

DropSuite | AGM PRESENTATION

DROPSUITE SAFEGUARDS BUSINESS INFORMATION

MAY 2020



DISCLAIMER

THIS PRESENTATION HAS BEEN PRODUCED BY DROPSUITE LIMITED AND MAY CONTAIN FORWARD LOOKING STATEMENTS THAT ARE BASED ON MANAGEMENT'S CURRENT EXPECTATIONS, BELIEFS AND ASSUMPTIONS AND ARE SUBJECT TO A NUMBER OF RISKS AND UNCERTAINTIES. FORWARD LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES THAT ARE DIFFICULT TO PREDICT, AND ARE BASED UPON ASSUMPTIONS AS TO FUTURE EVENTS THAT MAY NOT PROVE ACCURATE. THEREFORE, THE ACTUAL OUTCOMES AND RESULTS MAY DIFFER FROM THOSE DESCRIBED. IN ANY FORWARD-LOOKING STATEMENT IN WHICH DROPSUITE LIMITED EXPRESSES AN EXPECTATION OR BELIEF SUCH EXPECTATION OR BELIEF IS EXPRESSED IN GOOD FAITH AND BELIEVED TO HAVE A REASONABLE BASIS, BUT THERE CAN BE NO ASSURANCE THAT THE STATEMENT OR EXPECTATION OR BELIEF WILL RESULT OR BE ACHIEVED OR ACCOMPLISHED. WE ARE NOT UNDER ANY DUTY TO UPDATE FORWARD-LOOKING STATEMENTS UNLESS REQUIRED TO BY LAW. THIS INVESTOR PRESENTATION IS NOT AN OFFER OF SECURITIES, AND DOES NOT FORM PART OF ANY PROSPECTUS THAT HAS OR MAY BE ISSUED. DROPSUITE LIMITED AND ITS DIRECTORS, EMPLOYEES, ASSOCIATES, AFFILIATES AND AGENTS, MAKE NO: A. REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, IN RELATIONSHIP TO THIS PRESENTATION OR THE ACCURACY, RELIABILITY OR COMPLETENESS OF ANY INFORMATION IN IT OR THE PERFORMANCE OF DROPSUITE LIMITED; AND B. ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS PRESENTATION. THIS PRESENTATION IS INTENDED TO PROVIDE INFORMATION ONLY AND DOES NOT CONSTITUTE OR FORM AN OFFER OF SECURITIES OR A SOLICITATION OR INVITATION TO BUY OR APPLY FOR SECURITIES, NOR IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACTS OR COMMITMENT WHATSOEVER. THE INFORMATION IN THIS PRESENTATION DOES NOT TAKE INTO ACCOUNT THE OBJECTIVES, FINANCIAL SITUATION OR PARTICULAR NEEDS OF ANY PERSON. NOTHING IN THIS PRESENTATION CONSTITUTES INVESTMENT, LEGAL, TAX OR OTHER ADVICE. THIS PRESENTATION DOES NOT, NOR DOES IT PURPORT TO, CONTAIN ALL THE INFORMATION PROSPECTIVE INVESTORS IN DROPSUITE LIMITED WOULD DESIRE OR REQUIRE IN REACHING AN INVESTMENT DECISION. TO THE MAXIMUM EXTENT PERMITTED BY LAW, DROPSUITE LIMITED, THEIR OFFICERS, DIRECTORS, EMPLOYEES, ASSOCIATES, AFFILIATES OR AGENTS, NOR ANY OTHER PERSON ACCEPTS ANY LIABILITY FOR ANY LOSS, CLAIM, DAMAGES, COSTS OR EXPENSES OF ANY NATURE (WHETHER FORESEEABLE OR NOT), INCLUDING, WITHOUT LIMITATION, ANY LIABILITY ARISING FROM FAULT OR NEGLIGENCE ON THE PART OF ANY OF THEM OR ANY OTHER PERSON, FOR ANY LOSS ARISING FROM THE USE OF THIS PRESENTATION OR ITS CONTENT OR OTHERWISE ARISING IN CONNECTION WITH IT OR ANY ERRORS OR OMISSIONS IN IT. THE DISTRIBUTION OF THIS PRESENTATION IN JURISDICTIONS OUTSIDE OF AUSTRALIA MAY BE RESTRICTED BY LAW. THIS PRESENTATION HAS NOT BEEN FILED, LODGED, REGISTERED OR APPROVED IN ANY JURISDICTION AND RECIPIENTS OF THIS PRESENTATION SHOULD KEEP THEMSELVES INFORMED OF AND COMPLY WITH AND OBSERVE ALL APPLICABLE LEGAL AND REGULATORY REQUIREMENTS. IN AUSTRALIA, THIS PRESENTATION IS MADE ONLY TO SOPHISTICATED OR PROFESSIONAL INVESTORS UNDER THE CORPORATIONS ACT, BUT WILL BE RELEASED ON THE ASX.



