

DROPSUITE LIMITED | ASX:DSE

Dropsuite | Investor Presentation

3Q FY22 Quarterly Results Update

October 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 886k 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

WW 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

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 to meet data sovereignty regulatory requirements



Highly Responsive Team

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



3Q FY22 Results



Strong Operational Metrics Delivered

Continued momentum across the business

**Annual
Recurring
Revenue¹**

\$23.3m

↑ 63% on PCP
11% on QoQ

**Paid
Users**

886k

↑ 54% on PCP
10% on QoQ

**Monthly
ARPU**

\$2.20

↑ 6% on PCP
1% on QoQ

**Gross
Margin %**

66%

↑ 200 basis
points QoQ

**Direct
Transacting
Partners**

473

↑ 20% on PCP
4% 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. September 2022 Revenue Churn is defined as Lost Revenue in September 2022 divided by September 2021 Revenue

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

Trend of positive quarterly cashflow continues

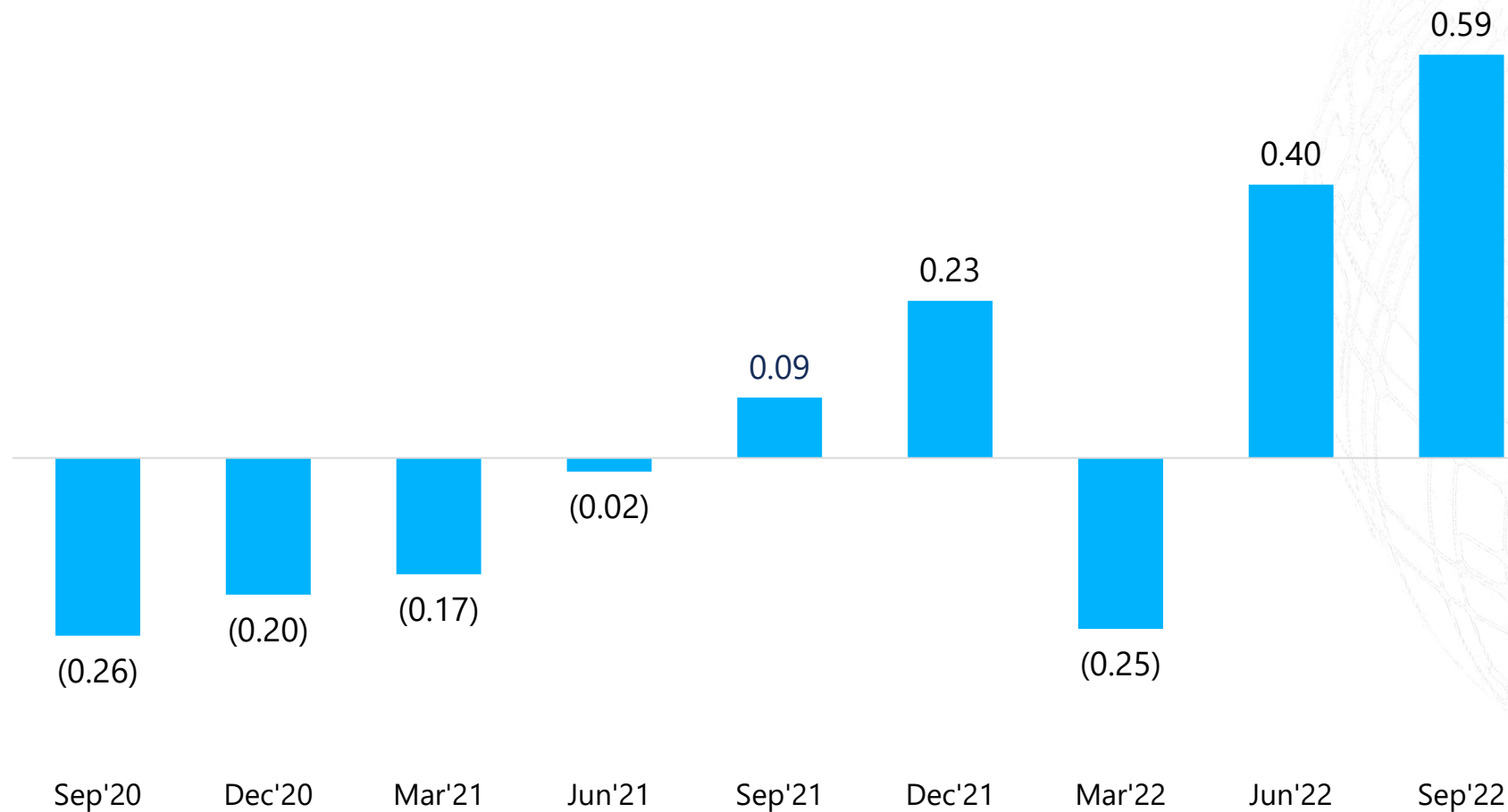
(\$Million) per quarter	Sep 22	Jun-22	Sep 21	QonQ	PCP
Cash Receipts	5.15	4.34	2.84	19%	81%
Net Cash Generated from Operations	0.59	0.40	0.09	45%	568%
Cash at hand	22.25	21.55	21.60	3%	4%

