Annual Report 30 June 2019

DUBBER CORPORATION LIMITED
ABN 64 089 145 424

Corporate Directory

BOARD OF DIRECTORS

Peter Clare
Non-Executive Chairman

Steve McGovern
Managing Director

Peter Pawlowitsch
Non-Executive Director

Gerard Bongiorno
Non-Executive Director

Ian Hobson
Company Secretary

SECURITIES EXCHANGE

Dubber Corporation Limited shares are listed on the Australian Securities Exchange

ASX Code: DUB

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE:

Level 5, 2 Russell Street. Melbourne VIC 3000

Telephone: +61 3 8658 6111
Facsimile: +61 3 8080 6466
Website: www.dubber.net

SHARE REGISTRY

Automic Registry Services (Automic Pty Ltd)

Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone +61 8 9324 2099
Facsimile +61 8 9321 2337

SOLICITOR

Milcor Legal Solicitor

Level 1, 6 Thelma Street
Nova Legal, West Perth WA 6005

AUDITOR

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

BANKER

Westpac Banking Corporation Limited
150 Collins Street
Melbourne VIC 3000

Chairman's Letter

Dear Shareholders

The 2019 financial year has seen strong growth by Dubber from both a strategic and operational perspective.

The Company's key metrics showed impressive increases through the year. In the 12 months to 30 June 2019:

- Active users increased by 222% to 94,825 (2018: 29,405);
- Operating revenue grew from $1,502,734, to $5,547,540; a 269% increase;
- Partnering with telecommunication service providers increased by 179% to 106;
- Successful capital raisings in November 2018 and April 2019, totalling $27m.

The Dubber Platform and business plan continues to:

- Disrupt an existing hardware based, multi-billion dollar call recording industry with a highly scalable, Platform as a Service (PAAS) 'Op-Ex' model.
- Expand the use-case and revenue opportunities from mandated 'always on' compliance recording for every call, to transactional 'On Demand' recordings delivering customer insights and commercial benefit.
- Create a content rich data base from which users can release value.

During the year, Dubber continued to engage with some of the largest global organisations:

1. IBM, one of the world's largest multinational information technology company, is engaging with its large enterprise customers to implement the Dubber service leading to further commercial agreements;

2. The acquisition of BroadSoft by Cisco has created a substantial market opportunity. With Dubber's recording platform and data capture service embedded into Cisco / BroadCloud, this has enabled the Company to procure telecommunications service providers as clients at an increasing rate.

In addition, the last 12 months saw a strong uptake in potential third party integration partners, particularly in the analytics space. Third party integration is a cornerstone strategy for the Company as it adds value to the partner, whilst delivering revenue growth to Dubber.

The capital raisings conducted throughout the year, are now funding Dubber to scale business resources in line with global growth opportunities. The Company is in a strong financial position to execute on those growth plans. Pleasingly, the additional team members presently added to Dubber leadership are already executing on those opportunities.

On behalf of the Board, I would like to thank all staff and contractors for their contribution to the continuing growth and development of the Company. I would also like to thank our shareholders for their continued support.

Yours faithfully,

Peter Clare
Chairman

Highlights

$1.5m Operating Revenue in 2018	▶	$5.54m Operating Revenue in 2019	▲269% Increase in revenue
29,405 Users in 2018	▶	94,825 Users in 2019	▲222% Increase in users
36 Telecommunication providers in 2018	▶	106 Telecommunication providers in 2019	▲179% Increase in providers
$5.6m Cash at bank at 30 June 2018	▶	$19.6m Cash at bank at 30 June 2019	

REVIEW OF OPERATIONS

- Increased active number of users by 222% to almost 95,000 (94,825);
- Increased operating revenue by 269% to $5.54m;
- Expanded global footprint of telecommunication providers by 179% to 106
- Completed successful capital raisings in November 2018 ($5m) and April 2019 ($22m), allowing the Company to scale business resources in line with global growth opportunities;
- Cash at bank at 30 June 2019 was $19.6m.

Throughout FY19, Dubber continued to focus on its strategy of driving end-user growth and associated revenues through its existing accounts while growing its global footprint throughout the year.

MARKET POSITION SIGNIFICANTLY ENHANCED

The Dubber Platform and business plan are designed to:

- Disrupt the existing hardware-based, multi-billion-dollar call recording industry with a highly scalable, 'Op-Ex' model which could find its ultimate opportunity in the telecommunications carrier sector, as that is the source of all calls.
- Expand the use case and revenue opportunities from 'always on' compliance recording for every call, to a transactional 'On Demand' opportunity with unlimited benefits for every business.
- Release the value from calls via voice data capture/ transcription to provide access to *Artificial Intelligence (AI) for every phone*.

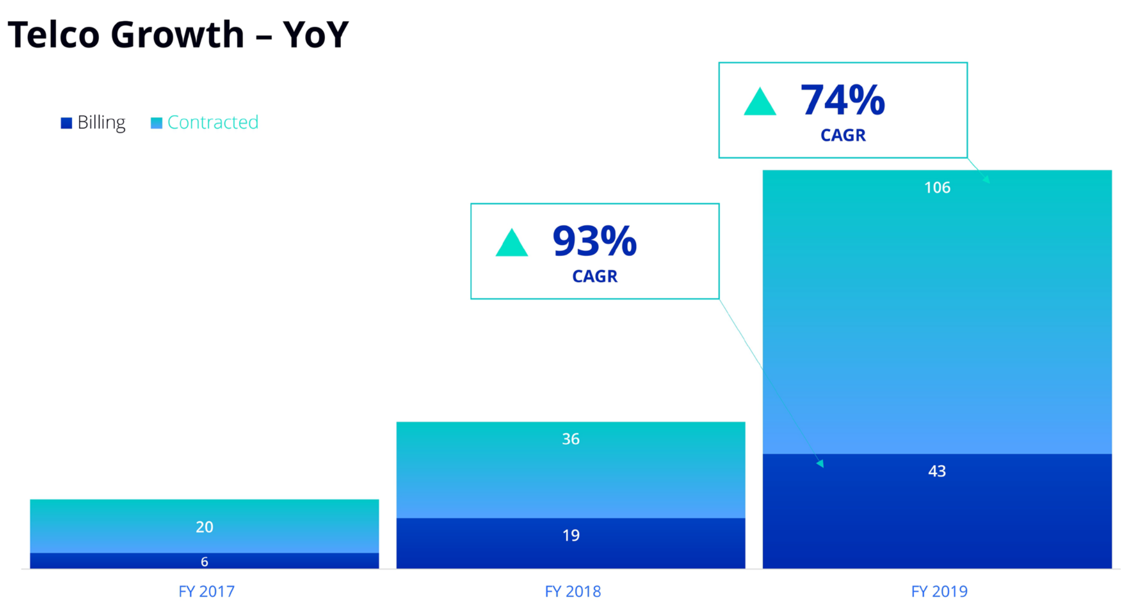
During the year, the Company achieved a substantial increase in engagement in the following areas:

- Telecommunication Service Providers globally
- Enterprise customers in Australia and North America
- Extension of Dubber's opportunities via Cisco/BroadCloud
- Continued commercial progress via the IBM partnership
- Third-party requests for platform integrations

ESTABLISHING CRITICAL MASS WITH PROVIDERS

The Company continues to believe the development of its telecommunication service provider relationships is a key metric and indicator for the business. There remains significant long-term opportunities for Dubber to become the de facto market leader as the sector seeks a homogenous set of features and services across multiple networks. The Company believes that in partnering with a significant majority of telecommunications service providers globally in the future, it will help achieve significant market share and therefore consolidate a long-term defensible business model.

At 30 June 2019, 43 telecommunication carriers are now being billed by Dubber, compared with 23 at 30 June 2018. A total of 106 have agreed to implement the Dubber Platform, up from 36 at the end of the previous financial year.

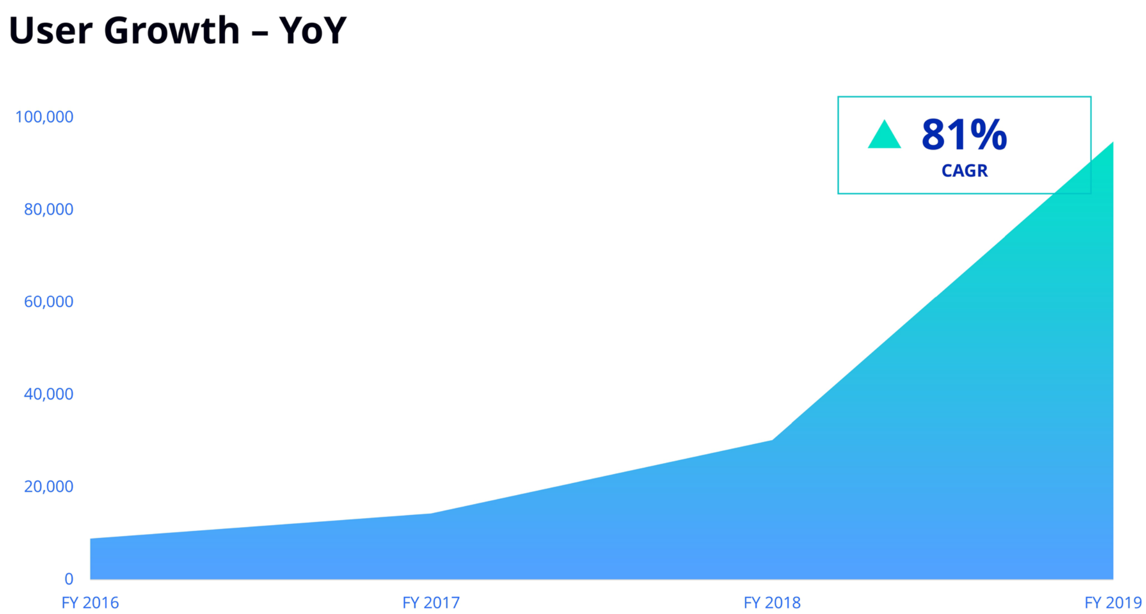


Over the coming years, Dubber expects its service to be available on multiple carrier networks within each of its existing relationships, with a notable expansion into mobile offerings.

CONTINUED GROWTH IN END USERS

During the year, the Company continued to grow active users from the agreements procured in the past few years, across Australia, Europe and North America. These active users represent customers who have taken the service predominately for compliance and regulatory reasons.

As at 30 June 2019, there were 94,825 active users, representing annual growth of 222%.



Dubber's core strategy continues to be that of achieving scale via indirect channels. These channels are engaging Dubber directly with large enterprise customers in Australia and the USA who are seeking to capture and manage as many of their customer interactions, and thereby their data, as possible in order to determine market insights and create business productivity outcomes. The ability for large enterprises to go beyond contact centres and switch on recording and AI immediately - available from their service providers - for larger sections of their businesses, is a very compelling proposition. Dubber is well placed to provide these services and has been active in designing potential solutions with a number of large enterprise businesses that the Company believes will become "industry" references.

Cisco/Broadcloud

Dubber's position as the recording platform embedded into Cisco/BroadCloud has enabled the Company to procure agreements with telecommunications service providers, for additional networks, at an increasing rate. Furthermore, the acquisition of BroadSoft by Cisco has created a substantial market opportunity in line with the release of new services announced by Cisco as part of its own Cloud/Voice strategy. The Company believes that this will form a fundamental part of its strategy and resourcing requirements for FY2020 given Cisco's global sales channel and sales networks.

IBM

Dubber's partnership with IBM continues to provide real commercial value both in terms of revenues and opportunities. The Company expects this to continue and grow during FY2020 in light of market conditions in the Enterprise sector. IBM showcased Dubber at an APAC sales event in Singapore during the year and Dubber featured at a commercial event surrounding the Melbourne Grand Prix. During the June quarter, IBM launched its Multi Zone Region Cloud strategy, again with Dubber as the go-to-market technology capable of capturing voice data on a large scale, thereby enhancing IBM services such as IBM Watson AI. IBM continues to engage with its large enterprise customers regarding implementations of the Dubber service on a 'proof of value' basis leading towards commercial agreements.

Marketplace/Third-party integrations

During the year, there has been a marked uptake in potential partnerships with third-party integration partners, particularly those companies in the analytics and AI space who are seeking content rich data with which to illustrate value to their customers. The Dubber Platform enables the capture of voice data, from the end user's telecommunications provider, delivering an 'open platform', thereby enabling use of the data, with the end user's consent. Third party integration partners/marketplace is a cornerstone strategy for which the Dubber Platform was originally designed since it enables added value to the partner, and their customers, while delivering revenue to Dubber.

