



ASX Announcement

31 October 2017

Dubber Quarterly Activities Report – Period ending 30 September 2017

During quarter the Company has continued to focus on its core strategy of:

1. Becoming the global backbone of call recording
2. Growing monthly recurring revenue

Signed three landmark agreements with:

1. AT&T Corp has chosen Dubber to provide call recording for its Collaborate UC service.
2. BroadSoft, Inc. choosing Dubber as its recording service embedded within the 'BroadSoft Business' BroadCloud offering including Dubber as a standard feature for every user.
3. CDK Global agreeing to deploy the Dubber platform to its customer base in the automotive industry.

Key growth metrics:

- Customer billings increased from \$174k in the June quarter to \$195k in the September Quarter
- Active user numbers increased from 8,606 to 13,305 with the majority being in the month of September, with now over 15,600 contracted and active users (increasing from approximately 14,000 in the previous quarter).
- Number of telecommunication companies agreeing to take the Dubber Platform increased from 22 to 29
- Number of telecommunication companies at the stage of billing increased from 8 to 11

Successfully completed an oversubscribed \$7m capital raising at \$0.35

Cloud-based call recording technology provider, Dubber Corporation Limited (ASX: DUB) has today lodged its Appendix 4C with the ASX for the quarter ending 30 September 2017, and provides the following background information to assist with reviewing that report.



Dubber Corporation Ltd
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Melbourne VIC
Australia 3000

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September Quarter Summary

During quarter the Company has continued to focus on its core strategy of:

1. Becoming the global backbone of call recording
2. Growing monthly recurring revenue

Becoming the global backbone of call recording

Market Conditions Driving Growth Opportunity

In January 2018, there are substantial changes to regulations relating to the financial services sector in Europe, the Markets in Financial Instruments Directive II (MIFID II), which have a flow on effect globally in the financial and banking sector. This includes regulation regarding the recording of phone calls and other communications, plus the continued storage of the data.

At the same time, the telecommunications industry is in transformation from traditional network based services to Cloud services particularly regarding the option of 'Platform as a Service' for customer services.

The two key drivers of the transition are;

- Speed to market
- The service must integrate with the customer's existing choices in applications and services

Dubber's unique Call Recording PaaS sees the Company well placed to deliver value to its telecommunication partners in a time frame which enables 'on network' compliance options in time for the regulatory changes. This has resulted in the development of the Dubber Connect service as a unique offering whereby call recording and communication capture services are enabled via partnering telecommunication companies' network but with the end user subscribing directly with Dubber.

Landmark Agreements in Three Key Markets

During the quarter Dubber signed agreements with global leaders in three target markets, namely; telecommunications carriers, telecommunications cloud infrastructure and industry data intelligence.

AT&T

Dubber and AT&T Corp (AT&T) have signed an agreement to provide cloud call recording and data capture offerings for the AT&T Collaborate UC platform. This will be provided via the Dubber Connect service. The service went into a live environment during the quarter with a formal launch planned for the December quarter.

BroadCloud

Dubber and BroadSoft, Inc. have signed an agreement whereby the Dubber Cloud Call Recording Platform will be the recording and data capture service embedded within the BroadSoft Business/BroadCloud Carrier infrastructure. BroadSoft Business on BroadCloud is the pre-eminent

managed services cloud platform which enables telecommunications service providers to deploy cloud PBX unified communication and call centre applications to its customers.

The agreement provides for two substantial components namely;

1. Dubber's services will be the recording and intelligence suite provided as part BroadSoft Business on BroadCloud and
2. 'On Demand' recording will be enabled as a standard feature for all BroadCloud Carrier users enabling customers to record a call 'on the fly' as part of the core user experience.

The global deployment is on track to be completed by 31 December 2017.

CDK Global

Dubber has signed an agreement with CDK Global LLC for the provision of call recording and voice intelligence services.

