

Interim Financial Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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dubber



Appendix 4D

Half Year Report to the Australian Securities Exchange

PART 1 - DETAILS OF ENTITY, REPORTING PERIOD

| | |
|--|----------------------------------|
| Name of Entity | Dubber Corporation Limited |
| ABN | 64 089 145 424 |
| Half Year Ended | 31 December 2021 |
| Previous Corresponding Reporting Period | Half year ended 31 December 2020 |

PART 2 - RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | \$'000 | Percentage increase /(decrease) over previous corresponding period |
|--|----------|--|
| Revenue from continuing operations | 16,416 | 122% |
| Loss from continuing activities after tax attributable to members | (31,159) | 317% |
| Net loss attributable to members | (30,796) | 303% |

| Dividends (distributions) | Amount per security | Franked amount per security |
|---|--------------------------------|--|
| Final Dividend | Nil | Nil |
| Interim Dividend | Nil | Nil |
| Record date for determining entitlements to the dividends (if any) | No Applicable | |

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

For further information, refer to the Review of Operations contained in the Directors' Report which forms part of the Interim Financial Report for the Half Year Ended 31 December 2021.



PART 3 – CONTENTS OF ASX APPENDIX 4D

| Section | Contents |
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| Part 1 | Details of entity, reporting period |
| Part 2 | Results for announcement to the market |
| Part 3 | Contents of ASX Appendix 4D |
| Part 4 | Commentary on results |
| Part 5 | Details relating to dividends |
| Part 6 | Net tangible assets per security |
| Part 7 | Details of entities over which control has been gained or lost |
| Part 8 | Details of associates and joint venture entities |
| Part 9 | Audit/review status |



PART 4 – COMMENTARY ON RESULTS

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for the Half Year Ended 31 December 2021 for details.

PART 5 – DETAILS RELATING TO DIVIDENDS

| | |
|--|-----|
| Date the dividend is payable | N/A |
| Record date to determine entitlement to the dividend | N/A |
| Amount per security | N/A |
| Total dividend | N/A |
| Amount per security of foreign sourced dividend or distribution | N/A |
| Details of any dividend reinvestment plans in operation | N/A |
| The last date for receipt of an election notice for participation in any dividend reinvestment plans | N/A |

PART 6 – NET TANGIBLE ASSETS PER SECURITY

| | 31 December 2021 | 30 June 2021 |
|--|-----------------------------|-------------------------|
| Net tangible asset backing per ordinary security | 37.13 cents | 9.96 cents |

PART 7 – DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

| | |
|--|--|
| Name of entity (or group of entities) | Refer to Note 7 in the attached Interim Financial Report |
| Date control gained | 17 September 2021 |
| Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control | Not applicable |
| Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period | Not applicable |
| Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control | Not applicable |



PART 8 – DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

| | Ownership Interest | | Contribution to net profit/(loss) | |
|---------------------------|--------------------|-----------|-----------------------------------|-----------------|
| | 2021 % | 2020 % | 2021 \$A'000 | 2020 \$A'000 |
| Name of entity | N/A | N/A | N/A | N/A |
| Associates | | | | |
| Joint Venture Entities | | | | |
| Aggregate Share of Losses | | | | |

PART 9 – AUDIT/REVIEW STATUS

This report is based on accounts to which one of the following applies: (Tick one)

- | | | | |
|---|--------------------------|--|-------------------------------------|
| The accounts have been audited | <input type="checkbox"/> | The accounts have been subject to review | <input checked="" type="checkbox"/> |
| The accounts are in the process of being audited or subject to review | <input type="checkbox"/> | The accounts have not yet been audited or reviewed | <input type="checkbox"/> |

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not applicable

ATTACHMENTS FORMING PART OF APPENDIX 4D

| Attachment No. | Details |
|----------------|---------|
| | |

Signed by Director

Peter Clare

Dated: 28 February 2022



Corporate Directory

BOARD OF DIRECTORS

Peter Clare

Non-Executive Chairman

Steve McGovern

CEO & Managing Director

Peter Pawlowitsch

Executive Director

Gerard Bongiorno

Non-Executive Director

Ian Hobson

Company Secretary

SHARE REGISTRY

Automic Registry Services

Level 2, 267 St Georges Terrace

Perth WA 6000

Telephone: +61 8 9324 2099

AUDITOR

BDO Audit (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring St, Perth WA 6000

SECURITIES EXCHANGE

Dubber Corporation Limited shares are listed on the Australian Securities Exchange
ASX Code: DUB

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 5, 2 Russell Street

Melbourne VIC 3000

Telephone: +61 3 8658 6111

Web: dubber.net

SOLICITOR

Milcor Legal

Level 1, 6 Thelma Street

West Perth WA 6005

BANKER

Westpac Banking Corporation Limited

150 Collins Street

Melbourne VIC 3000



Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

DIRECTORS

The names of the Directors who held office during or since the end of the half-year and until the date of this report are noted below. Directors were in office for this entire period unless otherwise stated:

| | |
|-------------------|-------------------------|
| Peter Clare | Non-Executive Chairman |
| Steve McGovern | CEO & Managing Director |
| Peter Pawlowitsch | Executive Director |
| Gerard Bongiorno | Non-Executive Director |



Review of Operations

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FY2022 represents the second year of an internal 5-year growth plan which is designed to establish Dubber as a global technology company using its unique proprietary platform to deliver key required subscription based services to end users directly from the communications network as part of their telecommunications service.

FY2021 delivered results approximately 25% above internal targets, and the Company has adjusted its outlook for FY2022 with the aim of accelerating the scaling of the business to grow even more quickly.

Operational Highlights

- Acquisition of Notiv, a world class AI company
- Finalised a landmark agreement with BT Global Services
- Finalised a landmark agreement with Optus to provide Australia's first native mobile call recording service
- Completion of earn-out for Speik acquisition
- Capital raising of \$110m (before costs)

Key Metrics (compared to the previous corresponding period):

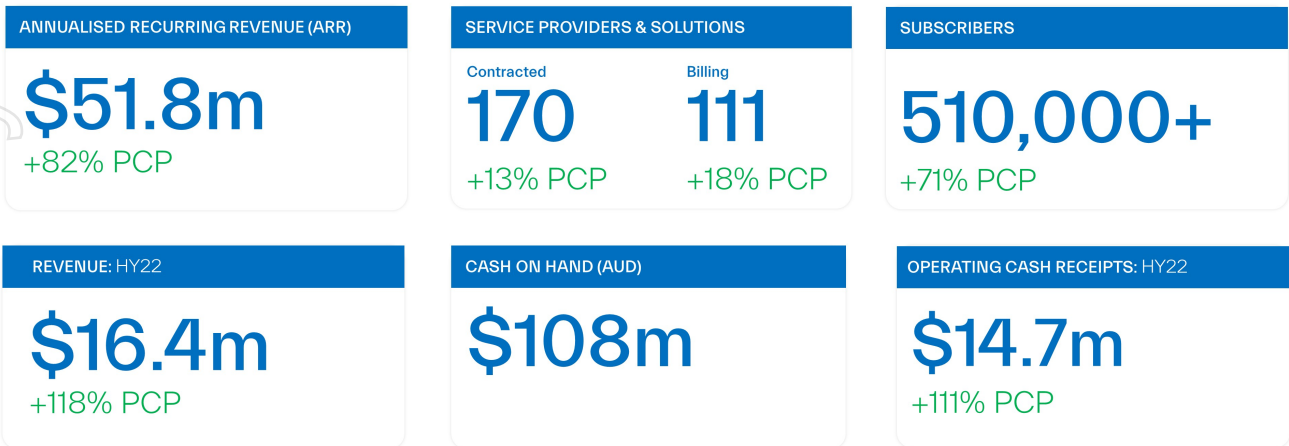
- Annual Recurring Revenue increase 33% to \$51.8m (from \$39m)
- Operating revenue increased 119% to \$16.4M (from \$7.5M)
- Total revenue up 64% to \$16.4M (from \$10M)
- Users up 70% to 510,000+ (from 300,000+)
- Contracted Telecommunications Service Providers up 13% to 170 (from 150)
- Service Providers at the stage of billing increased 18% to 111 (from 94)

In the 6 months to 31 December 2021, the Company continued to experience substantial growth across all key metrics, with subscribers continuing to grow at a record rate via a combination of 'standard' SaaS subscriptions and, also, 'Foundation Partnership' subscriptions, where a Dubber service is embedded as a standard feature of every subscription on a network.