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



Global Partner/User Footprint



Highly Scalable Business Model



Recurring Revenue SaaS Business



Clear leader in Email Backup



Experienced Leadership Team



EVER-GROWING DATA PROTECTION CHALLENGES

90%

of Cybersecurity attacks start with email



30K

Websites are hacked everyday



200K

Privacy breach cases reported in year1 of GDPR

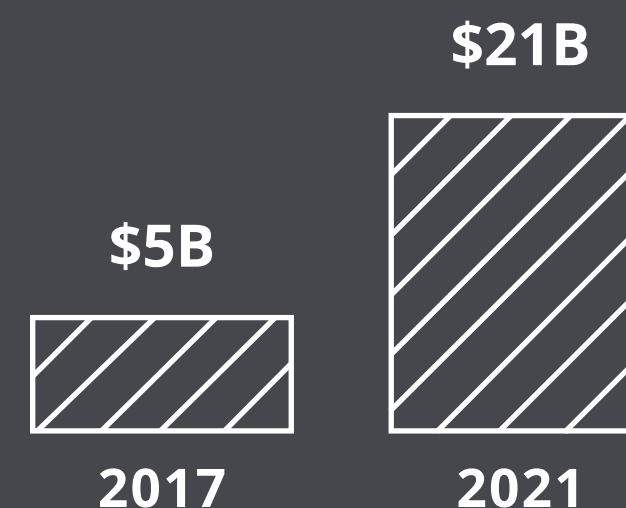


62%

of breaches and data loss occur through human error



Ransomware costs keep growing despite hundreds of cybersecurity companies sprouting across the globe.



(ISC)² – Association of certified cybersecurity professionals:

Cybersecurity Incidents Up 23% after COVID-19 Forced Businesses to Switch to Remote Work. IT departments are exceedingly strained to cope with remote-work policies and duties – especially those in charge with protecting the organization against cyber attacks.



LARGE AND GROWING MARKET OPPORTUNITY

US \$17B Backup/Recovery and eDiscovery Market by 2020 (WW)

1 Billion Business Email Users in 2019

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

More than 40% don't backup Office 365 data (US)

Emerging challenges around GDPR privacy compliance and remote workplace

MICROSOFT SERVICE AGREEMENT CLAUSE 6B

Microsoft is not liable for any disruption or loss you may suffer as a result. In the event of an outage, you may not be able to retrieve Your Content or Data that you've stored. We recommend that you regularly backup Your Content and Data that you store on the Services or store using Third-Party Apps and Services.

