



ASX Announcement

31 July 2018

Dubber Achieves Record Active User Growth in June Quarter and Now Connected on BroadCloud

Investment Highlights

- **Dubber active users now over 30,000 following a quarter of record growth**
- **Sustained revenue growth of 20% quarter on quarter and 218% year on year**
- **The Dubber Platform is now connected to BroadSoft's BroadCloud, the global leading cloud telecommunications platform for Service Providers**

Revenue highlights:

- Active user numbers increased 41% from 20,837 in the previous quarter to 29,405.
- Revenue increased 20% from \$459k in the March quarter to \$554k in the June Quarter.

Expansion highlights:

- Number of telecommunication companies which have signed agreements for deployment of the Dubber Platform increased from 36 to 38.
- Number of telecommunication companies at the stage of billing increased from 17 to 23.

Growth highlights (from 30 June 2017 to 30 June 2018):

- Revenue in the June 2017 quarter was \$174k increasing 218% to \$554k in the June 2018 Quarter.
- Active user numbers increased by 241% from 8,606 to 29,405.
- Number of telecommunication companies which have signed agreements for deployment of the Dubber Platform increased from 22 to 38.
- Number of telecommunication companies at the stage of billing increased from 8 to 23.

Executive investment:

Investment of \$100,000 at \$0.40c by CEO Steve McGovern relating to option exercise.

Investment of \$240,000 by Non-Executive Director Peter Pawlowitsch via option exercise and a further \$384,000 off-market share purchase.



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

31 July 2018: Cloud-based call recording technology provider, Dubber Corporation Limited (ASX: DUB) ('Dubber' or 'the Company') has today lodged its Appendix 4C with the ASX for the quarter ended 30 June 2018 and is pleased to provide the following Information outlining both activities in the quarter and a business update.

Dubber continued to focus on its strategy of driving end user growth and associated revenues through its existing accounts whilst growing its global footprint in the June quarter, achieving record growth and now connected on BroadCloud.

Continued growth in End Users

During the quarter the Company has continued to see growth in active users from the agreements procured in the last two years, predominantly in Europe and North America. These active users represent customers who have taken the service predominately for compliance and regulatory reasons.

Therefore, the Company believes that it is still at an embryonic stage in its penetration of the ultimate addressable market.

In the previous quarterly report, the Company reported that it had signed an agreement with Cincinnati Bell/CBTS, one of the original Bell company networks in the USA. This agreement provided for deployment of the service in the June quarter and including the migration of approximately 2,500 recording users. The CBTS service went live in this quarter and currently has over 3000 recording users.

For the period ending 30 June 2018, there were 29,405 active users, representing 41% growth during the quarter and annual growth of 241%.

The trend within telecommunication Service Providers (SP) is continuing its move towards the provision of Unified Communications platforms (UC) and Cloud Services and the ability to capture voice data is a core requirement;

- 1) Customers in certain sectors cannot move to these UC platforms, for compliance reasons, unless call recording is available,
- 2) Cloud Services such as analytics and insights rely on this data.

