



Q4 FY24

4C Quarterly Activities Report & Operational Update

30 July 2024 | dubber.net



This investor presentation has been approved for release to ASX by the Dubber Board of Directors.



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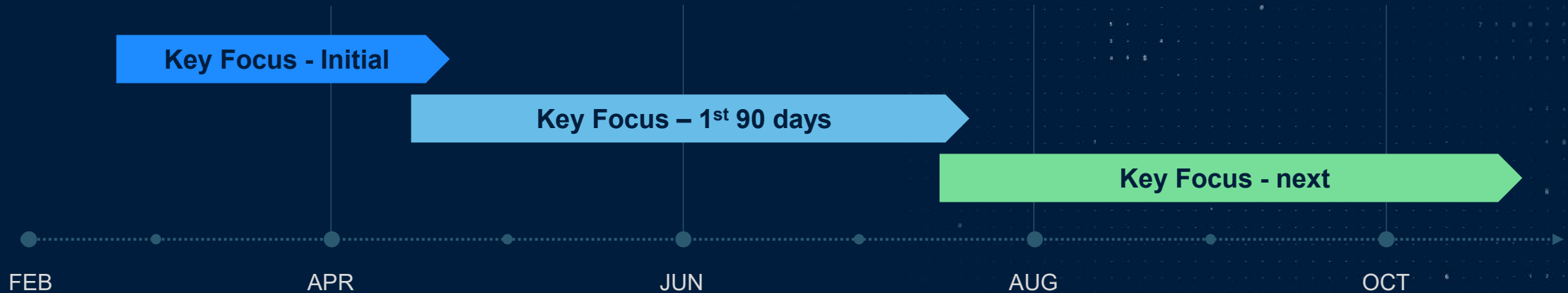
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Delivering on the plan post the Event*



Key Focus - Initial

- Stabilise the business
- Recapitalise the business

Key Focus – 1st 90 days

- Align the business around strategy
- Review cost base and optimise
- Build sales momentum

Key Focus - Next

- Accelerate sales momentum
- Align operating models and structures globally
- Ensure clarity of direction and accountabilities
- Appoint permanent CEO

The business continues to manage recovery and other activity related to the discovery of the misappropriation of Company funds in February 2024 (* the Event) as a stream of activity separate to the core focus of the day to day operations of the business.

Key updates



- Revenue of \$10.1m in Q4 FY24, up 5% on Q3 FY24.
- All existing Communication Service Provider (CSP) Partners maintained and number has increased to 225+ at 30 June 24, up from 215+ at 31 December 23.
- Revenue growth Momentum returning with partner activity increasing - focus now on accelerating the growth.
- Cash costs continue to reduce quarter on quarter with annualized Q4 cash based costs* under \$60m.
- Cash of \$11.5m at 30 June 2024.
- Focus remains to drive revenue growth and manage resources and costs to achieve target of cashflow breakeven in FY25, assuming no material changes to trading conditions or strategy.
- CEO recruitment process well underway.
- Work on recovery of funds progressing.



* Cash based costs are direct costs, salaries and related costs and G&A costs incurred on a P+L basis + the cash lease payments for finance leases. It excludes share-based payment expenses, FX gains and losses, impairment, and non-recurring costs associated with the investigation into the alleged misappropriation of funds and their recovery and the equity capital raising.

