

DROPSUITE LIMITED | ASX:DSE

# Dropsuite | Investor Presentation

Q2 RESULTS UPDATE  
July 2021

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# Dropsuite Safeguards Business Information

We are a global partner-centric company building secure, scalable and highly useable cloud backup technologies for businesses, big and small.



## Scalable Revenue

Underpinned by growing SaaS revenue



## Email Backup Leader

#1 cloud vendor 2<sup>nd</sup> year in a row by Info-Tech



## Global Presence

Over 500k users across > 100 countries



## Committed Team

Across Asia Pacific, North America and Europe

# Tailwinds Propelling Growth

Industry growing at 24% per year

 Cyber & Ransomware Threats

 Data Privacy Regulation

 Cloud migration

2017

\$6bn

2025



\$22.2bn

Global Data Backup and Recovery Market growing at 24% (CAGR)

Source: <https://www.globenewswire.com/news-release/2020/03/04/1995163/0/en/Cloud-Backup-and-Recovery-Software-Market-to-Reach-22-22-Billion-Globally-by-2025-Says-Allied-Market-Research.html/>

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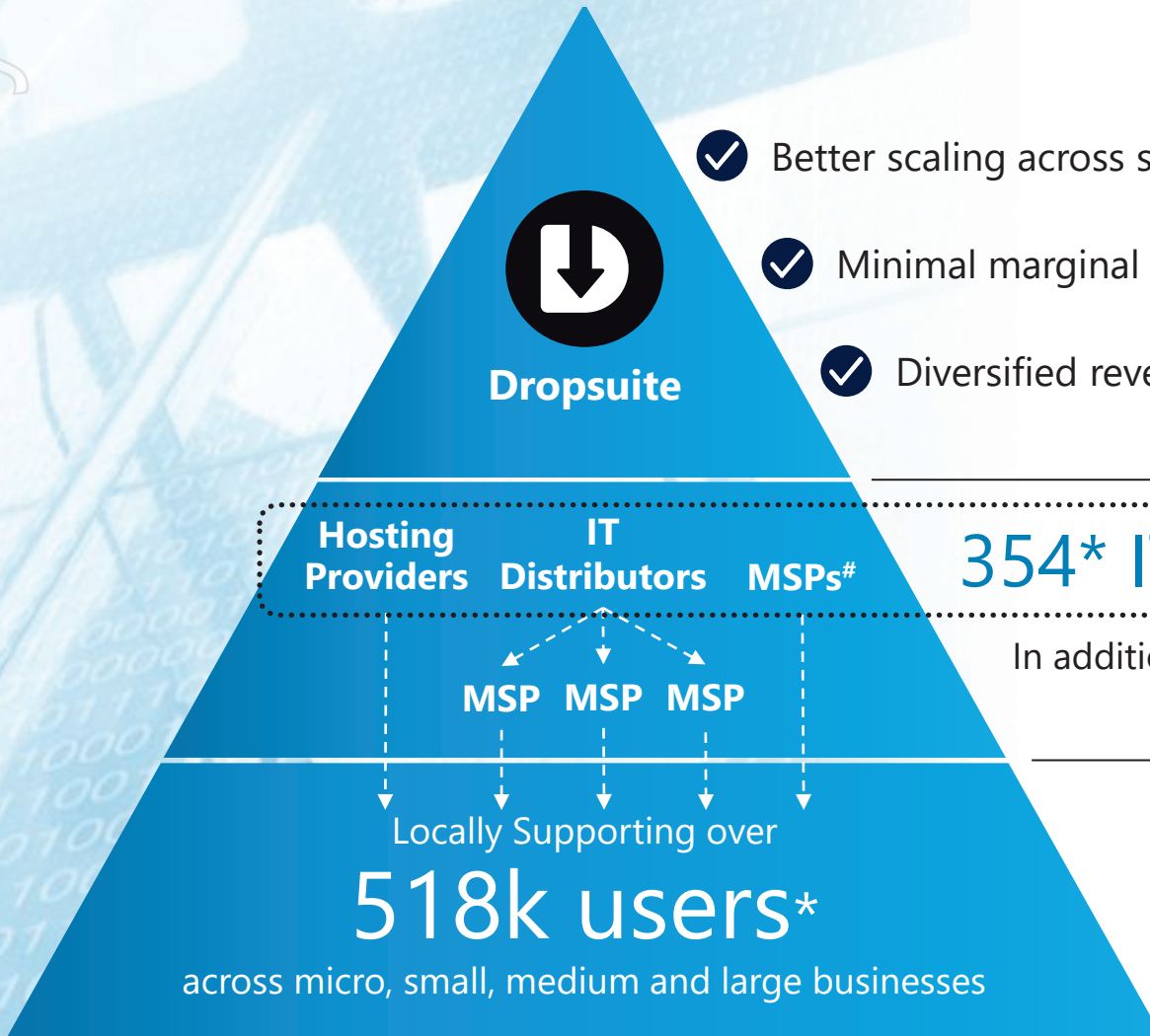
# The Product Suite

