

DROPSUITE LIMITED | ASX:DSE

DropSuite | Investor Presentation

Q3 RESULTS UPDATE

October 2021

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 2nd 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/>

The Product Suite



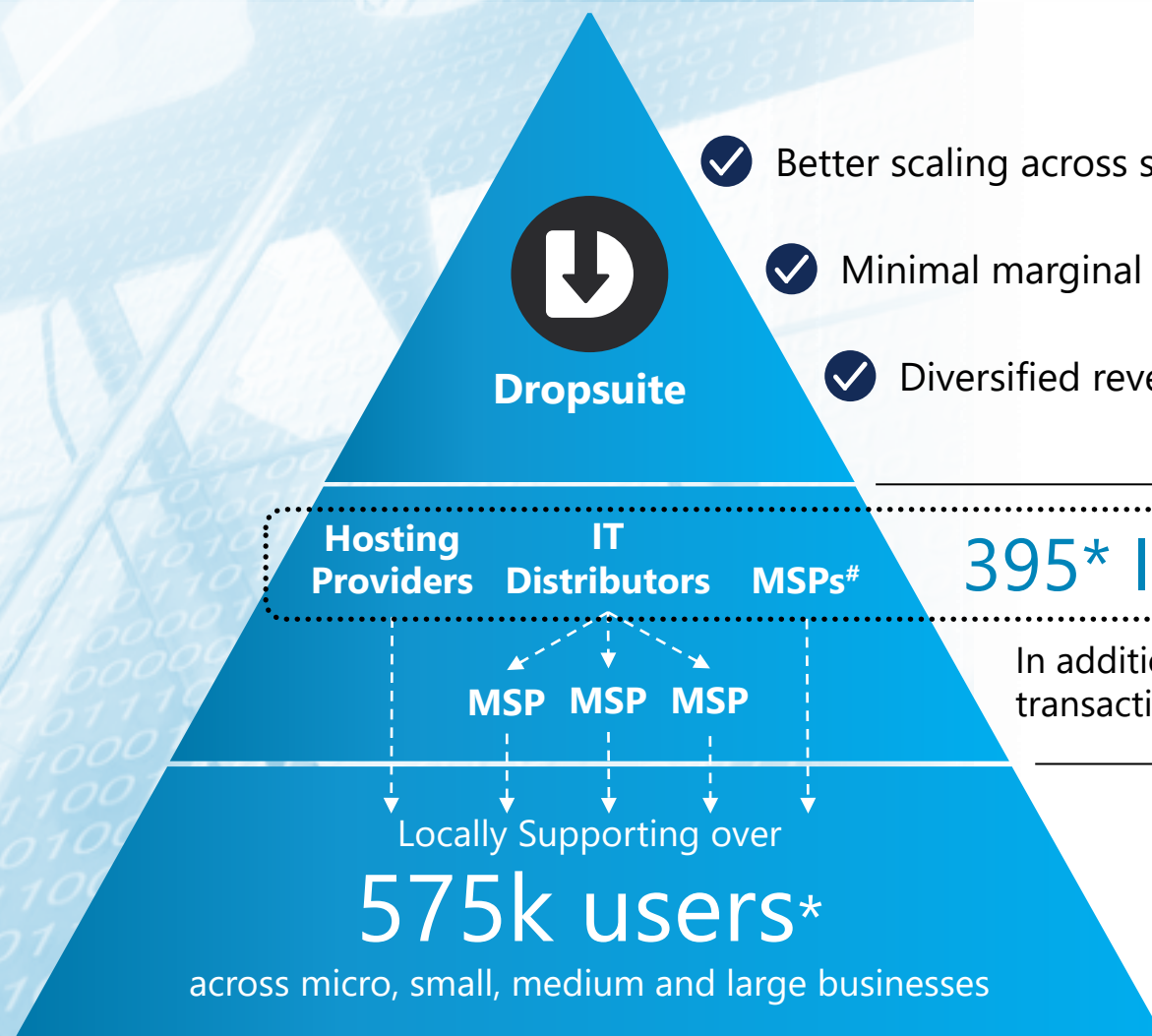
Market Size: Microsoft 365 & Google Workspace

Significant whitespace opportunity and growing



* William Blair Research calculates 300 million Microsoft 365 users in 2020 growing to 500 million in the next few years. Google Workspace users forecast is based on internal estimate