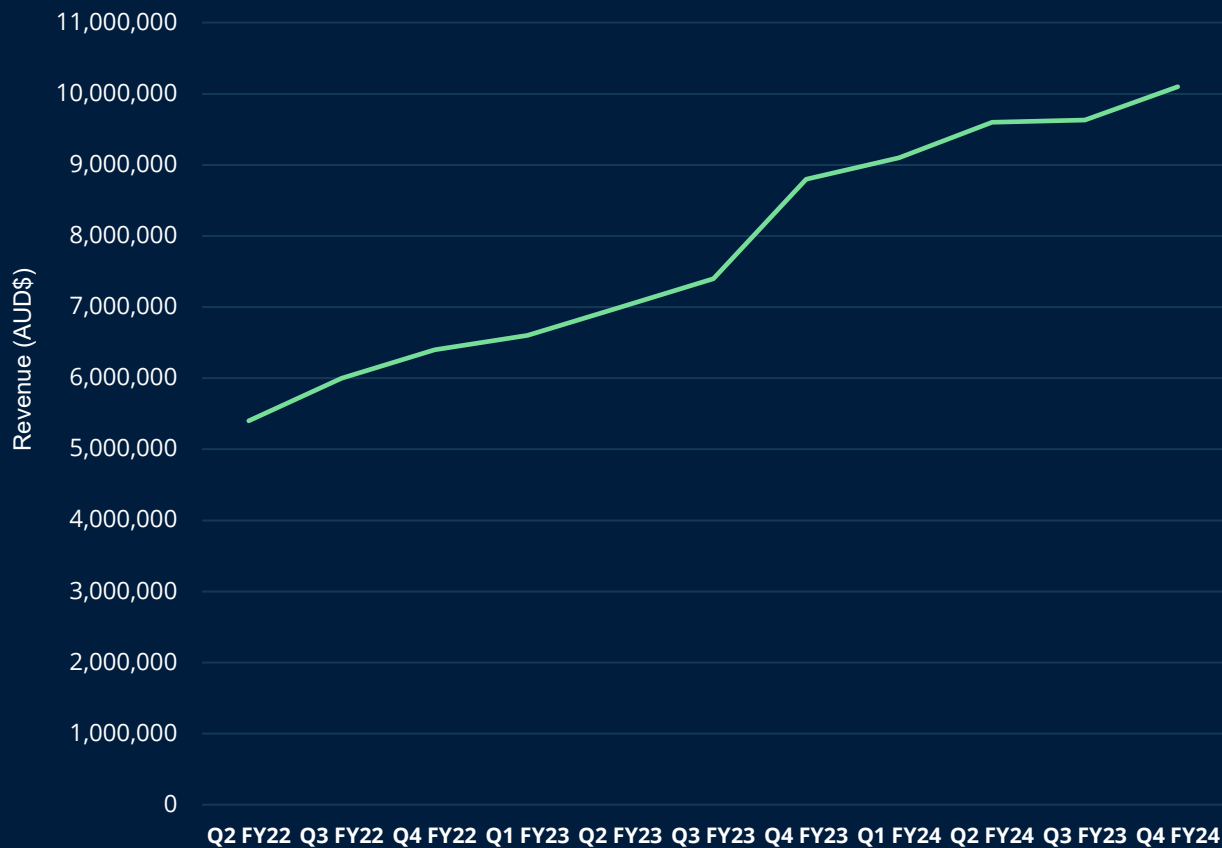


Q4 FY24 Financial Overview

Growing quarterly revenue



Reported revenue by quarter

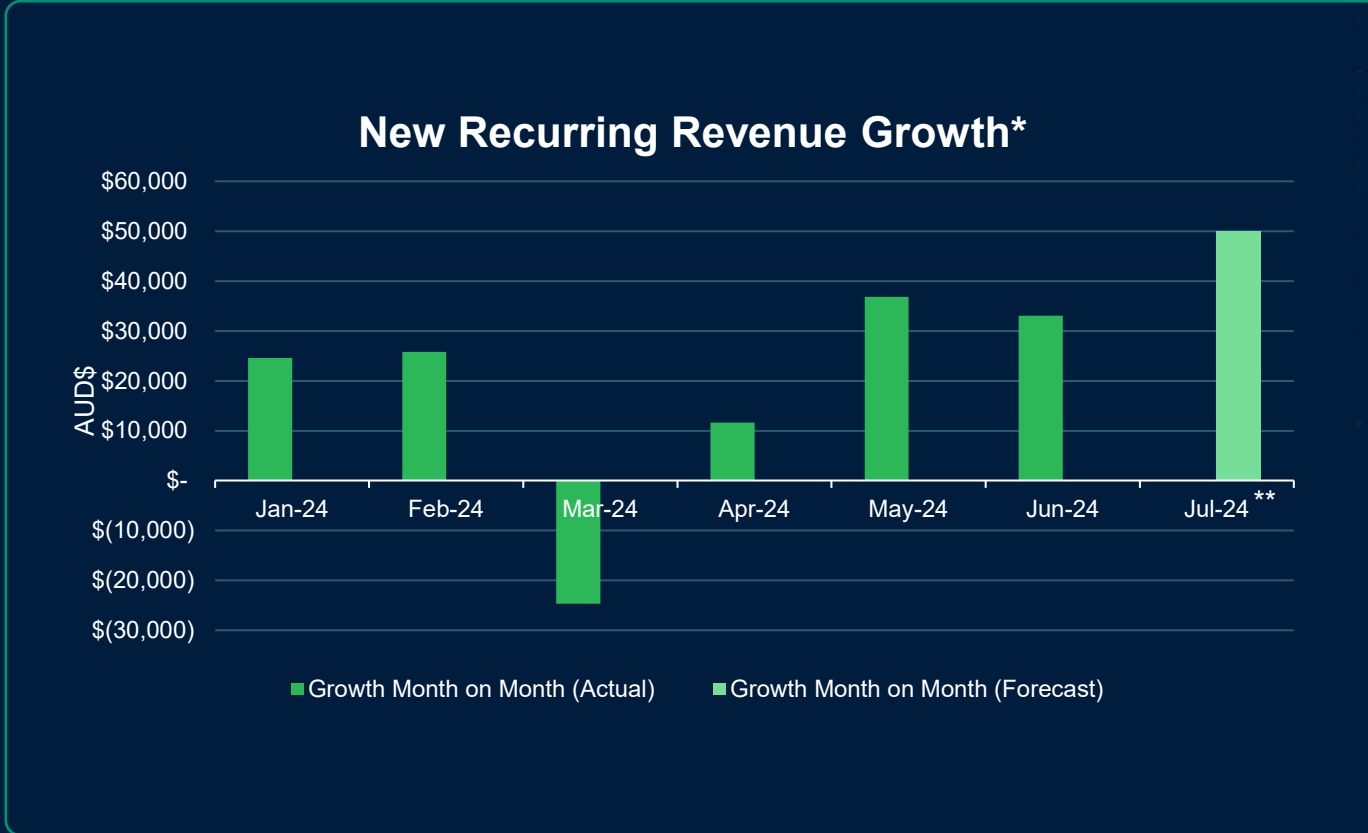


- Q4 FY24 Revenue of \$10.1m, up 5% on Q3 FY24 and 15% up on prior comparative period (pcp) of Q4 FY23.
- FY24 revenue of \$38.5m* up 28% on FY23.



All figures presented for FY24 are unaudited

Revenue growth momentum returning



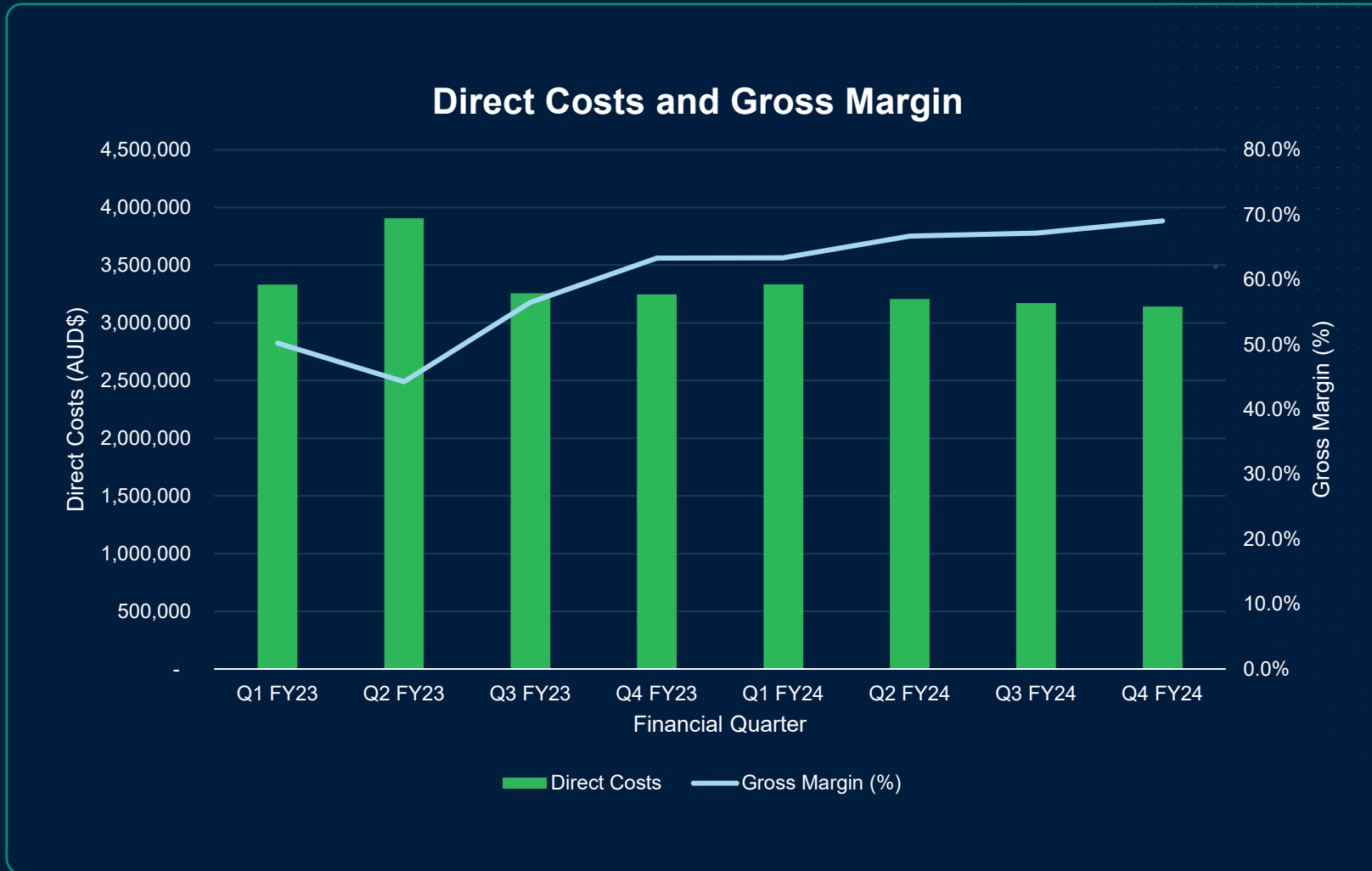
- Sales momentum has rebounded with month-on-month constant currency recurring revenue growth* in May and June 24.
- No CSP Partners have been lost as a result of recent events, and most Partners have returned to actively selling Dubber products.
- CSP partners of 225+ at 30 June 24, up from 215+ at 31 Dec 23.
- July 24 recurring revenue growth rate expected to be above that of June 24.
- There is a strong pipeline of partner activity and opportunities in place to accelerate recurring revenue growth in the first half of FY25.

