



ASX Announcement  
ASX: DUB

31 August 2020

## Dubber FY20 Results Commentary

The 2020 financial year represented a step change for Dubber.

The Company had previously focused on laying the foundations for future success by engaging with leading global carriers and service providers in the knowledge that expansion of the global network footprint provides a large scale addressable market.

### FY20 - Key Highlights

ARR CAGR  
**151%** Since FY18

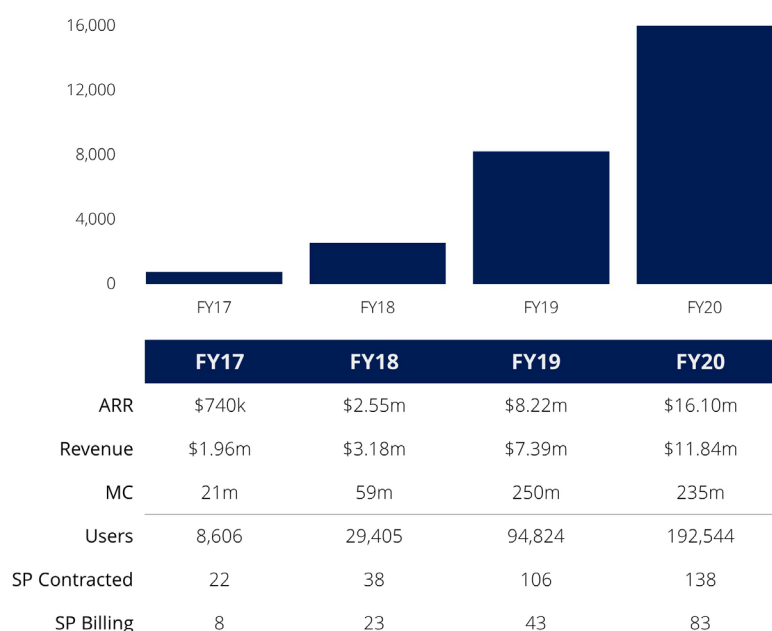
REVENUE CAGR  
**93%** Since FY18

USER CAGR  
**152%** Since FY18

Churn Rate  
**3.7%** FY20

Cash at Bank  
**\$18.5m** FYE 2020

ANNUALISED RECURRING REVENUE (AUD \$'000s)

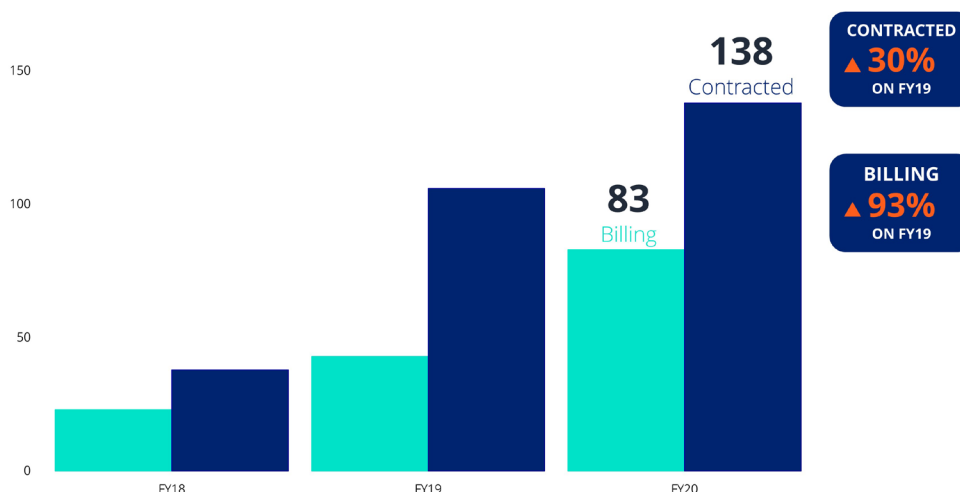


The Dubber Platform is the only one of its kind, built to operate the same way a telecommunications carrier provisions its own services, as opposed to providing applications at an individual enterprise or business level. The integration of the Dubber Platform at a network level, underpins the strategy and commercial opportunity for the business. Once deployed, the Dubber Platform is invariably the only network call recording and data capture technology in a service provider network and the potential for the service to be terminated at any point in the future is highly unlikely.