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# Partner-led Business Model

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- ✓ Better scaling across sales, support and marketing
- ✓ Minimal marginal cost to serve growing revenue and users
- ✓ Diversified revenue base and fast path to operational leverage

354\* IT Reseller Partners Globally

In addition to hundreds of MSPs transacting via IT Distributors

#MSP: Managed Service Provider \* As at 30 June 2021

# The Dropsuite Advantage

**Seamless Partner Integration**  
Integrates with any partner infrastructure and delivers streamlined provisioning, billing and support

**Exceptional User Experience**  
Simple intuitive interface that is packed with useful and powerful features, including insights and analytics

**Cutting-edge Cloud Platform**  
Built for the cloud from day one. Secure public and private cloud platform deployed globally

**Highly Responsive Team**  
Expert training, marketing and technical support delivered by an agile and passionate team



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# 2Q FY21 Results



# 2Q FY21 Results Overview

## Solid momentum across the business

**Annual Recurring Revenue<sup>1</sup>**  
**\$11.03m**  
↑ 15%

**Average Revenue Per User**  
**\$1.77**  
↑ 5%

**Normalised Operating Cash Burn<sup>2</sup>**  
**\$0.02m**  
↓ 87%

**Reseller Partners**  
**354**  
↑ 12%

**End Users**  
**518k**  
↑ 10%

**Cash Position**  
**\$2.40m**  
↓ (2%)

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

2. Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash Used in Operations was (\$0.02m) with Cash at Bank at end of June of \$2.40m

\* All percentage changes are on prior quarter



# 2Q FY21 Continued trend towards decreasing cash burn

(\$Million)	Jun 21	Mar 21	Jun 20	QonQ	PCP
Cash Receipts	<b>2.40</b>	2.29	1.46	5%	65%
<i>Normalised Cash Receipts<sup>1</sup></i>	<b>2.40</b>	2.16	1.59	11%	51%
Net Cash from Operations	<b>(0.02)</b>	(0.04)	(0.64)	(44%)	(97%)
<i>Normalised Net Cash from Operations</i>	<b>(0.02)</b>	(0.17)	(0.50)	(87%)	(96%)
Cash at hand	<b>2.40</b>	2.44	3.02	(2%)	(20%)

