

DROPSUITE LIMITED | ASX:DSE

| Investor Presentation

1Q FY22 Quarterly Results Update
April 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 2 years in a row



Growing global presence

Over 730k 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)

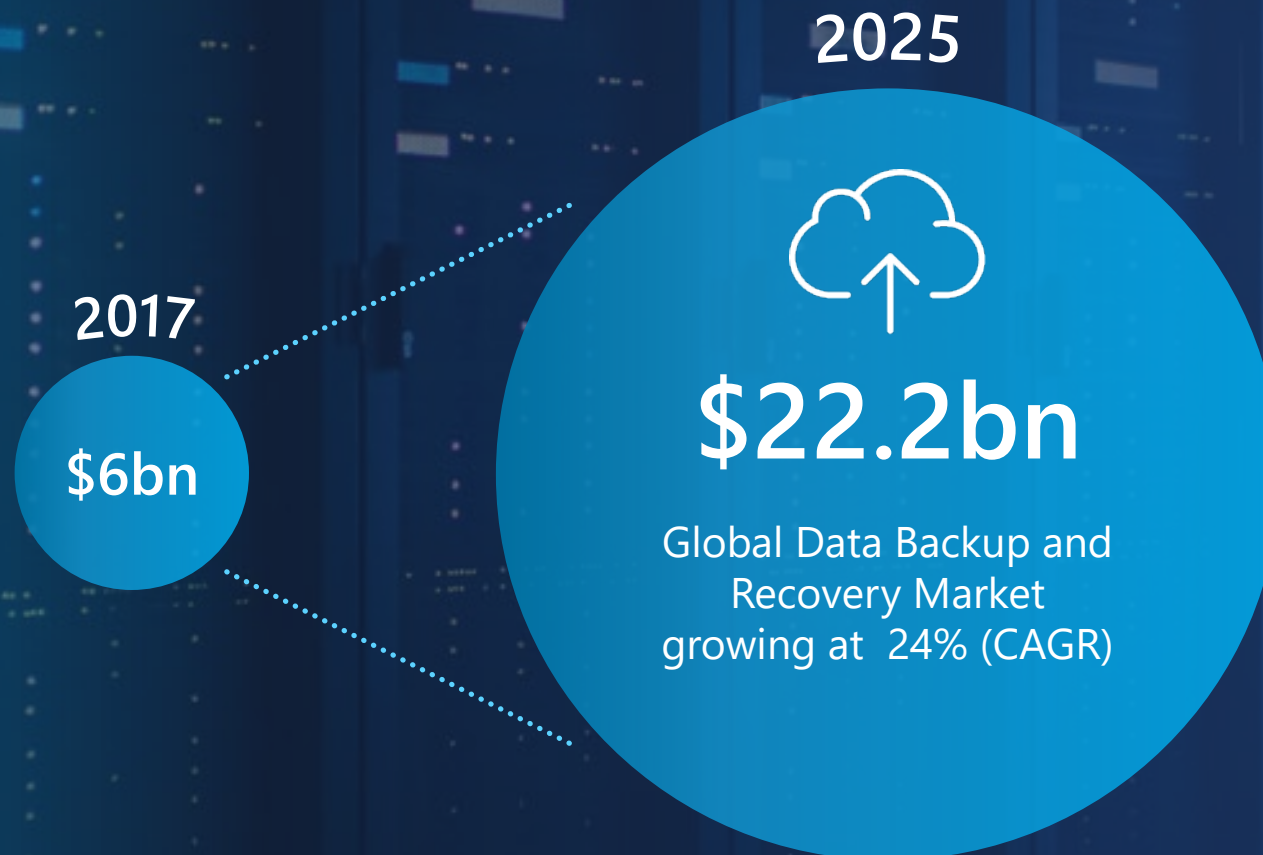
Data Privacy and security **regulation** coupled with remote work

General Data Privacy Regulation (GDPR) is a set of strict data privacy rules that went into effect in mid 2018

