



Investor Day

19 OCTOBER 2022

ASX:DSE





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 3 years in a row



Growing global presence

Over 886k users across +100 countries



Highly responsive team

>80 colleagues across Asia Pacific, North America and Europe



Scalable and Recurring Revenue

Pure SaaS via scalable partnership business model

Agenda

Time	Topic	Presenter
10.30	Welcome and Agenda	Theo Hnarakis
10.32	DSE Introduction and Overview	Charif El Ansari
10.50	Channel Sales and Distribution	Jamie Deveau
11.05	Product Demonstration	Austin Ellis
11.15	Technology Update	Manoj Kalyanaraman
11.30	Financial Review	Bill Kyriacou
11.40	Strategy and Outlook	Charif El Ansari
11.45	Closing Remarks	Chair

Today's Presenters

THEO HNARAKIS

Non-Executive Chairman



JAMIE DEVEAUX

Head of Channel ANZ



MANOJ KALYANARAMAN

Chief Technology Officer



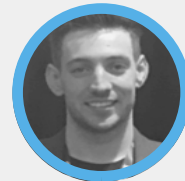
CHARIF ELANSARI

Managing Director



AUSTIN ELLIS

Account Executive Americas



BILL KYRIACOU

Chief Financial Officer



Introduction and Overview

Theo Hnarakis (Non-Executive Chairman)

Charif El Ansari (Managing Director)

Our Mission and Principles



Our Mission

Why

We help businesses stay in business

How

By safeguarding their critical information

What

Partner-centric approach to deliver industry's most secure, scalable and highly useable cloud backup technologies.



Our Principles

People

Attract and retain strong and committed team

Product

Build and sell world-leading products in our target market

Partner

Help Partners grow and de-risk their business

Timeline and Traction

2011	2013	2017	2020	2022
<ul style="list-style-type: none">• Founded in Singapore• Fund-raising• Product Launch	<ul style="list-style-type: none">• C. Elansari joins as CEO in Oct'13• First partner launched in Japan• Expansion to North America• ASX Listing Dec'16	<ul style="list-style-type: none">• Launched email then O365 Backup• 1st major email partner launched• Expansion to new MSP channel		<ul style="list-style-type: none">• Ranked #1 O365 Backup• Cash flow and EBITDA positive• \$20M Capital Raise to gear up for M&A• Surpassed \$20M+ ARR

VC funded in Singapore (raised A\$7M)

Publicly Listed in Australia (raised A\$28M)

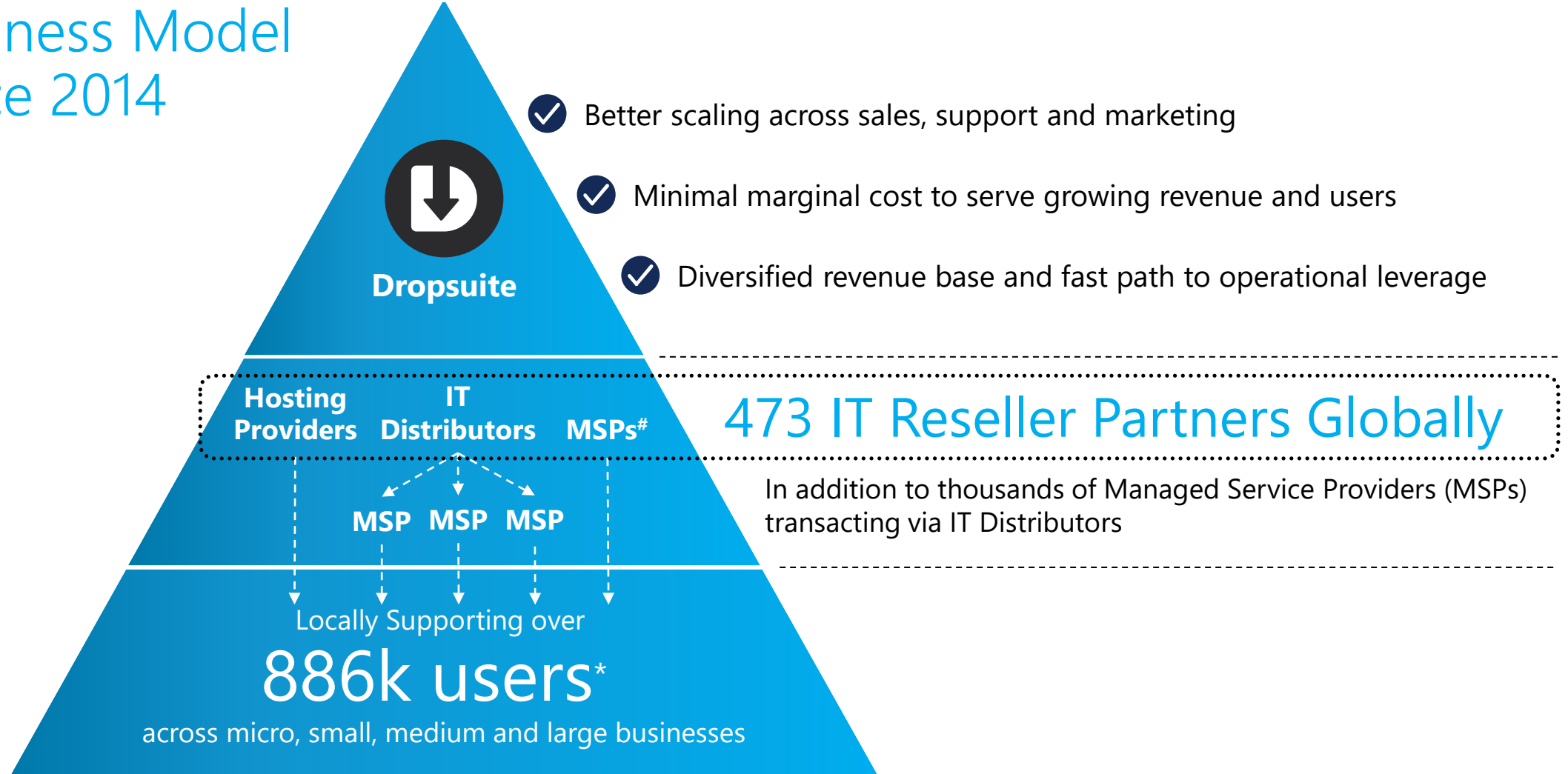
Team **8**
Users **200**
ARR **\$10k**
Partners **0**

