

**Whispir Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Whispir Limited  
ABN: 89 097 654 656  
Reporting period: For the half-year ended 31 December 2019  
Previous period: For the half-year ended 31 December 2018

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**2. Results for announcement to the market**

			<b>\$'000</b>
Revenues from ordinary activities	up	20.5% to	18,171
Loss from ordinary activities after tax attributable to the owners of Whispir Limited	down	47.8% to	(6,055)
Loss for the half-year attributable to the owners of Whispir Limited	down	47.8% to	(6,055)

*Dividends*

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

*Comments*

The loss for the Group after providing for income tax amounted to \$6,055,000 (31 December 2018: \$11,589,000).

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

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**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>12.95</u>	<u>(197.25)</u>

The net tangible assets per ordinary security is calculated based on 103,552,748 ordinary shares on issue as at 31 December 2019 and 29,950,940 ordinary shares that would have been in existence had the share-split occurred as at 31 December 2018.

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**4. Audit qualification or review**

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

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

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**5. Attachments**

*Details of attachments (if any):*

The Interim Report of Whispir Limited for the half-year ended 31 December 2019 is attached.

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**6. Signed**



Signed \_\_\_\_\_

Date: 18 February 2020

Brendan Fleiter  
Chairman and Non-Executive Director

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**Whispir Limited**

**ABN 89 097 654 656**

**Interim Report - 31 December 2019**

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**Whispir Limited**  
**Directors' report**  
**31 December 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Whispir') consisting of Whispir Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

**Directors**

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

Brendan Fleiter - Chairman  
 Jeromy Wells - Chief Executive Officer  
 Shane Chesson  
 Sarah Morgan  
 Sara La Mela

**Principal activities**

During the financial half-year, the principal continuing activities of the Group was being a Software-as-a-Service ('SaaS') provider that specialises in the development and provision of communications management systems via a cloud-based platform. The Group enables the integration of smart applications and micro communications services into existing workflow solutions to automate specific areas of business-critical communications across mobile/email/voice/social/web. The Group enables rapid, relevant and contextual conversations - between people and organisations wherever they are. The Group currently has over 500 customers which use its software to improve their communications through automated workflows.

**Operating and financial review**

The Group's operating results for the half-year to 31 December 2019 comprised the following:

	31 Dec 2019 \$'000	31 Dec 2018 \$'000	Change \$'000	Change %
Software revenue	17,411	14,075	3,336	24%
Total revenue	18,171	15,084	3,087	20%
Gross profit	11,208	9,454	1,754	19%
Net loss after interest and tax	(6,055)	(11,589)	5,534	(48%)

Software revenue increased by 24% in comparison to the prior corresponding period ('pcp'), largely the result of higher platform usage rates by existing customers. Professional services revenue reduced by 25% and now represents only 4% of total revenues as the business continues to focus on growing software revenues. Total revenue increased 20%.

Total revenue grew 22% in Australia and New Zealand ('ANZ'), 26% in Asia and declined by 9% in the United States of America ('US'). The performance in the US was disappointing and reflects the 'start up' phase of that business. Despite the revenue performance the business did achieve a number of strategic successes with the Carahsoft partnership and the advancement of the Amazon Web Services ('AWS') relationship by becoming an Advanced Network Partner and achieving Digital competency certification. Most importantly a new Vice President of the region was appointed at the end of the half-year and has begun to build the business.

Gross profits increased by 19% in comparison to pcp, driven by revenue growth. Cost of services increased by 24% as a result of increasing volumes of voice, email and short message services. Gross profit margin of 62% is marginally lower against pcp.

**Research and development**

	31 Dec 2019 \$'000	31 Dec 2018 \$'000	Change %
Research and development - expense	2,815	2,429	16%
Development cost - capitalised	2,350	1,740	35%
Total research and development cost	<u>5,165</u>	<u>4,169</u>	24%
Percentage of total revenue	28%	28%	-

**Whispir Limited**  
**Directors' report**  
**31 December 2019**

The loss for the Group after providing for income tax amounted to \$6,055,000 (31 December 2018: \$11,589,000). The 48% decrease in net loss after tax from the pcp is predominately driven by the capitalisation of the Group through the IPO. In particular, the conversion of convertible debt instruments into equity resulting in a reduction in net finance costs of 98%.

EBITDA a non-IFRS measure is calculated by adjusting earnings for net finance costs, income taxes, depreciation (including right of use assets under AASB 16) and amortisation. EBITDA losses excluding the one-time CEO IPO cash bonus of SG\$695,520 (\$741,991) which was approved by shareholders and paid in November 2019 is 10% better than pcp.