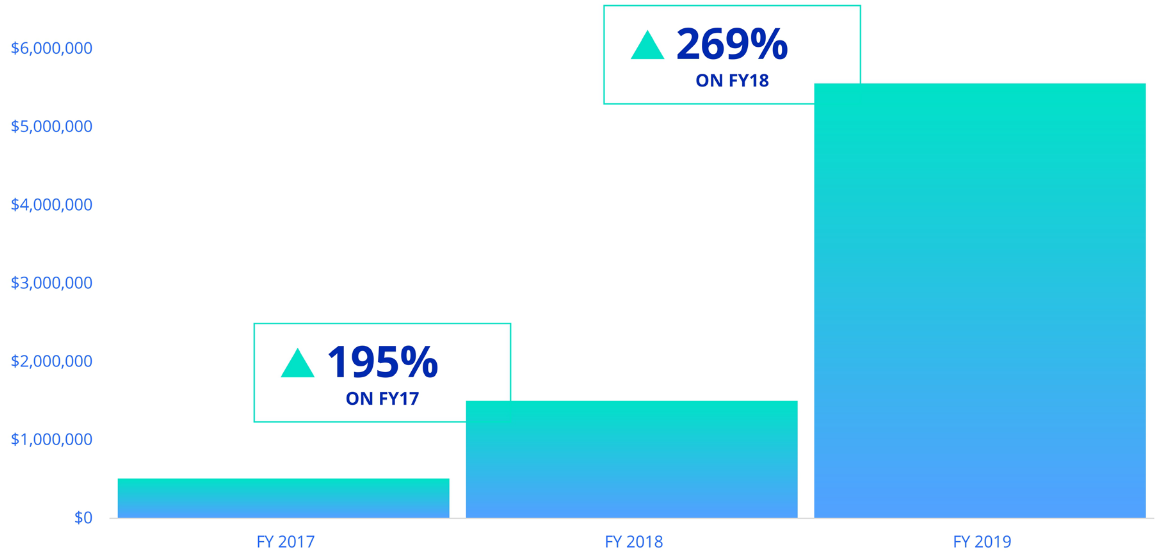
Therefore, the Company is confident that a stronger penetration of the ultimate addressable market will be seen in the next financial year.

REVENUE GROWTH FOLLOWS USER GROWTH

The Company continues to grow revenue with a 269% increase ($5.54m) in operating revenue for the 12 months to 30 June 2019, as shown in the graph below.

Continued growth in user numbers at exponentially increasing rates across the financial year saw record uptake. Revenues from this user uptake is expected to continue into FY2020 in line with standard billing cycles and commercial terms.

Revenue – YoY



SET UP FOR SUCCESS IN FY 2020 AND BEYOND

Dubber completed a $22m capital raising in April 2019, providing the Company with the capital to significantly scale up its operations to meet the growing demand for its services. The Company since then has focused on scaling its resources, notably, key personnel to capitalise on the following commercial opportunities:

- Wholesale provision of services to telecommunications service providers
  - Additional sales personnel to take advantage of opportunities to procure more network agreements in Australia, North America and Europe
  - Account management personnel to assist with revenue/sales generation in Australia, North America and Europe
- Extension of the dubberconnect.com managed service
  - Account management personnel to assist with revenue/sales generation to meet opportunities in Australia
- Support and 'sell through' via channels such as IBM and Cisco/BroadSoft
  - The Company has added additional channel resources to expand the reach and sales velocity with both of these organisations
- Development of end user AI applications/ integrations
  - Enabling third party integrations e.g. CRM systems/ trading platforms which have Dubber generated data at their core
  - Continued development of AI services targeted as value added services for telecommunications service providers.

OUTLOOK

The Company's continued focus is to:

1. Increase the service's number of active users quarter on quarter;
2. Increase revenue from users of the Dubber Platform; and
3. Increase the global footprint across telecommunication service providers, thereby enabling the Company's unique platform to demonstrate the value of capturing and analysing voice data on a global scale.

In addition, the Company will be working with its partners to expand the market for call recording and AI services beyond the enterprise sector into mass market based on use cases, 'Op-Ex' affordability and the immediate availability via telephony networks.

Directors' Report

Directors' Report

Your directors present their report of Dubber Corporation Limited and its controlled entities (the Group) for the financial year ended 30 June 2019.

DIRECTORS

The names of the directors of the Company in office during the financial year and up to the date of this report are as follows:

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

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Mr Steve McGovern	Managing Director
Experience	Mr McGovern is a founder of Dubber Pty Ltd. He has over 25 years' experience in the fields of telecommunications, media sales, pay TV and regulatory. Mr McGovern has been a senior executive of several established companies, both domestically and internationally, which have been primarily associated with new and emerging markets and have required a strong sales and solutions focus.
Interest in Shares and Options/Rights at the date of this report	• 7,747,328 ordinary shares held indirectly
Directorships held in other listed entities in the past three years	• Linius Technologies Limited (April 2016 – present)
Mr Peter Clare	**Non-Executive Chairman**
Experience	Peter Clare was appointed Managing Director and Chief Executive Officer of RoZetta Institute in 2019. Peter is a highly experienced senior executive with an active interest in technology and innovation and has a number of private equity investments in fintech and other new technology businesses. A Director of Capital Markets Technologies (now RoZetta Ventures) since 2016, he also holds a number of non-executive director positions with CRC entities, private equity investments and independent companies.

	He was previously Managing Director and Chief Executive Officer for Westpac in New Zealand and held Group Executive roles at Westpac, Commonwealth and St George banks in Australia, with responsibility for Strategy, Mergers and Acquisitions, Product, Operations, Technology, Property and Procurement. His background also includes Insolvency Accounting and Management Consulting. Peter's qualifications include a BCom and MBA. He is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, the Financial Services Institute of Australasia, and Certified Practicing Accountants Australia.
Interest in Shares and options at the date of this report	• 765,000 ordinary shares held indirectly
Directorships held in other listed entities in the past three years	• Scottish Pacific Group Limited (December 2014 – present) • Change Financial Limited (April 2015 – August 2018) • Reffind Limited (April 2015 – November 2016) • Rubik Financial Limited (July 2016 – May 2017)
Mr Peter Pawlowitsch	**Non-Executive Director**
Experience	Mr Pawlowitsch holds a Bachelor of Commerce from the University of Western Australia, is a current member of the Certified Practising Accountants of Australia, a Fellow of the Governance Institute of Australia and also holds a Master of Business Administration from Curtin University. These qualifications have underpinned more than fifteen years' experience in the accounting profession and more recently in business management and the evaluation of businesses and projects.
Interest in Shares and Options at the date of this report	• 3,409,348 ordinary shares held indirectly
Directorships held in other listed entities in the past three years	• VRX Silica Limited (February 2010 – present) • Knosys Limited (March 2015 – present) • Novatti Group Limited (June 2015 – present) • Rewardle Holdings Limited (May 2017 – January 2019) • Family Zone Cyber Safety Limited (September 2019 – present)
Mr Gerard Bongiorno	**Non-Executive Director**
Experience	Mr Bongiorno is Principal and Co-CEO of Sapient Capital Partners, a merchant banking operation and has over 30 years of professional experience in capital raisings and corporate advisory. Prior to forming Sapient (formerly Otway Capital), Gerard was Head of Property Funds Management at Challenger Financial Services Group (CFG)

	and was Group Special Projects Manager at Village Roadshow. Earlier in his career he worked at KPMG in insolvency and corporate Finance. Gerard received his Bachelor Degree in Economics and Accounting from Monash University and the Program for Management development at Harvard Business School PMD75.
Interest in Shares and options at the date of this report	• 792,111 ordinary shares held indirectly
Directorships held in other listed entities in the past three years	Linius Technologies Limited (February 2017 – present)

COMPANY SECRETARY

Mr Ian Hobson, the Company Secretary since 17 October 2011 holds a Bachelor of Business degree and is a Chartered Accountant and Chartered Secretary. Mr Hobson provides company secretary services and corporate, management and accounting advice to a number of listed public companies.

CORPORATE INFORMATION

Corporate Structure

Dubber Corporation Limited is a limited liability company that is incorporated and domiciled in Australia. Dubber Corporation Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year as follows:

Dubber Corporation Ltd	-	parent entity
Medulla Group Pty Ltd	-	100% owned controlled entity
Dubber Pty Ltd	-	100% owned controlled entity
Dubber Ltd (UK)	-	100% owned controlled entity
Dubber USA Pty Ltd	-	100% owned controlled entity
Dubber, Inc.	-	100% owned controlled entity
Dubber Connect Australia Pty Ltd	-	100% owned controlled entity

Principal Activities

The principal continuing activities of Dubber Corporation Limited and its controlled entities consisted of provision of call recording and audio asset management in the cloud.

OPERATING AND FINANCIAL REVIEW

Review of Operations

A review of operations for the financial year and the results of those operations is contained within the review of operations preceding this report.

Operating Results

The loss from ordinary activities after providing for income tax amounted to $9,648,672 (2018: $11,319,101).

Financial Position

At 30 June 2019 the Group had net assets of $28,024,932 (2018: $10,900,058) and cash reserves of $19,618,245 (2018: $5,673,548).

Dividends

No dividends were paid or declared during the year. No recommendation for payment of dividends has been made.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Company during the financial year are detailed in the review of operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen, since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years, other than outlined in the review of operations preceding this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group will continue to pursue its principal activity of rolling out and developing its cloud based call recording and audio asset management platform.

MEETINGS OF DIRECTORS

The numbers of meetings of directors held during the year and the numbers of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	*Number attended*
Mr Steve McGovern	9	9
Mr Peter Clare	9	9
Mr Peter Pawlowitsch	9	9
Mr Gerard Bongiorno	9	8

Remuneration Report

REMUNERATION REPORT

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The following persons were directors of Dubber Corporation Limited during the financial year:

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

Other persons that fulfilled the role of a key management person during the year, are as follows:

James Slaney	General Manager
Chris Jackson	Chief Technology Officer
Peter Curigliano	Chief Financial Officer

OVERVIEW OF REMUNERATION POLICIES

The Board as a whole is responsible for considering remuneration policies and packages applicable both to directors and executives of the Consolidated Entity.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Consolidated Entity, including directors of the Company and other executives.

Broadly, remuneration levels for key management personnel of the Company and of the Consolidated Entity are competitively set to attract and retain appropriately qualified and experienced directors and executives and reward the achievement of strategic objectives. The Board has not obtained independent advice at this time on the appropriateness of remuneration packages of both the Company and the Consolidated Entity.

Remuneration packages consist of fixed remuneration including base salary, employer contributions to superannuation funds, cash bonuses and non-cash benefits.

The Company has a variable remuneration package for directors, which involves Performance Rights. This plan allows directors to convert Performance Rights to fully paid ordinary shares for nil cash consideration, subject to performance based vesting conditions.

A bonus of $150,000 was paid or accrued to Mr Steve McGovern (2018: $150,000). Mr McGovern's bonuses are awarded for achieving key performance indicators as determined by the Board on a six-monthly basis.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicle), as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Consolidated Entity. The Board has regard to remuneration levels external to the Consolidated Entity to ensure the directors' and executives' remuneration is competitive in the market place.

Executive directors are employed full time and receive fixed remuneration in the form of salary and statutory superannuation or consultancy fees, commensurate with their required level of services.

Non-Executive directors, unless otherwise specified by any non-executive and consultancy service agreement in place, receive a fixed monthly fee for their services. Where non-executive directors provide services materially outside their usual Board duties, they are remunerated on an agreed retainer or daily rate basis.

Service agreements

It is the Consolidated Entity's policy that service agreements for key management personnel are unlimited in term but capable of termination on 3 months' notice and that the Consolidated Entity retains the right to terminate the service agreements immediately, by making payment equal to 3 months' pay in lieu of notice.

The service agreement outlines the components of compensation paid to key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed annually on a date as close as possible to 30 June of each year to take into account key management personnel's performance.

Certain key management personnel will be entitled to bonuses as the Board may decide in its absolute discretion from time to time.

Non-Executive Directors

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2014 Annual General Meeting, is not to exceed $500,000 per annum and has been set at a level to enable the Company to attract and retain suitably qualified directors. The Company does not have any scheme relating to retirement benefits for non-executive directors.

Relationship between the remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based rights subject to performance based vesting conditions, and the second being the issue of options or shares to key management personnel to encourage the alignment of personal and shareholder interests.

Share-based payment arrangements

Options

The Company operates an Employee Share Option Plan ("ESOP") for executives and senior employees of the Consolidated Entity. In accordance with the provisions of the ESOP, executives and senior employees may be granted options to purchase ordinary shares at an exercise price to be determined by the Board with regard to the market value of the shares when it resolves to offer the options. The options may only be granted to eligible persons after the Board considers the person's seniority, position, length of service, record of employment, potential contribution and any other matters which the Board considers relevant.

