



ASX Announcement
(ASX: DUB)

Dubber Acquires Leading UK Mobile Recording Company Speik

A \$38 million performance-based acquisition payable in two parts accelerates Dubber's revenue growth, increases consolidated bottom line and broadens Dubber compliance offerings

Key highlights:

- **Speik supports O2's mobile recording service:** Increases Dubber's UK footprint
- **Speik provides PCI Compliance solutions with UK Carriers:** Enriches Dubber's solution portfolio as leader in Unified Call Recording, Compliance, secure voice data management
- **Speik has annual revenue of circa £7m (circa A\$12.4m):** Growing month-on-month
- **Speik is profitable:** Enhancing Dubber's consolidated bottom line
- **Accretive Fundamentals:** Service provider and solution footprint, technology synergies and lean operating structure expected to contribute to revenue growth
- **Scrap and cash consideration with earn-out:** Over half the consideration subject to a 16-month performance based earn-out to incentivise performance and preserve Dubber's strong cash position
- **Attractive acquisition multiple:** Efficient addition of revenue, service provider networks and subscribers that increases Dubber's market-leading position
- **Key shareholder support:** All key management shareholders retained in the business with incentives to continue strong performance

Melbourne, Australia, 22 December 2020 --- Dubber Corporation Limited (ASX: DUB) (**Dubber**), the global leader in Unified Call Recording & Voice Intelligence today announced it has acquired Speik - a leading UK-based provider of call recording and PCI Compliance solutions.

The acquisition furthers Dubber's vision of dubbing the world's networks and communications solutions to put AI on every phone, transforming voice data into a source of value for Enterprises and Governments globally.

Speik was formed in 2019 through a merger of Aeriandi Ltd (**Aeriandi**) and Voxygen Ltd (**Voxygen**). Voxygen had been supplying a hardware-based recording platform to Telefonica UK Limited (O2), one of the UK's leading networks, and Aeriandi had been providing PCI compliance solutions in conjunction with leading UK service providers including Vodafone and Gamma. Speik is headquartered in Oxford and has 38 employees in the UK and Europe.

Speik will continue to operate as an independent division within the Dubber group, serving existing and future customers with its current product portfolio as supplemented by Dubber solutions.



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 has been a pioneer in terms of network-based mobile recording together with O2. Their success with one recording partner over seven years provides an insight into Dubber's ambitions for its own 130-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 unified communications (UC) and Microsoft Teams services with Unified Call Recording.

We believe that Dubber can substantially accelerate growth and adoption in that and other key UK-based relationships while using Speik's PCI services to drive additional revenues with our service provider partners. We welcome the Speik team to our growing Dubber family and look forward to serving our mutual customers like never before."

James Slaney, Co- Founder & COO, Dubber:

"Dubber and Speik have complementary products that are easily integrated. We will bring significant benefits to Speik's existing customers by making the entire Dubber solution set available to them - and assist Speik in winning new customers by enhancing their offerings with the scale and power of Dubber's cloud platform and technology."

Sergio Budkin, Director of Business Products and Propositions, Telefonica UK Ltd (O2):

"Together with Speik, O2 has been providing mobile recording services in the UK, enabling compliance, improved customer experience and productivity gains for Enterprises and Government. We welcome the opportunity to expand those services via Dubber's industry-leading offering across multiple sectors and delivery platforms."

Matthew Townend, Executive Director, Cavell on the Speik Acquisition:

"Service and Solution Providers are in a race to achieve differentiation and answer the accelerating compliance, security and productivity demands of Enterprises. Dubber with Speik will build on Dubber's already industry-leading offering for service and solution providers and deep capability in addressing compliance and call recording needs within SME's and Enterprises."

Matthew Bryars, Founder and Vice Chairman, Speik:

"Dubber is the clear category leader in Unified Call Recording and we are excited to join the team - accelerating our growth, delivering richer solutions to Service and Solution providers, and unlocking the power of voice data for Government and Enterprises. Together we offer an unmatched capability in Unified Call Recording across any endpoint. I want to recognise and thank the Speik team for the tremendous effort put in over several years. Today opens a new chapter in our journey that I couldn't be more excited about."



Transaction Summary:

Key Acquisition Terms:

- Dubber has acquired all of the issued share capital of Aeriandi and its wholly owned subsidiary Voxygen, both UK companies. These companies own and operate the Speik business.
- The aggregate consideration is approx. £21.5 million (A\$38 million) based on known and estimated numbers (see below). Payable in cash and/or shares, as elected by the selling shareholders, with a 5% reduction if taken in cash.
- Initial consideration of £10.1 million (A\$17.9 million) was paid at completion, with £7.9 million paid in cash and loan notes (see below) (£1.07 million of which was paid to satisfy commercial loan debt of Aeriandi) and the balance, representing 22% of the initial consideration, to be satisfied by way of the issue of 2,441,533 Dubber fully paid ordinary shares at a deemed issued price of A\$1.60. All shares to be issued will be within Dubber's existing Listing Rule 7.1 issue capacity. Initial consideration will be adjusted on customary terms post-completion for movement in targeted working capital.
- Earn-out consideration is payable in mid-2022 subject to achievement of an agreed EBITDA target, with the amount payable determined as multiples of specified revenue streams across the Speik business. While the amount is unknown as at the completion date, based on Speik management forecasts for the relevant period, the earn out consideration if the EBITDA target is achieved would be £10.3 million (A\$18.3 million at the present-day AUD/GBP exchange rate). If the forecasts are exceeded, the cash component of the earn-out will be capped in any event at approx. £8.8 million while the share component, which represents approx. 23% of the aggregate earn-out payment, is not capped. The issue price of earn-out shares will be determined by the 30-day VWAP prior to the end of the earn-out period.
- The mechanism for payment of the consideration includes, for some of the selling shareholders, customary short-term loan notes that will be exchanged for an agreed amount of cash or shares either at or post-completion and earn-out. This is a standard structure and will have no material adverse financial impact on Dubber.
- The agreement also includes provisions customary for a transaction of this nature, including clauses for post-completion undertakings, employment of key personnel, post-completion adjustments and obligations, warranties and representations, confidentiality and non-competition/solicitation.

About Aeriandi and the Sellers

Aeriandi is a small proprietary company with numerous selling shareholders at completion, comprising:

- Several individual founders and key management personnel, namely Matthew Bryars, Paul Glover, Daniel Bryars, Thomas Harwood and Jonny Shanmuganathan
- A private UK investment vehicle, Celvam Capital Limited
- Over 30 employee shareholders who had acquired shares under Aeriandi's enterprise management incentive scheme.

None of these sellers are related parties of Dubber.



**Strategic
Rationale**

- Accelerates Dubber's service provider footprint in the UK, revenue growth and subscribers
- Broadens Dubber's compliance offerings, specifically in PCI compliance
- Dubber to accelerate the adoption of Speik using Dubber Voice Intelligence Cloud and integrations
- Strong synergies in product approach mean technologies can be easily unified into common platforms with the potential to create efficiencies over time
- Provides Speik with critical sales and marketing resources to scale go-to-market capabilities
- Attractive acquisition multiple and profitable business

**Financial
Impact**

- Aggregate cash payments for the acquisition consideration are capped, with the earn-out component subject to performance against agreed metrics. Balance of acquisition consideration payable in Dubber shares
- Operating synergies to be realised over time
- No incremental investment in staff or technology required to achieve scaling

This announcement 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.

About Cavell:

Cavell is a leading Analyst and Consulting company and acted as a key advisor to Dubber for this acquisition.

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