Non cash share-based payments increased by 35% reflecting the implementation of new long term incentive schemes. During the period, 412,703 performance rights were granted to the Group's CEO and 140,000 performance rights were granted to Independent Non-Executive Directors (one-off grant) following the approval of shareholders at the Company's 2019 Annual General Meeting on 20 November 2019. In addition, 1,006,189 performance rights were granted to senior executives and key management personnel.

	31 Dec 2019 \$'000	31 Dec 2018 \$'000	Change \$'000	Change %
Net loss after interest and tax	(6,055)	(11,589)	5,534	(48%)
Add: net finance costs	153	6,348	(6,195)	(98%)
Add: depreciation and amortisation*	1,143	798	345	43%
EBITDA	(4,759)	(4,443)	(316)	7%
Add: non-cash share-based payments expenses	881	652	229	35%
EBITDA excluding non-cash share-based payments expenses	(3,878)	(3,791)	(87)	2%

\* Amortisation of contract acquisition costs are not added back.

**Business growth strategy and likely developments**

The Group continues to be focused on delivering the growth strategy outlined in its IPO Prospectus including:

- Expanding the use of the Group's platform by existing customers;
- Targeted regional expansion;
- Adding new customers through scaling our proven channel sales capabilities and new partnerships; and
- Developing new products to increase our core product offering to customers.

**Dividends**

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

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Rounding of amounts**

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

**Auditor's independence declaration**

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

**Whispir Limited  
Directors' report  
31 December 2019**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Brendan Fleiter  
Chairman and Non-Executive Director

18 February 2020  
Melbourne



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Jeromy Wells  
Chief Executive Officer

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**Building a better  
working world**

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## Auditor's Independence Declaration to the Directors of Whispir Limited

As lead auditor for the review of the half-year financial report of Whispir Limited for the half-year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'David McGregor'.

David McGregor  
Partner  
18 February 2020

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**Whispir Limited**  
**Contents**  
**31 December 2019**

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	18
Independent auditor's review report to the members of Whispir Limited	19
Corporate directory	21

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**Whispir Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>			
Software revenue		17,411	14,075
Professional services revenue		760	1,009
	4	<u>18,171</u>	<u>15,084</u>
Cost of services		<u>(6,963)</u>	<u>(5,630)</u>
Gross profit		<u>11,208</u>	<u>9,454</u>
Interest revenue calculated using the effective interest method		125	88
<b>Expenses</b>			
Sales and marketing		(7,190)	(6,628)
Research and development		(2,815)	(2,429)
General and administration		(7,105)	(5,638)
Finance costs		(278)	(6,436)
Total expenses		<u>(17,388)</u>	<u>(21,131)</u>
<b>Loss before income tax expense</b>		(6,055)	(11,589)
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year attributable to the owners of Whispir Limited</b>		(6,055)	(11,589)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>41</u>	<u>43</u>
Other comprehensive income for the half-year, net of tax		<u>41</u>	<u>43</u>
<b>Total comprehensive income for the half-year attributable to the owners of Whispir Limited</b>		<u>(6,014)</u>	<u>(11,546)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	16	(5.86)	(38.71)
Diluted earnings per share	16	(5.86)	(38.71)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Whispir Limited**  
**Statement of financial position**  
**As at 31 December 2019**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		19,103	26,827
Trade and other receivables		4,449	3,973
Prepayments		1,371	1,132
Contract acquisition costs	5	1,972	1,672
Interest bearing assets		632	629
<b>Total current assets</b>		<u>27,527</u>	<u>34,233</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	440	536
Intangibles	7	6,428	4,676
Right-of-use assets	8	2,886	3,154
Contract acquisition costs	5	1,231	1,465
<b>Total non-current assets</b>		<u>10,985</u>	<u>9,831</u>
<b>Total assets</b>		<u>38,512</u>	<u>44,064</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	7,945	7,736
Contract liabilities	10	1,943	2,113
Employee benefits		980	967
Lease liabilities	11	538	607
<b>Total current liabilities</b>		<u>11,406</u>	<u>11,423</u>
<b>Non-current liabilities</b>			
Trade and other payables	9	1,045	1,304
Contract liabilities	10	186	307
Employee benefits		21	21
Lease liabilities	11	3,129	3,272
<b>Total non-current liabilities</b>		<u>4,381</u>	<u>4,904</u>
<b>Total liabilities</b>		<u>15,787</u>	<u>16,327</u>
<b>Net assets</b>		<u>22,725</u>	<u>27,737</u>
<b>Equity</b>			
Issued capital	12	89,931	89,687
Reserves	13	1,607	808
Accumulated losses		(68,813)	(62,758)
<b>Total equity</b>		<u>22,725</u>	<u>27,737</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Whispir Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2019**