Partner-led Business Model



- ✓ 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

395* IT Reseller Partners Globally

In addition to hundreds of Managed Service Providers (MSPs) transacting via IT Distributors

MSP: Managed Service Provider * As at 30 September 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



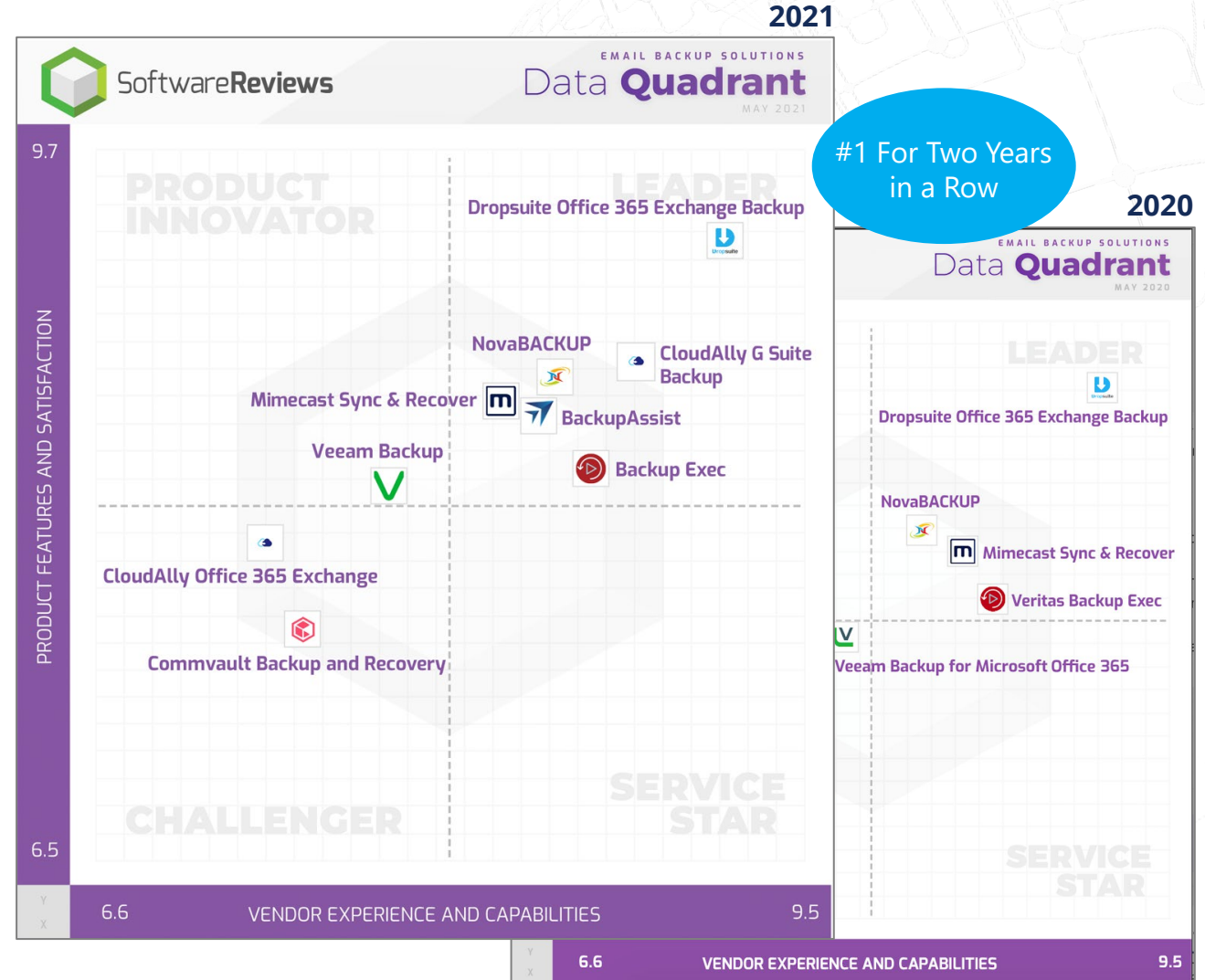
Cutting-edge Cloud Platform

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



3Q FY21 Results



Q3 FY21 Results Overview

Solid momentum across the business

**Annual
Recurring
Revenue¹**

\$13.1m



81% on PCP
14% on Q2

**Average
Revenue
Per User**

\$1.90/mo



19% on PCP
3% on Q2

**Normalised
Operating
Cashflow²**

\$0.09m



171 on PCP
505% on Q2

**Reseller
Partners**

395



35% on PCP
12% on Q2

**End
Users**

575k



52% on PCP
11% on Q2

**Cash
Position**

\$21.4m



641% on PCP
790% on Q2

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted monthly 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 From Operations was \$0.07m with Cash at Bank at end of June of \$21.38m
3. QoQ and PCP for all ARR and Average Revenue Per User are all based on constants currency basis.

