



ASX Announcement
ASX: DUB

26 July 2021

Dubber June 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 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 June 2021.

Highlights within the Quarter:

- Revenue increased by 12% (\$800k) to **\$7.4m**
- Dubber users now exceed **420,000**
- ARR increased 14% (\$4.8m) to **\$39m**
- The Company has in excess of **\$32m** cash at bank
- Dubber now a standard feature for every subscriber on Cisco Webex Calling and Cisco UCM Cloud

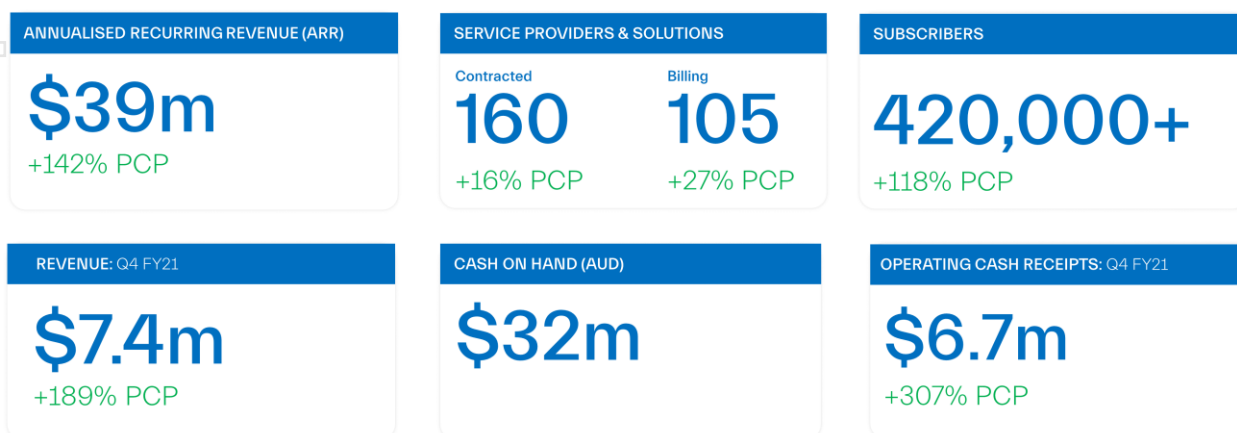
Growth in all key metrics – Users and ARR

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

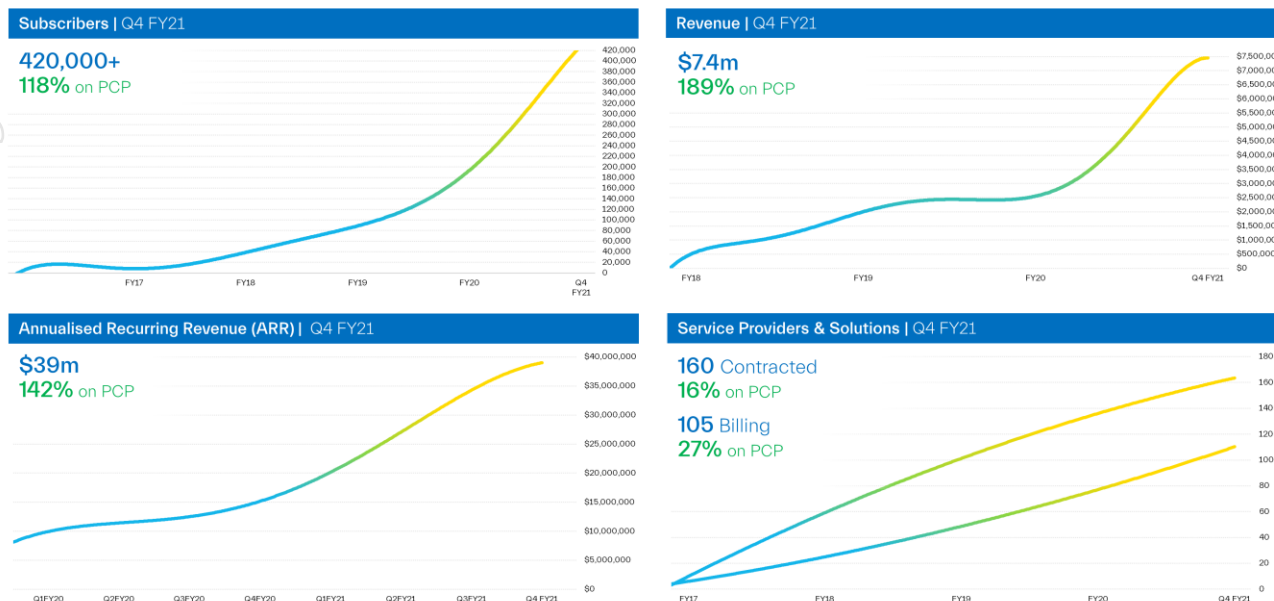
User numbers grew at a record rate for Dubber's SaaS monthly subscriptions. The Company announced the launch of its Foundation Partner Program, with Cisco's Webex Calling and UCM Cloud platforms as the first such partner. Foundation Partners will embed Dubber services within their offering as a standard and in-built feature – from which both Dubber and the partner then benefit from upgrading users to richer functionality and product offerings. Accordingly, Dubber's subscriber numbers have significantly expanded in this program, and for reasons of both consistency and commercial sensitivity, the Company has chosen not to include these numbers at the current time. The increase in subscriber numbers, therefore, relates to standard Dubber subscriptions.