There was zero 'churn' in terms of network deployments during FY 2020.

Procurement of network agreements therefore continues to be a key focus of the Company, and during the year, the Dubber service went live with some of the world's largest tier one carriers such as Verizon, Sprint, Telstra and Cisco Webex Calling. As the markets for both compliance recording and AI/data insights grow exponentially, these deployments should contribute significantly to the Company's commercial outcomes for many years.

## Service Providers

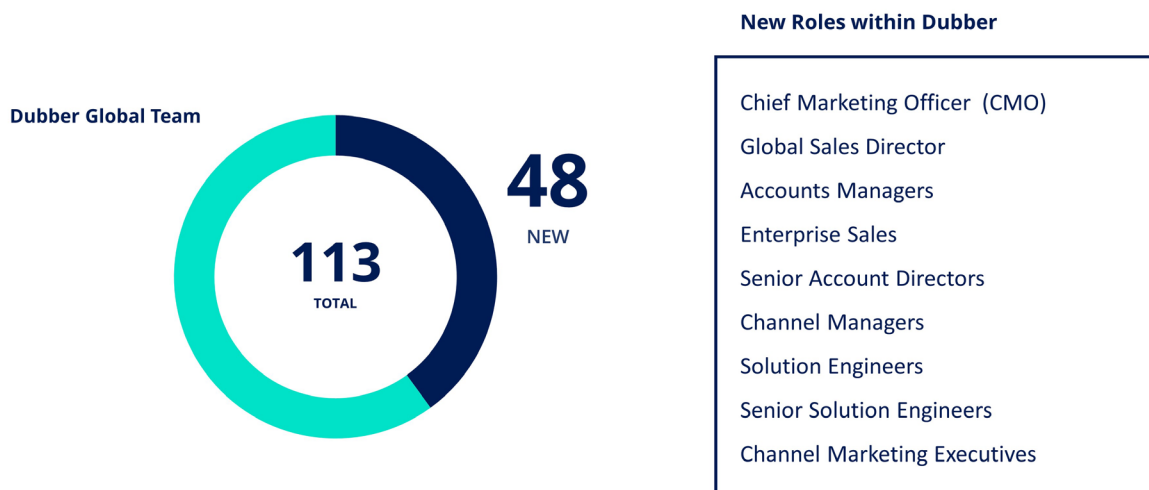


## Scaling business operations

The Company conducted a capital raising in April 2019 and was able to deploy these funds to expand its technology capability and establish the first layer of executive, sales and support personnel in each of its operating territories - APAC, North America and Europe.

Many key roles have been filled with personnel with whom the Company were already engaged with on a partner level, with service providers, Cisco/ BroadSoft and IBM related experience a common profile. From an employment perspective, the attraction of the Company is that the Dubber Platform extracts content from voice calls which are carried across a network with potentially endless use cases and commercialisation opportunities for that data and content.

