



Investor Presentation

17th April 2023

CEO Charif Elansari

ASX:DSE



ersonal use only



We Help Businesses Stay in Business

Dropsuite is a partner-centric company building secure, scalable and highly useable cloud backup technologies for businesses, big and small



>90
employees



>100
countries



>1.0M
paid users



\$2.31
ARPU



\$28.2M
ARR

DSE Growth Driven by Increasing Cyber Security Risk

The Data

90%

of Cybersecurity attacks start with email

\$20B

global cost of ransomware in 2022

62%

of breaches and data loss occur through human error

84%

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



Industry Pain Points

- **Cyber Threats and Ransomware**
- **Data Loss and Corruption** due to human error or technical breakdown
- Growing strain to **hire IT professionals**, with increasing SLA expectations by end users
- **Cyber insurance** requirements are increasingly strict and complex
- Growing **regulatory and compliance** requirements

Exceptional User Experience

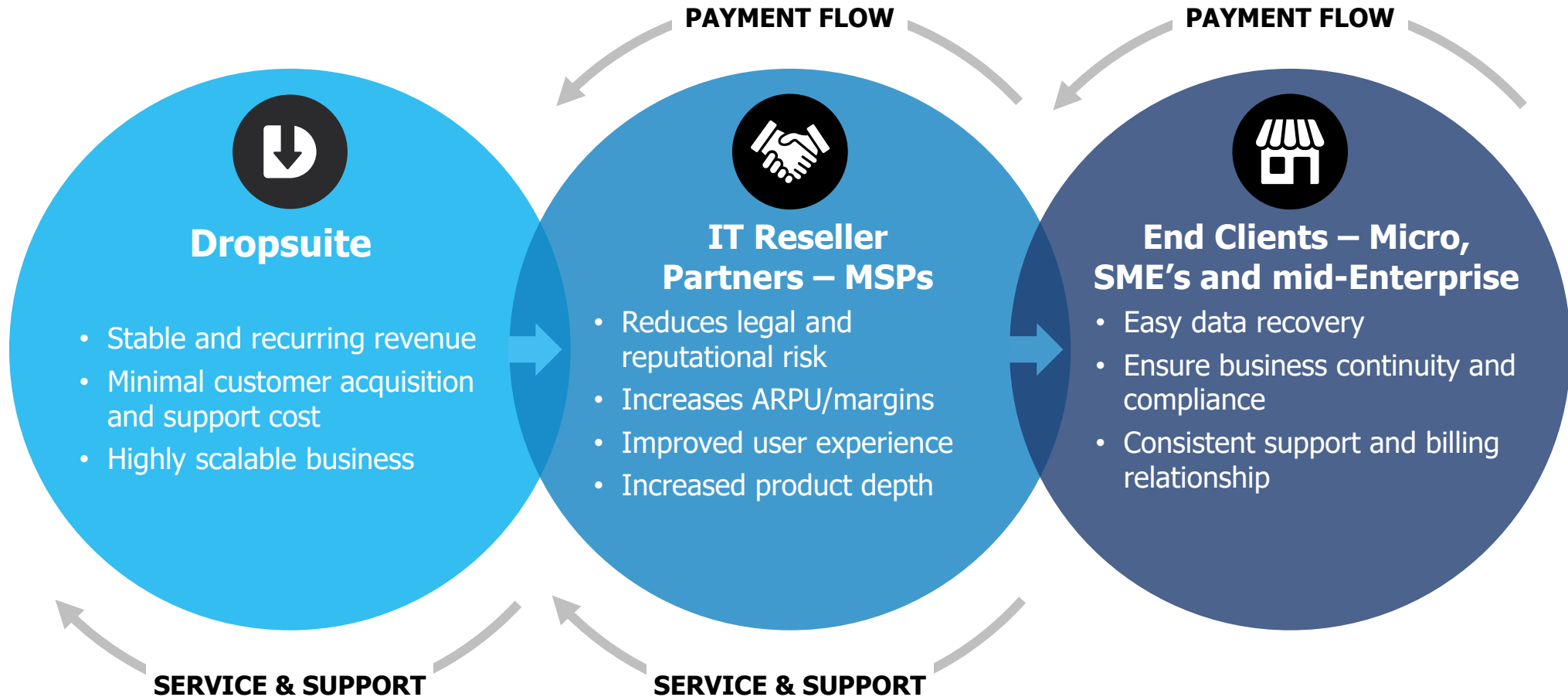
Simple intuitive interface that is packed with useful and powerful features, including search, insights and reporting