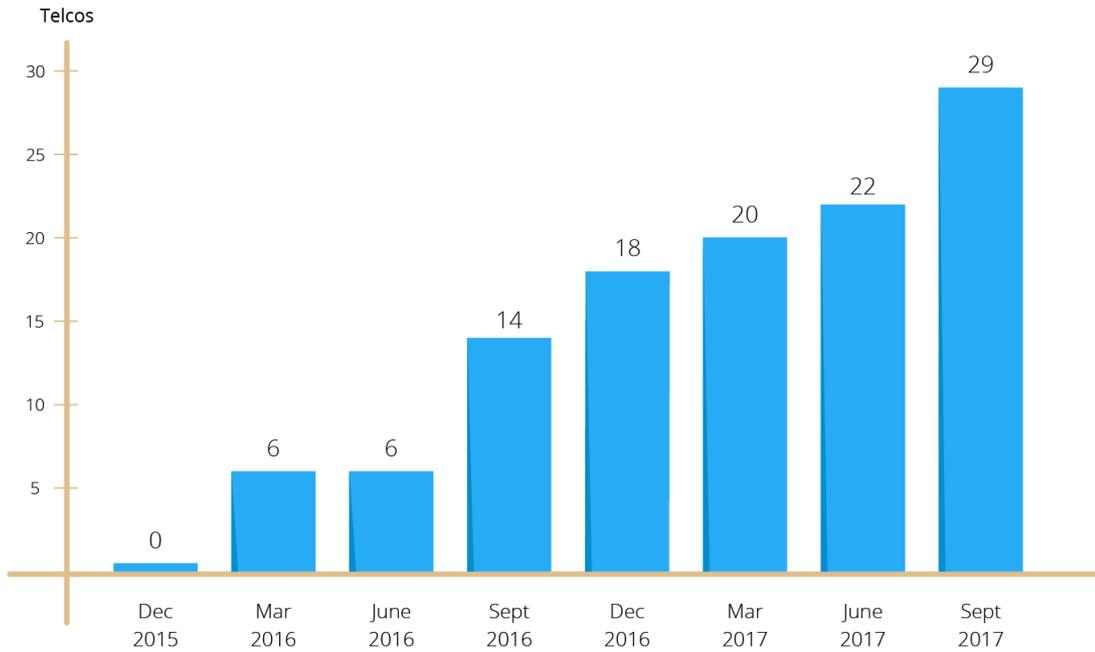
CDK Global is the largest global provider of integrated information technology and digital marketing solutions to the automotive retail industry. Providing integrated technology solutions to over 28,000 auto dealers across the world, CDK is also a telecommunications service provider with their own Unified Communications services.

Under the Agreement, CDK will connect a minimum of 40,000 users, progressively over three years, initially to a 'light' version of the Dubber Service. Given the nature of the CDK Global business, Dubber anticipates the deployment of its intelligence and analytics suite 'Zoe' as a core part of the offering.

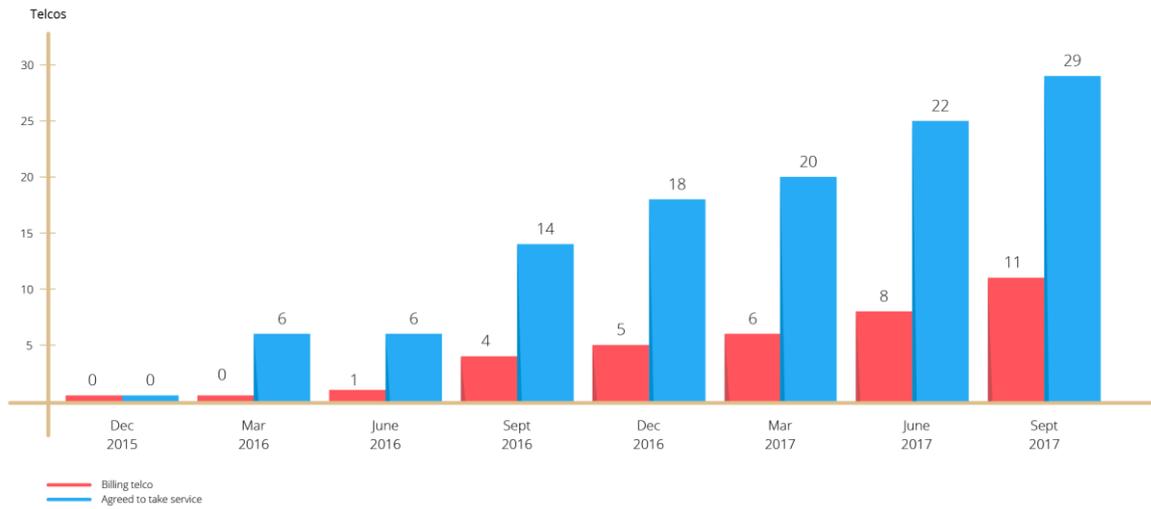
Initially scheduled for deployment in quarter one of 2018, CDK Global customers have already been connected in the UK, ahead of schedule. Revenue from these connections will be reflected in the December Quarter.

