

DROPSUITE LIMITED | ASX:DSE

dropsuite | Investor Presentation

Q2 RESULTS UPDATE

July 2021

Dropsuite Safeguards Business Information

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



Scalable Revenue

Underpinned by growing SaaS revenue



Email Backup Leader

#1 cloud vendor 2nd year in a row by Info-Tech



Global Presence

Over 500k users across > 100 countries



Committed Team

Across Asia Pacific, North America and Europe

Tailwinds Propelling Growth

Industry growing at 24% per year



Cyber & Ransomware Threats



Data Privacy Regulation



Cloud migration

2017

\$6bn

2025



\$22.2bn

Global Data Backup and Recovery Market growing at 24% (CAGR)

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/>

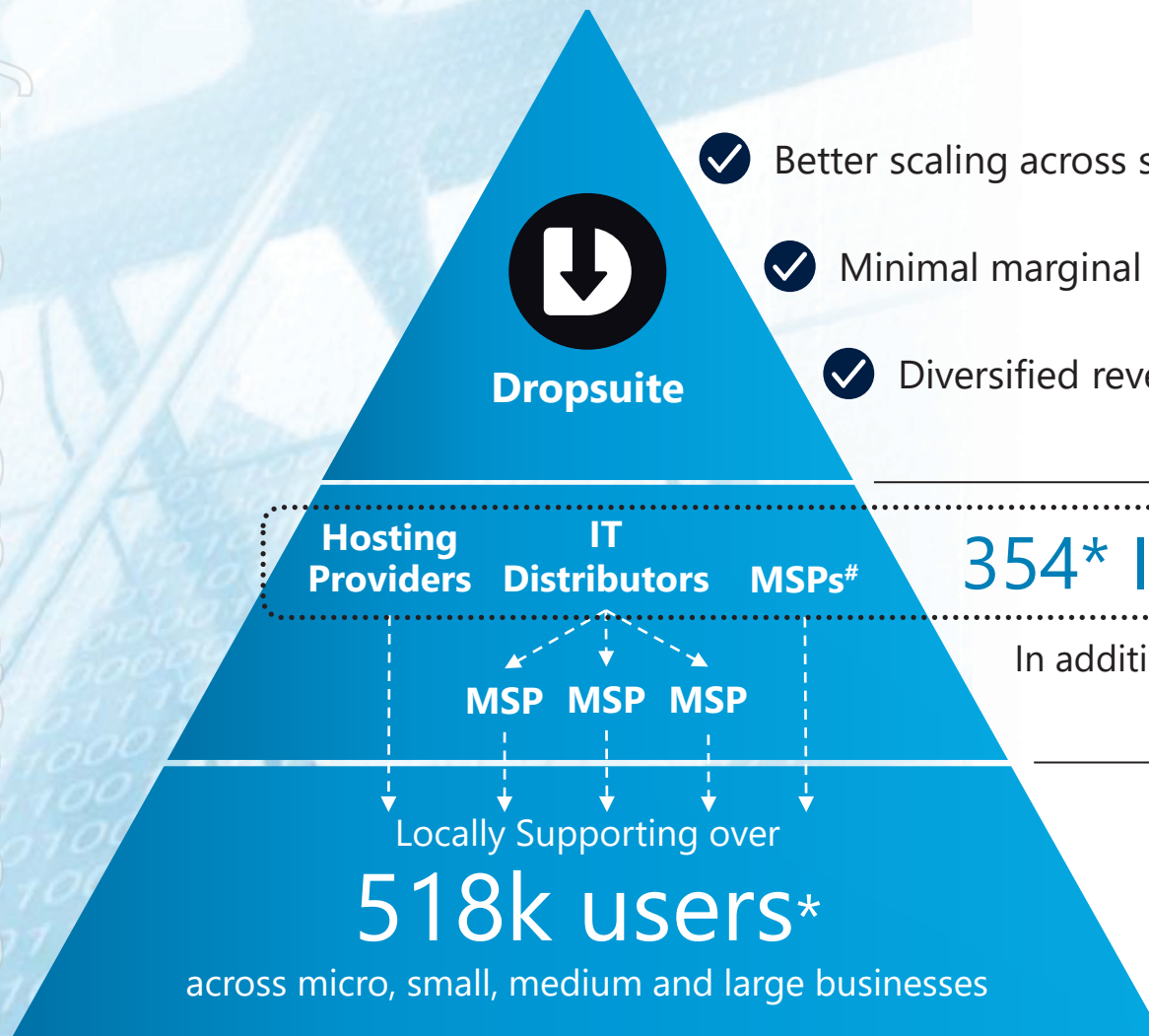
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Dropsuite

The Product Suite



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

354* IT Reseller Partners Globally

In addition to hundreds of MSPs transacting via IT Distributors

MSP: Managed Service Provider * As at 30 June 2021

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 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



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2Q FY21 Results



2Q FY21 Results Overview

Solid momentum across the business

**Annual
Recurring
Revenue¹** **\$11.03m**

↑ 15%

**Average
Revenue
Per User** **\$1.77**

↑ 5%

**Normalised
Operating
Cash Burn²** **\$0.02m**

↓ 87%

**Reseller
Partners** **354**

↑ 12%

**End
Users** **518k**

↑ 10%

**Cash
Position** **\$2.40m**

↓ (2%)