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable to the Company by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The number of options granted is determined by the Board. To date, options granted under the ESOP expire within thirty-six months of their issue. The options are not exercisable until the vesting date provided the participant is an employee at the relevant vesting date.

Shares

The directors, at their discretion, may issue shares to participants under the Employee Share Plan ("ESP") at any time, having regard to relevant considerations such as the participant's past and potential contribution to the Company, and their period of employment with the Company. Directors of the Company, full-time employees and part-time employees of the Group who hold a salaried employment or office in the Group, are eligible to participate in the ESP.

Plan shares may be issued at an issue price to be determined by the Board, which may be a nominal or nil issue price if so determined by the Board. The number of plan shares issued is determined by the Board.

The plan shares are issued on the same terms as the fully paid ordinary shares of the Company and rank equally with all of the Company's then existing shares.

The Board may impose conditions in an offer of plan shares that must be satisfied (unless waived by the Board in its absolute discretion) before the plan shares to which the condition applies can be sold, transferred, assigned, charged or otherwise encumbered.

Where a restriction condition in relation to plan shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board:

a) Where the plan shares were issued for no cash consideration, buy back the relevant plan shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) at a price equal to $0.0001 per share; or
b) Where the shares were issued for cash consideration, use its best endeavours to buy back the relevant plan shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) at a price equal to the cash consideration paid by the participant for the plan shares.

To date, plan shares offered under the ESP vest in three equal tranches on each of the three consecutive annual vesting dates. The shares are not issued to the participant until the vesting date provided the participant is an employee at the relevant vesting date.

Loan Funded Shares

Key personnel and Directors selected by the Board at its discretion will be offered the opportunity to participate in the Loan Funded Share Plan. Loan funded shares offered under the plan may be issued to the participant or purchased on-market, at the discretion of the Board. It is the Board's present intention that loan funded shares will be issued to participants.

Participants will acquire loan funded shares at market value as at the grant date using a loan provided by the Company. The loan will be interest-free and limited recourse in accordance with the loan terms and the plan rules. The plan rules require the loan to be repaid before a participant can sell their shares.

The Board has the discretion to impose such vesting conditions in relation to the loan funded shares as it deems appropriate. These may include conditions relating to continued employment or service, performance (of the participant or the Company) and the occurrence of specific events.

A participant must not sell, transfer, encumber or otherwise deal with a loan funded share unless otherwise permitted under the plan or determined by the Board. The loan funded shares will not be quoted on ASX and, at the discretion of the Company, will be the subject of a "holding lock", restricting the participant's ability to trade the shares.

Forfeiture conditions apply at all times while each participant holds loan funded shares, such that the participant will forfeit their interest in the loan funded shares where the participant is determined by the Board to:

- be a leaver;
- be in breach of any terms of the loan; or
- fail to satisfy the vesting conditions.

Participants will be invited to purchase shares using loan funds under a loan agreement with the Company. The loan must always be repaid if the participant wishes to benefit from the shares. Participants only benefit from growth in share price.

The loan commences on the grant date and, subject to the Board's discretion to permit the loan to continue for a further specified period, must be repaid by the earliest of the following:

- five years from the grant date;
- the date the participant ceases employment, engagement or directorship with the Company;
- the date the loan funded shares are forfeited;
- the date the Board determines any of the vesting conditions will not be satisfied;
- the date the Company is wound up; or
- the date, other than above, that the participant and the Company agree to in writing.

The loan is interest-free and fee-free, and limited recourse. Limited recourse means the repayment amount will be the lesser of the outstanding loan value and the market value of the loan funded shares that were acquired using the loan. If the participant's loan funded shares are of lower value than the loan balance at the time that they are required to repay the loan, that participant's loan funded shares will be disposed of at market value and the proceeds applied in full satisfaction of the loan obligations.

The participant may repay the loan before the repayment date. The loan must be repaid in full (or arrangements for the repayment of the loan entered into to the satisfaction of the Board), and the vesting conditions satisfied, before the loan funded shares can be disposed of.

If dividends are paid by the Company on the participant's loan funded shares, the Company will apply the after-tax value of the dividends to the repayment of the loan.

When the loan is due for repayment, the Company may sell or buy-back some or all of the participant's loan funded shares to satisfy the outstanding loan balance. The proceeds from any sale or buy-back of the loan funded shares will be applied to repay the outstanding loan balance and any excess funds after costs and expenses will be returned to the participant if they are entitled to them under the terms of the plan rules and the loan.

To date, loan funded shares offered under the Loan Funded Share Plan vest in three equal tranches on each of the first, second and third anniversaries of the grant date, provided the participant has not ceased employment, engagement or directorship with the Company before the relevant vesting date.

Performance Rights

The Directors, at their discretion, may at any time invite eligible employees to participate in the Performance Rights Plan. The eligible participants under the plan are full time and part time employees (including Directors) of the Company and its related bodies corporate or any other person who is declared by the Board to be eligible to receive a grant of performance rights under the plan (eligible employees). Subject to Board approval, an eligible employee may nominate a nominee to receive the performance rights to be granted to the eligible employee.

The plan is administered by the Directors, who have the power to:

i. determine appropriate procedures for administration of the plan consistent with its terms;

ii. resolve conclusively all questions of fact or interpretation in connection with the plan;
iii. delegate the exercise of any of its powers or discretions arising under the plan to any one or more persons for such period and on such conditions as the Board may determine; and
iv. suspend, amend or terminate the plan (subject to restrictions on amendments to the plan which reduce the rights of the participant in respect of any performance rights or shares already granted).

Performance rights will be granted for nil cash consideration, unless the Board determines otherwise (which will be no more than a nominal amount). No amount will be payable on the exercise of performance rights under the plan. The plan does not set out a maximum number of shares that may be made issuable to any one person or company. The shares to be issued following the performance rights vesting conditions being satisfied, will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with all of the Company's then existing shares. The Board may apply such further voluntary escrow on shares issued on conversion of performance rights as it shall determine appropriate.

The performance rights granted under the plan will be subject to vesting conditions determined by the Board from time to time and expressed in a written offer made by the Company to the eligible employee which is subject to acceptance by the eligible employee within a specified period. The vesting conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the participant and/or by the Company or (iii) such other performance conditions as the Board may determine and set out in the offer. The Board determines whether vesting conditions have been met.

Performance rights will have an expiry date as the Board may determine in its absolute discretion and specify in the offer to the eligible employee.

The vesting conditions of performance rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the offer to the eligible employee. The Board shall have discretion to extend a milestone date.

Performance rights will not be listed for quotation. However, the Company will make application to ASX for official quotation of all shares issued on vesting of the performance rights within the period required by the Listing Rules.

The Performance rights are not transferable unless the Board determines otherwise or the transfer is required by law and provided that the transfer complies with the Corporations Act.

If a vesting condition of a performance right is not achieved by the earlier of the milestone date or the expiry date then the performance right will lapse. An unvested performance right will also lapse if the participant ceases to be an eligible employee for the purposes of the plan by reason of resignation, termination for poor performance or termination for cause (unless the Board determines otherwise).

Under the plan, if the participant ceases to be an employee of the Company or of a related body corporate for any reason other than those reasons set out in the paragraph above, including (but not limited to) upon the retirement, total and permanent disability, redundancy, death of a participant or termination by agreement then in respect of those performance rights which have not satisfied the vesting condition but have not lapsed, then the participant shall be permitted to continue to hold those performance rights as if the participant was still an eligible employee except that any continuous service condition will be deemed to have been waived (unless the Board determines otherwise).

If, in the opinion of the Board, a participant acts fraudulently or dishonestly, is in breach of his or her obligations to the Company and its related bodies corporate or has done an act which has brought the Company or any of its related bodies corporate into disrepute, or the Company becomes aware of a material misstatement or omission in the financial statements in relation to the Company Group, a participant is convicted of an offence in connection with the affairs of the Company Group or a participant has judgment entered against him in any civil proceedings in respect of the contravention of his duties at law in his capacity as an employee or officer of the Company Group, the Board will have the discretion to deem any performance rights to have lapsed.

If in the opinion of the Board, performance rights vested as a result of the fraud, dishonesty or breach of obligations of either the participant or any other person and in the opinion of the Board, the performance rights would not have otherwise vested; or the Company is required by, or entitled under, law to reclaim an overpaid bonus or other amount from a participant, then the Board may determine (subject to applicable law) any treatment in relation to the performance rights or shares to comply with the law or to ensure no unfair benefit is obtained by the participant.

If there is a change of control event in relation to the Company prior to the conversion of the performance rights, then all remaining milestones will be deemed to have been achieved and each performance right will automatically and immediately convert into shares, however, if the number of shares to be issued as a result of the conversion of all performance rights due to a change in control event in relation to the Company is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of performance rights to be converted will be prorated so that the aggregate number of shares issued upon conversion of all performance rights is equal to 10% of the entire fully diluted share capital of the Company.

Change of control event means:

i. the occurrence of:
   a) the offeror under a takeover offer in respect of all shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
   b) that takeover bid has become unconditional; or
ii. the announcement by the Company that:
   a) shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all shares are to be either (1) cancelled, or (2) transferred to a third party; and
   b) the Court, by order, approves the proposed scheme of arrangement.

The Board may waive, amend or replace any vesting condition attaching to a performance right if the Board determines that the original vesting condition is no longer appropriate or applicable, provided that the interests of the relevant participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

There are no participating rights or entitlements inherent in the performance rights and participants will not be entitled to participate in new issues of capital offered to shareholders during the currency of the performance rights.

If the Company makes an issue of shares pro rata to existing shareholders there will be no adjustment to the number of shares which must be allocated on the exercise of a performance right.

If the Company makes a bonus issue of shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of shares which must be allocated on the exercise of a performance right will be increased by the number of shares which the participant would have received if the performance right had vested before the record date for the bonus issue.

To date, performance rights offered under the Performance Rights Plan have milestones with an expiry date set as the vesting conditions.

EMPLOYMENT DETAILS OF DIRECTORS AND OTHER KEY MANAGEMENT PERSONNEL

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Steve McGovern	Managing Director
Agreement type:	Executive Service Agreement (MD Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	No fixed term
Remuneration:	Annual salary of $240,000 plus statutory superannuation.
Termination notice:	During the first 6 months of the MD Agreement, the Company may terminate the agreement on 3 months' notice, or by providing a cash payment in lieu of such notice equal to the salary payable for the remainder of the first 6 months of the MD Agreement (subject to the limitation of the Corporations Act and Listing Rules). After this, the Company may terminate the agreement on 3 months' notice.
Peter Clare	Non-Executive Chairman
Agreement type:	Letter of appointment
Agreement commenced:	1 December 2017
Term of Agreement:	No fixed term
Remuneration:	Annual fee of $100,000 (inclusive of statutory superannuation) and reimbursement of all reasonable expenses incurred in performing the Non-Executive Chairman's duties.
Termination notice:	None specified.
Peter Pawlowitsch	Non-Executive Director
Agreement type:	Letter of appointment
Agreement commenced:	1 December 2014
Term of Agreement:	No fixed term
Remuneration:	Annual fee of $100,000 plus statutory superannuation, plus reimbursement of all reasonable expenses incurred in performing the Non-Executive Director's duties.
Termination notice:	In the event Mr Pawlowitsch is removed as a director by shareholders under the Corporations Act or Constitution, or is unable to perform his duties, he is entitled to receive a termination payment of 3 months' worth of his director's fee (subject to the limitation of the Corporations Act and Listing Rules).
Gerard Bongiorno	Non-Executive Director
Agreement type:	Letter of appointment
Agreement commenced:	2 July 2017
Term of Agreement:	No fixed term

Remuneration:	Annual fee of $75,000 (inclusive of statutory superannuation) plus reimbursement of all reasonable expenses incurred in performing the Non-Executive Director's duties.
Termination notice:	None specified.
James Slaney	**General Manager**
Agreement type:	Executive Service Agreement (GM Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	Same terms as termination notice below
Remuneration:	Annual salary of $260,000 plus statutory superannuation.
Termination notice:	The Company may terminate the agreement on 3 months' notice, or by providing a cash payment in lieu of such notice.
Chris Jackson	**Chief Technology Officer**
Agreement type:	Employment Agreement (CTO Agreement)
Agreement commenced:	2 March 2015
Term of Agreement:	No fixed term
Remuneration:	Annual salary of $200,000 plus statutory superannuation.
Termination notice:	Standard 5 week notice periods for termination apply to the CTO Agreement in accordance with statutory requirements.
Peter Curigliano	**Chief Financial Officer**
Agreement type:	Executive Service Agreement (CFO Agreement)
Agreement commenced:	18 June 2018
Term of Agreement:	No fixed term
Remuneration:	Annual salary of $220,000 plus statutory superannuation.
Termination notice:	The Company may terminate the agreement on 3 months' notice, or by providing a cash payment in lieu of such notice.