Delivered slated cashflow positive quarter

(\$Million) per quarter	Sep 21	Jun 21	Sep 20	QonQ	PCP
Cash Receipts	2.84	2.40	1.69	18%	68%
<i>Normalised Cash Receipts¹</i>	2.84	2.40	1.59	18%	78%
Net Cash Generated from Operations	0.09	(0.02)	(0.13)	505%	171%
<i>Normalised Net Cash Generated from Operations</i>	0.09	(0.02)	(0.26)	505%	134%
Cash at hand	21.40	2.40	2.89	790%	641%

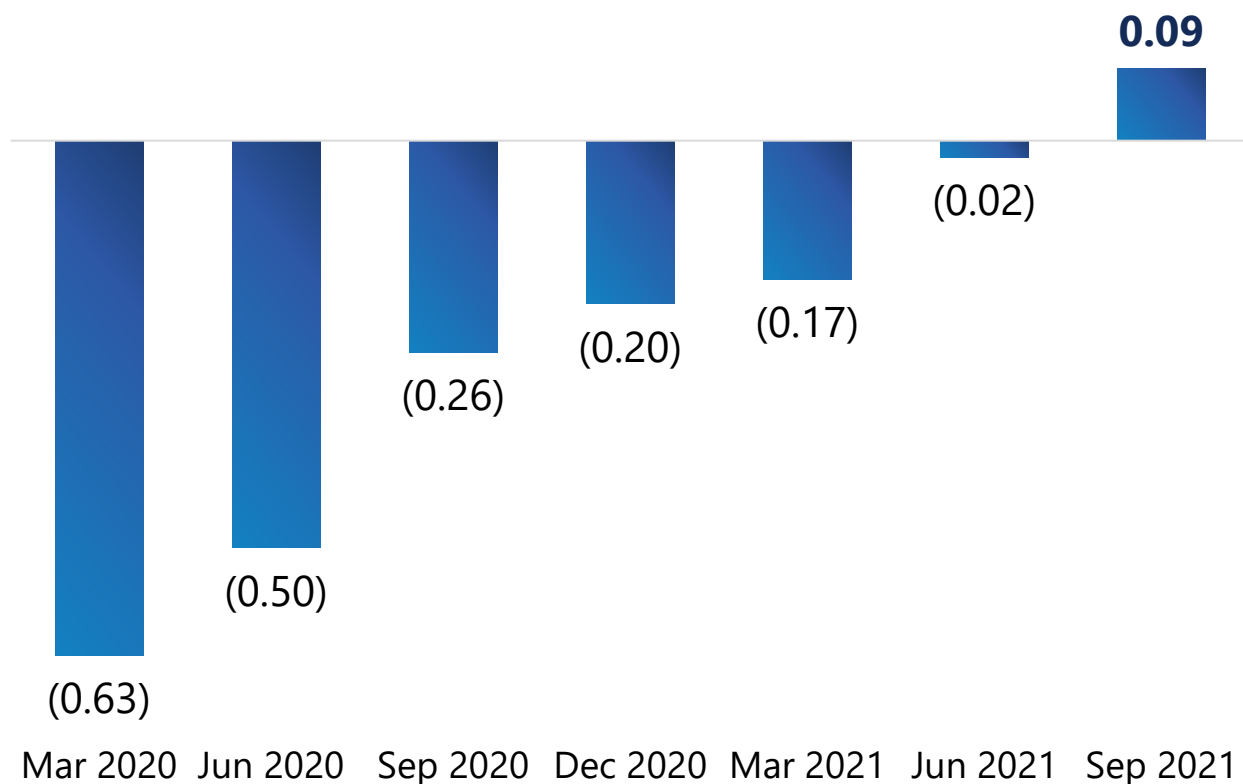
Cash Receipts : Normalised cash receipts for the quarter were \$2.84m, an increase of 18% QoQ and 78% on PCP