**Cash Receipts** : Normalised cash receipts for the quarter were \$2.40m, an increase of 11% QoQ and 51% on PCP

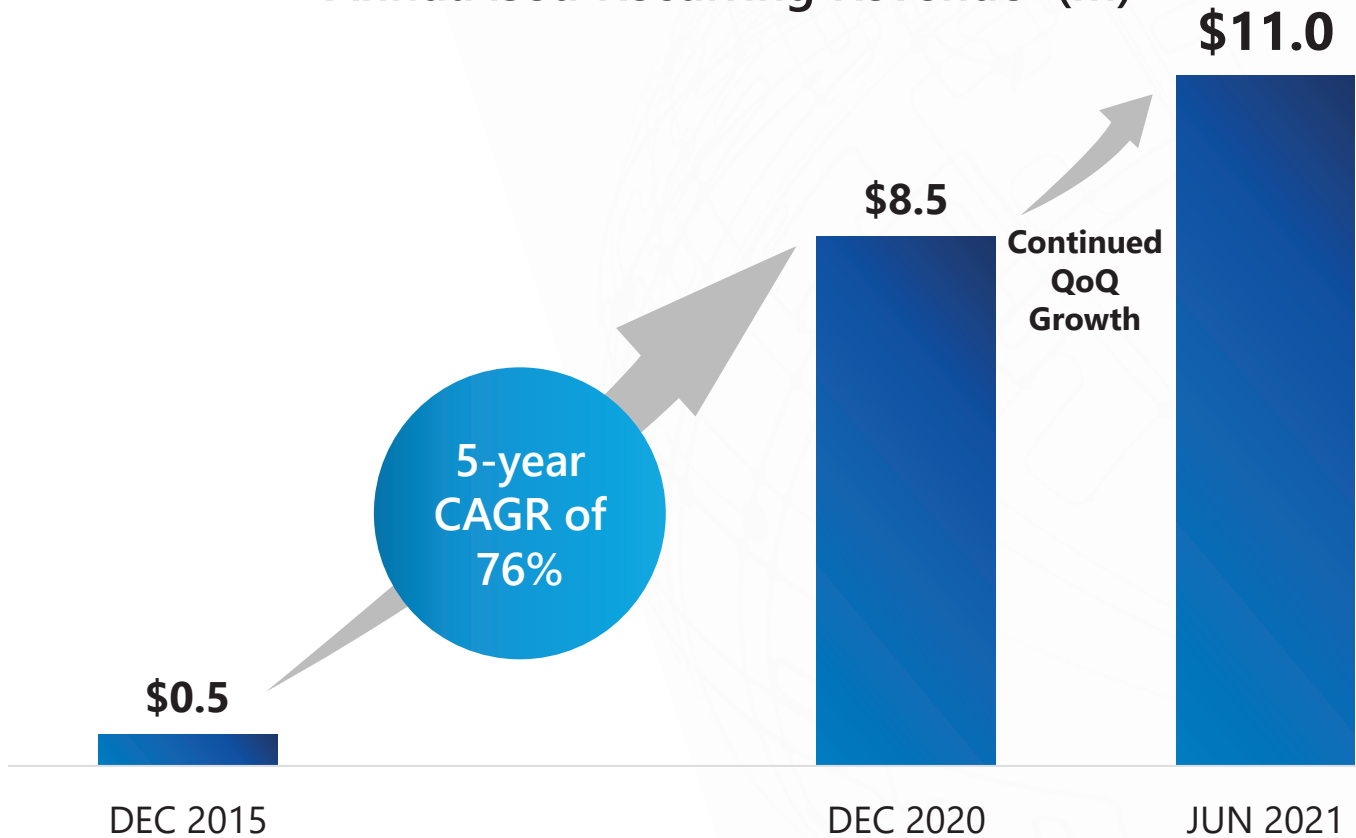
**Normalised burn**: Decreased 87% QoQ and 96% on PCP with cash receipts increasing inline with revenue and continued cost control measures in place to improve net cash from operations in 2021

Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash Used in Operations was (\$0.02m) with Cash at Bank at end of June of \$2.40m

# Solid increase over the past 12 months

- Top 10 Partner Revenue Contribution  
↓ **3% to 68%**
- Partner Churn Rate<sup>2</sup>  
**Stable at <3%**
- Monthly Revenue per User  
↑ **18% to \$1.77**
- End Users  
↑ **51% to 518k**

Annualised Recurring Revenue<sup>1</sup> (m)