As previously indicated, the key growth metric relating to short term growth is the Company's Annualised Recurring Revenue ('ARR') which has grown by \$4.8m, to approximately \$39m, continuing a trend established in the March quarter, a milestone period relating to comparative ARR growth on a quarter on quarter basis.

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.

Cisco as a Foundation Partner

During the quarter, the Company announced that it significantly expanded its commercial relationship with Cisco. Dubber is now a standard feature of every subscription for Cisco's Global cloud telephony platforms Webex Calling and UCM Cloud. An entry level service 'Dubber Go' is included, at no extra charge, in every subscription enabling individual users to record calls which they alone manage. Customers can then upgrade to extended features such as extended storage, transcription and AI based features or expansion to compliance-based capabilities for the entire organization. Cisco provides Dubber a monthly license fee for this capability, which enhances its offering to their end customers.

The benefits for Dubber are significant:

- An accretive revenue stream which enhances rather than competes with Dubber's fundamental revenue models for Cisco users
- 100% attachment to the network customer base with an increased propensity to uptake additional Dubber products and service subscriptions
- Dubber has direct communication access to end customers for co-marketing as well as via Cisco and its global reseller network
- Cisco Webex calling is re-sold by many of the world's leading telecommunications carriers, providing Dubber with further opportunities to expand its network footprint
- Inclusion in the world's leading cloud telephony platform provides the opportunity for 'network effect' as both service providers and their customers seek to standardise their core infrastructure services
- The deployment will see Dubber's user base increase exponentially

Steve McGovern, CEO, Dubber: "Dubber and Cisco share a common vision of the way that voice data will become a critical resource for all businesses and users in the future. Our joint initiatives have significant ramifications for Dubber, notably in the Company's two areas of primary focus: growing the Company's ARR and expanding its telecommunications network footprint. Dubber is now a core feature on an important network for many Carriers,



providing the opportunity to expand the same functionality to the Carrier's other networks. This provides opportunities for Carriers to add an important value-added service horizontally throughout their networks, and also provides a standardized experience for users.

This marks a major milestone in increasing the ubiquity of Dubber as the Unified Call Recording and voice data layer for the world's leading telecommunication and collaboration platforms. We believe that customers worldwide will continue to prepare for, and respond to, increased regulatory and compliance obligations for their businesses in many markets and industry verticals. Embedding Dubber cloud call recording as a standard service will allow customers to meet these requirements, while providing them access to a host of advanced voice data services."

Foundation Partner Program

The Dubber platform has been designed specifically for large scale availability across telecommunication and cloud communication networks, as opposed to legacy bespoke recording products for enterprises, which have historically been tied to on-premise equipment, capital expenditure and complex call centre environments.

The Company is actively engaged in discussions with major service providers to become Foundation Partners and, as previously disclosed, 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."

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

Unified Call Recording – the *'Single Pane of Glass'*

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

The Company has previously highlighted 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. The Company is experiencing significant demand for these services, driven by its Service Provider partners, particularly in the financial services and healthcare sectors, and primarily in markets like the UK, Europe and North America, where there are immediate needs for compliance solutions across distributed workforces.

The ability to capture recordings and voice data across multiple networks, and have them managed in a single environment, the Dubber Voice Intelligence Cloud, is a compelling proposition which should underpin and accelerate the Company's growth.