* QuickBooks Online is North America's leading Cloud-based accounting software for SMEs by Intuit (NASDAQ: INTU). Dropsuite is now providing backup for this mission critical information, fully integrated into the partner portal. Monetisation starts in April 2023.

Partner-led Business Model

Scale driven by Partner network that targets large end user addressable market



The Dropsuite Advantage



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



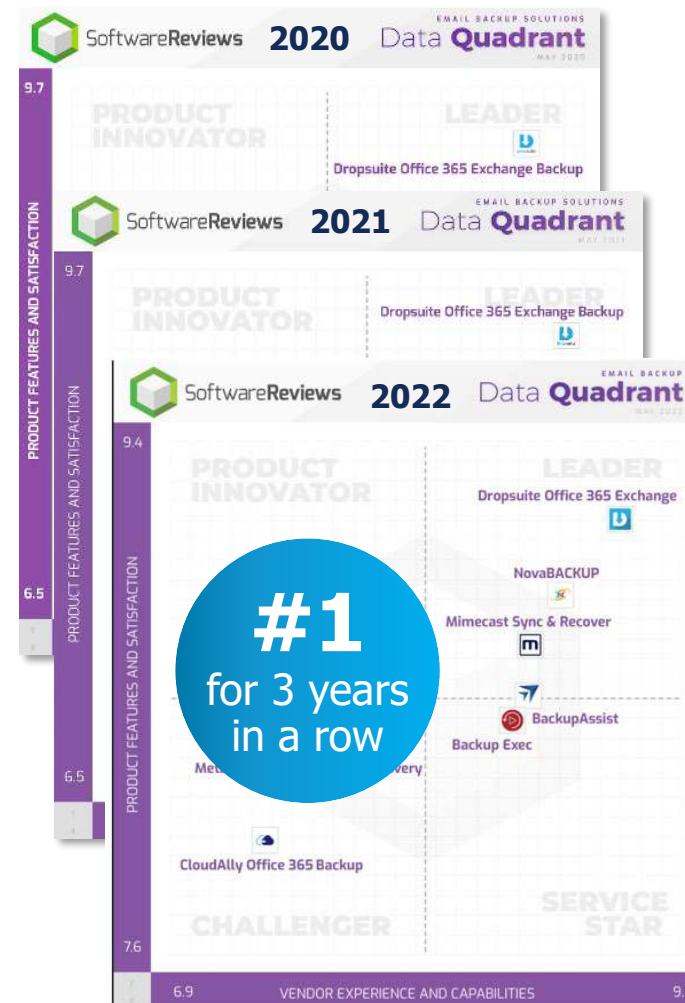
Exceptional User Experience Simple intuitive interface that is packed with useful and powerful features, including search, insights and reporting



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



1Q 2023 Results

(January to March)