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total deficiency in equity \$'000</b>
Balance at 1 July 2018	6,356	(451)	(47,476)	(41,571)
Loss after income tax expense for the half-year	-	-	(11,589)	(11,589)
Other comprehensive income for the half-year, net of tax	-	43	-	43
Total comprehensive income for the half-year	-	43	(11,589)	(11,546)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	10	-	-	10
Share-based payments	-	1,092	-	1,092
Balance at 31 December 2018	<u>6,366</u>	<u>684</u>	<u>(59,065)</u>	<u>(52,015)</u>
	<b>Issued capital \$'000</b>	<b>Reserves \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total equity \$'000</b>
<b>Consolidated</b>				
Balance at 1 July 2019	89,687	808	(62,758)	27,737
Loss after income tax expense for the half-year	-	-	(6,055)	(6,055)
Other comprehensive income for the half-year, net of tax	-	41	-	41
Total comprehensive income for the half-year	-	41	(6,055)	(6,014)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 12)	121	-	-	121
Share-based payments	-	881	-	881
Transfer on exercise of options	123	(123)	-	-
Balance at 31 December 2019	<u>89,931</u>	<u>1,607</u>	<u>(68,813)</u>	<u>22,725</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Whispir Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2019**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	17,408	13,344
Payments to suppliers and employees	(22,399)	(16,748)
Interest received	125	88
Interest and other finance costs paid	(276)	(384)
Net cash used in operating activities	<u>(5,142)</u>	<u>(3,700)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(92)	(363)
Payments for intangibles	(2,350)	(1,740)
Payments for term deposits	(2)	(3,644)
Net cash used in investing activities	<u>(2,444)</u>	<u>(5,747)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	121	10
Share issue transaction costs	-	(194)
Repayment of lease liabilities	(300)	(376)
Net cash used in financing activities	<u>(179)</u>	<u>(560)</u>
Net decrease in cash and cash equivalents	(7,765)	(10,007)
Cash and cash equivalents at the beginning of the financial half-year	26,827	13,767
Effects of exchange rate changes on cash and cash equivalents	41	(25)
Cash and cash equivalents at the end of the financial half-year	<u><u>19,103</u></u>	<u><u>3,735</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 1. General information**

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

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

Level 15, 360 Collins Street  
Melbourne VIC 3000  
Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 February 2020.

**Note 2. Significant accounting policies**

Financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2019 and are not expected to have any significant impact for the full financial year ending 30 June 2020.

AASB 16 'Leases' was early adopted in the previous financial year with effect from 1 July 2016. Any further new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations adopted during the financial half-year are most relevant to the Group:

*AASB 2017-7: Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures*  
Adoption of this amended standard did not have any material impact on the financial position or performance of the Group.

*AASB 2018-1: Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle*  
Adoption of this amended standard did not have any material impact on the financial position or performance of the Group.

*AASB Interpretation 23: Uncertainty over Income Tax Treatments*  
Adoption of this interpretation did not have any material impact on the financial position or performance of the Group.

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 3. Operating segments**

*Identification of reportable operating segments*

The Group is organised into geographic operating segments: Australia & New Zealand, Asia and the United States. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

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

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

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

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

Asia and the United States      Segment revenue and gross margin are derived principally from the commercialisation of the Group's cloud-based communication management platform and services in the Group's overseas markets being Asia and the USA.

*Intersegment receivables, payables and loans*

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

*Major customers*

There are no major customers that contributed more than 10% of revenue to the Group.

*Operating segment information*

	Australia & New Zealand \$'000	Asia \$'000	United States \$'000	Total \$'000
<b>Consolidated - 31 Dec 2019</b>				
<b>Revenue</b>				
Sales to external customers	14,554	2,835	782	18,171
Interest revenue	125	-	-	125
<b>Total revenue</b>	<b>14,679</b>	<b>2,835</b>	<b>782</b>	<b>18,296</b>
<b>Segment margin</b>				
Interest revenue	9,780	1,155	273	11,208
Sales and marketing				(7,190)
Research and development				(2,815)
General and administration				(7,105)
Finance costs				(278)
<b>Loss before income tax expense</b>				<b>(6,055)</b>
Income tax expense				-
<b>Loss after income tax expense</b>				<b>(6,055)</b>

