



ASX Announcement  
ASX: DUB

31 January 2020

## Dubber December 2019 Quarterly Activities, Business Update & Appendix 4C

### Highlights:

- Revenue for the quarter was **\$2.4m**; an increase of 11.8% from September quarter of \$2.15m and **89%** on previous corresponding period (pcp) (December 2018 of \$1.27m);
- End user subscribers increased **5,000** to **122,000** in the quarter and **53,000** on pcp (68,575);
- Agreements with Service Providers increased from **113** to **123** during the quarter;
- Telecommunications Service providers at the stage of billing increased from **52** to **65**;
- First customers acquired for **Cisco Webex Calling**;
- Signed agreement with **Sprint Corporation**, a Tier 1 carrier in the USA;
- Established large distribution channel for Australian and global initiatives;
- Added additional key strategic staff to scale business operations globally.

Dubber Corporation Limited (ASX: DUB) ('Dubber' or 'the Company'), the world's most scalable cloud call recording service, is pleased to release its Appendix 4C with the ASX for the quarter ended 31 December 2019 and provide an update on the Company's operating focus.

The Company has been focusing on executing its operating plan to:

- Deliver Call Recording and AI onto mobile phone networks
- Develop its Cisco Webex Calling program
- Expand its global footprint of telecommunications carrier networks
- Turn its commercial agreements into billing deployments
- Continue to build its operating team to support its global business opportunities

**Dubber's CEO and Managing Director, Steve McGovern, said:** "We have made significant progress in key areas of the business as set out in our September quarterly update to provide a significant platform of growth in a number of geographies and verticals in 2020. Whilst our key metrics for the quarter were mixed, fundamentally we believe the expansion of our global footprint with global leading carriers has secured both strategic value and positioned Dubber for strong revenue growth in 2020 and beyond. We have contracted 10 new service providers and are progressing 13 existing agreements to the deployment and billing stage during a quarter which traditionally experiences seasonal network embargo activity. Revenue growth was higher than the previous quarter but still in the nascent stages to the opportunity that is in front of Dubber.

"During the quarter a considered focus was placed on a number of key opportunities which fully represent the capability of Dubber, both in terms of product and commercialisation. These include the global Cisco Webex Calling pipeline and initiatives relating to mobile and business networks with large addressable markets. Whilst we haven't crystallised these opportunities in the short-term timeline of these initiatives, the opportunities are clear and present.

"During the period, we have delivered the first WebEx Calling customers through direct support of Cisco resellers in North America. We believe that our platform is on track during the current quarter to be listed on the Cisco Price List, allowing for seamless order entry for the broader global Cisco partner channel.

"We are seeing significant enterprise requirements for recording of mobile calls, particularly for compliance and AI applications in the financial services industry and other market verticals. Dubber's service, delivered by

mobile networks, with large addressable markets is a clear opportunity for the Company and we have engaged with enterprise users both in Australia and globally regarding provision of these services. We believe that the ability to record mobile calls and convert these calls into data/ transcription will be a fundamental requirement for businesses in the future. Dubber is uniquely placed to be the global leader in this area, having established carrier partnerships with some of the industry's largest leaders, which will deliver a long trail of revenue opportunities. We expect to go live with the first of these initiatives imminently."

### **Cisco Webex Calling**

Dubber is the recording service for Cisco Webex Calling. Cisco Webex Calling is a global telephony focus for Cisco, delivering a multi-tenant cloud-based alternative to on-premises PBX, and traditional on premises phone systems, as a subscription service. The service targets businesses and enterprises with 100 seats and above and is marketed by Cisco's traditional Systems Integrator (SI)/Value Added Reseller (VAR) channels globally which includes its existing service providers. Dubber forms part of the product suite which is switched on for each user directly via the Cisco Control Hub. Dubber is currently being embedded into the Cisco order entry system and will be available via the Cisco Price List as the recording feature for Webex Calling.

