

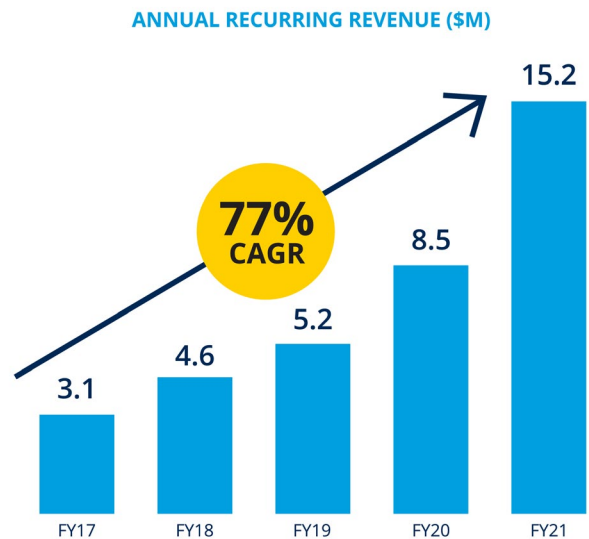


Record ARR of \$15.2m, maiden positive EBITDA and Operational Cashflow

28 February 2022: Global cloud backup and archiving software provider Dropsuite Limited (ASX: DSE) ("Dropsuite" or the "Company") provides commentary on the preliminary financial results for the year ended 31 December 2021:

Highlights

- > **Total FY21 Revenue** \$11.7 million (FY20 \$7.0 million), 66% growth over previous corresponding period (PCP)
- > **Annualised recurring revenue** of \$15.2 million at the end of December 2021, up 80% on PCP
- > **EBITDA breakeven** (FY20 loss of \$1.66 million)
- > Delivered on strategy of positive cashflow in FY21 with **net cashflow from operations** of \$0.25m (FY20 cash outflow of \$1.8 million)
- > **Strong partner growth** with 409 direct transacting partners supporting 649k end users
- > **ARPU of \$1.95**, 19% growth on FY20 \$1.64
- > Continued **low partner churn** at <3% - well below the industry average
- > Well capitalised for growth with **\$21.6 million in cash**



CEO Commentary

Dropsuite Managing Director and CEO, Charif Elansari said: "2021 was another outstanding year for Dropsuite and one that has again proven the strength, scalability and sustainable growth of our business. Our global reseller partner network continues to grow, driven by structural demand within the global data backup and recovery market and the strong position and product recognition of Dropsuite within that channel. Our industry position and focus on product innovation resulted in Dropsuite being recognised as the Microsoft O365 Backup Leader by InfoTech Software Reviews for the second year in a row. We continued to progress on our accreditation with SOC 2-2 and expand our product offering to provide enhanced backup and archiving for Office 365 and Google Workspace. With our growing ARR base and a robust balance sheet we are well positioned to drive further growth, both organically and via complementary and accretive acquisitions."

Financial summary

Dropsuite delivered revenue growth of 66% for FY21 to \$11.7million (FY20: \$7.03 million) driven by continued growth in the reseller partner-based and associated end users. End user numbers increased 51% to over 649,000. During the year, customer churn remain low at <3%. ARPU increased 19% to \$1.95 as the Company continued to increase the breadth of offering to our client base.

The Company delivered its maiden EBITDA in 2021 at \$0.003 million (FY20: loss \$1.66 million) and Underlying EBITDA of \$0.39m (excluding Share Based Payments expenses of \$0.17m and Due Diligence expenses of \$0.22m) reflecting the leverage within the business and strong focus on cost control. During the year gross margins remained stable at 64%.

Net cash generated from operations of \$0.26 million (FY20 cash used -\$1.78 million). Positive cash generation was a stated target for the company in 2021. The ability to deliver strong growth in ARR and end users whilst delivering positive cashflow reflects the sustainability of our products, business model and strategy.

A\$ million	2021	2020	Change (%)
Revenue from operating activities	11.69	7.03	66%
Other income	0.14	0.78	(82%)
Gross margin %	64%	65%	(1%)
Operating expenses	(7.54)	(6.30)	(20%)
Net (loss) from ordinary activities	(0.03)	(2.14)	99%
EBITDA	0.003	(1.66)	100%
Underlying EBITDA	0.39	(1.41)	127%
Net Cash Generated/(Used) from Operations	0.26	(1.79)	114%
ARR	15.20	8.46	80%
ARPU	1.95	1.64	19%
User numbers	649k	431k	51%

Outlook

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

Over 2022 the company will focus on:

- Delivering continued ARR growth via existing partner ecosystem and 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) while pursuing accretive and complementary acquisitions
- Continued reinvestment in our team skillsets, talent pool and leadership strength as we maintain profitability and cash break-even in FY22.

- END -

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