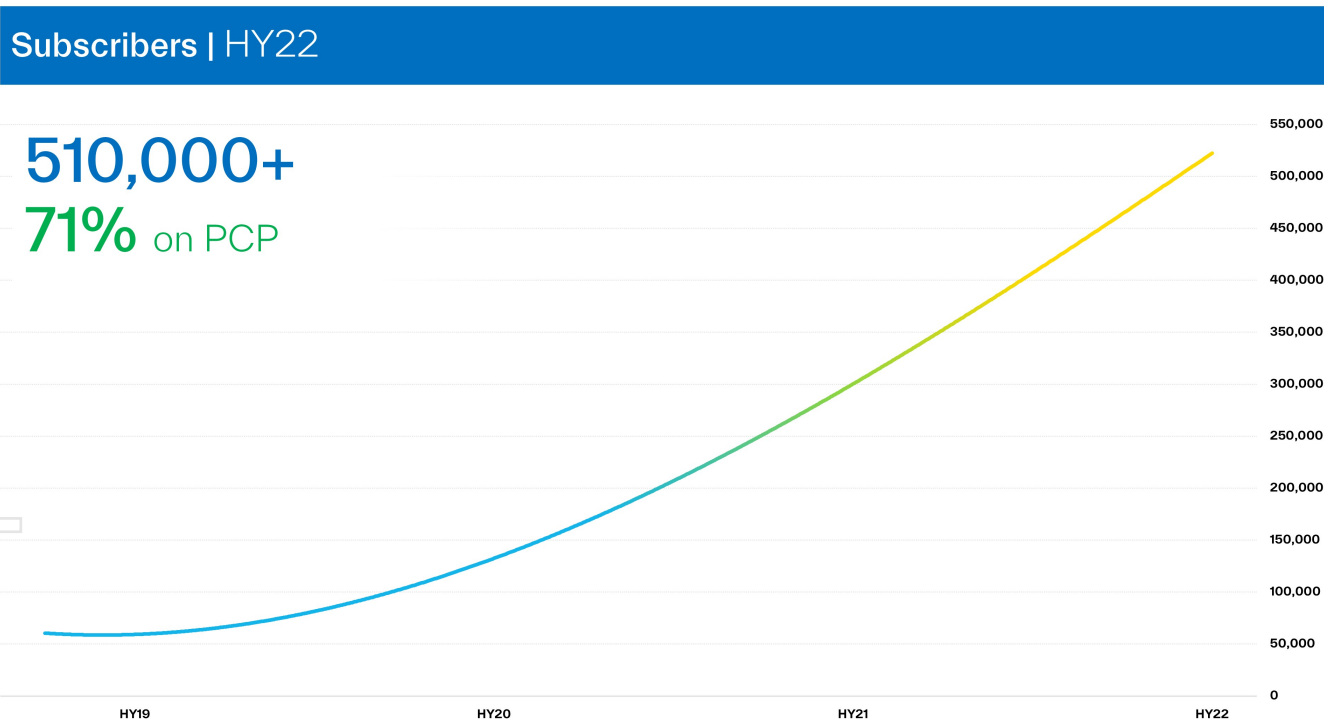
The Company reached notable milestones and achieved record growth in its key metrics, while finalising landmark commercial agreements and deployments. The Company continued to establish critical scale in its business in terms of fundamental additions to its leadership team through the expansion of products and services as accretive revenue generators.



Key growth metrics



Record Customer Growth



The Company's 'standard' SaaS subscriptions grew organically by over 90,000 in the first half of the financial year to in excess of 510,000. The overall subscriber base grew significantly more through the addition of 'Dubber Go'/'Foundation' subscriptions. As previously noted, the Company continues a current policy of not yet including Foundation Partner Program subscriptions in its overall numbers for reasons of consistency and commercial sensitivity. The Company will continue to re-assess its reporting of these subscriptions on an ongoing basis.

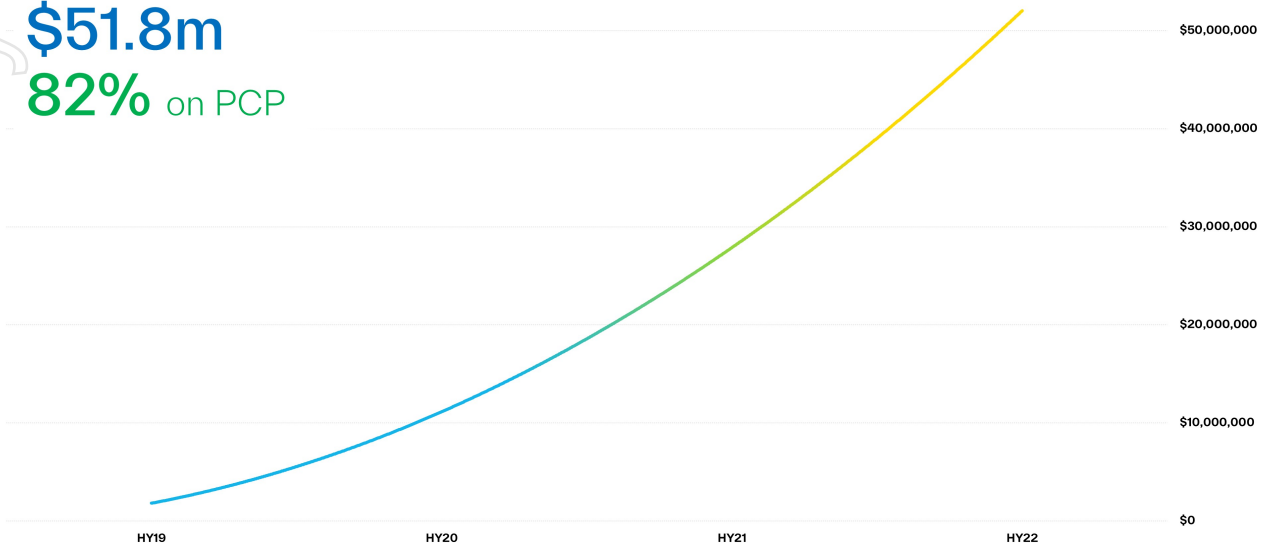


Record Growth in Organic Annualised Recurring Revenue

Annualised Recurring Revenue (ARR) | HY22

\$51.8m

82% on PCP



At the end of FY2021, the Company reported its Annualised Recurring Revenue (ARR) as being \$39m. At the half year FY2022, the Company added \$12.8m bringing ARR to \$51.8m, reflecting both the Company's organic growth, particularly in the Financial Services sector, where enterprises are looking to their service providers to deploy Unified Communications Services such as Cisco Webex and Microsoft Teams calling platforms and, also, the execution of landmark Service Provider Networks. The Company's ARR is calculated as the next 12 months of subscription revenue, net of any incentives.

Full year 2021 revenue of \$20.6m turns to half yearly revenue of \$16.4m and receipts of \$14.7m

Revenue & Cash Receipts | HY22

Revenue

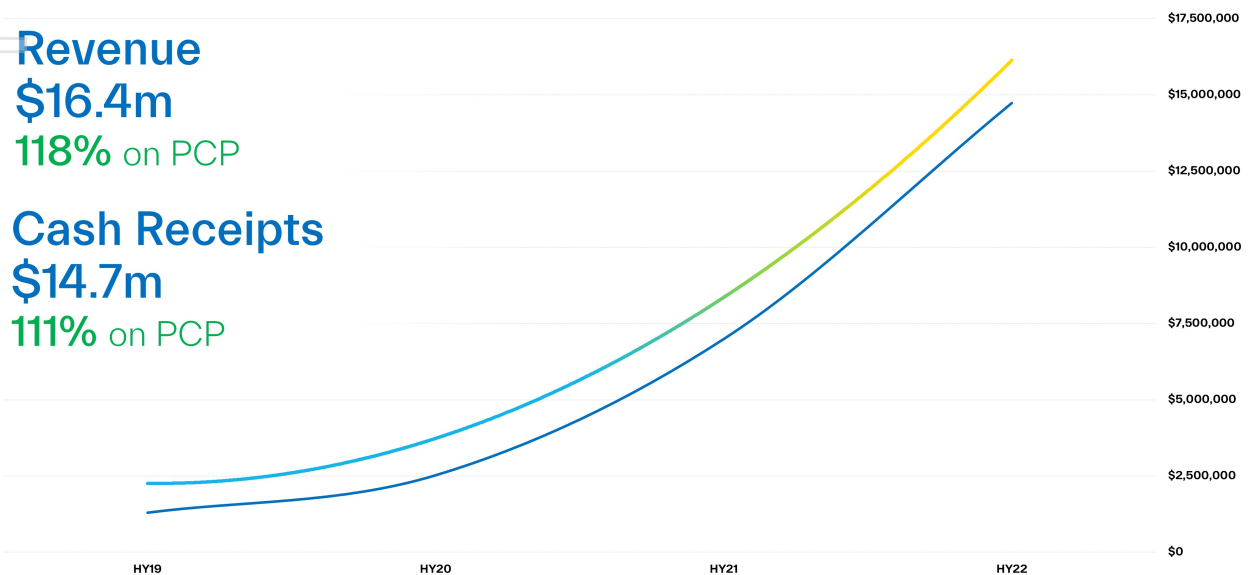
\$16.4m

118% on PCP

Cash Receipts

\$14.7m

111% on PCP





The Company reported revenue of \$20.6m for FY2021. For the first half of FY2022, revenue was \$16.4m and cash receipts were \$14.7m reflecting the Company's continuing progress relating to its underlying ARR growth.