### **Mobile and 'Whole of Business' Recording**

Dubber's unique technology design enables a mobile Carrier to switch on users seamlessly. Call recording has traditionally been the domain of contact centres due to its hardware/ hosted origins with limitations which do not suit telephone network deployment. Enterprise clients in the financial services industry, have long held a requirement for mobile call recording which needs to be delivered from the network. Dubber's platform mirrors the way that carriers manage their network service provisioning thereby enabling it to support the requirements of global carriers, who wish to offer a homogenous suite of services across multiple networks and products. Dubber's position within their existing business and unified communications networks, provide a tangible opportunity to extend the relationship horizontally with their mobile network teams as they complete their FMC (Fixed Mobile Convergence) transformation projects.

### **Artificial Intelligence**

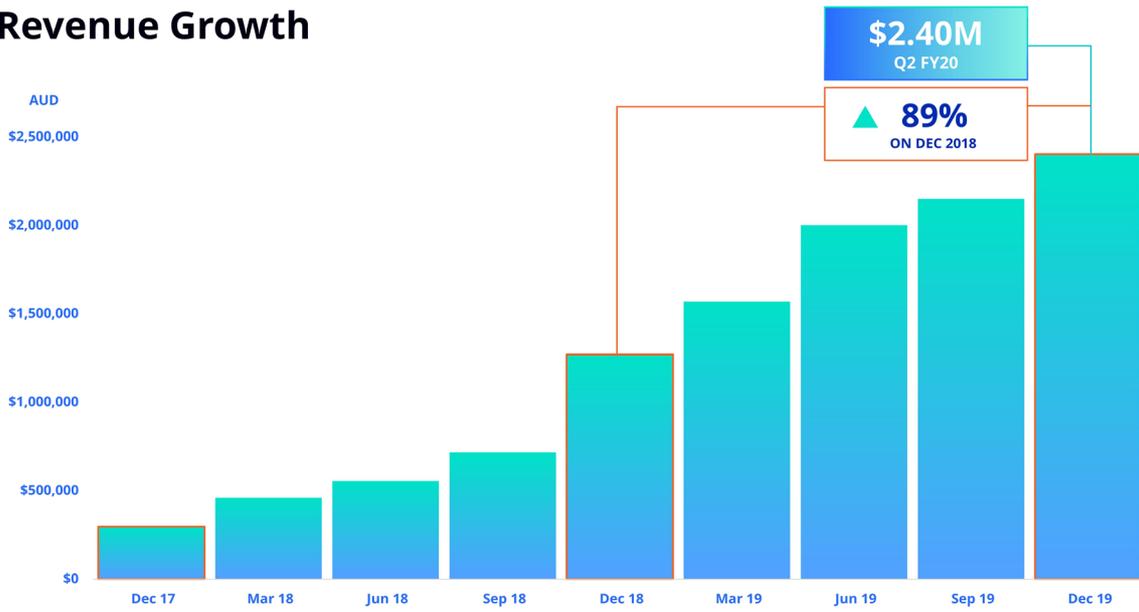
Dubber believes that Artificial Intelligence (AI) will be a standard feature, delivered from telecommunications networks, to every phone, starting with the enterprise market, then moving to more retail oriented segments. For its telecommunications partner network, Dubber is a critical provider of voice data, thereby holding a pivotal position in the AI chain. Voice data is a content rich source of insight and intelligence - and has value for both the business and enterprise end users, as well as a proliferation of specialist AI companies. Dubber is an "open" platform, which can enable any AI company to access data and provide outcomes to any business customer as required. The possibilities for commercial user cases, in the Company's view, are unlimited. Dubber has previously outlined its commercial partnership with IBM and the initiative will have global opportunities via Dubber's service provider partners and via IBM's global customer base.

### **Revenue Growth**

The Company's revenues grew in the quarter by 11.8% to \$2.4m (September 2019: \$2.15m). Although higher than the previous quarter, it is a moderate increase, and the company believes higher rates of quarterly growth are attainable in future quarters.

The Company's progress is reflected by its underlying annualised recurring revenue (ARR) which, at 31 December was **\$10.66m**. CARR is calculated by number of billable users x average revenue per user (ARPU) and does not include one-off items or discounted periods.

