto:whispir@shareholdersfirst.com.au); or access a live chat facility by scanning the below QR code.



<sup>1</sup> If the Offer Period is extended, this date will be taken to be postponed for the same period.

# Chairman's Letter

5 December 2023

Dear Whispir Shareholder,

## Background

On 6 November 2023, Soprano Design Technology (Australia) Pty Ltd (**Soprano**), a wholly-owned subsidiary of Soprano Design Pty Ltd, which currently holds a Relevant Interest in approximately 15.80% of the Whispir Shares (as at the day preceding the date of this Target's Statement)<sup>2</sup>, announced its intention to make an off-market takeover offer to acquire all of the Whispir Shares in which it does not have a Relevant Interest (**Soprano Offer**). The Soprano Offer was unsolicited.

Under the terms of the Soprano Offer, you are being offered **\$0.48 cash** per Whispir Share (**Offer Price**).

## Independent Expert

The Whispir Board appointed RSM Corporate Australia Pty Ltd (**Independent Expert**) to prepare an Independent Expert's Report on whether or not the Soprano Offer is fair and reasonable to Whispir Shareholders not Associated with Soprano. A copy of the Independent Expert's Report accompanies this Target's Statement.

The Independent Expert has concluded that the Soprano Offer is **not fair but reasonable** to Whispir Shareholders not Associated with Soprano. The Independent Expert has assessed the fair market value of Whispir Shares on a control basis to be in the range of \$0.4859 to \$0.5649. As the Offer Price is marginally below this range, the Independent Expert views the Soprano Offer as "not fair". However, the Independent Expert has concluded that, in the absence of a superior proposal, the Soprano Offer is reasonable.

## Pendula Letter of Intent

As announced on 5 December 2023, the Company has received from Zipline Cloud Pty Ltd (**Pendula**) a letter of intent (**Pendula LOI**) setting out its intention to submit a non-binding indicative proposal to execute the acquisition of all Whispir Shares through a scheme of arrangement or an acquisition of Whispir's main undertaking, or a combination of these two acquisition structures (**Pendula Proposal**). Pendula is an Australian technology company with global offices in Australia, Europe and Singapore.

Pendula has stated in the Pendula LOI that any proposed non-binding, indicative offer will be at a premium to the bid price under the Soprano Offer of \$0.48 per Whispir Share. Pendula expects to submit the Pendula Proposal as an alternative to the Soprano Offer by close of business on **Friday 8 December 2023**.

The Whispir Board is considering the terms of the Pendula LOI, will actively engage with Pendula in relation to the Pendula Proposal and will continue to keep Whispir Shareholders updated of any material developments in relation to the Pendula Proposal, in accordance with its continuous disclosure obligations.

However, the Whispir Board notes that Pendula has only provided a statement of its current intention to make a non-binding, indicative offer. There is no certainty that this will lead to a binding offer from Pendula, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer.

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<sup>2</sup> Based on 135,146,251 Whispir Shares on issue.

## Whispir Board Recommendation

The recommendation provided in this Target's Statement is provided by the Board of Directors of Whispir (**Whispir Board**). The Whispir Board has carefully reviewed the Soprano Offer against the prospects for Whispir in the absence of the Soprano Offer and having regard to the Pendula LOI.

The Whispir Board unanimously recommends that Whispir Shareholders **REJECT** the Soprano Offer.

However, Shareholders who have a short-term view of their investment in Whispir may wish to consider accepting the Soprano Offer, notwithstanding the Pendula LOI and in the absence of any superior proposal.

The Whispir Board believes that the decision to reject or accept the Soprano Offer will depend on each Shareholder's specific circumstances, including risk profile, portfolio strategy, tax position, financial circumstances and investment horizon.

The key reasons for the Whispir Board recommending that you **REJECT** the Soprano Offer are summarised below and discussed in more detail in Section 1.1 of this Target's Statement.

- (a) Accepting Whispir Shareholders will lose the potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer, or any superior proposal for Whispir Shares, should one emerge.
- (b) Whispir has undertaken a restructure which has significantly reduced the cost base of the business. Together with implemented growth initiatives, the Whispir Board expects Whispir to generate positive cash flows in the second half of FY24 and revenue growth over the medium term. Accepting Whispir Shareholders will lose the opportunity to participate in the potential benefit of such initiatives, which are not yet realised.
- (c) Whispir's existing Board and management team are best placed to maximise the value of your Whispir Shares.
- (d) The Independent Expert has concluded that the Soprano Offer is not fair for Whispir Shareholders not Associated with Soprano.
- (e) The Soprano Offer does not reflect the underlying value of Whispir Shares.
- (f) The Soprano Offer does not recognise the strategic value of Whispir to Soprano.
- (g) Accepting Whispir Shareholders will not be able to sell their Shares on-market and will lose the opportunity to realise value in any possible Whispir Share price appreciation longer term.

However, if you have a short-term view of your investment in Whispir, you may wish to consider accepting the Soprano Offer (notwithstanding the Pendula LOI and in the absence of any superior proposal) for the following key reasons (with additional reasons discussed in Section 1.2 of this Target's Statement):

- (a) The Soprano Offer provides Whispir Shareholders with certainty of value for their Whispir Shares, being \$0.48 cash consideration for each Whispir Share.
- (b) Accepting Whispir Shareholders will no longer be exposed to the risks associated with remaining a Whispir Shareholder, including with respect to implementation of the restructure and growth initiatives which may take longer than currently anticipated and require further capital to be raised.
- (c) As the Pendula LOI is only a statement of current intention by Pendula to make a non-binding indicative offer, there is no certainty that this will lead to a binding offer from Pendula, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer.



- (d) While the Independent Expert has concluded that the Soprano Offer is not fair, it has assessed the Soprano Offer as reasonable.

#### **Further important information**

This Target's Statement contains Whispir's formal response to the Soprano Offer. The Independent Expert's Report is set out in Attachment 1. We strongly encourage you to read all the information contained in this Target's Statement carefully (including the Independent Expert's Report) and to seek independent advice before deciding whether or not to accept the Soprano Offer.

The Soprano Offer is scheduled to close at 7.00pm (Sydney time) on Thursday, 21 December 2023.

To reject the Soprano Offer, you do not need to do anything. However, Whispir Shareholders should note that there are risks associated with an investment in Whispir. The key risks are set out in Section 7 of this Target's Statement.

To accept the Soprano Offer, you should follow the instructions outlined in Section 3.3 of this Target's Statement, section 9.3 of the Bidder's Statement and the Acceptance Form which accompanies the Bidder's Statement. If you want to accept the Soprano Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

If you need any more information about the Soprano Offer, we recommend that you seek professional advice, or call 1300 043 194 (for calls made from within Australia) or +61 2 8355 1006 (for calls made from outside Australia) between 9.00am and 5.00pm (AEST) on Business Days.

Yours sincerely,



Brendan Fleiter  
Chairman

## 1. The Whispir Board's Recommendation and Reasons

After careful consideration of the Soprano Offer, the Whispir Board recommends that Whispir Shareholders **REJECT** the Soprano Offer.

In considering whether to reject or accept the Soprano Offer, the Whispir Board encourages you to:

- read both this Target's Statement (including the Independent Expert's Report) and the Bidder's Statement in their entirety;
- have regard to your individual risk profile, portfolio strategy, tax considerations, financial circumstances and investment horizon;
- obtain independent financial advice from your own broker or financial adviser regarding the Soprano Offer; and
- obtain taxation advice on the consequences for you of accepting the Soprano Offer.

### 1.1 Reasons to REJECT the Soprano Offer

This Section 1.1 summarises the key reasons why the Whispir Board recommends to Whispir Shareholders that they **REJECT** the Soprano Offer

**(a) Accepting Whispir Shareholders will lose the potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer, or any superior proposal for your Whispir Shares, should one emerge**

Since the announcement of the Soprano Offer, the Whispir Board has engaged in discussions with several parties to ascertain whether they may be interested in making an alternative or competing proposal to Whispir Shareholders.

As announced on 5 December 2023, Whispir has received the Pendula LOI from Pendula setting out its intention to submit a non-binding indicative proposal to acquire all Whispir Shares or, alternatively, to acquire Whispir's main undertaking (being the Pendula Proposal). Pendula is an Australian technology company with global offices in Australia, Europe and Singapore.

Pendula has stated in the Pendula LOI that any proposed non-binding, indicative offer will be at a premium to the bid price under the Soprano Offer of \$0.48 per Whispir Share.

The Pendula LOI states that Pendula's intention is to execute the acquisition of Whispir Shares through a scheme of arrangement or an acquisition of Whispir's main undertaking, or a combination of these two acquisition structures. The consideration proposed to be offered by Pendula is expected to be either all-cash or, alternatively, a combination of cash and scrip.

Pendula has undertaken preliminary due diligence on the Whispir business, and expects to submit the Pendula Proposal as an alternative to the Soprano Offer by close of business on Friday 8 December 2023.

If you decide to accept the Soprano Offer in respect of all of your Whispir Shares, you will not be able to sell those Whispir Shares or otherwise deal with the rights attaching to those Whispir Shares, subject to the limited rights to withdraw your acceptance. Consequently, if the Pendula Proposal proceeds to a binding offer, or a superior proposal is announced, and you have accepted the Soprano Offer, you will not be able to withdraw your acceptance in order to participate in the Pendula Proposal or any superior proposal.

The Whispir Board is considering the terms of the Pendula LOI and will continue to keep the Whispir Shareholders updated of any material developments in relation to the Pendula Proposal, in accordance with its continuous disclosure obligations.

However, the Whispir Board notes Pendula has only provided a statement of its current intention to make a non-binding, indicative offer. There is no certainty that this will lead to a binding offer from Pendula, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer. Further, the Whispir Board can give no assurances that any superior proposal will emerge or result in a transaction.

- (b) **Whispir has undertaken a restructure which has significantly reduced the cost base of the business. Together with implemented growth initiatives, the Whispir Board expects Whispir to generate positive cash flows in the second half of FY24 and revenue growth over the medium term. Accepting Whispir Shareholders will lose the opportunity to participate in the potential benefit of such initiatives, which are not yet realised**

Whispir has recently implemented a restructure to accelerate its move towards a cash flow positive position and profitability. These changes delivered approximately \$20 million of annualised savings, with free cash outflows improving to \$1.3 million for the fourth quarter of FY23.

With the restructure now complete, Whispir is well positioned to accelerate regional scale and revenue growth through its growth strategy (which is discussed in more detail in Section 4.3 of this Target's Statement) including:

- Strengthening sales channels through deeper integration with existing Telco partners, forming new partnerships with system integrators and expanding use cases with these partners.
- Enhancing current platform features and new services, including increased automation capabilities, higher margin channel options, and advanced data, and next generation 5G services.
- Diversifying Whispir's partners and resellers by integrating new Telcos and growing the Company's presence in the ANZ and Asia regions.
- Integrations with third-party software partners to position Whispir as the default communications intelligence partner, by leveraging data-driven insights.

Through these initiatives, Whispir is targeting positive free cash flow in the second half of FY24 and longer term growth. The potential benefits of the restructure and growth initiatives which, if realised, would provide better outcomes for Whispir Shareholders in the long-term, are yet to be realised. However, the Whispir Board notes that the potential benefits of the restructure are uncertain and may take longer than currently anticipated and thus require further capital to be raised.

If you accept the Soprano Offer, you will no longer hold an interest in Whispir and you will therefore forego the opportunity to potentially benefit from these recent initiatives and the potential growth of the Company.

**(c) Whispir's existing Board and management team are best placed to maximise the value of your Whispir Shares**

Soprano has indicated that in the event it acquires a Relevant Interest in more than 50%, but less than 90%, of Whispir Shares on issue, it will endeavour to implement a broad based review of Whispir's operations, replace some of the Whispir Board and not support any dividend payments in the foreseeable future. Further, subject to meeting ASX requirements, Soprano intends to arrange for removal of Whispir from the official list of ASX.

These intentions introduce material uncertainty surrounding the expertise and intentions of Soprano in the event a Relevant Interest between 50% and 90% is obtained.

The existing Board comprises two Non-Executive Directors (both of whom are independent) and the management team is led by Chief Executive Officer (CEO), Mr. Jeromy Wells, all of whom have extensive industry experience, expertise and leadership ability. As announced on 23 October 2023, Mr. Wells has resigned as CEO of Whispir, effective from the 23 February 2024. However, Mr. Wells will remain the CEO until a replacement has been appointed. Following the appointment of a new CEO, Mr. Wells will continue to support the Company as an Executive Director, focused on driving strategic growth initiatives. As such, Whispir will continue to benefit from Mr. Wells' extensive expertise. Refer to Section 4.6 for further detail on the experience of the Board and management.

The Whispir Board acknowledges that Whispir Shares have on average traded at a lower price in 2023 than in 2022. As previously disclosed, the Whispir Board and management team continue to focus on responsible growth, generating positive free cash flow and value maximisation strategies to address this situation. Refer to Section 1.1(a) and 4.3 regarding these initiatives.

The Whispir Board believes that the existing Board and management team are best placed to continue to employ these strategies. However, the Whispir Board cannot guarantee that under the existing Board and management's leadership, Whispir Securities will increase to trade at a higher price, as the benefits of the restructure are uncertain and yet to be realised, may take longer to realise than currently anticipated and may require further capital to be raised. Further, the future price of Whispir Shares is dependent on both Whispir's performance and external macroeconomic and market factors.

**(d) The Independent Expert has concluded that the Soprano Offer is not fair but reasonable for Whispir Shareholders not Associated with Soprano**

The Whispir Board appointed RSM Corporate Australia Pty Ltd to prepare an Independent Expert's Report on the Soprano Offer. The Independent Expert concluded that the Soprano Offer is not fair but reasonable for Whispir Shareholders not Associated with Soprano.

The Independent Expert has assessed the value of the Whispir Shares at a price of between \$0.4859 and \$0.5649 per Share and notes that "[t]he Offer Consideration sits below our range determined for the Fair Value of a WSP Share on a fully diluted and controlling basis". The Offer Price provided by Soprano is marginally below this range, and as such, the Independent Expert has concluded that the Soprano Offer is "not fair".

A full copy of the Independent Expert's Report is attached to this Target's Statement as Attachment 1. The Whispir Board encourages Whispir Shareholders to read the Independent Expert's Report in its entirety before making a decision as to whether to reject or accept the Soprano Offer.

**(e) The Soprano Offer does not reflect the underlying value of Whispir Shares**

The Whispir Board believes that the Soprano Offer does not provide value for Whispir Shares having regard to the long-term potential of the business, as described above.

The Independent Expert concluded that "the quoted listed price does not accurately reflect the intrinsic fair value of WSP, as it is influenced by market sentiment towards the technology sector generally as well as towards Whispir as a loss-making company which has undertaken a recent restructuring and significant fund raising activities to sustain flexibility in its future operations".

Further, prior to the Soprano Offer, the Whispir Share price was trading at a 54% discount to its 52-week high prior to the date the Soprano Offer was announced. If you accept the Soprano Offer, will not be able to participate in any future increases in the Whispir Share price. The Whispir Board cannot guarantee that Whispir Shares will continue to trade at the current level nor that there will be any future increase in the Whispir Share price.

**(f) The Soprano Offer does not recognise the strategic value of Whispir to Soprano**

Whispir considers that Soprano would benefit from cost, operations and revenue synergies given the complementary nature of the Soprano and Whispir businesses. The Independent Expert notes that Whispir's integration in Telstra's operational model and increasing engagement with SingTel reduces the risk associated with revenue growth. A large proportion of Whispir's customers are government clients, who also carry less associated risk in realising revenues.

The Whispir Board is also of the opinion that the Soprano Offer does not reflect the strategic value of the Whispir business and assets to Soprano. Whispir has strong long-term strategic partnerships which are complementary to the Soprano business, including with Telstra and Singtel, as well as a customer base in similar locations and industries.

**(g) Accepting Whispir Shareholders will not be able to sell their Shares on-market and will lose the opportunity to realise value in any possible Whispir Share price appreciation longer term**

You may wish to realise your investment in Whispir through the sale of some or all of your Whispir Shares on the ASX market.

However, if you accept the Soprano Offer, you will no longer be able to trade your Whispir Shares on-market, unless you are entitled to withdraw your acceptance of the Soprano Offer in the limited circumstances described in Section 6.6 of this Target's Statement.

There is a possibility that the future Whispir Share price may exceed the Offer Price. If you accept the Soprano Offer, you will be unable to sell your Whispir Shares on market and realise any higher price at which the Whispir Shares may trade (although the Whispir Board can give no assurances that the Whispir Share price will exceed the Offer Price in the future).

## **1.2 Director's intentions**

Each Director of the Whispir Board who has a Relevant Interest in Whispir Shares currently intends to reject the Soprano Offer in relation to those Whispir Shares.

### 1.3 Reasons why Whispir Shareholders may consider accepting the Soprano Offer

This Section 1.3 summarises the key reasons why you may decide to accept the Soprano Offer

**(a) The Soprano Offer provides Whispir Shareholders with certainty of value for their Whispir Shares, being \$0.48 cash consideration for each Whispir Share**

The Whispir Board recognises that the all-cash Soprano Offer provides an opportunity for immediate cash return to Whispir Shareholders. Whispir Shareholders with a short-term view of their investment and lower risk investment profile may find the cash certainty of \$0.48 per Whispir Share attractive.

If you reject the Soprano Offer, and retain your Whispir Shares, the price which you may ultimately realise for your Whispir Shares is uncertain and you will continue to be exposed to the risks and uncertainties associated with remaining a Whispir Shareholder (see Section 1.2(b) below). If you accept the Soprano Offer, subject to the Soprano Offer becoming unconditional, you will:

- be paid \$0.48 cash for each of your Whispir Shares;
- not incur any brokerage fees which would likely be incurred if you were to sell your Whispir Shares on-market; and
- receive your cash consideration within 1 month after the Soprano Offer becomes unconditional, but in any case no later than 21 days after the end of the Offer Period.

**(b) Accepting Whispir Shareholders will no longer be exposed to the risk associated with remaining a Whispir Shareholder, including with respect to implementation of the restructure and growth initiatives**

If you accept the Soprano Offer, subject to the Soprano Offer becoming unconditional, you will no longer be exposed to the risks of remaining a Whispir Shareholder. The key risk factors for remaining a Whispir Shareholder are discussed in Section 7.

As noted in Section 1.1(b) above, Whispir has recently implemented a restructure (to accelerate its move towards a cash flow positive position and profitability) and other product initiatives. There are risks associated with making the necessary changes to turn around the performance of the Company and the Whispir Board cannot guarantee that, despite the savings of the restructure that have already been realised, the business will generate sufficient cash flows and therefore may not deliver increased value to Whispir Shareholders as expected. Further, Whispir may require additional funding to implement these growth initiatives. There is a risk that Whispir may be unable to access debt or equity funding from the capital markets or its existing lenders on favourable terms, or at all.

In addition, as announced on 23 October 2023, Mr. Jeromy Wells has resigned as CEO of Whispir and Whispir has currently paused the search for his replacement in light of the Soprano Offer.

**(c) As the Pendula LOI is only a statement of current intention by Pendula, there is no certainty that this will lead to a binding offer at least on the same or similar terms (or at all), or result in a transaction**

As noted above, the Whispir Board has received the Pendula LOI setting out Pendula's intention to submit a non-binding indicative proposal to acquire all Whispir Shares through a scheme of arrangement or, alternatively, to acquire Whispir's main undertaking (being the Pendula Proposal).

As the Pendula LOI is only a statement of current intention, the Whispir Board can give no assurance that the Pendula Proposal will be made, or will ultimately lead to a binding offer, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer. However, the Whispir Board is considering the terms of the Pendula LOI, will actively engage with Pendula in relation to the Pendula Proposal and will continue to keep the Whispir Shareholders updated of any material developments in this regard.

Further, Soprano has indicated in its Bidder's Statement that if a competing scheme proposal emerges for Whispir then Soprano will vote all Whispir Shares that it owns, at the relevant time, against the competing scheme proposal, and if a competing takeover proposal emerges for Whispir then Soprano will not accept any of its Whispir Shares into the competing takeover proposal.

As Soprano holds a Relevant Interest in 15.80% of Whispir Shares<sup>3</sup>, Soprano's stated intention of not supporting a competing proposal could impede Pendula's ability to obtain the requisite approvals of Whispir Shareholders for the transactions contemplated by the Pendula Proposal, particularly under the scheme of arrangement structure.

**(d) The Independent Expert has concluded that the Soprano Offer is not fair but reasonable for Whispir Shareholders not Associated with Soprano**

While the Independent Expert views the Soprano Offer as "not fair", it has assessed the Soprano Offer as "reasonable" after taking all other aspects, other than just value, into consideration.

**(e) If Soprano acquires a controlling stake in Whispir, there could potentially be adverse consequences for non-accepting Whispir Shareholders, including becoming a minority Whispir Shareholder**

Soprano currently has a Relevant Interest in 15.80% of Whispir Shares.<sup>4</sup>

Section 6.3 of the Bidder's Statement sets out Soprano's intentions in relation to Whispir, including Soprano's intentions where it acquires some, but not all, of the shares in Whispir.

The Soprano Offer is not subject to a minimum acceptance condition. If Soprano is not entitled to proceed to compulsory acquisition, but obtains control of the company (to the extent it acquires Relevant Interests in at least 50.1% of Whispir Shares), non-accepting Shareholders will become minority Shareholders in a company which would be controlled by a single large Whispir Shareholder (being Soprano) and which may reduce liquidity of Whispir Shares. This may make it more difficult to sell your Whispir Shares outside the Soprano Offer at current price levels. Refer to Section 6.10 regarding the possible implications of becoming a minority Whispir Shareholder.

There is also a possibility of Whispir being delisted following the Soprano Offer,

<sup>3</sup> Based on 135,146,251 Whispir Shares on issue.

<sup>4</sup> Based on 135,146,251 Whispir Shares on issue.

depending on the level of acceptances.

Change of control provisions in some of Whispir's material contracts may also be triggered which may give rise to termination rights in favour of the counterparties and lead to adverse consequences for Whispir. Refer to Section 9.11 of this Target's Statement for further details on these material contracts.

**(f) The Whispir Share price may fall in the absence of the Soprano Offer or a superior proposal**

Whispir Shareholders should note that the announcement of the Soprano Offer resulted in an increase to the Whispir Share price. Since the announcement of the Soprano Offer, Whispir Shares have traded in a range between \$0.48 and \$0.50 per Whispir Share.

If the Soprano Offer is unsuccessful and the Pendula Proposal, if made, does not proceed to a binding offer, or is unsuccessful, and no alternative proposal emerges, it is possible that the Whispir Share price may trade below the current traded levels.

**(g) No alternative or superior proposal may emerge**

As noted in Section 9.12, the Whispir Board has been in discussions with third parties regarding potential alternative proposals to Whispir Shareholders. As at the date of this Target's Statement, the Whispir Board has received the Pendula LOI, however, no alternative or competing proposal has been made and there is no certainty that any superior proposal will emerge.



## 2. Frequently asked questions

Section 2 answers some commonly asked questions about the Soprano Offer. It is not intended to address all relevant issues for Whispir Shareholders. This Section should be read together with all other parts of this Target's Statement (including the Independent Expert's Report).

Question	Answer
Who is offering to purchase my Whispir Shares?	<p>The Soprano Offer is being made by Soprano, a wholly-owned subsidiary of Soprano Design Pty Ltd, which currently holds a Relevant Interest in approximately 15.80% of the Whispir Shares (as at the day preceding the date of this Target's Statement).<sup>5</sup></p> <p>Further information in relation to Soprano is set out in Section 4.1 of this Target's Statement.</p>
What is Soprano offering for my Whispir Shares?	<p>The Offer Price under the Soprano Offer is <b>\$0.48 cash</b> per Whispir Share.</p>
What is the Bidder's Statement?	<p>The Bidder's Statement is the document prepared by Soprano setting out the terms of the Soprano Offer, a copy of which was originally dated and lodged with ASIC and released on ASX on 6 November 2023 (as supplemented by Soprano's First Supplementary Bidder's Statement dated 21 November 2023).</p>
What is this Target's Statement?	<p>This Target's Statement is Whispir's formal response to the Soprano Offer, including the recommendation from the Whispir Board. The Target's Statement contains information to help you decide whether to reject or accept the Soprano Offer for your Whispir Shares.</p>
What choices do I have as a Whispir Shareholder?	<p>As a Whispir Shareholder, you have the following choices in respect of your Whispir Shares:</p> <ul style="list-style-type: none"><li>• <b>reject</b> the Soprano Offer by doing nothing;</li><li>• <b>sell</b> your Whispir Shares on-market, unless you have previously accepted the Soprano Offer and have not validly withdrawn your acceptance (see below); or</li><li>• <b>accept</b> the Soprano Offer.</li></ul> <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Sections 3, 6.5 and 7 of this Target's Statement.</p> <p>You should seek legal, financial and taxation advice from your professional adviser regarding the action that you should take in relation to the Soprano Offer.</p>
What is the Whispir Board recommending?	<p>The Whispir Board recommends that you reject the Soprano Offer.</p> <p>The reasons for the Whispir Board's recommendation are set out in Section 1 of this Target's Statement.</p> <p>The Whispir Board believes that the decision as to whether or not to accept the Soprano Offer depends on the circumstances for each individual shareholder, including risk profile, portfolio strategy, tax</p>

<sup>5</sup> Based on 135,146,251 Whispir Shares on issue.

Question	Answer
	position, financial circumstances and investment time horizon.
What is the Independent Board Committee (IBC)?	<p>The IBC is a special Board committee of the Company's independent Directors which was established to evaluate and respond to the Soprano Offer.</p> <p>The members of the IBC are Mr. Brendan Fleiter and Ms. Sarah Morgan. Mr. Jeromy Wells is CEO and Executive Director of Whispir and holds a Relevant Interest in approximately 9.16% of the Whispir Shares. As such, he is not considered an independent Director for the purposes of the IBC.</p>
What is the IBC recommending?	<p>The IBC recommends that you reject the Soprano Offer.</p> <p>The reasons for the IBC's recommendation are the same as the reasons for the Whispir Board's recommendation, which are set out in Section 1 of this Target's Statement.</p>
What do the Directors intend to do with their own Whispir Shares?	Each Director of the Whispir Board currently intends to reject the Soprano Offer in respect of the Whispir Shares in which they have a Relevant Interest.
What does the Independent Expert say?	<p>The Independent Expert has concluded that the Soprano Offer is not fair but reasonable to Whispir Shareholders not Associated with Soprano. The Independent Expert has valued the Whispir Shares at between \$0.4859 and \$0.5649 per Whispir Share on a control basis.</p> <p>A copy of the Independent Expert's Report is attached to this Target's Statement as Attachment 1. You should read the Independent Expert's Report carefully.</p>
How do I reject the Soprano Offer?	To reject the Soprano Offer, you do not need to do anything.
How do I accept the Soprano Offer?	Instructions on how to accept the Soprano Offer are set out in Section 3.3 of this Target's Statement, section 9.3 of the Bidder's Statement and the Acceptance Form which accompanies the Bidder's Statement. If you want to accept the Soprano Offer, you should follow these instructions carefully to ensure that your acceptance is valid.
When does the Soprano Offer close?	<p>The Offer Period must remain open for at least 1 month. It is currently scheduled to close at 7.00pm (Sydney time) on Thursday, 21 December 2023 but can be extended in certain circumstances.</p> <p>The Whispir Board will keep you informed if there are any material developments in relation to the Soprano Offer. Whispir Shareholders are also encouraged to monitor the Whispir website at <a href="https://www.whispir.com/en-au/">https://www.whispir.com/en-au/</a> for any updates released by Whispir to ASX on the Soprano Offer.</p>

Question	Answer
What is the Pendula Proposal?	<p>As announced on 5 December 2023, Whispir has received the Pendula LOI which sets out Pendula's intention to submit a non-binding indicative proposal to execute the acquisition of all Whispir Shares through a scheme of arrangement or an acquisition of Whispir's main undertaking, or a combination of these two acquisition structures (being the Pendula Proposal). The consideration proposed to be offered by Pendula is expected to be all-cash consideration or, alternatively, a combination of cash and scrip.</p> <p>Pendula has stated in the Pendula LOI that any proposed non-binding, indicative offer will be at a premium to the bid price under the Soprano Offer of \$0.48 per Whispir Share.</p> <p>The Whispir Board is considering the terms of the Pendula LOI. However, there is no certainty that the Pendula Proposal will lead to a binding offer, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer</p>
What will happen if a competing or alternative proposal emerges?	<p>The Whispir Board will carefully consider any competing or alternative proposal, including the Pendula Proposal, if received by the Company, and will advise you whether the competing proposal affects the Whispir Board's recommendation in relation to the Soprano Offer or its view of the Pendula Proposal.</p> <p>Importantly, if you accept the Soprano Offer, you will be unable to withdraw your acceptance and accept the Pendula Proposal, should it proceed to a binding offer, or any competing or alternative proposal if one emerges, except in limited circumstances (which are set out below and in Section 6.6 of this Target's Statement).</p>
If I accept the Soprano Offer, can I withdraw my acceptance?	<p>You only have limited rights to withdraw your acceptance of the Soprano Offer.</p> <p>You may only withdraw your acceptance if Soprano varies the Soprano Offer in a way that postpones the time when Soprano is required to satisfy its obligations by more than 1 month.</p> <p>If you accept the Soprano Offer and it becomes unconditional, you will be obliged to sell your Whispir Shares to Soprano and you will receive the Offer Price under the Soprano Offer.</p> <p>See Section 6.6 of this Target's Statement.</p>
Can Soprano withdraw the Soprano Offer?	<p>Soprano may be able to withdraw the Soprano Offer if it obtains the written consent of ASIC, subject to the conditions (if any) specified in such consent. Soprano may not withdraw the Soprano Offer if you have already accepted it and the Condition has been satisfied or waived.</p>

Question	Answer
What happens if Soprano increases the Offer Price?	<p>Soprano has indicated in its Bidder's Statement that the Soprano Offer is its <b>best and final offer and will not be increased</b> (in the absence of an alternative or competing proposal for Whispir).</p> <p>Accordingly, Soprano cannot increase the Offer Price, in the absence of an alternative or competing proposal. If the Pendula Proposal is made as described in the Pendula LOI, then Soprano would be able, should it so choose, to increase the Offer Price. However, this is a matter for Soprano who may ultimately decide not to increase the Offer Price.</p> <p>If Soprano does improve the Offer Price, in the event of an alternative or competing proposal, all Whispir Shareholders, whether or not they have accepted the Soprano Offer before that improvement in the Offer Price, will be entitled to the benefit of that improved Offer Price. However, the improved Offer Price will <b>not</b> be available to Whispir Shareholders who have already sold their Whispir Shares on-market.</p>
Can I accept the Soprano Offer for only some of my Whispir Shares?	<p>Yes, you can accept the Soprano Offer for all or part of your Whispir Shares.</p> <p>However, if you remain a Whispir Shareholder, you may become a minority Whispir Shareholder if more than 50% but less than 90% of Whispir Shares are acquired by Soprano under the Soprano Offer.</p> <p>This has a number of possible implications which are set out in Section 6.10 of this Target's Statement.</p>
Will I be forced to sell my Whispir Shares?	<p>You cannot be forced to sell your Whispir Shares unless Soprano proceeds to compulsorily acquire Whispir Shares under Chapter 6A of the Corporations Act.</p> <p>In summary, Soprano will need to acquire a Relevant Interest in at least 90% (by number) of the Whispir Shares (under the Soprano Offer or otherwise). If Soprano acquires 90% or more of all Whispir Shares and proceeds to compulsorily acquire all Whispir Shares on issue, then you will be paid the same consideration as is payable by Soprano under the Soprano Offer.</p> <p>Please refer to Section 6.9 of this Target's Statement for more information about the compulsory acquisition process.</p>
What are the risks and consequences of accepting or rejecting the Soprano Offer?	<p>A non-exhaustive list of risks in accepting or rejecting the Soprano Offer is set out in Sections 1, 5.3, 6.9, 6.10, 7 and 8 of this Target's Statement.</p>
Is the Soprano Offer conditional?	<p>The Soprano Offer is subject to the Condition that, from the date of the Bidder's Statement until the end of the Offer Period, there are no Prescribed Occurrences. These Prescribed Occurrences are set out in section 9.7 of the Bidder's Statement and Section 6.3 of this Target's Statement.</p>

Question	Answer
Is there any minimum acceptance condition?	No, the Soprano Offer is not subject to a minimum acceptance condition.
What happens if the Condition is not satisfied or waived?	<p>If the Condition is not satisfied or waived by the end of the third Business Day after the end of the Offer Period, the Soprano Offer will lapse and your acceptance will be void. You will then be free to deal with your Whispir Shares as you see fit, even if you had accepted the Soprano Offer.</p> <p>If the Condition is satisfied or waived by this time, you will be paid the Offer Price by Soprano (subject to the terms of the Soprano Offer in the Bidder's Statement).</p>
When will I receive the Offer Price if I accept the Soprano Offer?	<p>If you accept the Soprano Offer in accordance with the instructions contained in the Bidder's Statement and Acceptance Form and the Soprano Offer becomes unconditional, you will be sent your consideration within 1 month after the Soprano Offer becomes unconditional, but in any case no later than 21 days after the end of the Offer Period.</p> <p>See Section 6.7 of this Target's Statement for further information.</p>
What are the tax implications of accepting the Soprano Offer?	A general outline of the tax implications of accepting the Soprano Offer is set out in Section 8 of this Target's Statement. You should consult with your taxation adviser for detailed advice before making a decision whether or not to accept the Soprano Offer.
Who should I call if I have questions?	If you have any further queries in relation to the Soprano Offer or how to accept the Soprano Offer, you should call 1300 043 194 (for calls from within Australia) or +61 2 8355 1006 (for calls from outside Australia) between 9.00am and 5.00pm (AEDT) on Business Days, or email at <a href="mailto:whispir@shareholdersfirst.com.au">whispir@shareholdersfirst.com.au</a>

### 3. Your choices as a Whispir Shareholder

If you are a Whispir Shareholder, you have three choices available to you:

- (a) **reject** the Soprano Offer and do nothing;
- (b) **sell** some or all of your Whispir Shares on-market (or otherwise); or
- (c) **accept** the Soprano Offer.