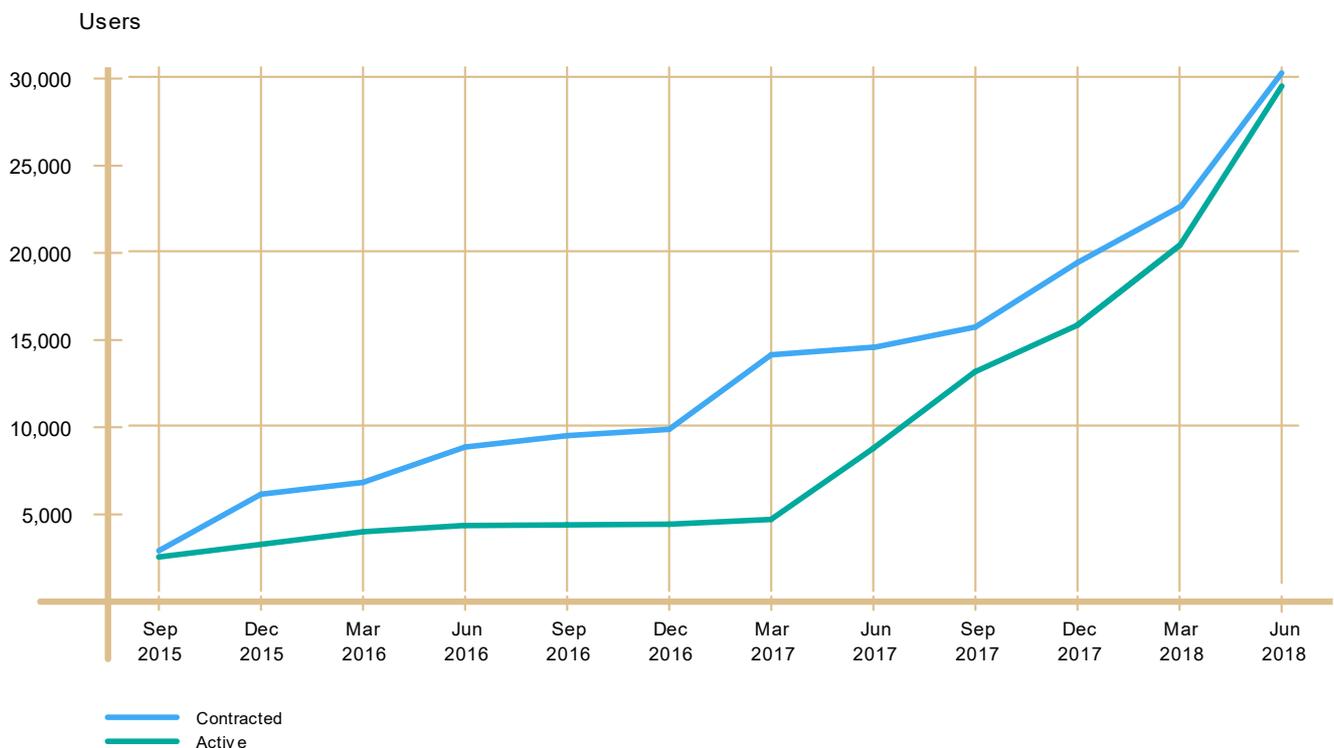
Dubber is using its unique architecture to deliver a call recording and data capture platform for these telecommunication SPs, with the delivery of this service at a price point where it will enable the provision of call recording to a much larger portion of the telecommunication SP customer base. The capability to capture voice data directly from the telecommunications network provides the opportunity for customers of all sizes to gain valuable insights from all conversations. Over time it will enable a telecommunications SP to build strategies around further monetising the calls made across its network.

Dubber views the potential market of call recording customers in the following way:

1. Compliance and regulatory
 - a. This is the main reason why people currently record calls and this market is growing due to changes in regulation in many markets;
2. Analytics
 - a. Previously the domain of large organisations due to the large capital cost of implementing these systems, the ability to ingest these services from a customer's telecommunications SP extends the global addressable market to businesses of all sizes, and ultimately, to individuals;
3. General day to day activities beyond compliance
 - a. Dubber's on-demand product and Playback function grows the marketplace to all phone connections which are enabled.
 - b. The ability to immediately record a call as part of a telephony experience extends the use cases to all businesses and individuals

Post the June quarter, a major milestone was achieved with active users growing beyond 30,000 :

