



Investor Presentation

Q4 2024 Update

January 2025

ASX:DSE





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



~1.65M
paid users



>780
direct partners



~\$50M
ARR



>100
countries



~150
employees

Scheme Implementation Deed with NinjaOne

Dropsuite has announced that it has entered into a Scheme Implementation Deed ("**SID**") under which NinjaOne, LLC has agreed to acquire 100% of the ordinary shares in Dropsuite, in an all-cash offer of A\$5.90 per share to be effected by way of a Scheme of Arrangement ("**Scheme**").

Highlights

- The Scheme Consideration of A\$5.90 per share values Dropsuite equity at approximately A\$420m, and as at 24 January 2025 represents:
 - a 34.1% premium to Dropsuite's closing share price of A\$4.40 per share;
 - a 30.8% premium to the 10-day volume weighted average price ("**VWAP**") of A\$4.51 per share;
 - a 40.6% premium to the 90-day VWAP of A\$4.20 per share; and
 - an implied EV/ARR multiple of 7.8x*.
- The Dropsuite Board of Directors ("**Board**") unanimously recommends that Dropsuite shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of Dropsuite shareholders.
- Dropsuite's largest shareholder, Topline Capital Management, LLC, which holds or controls approximately 31.0% of the Company's issued capital as at the date of this announcement, has confirmed to Dropsuite that it intends to vote, or cause to be voted, all Dropsuite shares held or controlled by it in favour of the Scheme, subject to the same qualifications.

*Relative to ARR of approximately A\$49.8m disclosed in Dropsuite's 4QFY24 Quarterly Business Update and EV of approximately A\$391m calculated as the implied Dropsuite equity value as at 24 January 2025 less cash of approximately A\$28.6m.

Key Business Metrics Delivered in Q4 FY24

ARR

\$49.8m9%* on QoQ
37%* on PCP

Gross Margin

70%100 basis points
QoQ

Operating Cashflow

\$0.32m**(59%) on QoQ
19% on PCP

ARPU

\$2.52(2%)* on QoQ
(3%) on PCP

Paid Users

1.65m22% on QoQ
77% on PCP

Cash Receipts

\$11.0m**14% on QoQ
42% on PCP

Commentary

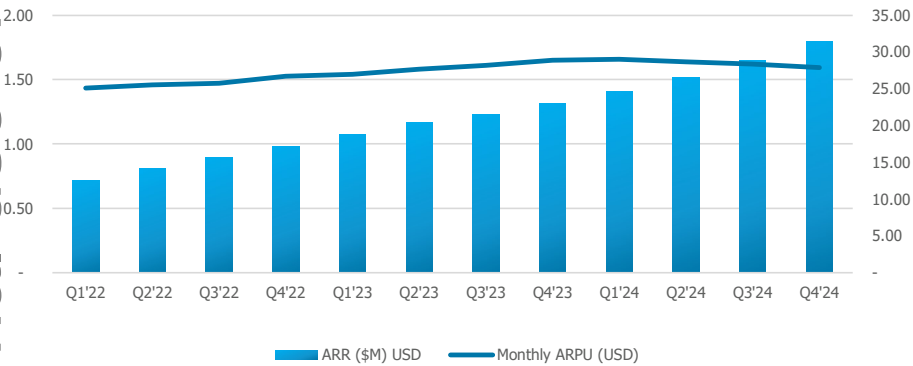
- Record US\$2.7m of incremental ARR added
- >480K user adds in FY24
- Churn stable below 3% level
- F/X tailwinds for ARR, ARPU, GM% in Q4

* On a constant currency basis

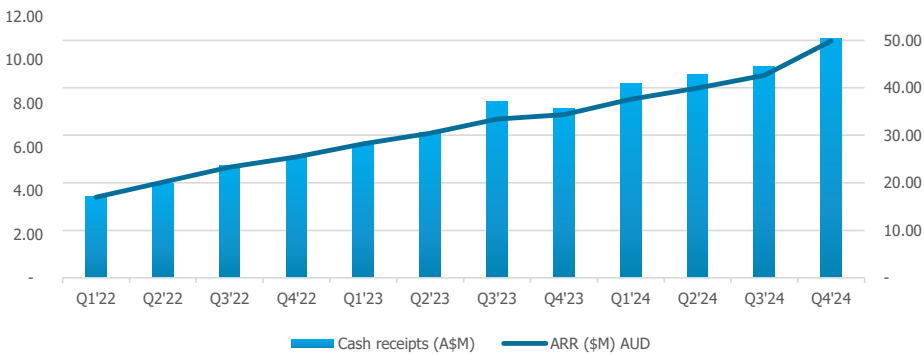
** Cash receipts and Operating Cashflow normalised to exclude early receipts from customers in the last days of December.

