



ASX Announcement  
ASX: DUB

31 August 2021

## Dubber FY21 Results Commentary

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 its results for the financial year ended 30 June 2021.

The 2021 financial year has shown substantial growth in all key metrics reflecting the scaling of business operations to match the global opportunities for the Company’s technology and business plan.

The Company also continued to focus on laying the foundations for future success by engaging with leading global carriers and service providers in the knowledge that expansion of the global network footprint provides a large-scale addressable market.

### FY21 - Key Highlights

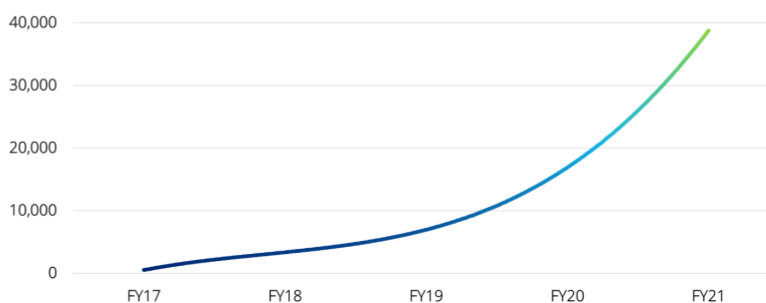
ARR  
▲ **148%** CAGR  
Since FY18  
▲ **142%** PCP

REVENUE  
▲ **94%** CAGR  
Since FY18  
▲ **97%** PCP

SUBSCRIBERS  
▲ **143%** CAGR  
Since FY18  
▲ **118%** PCP

Cash at Bank  
**\$32m** FYE 2021

### Annualised Recurring Revenue (AUD \$'000s)



	FY17	FY18	FY19	FY20	FY21
ARR	\$740k	\$2.55m	\$8.22m	\$16.10m	\$39m
Revenue	\$1.96m	\$3.18m	\$7.39m	\$11.84m	\$23.3m
MC	21m	59m	250m	235m	791m
Subscribers	8,606	29,405	94,824	192,544	420,000+
SP Contracted	22	38	106	138	160
SP Billing	8	23	43	83	105

### Building the Global Addressable Market

The Dubber Platform is the only one of its kind, built to operate the same way a telecommunications carrier provisions its own services, as opposed to providing applications at an individual enterprise or business level. The integration of the Dubber Platform at a network level, underpins the strategy and commercial opportunity for the business. Once deployed, the Dubber Platform is invariably the only network call recording and data capture technology in a service provider network and the potential for the service to be terminated at any point in the future is highly unlikely.

There was zero ‘churn’ in terms of network deployments during FY21.

The Dubber business model involves procuring Carrier and Service Provider agreements and then driving revenue yield from those deployments.



To date, the Company has benefitted from its primary offering, Cloud Call Recording. Its technology and associated business model disrupts an industry where major players are reliant on providing hardware based and/or hosted services direct to enterprises for a targeted segment of that enterprise.

The Dubber platform enables call recording to be switched on immediately as part of a telecommunications service for any and all employees of the enterprise without the need for scoping, project management, professional services or capital expenditure.

The enduring business model provides for use of the voice calls as useable data with the Company believing that conversion of voice calls to data will be a universal requirement in the future.

## **Dubber at the Centre of 4 Global Market Drivers**

Dubber's technology was designed to capitalize on the global move to cloud infrastructure, the requirement for 'Opex' utility services and the increasing appetite for data insights. The impact of the Covid-19 global pandemic has advanced these market requirements in Dubber's segment.

### **1. Distributed Workforce - 'Working From Home'**

2020 saw the immediate requirement for businesses to operate with their employees distributed and largely, working from home. 2021 has seen those businesses include these plans in their business continuity strategies with an increased reliance on mobile and Unified Communication technologies.

Regulators have also developed long term strategies to suit and are requiring companies to adopt compliance strategies for their distributed workforces particularly in sectors such as Financial Services, Healthcare and other highly regulated industries. Dubber's technology, being network based with cloud availability, provides a unique capability which can be deployed at scale immediately from the Service Provider of choice.

### **2. Expansion of Unified Communications**

2021 has seen the advanced emergence of major global Unified Communications Services for video and calling communication, notably Cisco Webex, Microsoft Teams and Zoom. These services are sold to large enterprise by Service Providers including Dubber's large carrier partners, along with their own UC platforms.

