

DROPSUITE LIMITED | ASX:DSE

Dropsuite | Investor Presentation

2Q FY22 Quarterly Results Update

July 2022



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



Mission Critical for Cyber defence

Large and growing addressable market



Industry leader in Cloud backup

Voted #1 Microsoft Backup for 3 years in a row



Growing global presence

Over 808k users across +100 countries



Highly responsive team

Across Asia Pacific, North America and Europe



Scalable and Recurring Revenue

Pure SaaS via scalable partnership business model

The Challenge

90%



of Cybersecurity attacks start with email

\$20B



global cost of ransomware in 2022

200K



privacy breach cases reported in year 1 of GDPR

62%



of breaches and data loss occur through human error

The Opportunity

Massive **budget allocations** to Cybersecurity and backup

20k **Software-as-a-Service** providers with >15B end users

84% of companies **don't backup** their SaaS application data (US)

Data Privacy and security **regulation** coupled with remote work

General Data Privacy Regulation (GDPR) is a set of strict data privacy rules that went into effect in mid 2018 for European citizens.
1. 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 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 search, 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



2Q FY22 Results



Solid Operational Metrics Delivered

Solid momentum across the business

Annual Recurring Revenue¹ **\$20.1m**
↑ 68% on PCP
13% on QoQ

Paid Users **808k**
↑ 56% on PCP
11% on QoQ

Monthly ARPU **\$2.07**
↑ 7% on PCP
1% on QoQ

Gross Margin % **64%**
↑ 100 basis point QoQ

Direct Transacting Partners **453**
↑ 28% on PCP
8% on QoQ

Revenue Churn **<3%**
↑ 0% on PCP
0% on QoQ

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted monthly recurring revenue multiplied by 12 months. PCP based on Constant Currency