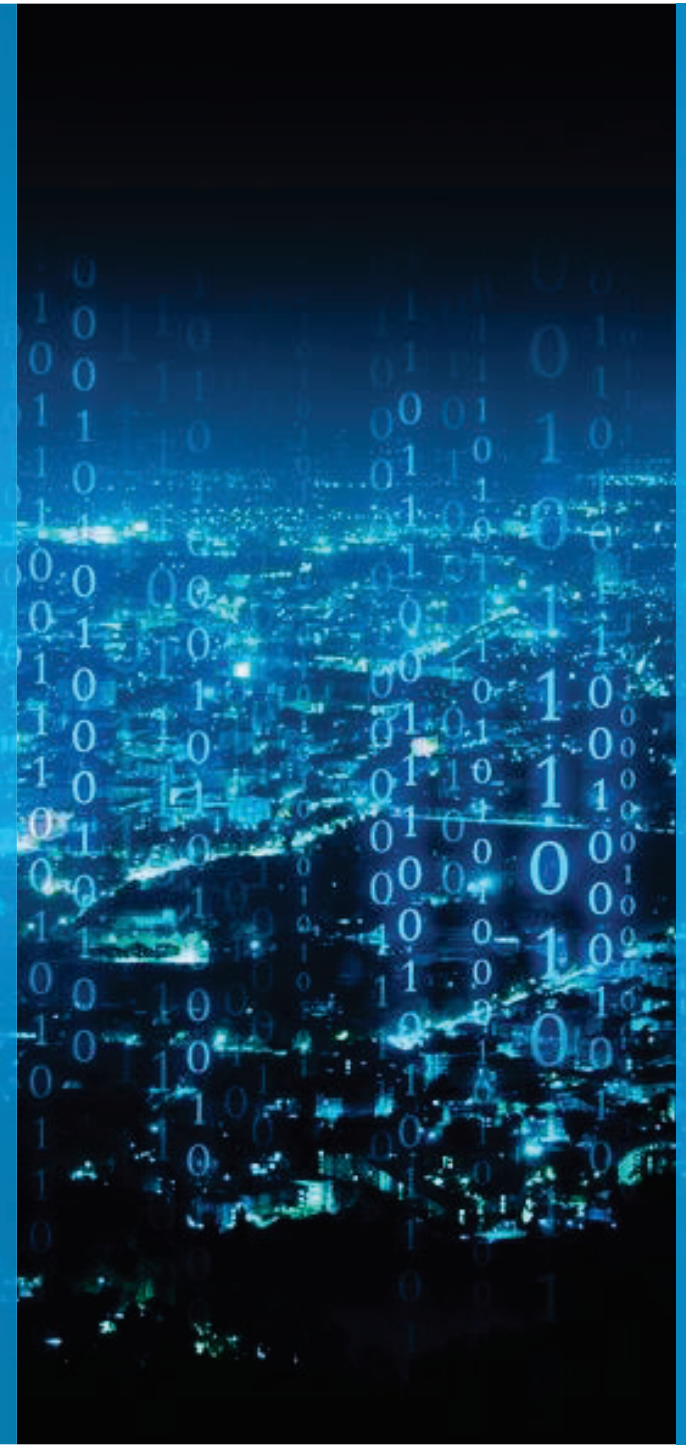
1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted recurring revenue multiplied by 12 months

2. June 2021 Revenue Churn is defined as Lost Revenue in June 2021 divided by June 2020 Revenue

\* Percentage growth is on previous corresponding period and constant currency

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# Outlook



# Growth Pillars



## Growth Through Partnerships

Increasing global footprint by onboarding new partners

Expanded Integration options for new and existing partners

01



## Continuous Product Innovation

Focus on continued product and feature upgrades

#1 email Office 365 backup second year in a row by InfoTech, a software research firm

02



## Diversify Revenue and Boost ARPU

Increasing ARPU year-on-year

Reduced Top 10 Revenue contribution to 68% with very low churn

03

# Single Vendor Story in 2021



Partners' choice for all email and productivity backup requirements across any platform, geography, customer segment or vertical



## Any Platform

 Microsoft 365  
Google Workspace  
& On-Premise & Cloud



## Any Geography

Americas  
Europe  
Asia  
Australia



## Any Segment

End Clients from  
1-1000s of users



## Any Vertical

**Including:**  
Healthcare  
Financial  
Government



FINRA

# Outlook



**Strong ARR and user growth** trajectory bolstered by industry tailwinds and solid execution



**Continued investment** in future growth in people and programs across sales, marketing and engineering in 2021 and beyond



Well-funded for organic growth and positioned to reach **profitability and cash break-even** in the second half of 2021



**Expand product offerings** in the coming 18-24 months through in-house innovation and consideration of strategic acquisitions

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# QUESTIONS





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This presentation is authorised by the Board of Directors