www.microsoft.com/en/servicesagreement



TAILWINDS PROPELLING GROWTH

Favourable Market and Regulatory Drivers



CYBERSECURITY & DATA THREATS

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



DATA 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



SEAMLESS USER EXPERIENCE

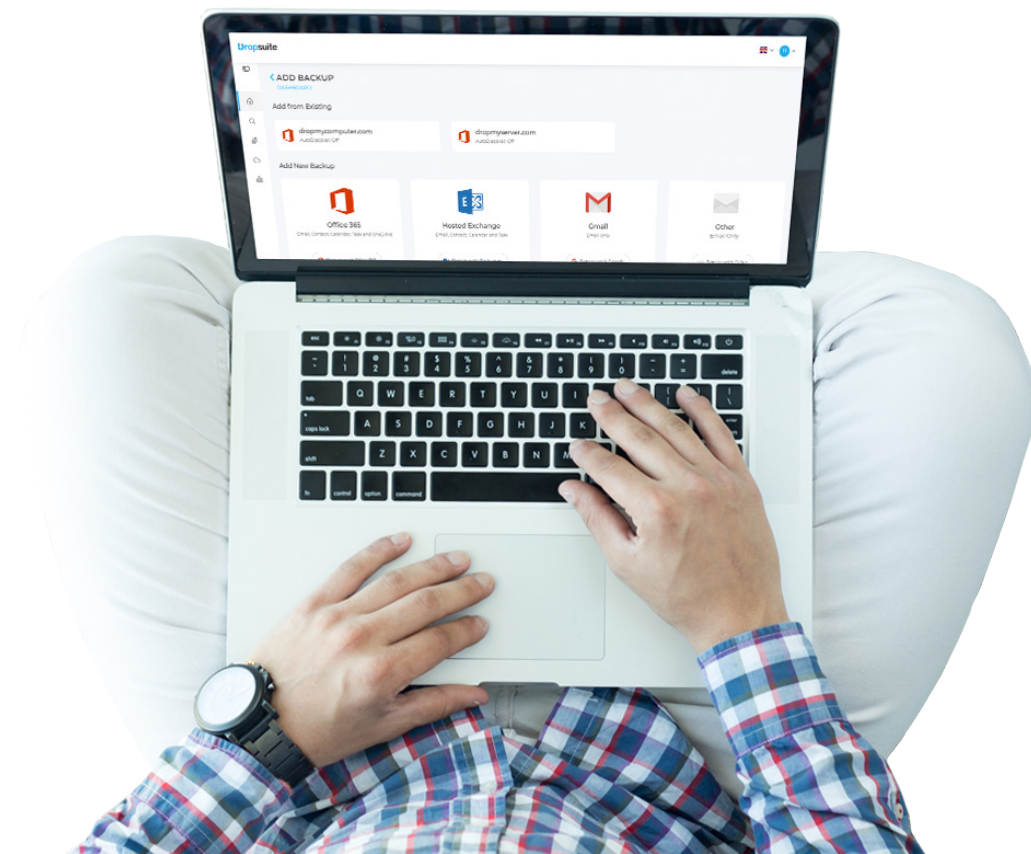
Partners' limited resources and demanding clients dictate a seamless user experience throughout the sales and support cycle



YEAR-TO-DATE UPDATE - COVID 19

What we are doing at Dropsuite?