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/>

Tailwinds Propelling Growth

Industry growing at 24% per year



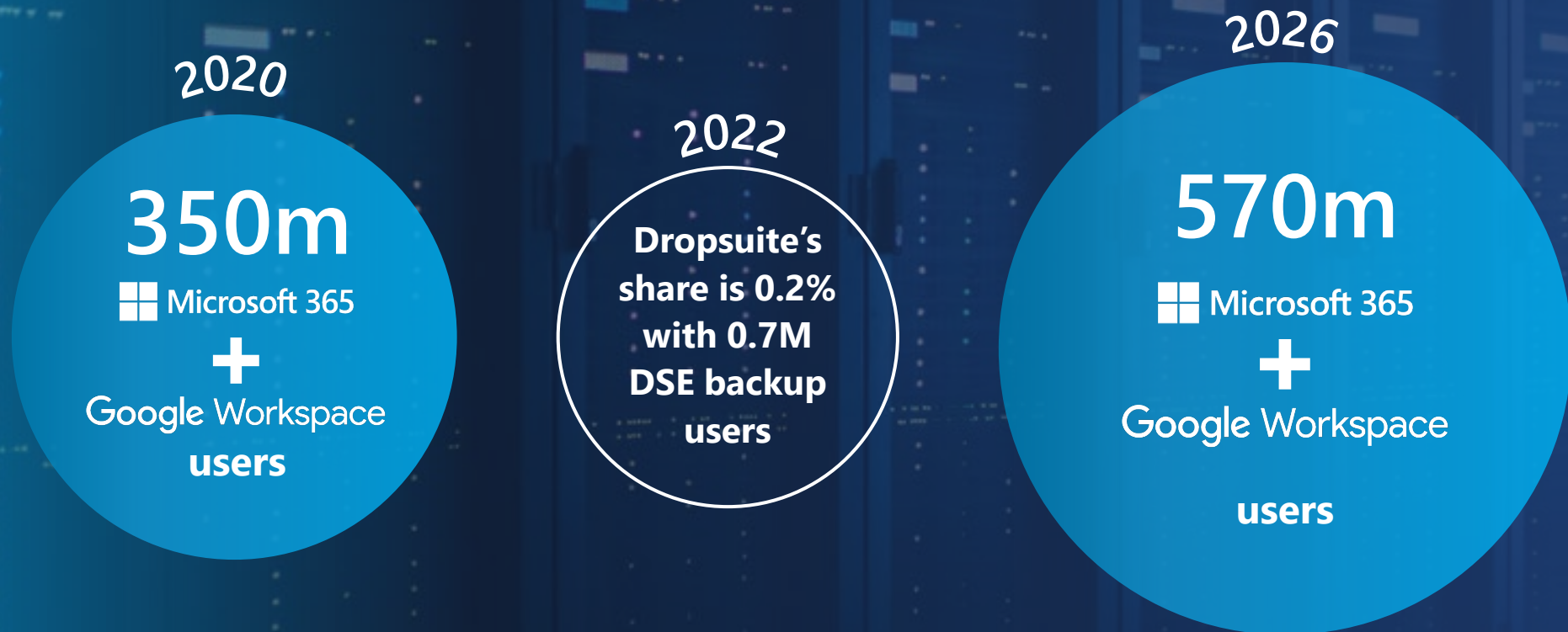
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The Product Suite



