



ASX Release
25 October 2022

Operational milestones driving growth

September 2022 Quarterly Activities Report

Melbourne, Australia: 25 October 2022 --- Dubber Corporation Limited (ASX:DUB), the leading unified call recording and conversational intelligence platform to global telecommunication Service and Solution Providers, today released its 1Q FY23 Appendix 4C and Quarterly Activities to 30 September 2022.

1Q FY23 Commentary

- Operating cash receipts for the quarter were \$9.5m (up 42% QoQ).

Operating cash costs increased by \$500k in the September quarter to \$20m.

Net cash operating outflows were reduced by \$2.5m compared with the June quarter.

Cash on hand at 30 September was \$73.8m. Dubber is fully funded to operate cash flow break even.

- Revenue was \$6.6m (down 3% QoQ, up 10% YoY).
- Dubber extended its Service Provider footprint with commercial agreements with Ziggo (Vodafone Netherlands), 3 (UK) and NTS (USA).
- Dubber was accepted for the 'IP Co-sell' programme with Microsoft.

Continued Expansion of Service Provider Footprint

During the quarter, the Company has continued to expand its Service Provider footprint.

- Dubber reached agreement with Ziggo, the operating brand of Vodafone Netherlands, for provision of service for its Unified Communications networks based on Broadworks (Cisco) and Microsoft Teams for Unified Call Recording.
- An agreement with 3, a major UK Service Provider, for Dubber services to include initially, the archiving of existing recordings on the Dubber platform.
- NTS, is a Microsoft Teams calling Service Provider and Dubber's engagement includes a Platform agreement with users attached for comprehensive recording services via Microsoft Teams. NTS is the first 'downstream' of Service Providers using the NuWave 'ipilot' service.



Microsoft Teams IP Co-sell

Dubber is now a Microsoft 'IP Co-sell' partner which enables Dubber services to be sold by Microsoft sales teams and partners at full reward compensation.

Where Dubber Go¹ is embedded as a standard feature of a Microsoft Teams calling subscription, Microsoft and its partner network can upsell to the suite of Dubber products and be recognised with full compensation.

Cash receipts and operating cash costs

Cash receipts in the September quarter were \$9.5m (up 42% QoQ). The Company views the deployment of its platform in return for Foundation or platform fees as the first step in building long term commercial partnerships with Service Providers.

Operating cash costs increased approximately \$500k in the September quarter to \$20m (from \$19.5m in the June quarter). This increase was primarily due to currency fluctuations and IT project investment.

The Company anticipates that it will incur some costs associated with productivity improvement and organisational change management in the December quarter.

Capital Management

Dubber maintains a strong cash balance sheet with \$73.8m held in cash.

The company is fully funded to operating cash flow breakeven.

Review of reported key metrics

Dubber has engaged a top-tier external accounting firm to assist in a review of the Company's accounting and finance functions.

The review will include the appointment of a new Chief Financial Officer with relevant commercial and public markets experience.

Dubber CEO & Managing Director, Steve McGovern

"During the quarter, we finalised the development of the core range of AI driven services based on Dubber Notes¹.

The services will include entry level versions of Dubber Notes and can be embedded as a standard feature into the offerings of our Service Provider partners on a Foundation basis. A full service version of Dubber Notes is also available and relevant for compliance and productivity requirements, attracting a higher ARPU for the Service Provider.

The ability to provide these capabilities directly from the content of calls and communications across a Service Provider network illustrates Dubber's unique proposition to provide

¹ Dubber Go & Dubber Notes: Powered cloud call recording and real time transcription with AI powered actionable insights



differentiation for the Service Provider and compelling outcomes for the Service Provider's end user customer.

The Company is also focussing on strengthening its accounting and finance capability in line with the growth of the operating business as a whole. Significant investment into fundamental infrastructure has seen investment in the Dubber team, integration of acquired businesses and the development of new products.

From a regional perspective, Dubber is progressing in terms of consolidating its relationships and offerings with tier 1 Service Providers in Australia, the UK and North America.

The Dubber brand is resonating strongly with our customer base and Dubber is regarded as an industry standard with regards to the types of services we offer.

Dubber remains very well positioned for growth in FY23."

Notes to the Appendix 4C

Cash outflows for the quarter shown in line 1.2(b) were subject to new and one-off items to a total of approximately \$1.0m which included:

- Increased cloud hosting fees impacted by the US dollar;
- Settlement of secondary cloud hosting services;
- Consultants engaged in new markets;
- Costs associated with participation at relevant technology and connectivity events;
- Commencement of office leases post rent-free period in the UK.

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.

1Q FY23 Investor Webinar

Managing Director, Steve McGovern and Executive Director & Interim Head of Finance, Peter Pawlowitsch will present the September Quarter update at 2:00pm AEDT, on Tuesday 25 October 2022.

To register for this session, please click here:
https://us02web.zoom.us/webinar/register/WN_rqh67TTMSjKnOWTZr7CinQ

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

ENDS

This ASX release has been approved by the Dubber Board.



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.

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dubber



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 September 2022

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 9,503 | 9,503 |
| 1.2 Payments for | | |
| (a) research and development | (1,125) | (1,125) |
| (b) product manufacturing and operating costs | (8,416) | (8,416) |
| (c) advertising and marketing | (873) | (873) |
| (d) leased assets | - | - |
| (e) staff costs | (8,949) | (8,949) |
| (f) administration and corporate costs | (663) | (663) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 265 | 265 |
| 1.5 Interest and other costs of finance paid | (1) | (1) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (10,259) | (10,259) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (390) | (390) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 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) | 63 | 63 |
| 2.6 | Net cash from / (used in) investing activities | (327) | (327) |

| | | | |
|-------------|---|------------|------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 127 | 127 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 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) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 127 | 127 |

| | | | |
|-----------|--|----------|----------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 84,384 | 84,384 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (10,259) | (10,259) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (327) | (327) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 127 | 127 |
| 4.5 | Effect of movement in exchange rates on cash held | (49) | (49) |
| 4.6 | Cash and cash equivalents at end of period | 73,876 | 73,876 |

| 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 | 43,876 | 43,876 |
| 5.2 | Call deposits | 30,000 | 30,000 |
| 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) | 73,876 | 73,876 |

| 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 | 223 |
| 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).

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> | | |
| <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 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) | (10,259) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 73,876 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 73,876 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 7.20 |
| <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: 25 October 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.