Dubber has a unique capability and opportunity to provide '*Unified Call Recording*' across every service which is used by the enterprise, with the data stored and accessed from a single source - the *Dubber Voice Intelligence Cloud*.

### **3. Business Insights Becoming Key**

The global pandemic has highlighted the importance of business insights for an organisation's success, whether it be related to customer, employee or other areas of benefit. Dubber can capture voice calls at scale across a telecommunications network and present those calls as usable content rich data which can be used as required by the businesses connected to the networks. *Unified Call Recording* enables these insights to be captured from multiple networks and services and accessed via the *Voice Intelligence Cloud*.

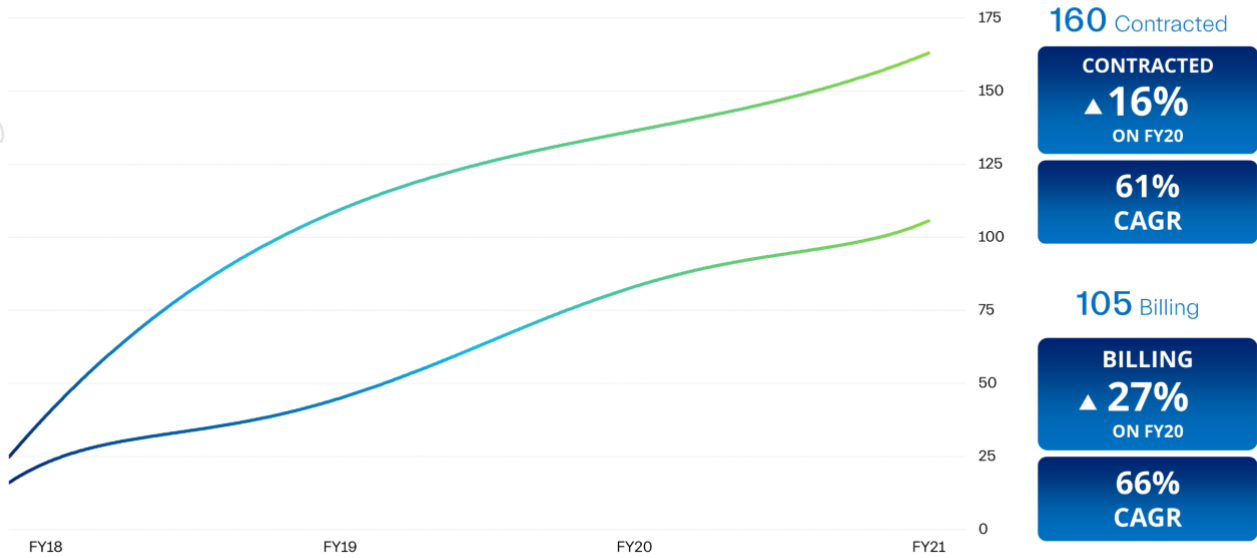
### **4. Service Providers Delivering Value Added Services**

Telecommunications Service providers are actively seeking to provide Value Added Services over and above the communication utility. Dubber's ability to turn voice calls into usable data across the entire network has the effect of providing content to the network. Once that data is captured, there are endless opportunities for revenue generating applications which benefit the user and deliver revenues to both Dubber and its partner.

Dubber already provides bundled AI services, and the Dubber Platform has an open API structure which enables seamless connectivity of third party applications such as *Salesforce.com* and others for which Dubber derives revenue.