1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted recurring revenue multiplied by 12 months

2. Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash Used in Operations was (\$0.02m) with Cash at Bank at end of June of \$2.40m

* All percentage changes are on prior quarter

2Q FY21 Continued trend towards decreasing cash burn

(\$Million)	Jun 21	Mar 21	Jun 20	QonQ	PCP
Cash Receipts	2.40	2.29	1.46	5%	65%
<i>Normalised Cash Receipts¹</i>	2.40	2.16	1.59	11%	51%
Net Cash from Operations	(0.02)	(0.04)	(0.64)	(44%)	(97%)
<i>Normalised Net Cash from Operations</i>	(0.02)	(0.17)	(0.50)	(87%)	(96%)
Cash at hand	2.40	2.44	3.02	(2%)	(20%)

Cash Receipts : Normalised cash receipts for the quarter were \$2.40m, an increase of 11% QoQ and 51% on PCP

Normalised burn: Decreased 87% QoQ and 96% on PCP with cash receipts increasing inline with revenue and continued cost control measures in place to improve net cash from operations in 2021

Cash receipts are normalised in order to capture delayed or early receipt of material customer payments around each quarter end. Actual (Non-Normalised) Cash Used in Operations was (\$0.02m) with Cash at Bank at end of June of \$2.40m

Solid increase over the past 12 months

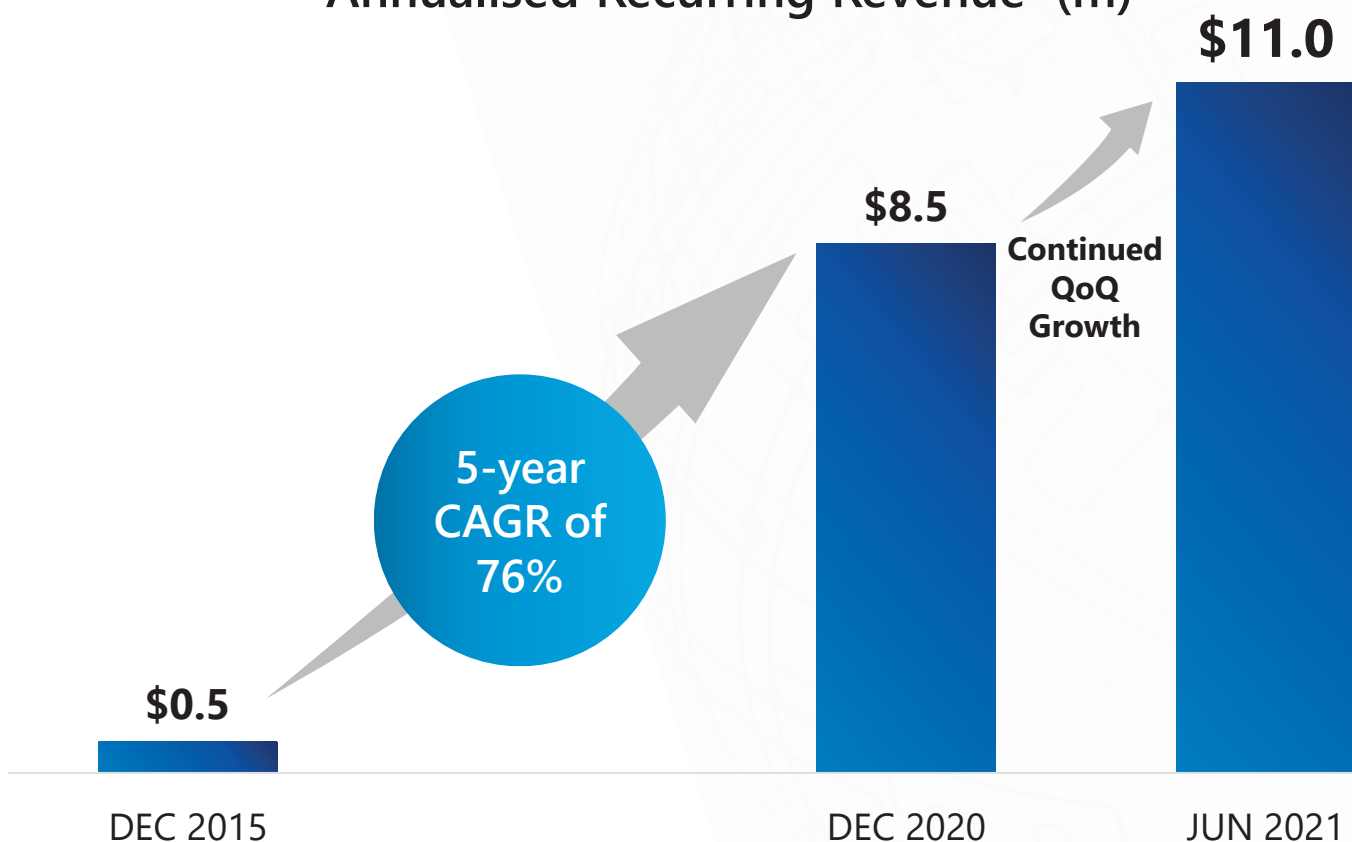
Top 10 Partner Revenue Contribution
↓ **3% to 68%**