Dec
2013

Oct
2022

Team **81**
Users **886K**
ARR **\$23.4M**
Partners
(Direct) **473**

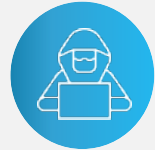
Partner-led Business Model Since 2014



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 30 September 2022

Tailwinds Propelling Growth

Industry growing at 24% per year



Cyber Threats



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/>

Dropsuite's Competitive 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



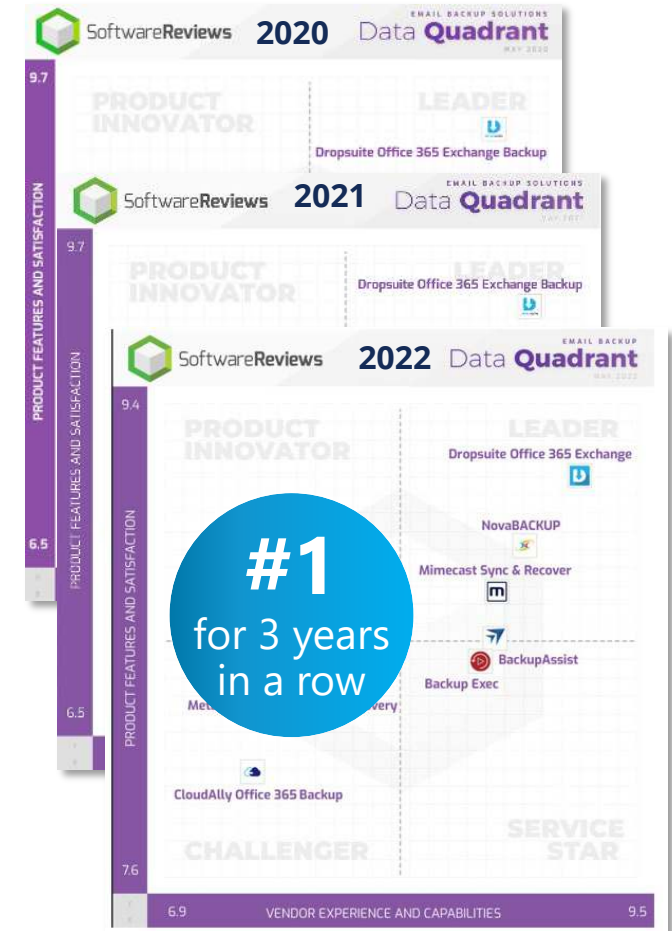
Cutting-edge Cloud Platform

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



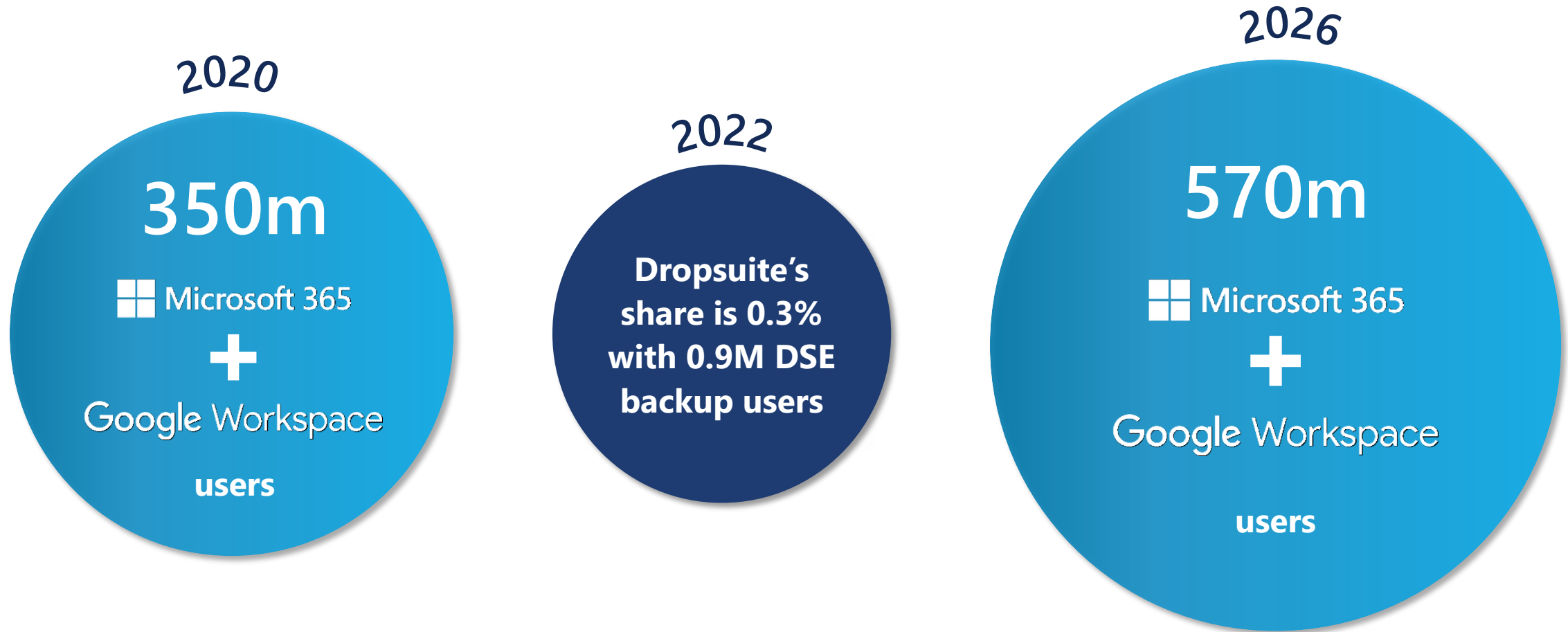
Highly Responsive Team

Expert training, marketing and technical support delivered by an agile and passionate team



Market Size: Microsoft 365 & Google Workspace

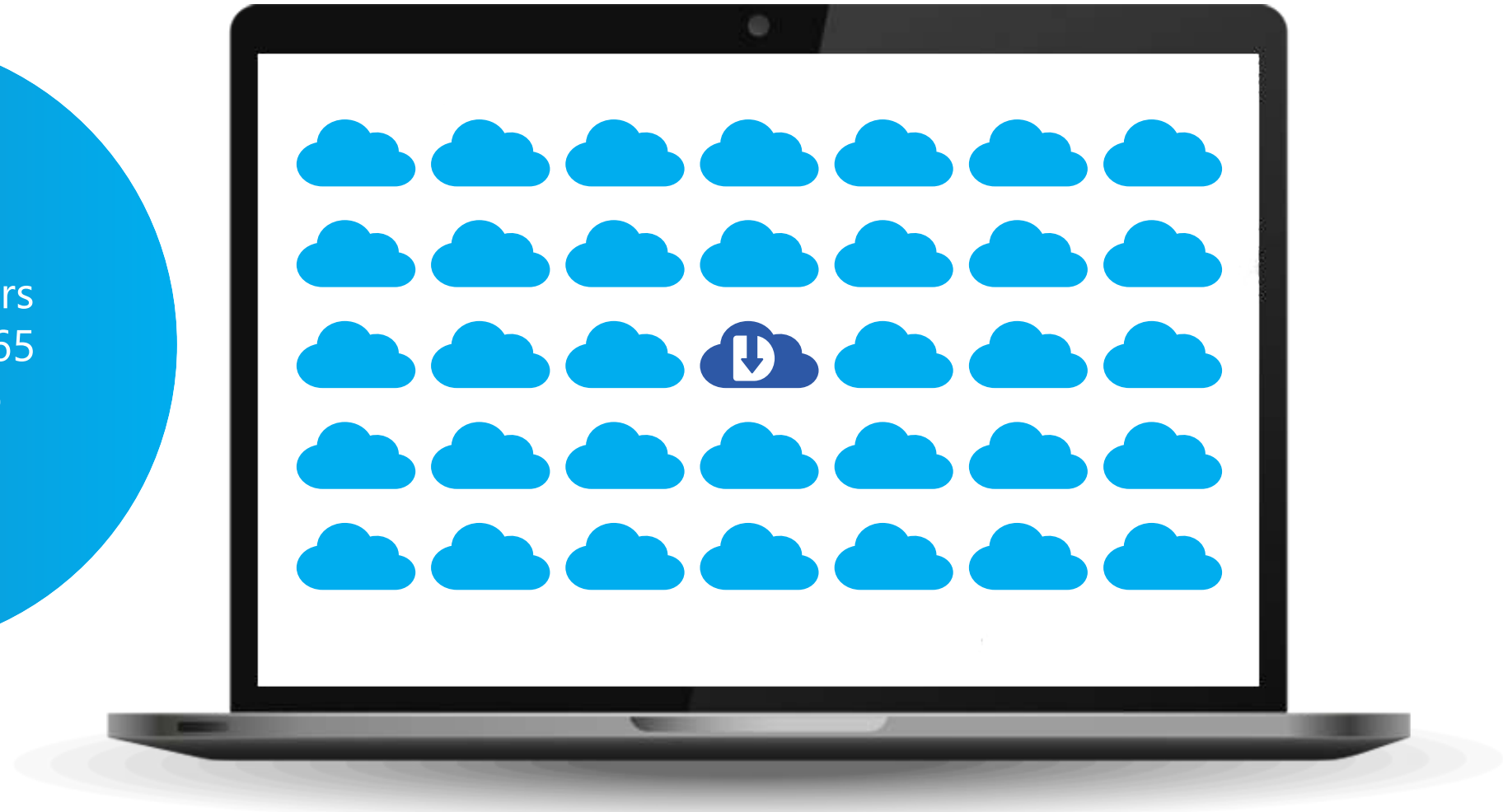
Significant whitespace opportunity and growing