## Service Providers



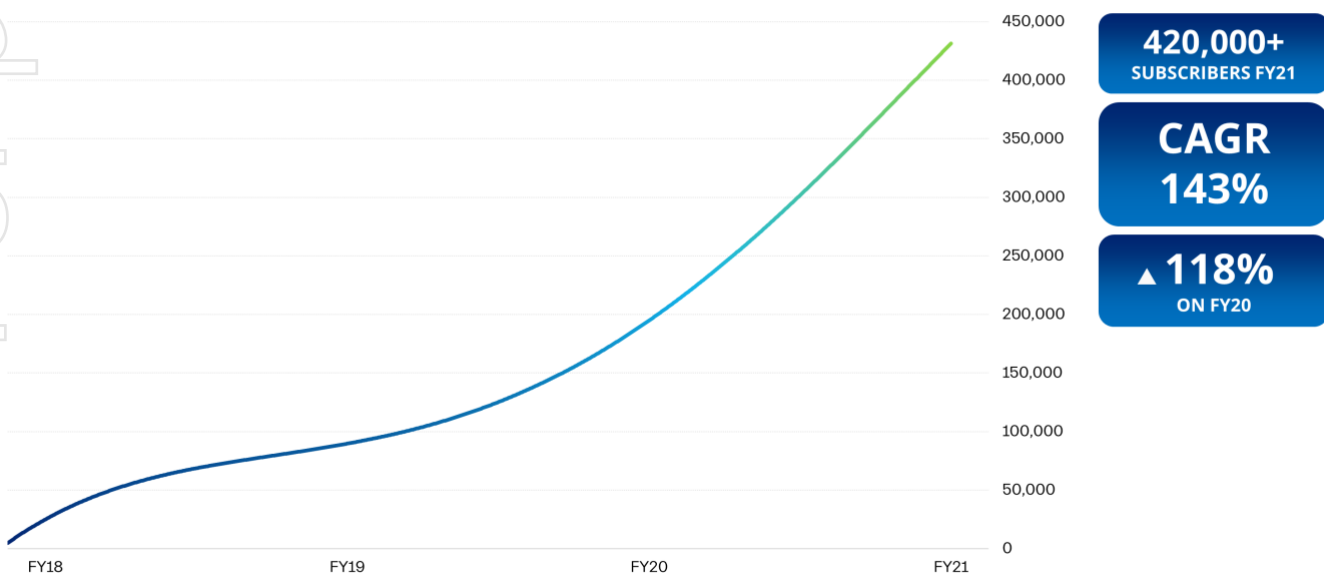
The Company has been successful in building a pipeline for its *Foundation Partner Program* whereby a Dubber service is enabled as a standard feature of a network offering, with the first commercial release being via the Cisco Webex Calling and UCM Cloud services where every subscription includes Dubber.

Procurement of network agreements therefore continues to be a key focus of the Company. As the markets for both compliance recording and AI/data insights grow exponentially, these deployments should contribute significantly to the Company's commercial outcomes for many years.

### Record Growth in Subscribers and ARR

In the year ended 30 June 2021, the Company's subscriber numbers grew to 420,000+ relating to its standard offerings.

