

DROPSUITE LIMITED | ASX:DSE

# Dropsuite | Investor Presentation

Quarterly Results Update

April 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



## Backup Leader

#1 cloud vendor as validated by infoTech



## Global Presence

Deployed across >100 countries to over 470k users

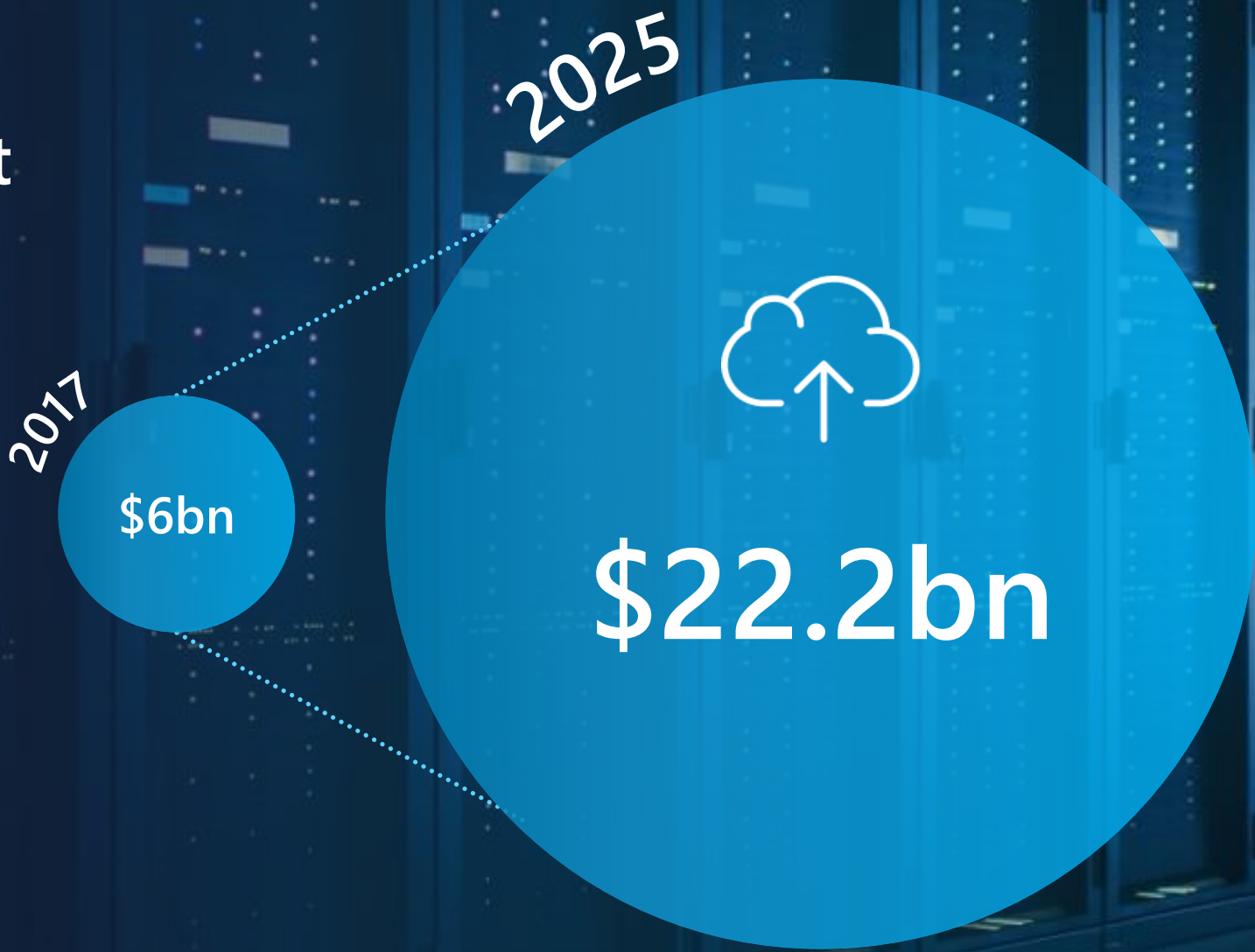


## Committed Team

Staff across four offices globally

# Global Data Backup and Recovery Market Growth Potential

Cloud Backup and Recovery Software Market forecast to reach \$22 billion by 2025, with market growth rising at a CAGR of 24% during the forecast period