* 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

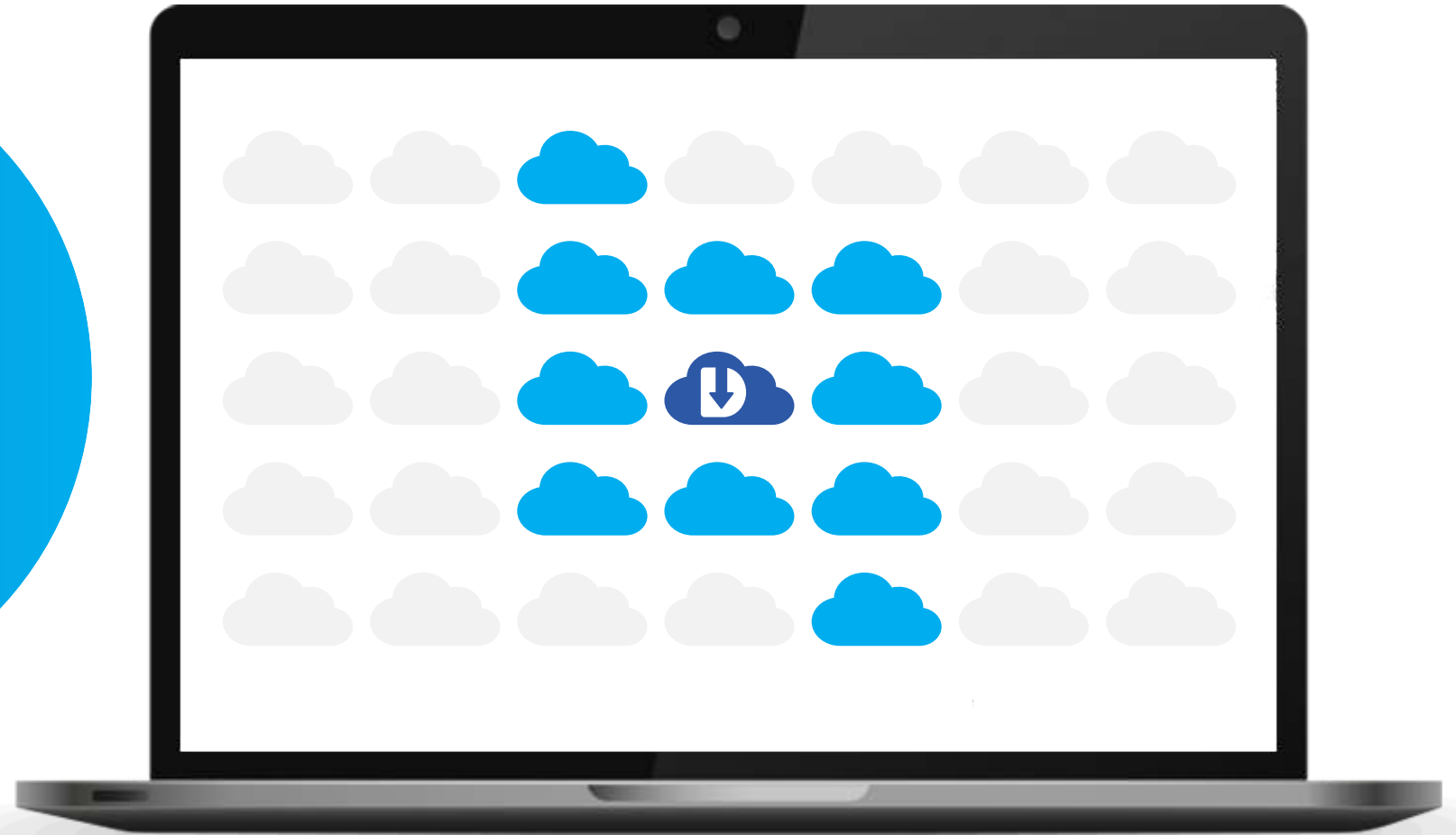
Competitive Landscape: How Dropsuite Stands Out in the Market

There are 35
Credible Vendors
for Microsoft 365
Cloud Backup
Globally



11 Vendors offering MSP portal/ programs with PSA Integration

Integrating with leading PSA* platforms such as ConnectWise and Autotask is essential for many MSPs to manage and streamline their operations



* PSA: Professional Services Automation is a type of platform that is used by MSPs to run their operations

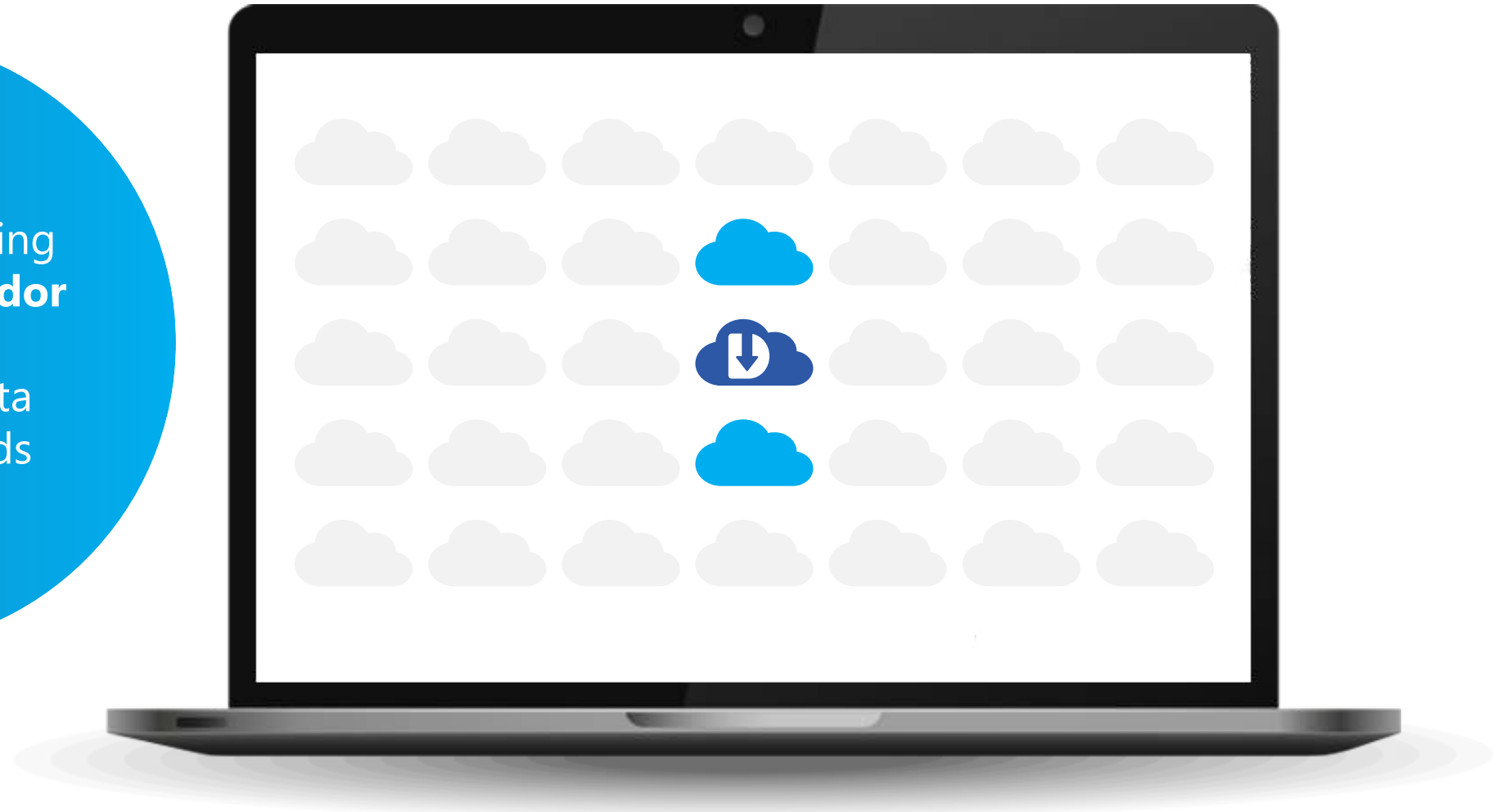
6 of those 11 Vendors offer Full Microsoft Teams Backup

Full Teams Backup
includes data
protection for
Channels, Teams,
Groups, files and 1:1
Chats