Positive net cashflow

generated from operations of \$0.59 million, continuing the positive momentum from the previous quarter including gross margin improvements, whilst continuing to invest in team head count (Wages spend +16% QoQ)

Reinvesting for future growth while maintaining profitability

Quarterly Operational Cashflow (A\$M)



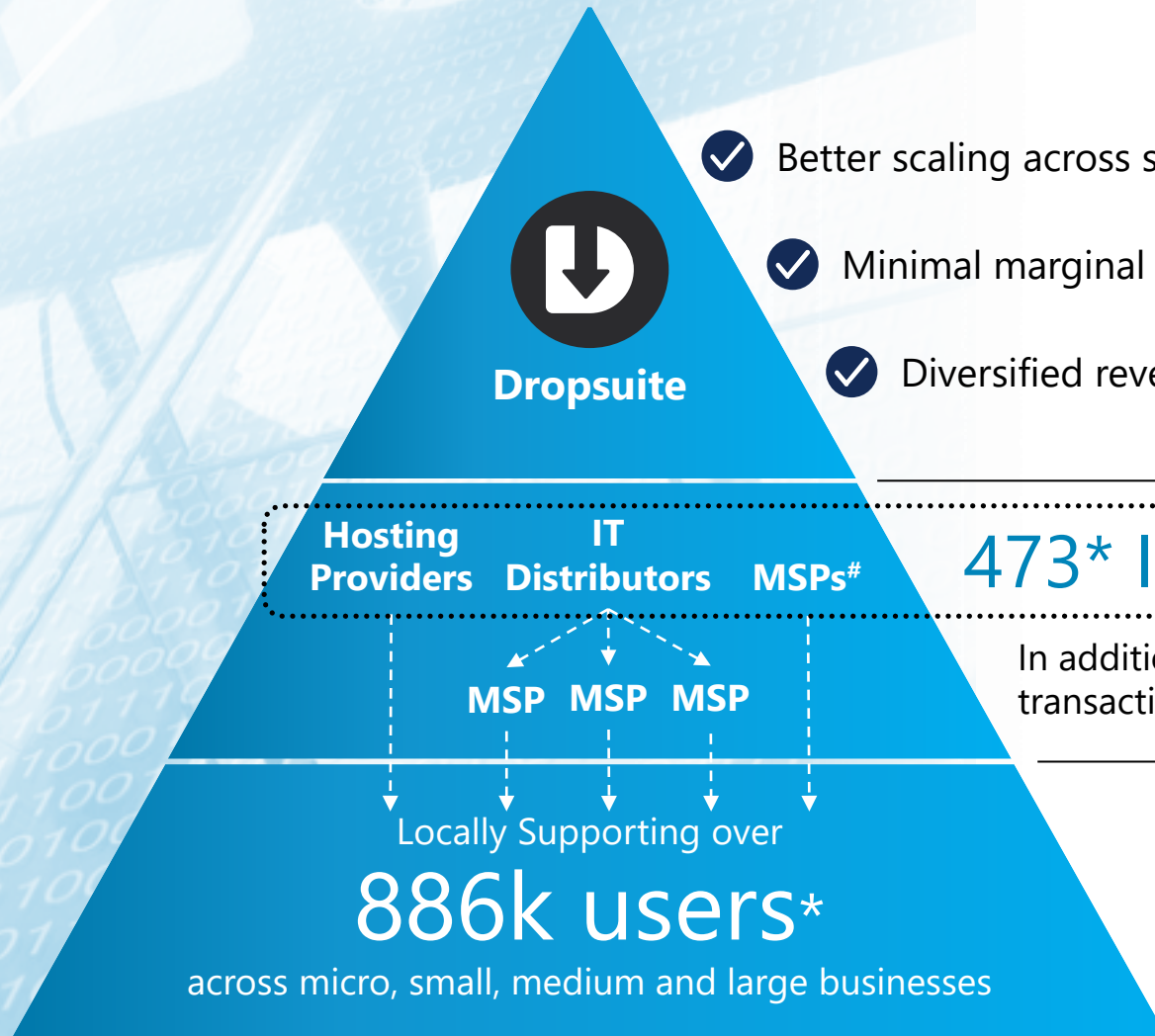
Positive cashflow delivery continues

- Consecutive material positive cash flow quarter
- Reaffirm guidance for cash positivity in 2022

Delivering Future Growth

The image features a blue background. On the left, a wireframe globe is overlaid with a network of white lines and dots, suggesting global connectivity. On the right, a vertical strip shows a cityscape at night with glowing lights, overlaid with vertical columns of binary code (0s and 1s) in a lighter blue color.

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

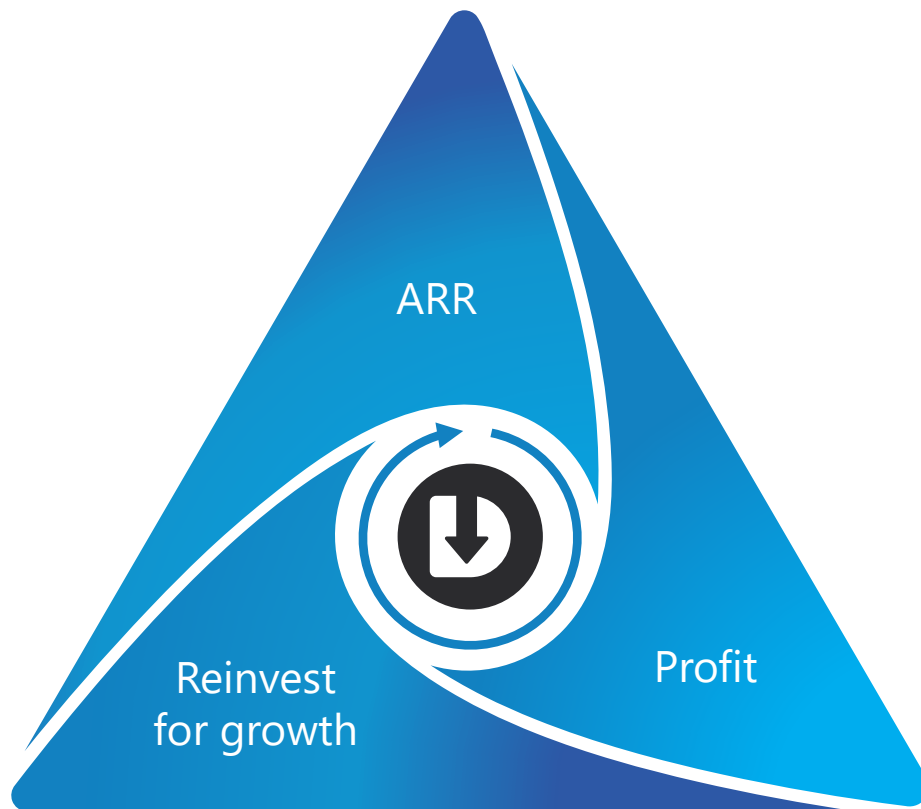
473* IT Reseller Partners Globally

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

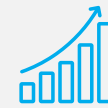
#MSP: Managed Service Provider * As at 30 September 2022

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



Note: Schematic only. Lines do not represent guidance or proportional level of 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



Advancing accretive M&A opportunities



ARR growth via partner ecosystem and strong sales pipeline



FY22 guidance for positive EBITDA and 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