The Whispir Board encourages you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Whispir Shares.

#### 3.1 Reject the Soprano Offer and do nothing

**The Whispir Board recommends that you REJECT the Soprano Offer.**

If you do not wish to accept the Soprano Offer and wish to retain your Whispir Shares, you do not need to take any action.

Simply disregard the documents sent to you by Soprano. In particular, you should not complete or return the Acceptance Form that accompanied the Bidder's Statement, nor should you respond to any documentation sent to you by Soprano or any other communication from Soprano (including telephone solicitation or canvassing by Soprano or its representatives).

Whispir Shareholders should note that if Soprano acquires a Relevant Interest in at least 90% of the Whispir Shares, Soprano will be entitled to compulsorily acquire all Whispir Shares that it does not already own under the Corporations Act.

Please refer to Section 6.9 of this Target's Statement for further details on compulsory acquisition.

Whispir Shareholders should also note that if Soprano acquires more than 50% but less than 90% of the Whispir Shares, and you continue to hold Whispir Shares, you will be exposed to the risks associated with being a minority shareholder of Whispir. Some of these risks are explained in Sections 6.10 and 7.2.

#### 3.2 Sell your Whispir Shares on-market

During a takeover, shareholders in a target company may still sell their shares on-market for cash provided that they have not accepted a takeover offer for those shares. Accordingly, Whispir Shareholders remain free to sell their Whispir Shares on-market on the ASX at any time, provided they have not already accepted the Soprano Offer (or if a Whispir Shareholder has accepted the Soprano Offer, that Whispir Shareholder has validly withdrawn that acceptance).

The latest price for Whispir Shares on the ASX may be obtained from ASX's website [www.asx.com.au](http://www.asx.com.au) under the code 'WSP'.

Whispir Shareholders who sell their Whispir Shares on-market will receive consideration for their Whispir Shares sooner than if they accept the Soprano Offer. However, those Shareholders:

- will lose the ability to accept the Soprano Offer and receive the Offer Price (and any subsequent improvement in the Offer Price) in relation to those Whispir Shares, or to participate in any superior proposal that may emerge, including any potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer;

- may receive more or less for their Whispir Shares than the consideration under the Soprano Offer of \$0.48 cash per Whispir Shares;
- may incur a brokerage charge;
- will be paid the net proceeds of sale on the second Business Day after the date of trade, and will not have to wait for satisfaction or waiver of the Condition and the end of the Offer Period, as would be the case if accepting into the Soprano Offer; and
- will lose the opportunity to receive future returns from Whispir in relation to those Whispir Shares.

Whispir Shareholders who sell their Whispir Shares on-market may be liable for capital gains tax or income tax on the sale and may incur a brokerage charge (see Section 8 of this Target's Statement). You should seek your own specific professional advice regarding the taxation consequences for you of selling your Whispir Shares on-market.

Whispir Shareholders who wish to sell their Whispir Shares on-market should contact their stockbroker for instructions on how to effect that sale.

### 3.3 Accept the Soprano Offer

The Whispir Board recommends that you reject the Soprano Offer. However, if you have a short-term view of your investment in Whispir, you may wish to consider accepting the Soprano Offer, notwithstanding the Pendula LOI and in the absence of any superior proposal. Details of how you may accept the Soprano Offer are set out below.

#### (a) How to accept the Soprano Offer

If you choose to accept the Soprano Offer, then your acceptance must be received by Soprano before the end of the Offer Period. Instructions on how to accept the Soprano Offer are set out in section 9.3 of the Bidder's Statement and on the Acceptance Form that accompanies the Bidder's Statement. If you want to accept the Soprano Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

How you accept the Soprano Offer depends on the nature of your holding:

- if your Whispir Shares are in an Issuer Sponsored Holding and you want to accept the Soprano Offer, you may accept the Soprano Offer online or by using the physical Acceptance Form:
  - **Online acceptance:** To accept the Soprano Offer online, you must log in to <https://investor.automic.com.au/#/home> and follow the instructions below:
    1. select "Whispir Limited Takeover Offer" from the dropdown list in the Issuer Name Field;
    2. enter your HIN / Holder Reference as shown on the top of your Acceptance Form;
    3. enter your postcode OR country of residence (only if outside Australia);
    4. tick the box "I'm not a robot" and then select "Next"; and
    5. complete the prompts to set up your username and password details.
  - **Acceptance Form:** To accept the Soprano Offer using a physical Acceptance Form you must complete and sign the Acceptance Form

enclosed with the Bidder's Statement and return it to the address indicated on the form before the Soprano Offer closes.

- if your Whispir Shares are in a CHESS Holding and you want to accept the Soprano Offer, you may accept the Soprano Offer online or by using the physical Acceptance Form (as above). Alternatively, you can accept the Soprano Offer by instructing your Controlling Participant (normally your broker) to accept the Soprano Offer on your behalf, before the Soprano Offer closes.
- if you are a Participant and you want to accept the Soprano Offer, acceptance of the Soprano Offer must be initiated in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the Soprano Offer closes.

**(b) Effect of acceptance**

If you accept the Soprano Offer and it becomes or is declared unconditional, you will be entitled to be paid the Offer Price by Soprano in accordance with the terms of the Soprano Offer (see Section 6.7 of this Target's Statement for further information on timing for payment of the Offer Price).

The effect of acceptance of the Soprano Offer is described in more detail in section 9.5 of the Bidder's Statement and Section 6.7 of this Target's Statement). You should read these provisions in full to understand the effect that your acceptance will have on your ability to exercise the rights attaching to your Whispir Shares and the undertakings, authorisations, representations and warranties which you give by accepting the Soprano Offer.

It is worth noting that accepting the Soprano Offer would (subject to the possible withdrawal rights set out in Section 6.6 of this Target's Statement):

- prevent you from withdrawing or revoking your acceptance in limited circumstances, meaning that you may be prevented from selling your Whispir Shares on-market or lose the potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer, or any competing superior proposal that may emerge;
- commit you to selling all of your Whispir Shares to Soprano with no right to payment until the Soprano Offer becomes, or is declared, unconditional; and
- prevent you from otherwise selling your Whispir Shares.

The taxation implications of accepting the Soprano Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian taxation consequences of accepting the Soprano offer is set out in Section 8 of this Target's Statement. You should seek your own specific professional advice regarding the taxation consequences for you in accepting the Soprano Offer.



## 4. Information relating to Whispir

### 4.1 Introduction

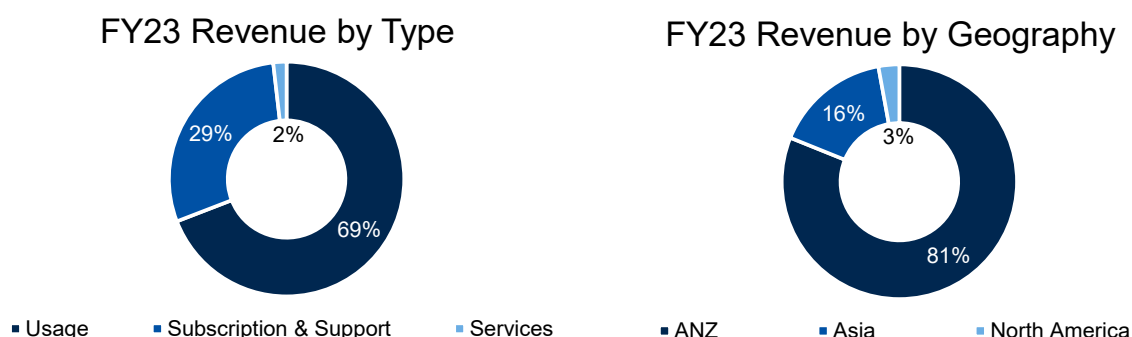
Whispir is a global communications intelligence company that supplies a no code, Communications-as-a-Service ("**CaaS**") platform that enables seamless omnichannel interactions between organisations, their systems and people to solve common challenges in terms of compliance, deliverability and engagement.

The Whispir platform facilitates business coordination, customer engagement and crisis management. The product is billed on a subscription plus usage basis and is sold through a reseller partner network that includes large international telecommunications carriers, and direct sales.

Founded in 2001, Whispir is headquartered in Melbourne, Australia and employs approximately 140 people across ANZ, Asia and North America. Whispir serves an established customer base of primarily government and enterprise customers.

For the financial year ended 30 June 2023, Whispir delivered \$53.7 million in revenue.

**Figure 1: FY23 Revenue Segmentation**



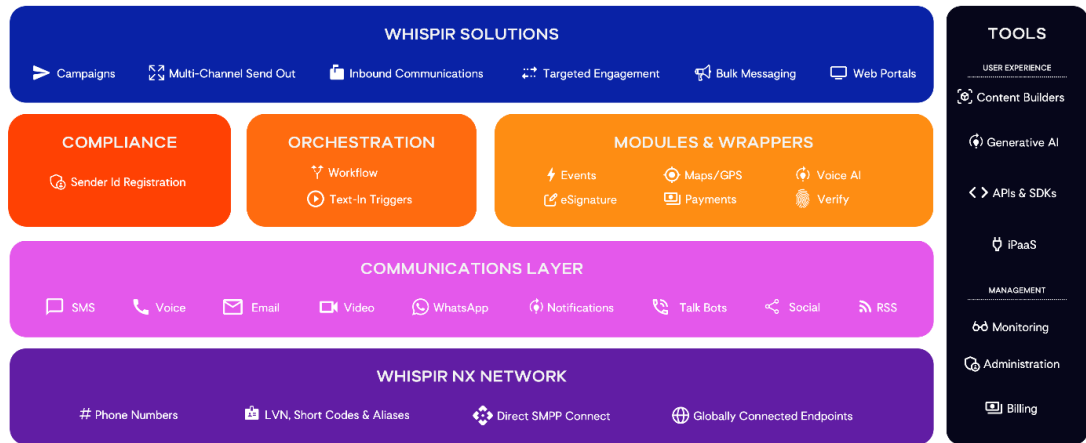
### 4.2 Operational overview

#### (a) Whispir Platform

Whispir is a no-code communications platform that automates seamless omnichannel interactions between organisations, their systems and people to solve common operations and customer engagement challenges.

The platform allows its customers to tailor messaging and communications with rich messaging, personalisation, brand consistency and integrations across a variety of communication platforms including SMS, voice, email and WhatsApp. Whispir's intuitive user interface allows for multiple touch-points within an organisation and can be centrally managed with sophisticated permissioning, contact management and security options.

**Figure 2: Whispir Platform Overview**



## (b) Competitive advantage

Whispir's competitive advantage is underpinned by continued investment in R&D to drive product innovation, its strong market position and significant demand for intelligent communications solutions. Whispir's competitive advantages include:

- **No code – drag & drop:** Communications workflows that can be built and managed by knowledge workers with no developers required.
- **Compliance automation:** Capability to automate the management of certain regulatory requirements to improve message sending compliance.
- **Advanced security:** Multiple security layers, features and protocols.
- **Use case inclusivity:** Thousands of unique use cases supported by the Whispir platform provide unmatched flexibility to serve customers quickly.
- **Unique data set:** Billions of records in Whispir's data lake can be leveraged with other data sets to provide unique insights and improve engagement.
- **Very sticky solutions:** Once implemented and 3 or more use cases have been deployed, Whispir typically becomes embedded in a customer's business processes and rarely loses a long standing customer.
- **Best-in-class deliverability:** Unmatched capacity to deliver messages across multiple regions consistently and quickly.
- **Strong Channel partners:**
  - Sticky customer relationships between telcos and customers provide a strong barrier to entry for competitors in ANZ & ASEAN.
  - Unique access to very large whole of business telco sales opportunities, where only telco approved solutions can participate.
  - Long tail revenues from resellers as contracts require both parties to grandfather all existing customer contracts in the event the reseller ceases.

## (c) Go-to-market strategy

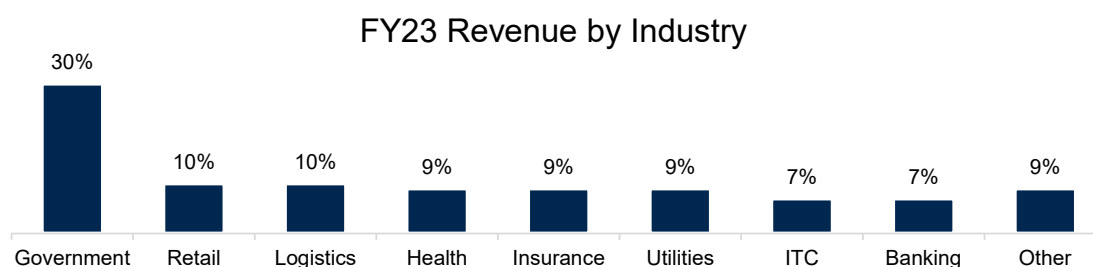
Whispir's large and growing network of partners allow them to achieve capital efficient market reach.

- **Channel Partners – Telcos:** Large scale, capital efficient market reach, where Whispir's unique value proposition differentiates and creates new revenue generation opportunities.
- **Consulting Partners – System Integrators:** Rapid ROI for large customers leveraging Whispir's pre-built capabilities and functionality to quickly deliver customer value and impact.
- **Consulting Partners – Resellers:** Resell Whispir to particular segments and geographies including commercial and public sector entities.
- **Platform Partners:** Platform partners drive co-innovation on solutions and extend Whispir's unique value proposition with cloud marketplaces.
- **Technology Partners – Independent Software Vendors (“ISV”):** ISV partners integrate with the Whispir platform, or embed Whispir capabilities into their product, or extend rich communications and engagement capabilities.

#### (d) Key customers

Whispir has a diversified blue-chip customer base across a variety of industries. The Company's focus is on enterprise and government customers, leading to strong net revenue retention of >103% and less than 3.0% LTM Churn for FY23<sup>6</sup>.

**Figure 3: Revenue by Industry**



### 4.3 Whispir's growth strategy

Whispir's strategic focus is centred on responsible growth and generating positive free cash flow. The Company's strategy reflects a combination of technological advancement, market expansion, customer-centric approaches, and careful financial planning. The key elements of Whispir's growth strategy are outlined below.

- **Strengthening sales channels:** Whispir is seeking to achieve deeper integration with the Company's existing Telco partners and to form new partnerships with other system integrators and resellers. Deeper integration with these partners is expected to create increased transactional activity and revenue. Whispir also intends to expand use cases with the Telcos and provide new product and service offerings. In the longer term, 5G services are expected to provide additional revenue opportunities.
- **Enhancing current features and new services:** Whispir aims to continue to enhance its platform by increasing automation capabilities. This would allow

<sup>6</sup> Source: Investor Presentation – FY23 Results

customers to more efficiently derive value from the platform, enabling them to streamline communication processes and improve their own operations. Whispir also aims to provide additional and higher margin channel options, as part of the omnichannel communications mix, which is expected to increase both revenue and gross margins. These enhancements are also expected to support more advanced data and next generation 5G service offerings.

- **Diversification of partners and resellers:** Whispir will continue to integrate new Telcos to Whispir's partner ecosystem, to leverage Whispir's proven Telco use cases and in turn increase geographic and revenue diversity. In particular, the Company aims to grow its presence in the ANZ and Asia regions. This expansion involves leveraging its existing regional hubs including existing customer success infrastructure. By having a localised approach, Whispir can better understand and meet the needs of customers in these regions.
- **Becoming a communications intelligence leader:** Whispir is focused on utilising integrations with third-party software partners to position the Company as the default communications intelligence company. This involves harnessing the power of data and analytics to help customers optimise their communication strategies, in particular, the engagement they have with their customers.

#### 4.4 Summary financials

Whispir's revenue comprises usage based, subscription & support, and services revenue. The largest component of revenue remains usage based usage revenue which represented 69% of total revenue in FY23.

Total revenue decreased by \$16.9 million (24%) to \$53.7 million for the year ending 30 June 2023, compared to the prior year ending 30 June 2022. Revenue in ANZ decreased 29% due to the reduction in COVID-19 related transactional revenue. Asia revenue increased 24% due to strong momentum in the region, underpinned by a significant Telco contract won in the prior year.

Internationally, the company's strategic direction is more focused on the ASEAN region given favourable competitive dynamics and stronger channel partnerships. Consequently, the pivot from North America has led to a decrease in revenue for that region by 16% (the region with the smallest revenue contribution), with the Company's resources largely focused on the opportunity in Asia.

Consolidated	2023 \$'000	2022 \$'000	Change %
Total revenue	53,736	70,623	(23.9%)
Cost of services	(21,346)	(29,331)	(27.2%)
Gross profit	32,390	41,292	(21.6%)
Gross margin %	60.3%	58.5%	3.0%
Operating expenses	(51,233)	(60,724)	(15.6%)
Net interest and income tax expense	(138)	(4)	3,350.0%
<b>Net loss after tax</b>	<b>(18,981)</b>	<b>(19,436)</b>	<b>(2.3%)</b>
<i>Add back:</i>			
Depreciation and amortisation	6,218	6,822	(8.9%)
Net interest and tax	138	4	3,350.0%
Share-based payments (credit) / expense	(133)	2,031	(106.5%)

<b>EBITDA (ex. non-cash share-based payments)</b>	<b>(12,758)</b>	<b>(10,579)</b>	<b>20.6%</b>
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In FY22, Whispir experienced a significant surge in usage revenue driven by the COVID-19 pandemic, which led to increased demand for communication services. These services included messaging for vaccine rollouts, radiology / pathology testing labs, e-prescription messaging, and local government job seeker initiatives. Reduction in Australian revenue in FY23 was partly attributable to the cycling of health communication contracts post-COVID from state to local level.

It is clear that the unique circumstances of the COVID-19 pandemic accelerated once-off episodic revenues during that period. Post-COVID, there has been a material decrease in once-off episodic revenues by \$17.6 million (32%) to \$37.1 million in ANZ for the financial year ended 30 June 2023.

Revenue implications aside, Whispir considers that it played a critical role enabling health authorities to effectively manage the COVID-19 vaccination roll-out across multiple States. Whilst this episodic revenue will not repeat, the use cases will, and the market validation of the Whispir Platform's capacity and capability to perform under unprecedented work loads has built significant brand equity/reputation.

The ability of Whispir to embed communication and collaboration into business applications and processes to support enterprise digital transformation requirements is driving future growth. Moreover, the increasing adoption of Omni channel communication models by enterprises is expected to provide Whispir with significant future growth opportunities.

## 4.5 Trading update

Whispir delivered FY2023 revenue of \$53.7 million, marking a 24% decrease from the year prior, primarily attributable to the cessation of pandemic-related usage revenues. Gross margins increased to 62% in the second half with further improvement anticipated in FY2024 as negotiated reduced pricing from Telco carriers comes into effect.

## 4.6 Senior management

### (a) Board of Whispir

As at the date of this Target's Statement, the Directors of Whispir are:

Name	Position
Mr. Brendan Fleiter	Non-Executive Director and Chairman
Mr. Jeromy Wells	Executive Director and Chief Executive Officer
Ms. Sarah Morgan	Non-Executive Director

A brief description of each Director and their relevant experience is shown below:

#### Brendan Fleiter

Brendan has over 30 years of business experience, including more than 20 years of non-executive directorships on the boards of ASX listed, large private, government and not-for-profit enterprises.

Brendan also currently chairs the boards of Kennards Hire and Interactive, and serves as a Non-Executive Director of Australian Food Allergy Foundation.

Brendan was previously a commercial lawyer (1987-2002), CEO and executive director of Crazy John's Group (2002-2009), Chair of Titan Media Group (2010-2011), Chair (2018)

and non-executive director of Godfreys Group (2014-2018), Deputy Chair and non-executive director of Australia Post (2011-2017) and Methodist Ladies' College (2008-2016), non-executive director of People Telecom (2002-2008), Rhinomed (2011-2012), Royal District Nursing Service (2013) and NewSat (Sep 2013 - June 2014). NewSat was placed into external administration in April 2015. Brendan holds a Bachelor of Jurisprudence and a Bachelor of Laws from Monash University.

### **Jeromy Wells**

Jeromy is the co-founder of Whispir with 22 years of experience in the business. Born in New Zealand, Jeromy began his career as an architect in Melbourne, before turning to new technology innovation and pioneering the development of new cloud-based communications solutions. Jeromy brings significant leadership, strategic planning and executive management expertise to this role. Jeromy holds a Bachelor of Architecture (Hons) from RMIT.

### **Sarah Morgan**

Sarah served as an Executive Director for corporate advisory firm Grant Samuel for 15 years, before taking up non-executive directorships at a variety of listed, private and not-for-profit organisations. She is currently a non-executive Director of Intrepid Group, and ASX listed Future Generation Global Limited and Adslot Limited. She is also currently a non-executive Director of Skalata Ventures, a seed venture fund manager, and was previously a non-executive director of ASX listed Hansen Technologies Limited and Nitro Software Limited.

Sarah holds a Bachelor of Engineering (Hons) and a Master of Business Administration ('MBA') from the University of Melbourne, and is a graduate and member of the Australian Institute of Company Directors.

### *Independent Board Committee*

For the purpose of assessing the Soprano Offer and in light of Mr. Jeromy Wells' substantial holding in Whispir, Whispir has formed the IBC, which comprises two Independent Non-Executive Directors, being Mr. Brendan Fleiter and Ms. Sarah Morgan

Given Mr. Jeromy Wells is Chief Executive Officer, Executive Director and a substantial shareholder of Whispir, he is not considered to be an independent director of Whispir. Accordingly, Mr. Jeromy Wells does not sit on the IBC. However, Mr. Jeromy Wells has separately considered the Soprano Offer and reviewed this Target's Statement.

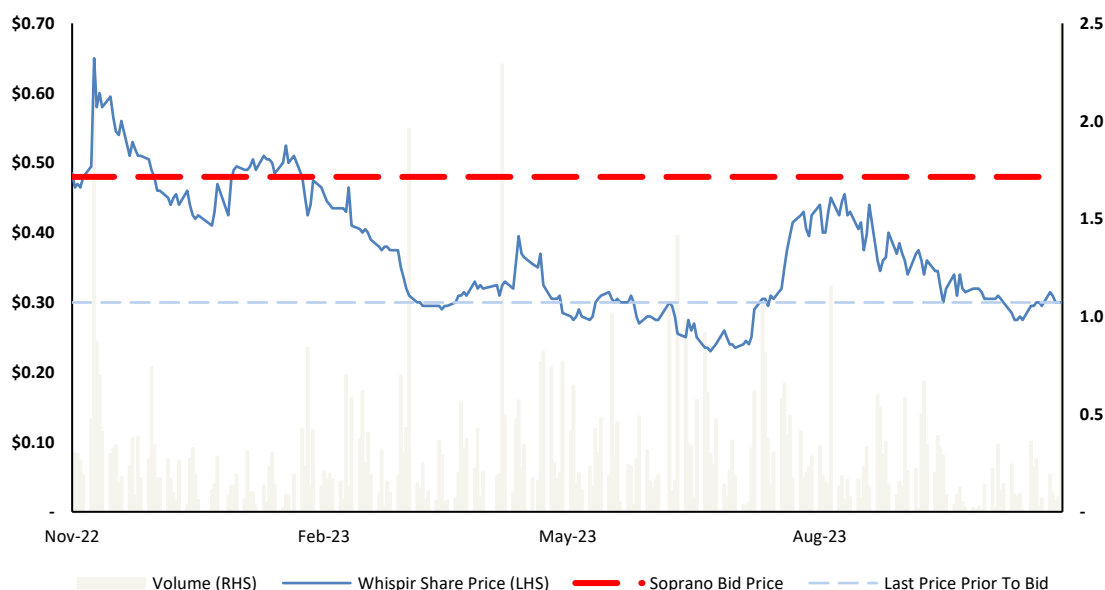
### **(b) Senior management**

As at the date of this Target's Statement, Whispir's senior management team is comprised of the following members:

<b>Name</b>	<b>Current Position</b>
Jeromy Wells	Founder & Chief Executive Officer
Jenni Pilcher	Chief Financial Officer
Wayne Lee	Chief Revenue Officer
Jonathan W. Baldry	Chief Technology & Product Officer
Dima Vovchak	Chief Customer Officer
Andrew Fry	VP Global Strategic Partnerships

## 4.7 Recent Whispir Share price performance

The graph below shows the Whispir Share price performance over the last 12 months to 3 November 2023, the last trading day prior to the Soprano bid:



Source: Bloomberg as at 6 November 2023

## 4.8 Capital structure

The latest capital structure of Whispir as at the day preceding the date of this Target's Statement was as follows:

**Table 1: Whispir Capital Structure**

Type of Security	Number of Securities
<b>Whispir Shares</b>	
Whispir Shares Quoted on ASX	135,146,251
Other Shares	-
<b>Total Ordinary Shares (A)</b>	<b>135,146,251</b>
<b>Whispir Securities</b>	
WSP Convertible Notes	-
WSP Performance Rights	2,509,571
WSP Options	1,429,467
<b>Total Additional Securities (B)</b>	<b>3,939,038</b>
<b>Fully Diluted Whispir Shares Outstanding (A+B)</b>	<b>139,085,289</b>

## 4.9 Substantial Shareholders

As at the day preceding the date of this Target's Statement, the substantial shareholders of the Company are as follows:

**Table 2: Substantial Shareholders**

Based on the substantial holder notices given to Whispir as at the day preceding the date of this Target's Statement, the substantial Shareholders of Whispir and the number of Whispir Shares in which those substantial Shareholders and their Associates have a Relevant Interest are:

Name	Number of Whispir Shares in which hold a Relevant Interest	Voting Power <sup>7</sup>
Soprano Design Technology (Australia) Pty Ltd <sup>8</sup>	21,359,380	15.80%
Mr. Jeromy Wells <sup>9</sup>	12,385,814	9.16%
Harvest Lane Asset Management <sup>10</sup>	11,950,383	8.84 %
AustralianSuper Pty Limited <sup>11</sup>	7,701,275	5.70 %

<sup>7</sup> Based on 135,146,251 Whispir Shares on issue.

<sup>8</sup> According to the Form 604 released by Whispir on 7 November 2023, Soprano holds a Relevant Interest in 21,359,380 Whispir Shares, which represents approximately 15.80% of Whispir Shares on issue. In addition, as disclosed in that Form 604 and the Bidder's Statement, Soprano Design Pty Ltd (of which Soprano is a wholly-owned subsidiary), Potentia Capital Management Pty Ltd (**Potentia Capital**) (which controls Soprano), the entities listed in the Form 604 which are controlled by Potentia Capital (**Potentia Entities**) (which either control Soprano or have voting power above 20% in Soprano) and Mr. Richard Favero (Founder Chairman of Soprano Design Pty Ltd) and Mrs. Angela Favero (who each have voting power above 20% in Soprano) are Associates of Soprano. As such, Soprano Design Pty Ltd, Potentia Capital, the Potentia Entities and Mr and Mrs Favero each have the same Relevant Interest in the Whispir Shares and the same Voting Power as Soprano by virtue of the operation of section 608(3) of the Corporations Act.

<sup>9</sup> According to the Form 604 released by Whispir on 1 November 2023, Mr. Jeromy Wells has a Relevant Interest in 9,773,120 Whispir Shares held by Wells Family Company Pty Ltd and in 2,289,050 Whispir Shares held by Wells Family Holding Company Pty Ltd (in addition to the 323,644 Whispir Shares held by Mr. Jeromy Wells), by virtue of the operation of section 608(3) of the Corporations Act. As such, Mr. Jeromy Wells has a combined Voting Power of 9.16% in Whispir.

<sup>10</sup> According to the Form 604 released by Harvest Lane Asset Management Pty Ltd on 30 November 2023, Harvest Lane Asset Management has a Relevant Interest in 11,950,383 Whispir Shares held by Harvest Lane Asset Management and National Australia Bank, by virtue of the operation of section 608(1) of the Corporations Act. As such, Harvest Lane Asset Management has Voting Power of 8.84% in Whispir.

<sup>11</sup> According to the Form 604 released by Whispir on 3 November 2023, AustralianSuper Pty Ltd has a Relevant Interest in 7,701,275 Whispir Shares held by JP Morgan Nominees Australia Ltd, by virtue of the operation of section 608(3) of the Corporations Act. As such, AustralianSuper Pty Ltd has Voting Power of 5.70% in Whispir.



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## **5. Information relating to Soprano**

### **5.1 Disclaimer**

The following information and the information on Soprano in this Target's Statement is based on public available information, including information in the Bidder's Statement, and has not been independently verified by Whispir. Whispir does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Soprano in this Target's Statement should not be considered comprehensive. Further information about Soprano is set out in the Bidder's Statement.

### **5.2 Overview and Soprano's interest in Whispir**

The Soprano Offer is being made by Soprano, a wholly-owned subsidiary of Soprano Design Pty Ltd. Soprano is an Australian proprietary company that was incorporated on 11 October 2023 and has been established for the purpose of making the Soprano Offer and acquiring Whispir Shares.

Soprano currently holds a Relevant Interest in approximately 15.80% of the Whispir Shares (as at the day preceding the date of this Target's Statement).<sup>12</sup>

### **5.3 Soprano's intentions**

#### **(a) Upon acquisition of 90% or more of Whispir Shares**

Soprano's intentions, as disclosed in section 6.2 of its Bidder's Statement, in relation to the continuation of or changes to the Whispir business, changes to the Whispir Board and the future employment of present employees of Whispir where it acquires 90% or more of the Whispir Shares and is entitled to proceed to Follow On Compulsory Acquisition (see Section 6.9 of this Target's Statement) are as follows:

- proceed to exercise the Follow On Compulsory Acquisition power to acquire any outstanding Whispir Shares in accordance with Part 6A.1 of the Corporations Act, including any Whispir Shares issued after the end of the Offer Period as a result of the exercise, vesting or conversion of Options or Performance Rights;
- apply for termination of the official quotation of the Whispir Shares and arrange for Whispir to be removed from the official list of ASX;
- replace the members of the Whispir Board with nominees of Soprano;
- undertake a general review of Whispir's operations covering strategic, financial and operating matters and evaluate the future operations of Whispir;
- as part of the review described above, certain job losses may occur associated with redundant functions, such as activities associated with the maintenance of an ASX listing. Soprano has stated that it will seek to provide continued employment to Whispir's existing workforce.

