

Appendix 4E

Preliminary Final Report to the Australian Securities Exchange

Part 1

Name of Entity	Dubber Corporation Limited
ABN	64 089 145 424
Financial Year Ended	12 months ended 30 June 2019
Previous Corresponding Reporting Period	12 months ended 30 June 2018

Part 2 – Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	7,392	132%
Loss from ordinary activities after tax attributable to members	(9,648)	(15%)
Net loss attributable to members	(9,648)	(15%)

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)	Not Applicable	

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

Refer to the following Review of Operation for further commentary on the results for the year ended 30 June 2019.

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Part 3 – Contents of ASX Appendix 4E

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Part 4 – Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Part	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Revenue			
Service income		5,547,540	1,502,734
Other revenue from ordinary activities	9(a)	1,844,650	1,685,160
Expenses			
Salaries and related expenses		(8,375,103)	(6,349,655)
Direct costs		(4,262,002)	(3,157,771)
General and administration costs	9(b)	(2,688,417)	(3,258,662)
Finance costs		(19,081)	(121,921)
Depreciation and amortisation		(1,571,271)	(1,569,784)
Non-operating foreign exchange gains/(losses)		(124,988)	(49,202)
Loss before income tax expense		(9,648,672)	(11,319,101)
Income tax expense		-	-
Loss after income tax for the year		(9,648,672)	(11,319,101)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		(28,159)	(71,235)
Other comprehensive income/(loss) for the year, net of tax		(28,159)	(71,236)
Total comprehensive loss attributable to owners of Dubber Corporation Limited		(9,676,831)	(11,390,336)

Part 5 – Consolidated Accumulated losses

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Accumulated losses at the beginning of the year	(41,275,134)	(29,956,033)
Loss for the year	(9,648,672)	(11,319,101)
Accumulated losses at the end of the year	(50,923,806)	(41,275,134)

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Part 6 – Consolidated Statement of Financial Position

	30 June 2019 \$	30 June 2018 \$
ASSETS		
Current Assets		
Cash and cash equivalents	19,618,245	5,673,548
Trade and other receivables	6,768,088	1,396,564
Total Current Assets	<u>26,386,333</u>	<u>7,070,112</u>
Non-Current Assets		
Property, plant and equipment	108,914	81,497
Intangible assets	4,320,395	5,861,503
Total Non-Current Assets	<u>4,429,309</u>	<u>5,943,000</u>
Total Assets	<u>30,815,642</u>	<u>13,013,112</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	2,119,189	1,613,985
Provisions	671,521	499,069
Total Current Liabilities	<u>2,790,710</u>	<u>2,113,054</u>
Total Liabilities	<u>2,790,710</u>	<u>2,113,054</u>
NET ASSETS	<u>28,024,932</u>	<u>10,900,058</u>
EQUITY		
Issued capital	71,052,844	44,871,437
Reserves	7,895,894	7,303,755
Accumulated losses	(50,923,806)	(41,275,134)
TOTAL EQUITY	<u>28,024,932</u>	<u>10,900,058</u>

Part 7 – Consolidated Statement of Cash Flows

	Part	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
Cash flows from operating activities			
Receipts from customers		3,333,418	1,292,344
Payments to suppliers and employees		(14,684,357)	(11,927,918)
Interest received		27,554	18,517
R&D tax offset refund and EMDG received		1,775,095	1,660,331
Interest and other finance costs paid		(8,139)	(162,789)
Net cash outflows used in operating activities	11(b)	<u>(9,556,429)</u>	<u>(9,119,515)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(61,490)	(29,122)
Payment of security bond and funds held in trust		(2,480,109)	(134,659)
Net cash outflows used in investing activities		<u>(2,541,599)</u>	<u>(163,781)</u>
Cash flows from financing activities			
Proceeds from issue of shares		27,553,570	14,532,751
Payment of share issue costs		(1,509,379)	(436,650)
Proceeds from borrowings		-	1,000,000
Repayment of borrowings		-	(1,000,000)
Net cash provided by financing activities		<u>26,044,191</u>	<u>14,096,101</u>
Net increase/(decrease) in cash held		13,946,163	4,812,805
Cash and cash equivalents at the beginning of the year		5,673,548	857,777
Effect of exchange rate changes on cash		(1,466)	2,966
Cash and cash equivalents at the end of the year		<u>19,618,245</u>	<u>5,673,548</u>

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Part 8 – Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

Part 9 – Loss from Ordinary Activities

The loss from ordinary activities before income tax includes the following items of revenue and expense:

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
REVENUES AND EXPENSES – CONTINUING OPERATIONS		
(a) Other revenue		
Interest	27,554	24,829
Research and development tax incentive	1,708,038	1,660,331
Export market development grant	67,057	-
	<u>1,802,649</u>	<u>1,685,160</u>
(b) General and administration		
Audit fees	47,282	46,457
Accounting and tax advice fees	136,676	133,730
Legal fees	139,938	106,162
Occupancy costs	455,956	602,190
Securities exchange and registry fees	148,758	115,101
Travel costs	822,593	762,387
Other administration	937,214	1,492,635
	<u>2,688,417</u>	<u>3,258,662</u>

Part 10 – Commentary on Results

Refer to the following Review of Operation for commentary on the results for the year ended 30 June 2019.