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/>

# Tailwinds Propelling Growth

Favourable market and regulatory drivers



## Cybersecurity & Data Loss Threats

90% of sophisticated cyber-attacks start through email  
62% of breaches and data loss occur through human error



## Data Protection Regulatory Compliance

GDPR and multiple regulations in healthcare, financial and other verticals dictate strict data protection and governance



## Economical Pressures

Cloud services disrupting IT providers' margin streams making the focus on recurring revenue services critical to survival



## User Experience

Partners demand a seamless user experience throughout the sales and support cycle

## Recent Cybersecurity events

**Acer** reportedly hit with **\$50 million ransomware** demand.  
- **March 2021**

A global wave of cyberattacks and data breaches began in January 2021 after four zero-day exploits were discovered in on-premises **Microsoft Exchange Servers**, more than **30,000** businesses affected.  
- **January 2021**

Personal data for **533 million Facebook users** leaks on the web.  
- **April 2021**

**Microsoft Service Agreement - Clause 6B**  
Microsoft is **not liable** for any disruption or loss .... We recommend that you **regularly backup your content and data that you store on the services or store using Third Party Apps and Services.**<sup>1</sup>



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# 1Q FY21 Results



# 1Q FY21 Results Overview

Solid results across all key metrics

**Annual Recurring Revenue\*** **\$9.56m**  
↑ 77% on pcp

**Average Revenue per User\*** **\$1.68/mo**  
↑ 18% on pcp

**Normalised Cash burn** **(\$0.17m)**  
↓ (74%) on pcp

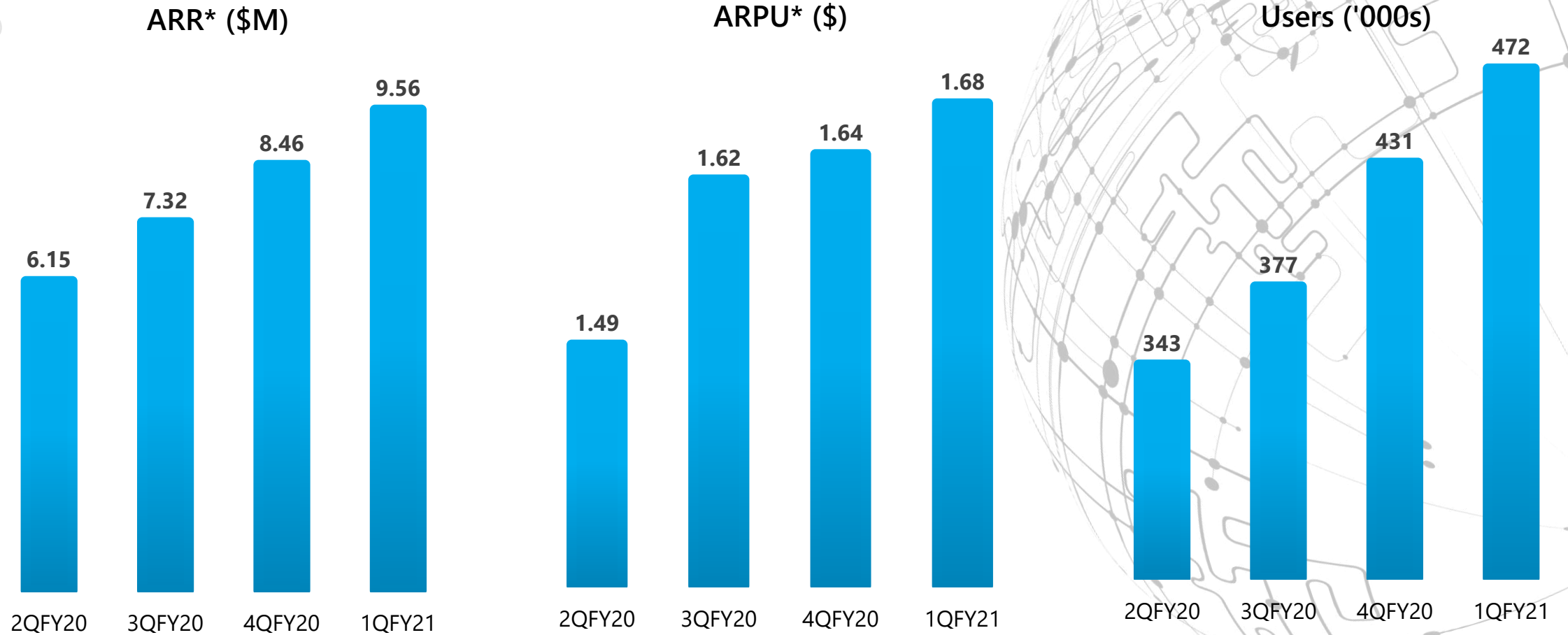
**Reseller Partners** **335**  
↑ 35% on pcp