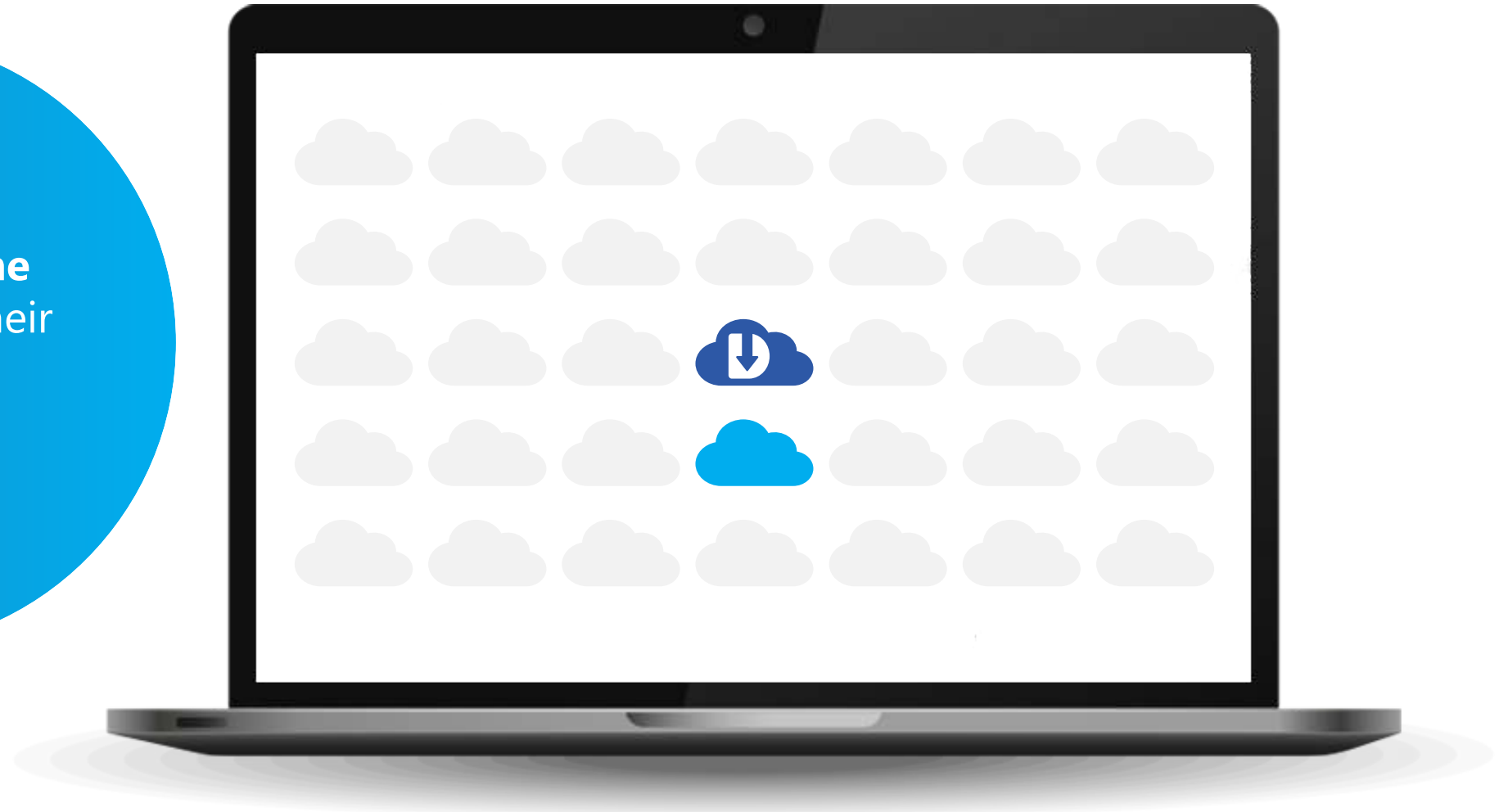
3 of those 6 vendors offer Google Workspace Backup

MSPs prefer having
one backup vendor
for email and
productivity data
protection needs



2 of those 3 vendors offer US Government Data Centre (AWS GovCloud)

MSPs prefer **one vendor** for all their email backup requirements



And only 1 of those 2 vendors, Dropsuite also offer Archiving & Compliance

In the age of growing regulation, combining backup with **archiving/compliance** is a winning & unique product strategy



Single Vendor Story



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 Pacific



Any Segment

End Clients from
1-1000s of users



Any Vertical

Including:
Healthcare
Financial
Government



FINRA

Channel Sales and Distribution

Jamie Deveau (Head of Channel Sales ANZ)

Introducing Our Core Partner Profile: MSP

What is an MSP?

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

Current Growth Opportunity



- Market Size USD 757.10 Bn by 2030
- Growing 4x faster than the overall IT spend
- 12.6% CAGR from 2022 till 2030
- >132,000 MSPs mostly in OECD countries

Macro Trends Driving the Growth



- Operational efficiency
- Rising Cybersecurity Risks
- Migration to the cloud
- Increasing IT complexity

<https://www.globenewswire.com/en/news-release/2022/05/11/2440965/0/en/Managed-Services-Market-Size-to-Surpass-USD-757-10-Bn-by-2030.html>. <https://www.vendasta.com/blog/top-five-msp-growth-drivers/>

Notable MSP Trends and How We Win



Notable & Emerging Trends

- Ever **growing cyber and ransomware threat** landscape affecting both users and MSPs
- **Cyber insurance** qualifications 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

How Dropsuite is Evolving Sales and Support

Continued investment in specialised and executive hires

Partner Acquisition

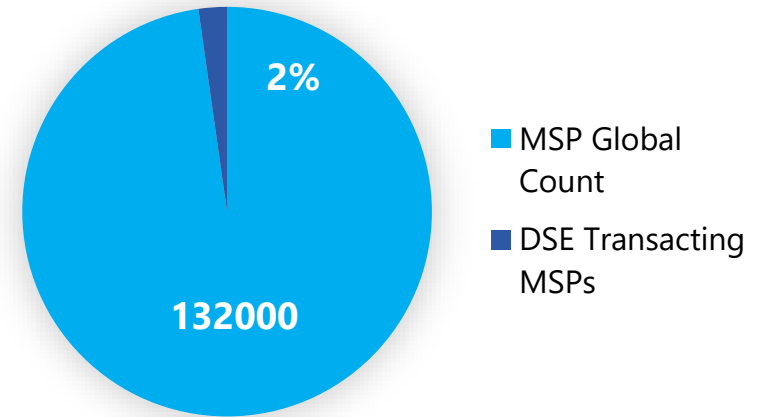


- **Lead Generation** through content
- **Strategic partnerships** with Distributors
- Industry roadshows and security **events**
- New Sales Development function

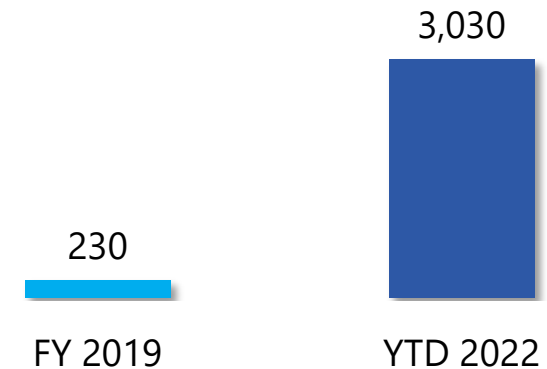
Existing Partner Expansion



- Investment in **technical support**
- **Expanding** team globally
- **New SKUs and new products** introduction