*Growth in new recurring revenues on prior month in AUD on a constant currency basis (using June 24 month FX rates). March 24 revenue reduced month on month due to Partner end-customer related cancellation of full telephony services and resultant call recording service cancellation.
** July 24 estimate based on Management forecasts.

All figures presented for FY24 are unaudited.



Direct costs efficiencies are delivering improved gross margin

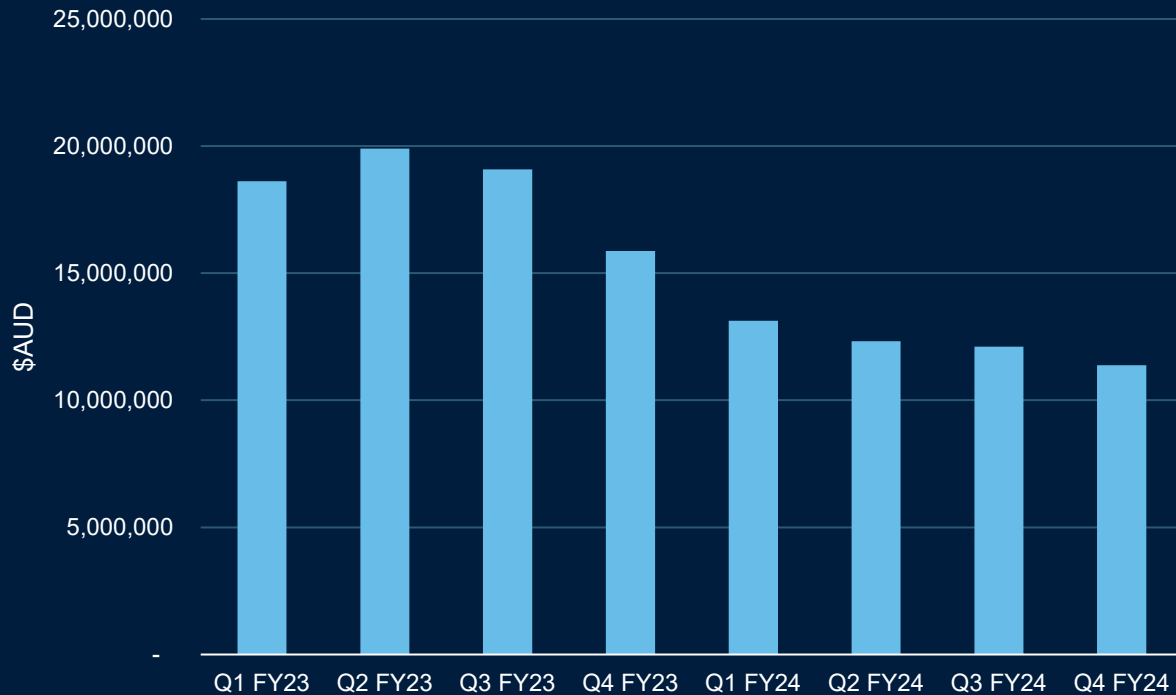


- Platform optimisations and efficiencies have lowered Direct Costs consistently across FY24, with a programme to deliver further underlying direct cost efficiencies underway for FY25.
- Gross margin of 69% achieved in Q4 FY24, up from 63% in Q4 FY23.
- A gross margin of over 70% is anticipated for FY25, with Artificial Intelligence enabled solutions (such as Dubber Trends and Dubber Moments) expected to be an increasing proportion of the revenue mix.

Operating costs continue to be well controlled



Operating Based Cash Costs* (incurred basis)



Operating Cash Based Costs* have reduced:

- **43%** from Q2 FY23 to Q4 FY24; and
- **8%** from Q2 FY24 to Q4 FY24 reflecting tight cost control and the early benefits from the underlying \$5m cost reduction programme for FY25 which commenced in Q4 FY24.

Q4 FY24 annualised operating cash based cost run-rate of \$45m**.



* Operating Cash based costs are salaries and related costs and G&A costs incurred on a P+L basis + the cash lease payments for finance leases. It excludes direct costs, share-based payment expenses, FX gains and losses, impairment, and non-recurring costs associated with the investigation into the alleged misappropriation of funds and their recovery and the equity capital raising.