**End Users** **472k**  
↑ 50% on pcp

**Partner Churn Rate** **<3%**  
↔ flat on pcp

PCP - Previous Corresponding Period  
\* Percentage pcp growth is based on Constant Currency

# Growth in Key Performance Metrics



\*Calculated on a Constant Currency basis

# Q1'21 Continued trend towards decreasing cash burn

(\$Million)	Mar 21	Dec 20	Mar 20	QonQ	PCP
Cash Receipts	<b>2.29</b>	1.70	1.24	35%	84%
<i>Normalised Cash Receipts</i>	<b>2.16</b>	1.89	1.24	14%	73%
Net Cash from Operations	<b>(0.04)</b>	(0.40)	(0.63)	(90%)	(94%)
<i>Normalised Net Cash from Operations</i>	<b>(0.17)</b>	(0.20)	(0.63)	(19%)	(74%)
Cash at hand	<b>2.44</b>	2.48	3.68	(2%)	(34%)

**Cash Receipts** : Normalised cash receipts for the quarter were \$2.16m, an increase of 14% QoQ and 73% on PCP

**Normalised burn**: Decreased 19% QoQ and 74% on PCP with continued cost control measures in place to improve net cash from operations in 2021



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# Our Products & Business Model



# The Product Suite



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# The Dropsuite Advantage



## Exceptional User Experience

Simple intuitive interface that is packed with useful and powerful features, including insights and analytics



## Seamless Partner Integration

Integrates with any partner infrastructure and delivers streamlined provisioning, billing and support



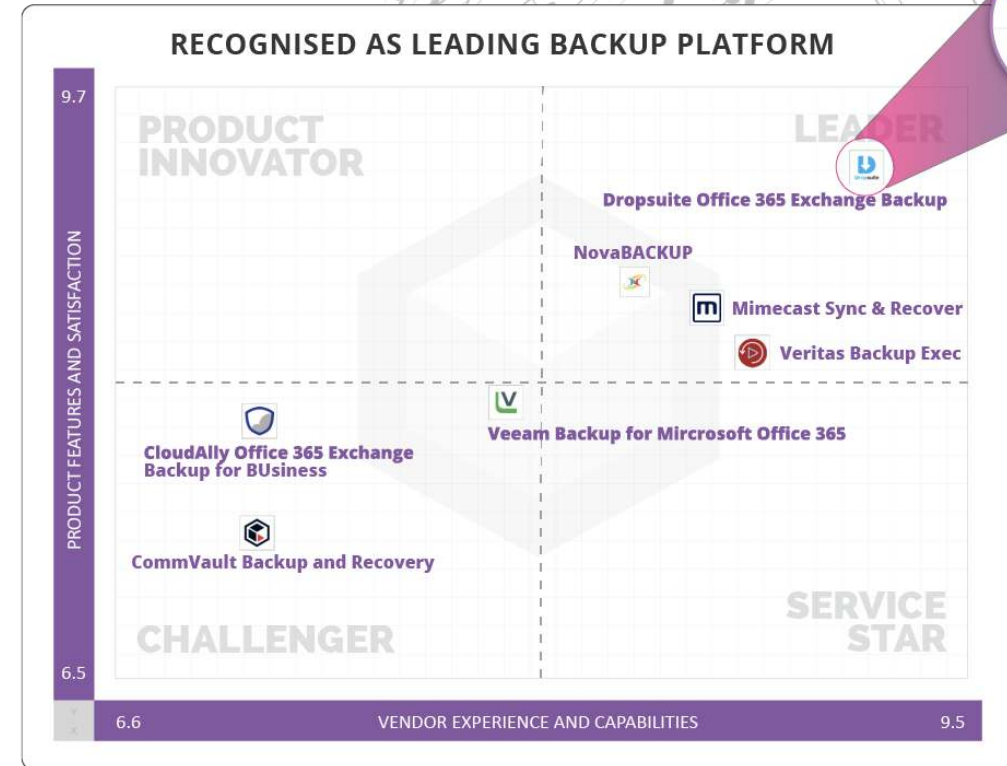
## Cutting-edge Cloud Platform

Built for the cloud from day one. Secure public and private cloud platform deployed globally