2. June 2022 Revenue Churn is defined as Lost Revenue in June 2022 divided by June 2021 Revenue

3. Percentage growth is on previous corresponding period and constant currency

Delivered cashflow positive quarter

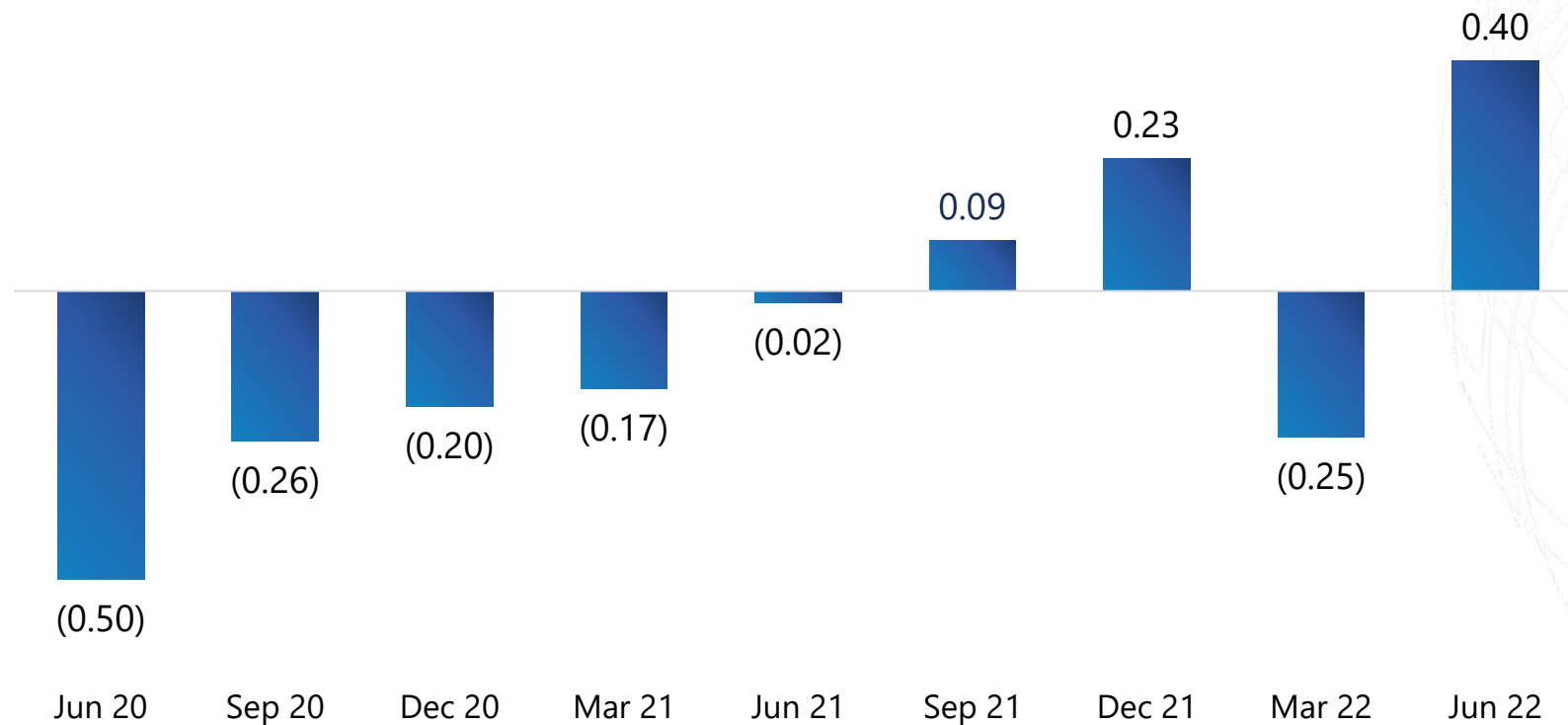
(\$Million) per quarter	Jun 22	Dec 21	Jun 21	QonQ	PCP
Cash Receipts	4.34	3.72	2.40	17%	81%
<i>Normalised Cash Receipts¹</i>	4.34	3.72	2.40	17%	81%
Net Cash from Operations	0.40	(0.52)	(0.02)	179%	N/M
<i>Normalised Net Cash from Operations</i>	0.40	(0.25)	(0.02)	266%	N/M
Cash at hand	21.55	21.07	2.44	2%	796%


Normalised net cashflow generated from operations of \$0.40 million, reversing the performance of the previous quarter and returning to the trend of previous positive cashflow quarters

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 Generated From Operations was \$4.34m with Cash at Bank at end of June of \$21.55m

Reinvesting for future growth while maintaining profitability

Quarterly Normalised Operational Cashflow (A\$M)



Return to positive cashflow 

- Largest positive cash flow quarter
- Reaffirm guidance for cash positivity in 2022

Technology Update



Technology initiatives

Multiple technology initiatives to enhance growth and increases partner & customer satisfaction



Grow the team

- Team expansion
- Organisational alignment
- Increase training and development



Innovate for growth

- Technology Stack
- Data Pipeline
- Automation



Scale the cloud

- Multi-Cloud approach
- Cost optimization
- Enterprise-grade 3rd party tools
- Follow best practice cloud security architecture



Drive data and insights

- Product metrics
- Engineering metrics
- Partner and User dashboards

Scale the Cloud

Choosing the right cloud technologies enables growth at optimal cost



Multi-Cloud

Using a multi-cloud hosting strategy (public cloud, multi-vendor and private cloud) enables us to choose the best service and drive better performance of the application