Growth in telecommunication carriers

The Company has 29 telecommunication carriers (up from 22 on 30 June 2017) having agreed to take the Dubber Platform.

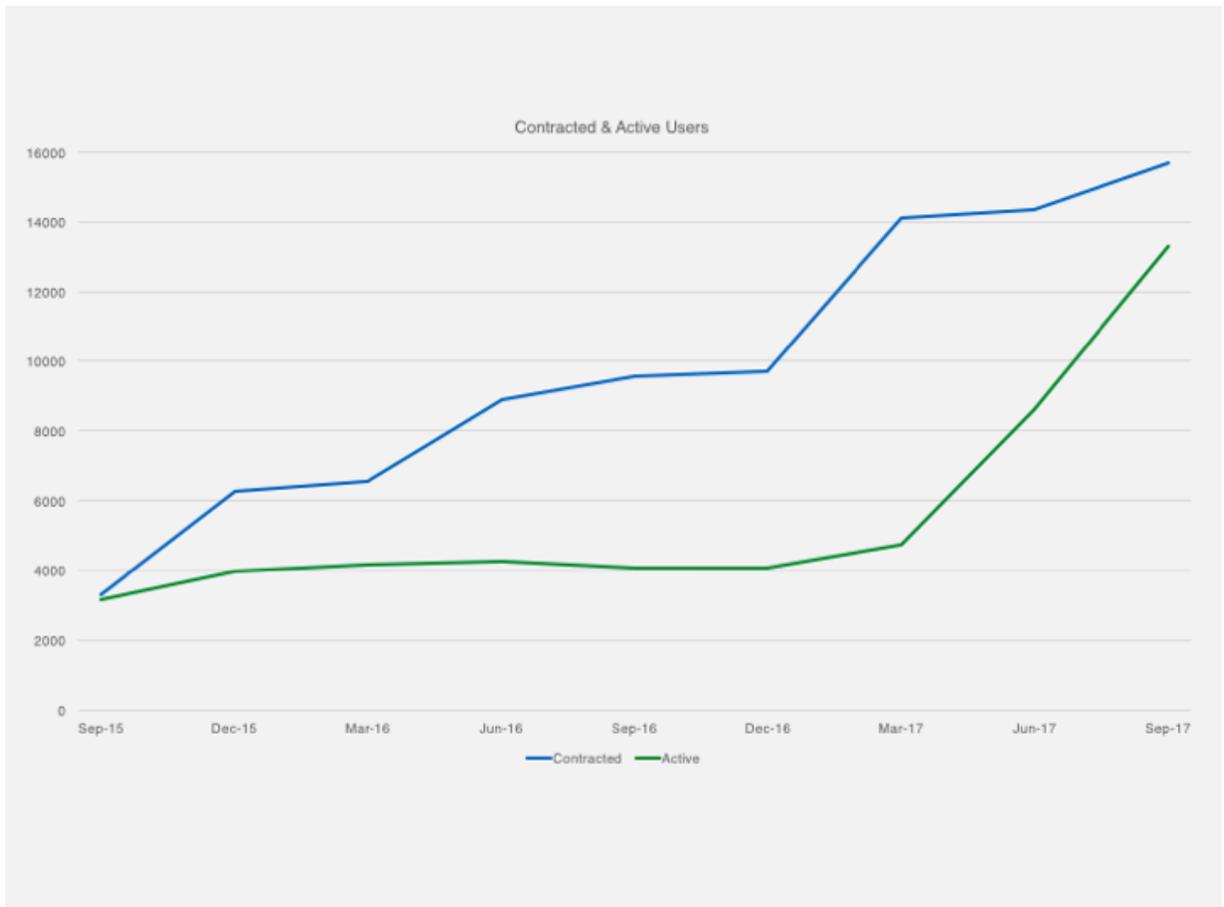


There are 11 at billing stage (up from 8 on 30 June 2017).