Continued Integration of Acquired Companies:

Dubber has successfully integrated the acquisitions of Speik and Calln, both of which continue to demonstrate strong ARR retention and growth. These acquisitions have not only provided outstanding development staff but have provided Dubber with key additional technology capabilities as seen in the recent debut of Dubber PCI Comply, based on core Speik technology.

Financials

As required by LR 4.7C.1 to 4.7C.3, expenditure amounts for the quarter ended 30 June 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. Operating costs include \$1.869 million pre-paid for cloud services, a non-recurring expense, resulting in a significant discount to normal cost structures for such services. The amount disclosed in section 6.1 of the Appendix 4C is for executive and non-executive director remuneration for the quarter, including superannuation.



Cash receipts for the quarter were \$6.7m, in line with expectations from the Company's ARR and revenue recognized during the quarter. The Company's ARR is calculated as the next 12 months of subscription revenue net of any incentives.

For example, an agreement signed in July may have a first billing date of September in which case the ARR would be 10x monthly subscription revenue. Dubber's customers are predominantly service providers, which operate on varied payment terms, which can result in cash being received a further 60-90 days from billing. As a result, the ARR to revenue and cash receipt cycle can be across multiple quarters.

Steve McGovern, CEO, Dubber:

"The Company is very pleased to have continued its growth trajectory at a level established in the previous quarter. We are now one year into a five-year plan that is heavily focussed on expanding its network footprint, increasing ARR and developing revenue generating products and services which can be deployed at scale as a service directly from voice networks.

Our goal for the first year was to double the size of Dubber's business - from a base of approximately \$15m ARR and 190,000 subscribers, which the team has accomplished and exceeded. The opportunities for take up of the Dubber platform, both at a Service Provider and an end user level, have also been accelerated against a landscape where there are multiple key drivers.

The widespread movement to cloud infrastructure has been brought forward by the effects of the global social and economic requirement for working from home. Additionally, the communications sector has quickly expanded to meet these requirements, particularly with the prevalence of Cisco Webex, Microsoft Teams and Zoom services. Traditional Service Providers in turn are seeking to enrich their cloud offerings both in line with, and competing against these offerings and, finally, there is an urgent need for the extension of compliance, and customer/employee experience capabilities by enterprises at all levels.

Service providers have both an incentive and the means to deliver these capabilities, and Dubber is uniquely positioned to provide unified call recording and voice data capture services as part of this transition. All of these trends reinforce our view that the ability to turn calls into AI-enriched data, will be a standard feature for every phone in the future.

Dubber is incredibly well placed to become the de facto global provider of voice data through its unique cloud platform, partnered with the world's leading service providers and cloud team collaboration providers."

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 June 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 6,734 | 20,276 |
| 1.2 Payments for | | |
| (a) research and development | (184) | (995) |
| (b) product manufacturing and operating costs | (5,984) | (19,596) |
| (c) advertising and marketing | (423) | (835) |
| (d) leased assets | - | - |
| (e) staff costs | (5,180) | (17,008) |
| (f) administration and corporate costs | (846) | (3,015) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 263 |
| 1.5 Interest and other costs of finance paid | 17 | (7) |
| 1.6 Income taxes paid | - | (3) |
| 1.7 Government grants and tax incentives | 14 | 2,856 |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (5,849) | (18,064) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | (3) | (14,256) |
| (b) businesses | - | - |
| (c) property, plant and equipment | (86) | (250) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 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) | - | 14 |
| 2.6 | Net cash from / (used in) investing activities | (89) | (14,492) |

| | | | |
|-------------|---|------------|---------------|
| 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 | 211 | 2,027 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (2,405) |
| 3.5 | Proceeds from borrowings | - | 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 | 211 | 46,179 |

| | | | |
|-----------|--|---------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 37,716 | 18,409 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (5,849) | (18,064) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (89) | (14,492) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|--|----------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 211 | 46,179 |
| 4.5 | Effect of movement in exchange rates on cash held | 52 | 9 |
| 4.6 | Cash and cash equivalents at end of period | 32,041 | 32,041 |

| 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 | 12,041 | 17,716 |
| 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) | 32,041 | 37,716 |

| 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 | 193 |
| 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).

| | | |
|---|---|--|
| 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) | (5,849) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 32,041 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 32,041 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 5.48 |
| <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: 26 July 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.