

Results for Announcement to market

Name of entity: Whispir Limited
ABN: 89 097 654 656
Reporting period: Half year ended 31 December 2020
Previous period: Half year ended 31 December 2019

	\$'000	
Revenue from ordinary activities	23,137	Up 27.3%
Loss from ordinary activities after tax attributable to the owners of Whispir Limited	(3,456)	Down 42.9%
Loss from ordinary activities attributable to the owners of Whispir Limited	(3,456)	Down 42.9%

Principal activities

During the financial half-year, the principal continuing activities of the Group was being a Software-as-a-Service ('SaaS') provider specialising in the development and provision of a cloud-based communications management platform. The Group enables the integration of smart applications and micro communications services into existing workflow solutions to automate specific areas of business-critical communications across mobile, email, voice, social, and web. The Group enables rapid, relevant and contextual conversations between people and organisations, wherever they are. The Group currently has more than 700 customers using its software to improve their business communications through automated workflows.

Dividends

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

Comments

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

	31 December 2020	31 December 2019
Net tangible assets per ordinary security (cents)	5.40	12.95

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

Audit qualification or review

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

Attachments

The interim Report of Whispir Limited for the half-year ended 31 December 2020 is attached.

Signed



Brendan Fleiter
 Chairman and Non-Executive Director

Melbourne
 18 February 2021

Interim Report

– 31 December 2020

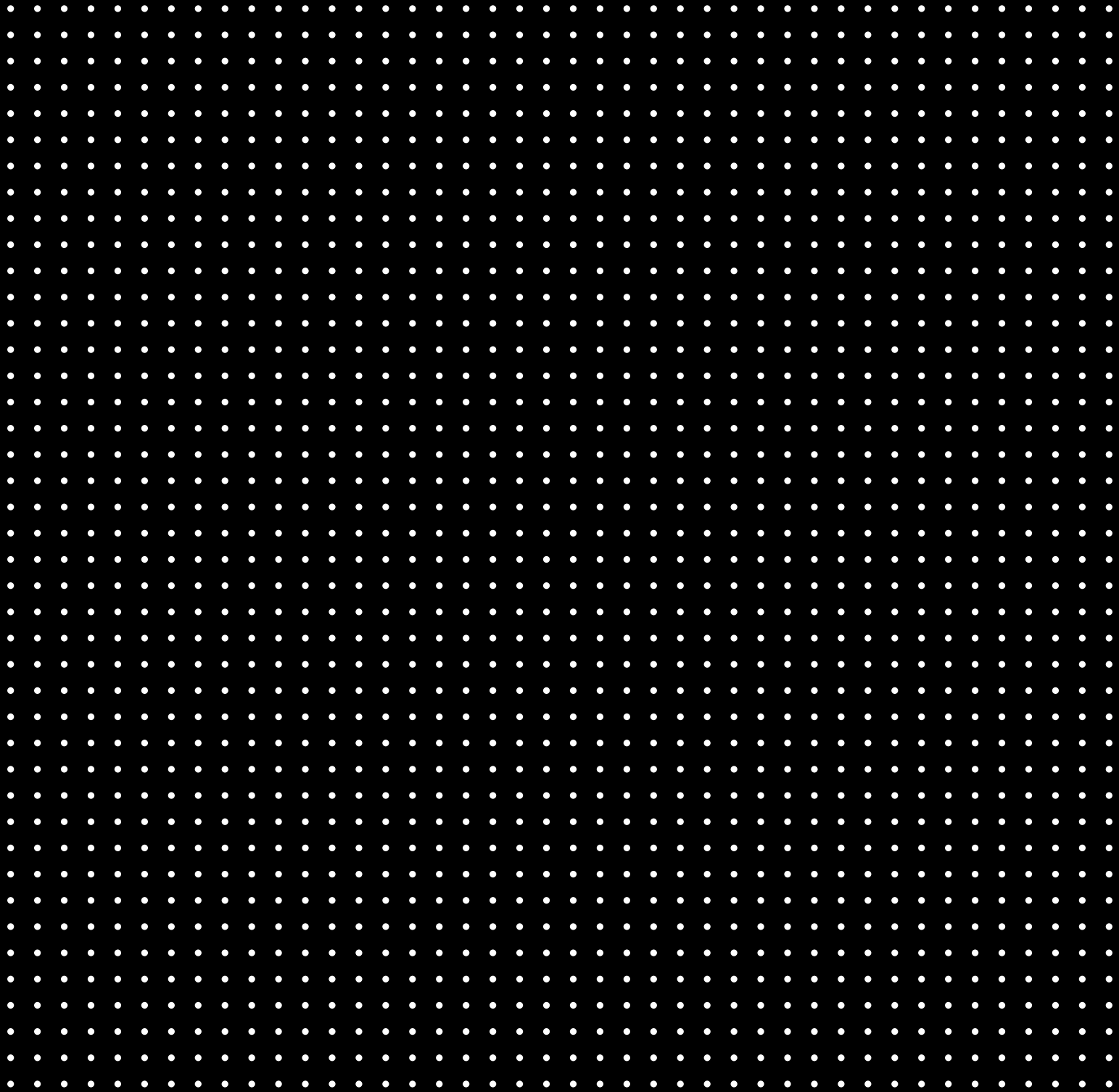
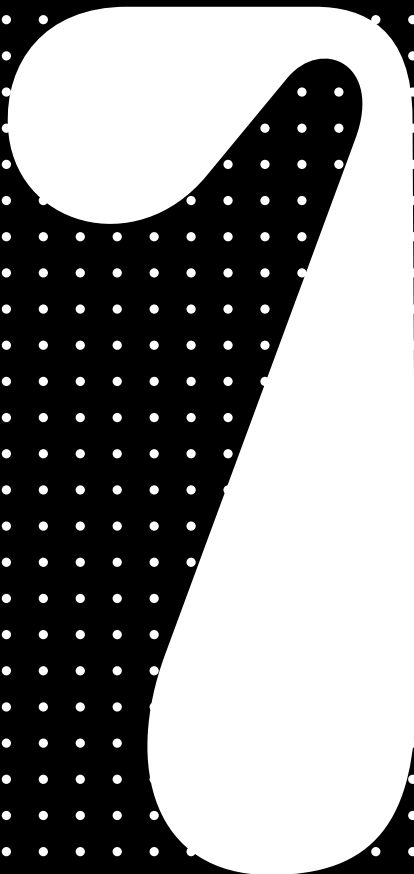