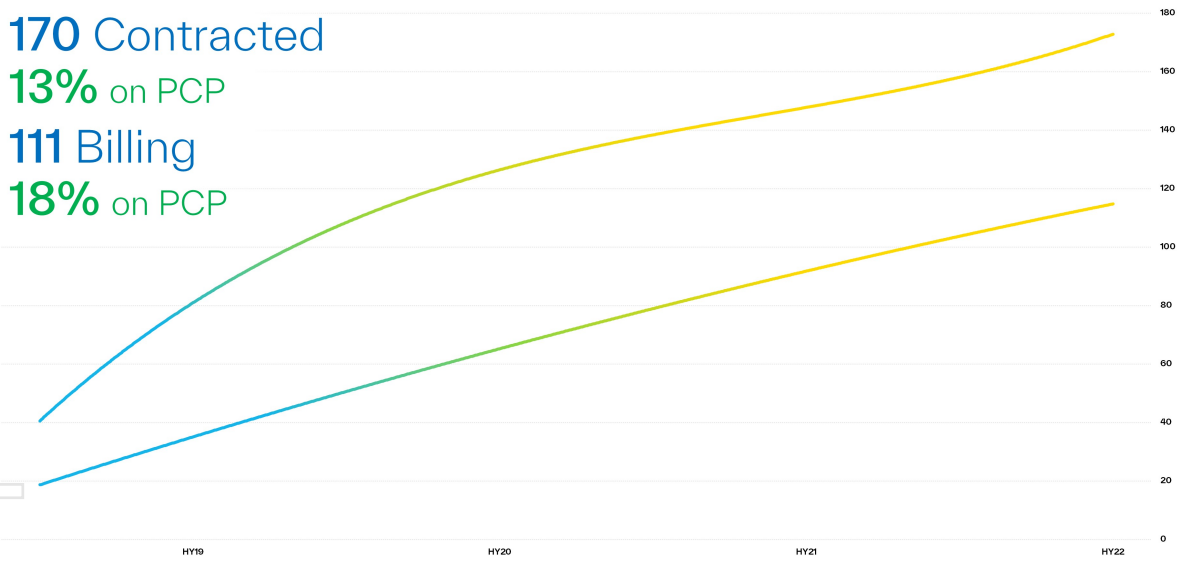
Underlying Operating Costs

The Company's reported costs for the half year included Share Based payments (non cash) of \$11,550,393, one-off expenditure relating to the development of Dubber's hybrid cloud infrastructure and extraordinary costs of \$320,241 relating to the Speik earn out finalisation, Notiv and M&A due diligence. Net normalised operating costs were \$29,234,004 and continue to be less than \$5m per month.

Telecommunications Networks Growth and Yield

During the quarter, the Company continued to expand its footprint of service provider networks along with increasing penetration and revenue yield from its current telecommunication and UC platform partners. Contracted service providers grew 13% pcp to 170 and billing service providers grew 18% pcp to 111.

Service Providers & Solutions | HY22



Dubber's Unique Position with Global Unified Communications Service Providers

There has been a significant increase in activity in the global unified communications (UC and UCaaS) markets with service providers and enterprises (particularly in the financial services sector where compliance requires recording of voice conversations).

A considerable amount of the Company's current growth profile is derived from this sector, where Dubber has a unique product and service offering. Large carriers are seeking to unify the provision of these cloud based offerings and Dubber's ability to be provisioned 'as a service' across all communication networks enables Unified Call Recording (UCR) as a compelling offering for financial service providers.



Dubber enjoys a unique position with Cisco via the Dubber Foundation relationship as the sole recording option for Cisco Webex Calling. The 'Dubber Go' product is an embedded and standard feature for every Cisco Webex Calling and Cisco UCM Cloud calling subscription. There has been substantial growth for Dubber via this initiative with Cisco having already established a large customer base, which in turn is leading to increased upgrade opportunities from 'Dubber Go' to Dubber's other higher ARPU offerings.

Dubber also provides a unique offering for Microsoft Teams, offering service providers a single platform service, the same way as Microsoft Teams operates, without the requirement for the end user to maintain their own cloud infrastructure or manage recording integration.

This model does not require end user customers to incur the cost of establishing their own instance of Microsoft Azure for the purpose of managing its Dubber generated data. The Dubber model fits seamlessly into a service provider's SaaS model for delivering Microsoft Teams calling.

BT Global Services

In December 2021, Dubber finalised a landmark agreement with BT Global Services, one of the world's largest service providers, which sees Dubber sold as the default recording and conversational intelligence solution in the BT Meetings suite of managed services, spanning solutions based on Microsoft Teams, Zoom and Cisco Webex.

The agreement provides for a guaranteed minimum revenue stream for Dubber and a competitive offering for BT. BT has already provisioned the service to a number of leading banks and financial institutions on multi-year agreements, for Microsoft Teams based services.

The Company believes the sales momentum for recording and voice data services will continue to grow and that there is a strong appetite for additional data and AI driven services to be included in BT's core offering, enabling BT to be the front runner in terms of providing the ability to drive content from calls carried across its network.

Dubber is also confident that it can expand the relationship into a broader range of BT networks from UC to mobility, as BT seeks to standardise offerings across multiple networks.

Optus Mobile Voice Recording and AI – powered by Dubber

The Company also announced a landmark agreement with Optus, providing the first native mobile call recording service in Australia.

The integration of Dubber services, initially Unified Call recording and AI, as a native feature means that Optus and Dubber have directly connected the mobile network to Dubber's platform in a way that utilises the scalability of Dubber and highlights the full potential of the opportunity for both parties.

Initially, the service will be aimed at the financial services sector where Optus currently holds a leading position as mobile provider for large banking institutions, and where mobile telephony has become a primary method of contact in hybrid workplace environments which require compliance-based capability and the ability to derive insights from conversations.

Subject to Optus finalising and deploying offerings for other customer sectors, Dubber's services can be available to anyone who is connected to the Optus mobile enterprise network.



Acquisition of Notiv

The acquisition of Notiv in September will enhance options for Dubber's Foundation Partner program, whereby service providers will have the ability to offer AI based note taking services for all calls on their network. Notiv brings world class AI-driven notetaking and action items to every call and meeting - adding advanced technology capabilities in real-time transcription, artificial intelligence, and advanced natural language processing.

The Company believes that Notiv will bring a unique revenue generating service to existing and future Dubber customers, delivering product capabilities that enrich Dubber Foundation and broader service provider offerings. The Notiv team have been integrated into the Dubber business as a Centre of Excellence for AI, accelerating Dubber's AI programs and expanding Dubber's core offerings. The acquisition comprised consideration in the order of A\$6.7m by way of cash and equity.

Completion of earn-out for Speik acquisition

In December 2020 the Company acquired UK Company Aeriandi Ltd (Speik) on terms which included an earn out period payable mid 2022.

On 26 November 2021 the Company advised that it had accelerated the earn out payment on the basis that it became obvious that milestones relating to the earn out would be realised in full. The consideration for Dubber's offer to conclude the transaction early was a discount of approximately 7% against the original purchase price.

The Speik transaction has been unequivocally successful in that all targets, financial or otherwise, have been met and exceeded and Dubber has inherited an expansive relationship with O2 Networks, a major mobile carrier in the UK, as well as technologies and customers for payment gateway services that fit Dubber's service provider sales strategy.

An additional overriding incentive for Dubber was the integration of the Speik team into Dubber's organisation as part of the scaling of our own business operations.

This has been completed to the point where Dubber's operating base in the UK is being established around the former Speik business.

The product and technology teams are currently focussing the payments products from Speik to fit within the Dubber philosophy of delivering products and services at scale via service providers. This will provide the Company with additional complimentary services for its existing customers which can be delivered at scale, and be easily sold, provisioned and activated.

It was anticipated that the earn out payment would be predominantly by way of cash consideration, however the Speik team chose to take \$15.2m in shares, representing 95% of both the employees and financial investors, and \$2.11m in cash, providing endorsement of Dubber's forward strategic direction.



\$110m Placement

The Company announced in July 2021 that it had completed a placement for \$110m (before costs) for the purpose of growing the business in all areas including acquisitions. The placement was aimed at institutional and sophisticated investors and was managed jointly by Shaw and Partners and Barrenjoey Capital Partners. While strategic acquisitions form part of the Company's overall plan, the core strategy remains to expand the organic growth of users via the Dubber platform and, to that end, the Company has filled key employment positions in every sector and geographic region of the business.

Scaling the business

The Company has focussed on building the business operations to a scale which is commensurate with its opportunities and, indeed, its platform capability. During the half, we added highly regarded expertise in product and technology delivery, sales and, via the recent acquisition of Notiv, AI capability.

This has had an immediate impact on the business and has directly contributed to the growth experienced in the half and, most notably, to the potential for expansion of existing relationships. The Company has also expanded teams in finance and administration, internal recruitment, training and compliance.

In the majority of our operating territories, we have the capability to develop our business as the recognised leader in our sector. The Company now comprises approximately 240 employees, up from 152 at the same time last year.

Market Conditions - Product and Technology

The Company is experiencing a quantum shift in service provider philosophy as product directors seek differentiation and accretive revenues in a market which is being homogenised at reduced margins.

The impact of Webex, Teams and Zoom has been to increase the number of services and, indeed, the relevance of service providers, but at the cost of brand advantage and service provider margins.

The Company continues to outline that its primary goal is to continue to expand its footprint of service provider networks since this underpins the future scale of success for the Company.

The Company is able to invest in product and technology as a way of driving additional revenues to customers of existing networks either by increasing ARPU for recording users or expanding an addressable market with AI and data driven applications.

In September, the Company acquired Brisbane based technology firm Notiv. The concept of turning communications and conversations into useable, manageable notes, insights, topics and action items 'on the fly' resonates strongly with our service providers customers, particularly mobile network operators.

