

Growth trajectory continues for Dropsuite

- Annualised Recurring Revenue (ARR*) for February 2020 was \$5.9m
- Ninth consecutive month of ARR growth with March 2020 ARR to continue trend
- No material adverse impact on business operations anticipated from the COVID-19 pandemic
- Increased cost vigilance to counter current market uncertainty

30 March 2020: Global cloud backup and archiving software provider Dropsuite Limited (ASX: DSE) (“Dropsuite” or the “Company”) is pleased to release its Annual Report for 2019, which includes a comprehensive overview of activities and milestones achieved during that year. Dropsuite also wishes to update shareholders on the Company’s positioning, in the context of the broader volatile market conditions connected with the COVID-19 pandemic.

ARR continues its upward trajectory

Dropsuite is experiencing continued growth in ARR. This is based on increasing demand for Dropsuite’s leading cloud backup platform from an expanding global footprint of partners and users. ARR for February 2020 was \$5.9m (\$5.7m normalised when taking into account the depreciation of the Australian dollar). This is the ninth consecutive month of ARR growth as reflected in the table below.

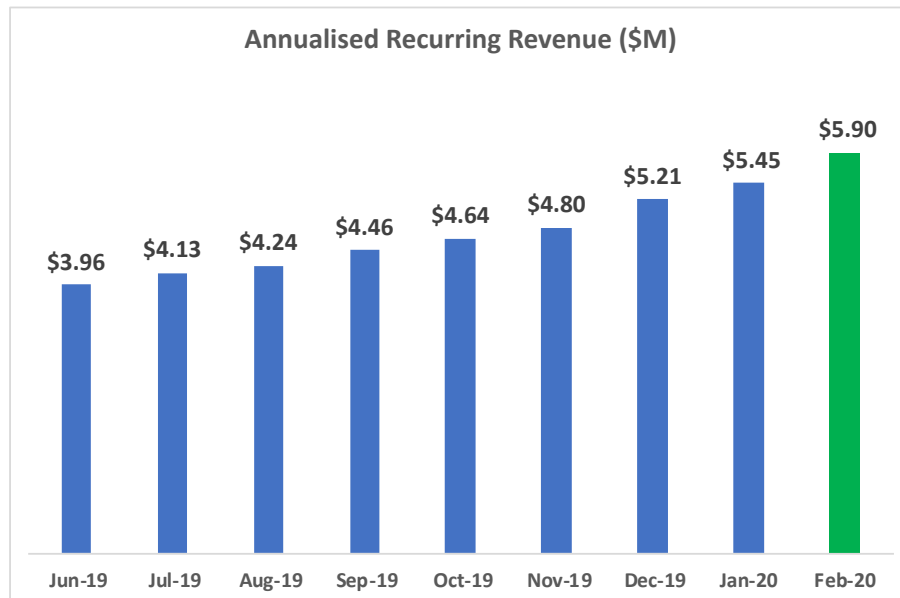


Chart one: June 2019 to February 2020

COVID-19 Impact

To date, Dropsuite has not witnessed any adverse impact of the COVID-19. The Company has quickly adapted its day-to-day operations to the challenges presented by the pandemic. With the health and safety of our team being our top priority, we quickly implemented comprehensive working from home policies in response to this health crisis, while ensuring intact levels of service, customer responsiveness and productivity.

To mitigate current uncertain market and economic conditions, the Company has increased its cost vigilance across the board, with only highly critical hires being onboarded. Operating expenses pertaining to travel and marketing events have naturally reduced due to travel bans and event cancellations. Dropsuite, hence, is shifting a portion of its travel and marketing budget to online marketing. However not all of the budgeted expenditures will shift to online marketing, so some cost savings will be achieved.

The Company is preparing for a possible increase in demand for business continuity software after the pandemic abates, due to the spike in workforce switching to remote working environments as the result of the broader trend of higher online connectivity and increased dependence on digital information. Dropsuite is well positioned to support the increased need for data protection and backup as an increasingly critical component of nearly every modern business.

Comment

Dropsuite's Managing Director Charif Elansari said: *"Dropsuite has continued to execute on its growth strategy and has been able to quickly adapt its operations to manage the impact of COVID-19. Whilst the health and wellbeing of our team is paramount, having an already robust business model gives our people career certainty during this difficult time, while our technology provides our users the dependability they require as they rely even more on the online commercial transactions.*

"The steadily increasing growth in ARR is certainly pleasing. We are continuing to attract new partners and users to further diversifying and de-risk our revenue base. This is a solid achievement, particularly in a very challenging global environment.

"Board and management remain optimistic around business growth in 2020 despite the broader macroeconomic conditions. Dropsuite has always been a cloud native company and our products and solutions do not require any physical location. The drastic sudden shift toward a near global remote working environment combined with our strong balance sheet, means Dropsuite is well positioned for the remainder of 2020 and beyond."

It is important to note that the actual outcome may vary given the unprecedented nature of the challenges emanating from the COVID-19 pandemic. Current expectations and assumptions are based on business performance to date and on various recent discussions the management team has had with many of our key partners globally.

This ASX release has been approved by the Board of Directors.

For further information, please contact:

Charif Elansari, Managing Director
Dropsuite Limited
+81 70 2387 0910

Ben Jarvis
Six Degrees Investor Relations
+61 413 150 448

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

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