



Record revenue drive positive EBITDA and cashflow

30 August 2022: 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 2022 (1H FY22)

Highlights

- > Total revenue for the half of \$8.9m, up 80% on previous corresponding period (pcp)
- > Annual Recurring Revenue (ARR¹) of \$20.1m, a 68% increase versus pcp on a constant currency basis
- > Users increased to 808k up 56% on pcp
- > Churn rate remains below 3%
- > Gross margin of 62% for 1H FY22, down on pcp due to an increase in storage costs
- > The Company continues to focus on cost initiatives to improve gross margin which returned to 64% for the month of June 2022
- > Positive EBITDA of \$0.4m
- > Normalised operating cash generated of \$0.2m. Actual operating cash outflow of (\$0.1m). The Company reaffirms its guidance for positive cashflow in 2022
- > DSE ended the period with \$21.6m in cash and remains well funded to progress internal product development initiatives and explore growth via acquisition

Summary of Results (A\$000's)	1H FY22	1H FY21	% Change
Gross Revenue	8,892	4,938	80%
Other Income	6	12	(52%)
Gross Margin %	62%	67%	(7%)
Operating Expenses	4,878	3,192	53%
EBITDA profit/(loss)	417	(64)	746%
Net Profit/(loss)	308	(77)	498%

CEO Charif El Ansari stated: “Dropsuite have delivered a strong first half result reflecting the growing scale, breadth and superior user experience of our cloud-based backup solution. We exited the period with over 808k users, strong ARR momentum and a very healthy balance sheet which will allow Dropsuite to remain at the forefront of the industry tailwinds we are witnessing in the global data security sphere. Operationally we remain focused on improving the experience for our customers and strategically we will continue to balance investment for growth with our guidance of delivering cashflow breakeven in FY22. With a strong and dedicated team, we are well positioned to deliver on our strategies and create value for our shareholders over the remainder of 2022 and beyond.”

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

Operational Performance

	1H FY22	1H FY21	% Change
Annual Recurring Revenue (\$m) – AUD	20.1	11.0	83%
Paid Users (m)	0.8	0.5	56%
Transacting Partners (000's)	2.2	1.4	56%
Monthly ARPU (\$) - AUD	2.07	1.77	17%
Revenue Churn	3%	3%	-

Outlook

Dropsuite remains well positioned to continue to deliver strong annual recurring revenue growth driven by our significant existing partner base and a growing pipeline of new partners. The strong market tailwinds from data security and regulation are expected to remain with a growing pool of Microsoft 365 and Google Workspace users, expected to exceed 570 million by 2026, providing a significant growth opportunity.

Over the remainder of 2022 the company will focus on:

- Continuing to deliver ARR growth via its existing partner ecosystem and strong sales pipeline.
- Achieving continued operating profitability and positive cash flow.
- Driving product innovation to maintain our leading position as a backup vendor of choice.
- Continuing to invest in talent bench-strength as well as sales and marketing expansion.
- Exploring high conviction M&A opportunities which leverage existing internal growth and take 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