#### **(b) Upon acquisition of between 50% and 90% of Whispir Shares**

To the extent Soprano acquires a Relevant Interest in between 50% and 90% of Whispir Shares and the Condition has been satisfied or waived, but Soprano is not entitled to proceed to Follow On Compulsory Acquisition, Soprano has stated that its intentions are

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<sup>12</sup> Based on 135,146,251 Whispir Shares on issue.

as follows, as set out in section 6.3 of the Bidder's Statement:

- subject to the Corporations Act and the constitution of Whispir, replace some of the Whispir Board;
- may apply for termination of the official quotation of the Whispir Shares and arrange for Whispir to be removed from the official list of ASX;
- exercise any subsequent General Compulsory Acquisition rights it becomes entitled to;
- propose to the Whispir Board that an immediate, broad based review of Whispir's operations be conducted and, subject to Whispir Board approval, for Soprano to participate in such a review; and
- not support any dividend payments being made for the foreseeable future.

**(c) Upon acquisition of less than 50% of Whispir Shares**

To the extent Soprano gains effective control of less than 50% of Whispir Shares, Soprano has stated that its intentions are as follows, as set out in section 6.4 of the Bidder's Statement:

- Soprano does not expect to be in a position to give effect to the intentions set out in Sections 5.3(a) and 5.3(b) above;
- obtain representation on the Whispir Board which is at least consistent with its proportionate shareholding;
- gain more detailed understanding of the business' assets and operations to evaluate the performance, profitability and prospects of Whispir;
- to the extent possible, procure the Whispir Board to follow the intentions set out in Sections 5.3(a) and 5.3(b) above; and
- have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of Soprano.

## **6. Details about the Soprano Offer**

### **6.1 Offer Price**

The Offer Price under the Soprano Offer is \$0.48 cash per Whispir Share.

### **6.2 Offer Period**

The Soprano Offer will be open for acceptance from Monday, 20 November 2023 until 7.00pm (Sydney time) Thursday, 21 December 2023, unless extended or withdrawn.

While the Soprano Offer is still subject to the Condition, Soprano may extend the Offer Period at any time:

- (a) before giving the notice of status of Condition (referred to in Section 6.4 of this Target's Statement); and
- (b) after giving the notice of status of the Condition in the circumstances described in section 650C(2) of the Corporations Act.

However, if the Soprano Offer is unconditional (i.e. the Condition is satisfied or waived), Soprano may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) Soprano improves the Offer Price under the Soprano Offer; or
- (b) Soprano's Voting Power in Whispir increases to more than 50%,

in which case, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs, subject to any further permitted extension.

Before you accept the Soprano Offer, Soprano may withdraw the Soprano Offer with the written consent of ASIC, subject to the conditions (if any) specified in such consent. Soprano may not withdraw the Soprano Offer if you have already accepted it and the Condition has been satisfied or waived.

### **6.3 Condition of the Soprano Offer**

The Soprano Offer is subject to none of the following prescribed occurrences happening between and including Monday 20 November 2023 and the end of the Offer Period (**Condition**):

- (a) Whispir converts all or any of the Whispir Shares into a larger or smaller number of shares;
- (b) Whispir or a Subsidiary of Whispir resolves to reduce its share capital in any way;
- (c) Whispir or a Subsidiary of Whispir:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) Whispir or a Subsidiary of Whispir issues shares or grants an option over its

shares or agrees to make such an issue or grant such an option;

- (e) Whispir or a Subsidiary of Whispir issues, or agrees to issue, convertible notes;
- (f) Whispir or a Subsidiary of Whispir disposes or agrees to dispose of the whole, or a substantial part, of its business or property;
- (g) Whispir or a Subsidiary of Whispir grants, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (h) Whispir or a Subsidiary of Whispir resolves to be wound up;
- (i) a liquidator or provisional liquidator of Whispir or of a Subsidiary of Whispir is appointed;
- (j) a court makes an order for the winding up of Whispir or a Subsidiary of Whispir;
- (k) an administrator of Whispir or of a Subsidiary of Whispir is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Whispir or a Subsidiary of Whispir executes a deed of company arrangement;
- (m) restructuring practitioner for Whispir, or for a Subsidiary of Whispir, is appointed under section 453B of the Corporations Act;
- (n) Whispir, or a Subsidiary of Whispir makes a restructuring plan under Division 3 of Part 5.3B of the Corporations Act; or
- (o) a receiver, or receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Whispir or of a Subsidiary of Whispir.

Soprano may waive the Condition by giving notice to Whispir and ASX in accordance with section 650F of the Corporations Act no later 3 three Business Days after the end of the Offer Period.

If on the third Business Day after the end of the Offer Period, the Condition has not been satisfied or waived, all contracts resulting from the acceptance of the Soprano Offer will be automatically void.

## 6.4 Status of Condition

Section 9.10 of the Bidder's Statement indicates that, unless the Offer Period is extended in accordance with the Corporations Act, Soprano will give a notice of status of the Condition for the Soprano Offer (**Condition Notice**) to the ASX and Whispir by Wednesday, 13 December 2023.

Soprano is required to set out in its Condition Notice:

- (a) whether the Soprano Offer is free of the Condition;
- (b) whether, so far as Soprano knows, the Conditions have been satisfied on the date the Condition Notice is given; and
- (c) Soprano's Voting Power in Whispir (including Voting Power acquired as a result of acceptances received under the Soprano Offer).

If the Offer Period is extended before the date on which Soprano gives the Condition Notice, the date for giving the Condition Notice will be postponed for the same period, and Soprano is required to notify Whispir Shareholders of the new date for Soprano to give the

Condition Notice.

If the Condition is satisfied or waived (so that the Soprano Offer becomes free of that Condition) before the date on which the Condition Notice is required to be given, Soprano must, as soon as practicable after it has been satisfied, give the ASX and Whispir a notice that states that the particular Condition has been satisfied.

## **6.5 Effect of acceptance**

The effect of acceptance of the Soprano Offer is set out in Section 3.3(b) of this Target's Statement and section 9.5 of the Bidder's Statement. Whispir Shareholders should read these provisions in the Bidder's Statement in full to understand the effect that acceptances will have on their ability to exercise the rights attaching to their Whispir Shares and the undertakings, authorisations, representations and warranties which they give by accepting the Soprano Offer.

Whispir Shareholders who accept the Soprano Offer will give up their right to sell their Whispir Shares on ASX or otherwise deal with their Whispir Shares, unless they withdraw their acceptance in the limited circumstances permitted by the terms of the Soprano Offer (see Section 6.6 below).

Such Whispir Shareholders will also lose the potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer, or any superior competing offer (if one emerges), unless the Soprano Offer is still conditional and they withdraw their acceptance in the limited circumstances permitted by the terms of the Soprano Offer.

If you accept the Soprano Offer and it becomes unconditional, you will be obliged to sell your Whispir Shares to Soprano and you will receive the Offer Price under the Soprano Offer for those Whispir Shares.

## **6.6 Withdrawal of your acceptance**

Once you accept the Soprano Offer (even if it remains subject to the Condition) you will not be able to sell or otherwise deal with your Whispir Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

Whispir Shareholders may only withdraw their acceptance of the Soprano Offer if:

- (a) the Condition is not satisfied or waived by the end of the third Business Day after the end of the Offer Period. In that situation, you will be free to deal with your Whispir Shares; or
- (b) Soprano varies the Soprano Offer in a way that postpones the time when Soprano is required to satisfy its obligations (i.e. to pay the Offer Price) by more than 1 month. This will occur if Soprano extends the Offer Period by more than 1 month, while the Soprano Offer is still subject to the Condition. If you are entitled to withdraw your acceptance, you must give Soprano notice within 1 month of the day on which the notice of variation of the Soprano Offer is given, and return any consideration received by you for receiving the Soprano Offer.

## **6.7 Receipt of Offer Price**

### **(a) When consideration is paid**

Subject to Section 6.7(b) of this Target's Statement, Soprano will pay you the Offer Price to which you are entitled within 1 month of the later of:

- (i) the date that you accept the Soprano Offer; and
- (ii) if the Soprano Offer is subject to the Condition, the date the

Soprano Offer becomes unconditional.

In any event, you will be paid within 21 days after the end of the Offer Period (assuming the Condition is satisfied or waived).

**(b) Where additional documents are required**

Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (i) if you provide Soprano with the necessary documents with your acceptance, Soprano will provide the consideration in accordance with Section 6.7(a) of this Target's Statement;
- (ii) if you provide Soprano with the necessary documents after acceptance and before the end of the Offer Period and the Soprano Offer is still subject to the Condition at the time that Soprano is given the documents, Soprano will pay you the Offer Price to which you are entitled on or before the earlier of:
  - A. 1 month after the Soprano Offer becomes unconditional; and
  - B. 21 days after the end of the Offer Period;
- (iii) if you provide Soprano with the necessary documents after acceptance and before the end of the Offer Period and the Soprano Offer is unconditional at the time that Soprano is given the documents, Soprano will pay you the Offer Price to which you are entitled on or before the earlier of:
  - A. 1 month after Soprano is given the relevant documents; and
  - B. 21 days after the end of the Offer Period;
- (iv) if you provide Soprano with the necessary documents after the end of the Offer Period, Soprano will pay you the Offer Price to which you are entitled within 21 days after Soprano is given the relevant documents, but if at the time Soprano is given the relevant documents the Soprano Offer is still subject to the Condition, Soprano will provide you with the Offer Price to which you are entitled within 21 days after the contract becomes unconditional.

**6.8 Lapse of Soprano Offer**

The Soprano Offer will lapse if the Condition is not satisfied or waived by the end of the third Business Day after the end of the Offer Period. In this case, all acceptances of the Soprano Offer will be void and have no effect. In that situation, you will be free to deal with your Whispir Shares as you see fit.

**6.9 Consequences of Soprano acquiring 90% or more of Whispir Shares**

If Soprano acquires 90% of Whispir Shares (by number) and the Soprano Offer becomes unconditional, Soprano will be entitled to proceed to compulsory acquisition of all outstanding Whispir Shares. Soprano has stated that it intends to compulsorily acquire all outstanding Whispir Shares at the end of the Offer Period under Part 6A.1 of the Corporations Act if it is entitled to do so (**Follow On Compulsory Acquisition**).

Even if Soprano does not become entitled to undertake a Follow On Compulsory Acquisition, Soprano may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act if it subsequently acquires sufficient Whispir Shares to give it a Relevant Interest in 90% (by number) of Whispir Shares (**General Compulsory Acquisition**). Soprano has stated that it intends to exercise this power if it reaches the 90% threshold in the future.

The two types of compulsory acquisition under Chapter 6A of the Corporations Act are discussed below.

### **Follow On Compulsory Acquisition**

Under Part 6A.1 of the Corporations Act, if, at the end of the Offer Period, Soprano has (together with its Associates):

- (a) a Relevant Interest in at least 90% (by number) of Whispir Shares; and
- (b) acquired at least 75% (by number) of Whispir Shares that Soprano offered to acquire under the Soprano Offer,

then Soprano will be entitled to compulsorily acquire any outstanding Whispir Shares for which it did not receive acceptances, on the same terms as the Soprano Offer. Soprano has stated that it intends to exercise this power if it is entitled to do so.

If these thresholds are met, Soprano will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to Whispir Shareholders who have not accepted the Soprano Offer. Whispir Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Whispir Shareholders to establish to the satisfaction of a Court that the terms of the Soprano Offer do not represent "fair value".

Soprano must also offer to buy out remaining Whispir Shares held by Whispir Shareholders if Soprano and its Associates have a Relevant Interest in at least 90% of Whispir Shares (by number) at the end of the Offer Period.

Whispir Shareholders should be aware that if they do not accept the Soprano Offer and their Whispir Shares are compulsorily acquired, those Whispir Shareholders will face a delay in receiving the Offer Price compared with Whispir Shareholders who have accepted the Soprano Offer. However, these Whispir Shareholders will be paid the last price offered by Soprano for Whispir Shares under the Soprano Offer.

### **General Compulsory Acquisition**

Whispir Shareholders should also be aware that if Soprano does not become entitled to compulsorily acquire Whispir Shares in accordance with Part 6A.1 of the Corporations Act, Soprano may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, if Soprano (or together with its related bodies corporate) acquire full beneficial interests in at least 90% (by value) of Whispir Shares or securities convertible into Whispir Shares and Soprano:

- (a) lodges a compulsory acquisition notice with ASIC within 6 months of achieving that 90% holding;
- (b) proposes a cash sum for the compulsory acquisition of all Whispir Shares; and
- (c) obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice represent fair value for the Whispir Shares.

Soprano has stated that it intends to exercise this power if it reaches the 90% threshold in the future. If Whispir Shareholders with at least 10% of Whispir Shares the subject of the

compulsory acquisition notice object to the acquisition before the end of the 1 month objection period, Soprano may apply to a court for approval of the acquisition of the Whispir Shares the subject to the compulsory acquisition notice.

#### **6.10 Consequences of Soprano acquiring more than 50% and less than 90% of Whispir Shares**

If Soprano acquires a Relevant Interest in between 50% and 90% of Whispir Shares and the Condition is waived or satisfied, Soprano may be in a position where it holds less than 90% of Whispir Shares, but a majority shareholding interest.

Depending upon the number of Whispir Shareholders who accept the Soprano Offer, this may have a number of implications for remaining Whispir Shareholders who do not accept the Soprano Offer, including:

- (a) Soprano may be in a position, either alone or in conjunction with one or more of the other Whispir Shareholders, to control or significantly influence the composition of Whispir's Board and management and the strategic direction of the businesses of Whispir and its subsidiaries although no forecast is made as to whether that will occur. Soprano has stated in its Bidder's Statement that, subject to the Corporations Act and the constitution of Whispir, it intends to reconstitute the Whispir Board if it achieves a majority ownership position;
- (b) the liquidity of Whispir Shares may be lower than at present and the Whispir share price may fall following the end of the Offer Period;
- (c) if Soprano becomes entitled at some later time to exercise any compulsory acquisition rights under the Corporations Act, it may (and has stated that it intends to) exercise those rights;
- (d) in the event that a change of control results from the Soprano Offer, this may give rise to termination events under contracts to which Whispir is party, which may adversely affect Whispir's financial position and financial performance;
- (e) in the event that Soprano acquires 75% or more of the Whispir Shares, it will be able to pass a special resolution of Whispir. This will enable Soprano to, among other things, approve the delisting of Whispir (subject to the ASX Listing Rules) and change Whispir's constitution;
- (f) Whispir's business mix may change under the management of Soprano, as Soprano has indicated in the Bidder's Statement that it intends to propose to the Whispir Board that an immediate, broad based review of Whispir's operations be conducted and, subject to Whispir Board approval, for Soprano to participate in such a review; and
- (g) if the number of Whispir Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing, then the ASX may suspend and/or de-list Whispir. If this occurs, any remaining Whispir Shareholders will not be able to sell their Whispir Shares on-market.



## 7. Risk factors

In considering this Target's Statement and the Soprano Offer, Whispir Shareholders should be aware that there are a number of risks associated with either accepting the Soprano Offer or rejecting the Soprano Offer and continuing to hold Whispir Shares.

### 7.1 Risks associated with accepting the Soprano Offer

There are certain risks associated with accepting the Soprano Offer, including:

**(a) Loss of potential opportunity to participate in the Pendula Proposal, should it proceed to a binding offer, or any superior proposal**

As noted above, the Whispir Board has received the Pendula LOI which sets out Pendula's intention to submit a non-binding indicative proposal to acquire all Whispir Shares or, alternatively, to acquire Whispir's main undertaking (being the Pendula Proposal). The Pendula LOI states that any proposed non-binding indicative offer will be at a premium to the Offer Price. However, the Pendula LOI is only a statement of current intention and the Whispir Board can give no assurance that the Pendula Proposal will lead to a binding offer, at least on the same or similar terms (or at all), or result in a transaction under which Whispir Shareholders may be able to sell, or otherwise receive value for, their Whispir Shares on terms that are superior to the Soprano Offer.

The Whispir Board is considering the terms of the Pendula LOI, will actively engage with Pendula in relation to the Pendula Proposal and will continue to keep the Whispir Shareholders updated of any material developments in relation to the Pendula Proposal. Further, a third party with a superior proposal may emerge (although the Whispir Board can give no assurances that this will occur). Once you have accepted the Soprano Offer, you will not be able to accept your Whispir Shares into any binding offer that may emerge from the Pendula LOI, or any superior proposal (should such a proposal eventuate) as you will have entered a binding contract for the sale of your Whispir Shares.

**(b) Whispir has undertaken a restructure which has significantly reduced the cost base of the business. Together with implemented growth initiatives, the Whispir Board expect Whispir to generate positive cash flows in the second half of FY24 and revenue growth in the medium term. Accepting Whispir Shareholders will lose the opportunity to participate in the potential benefit of such initiatives, which are not yet realised**

Whispir has recently implemented a restructure to accelerate its move towards a cash flow positive position and profitability. These changes delivered approximately \$20 million of annualised savings, with free cash outflows improving to \$1.3 million for the fourth quarter of FY23.

Whispir also intends to continue to invest in innovation and other product initiatives and pursue growth opportunities through market expansion.

Through these initiatives, Whispir is targeting positive free cash flow in the second half of FY24. The potential benefits of the restructure and growth initiatives which, if realised, would provide better outcomes for Whispir Shareholders in the long-term, are yet to be realised and may take longer than currently anticipated and require further capital to be raised.

If you accept the Soprano Offer, you will no longer hold an interest in Whispir and you will therefore forego the opportunity to potentially benefit from these recent initiatives and the potential growth of the Company.

**(c) Possibility of future Whispir share price appreciation in the longer term**

If you accept the Soprano Offer, you will no longer be able to trade your Whispir Shares on-market, unless you are entitled to withdraw your acceptance of the Soprano Offer in the limited circumstances described in Section 6.6 of this Target's Statement. There is a possibility that the Whispir Share price on ASX may exceed the price under the Soprano Offer in the future (though the Whispir Board can give no assurances and makes no forecast of whether this will occur).

**(d) Taxation consequences**

The taxation consequences of disposing of your Whispir Shares pursuant to the Soprano Offer depend on a number of factors and your particular circumstances. A general outline of certain Australian taxation consequences of such a disposal is set out in Section 8 of this Target's Statement. You should carefully review and consider the taxation consequences of disposing your Whispir Shares and seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

## **7.2 Risks associated with rejecting the Soprano Offer and continuing as a Whispir Shareholder**

This Section describes some of the potential risks associated with Whispir's business and an investment in Whispir. An investment in Whispir exposes investors to the specific and general risks facing Whispir's business. Each of these risks could, if they eventuate, have a material adverse effect on your investment. If any of the risks eventuate, they could also have a material adverse effect on Whispir's business, financial condition, operating and financial performance and return to Whispir Shareholders. Many of the circumstances giving rise to these risks are beyond the control of Whispir, its Directors and management.

The risk factors set out below are not exhaustive. Additional risks of which Whispir is unaware or that Whispir currently considers to be immaterial also have the potential to have a material adverse effect on Whispir's business, financial condition and operating and financial performance.

Whispir Shareholders should carefully consider and evaluate Whispir and its business and whether they should continue to hold Whispir Shares, having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below. Whispir Shareholders should examine the full content of this Target's Statement and the Bidder's Statement and may wish to consult their financial or other advisers before deciding whether or not to accept the Soprano Offer.

### **Risks specific to an investment in Whispir**

**(a) Whispir has undertaken a restructure and implemented growth initiatives. However, the potential benefits of the restructure are uncertain and are yet to be realised**

Whispir has recently implemented a restructure (to accelerate its move towards a cash flow positive position and profitability) and other product initiatives. There are risks associated with making the necessary changes to turn around the performance of Whispir and the Whispir Board cannot guarantee that, despite the savings of the restructure that have already been realised, the business will generate sufficient cash flows and therefore may not deliver increased value to Whispir Shareholders as expected.

Further, Whispir may require additional funding to implement these growth initiatives. There is a risk that Whispir may be unable to access debt or equity funding from the capital markets or its existing lenders on favourable terms, or at all.

**(b) Failure to retain existing customers and attract new customers**

The success of the Whispir business relies on its ability to attract new customers and to

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

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

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

**(c) Channel partner dependency**

The majority of Whispir's revenue is currently generated from sales to customers that originated from the Telstra network channel. Telstra provides referrals from its customer base to Whispir. If Telstra changed its product strategy and decided to terminate the relationship with Whispir, develop the multi-channel communication capability in-house, contract with an alternative distribution partner or acquire a competitor to Whispir, or if the current agreement (expiring on 31 January 2024) is not renewed, there is a risk that Whispir sales velocity in Australia will decline which may have an adverse impact on its profitability.

**(d) Ability to attract and retain key personnel**

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

As announced on 23 October 2023, Mr. Jeromy Wells has resigned as CEO of Whispir and Whispir has currently paused the search for his replacement in light of the Soprano Offer. However, if the Soprano Offer is not successful, Whispir will need to recommence the search for his replacement. There is a risk Whispir may not be able to attract and retain key personnel, including a new CEO, or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a significant negative impact on Whispir's ability to operate the business and achieve financial performance targets and strategic growth objectives.

**(e) Whispir operates in a competitive industry**

Whispir competes against other domestic and international cloud-based communications solution providers. The cloud-based communications industry is rapidly evolving, highly fragmented and becoming increasingly competitive. Some of Whispir's existing and potential competitors have significantly more resources. For instance, Whispir faces the risk that existing competitors could increase their market share or enhance their product offering; Whispir's products fail to meet customers' expectations; Whispir fails to meet customers' demands for new products in a timely manner or to respond to changing opportunities, technology, standards or customer requirements in the industry as quickly as

Whispir's competitors; or new market entrants could develop software solutions that compete with the Whispir product offering.

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

**(f) Possibility of future Whispir Share price depreciation**

The Whispir Board cannot predict whether the Whispir Share price would in fact decrease or increase in the absence of the Soprano Offer, as there may be other reasons for share price movements. There is a risk that Whispir Shares may trade at a price below the current market price if the Soprano Offer does not proceed and no superior alternative proposal emerges.

**(g) Processing of personal information on behalf of customers**

The Whispir platform allows customers to upload contact lists that may contain personal information such as the names and contact details of individuals. The Whispir platform processes this personal information for the purpose of delivering the workflow communications requested by the customer. Whispir encrypts all customer data (including any personal information) both at rest and in transit (until the data leaves the Whispir environment and enters the public infrastructure environment). The storage of customer data containing personal information increases Whispir's exposure to regulatory requirements (and scrutiny) under applicable privacy, data protection and direct marketing laws. These requirements may include mandatory data breach notification requirements that can be triggered in the event of a data breach affecting the customer data.

Whispir is also required to comply with the Health Insurance Portability and Accountability Act (HIPAA) in the United States where it retains, handles or shares protected health information of individuals. Whispir is required to maintain, for example, physical and technical safeguards, audit reports and network security. A breach of the security of the data held or transmitted by Whispir could result in significant financial penalties, including loss of contracts and reputational damage impacting the ability to secure new contracts.

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

**(h) Loss or theft of data and failure of data security systems**

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

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

**(i) Disruption or failure of technology and software systems**

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

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

**(j) Reliance on third party service providers**

The Whispir platform is a cloud-based, SaaS platform, and the Company relies on a number of third-party technology service providers to facilitate the use of its platform and deliver services to its customers. Whispir's reliance on third parties means that some important aspects of its service delivery model are outside of its direct control. There is a risk that Whispir's service delivery capability and operational performance may be impacted by issues that originate from third-party service providers, such as application errors, improper configuration, failure of communications service, improper configuration and traffic overloading.

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

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

**(k) Reliance on Whispir's cloud-based communications platform**

The Whispir business model depends on its ability to ensure that its customers are satisfied with the functionality of the cloud-based software solutions. The market for cloud-based communications software solutions is subject to evolving industry standards, changing regulations and changing customer needs, requirements and preferences. Whispir's success depends on its ability to adapt and respond effectively to these changes on a timely basis.

There is a risk that Whispir may fail to maintain the software platform adequately or that future updates may introduce errors and performance issues causing customer satisfaction to fall and potentially putting Whispir in breach of its customer contracts. Customer satisfaction may also fall as a result of perceived reductions in product quality, reliability, cost-effectiveness and customer support. Any of these factors may result in reduced sales and usage of the solutions, claims brought by customers, termination of customer contracts, damage to reputation and an inability to attract new customers.

**(l) Protection of intellectual property**

The value of Whispir products is dependent on its ability to protect its intellectual property rights. There is a risk that Whispir may be unable to detect the unauthorised use of intellectual property rights in all instances. Further, actions that Whispir take to protect

those intellectual property rights may not be adequate or enforceable and thus may not prevent the misappropriation of, or copying or circumvention of, Whispir's intellectual property and proprietary information.

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

**(m) Breach of third-party intellectual property rights**

There is a risk that third parties may allege that Whispir solutions use intellectual property derived by them or from their products without their consent or permission. These third parties could potentially include Whispir former employees and contractors who have been involved in the development of the Whispir platform, or unrelated third parties who have developed products and services that are substantially similar to Whispir's.

Whispir may be the subject of claims that could result in disputes or litigation and this could require the Company to incur significant expenses even if it can successfully defend or settle such claims. If Whispir are found to have infringed the third party's intellectual property rights, this may result in the Company being required to pay monetary compensation to the third party or take other actions that may, cause disruption to Whispir's service delivery model and increase costs. This in turn could have an adverse impact on Whispir's operations, reputation and financial performance.

**(n) Failure to realise benefits from product research and development**

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

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

**(o) International operations**

Whispir has operations in overseas jurisdictions and is exposed to a range of different legal and regulatory regimes. These regions may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including (a) unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements; (b) less sophisticated technology standards; (c) difficulties engaging local resources; and (d) potential for political upheaval or civil unrest.

There is a risk that Whispir may fail to understand the laws, regulations and business customs of these regions. There is a risk that it could face legal, tax or regulatory sanctions or reputational damage as a result of any failure to comply with (or comply with developing interpretations of) applicable laws, regulations, codes of conduct and standards of good practice. This gives rise to risks including, but not limited to, labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in overseas jurisdictions in which Whispir may operate. A breach in any of these areas could result in

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finances or penalties, the payment of compensation or the cancellation or suspension of Whispir's ability to carry on certain activities or product offerings, could interrupt or adversely affect parts of the business and may have an adverse effect on operating and financial performance.

**(p) Foreign exchange risk**

Whispir's financial information is presented in Australian Dollars. Although only a small portion of current sales revenue is denominated in currencies other than the Australian Dollar, this portion may increase over time. Future changes in the exchange rates in the jurisdictions Whispir operates in may adversely impact its operating and financial performance.

**(q) Minority ownership consequences and liquidity risk**

As noted in Section 6.10 Whispir Shareholders who do not accept the Soprano Offer or sell their Whispir Shares on market may become minority shareholders in Whispir. This has a number of possible implications and risks, including those set out in Section 6.10.

**General risks**

**(a) Price of Whispir Shares**

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

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

**(b) General economic and financial market conditions**

The general economic climate (both domestically and internationally) in which Whispir operates may experience changes, which may adversely affect the price of Whispir Shares and Whispir's operating and financial performance.

Factors that may influence to the general economic climate include, but are not limited to, changes in government policies, taxation and other laws; future demand for cloud-based communications platforms; the strength of the equity and share markets in Australia and throughout the world; changes in investor sentiment toward particular market sectors; movement in, or outlook on, exchange rates, interest rates and inflation rates; industrial disputes in Australia and overseas; financial failure or default by an entity with which Whispir may become involved in a contractual relationship; and natural disasters, social upheaval, global pandemics or war.

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

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

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

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

**(d) Legal and regulatory changes**

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

**(e) Litigation risk**

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



## 8. Tax consequences

The taxation consequences of accepting the Soprano Offer depend on a number of factors and will vary depending on your particular circumstances, including the cost base of your Whispir Shares and the type of entity that is the direct Whispir Shareholder.

Section 7 of the Bidder's Statement contains a discussion of tax considerations for the Whispir Shareholders. This is not intended to be an authoritative or complete statement of the tax position applicable to any given Whispir Shareholder.

The following are general comments made in relation to Australian resident Whispir Shareholders who are subject to Australian tax on the disposal of their Whispir Shares and hold their Whispir Shares on capital account. Like the Bidder's Statement, this summary does not address the consequences for any other Whispir Shareholder (in particular, it does not address the tax consequences for a Whispir Shareholder who is a non-resident).

In general terms, if you accept the Soprano Offer, you will trigger a CGT event. The CGT event will happen for a Whispir Shareholder:

- at the time that Whispir Shareholders accepts the Soprano Offer; or
- if that Whispir Shareholder does not accept the Soprano Offer and the Whispir Shares are compulsorily acquired by Soprano, the time at which the Whispir Shares are acquired.

The CGT event could result in a capital gain or capital loss. For certain Whispir Shareholders the gain may be eligible for the CGT discount. While section 7 of the Bidder's Statement references indexation, this should not apply to Whispir Shares because the company was incorporated after an indexation election ceased to be available. Where applicable, any net capital gain (i.e. the gain after applying any capital losses and available discounts) will be included in your calculation of taxable income and taxed at your marginal tax rate.

There is no CGT rollover relief for Whispir Shareholders in respect of any cash you receive in relation to the Whispir Shares that you own.

Your income tax liabilities will depend on your personal circumstances and the decisions you make. The comments in this Section 8 are general and do not address all of the taxation consequences for any Whispir Shareholder. This summary does not constitute, and should not be relied upon, as tax advice. This summary is based on Australian income tax law and practice applicable as at the date of this Target's Statement. This may change at any time and without notice.

**All Whispir Shareholders should obtain independent taxation advice which is particular to their own personal circumstances, prior to accepting the Soprano Offer.**

Neither Whispir nor any of its officers or advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

## 9. Additional information

### 9.1 Issued capital

As at the date of this Target's Statement, Whispir had:

- 135,146,251 fully paid ordinary Whispir Shares on issue;
- 2,509,571 Performance Rights on issue; and
- 1,429,467 Options on issue.

### 9.2 Substantial holders

Refer to Section 4.9 of this Target's Statement for details of the substantial holders of the Company.

### 9.3 Notice of Soprano's Voting Power

As at the day preceding the date of this Target's Statement, Soprano held a Relevant Interest in 21,359,380 Whispir Shares and Voting Power in Whispir of 15.80%.<sup>13</sup>

Soprano is required to notify the ASX and Whispir before 9.30am on the next Business Day during the Offer Period where there is a movement of at least 1% in its Voting Power in Whispir Shares (being the Relevant Interests in Whispir Shares held by it and its Associates) as compared with its last substantial holder notice.

As at the date preceding the date of this Target's Statement, no such movement has been notified to Whispir or ASX.

### 9.4 Directors of Whispir

Refer to Section 4.6(a) of this Target's Statement for details of the Whispir Board.

### 9.5 Recommendation of the Whispir Board

Each Director of the Whispir Board recommends that Whispir Shareholders **REJECT** the Soprano Offer for the reasons set out in this Target's Statement (particularly the matters discussed in Section 1.1). However, if you have a short-term view of your investment in Whispir, you may wish to consider accepting the Soprano Offer, notwithstanding the Pendula LOI and in the absence of any superior proposal.

### 9.6 Interests of Directors in Whispir Shares

As at the day preceding the date of this Target's Statement, the number of Whispir Shares in which each Director has a Relevant Interest are set out below:

Director	Number of Whispir Shares
Mr. Brendan Fleiter <sup>14</sup>	567,100 Whispir Shares
Mr. Jeromy Wells <sup>15</sup>	12,385,814 Whispir Shares

<sup>13</sup> Based on 135,146,251 Whispir Shares on issue.

<sup>14</sup> Held indirectly through Nebula Super Co Pty Ltd.

<sup>15</sup> Held both directly and indirectly through Wells Family Company Pty Ltd and Wells Family Holding Company Pty Ltd.