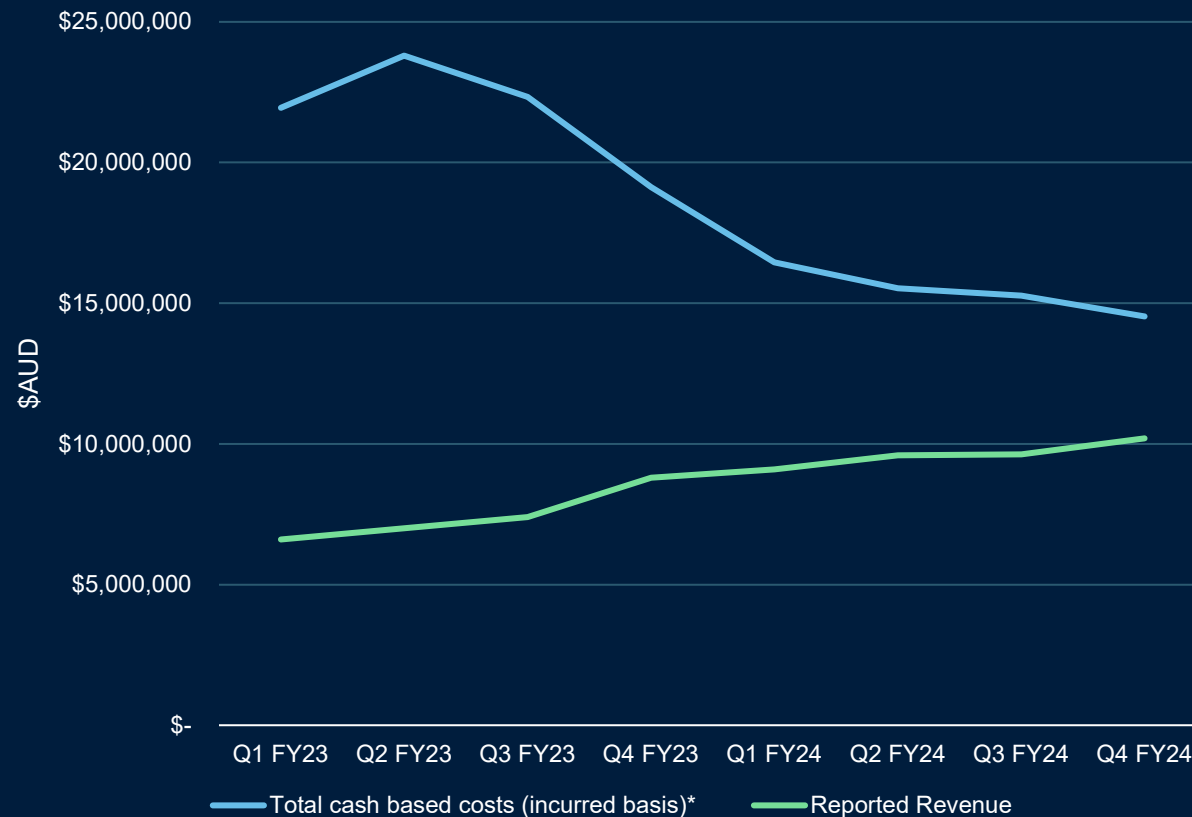
** Total annualised cash based costs run-rate including direct costs was \$58m for Q4 FY24.

All figures presented for FY24 are unaudited.

Targeting operating cashflow* run-rate breakeven in FY25



Revenue and Total Cash Based Costs*



- Significant cost reductions to right size the Group's cost base alongside revenue growth over the last 2 years.
- Sales structure now in place to deliver accelerating repeatable revenue growth with our partner customers.
- Cost continues to be tightly controlled.
- Targeting operating cashflow* run-rate breakeven in FY25, assuming no material changes to trading conditions or strategy.



* Excludes incurred costs in respect of the Company's investigation into the alleged misuse of funds and capital raising costs in the periods presented. Includes cash payments for finance leases which are presented as depreciation and interest in the income statement.

All figures presented for FY24 are unaudited.

Q4 FY24 Quarterly Cashflow



AU\$m	Q4 FY24
Receipts from customers	10.9
Other operating cash outflows	(19.6)
Net cash outflows used in operating activities	(8.6)
Net cash inflows/(outflows) used in investing activities	-
Net cash provided/(consumed) by financing activities	18.5
Net increase in cash in the quarter	9.8
Closing cash balance (reported)	11.5

Cash collections closely following revenue. Reported receipts of \$10.9m in Q4 FY24, down from \$11.2m in Q3 FY24, adjusting for Q2 FY24 due receipts received in Q3 FY24 receipts were up 7% QoQ.

Operating cash outflows of \$19.6m were up 41% from Q3 FY24 reflecting the timing of payments post capital raise completion (further details on next slide).

Operating cash outflows expected to significantly reduce in Q1 FY25 as cash payments are more consistent with the incurrence of costs and reflecting recent cost reduction activities.

\$18.5m of capital (net of costs) raised in the quarter.

Focus on continuing to strengthen the Company's balance sheet by pursuing a range of options including recovery of missing funds, debt funding and finalising commercial disputes.

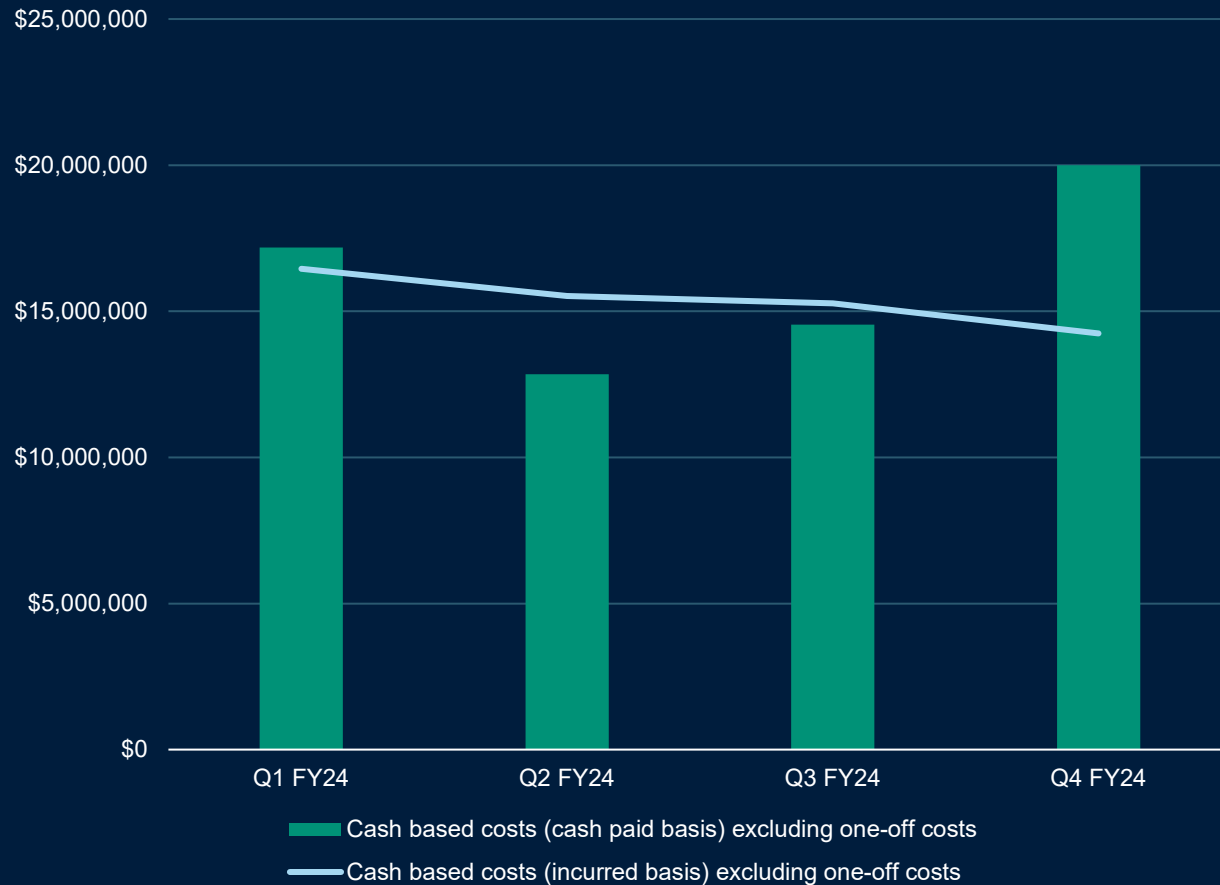


All figures presented for FY24 are unaudited.