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Part 11 – Notes to the Consolidated Statement of Cash Flows

	Year Ended 30 June 2019 \$	Year Ended 30 June 2018 \$
(a) Reconciliation of cash:		
For the purposes of the Statement of Cashflows, cash includes cash on hand, and in banks, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	19,618,245	5,673,548
Cash on hand and at bank	19,618,245	5,673,548
(b) Reconciliation of loss for the year to net cash flows from operating activities:		
Total loss for the year	(9,648,672)	(11,319,101)
<i>Non-cash flows in loss:</i>		
Depreciation and amortisation	1,571,271	1,569,784
Share based payments	620,299	845,771
Net exchange differences	(124,988)	(74,195)
<i>Changes in assets and liabilities:</i>		
Increase in trade and other receivables	(2,651,995)	(25,364)
(Decrease)/Increase in trade and other payables	505,204	(282,593)
Increase in provisions	172,452	166,183
Net cash outflows from operating activities	(9,556,429)	(9,119,515)

Part 12 – 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

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Part 13 – Loss per Share

	Consolidated	
	Year Ended 30 June 2019	Year Ended 30 June 2018
Basic (loss) per share attributable to the owners of Dubber Corporation Limited	(6.21 cents)	(9.19 cents)
Weighted average number of ordinary shares used in the calculation of basic (loss) per share	155,231,963	123,155,152
<i>As the Company is in a loss position there is no diluted earnings per share calculated.</i>		

Part 14 – Net Tangible Assets per Security

	30 June 2019	30 June 2018
Net tangible asset backing per ordinary security (cents)	12.77	3.60

Part 15 – Details of Entities Over Which Control has been Gained or Lost

Name of entity (or group of entities)	Nil
Date control gained or lost	Nil
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	Nil
Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Nil
Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control	Nil

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Part 16 – Details of Associates and Joint Venture Entities

	Ownership Interest		Contribution to net profit/(loss)	
	30/06/19 %	30/06/18 %	Year ended 30/06/19 \$A'000	Period ended 30/06/18 \$A'000
Name of entity	N/A	N/A	N/A	N/A
Associate	N/A	N/A	N/A	N/A
Joint Venture Entities	N/A	N/A	N/A	N/A
Aggregate Share of Losses	N/A	N/A	N/A	N/A

Part 17 – Issued Securities

	30 June 2019 \$	30 June 2018 \$
Share capital		
186,570,452 (30 June 2018: 140,079,435) fully paid ordinary shares	<u>71,052,844</u>	<u>44,871,437</u>
<i>The following movements in issued capital occurred during the year:</i>		
	Year Ended 30 June 2019	Year Ended 30 June 2018
	Number of Shares	Number of Shares
Balance at beginning of the year	140,079,435	96,186,100
Issued as employee incentives at 38.5 cents each	-	600,000
Issued on exercise of options at 38 cents each	25,000	-
Issued as employee incentives at 45.0 cents each	-	300,000
Issued on exercise of options at 25 cents each	2,175,000	1,970,000
Issued for cash pursuant to share placement at 38 cents each	13,157,684	476,191
Issued for cash pursuant to share placement at 75 cents each	29,333,333	38,572,144
Issue of loan funded shares to Directors	-	1,125,000
Issued on exercise of options at 40 cents each	-	850,000
Issue of shares under employee share plan	300,000	-
Performance Rights issued on achievement of milestone	1,500,000	-
	<u>186,570,452</u>	<u>140,079,435</u>

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Options

The following options to subscribe for fully paid ordinary shares are outstanding at balance date:

- 2,000,000 options expiring 31 December 2019, exercisable at 60 cents each;
- 2,000,000 options expiring 27 January 2020, exercisable at 80 cents each;
- 850,000 options expiring 31 March 2020, exercisable at 40 cents each;
- 2,000,000 options expiring 31 December 2020, exercisable at 80 cents each; and
- 1,325,000 options expiring 15 January 2022, exercisable at 38 cents each.

Part 18 – Segment Information

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

The Group is managed primarily on the basis that it has only one main operating segment, being the Dubber technology suite. All the Group's activities are interrelated, and discrete financial information is reported to the Board of Directors as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment.

The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The accounting policies applied for internal purposes are consistent with those applied in the preparation of these financial statements.

Part 19 – Subsequent Events

There were no significant events subsequent to year ended 30 June 2019 and prior to the date of this report that have not been dealt with elsewhere in this report.

Part 20 – 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 type="checkbox"/>
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/>	The accounts have not yet been audited or reviewed	<input type="checkbox"/>

If the accounts have not yet been audited and are likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

Not applicable

If the accounts have been audited and contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph:

Not applicable

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