DETAILS OF REMUNERATION FOR YEAR

Details of the remuneration of each director and named executive officer of the Company, including their personally-related entities, during the year was as follows:

		Short Term Benefits		*Long Term Benefits*	*Post-Employment*	*Share Based Payments*			
	Year	Salary and Fees $	Cash Bonus $	Annual & Long Service Leave $	Superannuation $	Options, Rights or Shares $	Total $	Remuneration consisting of options, rights or shares %	Remuneration based on performance %
Executive Directors:									
S McGovern	2019	240,000	a) 150,000	14,708	22,800	c) 25,640	453,148	6	39
	2018	240,000	150,000	11,982	22,800	244,360	669,142	37	59
Non-Executive Directors:									
P Clare	2019	107,125	-	-	2,375	c) 107,014	216,514	49	-
	2018	58,333	-	-	5,542	79,017	142,892	55	-
P Pawlowitsch	2019	100,000	-	-	9,500	-	109,500	-	-
	2018	100,000	-	-	9,500	-	109,500	-	-
G Bongiorno	2019	75,000	-	-	-	c) 59,581	134,581	44	-
	2018	75,000	-	-	-	48,484	123,484	39	-
Other Key Management Personnel:									
J Slaney	2019	b) 263,427	10,000	11,314	8,233	c) 12,820	305,794	4	7
	2018	405,984	-	18,191	-	122,180	546,355	22	22
C Jackson	2019	207,395	-	1,857	19,702	17,738	246,693	7	-
	2018	210,357	-	6,018	19,984	-	236,359	-	-
P Curigliano	2019	224,833	-	15,648	24,766	38,010	303,257	13	-
	2018	-	-	-	-	-	-	-	-
Total	2019	1,217,780	160,000	43,527	87,376	c) 260,803	1,769,486	15	11
	2018	1,089,674	150,000	36,191	57,826	494,041	1,827,732	27	28

a) *Mr McGovern received 50% of his bonus for the year (2018: 100%) and the remainder was paid subsequent to the end of the financial year;*

b) *Includes rental assistance and allowances in relation to relocation to the UK (since December 2016) of $31,000 (2018: $186,984);*

c) *Subject to achievement of milestone targets under the Performance Rights Plan or vesting dates under the Loan Funded Share Plan as detailed in the section titled 'Compensation Securities Issued to Key Management Personnel'.*

Note: Mr A Di Pietrantonio has ceased to be a Key Management Personnel from 1 July 2018 as he has relocated to the USA and his position has evolved into a strategic partnership role. Therefore, he is not deemed to satisfy the requirements in accordance with the Corporations Act 2001.

COMPENSATION SECURITIES ISSUED TO KEY MANAGEMENT PERSONNEL

Performance Rights:

During the previous year the following performance rights were granted as performance linked incentives to executives. The performance rights were issued free of charge.

Each performance right converts into one fully paid ordinary share in the Company for nil cash consideration, upon the achievement of the following performance milestones:

- Milestone 1 – the Group achieving SaaS Revenue of $500,000 or more for at least two consecutive calendar months, by 31 December 2018.
- Milestone 2 – the Group achieving SaaS Revenue of $1,000,000 or more for at least two consecutive calendar months, by 30 June 2019.

Key Management Personnel	Grant Date	Number Granted	Value per Right at Grant Date	Last Convertible Date	Number Converted during the year	Balance at 30/06/19
						Unconverted
Milestone 1						
S McGovern	29/11/17	750,000	$0.3600	31/12/18	750,000	-
J Slaney	29/11/17	375,000	$0.3600	31/12/18	375,000	-
Milestone 2						
S McGovern	29/11/17	750,000	$0.3600	30/06/19	-	-
J Slaney	29/11/17	375,000	$0.3600	30/06/19	-	-
Total		**2,250,000**			**1,125,000**	**-**

The performance rights convert on a one-for-one basis upon the satisfaction of milestones considered to be non-market factors. The performance rights were valued at the closing share price on the grant date.

The conversion of the performance rights is dependent on the achievement of milestones. The value of the performance rights have been allocated over the expiry period of the milestones. At 30 June 2019, $38,460 is included in the remuneration table above (2018: $488,720).

Loan Funded Shares:

During the year the following loan funded shares were issued as part of the remuneration package of Directors appointed during the year.

Key Management Personnel	Grant Date	Number Granted	Value per Loan Funded Share at Grant Date	Vesting Date	Number Vested during the year	Balance at 30/06/19
						Unvested
G Bongiorno						
Tranche 1	29/11/17	175,000	$0.2700	20/12/18	175,000	-
Tranche 2	29/11/17	175,000	$0.2700	20/12/19	-	175,000
Tranche 3	29/11/17	175,000	$0.2700	20/12/20	-	175,000
P Clare						
Tranche 1	01/12/17	200,000	$0.4176	30/01/19	200,000	-
Tranche 2	01/12/17	200,000	$0.4176	30/01/20	-	200,000
Tranche 3	01/12/17	200,000	$0.4176	30/01/21	-	200,000
Total		**1,125,000**			**375,000**	**750,000**

The issue of the loan funded shares to Mr Gerard Bongiorno was approved by shareholders at the 2017 annual general meeting held on 29 November 2017. The total value of the loan funded shares was $141,750. The fair value was determined using a Black-Scholes model with an underlying share price of $0.360, volatility of 100% and an interest rate of 2.09%. The value of the loan funded shares has been allocated over the vesting period of each tranche. At 30 June 2019, $59,581 (approximately 42% of the total value of the loan funded shares), assessed as vested is included in the remuneration table above.

The issue of the loan funded shares to Mr Peter Clare was approved by shareholders at general meeting held on 30 January 2018. The total value of the loan funded shares was $250,560. The fair value was determined using a Black-Scholes model with an underlying share price of $0.555, volatility of 100% and an interest rate of 2.47%. The value of the loan funded shares has been allocated over the vesting period of each tranche. At 30 June 2019, $107,014 (approximately 43% of the total value of the loan funded shares), assessed as vested is included in the remuneration table above.

Shares Issued to Key Management Personnel on Exercise of Compensation Options

In the previous financial year (ended 30 June 2018), the Company issued 600,000 fully paid ordinary shares to Mr Peter Pawlowitsch and 250,000 fully paid ordinary shares to Mr Steve McGovern on the exercise of unlisted options exercisable at 40 cents each on or before 30 June 2018. The options were originally issued to directors and executives on 29 December 2015, upon the conversion of performance options (granted on 9 June 2015) when performance milestones were achieved.

Remuneration Consultants

The Board did not use the services of remuneration consultants during the year in determining the compensation for directors and executives.

Voting and comments made at the Company's 2018 annual general meeting ('AGM")

At the 2018 AGM, 90% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Other Transactions with Key Management Personnel

Telephony services totalling $2,442 (2018: $2,375) were provided by Canard Pty Ltd, a company associated with Mr Steve McGovern. Trade payables at 30 June 2019 include a balance of $832 (30 June 2018: $415) payable to Canard Pty Ltd. Intelligent Voice and 1300 MY SOLUTION are businesses associated with Mr Steve McGovern. The Group earned service fee income of $56,850 (2018: $43,655) from Intelligent Voice and $242,620 (2018: $263,308) from 1300 MY SOLUTION.

During the financial year, $13,500 (2018: $30,000) was owed to Mr Peter Pawlowitsch's consultancy company, Gyoen Pty Ltd for advisory services outside his usual Board duties.

Other payables at 30 June 2019 included an accrual of $75,000 (30 June 2018: $50,000) for the cash bonus payable to Mr Steve McGovern for the period January to June 2019 included in the remuneration table above.

Other receivables at 30 June 2019 includes an amount of $140,977 (30 June 2018: $140,977) receivable from the Medulla Group Pty Ltd vendors, including Mr Steve McGovern and Mr James Slaney.

Amounts included in the remuneration table for Mr Gerard Bongiorno was paid to his consultancy company Otway Capital Consulting.

All transactions are conducted on normal commercial terms and on an arm's length basis.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholdings

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year	Received as Remuneration	Options Exercised	Acquired/ (disposed)	Net Change Other	Balance at End of Year
S McGovern	5,944,696	-	-	1,052,632	750,000	7,747,328
P Clare	765,000	-	-	-	-	765,000
P Pawlowitsch	3,146,191	-	-	263,157	-	3,409,348
G Bongiorno	792,111	-	-	-	-	792,111
J Slaney	2,874,831	-	-	-	375,000	3,249,831
C Jackson	457,518	-	-	(407,518)	-	50,000
P Curigliano	-	-	-	40,500	-	40,500
Total	**13,980,347**	**-**	**-**	**948,771**	**1,125,000**	**16,054,118**

Option Holdings

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year	Received as Remuneration	Options Exercised	Options Expired	Net Change Other	Balance at End of Year
S McGovern	-	-	-	-	-	-
P Clare	-	-	-	-	-	-
P Pawlowitsch	-	-	-	-	-	-
G Bongiorno	-	-	-	-	-	-
J Slaney	-	-	-	-	-	-
C Jackson	-	70,000	-	-	-	70,000
P Curigliano	-	150,000	-	-	-	150,000
Total	**-**	**220,000**	**-**	**-**	**-**	**220,000**

Performance Rights Holdings

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Key Management Personnel	Balance at Start of Year	Received as Remuneration	Rights Expired	Performance Rights Converted	Net Change Other	Balance at End of Year
S McGovern	1,500,000	-	(750,000)	(750,000)	-	-
P Clare	-	-	-	-	-	-
P Pawlowitsch	-	-	-	-	-	-
G Bongiorno	-	-	-	-	-	-
J Slaney	750,000	-	(375,000)	(375,000)	-	-
C Jackson	-	-	-	-	-	-
P Curigliano	-	-	-	-	-	-
Total	**2,250,000**	**-**	**(1,125,000)**	**(1,125,000)**	**-**	**-**

This is the end of the audited remuneration report.

INDEMNIFYING OFFICERS OR AUDITORS

Dubber Corporation Limited has paid premiums to insure directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of Dubber Corporation Limited, other than conduct involving a wilful breach of duty in relation to Dubber Corporation Limited.

SHARE OPTIONS AND ORDINARY SHARES

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 1,400,000 options expiring 31 December 2019, exercisable at 60 cents each;
- 2,000,000 options expiring 27 January 2020, exercisable at 80 cents each;
- 775,000 options expiring 31 March 2020, exercisable at 40 cents each;
- 2,000,000 options expiring 31 December 2020, exercisable at 80 cents each; and
- 1,120,000 options expiring 15 January 2022, exercisable at 38c each

During the year the following options were granted:

- 1,350,000 options expiring 15 January 2022, exercisable at 38c each

During the year the following options were exercised:

- 2,175,000 options expiring 31 March 2019, exercised at $0.25 each
- 25,000 options expiring 15 January 2022, exercised at $0.38 each

During the year 300,000 fully paid ordinary shares were issued under an employee share plan that was granted in a prior financial year.

During the year 2,000,000 options exercisable at $0.60 each expired on 31 January 2019.

During the year 100,000 options exercisable at $0.72 each expired on 31 March 2019.

Since the end of the financial year, 55,000 and 125,000 options were exercised at $0.38 each on 23 July 2019 and 15 August 2019, respectively. No other options have been issued, exercised or expired.

PERFORMANCE RIGHTS

During the financial year, 1,500,000 performance rights were converted to fully paid ordinary shares on 1 April 2019 on the achievement of a milestone at 31 December 2018.

1,500,000 performance rights expired due to non-achievement of a milestone set for 30 June 2019.

Since the end of the financial year, no other performance rights have been issued or expired, and no performance rights converted into fully paid ordinary shares.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of Dubber Corporation Limited or intervene in any proceedings to which Dubber Corporation Limited is a party for the purpose of taking responsibility on behalf of Dubber Corporation Limited for all or any part of those proceedings.

Dubber Corporation Limited was not a party to any such proceedings during the year.

ENVIRONMENTAL REGULATIONS

The Group is not currently subject to any specific environmental regulation under Australian Commonwealth or State law.

NON-AUDIT SERVICES

There were no amounts paid or payable to the auditor for non-audit services provided during the year by the auditor other than those outlined in Note 16 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

The directors are of the opinion that the services as disclosed in Note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019, as required under section 307C of the Corporations Act 2001, has been received and is included within the financial report.