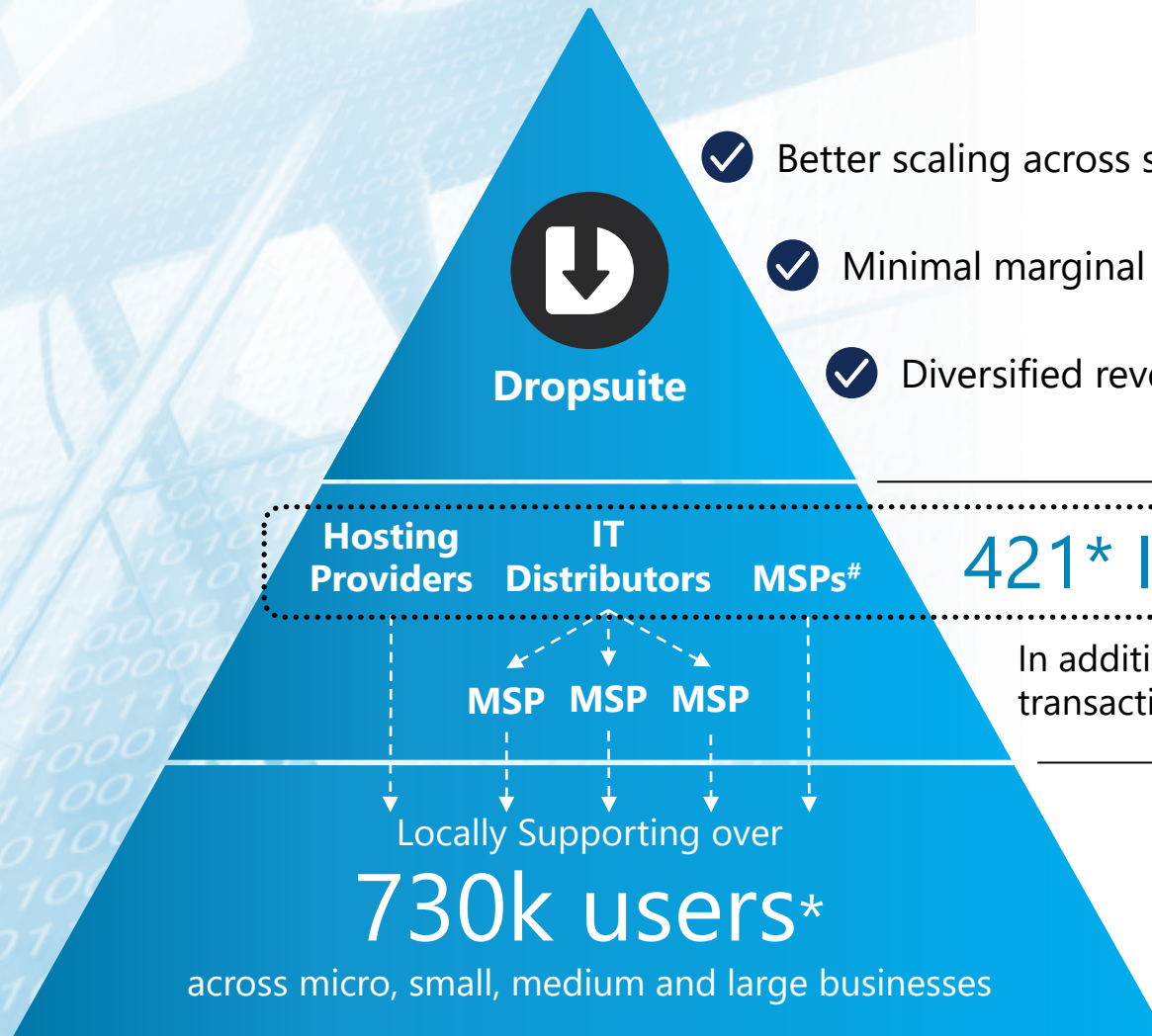
Market Size: Microsoft 365 & Google Workspace

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

421* IT Reseller Partners Globally

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

MSP: Managed Service Provider * As at 31 March 2022

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 across the Asia-Pacific, Europe and US time zones