Normalised Cash Generated from Operations: Increased from negative to positive cashflow generation of \$0.09m with similar increases in revenue and continued cost control measures in place expected to deliver similar quarterly cash growth providing opportunity to reinvest for growth

^{1.} Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash From Operations was \$0.0*m with Cash at Bank at end of September of \$21.40m

Reinvesting for future growth while maintaining profitability

Quarterly Operational Cashflow (A\$M)



Reinvesting for future growth



Product Development



Sales and Marketing



New product integrations



Distribution channels

Solid results over the past 12 months

Top 10 Partner Revenue Contribution

↓ **5% to 66%**

Partner Churn Rate²

Stable at <3%

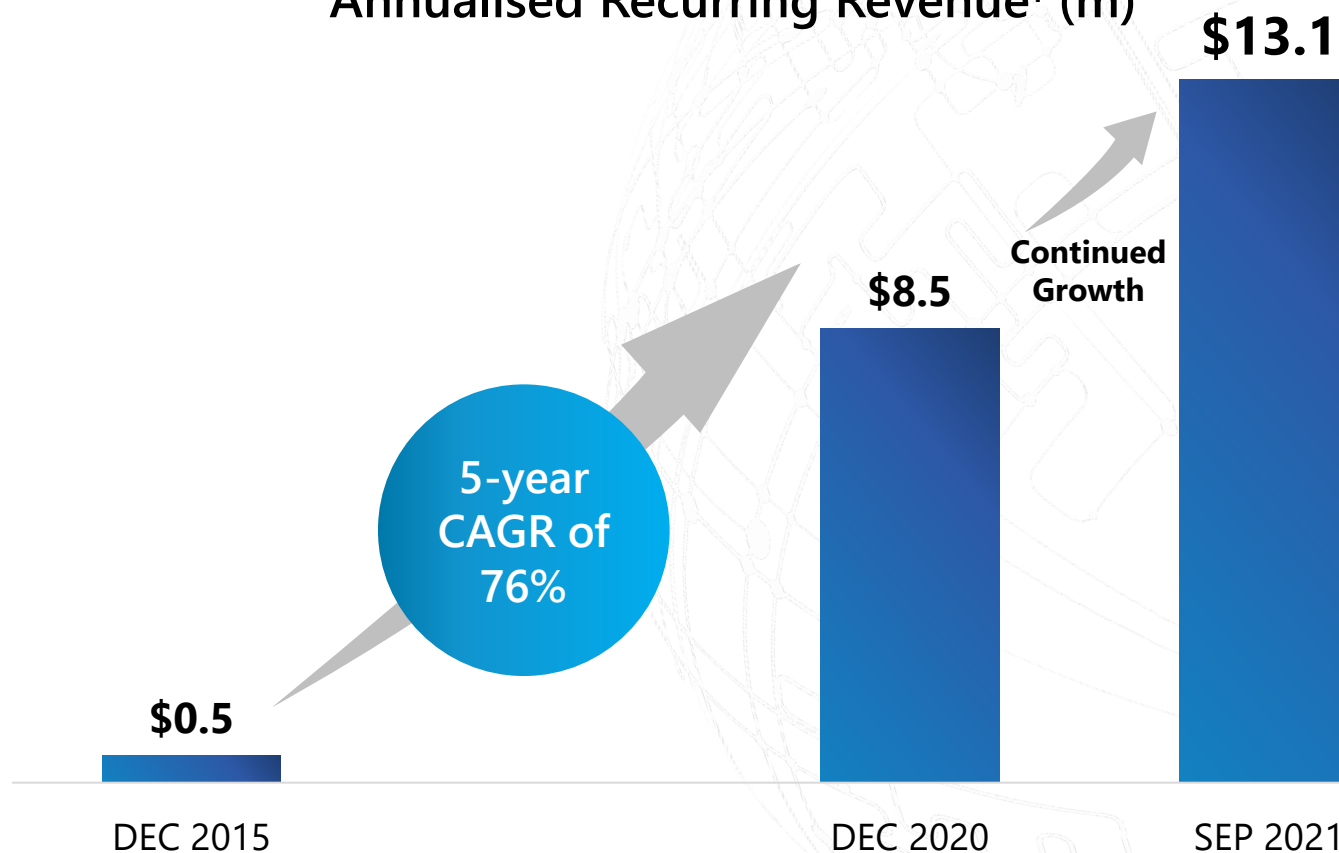
Monthly Revenue per User³

↑ **19% to \$1.90**

End Users

↑ **52% to 575k**

Annualised Recurring Revenue¹ (m)



