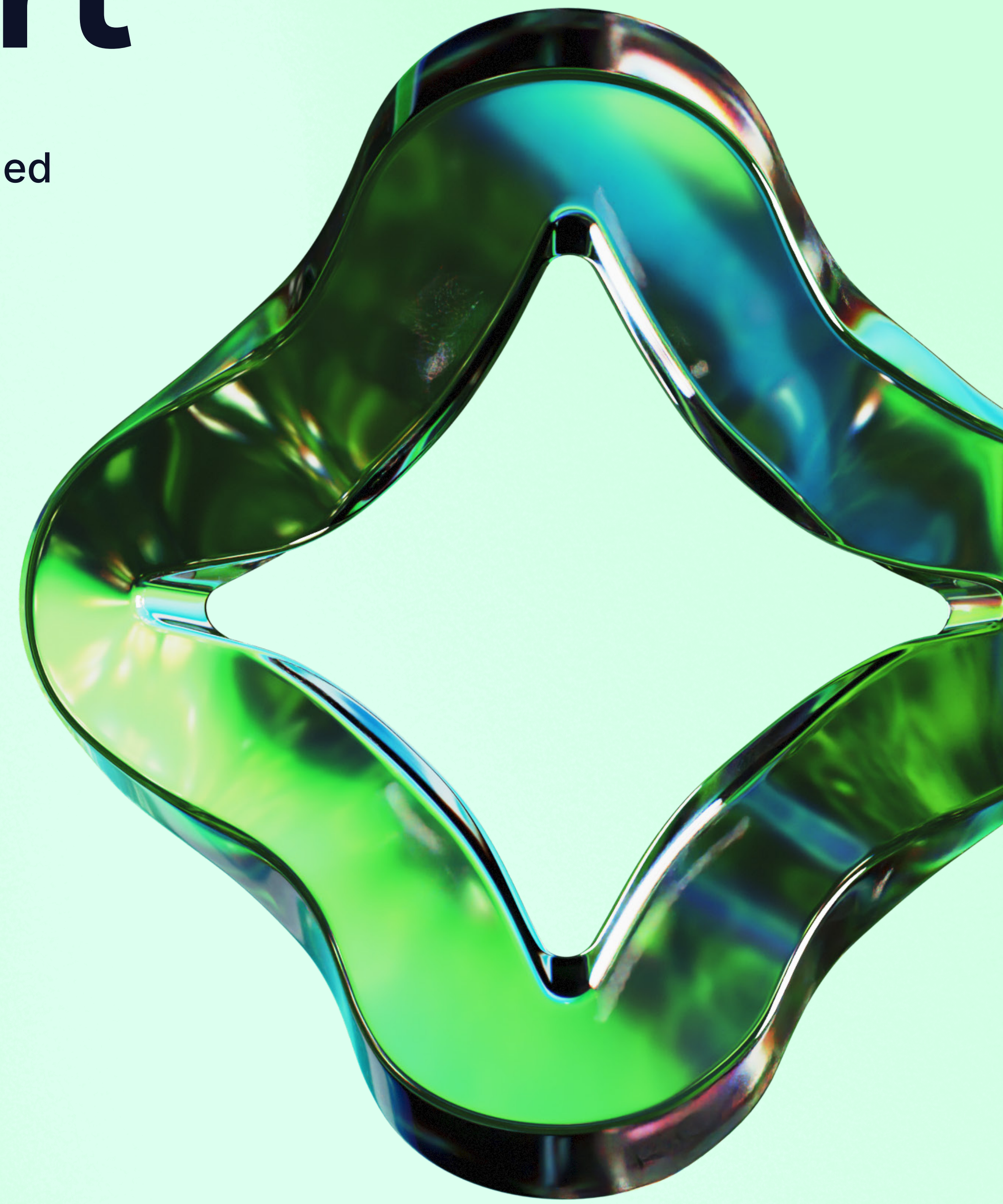
DUBBER CORPORATION LIMITED ABN 64 089 145 424

# Interim Financial Report

For the half-year ended 31 December 2024



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# Appendix 4D

## Half Year Report
## to the Australian Securities Exchange

## PART 1 – DETAILS OF ENTITY, REPORTING PERIOD

| | |
|---|---|
| **Name of Entity** | Dubber Corporation Limited |
| **ABN** | 64 089 145 424 |
| **Half Year Ended** | 31 December 2024 |
| **Previous Corresponding Reporting Period** | Half year ended 31 December 2023 |

## PART 2 – RESULTS FOR ANNOUNCEMENT TO MARKET

| | **$'000** | **Percentage increase/ (decrease) over previous corresponding period** |
|---|---|---|
| Revenue from continuing operations | 20,522 | 10% |
| Loss from continuing activities after tax attributable to members | (12,049) | (45%) |
| Net loss attributable to members | (12,049) | (45%) |

| **Dividends (distributions)** | **Amount per security** | **Franked amount per security** |
|---|---|---|
| Final Dividend | Nil | Nil |
| Interim Dividend | Nil | Nil |
| Record date for determining entitlements to the dividends (if any) | Not Applicable | |

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

For further information, refer to the Review of Operations contained in the Directors' Report which forms part of the Interim Financial Report for the Half Year Ended 31 December 2024.

# PART 3 – CONTENTS OF ASX APPENDIX 4D

| Section | |
|---|---|
| Part 1 | Details of entity, reporting period |
| Part 2 | Results for announcement to the market |
| Part 3 | Contents of ASX Appendix 4D |
| Part 4 | Commentary on results |
| Part 5 | Details relating to dividends |
| Part 6 | Net tangible assets per security |
| Part 7 | Details of entities over which control has been gained or lost |
| Part 8 | Details of associates and joint venture entities |
| Part 9 | Audit/review status |
| Part 10 | Attachments forming part of Appendix 4D |
| Part 11 | Corporate Directory |
| Part 12 | Directors Report |

# PART 4 – COMMENTARY ON RESULTS

Refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for the Half Year Ended 31 December 2024 for details.

# PART 5 – DETAILS RELATING TO DIVIDENDS

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

# PART 6 – NET TANGIBLE ASSETS PER SECURITY

| | 31 December 2024 | 30 June 2024 |
|---|---|---|
| Net tangible asset backing per ordinary security* | (0.17) cents | (2.00) cents |

* *Excludes right of use assets*

# PART 7 – DETAILS OF ENTITIES OF WHICH CONTROL WAS GAINED OR LOST

| | |
|---|---|
| Name of entity (or group of entities) | Not applicable |
| Date control gained | Not applicable |
| Contribution of the controlled entity (or group of entities) to the profit/(loss) from ordinary activities during the period, from the date of gaining or losing control | Not applicable |
| Profit (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period | Not applicable |
| Contribution to consolidated profit/(loss) from ordinary activities from sale of interest leading to loss of control | Not applicable |

# PART 8 – DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

| | Ownership Interest | | Contribution to net profit/(loss) | |
|---|---|---|---|---|
| | 2025<br>% | 2024<br>% | 2025<br>$A'000 | 2024<br>$A'000 |
| Name of entity | **N/A** | **N/A** | **N/A** | **N/A** |
| Associates | | | | |
| Joint Venture Entities | | | | |
| Aggregate Share of Losses | | | | |

# PART 9 – AUDIT/REVIEW STATUS

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

| | | | |
|---|---|---|---|
| The accounts have been audited | ☐ | The accounts have been subject to review | ☑ |
| The accounts are in the process of being audited or subject to review | ☐ | The accounts have not yet been audited or reviewed | ☐ |

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

Not applicable

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

Not applicable

# PART 10 – ATTACHMENTS FORMING PART OF APPENDIX 4D

| Attachment No. | Details |
| --- | --- |
| N/A | N/A |

Signed by Director

Matthew Bellizia
Managing Director and CEO
**Dated: 28 February 2025**

# PART 11 - CORPORATE DIRECTORY

## BOARD OF DIRECTORS

Ted Pretty
*Non-Executive Chairman*

Matthew Bellizia
*Managing Director and CEO*

Gerard Bongiorno
*Non-Executive Director*

John Selak
*Non-Executive Director*

Simon Crowther
*Non-Executive Director*

Jeremy Davis
*Non-Executive Director*

## COMPANY SECRETARY

David Franks (Automic)

## SHARE REGISTRY

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9324 2099

## AUDITOR

Ernst & Young
Level 23, 8 Exhibition Street
Melbourne VIC 3000

## SECURITIES EXCHANGE

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

## REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 5-7, 2 Russell Street
Melbourne VIC 3000
Telephone: +61 3 8658 6111

Web: dubber.net

# PART 12 - DIRECTORS REPORT

Your Directors submit the financial report of the consolidated entity (the Group) for the half-year ended 31 December 2024.