As much as Dubber's customers have to date, been largely recording customers taking advantage of Unified Communications, the Company is heavily focussed on mobile network integration such as the Optus Mobile initiative, whereby the ability to turn calls into content has use cases for every demographic and sector.



Steve McGovern, CEO Dubber

On Company operations:

"We entered FY2022 with clearly stated ambitions, to use the positioning of our unique technology platform to grow network connectivity and Annualised Recurring Revenue. Underlying these ambitions was the requirement to scale our business operations to deliver against the opportunity presented by a combination of market conditions and our technology advantage. To that end, we are very pleased with our progress in scaling up company operations whereby key positions have been filled with world class personnel and technology has been developed to a point whereby the delivery of new products and services is as much a driver of new revenue as is continued selling of our core services to a wider audience. By default, delivery of these new services in itself creates a wider audience and increased opportunities to deliver more services via our service provider partners.

"In July we were pleased to complete a placement of \$110m, a mandate from shareholders to pursue our growth strategy. One of the core areas of focus since completing the placement was to scale up business operations and, while, on face value, we acquired Speik for its relationships, revenues, and services and we bought Notiv for its technology and product suite, we have also acquired a hugely valuable asset in the form of the personnel and their expert capabilities.

"In the UK, we have grown the Dubber sales team organically and now have a strong operating base from which our customers and technologies can be supported. The acquisition of Speik, combined with our own recruitment has accelerated the development of an operation in Europe which would normally take years to build. As a result, Dubber has an incredible opportunity and is in a very strong position with each of the major carriers in the UK for holistic services across multiple networks.

"We have announced the first and highly significant step with BT, have expanded our opportunities with O2 following their merger with Virgin Media, and have other high-profile initiatives which we trust we can bring to market in the short term.

"Similarly, our addition of the Notiv team has allowed for an immediate expansion into a centre of excellence for AI and will allow us to significantly advance our internal product development across the company."

Expanding Networks, Product Capability and Addressable Market

"The Company's operational growth has come at a time where large carriers are looking to provide added value in required sectors, such as mobile and UC compliance recording as well as to drive differentiation in the market with applications that are attractive to their customers beyond mere connectivity, price, and in the case of mobile plans, include data capacity.

"The Company will continue to strive to secure new network connectivity where, since inception, there has been effectively zero network churn. Once a service provider connects its network to the Dubber platform, we remain embedded and capable of capturing communications data at scale.

"Additional growth and revenue can now be driven by product releases into that embedded platform which move the opportunity beyond compliance call recording into broader use cases. Dubber can now turn every conversation into, not just data transcripts, but meaningful insights, notes, action items, topic modelling and sentiment, which opens up a broad range of use cases across every sector, not just for compliance.

"These layers of product enhancement that drive layers of revenue, are attractive to large network service providers and turn those network owners into content providers.



"Dubber's unique differentiator is that we do this from a single platform, directly from the source of the communication network, as a service without any tools, applications or expenditure required at the customer's end to manage outcomes. Furthermore, calls placed on multiple networks, with multiple service providers, can all be managed in the same location, Dubber's Voice Intelligence Cloud. Large service providers are increasingly sharing a similar vision and Dubber is well placed in terms of product, credibility, and capability, to deliver on that vision.

"We view Dubber's addressable market therefore as every end point on every communications device, globally. Foundation plans and large mobile network connectivity are the first indicators of that vision being realised."

Organic Growth, Mergers and Acquisition Strategy

"The Company continues to be active in the area of mergers and acquisitions where, for industry participants, we are regarded somewhat as a 'destination Company' as was the case for the management and teams of both Speik and Notiv. Our focus is on value, primarily either from a financial or technology basis and the sector has been hugely dynamic in recent months. At the same time the Company has proven that it can deliver organic growth at equivalent levels for substantially lower cost base. While our balance sheet is a core asset of the Company with regard to potential acquisitions, it is equally, a powerful asset for organic growth, and in the Company's view an asset which should be preserved unless an acquisition target proves to be so compelling that it is 'unmissable' against organic growth opportunities. The Company continues to evaluate a number of opportunities with that philosophy in mind."

Dubber's Core Strengths in a Dynamic Market

"The Company continues to drive and accelerate against its 5-year plan, a plan which did not include the advantages gained by the \$110m placement conducted in July. Dubber is fully funded to meet its objectives and build a world class Company which can deliver enduring benefits for customers, partners, employees and shareholders alike.

"Accordingly, we have invested in infrastructure that matches that ambition, including hybrid cloud infrastructure on attractive contractual terms, native cloud infrastructure whereby the core direct costs of the platforms are predictable with sales and revenues being wholly accretive against that base. In short, as sales increase, the greater our margins, such is the operating leverage created.

"Dubber is engineered on a single platform that scales across multiple geographic regions. We do not perform bespoke integrations into our customer's networks, the world's leading carriers connect their networks to our platform. We then embed our services into their operating and billing systems but it is our platform that hosts the connectivity for all service provider networks clients. Apart from the operating leverage achieved, we also believe that our technology services are enduring and 'sticky' as proven out by the fact of negligible network churn to date.

"Over the last year there has been a substantial shift away from a wholesale model to a model whereby service providers re-sell our platform in the same way they re-sell Microsoft Teams, Cisco Webex and Zoom. Service Providers want to sell our brand since we believe it is the only service truly fit for purpose across multiple networks. This has opened up the opportunity for our Foundation Partner model, whereby a Dubber service is provided as a standard feature for every service on the network as part of the users telecommunications plan. Initially, as with Cisco, this involved our 'Dubber Go' recording plan, imminently it will include a product that is 'Notiv' based whereby, for example, any call on a mobile network can be converted into useable notes, action items, topics, speaker identification, etc. The more our partners and the Company upsell, the more we both share accretive revenues previously unattainable.



"In an industry where margins are being challenged, telephony is being commoditised and differentiation is hard to validate, Dubber brings content to telephony networks with multiple revenue models once the voice data is created. Dubber has the technology, the scale, the demand, the team, the operating leverage and the balance sheet to thrive by providing necessary, valuable services in a hugely disruptive market. Gartner states that by 2025, over 75% of business calls will be recorded. Dubber is the cloud platform connected to the source of those calls, the network, with benefits for the entire value chain."

Outlook

Dubber is the number one source of Unified Call Recording and Voice AI services – and due to its unique capacity within telecommunications networks, the only way to provision voice AI on every phone and every end point. The activities during the half year illustrated this position enabling the Company to expand on its UCR strategy with initiatives with partners such as Cisco, Microsoft Teams and IBM.

The pillars of this strategy continue to be:

1. To be embedded in a service provider's networks as either a key or standard feature that is always on and remains always on;
2. Being the preferred technology solution with the world's leading unified communications providers;
3. Unlocking the network effects with every user added through the platform; and
4. Harnessing our technology to drive efficient scaling through operational and technological advantage.

The Company's key and continuing focus is to scale the business to capitalise on the global opportunity presented to it, and its uniquely scalable technology, including:

- Growing the number of service provider networks that are connected to the Dubber platform;
- Providing innovative solutions to extract insights from AI enriched voice data;
- To increase growth in user numbers and associated recurring revenues as a result of key long-term initiatives;
- Growing the team to deliver brand advantage, sales, account management and product growth; and,
- Strategic acquisitions.

The Company has built a strong foundation to support these strategies and will continue to add to its multijurisdictional team and deploy resources as required. The Company's operations since founding in 2011 has been focussed on building a global footprint of telecommunication partners which enables it to capture voice data at scale, across multiple networks and centralise that data into the Dubber platform. The requirement for call recording for compliance is growing substantially in line with changes in the global regulatory landscape and the ability to capture recordings beyond the walls of a contact centre, directly from the source of the call, continues to be a primary source of revenue for the Company.



CHANGES IN STATE OF AFFAIRS

During the half year ended 31 December 2021 there was no significant change in the entity's state of affairs other than that referred to in the half year financial statements or notes thereto.

SIGNIFICANT MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There are no matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods, other than as disclosed in Note 16 to the financial statements.

AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2021 is included within this financial report.

Signed in accordance with a resolution of Directors.