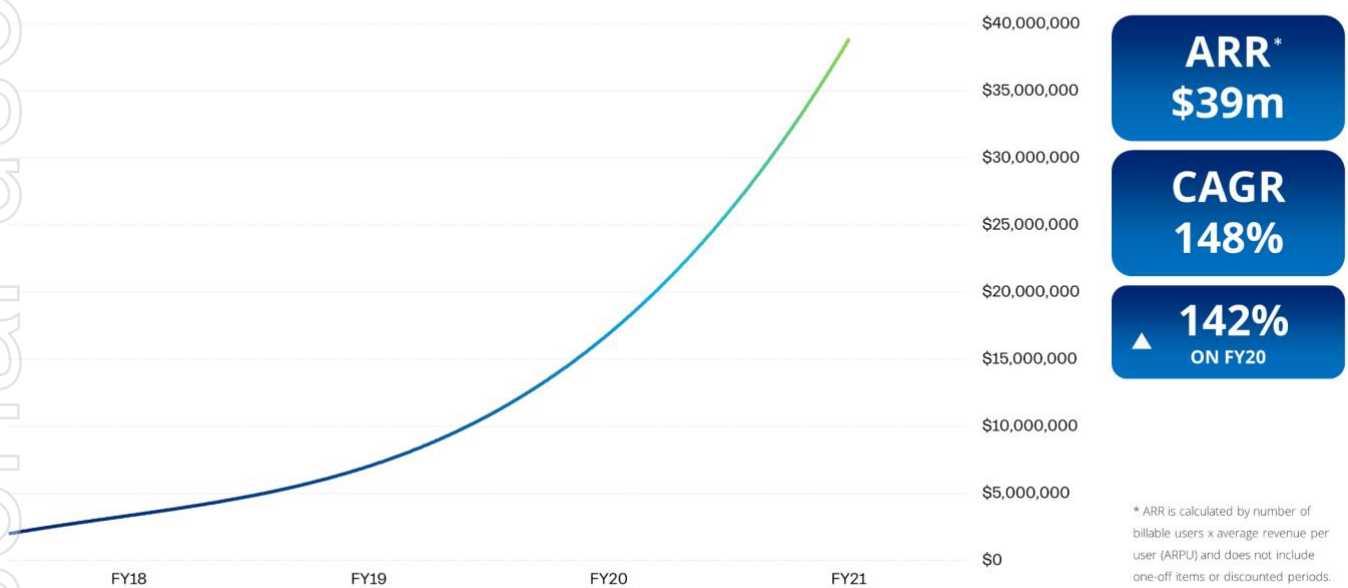
## Subscriber Growth



The Dubber platform, its capacity for scale and the operating leverage gained by its Cloud cost structure, has enabled the Company to substantially extend its revenue models. The Foundation Partner program enables Service Providers to include a Dubber service as a standard feature at no charge. The Service Provider pays Dubber a monthly fee for this capability and applies a large number of 'Dubber Go' subscriptions. Dubber will also now bill some consumption based services and has recently released a comprehensive range of new plans ranging from an individual user through to enterprise compliance plans.

The Company's Service Provider agreements invariably involve contracted revenue commitments over multiple years as part of a collaborative approach to continual growth, with spend commitments typically increasing across the term. Annualised Recurring Revenue (ARR), therefore, reflects the minimum value of these Service Provider agreements over any 12-month period and, the Company believes, is the best representation of growth.

## Annualised Recurring Revenue (ARR)



The Company's Annual Recurring Revenue grew from \$16m at June 2020 to \$39m at June 2021 (+142%). The Company expects to continue its growth trajectory in FY22 and expand its revenue profile in terms of billing for additional AI services as well as new billing models - including consumption models - as the Dubber Platform is deployed more extensively both with new networks and within existing carrier partnerships.

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.

### Notable events in FYE 2021

#### Telecommunications Networks Growth and Yield

During the year, 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.



## AT&T

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.

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 a meaningful consumption-based revenue stream to Dubber in FY22.

The Company expects the Dubber platform to be deployed across additional AT&T networks in FY22.

## Cisco as a Foundation Partner

Dubber is the recording service for the Cisco Webex Calling Platform. The Company significantly expanded its commercial relationship with Cisco whereby 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 from Cisco to its customers, 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
- 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 providing the opportunity for 'network effect' as both service providers and their customers seek to standardise their core infrastructure services
- Exponential increase in user base through this deployment

## Microsoft Teams Solution

In October 2020, 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.

In December 2020, Microsoft certified Unified Call Recording as a first of its kind capability for Microsoft Teams which 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, transcriptions and more.

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



## Zoom Compliance Recording

In April 2021, the Company extended its Unified Call Recording footprint with the global availability of Dubber with Zoom Video Communications, Inc.'s video-first unified communications platform.

Dubber Unified Call Recording with Zoom provides businesses of all sizes the ability to record calls for all users. Once the recordings are ingested by Dubber, businesses can enrich the content with AI delivering transcriptions, sentiment data, real-time search and more. Dubber's solution spans service provider networks, Zoom and other communications solutions, enabling Enterprise and Government to centralise all conversation recordings, data and insights in the Dubber Voice Intelligence Cloud.

Zoom users can integrate personal call recording with Unified Call Recording whereby every conversation can then be transformed into intelligence to power customer experience, employee engagement and compliance insights.

## Acquisition of Speik Ltd

On 22 December, the Company announced that it had completed a transaction to acquire 100% 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. Notably:

- Speik is the hardware based mobile recording service embedded natively into the O2 network, the leading business mobile network in the UK, formerly owned by British Telecom and now part of the Telefonica group.
- Speik provides 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.
- Speik provides a number of related services including archive recording services for enterprises and carriage where required, of telephony services in conjunction with their Carrier partners.

The acquisition has proven to be successful with the integrated business performing at forecasted levels, the relationship with O2 Networks, and now, Virgin Media and parent company, Telefonica, expanding due to Dubber's capabilities and the integration of an expert team of people which form a key part of the Company's plans to continue to scale its business operations.

The PCI payments platform is currently being developed to meet the requirements of Dubber's service provider partners and the Company expects to roll out the service in Q2 FY22 with the anticipation of providing accretive revenues via those existing partners.

## **Outlook**

### Strategies Driving Growth in FY22

The Company experienced record and consistent growth in FY21 and has the strategies and resources to accelerate that growth in FY22.

### 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 in June 2021 deployed the first Foundation Partner Program with Cisco for its Cloud calling platforms, Webex Calling and UCM Cloud.