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Directors' Half-year report



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 2020.

Directors

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

Brendan Fleiter – Chairman

Jeromy Wells – Chief Executive Officer

Sarah Morgan

Sara La Mela

Aled Miles – Appointed 1 December 2020

Shane Chesson – Resigned 6 November 2020

Review of operations

Principal activities

During the financial half-year, the principal continuing activities of the Group was being a Software-as-a-Service (‘SaaS’) provider specialising in the development and provision of a cloud-based communications management platform. The Group enables the integration of smart applications and micro communications services into existing workflow solutions to automate specific areas of business-critical communications across mobile, email, voice, social, and web. The Group enables rapid, relevant and contextual conversations between people and organisations, wherever they are. The Group currently has more than 700 customers using its software to improve their business communications through automated workflows.

Operating and financial review

The loss for the Group after providing for income tax amounted to \$3,456k (31 December 2019: \$6,055k). The 42.9% improvement in net loss after tax compared to the prior corresponding period (‘pcp’) was predominantly driven by a 27.3% increase in revenue and an 17.6% decrease in General and Administration costs.

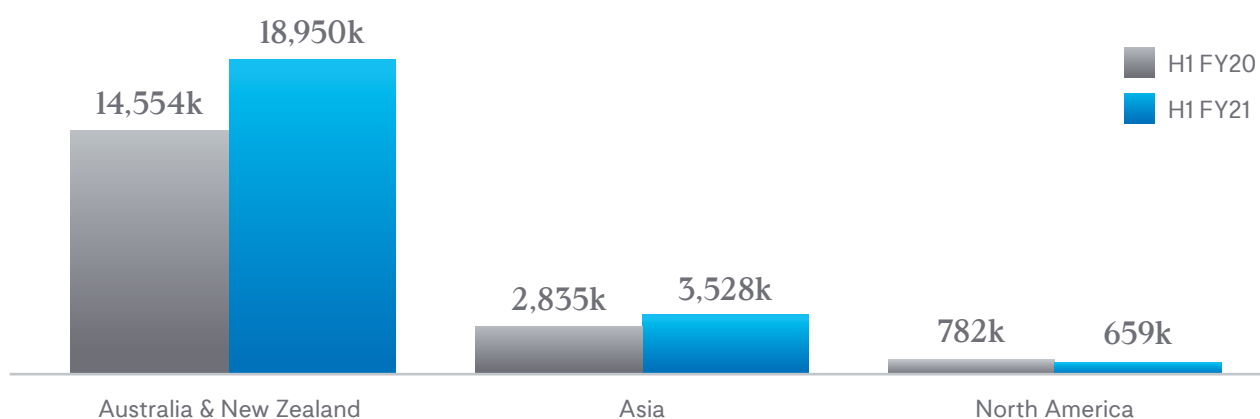
The Group's operating results for the year comprised the following:

	31 Dec 2020 \$'000	31 Dec 2019 \$'000	Change \$'000	Change %
Software revenue	22,343	17,411	4,932	28.3%
Total revenue	23,137	18,171	4,966	27.3%
Gross profit	13,966	11,208	2,758	24.6%
Gross margin %	60.4%	61.7%	-	-
Net loss after interest and tax	(3,456)	(6,055)	2,599	(42.9%)

Total revenue increased by 27.3% or \$4,966k in the half-year to 31 December 2020, compared with pcp. Growth for the half was supported by the onboarding of 77 net new customers, delivering a total of \$1,303k in new revenue. However, the existing customer base was the strongest contributor to growth as customers increased their platform utilisation to solve more communications challenges. Customers are continuing to expand their use of the platform with the number of customers using 4+ use cases increasing to 89 from 60 over the pcp and average monthly recurring revenue increasing from \$16.2k to \$26.0k, against pcp. As a result transaction revenue increased by 34.1%.

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

Half-year ending 31 December FY20/21 revenue by segment



Very strong performances were achieved in ANZ and Asia where revenue increased by 30.2% and 24.4% respectively. Revenue from the emerging North American business declined during the period as the business consolidates its customer cohort to support the transition to a new persona-based digital marketing strategy targeting high-value SME and SMB customers. The new North American leadership team, installed at the end of the calendar year, is building the pipeline and beginning to leverage existing channel partnerships. Refer to note 3 to the financial statements for further information regarding the operating segments.

