

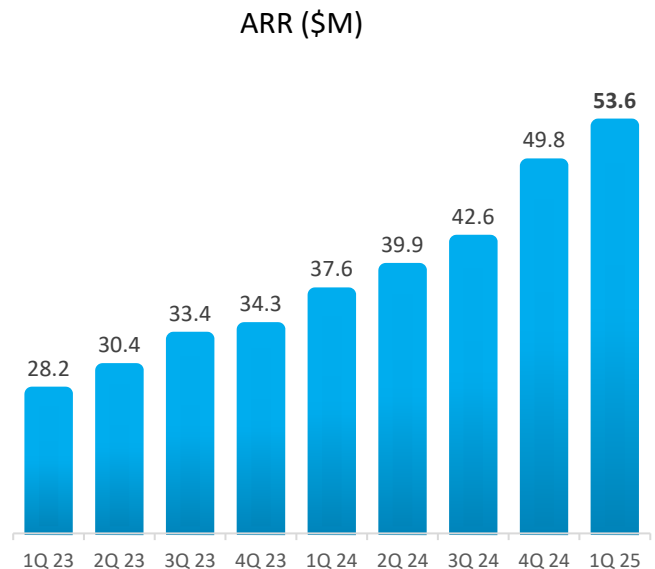


## Record ARR Demonstrates Power of Dropsuite's Partner Ecosystem

23 April 2025: 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 31 March 2025.

### Highlights

- > Annual Recurring Revenue (ARR<sup>1</sup>) of \$53.6m, up 37% on the Previous Corresponding Period (PCP) on a constant currency basis
- > Seat adds of 144k, growing total paid user count to 1.79 million, +45% on PCP
- > Monthly ARPU of \$2.49, down 2% on PCP
- > Product gross margin of 69%
- > Churn remains below 3% level
- > Normalised operating cashflow of \$0.35m
- > Cash remains at \$28.0m at 31 March 2025 with no debt



### CEO Charif El Ansari stated:

"Amid rising global cyber threats, tighter data regulations, and our expanding presence in the IT channel, Dropsuite delivered another quarter of record growth in Q1 2025. Our paid user base grew by 45% year-on-year, confirming the effectiveness of our strategic focus on product development and channel expansion. Our sustained growth reflects our commitment to both developing innovative data protection solutions and maintaining our industry-leading customer support standards."

### Operational and Product Overview

Dropsuite continues to invest in internal initiatives such as new product development, increased global sales footprint, and expanded customer service facilities to improve the product experience for Dropsuite's partners and streamline the support processes for Managed Service Providers (MSPs).

Key activities during the quarter include:

- Strong quarterly paid user additions of 144K, up 45% year-on-year. This is attributed to:
  - o Continued user growth from new and existing partners (Net Revenue Retention)
  - o Material incremental growth from the recently launched BYOS (Bring Your Own Storage) offering, which delivers lower ARPU seat adds, however, the lower cost nature of these services ensures group margins were maintained at historic levels

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

- Contribution from *PartnerServ* service (a paid migration service from other backup vendors into Dropsuite)
- Successful roll out of the recently launched Entra ID Backup service to a significant number of existing and new partners. Entra ID is Microsoft's cloud-based identity and access management solution, providing authentication and authorization to a wide range of Microsoft products.
- Ongoing improvement of our integration capabilities to deliver a seamless partner experience through integrated provisioning, billing and support, including
  - Integration with HaloPSA, a premier and fast-growing professional services automation platform for IT service providers
  - Integration with SuperOps, a fast-growing IT management platform built for Managed Service Providers and IT teams.

## Financial Overview

ARR & ARPU	Mar 25	Dec 24	Mar 24	QoQ (%)	PCP (%)
ARR (\$m) - AUD	53.62	49.82	37.56	8%	43%
ARR (\$m) - USD	33.74	31.52	24.63	7%	37%
Monthly ARPU (\$m) - AUD	2.49	2.52	2.53	(1%)	(2%)
Monthly ARPU (\$m) - USD	1.57	1.59	1.66	(2%)	(5%)
FX AUD:USD	0.63	0.63	0.66	(1%)	(4%)

Normalised Cash Summary (\$m)	Mar 25	Dec 24	Mar 24	QoQ (%)	PCP (%)
Receipts from Customers	13.00	11.00	8.94	18%	45%
Payments to Suppliers	(12.92)	(10.90)	(8.76)	19%	48%
Interest Income	0.26	0.22	0.21	22%	28%
Net Cash Generated from Operations*	0.35	0.32	0.39	8%	(11%)
Transaction costs**	(0.46)	-	-	-	-
Cash at hand	27.80	28.57	24.91	(2%)	12%

\*Customary Q1 high cash outflows to suppliers, including annual insurances and tooling as well as annual bonuses

\*\* Transaction costs associated with NinjaOne scheme, including legal and advisory fees

## Outlook

Dropsuite continues 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 profitable 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.
- Driving product innovation, including new product introductions, to maintain our leading position as a backup vendor of choice.
- Maintain positive cashflow and profitability for FY25 (prior to acquisition transaction costs).

The announcement was approved by the Board of Directors.

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**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)