The Foundation partner program provides Service Providers with recording as a standard feature and a seamless ability for users to upgrade features and plans.

The program provides Dubber with a substantial and accretive revenue stream along with large scale customer reach into end user accounts for jointly upselling additional services, including extended storage, transcription, AI insights and more.



## Unified Call Recording for Large Enterprise

Dubber has already been successful in a number of deployments of compliant call recording for large enterprise via Microsoft Teams, Cisco Webex Calling and Zoom. Several global banking institutions have adopted the service, sold to them by our existing tier one carrier partners with whom the customer has an existing billing arrangement for other services.

The ability to record mobile and Microsoft Teams (for example) and manage those recordings in the Dubber Voice Intelligence Cloud, is a compelling offering which provides benefits for the entire supply chain.

The Company expects continued growth in this area and its Service Provider partners have already established an existing pipeline which should underpin the Company's growth aspirations for FY22.

### \$110m Capital Raise in July 2021

Subsequent to the end of financial year, the Company received substantial bids from institutional, professional and substantial investors, electing to take \$110m (before costs) at \$2.95 per share by way of placement over two tranches. The proceeds will be used to execute on Dubber's vision of becoming the world's de facto provider of voice data services.

The successful capital raising allows Dubber to significantly accelerate growth objectives, advance M&A opportunities and continue developing Dubber to capture the substantial global opportunity ahead of us. Since the completion of the placement, the Company has advanced a number of M&A opportunities which will be disclosed once completed.

## **Notes relating to the Appendix 4E Preliminary Financial report**

In consultation with its auditors, the Speik business accounts have been adjusted to comply with International Financial Reporting Standards ("IFRS") to enable them to be accurately incorporated into the Company's consolidated accounts. The Speik accounts have therefore been fully audited in line with these standards and the following adjustments have been made reflecting activities which are now regarded as being prior to completion of the acquisition by Dubber.

- Revenue for the period post acquisition has been reduced by AU\$820,653;
- Expenditure for the period post acquisition has been reduced by AU\$513,117;

The net effect is (AU\$307,536) to the Company's consolidated FY21 accounts. The adjustments relate to continuing recurring business with an amount equal to the adjusted inputs expected to be realised in FY22 and, therefore do not alter the FY22 forecasts for the acquired business.

### **Dubber's CEO, Steve McGovern, said:**

"This year has been a landmark year for the Company and is the start of a comprehensive five-year strategy to deliver data services at scale to the world's most significant voice and video networks.

Our goals at the outset of FY21 related to doubling the size of the business, achieving 300,000 subscribers, targeting an ARR of \$30m and building on our base of service provider partners to underpin enduring success.

The Company has been successful in exceeding these internal aspirations and is realising increased growth across all metrics.

FY21 has seen Dubber continue to grow from a disruptor to an established industry leader capable of providing valuable services to a broad demographic of customers from small businesses to large global enterprises and governments.

In FY22, the Company has an opportunity to capitalise on its improved position with an incredibly strong balance sheet to accelerate growth organically through its established service provider relationships and via targeted M&A. We expect to deliver strong growth in all of our key metrics but particularly ARR, which will be driven through further user



expansion, global banking customer wins and continued penetration of the significant immediate addressable market we have in front of us.

The Company has three major focus areas for FY22:

- Continued expansion of its network footprint to further establish a unique and substantial total addressable market.
- Accelerated growth in ARR primarily from 'organic' activities but augmented by opportunistic acquisitions where possible; and
- Expansion of its product set to deliver AI based capabilities to drive additional customer experience and multiple layers of accretive revenues.

Our core philosophies remain the same; call recording should be available as a 'switch on' feature as part of a telecommunications service and that AI capability, including transcription will become a standard feature expectation as part of a communications service."

#### **Extended Reporting Deadline provision**

The ASX and ASIC have issued a class waiver in relation to the lodgement of 2021 Annual Reports (Extended Reporting and Lodgement Deadlines - Listed entities) Instrument 2021/315 dated 26 April 2021 ("ASIC Relief"). The Company intends to report by the end of September 2021 but reserves the ability to rely on the provision if conditions warrant. In the event that such conditions prevail, and the Company does provide its audited accounts later than the end of September 2021, it will immediately make a further announcement to the market if there is a material difference between its unaudited accounts and its audited accounts.

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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