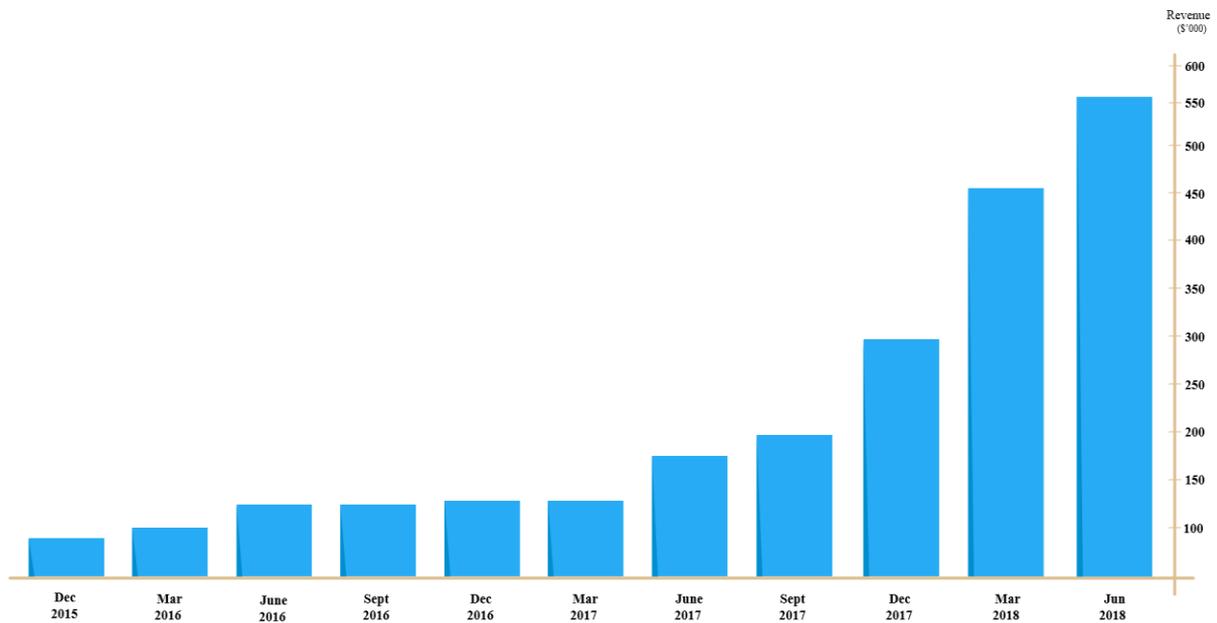
Dubber - Historical User Growth



Revenue Growth follows User Growth

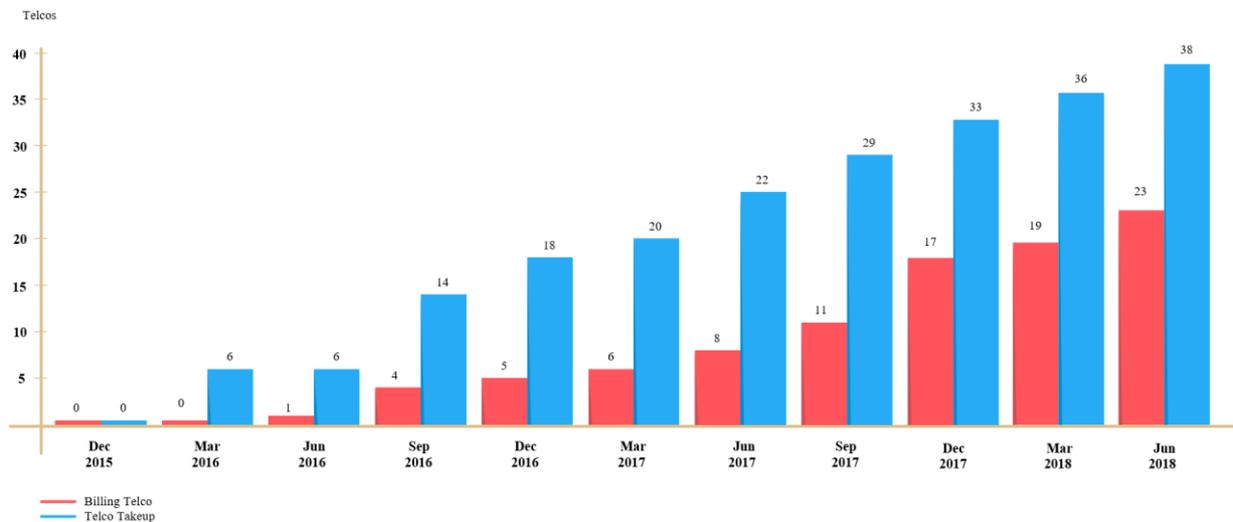
Revenue for the quarter grew to \$554k, an increase of 20% compared to the March quarter and an increase of 218% for the year compared to the previous financial year.

Dubber - Quarterly Revenue



The Company continues to grow the number of telecommunication SP that are/will be deploying the Dubber Platform as part of expanding the Company's global footprint. At 30 June 2018, 23 telecommunication carriers are now being billed by Dubber compared with 19 in the previous quarter and 38 have agreed to implement the Dubber Platform, up from 36 at the end of the previous quarter.

Dubber - Telcos Takeup v Billing Telcos



BroadCloud

BroadCloud is the global leading Cloud Telecommunications Platform for Service Providers enabling telecommunication SPs to connect customers to a feature-rich 'one-stop shop' for required services. On 30th July 2018, the Dubber service was connected to the BroadCloud platform as the recording and data capture feature. This now enables the telecommunications SPs to provide a world-leading product whereby every user can record and manage a call 'on the fly' as a standard feature via the Dubber platform.