Revenue growth of 27.3% was achieved compared to cost of services growth of 31.7%. As a result, the gross margin declined slightly to 60.7% from 62.0% in the pcp. The increase in cost to service was driven by a strategic pricing initiative applied to high volume customers and the ongoing investment in additional service team staff in preparation for further growth. These increases were partially offset by flat data centre costs reflecting better economies of scale.

EBITDA¹ improved to a loss of \$1,828k for the period, a \$2,931k or 61.6% reduction compared to pcp and EBITDA excluding non-cash share-based payments expenses improved by 75.8% to a loss of \$940k.

¹ EBITDA, a non-IFRS measure, is calculated by adjusting earnings for net finance costs, income taxes, depreciation (including right of use assets under AASB16), and amortisation (excluding amortisation for contract acquisition costs).

	31 Dec 2020 \$'000	31 Dec 2019 \$'000	Change \$'000	Change %
Net loss after interest and tax	(3,456)	(6,055)	2,599	(42.9%)
Add: Income tax expense	111	-	111	n/a
Add Net finance costs	198	153	45	29.4%
Add: Depreciation and Amortisation*	1,319	1,143	176	15.4%
EBITDA	(1,828)	(4,759)	2,931	(61.6%)
Add: Non-cash share-based payments expenses	888	881	7	0.8%
EBITDA excluding non-cash share-based payments expenses	(940)	(3,878)	2,938	(75.8%)

*Excluding amortisation of contract acquisition costs which are included in sales and marketing.

Sales and marketing expenses increased by \$875k to \$8,065k but fell as a percentage of revenue from 39.6% in the pcp to 34.9% largely the result of better efficiencies within the sales team.

Investment in Research and development (R&D) remains a key objective of the Group with investment increasing by 8.8% or \$455k on pcp. The Group retains its commitment to its five-year product roadmap; embedding prediction, detection and automation capabilities to enhance communications intelligence and improve platform value.

	31 Dec 2020 \$'000	31 Dec 2019 \$'000	Change \$'000	Change %
Research and development - expense	3,195	2,815	380	13.5%
Development cost - capitalised	2,425	2,350	75	3.2%
Total research and development cost	5,620	5,165	455	8.8%
Percentage of total revenue	24.3%	28.4%	-	(4.1%)

General and administration expenses of \$5,853 declined significantly by \$1,252k or 17.6% compared with the pcp, reflecting good expense management, travel restrictions imposed by COVID-19 and the impact of the CEO's IPO bonus paid in the first half of FY20.

Finance costs at \$243k were in line with the pcp, and the income tax expense relates to tax expense in the Singapore domiciled subsidiary. Whispir continues to have a healthy balance sheet with net cash balance of \$10,875k and no debt.

Business growth strategy and likely developments

The Group continues to be focused on delivering growth with a strategy that includes:

- increasing automation, enabling customers to extract value from the platform faster;
- evolving to a communications intelligence company, harnessing data-driven insights to improve engagement;
- expanding its footprint in ANZ, Asia and North America and growing the Customer Success capability through Regional Hubs; and
- enhancing its proven channel sales capabilities and developing new partnerships with system integrators and value add resellers.

Rounding of amounts

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

Auditor's independence declaration

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

Auditor

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

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

On Behalf of Directors



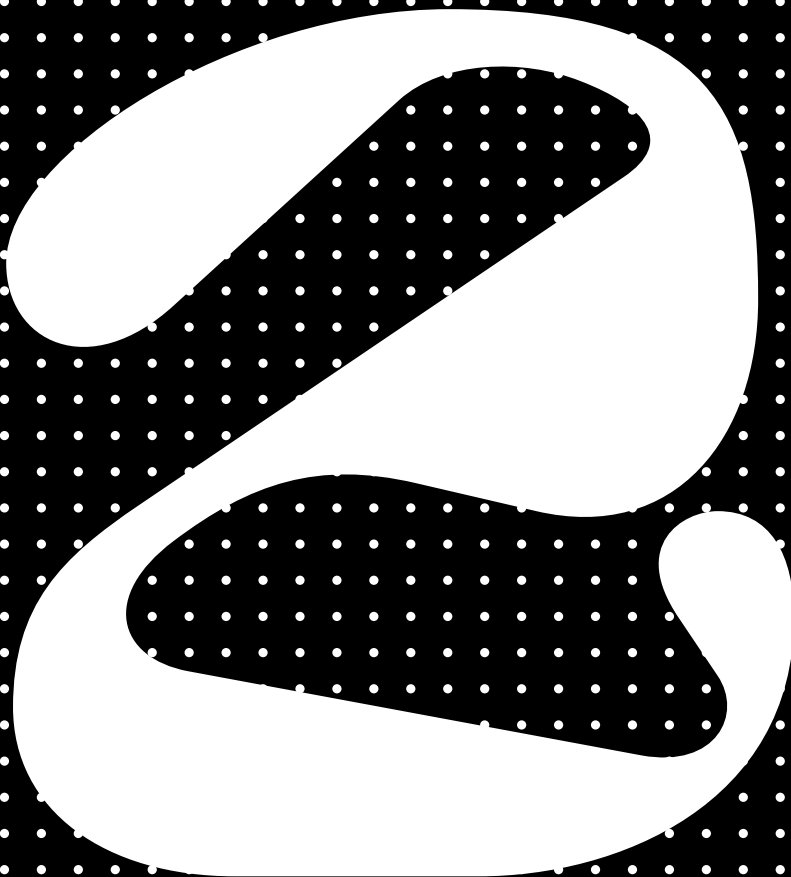
Brendan Fleiter
Chairman and Non-Executive Director



