



## ASX Announcement

30 April 2018

### Dubber Quarterly Activities Report – Period ending 31 March 2018

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During the quarter the Company has focused on the following:

- Increasing the number of active users using the Dubber Platform.
- Growing monthly revenue.
- Expanding its global footprint through partnering telecommunications service providers.

Key metrics relating to active users and revenue for the quarter:

- Revenue increased 55% from \$297k in the December quarter to \$459k in the March Quarter.
- Active user numbers increased 32.5% from 15,724 in the previous quarter to 20,837.

Key metrics relating to expanding global footprint for the quarter:

- Number of telecommunication companies which have signed agreements for deployment of the Dubber Platform increased from 33 to 36.
- Number of telecommunication companies at the stage of billing increased from 17 to 19.

Key growth metrics for the financial year to date (from 30 June 2017 to 31 March 2018):

- Revenue in the June 2017 quarter was \$174 k increasing 163% to \$452k in the March 2018 Quarter.
- Active user numbers increased by 142% from 8,606 to 20,837.
- Number of telecommunication companies which have signed agreements for deployment of the Dubber Platform increased from 22 to 36.
- Number of telecommunication companies at the stage of billing increased from 8 to 19.

Investment of \$500,000 at \$0.35 by CEO Steve McGovern relating to December Capital Raising.

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Cloud-based call recording technology provider, Dubber Corporation Limited (ASX: DUB) has today lodged its Appendix 4C with the ASX for the quarter ending 31 March 2018 and provides the following additional information.



Dubber Corporation Ltd  
ACN 089 145 424  
Level 5, 2 Russell St  
Melbourne VIC 3000

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The quarter to March 31 saw the Company continue to focus on its strategy of driving end user growth and associated revenues through its existing accounts whilst growing its global footprint.

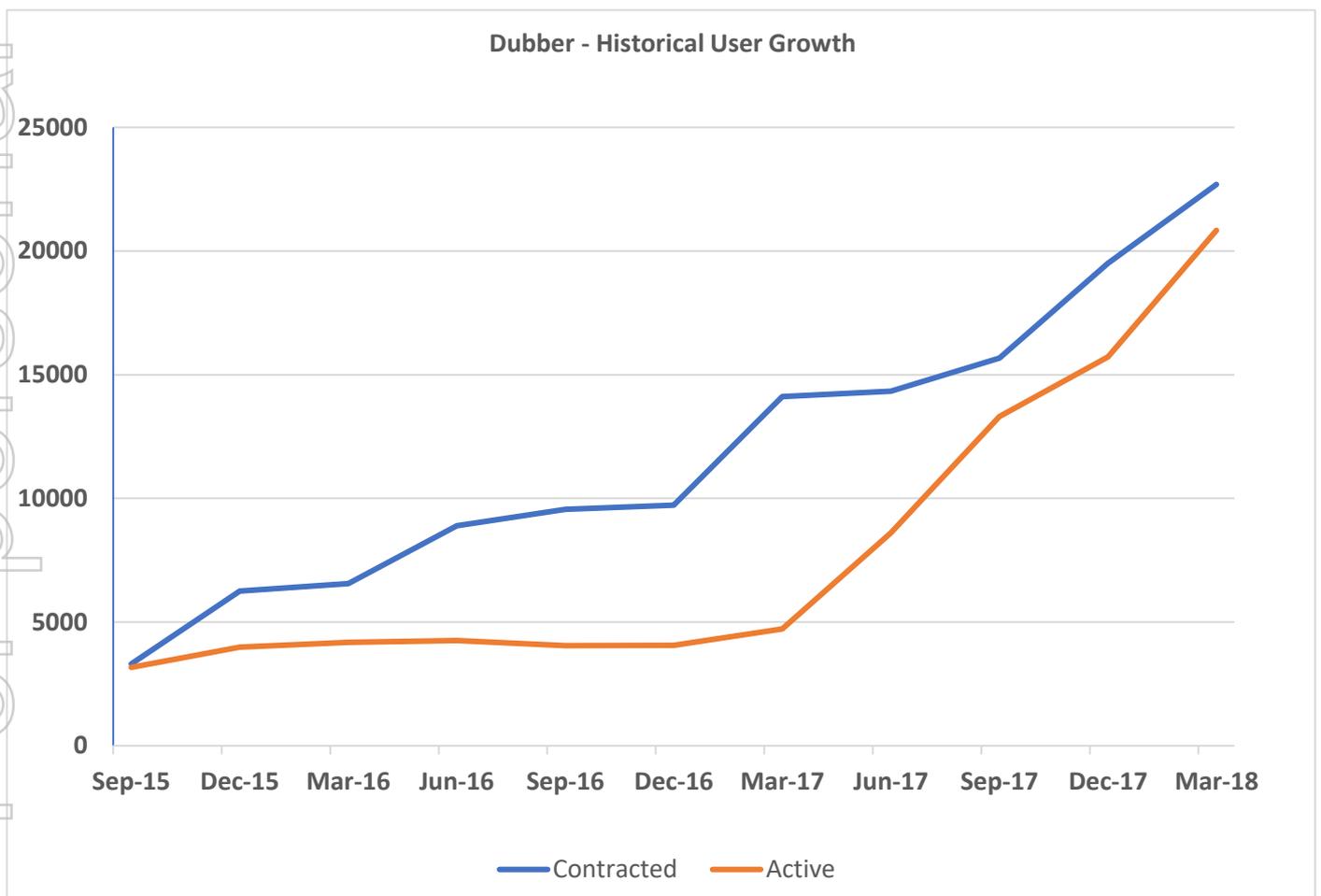
### **Migration and Organic growth in End Users**