Strong Business Metrics Delivered

ARR

\$28.2m



50% on PCP
on constant
currency

Gross Margin

69%



600 basis
points YoY

Operating Cashflow

\$0.28m



154% on
PCP

ARPU

\$2.31



7% on PCP
on constant
currency

Paid Users

1.02m



39%
on PCP

Cash Receipts

\$6.12m



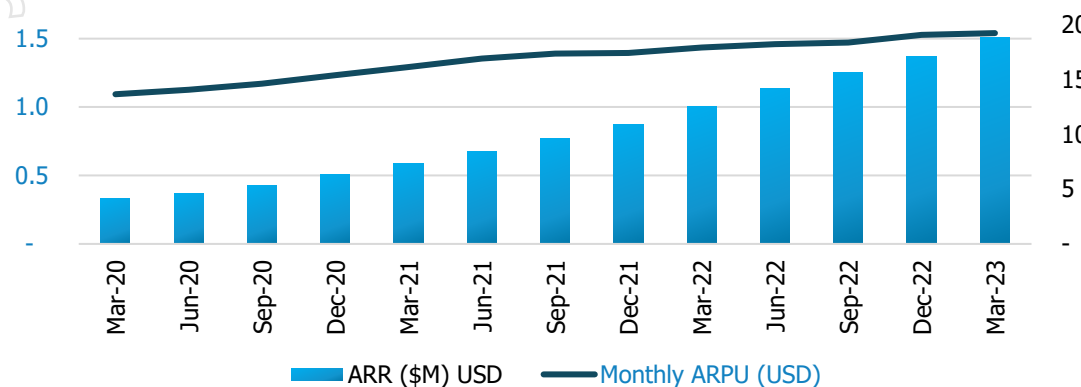
65% on
PCP

Commentary

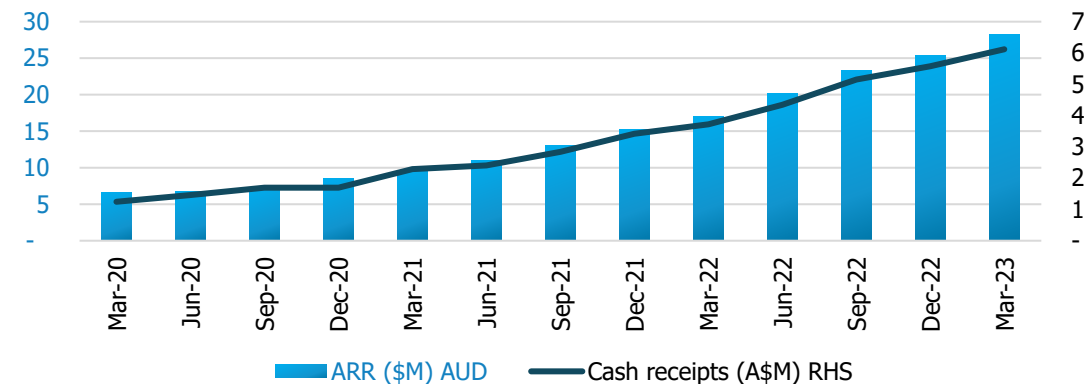
- Continue ARR momentum with double digit growth and low-partner revenue churn <3%
- Gross Margin to stabilise in FY23 with storage efficiency initiatives
- Operating Cashflow generation to remain positive in FY23 with continued re-investment

Continued Trend of Growth

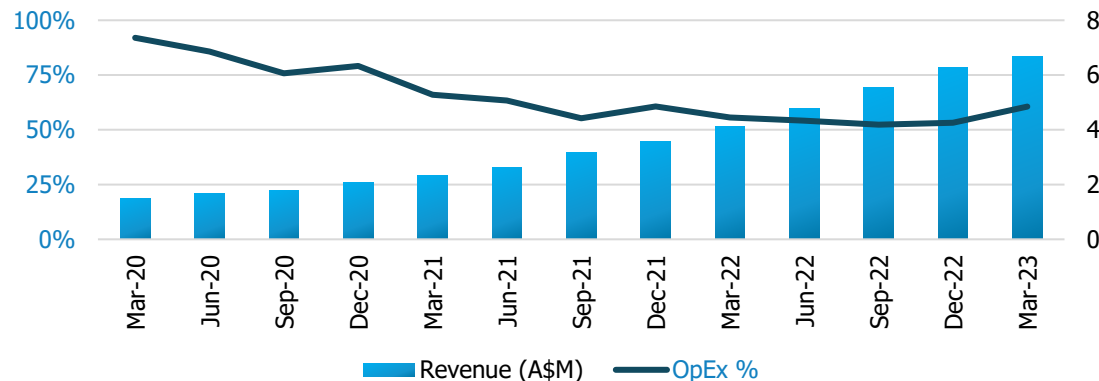
ARR and Monthly APRU - USD (\$M)