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

| | |
|---|---|
| Edward Pretty | Non-Executive Chairman (appointed 31 January 2025) |
| Matthew Bellizia | CEO & Managing Director (appointed to the Board 1 January 2025) |
| Gerard Bongiorno | Non-Executive Director |
| John Selak | Non-Executive Director (appointed 9 December 2024) |
| Simon Crowther | Non-Executive Director (appointed 9 December 2024) |
| Jeremy Davis | Non-Executive Director (appointed 1 January 2025) |
| Neil Wilson | Non-Executive Chairman (retired 31 December 2024) |
| Peter Pawlowitsch | Executive Director (retired 31 December 2024) |
| Sarah Diamond | Non-Executive Director (retired 9 December 2024) |

# REVIEW OF OPERATIONS

At Dubber, we envision a world where every conversation is recognised as a vital asset, unlocking unprecedented value for businesses. Conversations are the bedrock of effective communication, and our mission is to transform these interactions into powerful insights and opportunities for our partners and their customers. By leveraging cutting-edge conversation capture technology and AI-powered conversation intelligence, we provide out-of-the-box solutions that empower our partners to excel.

The principal continuing activities of Dubber Corporation Limited and its controlled entities consisted of the provision of unified call recording and conversation Artificial Intelligence services to the global telecommunications industry.

The first half of FY25 was a significant one for the Group with the Group appointing a new CEO, refreshing the Board, undertaking a capital raise to provide confidence to our Communications Service Provider (CSP) partners alongside making continued progression towards achieving target of operating cash flow monthly run rate breakeven in the final month of FY25.

The Company appointed Matthew Bellizia as the new CEO, who commenced in the role on 10 September 2024. Matthew brings extensive experience as a CEO and founder of technology companies. He has a deep understanding of the importance of data to drive business outcomes which aligns current and future direction of Dubber's technology, with the skills and experience to lead the Company into the future. Acting-CEO Peter Pawlowitsch remained as an Executive Director until 31 December 2024 when he retired from the Board.

The Company substantially refreshed the Board of Directors, including appointing Edward Pretty as Chairman on 31 January 2025 and appointing a further 3 non-executive Directors as set out on page 8.

In the prior financial year, the Board uncovered that Company funds, which were supposed to have been held by a trustee in a term deposit on behalf of the Company, may have been misused by either or both the Company's former Managing Director and CEO, Steve McGovern and the third party trustee. As at the date of this report, $26.6 million of the funds remain unaccounted for.

The Company is undertaking an investigation into the matter and has also referred the matter to ASIC and the Legal Services Board of Victoria.

The Company is continuing it's focus on the recovery of funds and a Board sub-committee has been appointed to manage the recovery going forward. The ASIC investigation is ongoing and Dubber continues to provide assistance. A claim against the Victorian Legal Services Board Fidelity Fund was lodged in August 2024. Such claims generally take 6-12 months to be assessed, and may be extended.

Work to support other recovery avenues is underway but any recovery remains highly uncertain in respect of quantum and timing.

As a result of the above matter, the Group has undertaken significant work to rebuild customer confidence through continuing to provide high quality products and services, and a further capital raise of $25 million ($22.9 million net of issue costs) undertaken in the half year. Overall, Communications Service Provider (CSP) Partners were 230+ at 31 December 2024, up from 225+ at 30 June 2024.

The Group's focus remains on driving sales growth through refreshed sales and marketing plans and cost efficiencies.

## Financial Review

The group has three main operating segments, specifically for the provision of subscriptions services in Europe, United States of America ('Americas') and Rest of World (including Australia). The Group runs a single integrated technology platform which is predominantly developed and maintained in Australia and used by all three regions to provide services to customers. The Europe segment contains the acquired Speik technology platform that provides support for legacy products provided to a subset of European customers. The Group's head office is in Melbourne, Australia and provides management and back-office services for the Group. Each segment operates a sales function addressing the region.

The consolidated statement of profit and loss and statement of cashflows for the 6 month period of 31 December 2023 have been restated as set out in Note 1 of the financial statements.

## Revenue

Overall, revenue grew 10% in the 6 months ended 31 December 2024 to $20,521,713 (HY24: $18,646,436).

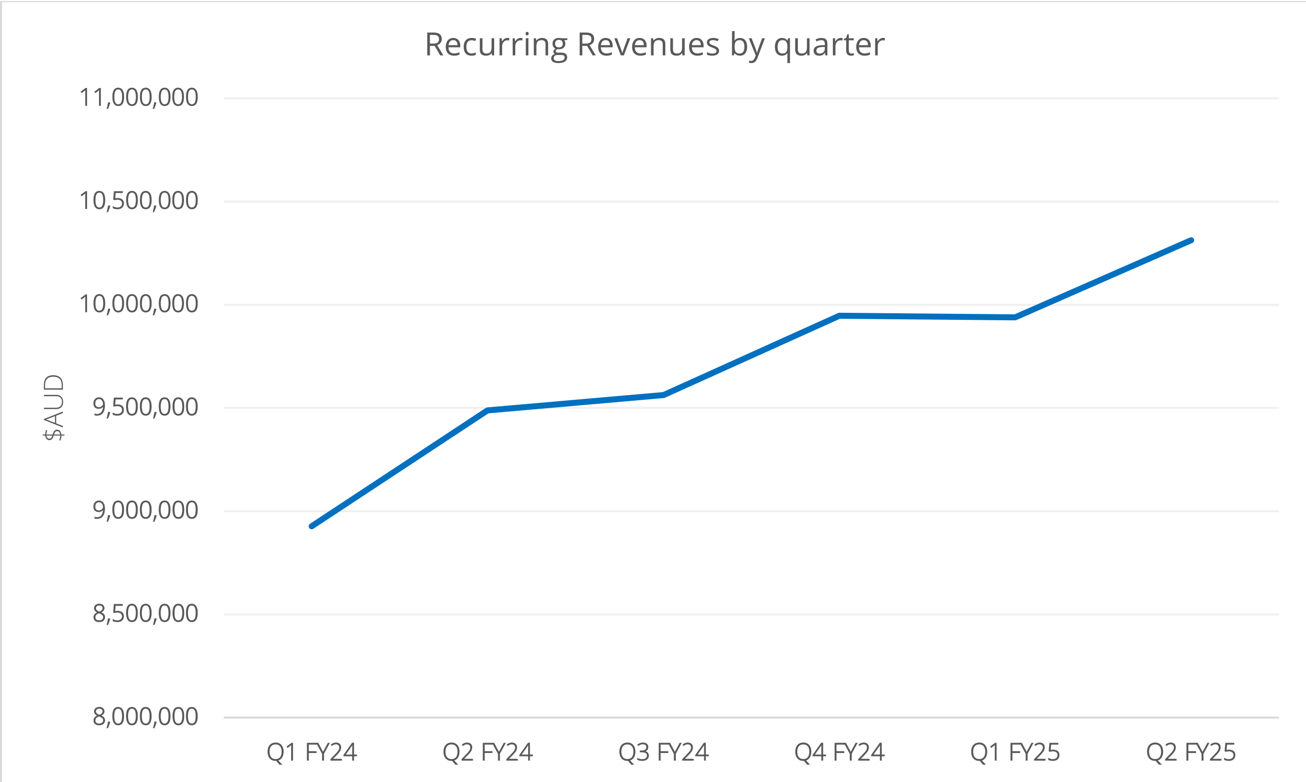
| | Europe<br>$ | Americas<br>$ | Rest of world<br>$ | Total<br>$ |
|---|---|---|---|---|
| HY25 Revenue | 13,361,228 | 5,608,095 | 1,552,390 | 20,521,713 |
| Growth on HY24 | 5% | 24% | 12% | 10% |

Europe Revenues grew 5% in HY25 to $13,361,228, reflecting volume growth in end user volumes across a number of Tier 1 CSPs in the UK and the benefit of contracts commencing with Global financial institutions to provide compliant call recording commencing in the prior financial year. Growth rates were constrained earlier in the half year by uncertainty for partners arising from the announcement in February 2024 of the identification of the misappropriation of funds but trading conditions improved following the completion of the capital raise in December 2024.