FY24 Cash Based Costs – Cash paid vs Incurred basis



Cash Costs Paid vs Incurred basis*



Quarterly operating cash payments have been lumpy throughout the year reflecting the timing of payments made around quarter ends.

On an incurred (P+L) basis cash based costs have continued to reduce quarter on quarter.

Over FY24 as a whole there is less than \$1m of difference between the total cash paid and total cash based costs incurred (P+L) basis, reflecting a small working capital outflow over the year.

Going forward quarterly cashflows are expected to more closely reflect the cash based costs incurred basis.



* Excludes incurred costs in respect of the Company's investigation into the alleged misuse of funds and capital raising costs in the periods presented. Includes cash payments for finance leases which are presented as depreciation and interest in the income statement.

All figures presented for FY24 are unaudited



Other 4C cashflow items

- \$21.2m of capital raised during the quarter, offset by \$2.4m of transaction related costs.
- Proceeds and repayment of borrowings in the quarter relate to bridging loan funding provided by Thorney Investment Group during the capital raise period.
- In accordance with Listing Rule 4.7C, payments made to related parties and their associates totaling \$513,000 outlined in item 6 of the Appendix 4C, incorporates directors' fees, salaries and superannuation.

FY24 Expectations



Revenue

- FY24 revenue anticipated to be approximately \$38.5m for FY24.
- This does not include any revenues from commercial dispute settlements which would arise in FY25.

Cash Costs

- FY24 cash based costs* expected to be under previous guidance of \$65m reflecting early savings from cost out programme, around \$62m for FY24.



* Cash based costs are direct costs, salaries and related costs and G&A costs incurred on a P+L basis + the cash lease payments for finance leases. It excludes share-based payment expenses, FX gains and losses, impairment, and non-recurring costs associated with the investigation into the alleged misappropriation of funds and their recovery and the equity capital raising.



Operational and Other Updates

CEO Recruitment Process



- Comprehensive CEO search process undertaken by the Board to identify the right candidate to lead the Company forward for the long term.
- Currently undertaking assessments and interviews of shortlisted candidates.
- Start date will depend on candidates existing notice period.

Investigation and recovery of funds

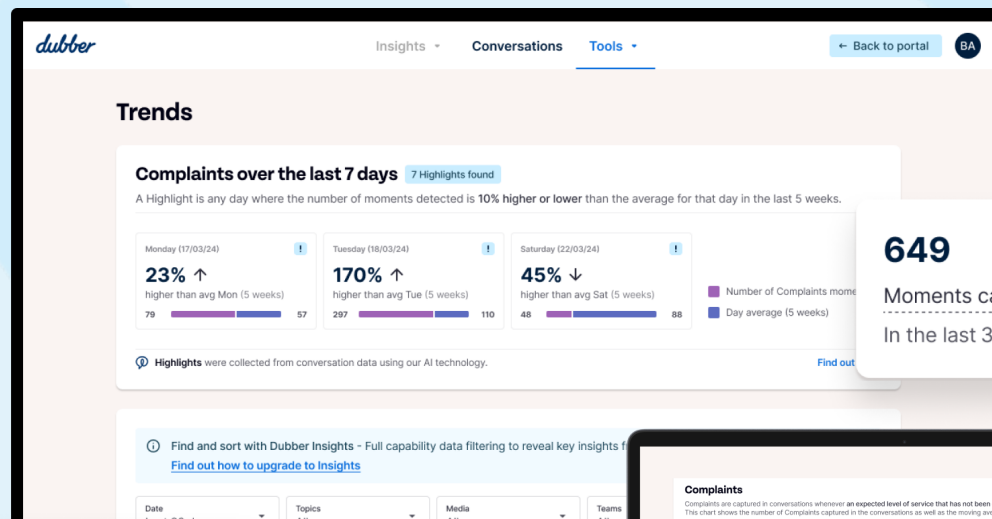


- Dubber continues its focus on recovery of funds.
- No material updates to findings of Dubber's investigation as reported in the Prospectus dated 10 April 2024.
- ASIC investigation is ongoing and Dubber is providing assistance.
- Claim against Victorian Legal Services Board Fidelity Fund expected to be made in the near future. Such claims generally take 6-12 months to be assessed, and may be extended.
- Work to support other recovery avenues is underway but any recovery remains highly uncertain in respect of quantum and timing.



Dubber Trends

Where Market-Leading Call Recording Meets AI-Powered Conversation Intelligence.



649 ▲

Moments captured

In the last 30 days

Wednesday (19/03/24) !

45% ↓

higher than avg Wed (5 weeks)

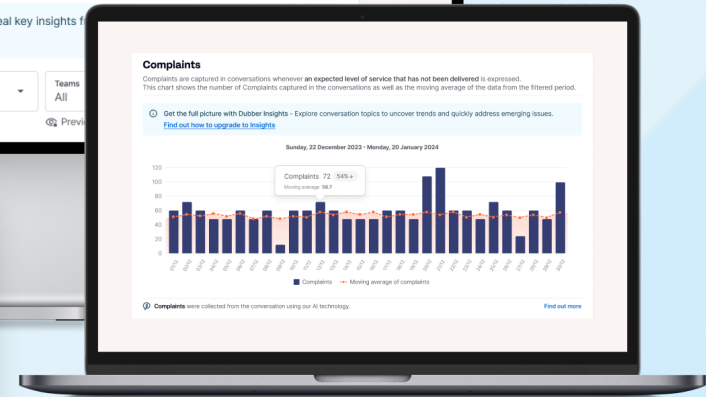
48 ■ ■

Tuesday (18/03/24) !