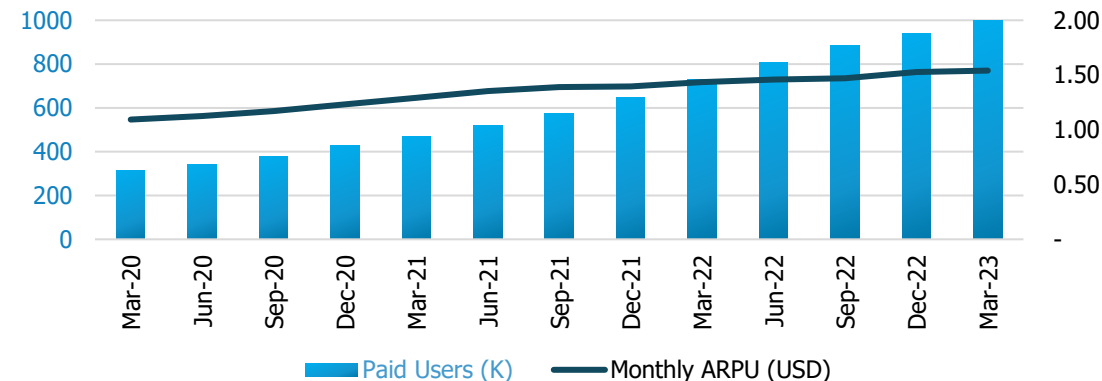
Cash Receipts and ARR growth - AUD (\$M)



Operating Expense to Revenue Ratio - AUD (\$M)

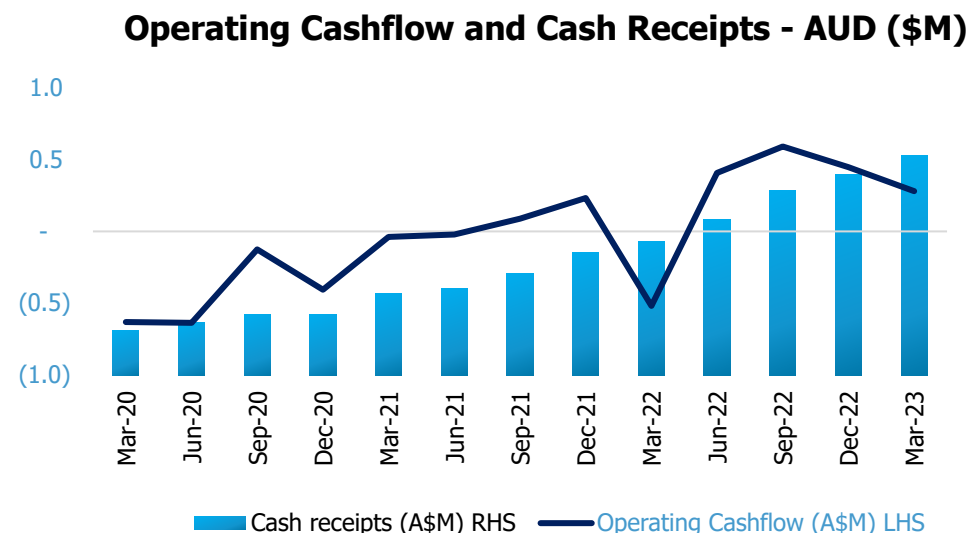


Paid Users and ARPU (USD) growth



Trend of Positive Quarterly Cashflow Continues

(\$Million) per quarter	Mar 23	Dec 22	Mar 22	QoQ	PCP
Cash Receipts	6.12	5.58	3.72	10%	65%
Net Cash Generated from Operations	0.28	0.45	(0.52)	(37%)	154%
Cash at Hand*	22.69	22.34	21.07	2%	8%