Americas Revenues grew 24% in HY25 to $5,608,095, which combined strong volume growth through existing CSPs partners with a range of new revenue generating network providers and enterprise customers. Cisco, as the Group's key foundation partner, have continued ramping up the activation of Webex users, which includes a licence for Dubber Go within each Webex activation. The Group also saw increased penetration of Dubber premium recording products to Cisco users.

Rest of world revenues grew 12% in HY25 to $1,552,390. Dubber's products demonstrated growth across both Microsoft teams and compliant call recording products in the period.

The Group has delivered underlying recurring revenue growth (excluding one-off revenues such as professional services) over the past 6 quarters despite the events of the period as shown below:




## Operating Costs

Overall, operating costs have reduced by 12% in the 6 months ended 31 December 2024 to $28,326,775 (HY24: $32,079,108).

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>$ |
|---|---|---|
| Direct costs | 6,520,178 | 6,776,223 |
| Salaries and related expenses | 13,251,058 | 16,937,382 |
| Employees share based payments | 2,301,907 | 2,123,731 |
| General and administration costs | 6,253,632 | 6,241,772 |
| | 28,326,775 | 32,079,108 |

Direct costs decreased by 4% to $6,520,178 (HY24: $6,776,223), principally reflecting increased customer volumes and sales of lower margin AI products in HY25, more than offset by efficiencies achieved in cloud and similar platform costs through optimising the efficiency and scalability of the platform for core call recording services. This is expected to allow for continued service volume and revenue growth with much lower direct cost increases, increasing direct margins achieved over the medium term.

Salaries and related expenses were $13,251,058 (HY24: $16,937,382), down 22% on HY24. This reflected significantly lower average headcount across HY25 than HY24, and consequently lower staff related costs such as travel and amenities that are linked to headcount. Employee share based payments increased 8% to $2,301,907 (HY24: $2,123,731) with the increase principally reflecting the value of share based incentive instruments granted to the incoming CEO and employees in the first half of the year.

General and administration costs were consistent period on period at $6,253,632 (HY24: $6,241,772). Excluding non-recurring costs associated with the recovery of misappropriated funds and investigation legal costs of $1,276,585 incurred in HY25, G&A costs were $4,977,047, down 20% on HY24, principally reflecting the cost saving restructuring plan undertaken across FY24 and in the first half of FY25 which in addition to headcount reductions reduced discretionary costs across a number of areas such as marketing, travel, overheads, non-core software costs and other corporate expenses.

As a result, the Group recorded a loss before depreciation, amortisation, impairment, interest and tax of $6,454,633 (HY24: $14,189,269), a reduction in loss of 55% on HY24.

## Other Income and Expense

Finance income increased to $132,761 (HY24: $8,470) due to significantly higher average cash deposits resulting in higher interest income.

Finance costs increased 28% to $1,031,076 (HY24: $806,919) reflecting higher interest costs incurred on liabilities, principally on PAYG and payroll tax liabilities outstanding.

The Group recognised an impairment charge of $718,355 (HY24: $nil) in respect of Right-of-Use assets for surplus office lease space the Group is seeking to exit.

In the prior period the Group recognised goodwill impairment charges of $3,211,455 which relate to the Rest-of-World cash-generating unit's goodwill assets.

Depreciation and amortisation decreased 16% to $3,475,050 (HY24: $4,123,838) mostly due to reduction in property leases in HY25 and leasehold improvements becoming fully depreciated.

HY25 Income tax expense was $502,310 (HY24: $414,408 benefit) reflecting tax charges anticipated in the Group's UK subsidiaries which are now profitable on a standalone basis.

As a result, the Group recorded a loss after income tax of $12,048,663 (HY24: 21,908,603), a reduction in loss of 45% on HY24.

## Cashflows

The Group recorded operating cash receipts from customers of $21,838,130 (HY24: $17,776,923), up 23% on HY24, principally reflecting higher revenues and a reduction in certain customers deferred revenue in HY24 for amounts received from customers ahead of service provision in FY23 which reduced cash receipts in HY24 as a consequence. Net cash outflows used in operating expenses were 7% higher than HY24 at $12,224,743 (HY23: $11,423,119) reflecting higher cash receipts and lower underlying operating cash based expenses incurred in the period as a result of the cost efficiencies achieved, offset by one-off costs related to the misappropriation of funds and investigation incurred in HY25, as well as historic tax liability repayments in HY25 that did not occur in HY24.

During the period, the Company raised share capital of $22,948,875 (net of issue costs of $2,086,175).

The Group had $20,618,913 of cash and cash equivalents at 31 December 2024 (31 December 2023: $638,570).

### Outlook

The business is well positioned for future growth under a new CEO and refreshed Board.

In the short term the Company remains focused on:

- Driving sales growth through:
    - Regular cost-effective marketing
    - Industry vertical strategy
    - Improving CSP partners ability to sell
    - Looking for new revenue streams in the longer term
- Product Evolution:
    - Release new recorder
    - New UI/UX for Dubber customers
    - Uplift AI sales through product
- Driving a Results Culture through the business
- Continuing to find cost improvements / productivity gains
- Continuing to pursue recovery of missing funds and finalising commercial disputes
- Deliver on these plans to achieve its target of operating cashflow run-rate breakeven in FY25, assuming no material changes to trading conditions or strategy.

## CHANGES IN STATE OF AFFAIRS

During the half year ended 31 December 2024 there was no significant change in the entity's state of affairs other than that referred to in the half year financial statements or notes thereto, or as set out in the subsequent matters in the section below.

## SIGNIFICANT MATTERS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 31 January 2025 the company repaid the Australian Tax Office (ATO) for historic tax PAYG liabilities (subject to final adjustments for any outstanding interest up to the date of the payment). The payment was $6.8m and was made from existing cash reserves.

On the same date, the company entered into an unsecured loan facility agreement with Thorney Investment Group (a significant shareholder of the Group) of $5m with an 18 month term. The loan is on arms-length commercial terms and the conditions include a 1% establishment fee, a 3% line fee and an additional 8% interest rate on drawn funds, with no equity issuance or conversion options. There are no penalties for early payment or termination. At the date of this report the loan remains undrawn but is drawable at the Company's election at short notice.

The Company issued 21,241,065 shares to satisfy option exercises under the Company's ESOP plan between 1 January 2025 and the date of this report.

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

# AUDITOR'S DECLARATION OF INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2024 is included within this financial report.

Signed in accordance with a resolution of Directors.

