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# 4Q FY22 Appendix 4C and Quarterly Activities Report

June 2022

## Dubber Global Sales Momentum Continues in 4Q FY22

### June 2022 Quarterly Activities Report

28 July 2022 Melbourne, Australia: Dubber Corporation Limited (ASX:DUB) ('Dubber' or 'the Company'), the leading unified call recording and voice intelligence platform to telecommunication service providers globally, today reports its 4Q FY22 Appendix 4C and Quarterly Activities to 30 June 2022.

#### 4Q FY22 Highlights

- Annualised Recurring Revenue (ARR) increased by \$5m QoQ to **\$59m** (+51% pcp)
- Operating Revenue increased to **\$10.3m<sup>1</sup>**, up 12% QoQ (+41% pcp)
- Total annual revenue increased to **\$36m<sup>1</sup>**, up 75% on the previous financial year
- Cash receipts for the year were **\$29.9m**, up 48% on the previous financial year
- Gross Margin on current revenues exceeded 70%
- Dubber subscribers exceed **580,000** (+38% pcp)
- Cash on hand at 30 June 2022 was **\$84.3m**
- Dubber is fully funded and continues to invest in contracted and future growth with a focus on winning new service providers and expanding organic growth of users via the Dubber platform
- Appointments: Sarah Diamond (to be appointed) as Independent Non-Executive Director; Michael Abenheim, SVP, Americas

The fourth quarter of FY22 saw the Company continue to scale up its business operations in line with global opportunities for its services as the telecommunications sector continues to be disrupted with major service providers seeking value added services and differentiation.

"In a period of macroeconomic uncertainty, we are proving the durability of both our revenue and value proposition for service providers and their customers. We continue to experience strong demand signals globally and are conservatively deploying our capital to ensure we execute against the opportunities before us," said Steve McGovern, CEO & Managing Director, Dubber.

#### Strategy Driving Compelling Outcomes

ANNUALISED RECURRING REVENUE (ARR)		SUBSCRIBERS		REVENUE: 4Q FY22	
<b>\$59m</b> <small>+51% pcp</small>	<b>\$60m</b> <small>constant currency basis</small>	<b>580,000+</b> <small>+38% pcp</small>		<b>\$10.3m</b> <small>+41% pcp</small>	<b>\$10.8m</b> <small>constant currency basis</small>
CASH ON HAND (AUD)		SERVICE PROVIDERS & SOLUTIONS		OPERATING CASH RECEIPTS: 4Q FY22	
<b>\$84.3m</b>	<b>\$84.7m</b> <small>constant currency basis</small>	<small>Contracted</small> <b>175</b> <small>+9% pcp</small>	<small>Billing</small> <b>120</b> <small>+14% pcp</small>	<b>\$6.7m</b>	<b>\$6.6m</b> <small>constant currency basis</small>

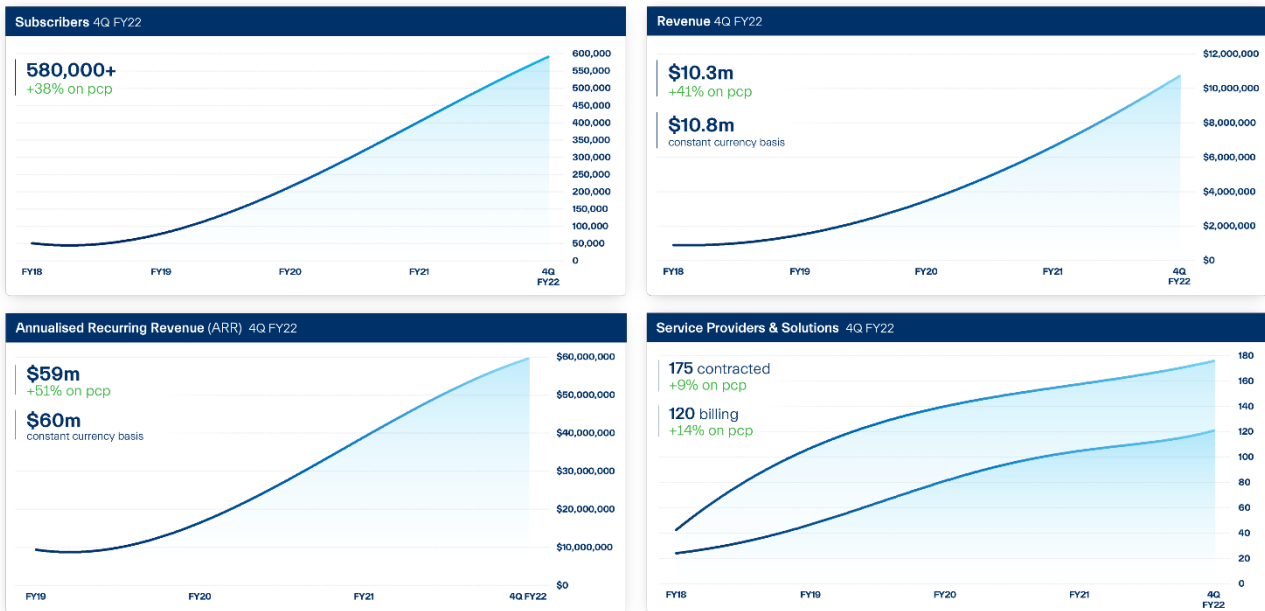
<sup>1</sup> Subject to audit.  
All references are in AUD; pcp: previous corresponding period  
ARR is calculated as the next 12 months subscription revenue, net of incentives.