Positive Operating Cashflow

- Cash receipts growth consistent with ARR growth for the quarter
- Higher Payments to Suppliers in every Q1 with annual software renewals, insurances and annual staff performance bonuses
- Improvement from Q1 2022 cash burn to positive operating cashflow in Q1 2023
- Fourth consecutive positive operating cashflow quarter

* Cash at Bank at end of Mar of \$22.69m includes effect of movement in exchange rates on cash held of 0.12m during the quarter

Delivering Future Growth

Secular Shifts are Well Aligned with Product and Go-to-Market Strategies

Industry Regulations



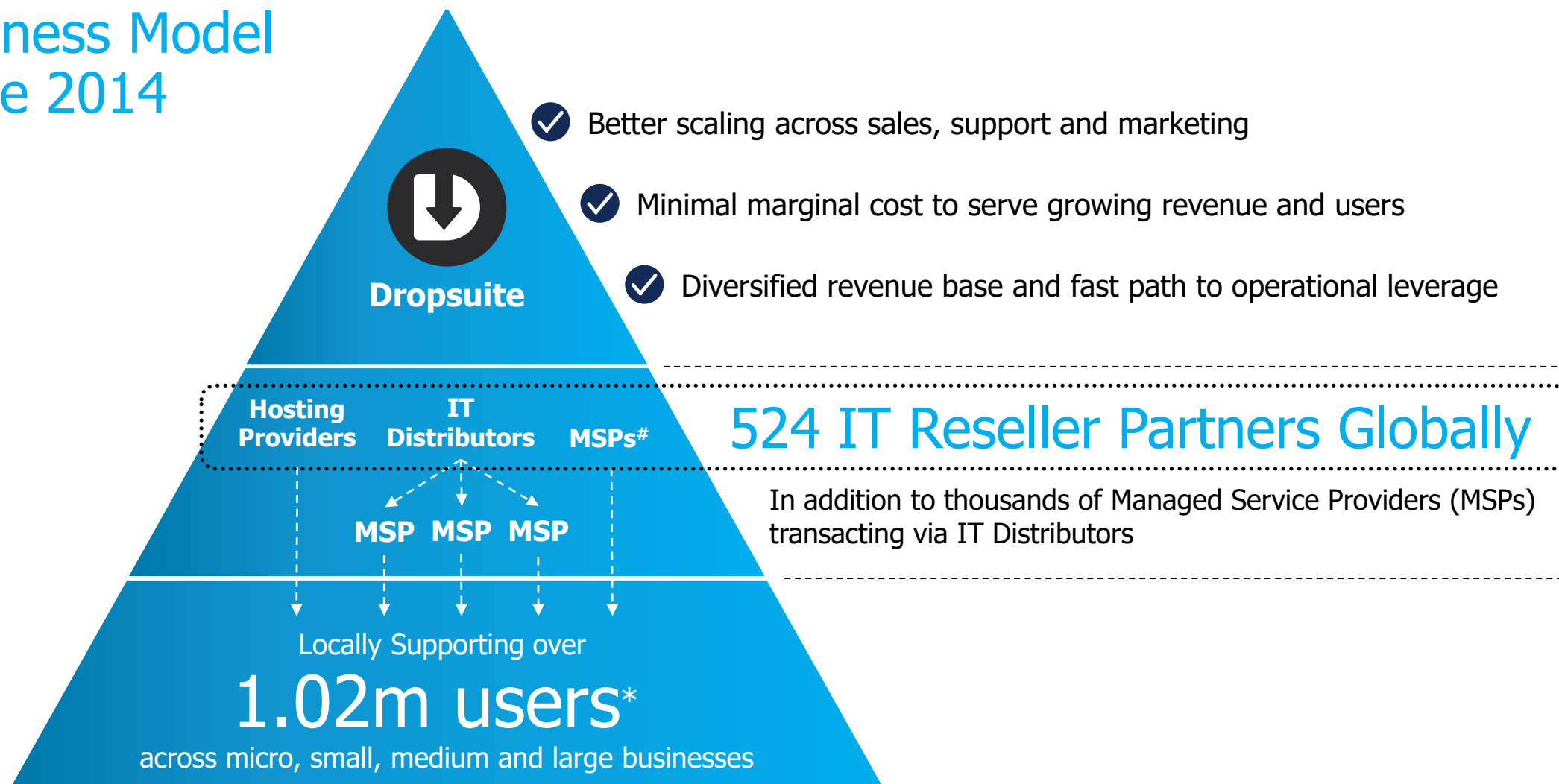
Privacy Laws



Best Practice Frameworks



Partner-led Business Model Since 2014

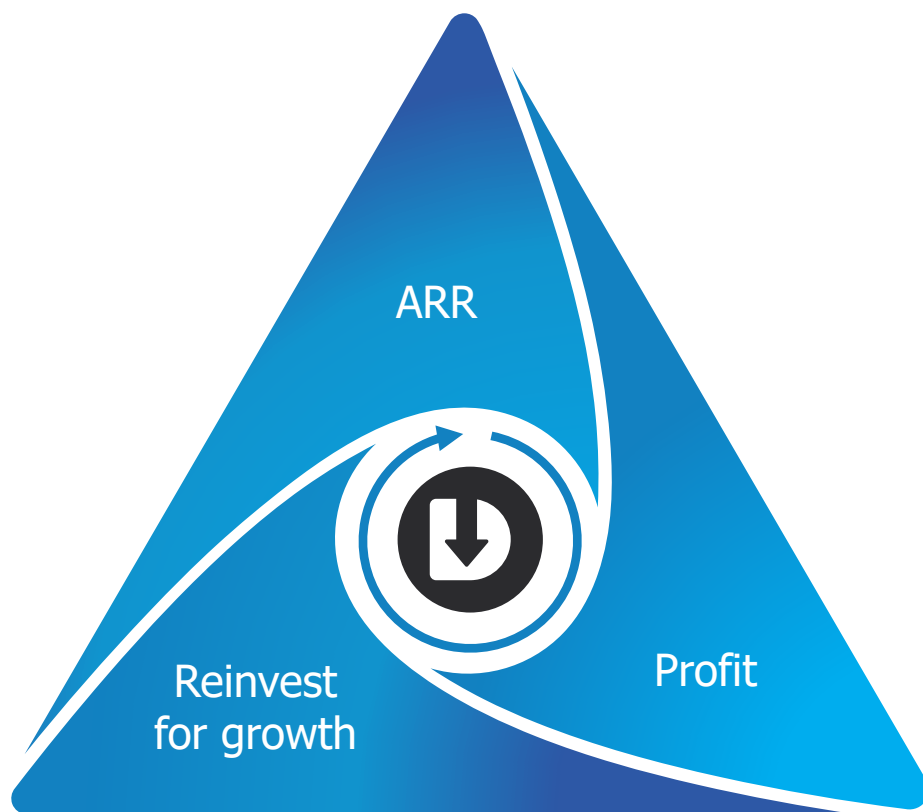


MSP: Managed Service Provider is an outsourced IT provider ensuring business availability and security for mostly small and mediums businesses (SMBs)

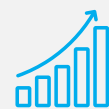
* # of MSPs: As at 31 March 2023

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

Our Growth Strategy and Ambition

Our ambition is to be the data protection vendor of choice in the segments we serve, delivering 2x Industry growth till 2025

Growth Pillar	Core Business	New Product Innovation	Accretive Acquisition
Strategy	<ul style="list-style-type: none">Protect and accelerate the core business. Grow and delight partner base	<ul style="list-style-type: none">Replicate superior user experience and partner integration	<ul style="list-style-type: none">Broaden scope of Dropsuite’s data protection platform and share of wallet
Rationale	<ul style="list-style-type: none">Only ~2% of MSPs globally are Dropsuite partnersSecurity & backup are core MSP offerings	<ul style="list-style-type: none">Security & backup are core MSP offeringsHelp MSPs to increase recurring revenue & profit	<ul style="list-style-type: none">SaaS Protection continued to be an underserved areaFast time-to-market with a seamless partner experience
Impact	<ul style="list-style-type: none">ARRPartnersUsers	<ul style="list-style-type: none">ARRARPUGM%	<ul style="list-style-type: none">ARRARPUGM%