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 3. Operating segments (continued)**

<b>Consolidated - 31 Dec 2018</b>	Australia & New Zealand \$'000	Asia \$'000	United States \$'000	Total \$'000
<b>Revenue</b>				
Sales to external customers	11,974	2,255	855	15,084
Interest revenue	88	-	-	88
<b>Total revenue</b>	<u>12,062</u>	<u>2,255</u>	<u>855</u>	<u>15,172</u>
<b>Segment margin</b>	<u>8,303</u>	<u>658</u>	<u>493</u>	<u>9,454</u>
Interest revenue				88
Sales and marketing				(6,628)
Research and development				(2,429)
General and administration				(5,638)
Finance costs				(6,436)
<b>Loss before income tax expense</b>				<u>(11,589)</u>
Income tax expense				-
<b>Loss after income tax expense</b>				<u>(11,589)</u>

**Note 4. Revenue from contracts with customers**

*Disaggregation of revenue*

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

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Major product lines</i>		
Platform and software revenue	5,926	5,340
Transactional revenue	11,485	8,735
Professional services and configuration revenue	760	1,009
	<u>18,171</u>	<u>15,084</u>
<i>Geographical regions</i>		
USA	969	809
Australia	14,098	11,649
New Zealand	462	327
Singapore	2,510	2,217
Others	132	82
	<u>18,171</u>	<u>15,084</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>18,171</u>	<u>15,084</u>

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 5. Contract acquisition costs**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current assets</i>		
Contract acquisition costs	1,972	1,672
<i>Non-current assets</i>		
Contract acquisition costs	1,231	1,465
	<u>3,203</u>	<u>3,137</u>

*Reconciliations:*

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

	<b>Consolidated</b>
	<b>31 Dec 2019</b>
	<b>\$'000</b>
Opening balance	3,137
Additions	1,277
Amortisation	(1,211)
Closing balance	<u>3,203</u>

**Note 6. Property, plant and equipment**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Furniture, fixtures and fittings - at cost	740	700
Less: Accumulated depreciation	(608)	(542)
	<u>132</u>	<u>158</u>
Computer equipment - at cost	2,027	1,972
Less: Accumulated depreciation	(1,719)	(1,594)
	<u>308</u>	<u>378</u>
	<u>440</u>	<u>536</u>

*Reconciliations*

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

<b>Consolidated</b>	Furniture, fixtures and fittings \$'000	Computer equipment \$'000	Total \$'000
Balance at 1 July 2019	158	378	536
Additions	37	55	92
Depreciation expense	(63)	(125)	(188)
Balance at 31 December 2019	<u>132</u>	<u>308</u>	<u>440</u>



**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 7. Intangibles**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Development expenditure - at cost	7,423	5,073
Less: Accumulated amortisation	<u>(995)</u>	<u>(397)</u>
	<u><u>6,428</u></u>	<u><u>4,676</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Development expenditure \$'000
Balance at 1 July 2019	4,676
Additions	2,350
Amortisation expense	<u>(598)</u>
Balance at 31 December 2019	<u><u>6,428</u></u>

**Note 8. Right-of-use assets**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Non-current assets</i>		
Right-of-use assets	<u>2,886</u>	<u>3,154</u>

*Reconciliations*

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

<b>Consolidated</b>	Office premises \$'000	Data centres \$'000	Total \$'000
Balance at 1 July 2019	3,087	67	3,154
Additions	23	94	117
Disposals/lease termination	(28)	-	(28)
Depreciation expense	<u>(316)</u>	<u>(41)</u>	<u>(357)</u>
Balance at 31 December 2019	<u><u>2,766</u></u>	<u><u>120</u></u>	<u><u>2,886</u></u>

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 9. Trade and other payables**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Trade payables	2,029	2,677
Commissions payable	1,596	1,360
Other payables and accruals	4,320	3,699
	<u>7,945</u>	<u>7,736</u>
<i>Non-current liabilities</i>		
Commissions payable	1,045	1,304
	<u>8,990</u>	<u>9,040</u>

**Note 10. Contract liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Contract liabilities	1,943	2,113
<i>Non-current liabilities</i>		
Contract liabilities	186	307
	<u>2,129</u>	<u>2,420</u>

*Reconciliation:*

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

	<b>Consolidated</b>
	<b>31 Dec 2019</b>
	<b>\$'000</b>
Opening balance	2,420
Payments received in advance	1,010
Revenue recognised during the year	<u>(1,301)</u>
Closing balance	<u>2,129</u>