Signed in accordance with a resolution of the Board of Directors:

Peter Clare
Chairman
Dated: 30 September 2019

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DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF DUBBER CORPORATION LIMITED

As lead auditor of Dubber Corporation Limited for the year ended 30 June 2019, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2019 $	2018 $
Revenue			
Service income	2 (a)	**5,547,540**	1,502,734
Other revenue from ordinary activities	2 (b)	**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	2 (c)	**(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	3	**-**	-
Loss after income tax expense for the year		**(9,648,672)**	(11,319,101)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		**(28,159)**	(71,235)
Other comprehensive loss for the year, net of tax		**(28,159)**	(71,235)
Total comprehensive loss attributable to owners of Dubber Corporation Limited		**(9,676,831)**	(11,390,336)
Loss per share attributable to the owners of Dubber Corporation Limited		**Cents**	**Cents**
Basic loss per share	14	**(6.22)**	(9.19)
Diluted loss per share	14	**(6.22)**	(9.19)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	**19,618,245**	5,673,548
Trade and other receivables	5	**6,768,088**	1,396,564
Total Current Assets		**26,386,333**	7,070,112
Non-Current Assets			
Property, plant and equipment	6	**108,914**	81,497
Intangible assets	7	**4,320,395**	5,861,503
Total Non-Current Assets		**4,429,309**	5,943,000
Total Assets		**30,815,642**	13,013,112
LIABILITIES			
Current Liabilities			
Trade and other payables	8	**2,119,189**	1,613,985
Provisions	9	**671,521**	499,069
Total Current Liabilities		**2,790,710**	2,113,054
Total Liabilities		**2,790,710**	2,113,054
NET ASSETS		**28,024,932**	10,900,058
EQUITY			
Issued capital	11	**71,592,844**	44,871,437
Reserves	12	**7,355,894**	7,303,755
Accumulated losses	13	**(50,923,806)**	(41,275,134)
TOTAL EQUITY		**28,024,932**	10,900,058

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
2019				
Balance at 1 July 2018	**44,871,437**	**7,303,755**	**(41,275,134)**	**10,900,058**
Loss after income tax expense for the year	**-**	**-**	**(9,648,672)**	**(9,648,672)**
Other comprehensive loss for the year, net of tax	**-**	**(28,159)**	**-**	**(28,159)**
Total comprehensive loss for the year	**-**	**(28,159)**	**(9,648,672)**	**(9,676,831)**
Transactions with owners in their capacity as owners:				
Conversion of Performance Rights	**540,000**	**(540,000)**	**-**	**-**
Securities issued during the year	**27,553,570**	**-**	**-**	**27,553,570**
Capital raising costs	**(1,372,164)**	**-**	**-**	**(1,372,164)**
Cost of share based payments	**-**	**620,299**	**-**	**620,299**
Balance at 30 June 2019	**71,592,843**	**7,355,895**	**(50,923,806)**	**28,024,932**
2018				
Balance at 1 July 2017	31,312,336	5,992,219	(29,956,033)	7,348,522
Loss after income tax expense for the year	-	-	(11,319,101)	(11,319,101)
Other comprehensive loss for the year, net of tax	-	(71,235)	-	(71,235)
Total comprehensive loss for the year	-	(71,235)	(11,319,101)	(11,390,336)
Transactions with owners in their capacity as owners:				
Securities issued during the year	14,532,751	-	-	14,532,751
Capital raising costs	(1,339,650)	-	-	(1,339,650)
Cost of share based payments	366,000	1,382,771	-	1,748,771
Balance at 30 June 2018	44,871,437	7,303,755	(41,275,134)	10,900,058

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2019 $	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	**20**	**(9,556,429)**	(9,119,515)
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		**(2,541,599)**	(163,781)
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		**26,044,191**	14,096,101
Net increase 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	**4**	**19,618,245**	5,673,548

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

Notes to the Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

Dubber Corporation Limited ("Company" or "Parent Entity") is a company limited by shares, incorporated and domiciled in Australia. These consolidated financial statements and notes represent those of Dubber Corporation Limited and controlled entities ("Group" or "Consolidated Entity"). The nature of the operations and principal activities of the Group are described in the Directors' Report.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Dubber Corporation Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.
The financial reports have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The separate financial statements of the parent entity, Dubber Corporation Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

These financial statements are presented in Australian dollars, rounded to the nearest dollar.

(b) Revenue recognition

AASB 15 Revenue from Contracts with customers – Impact of Adoption
The Group has adopted AASB 15 with a date of initial application of 1 July 2018. The Group has applied AASB 15 using the cumulative effect method and therefore the comparative information has not being restated and continues to be reported under AASB 118 Revenue. As a result of adoption of AASB 15, the Group has changed its accounting policy for revenue recognition as detailed below.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a service to a customer.

Group revenues consists of service income, being monthly subscription fees from retail or reseller customers.

The Group undertook a detailed review of its revenue contracts on transition date and the following areas have been identified as being impacted by the adoption of the new standard:

Subscription service income
Subscription service revenue is recognised and measured in the accounting period in which the services are provided based on the amount of the expected transaction price allocated to each performance obligation.

The performance obligations are the provision of cloud-based call recording services (Dubber Platform) on a monthly basis; the provision of services represent a series of distinct services that are substantially the same with the same pattern of transfer to customer. The performance obligation is considered to be satisfied as control over the services are transferred to the customer, being the point at which the services are accessible to the customer. It is at this point which revenue is recognised.

Interest
Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

(c) Government grants/research and development tax incentives

Grants from the government (such as research and development tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants received for the period prior to the acquisition of Dubber Pty Ltd was deducted from the carrying value of the Dubber intellectual property, with subsequent grants being recognised as other income.

(d) Basis of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Dubber Corporation Limited ("Company" or "parent entity") as at 30 June 2019 and the results of all subsidiaries for the year then ended. Dubber Corporation Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group has control over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(e) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors.

(f) Foreign currency translation

i. Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of Dubber Corporation Limited.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities, denominated in foreign currencies, are recognised in profit or loss.

iii. Foreign operations

The assets and liabilities of foreign operations are translated to the functional currency as exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency difference are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(g) Finance income

Finance income comprises interest income earned on funds invested in bank accounts and call deposits. Interest is recognised on an accruals basis in the consolidated statement of profit or loss and other comprehensive income, using the effective interest method.

(h) Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(i) Provisions

Provisions are recognised when a Group company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquired asset either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The excess of the consideration transferred and the amount of any non-controlling interest in the acquire over the fair value of the net identifiable assets acquired is recorded as goodwill, if those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(l) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(m) Financial instruments

AASB 9 Financial Instruments – Impact of Adoption

The Group has adopted AASB 9 with a date of initial application of 1 July 2018 and has elected not to restate its comparatives. As a result, the Group has changed its accounting policy for financial instruments as detailed below.

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risk and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows and are initially measured at fair value adjusting for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and other receivables fall into this category of financial instruments.

Impairment

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses using a provision matrix.

The Group considers a financial asset in default when contractual payment are 90 days are due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group has determined that the application of AASB 9's requirements at transition 1 July 2018 did not result in a material adjustment.

(n) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful Life
Furniture, Fixtures and Fittings	4 years
Computer Equipment	3 years
Computer Software	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Property, plant and equipment is derecognised and removed from the statement of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in the statement of profit or loss and other comprehensive income.

Subsequent costs are included in the property, plant and equipment's carrying value or recognised as a separate asset when it is probable that future economic benefits associated with the item will be realised and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in the statement of profit or loss and other comprehensive income.

(o) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including, dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Non-financial assets, other than inventories, deferred tax assets, assets from employee benefits, investment properties, biological assets, and deferred acquisition costs, are assessed for any indication of impairment at the end of each reporting period. Any indication of impairment requires formal testing of impairment by comparing the carrying amount of the asset to an estimate of the recoverable amount of the asset. An impairment loss is calculated as the amount by which the carrying amount of the asset exceeds the recoverable amount of the asset.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment annually regardless of whether there is any indication of impairment.

The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. The asset's value in use is calculated as the estimated future cash flows discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset. Assets that cannot be tested individually for impairment, are grouped together into the smallest group of assets that generates cash inflows (the asset's cash-generating unit).

Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses are allocated first, to reduce the carrying amount of any goodwill allocated to cash-generating units, and then to other assets of the group on a pro-rata basis.

Assets other than goodwill are assessed at the end of each reporting period to determine whether previously recognised impairment losses may no longer exist or may have decreased. Impairment losses recognised in prior periods for assets other than goodwill are reversed up to the carrying amounts that would have been determined had no impairment loss been recognised in prior periods.

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(r) Contributed equity

Ordinary shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(s) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Share-based payment transactions

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

When the goods or services acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses.

The cost of equity-settled transactions and the corresponding increase in equity is measured at the fair value of the goods or services acquired. Where the fair value of the goods or services received cannot be reliably estimated, the fair value is determined indirectly by the fair value of the equity instruments using the Black Scholes option valuation technique.

Equity-settled transactions that vest after employees complete a specified period of service are recognised as services received during the vesting period with a corresponding increase in equity.

(u) Intangible assets

Intangible assets acquired as part of a business combination are brought in at fair value at acquisition. Intangible assets with finite useful life are amortised over a straight line basis in the profit or loss over the estimated useful life. Management had previously re-assessed the useful life of the platform from 10 years to 5 years, as they believe it is more reflective of the useful life.

(v) Goodwill

Goodwill is measured as described in note 1(k). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 18).

(w) Employee Provisions

i. **Short-term employee benefit obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in other liabilities in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable.

ii. **Other long-term employee benefit obligations**

Liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(x) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates - Impairment

The Group tests annually whether the carrying value of goodwill and other intangibles exceed its recoverable amount to determine potential impairment requirements. The recoverable amount of goodwill and other intangibles has been calculated using a number of assumptions as disclosed in note 7. No impairment has been recognised in respect of intangibles at the end of the reporting period.

Key judgements – Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black-Scholes method. The related assumptions are detailed in Note 21. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Key Estimates – Dubber intellectual property

The Dubber SaaS intangible was acquired as part of a business combination. The intangible asset was recognised at its fair value at the date of acquisition and is subsequently amortised on a straight-line based on the timing of projected cash flows of the intellectual property over its estimated useful life. The Group estimates the useful life of the asset is 5 years based on the technical obsolescence of such assets. However, the actual useful life may be shorter or longer than 5 years, depending on technical innovations and competitor actions.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

(y) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases

IFRS 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. The Group is still in the process of fully assessing the impact on the Group's financial results and position when it is first adopted for the year ending 30 June 2020 and it is not practicable to provide a reasonable financial estimate of the effect until the Group has completed a detailed review.

(z) Parent entity financial information

The financial information for the parent entity, Dubber Corporation Limited, disclosed in Note 22 has been prepared on the same basis as the consolidated financial statements.

2. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

	Consolidated	
	2019 $	2018 $
(a) Service revenue		
Subscriptions	**5,478,230**	1,502,734
Professional Services	**69,310**	-
Total	**5,547,540**	1,502,734
(b) Other revenue		
Interest	**27,554**	24,829
Research and development tax incentive	**1,708,038**	1,660,331
Export market development grant	**67,058**	-
Rental income – sub lease	**42,000**	-
Total	**1,844,650**	1,685,160
(c) General and administration costs		
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
Total	**2,688,417**	3,258,662

3. INCOME TAX

(a) Income tax expense		
Loss before income tax expense	**(9,648,672)**	(11,319,101)
Tax at the Australian tax rate of 27.5% (2018: 27.5%)	**(2,653,385)**	(3,112,753)
Tax effect of amounts not deductible (taxable) in calculating taxable income	**48,624**	72,077
Deferred tax asset not brought to account on temporary differences & tax losses	**2,701,162**	3,122,777
	96,401	82,101
Amounts recognised in equity	**(96,401)**	(82,101)
Income tax expense	-	-
(b) Deferred tax assets		
Timing differences	**334,902**	218,970
Tax losses - revenue	**7,754,321**	6,644,143
	8,089,223	6,863,113
Offset against Deferred Tax Liabilities	**(693,093)**	(1,062,706)
Deferred Tax Assets not brought to account	**7,396,130**	5,800,407
Amounts in equity	**217,846**	199,018

Tax losses - capital	**526,750**	526,750
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions set out in note 1(i) occur.	**8,140,727**	6,526,175

	Consolidated	
	2019	**2018**
	$	**$**
(c) Deferred tax liabilities		
Timing differences	**(693,093)**	(1,062,706)
Offset by Deferred Tax Assets recognised	**693,093**	1,062,706
Total	**-**	-

There are no franking credits available to the Group.

4. CASH AND CASH EQUIVALENTS

	Consolidated	
	2019	**2018**
	$	**$**
Cash at bank	**16,918,245**	3,663,171
Cash on call deposit	**2,700,000**	2,010,377
Total	**19,618,245**	5,673,548

The cash on call deposit can be called back at any time by the company. The Company's exposure to interest rate risk is outlined in Note 15.

5. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2019	**2018**
	$	**$**
Current		
Trade receivables	**3,211,353**	469,830
Less: Provision for doubtful debt	**-**	-
	3,211,353	469,830
GST recoverable	**-**	6,821
Receivable from Medulla Group Pty Ltd vendors	**140,977**	140,977
Prepayments	**208,677**	11,616
Deposits in trust	**3,206,481**	709,000
Other receivables	**600**	58,320
Total	**6,768,088**	1,396,564

Prepayments includes cash amounts deposited in a trust account. These amounts are set aside to aid negotiation with the Groups suppliers. The cash can be called back at any time by the Company.

The acquisition of Medulla Group Pty Ltd ("Medulla") was on a no liability basis. It was determined on reconciling the acquisition and liabilities paid of Medulla that the vendors of Medulla Group Pty Ltd owed Dubber Corporation Limited $140,977. Receipt of this amount is expected within 12 months of 30 June 2019.

Trade and other receivables are all due within three months of this report.
Information about credit and liquidity risk is outlined in Note 15.

6. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2019	**2018**
	$	**$**
Plant and equipment – at cost	**208,535**	155,513
Less: Accumulated depreciation	**(99,621)**	(74,016)
Net carrying amount	**108,914**	81,497

Reconciliation

Reconciliation of the carrying amount for each class of property, plant and equipment between the beginning and the end of the current and previous financial year are set out below:

	Computer Equipment	Furniture	Total
	$	**$**	**$**
2019			
Balance at the beginning of the year	**61,240**	**20,257**	**81,497**
Additions	**47,543**	**10,038**	**57,581**
Depreciation expense	**(20,260)**	**(9,904)**	**(30,164)**
Carrying amount at the end of the year	**88,523**	**20,391**	**108,914**
2018			
Balance at the beginning of the year	58,845	22,207	81,052
Additions	24,106	5,016	29,122
Depreciation expense	(21,711)	(6,966)	(28,677)
Carrying amount at the end of the year	61,240	20,257	81,497

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7. INTANGIBLE ASSETS

	Consolidated	
	2019	2018
	$	$
Dubber intellectual property – at cost	**8,483,031**	8,483,031
Less: Accumulated amortisation	**(6,171,370)**	(4,630,262)
Sub Total	**2,311,661**	3,852,769
Goodwill	**2,008,734**	2,008,734
Net carrying amount	**4,320,395**	5,861,503
Reconciliation		
Balance at the beginning of the year	**5,861,503**	7,402,610
Amortisation expense	**(1,541,108)**	(1,541,107)
Net carrying amount at the end of the year	**4,320,395**	5,861,503

The goodwill and other intangibles is attributable to Dubber's strong position to continue to roll out its software platform and the expected cash flows to arise from the Company's acquisition of Dubber Pty Ltd.

Goodwill acquired through the business combination has been allocated to the Company's only cash generating unit ('CGU') for impairment testing. The Board has determined the recoverable amount of the CGU by assessing the fair value less cost of disposal (FVLCOD) of the underlying assets. The method applied was the market approach based on the current market capitalisation (number of shares on issue multiplied by the quoted market price per share) of the Group on the Australian Securities Exchange (ASX). The recoverable value is therefore a Level 1 measurement based on observable inputs of publicly traded shares in an active market. The Board has not identified any reasonable possible changes in key assumptions that could cause the carrying amount of the CGU to exceed its recoverable amount. Any reasonable change to the volatility of the Company's share price would not create an impairment.

8. TRADE AND OTHER PAYABLES

	Consolidated	
	2019	2018
	$	$
Current		
Trade payables	**1,271,404**	702,099
Payroll tax and other statutory liabilities	**581,291**	601,136
Unearned revenue	**44,879**	109,218
Other payables	**247,184**	201,532
Total	**2,144,758**	1,613,985

All payables are expected to be settled within 6 months. Risk management policies in regard to liquidity and currency risk are outlined in Note 15.

9. PROVISIONS

	Consolidated	
	2019	2018
	$	$
Current		
Employee benefits	**645,952**	499,069

Employee benefits represent annual leave and long service leave entitlements of employees within the Group and is non-interest bearing. The entire obligation is presented as current, since the Group does not have a right to defer settlement.

10. LOANS AND BORROWINGS

The Company did not enter into any loan agreements in the financial year ended 30 June 2019.

In December 2017, the Company entered into a R&D tax prepayment loan agreement with R&D Capital Partners Pty Ltd for $1,000,000, repayable upon receipt of the tax refund from the Australian Taxation Office for the research and development tax incentive offset for the financial year ended 30 June 2017. Interest was fixed at 1.25% per month payable monthly. The loan was secured by a first ranking charge over the assets of the Company except the Dubber intellectual property, registered on the Personal Property Securities Register. The loan was fully repaid on 5 April 2018.

11. ISSUED CAPITAL

	Consolidated	
	2019	2018
	$	$
Issued and paid up capital		
186,570,452 (2018: 140,079,435) Ordinary shares – fully paid	**76,348,837**	48,255,267
Share issue costs written off against share capital	**(4,755,994)**	(3,383,830)
Total	**71,592,843**	44,871,437

Movement in ordinary shares on issue

	Issue Price	No. of Shares	$
2019			
Balance at the beginning of the year	**-**	**140,079,435**	**44,871,437**
Exercise of options – 25 October 2018	**$0.25**	**120,000**	**30,000**
Issued for cash pursuant to placement – 28 November 2018	**$0.38**	**11,841,895**	**4,500,320**
Exercise of options – 8 January 2019	**$0.25**	**205,000**	**51,250**
Exercise of options – 8 February 2019	**$0.25**	**325,000**	**81,250**
Exercise of options – 1 March 2019	**$0.25**	**325,000**	**81,250**
Exercise of options – 8 March 2019	**$0.25**	**375,000**	**93,750**
Exercise of options – 14 March 2019	**$0.25**	**600,000**	**150,000**
*Exercise of employee shares – 14 March 2019**	**-**	**300,000**	**-**
Exercise of options – 21 March 2019	**$0.25**	**225,000**	**56,250**
Exercise of options – 5 April 2019	**$0.38**	**25,000**	**9,500**
Performance Rights allocated – 28 March 2019	**-**	**1,500,000**	**540,000**
Issued for cash pursuant to placement – 9 April 2019	**$0.75**	**29,333,333**	**22,000,000**
Issued for cash pursuant to placement – 24 April 2019	**$0.38**	**1,315,789**	**500,000**
Share issue costs	**-**	**-**	**(1,372,164)**
Balance at the end of the year		**186,570,452**	**71,592,843**
2018			
Balance at the beginning of the year		96,186,100	31,312,336
Issued for cash pursuant to placement – 13 July 2017	$0.42	476,191	200,000
Issued for cash pursuant to placement – 25 September 2017	$0.35	20,000,000	7,000,000
Issued for cash pursuant to placement – 21 December 2017	$0.35	17,143,572	6,000,251
Exercise of options expiring 31 January 2018	$0.25	1,370,000	342,500
Exercise of options expiring 27 February 2018	$0.25	600,000	150,000
Issued for cash pursuant to placement – 28 February 2018	$0.35	1,428,572	500,000
Issued as employee incentives – 1 March 2018	$0.385	600,000	231,000
Issued as employee incentives – 1 March 2018	$0.45	300,000	135,000
Issue of loan funded shares	-	1,125,000	-
Exercise of options expiring 30 June 2018	$0.40	850,000	340,000
Share issue costs		-	(1,339,650)
Balance at the end of the year		140,079,435	44,871,437

Options

At the end of the year, the following options over unissued ordinary shares were outstanding:

Grant Date	Expiry Date	Exercise Price	Number Under Option
16 November 2016	27 January 2020	$0.80	2,000,000
22 December 2016	31 March 2020	$0.40	850,000
20 December 2017	31 December 2019	$0.60	2,000,000
20 December 2017	31 December 2020	$0.80	2,000,000
15 January 2019	15 January 2022	$0.38	1,325,000
Total			**8,175,000**

Performance rights

Since the end of the year, the following performance rights were cancelled:

Grant Date	Expiry Date	Number of Performance Rights
29 November 2017	30 June 2019	1,500,000

Capital risk management

The group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that benefits to stakeholders and an optimum capital structure are maintained.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, cancel capital, issue new shares or options or sell assets.

12. RESERVES

	Consolidated	
	2019	2018
	$	$
Option reserve	**4,318,394**	4,130,797
Performance rights reserve	**3,004,038**	3,151,754
Unvested share reserve	**135,000**	94,582
Foreign currency reserve	**(101,538)**	(73,378)
Total	**7,355,894**	7,303,755

Option reserve

The option reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options and loan funded shares.

Movement in option reserve:

	Consolidated	
	2019	**2018**
	$	**$**
Balance at the beginning of the year	**4,130,797**	3,022,382
Options issued as consideration for capital raising services	**-**	903,000
Allocation of incentive based share options values over vesting period – employees	**285,811**	77,914
Allocation of incentive based loan funded shares values over vesting period – directors	**(98,214)**	127,501
Balance at the end of the year	**4,318,394**	4,130,797

Performance rights reserve

The performance rights reserve is used to record the value of performance rights issued as share based payments until the performance rights are converted into fully paid ordinary shares upon achievement of performance based milestones.

Movement in performance rights reserve:	**Consolidated**	
	2019	**2018**
	$	**$**
Balance at the beginning of the year	**3,151,754**	2,663,034
Allocation of incentive share based payment over vesting period – directors and key management	**591,281**	488,720
Conversion of Performance Rights shares	**(540,000)**	-
Reversal of incentive share based payment – management performance shares cancelled upon milestones not being achieved by expiry date	**(198,997)**	-
Balance at the beginning of the year	**3,004,038**	3,151,754

Unvested share reserve

The unvested share reserve is used to record the value of shares formally offered and accepted as share based payments until the shares are issued on a future specified vesting date.

Movement in unvested share reserve:	**Consolidated**	
	2019	**2018**
	$	**$**
Balance at the beginning of the year	**94,582**	308,946
Allocation of incentive share based payment over vesting period – employee shares	**40,418**	151,636
Shares issued on vesting date	**-**	(366,000)
Balance at the end of the year	**135,000**	94,582

Foreign currency reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

Movement in foreign currency reserve:	Consolidated	
	2019	2018
	$	$
Balance at the beginning of the year	**(73,378)**	(2,143)
Currency translation differences	**(28,160)**	(71,235)
Balance at the end of the year	**(101,538)**	(73,378)

13. ACCUMULATED LOSSES

	Consolidated	
	2019	2018
	$	$
Balance at the beginning of the year	**(41,275,134)**	(29,956,033)
Loss attributable to owners of Dubber Corporation Limited	**(9,648,672)**	(11,319,101)
Balance at the end of the year	**(50,923,806)**	(41,275,134)

14. EARNINGS PER SHARE (EPS)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated	
	2019	2018
	$	$
Earnings attributable to the owners of Dubber Corporation Limited used to calculate EPS		
Loss for the year	**(9,648,672)**	(11,319,101)
Weighted average number of ordinary shares used in the calculation of EPS	**No.**	**No.**
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	**155,231,963**	123,155,152

As the Company is in a loss position there is no diluted EPS calculated

15. FINANCIAL RISK MANAGEMENT

Financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Weighted Average Interest Rate (%)	Note	2019 $	2018 $
Financial Assets				
Cash and cash equivalents	0.71	4	**19,618,245**	5,673,548
Trade and other receivables	0.15	5	**6,559,412**	675,948
Total Financial Assets			**26,177,657**	6,349,496
Financial Liabilities				
Trade and other payables	-	8	**2,074,310**	1,504,767
Total Financial Instruments			**24,103,347**	4,844,729

The carrying amounts of these financial instruments approximate their fair values.

Financial Risk Management Policies

Exposure to key financial risks is managed in accordance with the Group's risk management policy with the objective to ensure that the financial risks inherent in technological activities and new business reviews are identified and then managed or kept as low as reasonably practicable.

The main financial risks that arise in the normal course of business are market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Different methods are used to measure and manage these risk exposures. Liquidity risk is monitored through the ongoing review of available cash and future commitments for research expenditure. Exposure to liquidity risk is limited by anticipating liquidity shortages and ensures capital can be raise in advance of shortages. Interest rate risk is managed by limiting the amount interest bearing loans entered into by the Company. It is the Board's policy that no speculative trading in financial instruments be undertaken so as to limit expose to price risk.

Primary responsibility for identification and control of financial risks rests with the Managing Director, under the authority of the Board. The Board is apprised of these risks from time to time and agrees any policies that may be undertaken to manage any of the risks identified.

Details of the significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial instrument are disclosed in Note 1 to the financial statements. The carrying values less the impairment allowance for receivables and payables are assumed to approximate fair values due to their short term nature. Cash and cash equivalents are subject to variable interest rates.