- Work-from-home from early March
- Regular 1:1 check-ins and wellbeing support
- No trade-shows or travel for the sales team
- Shift to online marketing
- Increased OpEx vigilance
- Tighter receivables management



What we are hearing from our Partners?

- Been extremely busy setting clients for remote work
- Remote setup and data protection are top of mind
- Some partners are struggling with receivables
- Many are bullish on post Covid19 prospects



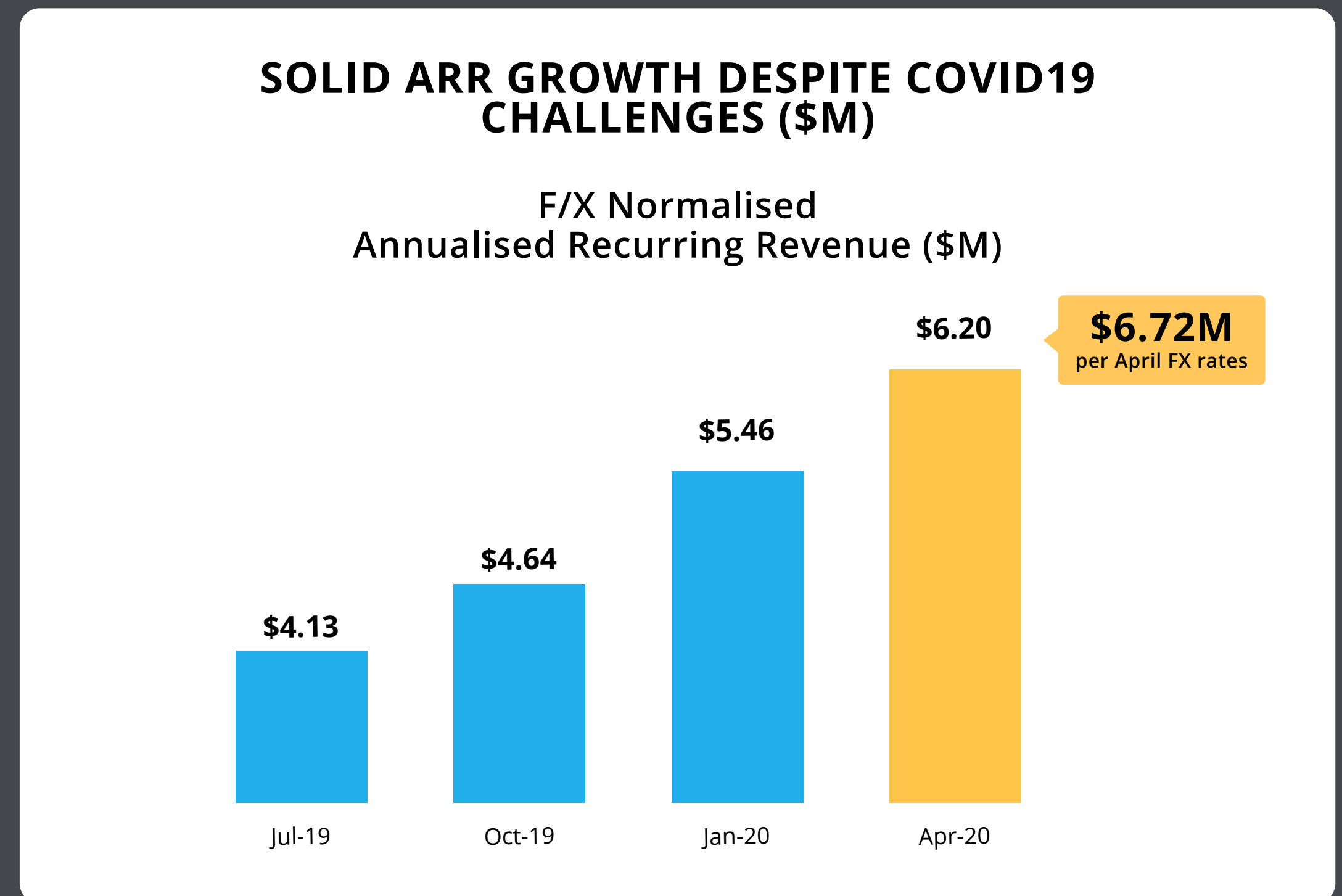
What we are seeing in the market?