Partner Churn Rate²
Stable at <3%

Monthly Revenue per User
↑ **18% to \$1.77**

End Users
↑ **51% to 518k**

Annualised Recurring Revenue¹ (m)



1. Annualised Recurring Revenue (ARR) is defined as the value of the contracted recurring revenue multiplied by 12 months

2. June 2021 Revenue Churn is defined as Lost Revenue in June 2021 divided by June 2020 Revenue

* Percentage growth is on previous corresponding period and constant currency

Outlook

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Growth Pillars



Growth Through Partnerships

Increasing global footprint by onboarding new partners

Expanded Integration options for new and existing partners

01



Continuous Product Innovation

Focus on continued product and feature upgrades

#1 email Office 365 backup second year in a row by InfoTech, a software research firm

02



Diversify Revenue and Boost ARPU

Increasing ARPU year-on-year

Reduced Top 10 Revenue contribution to 68% with very low churn

03

Single Vendor Story in 2021



Partners' choice for all email and productivity backup requirements across any platform, geography, customer segment or vertical



Any Platform



Microsoft 365

Google Workspace

& On-Premise & Cloud



Any Geography

Americas
Europe
Asia
Australia



Any Segment

End Clients from
1-1000s of users



Any Vertical

Including:
Healthcare
Financial
Government



FINRA

Outlook



Strong ARR and user growth trajectory bolstered by industry tailwinds and solid execution



Continued investment in future growth in people and programs across sales, marketing and engineering in 2021 and beyond



Well-funded for organic growth and positioned to reach **profitability and cash break-even** in the second half of 2021



Expand product offerings in the coming 18-24 months through in-house innovation and consideration of strategic acquisitions

QUESTIONS





dropsuite.com



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dropsuite



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This presentation is authorised by the Board of Directors

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

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



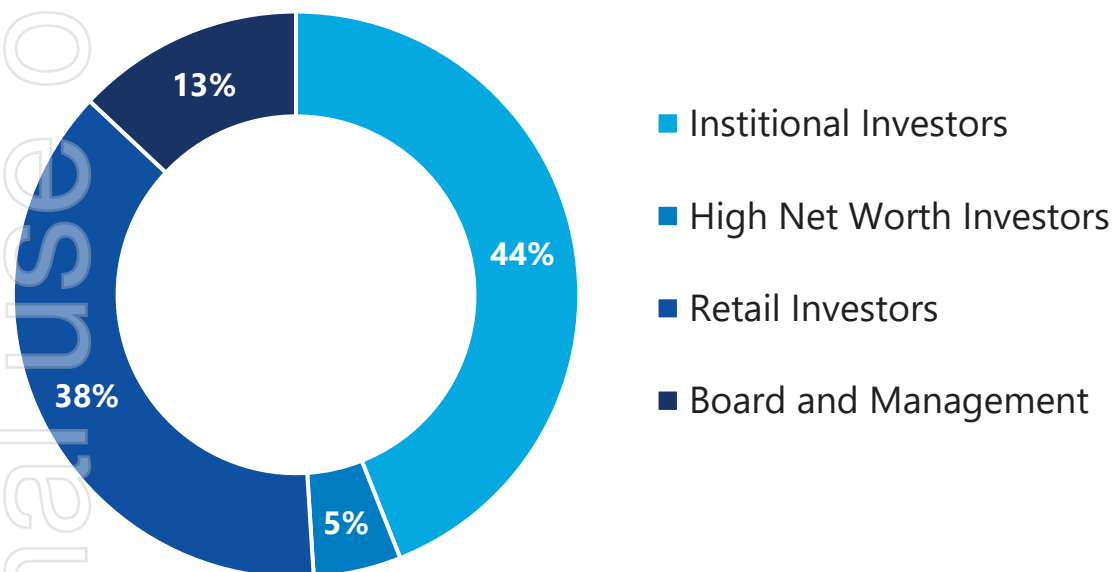
Head of Finance

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

Corporate Overview

DSE has a strong balance sheet and zero debt

Top 50 share registry breakdown



Board of Directors

Theo Hnarakis
Charif Elansari
Bruce Tonkin

Non-Executive Chairman
Managing Director
Non-Executive Director

Substantial Shareholders

Topline Capital Partners (USA)	19.8%
Tracy Anne Fearon	6.4%
Charif Elansari	5.7%
HSBC Custody Nominees (AU)	5.0%
BNP Paribas Nominees Pty Ltd (AU)	5.1%
Total	42.3%

Financial Information

Share price as of July 16, 2021	21.0 cents
Ord Share on Issue (M)	580
52-week trading (low/high)	0.061/0.225
Market Cap (\$)	\$118.8M
Cash (30 June 2021)	\$2.40M
Debt (30 June 2021)	nil

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