



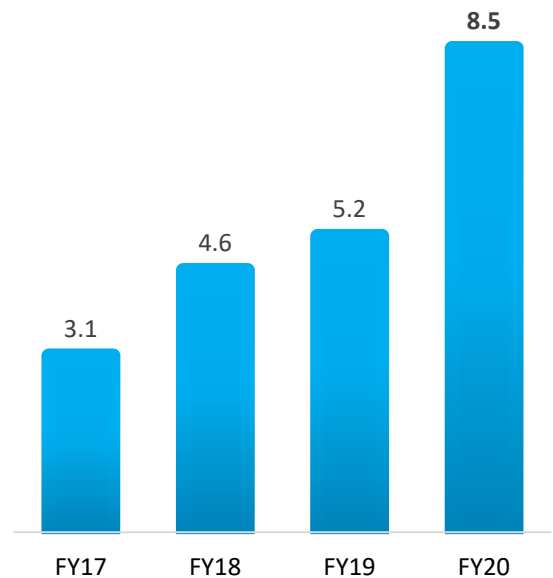
## Dropsuite Well Placed for Growth and Profitability

25 February 2021: Global cloud backup and archiving software provider Dropsuite Limited (ASX: DSE) (“Dropsuite” or the “Company”) provides this commentary for the preliminary and unaudited financial results for the year ended 31 December 2020:

### Overview

- > Total FY20 Revenue \$7.0 million (FY2019 \$4.7 million), 50% growth over previous corresponding period (PCP)
- > EBITDA loss reduced to \$1.66 million (FY2019 loss of \$2.35 million), 30% improvement aided by revenue growth and cost management
- > The company is now a multi-product, multi-channel and multi-segment company that is well positioned for continued growth and profitability in 2021
- > Strong partner growth with 318 direct transacting partners supporting a user base of 431k end users and hundreds of resellers transacting through our IT Distribution partners
- > Continued low partner churn\*\* under 3% - well below the industry average

December ARR\*(\$M)



### CEO Commentary

Dropsuite Managing Director and CEO, Charif Elansari said: “2020 has been a clear demonstration of the results of the evolution of the business from a single product, single channel and single segment company into a multi-product, multi-channel and multi-segment company. Whilst 2020 has been challenging for many businesses, Dropsuite has been well-positioned to address the need for quality email backup and redundancy given the increase in cybersecurity breaches and our transition to remote workforce.

“We see exciting growth opportunities ahead given the rapidly growing market we operate within. Additionally, we are pleased with the strength of our relationships with our reseller partners and continue to focus on enhancing our product offering to further cement our leadership position in our sector.”

\* Annualised Recurring Revenue (ARR) is defined as the value of the monthly contracted recurring revenue multiplied by 12 months

\*\* December 2020 Revenue Churn is defined as Lost Revenue in December 2020 divided by January 2020 Revenue

## Financial summary

In FY2020, Dropsuite delivered solid revenue of \$7m (FY19: \$4.7) driven by continued expansion in reseller partner-base and associated end users. EBITDA loss of \$1.66 million, a meaningful improvement of 30% on FY19 driven by the revenue growth and disciplined cost management. While revenue grew by 50% PCP, operating expenditures grew by only 17%. This is a clear demonstration of the operational leverage attained through our partner-centric business model. The Company is focused on sustaining solid revenue growth and on achieving profitability and cash-flow breakeven in FY21, subject to market conditions.

Table Summary (A\$M)	2020 (\$)	2019 (\$)	Change (\$)	Change (%)
Revenue from operating activities	7.03	4.68	2.35	50%
Other Income	0.09	0.07	0.02	27%
Gross Margin %	65%	64%		
Operating Expenses	(6.30)	(5.38)	(0.92)	(17%)
Net (loss) from ordinary activities	(2.14)	(3.15)	1.00	32%
EBITDA	(1.66)	(2.35)	0.69	30%

## Outlook

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

Over 2021 the company will focus on:

- Delivering continued ARR growth via our existing partner ecosystem and a strong sales pipeline
- Driving product innovation to maintain our market leading position as a backup vendor of choice
- Continue to drive new growth opportunities in the structurally growing market (cyber security, cloud & regulation)
- Work to achieve profitability and cash break-even in 2H 2021

- END -

The announcement was approved by the Board of Directors.

### For further information, please contact:

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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](http://www.dropsuite.com)