



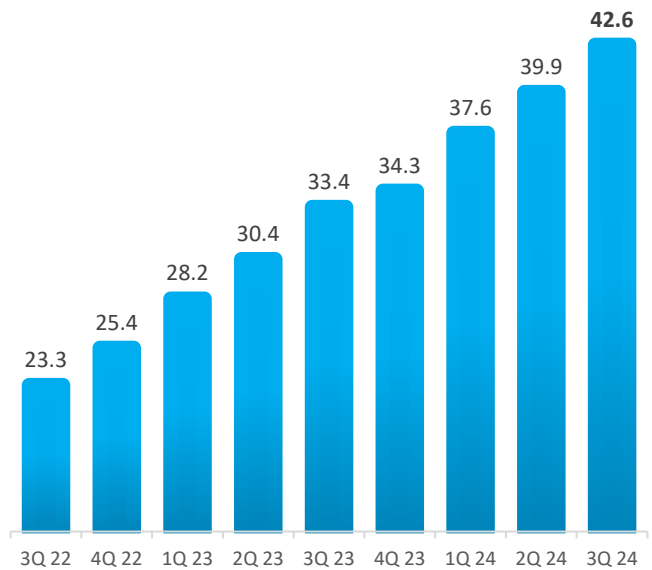
Record seat adds demonstrate power of partner ecosystem

22 October 2024: Global cloud backup and archiving software provider Dropsuite Limited (ASX: DSE) (“Dropsuite” or the “Company”) is pleased to provide an overview of the Company’s financial and operating performance for the quarter ending 30 September 2024.

Highlights

- > Annual Recurring Revenue (ARR¹) of \$42.6m, up 34% on the Previous Corresponding Period (PCP) on a constant currency basis
- > Record seat adds of 135k, growing total paid user count to 1.48 million, +34% on PCP
- > Monthly ARPU of \$2.39, up 1% vs PCP on a constant currency basis
- > Product gross margin of 69%
- > Churn remains below 3% level
- > Q3 FY24 operating cashflow of \$0.78m

ARR (\$M)



CEO Charif El Ansari stated:

“Dropsuite continues to make significant strides in the global data protection market driven by the combination of industry tailwinds from increasing cyber threats, data regulations, and the growing Managed Service Provider (MSP) market, coupled with our commitment and execution in delivering exceptional solutions and unparalleled customer support. We're proud to report another quarter of record user growth, with a 34% increase in our total paid user count over the past year. As we continue to expand, we will re-invest in product research and development and go-to-market motions to ensure sustainable growth while delivering value to our shareholders.”

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted recurring revenue multiplied by 12 months.

Financial Overview

ARR & ARPU	Sep 24	Jun 24	Sep 23	QoQ (%)	PCP (%)
ARR (\$m) - AUD	42.59	39.92	33.41	7%	27%
ARR (\$m) - USD	28.83	26.52	21.47	9%	34%
Monthly ARPU (\$m) - AUD	2.39	2.47	2.51	(3%)	(5%)
Monthly ARPU (\$m) - USD	1.62	1.64	1.61	(1%)	1%
FX AUD:USD	0.68	0.66	0.64	2%	5%

Cash Summary (\$m)	Sep 24	Jun 24	Sep 23	QoQ (%)	PCP (%)
Receipts from Customers	9.68	9.33	8.10	4%	20%
Payments to Suppliers	(9.15)	(8.99)	(6.88)	2%	33%
Interest Income	0.24	0.20	0.18	22%	39%
Net Cash Generated from Operations	0.78	0.54	1.39	46%	(44%)
Cash at hand	25.48	25.13	24.56	1%	4%

Operational and Product Overview

Dropsuite continues to invest into internal initiatives such as new product development, increased global sales footprint, and expanded customer service facilities to improve the backup and archive experience for DSE's partners and streamline the support processes for end clients.

Key activities during the quarter include:

- Record quarterly paid user additions of 135k, growing total paid user count to 1.48 million, up 34% versus PCP.
- YTD paid user additions of 319k.
- User additions aided by strong partner onboarding with 38 new direct and 270 indirect transacting Managed Service Provider (MSP) partners.
- The expansion in the number of new transacting partners will continue to provide the platform for future user growth.
- Strong net revenue retention from our existing partner base driven by continued investment in core product and enhanced Customer Success and Technical Support enablement.
- PartnerServ motion (a paid migration service from other backup vendors into DSE) materially contributing to paid seats in Q3.
- Strategic expansion of DSE offering with a BYOS (Bring Your Own Storage) Model starting to contribute with further upside expected.
- Expanded and improved our integration capabilities to deliver a seamless partner experience through integrated provisioning, billing and support.

Outlook

Dropsuite is well positioned to deliver strong annual recurring revenue growth driven by our significant existing partner base and a growing pipeline of new partners and new products.

The Company remains focussed on:

- Delivering ARR growth via its existing partner ecosystem, strong sales pipeline and expanded product line.
- Incremental investment in Research & Development and Go-To-Market functions to sustain profitable growth momentum.
- Maintaining FY24 guidance for positive cashflow and profitability.
- Driving product innovation, including new product introductions, to maintain our leading position as a backup vendor of choice.
- Pursuing high conviction M&A opportunities taking advantage of strong market tailwinds around data protection.

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

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