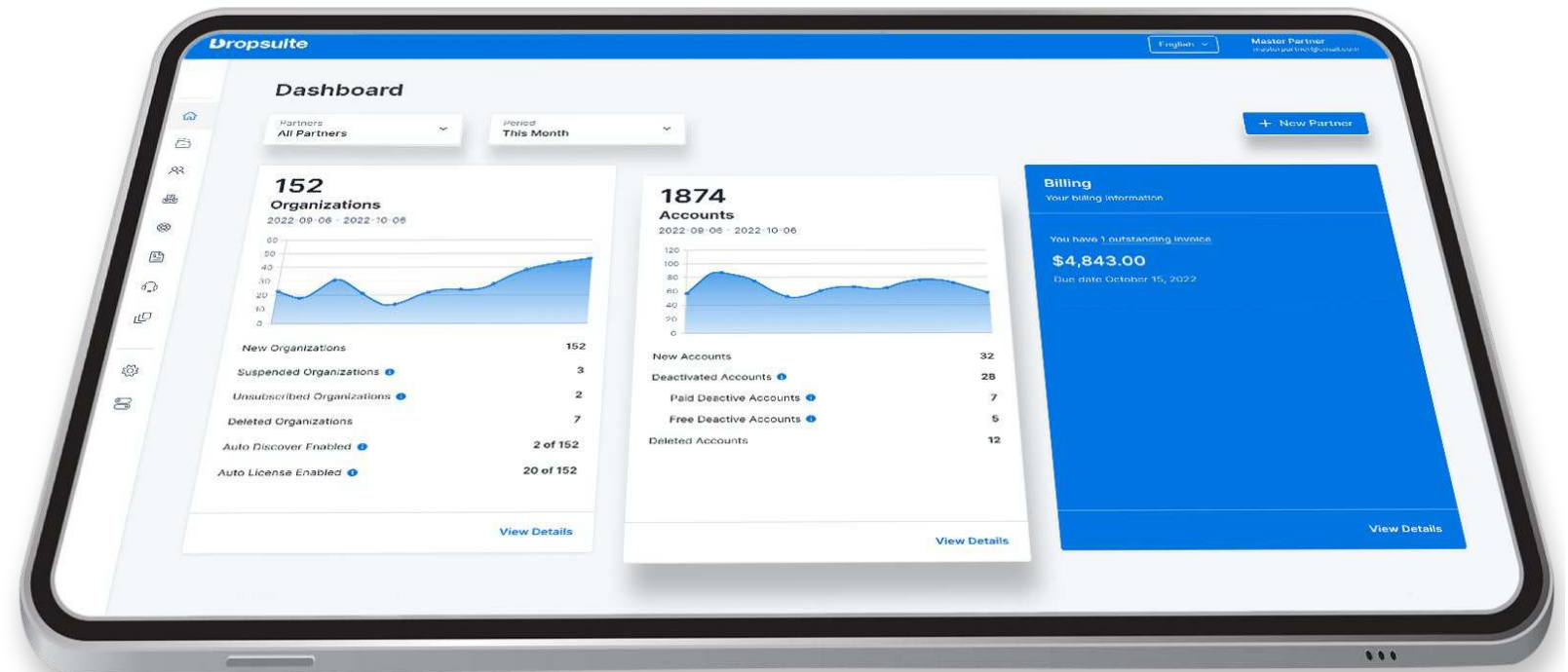


Transacting MSPs



Product Demonstration

Austin Ellis –
Americas Account
Executive



Product & Technology

Manoj Kalyanaraman (Chief Technology Officer)

Honing Dropsuite's Competitive Advantage



Seamless Partner Integration



Exceptional User Experience



Cutting-edge Cloud Platform

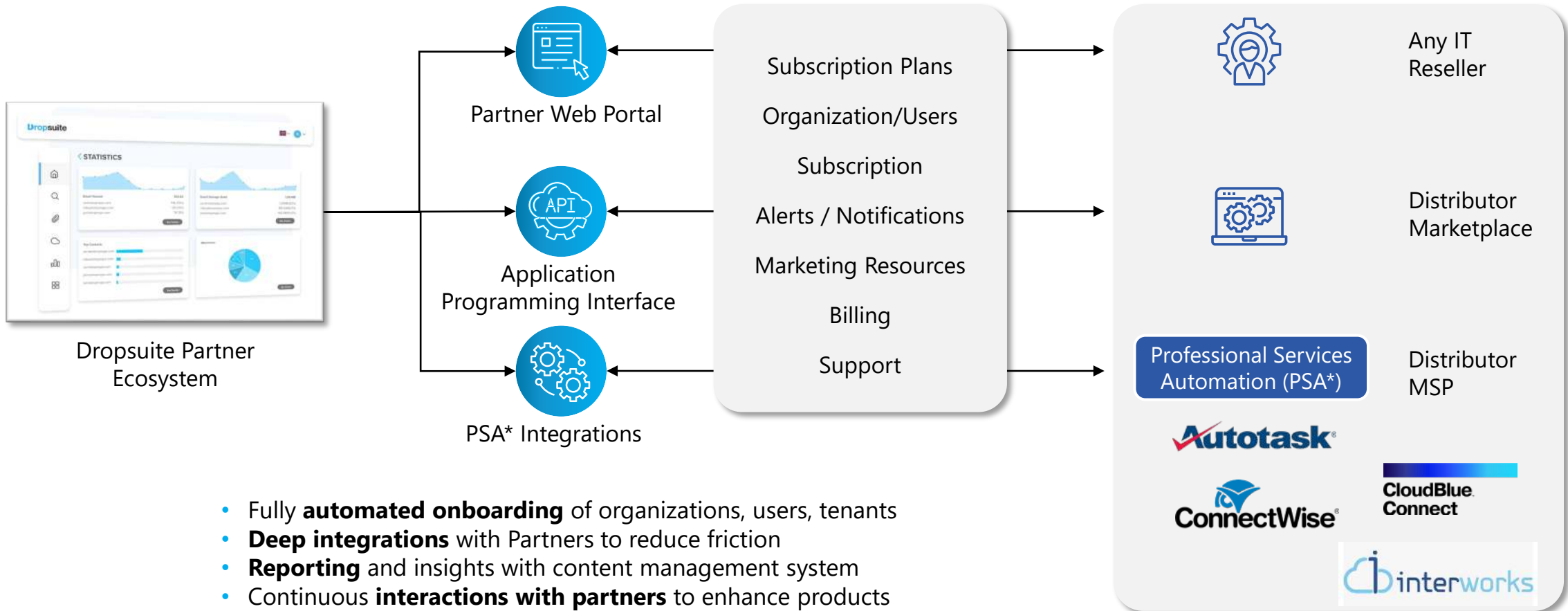


Highly Responsive Team



Seamless Partner Integration

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



*PSA software are ERP platform used by partners

Exceptional User Experience

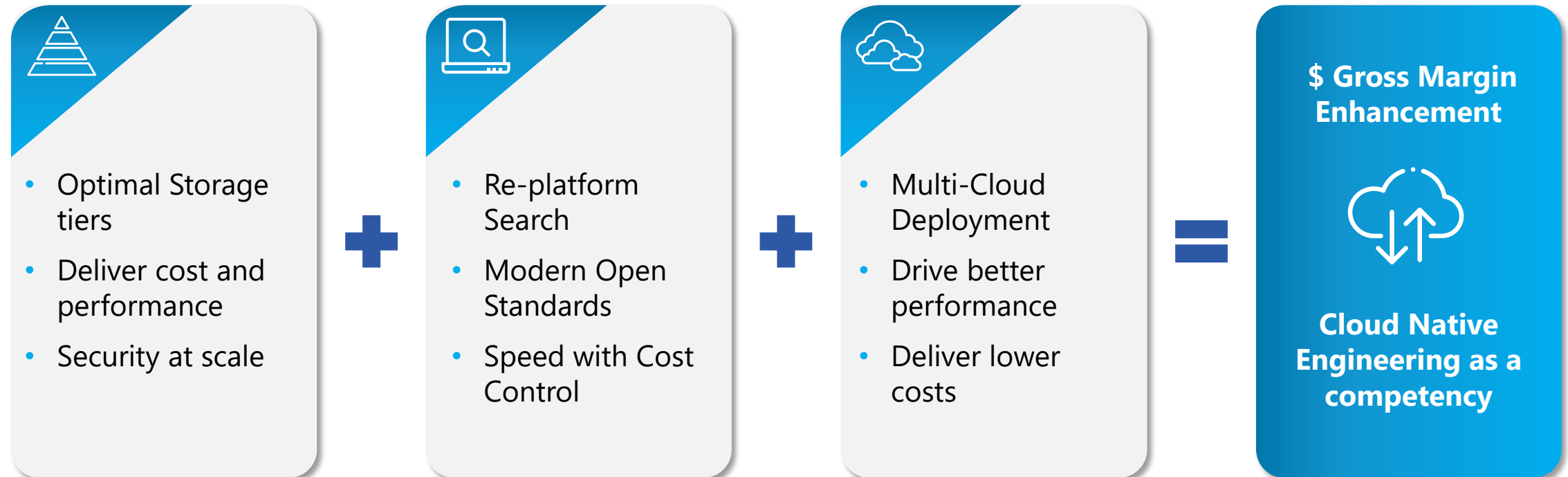
Simple intuitive interface that is packed with useful and powerful features, including search, insights and analytics