constant currency is a non-IFRS measure and has been calculated by translating the financial metrics used in this presentation at the effective exchange rates at 30 September

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Revenue increased \$1.1m QoQ to \$10.3m<sup>1</sup>, from sales executed in the previous quarter and reflecting service provider demand and continuing growth in subscribers. Annual revenue was \$36m<sup>1</sup>, up 75% on the previous financial year, with a reduction of costs when non-recurring costs are removed.



Annualised Recurring Revenue (ARR) increased by \$5m to \$59m. On a constant currency basis, ARR was \$60m.

The Company continues to experience growth in contracted revenue and the increase in ARR includes adjustments for contracted deployments which have been delayed beyond the quarter as service providers productise Dubber's services into their operations support (OSS) and business support (BSS) systems. The Company still retains the contracted revenues from these partnerships on a forward basis.

To date, revenues have been largely driven by call recording service agreements. However, Dubber is currently engaged predominantly with tier one service providers regarding long term strategies for monetising the content from their calling networks. The adjusted growth in the quarter reflects the timing of Dubber's availability in major service provider networks and enterprise deployments. Revenue can be impacted by implementation from contract signing to deployment. The company remains extremely positive on the ARR outlook for FY23.

Cash receipts in the quarter were \$6.7m, down \$1.8m on the prior quarter due to outstanding payments. Outstanding payments are anticipated in the September quarter with a portion received in July. In addition, the Company advises it has invoiced for new deals delivered late in the quarter which are expected to be received on an ongoing basis.

The global acceleration by service providers to unlock the power of communication data within their networks has stimulated investment activity by Dubber in the quarter. The Company pursued its strategy to enable existing global service providers and connect new ones with the purpose of delivering an expanding suite of services that is applicable for the entirety of the end users on their networks.

<sup>1</sup> Subject to audit.

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Recurring call recording revenue is to date, the predominant income stream for the Company and has a 'cloud scale' business model with associated margins. Currently, the Company's recording revenue is supported by direct expenditure which results in a gross margin which is in excess of 70% for the first time.

The Company has a global platform at scale which can support significant increases in subscribers and, for the foreseeable future, gross margins will continue to improve as more customers are added to the Dubber platform.

The Company has recruited a world-class product and engineering team in FY2022 and is focussed on delivering a 'manufacturing line' of scalable and repeatable products for which there is existing demand. Since the capital raise in July 2021 and the subsequent acquisition of Notiv in September 2021, the Company is able to invest in line with its global strategy.

During the quarter, the company invested based on demand by:

- Extending engineering capabilities to develop the next generation of features and functions on the platform and in Dubber products, such as AI driven products born out of Notes by Dubber, that specifically drive user and revenue growth via service providers
- Expanding Dubber's regional footprint in sales in the Americas. The Americas team increased in size by 15 employees since the beginning of the calendar year, across the United States, Canada and Central America, adding significant experience of telecommunications and service provider knowledge from companies such as Cisco, Broadsoft and RingCentral. Michael Abenheim joined Dubber in April, as Senior Vice President of Americas. Mr Abenheim brings more than 25 years of experience in selling and managing sales teams to telecommunications service providers with Cisco Broadsoft and, most recently, with RingCentral.