1Q FY22 Results



Solid Operational Metrics Delivered

**Annual
Recurring
Revenue¹**

\$17.0m



71% on PCP
15% on QoQ

**Paid
Users**

730k



55% on PCP
13% on QoQ

**Monthly
ARPU**

\$1.95



11% on PCP
3% on QoQ

**Gross
Margin %**

63%



100 basis points
QoQ

**Direct
Transacting
Partners**

421



26% on PCP
3% on QoQ

**Revenue
Churn**

~3%

0% on PCP
0% on QoQ

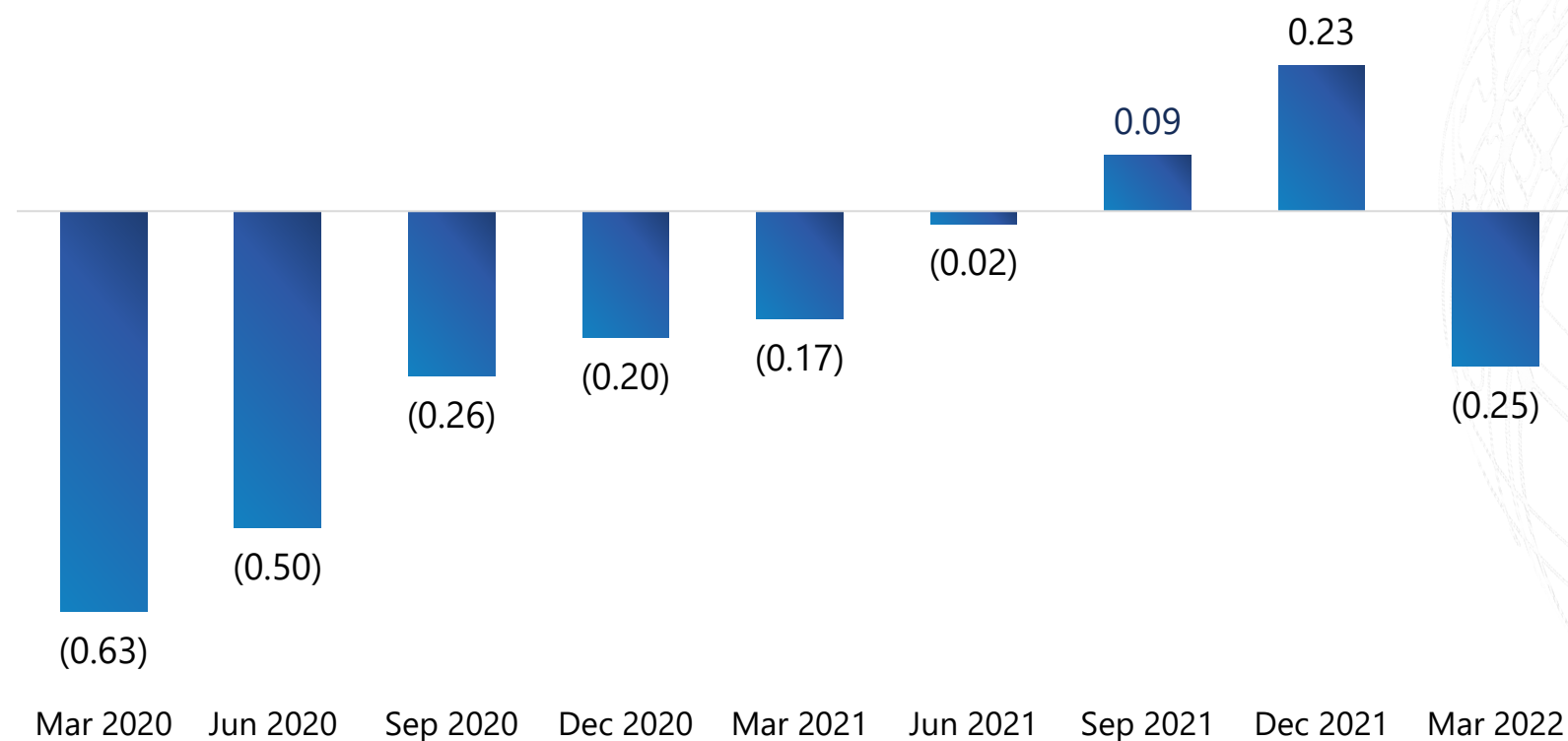
1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted monthly recurring revenue multiplied by 12 months. PCP based on Constant Currency (same for ARPU)

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

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

Reinvesting for future growth while maintaining profitability

Quarterly Operational Cashflow (A\$M)



Reinvesting for future growth



Negative cashflow in the quarter driven by

- Annual Bonus payments
- Annual insurance payments
- Other one-off items
- Working capital

Operating Cashflow figures above are Normalised based on adjusting for delayed or early receipt of material customer payments around each quarter end and excluding Due Diligence costs.