"Dubber's call recording and data capture services will form part of our core BroadSoft Business cloud PBX and unified communication applications and the underlying highly scalable BroadCloud platform..."
CDMO, BroadSoft (August-2017)

The implications for the Company are anticipated to be significant and include the following;

- User numbers will increase substantially due to 'On Demand' enabled customers with revenues generated by every 'On Demand' user on the platform, globally.
- BroadSoft's global account management team have been trained on the service
- The Company will also be engaging directly with each telecommunication SPs through an endorsed introduction from BroadSoft with the opportunity to procure direct agreements which may extend to including the Dubber Platform into other networks being operated by the SP
- BroadSoft has publicised that there is in excess of 650 telecommunication SPs that are using BroadWorks, its infrastructure based UC offering and a rapidly growing number of telecommunication SPs have deployed and/or agreed to deploy the BroadCloud platform.

The Company believes that the deployment of the Dubber Platform as an 'On Demand' offering through BroadCloud is the first step in expanding the market for call recording in two ways.

1. General day to day activities; due to the instant availability and low cost of recording a call this will open up many new user cases for using call recording extending the potential market to all phone connections.
2. Analytics; by removing the large capital cost thereby enabling every customer to be able to gain valuable insights from the data generated from the voice calls within their organisation.

Moving forward, the Company will be focussing on developing these user cases which have the potential for forming habits whereby an individual or business can push a button to record a call as part of its standard operating practice.

The Company also believes that a proportion of those individuals and/or business who start to record calls 'On Demand', will turn into more regular users. This will potentially move them into a variety of bundle plans up to the Company's standard 'Reserved User' model whereby every call is captured, not for the purpose of being replayed and listened to, but for the value embedded in the call data.

Outlook

The Company's continued focus is to;

1. Increase the number of active users of the service quarter on quarter
2. Increase revenue from users of the Dubber Platform.
3. 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.

In addition, with BroadCloud now connected, the Company will be working with its telecommunication SP partners to grow the market for call recording.

Dubber Managing Director and CEO Steve McGovern: "We are very pleased with the progress made in the June quarter, achieving a record number of end users, substantially lifting revenues and then launching on the BroadCloud platform. These were all major milestones that position us well for further growth. We are very excited about the opportunities resulting from Dubber now being connected on the BroadCloud platform and we look forward to updating the market on upcoming developments."

For further information contact:

Steve McGovern
Managing Director/ CEO
investor@dubber.net
1300 DUBBER

Terry Alberstein
Investor relations
terry@navigatecommunication.com.au
+61 458 484 921

Julia Maguire
Media enquiries
The Capital Network
+61 419 815 386
julia@thecapitalnetwork.com.au

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.

To learn more, please visit: www.dubber.net

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 June 2018

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	449	1,292
1.2 Payments for		
(a) research and development	(175)	(723)
(b) product manufacturing and operating costs	(1,394)	(4,979)
(c) advertising and marketing	(66)	(284)
(d) leased assets	-	-
(e) staff costs	(1,034)	(5,192)
(f) administration and corporate costs	(228)	(746)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	19
1.5 Interest and other costs of finance paid	(38)	(163)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,660	1,660
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(820)	(9,116)

2. Cash flows from investing activities

2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(31)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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))	787	(135)
2.6 Net cash from / (used in) investing activities	777	(166)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	14,533
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	340	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(437)
3.5 Proceeds from borrowings	-	1,000
3.6 Repayment of borrowings	(1,000)	(1,000)
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	(660)	14,096

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	6,379	857
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(820)	(9,116)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	777	(166)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(660)	14,096

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(2)	3
4.6	Cash and cash equivalents at end of quarter	5,674	5,674

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	3,664	6,379
5.2	Call deposits	2,010	-
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)	5,674	6,379

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**

164

-

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**

-

-

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	-	-
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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	175
9.2 Product manufacturing and operating costs	1,400
9.3 Advertising and marketing	100
9.4 Leased assets	-
9.5 Staff costs	1,050
9.6 Administration and corporate costs	240
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,965

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		

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:
(Director/Company secretary)

Date: 31 July 2018

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.