	970,189 Performance Rights 122,213 ESOP Options
Ms. Sarah Morgan <sup>16</sup>	133,125 Whispir Shares 35,000 Performance Rights

Each Director currently intends to reject the Soprano Offer in respect of their Whispir Shares.

## 9.7 Recent dealings in Whispir Shares or other securities by Directors

Except as set out below, no Director has acquired or disposed interests in any Whispir Shares in the four months ending on the day preceding the date of this Target's Statement.

The following Whispir Shares were issued to Non-Executive Directors under the terms of the placement conducted by Whispir in October 2023, following receipt of shareholder approval at Whispir's Annual General Meeting:

Director	Transaction date and type	Number of Whispir Shares	Price per Whispir Share (being the price paid by investors under the October 2023 Placement)
Mr. Brendan Fleiter	Issue on 28 November 2023	200,000	\$0.25
Ms. Sarah Morgan	Issue on 28 November 2023	60,000	\$0.25

## 9.8 Directors' interests and dealings in Soprano

None of the Directors have directly acquired or disposed of any securities of Soprano, or any related body corporate of Soprano in the 4 months preceding the date of this Target's Statement.

## 9.9 Impact of the Soprano Offer on Whispir's Directors

As a result of the Soprano Offer, no benefit (other than a benefit permitted by the Corporations Act) will or may be given to a Director in connection with their retirement from office in Whispir or a related body corporate of Whispir.

Whispir does not propose and, except as otherwise disclosed in this Target's Statement, is not aware of any proposal in connection with the Soprano Offer that will confer a benefit:

- on any person in connection with the retirement of that person from a board or managerial office of Whispir or related body corporate of Whispir; or
- that will or may be given to any person in connection with the transfer of the whole or any part of Whispir's undertaking or property.

Other than as disclosed in this Target's Statement, no Director has agreed to receive, or is entitled to receive, any benefit from Soprano which is conditional on, or is related to, the

<sup>16</sup> Held indirectly through Ashmog Investments Pty Ltd.

Soprano Offer, other than in their capacity as a holder of Whispir Shares.

No agreement has been made between any Director and any person in connection with, or conditional upon, the outcome of the Soprano Offer, other than in their capacity as a holder of Whispir Shares.

No Director has any interest in any contract entered into by Soprano.

## 9.10 Whispir securities issued under the ESOP

Whispir currently operates the ESOP, under which the following Performance Rights and ESOP Options are currently on issue:

- 2,509,571 Performance Rights; and
- 1,429,467 ESOP Options,

(together, the **ESOP Rights and Options**).

The terms of the Whispir ESOP provide that, in the event of a change of control of the Company, or if the Board determines that a change of control event may occur, the Whispir Board has discretion as to how to treat unvested ESOP Rights and Options, subject to any conditions it determines.

This includes the Whispir Board determining to waive the vesting conditions or performance hurdles applicable to some or all unvested ESOP Rights and Options; assess any performance hurdles applicable to some or all unvested ESOP Rights and Options at a date determined by the Whispir Board; abridge the exercise period in respect of vested ESOP Rights and Options; replace some or all of the ESOP Rights and Options with rights to shares in the new controlling company on substantially the same terms and conditions; and determine that some or all unvested ESOP Rights and Options will lapse.

Upon vesting and exercise (as applicable) each ESOP Right and Option entitles the holder to one Whispir Share.

A change of control event for the purposes of the terms of the Whispir ESOP includes an entity acquiring a Relevant Interest in more than 50% of all issued Whispir Shares as a result of a takeover bid or scheme of arrangement, or the occurrence of any other similar event that the Whispir Board determines (in its absolute discretion) to constitute a 'change of control event'.

At this stage, the Whispir Board has not made any formal determination to exercise any discretion under the Whispir ESOP as a result of the Soprano Offer, but has reserved its right to do so. The Whispir Board will continue to monitor the progress of the Soprano Offer and consider whether to exercise its discretion depending on the level of acceptances.

As the Soprano Offer also extends to all of the Whispir Shares that are issued during the period from the Register Date (being 7:00pm (Sydney time) on 8 November 2023) to the end of the Offer Period due to the conversion of or exercise of rights attached to other securities on issue, the Soprano Offer will extend to any Whispir Shares issued upon vesting of ESOP Rights and Options.

## 9.11 Material contracts

Whispir is party to material contracts which contain provisions regarding change of control. These provisions may be triggered depending on the level of acceptances under the Soprano Offer and may give rise to termination rights in favour of the counterparty. This information has been included in this Target's Statement because it may impact the future prospects of Whispir, which would be relevant to any Whispir Shareholder who remains a

Whispir Shareholder.

Whispir's partnership agreement with Telstra contains a change of control provision which will be triggered where an entity obtains the power to control the composition of the Whispir Board and the entity is a competitor of Telstra or it does not meet Telstra's financial standing requirements. In such circumstances, unless the prior consent of Telstra is obtained, Telstra may terminate the agreement immediately.

Whispir is party to a supply agreement, and underlying statements of work, with Singtel. Those agreements contain change of control provisions which are triggered where a party obtains a controlling interest in Whispir, including the power to appoint directors to the Whispir Board or the ability to substantially influence the management and policies of Whispir. In such circumstances, Singtel or the relevant Singtel group entity may terminate the agreement immediately.

As at the date of this Target's Statement Whispir has not received notice from Telstra or Singtel that it would rely on a change of control provision to terminate a contract as a result of the Soprano Offer.

## **9.12 Status of discussions regarding alternative proposals**

Following Soprano's announcement on 6 November 2023, Whispir and its advisers engaged in discussions with several parties to ascertain whether they may be interested in making an alternative or competing proposal to Whispir Shareholders.

As at the date of this Target's Statement, the Whispir Board has received the Pendula LOI, however, no alternative or competing proposal has been made and there is no certainty that any superior proposal will emerge.

The Whispir Board will keep Whispir Shareholders informed of any material developments in this regard.

## **9.13 Material litigation**

Whispir is not subject to any actual, pending or threatened litigation so far as the Directors are aware.

## **9.14 Consents**

Each person named in this Section 9.14 of this Target's Statement as having given its consent to being named in, or to the inclusion of a statement in, this Target's Statement:

- (a) has not authorised or caused the issue of this Target's Statement;
- (b) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, other than those statements which have been included in this Target's Statement with the consent of that person; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to their name and any statements or reports which have been included in this Target's Statement with the consent of that person.

### **Reliance on ASIC Class Orders**

ASIC has published various Class Orders that modify, or exempt parties from compliance with, the operation of various provisions of Chapter 6 of the Corporations Act. Whispir has relied on this Class Order relief.

As permitted by *ASIC Corporations (Takeover Bids) Instrument 2023/683*, this Target's Statement contains statements which are made by Soprano, or based on statements made by Soprano, in documents lodged with ASIC or given to the operator of a prescribed financial market in compliance with the listing rules of the prescribed financial market (including the ASX). Pursuant to this Instrument, the consent of Soprano to which such statements are attributed is not required for the inclusion of these statements in this Target's Statement.

Whispir Shareholders are entitled to obtain from Whispir within 2 Business Days of request and free of charge any document which contains such a statement. If you would like to receive a copy of any of those documents, or the relevant part of the documents containing the statements (free of charge) during the Offer Period, please contact Whispir.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements that:

- (a) fairly represent what purports to be a statement by an official person;
- (b) are a correct and fair copy of, or extract from, what purports to be a public official document; or
- (c) are a correct and fair copy of, or extract from, a statement which has already been published in a book, journal or comparable publication.

This Target's Statement also contains Whispir Share price trading and financial data sourced from Bloomberg and the ASX website without their consent.

Pursuant to this Instrument, the consent of such persons to whom statements are attributed is not required for the inclusion of those statements in this Target's Statement.

This Target's Statement includes references to the Bidder's Statement. Soprano has not consented to these references being included in, or referred to, in the form and context in which they are included.

#### **Independent Expert**

RSM Corporate Australia Pty Ltd has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to:

- (a) be named in this Target's Statement as the independent expert to Whispir in the form and context in which it is named;
- (b) the inclusion of the Independent Expert's Report and statements noted next to its name, and the references to that report or statements, in the form and context in which they are included in the Target's Statement; and
- (c) the inclusion of other statements in this Target's Statement that are based on or referable to statements made in the Independent Expert's Report or statements that are based on or referable to other statements made by those persons in the form and context in which they are included in the Target's Statement.

#### **Other persons**

Clayton Utz has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Whispir's Australian legal adviser in the form and context in which it is named.

RBC Capital Markets has given, and has not withdrawn before lodgement of this Target's

Statement with ASIC, its written consent to be named in this Target's Statement as Whispir's financial adviser in the form and context in which it is named.

Computershare Investor Services Pty Ltd has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to be named in this Target's Statement as Whispir's Share Registry in the form and context in which it is named.

### **9.15 Continuous disclosure**

Whispir is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Whispir to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Whispir has an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Whispir Shares.

Copies of the documents filed with the ASX may be obtained from the ASX website at [www.asx.com.au](http://www.asx.com.au) and Whispir's website at <https://www.whispir.com/en-au/>.

Copies of documents lodged with ASIC in relation to Whispir may be obtained from, or inspected at, an ASIC office. Whispir Shareholders may obtain a copy of:

- (a) the Annual Report;
- (b) the Half-Yearly Report;
- (c) Whispir's constitution; and
- (d) any document lodged by Whispir with the ASX between the release of the Annual Report and the date of this Target's Statement,

free of charge upon request by contacting Whispir, or from the ASX website at [www.asx.com.au](http://www.asx.com.au). The Annual Report, Half-Yearly Report and this Target's Statement are also available on Whispir's website at <https://www.whispir.com/en-au/>.

Whispir Shareholders are also encouraged to monitor the Whispir website at <https://www.whispir.com/en-au/> for any updates on the Soprano Offer.

### **9.16 Insurance and indemnities**

Whispir has entered into standard form of deeds of indemnity with its Directors against all liabilities which they may incur in the performance of their duties as Directors or officers of Whispir, except liability to Whispir or a related body corporate, liability for a pecuniary penalty or compensation order under the Corporations Act, and liabilities arising from conduct involving a lack of good faith. Subject to the Corporations Act, Whispir is obliged to meet the full amount of all such liabilities in accordance with the terms of the deeds of indemnity.

In addition, each Director is indemnified, as authorised by Whispir's constitution, against personal liability arising from their respective positions with Whispir and its related bodies corporate.

Whispir holds a directors' and officers' insurance policy on behalf of current Directors and officers of Whispir and its subsidiaries.

### **9.17 Regulatory approval**

Whispir has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the takeover bid. Nor has Whispir been granted any waivers from the ASX in relation to the takeover bid.

## **9.18 No other material information**

This Target's Statement is required to include all the information that Whispir Shareholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Soprano Offer, but only to the extent to which it is reasonable for Whispir Shareholders and their respective professional advisers to expect to find this information in this Target's Statement, and only if the information is known to any Director of Whispir.

In deciding what information should be included in this Target's Statement, the Whispir Board have had regard to:

- (a) the nature of Whispir Shares;
- (b) the matters that Whispir Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to the professional advisers of Whispir Shareholders; and
- (d) the time available to Whispir to prepare this Target's Statement.

The Whispir Board are of the opinion that the information that Whispir Shareholders and their respective professional advisers would reasonably require to make an informed assessment whether to accept the Soprano Offer is in one or more of:

- (a) the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) Whispir's Annual Reports and releases to the ASX before the date of this Target's Statement;
- (c) documents lodged by Whispir with ASIC before the date of this Target's Statement; and
- (d) the information contained in this Target's Statement.

The Whispir Board has assumed that, for the purposes of preparing this Target's Statement, the information in the Bidder's Statement is accurate. However, the Whispir Board and its advisers do not take any responsibility for the contents of the Bidder's Statement, and are not to be taken as endorsing, in any way, any or all of the statements contained in it.



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## 10. Definitions and interpretation

### 10.1 Definitions

<b>\$</b>	Australian dollars, unless otherwise stated
<b>Acceptance Form</b>	an acceptance form enclosed within the Bidder's Statement
<b>Accounting Standards</b>	the rules about how a company must prepare its accounts in, prescribed by or specified under, the Corporations Act
<b>AEST</b>	Australian Eastern Standard Time
<b>Announcement Date</b>	6 November 2023, being the date of announcement of the Soprano Offer
<b>Annual Report</b>	Whispir's 2023 Annual Report
<b>ASIC</b>	the Australian Securities & Investments Commission
<b>Associate</b>	has the meaning in section 12 of the Corporations Act
<b>ASX Listing Rules</b>	the official listing rules of ASX, as amended from time to time
<b>ASX</b>	ASX Limited ACN 008 624 691 or, as the context requires, the financial market known as the Australian Securities Exchange operated by it
<b>ASX Settlement</b>	ASX Settlement Pty Ltd (ACN 008 504 532), the body that administers the CHESS system in Australia
<b>ASX Settlement Operating Rules</b>	the rules of the ASX Settlement from time to time, except to the extent of any relief given by ASX Settlement
<b>Bidder's Statement</b>	Soprano's bidder's statement in relation to the Soprano Offer dated 6 November 2023 (as supplemented by Soprano's First Supplementary Bidder's Statement dated 21 November 2023)
<b>Business Days</b>	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, NSW
<b>CGT</b>	capital gains tax under the <i>Income Tax Assessment Act 1997</i> (Cth)
<b>CHESS</b>	Clearing House Electronic Subregister System, which provides for electronic security transfer in Australia
<b>CHESS Holding</b>	a holding of Whispir Shares on the CHESS sub-register of Whispir
<b>Condition</b>	the condition of the Soprano Offer, as described Section 6.3 of this Target's Statement
<b>Condition Notice</b>	has the meaning given in Section 6.4 of this Target's Statement
<b>Controlling Participant</b>	the Participant who is designated as the controlling participant for Whispir Shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules

<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Director</b>	a director of Whispir
<b>ESOP</b>	The Whispir Employee Share Ownership Plan established by Whispir, under which ESOP Options and Performance Rights are granted for the benefit of certain eligible employees (including executives) of Whispir, the terms of which are summarised in the notice of Whispir annual general meeting dated 24 October 2023
<b>ESOP Options or Options</b>	an option to acquire Whispir Shares, subject to the satisfaction of the relevant performance conditions, granted under the ESOP
<b>Follow On Compulsory Acquisition</b>	has the meaning given in Section 6.9 of this Target's Statement
<b>General Compulsory Acquisition</b>	has the meaning given in Section 6.9 of this Target's Statement
<b>IBC</b>	the Independent Board Committee established by the Whispir Board to consider the Soprano Offer and comprising Mr. Brendan Fleiter and Ms. Sarah Morgan
<b>Independent Expert</b>	RSM Corporate Australia Pty Ltd (ABN 82 050 508 024)
<b>Independent Expert's Report</b>	the report prepared by the Independent Expert, a copy of which is attached to this Target's Statement as Attachment 1
<b>Issuer Sponsored Holding</b>	a holding of Whispir Shares on Whispir's issuer sponsored sub-register
<b>Offer Period</b>	the period from Monday, 20 November 2023 until 7.00pm (Sydney time) on Thursday, 21 December 2023, unless the Soprano Offer is extended or withdrawn
<b>Offer Price</b>	\$0.48 cash per Whispir Share, being the consideration to be provided to Whispir Shareholders under the Soprano Offer, as set out in Section 6.1 of this Target's Statement
<b>Participant</b>	has the meaning given in the ASX Settlement Operating Rules
<b>Pendula</b>	Zipline Cloud Pty Ltd (61 613 136 824)
<b>Pendula LOI</b>	has the meaning given in the Chairman's Letter of this Target's Statement
<b>Pendula Proposal</b>	has the meaning given in the Chairman's Letter of this Target's Statement
<b>Performance Rights</b>	a right to be issued Whispir Shares, subject to satisfaction of the relevant performance conditions, granted under the ESOP
<b>Prescribed Occurrence</b>	has the meaning given in section 9.7 of the Bidder's Statement
<b>Register Date</b>	8 November 2023, being the date set by Soprano under section 633(2) of the Corporations Act
<b>Relevant Interest</b>	has the meaning given in section 9 of the Corporations Act

<b>Section</b>	a section of this Target's Statement
<b>Soprano</b>	Soprano Design Technology (Australia) Pty Ltd (ACN 672 092 241)
<b>Soprano Offer</b>	the offer by Soprano to acquire Whispir Shares on the terms and conditions contained in the Bidder's Statement
<b>Subsidiary</b>	has the meaning given in section 46 of the Corporations Act
<b>Target's Statement</b>	this document, being Whispir's target statement
<b>Voting Power</b>	has the meaning given in section 610 of the Corporations Act
<b>VWAP</b>	volume weighted average price
<b>Whispir or the Company</b>	Whispir Limited (ACN 097 654 656) and each of its Subsidiaries and, where relevant, means one or more of those Subsidiaries, as the context requires
<b>Whispir Board</b>	the board of Directors of Whispir
<b>Whispir Share</b>	a fully paid ordinary share in the capital of Whispir
<b>Whispir Shareholder</b>	a holder of Whispir Shares
<b>Whispir Share Registry</b>	Computershare Investor Services Pty Ltd of Yarra Falls, 452 Johnston Street, Abbotsford, VIC, 3006

## 10.2 Interpretation

In this Target's Statement, unless the context requires otherwise:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing the singular include the plural and vice versa and a word of any gender includes the corresponding words of any other gender;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) the word including or any other form of that word is not a word of limitation;
- (e) a reference to a person or an expression importing a natural person includes an individual, the estate of an individual, a corporation, a regulatory authority, an incorporated or unincorporated association or parties in a joint venture, a partnership and a trust;
- (f) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (g) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this Target's Statement, and a reference to this Target's Statement includes all schedules, exhibits, attachments and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it;
- (j) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (k) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement;
- (l) a reference to time is a reference to time in Melbourne, Victoria;
- (m) a reference to writing includes facsimile and electronic mail transmissions; and
- (n) a reference to dollars, \$, cents and currency is a reference to the lawful currency of the Commonwealth of Australia.

## 11. Approval of Target's Statement

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This Target's Statement is dated 5 December 2023 (being the date on which this Target's Statement was lodged with ASIC) and has been approved by a resolution of the Directors of Whispir.

Signed for and on behalf of Whispir Limited:



Brendan Fleiter  
Chairman  
5 December 2023

## **Attachment 1 - Independent Expert's Report**

See attached.

For personal use only

For personal use only



## WHISPIR LIMITED

Financial Services Guide and Independent Expert's Report

5 December 2023

We consider the Offer to be Not Fair but Reasonable to Non-Associated Shareholders

# FINANCIAL SERVICES GUIDE

5 December 2023

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("RSM" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("AFSL"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

## Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

## General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

## Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Whispir Limited ("Whispir" or "WSP") will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.



## Remuneration or other benefits received by our employees

All our employees receive a salary.

## Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

### Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au). You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

## Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

RSM Corporate Australia Pty Ltd  
Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007  
T +61(0) 3 9286 8000  
F +61(0) 3 9286 8199  
[www.rsm.com.au](http://www.rsm.com.au)

# INDEPENDENT EXPERT'S REPORT

5 December 2023

The Shareholders  
Whispir Limited  
Level 29, 385 Bourke Street  
Melbourne VIC 3000

Dear Shareholders,

## Introduction

On 6 November 2023, Soprano Design Technology (Australia) Pty Ltd ("Soprano DTA") announced an off-market takeover bid to acquire all of the shares in Whispir Limited ("Whispir", "WSP" or "the Company") that it does not already currently own for a cash consideration of \$0.48 per share ("the Offer").

The Bidder's Statement issued by Soprano DTA states that the offer price of \$0.48 per share ("Offer Consideration") is best and final and will not be increased, in the absence of an alternative proposal or a competing proposal.

The Offer is unconditional, other than in respect of certain "prescribed occurrences". The Offer also extends to Shares that are issued during the period from the Register Date to the end of the Offer Period in accordance with the terms of, or otherwise in connection with, the exercise of conversion of Options, Performance Rights or Convertible Notes that are on issue on the Register Date, being 8 November 2023.

Soprano DTA is a wholly owned subsidiary of Soprano Design Pty Ltd ("Soprano Design") and was incorporated on 11 October 2023 for the purpose of acquiring ordinary shares in Whispir ("Shares" or "WSP Shares"). As at 4 December 2023, Soprano DTA had a relevant interest in 21,359,380 Shares, which represents 15.80% of the total number of WSP Shares on issue.

## Purpose of the report

The Directors of Whispir have requested that RSM Corporate Australia Pty Ltd ("RSM" or "we" or "us" or "ours"), being independent and qualified for the purpose, express an opinion as to whether the Offer is fair and/or reasonable to Whispir shareholders ("Shareholders").

Accordingly, we have prepared this independent expert's report ("the Report" or "IER") for the purposes of stating, in our opinion, whether or not the Offer is fair and reasonable to Whispir shareholders not associated with the Offer ("Non-Associated Shareholders").

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

## Summary of opinion

In the absence of any other relevant information and/or a superior proposal, RSM considers the Offer to be **not fair but reasonable** to Non-Associated Shareholders as at the date of this Report.

We have formed this opinion for the reasons set out below.

## Approach

In assessing whether the Offer is fair and reasonable to Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("ASIC") Regulatory Guide 111 – Content of expert reports ("RG 111"), which provides specific guidance as to how an expert is to appraise a takeover offer.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

Therefore, consistent with the guidance set out in RG 111, we have considered whether the Offer is "fair" to Non-Associated Shareholders by assessing and comparing:

- the Fair Market Value of a share in Whispir on a controlling basis prior to the Offer; with
- the Fair Market Value of the Offer Consideration.

Our assessment of the Fair Market Value of a Share in Whispir has been prepared on the following basis:

*"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".*

In accordance with RG 111, we have considered whether the Offer is "reasonable" to Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders, in their decision as to whether or not to accept the Offer.

Further information on the approach we have employed in assessing whether the Offer is fair and reasonable to Non-Associated Shareholders is set out in Sections 7 and 8 of this report.

## Fairness opinion

In assessing whether we consider the Offer to be fair to Non-Associated Shareholders, we have valued a Share in Whispir prior to the Offer and compared it to the value of the consideration offered per Whispir Share, to determine whether a Non-Associated Shareholder would be better or worse off should the Offer be approved.

Our assessment is set out in the table below:

**Table 1 Assessment of Fairness of Offer**

\$ per share	Low	High	Midpoint
Fair Value per WSP Share prior to the Offer (fully diluted and controlling basis)	0.4859	0.5649	0.5254
Offer Consideration	0.4800	0.4800	0.4800

Source: RSM Analysis

The above comparison is depicted graphically on the next page.

**Figure 1 Assessment of Fairness of the Offer**



Source: RSM Analysis

The Offer Consideration sits below our range determined for the Fair Value of a WSP Share on a fully diluted and controlling basis. In accordance with the guidance set out in ASIC RG 111 and in the absence of any other relevant information, it is our opinion that the Offer is **not fair** to the Non-Associated Shareholders.

Non-Associated Shareholders should be aware that our assessment of the Fair Value of a WSP Share on a fully diluted and controlling basis does not necessarily reflect the price at which WSP Shares will trade if the Offer is rejected. The current traded share price of Whispir is \$0.49; prior to the announcement of the Offer the traded share price was \$0.30 and, until the Offer was announced, Whispir's share price had not traded above \$0.50 since January 2023.

### Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspects of the Offer:

- the future prospects of Whispir if the Offer does not proceed;
- the potential advantages and disadvantages of the Offer for the Non-Associated Shareholders, including the specific terms of the Offer;
- Soprano DTA's pre-existing shareholding in WSP;
- the liquidity the Offer provides;
- the extent to which a control premium is being paid;
- the likely price of WSP Shares post announcement of the Offer;
- the existence of alternative proposals; and
- the likelihood of a superior proposal emerging.

## Future prospects of Whispir if the Offer does not proceed

If the offer does not proceed, the Company intends to continue to invest in innovation and related product development opportunities, and to pursue growth opportunities through market expansion, with a target of generating positive free cash flow in FY24.

Whispir is currently operating with a monthly cash burn of approximately \$0.6 million and cash reserves as at 31 October 2023 of \$5.52 million.

On 27 November 2023, the Company considered a special resolution at its AGM seeking shareholder approval to allow it to issue equity securities up to 10% of its issued capital for 12 months from the date of the meeting. The resolution was not passed, limiting the funding options available to the Company to execute its growth strategy since the Company will not be able to access the additional 10% Placement Capacity and would be restricted to the annual 15% placement limit without obtaining specific Shareholder approval in the future.

As referenced in Section 3, the Company has a convertible note funding facility with RiverFort Global Opportunities PPC Ltd ("RiverFort") under which \$1.0 million has been drawn down and converted into ordinary shares at a conversion price of \$0.3433, resulting in a further \$6.5 million still being available for future draw down.

## Advantages and disadvantages of approving the Offer

The key advantages of the Offer are outlined in the table below:

**Table 2 Advantages of the Offer**

Advantage	Details
The Offer Price delivers a substantial premium to the historical traded price of Whispir Shares	<p>The Offer price of \$0.48 per Share represents a 60% premium to the \$0.30 closing share price on the last trading day before the announcement of the Offer. Further, the implied control premium of the Offer over the VWAP of WSP Shares ranges from 38.4% to 60.3% in the 180 trading days prior to the announcement of the Offer.</p> <p>On 23 October 2023, Whispir announced to the ASX that it was undertaking a \$3.25 million capital raise via a private placement at an issue price of \$0.25 per share. The Offer price of \$0.48 per Share represents a 92% premium to the issue price under the placement.</p>
The Offer provides cash certainty of value and removal of investment risks	<p>As the Offer is for 100% cash consideration, it provides Non-Associated Shareholders who accept the offer with certainty of value and removes the risks and uncertainties of remaining a WSP Shareholder, including:</p> <ul style="list-style-type: none"> <li>• The ability of Whispir to execute its growth strategy and whether additional funds will need to be raised to do so;</li> <li>• Whether Whispir will achieve positive free cash flows as targeted;</li> <li>• Uncertainty associated with the transition of Whispir's current CEO to an Executive Director position, and securing a new CEO;</li> <li>• Reduced liquidity and trading volumes following WSP's removal from the ASX All Technology Index on 19 December 2022 and the ASX All Ordinaries Index on 20 March 2023;</li> <li>• Potential competitive threats; and</li> <li>• General market and macroeconomic conditions.</li> </ul>

The Offer removes exposure to further dilutionary funding risks

Whispir's cash and cash equivalents dropped significantly from \$26.08m at 30 June 2022 to \$4.32m at 30 June 2023.

On 23 June 2023, Whispir entered into a funding agreement with RiverFort to provide Whispir with a \$7.5 million convertible note funding facility. The Company made an initial drawdown of \$1.0 million and issued 1,136,129 options over fully paid ordinary shares with an exercise price of 34.33 cents per share to RiverFort.

On 23 October 2023, Whispir conducted a \$3.25 million capital raising, which resulted in the issue of 13,000,000 new WSP Shares and the dilution of existing non-participating shareholders' interests by approximately 11%.

On 10 November 2023, RiverFort elected to convert the outstanding loan and interest to date. Whispir issued RiverFort 3,162,027 fully paid ordinary shares in WSP.

On 20 November 2023, RiverFort exercised the 1,136,129 options provided as part of the funding agreement, being issued a further 1,136,129 fully paid ordinary shares in WSP.

There is a further \$6.5 million available to draw down under the RiverFort facility. The issue of further ordinary shares on the conversion of new notes would have a dilutive impact on current Shareholders.

Shareholders who accept the Offer will no longer be exposed to the risk of dilution through additional capital raisings.

The Share price may fall if the Offer is not successful

Prior to the Offer being announced, Whispir Shares were trading at \$0.30 and had not exceeded \$0.50 since January 2023. It is possible that the share price may fall towards the previously traded levels if the Offer is not successful and no alternative offers are received by the Company.

No stamp duty or brokerage fees in accepting the Offer

Shareholders will not pay stamp duty or brokerage fees on the sale of their WSP Shares if they accept the Offer.

Avoid the risk of becoming a minority shareholder of an unlisted subsidiary company

If Soprano DTA acquire more than 75% but less than 90% of WSP Shares at completion of the Offer, it intends to apply for termination of the official quotation of the Shares on the ASX and arrange for Whispir to be removed from the official list of the ASX. Accordingly, Shareholders who have not accepted the Offer may become minority shareholders of an unlisted subsidiary company with limited opportunities to realise their investment.

The key disadvantages of the Offer are:

**Table 3 Disadvantages of the Offer**

Disadvantage	Details
The offer is not fair	The Offer Consideration is lower than our assessed value of a WSP Share on a controlling basis.
Inability to participate in the future prospects of Whispir	If the Offer is implemented, Non-Associated Shareholders will no longer hold an interest in Whispir and therefore will not participate in any potential upside of the business.
Potential tax considerations	Acceptance of the Offer and the disposal of Whispir Shares will trigger a capital gains tax ("CGT") event for Non-Associated Shareholders. The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and, therefore, individual taxation advice should be obtained.

Change in investment profile	Acceptance of the Offer may result in disadvantages to those who wish to maintain their current investment profile. WSP Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of WSP and may incur transaction costs in undertaking a new investment.
Loss of potential superior proposal	<p>It is possible that a superior proposal which is more attractive for Shareholders than the Offer, may be made in the future.</p> <p>As detailed below, the Company has received a Letter of Intent from a strategic party with a stated intention to provide a non-binding indicative offer at a premium to the Soprano Offer Consideration.</p> <p>Any alternative offers may involve significant time and transaction costs to eventuate and there is no guarantee that WSP Shareholders may be able to sell, or otherwise receive value for, their WSP Shares on terms that are superior to the Soprano Offer.</p>

## Alternative proposals to the Offer

On 5 December 2023, Whispir announced that it had received a Letter of Intent (“LOI”) from Zipline Cloud Pty Ltd (“Pendula”) setting out Pendula’s intention to submit a non-binding indicative proposal to acquire all of the share capital in WSP or, alternatively, to acquire WSP’s main undertaking (“the Pendula Proposal”). Pendula is an Australian technology company with global offices in Australia, Europe and Singapore.

Pendula has stated in the LOI that its proposed non-binding indicative offer will be at a premium to the Offer Consideration of \$0.48 per WSP Share but has not provided an indicative offer price as at the date of this Report.

The LOI states that Pendula’s intention is to execute the acquisition of WSP Shares through a scheme of arrangement or an acquisition of WSP’s main undertaking, or a combination of these two acquisition structures. The consideration proposed to be offered by Pendula is expected to be either all-cash or, alternatively, a combination of cash and scrip. Pendula expects to submit the alternative offer on Friday 8 December 2023.

At this stage, Pendula has only provided a statement of its current intention to make a non-binding, indicative offer. There is no certainty that this will lead to a binding offer from Pendula on the same or similar terms (or at all) or result in a transaction under which WSP Shareholders may be able to sell, or otherwise receive value for, their WSP Shares on terms that are superior to the Soprano Offer.

## Conclusion on Reasonableness

The key factors we have considered in assessing the reasonableness of the Offer are:

- The Offer Consideration is only slightly below the low end of our assessed value range of a WSP Share on a controlling basis;
- The premium of the Offer Consideration is higher than the long-term average observed premiums in the Australian market, with the implied control premium of the Offer over the VWAP of WSP Shares ranging from 38.4% to 60.3% in the 180 trading days prior to the announcement of the Offer;
- The current market sentiment towards WSP and other technology stocks as illustrated by the WSP Share price performance over 2023;
- The recent capital raising in October 2023 at an issue price of \$0.25 and other funding sources available to the Company;



- The ongoing operating cash requirements of Whispir and associated risks in reaching a sustainable cashflow positive position; and
- The recent emergence of a potential alternative offer from Pendula which is stated in the LOI as intended to be at a premium to the Offer Consideration but, as at the date of this Report, is only a statement of intent and may or may not lead to a binding offer from Pendula.

In the absence of any other relevant information and/or a superior offer (noting the potential for a superior offer from Pendula as stated above), we consider that the Offer is **reasonable** for the Non-Associated Shareholders based on the available information as at the date of this Report.