Specific Financial Risk Exposures and Management

a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include:

- significant financial difficulty of the customer;
- a breach of contract;
- it is probable that the customer will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. However, financial assets may still be subject to enforcement activities, taking into account legal advice where appropriate. Any recoveries made are recognised in the profit and loss.

Trade receivables

The Group has adopted the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.
To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of contracts and corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.
On that basis, the loss allowance as at 30 June 2019 was determined as follows for both trade receivables. As at 1 July 2018 (transition date of AASB 9), the expected credit loss was calculated as nil. In addition, no contract asset balances were recognised as at 1 July 2018.

30 June 2019	**Current**	**More than 30 days past due**	**More than 60 days past due**	**Total**
Expected loss rate	0%	0%	10%	-
Gross carrying amount – trade receivables	1,491,611	306,337	1,413,405	3,211,353
Loss allowance	0	0	0	0

Management have assessed the risk of collections for the amounts more than 60 days past due as low and therefore have not made an allowance in the year ended 30 June 2019.
The Company believes that The Group's credit risk on liquid funds is limited because the majority of cash and deposits is held with Westpac Banking Corporation, an AA3 credit rated bank.

b) *Liquidity risk*

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Company monitors its ongoing research and development cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The Company has undrawn financing facilities. Trade and other payables, the only financial liability of the Company, are due within 3 months.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Total Contractual Cash Flow	
	2019 $	**2018 $**	**2019 $**	**2018 $**	**2019 $**	**2018 $**
Financial assets – cash flows receivable						
Trade and other receivables	**6,559,412**	675,948	**-**	-	**6,559,412**	675,948
Total expected inflows	**6,559,412**	675,948	**-**	-	**6,559,412**	675,948
Financial liabilities due for payment realisable						
Trade and other payables	**2,074,310**	1,504,767	**-**	-	**2,074,310**	1,504,767
Total anticipated outflows	**2,074,310**	1,504,767	**-**	-	**2,074,310**	1,504,767
Net (outflow)/inflow on financial instruments	**4,485,102**	(828,819)	**-**	-	**4,485,102**	(828,819)

c) *Market risk*

i. Interest rate risk

The Company's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. The Company does not have any borrowings or enter into hedges. An increase/(decrease) in interest rates by 0.5% during the whole of the respective periods would have led to an increase/(decrease) in losses of less than $100,000.

ii. Foreign currency risk

The consolidated Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated Group is not exposed to any significant foreign currency risk.

d) *Fair value*

The Group does not have any financial instruments that are subject to recurring fair value measurements. Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to approximate their fair value.

16. AUDITORS' REMUNERATION

	Consolidated 2019 $	Consolidated 2018 $
Remuneration of the auditor of the Company, BDO Audit (WA) Pty Ltd, for:		
Audit services	**47,282**	46,457
Taxation advice – BDO Corporate Tax (WA) Pty Ltd	**14,235**	11,985
Total	**61,517**	58,442

17. CONTINGENT LIABILITIES

The Consolidated entity has no material contingent liabilities as at reporting date (2018: Nil).

18. OPERATING SEGMENTS

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.

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.

	Corporate $	Technology $	Total $
Year ended 30 June 2019			
Revenue	**1,794,087**	**5,598,103**	**7,392,190**
Result (Loss)	**(858,470)**	**(8,790,202)**	**(9,648,672)**
Total assets	**16,399,326**	**14,416,316**	**30,815,642**
Total liabilities	**(483,162)**	**(2,307,548)**	**(2,790,710)**
Acquisition of non-current assets	**-**	**61,490**	**61,490**
Depreciation of non-current assets	**-**	**(30,164)**	**(30,164)**
Intangible assets	**-**	**4,320,395**	**4,320,395**
Amortisation	**-**	**(1,541,107)**	**(1,541,107)**
Year ended 30 June 2018			
Revenue	18,516	3,169,378	3,187,894
Result (Loss)	(2,375,203)	(8,943,898)	(11,319,101)
Total assets	2,099,689	10,913,423	13,013,112
Total liabilities	(404,762)	(1,708,292)	(2,113,054)
Acquisition of non-current assets	-	29,122	29,122
Depreciation of non-current assets	-	(28,677)	(28,677)
Intangible assets	-	5,861,503	5,861,503
Amortisation	-	(1,541,107)	(1,541,107)

19. RELATED PARTY TRANSACTIONS

Subsidiaries

The consolidated financial statements include the financial statements of Dubber Corporation Limited and the subsidiaries listed in the following table:

			Equity Holding	
	Country of Incorporation	**Class of Shares**	**2019 %**	**2018 %**
Medulla Group Pty Ltd	Australia	Ordinary	**100**	100
Dubber Pty Ltd	Australia	Ordinary	**100**	100
Dubber Ltd	England and Wales	Ordinary	**100**	100
Dubber USA Pty Ltd	Australia	Ordinary	**100**	100
Dubber, Inc.	United States of America	Ordinary	**100**	100
Dubber Connect Australia Pty Ltd	Australia	Ordinary	**100**	0

Parent entity

Dubber Corporation Limited is the ultimate Australian parent entity and ultimate parent of the Group.

Key management personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of Dubber Corporation Limited's key management personnel for the year ended 30 June 2019.

The totals of remuneration paid to key management personnel of the Company during the year are as follows:

	Consolidated	
	2019	**2018**
	$	**$**
Short-term employee benefits	**1,377,780**	1,499,674
Long-term benefits	**43,527**	40,536
Post-employment benefits	**87,376**	76,826
Share-based payments	**260,803**	616,221
Total	**1,769,486**	2,233,257

Other Transactions with Key Management Personnel

On 1 April 2019, the Company issued 1,500,000 fully paid ordinary shares to a company associated with Mr Steve McGovern, and 375,000 fully paid ordinary shares to Mr James Slaney following achievement of Milestone 1 in respect of Performance Rights (refer Note 21).

Telephony services totaling $2,442 (2018: $2,375) were provided by Canard Pty Ltd, a company associated with Mr Steve McGovern. Trade payables at 30 June 2019 include a balance of $832 (30 June 2018: $415) payable to Canard Pty Ltd.

Intelligent Voice and 1300 MY SOLUTION are businesses associated with Mr Steve McGovern. The Group earned service fee income of $56,850 (2018: $43,655) from Intelligent Voice and $242,620 (2018: $263,308) from 1300 MY SOLUTION. Trade receivables at 30 June 2019 include balances of nil (30 Jun 2018: $5,185) due from Intelligent Voice and nil (30 June 2018: $22,162) due from 1300 MY SOLUTION.

During the year, $13,500 (2018: $30,000) was invoiced to the Company by Mr Peter Pawlowitsch's consultancy company, Gyoen Pty Ltd for advisory services outside his usual Board duties.

Other payables at 30 June 2019 included an accrual of $75,000 (30 June 2018: 50,000) for the cash bonus payable to Mr Steve McGovern for the period January to June 2019 included in the remuneration table above.

Other receivables at 30 June 2019 includes an amount of $140,977 (30 June 2018: $140,977) receivable from the Medulla Group Pty Ltd vendors, including Mr Steve McGovern and Mr James Slaney.

Amounts included in the remuneration table for Mr Gerard Bongiorno were paid to his consultancy company Otway Capital Consulting.

All transactions are conducted on normal commercial terms and on an arm's length basis.

Shares Issued to Key Management Personnel on Exercise of Compensation Options

During the year ended 30 June 2018, the Company issued 600,000 fully paid ordinary shares to Mr Peter Pawlowitsch and 250,000 fully paid ordinary shares to Mr Steve McGovern on the exercise of unlisted options exercisable at 40 cents each on or before 30 June 2018. The options were originally issued to directors and executives on 29 December 2015, upon the conversion of performance options (granted on 9 June 2015) when performance milestones were achieved.

No Compensation Options were issued in the year ended 30 June 2019.

20. CASH FLOW INFORMATION

Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated	
	2019	**2018**
	$	**$**
Net loss for the year	**(9,648,672)**	(11,319,101)
Non-cash flows in loss:		
Depreciation and amortisation	**1,571,271**	1,569,784
Share based payments	**620,299**	845,771
Net exchange differences	**(124,988)**	(74,195)
Changes in assets and liabilities:		
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)

Non-cash financing and investing activities

During the year ended 30 June 2018, the Company issued 2,000,000 options exercisable at $0.60 each on or before 31 December 2019 and 2,000,000 options exercisable at $0.80 each on or before 31 December 2020, as capital raising costs. The fair value of the options at the date of issue was $903,000.

During the year ended 30 June 2018, 1,125,000 shares were issued as loan funded shares to Directors, with no physical exchange of funds occurring.

There were no non-cash financing and investing activities in the year ended 30 June 2019.

21. SHARE BASED PAYMENTS

Value of share based payments in the financial statements

	Consolidated 2019 $	Consolidated 2018 $
Expensed – directors and other key management personnel remuneration:		
Performance rights	**51,281**	488,720
Loan funded shares	**166,595**	127,501
Sub-total	**217,876**	616,221
Expensed – other employees' remuneration:		
Fully paid ordinary shares	**60,333**	151,636
Employee options	**342,090**	77,914
Sub-total	**402,423**	229,550
Share based payments in capital raising costs:		
Unlisted options	**-**	903,000
Total	**620,298**	1,748,771

Shares

The Company formally offered the following shares to employees. The shares are not issued to the employees until the vesting date provided the employee is an employee of the Company at the relevant vesting date.

2019

Offer Date	Vesting Date	Balance 01/07/18	Offered	Ord FP Shares Issued	Forfeited	Balance 30/06/19
06/12/16	01/03/19	300,000	-	(300,000)	-	-
Total		**300,000**	**-**	**(300,000)**	**-**	**-**

2018

Offer Date	Vesting Date	Balance 01/07/17	Offered	Ord FP Shares Issued	Forfeited	Balance 30/06/18
22/05/15	01/03/18	700,000	-	(600,000)	(100,000)	-
06/12/16	01/03/18	325,000	-	(300,000)	(25,000)	-
06/12/16	01/03/19	325,000	-	-	(25,000)	300,000
Total		1,350,000	-	(900,000)	(150,000)	300,000

Options

Set out below are the summaries of options granted as share based payments:

2019									
Grant Date	**Expiry Date**	**Exercise Price**	**Defer Type**	**Balance 01/07/18**	**Granted**	**Exercised**	**Expired or Forfeited**	**Balance 30/06/19**	**Number vested and exercisable**
30/06/15	31/03/19	$0.25	1.	2,175,000	-	(2,175,000)	-	-	-
31/03/16	31/03/19	$0.72		100,000	-	-	(100,000)	-	-
16/11/16	27/01/19	$0.60		2,000,000	-	-	(2,000,000)	-	-
16/11/16	27/01/20	$0.80	2.	2,000,000	-	-	(2,000,000)	-	-
22/12/16	31/03/20	$0.40	3.	850,000	-	-	-	850,000	850,000
20/12/17	31/12/19	$0.60		# 2,000,000	-	-	-	2,000,000	2,000,000
20/12/17	31/12/20	$0.80		# 2,000,000	-	-	-	2,000,000	2,000,000
15/01/19	15/01/22	$0.38		-	1,350,000	(25,000)	-	1,325,000	1,325,000
Total				**11,125,000**	**1,350,000**	**(2,200,000)**	**(4,100,000)**	**6,175,000**	**6,175,000**
Weighted average exercise price				$0.59	$0.38	$0.25	$0.68	$0.64	$0.64

2018									
Grant Date	**Expiry Date**	**Exercise Price**	**Defer Type**	**Balance 01/07/17**	**Granted**	**Exercised**	**Expired or Forfeited**	**Balance 30/06/18**	**Number vested and exercisable**
15/12/14	31/01/18	$0.25		1,370,000	-	(1,370,000)	-	-	-
27/02/15	27/02/18	$0.25		600,000	-	(600,000)	-	-	-
09/06/15	30/06/18	$0.40		2,700,000	-	(850,000)	(1,850,000)	-	-
30/06/15	31/03/19	$0.25	1.	2,250,000	-	-	(75,000)	2,175,000	2,175,000
31/03/16	31/03/19	$0.72		100,000	-	-	-	100,000	100,000
16/11/16	27/01/19	$0.60		2,000,000	-	-	-	2,000,000	2,000,000
16/11/16	27/01/20	$0.80	2.	2,000,000	-	-	-	2,000,000	-
20/12/17	31/12/19	$0.60		-	# 2,000,000	-	-	2,000,000	2,000,000
20/12/17	31/12/20	$0.80		-	# 2,000,000	-	-	2,000,000	2,000,000
Total				12,070,000	4,000,000	(2,820,000)	(2,125,000)	11,125,000	8,875,000
Weighted average exercise price				$0.45	$0.70	$0.30	$0.39	$0.59	$0.55

- 4,000,000 options were issued as share placement underwriting fees and valued at $903,000. These options had no vesting conditions and were fully allocated as capital raising costs during the year ended 30 June 2018.