The Company is experiencing increasing opportunities to replace existing hardware recording services in the telecommunications service provider (SP) sector. The Dubber Platform's native cloud design matches the trend in the telecommunications sector whereby SPs are seeking to provide Unified Communication platforms as a service with in-built features such as call recording.

During the quarter the Company provided a service which enabled KPN, the national carrier of the Netherlands, to move recording customers from an existing hardware solution to the Dubber Platform. The Company expects to see this trend of more SPs moving towards Cloud services resulting in more user of the Dubber Platform.

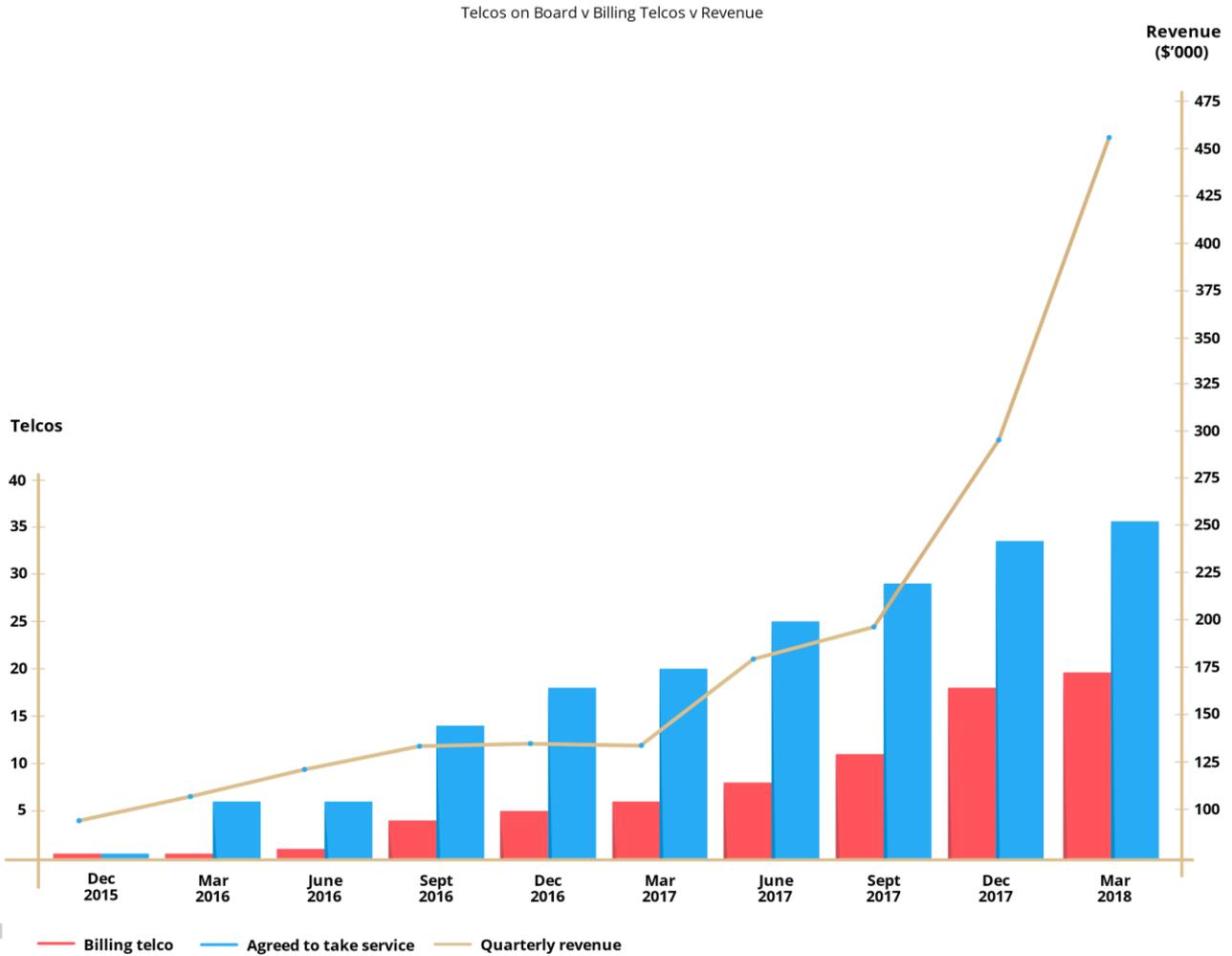
This, together with organic growth across its existing SP deployments is driving growth in user numbers at a quicker rate than previously. The Company expects this trend to continue as its partners develop strategies and mobilise resources towards new offerings which include the Dubber Platform.