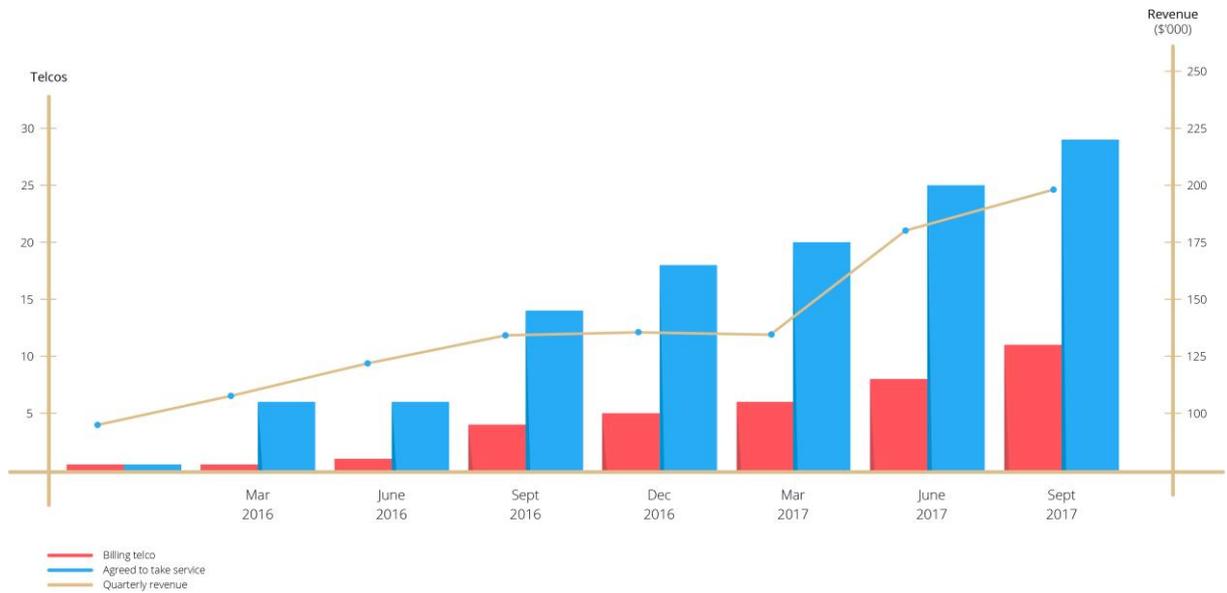


Growing monthly recurring revenue

The first step is growing the active users, with the account managers employed in the March quarter to work with our telecommunication company partners to assist them with their customer engagement on the benefits of the Dubber Platform beginning to deliver tangible results, as shown in the below graph, with the majority of the growth being in the month of September, therefore they will be billed in October.



The revenue then follows this growth, with a moderate growth in the September quarter, although the Company expects this growth to accelerate over coming quarters.



Capital Raising

The Company successfully undertook an oversubscribed capital raising of 20,000,000 shares at \$0.35 to raise \$7,000,000 before costs.

Outlook

The Company will continue to build on the approach of deploying account managers to assist telecommunications companies with implementing Dubber Platform to their customers. Currently, these account managers are engaged with many enterprise customers of our telecommunication partners with the target of increasing users and monthly recurring revenue.

In addition, the Company intends to continue in deploying its service as the network enabled recording platform for as many telecommunication companies as possible to position Dubber as the global backbone of recording.

For further information:

www.dubber.net

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About Dubber:

Dubber is the world's most scalable call recording service which enables telecommunications carriers and customers to capture voice data in a way never before available. Dubber's use of a true native cloud platform is revolutionary and is revitalising the call recording industry. Its high availability, unlimited scalability and Software as a Service (SaaS) offering enable telecommunications carriers to deploy and manage new services and revenue streams without the need for hardware, productisation or capital expenditure.

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")

30 September 2017

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	165	165
1.2 Payments for		
(a) research and development	(171)	(171)
(b) product manufacturing and operating costs	(1,088)	(1,088)
(c) advertising and marketing	(42)	(42)
(d) leased assets	-	-
(e) staff costs	(880)	(880)
(f) administration and corporate costs	(154)	(154)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
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	(2,170)	(2,170)

2. Cash flows from investing activities

2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(5)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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))	273	273
2.6 Net cash from / (used in) investing activities	268	268

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	7,244	7,244
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(430)	(430)
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	6,814	6,814

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	857	857
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,170)	(2,170)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	268	268
4.4 Net cash from / (used in) financing activities (item 3.10 above)	6,814	6,814

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,769	5,769

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	5,769	857
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)	5,769	857

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**

123

-

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. Financing facilities available <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	1,544	-
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.		

Secured R&D Tax Prepayment Loan Agreement with R&D Capital Partners Pty Ltd repayable upon receipt of the tax refund from the ATO in relation to the financial year 30 June 2017. Interest at 1.25% per month payable monthly.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	150
9.2 Product manufacturing and operating costs	950
9.3 Advertising and marketing	125
9.4 Leased assets	-
9.5 Staff costs	950
9.6 Administration and corporate costs	175
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,350

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	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 October 2017

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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