



ASX Announcement
ASX: DUB

29 October 2021

Dubber September 2021 Quarterly Activities Report

Dubber Corporation Limited (ASX: DUB) ('Dubber' or 'the Company'), the leading global Unified Call Recording & Voice Intelligence cloud service designed for service providers, government, and businesses of any size, today released an update on the Company's operating focus along with the Appendix 4C for the quarter ended 30 September 2021.

Highlights within the Quarter:

- Revenue increased by (\$700k) to **\$8.1m** (149% pcp)
- Cash receipts increased by (\$2.4m) to **\$9.1m** (231% pcp)
- Dubber subscribers now exceed **450,000**
- ARR increased (\$4.55m) to **\$43.5m** (140% pcp)
- The Company has more than **\$126m cash on hand**
- Completed **\$110m** placement (before costs at \$2.95 per share)
- Successful acquisition of **Notiv**
- **ASX 300** inclusion

Continued growth in all key metrics – Users and ARR

During the September quarter the Company continued to experience substantial growth across all key metrics.

Subscribers continued to grow at a record rate via a combination of 'standard' SaaS and Foundation Partnership subscriptions, where a Dubber service is embedded as a standard feature of every subscription on a network.

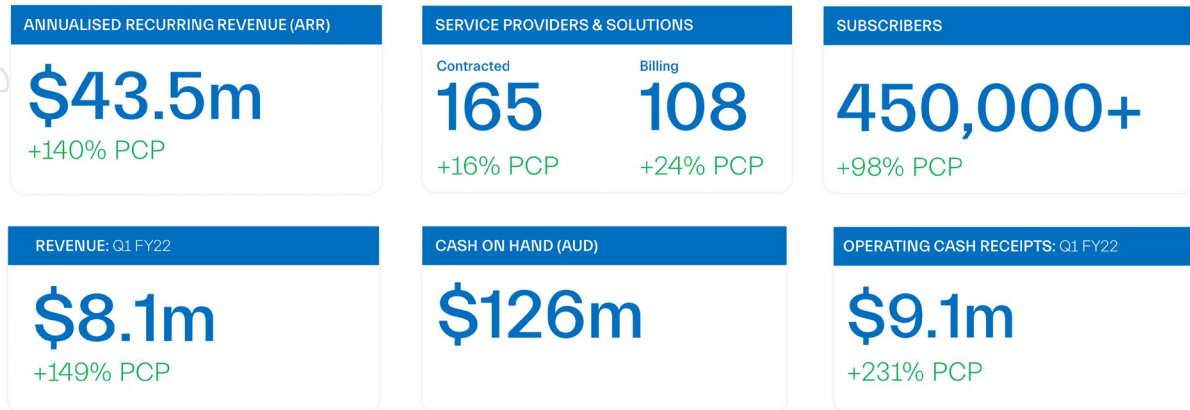
The Company's 'standard' SaaS subscriptions grew organically by over 30,000 during the quarter. The overall subscriber base grew significantly more through the addition of 'Dubber Go' subscriptions. As previously noted, the Company continues a current policy of not including Foundation Partner Program subscriptions in its overall numbers yet for reasons of consistency and commercial sensitivity. The Company will re-assess its reporting of these subscriptions on an ongoing basis.

Annualised Recurring Revenue (**ARR**) grew by \$4.55m, to approximately \$43.5m. The Company's ARR is calculated as the next 12 months of subscription revenue net of any incentives. Revenue for the quarter was \$8.1m, an increase of 149% pcp. Revenue for the month of September was \$3.2m, illustrating the progressive ramp-up of contracts that are reflected within the Company's ARR.

Customer receipts increased by \$2.4m to \$9.1m in line with the Company's internal expectations.



Strategy driving compelling outcomes



Key growth metrics



Telecommunications Networks Growth and Yield

During the quarter, the Company continued to expand its footprint of service provider networks along with increasing penetration and revenue yield from its current telecommunication and UC platform partners. Contracted service providers grew to 165 (16% pcp) and billing service providers grew to 108 (24% pcp).

Global Unified Communications Service Providers

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

These businesses continue to deploy Cisco Webex Calling and Microsoft Teams as core infrastructure for business continuity and to accommodate hybrid workforce models. These services are sold by telecommunications carriers and service providers where Dubber is the embedded recording and voice data capture platform.



In the case of Cisco, Dubber is the embedded solution for Cisco Webex Calling and Cisco UCM Cloud calling platforms and is provided as a standard feature in every subscription. Cisco have indicated strong global growth in Webex Calling Subscriptions. Dubber will continue to be a beneficiary of the growth in these platforms as the services are deployed systematically into Cisco's customer base.

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

In addition to compliance requirements within the financial services vertical, Dubber is seeing strong uptake of its services by enterprises and governments to aid in dispute resolution, track and improve customer sentiment and agent/employee coaching, provide for productivity enhancements and integration of voice data with CRM systems, among many other applications.

