



Record revenue with positive EBITDA and cashflow

31 August 2023: Global cloud backup and archiving software provider Dropsuite Limited (ASX: DSE) (“Dropsuite” or the “Company”) is pleased to release the Company’s results for the 6 months ended 30 June 2023 (1H FY23)

Highlights

- > Total revenue for the half of \$14.1m up 58% on previous corresponding period (pcp)
- > Annual Recurring Revenue (ARR¹) of \$30.4m, a 45% increase on a constant currency basis and a 51% increase on an actual basis
- > Paid users increased to 1.08m, up 33% on pcp
- > Gross margin² of 69% for 1H FY23, up 700 basis points on pcp of 62%.
- > The company continues to expand its global sales footprint and introduced 2 new products
- > Positive EBITDA³ of \$0.58m
- > Operating cash generated of \$0.62m.
- > Dropsuite ended the period well-funded with \$23.0m in cash.

Summary of Results (A\$000's)	1H FY23	1H FY22	% Change
Gross Revenue	14,079	8,892	58%
Other Income	3	6	<100%
Gross Margin %	69%	62%	7%
Operating Expenses	8,432	4,878	(73%)
EBITDA profit/(loss)	576	417	38%
Net Profit/(loss)	836	308	>100%
Cash generated / (used) in Operating Activities	616	(109)	>100%
Cash and cash equivalents	22,958	21,550	7%

CEO Charif El Ansari stated: “Dropsuite continues to be the market-leading Software-as-a-Service backup provider demonstrated by a strong first half result. As global data protection becomes increasingly important, we believe that our business is strategically well positioned to continue our growth. Pleasingly, we surpassed 1 million paid users for the first time and introduced 2 new products (QuickBooks Online Backup and GovCloud Backup and Archiving) during the half and with our focus on driving Cloud costs lower, we were able to boost our operating leverage and grow margins while continuing to reinvest for future growth.

With the growth, motivation and experience in our team, alongside our well-capitalised balance sheet, we remain confident that the Company will execute on its strategies and create value for our shareholders over the remainder of 2023 and beyond.”

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted recurring revenue multiplied by 12 months
2. Gross Margin % is defined as Sales Revenue less Hosting Fees divided by Sales Revenue
3. EBITDA is defined as Net Profit Before Tax excluding Depreciation expenses and Interest Income

Operational Performance

	1H FY23	1H FY22	% Change
Annual Recurring Revenue (\$m) – AUD	30.4	20.1	51%
Paid Users (m)	1.08	0.81	33%
Direct Transacting Partners (000's)	0.6	0.5	23%
Indirect Transacting Partners (000's)	3.1	2.2	31%
Monthly ARPU (\$) - AUD	2.35	2.07	13%

Outlook

Dropsuite is well positioned to deliver continued annual recurring revenue growth driven by our significant existing partner base and a growing pipeline of new partners. Market tailwinds from data security and regulation in an environment of increasing cyber-attacks are expected to remain, especially bolstered with a growing pool of SaaS applications like Microsoft 365 and Google Workspace providing a continued growth opportunity. Over the remainder of 2023 the company will focus on:

- Delivering ARR growth via its existing partner ecosystem, strong sales pipeline and expanded product line.
- Remaining profitable and cash flow positive.
- Driving product innovation to maintain our leading position as a backup vendor of choice.
- Continuing to invest in partner facing as well as research and development functions to expand the company's serviceable addressable market across customer segments and geographies.
- Continue to pursue and evaluate high conviction acquisition opportunities in the data protection space.

The announcement was approved by the Board of Directors.

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About Dropsuite

Dropsuite is a cloud software platform enabling businesses to easily backup, recover and protect their important business information. Dropsuite's commitment to advanced, secure and scalable cloud technologies keeps us in the forefront of the industry and makes us the choice of leading IT Service Providers globally. For more information please visit: www.dropsuite.com