**Note 11. Lease liabilities**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current liabilities</i>		
Lease liabilities	538	607
<i>Non-current liabilities</i>		
Lease liabilities	3,129	3,272
	<u>3,667</u>	<u>3,879</u>

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 12. Issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	<u>103,552,748</u>	<u>103,200,618</u>	<u>89,931</u>	<u>89,687</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$'000</b>
Balance	1 July 2019	103,200,618	89,687
Shares issued on exercise of options	8 August 2019	196,059	66
Shares issued on exercise of options	13 August 2019	35,000	12
Shares issued on exercise of options	23 December 2019	121,071	43
Transfer from share based payment reserve on exercise of options		-	123
Balance	31 December 2019	<u>103,552,748</u>	<u>89,931</u>

*Share buy-back*

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

**Note 13. Reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>30 Jun 2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Foreign currency reserve	(676)	(717)
Share-based payments reserve	<u>2,283</u>	<u>1,525</u>
	<u>1,607</u>	<u>808</u>

*Movements in reserves*

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

<b>Consolidated</b>	<b>Foreign currency \$'000</b>	<b>Share-based payments \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2019	(717)	1,525	808
Foreign currency translation	41	-	41
Share-based payments	-	881	881
Transfer to share capital	-	(123)	(123)
Balance at 31 December 2019	<u>(676)</u>	<u>2,283</u>	<u>1,607</u>

**Note 14. Dividends**

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

**Note 15. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

**Whispir Limited**  
**Notes to the financial statements**  
**31 December 2019**

**Note 16. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Loss after income tax attributable to the owners of Whispir Limited	<u>(6,055)</u>	<u>(11,589)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>103,388,929</u>	<u>29,936,314</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>103,388,929</u>	<u>29,936,314</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(5.86)	(38.71)
Diluted earnings per share	(5.86)	(38.71)

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to the share-split which occurred during the previous financial year.

Stock options, convertible notes and redeemable preference shares which were still outstanding at 31 December 2018 are excluded from the calculation of dilutive earnings per share as they were anti-dilutive.

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

**Note 17. Share-based payments**

During the financial half-year, the Group has determined that performance rights, rather than share options, will be granted under the Long-term incentives ('LTI') plan. Performance rights are more aligned with the Group's growth profile, market conditions and prevailing Australian market practice.

The share-based payment expense for the half-year of \$881,000 (31 December 2018: \$1,092,000) includes existing and new grants made under the LTI plans.

During the period, 412,703 performance rights were granted to the Group's CEO and 140,000 performance rights were granted to Independent Non-Executive Directors following the approval of shareholders at the Company's 2019 Annual General Meeting on 20 November 2019. In addition, 1,006,189 performance rights were granted to senior executives and key management personnel.

The number or proportion of shares that will vest is subject to the successful achievement of up to three separate vesting conditions over a three-year period. Vesting performance hurdles are tenure, and metrics aligned to 3 year revenue growth and relative total shareholder return.

The weighted average fair value of the options granted under LTI during the financial half-year was \$1.35.

**Note 18. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Whispir Limited**  
**Directors' declaration**  
**31 December 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



\_\_\_\_\_  
Brendan Fleiter  
Chairman and Non-Executive Director

18 February 2020  
Melbourne



\_\_\_\_\_  
Jeremy Wells  
Chief Executive Officer



**Building a better  
working world**

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## **Independent Auditor's Review Report to the Members of Whispir Limited Report on the Half-Year Financial Report**

### **Conclusion**

We have reviewed the accompanying half-year financial report of Whispir Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### **Directors' Responsibility for the Half-Year Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A stylized, handwritten signature of the Ernst &amp; Young firm, rendered in a light grey color.

Ernst & Young

A handwritten signature of David McGregor, rendered in a light grey color.

David McGregor  
Partner  
Melbourne  
18 February 2020

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**Whispir Limited**  
**Corporate directory**  
**31 December 2019**

Directors

Brendan Fleiter  
Jeromy Wells  
Shane Chesson  
Sarah Morgan  
Sara La Mela

Company secretary

Sophie Karzis

Registered office and  
Principal place of business

Level 15, 360 Collins Street  
Melbourne, VIC 3000  
Australia  
Telephone: 1300 944 774

Share register

Computershare Investor Services Pty Ltd  
Yarra Falls  
452 Johnston Street  
Abbotsford, Victoria 3067  
Australia  
Telephone: 1300 171 785

Auditor

Ernst & Young  
8 Exhibition Street,  
Melbourne, VICTORIA 3000  
Australia

Stock exchange listing

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

Website

<http://www.whispir.com>