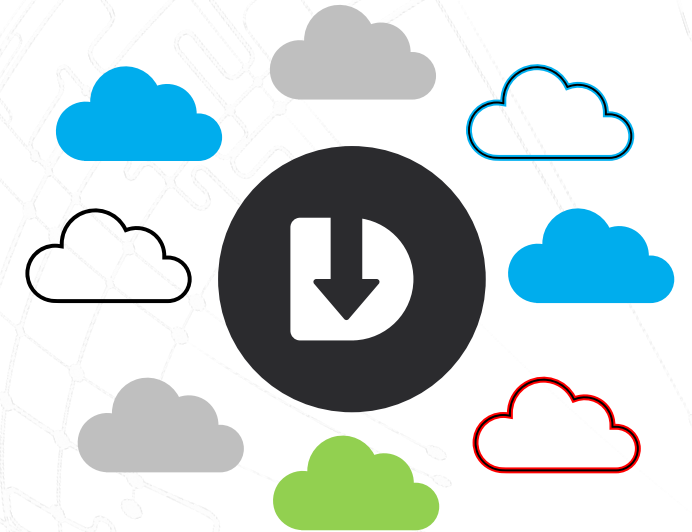
Cost optimization

Technology initiatives that focus on storage cost optimization, compression and encryption allow us to contain costs and drive better gross margins



Enterprise Grade Tools

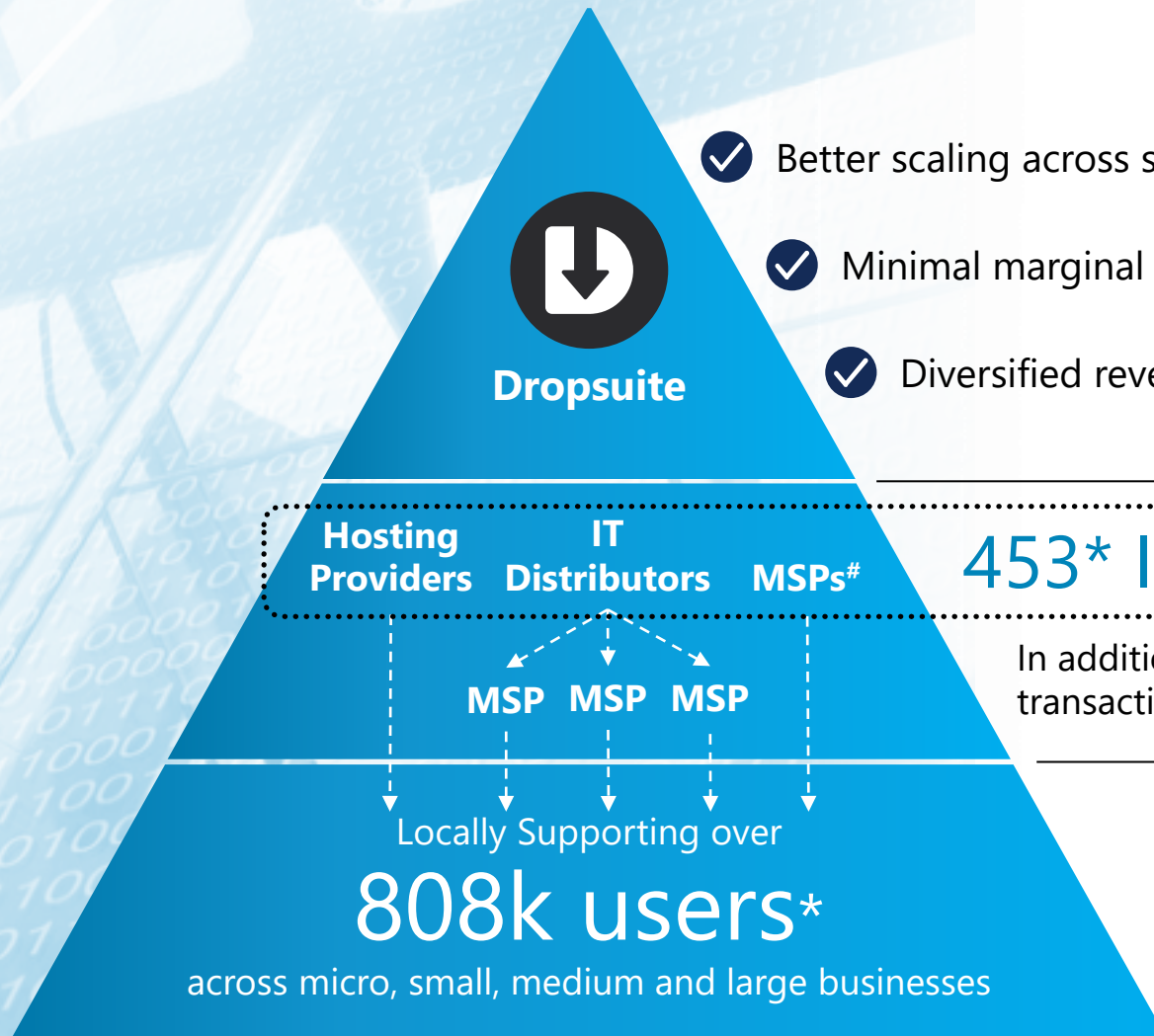
“Buying” best of breed 3rd party tools for non-core functions like deployment, content management and monitoring enables our engineers to focus on the core product roadmap