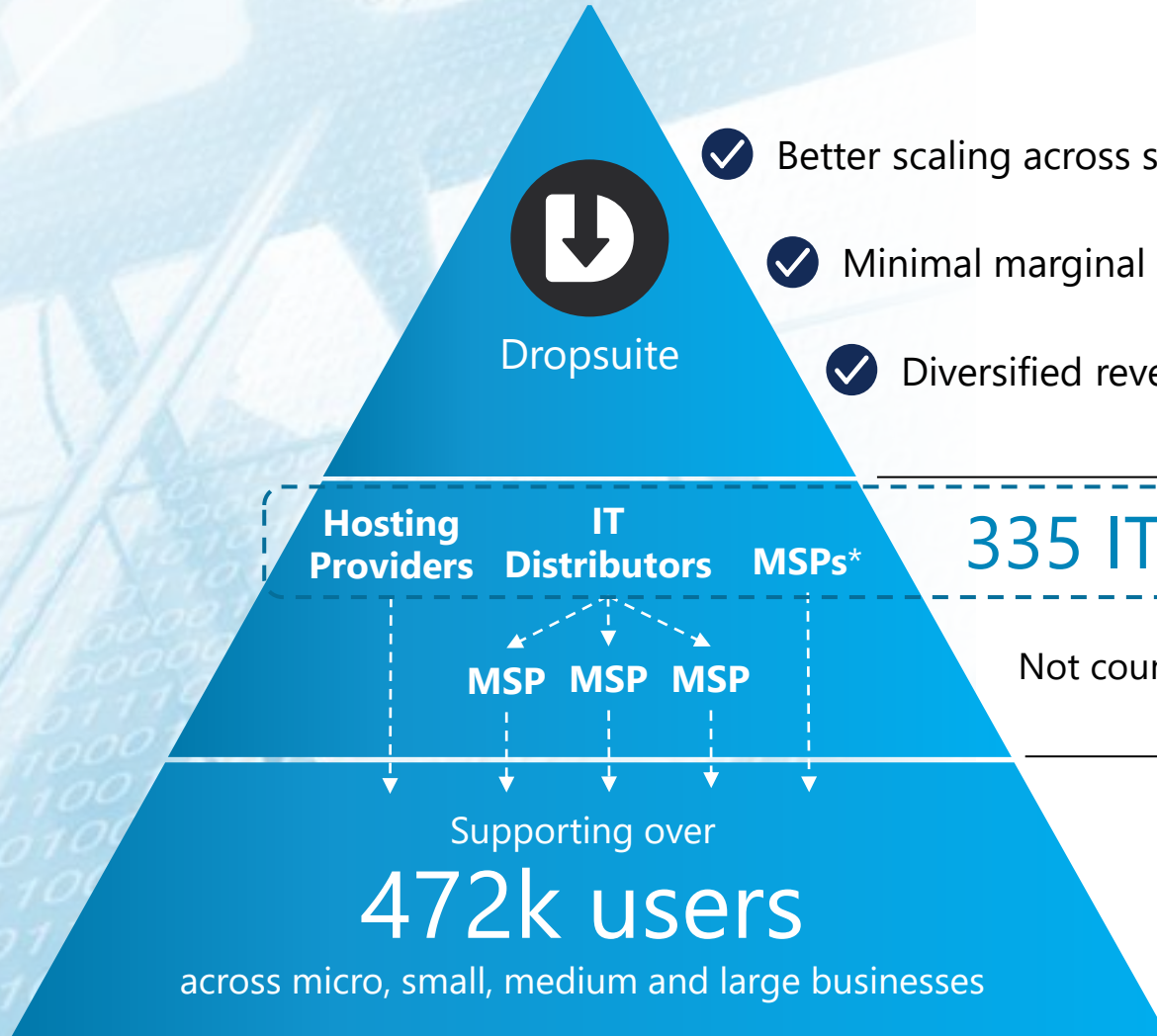


## Highly Responsive Team

Expert training, marketing and technical support delivered by an agile and passionate team



# 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

**335 IT Reseller Partners Globally**

Not counting hundreds of MSPs transacting via IT Distributors

**+ \$9.56M**  
ARR

# Growth Through Global Reseller Partnerships

Global footprint with 335 IT Partners. Massive headroom for growth from existing and new partners

## Key Updates

Solid and motivated sales team continue to actively engage with current and new partners