Jeremy Wells
Chief Executive Officer

Melbourne
18 February 2021

Auditor's Independence Declaration





**Building a better
working world**

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

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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 2020, I declare to the best of my knowledge and belief, there have been:

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

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

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

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

David McGregor
Partner
18 February 2021

Statement of Profit or Loss and Other Comprehensive Income

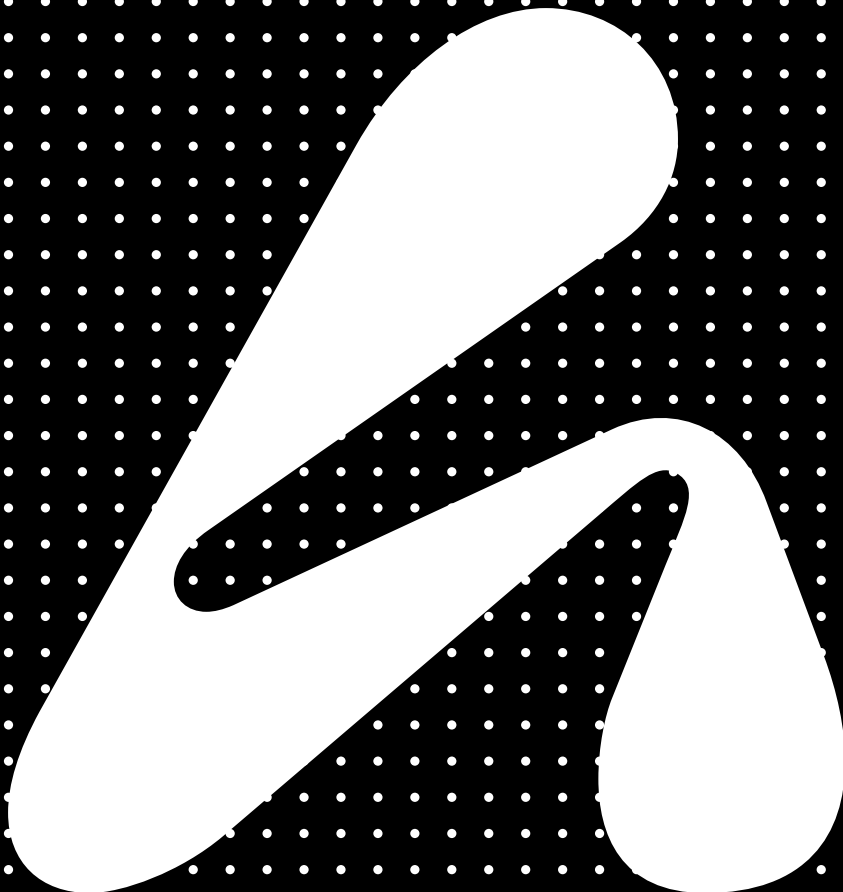


For the half-year ended 31 December 2020

		Consolidated	
	Note	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Revenue			
Software revenue		22,343	17,411
Professional services revenue		794	760
Total revenue	4	23,137	18,171
Cost of services		(9,171)	(6,963)
Gross profit		13,966	11,208
Interest revenue		45	125
Expenses			
Sales and marketing		(8,065)	(7,190)
Research and development		(3,195)	(2,815)
General and administration		(5,853)	(7,105)
Finance costs		(243)	(278)
Total expenses	5	(17,356)	(17,388)
Loss before income tax expense		(3,345)	(6,055)
Income tax expense		(111)	-
Loss after income tax expense for the half-year attributable to the owners of Whispir Limited		(3,456)	(6,055)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		46	41
Other comprehensive income for the year, net of tax		46	41
Total comprehensive loss for the half-year attributable to the owners of Whispir Limited		(3,410)	(6,014)
		Cents	Cents
Basic earnings per share	16	(3.32)	(5.86)
Diluted earnings per share	16	(3.32)	(5.86)

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

Statement of Financial Position



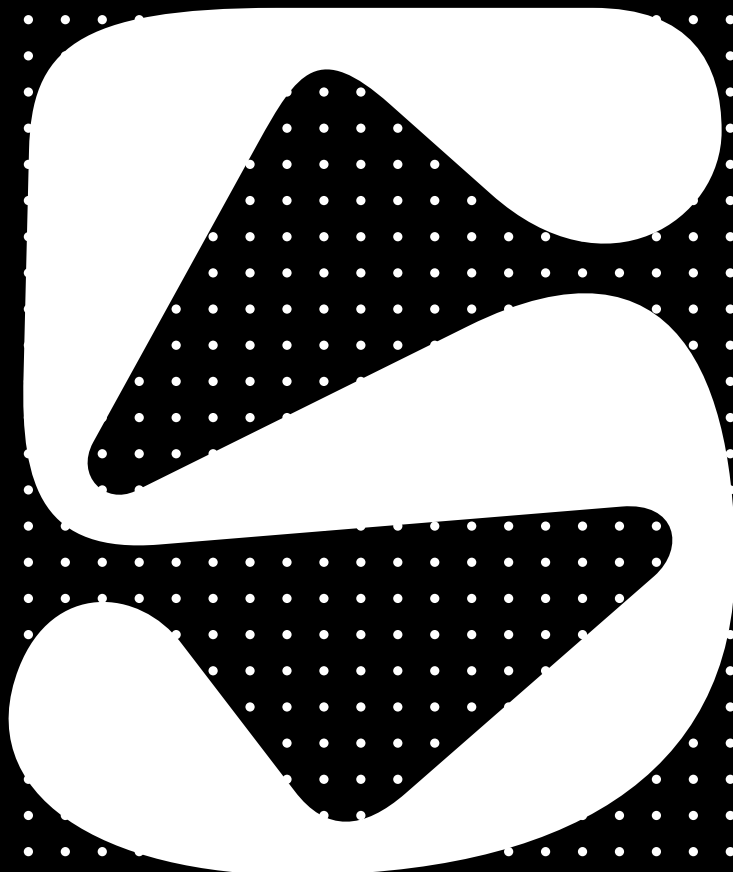
For the half-year ended 31 December 2020