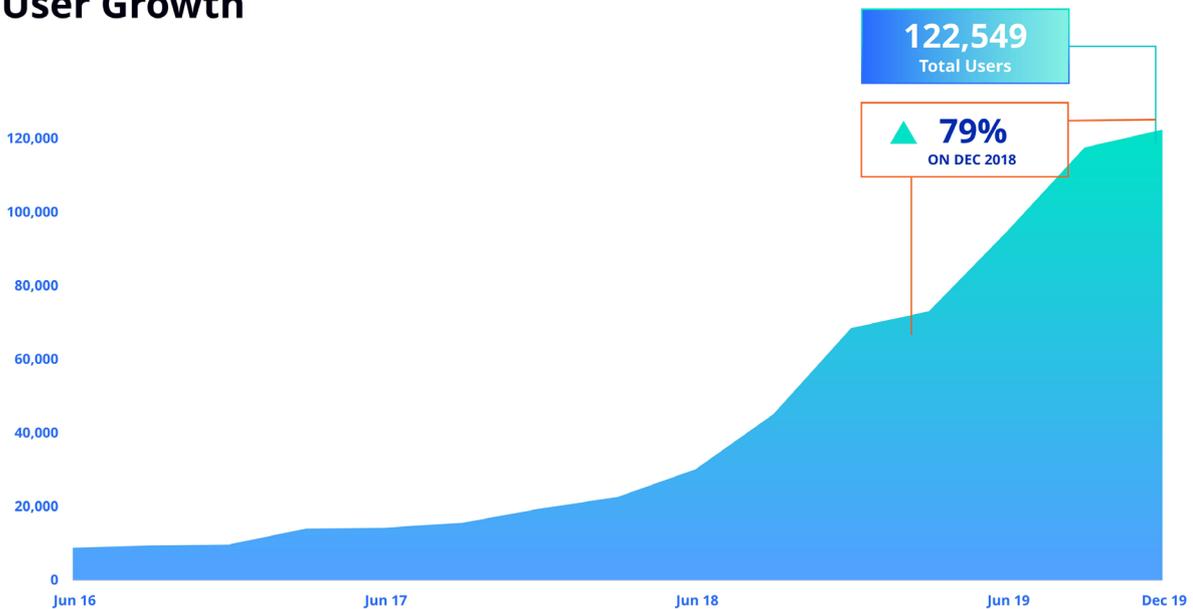
## Revenue Growth



## User Growth

User numbers for recording services increased from 117,668 at 30 September 2019 to 122,549 at the end of December 2019. The Company is of the view that this does not reflect the Company's current position nor that of its quarterly expectation levels.

