



ASX Announcement
ASX: DUB

30 October 2020

Dubber September 2020 Quarterly Activities and Business Update

Dubber Corporation Limited (ASX: DUB) ('Dubber' or 'the Company'), the Unified Call Recording & Voice Intelligence cloud service designed for service providers and businesses of any size, is pleased to release an update on the Company's operating focus along with the Appendix 4C for the quarter ended 30 September 2020.

Highlights

- Dubber completes \$35 million placement to institutional, professional and sophisticated investors
- Share purchase plan (SPP) to raise a further \$6 million closes on 6 November 2020
- Dubber unveils unified call recording and voice AI solution for Microsoft Teams
- Launches global programmes with Cisco Channel Partners & Resellers
- Launches Australian programmes with Telstra Partners & Resellers
- Establishes global channel programme for Microsoft Channel Partners & Resellers
- Dubber users increased 20% (38,062) to **230,606**
- ARR increased 12% (\$2m) to **\$18.1m**
- Revenue increased 26% (\$687k) to **\$3.25m**
- Cash receipts increased 64% (\$1.1m) to **\$2.75m**
- Following the successful capital raising the Company has in excess of \$55m cash at bank

\$35 million Placement and \$6 million Share Purchase Plan

Post quarter end, Dubber raised \$35 million by way of a placement, issuing approximately 31.8 million new fully paid ordinary shares to institutional, professional and sophisticated investors. Dubber issued the shares in accordance with its existing placement capacity under ASX Listing Rules 7.1 (for 27,592,199 shares) and 7.1A (for 4,225,983 shares).

The funds will accelerate Dubber's global growth, continued product development, pursuit of strategic M&A opportunities and general working capital.

Dubber also announced a Share Purchase Plan ("SPP") offer to existing Australian and NZ shareholders, giving them the opportunity to apply for up to \$30,000 worth of new shares at the same issue price as under the placement, namely \$1.10 per new share.

The Company is targeting to raise \$6 million under the SPP, subject to its discretion to accept oversubscriptions and/or scale back applications.

The SPP opened on 22 October 2020 and is expected to close on 6 November at 5pm (AEDT).



Microsoft Teams Solution

In October, Dubber announced the global launch of Unified Call Recording and Voice AI solutions on Microsoft Teams, supported by a new and tailored global channel partner and reseller program.

Unified Call Recording is a first of its kind capability for Microsoft Teams and is enabled by Dubber's unique ability to capture any conversation – voice or video – on Microsoft Teams in the cloud – and to aggregate recordings, data, insights and alerts from service provider and unified communications platforms, compliantly, in one place.

Microsoft Teams is one of the world's fastest growing team collaboration suites and has more than 75 million daily active users. Dubber allows Teams customers to automate voice recording at scale from any device with no need for hardware. Unified call recording and voice AI are a key enabler of compliance, customer satisfaction and sales performance - delivering real-time insights, sentiment analysis, alerts, beautiful transcriptions and more.

Dubber also announced an extensive global channel partner program for Microsoft partners including partner incentives with support, deployment, and training resources.

