ASX Announcement
ASX: DUB

30 April 2021

# Dubber March 2021 Quarterly Activities and Business Update

Dubber Corporation Limited (ASX: DUB) ('Dubber' or 'the Company'), the leading global 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 March 2021.

## Highlights:

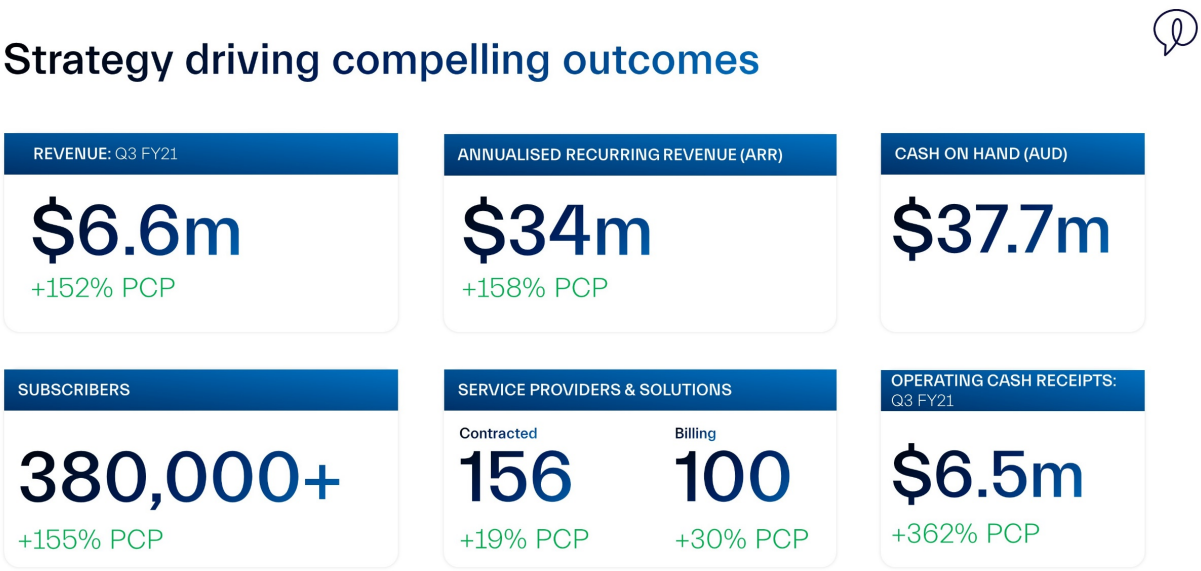
- Annualised Recurring Revenue (ARR) increased 20% QoQ ($5.6m) to **$34m and 158% pcp ($13.2m)**
- Revenue increased 54% ($2.32m) to **$6.6m QoQ and 152% pcp ($2.61m)**
- Operating cash receipts increased 54% ($2.31m) to **$6.55m QoQ and 362% pcp**
- Dubber users now exceed **380,000**
- The Company has a strong balance sheet, with in excess of **$37.7m** as at 31 March 2021

## Growth in all key metrics – Users and ARR

During the March quarter the Company's key metrics all experienced substantial growth.

**User numbers** grew at a record rate for Dubber's SaaS monthly subscriptions. The Company expects user growth to increase significantly in the current quarter due to new initiatives including the launch of its Foundation Partner Program. Foundation Partners embed Dubber services within their offering as a standard and in-built feature – from which both Dubber and the partner then benefit from upgrading users to richer functionality and offerings.

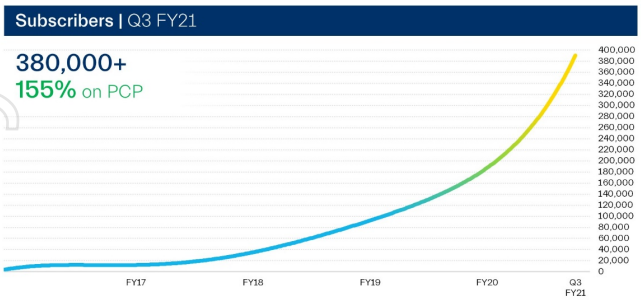
The March quarter represents a milestone period relating to comparative user growth quarter on quarter. The Company expects to receive Foundation and consumption-based revenues moving forward with larger and varying user attachment rates to those revenues. Therefore, as previously indicated, the key growth metric relating to short term growth is the Company's Annualised Recurring Revenue **(ARR)** which has grown by $5.6m, to in excess of $34m.