170% ↑

higher than avg Tue (5 weeks)

297 ■ ■ 110

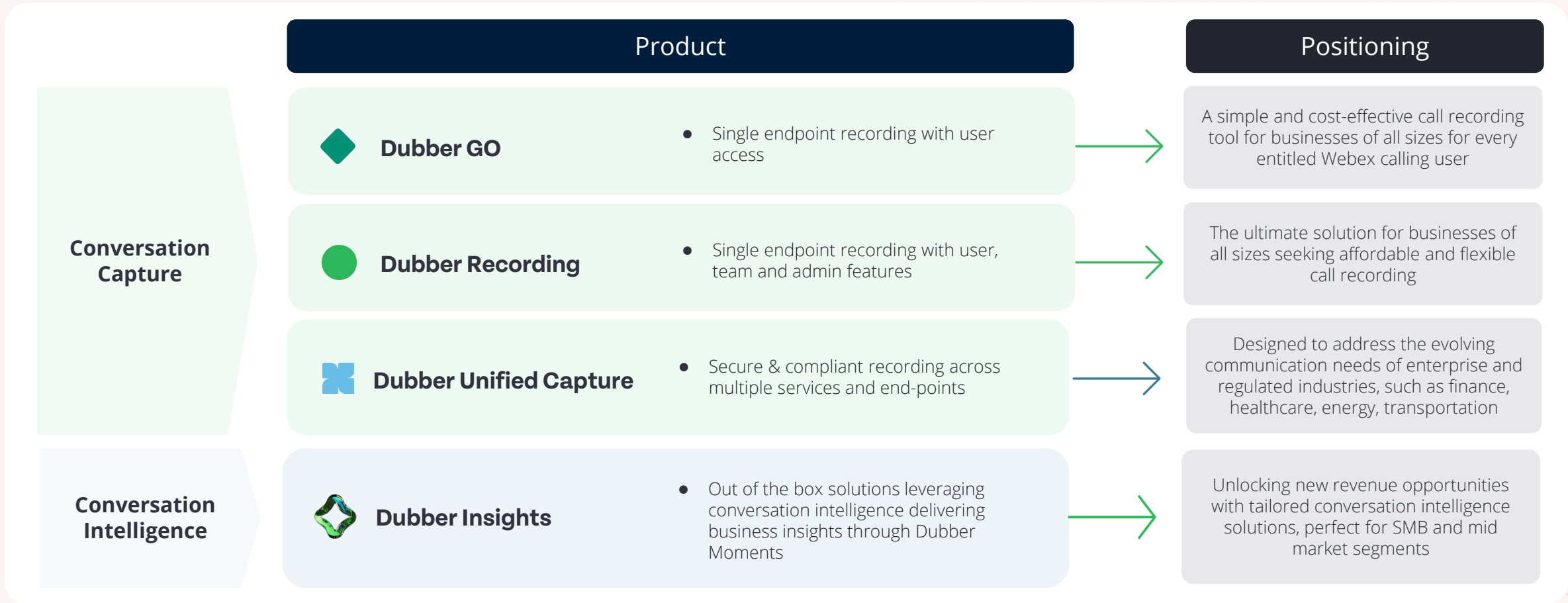




Dubber's Standard Products



Dubber's standard products are designed to harness the capabilities of our platform to enable all our Partners deliver solutions that enable business growth and drive customer loyalty

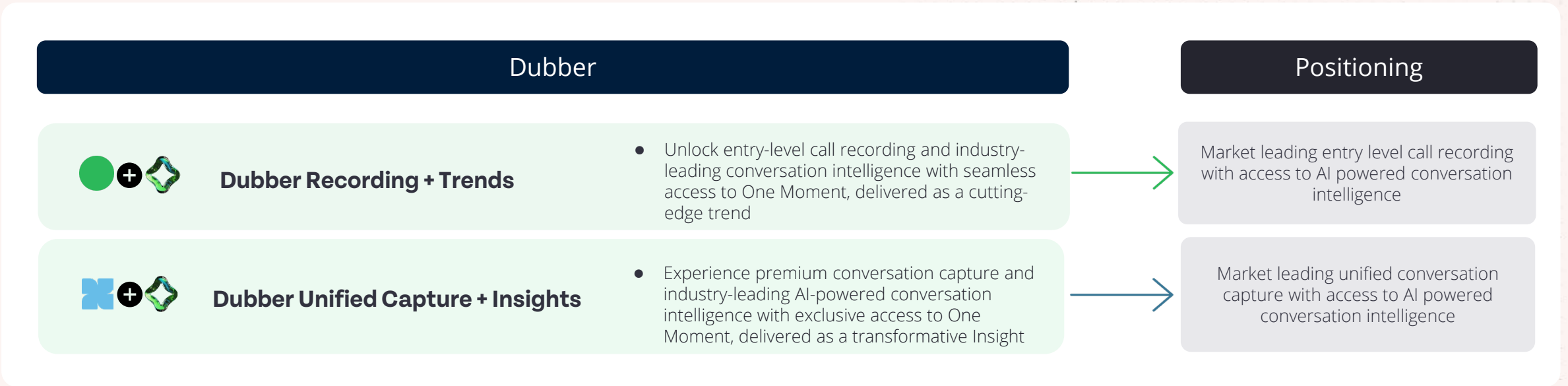




Growth Product Packages for Elite Partners



Dubber's growth product packages offer a unique out-of-the-box experience for our Elite Partners, strategically designed to support upselling and providing a distinct opportunity for driving revenue growth for those Partners.





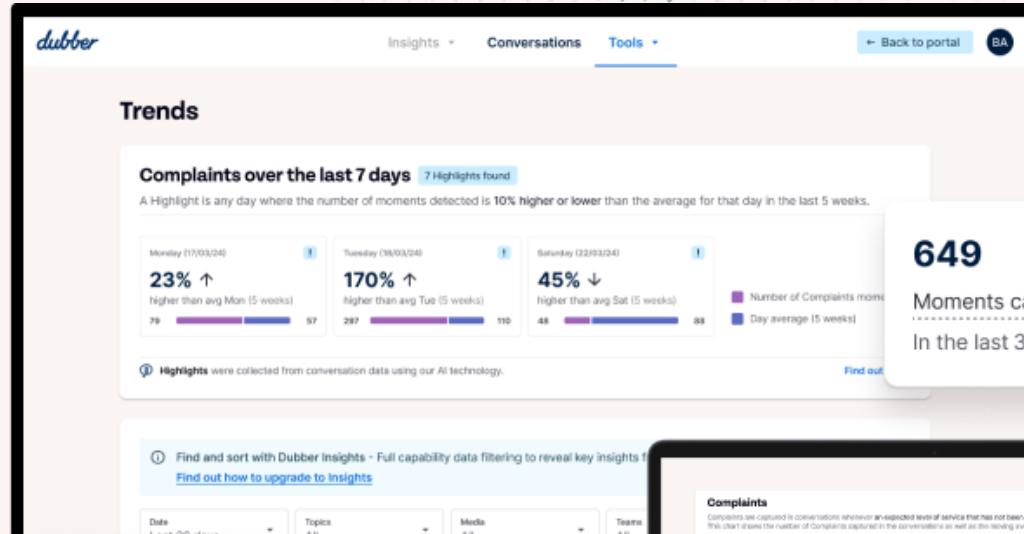
Exclusive Access to Dubber's Groundbreaking Product



Where Market-Leading Call Recording Meets AI-Powered Conversation Intelligence

Unlock the future of business intelligence with exclusive access to Dubber Recording + Trends.

This groundbreaking product leverages advanced AI, empowering our Partners to deliver unparalleled value to your customers and stand out from the competition.