Steve McGovern
CEO & Managing Director
28 February 2022



| | Note | 31 Dec 2021 \$ | 31 Dec 2020 \$ |
|---|-------|---------------------|--------------------|
| Revenue | | | |
| Service income | 2 (a) | 16,199,510 | 7,288,641 |
| Other income | 2 (b) | 216,990 | 2,806,122 |
| Gross revenue | | 16,416,500 | 10,094,762 |
| Salaries and related expenses | | (17,887,578) | (9,864,351) |
| Share based payments | 9 | (11,550,394) | (603,985) |
| Direct costs | | (9,635,164) | (3,785,656) |
| General and administration costs | | (4,746,972) | (2,024,959) |
| Finance costs | | (1,224,978) | (126,101) |
| Fair value loss on extinguishment of liability | 11 | (368,592) | - |
| Depreciation and amortisation | | (2,333,283) | (1,111,207) |
| Non-operating foreign exchange gains/(losses) | | (105,952) | (51,697) |
| Loss before income tax benefit | | (31,436,413) | (7,473,194) |
| Income tax benefit | | 277,030 | - |
| Loss after income tax expense for the period | | (31,159,383) | (7,473,194) |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Foreign currency translation differences | | 362,618 | (172,880) |
| Other comprehensive income for the period, net of tax | | 362,618 | (172,880) |
| Total comprehensive loss for the period attributable to owners of Dubber Corporation Limited | | (30,796,765) | (7,646,074) |
| Earnings per share attributable to the owners of Dubber Corporation Limited: | | | |
| Basic loss per share | | (10.26) | (2.93) |

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



| | Note | 31 Dec 2021 \$ | 30 Jun 2021 \$ |
|--------------------------------------|------|--------------------|--------------------|
| Current Assets | | | |
| Cash and cash equivalents | | 108,461,847 | 32,041,224 |
| Trade and other receivables | 3 | 29,885,388 | 22,793,739 |
| Sundry debtors | | 755,944 | 536,132 |
| Total Current Assets | | 139,103,179 | 55,371,095 |
| Non-Current Assets | | | |
| Property, plant and equipment | | 2,366,397 | 735,186 |
| Intangible assets | 4 | 47,227,275 | 42,261,910 |
| Right-of-use asset | 5 | 1,624,337 | 1,966,496 |
| Total Non-Current Assets | | 51,218,009 | 44,963,592 |
| Total Assets | | 190,321,188 | 100,334,687 |
| Current Liabilities | | | |
| Trade and other payables | 6 | 11,237,004 | 11,597,258 |
| Deferred consideration | 11 | - | 16,031,836 |
| Contract liabilities | | 8,488,107 | 5,382,217 |
| Lease liability | 5 | 397,959 | 597,929 |
| Provisions | | 1,335,514 | 1,206,597 |
| Total Current Liabilities | | 21,458,584 | 34,815,837 |
| Non-Current Liabilities | | | |
| Lease liability | 5 | 1,817,601 | 2,006,421 |
| Contract liabilities | | 890,170 | 575,260 |
| Provisions | | 427,071 | 402,663 |
| Other liabilities | | 7,511 | - |
| Deferred tax liabilities | | 3,323,684 | 3,578,468 |
| Total Non-Current Liabilities | | 6,466,037 | 6,562,812 |
| Total Liabilities | | 27,924,621 | 41,378,649 |
| Net Assets | | 162,396,568 | 58,956,036 |
| Equity | | | |
| Issued capital | 8 | 271,389,829 | 136,947,992 |
| Reserves | | 22,446,622 | 22,288,545 |
| Accumulated losses | | (131,439,884) | (100,280,501) |
| Total Equity | | 162,396,567 | 58,956,036 |

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



| | Issued Capital \$ | Reserves \$ | Accumulated Losses \$ | Total \$ |
|--|----------------------|-------------------|-----------------------------|---------------------|
| Balance at 1 July 2021 | 136,947,992 | 22,288,545 | (100,280,501) | 58,956,036 |
| Loss after income tax expense for the period | - | - | (31,159,383) | (31,159,383) |
| Other comprehensive income/(loss) for the period, net of tax | - | 362,618 | - | 362,618 |
| Total comprehensive loss for the period | - | 362,618 | (31,159,383) | (30,796,765) |
| Transactions with owners in their capacity as owners | | | | |
| Securities issued during the period | 138,791,837 | (11,754,935) | - | 127,036,902 |
| Capital raising costs | (4,350,000) | - | - | (4,350,000) |
| Cost of share based payments | - | 11,550,394 | - | 11,550,394 |
| Balance at 31 December 2021 | 271,389,829 | 22,446,622 | (131,439,884) | 162,396,567 |

| | Issued Capital \$ | Reserves \$ | Accumulated Losses \$ | Total \$ |
|--|----------------------|------------------|-----------------------------|--------------------|
| Balance at 1 July 2020 | 85,666,948 | 8,803,497 | (68,924,066) | 25,546,379 |
| Loss after income tax expense for the period | - | - | (7,473,194) | (7,473,194) |
| Other comprehensive income/(loss) for the period, net of tax | - | (172,880) | - | (172,880) |
| Total comprehensive loss for the period | - | (172,880) | (7,473,194) | (7,646,074) |
| Transactions with owners in their capacity as owners | | | | |
| Securities issued during the period | 52,014,903 | - | - | 52,014,903 |
| Capital raising costs | (2,159,651) | - | - | (2,159,651) |
| Cost of share based payments | 424,440 | (161,458) | 341,002 | 603,984 |
| Balance at 31 December 2020 | 135,946,640 | 8,469,158 | (76,056,258) | 68,359,542 |

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



| | 31 Dec 2021 | 31 Dec 2020 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 14,731,899 | 6,992,209 |
| Payments to suppliers and employees | (35,168,043) | (15,733,318) |
| Interest received | 213,475 | 258,115 |
| Government grants received | - | 2,544,234 |
| Interest and other finance costs paid | (530) | (1,269) |
| Net cash outflows used in operating activities | (20,223,199) | (5,940,029) |
| Cash flows from investing activities | | |
| Payments for business acquisition | (2,114,580) | (13,768,880) |
| Payments for asset acquisition | (4,839,534) | - |
| Purchase of plant and equipment | (1,858,937) | (93,244) |
| Payment of security bond and funds held in trust | (75,765) | (1,500,000) |
| Net cash outflows used in investing activities | (8,888,816) | (15,362,124) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 110,000,000 | 45,999,783 |
| Proceeds from exercise of share options | 293,246 | 1,690,590 |
| Payment of share issue costs | (4,350,000) | (2,346,720) |
| Principal elements of lease payments | (444,047) | (223,744) |
| Proceeds from borrowings | - | 578,948 |
| Repayment of combined debt conversion loan | - | 40,000 |
| Net cash provided by financing activities | 105,499,199 | 45,738,857 |
| Net increase in cash held | 76,387,184 | 24,436,704 |
| Cash and cash equivalents at the beginning of the period | 32,041,224 | 18,408,881 |
| Effect of exchange rate changes on cash | 33,489 | (8,994) |
| Cash and cash equivalents at the end of the period | 108,461,897 | 42,836,591 |

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



1. BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Dubber Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2011.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

Asset acquisition

On 17 September 2021, the Group acquired assets from Pinch Labs Inc and Pinch Labs Pty Ltd (collectively "Notiv") by the issue of shares and cash and the transaction is accounted for as an asset acquisition. The optional concentration test was applied in determining whether this transaction constitutes a business combination in accordance with paragraph B7A of AASB 3 *Business Combinations*.

As the acquisition of the acquired assets is not a deemed business combination, the assets and liabilities are assigned carrying amounts based on their relative fair values in an asset acquisition and no deferred tax will arise in relation to the acquired assets and assumed liabilities. No goodwill will arise on the acquisition.

Intangible assets

- Technology

The technology acquired as part of the Notiv asset acquisition for proprietary software are recognised at fair value at the date of acquisition less accumulated amortisation and any impairment losses. Technology related assets are amortised over a straight line basis over the period of their expected benefit, being their finite life of 5 years.

Management have assessed that the intangible assets acquired via the acquisition of Notiv during the period have a useful life of 5 years.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



1. BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates and judgements

The significant accounting judgements, estimates and assumptions adopted in the half year financial report are consistent with those applied in the preparation of the Group's annual report for the year ended 30 June 2021, except in relation to the matters disclosed below.

- **Determination of Asset Acquisition or Business Combination**

The determination of whether an acquisition of business assets represents an asset acquisition or business combination requires significant judgement. During the period, the Group acquired business assets from Pinch Labs Inc and Pinch Labs Pty Ltd (collectively "Notiv"). In accordance with AASB 3 Business Combinations, if the "concentration test" is met, the acquired set of activities and assets is determined not to be a business.

Judgement was applied in determining that substantially all the fair value of gross assets is acquired in one single identifiable asset being intellectual property (see Note 7).

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2. REVENUE FROM CONTINUING OPERATIONS

| | 31 Dec 2021 | 31 Dec 2020 |
|--|-------------------|------------------|
| | \$ | \$ |
| (a) Service income* | | |
| Subscriptions | 15,711,182 | 7,260,151 |
| Professional services | 488,328 | 28,490 |
| Total | 16,199,510 | 7,288,641 |
| Disaggregation of revenue by jurisdiction and geographic region: | | |
| Australia | 4,540,864 | 3,098,878 |
| United Kingdom | 8,980,703 | 2,655,175 |
| United States | 2,677,943 | 1,534,588 |
| Total | 16,199,510 | 7,288,641 |

*Revenue is recognised evenly on an over time basis over the course of the contract with customers.

| | | |
|--|----------------|------------------|
| (b) Other income | | |
| Interest | 213,475 | 258,116 |
| Research and development tax incentive | - | 1,814,234 |
| JobKeeper grant | - | 730,000 |
| Rental income – sub lease | 3,515 | 3,772 |
| Total | 216,990 | 2,806,122 |

3. TRADE AND OTHER RECEIVABLES

| | 31 Dec 2021 | 30 Jun 2021 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Current | | |
| Trade receivables | 23,906,840 | 16,211,208 |
| Less: Expected credit loss | (162,981) | - |
| Receivable from Medulla Group Pty Ltd vendors | 100,977 | 100,977 |
| Other debtors | 152,138 | 208,703 |
| Prepayments | 4,105,549 | 4,588,603 |
| Deposits in trust | 1,782,865 | 1,684,248 |
| | 29,885,388 | 22,793,739 |