Q1 2022 Cash Flow Update

(\$Million) per quarter	Mar 22	Dec 21	Mar 21	QonQ	PCP
Cash Receipts	3.72	3.42	2.29	9%	63%
<i>Normalised Cash Receipts¹</i>	3.72	3.42	2.16	9%	72%
Net Cash from Operations	(0.52)	0.23	(0.04)	(323%)	(1,236%)
<i>Normalised Net Cash from Operations</i>	(0.25)	0.23	(0.17)	(206%)	(48%)
Cash at hand	21.07	21.60	2.44	(2%)	762%

Cash Receipts: Actual cash receipts for the quarter were \$3.72m, an increase of 9% QoQ and 63% on PCP

Normalised Cash from Operations: Cash outflow for the quarter of \$0.25m due to March quarter including one-off payments to subscriptions, annual staff bonuses and insurance renewals. Normalisation for the quarter incorporates payments for Due Diligence costs totalling (\$0.27m).

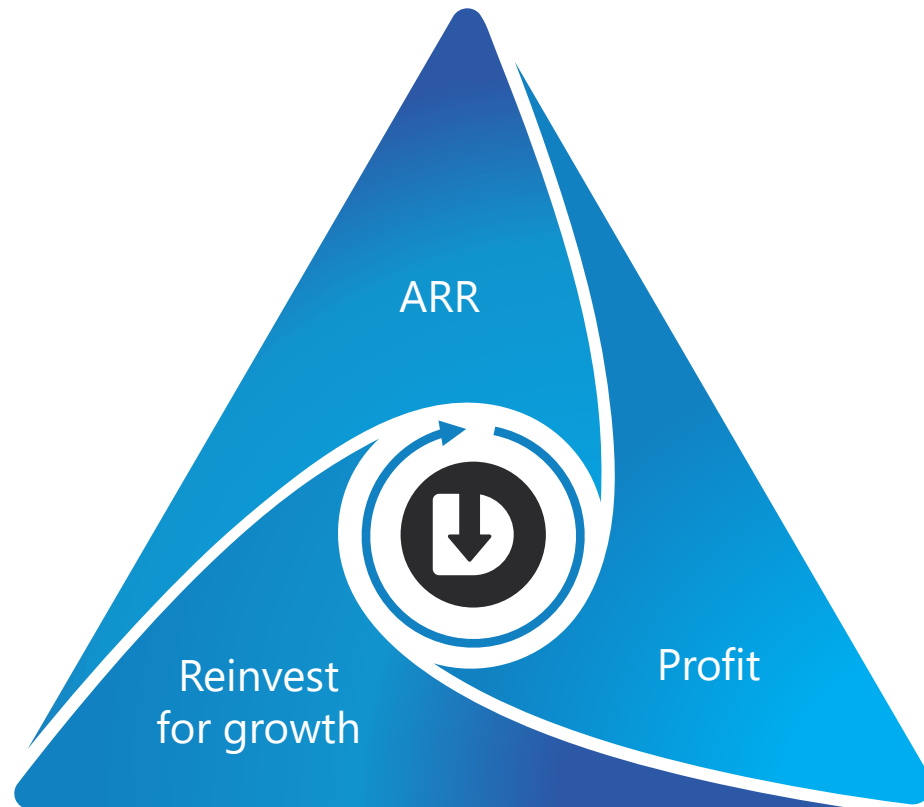
1. Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash From Operations was \$3.72m with Cash at Bank at end of March of \$21.07m