## Scaling to Meet Opportunities



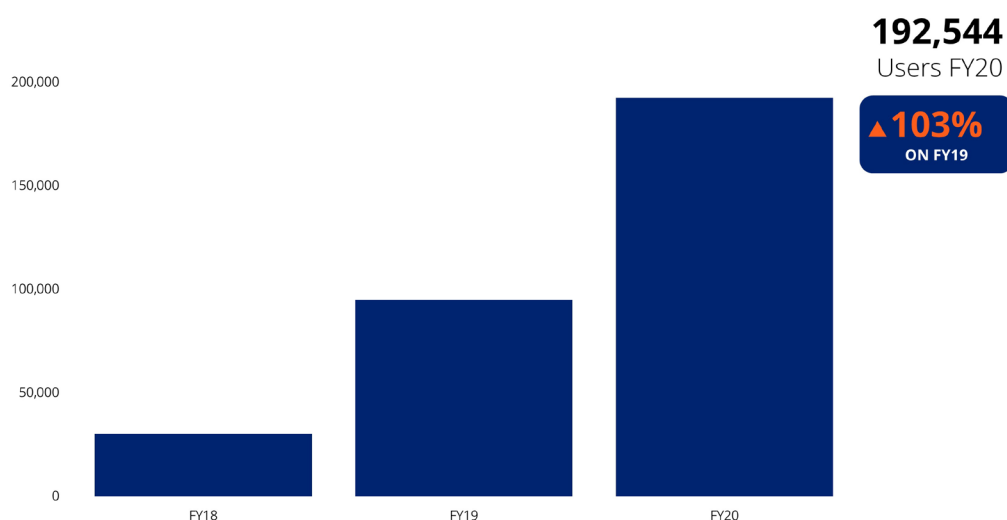
On a global level the Company has appointed two key members of the leadership team - Russell Evans as Global Director of Sales and Andy Lark as the Company's CMO. Both are recognised as global leaders in their respective fields.

The Company is well placed to manage the key accounts and channels which will deliver growth in sales and SaaS recurring revenue moving forward and expand as required to meet the expected opportunities.

### Record Growth in Users and ARR

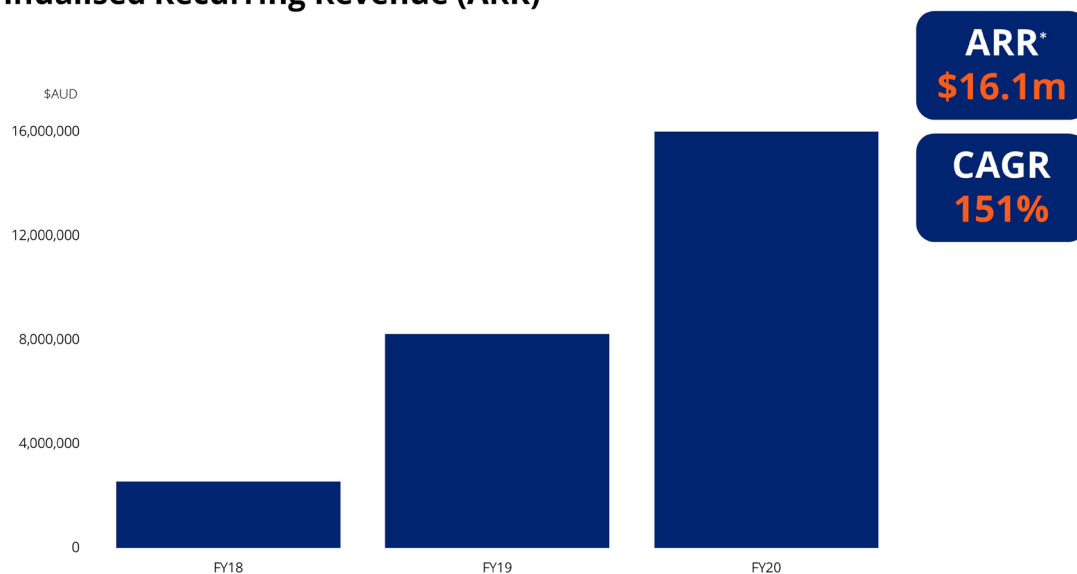
In the year ended 30 June 2020, the Company began experiencing early stage commercial growth with user numbers increasing from 94,825 at June 2019 to 192,544 at June 2020, including growth of 26% in the most recent quarter. While indicative of potential, the Company still sees this as nascent growth, with revenues relating mainly to recording users.

#### User Growth



The Company's Annual Recurring Revenue grew from \$8.22m at June 2019 to \$16.08m at June 2020 (+95%). The Company expects to continue its growth trajectory in FY21 and expand its revenue profile in terms of billing for additional AI services as well as new billing models - including consumption models as the Dubber Platform is deployed more extensively both with new networks and within existing carrier partnerships.

#### Annualised Recurring Revenue (ARR)



\* ARR is calculated by number of billable users x average revenue per user (ARPU) and does not include one-off items or discounted periods.

