



ASX Announcement
ASX: DUB

15 March 2024

Dubber secures up to \$5m loan

Dubber Corporation Limited (ASX: DUB) (**Company**) announces it has secured bridging finance in the form of a secured loan for up to \$5 million from Tiga Trading Pty Ltd (**Lender**), a company associated with Thorney Investment Group.

The bridging finance provided by Thorney Investment Group will support the Company's interim funding requirements. The loan is for up to \$5 million, with \$1.5 million available immediately and the remaining balance available upon the Company meeting certain conditions including entering into an underwriting agreement with only customary conditions and lodging a prospectus for a capital raising (with some or all of the balance otherwise being available upon request with the consent of Thorney Investment Group). It is secured by way of security over all of the assets of the Company and its wholly-owned subsidiary, Dubber Pty Ltd. A summary of the key terms and conditions of the facility are set out in Annexure 1.

Alex Waislitz, Executive Chairman of Thorney Investment Group, commented, "Unquestionably we were shocked by Dubber's recent announcement. Notwithstanding, Thorney continues to believe Dubber has sound prospects having built a substantial global client base that includes many Tier 1 communications service providers. Accordingly, we are supporting the company's interim funding requirements through this bridging loan facility."

Neil Wilson, Dubber Non-Executive Chair said, "The company is appreciative of the support from Thorney Investment Group to enable the management of working capital requirements ahead of completing a proposed equity capital raising. Dubber management continues to focus on achieving the company's business growth and efficiency objectives. We thank our customers and the Dubber team for their ongoing commitment during this period."

On 1 March 2024 the Company announced that it had become aware of inconsistencies in respect of funds purported to have been held in a term deposit account on its behalf by a third-party trustee, and that these funds may have been applied for other purposes and are not currently available to the Company. The Company's maximum exposure is approximately \$26.6 million.

The Company is continuing its investigation into the matter and evaluating avenues for possible recovery of these funds. The Company also understands that, separately, ASIC has launched an investigation into the matter.

In the interim the Company has evaluated several funding options from a number of parties to satisfy its immediate working capital requirements, however alternatives to the Thorney Investment Group proposal were neither practicable nor feasible in light of the urgency and timing constraints for funding, as well as the ongoing investigation into the matter. Having undertaken this process the Board of Directors is satisfied that, in the circumstances, the transaction with the Lender has been entered into on arm's length terms and is fair and reasonable from the perspective of the Company's shareholders.

The Company applied to ASX for a waiver from Listing Rule 10.1 to the extent necessary to permit the grant of security over the assets of the Company and its wholly owned subsidiary, Dubber Pty Ltd, in favour of the Lender, without obtaining shareholder approval, because Thorney Investment Group is a substantial holder of shares in the Company (being 10% or more). ASX has granted the waiver sought by the Company. The Company breached Listing Rule 10.1 when it first entered into the transaction and the terms of the transaction have been amended to satisfy the conditions of the waiver. The material terms of the waiver are set out in Annexure 2.

The Company is in the process of considering the structure and terms of, and undertaking the necessary due diligence for, an equity capital raising to replenish its balance sheet. An update on this will be provided once details are finalised.



The Company reaffirms that delivery of Dubber services to its global customer base remains unaffected.

The Company's shares are currently suspended from trading on ASX as its 31 December 2023 half-year accounts are yet to be released. The entering into of this transaction does not end that suspension. The Company continues to work with its auditor, Ernst and Young, to finalise and release these accounts and will be liaising with ASX to seek reinstatement of its shares to trading.

This announcement has been approved for release to ASX by the Board of Directors.

About Dubber:

Dubber enables Communication 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 one of the market leaders in conversation intelligence and unified conversational recording increasingly enabled by Artificial Intelligence (AI) capability - embedded in over 210 Communication Service Provider networks and services.