An individual Shareholder may have a different opinion on the above factors and therefore the reasonableness of the Offer.

A Non-Associated Shareholder's decision in relation to the Offer may also be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

## General

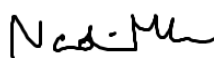
This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Non-Associated Shareholders. The ultimate decision whether to accept the Offer should be based on Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. Shareholders should read and have regard to the contents of the Target's Statement which has been prepared by the Directors and Management of Whispir. Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Offer and/or the matters dealt with in this Report, should seek independent professional advice. This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

**RSM CORPORATE AUSTRALIA PTY LTD**



**Andrew Clifford**  
Director



**Nadine Marke**  
Director



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## 1. Summary of the Offer

### 1.1 Overview

On 6 November 2023, Soprano DTA announced that it was making an all-cash off-market takeover bid to acquire all of the shares in Whispir it does not already currently own at \$0.48 per share. Soprano DTA has presented their offer as best and final in the issued Bidder's Statement, barring the emergence of an alternative or competitive proposal. The offer is deemed unconditional, except for certain "prescribed occurrences", set out in Section 1.3 below.

The Offer encompasses any Shares issued to Shareholders during the period from the Register Date to the conclusion of the Offer Period, in adherence to the terms of, or in connection with, the exercise or conversion of options, performance rights, or convertible notes in existence on the Register Date. Consequently, individuals holding such options, performance rights, and convertible notes, which undergo conversion into Shares before the conclusion of the Offer Period, will have the option to accept the Offer concerning the resulting Shares. Soprano DTA is not extending a distinct offer to holders of options, performance rights, or convertible notes; therefore, these holders will only be able to participate in the Offer if the underlying instrument has been converted into WSP Shares before the close of the Offer Period, being 21 December 2023.

As at 4 December 2023, Soprano DTA had a relevant interest in 21,359,380 WSP Shares, which represents 15.80% of the total number of Shares on issue.

### 1.2 Consideration

The consideration for the acquisition of the shares subject to the Offer will be entirely fulfilled in cash. The maximum monetary obligation that Soprano DTA would be obligated to disburse under the Offer, assuming acceptances are received on Shares in circulation as at 6 November 2023 (excluding those shares in which Soprano DTA holds a relevant interest), is projected to amount to \$53.44 million.

If holders of all options, performance rights, and convertible notes outstanding as at 6 November 2023 proceed to exercise these instruments, or if they vest and convert to Shares, and subsequently accept the Offer for the Shares issued through such transactions, an additional sum of \$4.39 million will be liable for payment by Soprano DTA under the terms of the Offer.

### 1.3 Key conditions of the Offer

The Offer is unconditional, except for the inclusion of a specified condition referred to as the "prescribed occurrences", described below ("Condition").

"Prescribed occurrences" encompass specific events that, if realised, grant Soprano DTA the prerogative to abstain from proceeding with the Offer.

These events include, among others, instances where Whispir divides or consolidates its Shares; Whispir or a Subsidiary of Whispir engages in share buybacks or a capital reduction; Whispir or a Subsidiary of Whispir issues Shares, options or convertible notes; Whispir or a Subsidiary of Whispir divests the entirety or a significant portion of its business or assets; or the occurrence of insolvency-related events concerning Whispir or a subsidiary of Whispir.

The completion of this Offer and any contract that results from an acceptance of this Offer, is subject to the fulfilment of the "prescribed occurrences" Condition, which is set out in detail at Section 9.7 of the Bidder's Statement.

If the "prescribed occurrences" Condition is not freed or fulfilled by the end of the third business day after the end of the Offer Period, the Offer will lapse, and shareholders' acceptance will be void. Shareholders' Shares will not be acquired by Soprano DTA and Shareholders will not be paid the Offer Price.

## 1.4 Intentions for Whispir if Soprano DTA acquires a relevant interest in 90% or more of the Shares

The following outlines Soprano DTA's intentions in the event that it acquires a relevant interest in 90% or more of the Shares, thereby obtaining the entitlement to initiate compulsory acquisition procedures for any remaining outstanding Shares in accordance with Part 6A.1 of the Corporations Act.

In that circumstance, Soprano DTA's current intentions are as follows:

1. Proceed with compulsory acquisition of the outstanding Shares in accordance with the provisions of Part 6A.1 of the Corporations Act, including any Shares which are issued after the close of the Offer as a result of the exercise, vesting or conversion of Options, Performance Rights or Convertible Notes;
2. Apply for termination of the official quotation of the Shares of the ASX and arrange for Whispir to be removed from the official list of the ASX; and
3. Replace the members of the Whispir Board with the nominees of Soprano DTA. Replacement Board members have not yet been identified by Soprano DTA and their identity will depend on circumstances in relevant time.

Additionally, in the event that Soprano DTA gains the right to exercise the general compulsory acquisition authority under Part 6A.2 of the Corporations Act, it retains the option to utilise those rights for the compulsory acquisition or cancellation of any existing options, performance rights, and convertible notes, in accordance with the stipulations outlined in Part 6A.2 of the Corporations Act.

## 1.5 Intentions for Whispir as a part-owned controlled entity

The following outlines Soprano DTA's intentions in the scenario where Whispir becomes a controlled entity of Soprano DTA, yet Soprano DTA lacks the entitlement to initiate compulsory acquisition procedures as prescribed by Part 6A.1 of the Corporations Act.

In that circumstance, Soprano DTA's current intentions are as follows:

1. (Subject to the Corporations Act and the constitution of Whispir) seek to replace some of the members of the Whispir Board. Soprano DTA would consider the recommendations in the ASX Corporate Governance Guidelines when determining the composition of the Board. Replacement Board members have not yet been identified by Soprano DTA and their identity will depend on the circumstances at the relevant time. Soprano DTA will conduct a review to determine the most appropriate replacement Board members; and
2. May apply for termination of the official quotation of the Shares on the ASX and arrange for Whispir to be removed from the official list of the ASX.

In this regard, ASX guidance indicates that the usual conditions that the ASX would expect to be satisfied in order for it to approve the removal of Whispir from the official list in the context of a successful takeover bid include:

- At the end of the Offer, Soprano DTA owns or controls at least 75% of the Shares and the Offer has remained open for at least two weeks after Soprano DTA has attained ownership or control of at least 75% of the Shares; and
- The number of Whispir Shareholders (other than Soprano DTA and its associates) having holdings with a value of at least \$500 is fewer than 150.

In such a case, the ASX will not usually require Soprano DTA to obtain Whispir Shareholder approval for Whispir's removal from the official list of the ASX.

In addition, the ASX may, even if the above conditions are not satisfied, approve an application for Whispir to be removed from the official list of the ASX with Whispir Shareholder approval and, where such removal is sought later than 12 months after the close of the Offer, subject to the ASX's discretion, Soprano DTA may be entitled to vote on the resolution approving the removal.

If Whispir is removed from the official list of the ASX, there may be risks related to remaining as a minority shareholder in Whispir. These include reduced or non-existent liquidity if Whispir Shareholders wish to sell their Shares.

## **1.6 Intentions for Whispir if not controlled by Soprano DTA**

The following summarises Soprano DTA's intentions in the event that Whispir does not become a controlled entity of Soprano DTA. Under such circumstances, Soprano DTA anticipates being unable to implement the intentions outlined in Section 1.4 and 1.5 above. Notwithstanding:

- a) Soprano DTA will seek to:
  - 1) Obtain representation on the Whispir Board which is at least consistent with its proportionate shareholding; and
  - 2) Gain a more detailed understanding of the business' assets and operations in order to evaluate the performance, profitability and prospects of Whispir in light of the information then available to Soprano DTA;
- b) Soprano DTA will, to the extent possible, procure the Whispir Board to follow the intentions set out in Sections 1.4 and 1.5; and
- c) Soprano DTA would otherwise have regard to the circumstances at the time and consider the appropriate courses of action that are in the best interests of Soprano DTA.

## 2. Scope of the Report

### 2.1 Purpose of this Report

The Directors of Whispir have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Offer is fair and reasonable to Non-Associated Shareholders. Accordingly, this Report has been prepared to accompany the Target's Statement which will be provided to Whispir Shareholders in relation to the Offer.

### 2.2 Regulatory guidance

In assessing whether the Offer is "fair" and "reasonable", we have given regard to the views expressed by the Australian Securities and Investments Commission ("ASIC") in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not a proposed transaction is fair and reasonable.

RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

RG 111 applied the "fair and reasonable" test as two distinct criteria in the circumstance of a takeover offer, stating:

- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer.

### 2.3 Adopted basis of evaluation

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Offer is "fair" to Non-Associated Shareholders by assessing and comparing:

- the Fair Market Value of a Share in WSP on a controlling basis prior to the Offer; with
- the Fair Market Value of the Offer Consideration.

Our assessment of the Fair Market Value of a Share in WSP has been prepared on the following basis:

*"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".*

In accordance with RG 111, we have considered whether the Offer is "reasonable" to Whispir Non-Associated Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Non-Associated Shareholders in their decision as to whether or not to accept the Offer.

We have also considered whether the Offer is "reasonable" by undertaking an analysis of the following factors:

- the future prospects of Whispir if the Offer does not proceed;
- the potential advantages and disadvantages of the Offer for the Non-Associated Shareholders, including the specific terms of the Offer;
- Soprano DTA's pre-existing shareholding in WSP;
- the liquidity the Offer provides;

- the extent to which a control premium is being paid;
- the likely price of WSP Shares post announcement of the Offer;
- the existence of alternative proposals; and
- the likelihood of a superior proposal emerging.

Our assessment of the Offer is based on economic, market and other conditions prevailing at the date of this Report.

### 3. Profile of Whispir Limited

#### 3.1 Background

Whispir Limited (ASX: WSP) is an Australian public company that gained admission to the official list of the ASX on 19 June 2019. Functioning as a global communications intelligence company, Whispir provides a no-code Communications-as-a-Service (“CaaS”) platform, facilitating omnichannel interactions among organisations, their systems and individuals to address common challenges related to compliance, deliverability and engagement.

Whispir has developed a no-code platform that empowers users to create and customise communication workflows and interactions without the necessity of extensive coding knowledge. Whispir’s product suite allows organisations to enhance their communication through automated workflows, and ensures stakeholders receive accurate, timely, relevant and actionable insights in a manner more sensitive to individual context and preferences. The Whispir platform incorporates multiple communication channels including email, short message service (“SMS”), voice calls, social media, and other messaging applications.

Whispir operates across three key regions: Australia and New Zealand, Southeast Asia and North America. Its customers range from small-scale organisations to large government departments across diverse industries including banking and finance, insurance, transport and logistics, utilities, telecommunications, emergency services, education, healthcare and government.

#### 3.2 Directors

The directors of Whispir are summarised in the table below.

**Table 4 Whispir Directors**

Name	Title	Experience
Mr Brendan Fleiter	Non-Executive Chairman	Mr Fleiter holds a Bachelor of Jurisprudence and a Bachelor of Laws from Monash University. Mr Fleiter has over 30 years of business experience, including more than 15 years of non-executive directorships on the boards of ASX listed, large private, government and not-for-profit enterprises. Mr Fleiter also currently chairs the board of Kennards Hire and Interactive and serves as a Non-Executive Director of The Australian Food Allergy Foundation. Mr Fleiter’s previous roles include Deputy Chair and Non-Executive Director of Australia Post, CEO and executive director of Crazy John’s Group and Non-Executive Director and Chairman of Godfreys Group Limited.
Mr Jeromy Wells	Chief Executive Officer (“CEO”) and Executive Director	Mr Wells holds a Bachelor of Architecture (Hons) from RMIT University. Mr Wells is the co-founder of Whispir with 19 years of experience in the business. Mr Wells began his career as an architect in Melbourne, before turning to new technology innovation and pioneering the development of new cloud-based communications solutions.
Ms Sarah Morgan	Non-Executive Director	Ms Morgan holds a Bachelor of Engineering (Hons) and a Master of Business Administration (“MBA”) from the University of Melbourne, a Post Graduate Diploma in Contemporary Art from the University of Manchester and is a graduate and member of the Australian Institute of Company Directors.  Ms Morgan served as an Executive Director for corporate advisory firm Grant Samuel for 15 years, before taking up non-executive directorships at a variety of listed, private and not-for-profit organisations including Intrepid Group, and Adslot, where she chairs the Audit and Risk Committees. Ms Morgan is also a Non-executive Director of Skalata Ventures, a seed venture fund manager.

Source: WSP FY23 Annual Report

In October 2023, Jeromy Wells announced his resignation from the CEO role before transitioning to an Executive Director role focused on strategic growth initiatives, with a 4 month notice period. The Company commenced a search for a new CEO but this process has been put on hold following the announcement of the Offer.

### 3.3 Business growth strategy

Whispir's strategic focus is centred on responsible growth and generating positive free cash flow. The key elements of its strategy to achieve this goal are outlined below.

**Table 5 Whispir business growth strategy**

Key Element	Description
Increasing automation	Whispir aims to enhance its platform by increasing automation capabilities. This would allow customers to quickly and efficiently derive value from the platform's features, enabling them to streamline communications processes and improve their own operations.
Becoming a communications intelligence leader	Whispir plans to evolve into a world-leading communications intelligence company. This involves leveraging data-driven insights to enhance customer engagement. By harnessing the power of data and analytics, Whispir seeks to provide valuable insights that help its customers optimise their communications strategies and achieve better results.
Expanding regional presence	The company aims to grow its presence in the ANZ and Asia regions. This expansion involves utilising its existing regional hubs to support customer success and build stronger relationships within these markets. By having a localised approach, Whispir can better understand and meet the unique needs of customers in these regions.
Strengthening sales channels	Whispir plans to enhance its channel sales capabilities. This includes both refining its existing sales channels and forming new partnerships with system integrators and value-added resellers. These partnerships can help increase market reach and provide customers with comprehensive solutions that incorporate Whispir's communication platform.
Financial goals	Whispir has set specific financial targets. The company aims to achieve EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) breakeven during the first half of FY24. Additionally, the goal is to achieve positive cash flow in the second half of FY24, which is a critical milestone for financial sustainability.

Source: WSP FY23 Annual Report

### 3.4 Strategic relationships

#### Telstra

Whispir has partnered with telecommunications provider Telstra to develop solutions supporting the communication operations and engagement of Telstra's customers.

The Telstra Whispir Communications Platform is offered to all Telstra Enterprise customers. Whispir and Telstra have developed over 30 unique customer, government and industry solutions with a suite of time-saving features, user-friendly templates and a robust API for seamless data integration.

Through the partnership, Telstra markets the Whispir platform and cloud-based applications which are fully integrated with its technology to Telstra customers and receives reseller margins from Whispir.

This partnership allows for joint go-to-market strategies between Whispir and Telstra such as the COVID-19 business continuity planning strategy which provided COVID-19 workflow templates to assist organisations with their business-critical communications during the coronavirus pandemic.



## Singtel

On 29 December 2021, Whispir announced that it had signed a significant contract with Singapore Telecommunications Limited (“Singtel”) to replace Singtel’s enterprise-wide core SMS notification systems, while also enhancing App Push, Email, Voice, WhatsApp and Rich Message capability for internal users. The move eliminates the need for Singtel to oversee multiple third-party vendors and internal products, with the Whispir operating system providing a unified platform integrated with Singtel’s existing applications.

The contract had a minimum value of SG\$1.3m (\$1.32m) comprising professional services and software licence fees, with the potential for additional transactional usage fee revenue to be generated. It had an initial three-year term with an optional two-year extension.

Singtel is a leading communications technology group based in Singapore, offering a portfolio of services encompassing next-generation communication, 5G and technology services, as well as infotainment to both consumers and businesses. With a significant presence in Asia, Australia and Africa, the group serves in excess of 750 million mobile customers in 21 countries.

The partnership enables Singtel to rapidly deploy and resell Whispir’s new communications engagement capabilities to Singtel’s existing and future enterprise clients.

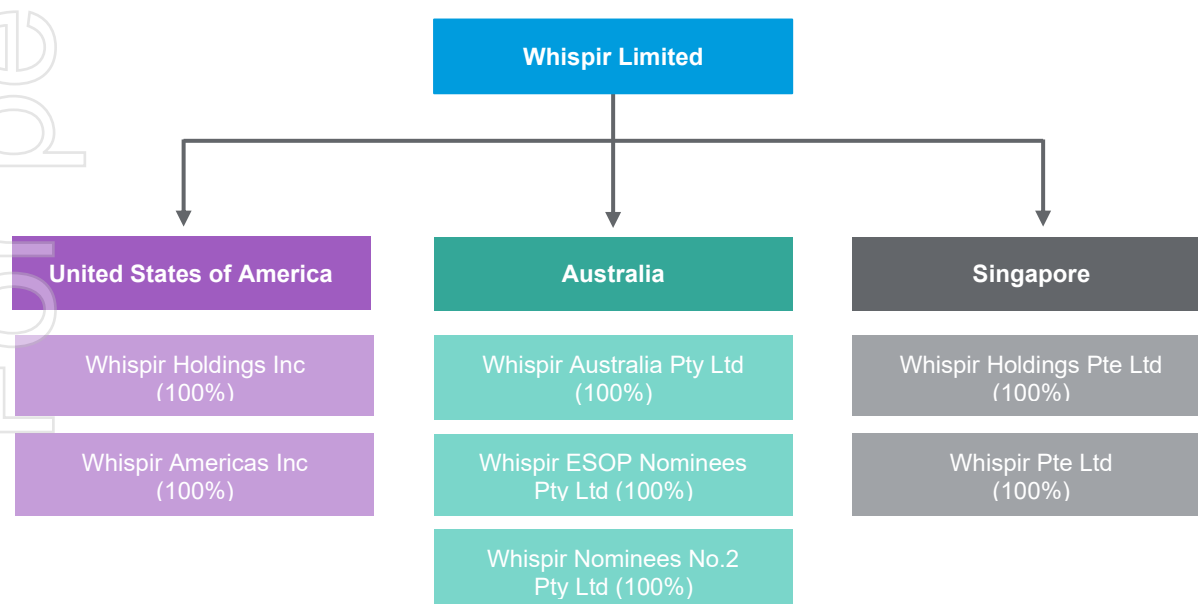
## Amazon Web Services

The Whispir communications platform leverages AWS infrastructure including EC2, S3 and Cloudfront. Whispir has also partnered with Amazon Connect to provide an omnichannel cloud contact centre for customer service at a lower cost, with Whispir integrating into Amazon Connect.

## 3.5 Legal Structure

The corporate structure of WSP is outlined in the figure below.

**Figure 2 WSP Corporate Structure**



Source: WSP FY23 Annual Report

### 3.6 Financial performance

The following table sets out a summary of the financial performance of Whispir for FY21, FY22 and FY23, extracted from the audited consolidated financial statements. The auditors of Whispir, PwC, provided an unqualified audit opinion as at 30 June 2023.

**Table 6 Whispir historical financial performance**

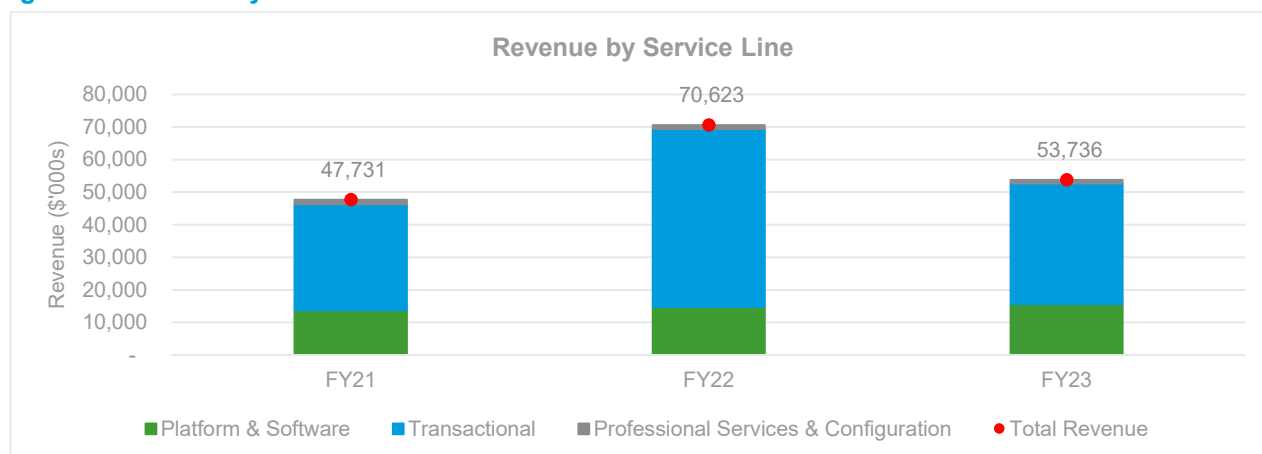
\$'000	Ref	FY21 Audited	FY22 Audited	FY23 Audited
<b>Revenue</b>				
Platform & Software	b)	13,795	14,746	15,670
Transactional Software	c)	32,480	54,641	37,072
Professional Services & Configuration	d)	1,456	1,236	994
<b>Total Revenue</b>		<b>47,731</b>	<b>70,623</b>	<b>53,736</b>
<b>Cost of Services</b>	e)	(19,173)	(29,331)	(21,346)
<b>Gross Profit</b>	f)	<b>28,558</b>	<b>41,292</b>	<b>32,390</b>
<b>GP %</b>		<b>60%</b>	<b>58%</b>	<b>60%</b>
Interest Revenue		185	173	97
<b>Overhead Expenses</b>				
Sales & marketing	g)	(17,151)	(25,623)	(21,557)
Research & development	h)	(7,564)	(11,967)	(12,411)
General & administration	i)	(12,923)	(23,277)	(16,877)
Expected credit reversal / (loss)	j)	(190)	143	(388)
Finance costs	k)	(457)	(289)	(233)
<b>Total Overhead Expenses</b>		<b>(38,285)</b>	<b>(61,013)</b>	<b>(51,466)</b>
<b>Loss Before Income Tax</b>		<b>(9,542)</b>	<b>(19,548)</b>	<b>(18,979)</b>
Income Tax (Expense) / Benefit	k)	(112)	112	(2)
<b>Loss After Income Tax</b>	k)	<b>(9,654)</b>	<b>(19,436)</b>	<b>(18,981)</b>
<b>NLAT %</b>	k)	<b>-20%</b>	<b>-28%</b>	<b>-35%</b>

Source: WSP Annual Reports

We note the following in relation to WSP's financial performance from FY21 to FY23:

- The statement of financial performance reflects the Company's main activities as a CaaS provider, with the key revenue items being the provision of platform and software services, transactional services, professional services and implementation. An analysis of revenue over FY21 to FY23 is set out in Figure 3 below.

**Figure 3 Revenue by Service Line**

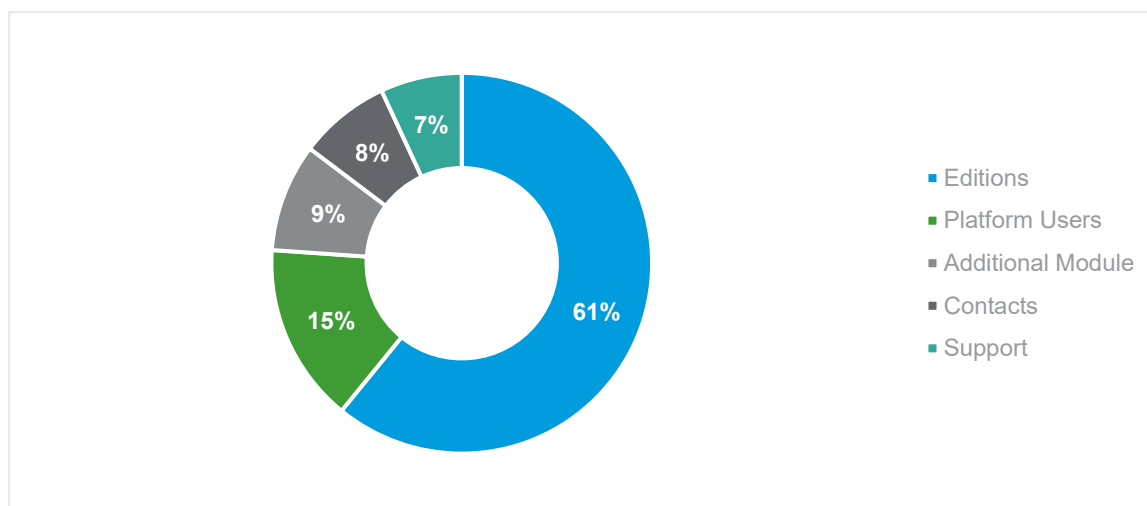


Source: WSP Management Accounts

- b) Platform and software revenue relates to subscription fees received from customers for accessing the Whispir platform and ancillary support services. A significant proportion (61%) of platform and software revenue is derived from Editions (customer subscriptions to specific modules) as shown in Figure 4 below.

Platform and software revenue contributed approximately 29% to the Company's total revenue in FY23. Growth in platform and software revenue remained steady at approximately 6-7% each year over the period of review and is attributed to an increase in Whispir's customer base.

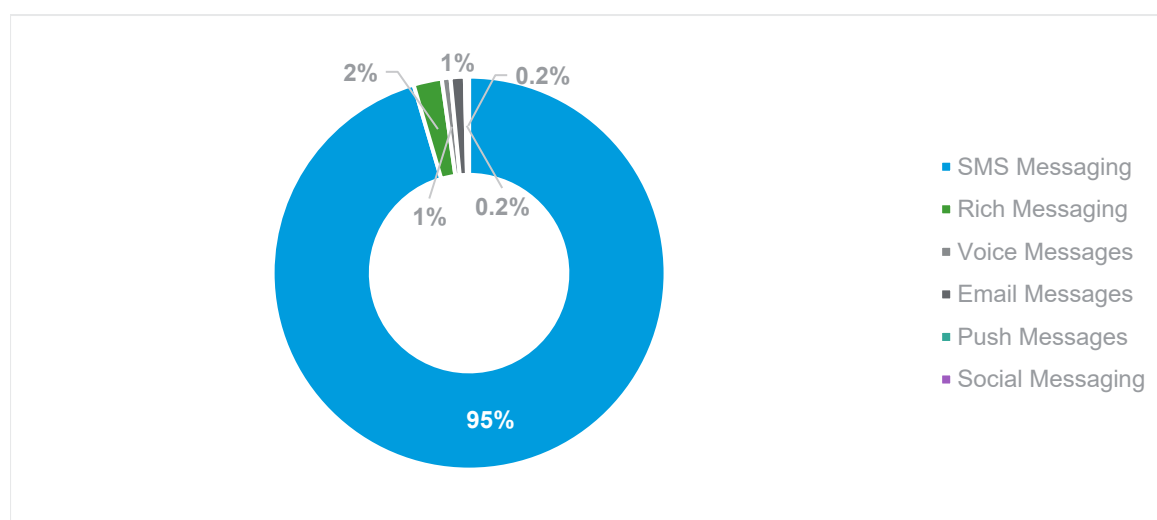
**Figure 4 Platform & software revenue by product type - FY23**



Source: WSP Management Accounts

- c) Transactional revenue comprises amounts charged to customers for messaging through the Whispir platform, for example via text messaging, rich messaging, voice messaging and email messaging, based on contracted prices. It mostly comprises revenue from SMS messaging transactions as illustrated in Figure 5 below.

**Figure 5 Transactional software revenue by product type - FY23**



Source: WSP Management Accounts

Transactional revenue had the greatest contribution to the Company's revenue, averaging approximately 70% of total revenue across the review period. The COVID-19 pandemic resulted in a significant increase (68%) in transactional revenue in FY22 as it boosted demand for Whispir's communication services,

particularly in the ANZ region. Table 7 highlights the increase in demand from the State Government Healthcare agencies, for whom Whispir delivered critical health-related communications. In total, Whispir worked with 22 Australian government departments or statutory authorities providing COVID-19 communications.

The unique circumstances of the pandemic temporarily inflated revenue during FY22 followed by a decline in total revenue of 24% in FY23, with transactional revenue reverting to pre-pandemic levels.

**Table 7 Top 20 Whispir customers by revenue (FY21 to FY23)**

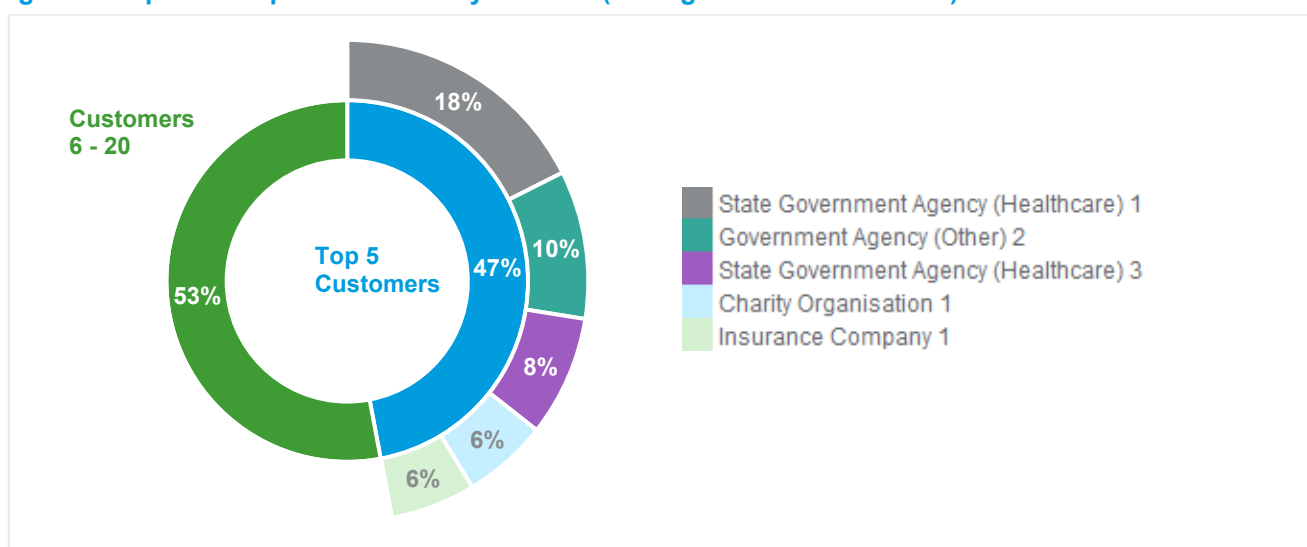
\$'000	FY21 Management	FY22 Management	FY23 Management	Average FY21 - FY23
<b>Top 10 customers</b>				
State Government Agency (Healthcare) 1	1,257	12,717	-	4,658
Government Agency (Other) 2	2,734	2,776	2,401	2,637
State Government Agency (Healthcare) 3	-	4,826	1,610	2,145
Charity Organisation	1,307	1,583	1,652	1,514
Insurance Company 1	1,516	1,456	1,555	1,509
Emergency Services Agency	1,001	1,605	1,700	1,435
Insurance Company 2	923	1,072	1,236	1,077
Veterinary Services	-	1,125	1,970	1,032
Consumer Company	1,103	955	834	964
Private Healthcare	667	1,330	838	945
<b>Top 11 - 20 customers</b>	<b>8,742</b>	<b>8,945</b>	<b>8,057</b>	<b>8,581</b>
<b>Total Revenue of Top 20 Customers</b>	<b>19,250</b>	<b>38,390</b>	<b>21,853</b>	<b>26,498</b>
<i>Top 20 customers as a proportion of total revenue</i>	<i>40%</i>	<i>54%</i>	<i>41%</i>	<i>45%</i>

Source: WSP Customer Revenue GL Accounts

With the exception of the State Government health authorities, the majority of the top 20 customers maintained their revenue contribution across the period, demonstrating the recurring nature of Whispir's revenue. Management has advised that revenue from the large State Departments has dropped, however Whispir now services the local districts to whom the State Departments have delegated their mandates in regard to ongoing COVID-19 communications.

Figure 6 sets out Whispir's Top 20 customers based on their average revenue contribution in FY21 to FY23.