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 100% unless otherwise stated.

1. Employee options vest and become exercisable on the following dates provided the employee is an employee of the Company at the relevant vesting date:
   Vesting date 1: 1 March 2016 - 750,000 options
   Vesting date 2: 1 March 2017 - 750,000 options
   Vesting date 3: 1 March 2018 - 750,000 options less 75,000 options cancelled during the year upon resignation of employee before vesting date

2. Unlisted options issued to Aesir Capital Pty Ltd, vesting upon the completion of a subsequent capital raising in the amount of $15,000,000 or more that is managed and facilitated by Aesir Capital Pty Ltd and completes within 15 months of the share placement that was completed on 14 December 2016. The Company considers it unlikely these options will vest and no value has been allocated during the year for this share based payment.

3. Employee options vest and become exercisable on the following dates provided the employee is an employee of the Company at the relevant vesting date:
   Vesting date 1: 1 March 2017 - 350,000 options
   Vesting date 2: 1 March 2018 - 350,000 options less 100,000 options cancelled during the year upon resignation of employee before vesting date
   Vesting date 3: 1 March 2019 - 350,000 options less 100,000 options cancelled during the year upon resignation of employee before vesting date

The assessed fair values of the options was determined using a binomial option pricing model or Black-Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the option. For the options granted during the current and previous financial year, the inputs to the model used were:

Grant date	**20 December 2017**	**20 December 2017**	**15 January 2019**
Dividend yield (%)	-	-	-
Expected volatility (%)	100%	100%	100%
Risk-free interest rate (%)	1.97%	2.12%	1.78%
Expected life of options (years)	2	3	3
Underlying share price ($)	$0.46	$0.46	$0.40
Option exercise price ($)	$0.60	$0.80	$0.38
Value of option ($)	$0.2143	$0.2372	$0.2534

The weighted average remaining contractual life of share-based payment options that were outstanding as at 30 June 2019 was 1.12 years (2018: 1.40 years).

The weighted average fair value of share-based payment options granted during the year was $0.2534 (2018: $0.2258) each.

Performance rights:

Each performance right converts into one fully paid ordinary share for nil cash consideration, upon the achievement of performance based milestones.

Set out below are the summaries of performance rights issued as share based payments:

2019							
Type	**Grant Date**	**Expiry Date**	**Balance 01/07/18**	**Granted**	**Converted**	**Forfeited**	**Balance 30/06/19**
1.	29/11/17	31/12/18	-	1,500,000	(1,500,000)	-	-
2.	29/11/17	30/06/19	-	1,500,000	-	(1,500,000)	-
			-	**3,000,000**	**(1,500,000)**	**(1,500,000)**	**-**

2018							
Type	**Grant Date**	**Expiry Date**	**Balance 01/07/17**	**Granted**	**Converted**	**Forfeited**	**Balance 30/06/18**
1.	29/11/17	31/12/18	-	1,500,000	-	-	1,500,000
2.	29/11/17	30/06/19	-	1,500,000	-	-	1,500,000
			-	3,000,000	-	-	3,000,000

The weighted average remaining contractual life of performance shares outstanding at 30 June 2019 was nil years (2018: 0.75 years).

The various performance shares listed above were subject to milestones which are listed below.

1. Performance rights – Milestone 1
   Milestone: the Group achieving SaaS Revenue of $500,000 or more for at least two consecutive calendar months, by 31 December 2018. This milestone was achieved and the fully paid ordinary shares were issued on 1 April 2019.

2. Performance rights – Milestone 2
   Milestone: the Group achieving SaaS Revenue of $1,000,000 or more for at least two consecutive calendar months, by 30 June 2019. This milestone was not achieved and hence the Rights were cancelled on 30 June 2019.

Loan funded shares:

Set out below is the summary of loan funded shares granted as share based payments:

2019									
Grant Date	Expiry Date	Exercise Price	Defer Type	Balance 01/07/18	Granted	Exercised	Expired or Forfeited	Balance 30/06/19	Number vested and exercisable
29/11/17	20/12/22	$0.360	1.	525,000	-	-	-	525,000	175,000
1/12/17	30/1/23	$0.555	2.	600,000	-	-	-	600,000	200,000
Total				**1,125,000**	**-**	**-**	**-**	**1,125,000**	**375,000**

2018									
Grant Date	Expiry Date	Exercise Price	Defer Type	Balance 01/07/17	Granted	Exercised	Expired or Forfeited	Balance 30/06/18	Number vested and exercisable
29/11/17	20/12/22	$0.360	1.	-	525,000	-	-	525,000	-
01/12/17	30/01/23	$0.555	2.	-	600,000	-	-	600,000	-
Total				-	1,125,000	-	-	1,125,000	-

The deferred loan funded shares are subject to vesting dates which are listed below. Probability of achieving these vesting dates have been assessed at 100% unless otherwise stated.

1. Loan funded shares vest on the following dates provided the employee is an employee of the Company at the relevant vesting date:
   Vesting date 1: 20 December 2018 - 175,000 loan funded shares
   Vesting date 2: 20 December 2019 - 175,000 loan funded shares
   Vesting date 3: 20 December 2020 - 175,000 loan funded shares

2. Loan funded shares vest on the following dates provided the employee is an employee of the Company at the relevant vesting date:
   Vesting date 1: 30 January 2019 - 200,000 loan funded shares
   Vesting date 2: 30 January 2020 - 200,000 loan funded shares
   Vesting date 3: 30 January 2021 - 200,000 loan funded shares

The assessed fair values of the loan funded shares was determined using a Black-Scholes model, taking into account the exercise price, term of loan, the share price at grant date and expected price volatility of the underling share, expected yield and the risk-free interest rate for the term of the loan. For the loan funded shares granted, the inputs to the model used were:

Grant date	29/11/2017	1/12/2017
Dividend yield (%)	-	-
Expected volatility (%)	100%	100%
Risk-free interest rate (%)	2.090%	2.470%
Expected life of loan (years)	5	5
Underlying share price ($)	$0.36	$0.555
Loan exercise price ($)	$0.36	$0.555
Value of loan funded share ($)	$0.2700	$0.4176

22. PARENT ENTITY DISCLOSURES

Summary Financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2019 $	2018 $
Statement of financial position		
Current assets	**16,399,326**	2,099,689
Non-current assets	**12,108,768**	9,205,131
Total assets	**28,508,094**	11,304,820
Current liabilities	**483,162**	404,762
Total liabilities	**483,162**	404,762
Net assets	**28,024,932**	10,900,058
Equity		
Issued capital	**70,462,765**	44,871,437
Reserves	**7,997,432**	7,377,133
Accumulated losses	**(50,435,265)**	(41,348,512)
Total equity	**28,024,932**	10,900,058
Loss for the year	**(9,676,831)**	(11,390,336)
Total comprehensive loss	**(9,676,831)**	(11,390,336)

The parent entity had no capital commitments or contingent liabilities at 30 June 2019 or 30 June 2018.

23. COMMITMENTS

Operating lease commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements:

	Consolidated	
	2019 $	2018 $
Payable – minimum lease payments		
- Not later than one year	**434,861**	164,515
- After one year but not more than five years	**1,822,164**	55,464
	2,257,025	219,979

Dubber Corporation Limited entered into a new lease for the Group's principal place of business on Russell Street in Melbourne with an unrelated landlord which commenced on 1 May 2019. The initial term of the lease is five years, with an option to extend for a further term of five years. On each anniversary of the lease commencement date, the rent will be increased by a fixed rate of 3.75%.

The Group had no capital commitments at 30 June 2019.

24. EVENTS SUBSEQUENT TO YEAR END

There are no matters or circumstances that have arisen since 30 June 2019 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial years other than as follows.

The financial report was authorised for issue on 30 September 2019 by the Board of Directors.

Directors' Declaration

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001*, and:
    a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
    b) give a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance for the financial year ended on that date.

2. The Managing Director and Chief Financial Officer have each declared that:
    a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
    b) the financial statements and notes for the financial year comply with the accounting standards; and
    c) the financial statements and notes for the financial year give a true and fair view.

3. In the opinion of the directors' there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

4. Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors.

Peter Clare

Peter Clare
Chairman

Dated: 30 September 2019

Independent Auditors Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Dubber Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dubber Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with 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 (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Intangible Assets

Key audit matter	How the matter was addressed in our audit
As detailed in Note 7 of the financial report, the Group has performed an impairment test for its Intangible Assets at 30 June 2019. The assessment of the carrying value of the Intangible Assets is considered to be a key audit matter due to the significance of the assets to the Group's consolidated financial position, and the assessment requires management to make significant judgements and estimates in determining the key assumptions used in the recoverable amount as disclosed in note 1(y). As set out in Note 7, management's assessment of the recoverability is supported by a fair value less costs of disposal methodology.	Our procedures included, but were not limited to the following: • Challenging the appropriateness of the Capitalised Market Approach (fair value less cost of disposal) valuation method used to determine the fair value in accordance with AASB 13 Fair Value Measurement; • Assessing the carrying value of Dubber's net assets with regard to the Group's market capitalisation as at 30 June 2019; and • Assessing the adequacy and completeness of the related disclosures in Note 1(y) and Note 7 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 25 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Dubber Corporation Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 30 September 2019

ADDITIONAL SHAREHOLDER INFORMATION

The following additional information is current as at 19 September 2019.

CORPORATE GOVERNANCE:

The company's corporate governance statement is available on the company's website at www.dubber.net/company-profile/.

SUBSTANTIAL SHAREHOLDER:

Holding ranges	Holders	Total units	% issued share capital
1 - 1,000	637	228,799	0.12%
1,001 - 5,000	711	2,062,744	1.10%
5,001 - 10,000	469	3,782,984	2.03%
10,001 - 100,000	902	32,716,592	17.52%
100,001 - 9,999,999,999	254	147,959,333	79.23%
Total	2,973	186,750,452	100.00%

There are 330 shareholders with less than a marketable parcel.

VOTING RIGHTS

Each fully paid ordinary share carries voting rights of one vote per share.

THE TOP 20 HOLDERS OF ORDINARY SHARES ARE:

POSITION	HOLDER NAME	HOLDING	% IC
1	UBS NOMINEES PTY LTD	8,888,164	4.76%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,758,143	4.15%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	7,080,759	3.79%
4	NATIONAL NOMINEES LIMITED	6,360,818	3.41%
5	STEVE MCGOVERN NOMINEES PTY LTD	4,516,124	2.42%
6	CITICORP NOMINEES PTY LIMITED	4,496,332	2.41%
7	DR DIETER ALBERT OTTO KLEIN	3,437,017	1.84%
8	VENN MILNER SUPERANNUATION PTY LTD	2,950,000	1.58%
9	PENELOPE SLANEY <PJ SLANEY FAMILY A/C>	2,674,831	1.43%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,518,572	1.35%
11	ONE MANAGED INVESTMENT FUNDS LIMITED <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	2,460,072	1.32%
12	MRS LORIE MAI HO	2,350,000	1.26%
13	BOSTON FIRST CAPITAL PTY LTD	2,300,000	1.23%
14	ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	2,282,830	1.22%
15	MR STUART JAMES HERCULES	1,860,000	1.00%
16	STEPHEN MCGOVERN	1,802,632	0.97%
17	MR JOSEPH CHARLES CAMUGLIA & MRS KIRSTEN INGRET CAMUGLIA <JOSEPH CAMUGLIA S/FUND A/C>	1,700,000	0.91%
18	MR JOSEPH BASTEN & MR THOMAS BASTEN <BASTEN SUPER FUND A/C>	1,481,125	0.79%
19	4SIGHT NOMINEES PTY LTD	1,428,572	0.77%
20	ONE MANAGED INVESTMENT FUNDS LIMITED <TI HIGH CONVICTION A/C>	1,386,847	0.74%
	Total	**69,732,838**	**37.34%**
	Total issued capital - selected security class(es)	**186,750,452**	**100.00%**

UNQUOTED EQUITY SECURITIES

Number	Number of holders	Class	Holders more than 20%
2,175,000	8	Unlisted options exercisable at 25 cents expiring 31March 2019	ESOP
775,000	4	Unlisted options exercisable at 40 cents expiring 31 March 2020	ESOP
1,145,000	27	Unlisted options exercisable at 38 cents expiring 15 January 2022	ESOP
2,000,000	1	Unlisted options exercisable at 80 cents expiring 31 January 2020	Aesir Capital Pty Ltd
2,000,000	1	Unlisted options exercisable at 80 cents expiring 31 December 2020	Mila Investment Co. Pty Ltd
2,000,000	1	Unlisted options exercisable at 60 cents expiring 31 December 2019	Mila Investment Co. Pty Ltd