For more information, please visit Dubber on www.dubber.net or contact:

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Annexure 1

Summary of Key Terms for Bridging Finance

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|--------------------------|---|
| Borrower | Dubber Corporation Limited ACN 089 145 424 (Company) |
| Lender | Tiga Trading Pty Ltd ABN 95 118 961 210 (Lender) |
| Amount | <p>\$5,000,000 drawable in two instalments.</p> <p>The initial instalment is for \$1,500,000 and may be drawn upon execution of the subscription agreement in respect of the shares and options described in the fee section below.</p> <p>The balance may be drawn upon lodgement with the Australian Securities and Investments Commitments of a prospectus in connection with a proposed equity capital raising and execution of an underwriting agreement with only customary conditions for agreements of that nature remaining outstanding.</p> <p>Some or all of the balance may also be drawn down earlier upon written request by the Company and the consent of the Lender.</p> <p>The instalments are also subject to other conditions precedent that are customary for arrangements of this nature (such as no event of default or breach of warranty).</p> |
| Interest | Interest free. |
| Fee | <p>A fee is payable to the lender in the form of:</p> <ul style="list-style-type: none"> • 27,000,000 ordinary shares in the Company (which represents 6.9% of the total number of ordinary shares in the Company prior to the issue of shares to the Lender); and • 31,706,541 options over unissued ordinary shares in the Company (which represents 8.1% of the total number of ordinary shares in the Company prior to the issue of shares to the Lender) (see details on the option terms below). <p>The shares will be issued immediately following the receipt by the Company of the initial instalment of \$1,500,000. The options will be issued following the lodgement of a prospectus to be issued in connection with the proposed equity raising (which will also include an offer of those options to the Lender).</p> <p>The Lender and its associates will have a relevant interest in 19.9% of the voting shares of the Company following the issue of the 27,000,000 shares. Its exercise of the options will be subject to it complying with the takeover provisions in the Corporations Act 2001 (Cth).</p> |
| Options | <p>Each option entitles the holder to subscribe for one ordinary share in the Company on exercise of the option.</p> <p>Each option has an exercise price of \$0.05 (subject to customary adjustment mechanisms such as for corporate reconstructions) and an expiry date of 31 March 2027.</p> <p>The options will not be quoted on ASX and may be transferred by the holder with the prior approval of the Company and subject to the ASX listing rules and Corporations Act 2001 (Cth).</p> |
| Term and maturity | 12 months from the date of the loan agreement or such later date as is agreed by the Lender and the Company. |
| Prepayment | To be prepaid in full on the settlement date of the proposed equity raising (or, if there is more than one settlement date, on the last of those settlement dates) unless repaid or prepaid prior to that time. |



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| Security and guarantees | <p>Guaranteed by Dubber Pty Ltd ACN 150 843 164.</p> <p>The amounts owing under the loan agreement are secured with security over all of the assets of the Company and the guarantor described above.</p> <p>In the event the security is enforced, the assets can only be disposed of to the Lender or an associate of the Lender if the disposal is first approved by shareholders under Listing Rule 10.1. If the Lender exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the Lender in accordance with its legal entitlements.</p> |
| Acceleration and events of default | <p>If an event of default occurs, the lender may declare all amounts outstanding under the loan agreement to be due and payable. In addition, the security referred to above may be enforced.</p> <p>The events of default provided for under the loan agreement are customary for arrangements of this nature.</p> |
| Other | <p>The Company and the guarantor described above have given certain representations and warranties, and have agreed to certain undertakings, under the loan agreement and related security documents which are customary for arrangements of this nature.</p> |



Annexure 2

Material Terms of ASX Waiver

- (a) The material terms of the facility, the security and waiver are announced to the market.
- (b) This announcement includes a description of the reasons why the Company has chosen to obtain the financial accommodation from the Lender rather than a third party lender, and the steps the Company has taken to satisfy itself that the Facility is being entered into on arm's length terms and is fair and reasonable from the perspective of the Company's shareholders.
- (c) The security documents expressly provide that:
 - (i) the security is limited to the funds due under the facility;
 - (ii) the security will be discharged when the funds due under the facility have been repaid in full;
 - (iii) in the event the security is enforced, the assets making up the collateral can only be disposed of to the Lender or an associate of the Lender if the disposal is first approved by the Company's shareholders under Listing Rule 10.1; and
 - (iv) otherwise, if the Lender exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the security, any assets making up the collateral that are sold to satisfy amounts owing to the Lender must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the Lender in accordance with its legal entitlements;
- (d) Any variation to the terms of the facility, the security or associated documents which:
 - (i) advantages the Lender in a material respect;
 - (ii) disadvantages the Company in a material respect; or
 - (iii) is inconsistent with the terms of the ASX waiver,must be subject to shareholder approval under Listing Rule 10.1.
- (e) For each year while the facility and security is on foot, a summary of their material terms will be included in the related party disclosures in the Company's audited annual accounts.

