



ASX Announcement
ASX: DUB

29 January 2021

Dubber December 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 31 December 2020.

Highlights:

- Dubber completed acquisition of **Speik**, a leading European mobile recording company
- Revenue increased, quarter on quarter by 31% (\$1.03m) to **\$4.28m**
- Operating Cash receipts increased quarter on quarter by 57% (\$1.5m) to **\$4.24m**
- Non-operating cash receipts of **\$4.7m**
- Dubber users now exceed **300,000¹**
- ARR increased 57% (\$10.3m) to **\$28.4m²**
- Following completion of the Speik acquisition the Company has in excess of **\$42m** cash at bank
- A video review of Dubber's current operations is available at: <https://www.dubber.net/q2-investor-update-video>

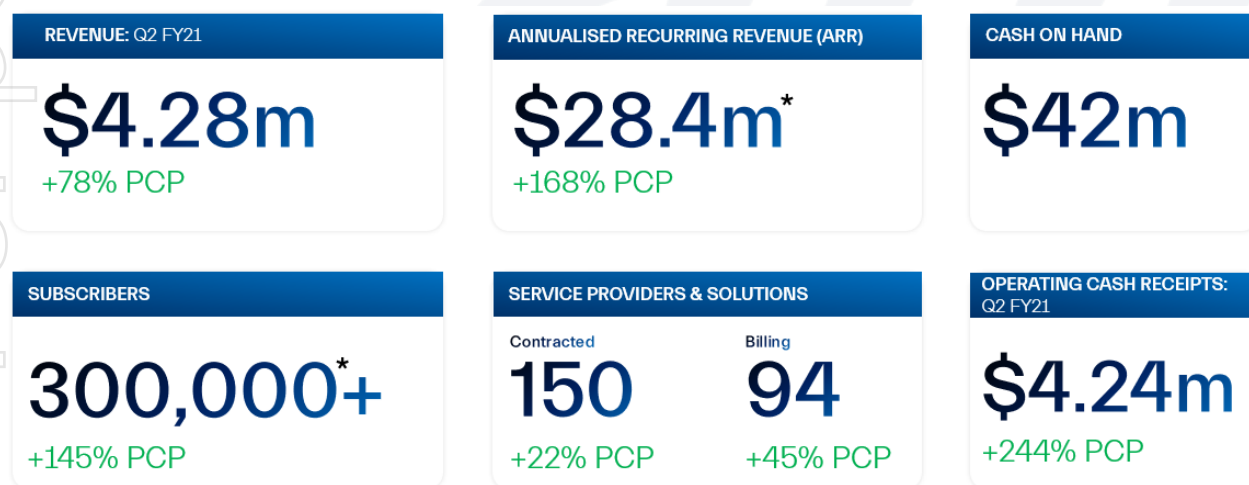
Acquisition of Speik Ltd:

On 22 December, Dubber announced the successful acquisition of 100% of the equity in Speik Ltd. Speik is a business created from the merger of two industry leaders in the UK market, Voxygen Ltd and Aeriandi Ltd.

Speik comprises:

- Hardware based mobile recording service embedded natively into 02 networks, the leading business mobile network in the UK, formerly owned by British Telecom, now part of the Telefonica group.
- PCI compliance solutions in conjunction with, among others, Vodafone, Gamma and '3' networks in the UK whereby its technology enables the compliant processing of credit card payments for enterprises.
- A number of related services including archive recording services for enterprises, and carriage, where required, of telephony services in conjunction with their Carrier partners.

Strategy driving compelling outcomes:



¹ *Includes a portion of Speik users where the services and revenues are similar to Dubber, with other services still to be classified.

² *Some Speik revenues are yet to be classified as ARR, and as such do not contribute to the Company's ARR metric. The ARR is therefore subject to adjustment once additional consumption style revenues are monitored in the current quarter.



Steve McGovern, CEO, Dubber on the Speik acquisition:

"Dubber's acquisition of Speik is fundamentally accretive on all levels. Speik brings to Dubber a strong footprint in the leading UK-based mobile network provider, world-class technology resources, and a growing base of subscribers. The team at Speik have been pioneers in terms of network-based mobile recording together with O2. Their success with one major recording partner over seven years provides an insight into Dubber's ambitions for our own 150 plus service provider partners, globally."

"The Dubber product suite has a capability to expand Speik's revenue opportunities with O2 - and other service providers - from its current enterprise focus into the larger addressable markets of mobile SME and across UC and UCaaS services, like Microsoft Teams and Webex Calling with Unified Call Recording."

"We believe that Dubber can substantially accelerate growth and adoption in that and other key UK-based relationships and use Speik's PCI services to drive additional revenues into our service provider partners. As a part of Dubber, the Speik team is able to capitalise on opportunities, without restraint, using cloud technologies as well as expand product sets across the Dubber partner network. We welcome the team on the Dubber journey, as they effectively form the majority of our UK and European team through this acquisition."

Microsoft Teams Solution – Global Certification

The Company has previously announced its Microsoft Teams capability and subsequently, Dubber's technology has become officially certified as the first Unified Cloud Call Recording solution for Microsoft Teams. Dubber expects to see significant traction through some of its larger carrier partners and, also via joint initiatives with Microsoft directly.

Notes to the Appendix 4C: Cash Receipts and Balance

The Company's cash receipts from operating activities were \$4.24m, an increase of \$1.5m from the \$2.7m received in the September quarter.

Additionally, the Company also received non-operating cash in the order of approximately \$4.7m from the approved Director participation in the March capital raising, exercise of options and R&D and other government grants.

At the end of December, and post the Speik acquisition, the Company's cash balance was in excess of \$42m.

Video Presentation

Please find a Company video presentation, which expands on current operations at:

<https://www.dubber.net/q2-investor-update-video>

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")
31 December 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 4,240 | 6,992 |
| 1.2 Payments for | | |
| (a) research and development | (255) | (530) |
| (b) product manufacturing and operating costs | (5,996) | (8,539) |
| (c) advertising and marketing | (177) | (215) |
| (d) leased assets | - | - |
| (e) staff costs | (3,617) | (6,219) |
| (f) administration and corporate costs | (732) | (1,033) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 25 | 258 |
| 1.5 Interest and other costs of finance paid | 2 | 2 |
| 1.6 Income taxes paid | (2) | (3) |
| 1.7 Government grants and tax incentives | 2,014 | 2,544 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (4,498) | (6,743) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | (13,760) | (13,769) |
| (b) businesses | - | - |
| (c) property, plant and equipment | (46) | (93) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 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) |
| 2.6 | Net cash from / (used in) investing activities | (13,806) | (15,362) |

| | | | |
|-------------|---|---------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 46,000 | 46,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 1,685 | 1,691 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (2,318) | (2,347) |
| 3.5 | Proceeds from borrowings | 579 | 579 |
| 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 | 40 |
| 3.10 | Net cash from / (used in) financing activities | 45,966 | 45,963 |

| | | | |
|-----------|--|----------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 14,602 | 18,409 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (4,498) | (6,743) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (13,806) | (15,362) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 45,966 | 45,963 |
| 4.5 | Effect of movement in exchange rates on cash held | (7) | (10) |
| 4.6 | Cash and cash equivalents at end of period | 42,257 | 42,257 |

| 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 | 22,257 | 9,602 |
| 5.2 | Call deposits | 20,000 | 5,000 |
| 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) | 42,257 | 14,602 |

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**

397

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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**

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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)

(4,498)

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

42,257

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

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8.4 Total available funding (Item 8.2 + Item 8.3)

42,257

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

9.4

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

- 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:

- 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:

- 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: 29 January 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.