For the period ending 31 March 2018, there were 20,837 active users, representing 32.5% growth during the quarter.



**Deployment and Validation leads to Expansion of the Global footprint and Revenue Growth**

The Company is well placed to fulfil the requirements of the service provider sector for a scalable Cloud based recording platform as a value adding feature and expects to continue to deploy directly onto SP networks in line with its core business plan. At March 31st 36 telecommunication carriers have signed agreements for deployment of the Dubber Platform and 19 are now being billed by Dubber. Revenue for the quarter grew to \$459k, an increase of 55% compared to the December quarter.



During the quarter, the Company signed an agreement with Cincinnati Bell/CBTS, one of the original Bell company networks in the USA. This agreement provides for deployment of the service in the June quarter and includes the migration of approximately 2,500 recording users. The Dubber Platform was also launched by Shaw Communications, one of the leading telecommunications service providers in Canada and Met-Tel, a US service provider based in New York, with revenues to be determined by user uptake on all of these agreements.

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Previously, and in line with its published strategy through to 2017 the Company announced telecommunications partnerships at the point of executing the commercial agreements. The Company's current strategy relates to commercialisation of its agreements. The Company therefore will continue to update the market regarding new engagements when deployment of the services is either launched and or imminent thereby becoming materially significant for the Company.

The Company has identified several accounts which it believes can contribute significantly to its primary financial goal of cash flow neutrality and will provide updates, where material and appropriate, particularly given the scale of those partners and the impact that scale has on the progress of the commercial model.

In the second half of 2017 Dubber contracted with leading global partners in its key markets, AT&T for network-based recording, BroadSoft for Cloud telecommunications platform as a service and CDK Global for insight and analytics.

The AT&T and CDK Global services are both live with the BroadCloud technical integration currently being completed by BroadSoft. This provides significant validation of Dubber's carrier grade technology and commercial model, substantially enhancing Dubber's position in the telecommunications sector.

### ***AT&T Collaborate***

The service with AT&T, as reported in the previous quarter, is in production. Existing customers on the AT&T Collaborate platform can subscribe to the service via the Dubber Connect model immediately. Users new to the Collaborate platform which require call recording will experience a short wait time while their Collaborate service is activated in line with AT&T's policies and processes.

The offerings around the Dubber Connect service are currently being integrated into the sales and dealer channels which relate to the Collaborate service, to ensure that new customer applications are procured seamlessly. Having implemented and tested the Dubber service in a year-long project the Company is of the view that AT&T is determined to ensure success of the processes to deliver large numbers of users.

During the quarter, AT&T have extended their contractual agreement from 2 years to a 5 year term with ability to extend further.

The implementation of the project illustrates the substantial nature of the integration work which AT&T has undertaken, the continuing commitment to provide a world class leading service and the propensity for an enduring service once significant customers have recordings hosted and managed inside the Dubber Connect Platform.

The revenues generated from the service will be based on the uptake and choice of plans offered.

## **BroadSoft Inc**

BroadSoft is currently integrating the Dubber services into the provisioning platform of its global leading Cloud Telecommunications platform BroadCloud. The Company anticipates that this project will be completed in the current quarter. As the world's SPs, including BroadSoft's well publicised 650 telecommunications service provider partners move increasingly toward provision of Cloud services this provides the exact opportunity for which the Dubber Platform was originally devised.