Growth Across Key Metrics

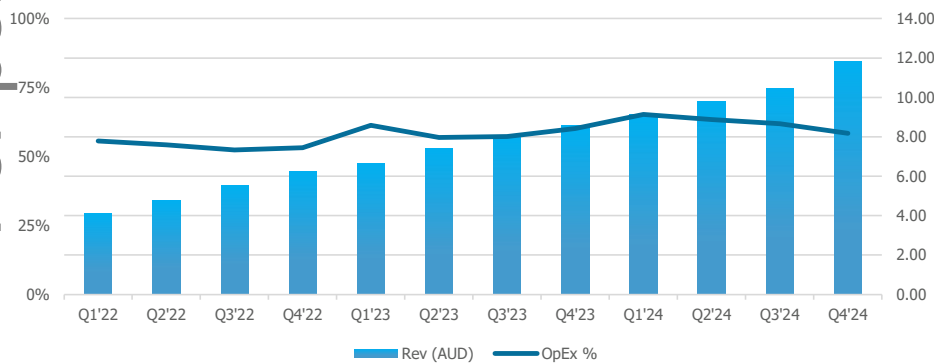
ARR and Monthly ARPU - USD (\$M)



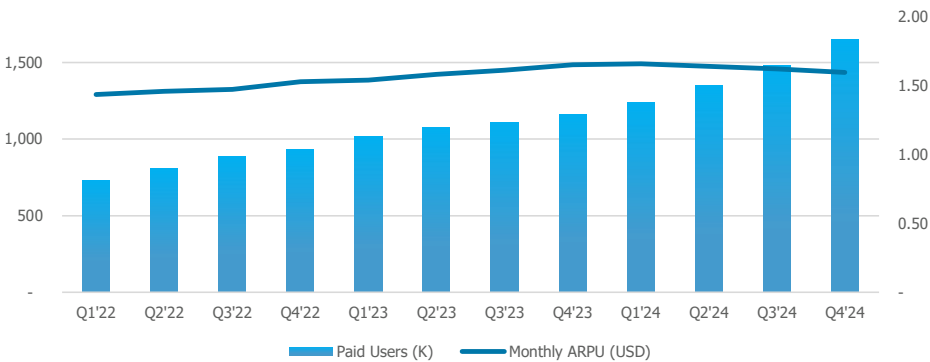
Cash Receipts and ARR growth - AUD (\$M)



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

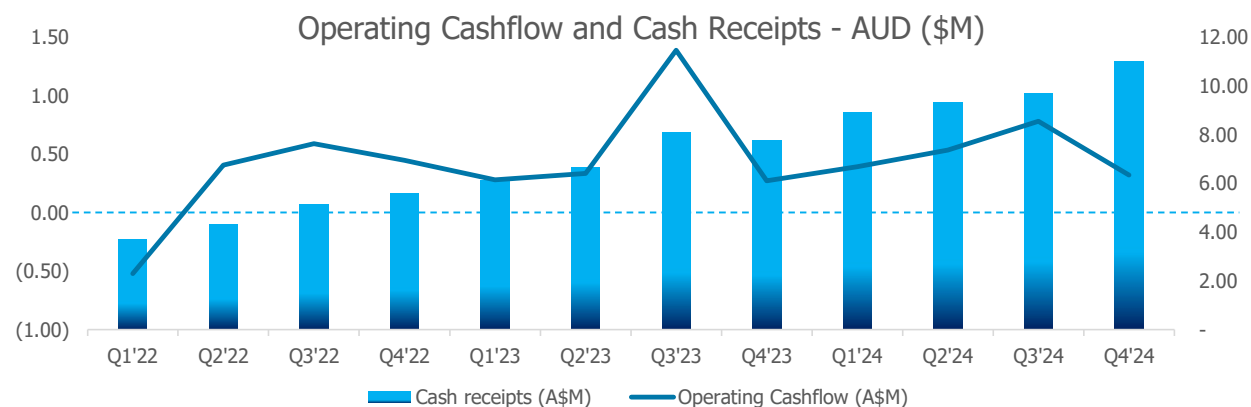


Paid Users and ARPU (USD) growth



Positive Cashflow Generation

A\$ Million	Dec 24	Sep 24	Dec 23	QoQ (%)	PCP (%)
Receipts from customers	13.00	9.68	7.77	35%	69%
Normalised Receipts from Customers	11.00	9.68	7.77	14%	42%
Payments to suppliers	(11.02)	(9.15)	(7.73)	20%	43%
Normalised Payments to Suppliers	(10.89)	(9.15)	(7.73)	19%	41%
Interest received	0.22	0.24	0.23	(11%)	(4%)
Cash generated from operations	2.30	0.78	0.27	194%	>100%
Normalised Cash Generated from Operations	0.32	0.78	0.27	(59%)	20%
Cash on hand	28.57	25.48	24.30	12%	18%



Cashflow momentum continues

- Receipts growth consistent with strong collections, normalised for timing of early receipts from customers in last days of December
- Payments to suppliers increased within expectations
- Normalised Operating cashflows generated circa \$0.32m (actual \$2.3m)

Key Drivers for Record Seat Growth and Profitable ARR



Net Revenue Retention

Strong NRR from existing partners sustained by continued investment in core products and industry leading Customer Success and Technical Support