Customer 'churn' which indicates the numbers of cancelled subscriptions in relation to the customer base was 3.7% reflecting the nature of the business model whereby there is a propensity for high levels of retention of recordings and data captured, particularly in the areas of regulatory compliance.

## **Notable events in FYE 2020**

### **Capital Raise in April 2020**

At the outset of the COVID 19 pandemic there was initial global uncertainty with many businesses experiencing unprecedented downturns.

The Company's technology and those of its partners, provided telecommunications services from cloud or hosted platforms which are designed to unify distributed workforces via a centralised capability.

As businesses of all sizes moved to working from home, these technologies have never been more important or relevant and the Company made the decision to conduct a conservative capital raise to provide certainty among its key stakeholders, including employees, customers, partners and shareholders.

The Dubber business is moving forward at a time when many businesses are not.

The capital raise was exceptionally well supported in terms of applications, with the Company electing to accept \$10m, including a \$1m placement from Directors subject to shareholder approval. The Company believes that the placement had the desired effect of reinforcing confidence in the height of the COVID-19 global outbreak.

At June 2020 the Company reported cash reserves of \$18.5m.

### **CallN Acquisition**

In June, the Company completed the acquisition of CallN, an Australian 'on premise' Call Recording company with historic links to Telstra. With the acquisition, the Company gained a small group of skilled employees, existing arrangements with Telstra which augmented its own network deployment agreement and a sales contribution which adds directly to the Company's revenue line. The Company expects to have received revenues within the first year that effectively pay for the acquisition.

### **Notes relating to the Appendix 4E Preliminary Financial report**

In consultation with its auditors, the Company has made provision for doubtful debts of \$180,000 resulting in net trade debtors at 30 June 2020 closing at \$8.3m. The company's trade debtors comprise, in the main, global telecommunications carriers, service providers and IT companies. The Company forecasts that upwards of 35% of current receivables will be remitted in the current September 2020 quarter.

### **CEO Steve McGovern:**

"FY 2020 saw the Company achieve several milestones which will have an impact on its long term future, particularly in the area of network deployments. We also saw growth in all our key metrics including subscriptions and annual recurring revenue. The Company enters FY 2021 with strong expectations regarding its continued commercial growth, accelerated by the economic climate and the requirements for businesses to bring forward their communications transition as part of Business Continuity Planning.

We enter the new fiscal year with a strong growth foundation:

- A pipeline of orders via our existing partner networks and channels
- Continued deployment into tier one carrier networks including native integration into one of the world's largest mobile networks
- New billing methods for our services including consumption and AI subscriptions
- Exponential growth in the requirement for AI insights and outcomes which will drive the requirement for voice data at large scale across the whole of businesses
- Service Providers seeking to bundle a version of Dubber's services as a standard offering within business plans for every user
- Our capacity to continue to scale the operating team in key revenue generating roles

Our core philosophies will remain the same; call recording should be available as a 'switch on' feature as part of a telecommunications service and that AI capability, including transcription, will become a standard feature expectation as part of a communications service."

### **Extended Reporting Deadline provision**

The ASX and ASIC have issued a class waiver in relation to the lodgment of 2020 Annual Reports (Extended Reporting and Lodgment Deadlines - Listed entities) Instrument 2020/451 dated 15 May 2020 ("ASIC Relief"). The Company intends to report by the end of September 2020, but reserves the ability to rely on the provision if conditions warrant, and will provide timely notice in the event that it seeks to rely on the provision.

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

### **About Dubber:**

Dubber is unlocking the potential of voice data from any call or conversation. Dubber is the world's most scalable Unified Call Recording service and Voice Intelligence Cloud adopted as core network infrastructure by multiple global leading telecommunications carriers in North America, Europe and Asia Pacific. Dubber allows service providers to offer call recording for compliance, business intelligence, sentiment analysis, AI and more on any phone. Dubber is a disruptive innovator in the multi-billion dollar call recording industry, its Software as a Service offering removes the need for on premise hardware, applications or costly and limited storage.

### **For more information, please contact:**

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