1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted monthly recurring revenue multiplied by 12 months
2. September 2021 Revenue Churn is defined as Lost Revenue in September 2021 divided by September 2020 Revenue
3. Percentage growth is on previous corresponding period and constant currency

Outlook



Growth Pillars



Growth Through Partnerships

Increase global footprint by onboarding new partners

Expand Integration options for new and existing partners

01



Continuous Product Innovation

Focus on continued product differentiation

Uphold product leadership as #1 email backup

02



Diversify Revenue and Boost ARPU

Shift mix to higher featured and higher priced SKUs

Reduce top 10 Revenue contribution while maintaining 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
Asia Pacific

Any Segment

End Clients from
1-1000s of users

Any Vertical

Including:
Healthcare
Financial
Government



FINRA

Outlook



Strong market tailwinds from data security and regulation are expected to stay for the foreseeable future



Set to deliver ARR growth via partner ecosystem and strong sales pipeline



Driving product innovation to maintain our leading position as a backup vendor of choice



Positioned to achieve operating EBITDA profitability for fiscal year 2021 with further investment in talent bench-strength as well as sales and marketing expansion



Advancing M&A opportunities which are accretive and leverage existing internal growth and take advantage of strong market tailwinds around data protection

QUESTIONS





dropsuite.com



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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

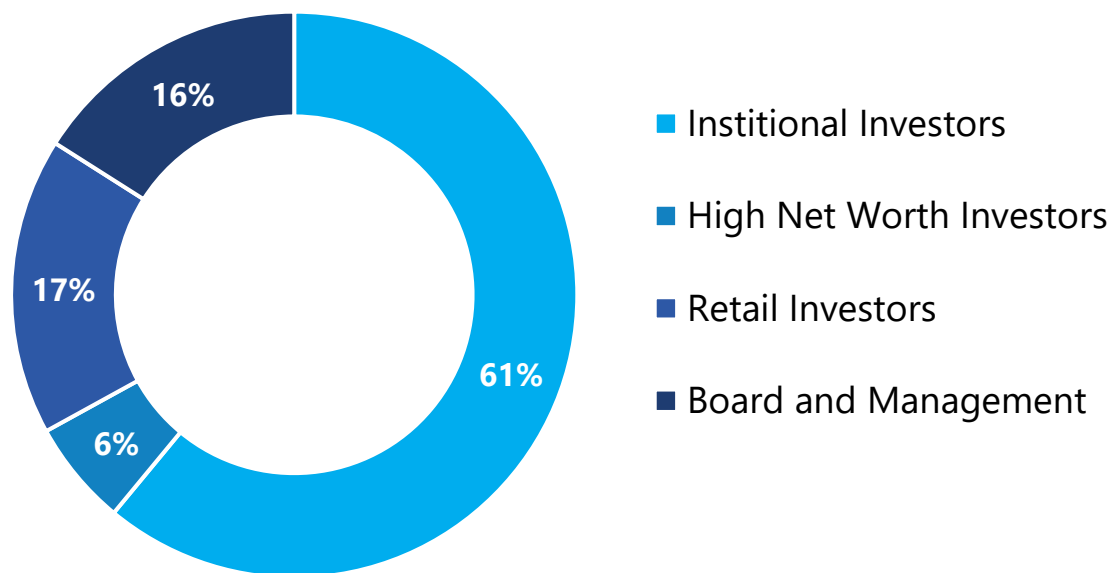
- 20 years of finance experience in listed technology and media companies
- Previously Computershare and Crowd Mobile Limited.



Corporate Overview

DSE has a strong balance sheet and zero debt

Top 50 share registry breakdown



Board of Directors

Theo Hnarakis	Non-Executive Chairman
Charif Elansari	Managing Director
Bruce Tonkin	Non-Executive Director

Substantial Shareholders

Topline Capital Partners (USA)	19.8%
Tracy Anne Fearon	5.5%
Charif Elansari	4.9%
HSBC Custody Nominees (AU)	5.0%
BNP Paribas Nominees Pty Ltd (AU)	5.1%
Total	40.3%

Financial Information

Share price as at 18 October, 2021	20.0 cents
Ord Share on Issue (M)	682
52-week trading (low/high)	0.100/0.270
Market Cap (\$)	\$136.3M
Cash (30 September 2021)	\$21.4M
Debt (30 September 2021)	nil

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