4. INTANGIBLE ASSETS

| | 31 Dec 2021 | 30 Jun 2021 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Acquired customer relationships | | |
| At cost | 10,543,992 | 10,145,162 |
| Foreign exchange movement | 60,630 | 391,321 |
| Less: Accumulated amortisation | (1,546,076) | (783,536) |
| Sub-total | 9,058,546 | 9,752,947 |
| Acquired technology | | - |
| At cost | 9,827,676 | 9,446,293 |
| Acquired technology* | 6,539,221 | - |
| Foreign exchange movement | 56,453 | 364,364 |
| Less: Accumulated amortisation | (1,812,221) | (729,560) |
| Sub-total | 14,611,129 | 9,081,097 |
| Total | 23,669,675 | 18,834,044 |
| Goodwill | | |
| Opening goodwill | 23,427,866 | 3,366,456 |
| Acquired goodwill | - | 19,316,332 |
| Foreign exchange movement | 129,734 | 745,078 |
| Sub-total | 23,557,600 | 23,427,866 |
| Net carrying amount at the end of the year | 47,227,275 | 42,261,910 |
| Reconciliation | | |
| Balance at the beginning of the period | 42,261,910 | 4,137,010 |
| Acquired goodwill | - | 19,316,332 |
| Exchange difference | 246,817 | 745,078 |
| Acquired intellectual property | 6,549,249 | 20,347,141 |
| Amortisation expense | (1,830,701) | (2,283,651) |
| Net carrying amount at the end of the period | 47,227,275 | 42,261,910 |

*In September 2021, Dubber Corporation Limited acquired control of Brisbane, Australia based technology group Notiv for a total consideration of cash and FPO shares in Dubber Corporation Limited to the value of \$6.7M. The transaction is deemed to be an asset acquisition. Please refer to Note 7 for further detail.



5. LEASES

| | 31 Dec 2021 \$ | 30 Jun 2021 \$ |
|--------------------------------|-------------------|-------------------|
| Right of use assets | | |
| Office space | 3,033,957 | 3,019,200 |
| Less: accumulated amortisation | (1,409,620) | (1,052,704) |
| | 1,624,337 | 1,966,496 |
| Lease liabilities | | |
| Current | 397,959 | 597,929 |
| Non-current | 1,817,601 | 2,006,421 |
| | 2,215,560 | 2,604,350 |

6. TRADE AND OTHER PAYABLES

| | 31 Dec 2021 \$ | 30 Jun 2021 \$ |
|---|-------------------|-------------------|
| Trade payables | 4,270,100 | 4,507,714 |
| Payroll tax and other statutory liabilities | 5,748,440 | 5,933,328 |
| Other payables | 1,218,464 | 1,156,216 |
| Total | 11,237,004 | 11,597,258 |



7. ASSET ACQUISITION

On 17 September 2021, the Group acquired assets from Pinch Labs Inc and Pinch Labs Pty Ltd (collectively "Notiv") by the issue of shares and cash. The transaction is accounted for as an asset acquisition.

The consideration consists of \$5,152,324 cash and \$1,556,696 shares at \$4.03/share, being the share price on acquisition date 17 September 2021 for a total of \$6,709,021.

The group acquired the following net assets in the transaction:

| Acquired balance sheet (17 September 2021) | \$ |
|--|------------------|
| Current Assets | |
| Cash and cash equivalents | 314,654 |
| Other receivables and prepayments | 4,622 |
| Total current assets | 319,276 |
| Non-current Assets | |
| Notiv intellectual property | 6,539,221* |
| Property, plant and equipment | 16,944 |
| Total non-current assets | 6,556,165 |
| Total assets | 6,875,441 |
| Current Liabilities | |
| Trade and other payables | 196,796 |
| Provision for annual leave | 44,974 |
| Total current liabilities | 241,770 |
| Total liabilities | 241,770 |
| Net assets | 6,709,021 |

*The Notiv Intellectual property asset meets the recognition requirements of AASB 138 *Intangible Assets* and is amortised over a 5 year useful life period.

Estimates and judgement were made in determining the fair value of assets acquired and liabilities assumed in the asset acquisition.

Intangible assets acquired as part of the asset acquisition relates to technology. The fair value of the acquired technology asset was determined by reference to the asset's cost of acquisition, being the \$6,709,021 consideration paid less other acquired net assets.



8. ISSUED CAPITAL

| | 31 Dec 2021 | 30 Jun 2021 |
|--|--------------------|--------------------|
| | \$ | \$ |
| (a) Issued and paid up capital | | |
| Ordinary shares - fully paid | 303,745,930 | 256,200,395 |
| (b) Movement in ordinary shares on issue (31 December 2021) | Number | \$ |
| Balance at the beginning of the period | 256,200,395 | 136,947,992 |
| Issued pursuant to a placement | 37,288,136 | 110,000,000 |
| Issued on exercise of options | 5,170,551 | 12,052,297 |
| Issued on acquisition of Notiv | 386,277 | 1,556,696 |
| Issued as part of earn-out consideration for acquisition of Speik | 4,700,571 | 15,182,844 |
| Share issue costs | - | (4,350,000) |
| Balance at the end of the period | 303,745,930 | 271,389,829 |
| (c) Movement in ordinary shares on issue (30 June 2021) | Number | \$ |
| Balance at the beginning of the period | 207,722,566 | 85,666,948 |
| Issued pursuant to a placement | 31,818,182 | 35,000,000 |
| Issued pursuant to a share purchase plan | 9,090,669 | 9,999,783 |
| Issued on exercise of options | 2,681,611 | 2,023,240 |
| Issued on acquisition | 2,638,730 | 4,478,872 |
| Issued to directors pursuant to shareholder approval | 1,666,666 | 1,000,000 |
| Issued pursuant to an employee share plan | 100,000 | 311,500 |
| Issued on exercise of ZEPOs | 481,971 | 627,300 |
| Share issue costs | - | (2,159,651) |
| Balance at the end of the period | 256,200,395 | 136,947,992 |



9. SHARE BASED PAYMENTS

| | Value \$ |
|--|-------------|
| Value of granted employee options expensed during the half-year period | 11,550,394 |

During the half year period, the Company have granted options to employees and KMPs. The fair value of the options is determined using the Black-Scholes model. The details of the assumptions and inputs to the model for all options granted during the period are as follows:

Granted to KMPs (Chief Financial Officer):

| Grant date | 19 July 2021 | 19 July 2021 | 19 July 2021 |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| Number of options | 300,000 | 100,000 | 250,000 |
| Vesting date | 20/7/2021 | 30/6/2022 | 30/6/2023 |
| Expense recognised in HY22 (\$) | \$890,700 (2021: \$-) | \$141,585 (2021: \$-) | \$172,252 (2021: \$-) |
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | N/A | N/A | N/A |
| Risk-free interest rate (%) | 0.16% | 0.16% | 0.16% |
| Expected life of options (years) | 1.96 | 1.96 | 1.96 |
| Underlying share price (\$) | \$1.66 | \$1.66 | \$1.66 |
| Option exercise price (\$) | \$0.00 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$2.969 | \$2.969 | \$2.969 |

Granted to KMPs (Chief Technology Officer):

| Grant date | 30 September 2021 | 30 September 2021 ³ |
|----------------------------------|--------------------------|--------------------------------|
| Number of options | 85,000 | 100,000 |
| Vesting date | 3/1/2022 | 30/6/2022 |
| Expense recognised in HY22 (\$) | \$293,785 (2021: \$-) | \$39,690 (2021: \$-) |
| Dividend yield (%) | - | - |
| Probability of target | 100% | 33% |
| Expected volatility (%) | N/A | N/A |
| Risk-free interest rate (%) | 0.19% | 0.19% |
| Expected life of options (years) | 2.75 | 2.75 |
| Underlying share price (\$) | \$3.57 | \$3.57 |
| Option exercise price (\$) | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$3.569 | \$3.569 |



| Grant date | 30 September 2021 ⁴ | 30 September 2021 ⁴ | 30 September 2021 ⁴ |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Number of options | 50,000 | 50,000 | 50,000 |
| Vesting date | 30/6/2022 | 30/6/2023 | 30/6/2024 |
| Expense recognised in HY22 (\$) | \$19,845 (2021: \$ -) | \$8,492 (2021: \$ -) | \$5,396 (2021: \$ -) |
| Dividend yield (%) | - | - | - |
| Probability of target | 33% | 33% | 33% |
| Expected volatility (%) | N/A | N/A | N/A |
| Risk-free interest rate (%) | 0.19% | 0.19% | 0.19% |
| Expected life of options (years) | 3.75 | 3.75 | 3.75 |
| Underlying share price (\$) | \$3.57 | \$3.57 | \$3.57 |
| Option exercise price (\$) | \$0.00 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$3.569 | \$3.569 | \$3.569 |