Multi-tiered storage based on usage and retrieval patterns
Large scale search indexes. 50B+ objects that are searchable real-time
Asset agnostic storage. Add on new products

Cutting-edge Cloud Platform

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



Highly Responsive Team

World-class engineering delivered by an agile and passionate team



Grow the Team

Continuous training and upskilling while strengthening and empowering middle management



Scaling up Playbook

Centres of competencies and expertise with increased levels of automation and adoption of enterprise-grade tools



Agile Engineering

Cross-functional smaller teams delivering value to partners and users at high velocity

Product & Eng FTEs

24

50

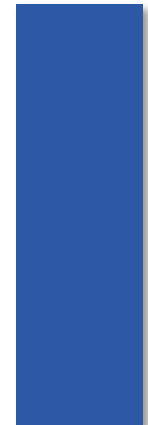
Paid Users

288,000



FY 2019

886,000



YTD 2022

Financial Overview

Bill Kyriacou (Chief Financial Officer)

Q3 22 - Solid Operational Metrics Delivered

All PCP and QoQ for dollar metrics are in constant currency

**Annual
Recurring
Revenue¹**

\$23.3m

↑ 63% on PCP
11% on QoQ

**Paid
Users**

886k

↑ 54% on PCP
10% on QoQ

**Monthly
ARPU**

\$2.20

↑ 6% on PCP
1% on QoQ

**Gross
Margin %**

66%

↑ 200 basis
point QoQ

**Direct
Transacting
Partners**

473

↑ 20% on PCP
4% 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 is based on Constant Currency
2. September 2022 Revenue Churn is defined as Lost Revenue in September 2022 divided by September 2021 Revenue
3. Percentage growth is on previous corresponding period and constant currency

Cashflow Positive Quarters Gain Momentum

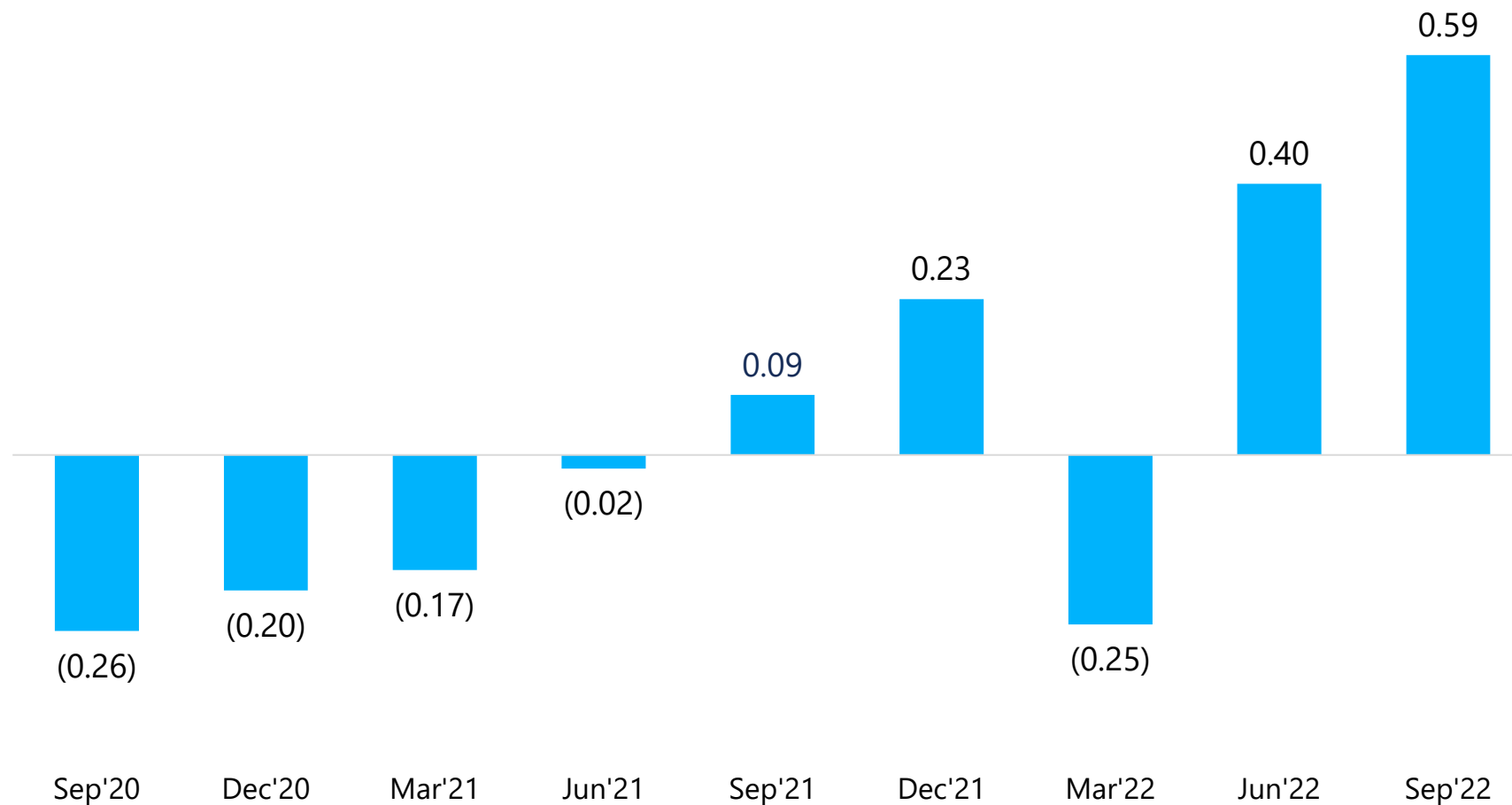
(\$Million) per quarter	Sep 22	Jun-22	Sep 21	QonQ	PCP
Cash Receipts	5.15	4.34	2.84	19%	81%
Net Cash Generated from Operations	0.59	0.40	0.09	45%	568%
Cash at hand	22.25	21.55	21.60	3%	4%



Net cashflow generated from operations of \$0.59 million, continuing the positive momentum from the previous quarter including Gross Margin improvements, whilst continuing to invest in people, tools and programs

Reinvesting for Future Growth While Maintaining Profitability

Quarterly Normalised Operational Cashflow (A\$M)