**Figure 6 Top 20 Whispir customers by revenue (average over FY21 to FY23)**

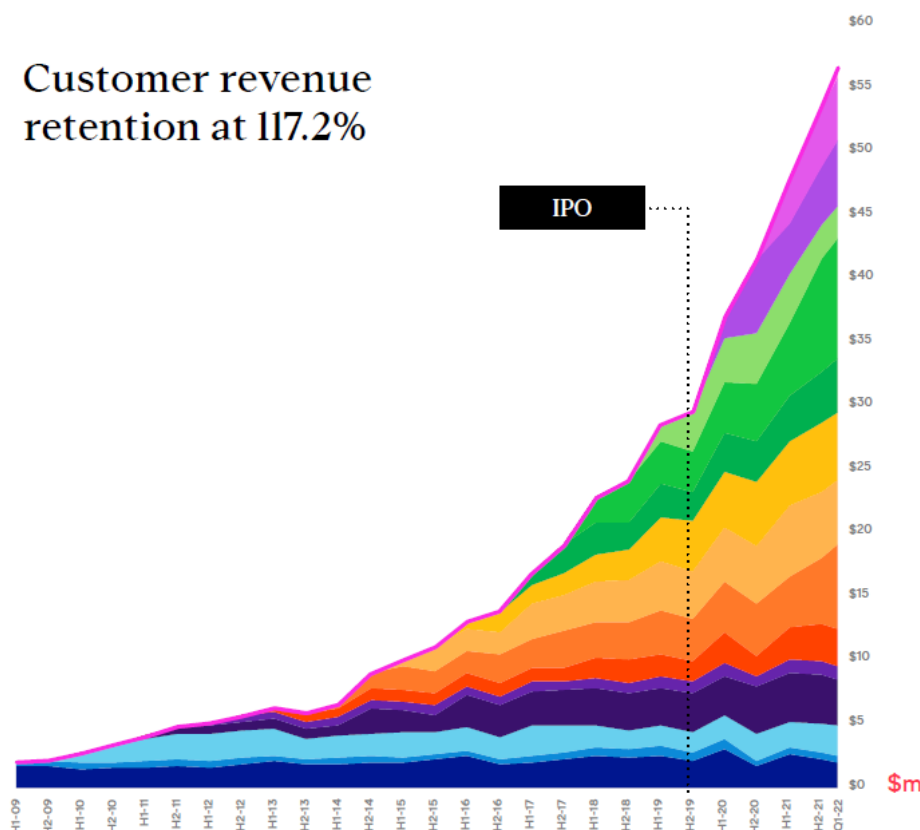


Source: WSP Customer Revenue GL Accounts

Figure 7 below shows the revenue contribution growth for recurring customers over the period from FY09 to Q1 FY22, noting that the tail-end of the graph incorporates some of the COVID-19 pandemic effects. As well as the significant growth in recurring customer revenue, illustrated by the various annual cohorts of new customers in each colour, WSP also recorded a customer retention rate of 117.2% demonstrating the 'stickiness' of the Company's customers.

**Figure 7 Customer revenue retention to Q1 FY22**

## Customer revenue retention at 117.2%



Source: WSP Q1 FY22 Activities Update – Investor Presentation

Whispir sources approximately 75% of new customers using Channel Partner relationships such as Telstra and resellers, and 25% through the direct sales team. Once new customers have onboarded, additional use cases drive revenue growth from each customer.

- d) Professional services and configuration revenue relates to implementation, configuration, and other professional services relating to the Whispir platform. Management has advised that these revenues relate to one-off transactions such as implementation support or training and are, therefore, considered to be non-recurring revenue. Over the period FY21 to FY23, professional services and configuration revenue contributed an average of 2% to the Company's total revenue.
- e) Cost of services ("COS") largely comprises costs associated with transactional services. It also includes some data hosting and support costs. Across the review period, COS remained between 40% and 42% of total revenue, with a peak in FY22 due to the increase in pandemic-related demand for transactional services, which have higher associated costs compared to SaaS revenue streams, such as platform licence fees.
- f) Gross profit margins improved from 58% in FY22 to 60% in FY23 due to the proportionate decline in transactional revenue, as well as the Company realising efficiency gains from optimising relationships with telco carriers for the delivery of omnichannel messaging services and negotiating more favourable terms.

- g) Sales and marketing expenses have consistently been the Company's largest overhead expense, contributing an average of 43% to total expenses across the review period. Following a restructure of the Company's marketing team, which was downsized and relocated from North America to the ANZ region and the Philippines in FY23, and a reduced investment in digital marketing, sales and marketing expenses dropped by 19% in the most recent financial year. Redundancy costs of \$1.7m were recorded in FY23 as a result of the restructuring which removed approximately 30% of the total workforce.
- h) Across the review period, research and development ("R&D") expenditure increased from approximately \$7.56m to \$12.41m. Additionally, Whispir capitalised approximately \$5.71m of development costs in FY23. The Company invests heavily in product development and innovation to both provide a competitive advantage and to diversify revenue streams. Future product roll-outs include AI enabled tools, enhanced security and privacy measures and use of other messaging platforms such as WhatsApp.
- i) General and administration ("G&A") expenses account for approximately 30% of total revenue over the review period. Total G&A expenditure declined from FY22 to FY23 due to the Company implementing its restructuring programs, which reduced labour costs and streamlined operations, eliminating redundant processes and administrative functions.
- j) Expected credit reversal / (loss) and finance costs have together, on average, accounted for less than 2% of total overhead expenses across the review period. The Company recognised a net impairment charge in respect of the expected credit losses for FY23 from revenue derived through channel partners and direct customers.
- k) Across the review period, Whispir has consistently operated at a net trading loss. As at 30 June 2023, the Company had approximately \$82.86m in tax losses and R&D credits that arose in Australia, Singapore, and the United States of America that may be available for offsetting against future taxable profits of the companies in which the losses arose. Whispir's net losses after tax ("NLAT") increased from \$9.65m to \$19.44m in FY22, before declining slightly to \$18.98m in FY23.
- l) Although the above presentation of Whispir's financial performance is until 30 June 2023, Management has provided year-to-date ("YTD") performance information to 31 October 2023, reflecting the most up-to-date data available prior to the Offer. We note that YTD24 revenue is currently trending at a broadly similar level to FY23, the Company's gross profit margin has increased to 63% whilst the NLAT margin has decreased to 12% as a result of the significantly reduced overheads.

### 3.7 Financial position

The following table sets out a summary of the financial position of Whispir as at 30 June 2022 and 30 June 2023, extracted from the audited consolidated financial statements, and as at 31 October 2023 from unaudited management accounts.

**Table 8 Whispir historical financial position**

\$'000	Ref	30-Jun-22 Audited	30-Jun-23 Audited	31-Oct-23 Management
<b>Current Assets</b>				
Cash & Cash Equivalents	b)	26,077	4,320	5,522
Trade & Other Receivables	c)	6,265	6,576	6,770
Prepayments		2,190	1,556	1,614
Contract Acquisition Costs (Current)		679	-	-
Interest Bearing Assets (Current)	d)	1,957	624	1,237
<b>Total Current Assets</b>		<b>37,168</b>	<b>13,076</b>	<b>15,143</b>
<b>Non-Current Assets</b>				
Property, Plant & Equipment	e)	1,266	2,951	2,790
Intangible Assets	f)	15,725	17,743	18,221
Right Of Use Assets	g)	656	3,860	3,695
Contract Acquisition Costs (Non-Current)		268	-	-
Interest Bearing Assets (Non-Current)	d)	-	976	-
<b>Total Non-Current Assets</b>		<b>17,915</b>	<b>25,530</b>	<b>24,706</b>
<b>Total Assets</b>		<b>55,083</b>	<b>38,606</b>	<b>39,850</b>
<b>Current Liabilities</b>				
Trade & Other Payables	h)	10,145	8,044	8,899
Contract Liabilities (Current)	i)	2,966	1,715	1,513
Borrowings (Current)	j)	-	375	-
Employee Benefits (Current)	k)	2,265	1,473	1,597
Lease Liabilities (Current)	l)	915	984	-
Derivative Financial Liabilities (Current)	m)	-	69	150
<b>Total Current Liabilities</b>		<b>16,291</b>	<b>12,660</b>	<b>12,158</b>
<b>Non-Current Liabilities</b>				
Contract Liabilities (Non-Current)	i)	67	80	-
Borrowings (Non-Current)	j)	-	281	598
Employee Benefits (Non-Current)	k)	130	46	-
Lease Liabilities (Non-Current)	l)	225	5,707	6,342
Derivative Financial Liabilities (Non-Current)	m)	-	81	-
<b>Total Non-Current Liabilities</b>		<b>422</b>	<b>6,195</b>	<b>6,941</b>
<b>Total Liabilities</b>		<b>16,713</b>	<b>18,855</b>	<b>19,099</b>
<b>Net Assets</b>	<b>a)</b>	<b>38,370</b>	<b>19,750</b>	<b>20,751</b>
<b>Equity</b>				
Issued Capital		136,305	137,064	140,254
Reserves		3,788	3,389	4,995
Accumulated Losses		(101,723)	(120,703)	(124,498)
<b>Total Equity</b>		<b>38,370</b>	<b>19,750</b>	<b>20,751</b>

Source: WSP Annual Reports



We note the following in relation to WSP's financial position as at 30 June 2023 and 31 October 2023.

- a) As at 31 October 2023, Whisper reported net assets of \$20.75m, an increase from the audited 30 June 2023 position of \$19.75m.
- b) Whisper's cash and cash equivalents declined from \$26.08m at 30 June 2022 to \$4.32m at 30 June 2023, largely driven by the Company's investment in R&D and growth initiatives. On 23 October 2023, the Company completed a \$3.25m capital raise through a private placement of 13 million fully paid ordinary shares at \$0.25 per share, resulting in a c\$3.0m increase in cash after costs. The Company will use the funds to strengthen the balance sheet, provide additional flexibility to meet general working capital requirements, and move towards being free cash flow positive across the second half of FY24.
- c) Trade and other receivables are largely comprised of trade receivables, of which 11% are aged over 90 days as at 30 June 2023, net of an allowance for expected credit losses. The remainder of the Company's trade and other receivables balance relates to accrued income, other receivables, employee advances and tax refunds receivable. Other receivables further include a related party loan agreement between the Company and the CEO, Mr. Jeromy Wells, for the purpose of settling personal income tax as a result of transferring his employment from Singapore to Australia. The loan is stated to be on an arm's length basis and has \$368k outstanding at 31 October 2023 (comprised of the principal amount and accrued interest).
- d) Interest bearing assets relate to short term deposits of cash held by the American, Australian, and Singaporean operations.
- e) Property, plant & equipment ("PPE") comprises the carrying values of furniture and fittings, computer equipment, and plant & machinery. Leasehold improvements are incorporated into the furniture, fixtures, and fittings due to the Company leasing their office premises.
- f) Intangible assets relate to the carrying value of capitalised development expenditure, stated at cost less accumulated amortisation. In FY23, the Company capitalised additional development costs of \$5.71m as these costs were deemed developmental rather than research and administrative in nature.
- g) Right-of-use ("ROU") assets and lease liabilities predominantly relate to the leasing of office buildings and data centres. The Company signed new leases for premises in Melbourne and Singapore resulting in an increase to the carrying value of ROU assets and lease liabilities at 30 June 2023. Whisper's head office is located in Melbourne, with additional offices in Singapore, the United States, New Zealand, the Philippines, and Indonesia.
- h) Trade & other payables are largely comprised of trade payables, accounting for 60%. The remaining portion of this account relates to other payables such as accrued expenses and professional fees, net GST collected, tax provisions, employee related liabilities (excluding leave provisions), and deferred reseller margins.
- i) Contract liabilities as at 31 October 2023 wholly relate to deferred income amounts for platform and software subscription contracts, excluding deferred reseller margins.
- j) As at 31 October 2023, Whisper had interest bearing borrowings of \$598k. This relates to a convertible note funding agreement entered into with RiverFort on 22 June 2023, for the provision of a \$7.50m debt facility. On 26 June 2023, Whisper drew down \$1.00m from the facility, issued RiverFort 30% of the drawdown in options exercisable at \$0.343, and paid \$60k in cash as a drawdown fee. The conversion feature of the note has been separated and is accounted for as a derivative financial liability (see l) below).
- k) Employee benefits comprise of \$1.25m of annual leave and \$352k of long service leave.



- For personal use only
- i) As mentioned in f) above, the majority of the Company's lease liabilities as at 31 October 2023 relate to office buildings, including those located in Singapore and the United States. Whispir's balance of lease liabilities as at 30 June 2023 significantly increased from the prior corresponding period, from \$1.14m to \$6.69m, arising from the signing of new leases for premises in Melbourne and Singapore.
  - m) As mentioned in i) above, the Company's derivative financial liabilities relate to the conversion to equity feature of the convertible note funding facility held with Riverfort. The liability represents the embedded derivative financial instrument in the host debt contract and the Company's obligation to issue Whispir shares (or an equivalent amount of cash) should noteholders exercise their conversion option. The derivatives are carried at their estimated fair value and are subject to year-end revaluations.

### 3.8 Cash flows

The following table sets out a summary of the statement of cash flows of Whispir for the years ended 30 June 2022 and 30 June 2023, as extracted from the Company's audited consolidated financial statements.

**Table 9 Whispir historical statement of cash flows**

\$'000	Ref	FY22 Audited	FY23 Audited
<b>Cash flows from operating activities</b>			
Receipts from customers		78,546	56,327
Payment to suppliers & employees		(90,185)	(72,222)
Interest received		173	97
Interest expense		(284)	(225)
Other finance costs paid		(2)	-
Income tax refunded/(paid)		80	-
<b>Net cash used in operating activities</b>	<b>b)</b>	<b>(11,672)</b>	<b>(16,023)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(577)	(228)
Payments for leasehold improvements		-	(2,803)
Proceeds from disposals of property, plant & equipment		-	31
Payments for intangibles		(8,649)	(5,704)
Loans to related parties		-	(342)
Transfers from/(to) interest bearing assets		(1,308)	699
<b>Net cash used in investing activities</b>	<b>c)</b>	<b>(10,534)</b>	<b>(8,347)</b>
<b>Cash flows from financing activities</b>			
Proceeds from drawdowns of financing facilities		-	940
Proceeds from the exercise of options		9	14
Proceeds from lease incentive		-	2,803
Repayment of lease liabilities		(976)	(1,091)
<b>Net cash from financing activities</b>		<b>(967)</b>	<b>2,666</b>
Net decrease in cash & cash equivalents		(23,173)	(21,704)
Cash and cash equivalents at the beginning of the financial year		49,173	26,077
Effects of exchange rate changes on cash & cash equivalents		77	(53)
<b>Cash &amp; cash equivalents at the end of the financial year</b>	<b>a)</b>	<b>26,077</b>	<b>4,320</b>

Source: WSP Annual Reports

We note the following in relation to WSP's cash flows for FY22 and FY23:

- Whispir's cash and cash equivalents dropped significantly from \$26.08m at 30 June 2022 to \$4.32m at 30 June 2023.
- In FY22 and FY23, the Company realised a net outflow of cash from operating activities, with payments to suppliers exceeding receipts from customers.
- Payments for leasehold improvements in FY23 relate to the signing of new premises in Melbourne and Singapore, whilst payments for intangibles relate to development costs which were capitalised in the year.
- The Company realised a net inflow of cash from financing activities in FY23, largely comprised of lease incentives received in relation to leases on office and data centre premises (as outlined at sections 3.7(g) & (l)). Whispir also received \$940k as a drawdown on the funding arrangement with RiverFort, as detailed in section 3.6(i), net of the \$60k paid as a drawdown fee.

e) The management accounts to 31 October 2023 indicate a monthly cash burn of approximately \$600k.

### 3.9 Events subsequent to 31 October 2023

Management has provided us with Whispir's financial position to 31 October 2023 as set out in Table 8. We note the following events that have occurred since 31 October 2023:

- a) On 10 November 2023, RiverFort issued conversion notices for 100% of the outstanding loan balance and unpaid interest pursuant to a funding agreement it entered into with Whispir on 23 June 2023. As a result, Whispir issued RiverFort 3,126,027 fully paid ordinary shares comprising:
  - 1) 2,715,874 Shares at 34.33c per share, being the relevant conversion price as per the Funding Agreement, in satisfaction of all loan principal and interest amounts outstanding valued at \$932,359.30; and
  - 2) 446,153 Shares at 25.00c per share as part of the equity placement announced on 23 October 2023, in lieu of paying cash for a repayment instalment owed to RiverFort of \$111,568.13.
- b) On 21 November 2023, RiverFort exercised 1,136,129 options, which were issued by Whispir as part of the \$1 million drawdown completed on 26 June 2023, at the exercise price of 34.33c.

### 3.10 Capital Structure

As at 4 December 2023, WSP had 135,146,251 ordinary shares on issue. The top 20 shareholders of the Company are set out in the table below:

**Table 10 WSP top 20 shareholders**

Rank	Name	Shares	%
1	SOPRANO DESIGN TECHNOLOGY (AUSTRALIA) PTY LTD	21,359,380	15.80%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	13,654,159	10.10%
3	WELLS FAMILY COMPANY PTY LTD <WELLS FAMILY A/C>	9,773,120	7.23%
4	NATIONAL NOMINEES LIMITED	8,677,312	6.42%
5	BNP PARIBAS NOMS (NZ) LTD	5,028,917	3.72%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,847,081	3.59%
7	PALM BEACH NOMINEES PTY LIMITED	3,411,721	2.52%
8	MR CHRISTOPHER JOHN PIKE + MS NATALIE KAY GREEN <THE PIKE FAMILY A/C>	3,286,641	2.43%
9	GOBLEG PTY LTD <BLACKBURN FAMILY A/C>	2,500,000	1.85%
10	WNAFT HOLDING COMPANY PTY LTD	2,296,850	1.70%
11	WELLS FAMILY HOLDING COMPANY PTY LTD	2,289,050	1.69%
12	GRAHAM NEWMAN PTY LTD	1,297,281	0.96%
13	MR RICHARD LIGHT	1,233,135	0.91%
14	CITICORP NOMINEES PTY LIMITED	845,229	0.63%
15	CONFLUENT SERVICES PTY LTD <GHENT FAMILY A/C>	757,950	0.56%
16	WES CAPITAL (PTE) LTD	700,000	0.52%
17	R CASSEN PTY LTD <R CASSEN FAMILY A/C>	625,700	0.46%
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	583,468	0.43%
19	NEBULA SUPER CO PTY LTD <ARGONNE SUPER FUND A/C>	567,100	0.42%
20	CAMBISTE LIMITED	550,000	0.41%
	Other Holders	50,862,157	37.63%
<b>Total</b>		<b>135,146,251</b>	<b>100%</b>

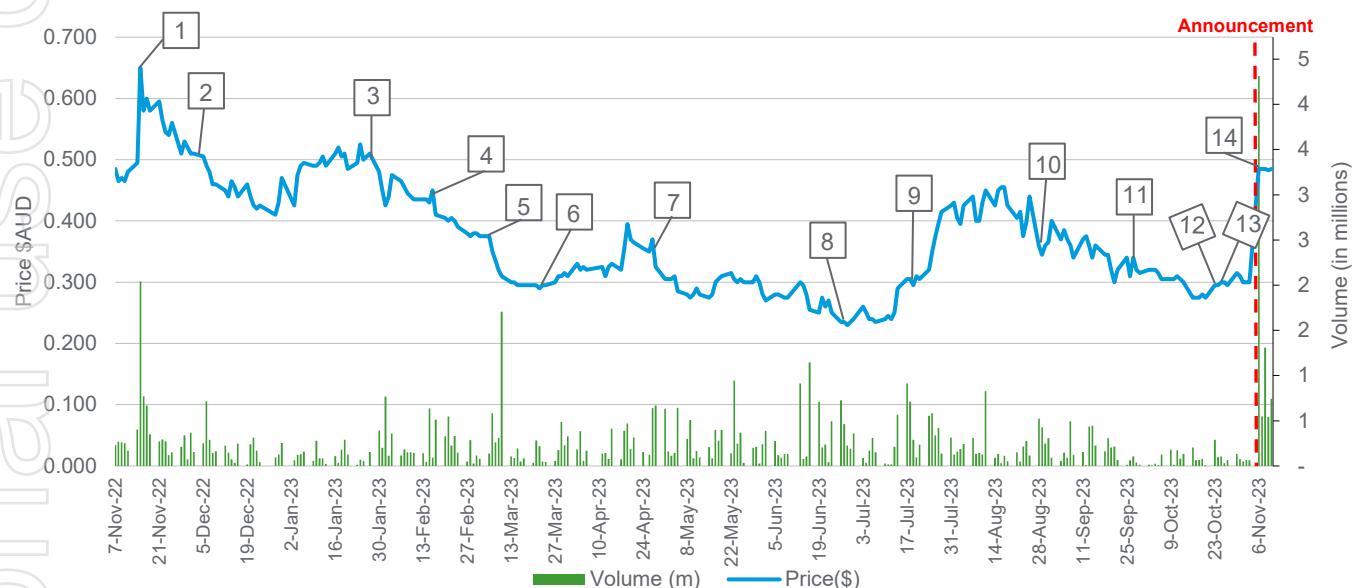
Source: WSP Management

In addition, Whispir had 2,509,571 Performance Rights on issue at 4 December 2023, and 1,429,467 Options on issue with various expiry dates and exercise prices.

### 3.11 Share Price Performance

The figure below sets out a summary of WSP's closing share price and trading volumes over the 12-month period to 5 November 2023, being the last trading day before the takeover bid announcement, and the subsequent period to 13 November 2023.

**Figure 8 WSP recent share trading history**



Over the 12 months prior to the announcement of the bid, the WSP traded share price fell from a high of \$0.65 in November 2022 to a low of \$0.23 in June 2023. Post the announcement of the takeover bid offer, the WSP share price increased from \$0.30 on 3 November 2023 to close at \$0.49 on 6 November 2023, a 61.7% increase.

Key announcements made by the Company over the 12-month period to 6 November 2023 are summarised in the table below:

**Table 11 WSP Announcements**

Ref	Date	Commentary
1	15/11/2022	WSP plans internal restructure reducing 30% of roles in the business, with expected annualised savings of approximately \$14.3 million
2	2/12/2022	S&P Dow Jones Indices Quarterly Rebalance of the S&P/ASX Indices - WSP removed from the S&P/ASX All Technology Index
3	30/01/2023	Quarterly Activities - Restructure complete, with December month cashflows nearing break-even
4	17/02/2023	1H FY23 Half Year Results Announcement – Positive revenue and contribution margin growth across all regions (excluding ANZ Health)
5	3/03/2023	S&P Dow Jones Indices Quarterly Rebalance of the S&P/ASX Indices - WSP removed from the All-Ordinaries Index
6	13/03/2023	Silicon Valley Bank Update - US\$173,679 deposit expected to be recovered in full
7	28/04/2023	Quarterly Activities – Normalised free cash outflow improvement of 18.2%
8	23/06/2023	WSP secures \$7.5m financing facility with RiverFort Global Opportunities PPC Ltd via the issue of convertible notes
9	17/07/2023	Quarterly Activities - Free cash outflow improvement of 72.7%
10	28/08/2023	FY23 Results – WSP achieves revenue of \$53.7m, a decrease of 24% from FY22
11	27/09/2023	WSP Product Innovation Showcase – Introducing WSP Talkbots, WSP Compose AI, WSP Compliance Automation, and WSP Verify

12	23/10/2023	WSP undertakes capital raise of \$3.25m via a private placement at \$0.25 per share. Jeromy Wells resigns as CEO and transitions to Executive Director role
13	23/10/2023	Quarterly Activities – Major federal government department signs up for WSP Verify services; new product launches and established sales pipeline with telco partners present growth opportunities; free cash flow improvement of 78.5% on the prior corresponding period
14	6/11/2023	Takeover Bid - Soprano DTA makes cash offer for all ordinary shares in WSP at \$0.48 per share

Source: ASX

## 4. Profile of Soprano Design Technology (Australia)

### 4.1 Background

#### Overview

Soprano DTA is an Australian proprietary company that was incorporated on 11 October 2023. It functions as a wholly owned subsidiary of Soprano Design.

Soprano Design, headquartered in Sydney, Australia, operates as a Communications Platform as a Service (“CPaaS”) provider, catering to over 4,500 enterprise and government clients. Approximately 70% of its business operations extend beyond the Australian borders, encompassing regions such as Asia, North America, South America, and Europe. Established in 1994 as a software consulting firm specialising in intelligent networks, Soprano Design expanded its presence to Singapore in 1998, followed by Europe and the United Kingdom in 2001. Presently, it stands as a globally recognised independent software vendor of CPaaS.

Soprano offers a comprehensive suite of communication channels, including SMS, over-the-top messaging (i.e. WhatsApp), rich communication services, voice, chatbot and email. The company’s clientele benefits from highly efficient and timely communication methods, contributing to increase productivity within their business processes.

#### Communication Platform Benefits

Soprano Design’s Communication Platform Benefits include<sup>1</sup>:

- Embedded communications directly into existing applications;
- Connecting with customers on their preferred channels;
- Stretching budgets and resources further;
- Exceeding customer expectations;
- Reaching customers every time;
- Removing the risk of human error;
- Improved communications with remote teams; and
- Cutting wasted time on missed appointments.

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<sup>1</sup>\* Soprano Design Website

## 4.2 Directors and management

The directors and key management of Soprano DTA and Soprano Design are summarised in the table below.

**Table 12 Soprano DTA Directors**

Name	Title	Experience
Dr. Richard Favero, Ph.D	Director	<p>Dr. Favero is the Founder and Chairman of Soprano Design and is a researcher in mobile technology, software engineering and speech recognition technology.</p> <p>Dr. Favero founded Soprano Design in 1994 as a software consulting firm specialising in the emerging industry of object-orientated software development. Prior to founding Soprano, Dr. Favero worked as a software engineer at Gestetner Lasers and then as a project leader at Telstra Corporation.</p> <p>Dr. Favero earned his Ph.D. at the University of Sydney in speech technology and Bachelor of Engineering (Hons1) at the University of NSW.</p>

Source: Bidder's Statement

**Table 13 Soprano Design's Directors**

Name	Title	Experience
Dr. Richard Favero, Ph.D	Founder and Chairman	<p>Dr. Favero is the Founder and Chairman of Soprano Design and is a researcher in mobile technology, software engineering and speech recognition technology.</p> <p>Dr. Favero founded Soprano Design in 1994 as a software consulting firm specialising in the emerging industry of object-orientated software development. Prior to founding Soprano, Dr. Favero worked as a software engineer at Gestetner Lasers and then as a project leader at Telstra Corporation.</p> <p>Dr. Favero earned his Ph.D. at the University of Sydney in speech technology and Bachelor of Engineering (Hons1) at the University of NSW.</p>
Mr Martin Shakinovsky	Non-Executive Director	<p>Mr Shakinovsky in a Non-Executive Director of Soprano Design. He was appointed to the board of Soprano Design in August 2011.</p> <p>Mr Shakinovsky was formerly a Partner at Addleshaw Goddard and Herbert Smith Freehills, where he had an extensive career in London and Australia. He has significant experience in all areas of corporate and commercial practice with a particular focus on corporate transactions. He has advised on many seminal transactions across a broad range of industries, and has been recognised as a leading corporate lawyer in international benchmarking publications.</p> <p>Mr Shakinovsky is also the appointed Food and Grocery Code Arbiter by Metcash/IGA under the Food and Grocery Code of Conduct. He is also an executive coach and Certified Organisational Coach, Level Two at the Institute of Executive Coaching and Leadership.</p> <p>Mr Shakinovsky has a Bachelor of Laws and a Bachelor of Arts from the University of Witwatersrand, Johannesburg.</p>
Mr Amit Chand	Non-Executive Director	<p>Mr Chand is an Investment Director at Potentia Capital and has over 15 years of experience across investment, operational and consulting roles. He was appointed to the board of Soprano Design in March 2023.</p> <p>Prior to joining Potentia, Mr Chand was part of the private equity investment team at Crescent Capital (Investment Manager), Pemba Capital (Associate Director) and at Aware Super (Portfolio Manager). He held operational roles at Unilever and Telecom New Zealand. Mr Chand was a management consultant at McKinsey &amp; Co.</p>

Source: Bidder's Statement

## 5. Valuation Approach

### 5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow (“DCF”) method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

#### *Market based methods*

Market based methods estimate the fair market value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair market value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

#### *Income based methods*

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow;
- capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“FME”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable listed companies.



Where a business has a history of volatile earnings performance consisting largely of losses, it is common for the capitalisation of future maintainable revenue ("CFMR") to be used, assuming the business has generated historical revenue or is expected to generate revenue in the near future. Where the CFMR is applied, the capitalisation of maintainable earnings methodology, non-trading surplus assets and net debt are adjusted for to derive the total value of the company. The appropriate multiple to be applied is usually derived from an analysis of stock market trading multiples of comparable companies (which do not include a control premium) and the implied multiples paid in comparable transactions (which may include a control premium).

#### *Asset based methods*

Asset based methodologies estimate the fair market value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## **5.2 Selection of valuation methodologies**

### **Valuation of Whispir prior to the Offer**

The valuation methodologies we have adopted for assessing the Fair Value of a WSP Share prior to the Offer have been selected having regard to the following:

- WSP disclosed EBITDA losses in FY21, FY22 and FY23, rendering earnings multiples at the EBITDA level not meaningful;
- EV/Revenue multiples are commonly utilised to value businesses with a high level of recurring revenue from long-term customers;
- Revenue is relatively difficult to manipulate and not heavily influenced by the accounting policies on research and development, depreciation, and extraordinary charges;

- RG 111 states that an expert should not include prospective financial information (including forecasts and projections) or any other statements or assumptions about future matters (together, 'forward-looking information') in its report unless there are reasonable grounds for the forward-looking information. In our opinion, forward-looking information is inherently uncertain, and is only applied both where the use of current FME and multiples do not accurately reflect the value of a business and there are reasonable grounds to rely on the forward-looking information. In this instance, WSP's recent historical financial performance and the observed trading multiples are considered adequate in estimating the fair value of the Company, and accordingly budgets or long-term forecasts prepared by WSP's Management have not been relied on;
- WSP's securities are listed on the ASX, which provides an indication of the market value where an observable market for the securities exists;
- Due to the nature of its operations WSP is not an asset intensive business. Accordingly, an asset-based approach will not capture the future earnings potential of the business and will likely understate its value.

Having regard to the above, we consider it reasonable to utilise the capitalisation of future maintainable revenue ("CFMR") methodology as our primary valuation methodology. We have then utilised the quoted market price as our secondary valuation methodology, given the listed status of WSP.

#### *Capitalisation of future maintainable revenue*

In valuing an ordinary share of WSP prior to the Offer we have utilised the CFMR methodology having regard to the following:

- The Company's FY23 revenue and YTD FY24 revenue; and
- The trailing EV/Revenue multiples of comparable companies.

#### *Quoted price of listed securities*

Prices at which a company's shares have been traded on the ASX can, in the absence of low liquidity or unusual circumstances, provide an objective measure of the value of the company, excluding a premium of control.

As a secondary methodology, we have considered the quoted market price by considering the historical VWAP of WSP Shares and the volatility of the share price prior to the announcement of the Offer.

In accordance with RG 111, we have assessed the value of WSP Shares on the basis of a 100% controlling interest.

## 6. Valuation of Whispir

As stated in Section 5 of this Report, we have assessed the Fair Value of WSP prior to the Offer based on the following approaches:

- Capitalisation of future maintainable revenue methodology; and
- Recent quoted price of listed securities.

### 6.1 Capitalisation of future maintainable revenue methodology

The table below sets out our assessment of the Fair Value of WSP on a 100% control basis, prior to the Offer, using the CFMR methodology.