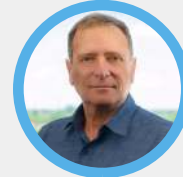
Managing Director



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

THEO HNARAKIS

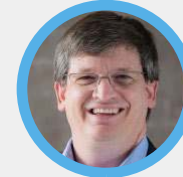
Non-Executive Chairman



- 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

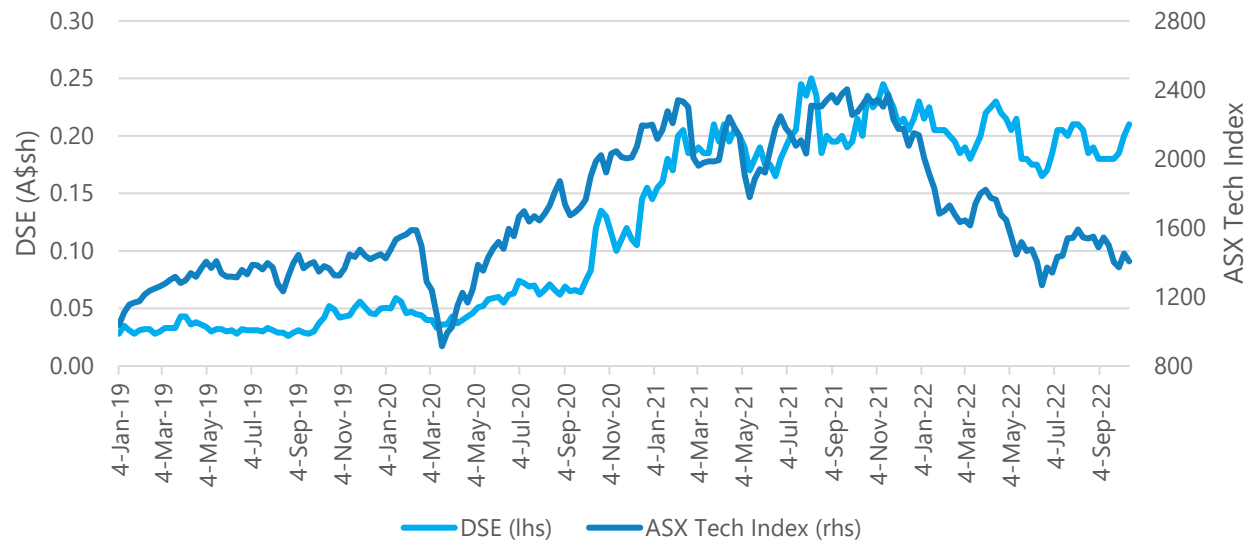
Head of Finance



- 21 years of finance experience in listed technology and media companies
- Previously Computershare and various small cap listed technology firms

