



AGM Presentation

22 MAY 2023

ASX:DSE



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Agenda

Chairman Address

Theo Hnarakis

MD Presentation

Charif Elansari

Formal Business

Q&A

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

Chairman's Address



Record Year

Delivered record growth across all financial metrics



Positive Cashflow

Delivered ~\$1m of positive cashflow in 2022



Product Leadership

Single vendor strategy achieved and voted #1 cloud vendor for 3rd year in a row by Info-Tech



Strong and Committed Management Team

Added key strategic hires to Management Team



Positioned for Growth

Well capitalised to drive investment for growth and acquisitional opportunities

MD's Presentation

Company Overview

Year in Review

Outlook



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

March'23 Quarter



>90
employees



>100
countries



>1.0M
paid users



\$28.2M
ARR

Operational Highlights FY 2022



Product

- #1 Software Reviews for O365 Backup for 3 years in a row
- 16 major system and product enhancements
- Cloud scaling delivering 200 basis points Gross Margin improvements
- Launched QuickBooks Online backup (beta)



Partners

- Onboarded 89 new direct transacting partners including 7 distributors
- Onboarded 819 new indirect transacting partners
- Delivered new partner interface
- Sponsored 19 Tradeshows and partner events

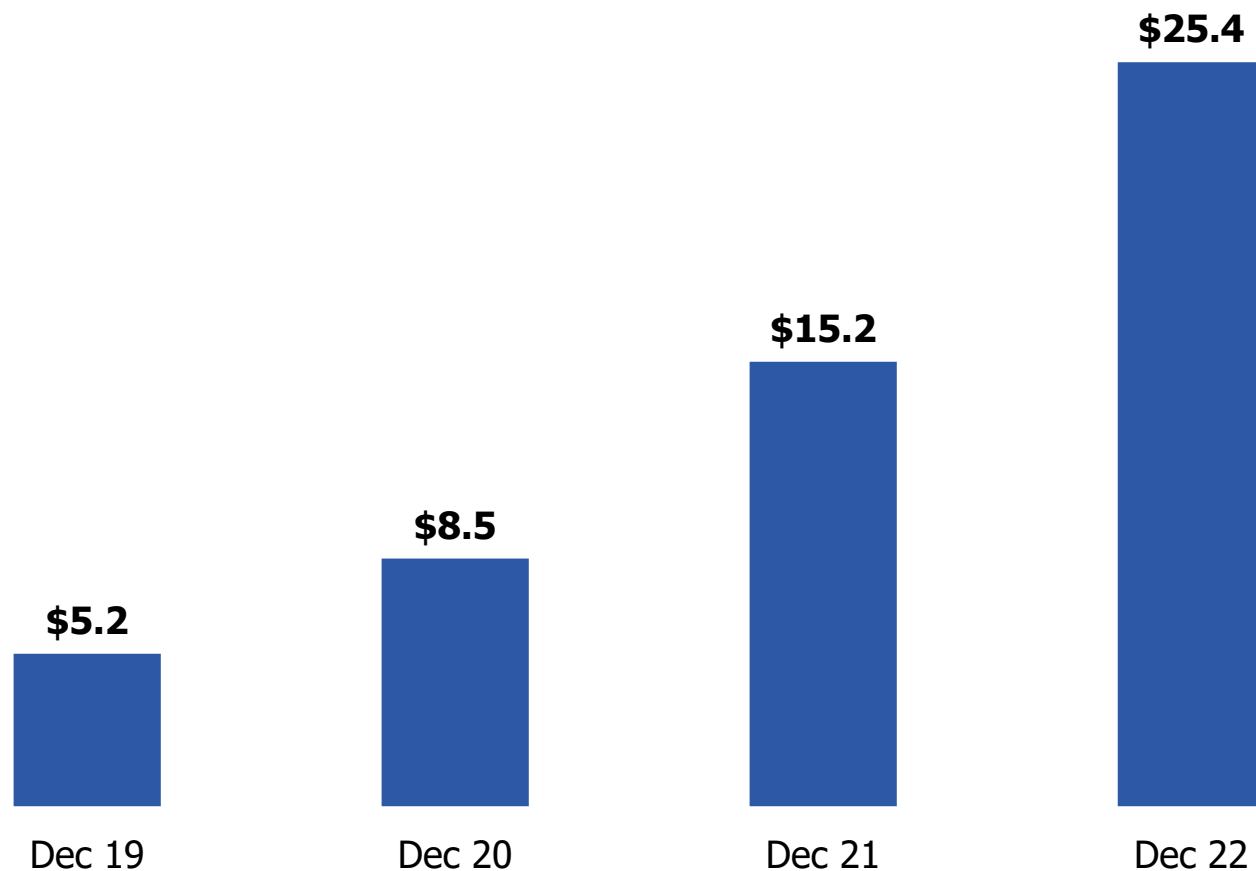


People

- Added 21 new staff globally, Dec'22 headcount at 81
- Strengthened leadership team with 4 executive hires
- High team engagement survey results continued
- Low single digit regretted attrition

Strong momentum across all key metrics in FY 2022

Growth continues in FY 2023 with Mar'23 ARR at \$28.2m



ARPU
\$2.26/mo +9% on PCP
on constant
currency

Users
935K +44% on PCP

NRR
>125% Stable on PCP

Churn
<3% Stable on PCP

FY 2022 – Financial Highlights

ARR

\$25.4m



58% on PCP
on constant
currency

Operating Revenue

\$20.7m



77% on PCP
of \$10.7m

Gross Margin

66%



200 basis
points on
PCP 64%

Operating Cashflow

\$0.93m



261% on PCP
of \$0.26m

EBITDA

\$1.25m



>100% on PCP
EBITDA Margin 6%

Underlying EBITDA

\$2.11m



>100% on PCP
Underlying EBITDA
Margin 10%

Cash Receipts

\$18.80m



72% on
PCP of \$10.96m

Earnings per share

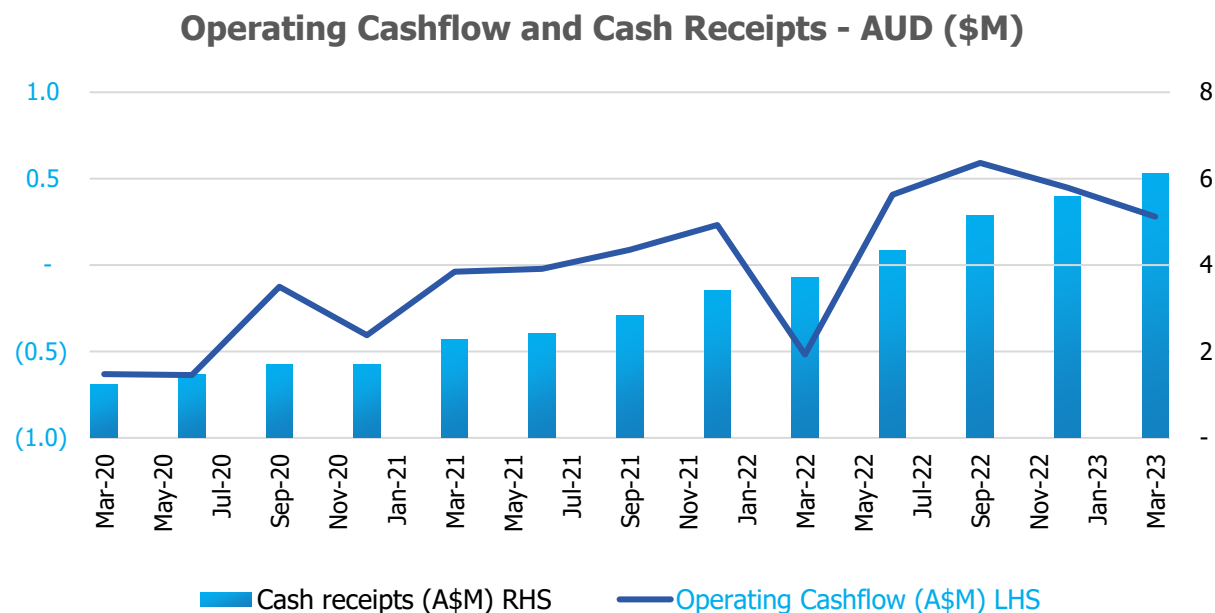
\$0.21



>100% on PCP
of (\$0.01)