Delivering Future Growth

The image features a blue background with a globe of white circuit lines on the left side. On the right side, there is a vertical strip of binary code (0s and 1s) in a lighter blue color. The text "Delivering Future Growth" is written in white, bold, sans-serif font across the middle of the image.

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

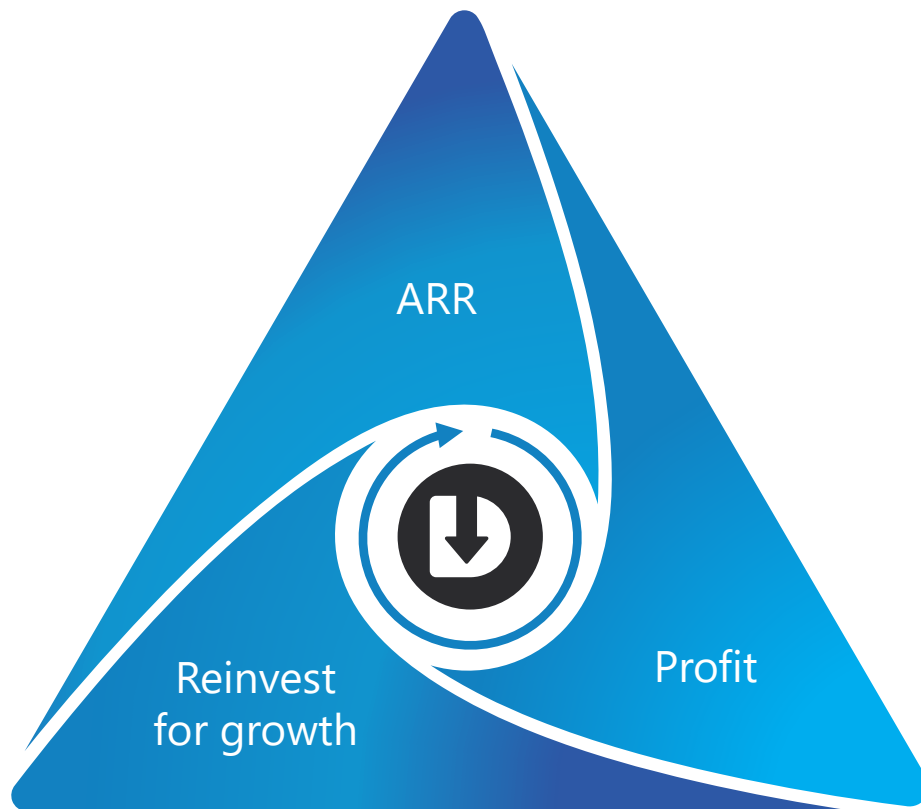
453* IT Reseller Partners Globally

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

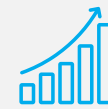
#MSP: Managed Service Provider * As at 30 June 2022