Matthew Bellizia
Managing Director & CEO

28 February 2025

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | 31 Dec 2024<br>$ | 31 Dec 2023 (restated)<br>$ |
|---|---|---|---|
| Revenue | 2 (a) | 20,521,713 | 18,646,436 |
| Direct costs | | (6,520,178) | (6,776,223) |
| Revenue less Direct Costs | | 14,001,535 | 11,870,213 |
| Other income | 2 (b) | 68,392 | - |
| Salaries and related expenses | | (13,251,058) | (16,937,382) |
| Share based payments | 9 | (2,301,907) | (2,123,731) |
| General and administration costs | | (6,253,632) | (6,241,772) |
| Foreign exchange gains/(losses) | | 1,282,037 | (756,597) |
| Loss before depreciation, amortisation, impairment, interest and tax | | (6,454,633) | (14,189,269) |
| Finance income | | 132,761 | 8,470 |
| Finance costs | | (1,031,076) | (806,919) |
| Impairment of goodwill | | - | (3,211,455) |
| Impairment of right-of-use asset | 5 | (718,355) | - |
| Depreciation and amortisation | | (3,475,050) | (4,123,838) |
| Loss before income tax expense | | (11,546,353) | (22,323,011) |
| Income tax (expense) / benefit | | (502,310) | 414,408 |
| Loss after income tax expense for the year | | (12,048,663) | (21,908,603) |
| Other comprehensive loss | | | |
| Items that may be reclassified to profit or loss | | | |
| Foreign currency translation differences | | 271,353 | 162,197 |
| Other comprehensive profit / (loss) for the year, net of tax | | 271,353 | 162,197 |
| Total comprehensive loss attributable to owners of Dubber Corporation Limited | | (11,777,310) | (21,746,406) |
| Loss per share attributable to the owners of | | | |
| Dubber Corporation Limited | | Cents | Cents |
| Basic and diluted loss per share | 8 | (0.88) | (5.97) |

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

| ASSETS | Note | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|---|
| **Current Assets** | | | |
| Cash and cash equivalents | | 20,618,913 | 10,646,517 |
| Trade and other receivables | 3 | 7,330,625 | 6,458,082 |
| Total Current Assets | | 27,949,538 | 17,104,599 |
| **Non-Current Assets** | | | |
| Property, plant and equipment | | 845,702 | 982,732 |
| Rights of use asset | 5 | 5,550,044 | 5,256,163 |
| Intangible assets | 4 | 29,829,176 | 30,276,365 |
| Other assets | | 720,142 | 674,966 |
| Total Non-Current Assets | | 36,945,064 | 37,190,226 |
| Total Assets | | 64,894,602 | 54,294,825 |
| LIABILITIES | | | |
| **Current Liabilities** | | | |
| Trade and other payables | 6 | 16,219,965 | 20,732,525 |
| Lease liability | 5 | 2,057,746 | 1,980,268 |
| Provision for income tax | | 631,397 | - |
| Provisions | | 895,148 | 1,229,225 |
| Contract liabilities | | 3,721,769 | 3,618,014 |
| Total Current Liabilities | | 23,526,025 | 27,560,032 |
| **Non-Current Liabilities** | | | |
| Lease liability | 5 | 6,595,145 | 5,419,210 |
| Provisions | | 561,608 | 541,398 |
| Contract liabilities | | 951,040 | 1,048,030 |
| Deferred Tax Liabilities | | 2,261,758 | 2,239,872 |
| Total Non-Current Liabilities | | 10,369,551 | 9,248,510 |
| Total Liabilities | | 33,895,576 | 36,808,542 |
| NET ASSETS | | 30,999,026 | 17,486,283 |
| EQUITY | | | |
| Issued capital | 7 | 352,289,677 | 323,504,212 |
| Reserves | | 17,828,042 | 21,052,101 |
| Accumulated losses | | (339,118,693) | (327,070,030) |
| TOTAL EQUITY | | 30,999,026 | 17,486,283 |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| 31 DECEMBER 2024 | Issued Capital $ | Reserves $ | Accumulated Losses $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2024 | 323,504,212 | 21,052,101 | (327,070,030) | 17,486,283 |
| Loss after income tax expense for the period | - | - | (12,048,663) | (12,048,663) |
| Other comprehensive income for the period, net of tax | - | 271,353 | - | 271,353 |
| Total comprehensive loss for the period | - | 271,353 | (12,048,663) | (11,777,310) |
| Transactions with owners in their capacity as owners | | | | |
| Securities issued during the period | 25,856,712 | (821,662) | - | 25,035,050 |
| Exercise of employee share options | 4,975,657 | (4,975,657) | - | - |
| Capital raising costs | (2,046,904) | - | - | (2,046,904) |
| Cost of share based payments | - | 2,301,907 | - | 2,301,907 |
| Balance at 31 December 2024 | 352,289,677 | 17,828,042 | (339,118,693) | 30,999,026 |

| 31 DECEMBER 2023 (restated) | Issued Capital $ | Reserves $ | Accumulated Losses $ | Total $ |
|---|---|---|---|---|
| Balance at 1 July 2023 (restated) | 281,020,797 | 26,446,677 | (286,345,954) | 21,121,520 |
| Loss after income tax expense for the period | - | - | (21,908,603) | (21,908,603) |
| Other comprehensive income for the period, net of tax | - | 162,197 | - | 162,197 |
| Total comprehensive loss for the period | - | 162,197 | (21,908,603) | (21,746,406) |
| Transactions with owners in their capacity as owners | | | | |
| Securities issued during the period | 10,334,000 | - | - | 10,334,000 |
| Exercise of employee share options | 9,749,590 | (9,749,590) | - | - |
| Capital raising costs | (676,098) | - | - | (676,098) |
| Cost of share based payments | - | 2,123,731 | - | 2,123,731 |
| Balance at 31 December 2023 (restated) | 300,428,289 | 18,983,015 | (308,254,557) | 11,156,747 |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>(Restated)<br>$ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Receipts from customers | 21,838,130 | 17,776,923 |
| Payments to suppliers and employees | (33,832,193) | (28,932,322) |
| Interest elements of lease payments | (315,157) | (282,206) |
| Interest received | 132,758 | 14,486 |
| Interest and other finance costs paid | (48,281) | - |
| Net cash outflows used in operating activities | (12,224,743) | (11,423,119) |
| **Cash flows from investing activities** | | |
| Purchase of plant and equipment | - | (1,199) |
| Sale of plant and equipment | 1,784 | - |
| Return of security bond and funds held in trust | - | 1,270,000 |
| Net cash inflows from investing activities | 1,784 | 1,268,801 |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | 25,035,050 | 10,334,000 |
| Payment of share issue costs | (2,086,175) | (676,098) |
| Principal elements of lease payments | (941,269) | (887,465) |
| Net cash provided by financing activities | 22,007,606 | 8,770,437 |
| Net increase/(decrease) in cash held | 9,784,647 | (1,383,881) |
| Cash and cash equivalents at the beginning of the period | 10,646,517 | 2,020,711 |
| Effect of exchange rate changes on cash | 187,749 | 1,740 |
| Cash and cash equivalents at the end of the period | 20,618,913 | 638,570 |

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

# 1. BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by Dubber Corporation Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

## New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Going Concern

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors are satisfied the Group has adequate resources to continue as a going concern for not less than 12 months from the issue of the financial report.

At 31 December 2024 the Group had cash and deposits totalling $20,618,913, however during HY25 the entity recorded a loss before tax of $11,546,353 (HY24: $22,323,011) and incurred net cash outflows from operating activities of $12,224,743 (HY24: $11,423,119). Additionally, as set out in Note 16 the Group repaid outstanding tax liabilities of approximately $6.8m in January 2025.

The Group's ability to continue as a going concern is dependent upon its ability to continue to improve its operating cash flows in the short term. To achieve this the Group has undertaken a cost reduction programme across FY24 and the first half of FY25 to focus the business on core priorities and improve productivity and efficiency. As a result net cash outflows from operating activities has reduced across the half year and it is anticipated that non-operating and non-recurring costs related to the recovery of misappropriated funds and investigation will reduce substantially in the coming half year.

In January 2025 the Group entered into an unsecured loan facility agreement with Thorney Investment Group (a significant shareholder of the Group) of $5m with an 18 month term. The loan is on arms-length commercial terms and the conditions include a 1% establishment fee, a 3% line fee and an additional 8% interest rate on drawn funds, with no equity issuance or conversion options. There are no penalties for early payment or termination. At the date of this report the loan remains undrawn but is drawable at the Company's election at short notice.

Based on management's forecast of operating cashflows the Directors are satisfied the Group has adequate resources to continue as a going concern for not less than 12 months from the issue of the financial report.

## Restatement of comparative balances

As part of the completion of the financial report for the year ended 30 June 2024 a number of restatements of prior period reported results were identified and reflected in the financial report. The impact of these previously identified restatements on the 31 December 2023 comparatives is described below. There have been no further items identified during the period to 31 December 2024 which require restatement.