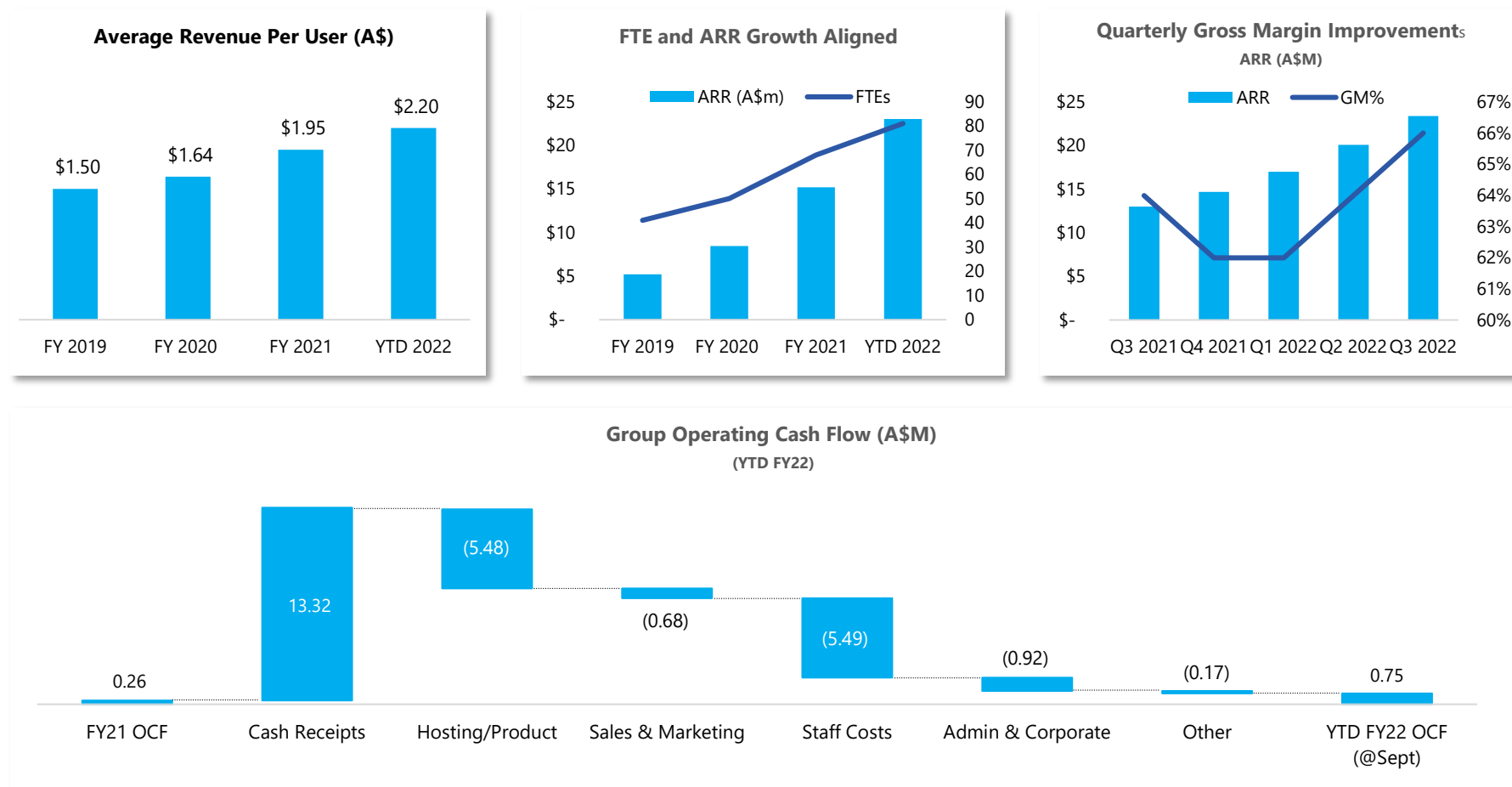


Continued positive cashflow momentum

- Consecutive material positive cash flow quarter
- Reaffirm guidance for cash positivity in 2022

Key Metrics for Growth

Group Key Metrics @ Sep22

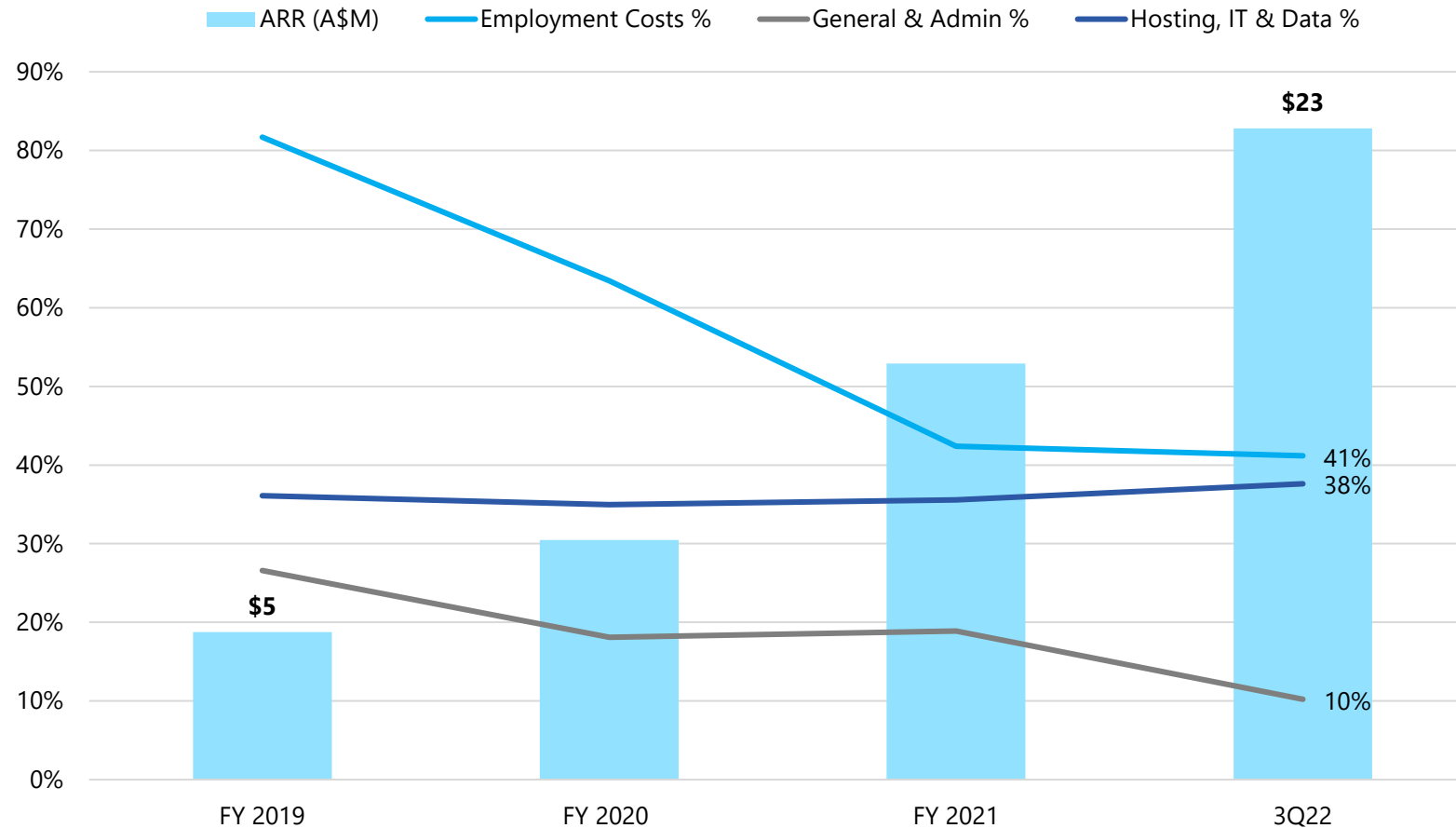


Key metrics growth

- ARR quarterly growth averaging 13% over last 12mths
- Storage and retrieval initiatives yielding GM improvements
- Cash generated reinvested into team expansion and marketing initiatives

Operating Leverage Improvements

Costs as % of revenue reducing with increased scale



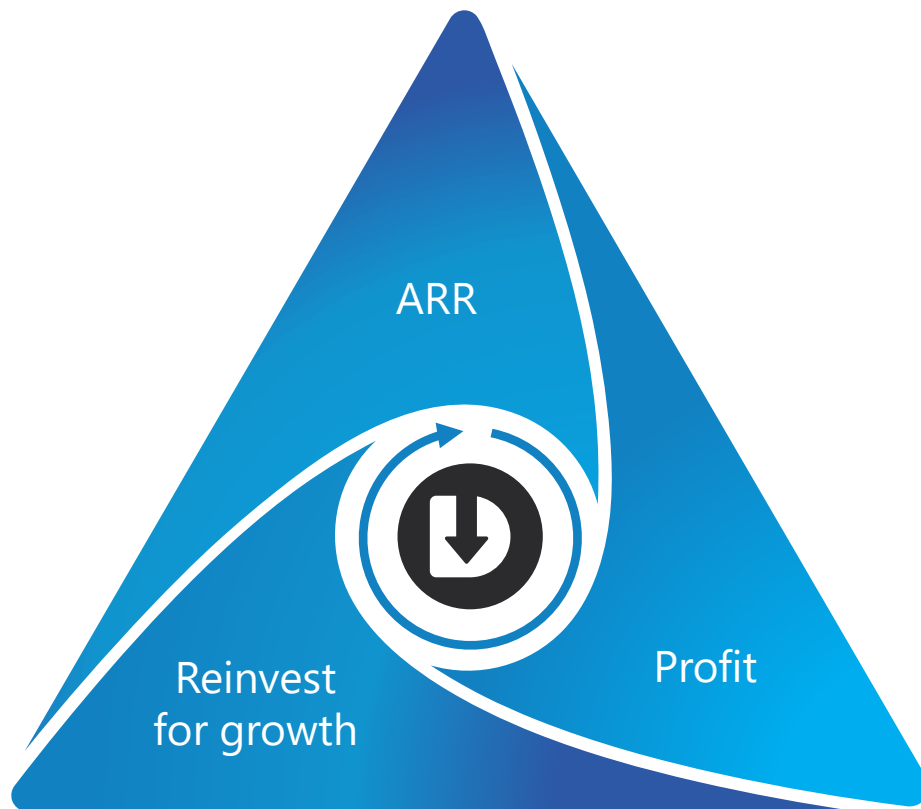
Operating leverage improvements

- Employments costs as % of revenue inline with prior year with significant investment in team expansion in 2022
- General & Admin costs as % of revenue continue declining trend