These initiatives remain pivotal to servicing major partnerships ahead of deployment in networks and to subscribers and supporting demand globally.

## Business Performance Update

The Dubber platform is the only platform globally that can capture conversational data across multiple communication platforms as a native feature of service provider networks. Dubber enables both service providers and their enterprise, government, and business customers to extract value from every conversation.

More than voice recording and transcription, Dubber's AI conversational intelligence platform improves customer experience and remote workforce collaboration, easily and intuitively supporting compliance requirements and enabling training and dispute resolution without the requirement for hardware or capital expenditure.

A key element of Dubber's strategy is to extend its footprint with major service providers as Foundation Partners, where a Dubber service is embedded as a standard feature of every subscription on the service provider network as part of the telecommunications plan. Momentum with Foundation Partners continued late in the quarter and into the new financial year.



- USA-based NUWAVE is one of the fastest-growing providers of Microsoft voice services in North America and a key player in the Microsoft Operator Connect calling program. NUWAVE will deploy Dubber as a standard feature, at zero cost to the customer, when supplying Microsoft Teams on the NUWAVE iPILOT 2.0 Platform. The initial offering will enable an upgrade path for NUWAVE's end users to subscribe to Dubber's Unified Recording and Unified Recording+AI services which are integrated into iPILOT for automatic provision and available to NUWAVE clients from 1 August 2022. Other Dubber services are expected to be available to NUWAVE clients subsequently
- USA Unified Communications provider Ziro will launch Dubber Moments, an AI driven productivity widget which has been born out of Notes by Dubber (previously acquired from Notiv), which is automatically embedded within the Microsoft Teams application for every Ziro user. This provides speed to revenue for Dubber, and a seamless upgrade path for users to take advantage of the full Notes by Dubber experience, driving increased ARPU for Ziro and Dubber
- Dubber is in active negotiations with major service providers to implement Notes by Dubber in other major service provider networks and positive demand for both subscriptions and expansion to new networks such as mobile and unified communication platforms also continued with Dubber's major partners, including BT, Verizon, Cisco Webex and VM02 (Virgin Media & O2).

New deployments of Dubber with service providers increased during the June quarter to 175, up 9% on pcp. Churn with major service providers has not occurred since inception. Demand and aligned objectives with service providers are reflected in the highly sticky nature of Dubber services once embedded in a network.

## Board appointment

In July, the company announced it will appoint [Sarah Diamond to Dubber's Board](#) as an Independent Non-Executive Director. Based in New York, Ms Diamond is a seasoned executive, most recently as Global Managing Director, Financial Services at IBM and will bring a wealth of international experience in business and technology to the company.

As announced, Ms Diamond's appointment will take effect upon her international application for a Directors Identification Number being ratified.

## Dubber CEO & Managing Director, Steve McGovern

"The telecommunications sector is evolving quickly with service providers seeking to increase revenue streams with new products and services. The Dubber platform enables communications across networks to be converted into usable data and content - which has endless applications and opportunities for monetisation of products, with an addressable market which comprises the entire customer base of a network across all demographics from Enterprise and Government to Consumers.

Dubber is currently engaged with multiple tier one service providers to deliver these services at scale creating the reality of Conversational Data.

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While compliance needs in regulated industries drove the first wave of demand for call recording and conversational data, a second wave is well underway for unified conversational recording and data to address a broad range of needs. These include improving remote work employee collaboration, driving productivity and revenue, actioning customer intelligence with real-time customer satisfaction reporting, and training and supporting dispute resolution.

Our opportunity is to increase exposure to the Dubber platform with users that continue to switch between mobile, unified and traditional communications services, effectively multiplying Dubber and our service providers' revenue opportunities as we address more endpoints and services than ever before.

Dubber's unique Foundation Partner model, which enhances our relationship with service providers and embeds a default Dubber solution, continues to be highly attractive to major service providers as evidenced by the addition of new Foundation Partners in the June quarter. Dubber recognizes revenue once services go live in the network and has direct access to customers to increase its ability to assist and drive increasing revenue together, in partnership with service providers, over the near-term.