Consolidated

	Note	31 Dec 2020 \$'000	30 June 2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	10,875	15,217
Trade and other receivables	7	5,936	5,544
Prepayments		1,525	1,267
Contract acquisition costs		1,919	2,448
Interest bearing assets		501	502
Total current assets		20,756	24,978
Non-current assets			
Property, plant and equipment		586	480
Intangibles	8	9,471	7,930
Right-of-use assets		2,262	2,564
Contract acquisition costs		961	1,475
Total non-current assets		13,280	12,449
Total assets		34,036	37,427
Liabilities			
Current liabilities			
Trade and other payables	9	9,652	9,133
Contract liabilities	10	1,430	2,315
Employee benefits		1,417	1,270
Lease liabilities		565	546
Total current liabilities		13,064	13,264
Non-current liabilities			
Trade and other payables	9	861	1,317
Contract liabilities	10	187	235
Employee benefits		32	18
Lease liabilities		2,545	2,835
Total non-current liabilities		3,625	4,405
Total liabilities		16,689	17,669
Net assets		17,347	19,758
Equity			
Issued capital	11	90,844	90,362
Reserves	13	2,591	2,028
Accumulated losses		(76,088)	(72,632)
Total equity		17,347	19,758

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

Statement of Changes in Equity



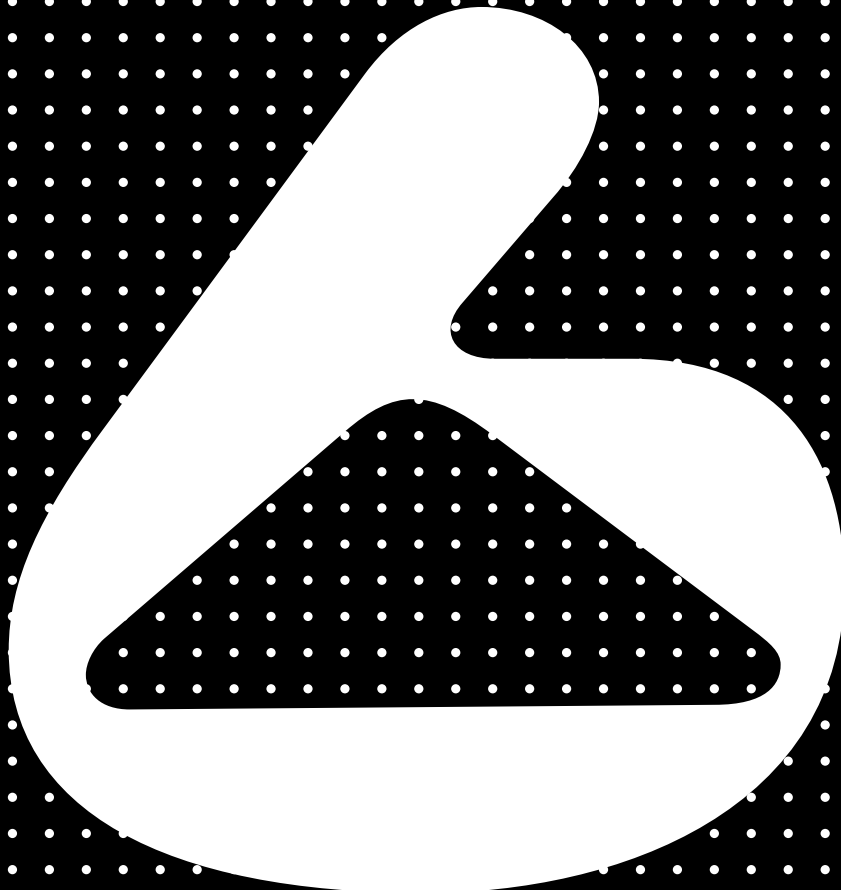
For the half-year ended 31 December 2020

Consolidated	Issued Capital \$'000	Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
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)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	121	-	-	121
Share-based payments	-	881	-	881
Transfer of exercise of options	123	(123)	-	-
Balance at 31 December 2019	89,931	1,607	(68,813)	22,725