Investment framework

Our Investment Framework



Enablers of Growth



Significant industry tailwinds



Product leadership



Growing partner network



Underserved large addressable market



Highly skilled and motivated team

Pillars of Growth To Sustain Exponential Growth



Our Growth Strategy and Ambition

01

Existing Organic Business

- Maintain & sustain our product leadership
- Expand partner base currently at 2% penetration
- Grow sales footprint

02

New Product Innovation

- Augment our data protection platform
- Cross-sell to existing channel partners
- Increase users, ARPU and GM%

03

Accretive Acquisitions

- Target accretive acquisitions
- Broaden our scope of data protection solutions
- Cross-sell to growing channel partner base

2025

Our Ambition

- Leading backup and recovery company
- Grow at ~2x industry growth rates to 2025

Investment Highlights and Outlook



Strong market tailwinds from data security and regulation



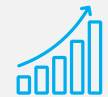
Market leading position is SaaS backup



Highly engaged team with the people and structure to support growth



Exploring accretive M&A opportunities



ARR growth via partner ecosystem and strong sales pipeline



FY22 guidance for positive operating cash flow

 dropsuite.com [dropsuite](https://twitter.com/dropsuite)

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This presentation is authorised by the Board of Directors

Appendix



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

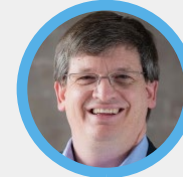
Non-Executive Chairman



- 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

MANOJ KALYANARAMAN

Chief Technology Officer



- Product and Engineering leader with experience in global engineering delivery
- Previously Tech leader at Intuit (NASDAQ: INTU) and BitTitan, a pioneer in Cloud migration