Investment Highlights and Outlook



Strong market tailwinds from data security and regulation



Market leading position in Microsoft 365 backup



Highly engaged team with structure to support growth



Advancing accretive M&A opportunities



ARR growth via partner ecosystem and strong sales pipeline



FY23 guidance for positive EBITDA and Operating Cash Flow in a similar range to 2022



dropsuite.com



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This presentation is authorised by the Board of Directors

Appendix

Board and Management



Charif El Ansari
Managing Director



Theo Hnarakis
Non-Executive
Chairman



Dr. Bruce Tonkin
Non-Executive Director



Bill Kyriacou
Chief Financial Officer



Frederique van de Poll
Global Head of HR



Manoj Kalyanaraman
Chief Technology
Officer



Ridley Ruth
Chief Operating Officer



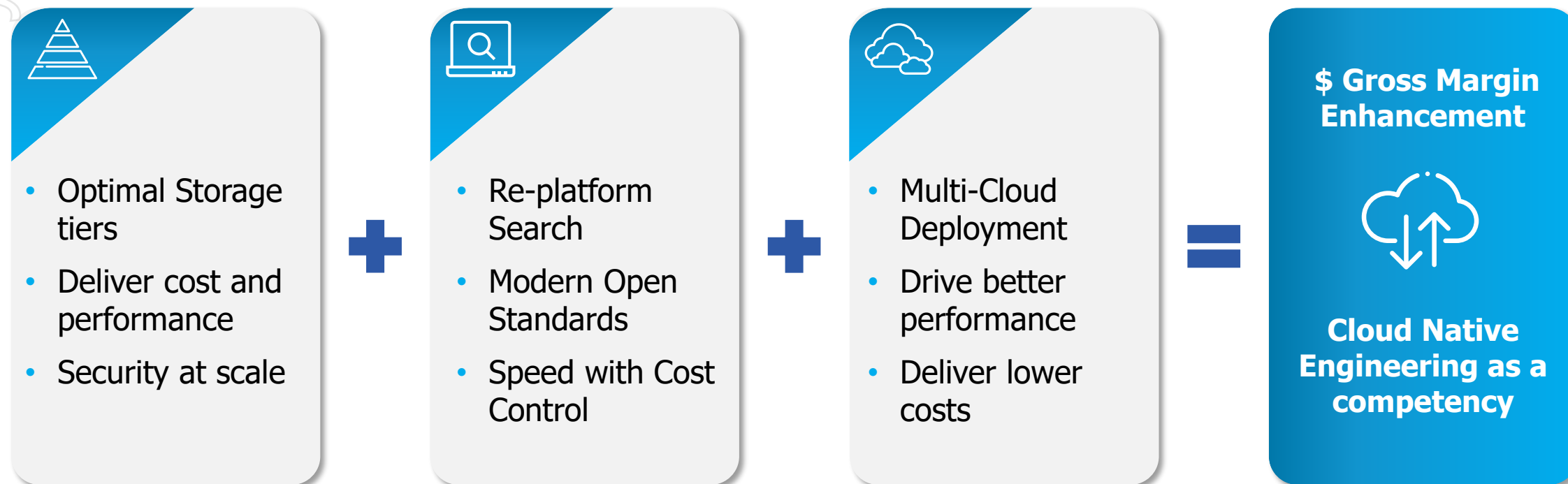
Eric Roach
SVP Global Channel
Sales & Marketing