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

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

Statement of Cash Flows



For the half-year ended 31 December 2020

	Note	Consolidated	
		31 Dec 2020 \$'000	31 Dec 2019 \$'000
Cash flows from operating activities			
Receipts from customers		21,790	17,408
Payment to suppliers and employees		(23,133)	(22,399)
Interest received		45	125
Interest and other finance costs paid		(266)	(276)
Net cash used in operating activities		(1,564)	(5,142)
Cash flows from investing activities			
Payments for property plant and equipment		(244)	(92)
Payments for intangibles	8	(2,425)	(2,350)
Payments from/(for) security deposits		2	(2)
Net cash used in investing activities		(2,667)	(2,444)
Cash flows from financing activities			
Proceeds from the issue of shares	11	111	121
Repayment of lease liabilities		(268)	(300)
Net cash used in financing activities		(157)	(179)
Net decrease in cash and cash equivalents		(4,388)	(7,765)
Cash and cash equivalents at the beginning of the financial half-year		15,217	26,827
Effects of exchange rate changes on cash and cash equivalents		46	41
Cash and cash equivalents at the end of the financial half-year	6	10,875	19,103

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

Notes to the Financial Statements



Note 1. General information

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

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

Level 15, 360 Collins Street
Melbourne VIC 3000
Australia

Note 2. Significant accounting policies

This consolidated interim Financial Report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This consolidated interim Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 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.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into geographic operating segments: Australia & New Zealand, Asia and North America. Prior Financial Reports refer to the North American segment as the United States. The purpose of renaming the segment is to present consistently with Whispir's North American strategic objectives. The nature of change is in name only, there are no associated financial impacts.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

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

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

Note 3. Operating segments (continued)

Types of products and services

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

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

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

Intersegment receivables, payables and loans

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

Major customers

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

Consolidated 31 Dec 2020	Australia & New Zealand \$'000	Asia \$'000	North America \$'000	Total \$'000
Revenue				
Sales to external customers	18,950	3,528	659	23,137
Interest revenue	45	-	-	45
Total revenue	18,995	3,528	659	23,182
Segment margin	12,019	1,749	198	13,966
Interest revenue				45
Sales and marketing				(8,065)
Research and development				(3,195)
General and administration				(5,853)
Finance costs				(243)
Loss before income tax expense				(3,345)
Income tax expense				(111)
Loss after income tax expense				(3,456)

Note 3. Operating segments (continued)

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

Note 4. Revenue from contracts with customers

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Major product lines		
Platform and software revenue	6,937	5,926
Transactional revenue	15,406	11,485
Professional services and configuration revenue	794	760
	23,137	18,171
Geographical regions		
USA	601	969
Australia	18,307	14,098
New Zealand	643	462
Singapore	3,085	2,510
Others	501	132
	23,137	18,171
Timing of revenue recognition		
Services transferred over time	23,137	18,171

Note 5. Expenses

	Consolidated	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Furniture, fixtures and fittings	26	63
Computer equipment	111	125
Right-of-use assets	298	356
Total depreciation	435	544
Amortisation		
Development expenditure	884	599
Customer acquisition costs	2,152	1,649
Total amortisation	3,036	2,248
Total depreciation and amortisation	3,471	2,792
Finance costs		
Interest on cost lease	237	276
Other interest	6	3
Finance costs expensed	243	279
Rental expense relating to operating lease		
Expense relating to short-term leases (included in administration expenses)	46	130
Variable lease payments (included in administration expenses)	31	61
Employee benefits expense		
Wages and salaries	11,008	10,252
Defined contribution superannuation expense	791	706
Payroll tax	394	316
Other employee benefits expense	606	393
Share-based payments (net)	888	951
Total employee benefits expense	13,687	12,618

Note 6. Cash and cash equivalents

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current assets		
Cash at bank	5,856	3,361
Cash on deposit	5,019	11,856
	10,875	15,217

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current assets		
Trade receivables	6,010	5,654
Less: Allowance for expected credit losses	(74)	(110)
	5,936	5,544

Allowance for expected credit losses

The Group has recognised a net reversal of impairment of \$25k in profit or loss in respect of the expected credit losses for the half year ended 31 December 2020. Whispir carries a low provision for credit losses as 76% of revenue is derived through channel partners that accept the end customer credit risk. The expected credit loss below reflects both the direct customer and channel partner positions.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount loss rate		Allowance for expected credit losses	
	31 Dec 2020 %	30 Jun 2020 %	31 Dec 2020 \$'000	30 Jun 2020 \$'000	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Consolidated						
0 to 30 days	0.00%	0.05%	4,624	4,721	-	2
31 to 90 days	1.09%	5.92%	718	437	8	27
Over 90 days	9.95%	16.40%	668	496	66	81
			6,010	5,654	74	110

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Opening balance	110	138
Additional provisions recognised	18	18
Unused Amount Received	(54)	(46)
Balance at 31 December 2020	74	110

Note 8. Intangibles

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Non-current assets		
Development expenditure - at cost	12,036	9,611
Less: Accumulated amortisation	(2,565)	(1,681)
	9,471	7,930

Reconciliations:

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

Consolidated	Development expenditure \$'000
Balance at 1 July 2020	7,930
Additions	2,425
Amortisation expense	(884)
Balance at 31 December 2020	9,471

Note 9. Trade and other payables

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current liabilities		
Trade payables	2,259	2,515
Commissions payable	1,690	1,985
Other payables and accruals	5,703	4,633
	9,652	9,133
Non-current liabilities		
Commissions payable	861	1,317
	10,513	10,450

Note 10. Contract liabilities

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Current liabilities		
Contract liabilities	1,430	2,315
Non-current liabilities		
Contract liabilities	187	235
	1,617	2,550