# Board and Management



**CHARIF ELANSARI**

**Managing Director**

- Founding member of Google Asia Pacific
- Previously held senior positions at Google and Dell in Asia Pacific and North America



**THEO HNARAKIS**

**Non-Executive Chairman**

- Previously, MD of ASX 300 Melbourne IT, News Corporation & PMP Communications Group
- Director at Farmgate MSU (Provenir)



**DR. BRUCE TONKIN**

**Non-Executive Director**

- Chief Operating Officer at .au Domain Administration Limited
- Previously, CTO and CSO of Melbourne IT (ASX 300)



**RIDLEY RUTH**

**Chief Operating Officer**

- 20 years experience in selling security software to service providers
- Previously VP of Sales at CloudFlare



**RON HART**

**Chief Technology Officer**

- Early pioneer of cloud-based platforms
- Lead technology developer at US- based myTriggers.com and inContact (NASDAQ: SAAS)



**BILL KYRIACOU**

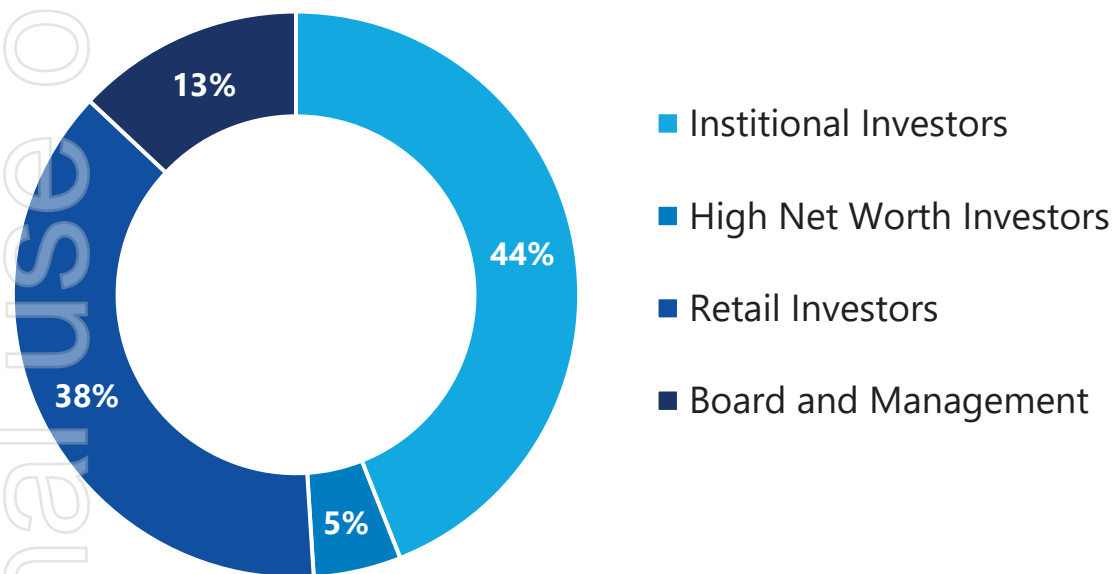
**Head of Finance**

- 20 years of finance experience in listed technology and media companies
- Previously Computershare and Crowd Mobile Limited.

# Corporate Overview

DSE has a strong balance sheet and zero debt

Top 50 share registry breakdown



## Board of Directors

Theo Hnarakis  
Charif Elansari  
Bruce Tonkin

Non-Executive Chairman  
Managing Director  
Non-Executive Director

## Substantial Shareholders

Topline Capital Partners (USA)	19.8%
Tracy Anne Fearon	6.4%
Charif Elansari	5.7%
HSBC Custody Nominees (AU)	5.0%
BNP Paribas Nominees Pty Ltd (AU)	5.1%
<b>Total</b>	<b>42.3%</b>

## Financial Information

Share price as of July 16, 2021	21.0 cents
Ord Share on Issue (M)	580
52-week trading (low/high)	0.061/0.225
<b>Market Cap (\$)</b>	<b>\$118.8M</b>
Cash (30 June 2021)	\$2.40M
Debt (30 June 2021)	nil

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