Once the project is completed, the Dubber based recording capability will be enabled for all users as a standard feature of the BroadSoft Business/ BroadCloud service thereby enabling all customers of every telecommunications service provider connected to the platform, to record a call immediately.

Once familiar with the feature, users who wish to record more or, indeed all, of their calls can do so as required.

Dubber receives a fee for every user on the platform irrespective of usage and receives the benefits of its standard offering for those users who wish to choose one of the products which suit their needs with revenues dependent on the uptake of the various offers available.

As a telecommunications service provider deploys the BroadSoft Business/BroadCloud service, its customers automatically receive the Dubber Platform as a standard feature.

### **Notes to the Appendix 4c**

#### **Subsequent additions to cash position.**

In the Quarterly Activities Report for December 2017 the Company referred to funding provided against the FY 2017 R&D Grant (item 8). The R&D grant has been received subsequent to the end of the March quarter in the amount of \$1.66m. The funding facility of \$1m (item 3.5) has been repaid and concluded with the balance of \$660k available as cash to the Company. The Company expects to be eligible for the R&D Grant for Financial Year 2018.

During the March quarter the Company's underlying expenditure was in line with its forecast. The Company finalised commercial transactions in the quarter, including a payment of \$692k to which it had referred in the December Activities report. Accordingly, the \$922k held in bond (item 2.5) is now available to the Company.

The Company's estimated cash outflows (item 9.8) for the current June quarter remains as per it's underlying expenditure.

## **Outlook**

The Company's strategy has evolved whereby it's focus has moved from being solely one of acquiring foundation customer agreements to direct account management of its key commercial relationships. The Company will continue to procure new agreements and is better placed than ever to achieve that goal.

The Company's focus for the next 18 months is to continue to grow;

- Increasing the number of active users of the service quarter on quarter
- Increase revenue from users of the Dubber Platform.
- Increase the global footprint across telecommunication service providers thereby enabling the Company's unique platform to demonstrate the value of capturing and analysing voice data on a global scale.

For further information:

[www.dubber.net](http://www.dubber.net)

Contact:

Steve McGovern  
Managing Director/ CEO  
[steve@dubber.net](mailto:steve@dubber.net)  
1300 DUBBER

Terry Alberstein  
[terry@navigatecommunication.com.au](mailto:terry@navigatecommunication.com.au)  
+61 458 484 921

## **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")**

31 March 2018

**Consolidated statement of cash flows**

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	420	843
1.2 Payments for		
(a) research and development	(173)	(548)
(b) product manufacturing and operating costs	(1,097)	(3,585)
(c) advertising and marketing	(82)	(218)
(d) leased assets	-	-
(e) staff costs	(1,873)	(4,158)
(f) administration and corporate costs	(180)	(518)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	13
1.5 Interest and other costs of finance paid	(124)	(125)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,102)</b>	<b>(8,296)</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire:		
(a) property, plant and equipment	(5)	(21)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (bonds returned/(deposited))	(140)	(922)
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(145)</b>	<b>(943)</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of shares	800	14,193
<b>3.2</b> Proceeds from issue of convertible notes	-	-
<b>3.3</b> Proceeds from exercise of share options	-	-
<b>3.4</b> Transaction costs related to issues of shares, convertible notes or options	-	(437)
<b>3.5</b> Proceeds from borrowings	-	1,000
<b>3.6</b> Repayment of borrowings	-	-
<b>3.7</b> Transaction costs related to loans and borrowings	-	-
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (provide details if material)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>800</b>	<b>14,756</b>

<b>4.</b> <b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
<b>4.1</b> Cash and cash equivalents at beginning of quarter/year to date	8,814	857
<b>4.2</b> Net cash from / (used in) operating activities (item 1.9 above)	(3,102)	(8,296)
<b>4.3</b> Net cash from / (used in) investing activities (item 2.6 above)	(145)	(943)
<b>4.4</b> Net cash from / (used in) financing activities (item 3.10 above)	800	14,756

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	12	5
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,379</b>	<b>6,379</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	6,379	8,814
5.2	Call deposits	-	-
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>6,379</b>	<b>8,814</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**

180

-

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	1,544	1,000
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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	175
9.2 Product manufacturing and operating costs	1,150
9.3 Advertising and marketing	125
9.4 Leased assets	-
9.5 Staff costs	1,050
9.6 Administration and corporate costs	190
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>2,690</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:  ..... Date: 30 April 2018  
(Company secretary)

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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