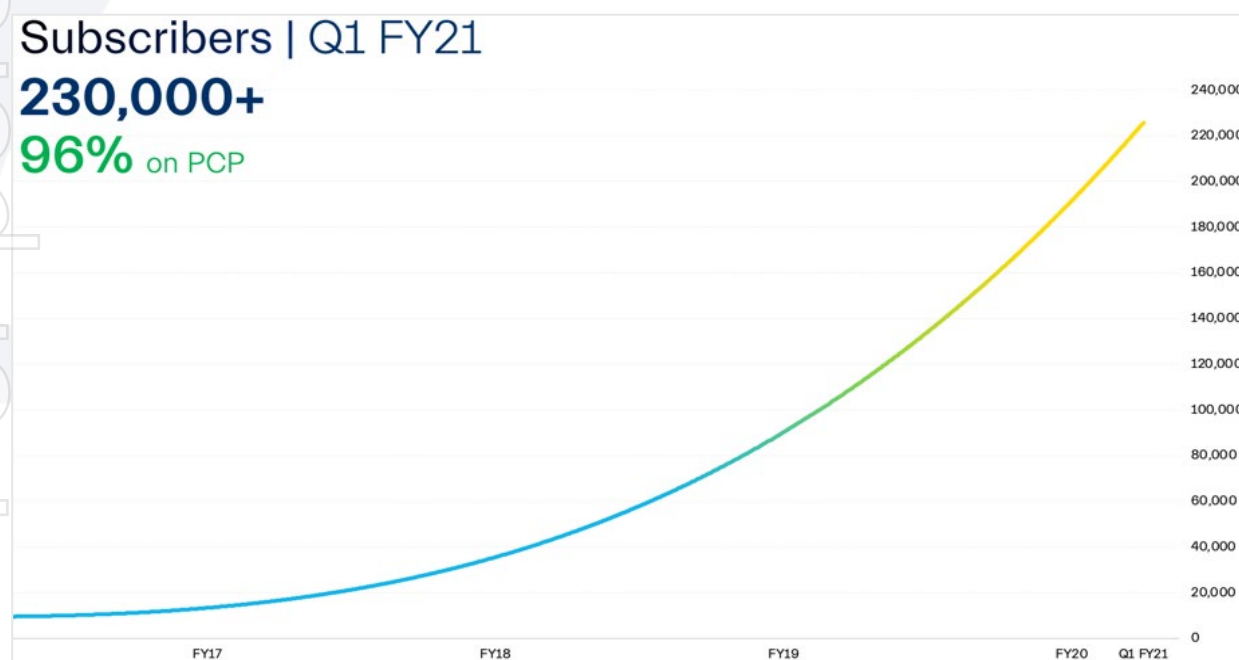
Dubber on Microsoft Teams is available from Dubber and its registered resellers and partners, and can be easily activated on the Teams platform.

Customer Subscriptions

The Company maintained its strong growth trajectory over the previous record quarter, adding 38,062 subscriptions which reflects organic growth in recording users from its pre-existing service provider partner networks.

This does not include material contributions from its published pipeline of enterprise customers, currently representing orders via the Cisco Webex Calling platform, for which Dubber is the embedded recording and data capture solution.

This pipeline of confirmed orders will augment future growth in subscribers for the foreseeable future as businesses move their distributed workforces and contact centres to Cisco's cloud telephony platform as part of long-term business continuity planning (BCP).