**Table 14 Valuation Summary - Capitalisation of Future Maintainable Revenue**

\$'000	Low	High	Midpoint
<b>WSP</b>			
Maintainable revenue	53,700	53,700	53,700
Assessed Multiple	1.10	1.30	1.20
<b>Enterprise Value</b>	<b>59,070</b>	<b>69,810</b>	<b>64,440</b>
Surplus Assets	368	368	368
Net Cash	6,551	6,551	6,551
<b>Equity Value (100%)</b>	<b>65,989</b>	<b>76,729</b>	<b>71,359</b>
Ordinary Shares on Issue (#)	135,146,251	135,146,251	135,146,251
<b>Value per Share (\$)</b>	<b>0.4883</b>	<b>0.5677</b>	<b>0.5280</b>
Diluted Ordinary Shares on Issue (#) *	135,989,620	135,989,620	135,989,620
<b>Value per Share (fully diluted) (\$) *</b>	<b>0.4859</b>	<b>0.5649</b>	<b>0.5254</b>

Source: RSM Analysis

\*Adjusted for vested options and rights as at 4 December 2023 being 843,369 and the receipt of \$86,599 in cash on exercise (Equity Value increases to a range of \$66,076k to \$76,816k)

We have assessed the Equity Value of Whispir to be in the range of \$65.99m and \$76.73m on a controlling basis, with a midpoint of \$71.36m.

On an undiluted basis, this equates to a value per WSP Share in the range of 48.83c and 56.78c, with a midpoint of 52.80c.

On a diluted basis, after adjusting for vested share options and rights as at 4 December 2023, this equates to a value per WSP Share in the range of 48.59c and 56.49c, with a midpoint of 52.54c.

The CFMR methodology estimates the value of the equity of a company by capitalising the future maintainable revenue of the underlying business at an appropriate multiple, which reflects the underlying risk profile and growth prospects of the business, applying a premium for control where necessary, adding any surplus or non-operating assets (or deducting any excess or non-operating liabilities) and deducting net debt (or adding net cash). Accordingly, valuing WSP using the capitalisation of maintainable revenue methodology requires the determination of the following variables:

- Future maintainable revenue;
- An appropriate capitalisation multiple;
- An appropriate premium for control;
- The current level of net cash or net debt; and

- The value of surplus assets and excess liabilities.

Our considerations with regard to each of these factors are presented below.

#### *Future maintainable revenue*

In assessing the future maintainable revenue of WSP we have considered and reviewed the following:

- WSP's audited financial performance for the years ended 30 June 2021, 30 June 2022, and 30 June 2023;
- WSP's unaudited financial performance for the four months ended 31 October 2023;
- Any abnormal or non-recurring revenue items. In this regard, we note that:
  - In selecting the future maintainable revenue, we have excluded consideration of revenue in the year ended 30 June 2022 as it was abnormally high due to the COVID-19 pandemic and not sustained in the following year ended 30 June 2023; and
  - We have not identified any abnormal or non-recurring items requiring adjustment in WSP's reported revenue for the 12 months ended 30 June 2023 of \$53.7m.
- The market conditions and outlook of the general communications-as-a-service industry; and
- Our discussions with Management of WSP.

On the basis of the above, we have adopted a future maintainable revenue of \$53.7m, based on WSP's FY23 revenue.

#### *Capitalisation multiple*

The assessment of the appropriate revenue multiple to be applied in the assessment of the Fair Value of WSP requires consideration of a number of factors, including:

- Stability and continuity of revenue;
- Size and lifecycle of the business;
- Capital structure and leverage of the Company;
- Expected growth prospects of the Company;
- Level of competition and expected growth prospect of the broader CaaS industry;
- Trading multiples attributed by the market to other industry participants; and
- Multiples paid by the market in recent acquisitions of industry participants.

Accordingly, in selecting the appropriate multiple to be applied, we have considered the listed trading multiples of companies operating in the communications-as-a-service industry.

The table below summarises the LTM revenue multiples of publicly listed comparable companies, including WSP. A description of each of the companies is set out in Appendix D.

**Table 15 Comparable Company Trading Multiples**

Company Name	Market Cap. (\$m)	EV (Post-AASB16) (\$m)	EV (Pre-AASB16) (\$m)	Revenue LTM (\$m)	Revenue LTM Multiple (Post-AASB16)	Revenue LTM Multiple (Pre-AASB16)
Whispir Limited	63.52	65.92	59.23	53.74	1.23	1.10
Bigtincan Holdings Limited	182.18	152.32	148.55	122.40	1.24	1.21
Dubber Corporation Limited	73.34	49.84	38.47	30.03	1.66	1.28
Integrated Research Limited	55.00	39.50	36.45	69.83	0.57	0.52
MedAdvisor Limited	103.92	102.81	101.76	97.96	1.05	1.04
Prophecy International Holdings Limited	41.22	30.62	29.30	20.31	1.51	1.44
Symbio Holdings Limited*	244.29	223.60	208.44	211.89	1.06*	0.98*
Comms Group Limited	26.46	35.86	33.16	52.14	0.69	0.64
LiveTiles Limited	6.36	11.04	8.63	30.61	0.36	0.28
Growens S.p.A. (Italy)	166.24	184.52	180.40	166.60	1.10	1.08
<b>Min</b>	<b>6.36</b>	<b>11.04</b>	<b>8.63</b>	<b>20.31</b>	<b>0.36x</b>	<b>0.28x</b>
<b>Max</b>	<b>244.29</b>	<b>223.60</b>	<b>208.44</b>	<b>211.89</b>	<b>1.66x</b>	<b>1.44x</b>
<b>Mean</b>	<b>96.25</b>	<b>89.60</b>	<b>84.44</b>	<b>85.55</b>	<b>1.05x</b>	<b>0.96x</b>
<b>Median</b>	<b>68.43</b>	<b>57.88</b>	<b>48.85</b>	<b>61.78</b>	<b>1.08x</b>	<b>1.06x</b>

Source: S&P Capital IQ dated as 6 November 2023

\*Implicitly includes premium for control from Aussie Broadband Limited's offer to acquire 100% of Symbio Holdings Limited on 29 September 2023

We make the following comments in relation to the comparable companies and trading multiples considered above:

- We have excluded right of use assets and lease liabilities from our assessment of equity value, therefore, for consistency we have adjusted the trading multiples to be on a Pre-AASB16 basis;
- Based on size, business activities and revenue profile, we consider Dubber Corporation Limited, MedAdvisor Limited, Symbio Holdings Limited, Comms Group Limited, LiveTiles Limited, and Growens S.p.A to be most comparable and therefore have had more regard to their multiples when selecting an appropriate capitalisation multiple for WSP. Further discussion on the comparability of these companies is outlined in Table 16 below;
- The mean and median revenue LTM multiples of the six most comparable companies and WSP, being 0.92 times and 1.04 times respectively, is comparable to the mean and median revenue LTM multiples of the entire comparable dataset as highlighted in the table above; and
- The share prices of the listed companies above represent the market value of a non-controlling interest, with the exception of Symbio Holdings Limited which is subject to a scheme of arrangement with Aussie Broadband. As such, any revenue multiples derived from those share prices is consequently a non-controlling multiple and does not include a premium for control.

**Table 16 Comparable Company further commentary and analysis**

Company Name	Commentary and Analysis
Dubber Corporation Limited (ASX:DUB)	DUB is a software solutions company that provides unified conversation capture and call recording and conversation artificial intelligence services to the telecommunications industry in Europe and the United States. DUB's platform as a feature and call recording capabilities are integral to their cloud communications solution, which is not dissimilar to the communications-platform-as-a-service offering of WSP. Additional to this, DUB's size, by market capitalisation, is most alike to that of WSP.
MedAdvisor Limited (ASX: MDR)	MDR provides pharmacy-driven patient engagements solutions in Australia, New Zealand, the United States, and the United Kingdom, similar jurisdictions to which WSP operate and therefore exposed to similar risk and return profiles of operating as a CaaS provider in these locations. A key service of MDR is the offering of THRiV, an omni-channel intelligent patient management platform which enables

individualised patient engagement. The provision of this omni-channel communication platform is comparable with the offerings of Whispir and is therefore deemed as a key comparable.

Similar to Whispir having a key partner relationship with Telstra and Singtel, MedAdvisor is closely partnered with a range of health-related agencies, including Bupa who promote the MedAdvisor platform to their customers and the wider Australian community. Other key partnerships are held with numerous not-for-profits and pharmaceuticals such as Diabetes Australia and Arrotex Pharmaceuticals (Australia's largest generic drug supplier). Additional to this, due to the provision of pharmacy-related communications (including ordering of prescriptions and scheduling of vaccinations), MDR has experienced similar recent growth profile to WSP (i.e. increased earnings from the effects of the COVID-19 pandemic). MDR also has a similar size to Whispir, by market capitalisation, adding to the comparability between the two companies.

Symbio Holdings Limited (ASX: SYM)

SYM provides communication services to software companies, telecom providers, and enterprise customers in Australia, New Zealand, and internationally, similar jurisdictions to which WSP operate and therefore exposed to similar risk and return profiles of operating as a CaaS provider in these locations. SYM operates through three divisions being, unified communications-as-a-service, communications-platforms-as-a-service, and telecom-as-a-service, with the latter two being the main contributors to SYM's revenue. As such, SYM is highly comparable with WSP's operations as a CaaS provider.

Similar to WSP's integration into Telstra's operations and model, Symbio's communication offerings are highly integrated with both Microsoft and Cisco and their respective offerings and applications. Symbio's recent three-year revenue CAGR of 2% is not dissimilar to WSP's of 4%, highlighting the similarity in revenue profiles and exposure to recent market factors on earnings. SYM also has a similar size to Whispir, by market capitalisation, adding to the comparability between the two companies.

Comms Group Limited (ASX:CCG)

CCG provides telecommunication and information technology services in Australia, New Zealand, Singapore, and internationally, similar jurisdictions to which WSP operate and therefore exposed to similar risk and return profiles of operating as a CaaS provider in these locations. CCG provide a range of services through its subsidiaries, including unified communications-as-a-service which is integrated with Microsoft Teams. Additional to their integration with Microsoft, CCG have recently extended their supply agreement with Vodafone Business, allowing Vodafone to continue accessing bespoke Teams Direct Routing deployment services and related services offered by CCG. Due to the nature of operations and the interlinked nature of the relationship with Vodafone, CCG is deemed to be highly comparable with WSP, despite being smaller by market capitalisation.

LiveTiles Limited (ASX:LVT)

LVT is a workplace technology company engaging in the provision of software as a service in Australia, North America, Europe, and the Asia Pacific region, similar jurisdictions to which WSP operate and therefore exposed to similar risk and return profiles of operating as a CaaS provider in these locations. A key offering of LVT is the delivering of solutions that drives employee communication through its LiveTiles Reach application. The offering of these communication platforms makes LVT a more comparable company to WSP. Additional to this, LVT has key strategic partnerships with a number of notable corporations, such as Data#3, Datacom New Zealand, and Velrada. Being integrated in the operations of such corporations is comparable to WSP's integration into Telstra and Singtel's operations. Although LVT's size, by market capitalisation, is considerably smaller than WSP, the comparisons made operationally and commercially support its utilisation in assessing a revenue multiple for WSP.

Growens S.p.A. (BIT:GROW)

GROW is a cloud marketing technology group based in Italy focused on providing solutions in digital content creation, messaging, and data-driven automation within Europe, the Americas, and Asia. As these regions are similar to the ones in which WSP operate, they are exposed to similar risk and return profiles of operating as a CaaS provider in these locations. The Group comprises two business units, Beefree and Agile Telecom, with the latter being a CPaaS provider with the purpose of optimising large SMS volumes for mobile network operators and SMS aggregators, highly comparable with WSP's operations. The Group has a number of partnerships with telecom providers across Europe, similar to WSP's partnership with Telstra and Singtel. Although the Group's size, by market capitalisation, is larger than WSP's, Agile Telecom shows greater comparability with revenue of approximately 30 million Euros in H1 2023. Additionally, the Group's recent revenue growth, based on their five year CAGR, is not dissimilar to WSP's with rates of 20% compared to 12%, respectively.

Source: S&P Capital IQ, Annual Reports and company websites

Based on our analysis, and having particular regard to the average and median observed trailing revenue multiples of the six most comparable companies and WSP, we have selected a comparable listed company revenue multiple range of 0.90x to 1.05x, with an approximate midpoint of 1.00x, which we have adjusted for control, size and other business specific risks of WSP as set out below.

#### *Premium for control*

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- Access to potential synergies;
- Control over decision making and strategic direction;
- Access to underlying cash flows; and
- Control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

RSM has conducted a study on 605 takeovers and schemes of arrangement involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("RSM Control Premium Study 2021"). In determining the control premium, RSM compared the offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the offer.

Our study concluded that, on average, control premiums for all takeovers and schemes of arrangement involving Australian companies were paid in the range of 27.1% to 34.7%. These premiums are applied at the Equity Level.

As the Offer represents a control transaction, in assessing the value of 100% of WSP and a share in WSP (on a control basis) we have applied a premium for control of 30% at the approximate midpoint of this range.

#### *Discount for size and business specific risk*

In calculating the appropriate revenue multiple for WSP, we have considered the following:

- WSP is listed on the ASX, has a diversified geographical spread, has strong strategic relationships with Telstra and SingTel, and a large proportion of its customers are government entities who inherently carry less risk;
- WSP offers a wide range of services to numerous industries, allowing for comparability in revenue stream diversification relative to the peer companies;
- The historic revenue growth trends of the Company in comparison to the peer group;
- The current profile of earnings with Whispir yet to reach a cashflow positive position; and
- The relative comparability of size between Whispir and the peer companies dataset with the market capitalisation of WSP at \$63m being broadly similar to the median of the peer group at \$68m.

On the basis of the above, we have assessed an appropriate discount for size and other risk factors applicable to WSP to be 5.0%, as set out in the table below.



**Table 17 Discounts for size and business specific risk**

Discount Factor	Ref	Discount (%)
Discount for size	a)	0.0%
Discount for business specific risks	b)	5.0%
<b>Total discount for size and business specific risks</b>		<b>5.0%</b>

Source: RSM Analysis

- a) The discount for size represents the discount an investor will demand for investing in a small business relative to market peers. A number of studies have been undertaken attempting to establish the existence of and measure the size discount or size premium (applied in the calculation of the cost of capital), in particular in the US. The most notable US study is the Valuation Handbook published by Kroll (formerly known as Duff & Phelps), which contains calculations of the size premium for each decile of market capitalisation of US companies.

Several Australian studies have also been undertaken demonstrating the existence of the size premium, including the most recent study by Macquarie University as set out in their Business Valuation paper entitled The Size Premium: Australian Evidence, which found evidence supporting the existence of a size premium. The application of size premiums in Australia is however somewhat subjective and largely based on professional judgement.

Given WSP is listed on the ASX with a market capitalisation not dissimilar to its comparable peer companies, we have not applied a size discount in estimating an appropriate valuation multiple.

- b) We have applied a discount for business specific risks of 5.0% based on our professional judgement, having considered the following factors:
- **Diversification of revenue streams:** Although the Company does not offer the same breadth of services as offered by some of its peer companies, WSP still derives revenue from diverse use cases (e.g. crisis communication & mass notification, real-time interaction management, cross channel campaign management, and customer communications management). In addition, WSP services a wide range of industries including government, retail, logistics, and health, further diversifying its revenue mix.
  - **Recent revenue growth:** WSP's recent revenue CAGR (over the last five years) of 11.5% is lower than the average five-year CAGR of 27% of the comparable peer companies.
  - **Geographic diversification:** With operations across Australia, New Zealand, Singapore, and the United States, WSP has a comparable geographical diversification relative to its peer companies.
  - **Strategic partnerships/relationships:** WSP being heavily integrated in Telstra's operations model and increasing integration with SingTel reduces the risk associated with revenue growth. Additionally, with many of its key customers being government entities, who inherently carry less risk, there is less associated risk in realising revenues.

On the basis of the above, we have assessed a controlling multiple range for WSP of 1.1x to 1.3x with a midpoint of 1.2x as set out in the table below.



**Table 18 Assessed Revenue Multiple**

CaaS Comparable Companies	%		Multiple		
	Low	High	Low	High	Midpoint
Rev. multiple for comparable listed companies			0.90	1.05	1.00
Control premium	30%	30%	0.27	0.32	0.29
			<b>1.17</b>	<b>1.37</b>	<b>1.29</b>
Size Discount	0%	0%	0.00	0.00	0.00
Business Specific Discount	5%	5%	(0.06)	(0.07)	(0.06)
<b>Assessed Revenue multiple</b>			<b>1.11</b>	<b>1.30</b>	<b>1.23</b>
<b>Say</b>			<b>1.10</b>	<b>1.30</b>	<b>1.20</b>

Source: RSM Analysis

### Comparable transactions

As a cross check of our assessed revenue multiple based on observed multiples of publicly listed comparable companies, we have also considered the revenue multiples implied by transactions involving companies operating in the CaaS industry in Australia and internationally.

Details of the target companies are set out in Appendix E.

The table below summarises the historical revenue multiples of the observed comparable transactions.

**Table 19 Comparable Transaction Revenue Multiple**

Target Company	Buyer	Completed	Date	Country	Implied Enterprise Value (\$'m)	Revenue LTM (\$'m)	EV/Revenue LTM Multiple
Fuze, Inc.	8x8, Inc.	Yes	18/01/2022	USA	298.87	181.37	1.65
Message4u Pty Ltd	Sinch AB (publ)	Yes	5/11/2021	Australia	1,708.17	N/A	N/A
Symbio Holdings Limited	Aussie Broadband Limited	No	N/A	Australia	235.90	211.89	1.11
Message Broadcast, LLC	Unknown	No	N/A	USA	N/A	5,174.52	N/A
<b>Mean</b>					<b>747.65</b>	<b>1,855.93</b>	<b>1.38</b>
<b>Median</b>					<b>298.87</b>	<b>211.89</b>	<b>1.38</b>

Source: S&P Capital IQ

The observed transaction multiples relate to targets providing a similar CaaS offering to WSP. The acquisitions are of controlling stakes in the targets, and therefore include a premium for control. Accordingly, we have not made any adjustments to the observed transaction multiples.

Of the two transactions that have completed, only the acquisition of Fuze Inc. provided sufficient information to determine an EV/Revenue multiple of 1.65 times. Although the multiple is higher than our assessed range multiple range, we note the acquisition occurred during a time when technology stocks were trading at higher multiples in general. The acquirer, 8x8 Inc., was trading at an EV/Revenue multiple in excess of 4x at the time of the acquisition, however, it is now trading at a multiple of approximately 1x in the current market.

The acquisition of Symbio Holdings Ltd has not yet completed, with Aussie Broadband Limited submitting a conditional non-binding indicative offer on 29 September 2023. However, the offer is still indicative of the current value placed on CaaS companies and we consider provides contemporaneous support to our assessed multiple range.

Having regard to the average multiple for the comparable transactions of 1.38 times and specifically the announced revenue multiple of 1.1x for the Symbio transaction, we consider our assessed revenue multiple range for WSP of 1.10x to 1.30x to be reasonable.

### Calculation of Enterprise Value

We have, therefore, assessed the Enterprise Value of WSP to be in the range of \$59.07m to \$69.81m, with a midpoint of \$64.44m, as set out in the table below.

**Table 20 WSP Enterprise Value**

\$'000	Low	High	Midpoint
Revenue	53,700	53,700	53,700
Assessed Multiple	1.10	1.30	1.20
<b>Enterprise Value (controlling basis)</b>	<b>59,070</b>	<b>69,810</b>	<b>64,440</b>

Source: RSM Analysis

### Assessment of net cash

We have calculated the net cash position of WSP based on the Company's 31 October 2023 balance sheet, adjusted for the material subsequent events outlined in Section 3.9, as set out in the table below.

**Table 21 Net Cash Position of WSP**

\$'000	As at Valuation Date*
<b>WSP</b>	
Cash & Cash Equivalents	5,912
Interest Bearing Assets (Restricted Cash on Deposit)	1,237
Provision for Income Tax	(247)
Provision for Long Service Leave	(352)
<b>Net Cash</b>	<b>6,551</b>

Source: RSM Analysis

\*WSP's net cash position has been adjusted for material subsequent events that have occurred since 31 October 2023 – specifically the exercise of share options held by RiverFort

Following the conversion of RiverFort's convertible notes into equity on 10 November 2023, WSP's external debt has been cleared as all loan principal and interest amounts outstanding were satisfied by issue of equity. Additionally, due to the notes being converted, the balance of the derivative financial liability was also cleared. The exercise of RiverFort's 1,136,129 options at 34.33c on 21 November 2023 has been reflected by including the associated cash proceeds.

### Assessment of surplus assets

If a company or business has assets (or liabilities) that do not contribute to the operating cash flows of the business, the value of these "surplus assets" (or "excess liabilities"), net of any realisation costs and tax payable on realisation, should be added (or deducted) to the value of the company or business determined using the earnings or cash flow methodology.

A review of the financial position of WSP as at 31 October 2023 has identified a surplus asset to be included in the valuation of the Company. The related party loan agreement between the Company and CEO, Mr. Jeromy Wells, for the purpose of settling personal income tax from the transfer of his employment from Singapore to Australia, has been treated as a surplus asset with a current value of \$368k.

### Treatment of excluded assets / liabilities

ROU assets and lease liabilities have been excluded in our assessment of the Equity Value of WSP as we have assessed the revenue multiples on a pre-AASB 16 basis.

## Share capital

As at 4 December 2023, WSP had a total of 135,146,251 ordinary Shares on issue.

The Company additionally had 843,369 vested options and rights as at 4 December 2023 which we have incorporated in the diluted position along with \$86,599 of cash receivable on exercise of those options.

### Assessed value of a share in WSP prior to the Offer under CFMR

Our assessed Fair Value of a WSP share prior to the Offer is, therefore, in the range of 48.59c and 56.49c, with a midpoint of 52.54c, on a diluted and controlling basis, as set out in the table below.

**Table 22 Valuation Summary - Capitalisation of Future Maintainable Revenue**

\$'000	Low	High	Midpoint
<b>WSP</b>			
Maintainable Revenue	53,700	53,700	53,700
Assessed Multiple	1.10	1.30	1.20
<b>Enterprise Value</b>	<b>59,070</b>	<b>69,810</b>	<b>64,440</b>
Surplus Assets	368	368	368
Net Cash	6,551	6,551	6,551
<b>Equity Value (100%)</b>	<b>65,989</b>	<b>76,729</b>	<b>71,359</b>
Ordinary Shares on Issue (#)	135,146,251	135,146,251	135,146,251
<b>Value per Share (\$)</b>	<b>0.4883</b>	<b>0.5677</b>	<b>0.5280</b>
Diluted Ordinary Shares on Issue (#) *	135,989,620	135,989,620	135,989,620
<b>Value per Share (fully diluted) (\$) *</b>	<b>0.4859</b>	<b>0.5649</b>	<b>0.5254</b>

Source: RSM Analysis

\*Adjusted for vested options and rights as at 4 December 2023 being 843,369 and the receipt of \$86,599 in cash on exercise (Equity Value increases to a range of \$66,076k to \$76,816k)

## 6.2 Quoted price of listed securities methodology

To provide a cross-check to the valuation of a WSP share under the capitalisation of future maintainable revenue methodology, we have also assessed the Fair Value based on the quoted market price.

The figure below sets out a summary of WSP's closing share prices and traded volumes in the year to 3 November 2023, being the last day WSP Shares traded prior to the announcement of the Offer.

The assessment only reflects the trading prior to the announcement of the Offer in order to avoid the influence of any movement in price that occurred as result of the announcement.

**Figure 9 Closing Share Prices and recent trading of WSP Shares**



Source: S&P Capital IQ

RG 111.69 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics are considered to be representative of a liquid and active market:

- Regular trading in the company's securities;
- Approximately 1% of the company's securities traded on a weekly basis;
- This bid/ask spread of a company's share must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- There are no significant but unexplained movements in the share price.

To provide further analysis of the quoted market prices for WSP Shares, we have considered the VWAP for the 1, 5, 10, 30, 60, 90, 120, and 180 calendar days up to and including 3 November 2023, as summarised in the table below.

**Table 23 VWAP Of WSP Shares**

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day	120 Day	180 Day
VWAP	0.2954	0.3004	0.2994	0.3023	0.3469	0.3465	0.3192	0.3219
Total Volume (000's)	64	387	973	2,392	8,362	16,813	26,659	42,307
Total Volume as a % of Total Shares (free float)	0.08%	0.48%	1.22%	3.00%	10.48%	21.08%	33.42%	53.04%
Low Price	0.2950	0.2950	0.2750	0.2750	0.2750	0.2350	0.2300	0.2300
High Price	0.3000	0.3150	0.3150	0.3400	0.4600	0.4600	0.4600	0.4600

Source: S&P Capital IQ & RSM Analysis

As set out in the table above, WSP's traded share price fluctuated between \$0.230 and \$0.460 over the 180 trading days to 3 November 2023, with a VWAP of \$0.3219 over the same period.

In the 180 trading days to 3 November 2023, 53.04% of WSP Shares were traded, demonstrating a reasonably high level of liquidity of WSP Shares during this period. However only 0.48% of WSP Shares were traded in the 5 trading days prior to the announcement of the Offer.

WSP's closing price on 3 November 2023, the last trading day prior to the Offer announcement, was \$0.300 and represents the daily high whilst the daily low was reported as \$0.295. Only 0.08% of Shares were traded on that day.

WSP is obligated to comply with the full disclosure regime required by the ASX. As a result, we have assumed that the market is fully informed about the performance and prospects of WSP.

#### *Valuation of a WSP Share (Quoted price of listed securities methodology)*

Based on the analysis of the recent trading in WSP Shares, we have assessed the value of a WSP Share on a minority interest basis to be in the range of \$0.300 and \$0.350.

Consistent with our assessment of an appropriate control premium in Section 6.1, we believe that a premium for control of 30% is appropriate in assessing the value of a controlling interest in WSP. We have applied the range stated in the RSM Control Premium Study 2021 of 27% to 34% (rounded) with an approximate midpoint of 30%.

The table below sets out our assessment of the value of a WSP Share on a controlling basis, utilising the quoted price of listed securities methodology as being in the range of 38.10c to 46.90c with a midpoint of 42.25c.

**Table 24 Valuation of a WSP Share using Quoted Market Prices**

\$ per Share	Low	High	Midpoint
Quoted market price (non-controlling basis)	0.3000	0.3500	0.3250
Control premium	27%	34%	30%
<b>Assessed value per share (controlling basis)</b>	<b>0.3810</b>	<b>0.4690</b>	<b>0.4225</b>

Source: RSM Analysis

### **6.3 Valuation summary and conclusion**

A summary of our assessed values of a WSP Share on a controlling basis prior to the announcement of the Offer, derived under our two methodologies, is set out in the table below.

**Table 25 Valuation Summary**

Fair value per WSP Share prior to Offer \$ per share	Low	High	Midpoint
Method 1: CFMR (Diluted)	0.4859	0.5649	0.5254
Method 2: Quoted price of listed securities	0.3810	0.4690	0.4225

Source: RSM Analysis

The quoted market price range of values sits above our assessed range based on the capitalisation of future maintainable revenue.

Based on our analysis of the recent volume trading in WSP Shares, we consider WSP Shares to be relatively liquid such that the quoted listed price provides a useful cross check to our primary methodology. However, we consider that the quoted listed price does not accurately reflect the intrinsic fair value of WSP, as it is influenced by market sentiment towards the technology sector generally as well as towards Whispir as a loss-making company which has undertaken a recent restructuring and significant fund-raising activities to sustain flexibility in its future operations.

Accordingly, we have assessed the Fair Value of a WSP Share, on a fully diluted and controlling basis, to be between 48.59c and 56.49c based on the capitalisation of future maintainable revenue method.

## 7. Is the Offer Fair to Non-Associated Shareholders

ASIC RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer is equal to or greater than the value of the securities being the subject of the offer.

In assessing whether we consider the Offer to be fair to Non-Associated Shareholders, we have valued a Share in Whispir prior to the Offer on a controlling basis and compared it to the value of the Offer Consideration, to determine if a Shareholder would be better or worse off should the Offer be accepted.

Our assessed values are summarised in the table below.

**Table 26 Assessment of Fairness of the Offer**

\$ per share	Low	High	Midpoint
Fair Value per WSP Share prior to the Offer (diluted and controlling basis)	0.4859	0.5649	0.5254
Offer Consideration	0.4800	0.4800	0.4800

Source: RSM Analysis

The above comparison is depicted graphically below.

**Figure 10 Assessment of Fairness of the Offer**



Source: RSM Analysis

The Offer Consideration sits below our range determined for the Fair Value of a WSP Share on a diluted and controlling basis.

In accordance with the guidance set out in ASIC RG 111, and in the absence of any other relevant information, in our opinion, the Offer is **not fair** to Non-Associated Shareholders.

Non-Associated Shareholders should be aware that our assessment of the Fair Value of a WSP Share on a diluted and controlling basis does not necessarily reflect the price at which WSP Shares will trade if the Offer is rejected. The current traded share price of Whispir is \$0.49; prior to the announcement of the Offer the traded share price was \$0.30 and, until the Offer was announced, it had not traded above \$0.50 since January 2023.

## 8. Is the Offer Reasonable to Non-Associated Shareholders

RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Offer, we have considered:

- the future prospects of Whispir if the Offer does not proceed;
- the potential advantages and disadvantages of the Offer;
- the likelihood of an alternative takeover offer emerging;
- the extent to which a control premium is being paid;
- the traded price of WSP Shares post announcement of the Offer; and
- the liquidity the Offer provides.

### 8.1 Future prospects of Whispir if the Offer does not proceed

If the offer does not proceed, the Company intends to continue to invest in innovation and related product development opportunities, and to pursue growth opportunities through market expansion, with a target of generating positive free cash flow in FY24.

Whispir is currently operating with a monthly cash burn of approximately \$0.6 million and cash reserves as at 31 October 2023 of \$5.52 million.

On 27 November 2023, the Company considered a special resolution at its AGM seeking shareholder approval to allow it to issue equity securities up to 10% of its issued capital for 12 months from the date of the meeting. The resolution was not passed, limiting the funding options available to the Company to execute its growth strategy since the Company will not be able to access the additional 10% Placement Capacity and would be restricted to the annual 15% placement limit without obtaining specific Shareholder approval in the future.

As referenced in Section 3, the Company has a convertible note funding facility with RiverFort under which \$1.0 million has been drawn down and converted into ordinary shares at a conversion price of \$0.3433, resulting in a further \$6.5 million still being available for future draw down.

### 8.2 Advantages and disadvantages

In assessing whether the Non-Associated Shareholders are likely to be better off if the Offer proceeds, than if it does not, we have also considered various advantages and disadvantages that are likely to accrue to the Non-Associated Shareholders.