## User Growth

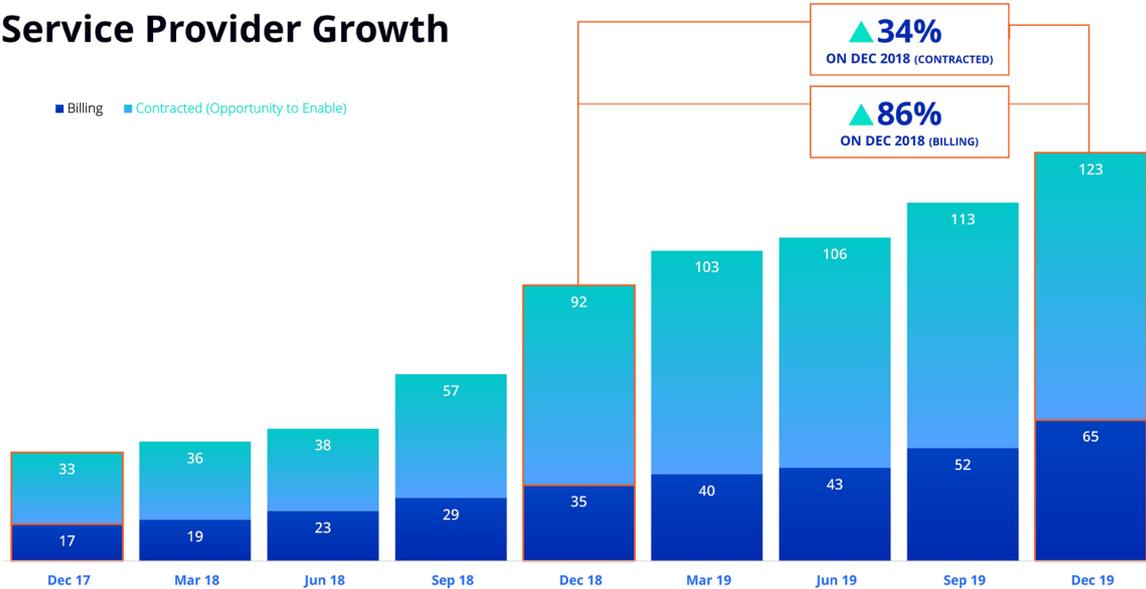


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## Service Provider Growth

During the quarter the number of contracted service provider partnerships increased from 113 to 123, with 10 added in the December quarter as the Company consolidates its global network footprint. The Company is currently billing 65 (up from 52 at 30 September 2019) of these network partnerships (December 2018: 35).

### Service Provider Growth



## Outlook

The Company is continuing to focus on the following developments in the current quarter:

- Supporting Cisco's large sales and distribution channel with the launch of call recording as a key feature of Webex Calling;
- To have widespread availability for mobile and whole of business recording in Australia;
- To demonstrate its capacity to deliver on its philosophy that AI will be widely available and served directly from telecommunications networks;
- To exponentially increase growth in user numbers and associated revenues as a result of key long term initiatives.

The Company has built a strong foundation to support these strategies and will continue to add multi-jurisdictional team growth, deploy resources as required together with its leading global technology and Service Provider partners.

This ASX release has been approved for release to ASX by Steve McGovern, CEO & Managing Director.

## About Dubber:

Dubber is the world's most scalable call recording service which has been adopted as core network infrastructure by multiple global leading telecommunications carriers in North America, Europe and Asia Pacific. Dubber is a disruptive innovator in the multi-billion dollar call recording industry, its Software as a Service offering removes the need for hardware, productisation or capital expenditure.

As the telecommunications sector moves towards Cloud services, Dubber has been integrated as the call recording and data capture service for Cisco Systems' Cloud telecommunications infrastructure across service provider and business enterprise sectors.

Dubber provides the opportunity for the capture of voice data across these networks enabling further monetising opportunities, in addition to regulatory compliance, in the areas of analytics, artificial intelligence and 'Big Data' - expanding the potential market for call recording to every phone.

## For more information, please contact:

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# Appendix 4C

## Dubber Corporation Limited

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**DUBBER CORPORATION LIMITED**

**ABN**

**64 089 145 424**

**Quarter ended ("current quarter")**

**31 December 2019**

**Consolidated statement of cash flows**

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,234	2,524
1.2 Payments for		
(a) research and development	(232)	(450)
(b) product manufacturing and operating costs	(2,361)	(4,372)
(c) advertising and marketing	(175)	(254)
(d) leased assets	-	-
(e) staff costs	(1,964)	(4,195)
(f) administration and corporate costs	(390)	(641)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	67
1.5 Interest and other costs of finance paid	(3)	(4)
1.6 Income taxes paid	-	(1)
1.7 Government grants and tax incentives	1,672	1,672
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,218)</b>	<b>(5,654)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(45)	(96)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (bonds returned/(deposited))</b>	-	(17)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(45)</b>	<b>(113)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	993	1,461
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
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 Net cash from / (used in) financing activities</b>	<b>993</b>	<b>1,461</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	16,589	19,618
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,218)	(5,654)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(45)	(113)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	993	1,461

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	17	24
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>15,336</b>	<b>15,336</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,336	16,918
5.2	Call deposits	10,000	2,700
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>15,336</b>	<b>19,618</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

121

-

Director salaries and fees, and telephony services.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	225
9.2 Product manufacturing and operating costs	2,350
9.3 Advertising and marketing	150
9.4 Leased assets	-
9.5 Staff costs	2,420
9.6 Administration and corporate costs	350
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>5,495</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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**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.



Sign here: .....  
(Company secretary)

Date: 31 January 2020

Print name: Ian Hobson

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.

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