649 Moments captured
In the last 30 days

Wednesday (19/03/24)

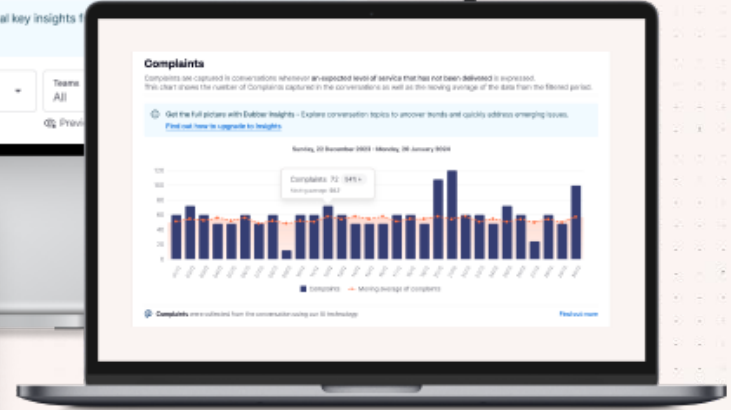
45% ↓
higher than avg Wed (5 weeks)

48

Tuesday (18/03/24)

170% ↑
higher than avg Tue (5 weeks)

297





Highlights – Integrating AI with Data Science

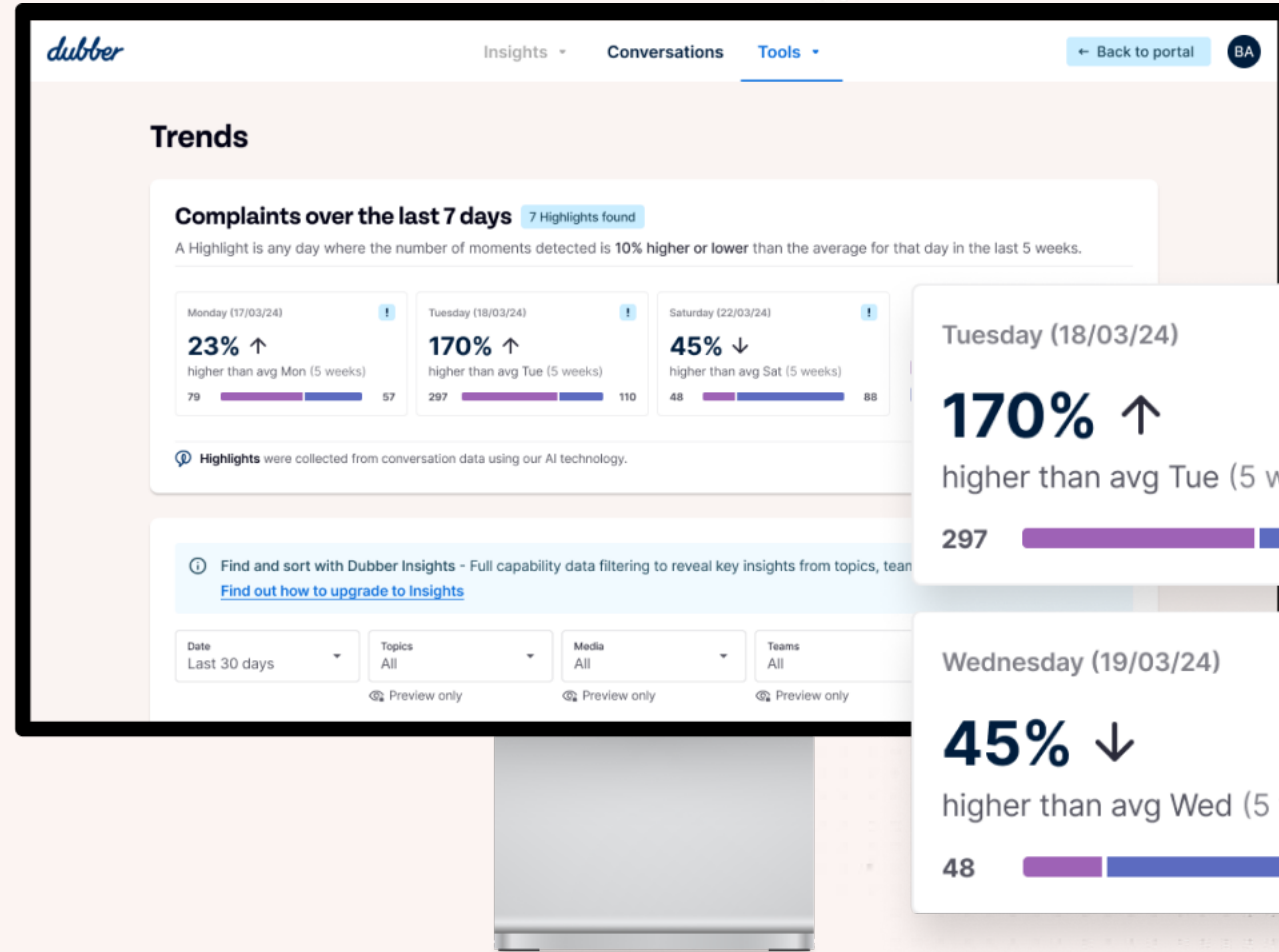


Highlights

Alerts the customer to pay attention to that day, indicating potential good or bad news.

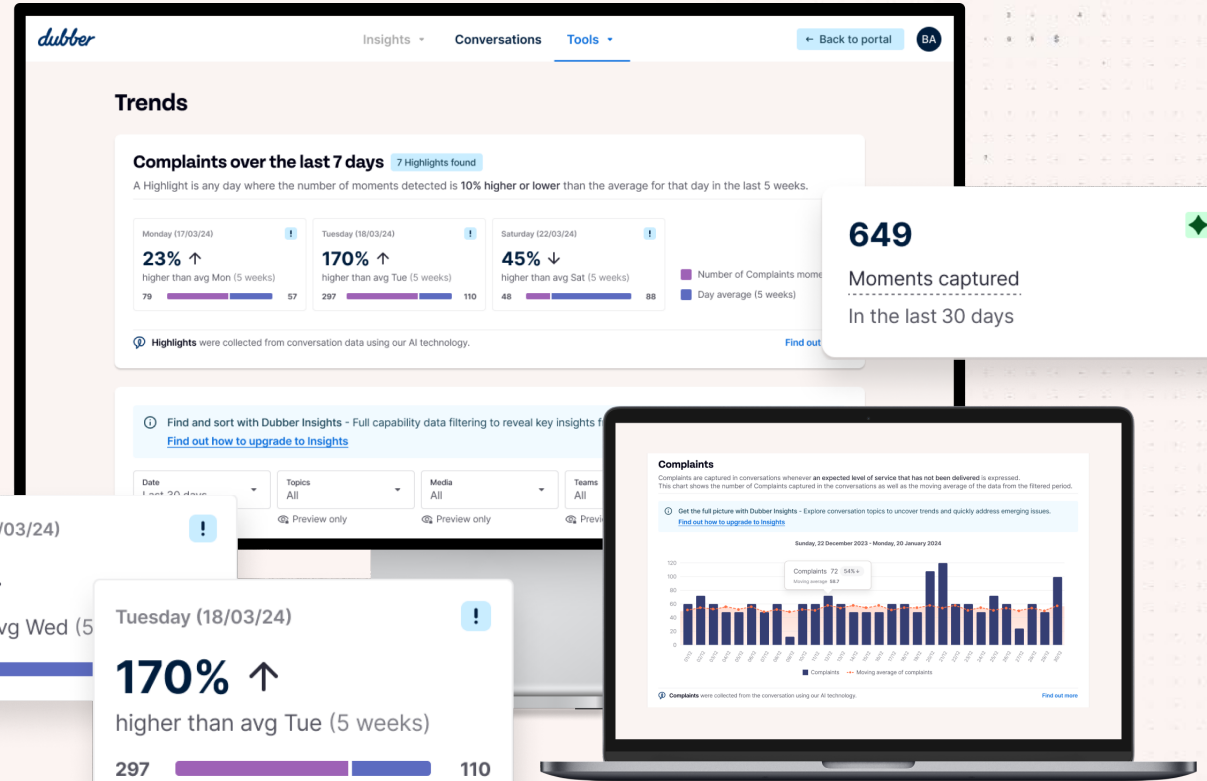
The Data Science Behind Highlights:

If Moments detected are 10% higher or lower than the average for that day over the last 5 weeks, a Highlight will appear.





Trends Experience Walkthrough



Wednesday (19/03/24)
45% ↓
 higher than avg Wed (5 weeks)
 48

Tuesday (18/03/24)
170% ↑
 higher than avg Tue (5 weeks)
 297

Highlights

Highlights alert you to significant changes in key metrics over the past week, helping you quickly identify days that need attention, enabling you to swiftly address potential issues and optimise performance.

Day average

Day Average provides a benchmark, helping you understand if today's data is typical or if it deviates significantly, guiding your focus to potential areas of concern.





Start Selling with Trends



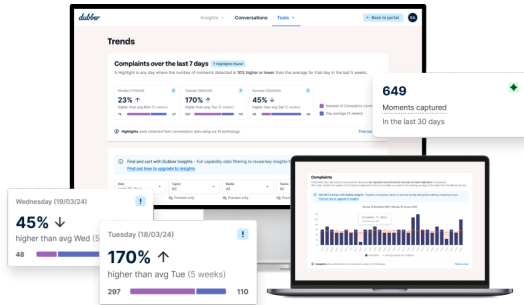
Activate Here

Upsell with Dubber



Trends + 1 Moment

Entry-level call recording with seamless access to 1 x Dubber Moment, delivered as a Trend

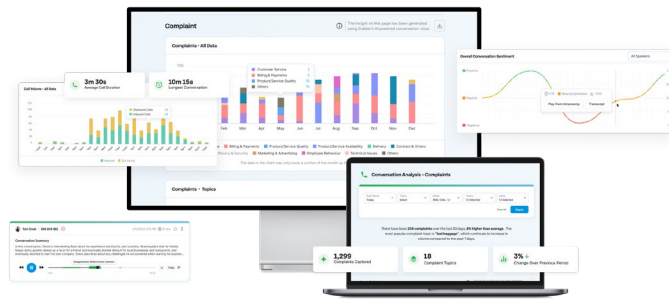


(Dubber Recording + Trends)



Insights + 1 Moment

Premium conversation capture with access to 1 x Dubber Moment, delivered as an Insight

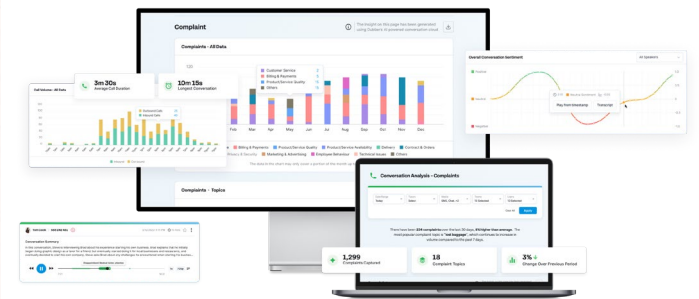


(Dubber Unified Capture + Insights)



Insights + 3 Moments

Premium conversation capture with advanced AI capabilities with access to 3 x Dubber Moments, delivered as Insights



(Dubber Insights)



FY25 Focus



Our focus areas

- Continue to build market awareness of our solution capability, particularly in the new areas of conversation intelligence.
- Fully align the operating models and structures of the business to our strategy and requirements in different global markets.
- Ensure the Dubber team has clarity of direction and accountabilities.
- Execute on the new sales strategy and partner segmentation and engagement approach.
- Appoint a permanent CEO.

Deliver on our growth plans and achieve a breakeven operating cashflow run-rate position*



* Assuming no material changes to trading conditions or strategy in FY25.



Q&A

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 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,912	39,853
1.2 Payments for		
(a) research and development	(766)	(2,820)
(b) product manufacturing and operating costs	(9,342)	(28,674)
(c) advertising and marketing	(258)	(1,316)
(d) leased assets	(37)	(122)
(e) staff costs	(7,244)	(24,593)
(f) administration and corporate costs	(1,795)	(4,573)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	27	60
1.5 Interest and other costs of finance paid	(141)	(547)
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	(8,644)	(22,732)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(3)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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	1	1
	(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)	-	2,420
2.6	Net cash from / (used in) investing activities	(1)	2,418
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	21,234	31,583
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,397)	(3,300)
3.5	Proceeds from borrowings	2,500	5,040
3.6	Repayment of borrowings	(2,816)	(4,369)
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	18,521	28,954
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,688	2,863
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,644)	(22,732)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	2,418

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)	18,521	28,954
4.5	Effect of movement in exchange rates on cash held	(77)	(16)
4.6	Cash and cash equivalents at end of period	11,487	11,487

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	11,487	1,688
5.2	Call deposits	-	-
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)	11,487	1,688

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	513
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. 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. 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.		
Secured bridging finance in the form of a secured loan of up to \$5 million (per ASX announcement on 15 th March 2024)		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(8,644)
8.2 Cash and cash equivalents at quarter end (item 4.6)	11,487
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	11,487
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.33
<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: No – net operating cash outflows were higher than what will occur in future quarters due to significant catch up payments to creditors that built up while the Company was suspended and costs of the capital raise that were paid during the quarter.	
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: The Company remains focussed on continuing to strengthen the Company's balance sheet by pursuing a range of options including recovery of missing funds, debt funding and finalising commercial disputes.	

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: Yes, net operating cash outflows are expected to reduce reflecting cost control and growth in customer receipts as well as the steps being pursued as set out in 8.6.2 above.

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.

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: 30 July 2024

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.