- Heightened awareness around data protection
- More sales leads with faster conversion to revenue
- Larger partner prospects proceeding
- Postponement of some deployments/orders
- F/X pressures on some non-US partners



YEAR-TO-DATE UPDATE - ARR

- Annualised Recurring Revenue (ARR*) \$6.72M (\$6.2M F/X normalised)
- This corresponds to growth of 40% year-on-year and 23% over three-month period
- Solid ARR Growth Despite Covid19 Challenges

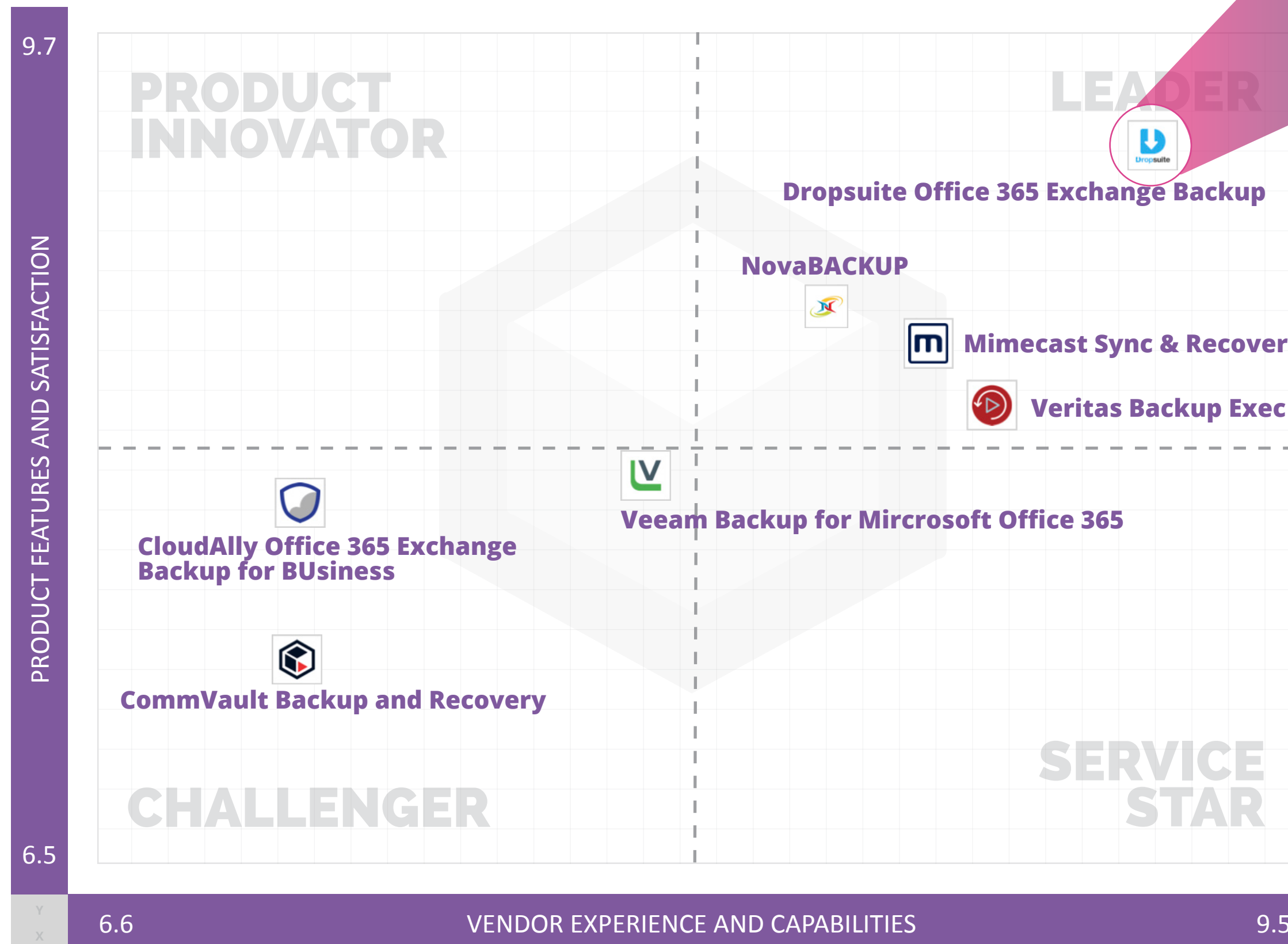


*Annualised Recurring Revenue (ARR) is defined as the value of the month's recurring revenue multiplied by 12 months.



YEAR-TO-DATE UPDATE - PRODUCT LEADERSHIP

RECOGNISED AS LEADING BACKUP PLATFORM



- Impartial research was conducted by Info-Tech Research Group
- Several email backup companies were included in the research, including some much larger players
- Dropsuite ranked #1 in terms of features and functionality
- Dropsuite also ranked #1 in terms of "Intention to Renew" and "Likelihood To Recommend".



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

LIKELIHOOD TO
RECOMMEND

RANK
1st

SCORE
98%

PRODUCT STRATEGY
AND RATE OF
IMPROVEMENT

RANK
1st

SCORE
91%

RELATIONSHIPS
AND INTERACTION
(WITH DROPSUITE)

RANK
1st

SCORE
100%

PLAN TO RENEW

RANK
1st

SCORE
100%



THREE PILLARS OF GROWTH

Dropsuite product, sales and marketing efforts and resources will continue to revolve around these pillars