9. SHARE BASED PAYMENTS (CONTINUED)

| Grant date | 30 September 2021 ⁵ | 30 September 2021 ⁵ | 30 September 2021 ⁵ |
|----------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Number of options | 50,000 | 50,000 | 50,000 |
| Vesting date | 30/6/2022 | 30/6/2023 | 30/6/2024 |
| Expense recognised in HY22 (\$) | \$19,845 (2021: \$ -) | \$8,492 (2021: \$ -) | \$5,396 (2021: \$ -) |
| Dividend yield (%) | - | - | - |
| Probability of target | 33% | 33% | 33% |
| Expected volatility (%) | N/A | N/A | N/A |
| Risk-free interest rate (%) | 0.19% | 0.19% | 0.19% |
| Expected life of options (years) | 3.75 | 3.75 | 3.75 |
| Underlying share price (\$) | \$3.57 | \$3.57 | \$3.57 |
| Option exercise price (\$) | \$0.00 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$3.569 | \$3.569 | \$3.569 |

Granted to employees:

| Grant date | 26 July 2021 | 26 July 2021 | 6 August 2021 |
|----------------------------------|-------------------------|---------------------------|---------------------------|
| Number of options | 23,086 | 305,129 | 50,000 |
| Vesting date | 31/7/2021 | 31/7/2021 | 9/8/2021 |
| Expense recognised in HY22 (\$) | \$47,012 (2021: \$-) | \$918,438 (2021: \$ -) | \$174,500 (2021: \$ -) |
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | 100% | N/A | N/A |
| Risk-free interest rate (%) | 0.14% | 0.14% | 0.15% |
| Expected life of options (years) | 3.0 | 2.5 | 2.0 |
| Underlying share price (\$) | \$3.01 | \$3.01 | \$3.49 |
| Option exercise price (\$) | \$1.80 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$2.0364 | \$3.010 | \$3.490 |



9. SHARE BASED PAYMENTS (CONTINUED)

| Grant date | 6 August 2021 | 20 August 2021 | 20 August 2021 ¹ |
|----------------------------------|-------------------------|----------------------------|-----------------------------|
| Number of options | 50,000 | 454,062 | 615,906 |
| Vesting date | 9/8/2022 | 7/9/2021 | 30/6/2023 |
| Expense recognised in HY22 (\$) | \$69,705 (2021: \$-) | \$1,602,385 (2021: \$-) | \$140,495 (2021: \$-) |
| Probability of target | 100% | 100% | 33% |
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | N/A | N/A | N/A |
| Risk-free interest rate (%) | 0.15% | 0.19% | 0.19% |
| Expected life of options (years) | 2.0 | 1.83 | 3.83 |
| Underlying share price (\$) | \$3.49 | \$3.53 | \$3.53 |
| Option exercise price (\$) | \$0.00 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$3.490 | \$3.529 | \$3.529 |

| Grant date | 1 December 2021 | 1 December 2021 | 1 December 2021 | 1 December 2021 |
|----------------------------------|----------------------------|--------------------------|--------------------------|-------------------------|
| Number of options | 370,080 | 620,831 | 770,831 | 770,831 |
| Vesting date | 17/12/2021 | 17/09/2022 | 17/09/2023 | 17/09/2024 |
| Expense recognised in HY22 (\$) | \$1,254,571 (2021: \$-) | \$217,719 (2021: \$-) | \$119,685 (2021: \$-) | \$76,781 (2021: \$-) |
| Dividend yield (%) | - | - | - | - |
| Expected volatility (%) | N/A | N/A | N/A | N/A |
| Risk-free interest rate (%) | 0.95% | 0.95% | 0.95% | 0.95% |
| Expected life of options (years) | 4.08 | 4.08 | 4.08 | 4.08 |
| Underlying share price (\$) | \$3.57 | \$3.57 | \$3.57 | \$3.57 |
| Option exercise price (\$) | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Fair value of option (\$) | \$3.39 | \$3.39 | \$3.39 | \$3.39 |



9. SHARE BASED PAYMENTS (CONTINUED)

The various deferred vesting options listed above are subject to milestones or vesting dates which are listed below. Probability of achieving these milestones or vesting dates have been assessed at 33% unless otherwise stated.

| Grant # | Class | Vesting condition and proportions | Milestone Date |
|---------|-------------|--|----------------|
| 1 | LTI ZEPOs A | <p>If the holder remains in continued employment with the Company until 30 June 2023, the LTI ZEPOs shall vest as follows:</p> <p><u>Recurring revenue (50% of LTI ZEPOs).</u> The following proportions of LTI ZEPOs shall vest where recurring revenue for the Group by 30 June 2023 is:</p> <p>(A) at or above \$40 million but less than \$60 million: 33% at \$40 million with a straight-line pro rata vesting up to 60%;</p> <p>(B) at or above \$60 million but less than \$80 million: 60% at \$60 million with a straight-line pro rata vesting up to 100%; and</p> <p>(C) at or above \$80 million: 100%.</p> <p>Recurring revenue means operating revenue of the Group for any month multiplied by 12 exclusive of one off revenue fees such as connection fees and any R&D or other grant revenue.</p> | 30 June 2023 |
| 2 | LTI ZEPOs B | <p>If the holder remains in continued employment with the Company until 30 June 2023, the LTI ZEPOs shall vest as follows:</p> <p><u>Agreements for deployments into telecommunication networks (50% of LTI ZEPOs).</u> The following proportions of LTI ZEPOs shall vest where, by 30 June 2023, the Group has agreements in place for the deployment of the Dubber call recording service on to telecommunication service provider networks (whether or not yet active):</p> <p>(A) at least 170 but less than 185: 33% at 170 with a straight-line pro rata vesting up to 60%;</p> <p>(B) at least 185 but less than 200: 60% at 185 with a straight-line pro rata vesting up to 100%; and</p> <p>(C) at or above 200: 100%</p> | 30 June 2023 |

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9. SHARE BASED PAYMENTS (CONTINUED)

| Grant # | Class | Vesting condition and proportions | Milestone Date | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------|----------------------------------|--|--------------------------------|-------------|-----------|--------------------------|---------------|-----|---------------------|-----|-------------|------|--------|---------------|-----|---------------------|-----|-------------|------|--------|----------------|-----|-----------------------|-----|--------------|------|---|
| 3 | STI Performance Options | <p>Continued employment with the Company in existing role in the relevant financial year.</p> <p>Proportion vesting based on:</p> <ul style="list-style-type: none"> - A positive personal scorecard for the relevant financial year; and - Achievement of core business objectives (six or more) and product releases (six or more) <p>Vesting proportions:</p> <ol style="list-style-type: none"> 1. 50% - subject to assessment against the Positive Personal Scorecard 2. Remaining 50% - Core business objectives and/or product releases: <ul style="list-style-type: none"> - 7 or less – Nil - 8 – 10% - 9 – 20% - 10 – 30% - 11 – 40% - 12 – 50% | End of relevant financial year | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | LTI Performance Options (Part A) | <p>Continued employment with the Company in existing role in the relevant financial year.</p> <ul style="list-style-type: none"> - For Year 1, until at least the first anniversary of commencement; - For year 2, until at least the second anniversary of the commencement; and - For year 3, until at least the third anniversary of commencement. <p>Proportion vesting is based on recurring revenue level:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Performance</th> <th>% Vesting</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Year 1 (or part thereof)</td> <td>\$46m - \$52m</td> <td>33%</td> </tr> <tr> <td>Above \$52m - \$58m</td> <td>66%</td> </tr> <tr> <td>Above \$58m</td> <td>100%</td> </tr> <tr> <td rowspan="3">Year 2</td> <td>\$67m - \$75m</td> <td>33%</td> </tr> <tr> <td>Above \$75m - \$84m</td> <td>66%</td> </tr> <tr> <td>Above \$84m</td> <td>100%</td> </tr> <tr> <td rowspan="3">Year 3</td> <td>\$97m - \$109m</td> <td>33%</td> </tr> <tr> <td>Above \$109m - \$122m</td> <td>66%</td> </tr> <tr> <td>Above \$122m</td> <td>100%</td> </tr> </tbody> </table> | Level | Performance | % Vesting | Year 1 (or part thereof) | \$46m - \$52m | 33% | Above \$52m - \$58m | 66% | Above \$58m | 100% | Year 2 | \$67m - \$75m | 33% | Above \$75m - \$84m | 66% | Above \$84m | 100% | Year 3 | \$97m - \$109m | 33% | Above \$109m - \$122m | 66% | Above \$122m | 100% | <p>Year 1: 30 June 2022</p> <p>Year 2: 30 June 2023</p> <p>Year 3: 30 June 2024</p> |
| Level | Performance | % Vesting | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year 1 (or part thereof) | \$46m - \$52m | 33% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$52m - \$58m | 66% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$58m | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year 2 | \$67m - \$75m | 33% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$75m - \$84m | 66% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$84m | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year 3 | \$97m - \$109m | 33% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$109m - \$122m | 66% | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Above \$122m | 100% | | | | | | | | | | | | | | | | | | | | | | | | | |

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9. SHARE BASED PAYMENTS (CONTINUED)

| Grant # | Class | Vesting condition and proportions | Milestone Date |
|---------|----------------------------------|--|-------------------------|
| 5 | LTI Performance Options (Part B) | Continued employment with the Company in existing role in the relevant financial year. | |
| | | - For Year 1, until at least the first anniversary of commencement; | Year 1: 30 June 2022 |
| | | - For year 2, until at least the second anniversary of the commencement; and | Year 2: 30 June 2023 |
| | | - For year 3, until at least the third anniversary of commencement. | Year 3: 30 June 2024 |

Proportion vesting is based on numbers of agreements for telecommunication network deployments (active or not):

| Level | Performance | % Vesting |
|--------------------------|-------------|-----------|
| Year 1 (or part thereof) | 174-179 | 33% |
| | 178-180 | 66% |
| | 181 or more | 100% |
| Year 2 | 197-200 | 33% |
| | 201-203 | 66% |
| | 204 or more | 100% |
| Year 3 | 223-226 | 33% |
| | 227-230 | 66% |
| | 231 or more | 100% |

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10. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Due to the acquisition of Speik Ltd during the prior year, the Board now segments the business into geographical regions of the world to effectively review its operations and allocate resources according to opportunities in a total addressable market.