BILL KYRIACOU

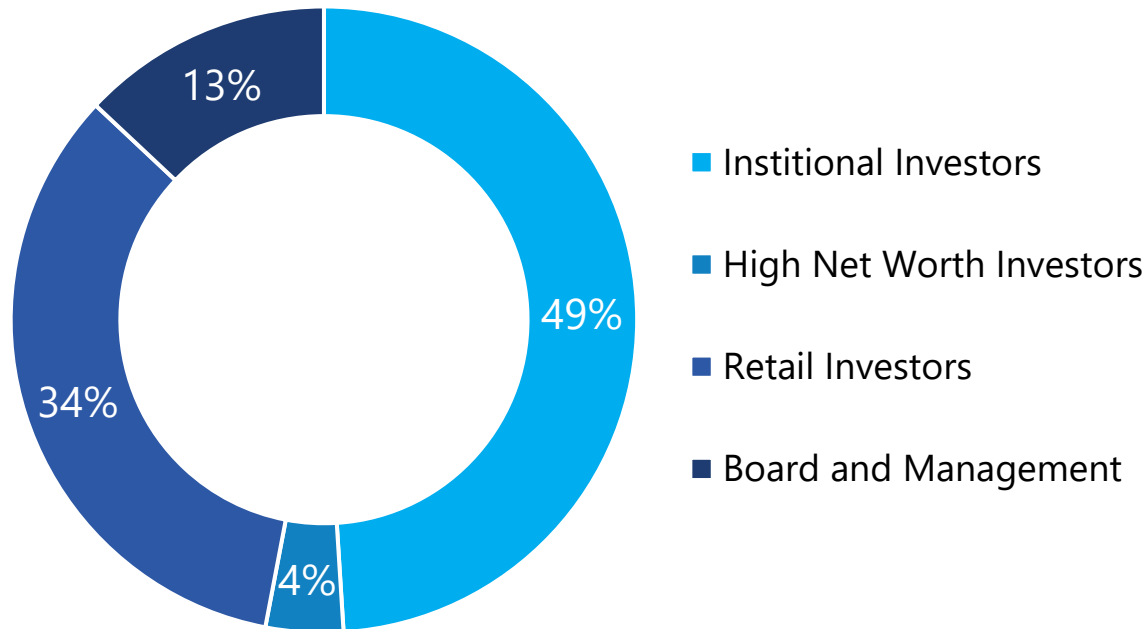
Head of Finance



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

Corporate Overview

Top 50 share registry breakdown



Financial Information

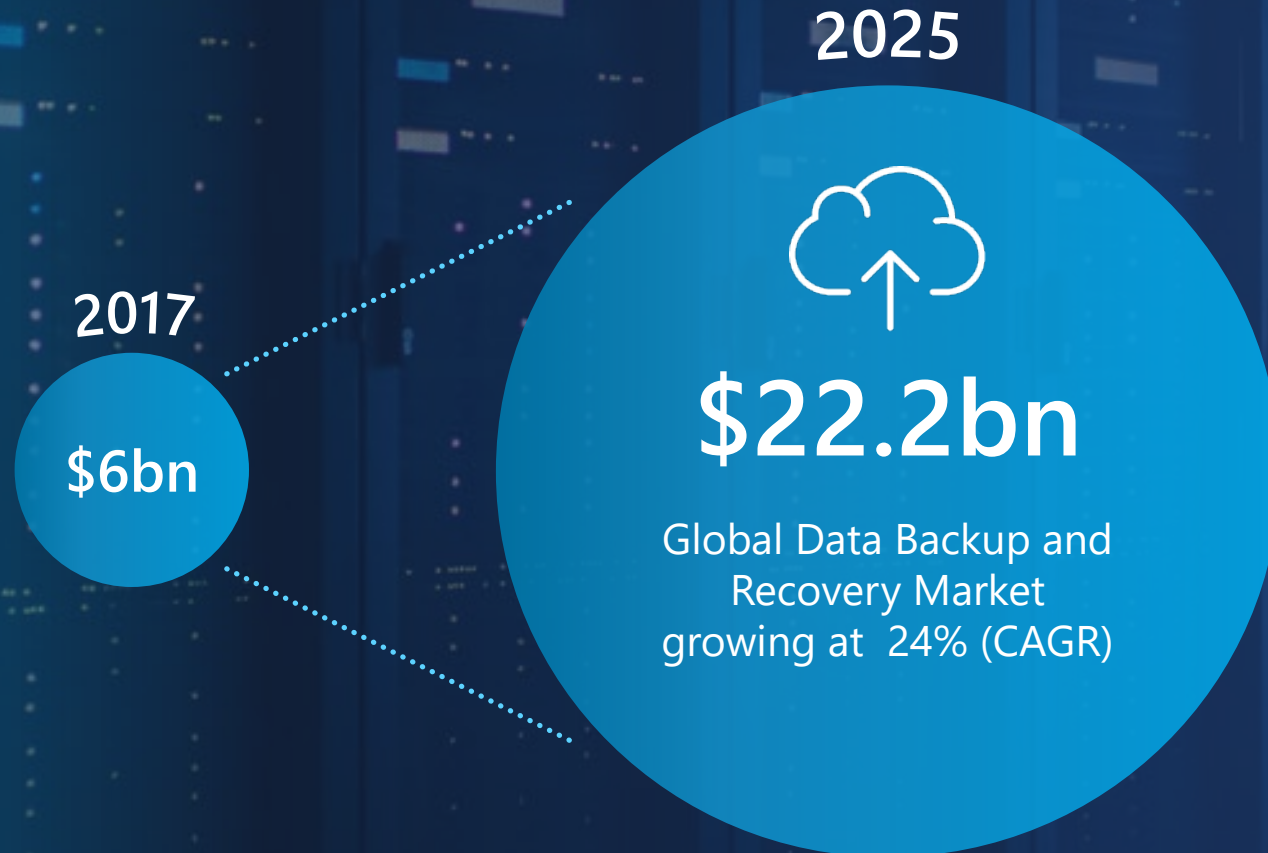
Share price as of June 30, 2022	19.5 cents
Ord Share on Issue (M)	682
52-week trading (low/high)	0.15/0.285
Market Cap (\$)	\$133M
Cash (30 June 2022)	\$21.6M
Debt (30 June 2022)	nil