Reconciliations:

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

	Consolidated 2020 \$'000
Opening balance	2,550
Payments received in advance	605
Revenue recognised during the year	(1,538)
Closing balance	1,617

Note 11. Issued capital

	Consolidated			
	31 Dec 2020 Shares	30 Jun 2020 Shares	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Ordinary shares - fully paid	104,261,314	103,834,402	90,844	90,362

Details	Date	Shares	\$'000
Balance	1 July 2020	103,834,402	90,362
Shares issued on exercise of options	16 August 2020	41,236	15
Shares issued on exercise of options	23 September 2020	45,429	16
Shares issued on exercise of options	30 September 2020	297,594	63
Shares issued on exercise of options	7 October 2020	42,653	17
Transfer from share-based payment reserve on exercise of options			371
Balance	31 December 2020	104,261,314	90,844

Note 12. Share buy-back

There is no current on-market share buy back.

Note 13. Reserves

	Consolidated	
	31 Dec 2020 \$'000	30 Jun 2020 \$'000
Foreign currency reserve	(602)	(648)
Share-based payments reserve	3,193	2,676
	2,591	2,028

Movements in reserves

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

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Total \$'000
Balance at 1 July 2020	(648)	2,676	2,028
Foreign currency translation	46	-	46
Share-based payments	-	888	888
Transfer to share capital	-	(371)	(371)
Balance at 31 December 2020	(602)	3,193	2,591

Note 14. Dividends

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

Note 15. Fair value measurement

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

Note 16. Earnings per share

	Consolidated	
	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Loss after income tax attributable to the owners of Whispir Limited	(3,456)	(6,055)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	104,036,445	103,388,929
Weighted average number of ordinary shares used in calculating diluted earnings per share	104,036,445	103,388,929
	Cents	Cents
Basic Earnings Per Share	(3.32)	(5.86)
Diluted Earnings Per Share	(3.32)	(5.86)

Stock options and performance rights shares which were still outstanding at 31 December 2020 are excluded from the calculation of dilutive earnings per share as they were non-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

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

The share-based payment expense for the half-year of \$888k (31 December 2019: \$881k) includes existing and new grants made under the LTI plans.

During the period, 221,506 performance rights were granted to the Group's CEO following the approval of shareholders at the Company's 2020 Annual General Meeting on 23 November 2020. In addition, 609,655 performance rights were granted to senior executives and key management personnel.

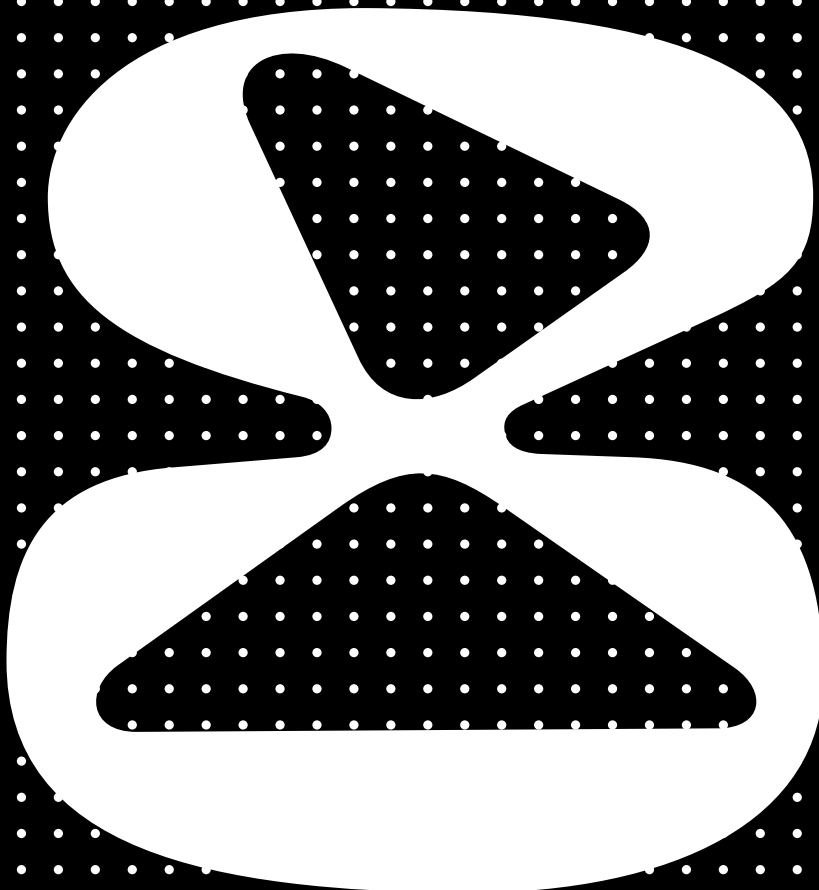
The number or proportion of shares that will vest is subject to the successful achievement of up to three separate vesting conditions over a three-year period. Vesting performance hurdles are conditional on tenure, and metrics aligned to three-year revenue growth and relative total shareholder return.

The weighted average fair value of the performance rights granted under LTI during the financial half-year was \$3.05.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 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.

Directors' Declaration



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 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



Jeremy Wells
Chief Executive Officer

Melbourne
18 February 2021

Independent Auditor's Review Report to the Members of Whispir Limited



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

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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 consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 2020 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 financial position as at 31 December 2020 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 blue ink signature of the Ernst & Young firm, written in a cursive style.