Second Consecutive Positive Operating Cashflow Year

(A\$Million)	FY 2022	FY 2021	PCP
Cash Receipts	18.80	10.96	72%
Net Cash Generated from Operations	0.93	0.26	261%
Cash at Hand*	22.34	21.60	3%



- Cash receipts growth consistent with ARR growth for the year
- Re-investment in expanding capabilities continues at lower rate than cash receipts growth
- Cash on hand for advancing M&A opportunities

* Cash at Bank at end of Dec of \$22.34m includes effect of movement in exchange rates on cash held of (0.12m) during the year

Delivering Future Growth

Investment Framework 2023-2025: Profitable Re-investment



Enablers of Growth



Protect and
**accelerate the
core business.**
Grow and delight
partner base



Replicate
superior user
and partner
experience with
**organic new
product
introduction**



Broaden scope of
Dropsuite's data
protection
platform through
**complementary
M&A**

Investment Growth Pillars

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 Cashflow



dropsuite.com



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



Dropsuite Limited

14 Emerald Terrace
West Perth WA 6005, Australia



Charif Elansari

Managing Director, Dropsuite
charif@dropsuite.com



Bill Kyriacou

CFO, Dropsuite
bill@dropsuite.com



Investor Relations

Craig Sainsbury

Automic Markets
craig.sainsbury@automicgroup.com.au
+61 428 550 499

This presentation is authorised by the Board of Directors

Appendix

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 - is defined as the total revenue divided by the number of users

CAGR: Compound Annual Growth Rate

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

Constant Currency: is defined as a fixed exchange rate from the prior-period that eliminates foreign currency fluctuations when calculating revenue

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

NRR: Net Revenue Retention – is defined as the percentage of recurring revenue retained from existing customers over a specific time period, including upgrades and expansions, offset by downgrades and churn

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA): is calculated by adjusting interest, depreciation and amortisation, and income taxes to net profit

Underlying EBITDA: is calculated by adjusting share-based payments, due diligence costs, interest, depreciation and amortisation, and income taxes to net profit

QoQ: Prior Quarter Comparative Period

PCP: Prior Corresponding Period in Constant Currency % growth

SME: Small to Medium enterprise

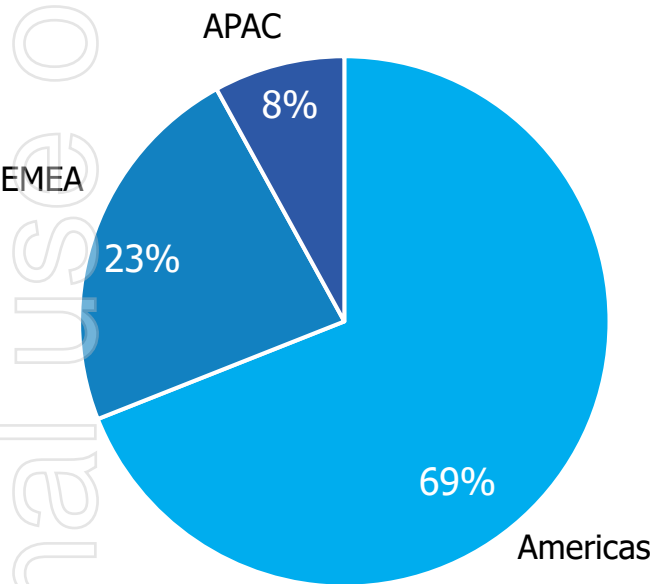
QBO: QuickBooks Online – cloud accounting provider for small and medium businesses

Financial Summary for FY 2022 (Jan-Dec 2022)