### Correction to Prior Period Employment Taxes and Other Statutory Liabilities

Following engagement with tax authorities, as part of the 2024 financial year end process a detailed reconciliation of outstanding employment tax liabilities was undertaken. This process identified an under provision for employment related taxes, and associated interest and penalties relating to prior financial years, predominantly arising in FY20 to FY23.

As a consequence, trade and other payables at 31 December 2023 was restated to increase by $3,422,018 in respect of employment tax liabilities.

### Other Restatement items

The Group implemented a new ERP system during FY23. During FY24 discrepancies were identified between migrated balance sheet accounts between the two ERP systems which predominantly had the impact of understating trade payables and deferred revenue liabilities at 30 June 2023. Additionally, an under accrual of commissions payable to customer partners was identified impacting FY22 and FY23.

The impact of the corrections was to reduce HY24 trade and other receivables at 31 December 2023 by $206,773, increase trade and other payables by $145,445, increase non-current contract liabilities by $909,535, reduce revenue by $81,838, reduce direct costs by $329,096 and decrease current contract liabilities by $417,357 (net $492,178 increase to all contract liabilities).

### Reclassification of Cash Balances

Cash balances held in deposits of $841,915 at 31 December 2023 which have security placed over them for property leases have been reclassified from cash to trade and other receivables to reflect that the deposits are not held for the purpose of meeting short term cash commitments and therefore are not cash and cash equivalents.

### Reclassification of expenses

The Group has reclassified $563,063 of 3rd party commissions expense from salaries and related costs to direct costs at 31 December 2023 to mirror the classification of expenses at 30 June 2024.

The impact of the restatement on the comparative information is set out on the following pages:

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | 6 months to 31 December 2023 | | |
|---|---|---|---|
| | As previously reported $ | Restatement $ | Restated $ |
| Revenue [2] | 18,728,274 | (81,838) | **18,646,436** |
| Direct Costs [2, 3] | (6,542,256) | (233,967) | **(6,776,223)** |
| Revenue less Direct Costs | 12,186,018 | (315,805) | **11,870,213** |
| Salaries and related expenses [3] | (19,624,176) | 563,063 | **(19,061,113)** |
| Earnings before depreciation, amortisation, impairment, interest and tax | (14,436,527) | 247,258 | **(14,189,269)** |
| Finance costs [1] | (800,719) | (6,200) | **(806,919)** |
| Loss before income tax benefit | (22,564,069) | 241,058 | **(22,323,011)** |
| Loss after income tax expense for the period | (22,149,661) | 241,058 | **(21,908,603)** |
| Total comprehensive loss for the period attributable to owners of Dubber Corporation Limited | (21,987,464) | 241,058 | **(21,746,406)** |
| Basic loss per share | (6.04) | 0.07 | **(5.97)** |
| Diluted loss per share | (6.04) | 0.07 | **(5.97)** |

1. *Employment taxes*
2. *Other restatements*
3. *Reclassification of expenses*

*Only restated income and expense categories are presented in the table above.*

## Consolidated Statement of Financial Position

| | As at 31 December 2023 | | |
|---|---|---|---|
| | As previously reported $ | Restatement $ | Restated $ |
| Cash and cash equivalents[1] | 1,480,485 | (841,915) | 638,570 |
| Trade and other receivables [1, 3] | 7,898,531 | 635,142 | 8,533,673 |
| Total current assets | 9,379,016 | (206,773) | 9,172,243 |
| Total assets | 50,844,043 | (206,773) | 50,637,270 |
| Trade and other payables [2, 3] | (18,338,231) | (3,567,463) | (21,905,694) |
| Current contract liabilities [3] | (4,614,410) | 417,357 | (4,197,053) |
| Total current liabilities | (26,530,464) | (3,150,106) | (29,680,570) |
| Non-current contract liabilities[3] | (219,858) | (909,535) | (1,129,393) |
| Total non-current liabilities | (8,890,418) | (909,535) | (9,799,953) |
| Total liabilities | (35,420,882) | (4,059,641) | (39,480,523) |
| **Net assets** | **15,423,161** | **(4,266,414)** | **11,156,747** |
| Accumulated Losses | (303,988,143) | (4,266,414) | (308,254,557) |
| **Total Equity** | **15,423,161** | **(4,266,414)** | **11,156,747** |

1. *Reclassification of lease deposits*
2. *Employment taxes*
3. *Other restatements*

*Only restated assets and liabilities are presented in the table above.*

## Consolidated Statement of Cash Flows

| | As at 31 December 2023 | | |
|---|---|---|---|
| | As previously reported $ | Restatement $ | Restated $ |
| Cash and cash equivalents at the beginning of the period | 2,862,626 | (841,915) | 2,020,711 |
| Cash and cash equivalents at the end of the period | 1,480,485 | (841,915) | 638,570 |

## 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>(restated)<br>$ |
|---|---|---|
| (a) Revenue | | |
| Subscriptions | 20,302,097 | 18,433,999 |
| Professional services | 219,616 | 212,437 |
| Total revenue from contracts with customers | 20,521,713 | 18,646,436 |
| Disaggregation of revenue by jurisdiction and geographic region: | | |
| Australia | 1,552,390 | 1,390,607 |
| United Kingdom | 13,361,228 | 12,722,955 |
| United States | 5,608,095 | 4,532,874 |
| Total revenue from contracts with customers | 20,521,713 | 18,646,436 |
| (b) Other Income | | |
| Other | 68,392 | - |
| Total | 68,392 | - |

## 3. TRADE AND OTHER RECEIVABLES

| | 31 Dec 2024<br>$ | 30 Jun 2024<br>$ |
|---|---|---|
| Current | | |
| Trade receivables | 5,140,921 | 3,863,619 |
| Less: Expected credit loss | (289,638) | (252,712) |
| Sub total | 4,851,283 | 3,610,907 |
| Rental bond deposits | 837,056 | 841,915 |
| Other debtors | 4,941 | 143,517 |
| Contract assets | 425,364 | 374,972 |
| Prepayments | 1,120,668 | 1,356,128 |
| Deposits in trust | 69,785 | 115,667 |
| Other receivables | 21,528 | 14,976 |
| Total | 7,330,625 | 6,458,082 |

## 4. INTANGIBLE ASSETS

| | 31 Dec 2024 $ | 30 Jun 2024 $ |
|---|---|---|
| **Customer Assets** | | |
| At cost | 11,513,739 | 10,791,464 |
| Less: Accumulated amortisation | (6,637,863) | (5,435,858) |
| Sub-total | 4,875,876 | 5,355,606 |
| **Technology** | | |
| At cost | 28,831,859 | 27,963,503 |
| Less: Accumulated amortisation | (22,088,599) | (20,110,440) |
| Sub-total | 6,743,260 | 7,853,063 |
| **Goodwill** | | |
| At cost | 25,100,945 | 23,958,601 |
| Less: Accumulated impairment | (6,890,905) | (6,890,905) |
| Sub-total | 18,210,040 | 17,067,696 |
| Net carrying amount at the end of the period / year | 29,829,176 | 30,276,365 |

Reconciliation of the carrying amount for each class of intangible asset between the beginning and the end of the current and previous financial period / year are set out below:

| 31 Dec 2024 | Goodwill $ | Customer Asset $ | Technology Asset $ | Total $ |
|---|---|---|---|---|
| Balance at the beginning of the period | 17,067,696 | 5,355,606 | 7,853,063 | 30,276,365 |
| Impairment expense | - | - | - | - |
| Foreign exchange movement | 1,142,344 | 331,295 | 308,472 | 1,782,111 |
| Amortisation expense | - | (811,025) | (1,418,275) | (2,229,300) |
| Carrying amount at the end of the period | 18,210,040 | 4,875,876 | 6,743,260 | 29,829,176 |

| 30 Jun 2024 | Goodwill $ | Customer Asset $ | Technology Asset $ | Total $ |
|---|---|---|---|---|
| Balance at the beginning of the year | 20,405,744 | 6,964,183 | 10,669,937 | 38,039,864 |
| Impairment expense | (3,211,455) | - | (13,223) | (3,224,678) |
| Foreign exchange movement | (126,593) | (37,764) | (21,938) | (186,295) |
| Amortisation expense | - | (1,570,813) | (2,781,713) | (4,352,526) |
| Carrying amount at the end of the year | 17,067,696 | 5,355,606 | 7,853,063 | 30,276,365 |

Please refer to Note 11 for further detailed disclosures on impairment testing methodology and outcomes.