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Tailwinds Propelling Growth

Industry growing at 24% per year



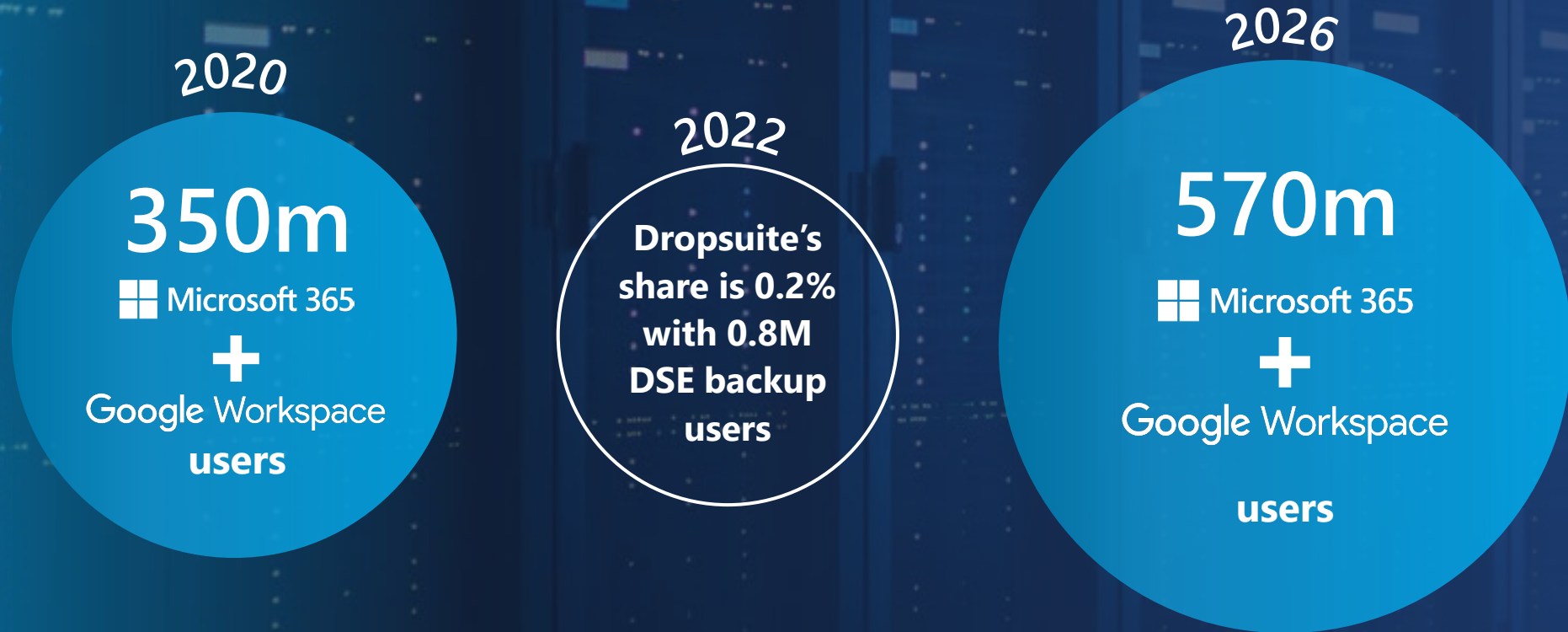
Source: <https://www.globenewswire.com/news-release/2020/03/04/1995163/0/en/Cloud-Backup-and-Recovery-Software-Market-to-Reach-22-22-Billion-Globally-by-2025-Says-Allied-Market-Research.html/>

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