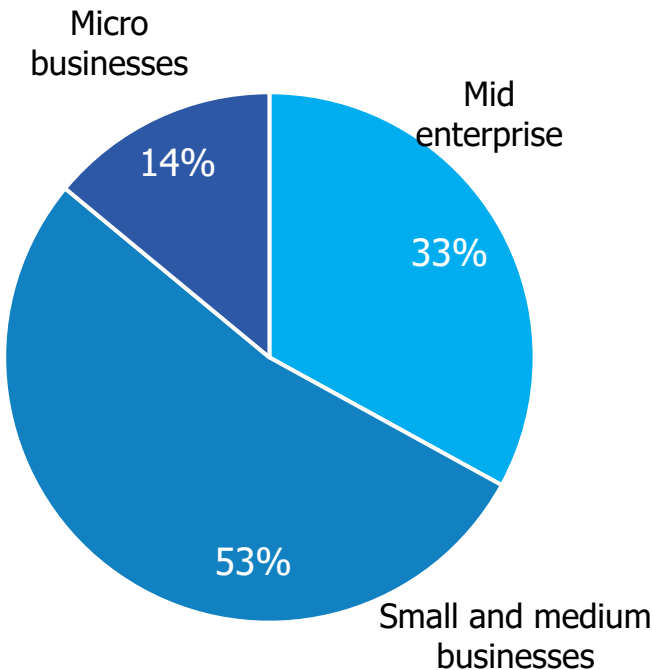
A\$ million	2022	2021	Change (%)
Revenue from operating activities	20.69	11.69	77%
Interest Income	0.26	0.004	>100%
Gross margin %	66%	64%	200 basis points
Operating expenses	(12.36)	(7.54)	64%
Net Profit/(Loss) from ordinary activities	1.45	(0.03)	>100%
EBITDA	1.25	0.003	>100%
Underlying EBITDA	2.11	0.39	>100%
Cash Receipts from customers	18.80	10.96	72%
Net Cash Generated/(Used) from Operations	0.93	0.26	260%