Growth Through Expanding Partnerships Globally



Continuous Product Innovation with Scalable Technology



Diversify Revenue and Boost Revenue Per User



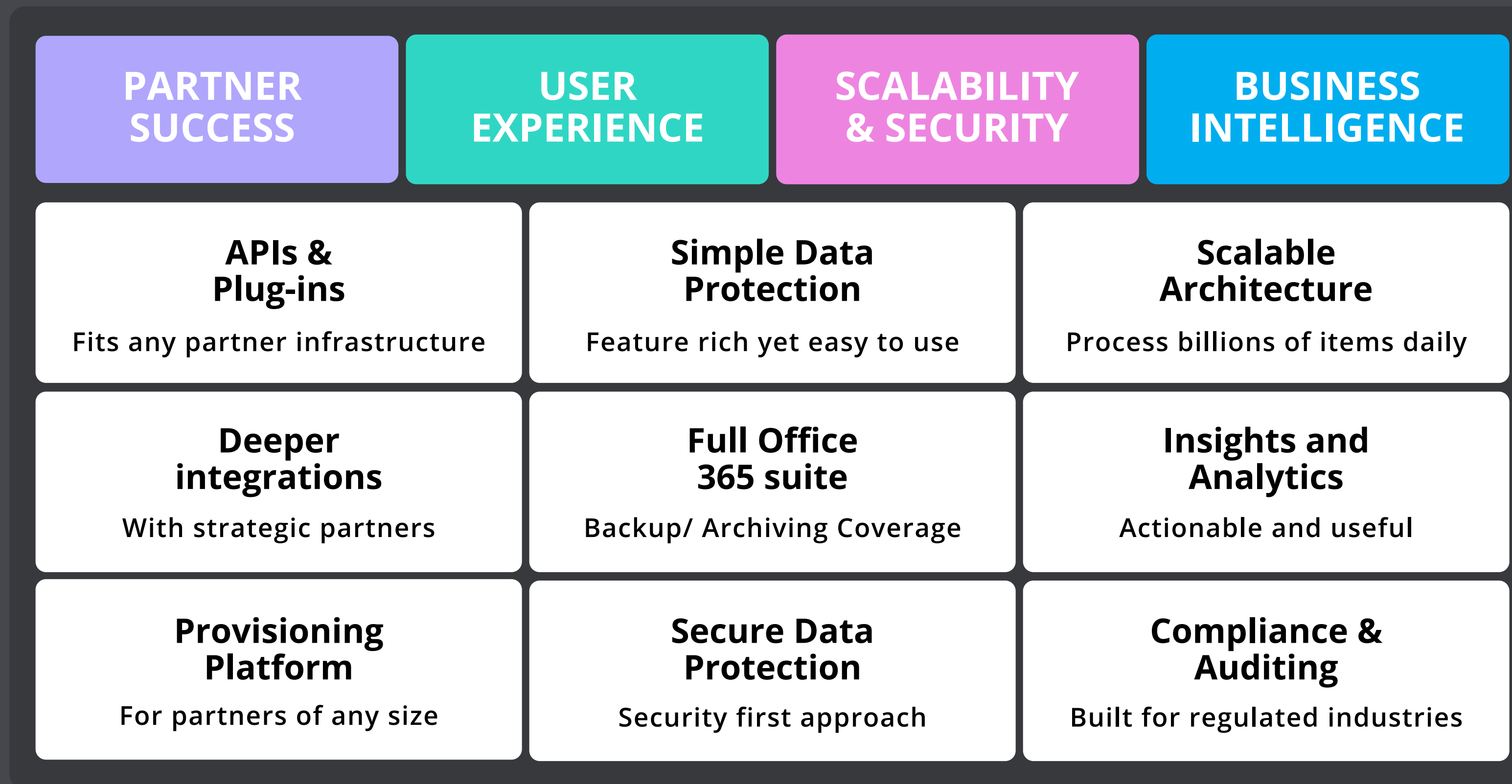
GROWTH THROUGH GLOBAL PARTNERSHIPS

Align with existing partners to grow users and revenue while adding new strategic partnerships globally

- Expanded revenue generating partners to 250 globally
- 54% year-on-year increase in transacting partners
- Annual partner churn at SaaS best-of-breed low single digits*
- Strong sales funnel for calendar 2020