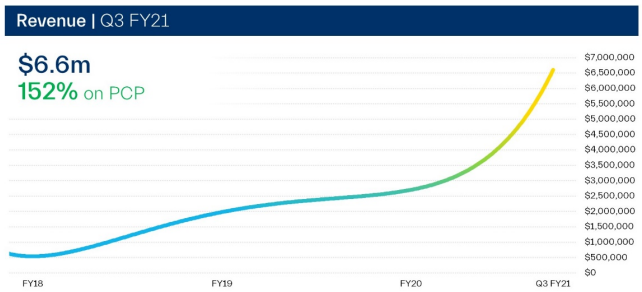


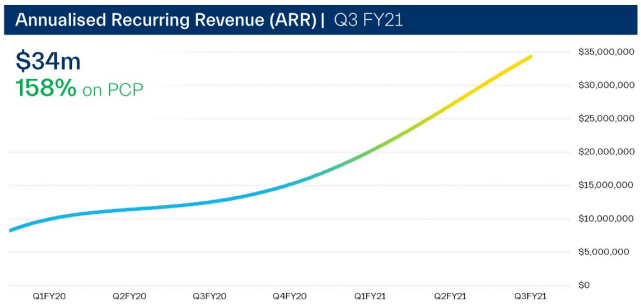


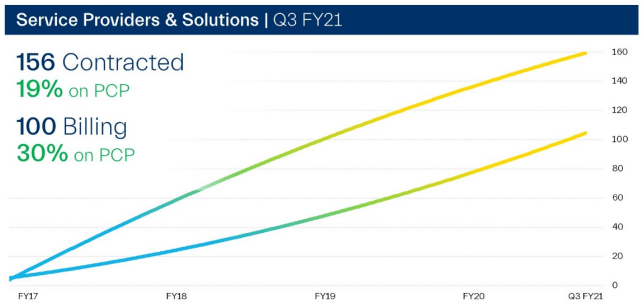

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# Key growth metrics




dubber

## Telecommunications Networks Growth and Yield

The Company continued to expand its footprint of service provider networks along with increasing penetration and revenue yield from its current telecommunication and Unified Communication (UC) platform partners.

## AT&T

During the quarter, the Dubber platform went live on three AT&T networks: AT&T IP Toll-Free, AT&T Hosted Voice Service (HVS), and Cisco Webex Calling with AT&T. All three of these networks target large enterprise, government, education, and business clients. The HVS and Webex Calling networks are already providing positive uptake in SaaS monthly subscription users and services.

AT&T's IP Toll-Free is a major global network carrying calls for the largest organisations in North America and is billed on a per minute consumption rate. Dubber's recording, API, transcription and AI services will also be billed on a per minute rate at accretive unit increments, thereby introducing meaningful consumption based revenue streams to Dubber.

Currently, AT&T and IBM are engaged with existing mutual large enterprise customers to demonstrate the value of the newly available services on the platform which add substantial insights to those organisations, enabling them to gain valuable business intelligence from their voice data.

The Company expects the Dubber platform to be live on additional AT&T networks in both the short and medium term.

## Unified Call Recording Momentum

The Company has previously referenced Unified Call Recording (UCR) which defines the Company's unique value proposition of unifying call recording and voice data at scale. UCR reflects how businesses and individuals work today, particularly in Covid-19 driven 'work from home' settings and hybrid work environments.

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The Company has recently become one of only two vendors certified for Compliant Call Recording for Microsoft Teams.

Dubber is already the embedded and only recording offering for Cisco's Webex Calling platform with the Company expecting to substantially extend its relationship and availability with Cisco Webex in the near term.

During the quarter, the Company also announced availability of a Unified Call Recording solution for Zoom that allows for secure compliance and voice intelligence call recording for Zoom Meetings as well as Zoom's recently launched cloud phone service, Zoom Phone.

Typical business communications usually involve the use of desk phones, mobiles, and UC services such as Cisco Webex, Zoom and Microsoft Teams. Dubber is uniquely placed to be able to capture recordings and voice data from all services and store them in a single location, the Dubber Voice Intelligence Cloud, where they can be managed centrally.