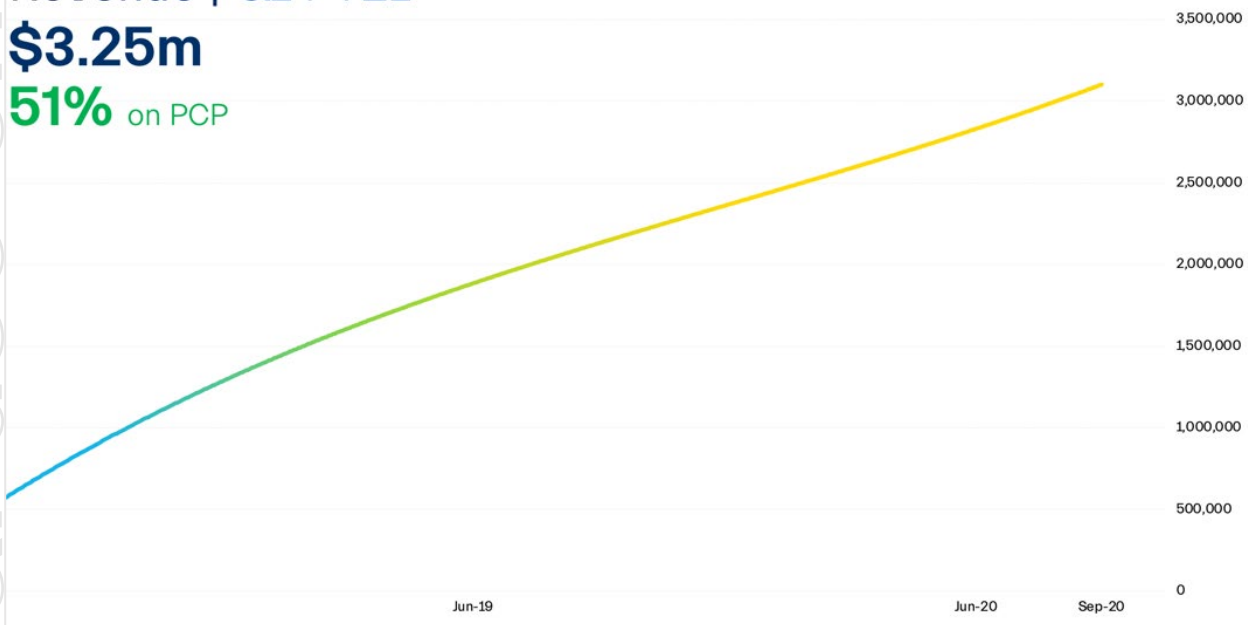
ARR and revenue

The Company continued to be able to procure agreements with its Service Provider partners which were accretive to the Company's annual recurring revenue while enabling flexible terms during the COVID-19 economic climate. The annualised recurring revenue (ARR) as at September 2020 to September 2021 is \$18.1m, an increase of \$2m on the previous quarter.