## 5. LEASES

(i) Amounts recognised in the consolidated statement of financial position shows the following amounts relating to leases:

| Right of use assets | 31 Dec 2024<br>$ | 30 Jun 2024<br>$ |
|---|---|---|
| Office space | 13,910,185 | 13,272,117 |
| Accumulated amortisation | (6,582,686) | (7,004,262) |
| Accumulated impairment | (1,844,706) | (1,121,053) |
| Sub total | 5,482,793 | 5,146,802 |
| Computer equipment | 703,292 | 659,174 |
| Accumulated amortisation | (636,041) | (549,813) |
| Sub total | 67,251 | 109,361 |
| Total | 5,550,044 | 5,256,163 |

| Lease liabilities | | |
|---|---|---|
| Current | 2,057,746 | 1,980,268 |
| Non-current | 6,595,145 | 5,419,210 |
| Total | 8,652,891 | 7,399,478 |

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>$ |
|---|---|---|
| Depreciation charge of right of use assets | 1,066,242 | 1,271,030 |
| Interest expense | 312,587 | 278,212 |
| Impairment of right-of-use asset | 718,355 | - |

| Right of use assets | Office Space $ | Computer Equipment $ | Total $ |
|---|---|---|---|
| Balance at the beginning of the year | 5,146,803 | 109,360 | 5,256,163 |
| Additions | 2,700,250 | - | 2,700,250 |
| Impairment expense | (718,355) | - | (718,355) |
| Depreciation expense | (1,018,415) | (47,827) | (1,066,242) |
| Remeasurement adjustment* | (855,871) | - | (855,871) |
| Foreign exchange | 228,381 | 5,718 | 234,099 |
| Carrying amount at the end of the year | 5,482,793 | 67,251 | 5,550,044 |

| Lease liabilities | Office Space $ | Computer Equipment $ | Total $ |
|---|---|---|---|
| Balance at the beginning of the year | 7,268,600 | 130,878 | 7,399,478 |
| Additions | 2,700,250 | - | 2,700,250 |
| Interest | 305,453 | 7,134 | 312,587 |
| Payments | (1,179,865) | (76,561) | (1,256,426) |
| Remeasurement adjustment* | (920,074) | - | (920,074) |
| Foreign exchange | 395,712 | 21,364 | 417,076 |
| Carrying amount at the end of the year | 8,570,076 | 82,815 | 8,652,891 |

** Relates to the remeasurement of a property lease where the Group no longer expects to exercise an option to extend the lease at the end of the minimum term, reducing the ROU asset and lease liability at the date of the reassessment accordingly.*

An impairment of $718,355 (FY24: $1,121,053) was recognised in respect of office space right-of-use assets in the EMEA segment which are surplus to the Group's requirements and where the Group is seeking to exit the leases.

The impairment was determined using a fair value less costs of disposal (FVLCD) model reflecting the intention to exit or sub-lease the office space. A discounted future cashflow model was used to determine the FVLCD based on assumptions of what sub-lease rental cash inflows will be achieved. Based on the assessment of market conditions for office space similar to the vacant property it is considered that a sub-lease would take around 6 months to achieve and reflect a 46% discount against the rental rate currently paid by the Group (including the value of all incentives offered), with all outgoings, taxes and charges being transferred to the sub-lessor on completion. A discount rate of 8% was applied to all future cashflows over the remaining 3 years of the underlying lease. The calculation requires the use of assumptions that are unobservable inputs categorised as Level 3 within the fair value hierarchy.

As a result of this analysis, an impairment of $718,355 was recorded against the right-of-use asset value of $1,528,788 to reflect the recoverable amount of $810,433.

During the period, the Group executed an agreement to extend the current lease of its Melbourne based premises up to March 2029. This resulted in additions of $2,700,250 to both right of use assets and lease liabilities during the period.

The total cash outflow for leases in HY25 was $1,256,426 (HY24: $1,631,670).

Total short term operating lease expenses where the lease terms are less than 12 months amounted to $16,672 in FY25 (2024: $30,327).

## 6. TRADE AND OTHER PAYABLES

| | 31 Dec 2024<br>$ | 30 Jun 2024<br>$ |
|---|---|---|
| Trade payables | 5,732,924 | 7,137,076 |
| Payroll tax and other statutory liabilities | 10,377,923 | 13,477,301 |
| Other payables | 109,118 | 118,148 |
| Total | 16,219,965 | 20,732,525 |

*See note 16 for post period payment of a portion of the outstanding statutory liabilities.*

## 7. ISSUED CAPITAL

| | | 31 Dec 2024 | 30 Jun 2024 |
|---|---|---|---|
| (a) | Issued and paid up capital | Number | Number |
| | Ordinary shares - fully paid | 2,599,550,908 | 900,365,710 |

| | | | |
|---|---|---|---|
| (b) | Movement in ordinary shares on issue (31 December 2024) | Number | $ |
| | Balance at the beginning of the period | 900,365,710 | 323,504,212 |
| | Issued pursuant to a placement ($0.015) | 1,669,003,350 | 25,035,050 |
| | Issued on exercise of ZEPOs | 8,710,303 | 4,975,657* |
| | Issued to employees and consultants | 11,471,545 | 441,662* |
| | Issued to Director | 10,000,000 | 380,000* |
| | Share issue costs | - | (2,046,904) |
| | Balance at the end of the period | 2,599,550,908 | 352,289,677 |

| | | | |
|---|---|---|---|
| (c) | Movement in ordinary shares on issue (30 June 2024) | Number | $ |
| | Balance at the beginning of the year | 309,694,824 | 281,020,797 |
| | Issued pursuant to a placement ($0.14) | 73,214,286 | 10,250,000 |
| | Issued pursuant to a placement ($0.05) | 481,133,482 | 24,056,675 |
| | Issued on vesting of Restricted Share Units (RSU) | 507,363 | 76,104* |
| | Issued on exercise of ZEPOs | 8,815,755 | 9,842,009* |
| | Transfer of ordinary shares | - | 84,000 |
| | Issued as part consideration of borrowing facility establishment fee | 27,000,000 | 1,350,000* |
| | Share issue costs | - | (3,175,373) |
| | Balance at the end of the year | 900,365,710 | 323,504,212 |

** The $ amounts include any share based payment expenses associated with the equity instrument issued transferred from the share based payment reserve to share capital on the issuance of the share capital in the period.*

## 8. 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:

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>(restated)<br>$ |
|---|---|---|
| Earnings attributable to the owners of Dubber Corporation Limited used to calculate EPS: | | |
| Loss for the period | (12,048,663) | (21,908,603) |
| Weighted average number of ordinary shares used as the denominator in calculating basic EPS | 1,375,267,032 | 366,737,559 |
| Basic EPS (cents) | (0.88) | (5.97) |

*As the consolidated entity is in a loss position diluted EPS is the same as basic EPS.*

## 9. SHARE BASED PAYMENTS

| | 31 Dec 2024<br>$ | 31 Dec 2023<br>$ |
|---|---|---|
| Share based payment expense for the half-year period (net) | 2,301,907 | 2,123,731 |

Share Based Payments expense includes the effects of reassessed probabilities of achievement of vesting conditions as at 31 December 2024 for options issued in prior years in accordance with the requirements of AASB 2 Share-based payment.