Delivering Future Growth

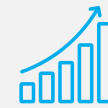


Investment framework

Our Investment Framework



Enablers of Growth



Significant industry tailwinds



Product leadership



Growing partner network

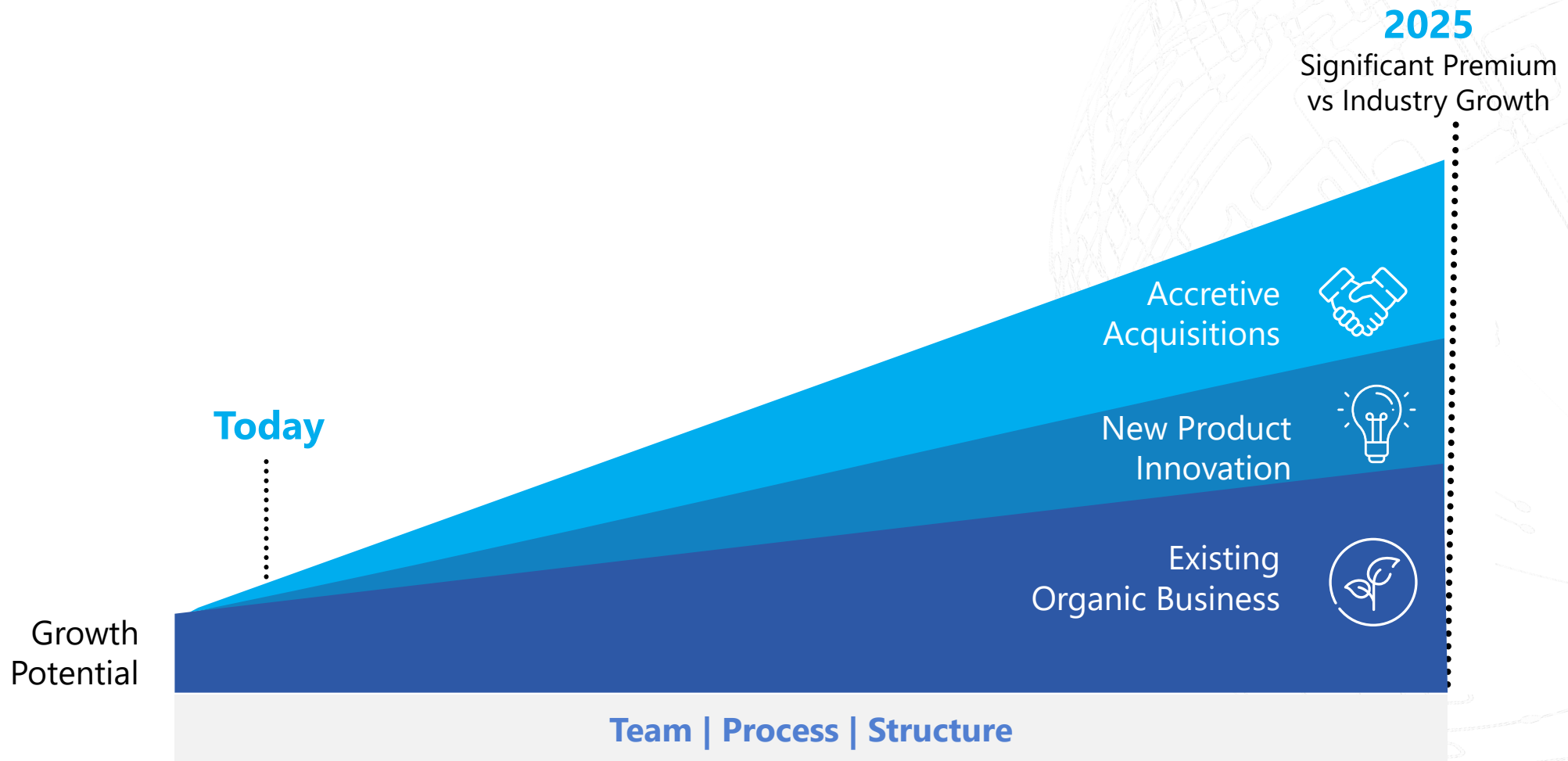


Underserved large addressable market



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 high-conviction 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 significant premium vs. industry growth rates