Behind these UC platform announcements is an industry trend whereby large global service providers are releasing their own network offerings in conjunction with cloud collaboration platforms like Zoom Phone, Microsoft Teams and Cisco Webex Calling. Dubber has detected a pronounced acceleration of telecommunication services moving to a cloud environment, either from traditional telecommunications carriers or by stand-alone UCaaS services in the last two quarters. By virtue of its unique ability to be embed into the fabric of a network and operate at scale, the company is a significant beneficiary of this trend and we believe it will continue to accelerate globally in the quarters ahead.

## Foundation Partner Program

The Dubber platform has been designed specifically for large scale availability across telecommunications networks, as opposed to legacy bespoke recording products for enterprises, which are largely tied to on premise equipment, capital expenditure and call centre environments.

The Company expects several of its service provider partners to deploy the Dubber platform as a standard feature across their network base as "Dubber Foundation Partners". The Company is actively engaged in discussions with major service providers to become Foundation Partners and expects the first initiative of this kind will take place in the current quarter.

This will provide the Company large scale customer reach into end user accounts for jointly upselling additional services, including extended storage, transcription, AI insights and more.

## Steve McGovern, CEO, Dubber:

"We are delighted to have delivered such a strong quarter, achieving outstanding growth in all of our key metrics. The company is very well positioned to continue to take advantage of the major shift towards cloud based and 'work from anywhere' communications we are seeing in all our geographies. Governments and businesses understand the need to act on the requirement to capture conversations and voice data across their entire business. Ever expanding requirements to record and store conversations for proactive compliance and dispute resolution, and, revenue, customer and personnel intelligence all continue to drive the need for voice data and intelligence at scale. We remain very positive as to Dubber's growth and leadership."

## Related Party Expenses

In line with requirements of lodgement of the attached Appendix 4C, the Company advises that payments shown in Item 6.1 of the Appendix 4C are in relation to Executive and Non-Executive Director remuneration (including superannuation) and form part of the operating expenses for the March quarter.

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

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**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:**


**Investors**
Simon Hinsley
simon.hinsley@dubber.net
+61 (0) 401 809 653

**Media**
Terry Alberstein
terry@navigatecommunication.com.au
+61 (0) 458 484 921


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# Appendix 4C

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

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| Name of entity | |
|---|---|
| **DUBBER CORPORATION LIMITED** | |
| **ABN** | **Quarter ended ("current quarter")** |
| **64 089 145 424** | **31 March 2021** |

| | Consolidated statement of cash flows | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 6,550 | 13,542 |
| 1.2 | Payments for | | |
| | (a) research and development | (282) | (811) |
| | (b) product manufacturing and operating costs | (5,073) | (13,612) |
| | (c) advertising and marketing | (197) | (412) |
| | (d) leased assets | - | - |
| | (e) staff costs | (5,609) | (11,828) |
| | (f) administration and corporate costs | (1,136) | (2,169) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 2 | 260 |
| 1.5 | Interest and other costs of finance paid | (26) | (24) |
| 1.6 | Income taxes paid | - | (3) |
| 1.7 | Government grants and tax incentives | 298 | 2,842 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(5,473)** | **(12,216)** |
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire: | | |
| | (a) entities | (484) | (14,253) |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | (71) | (164) |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |

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| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 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)) | 1,514 | 14 |
| **2.6** | **Net cash from / (used in) investing activities** | **959** | **(14,403)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 46,000 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 125 | 1,816 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (58) | (2,405) |
| 3.5 | Proceeds from borrowings | (62) | 517 |
| 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) | - | 40 |
| **3.10** | **Net cash from / (used in) financing activities** | **5** | **45,968** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 42,257 | 18,409 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,473) | (12,216) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 959 | (14,403) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 5 | 45,968 |
| 4.5 | Effect of movement in exchange rates on cash held | (32) | (41) |
| **4.6** | **Cash and cash equivalents at end of period** | **37,716** | **37,716** |

| 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 | 17,716 | 22,257 |
| 5.2 | Call deposits | 20,000 | 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)** | **37,716** | **42,257** |

| 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 | 268 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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).

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| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **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) | (5,473) |
| 8.2 | Cash and cash equivalents at quarter end (Item 4.6) | 37,716 |
| 8.3 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 | Total available funding (Item 8.2 + Item 8.3) | 37,716 |
| 8.5 | **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)** | 6.89 |

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: |

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## 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 April 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.

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