During the half year period, the Company has granted options to employees and KMPs as well as for services rendered by consultants and shareholders. The fair value of the options is determined using the Black Scholes model, except for those options that are subject to a market based vesting condition which used a binomial option pricing model. The details of the assumptions and inputs to the model for all options granted during the period are as follows:

### Options and Barrier ZEPOs granted to CEO during the period ended 31 December 2024:

| $0.0225 exercise price options | |
|---|---|
| Grant date | 10 September 2024 |
| Number of options | 70,000,000 |
| Vesting date | 30 November 2024 |
| Expense recognised in HY25 ($) | 590,000 |
| Dividend yield (%) | - |
| Expected volatility (%) | 82% |
| Risk-free interest rate (%) | 3.968% |
| Expected life of options (years) | 1.5 |
| Expiry date | 30/11/2027 |
| Underlying share price ($) | $0.017 |
| Option exercise price ($) | $0.0225 |
| Fair value of option ($) | $0.011 |

### Options and Barrier ZEPOs granted to CEO during the period ended 31 December 2024:

| Barrier zero exercise price options (ZEPOS) | | | |
|---|---|---|---|
| Grant date | 10 September 2024 | 10 September 2024 | 10 September 2024 |
| Number of options (revised) | 16,666,667* | 16,666,667* | 16,666,666* |
| Number of options (original) | 12,000,000 | 12,000,000 | 12,000,000 |
| Vesting date | Subject to achieving 20-day VWAP above $0.04 barrier price by 30 September 2026 | Subject to achieving 20-day VWAP above $0.07 barrier price by 31 March 2027 | Subject to achieving 20-day VWAP above $0.10 barrier price by 30 September 2027 |
| Expense recognised in HY25 ($) | 41,216 | 29,957 | 19,286 |
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | 82% | 82% | 82% |
| Risk-free interest rate (%) | 3.645% | 3.645% | 3.645% |
| Expected life of options (years) | 2.1 | 2.6 | 3.1 |
| Expiry date | 31 October 2027 | 31 October 2027 | 31 October 2027 |
| Underlying share price ($) | $0.032 | $0.032 | $0.032 |
| Option exercise price ($) | $0.00 | $0.00 | $0.00 |
| Option barrier price ($) | $0.04 | $0.07 | $0.10 |
| Fair value of option ($) | $0.026 | $0.021 | $0.018 |

**Number and terms of options granted was revised and approved by shareholders on AGM date 27 November 2024. The revision of terms is deemed a modification of the original grant. The fair value of the options includes the incremental fair value at the date of modification. The original and revised grants are separately valued at modification date, with any incremental value also being amortised as an expense.*

In addition to the above, the share based payment expense includes an accrued amount of $76,451 for the CEO's share based short term incentive for FY25.

### Ordinary shares granted to Employee and consultant during the period ended 31 December 2024:

| Ordinary shares | Consultant | Employee |
|---|---|---|
| Grant date | 1 July 2024 | 14 August 2024 |
| Number of ordinary shares | 3,200,000 | 2,864,295 |
| Value per ordinary share ($) | 0.039 | 0.037 |
| Share based payment expense ($) | 124,800 | 105,979 |

## Options granted to Director and shareholders during the period ended 31 December 2024:

| $0.0225 exercise price options | Peter Pawlowitsch | Shareholders |
|---|---|---|
| Grant date | 27 November 2024 | 27 November 2024 |
| Number of options | 30,000,000 | 30,000,000 |
| Vesting date | 30 November 2024 | 30 November 2024 |
| Expense recognised in HY25 ($) | 180,000 | 180,000 |
| Dividend yield (%) | - | - |
| Expected volatility (%) | 84% | 84% |
| Risk-free interest rate (%) | 3.968% | 3.968% |
| Expected life of options (years) | 1.5 | 1.5 |
| Expiry date | 30/11/2027 | 30/11/2027 |
| Underlying share price ($) | $0.017 | $0.017 |
| Option exercise price ($) | $0.0225 | $0.0225 |
| Fair value of option ($) | $0.006 | $0.006 |

In addition to the above, the share based payment expense includes the following accrued share based remuneration based on a proportion of service fees of new Directors:

| Share based remuneration | John Selak | Simon Crowther |
|---|---|---|
| Share based payment expense ($) | 4,521 | 1,356 |

## Zero exercise price options granted to Employees and consultants during the period ended 31 December 2024:

| Zero exercise price options (ZEPOs) | Consultant | Employees | Employees |
|---|---|---|---|
| Grant date | 9 December 2024 | 8 October 2024 | 7 November 2024 |
| Number of options | 15,000,000 | 1,362,000 | 353,272 |
| Vesting date | 31 December 2024 | 31 October 2024 | 21 November 2024 |
| Expense recognised in HY25 ($) | 195,000 | 39,498 | 6,006 |
| Dividend yield (%) | - | - | - |
| Expected volatility (%) | 85% | 77% | 77% |
| Risk-free interest rate (%) | 4.12% | 3.834% | 3.834% |
| Expected life of options (years) | 1.5 | 0.0 | 0.0 |
| Expiry date | 30 November 2027 | 18 November 2024 | 20 December 2024 |
| Underlying share price ($) | $0.027 | $0.029 | $0.017 |
| Option exercise price ($) | $0.0225 | $0.00 | $0.00 |
| Fair value of option ($) | $0.013 | $0.029 | $0.017 |

## 10. SEGMENT INFORMATION

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

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

| | Europe $ | Americas $ | Rest of the World $ | Other $ | Total $ |
|---|---|---|---|---|---|
| Half-year ended 31 December 2024 | | | | | |
| Revenue | 13,361,228 | 5,608,095 | 1,552,390 | - | 20,521,713 |
| Direct costs | (2,428,959) | (1,400,223) | (2,690,996) | - | (6,520,178) |
| Revenue less direct costs | 10,932,269 | 4,207,872 | (1,138,606) | - | 14,001,535 |
| Other income | 484 | - | 67,908 | - | 68,392 |
| Salaries and related expenses | (3,360,308) | (1,330,042) | (8,560,708) | - | (13,251,058) |
| Employee share based payments | (105,851) | - | (606,941) | (1,589,115) | (2,301,907) |
| General and administration costs | (909,714) | (886,039) | (1,534,538) | (2,923,341) | (6,253,632) |
| Foreign currency gains / (losses) | (17,377) | (6,522) | 1,305,936 | - | 1,282,037 |
| Earnings / (loss) before depreciation, amortisation, impairment, interest and tax | 6,539,503 | 1,985,269 | (10,466,949) | (4,512,456) | (6,454,633) |
| Finance income | 30,283 | - | 102,478 | - | 132,761 |
| Finance costs | (285,356) | (32,236) | (713,484) | - | (1,031,076) |
| Impairment of right-of-use asset | (718,355) | - | - | - | (718,355) |
| Depreciation and amortisation | (2,045,303) | - | (1,429,747) | - | (3,475,050) |
| Profit/(Loss) before income tax | 3,520,772 | 1,953,033 | (12,507,702) | (4,512,456) | (11,546,353) |
| As at 31 December 2024: | | | | | |
| Segment assets | 38,997,868 | 3,399,420 | 22,497,314 | - | 64,894,602 |
| Segment liabilities | 12,944,454 | 2,379,608 | 18,571,514 | - | 33,895,576 |
| | 26,053,414 | 1,019,812 | 3,925,800 | - | 30,999,026 |

| | Europe $ | Americas $ | Rest of the World $ | Other $ | Total $ |
|---|---|---|---|---|---|
| Half-year ended 31 December 2023 (restated) | | | | | |
| Revenue | 12,722,955 | 4,532,874 | 1,390,607 | - | 18,646,436 |
| Direct costs | (2,518,862) | (1,299,006) | (2,958,355) | - | (6,776,223) |
| Revenue less direct costs | 10,204,093 | 3,233,868 | (1,567,748) | - | 11,870,213 |
| Other income | - | - | - | - | - |
| Salaries and related expenses | (3,761,213) | (1,876,352) | (11,299,817) | - | (16,937,382) |
| Employee share based payments | (31,182) | (56,394) | (1,216,156) | (819,999) | (2,123,731) |
| General and administration costs | (1,329,177) | (1,133,306) | (1,840,854) | (1,938,435) | (6,241,772) |
| Foreign currency gains / (losses) | (25,097) | (9,771) | (721,729) | - | (756,597) |
| Earnings / (loss) before depreciation, amortisation, impairment, interest and tax | 5,057,424 | 158,045 | (16,646,304) | (2,758,434) | (14,189,269) |
| Finance income | 2,867 | - | 5,603 | - | 8,470 |
| Finance costs | (265,432) | (7,281) | (534,206) | - | (806,919) |
| Impairment of goodwill | - | - | (3,211,455) | - | (3,211,455) |
| Depreciation and amortisation | (2,195,523) | (105,295) | (1,823,020) | - | (4,123,838) |
| Profit/(Loss) before income tax | 2,599,336 | 45,469 | (22,209,382) | (2,758,434) | (22,323,011) |
| As at 31 December 2023 (restated): | | | | | |
| Segment assets | 40,016,350 | 1,666,068 | 8,954,852 | - | 50,637,270 |
| Segment liabilities | 14,182,440 | 3,084,688 | 22,213,395 | - | 39,480,523 |
| | 25,833,910 | (1,418,620) | (13,258,543) | - | 11,156,747 |