Mark Kirstein
Chief Product Officer

Cutting-edge Cloud Platform

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



Notable MSP Trends and How We Win



Notable & Emerging Trends

- Ever **growing cyber and ransomware threat** landscape affecting both users and MSPs
- **Cyber insurance** requirements are increasingly strict and complex
- **Revenue and margin** pressures with a move to the Cloud
- Growing **regulatory and compliance** requirements
- Growing **strain to hire IT professionals**, with increasing SLA expectations by end users



How Dropsuite Drives MSP Success

- Highly **secure and encrypted** data backup in a **separate Cloud**
- **Backup** along with security software **prerequisite** to obtain **cyber** insurance
- Backup is an integral component of the **security stack** sold to end users
- **Archiving and Compliance module** is a meaningful differentiator
- **"One-stop" solution** to all email backup needs integrated into MSP's workflow

Glossary

ARR: Annualised Recurring Revenue - is defined as the value of the contracted monthly recurring revenue multiplied by 12 months.

ARPU: Average Revenue Per User

CAGR: Compound Annual Growth Rate

Churn: Partner Revenue Churn is defined as Lost Revenue in current period divided by previous period Revenue

MSP: Managed Service Provider is defined as an outsourced IT provider ensuring business availability and security for mostly small and medium businesses

QoQ: Prior Quarter Comparative Period

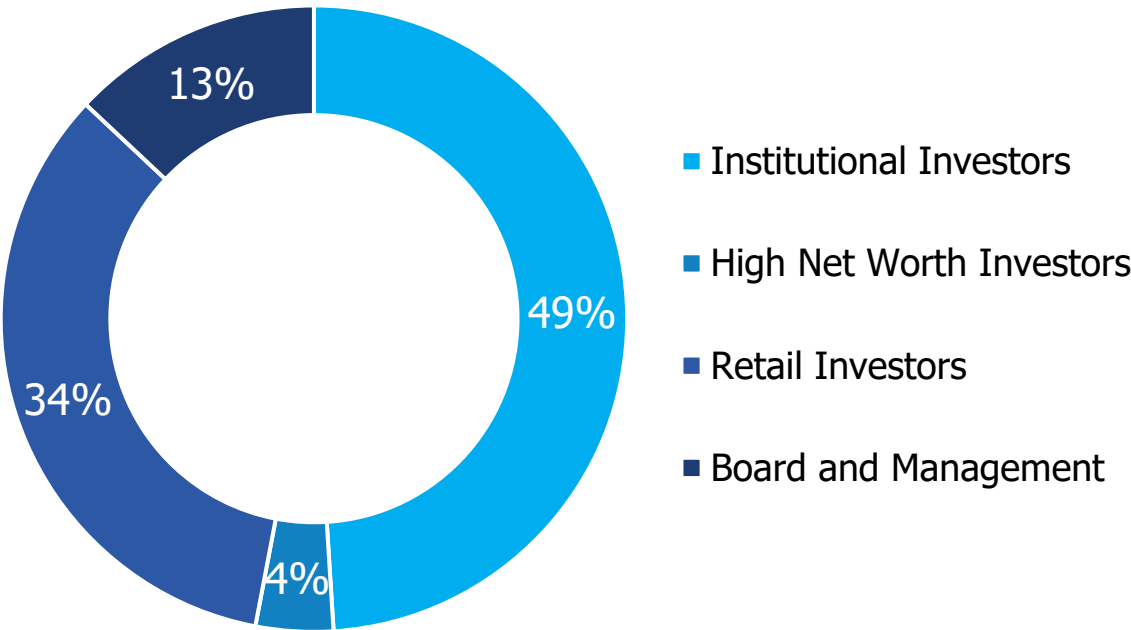
PCP: Prior Corresponding Period in Constant Currency % growth

SME: Small to Medium enterprise

QBO: QuickBooks Online

Corporate Overview

Top 50 share registry breakdown



Financial Information

Share price as of March 31, 2023	21.0 cents
Ord Share on Issue (M)	690
52-week trading (low/high)	0.15/0.25
Market Cap (\$)	\$145M
Cash (31 March 2023)	\$22.7M
Debt (31 March 2023)	nil

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