We are market leaders in conversational recording, data, and AI globally. Increasing and maturing our engineering and product development capability will strengthen this leadership and ensure we continue to unlock the value in every conversation through innovative new services and products. The ability to drive world-class automation, analytics and insights through R&D make the Dubber platform an even more compelling proposition for services providers.

We are very excited about the future. Our revenue today largely reflects enterprise, business and government customers leveraging call recording from unified communication platforms. However, our focus on integration within mobile networks and unified communication platforms provides the ability to turn all conversations into content, and we believe that is valuable to every sector and demographic.

Our focus moving into the 2023 financial year, remains on delivering sustainable growth for our stakeholders by increasing the number of service provider networks and mobile integrations connected to the Dubber platform and expansion of services and margin with these providers.

We are thankful for the continued support of our team, shareholders, partners, and customers globally. We are currently planning an Investor & Technology Day, to be held in September, which will provide deeper insight into our business strategy and investment against the opportunity in which we hold absolute conviction."

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## Notes to the Appendix 4C

Cash outflows for the quarter shown in line 1.2(b) were subject to non-recurring and one-off items in the order of \$1.5m which included:

- Consultant and legal fees in relation to potential acquisition targets;
- Staff recruitment fees;
- International Value Added Tax obligations;
- Cloud hosting; and
- Travel and accommodation.

The amounts shown at line 6.1 of the Appendix 4C relate to director fees and salaries. The expenditure incurred on the activities described in this report are materially salaries and operating costs set out in the Appendix 4C.

### 4Q FY22 Investor Webinar

Managing Director & CEO, Steve McGovern and Co-Founder & COO, James Slaney will present the June Quarter update at **9:15am AEST, on Friday 29 July 2022.**

To register for the session and for more information on the conference, please click here:

[https://us02web.zoom.us/webinar/register/WN\\_L3QKjbspSVy3CYG9apbzXg](https://us02web.zoom.us/webinar/register/WN_L3QKjbspSVy3CYG9apbzXg)

Investors can submit questions prior to the webinar to [simon.hinsley@dubber.net](mailto:simon.hinsley@dubber.net) or do so via the Q&A functions on Zoom.

This ASX release has been approved by the Board.

ENDS



## About Dubber

Dubber enables service providers to unlock the potential of the network - turning every conversation into an exponential source of value for differentiated innovation, retention and revenue. Listed on the ASX, Dubber is the clear market leader in conversational intelligence and unified conversational recording - embedded at the heart of over 175 service provider networks and services and used daily by over 580,000 subscribers worldwide.

For more Information, please visit Dubber at [dubber.net](https://dubber.net)

## Contact details

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# About Dubber

Dubber enables service providers to unlock the potential of the network - turning every conversation into an exponential source of value for differentiated innovation, retention, revenue. Listed on the ASX, Dubber is the clear market leader in conversational intelligence and unified conversational recording - embedded at the heart of over 170 service provider networks and services and used daily by over 500,000 subscribers worldwide.

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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 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,688	29,926
1.2 Payments for		
(a) research and development	(1,070)	(2,123)
(b) product manufacturing and operating costs	(7,344)*	(30,157)
(c) advertising and marketing	(992)	(2,926)
(d) leased assets	-	-
(e) staff costs	(9,291)	(34,645)
(f) administration and corporate costs	(779)	(3,832)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	223
1.5 Interest and other costs of finance paid	(16)	(17)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	75	378
1.8 Other (provide details if material)	-	4
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(12,722)</b>	<b>(43,169)</b>
<i>*includes non-recurring payments. Further details shown in the June 2022 Quarterly Activities Report.</i>		
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	6	(6,950)
(b) businesses	-	-
(c) property, plant and equipment	(372)	(3,096)
(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 (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)	(84)	(178)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(450)</b>	<b>(10,224)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	110,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	448
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4,477)
3.5	Proceeds from borrowings	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>105,971</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	97,442	32,041
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,722)	(43,169)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(450)	(10,224)

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)	-	105,971
4.5	Effect of movement in exchange rates on cash held	114	(235)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>84,384</b>	<b>84,384</b>

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	54,384	67,442
5.2	Call deposits	30,000	30,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>84,384</b>	<b>97,442</b>

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	248
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. <b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(12,741)
8.2 Cash and cash equivalents at quarter end (item 4.6)	84,384
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	84,384
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	6.62
<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: 28 July 2022

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.