17 new transacting partners onboarded in the quarter

Top 10 Partners contributing 69% of Revenue down from 71% PCP

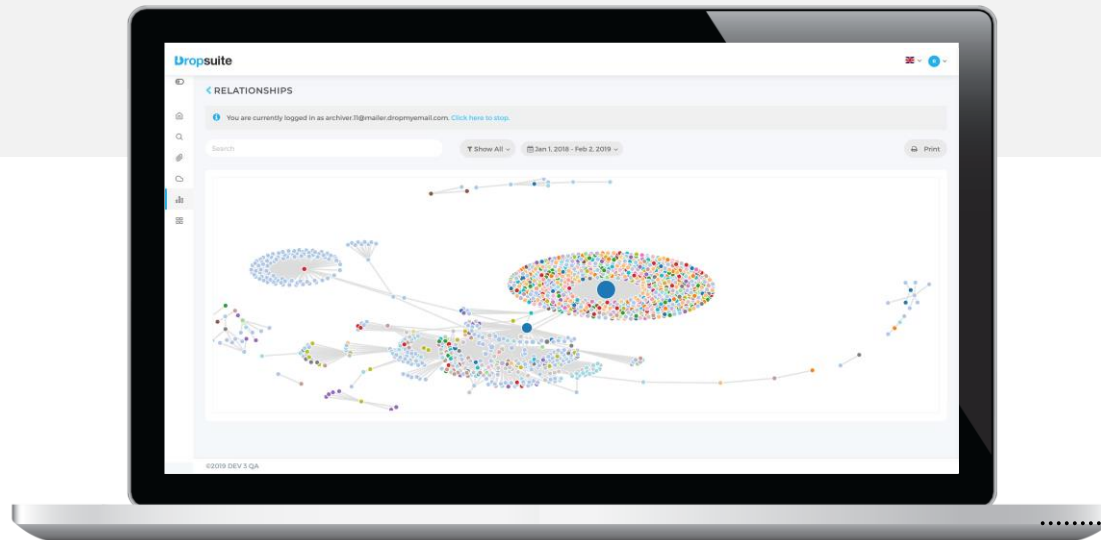
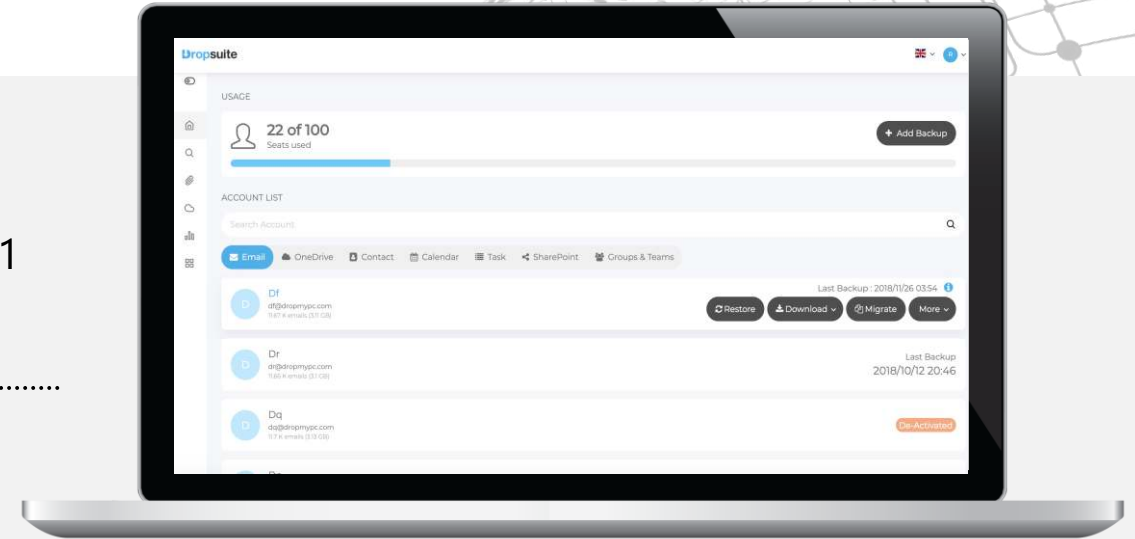
Partner Revenue Churn for March 2021 at best-in-class level below 3%



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# Continuous Product Innovation

- #1 email backup by Info-tech, a software research firm
- More than 50 product upgrades and enhancements in 2021



- Increased product functionality for all customer segments
- Launch of AWS data centre for US Gov't customers
- Enhanced integration options for IT Reseller Partners
- Two strategic partner integrations launched and now transacting
- External security audit and on track to SOC2-2 in Q4'21