M&A, Completed Acquisition of Notiv

The acquisition of Notiv in September will enhance options for Dubber's Foundation Partner program, whereby service providers will have the ability to offer AI based note taking services for all calls on their network.

Notiv brings world class AI-driven notetaking and action items to every call and meeting - adding advanced technology capabilities in real-time transcription, artificial intelligence, and advanced natural language processing.

The Company believes that Notiv will bring a unique revenue generating service to existing and future Dubber customers, delivering product capabilities that enrich Dubber Foundation and broader service provider offerings. The Notiv team have been integrated into the Dubber business as a Centre of Excellence for AI, accelerating Dubber's AI programs and expanding Dubber's core offerings. The acquisition comprised consideration in the order of A\$6.6m by way of cash and equity.

The Company continues to be active in pursuing additional M&A opportunities which will be accretive to the continued growth plan.

\$110m Placement

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

Index Inclusions

During the quarter, the Company was admitted to the S&P/ASX 300 and the FTSE Global Small Cap Index, expanding the company's investor base domestically and internationally.



Steve McGovern, CEO, Dubber:

On Notiv acquisition:

"We fundamentally believe that artificial intelligence will play a significant part of every call and conversation in the future. Notiv marks a significant step towards achieving this with clear and well defined use cases for everyone from individuals to the largest of enterprises.

With Notiv, Dubber and our service provider partners, will be able to automatically take notes and create action items for every call and meeting. We are confident that our service provider partners will see enormous potential for revenue-generating, value-added services for their customers at scale."

On Quarterly performance:

"We were very pleased with our quarterly performance and remain focussed on deploying our resources to deliver quarterly growth in all of our key metrics - supported by our strong balance sheet. There continues to be considerable demand for our industry-leading conversational recording services which will enhance our underlying growth trajectory.

Additionally, we see an accelerating trend towards the importance of enhanced voice data capability beyond just that required for compliance purposes. This trend is being observed by our service provider partners, allowing us to expand engagements with existing partners and attract new service providers through initiatives such as the Foundation Partner program.

We remain focused on deploying Dubber natively via mobile networks, creating the capability where subscribers can capture and unify conversational data across multiple service and solution provider networks and manage any and all conversations through a 'single window' on the Dubber platform.

Together, these trends, paired with our focus, position Dubber incredibly well to become the de facto global provider of conversational voice capture and data through its unique cloud platform, partnered with the world's leading service and cloud communications and collaboration providers."

As required by LR 4.7C.1 to 4.7C.3, expenditure amounts for the quarter ended 30 September 2021 on the Company's activities on R&D, operations, advertising and marketing, personnel and administration are as contained in the Appendix 4C accompanying this report. The amount disclosed in section 6.1 of the Appendix 4C is for executive and non-executive director remuneration for the quarter, including superannuation.

This ASX release has been approved for release to ASX by Steve McGovern, CEO & Managing Director.

About Dubber:

Dubber is unlocking the potential of voice data from any call or conversation. Dubber is the world's most scalable Unified Call Recording service and Voice Intelligence Cloud adopted as core network infrastructure by multiple global leading telecommunications carriers in North America, Europe, and Asia Pacific. Dubber allows service providers to offer call recording for compliance, business intelligence, sentiment analysis, AI and more on any phone. Dubber is a disruptive innovator in the multi-billion-dollar call recording industry, its Software as a Service offering removes the need for on-premise hardware, applications or costly and limited storage.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

DUBBER CORPORATION LIMITED

ABN

64 089 145 424

Quarter ended ("current quarter")

30 September 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 9,115 | 9,115 |
| 1.2 Payments for | | |
| (a) research and development | (300) | (300) |
| (b) product manufacturing and operating costs | (7,252) | (7,252) |
| (c) advertising and marketing | (389) | (389) |
| (d) leased assets | - | - |
| (e) staff costs | (6,262) | (6,262) |
| (f) administration and corporate costs | (724) | (724) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 211 | 211 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | 2 | 2 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (5,599) | (5,599) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | (4,839) | (4,839) |
| (b) businesses | - | - |
| (c) property, plant and equipment | (750) | (750) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (bonds returned/deposited) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (5,589) | (5,589) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 110,000 | 110,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 251 | 251 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (4,477) | (4,477) |
| 3.5 | Proceeds from borrowings | 4 | 4 |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 105,778 | 105,778 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 32,041 | 32,041 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,599) | (5,599) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (5,589) | (5,589) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 105,778 | 105,778 |
| 4.5 | Effect of movement in exchange rates on cash held | 32 | 32 |
| 4.6 | Cash and cash equivalents at end of period | 126,663 | 126,663 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 96,663 | 12,041 |
| 5.2 | Call deposits | 30,000 | 20,000 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 126,663 | 32,041 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 159 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Payments shown in 6.1 are in relation to Executive and Non-Executive Director remuneration (including superannuation).

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| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (5,599) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 126,663 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 126,663 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 22.62 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: | |
| 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: | |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.