Corporate Overview

Share Price Performance



Financial Information

Share price as of September 30, 2022 18.5 cents

Ord Share on Issue (M) 690

52-week trading (low/high) 0.15/0.285

Market Cap (\$) **\$128M**

Cash (30 June 2022) \$22.3M

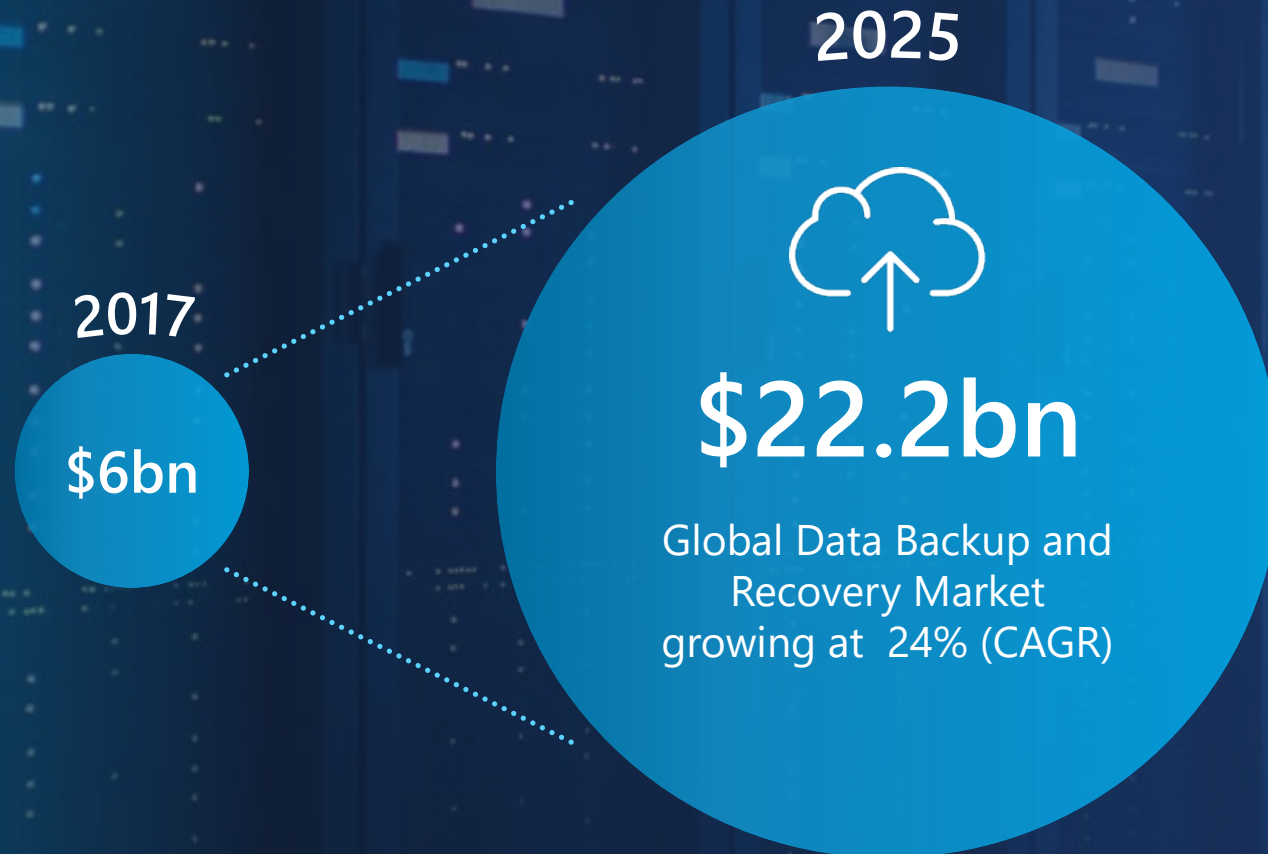
Debt (30 June 2022) nil

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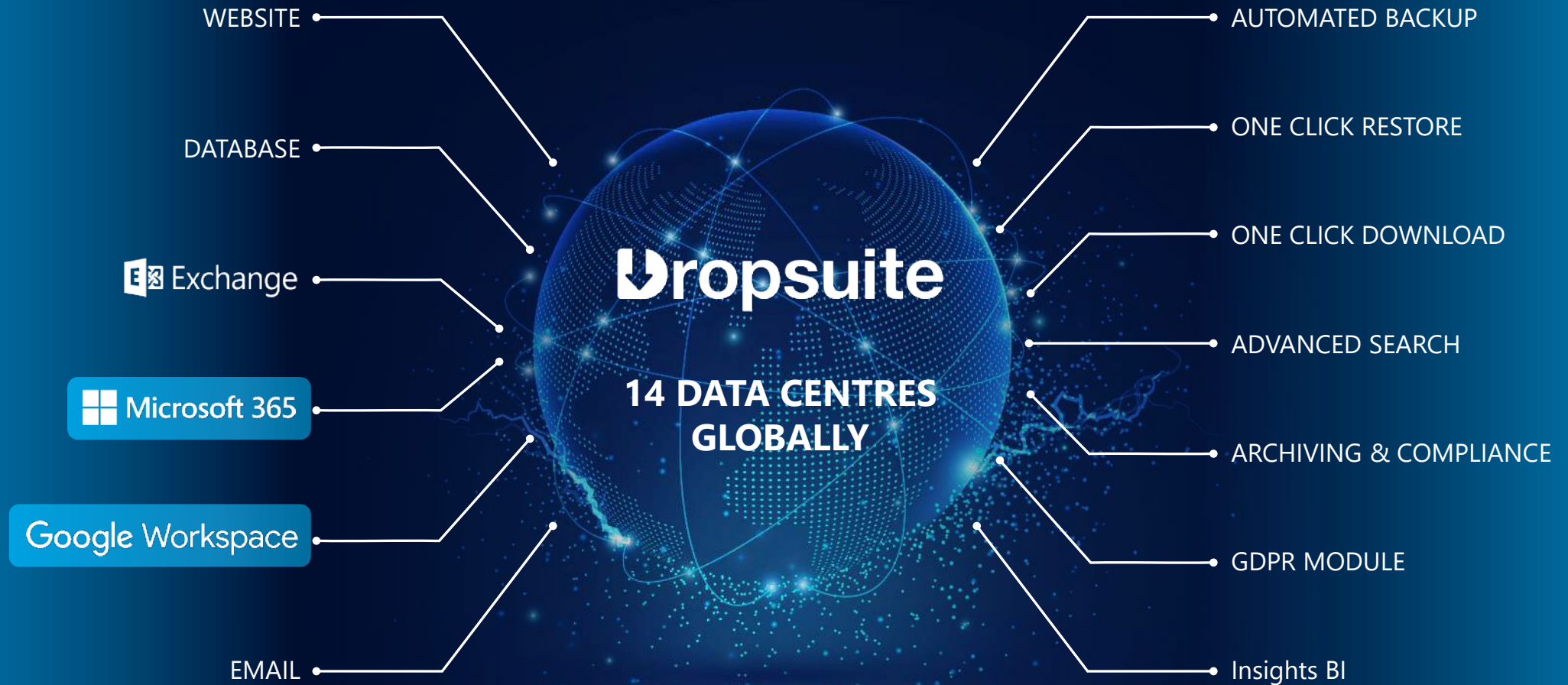
Tailwinds Propelling Growth