## 11. IMPAIRMENT TESTING OF GOODWILL

AASB 136 Impairment of Assets requires assets to be assessed for impairment indicators at the end of each reporting period. If any such indicators exist, the recoverable amount of the asset is estimated.

The Group considers a range of external and internal factors when reviewing for indicators of impairment. As at 31 December 2024 revenue growth in the EMEA and ROW cash generating unit has been lower than anticipated, indicating a trigger for potential impairment. As a result, management performed an impairment test as at 31 December 2024 for the EMEA and ROW cash generating unit.

Carrying amount of Goodwill allocated to the following cash-generating units subject to impairment testing:

| | 31 December 2024 $'000 | 30 June 2024 $'000 |
|---|---|---|
| Europe | | |
| Goodwill | 18,210,040 | 17,067,696 |

Carrying amounts for each CGU are calculated based on specifically identified assets and liabilities used by the CGU including net working capital. For Corporate assets and liabilities these are allocated to each CGU on a systematic basis reflecting the anticipated usage.

The recoverable amount of the Europe CGUs' goodwill has been primarily determined using a value in use calculation using cash flow projections from financial forecasts approved by the Board for FY25, and then projected forward to cover a seven-year period being an appropriate period to reflect the anticipated incremental growth profile of the business and very low rate of customer churn.

The following key assumptions were used for the Europe CGU impairment testing for the current and comparative year:

| Assumption | 31 December 2024 | 30 June 2024 |
|---|---|---|
| Post-tax discount rate | 15.6% | 15.6% |
| Long term growth rate | 2.0% | 3.0% |

As a further cross check the Company used market-based methods, including a Guideline Transaction Method and Guideline Company Method, to assess the fair value less costs to sell of each CGU, which did not demonstrate a materially different value to the value-in-use calculation.

### Europe CGU

The recoverable amount of the Europe CGU of $24,521,000 (30 June 2024: $20,810,000) as at 30 June 2024 has been determined based on a value in use calculation using cash flow projections from financial forecasts approved by senior management covering a 6 month period, and then projected forward to cover a further 7 year period up to FY32. The projected cash flows have been updated to reflect the expected demand for the CGUs products and services, with the most significant assumption being the use of a declining revenue growth over the eight-year projection period of FY25 to FY32 with a Cumulative Annual Growth Rate (CAGR) of 5.5% (30 June 2024: 10.6%). These projections reflect management's view of future market growth for services together with relationships developed with potential customers. The post-tax discount rate applied to cash flow projections is 15.6% and cash flows beyond the eight-year period are extrapolated using a 2.0% growth rate.

As a result of this analysis, there is headroom of $2,250,000 and management did not identify an impairment for this CGU at 31 December 2024.

### Rest of World (RoW) CGU

There is no goodwill allocated to the RoW CGU as it was fully impaired in FY24. The CGU contains other non-current assets, such as a small allocation of the Group's platform IP and property right-of-use assets which are not material to the Group as a whole.

The recoverable amount of the RoW CGU of $4,100,000 at 31 December 2024 has been determined based on a value in use calculation using cash flow projections from financial forecasts approved by senior management covering a 6 month period, and then projected forward to cover a further 7 year period up to FY32. The projected cash flows have been updated to reflect the expected demand for the CGUs products and services, with the most significant assumption being the use of a declining revenue growth over the eight-year projection period of FY25 to FY32 with a Cumulative Annual Growth Rate (CAGR) of 11.4%. These projections reflect management's view of future market growth for services together with relationships developed with potential customers. The post-tax discount rate applied to cash flow projections is 14.8% and cash flows beyond the eight-year period are extrapolated using a 2.5% growth rate.

As a result of this analysis, there is headroom of $5,979,000 and management did not identify an impairment for this CGU at 31 December 2024.

### Sensitivities to changes in assumptions

The calculation of value-in-use the Europe CGU is most sensitive to the following assumptions:

- Revenue growth rates
- Discount rates

#### Revenue growth rates

A reduction in the revenue CAGR of 0.25% for the 8-year projection period from 5.5% to 5.25%, with no changes to any other assumption (including the rate of growth applied to costs) would result in nil headroom in the Europe CGU.  Management anticipate the Group would also reduce costs in the event of any reduction in projected revenue and have disclosed these sensitivities solely to demonstrate the relationship to future growth.

#### Discount rates

A rise in the post-tax discount rate to 16.6% (i.e., +1.0%) in the Europe CGU would result in nil headroom.

## 12. DIVIDENDS

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

## 13. COMMITMENTS

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

## 14. CONTINGENT LIABILITIES

In 2023 the Company and former CEO and founder, Steve McGovern, received letters of demand from Peter Slaney and Lillian Slaney, who were former business partners of Mr McGovern and shareholders in the original Dubber business vehicle prior to its acquisition by the Company, with them becoming shareholders in the Company on its re-listing on ASX. The demand relates to various matters involving historical business dealings with Mr McGovern in connection with the purported funding by them of the Dubber business prior to the re-listing that is claimed also impacts the Company. The amount most recently claimed is approximately $1 million. The Company has formed the view that it bears no obligation or liability in respect of the matter and there is a low likelihood that any litigation will be commenced or successful against the Company. However, there is no guarantee that a claim will not be brought against the Company and, if commenced, that it will be resolved on favourable terms or at all.

Aside from the above, the Group has no other material contingent liabilities.

## 15. RELATED PARTIES

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

## 16. EVENTS SUBSEQUENT TO HALF-YEAR END

On 31 January 2025 the company repaid the Australian Tax Office (ATO) for historic tax PAYG liabilities (subject to final adjustments for any outstanding interest up to the date of the payment). The payment was $6.8m and was made from existing cash reserves.

On the same date, the company entered into an unsecured loan facility agreement with Thorney Investment Group (a significant shareholder of the Group) of $5m with an 18 month term. The loan is on arms-length commercial terms and the conditions include a 1% establishment fee, a 3% line fee and an additional 8% interest rate on drawn funds, with no equity issuance or conversion options. There are no penalties for early payment or termination. At the date of this report the loan remains undrawn but is drawable at the Company's election at short notice.

The Company issued 21,241,065 shares to satisfy option exercises under the Company's ESOP plan between 1 January 2025 and the date of this report.

Aside from the above, no other matters or circumstances have arisen since the end of the period.

# DIRECTORS' DECLARATION

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

1. The financial statements and notes thereto of the consolidated entity, as set out within this financial report, are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year then ended.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

Matthew Bellizia
Managing Director and CEO

28 February 2025

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## Auditor's independence declaration to the directors of Dubber Corporation Limited

As lead auditor for the review of the half-year financial report of Dubber Corporation Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

David Petersen
Partner
28 February 2025

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## Independent auditor's review report to the members of Dubber Corporation Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Dubber Corporation Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

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

### Directors' responsibilities for the half-year financial report

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

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

David Petersen
Partner
Melbourne
28 February 2025

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