CONTINUOUS PRODUCT INNOVATION WITH SCALALBE TECHNOLOGY



231

Product upgrades and
Feature enhancements
In 2019

66%

of Full-Time Employees
Focused on product
and engineering

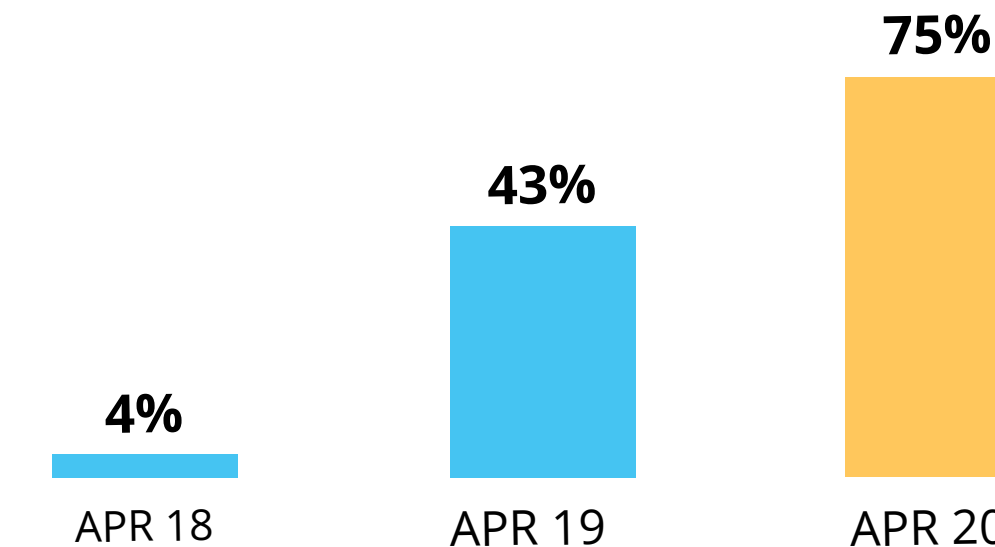


DIVERSIFY REVENUE AND BOOST REVENUE PER USER

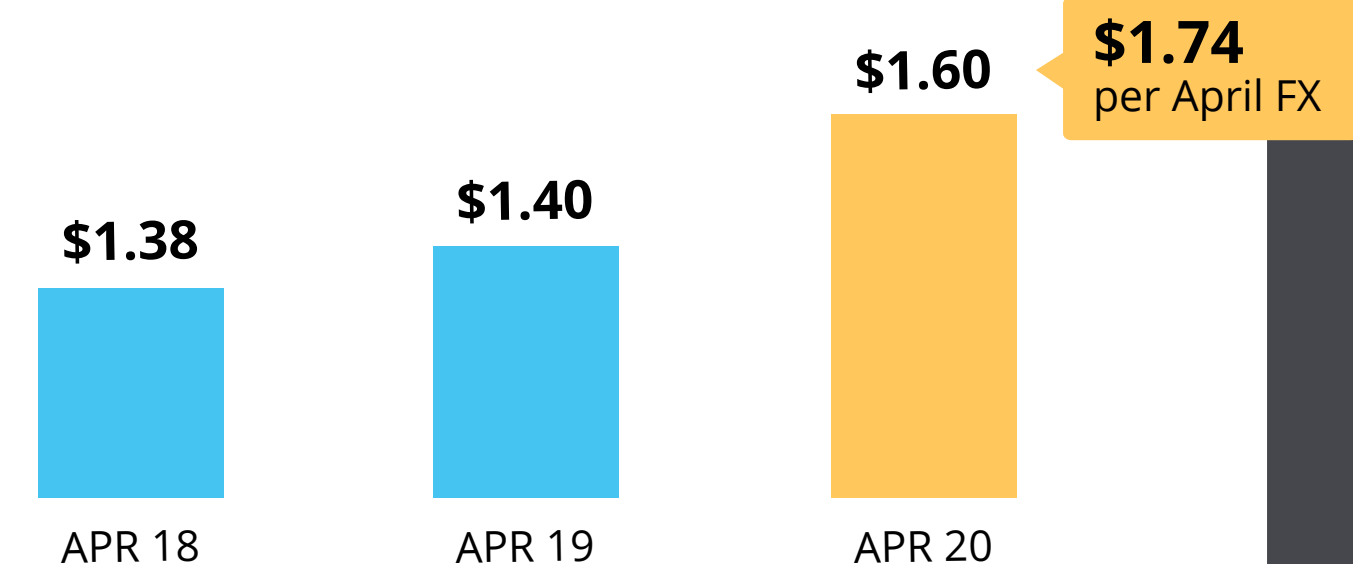
Dropsuite now is a multi-product, multi-channel and multi-segment company

- Exponential Growth in Email Backup and Archiving Platform Revenue
- Solid Expansion of ARPU driven by product mix shift
- Top 10 partner revenue contribution down to 72% (from 90% in Dec 2018)

EMAIL BACKUP PLATFORM
REVENUE MIX



AVERAGE REVENUE PER USER
F/X NORMALIZED



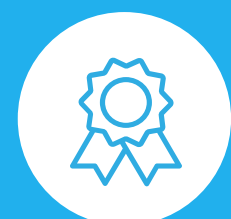
POSITIONED FOR GROWTH



Growth from new and existing partner ecosystem



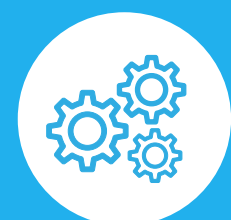
Continuation of favourable market and regulatory growth drivers