Ernst & Young

A blue ink signature of David McGregor, written in a cursive style.

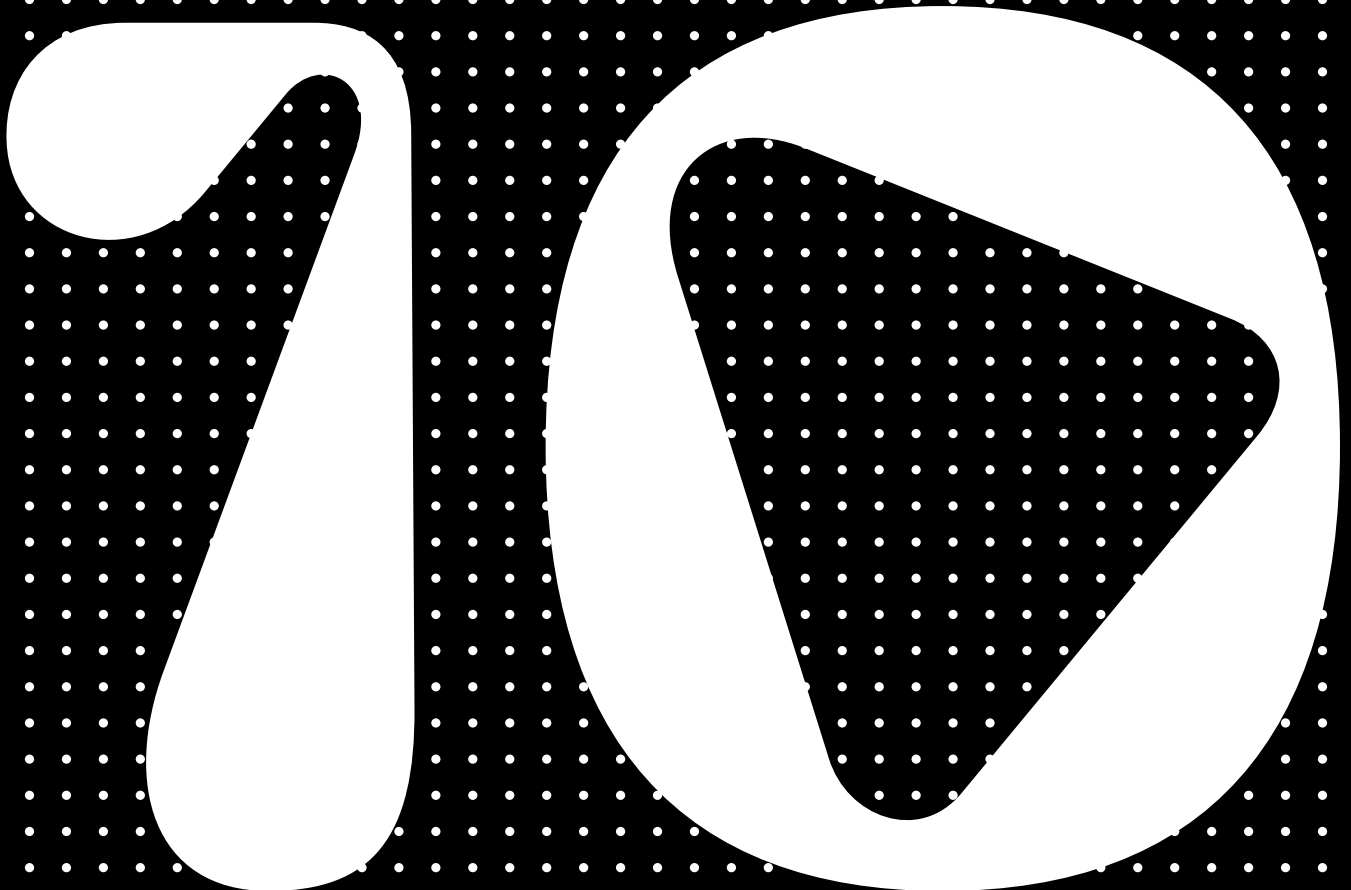
David McGregor

Partner

Melbourne

18 February 2021

Corporate Directory



Corporate Directory

Directors	<p>Brendan Fleiter – Chairman</p> <p>Jeromy Wells</p> <p>Aled Miles</p> <p>Sarah Morgan</p> <p>Sara La Mela</p>
Company secretary	Sophie Karzis
Registered office and Principal place of business	<p>Level 15, 360 Collins Street Melbourne, Victoria, 3000 Australia Telephone: 1300 944 774</p>
Share register	<p>Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford, Victoria, 3067 Australia Telephone: 1300 171 785</p>
Auditor	<p>Ernst & Young 8 Exhibition Street, Melbourne, Victoria, 3000 Australia</p>
Stock exchange listing	Whispir Limited shares are listed on the Australian Securities Exchange (ASX code: WSP)
Website	www.whispir.com
Business objectives	In accordance with the Listing requirements ASX 4.10.19, the directors confirm that the Group has used cash and cash equivalents that are held at the time of listing in a way consistent with its stated business objectives.
Corporate Governance Statement	<p>The directors and management are committed to conducting the business of Whispir Limited in an ethical manner and in accordance with the highest standards of corporate governance. Whispir Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the FY20 financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: www.whispir.com/investors</p>

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