Topline Growth Across Broad Base

Revenue by Geography



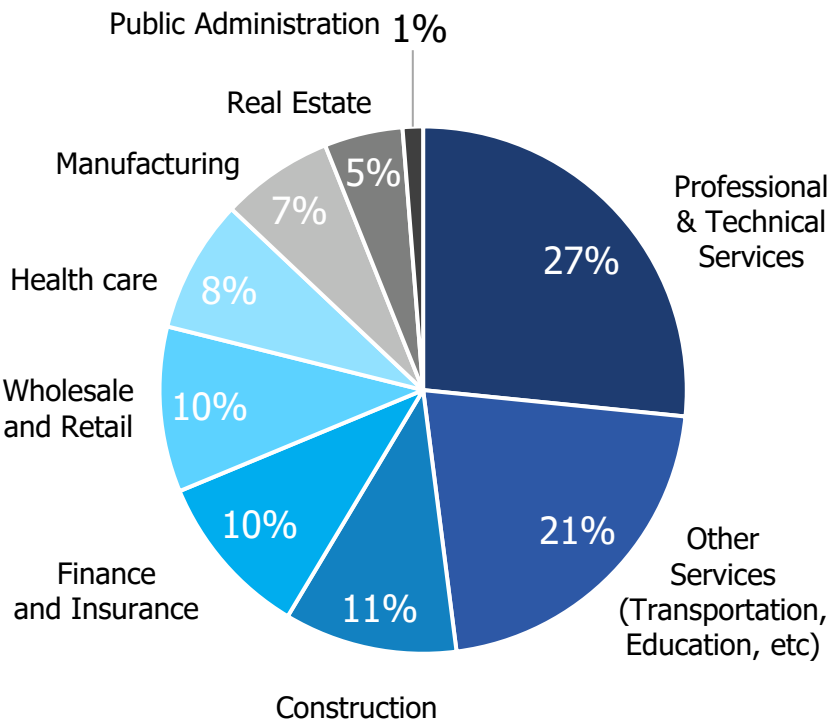
Revenue by Customer Segment



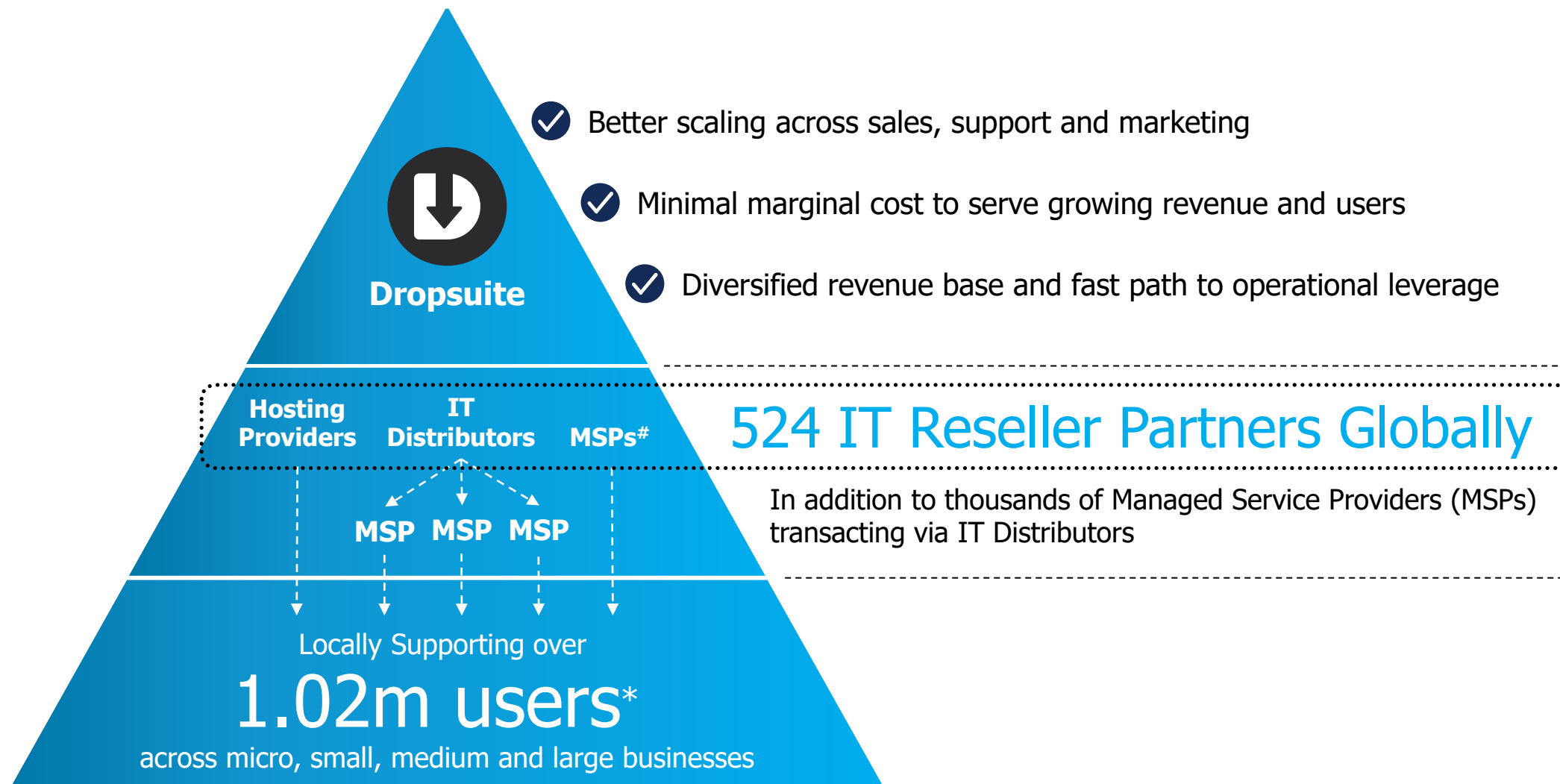
Customer Segment breakdown:

- Micro = 1-5 pax
- Small & Medium = 6-200 pax
- Mid-Enterprise = >200 pax

Revenue by End Client Vertical



Highly Scalable 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

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