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# Outlook



# Three Pillars of our Growth Strategy

## Areas of Focus / Investment



### Growth Through Partnerships

Online and offline (2H'21) presence to capitalize on product leadership validation

Partner enablement for joint success (training, marketing, etc)

01



### Continuous Product Innovation

Increased functionality and optionality for partners and end clients

Further platform scaling & security enhancements and certification

02



### Diversity of Revenue and Boost ARPU

O365 and G Suite Backup and Email Archiving to drive ARPU growth

Monetise new strategic partners and clients

03

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# 2021 Outlook



**Strong ARR and user growth** trajectory driven by our existing partner ecosystem and a strong sales pipeline



Well-funded for organic growth and positioned to reach **profitability and cash break-even** within 2021



Well positioned in a **structurally growing market** (cybersecurity, cloud & regulation)



**Continued investment** in future growth by expanding product offering and growing the partner base

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# Appendices



# Dropsuite Email Backup also Ranks #1 in Satisfaction for 21 of the 22 Product Feature and Vendor Capability Categories

## Vendor Capabilities

- #1 Business Value Created
- #1 Ease of Data Integration
- #1 Ease of Implementation
- #1 Product Strategy And Rate Of Improvement
- #1 Vendor Support
- #1 Usability And Intuitiveness
- #1 Breadth Of Features
- #1 Quality Of Features
- #1 Availability And Quality Of Training
- #1 Ease Of IT Administration
- #2 Ease of Customization

## Product Features

- #1 Mailbox Backup Restore
- #1 Security
- #1 Granular Restore
- #1 Permissions Awareness
- #1 Support for Backup Types
- #1 Transaction Log Backup Restore
- #1 Backup Archiving
- #1 Full System Backup Restore
- #1 Compliance
- #1 Information Store Backup Restore
- #1 Media Support

# Leadership Team

## 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

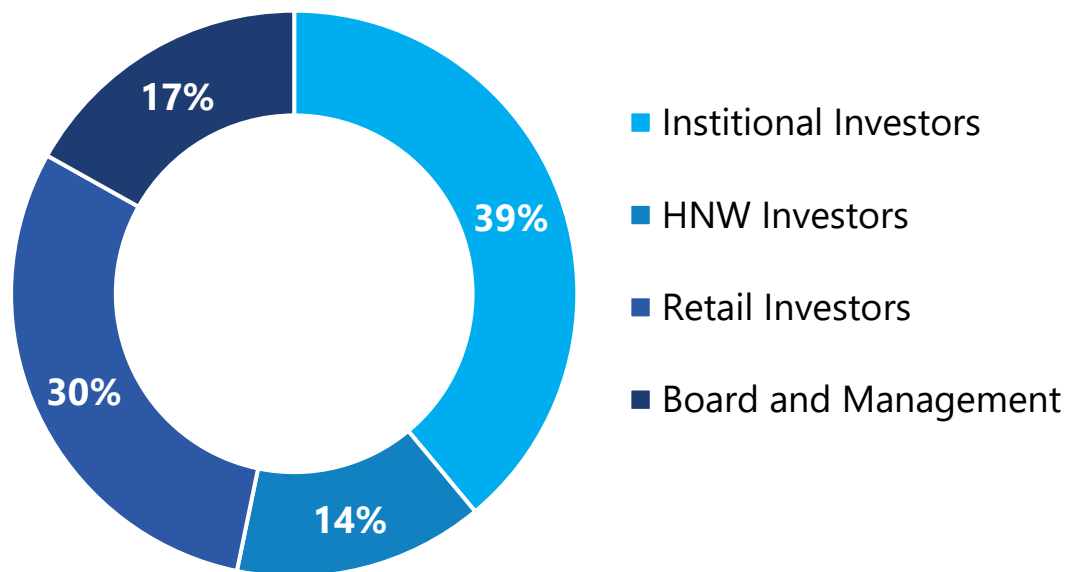


- 15 years of finance experience in listed technology and media companies
- Previously Computershare and Crowd Mobile Limited.

# 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	6.7%
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 April 19, 2021	21.0 cents
Ord Share on Issue (M)	580
52-week trading (low/high)	0.037/0.225
<b>Market Cap (\$M)</b>	<b>\$113.09</b>
Cash (31 March 2021)	\$2.44M
Debt (31 March 2021)	nil

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This presentation is authorised by the Board of Directors