Investment Highlights and Outlook



Strong market tailwinds from data security and regulation



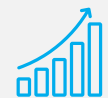
Market leading position in SaaS backup



Highly engaged team with the people and structure to support growth



Advancing M&A that is accretive and high conviction



ARR growth via partner ecosystem and strong sales pipeline



FY22 guidance for positive EBITDA and operating cash flow



dropsuite.com



dropsuite



Dropsuite Limited

14 Emerald Terrace
West Perth WA 6005, Australia



Charif Elansari

Managing Director, Dropsuite
charif@dropsuite.com



Investor Relations

Craig Sainsbury

Market Eye
craig.sainsbury@marketeye.com.au
+61 428 550 499

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

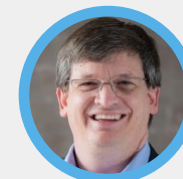
Non-Executive Chairman



- 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

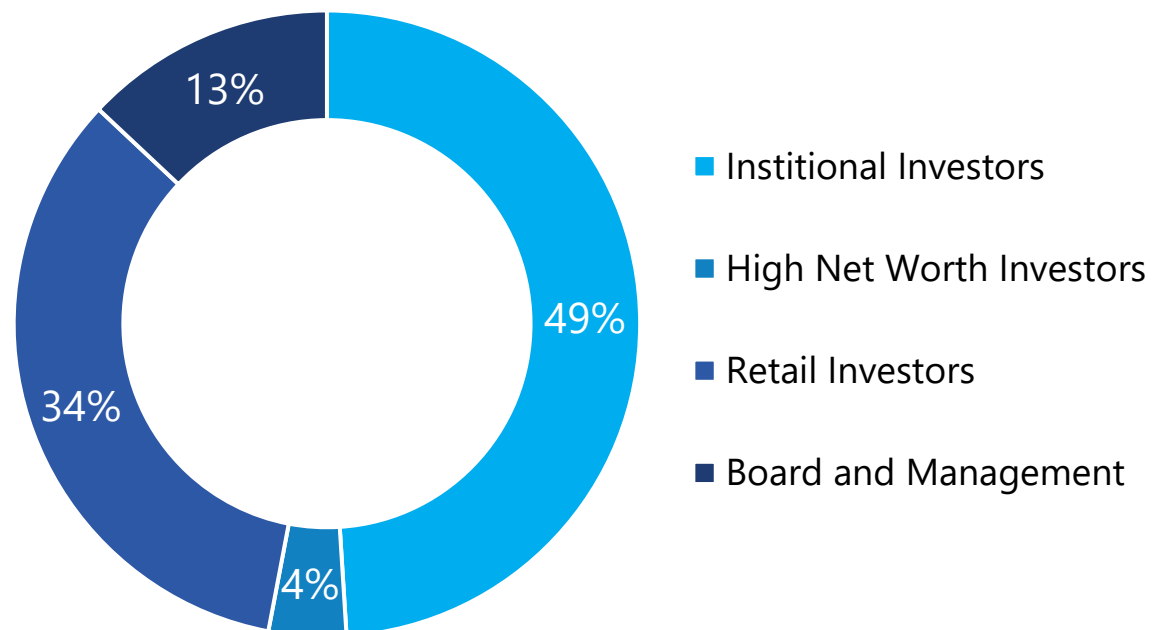
Head of Finance



- 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 April 12, 2022	21 cents
Ord Share on Issue (M)	682
52-week trading (low/high)	0.155/0.285
Market Cap (\$)	\$130.0M
Cash (31 March 2022)	\$21.1M
Debt (31 March 2022)	nil

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