Industry growing at 24% per year



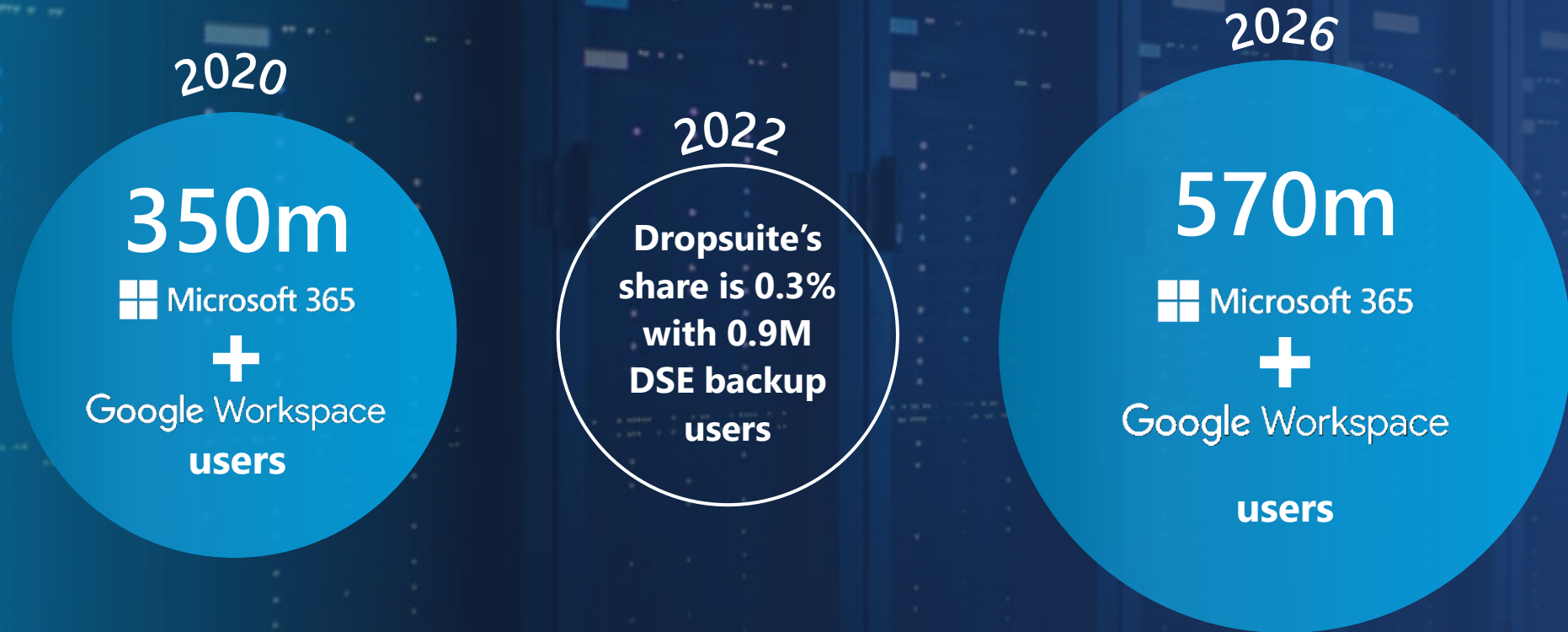
Source: <https://www.globenewswire.com/news-release/2020/03/04/1995163/0/en/Cloud-Backup-and-Recovery-Software-Market-to-Reach-22-22-Billion-Globally-by-2025-Says-Allied-Market-Research.html/>

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