Revenue | Q1 FY21

\$3.25m

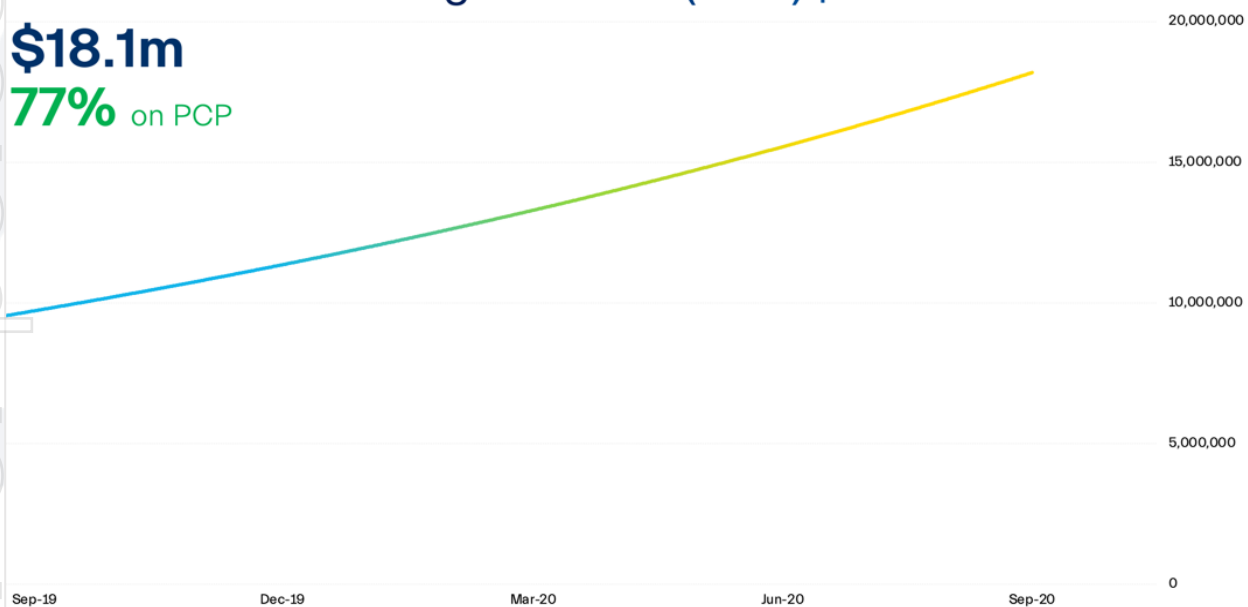
51% on PCP



Annualised Recurring Revenue (ARR) | Q1 FY21

\$18.1m

77% on PCP



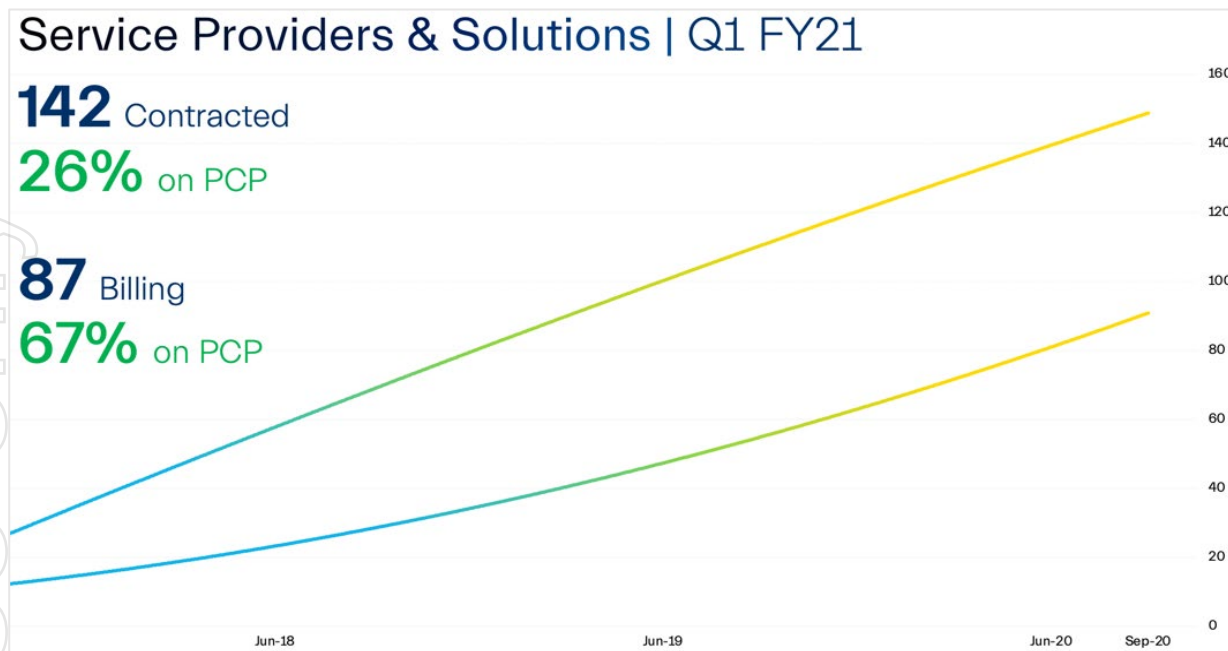
Service Providers & Solutions | Q1 FY21

142 Contracted

26% on PCP

87 Billing

67% on PCP



Cash Receipts and Position

The Company, in the previous quarterly report, made reference to its cash receipts expectation and provided an interim market update stating that receipts were in line with those expectations and were in the order of \$2.7m. The actual corresponding amount realised was \$2.75m in the accompanying Appendix 4c. This represents an increase on the previous quarter of \$1.1m.

Following the placement stage of the Capital Raise, the Company has in excess of \$55m cash at bank with anticipation of a further \$6m from the SPP. Directors Steve McGovern and Peter Pawlowitsch have also subscribed for \$500,000 worth of shares each, subject to shareholder approval at the Company's Annual General Meeting.