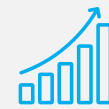
Delivering Future Growth

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



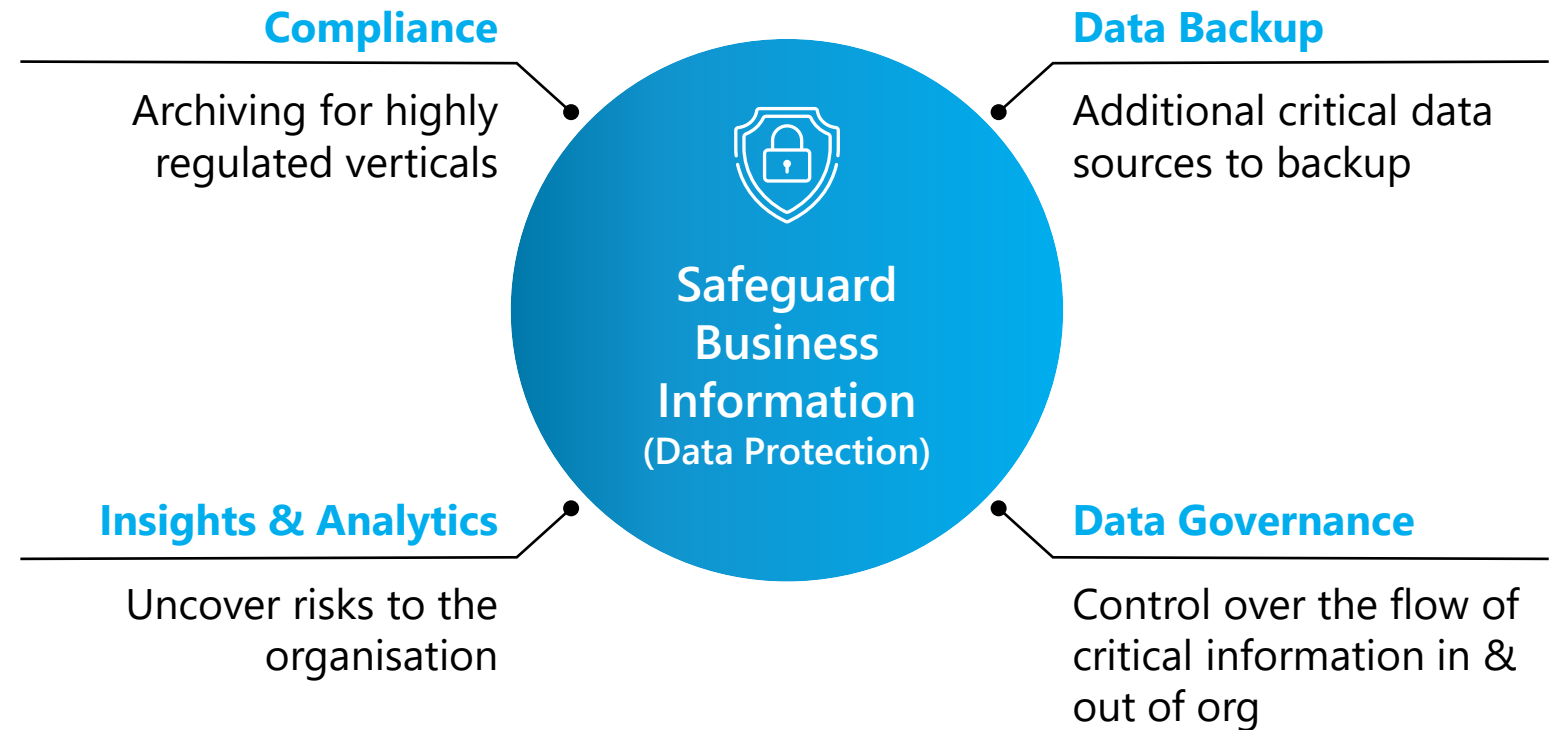
Acquisition Rationale and Target Profile



Rationale:

Leveraging tailwinds from cybersecurity, regulation and move to the cloud (SaaS)

Cross-sell and increase "share-of-wallet" with existing and new reseller partners



Investment Highlights and Outlook



Strong market tailwinds from data security and regulation



Market leading position is SaaS backup



Highly engaged team with the people and structure to support growth



Advancing accretive M&A opportunities



ARR growth via partner ecosystem and strong sales pipeline



FY22 guidance for positive operating cash flow and EBITDA



dropsuite.com



Charif Elansari

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Craig Sainsbury

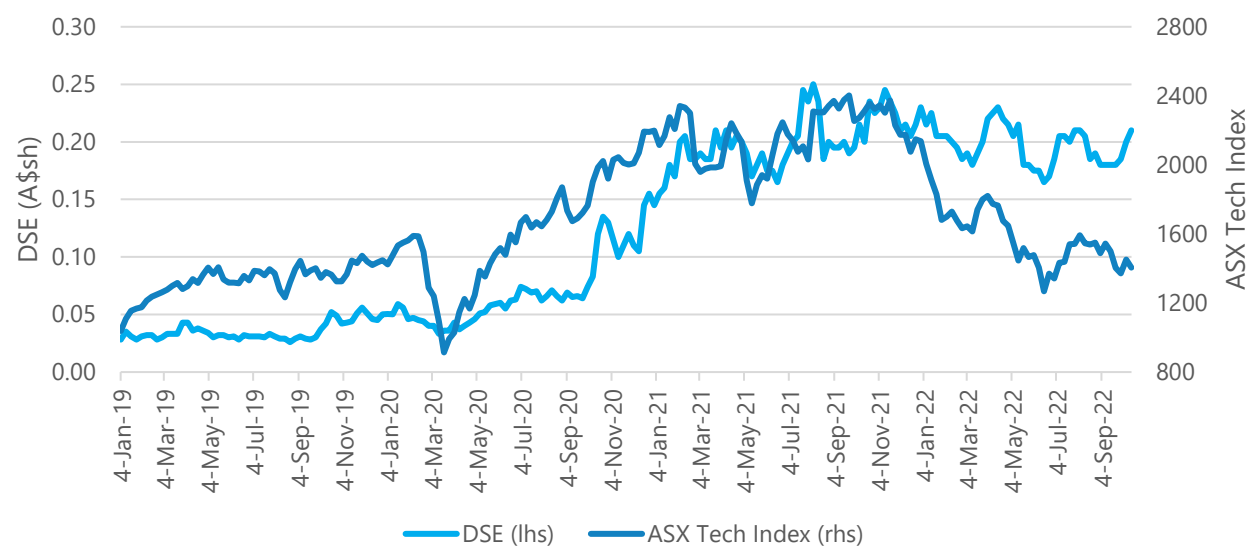
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This presentation is authorised by the Board of Directors

Appendix

Corporate Overview

Share Price Performance



Financial Information

Share price as of September 30, 2022 18.5 cents

Ord Share on Issue (M) 690

52-week trading (low/high) 0.15/0.285

Market Cap (\$) **\$128M**

Cash (30 June 2022) \$22.3M

Debt (30 June 2022) nil

The Challenge

90%

of Cybersecurity attacks start with email



\$20B

WW 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/>

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 accretive 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 ~2x industry growth rates to 2025

Principles



People

Attract and retain strong and committed team

Culture
Company Ownership

Measurement:

- Engagement Survey
- Employee NPS
- Regretted Attrition



Product

Build and sell world-leading products in our target markets

User Experience
Scale with Engineering First

Measurement:

- ARR, ARPU
- Net Promoter Score (NPS)
- Third-party reviews



Partner

Help partners grow and de-risk their business

Support for success
Enable security stack

Measurement:

- NRR, Churn
- CSAT
- Partner growth

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