#### Advantages of approving the Offer

The advantages of approving the Offer are:



**Table 27 Advantages of the Offer**

Advantage	Details
The Offer Price delivers a substantial premium to the historical traded price of Whispir Shares	<p>The Offer price of \$0.48 per Share represents a 60% premium to the \$0.30 closing share price on the last trading day before the announcement of the Offer. Further, the implied control premium of the Offer over the VWAP of WSP Shares ranges from 38.4% to 60.3% in the 180 trading days prior to the announcement of the Offer.</p> <p>On 23 October 2023, Whispir announced to the ASX that it was undertaking a \$3.25million capital raise via a private placement at an issue price of \$0.25 per share. The Offer price of \$0.48 per Share represents a 92% premium to the issue price under the placement.</p>
The Offer provides cash certainty of value and removal of investment risks	<p>As the Offer is for 100% cash consideration, it provides Non-Associated Shareholders who accept the offer with certainty of value and removes the risks and uncertainties of remaining a WSP Shareholder, including:</p> <ul style="list-style-type: none"> <li>• The ability of Whispir to execute its growth strategy and whether additional funds will need to be raised to do so;</li> <li>• Whether Whispir will achieve positive free cash flows as targeted;</li> <li>• Uncertainty associated with the transition of Whispir's current CEO to an Executive Director position, and securing a new CEO;</li> <li>• Reduced liquidity and trading volumes following WSP's removal from the ASX All Technology Index on 19 December 2022 and the ASX All Ordinaries Index on 20 March 2023;</li> <li>• Potential competitive threats; and</li> <li>• General market and macroeconomic conditions.</li> </ul>
The Offer removes exposure to further dilutionary funding risks	<p>Whispir's cash and cash equivalents dropped significantly from \$26.08m at 30 June 2022 to \$4.32m at 30 June 2023.</p> <p>On 23 June 2023, Whispir entered into a funding agreement with RiverFort to provide Whispir with a \$7.5 million convertible note funding facility. The Company made an initial drawdown of \$1.0 million, and issued 1,136,129 options over fully paid ordinary shares with an exercise price of 34.33 cents per share to RiverFort.</p> <p>On 23 October 2023, Whispir conducted a \$3.25 million capital raising, which resulted in the issue of 13,000,000 new WSP Shares and the dilution of existing non-participating shareholders' interests by approximately 11%.</p> <p>On 10 November 2023, RiverFort elected to convert the outstanding loan and interest to date. Whispir issued RiverFort 3,162,027 fully paid ordinary shares in WSP.</p> <p>On 20 November 2023, RiverFort exercised the 1,136,129 options provided as part of the funding agreement, being issued a further 1,136,129 fully paid ordinary shares in WSP.</p> <p>There is a further \$6.5 million available to draw down under the RiverFort facility. The issue of further ordinary shares on the conversion of new notes would have a dilutive impact on current Shareholders.</p> <p>Shareholders who accept the Offer will no longer be exposed to the risk of dilution through additional capital raisings.</p>
The Share price may fall if the Offer is not successful	<p>Prior to the Offer being announced, Whispir Shares were trading at \$0.30 and had not exceeded \$0.50 since January 2023. It is possible that the share price may fall towards the previously traded levels if the Offer is not successful and no alternative offers are received by the Company.</p>



Avoid the risk of becoming a minority shareholder of an unlisted subsidiary company

If Soprano DTA acquire more than 75% but less than 90% of WSP Shares at completion of the Offer, it intends to apply for termination of the official quotation of the Shares on the ASX and arrange for Whispir WSP to be removed from the official list of the ASX. Accordingly, Shareholders who have not accepted the Offer may become minority shareholders of an unlisted subsidiary company with limited opportunities to realise their investment.

No stamp duty or brokerage fees in accepting the Offer

Shareholders will not pay stamp duty or brokerage fees on the sale of their WSP Shares if they accept the Offer.

### Disadvantages of approving the Offer

The disadvantages of approving the Offer are:

**Table 28 Disadvantages of the Offer**

Disadvantage	Details
The offer is not fair	The Offer Consideration is lower than our assessed value of a WSP Share on a controlling basis.
Inability to participate in the future prospects of Whispir	If the Offer is implemented, Non-Associated Shareholders will no longer hold an interest in Whispir and therefore will not participate in any potential upside of the business.
Potential tax considerations	Acceptance of the Offer and the disposal of Whispir Shares will trigger a capital gains tax ("CGT") event for Non-Associated Shareholders. The tax implications will vary between Non-Associated Shareholders depending on their personal circumstances and therefore individual taxation advice should be obtained.
Change in investment profile	Acceptance of the Offer may result in disadvantages to those who wish to maintain their current investment profile. WSP Shareholders who wish to maintain their investment profile may find it difficult to identify an investment with a similar profile to that of WSP and may incur transaction costs in undertaking a new investment.
Loss of potential superior proposal	<p>It is possible that a superior proposal which is more attractive for Shareholders than the Offer, may be made in the future.</p> <p>As noted below, the Company has received a Letter of Intent from Pendula with a stated intention to provide a non-binding indicative offer at a premium to the Soprano Offer Consideration.</p> <p>Any alternative offers may involve significant time and transaction costs to eventuate and there is no guarantee that WSP Shareholders may be able to sell, or otherwise receive value for, their WSP Shares on terms that are superior to the Soprano Offer.</p>

## **8.3 Alternative proposals**

On 5 December 2023, Whispir announced that it had received a Letter of Intent from Zipline Cloud Pty Ltd (Pendula) setting out Pendula's intention to submit a non-binding indicative proposal to acquire all of the share capital in WSP or, alternatively, to acquire WSP's main undertaking. Pendula is an Australian technology company with global offices in Australia, Europe and Singapore.

Pendula has stated in the LOI that its proposed non-binding indicative offer will be at a premium to the Offer Consideration of \$0.48 per WSP Share but has not provided an indicative offer price as at the date of this Report.

The LOI states that Pendula's intention is to execute the acquisition of WSP Shares through a scheme of arrangement or an acquisition of WSP's main undertaking, or a combination of these two acquisition structures. The consideration proposed to be offered by Pendula is expected to be either all-cash or, alternatively, a combination of cash and scrip. Pendula expects to submit the alternative offer on Friday 8 December 2023.

At this stage, Pendula has only provided a statement of its current intention to make a non-binding, indicative offer. There is no certainty that this will lead to a binding offer from Pendula on the same or similar terms (or at all), or result in a transaction under which WSP Shareholders may be able to sell, or otherwise receive value for, their WSP Shares on terms that are superior to the Soprano Offer.

## 8.4 The extent to which a control premium is being paid

The Cash Consideration offered per WSP Share is a cash payment of \$0.48 which represents a 60% premium on the closing price of WSP Shares of \$0.30 on 3 November 2023 (being the last trading day immediately prior to the announcement of the Offer).

Based on the RSM 2021 Control Premium Study, a study of 605 takeovers and schemes of arrangements involving companies listed on the Australian Stock Exchange over the 15.5 years to 31 December 2020, control premiums of 34.7%, 29.2% and 27.1% were paid on the 20 day pre-bid, 5 day pre-bid and 2 day pre-bid share prices on transactions in Australia. In determining the control premium, the offer price was compared to the closing trading price of the target company 20, 5 and 2 days pre the date of the announcement of the offer.

The 60.0% premium of the Cash Consideration above the WSP closing share price of \$0.30 on 3 November 2023 sits significantly above the average 2, 5 and 20 day pre-bid premiums of 34.7%, 29.2% and 27.1% respectively.

An analysis of the implied premium of the Offer over the VWAP of WSP Shares in the 180 trading days prior to the announcement is set out in the table below:

**Table 29 Assessment of implied control premium of the Offer**

Period up to and including 3 November 2023	ASX VWAP \$	Cash Consideration \$	Premium %
5 Trading Days	\$0.300	\$0.480	59.8%
10 Trading Days	\$0.299	\$0.480	60.3%
30 Trading Days	\$0.302	\$0.480	58.8%
60 Trading Days	\$0.347	\$0.480	38.4%
90 Trading Days	\$0.346	\$0.480	38.5%
120 Trading Days	\$0.319	\$0.480	50.4%
180 Trading Days	\$0.322	\$0.480	49.1%

Source: S&P Capital IQ and RSM Analysis

The implied control premium of the offer over the VWAP of WSP Shares ranges from 38.4% to 60.3% over the last six months, which reflects the declining share price of WSP over that period. The premium exceeds the observed market premiums paid as set out in the RSM 2021 Control Premium Study.

## 8.5 The price of WSP Shares after the announcement of the Offer

The Offer was announced to the ASX on 6 November 2023, which saw the closing share price increase by 60% to \$0.48 over the previous closing price of \$0.30 on 3 November 2023.

Shown below is a summary of the trading activity of WSP Shares from 20 October 2023 to 4 December 2023.

**Figure 11 Assessed Fair Market Value of a WSP Share Pre and Post the Offer**



Source: S&P Capital IQ and RSM Analysis

Since the announcement of the Offer on the ASX on 6 November 2023, WSP's closing share price has traded at a high of \$0.500 and a low of \$0.483, being a premium of 4.17% and 0.52% respectively over the Cash Consideration of \$0.48 per share. The WSP share price has remained relatively consistent since the announcement, indicating market expectations that the Offer will be successfully implemented, or an alternative superior proposal will emerge.

Should the Offer be rejected and an alternative proposal not emerge, it is possible that the WSP share price will fall below the current traded levels.

## 8.6 Liquidity

Over the last 30-trading day period prior to the announcement, the liquidity of WSP Shares has been low with only 3.00% shares of the total free float of WSP Shares traded. A liquid market is generally considered to have approximately 1% of securities traded on a weekly basis.

However, in the 60 and 180 trading days prior to the announcement, WSP Shares have been relatively liquid with 10.48% and 53.04% of the total free float of WSP Shares traded respectively.

The top 20 shareholders of WSP held 60.33% of the shares on issue as of 4 December 2023, with 40.65% held by the five most significant shareholders indicating a relatively closely-held shareholding structure. Of the 40.65% held by the top 5 shareholders, Soprano DTA held 15.80% as at 4 December 2023.

The Cash Consideration provides Non-Associated Shareholders with an opportunity to convert their investment in WSP to cash at a premium to historic traded prices over the last six months.

## 8.7 Conclusion on Reasonableness

The key factors we have considered in assessing the reasonableness of the Offer are:

- The Offer Consideration is only slightly below the low end of our assessed value range of a WSP Share on a controlling basis;
- The premium of the Offer Consideration is higher than the long-term average observed premiums in the Australian market, with the implied control premium of the Offer over the VWAP of WSP Shares ranging from 38.4% to 60.3% in the 180 trading days prior to the announcement of the Offer;
- The current market sentiment towards WSP and other technology stocks as illustrated by the WSP Share price performance over 2023;
- The recent capital raising in October 2023 at an issue price of \$0.25 and other funding sources available to the Company;
- The ongoing operating cash requirements of Whispir and associated risks in reaching a sustainable cashflow positive position; and
- The recent emergence of a potential alternative offer from Pendula which is stated in the LOI as intended to be at a premium to the Offer Consideration but, as at the date of this Report, is only a statement of intent and may or may not lead to a binding offer from Pendula.

In the absence of any other relevant information and/or a superior offer (noting the potential for a superior offer from Pendula as stated above), we consider that the Offer is **reasonable** for the Non-Associated Shareholders based on the available information as at the date of this Report.

An individual Shareholder may have a different opinion on the above factors and therefore the reasonableness of the Offer.

A Non-Associated Shareholder's decision in relation to the Offer may also be influenced by their individual circumstances. If in doubt, Shareholders should consult an independent advisor.

For personal use only



## APPENDICES

## A. DECLARATIONS AND DISCLAIMERS

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Nadine Marke have extensive experience in the field of corporate valuations and the provision of independent expert's reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of Whispir in considering the Offer. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

### Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of Whispir and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Offer, except that RSM Corporate Australia Pty Ltd are expected to receive a fee in the region of \$42,500 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of whether Whispir receives Shareholder approval for the Offer, or otherwise.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Target's Statement to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd has been involved in the preparation of the Target's Statement. Accordingly, we take no responsibility for the content of the Target's Statement.

## B. SOURCES OF INFORMATION

In preparing this report we have relied upon the following principal sources of information:

- Bidder's Statement
- Drafts of the Target's Statement;
- Audited financial statements for Whispir for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- Management prepared financial statements for the year-to-date period ended 31 October 2023;
- Management prepared Revenue breakdowns;
- Whispir company website;
- Soprano Design company website;
- Shareholder registers for Whispir as at 13 November 2023;
- ASX announcements;
- BISWorld;
- International Data Corporation ("IDC");
- Australian Communications and Media Authority ("ACMA");
- Future Market Insights ("FMI")
- S&P Capital IQ; and
- Discussions with Management of Whispir.

## C. GLOSSARY OF TERMS AND ABBREVIATIONS

Term or Abbreviation	Definition
\$ or AUD	Australian dollar
ACMA	Australian Communications and Media Authority
Act or Corporations Act	Corporations Act 2001 (Cth)
AFCA	Australian Financial Complaints Authority
AFSL	Australian Financial Services Licence
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
BIT	Borsa Italiana stock exchange
c	Cents
CaaS	Communication-as-a-Service
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CPaaS	Communication-Platform-as-a-Service
CFMR	Capitalisation of future maintainable revenue
Condition	Key conditions of the Offer
Control Basis	As assessment of the Fair Market Value of an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
COS	Cost of Services
DCF	Discounted cash flow
Directors	Directors of Whispir Private Equity Limited
EBIT	Earnings before interest and tax
Enterprise Value or EV	The market value of a business on a cash free and debt free basis
Equity Value	The owner's interest in a company after the addition of all non-operating or surplus assets and the deduction of all non-operating or excess liabilities from the enterprise value.
Fair Market Value, Market Value or Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length.
FME	Future Maintainable Earnings
FMI	Future Market Insights
FMR	Future Maintainable Revenue
FSG	Financial Services Guide
FY	Financial year ended 30 June 20xx
G&A	General & administration expenses
IDC	International Data Centre
LTM	Last twelve month
k	Thousands
LOI	Letter of Intent
m	Millions
Management	The management of Whispir Limited
MBA	Master of Business Administration
Minority or Non-Controlling Interest	A non-controlling ownership interest, generally less than 50.0% of a company's voting shares
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, of the Offer
NLAT	Net loss after tax
NPAT	Net profit after tax
NTM	Next twelve months



the Offer	Soprano DTA offer to acquire 100% of the ordinary Shares of Whispir Limited by way of an all cash off-market takeover bid
Offer Consideration or Consideration	The Offer Price is \$0.48 per Share
Offer Period	The period during which the Offer will remain open for acceptance in accordance with Section 9.2 of the Bidder's Statement.
Option or Options	Unlisted options to acquire shares with varying vesting conditions
PBT	Profit before tax
Pendula	Zipline Cloud Pty Ltd
Pendula Proposal	LOI setting out Pendula's intention to submit a non-binding indicative proposal to acquire all of the share capital in Whispir or, alternatively, to acquire Whispir's main undertaking
PPE	Property, plant & equipment
Register Date	The date set by Soprano DTA under section 633(2) of the Corporations Act, being 7.00pm (Sydney Time) on 8 November 2023 (or such other date as may be specified in a supplementary bidder's statement)
RBA	Reserve Bank of Australia
Report or IER	This Independent Expert's Report prepared by RSM Corporate Australia Pty Ltd
RG 111	ASIC Regulatory Guide 111 Content of expert reports
RG 112	ASIC Regulatory Guide 112 Independence of experts
ROU	Right-of-use
RSM or We or Us or Ours	RSM Corporate Australia Pty Ltd
R&D	Research & Development expenses
SAO	SAO Investments Pty Ltd
Share or WSP Share	Ordinary fully paid share in the capital of Whispir Limited
Shareholder	A holder of WSP Shares
SMS	Short Messaging/Messaging Service
Soprano DTA	Soprano Design Technology (Australia) Pty Ltd
Soprano Design	Soprano Design Pty Ltd
S&P Capital IQ or Capital IQ	An entity of Standard and Poor's which is a third-party provider of company and other financial information
Target's Statement	The Target's Statement issued to Whispir Shareholders to which this Report is attached
VWAP	Volume weighted average share price
Whispir or WSP	Whispir Limited
YTD	Year-to-date being 31 October 2023

## D. COMPARABLE COMPANY DESCRIPTIONS

Ticker	Company	Business Description
ASX:BTH	Bigtincan Holdings Limited	Bigtincan Holdings Limited operates as a sales enablement automation company. The company's platforms includes Bigtincan Hub, a powerful, intelligent, collaborative, and secure solution that automatically delivers relevant content to the right users directly, using their mobile devices. It offers engagement platform solutions, which combines content, communication, and interaction insights; security solutions for the secure distribution and management of documents and other media content. The company's solutions are used for sales, marketing, and channel partners. It serves life sciences, financial, retail, technology, manufacturing, telecommunication, and energy industries, as well as governments. The company was founded in 2010 and is headquartered in Sydney, Australia.
ASX:DUB	Dubber Corporation Limited	Dubber Corporation Limited, a software solutions company, provides unified call recording and conversation artificial intelligence services to the telecommunications industry in Europe, the United States, and internationally. It offers call recording, unified conversation capture, and conversation intelligence solutions. The company was formerly known as Crucible Gold Limited and changed its name to Dubber Corporation Limited in December 2014. Dubber Corporation Limited was incorporated in 1999 and is headquartered in Melbourne, Australia.
ASX:IRI	Integrated Research Limited	Integrated Research Limited designs, develops, implements, and sells systems and applications management computer software for business-critical computing, and unified communication and payment networks. The company offers Prognosis, an integrated suite of monitoring and management software designed to give an organization's management and technical personnel operational insight into the HP NonStop platform, distributed system servers, unified communications, payment environments, and the business applications. It also provides testing, maintenance, and professional services, as well as software as a service solution. The company offers its products in various countries through direct sales offices in the United States, the United Kingdom, Germany, Singapore, and Australia, as well as through channel-driven distribution networks internationally. It serves stock exchanges, banks, credit card companies, telecommunications carriers, service providers, and manufacturers. Integrated Research Limited was incorporated in 1988 and is based in North Sydney, Australia.
ASX:MDR	MedAdvisor Limited	MedAdvisor Limited, together with its subsidiaries, provides pharmacy-driven patient engagement solutions in Australia, New Zealand, the United States, and the United Kingdom. The company provides MedAdvisor, an extension of the pharmacy, that enables the patient to order repeat prescriptions, and schedule vaccinations, etc; and THRIV, an omni-channel intelligent patient management platform, that enables individualized patient engagement through the community pharmacy. MedAdvisor Limited was incorporated in 2010 and is based in Camberwell, Australia.
ASX:PRO	Prophecy International Holdings Limited	Prophecy International Holdings Limited engages in the design, development, and marketing of computer software applications and services in Australia, the United States, Europe, and Asia. It offers Snare, a security analytics platform that converges logs from network, identity, endpoint, application, and other security relevant sources to generate behavioral alerts and facilitate rapid incident analysis, investigation, and response; and eMite, a reporting and analytics solution focused on driving operations and customer engagement from the contact/call centre and customer experience market segments, which provides chat, chat bots, CRM, service ticketing, work force management, transcription, sentiment analysis, survey, IVR, email, contact centre software, and other services. The company serves banking and finance, public sector, defence and military, healthcare, utilities, manufacturing, and retail industries. The company was founded in 1980 and is headquartered in Adelaide, Australia.
ASX:SYM	Symbio Holdings Limited	Symbio Holdings Limited provides communication services to software companies, telecom providers, and enterprise customers in Australia, New Zealand, and Internationally. The company operates through three divisions: Communications Platform as a Service, Unified Communications as a Service, and Telecom as a Service. It offers enterprise SIP trunking, mobility, PBX, call recording, and fax. In addition, it provides call termination, numbers and

porting, messaging, and RSP and reseller services. The company was formerly known as MNF Group Limited and changed its name to Symbio Holdings Limited in November 2021. Symbio Holdings Limited was founded in 2002 and is headquartered in Sydney, Australia.

ASX: CCG Comms Group Limited

Comms Group Limited provides telecommunications and Information Technology (IT) services in Australia, New Zealand, Singapore, and internationally. It offers IT managed, cloud hosting, cloud communications, and unified communications services. The company was formerly known as CommsChoice Group Limited and changed its name to Comms Group Limited in November 2020. The company was incorporated in 2017 and is based in Sydney, Australia.

ASX:LVT LiveTiles Limited

LiveTiles Limited, a workplace technology company, engages in the provision of software as a service solution in Australia, North America, Europe, and the Asia Pacific. It engages in the development and sale of employee experience workplace software through cloud-based platforms; and creating and delivering solutions that drives employee communication and collaboration in the modern workplace. The company also offers LiveTiles Reach, an employee communications app; LiveTiles Intranet, an enterprise intranet solution; LiveTiles Directory, which helps create and maintain organizational chart; technology consultancy and Pro services; and support services.

BIT:GROW Growens S.p.A.

LiveTiles Limited was incorporated in 1994 and is based in Sydney, Australia. Growens S.p.A., together with its subsidiaries, engages in the cloud marketing technology business in Italy, other European countries, the Americas, and Asia. It operates through E-mail Marketing, Mobile Marketing/Messaging, and Marketing Automation Segments. The company is involved in the development and sale of technologies for the mass sending of e-mails and mobile messaging through the SMS channel for marketing and transaction purposes. It also provides e-mail and newsletter editing tools; marketing technology solutions; and professional consulting services. In addition, the company offers MailUp, a platform that offers data presentation tools, including statistics for engagement that presents statistical data to help users enhance the effectiveness of their campaigns through e-mail and then to take corrective actions to enhance the performance of future campaigns, as well as the multi-list dashboard feature, which is a summary tool to have an immediate overview of the progress of campaigns. Further, it provides BEE, a drag-and-drop editor for e-mails and landing pages; Acumbamail, a Spanish e-mail marketing platform, which allows the creation, sending, and management of multi-channel marketing campaign; and Datatrics platform, which allows the marketing teams to build experiences based on data managed by artificial intelligence. The company was formerly known as Mailup S.p.A. and changed its name to Growens S.p.A. in April 2021. Growens S.p.A. was founded in 2002 and is headquartered in Milan, Italy.

Source: S&P Capital IQ

## E. COMPARABLE TRANSACTION DESCRIPTIONS

Target Company	Target Company Description
Fuze, Inc.	Fuze, Inc. develops cloud-based communications software for enterprises. It offers Web-based social business software Fuze Suite which builds and maintains customer loyalty through customer care, communication, and collaboration. Fuze, Inc. provides voice-over-Internet protocol telecommunication services and other cloud-based solutions in the United States and internationally. It offers unified communication (UC) solutions that provide voice, video, text, presence, messaging, and collaboration services from a single source through the cloud; and enterprise mobility solutions that allow users to place and receive calls from an office phone number on their mobile devices, as well as extend its communication systems onto the employee laptops. The company also offers cloud-based business phone services through its platform; audio and video cloud conferencing services; and a presentation solution that provides real-time enterprise communication and collaboration options. In addition, it offers a cloud-based contact center that allows enterprises to manage inbound and outbound contact center operations across various applications, such as voice, video, mobility, presence/IM, email, unified messaging, and audio conferencing applications; Fuze for Recruiting, a solution for recruiting agencies and corporate recruiting teams to drive hiring and growth; and UC analytics, a cloud-based business intelligence solution that equips businesses with tools to capture, analyze, and act on information about workforce performance, customer engagement, and enterprise processes. Fuze, Inc. was formerly known as Thinking Phone Networks, Inc. and changed its name to Fuze, Inc. in February 2016. The company was founded in 2006 and is based in Boston, Massachusetts with additional offices across the United States. Fuze, Inc. operates as a subsidiary of 8x8, Inc.
Message4u Pty Ltd	Message4u Pty Ltd provides multichannel messaging solutions. The company was incorporated in 2000 and is headquartered in Melbourne, Victoria, Australia. As of November 5, 2021, Message4u Pty Ltd operates as a subsidiary of Sinch AB (publ).
Symbio Holdings Limited	Symbio Holdings Limited provides communication services to software companies, telecom providers, and enterprise customers in Australia, New Zealand, and Internationally. The company operates through three divisions: Communications Platform as a Service, Unified Communications as a Service, and Telecom as a Service. It offers enterprise SIP trunking, mobility, PBX, call recording, and fax. In addition, it provides call termination, numbers and porting, messaging, and RSP and reseller services. The company was formerly known as MNF Group Limited and changed its name to Symbio Holdings Limited in November 2021. Symbio Holdings Limited was founded in 2002 and is headquartered in Sydney, Australia.
Message Broadcast, LLC	Message Broadcast, LLC develops and offers communications platform as a service (CPaaS) customer engagement solutions to large enterprise customers in the United States. Message Broadcast, LLC was formerly known as Message Broadcast.com, LLC and changed its name to Message Broadcast, LLC in August 2015. The company was incorporated in 1998 and is based in Newport Beach, California.

Source: S&P Capital IQ

## F. INDUSTRY OVERVIEW

### Cloud Hosting and Data Processing Services

The IBIS World report J5921 “Cloud Hosting and Data Processing Services in Australia” released in May 2023 provides an overview of companies that offer application service provisioning, business process management, data processing and hosting services. Communications-as-a-Service (“CaaS”), a segment of this market, is a cloud-based service that enables developers to embed real-time communications capabilities (such as voice, video, and messaging) into their applications without needing to build backend infrastructure.

The CaaS market encompasses six primary service segments: voice, messaging, video, email, additional APIs, and assorted services. Messaging, covering SMS and OTT messaging, stands as the most substantial segment and is poised to maintain this position in the foreseeable future. While voice ranks as the second-largest service, the most rapid growth is seen in video services, primarily fuelled by applications in manufacturing, banking/insurance, and healthcare sectors.

The segment has seen growth off the back of the COVID-19 pandemic, which highlighted the need for CaaS solutions. Messaging app and video calling emerged as a key tool for connectivity, productivity, and commerce. Innovation saw organisations implementing dynamic, omnichannel and efficient cloud-based communication solutions. Companies increasingly switched to digital channels to support customer communications.

Rising domestic internet traffic and the increasing availability of data has also driven industry growth, which has caused more companies to outsource data processing services as the scope of work is often beyond the capabilities of their in-house teams. As such, industry revenue has increased 4.7% from 2022-23, and it is expected to increase a further 5.3% in 2024.

There has, however, been scrutiny on government and corporate outsourcing practices, which could potentially offset industry growth as many clients reassess their practices.

### Key External Drivers

#### *Capital expenditure on computer software*

The industry's performance largely correlates with spending on technology. When general economic conditions improve, spending on computer software increases as the private and public sectors seek greater efficiency. These sectors tend to limit or postpone their spending on software and other technologies during periods of weak economic growth, threatening the rate of industry expansion. Capital expenditure on computer software is expected to increase by 6.8% in 2022-23.

#### *Government consumption expenditure*

Governments are key industry clients due to their considerable data and transactional requirements. Governments have increasingly outsourced their data processing needs, supporting industry revenue growth. Government clients can provide lucrative long-term clients to hosting and data processing providers. Government consumption expenditure was set to rise by 3.6% in 2022-23. As WSP services many government clients, this outlook should prove beneficial to the Company.

#### *Digital Transformation of the Economy*

The ongoing shift towards digital processes in various industries propels the adoption of CaaS. Businesses seek adaptable communication solutions to improve customer interactions, streamline operations, and boost service quality. CaaS enables the seamless integration of communication tools into existing systems, aligning with the ever-evolving digital landscape. For example, 4 in 5 Australian adults started or increased their participation for both telehealth consultations and video conferencing/calling since COVID-19 restrictions were introduced in March 2020.

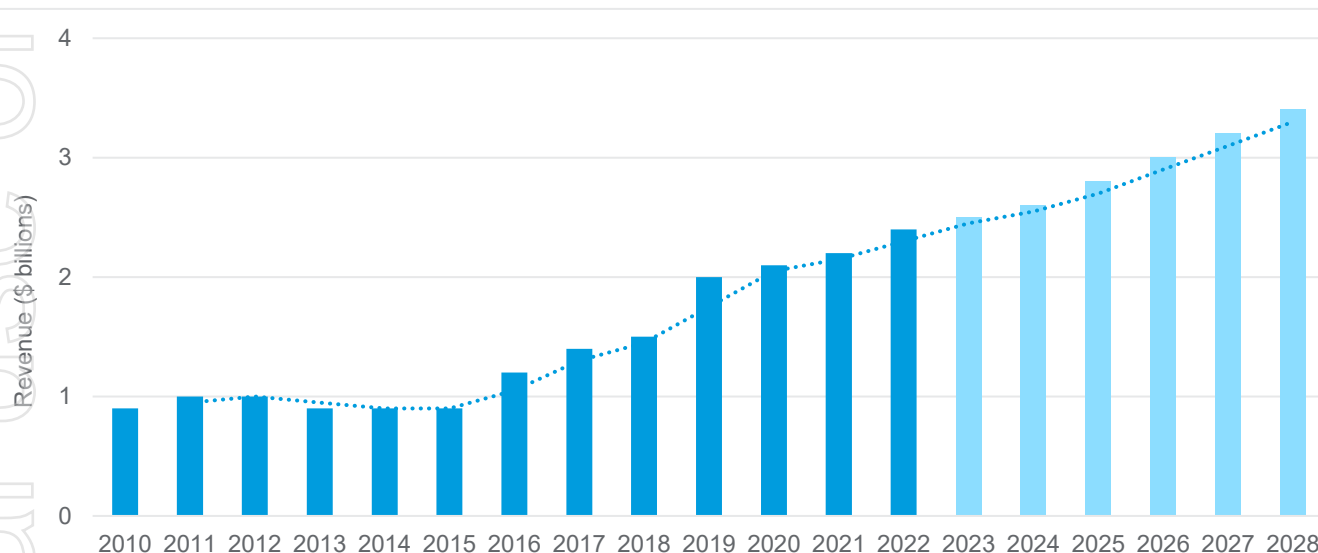
#### *Mobile Communication Habits*

The increasing reliance on mobile devices for communication fuels CaaS adoption. Businesses strive to connect with customers via their preferred channels like SMS, in-app messaging, or video calls. CaaS facilitates the integration of

these communication tools into mobile applications, meeting the mobile-focused preferences of both users and businesses. As of March 2022, 63% of Australians have only a mobile for phone (voice) calls at home, with no landline. This trend has been increasing steadily from 29% in June 2015.

## Outlook

**Figure 12 Industry revenue - historical & forecast**



Source: IBISWorld Report

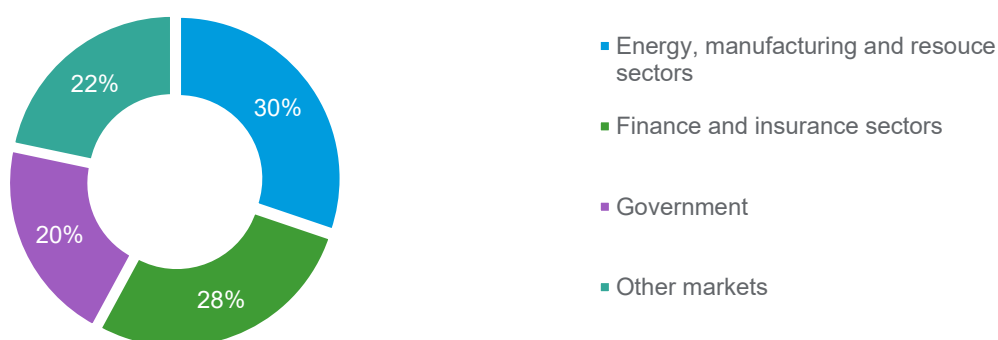
Cloud Hosting and Data Processing Services revenue in Australia is forecast to grow at a compound annual growth rate of 6.7% over the period from 2023-2028, reaching \$3.4 billion.

Industry outlook is based on the expectations that corporate and government clients will likely continue to outsource their data processing and communication requirements. However, there risk that these clients may begin investing in their own data processing capabilities to reduce costs. The deployment of NBN will also provide infrastructure to promote growth in hosting services. Domestic companies will focus on the quality of their services to remain competitive, likely focusing on higher value, premium services.

Globally, the CaaS market is expected to grow from US\$14.3 billion in 2022 to US\$29.7 billion in 2026.

## Market Segmentation

**Figure 13 Industry revenue breakdown by sector**



Source: IBISWorld Report

COVID-19 caused the government to significantly expand its investment in information technology, in areas such as online learning and healthcare assistances. Services Australia, which oversees services such as Centrelink and Medicare have boosted its reliance on cloud computing after the pandemic. However, the Federal Government has pledged to cut outsourcing, which could potentially reduce industry growth.

Demand for CaaS from the healthcare sector is expected to remain strong, with global projected CAGR of approximately 31% through to 2032. CaaS platforms offer healthcare institutions the capability to automate text notifications and reminder phone calls. Moreover, voice calls are predicted to yield considerable success, especially among older patients. These factors are likely to drive substantial growth for the healthcare segment within the global CaaS market.

Large enterprises accounted for around 58.7% of the global CaaS market share in 2021. This segment is likely to grow by 7.9x between 2022 and 2032. The penetration of CaaS is expected to improve with the incorporation of programmable communications and APIs in large enterprises. Demand has increased for cloud communication solutions among small and large businesses, in both developing and developed nations. CaaS allows companies to oversee and enhance communication tools without having to construct and uphold the entire backend infrastructure, simplifying the process for businesses to implement unique customer communication experiences, creating cost efficiencies.

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## Corporate Directory

### Directors

Mr. J. Wells  
Mr. B. Fleiter  
Ms. S. Morgan

### Company Secretary

Ms. J. Pilcher

### Chief Executive Officer

Mr. J. Wells

### Chief Financial Officer

Ms. J. Pilcher

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