Capitalize on product leadership validation



Expand product line to further grow and diversify revenue streams



Deeper functionality and integration for the enterprise segment



Well funded with \$3.69m at the bank (March 2020) and zero debt



dropsuite.com



Charif Elansari

Managing Director, Dropsuite
charif@dropsuite.com



Ben Jarvis & Henry Jordan

Six Degrees Investor Relations
+61 2 9230 0661



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



Dropsuite Limited

14 Emerald Terrace
West Perth WA 6005, Australia

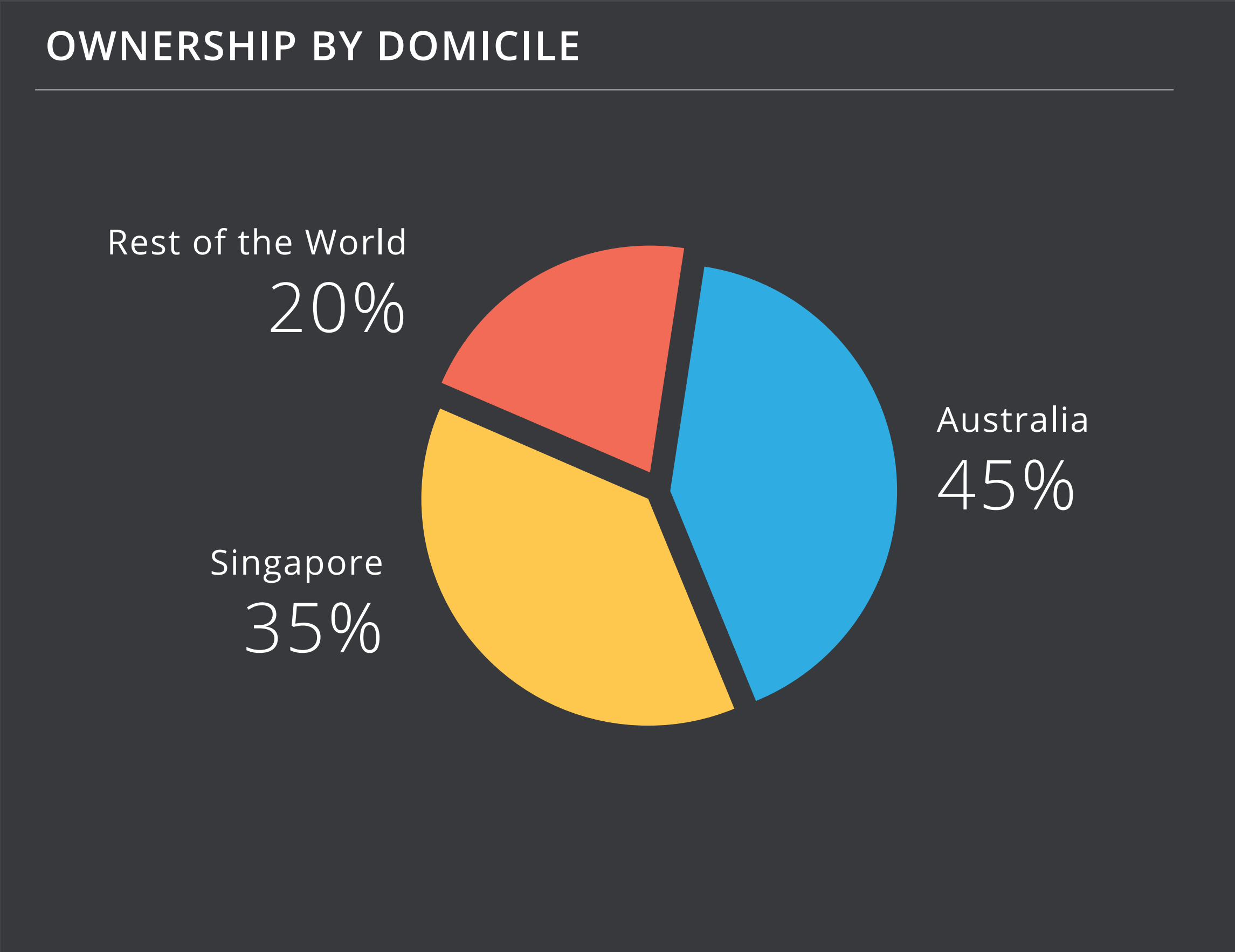
This presentation is authorised by the Board of Directors

CORPORATE OVERVIEW

SHARE TABLE	AMOUNT
ORDINARY FULLY PAID SHARES	562,008,157
PERFORMANCE SHARES / RIGHTS	31,513,333
TOTAL POTENTIAL SHARES	593,521,490

SHARE PRICE	NUMBER OF SHARES	
\$0.058	562M	
As of May 18, 2020		
MARKET CAP(\$M)	52 WEEKS	
\$32.60	\$0.031	\$0.062
	LOW	High

TOP 12 SHAREHOLDERS	
HOLDER NAME	% IC
BNP PARIBAS NOMINEES PTY LTD	13.7%
CHARIF ELANSARI (CEO)	5.2%
HSBC CUSTODY NOMINEES (AUSTRALIA)	4.6%
JOHN FEARON	4.5%
QUEK SEOW KEE	4.4%
CITICORP NOMINEES PTY LIMITED	3.4%
RIDLEY MCLEAN RUTH JR (COO)	3.1%
CS THIRD NOMINEES PTY LIMITED	2.4%
RONALD THOMAS HART JR (CTO)	2.3%
MRS TRACY ANNE FEARON	2.1%
THEO HNARAKIS (Chairman)	2.1%
GE EQUITY INVESTMENTS PTY LTD	2.0%
Total as of May 15 2020	50%



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.