The Group has three main operating segments, specifically for the provision of subscriptions services in Europe, United States of America ('Americas') and the Rest of World.

During the period, the Group acquired control of Brisbane based technology group Notiv. The assets and liabilities acquired in the transaction have been allocated to respective segments based on geographical region.

| | Europe \$ | Americas \$ | Rest of the World \$ | Other \$ | Total \$ |
|--|---------------------|--------------------|-------------------------|---------------------|---------------------|
| Half-year ended 31 December 2021 | | | | | |
| Segment income | | | | | |
| Services revenue | 8,980,703 | 2,677,943 | 4,540,864 | - | 16,199,510 |
| Other income | | | 216,990 | - | 216,990 |
| | 8,980,703 | 2,677,943 | 4,757,854 | | 16,416,500 |
| Segment expenses | | | | | |
| Direct costs | (2,448,794) | (1,228,301) | (5,958,069) | - | (9,635,164) |
| Operating expenses | (6,675,364) | (3,641,962) | (10,787,425) | (1,529,799) | (22,634,550) |
| Share based payments | - | - | - | (11,550,394) | (11,550,394) |
| | (9,124,158) | (4,870,263) | (16,745,494) | (13,080,193) | (43,820,108) |
| EBITDA | (143,455) | (2,192,319) | (11,987,641) | (13,080,193) | (27,403,608) |
| Depreciation and amortisation | (1,518,025) | (74,032) | (741,225) | - | (2,333,283) |
| Finance costs | (237,703) | (18,783) | (1,074,444) | - | (1,330,930) |
| Fair value loss on extinguishment of liability | - | - | (368,592) | - | (368,592) |
| | (1,755,529) | (92,815) | (2,184,261) | - | (4,032,805) |
| Loss before income tax | (1,899,184) | (2,285,135) | (14,171,901) | (13,080,193) | 31,436,413 |
| Segment assets | 52,014,418 | 2,539,593 | 135,767,176 | - | 190,321,187 |
| Segment liabilities | (16,675,822) | (1,233,937) | (10,014,862) | - | (27,924,621) |
| | 35,338,596 | 1,305,656 | 125,752,314 | - | 162,396,596 |



10. SEGMENT INFORMATION (CONTINUED)

| | Europe \$ | Americas \$ | Rest of the World \$ | Other \$ | Total \$ |
|---|---------------------|--------------------|-------------------------|--------------------|---------------------|
| Half-year ended 31 December 2020 | | | | | |
| Segment income | | | | | |
| Services revenue | 2,655,175 | 1,534,588 | 3,098,878 | - | 7,288,641 |
| Other income | 522 | - | 2,805,599 | - | 2,806,121 |
| | 2,655,697 | 1,534,588 | 5,904,477 | - | 10,094,762 |
| Segment expenses | | | | | |
| Direct costs | (310,517) | (106,753) | (3,368,386) | - | (3,785,656) |
| Operating expenses | (1,341,738) | (245,761) | (9,006,122) | (1,295,689) | (11,889,310) |
| Share based payments | - | - | - | (603,985) | (603,985) |
| | (1,652,255) | (352,514) | (12,374,508) | (1,899,674) | (16,278,951) |
| EBITDA | 1,003,442 | 1,182,074 | (6,470,030) | (1,899,674) | (6,184,188) |
| Depreciation and amortisation | (11,323) | - | (1,099,884) | - | (1,111,207) |
| Finance costs | (4,550) | (3,210) | (170,038) | - | (177,798) |
| | (15,872) | (3,210) | (1,269,922) | - | (1,289,004) |
| Loss before income tax | 987,569 | 1,178,864 | (6,465,120) | (1,899,674) | (7,473,193) |
| As at 30 June 2021: | | | | | |
| Segment assets | 47,487,566 | 1,950,431 | 50,896,690 | - | 100,334,687 |
| Segment liabilities | (10,618,580) | (1,047,421) | (29,712,649) | - | (41,378,650) |
| | 36,868,986 | 903,010 | 21,184,041 | - | 58,956,037 |



11. FAIR VALUE MEASUREMENT

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical items (unadjusted)

Level 2: Observable direct or indirect inputs other than Level 1 inputs

Level 3: Unobservable inputs (i.e. not derived from market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

| 31 December 2021 | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|---------|---------|-------------------|-------------------|
| Financial Assets | | | | |
| Total Financial Assets | - | - | - | - |
| Financial Liabilities | | | | |
| Deferred consideration | - | - | - | - |
| Total Financial Liabilities | - | - | - | - |
| | | | | |
| 30 June 2021 | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Total Financial Assets | - | - | - | - |
| Financial Liabilities | | | | |
| Deferred consideration | - | - | 16,031,836 | 16,031,836 |
| Total Financial Liabilities | - | - | 16,031,836 | 16,031,836 |



11. FAIR VALUE MEASUREMENT_(CONTINUED)

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

| Consolidated | Deferred Consideration | Total |
|-----------------------------|------------------------|--------------|
| Balance at 1 July 2021 | 16,031,836 | 16,031,836 |
| Additions | - | - |
| Disposals* | (16,031,836) | (16,031,836) |
| Balance at 31 December 2021 | - | - |

*The deferred consideration is in relation to the acquisition of Speik in FY21. Under the acquisition agreement, the earn-out component of the consideration was scheduled to be paid in mid-2022 subject to achievement of agreed EBITDA targets. However, the earn out payment was accelerated and completed in November 2021 based on Speik's current and projected forward performance to facilitate enhanced integration of the Speik operations into Dubber.

The details of settlement are as follows:

| Deferred consideration | \$ |
|---|-------------------|
| 4,700,571 DUB ordinary shares at A\$3.23 (share price on settlement date) | 15,182,844 |
| Cash | 2,114,580 |
| Total deferred consideration on settlement | 17,297,424 |
| Carrying value of liability on settlement* | 16,928,832 |
| Fair value gain / (loss) on extinguishment of liability | (368,592) |

*Includes \$896,996 of time costs incurred and capitalised to the liability during the period based on initial expected settlement date in 2022. These costs have been expensed as a finance cost in the statement of profit or loss and other comprehensive income.

12. DIVIDENDS

There have been no dividends declared or recommended and no distribution made to shareholders or other persons during the period.

13. COMMITMENTS

There has been no significant change in commitments since the last annual reporting date.

14. CONTINGENT LIABILITIES

As at the date of this report, the Group has no material contingent liabilities.



15. RELATED PARTIES

Other than the share-based payment transactions disclosed in Note 9, there were no significant related party transactions outside the ordinary course of business other than the following:

- the Group acquired control of 2 new entities (Pinch Lab Pty Ltd and Pinch Lab Inc) as part of the Notiv asset acquisition on 17 September 2021 – please refer to note 7 for further information.
- Earn out payment for deferred consideration as part of the Speik acquisition in FY21 initially scheduled for settlement in 2022 has been brought forward and finalised in November 2021 via payment of A\$2.13m cash and 4,700,571 Dubber ordinary shares valued at \$3.33/share (approximately A\$17.8m)
- On 30 September 2021, Steven Willson commenced as the Chief Technology Officer and is designated as a Key Management Personnel (KMP) of the Group. Key terms of his executive agreement include:
 - Base salary of \$450,000 inclusive of statutory superannuation;
 - Agreement includes option to convert \$50,000 worth of base salary for each of the first three years into ZEPOs. If the option is selected the ZEPOs have a three-month vesting period and expire on 30 June 2024;
 - Performance based remuneration linked to short and long term incentives (refer to Note 9)
- During the general meeting held on 23 July 2021, shareholder approval has been received for grant of remuneration securities to the following Directors:
 - Peter Clare – 96,988 ZEPOs and 600,000 remuneration options;
 - Gerard Bongiorno – 56,253 ZEPOs and 300,000 remuneration options;
 - Peter Pawlowitsch – 1,213,277 ZEPOs

The above securities have been deemed granted in FY21 for accounting purposes where all key terms and valuation assumptions have been disclosed in the Group 2021 Annual Report in accordance with the requirements of AASB 2 *Share-based payment*.

16. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

There are no matters or circumstances which have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.



In the opinion of the directors of Dubber Corporation Limited ('the company'):

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the consolidated entity 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

Peter Clare
Non-Executive Chairman

28 February 2022

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF DUBBER CORPORATION LIMITED

As lead auditor for the review of Dubber Corporation Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Dubber Corporation Limited and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 28 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dubber Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Dubber Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its 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*.

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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Dean Just', is written over the printed name.

Dean Just

Director

Perth, 28 February 2022

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