Marketing

During the quarter, Chief Marketing Officer (CMO) Andy Lark and his team instigated a re-branding program which was reflected in an updated investor overview presentation along with comprehensive sales channel programs.

The presentation reflects:

- Outline of company strategy which is to continue to build out the Company's unique position inside the world's leading global Communication Service and Solution Provider networks while maintaining near term performance results.
- Delivery of *Unified Call Recording* (UCR) via a combination of these networks and solutions to enable an enterprise to centralise all sources of recording into a single Dubber Account.
- The opportunity to capitalise on the unique operating leverage afforded by Dubber's scalable capacity, combined with low cloud infrastructure costs to deliver *foundation* offerings which enable AI for every phone as a standard feature.
- The Company's unique position as the *Voice of the Network* whereby voice and video calls are turned into content for the world's most prominent networks.
- The role of the Company's *Voice Intelligence Cloud* which provides capability for insights and AI across an entire enterprise or businesses of any size.
- Product positioning strategies which reflect high penetration in a network leading to increased user growth, platform utilisation and ARPU.
- A copy of this presentation can be accessed on the company's website.



The Company believes that with the now accepted “new normal” of a distributed workforce, together with the resultant expectation levels for intelligent data services, there has never been a better time to operate a global scalable cloud-based platform.

Dubber CEO and Managing Director Steve McGovern:

“Dubber’s core strategy to continually expand its footprint of connected Service and Solution Providers has continued to drive momentum in this quarter. Complementing the core Service Provider networks with platforms like Cisco Webex Calling and the recently launched Dubber for Microsoft Teams, businesses are now seeing the power of Dubber to unify company wide recording for all communications into one central location, which we term Unified Call Recording.”

“Across our channels, this message of Unified Call Recording is resonating and combined with the immediacy of activation for recording and AI, our channels are experiencing continued solid growth in the general business market, but also with an explosion of activity throughout large enterprises in the United States, Europe and Australia. Large enterprises are proactively moving their communications to solutions provided ‘as a Service’, understanding that transformation towards a distributed workforce, accelerated by the pandemic, requires long term cloud infrastructure capability. Dubber is uniquely equipped to capitalize on this demand via our globally deployed recording platform and the benefits are compounded for large enterprises who see the advantage of Dubber Voice AI across their whole organisation.”

“Additionally, Dubber has also launched global initiatives to support our indirect sales channels and is also expanding our support of Service Providers. Dubber is doing this by expanding our offerings to enable Service Providers to fully utilise the power of the Dubber platform in order to differentiate their own services and products in a competitive market, by including Dubber functionality as standard into a large proportion of their existing and new users.”

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.

For more information, please contact:

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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 2020

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	2,752	2,752
1.2 Payments for		
(a) research and development	(275)	(275)
(b) product manufacturing and operating costs	(2,543)	(2,543)
(c) advertising and marketing	(38)	(38)
(d) leased assets	-	-
(e) staff costs	(2,602)	(2,602)
(f) administration and corporate costs	(301)	(301)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	233	233
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives	530	530
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,245)	(2,245)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(9)	(9)
(b) businesses	-	-
(c) property, plant and equipment	(47)	(47)
(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))	(1,500)	(1,500)
2.6	Net cash from / (used in) investing activities	(1,556)	(1,556)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	5	5
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(29)	(29)
3.5	Proceeds from borrowings	-	-
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)	20	20
3.10	Net cash from / (used in) financing activities	(4)	(4)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	18,409	18,409
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,245)	(2,245)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,556)	(1,556)

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)	(4)	(4)
4.5	Effect of movement in exchange rates on cash held	(2)	(2)
4.6	Cash and cash equivalents at end of period	14,602	14,602

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	9,602	8,409
5.2	Call deposits	5,000	10,000
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)	14,602	18,409

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

161

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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

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

7. Financing facilities

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-
-	-

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)

(2,245)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

14,602

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

14,602

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

6.5

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

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: 30 October 2020

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.