New Partners Growth

Strong growth in new transacting partners driven by contributions from both direct and distribution partners



PartnerServ Go to Market Motion

Paid migration service from other backup vendors drove material paid seat additions for DSE in Q4



Bring Your Own Storage (BYOS)

Expansion of OEM offering BYOS model is starting to contribute with more upside expected

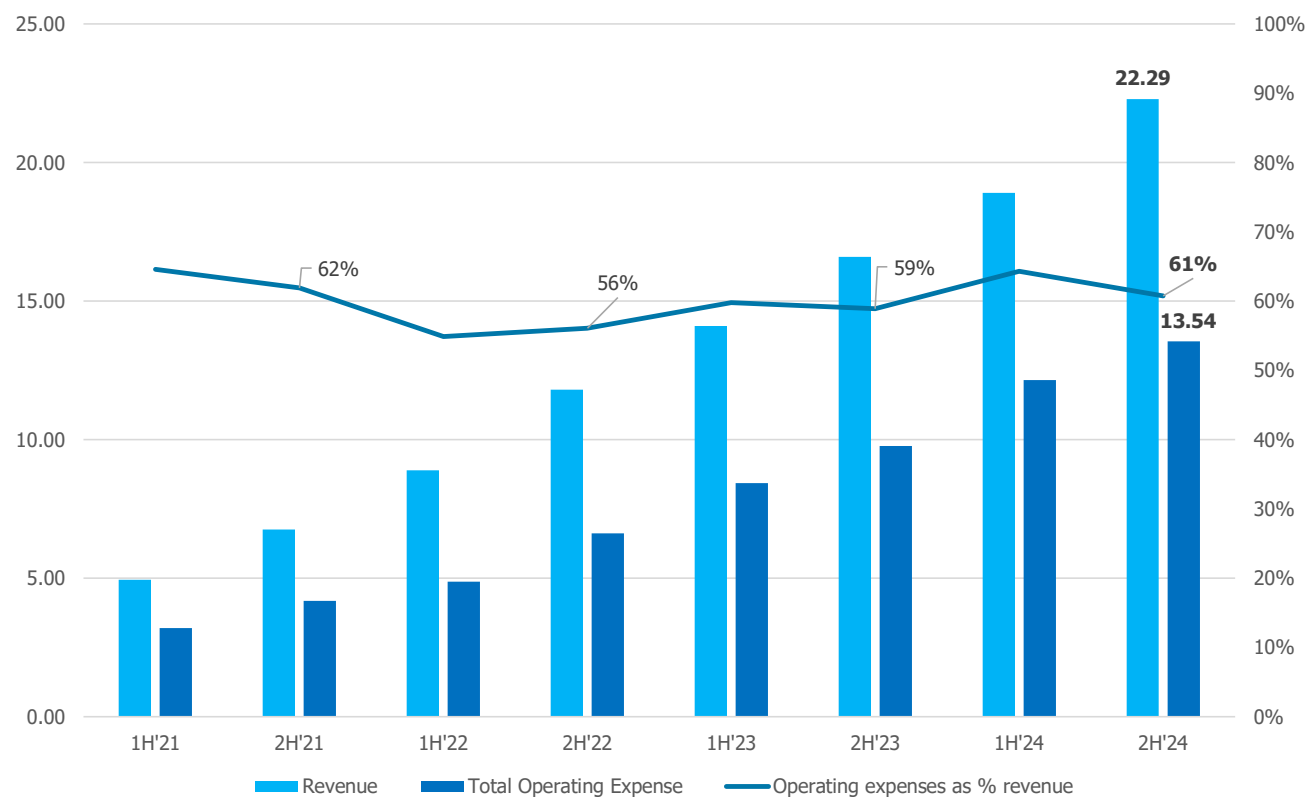
Appendix

Consolidated Statement of Cash Flows

A\$ million	Dec 24	Sep 24	Dec 23	QoQ (%)	PCP (%)
Receipts from customers	13.10	9.68	7.77	35%	69%
Normalised Receipts from customers	11.00	9.68	7.77	14%	42%
Cloud Hosting	(3.50)	(3.19)	(3.02)	10%	16%
Advertising & marketing	(0.44)	(0.25)	(0.47)	76%	(5%)
Staff costs	(4.69)	(4.14)	(3.41)	13%	38%
Administration & corporate costs	(2.39)	(1.57)	(0.83)	52%	>100%
Total Payments to Suppliers	(11.02)	(9.15)	(7.73)	20%	43%
Normalised Total Payments to Suppliers	(10.89)	(9.15)	(7.73)	19%	41%
Interest received	0.22	0.24	0.23	(11%)	(4%)
Net Cash Generated/(Used) from Operations	2.30	0.78	0.27	194%	>100%
Normalised Net Cash Generated/(Used) from Operations	0.32	0.78	0.27	(59%)	19%
Cash flow from investing activities (PPE)	(0.06)	(0.04)	(0.01)	64%	>100%
Cashflow from financing activities (all)	-	-	-	-	-
Effect of movement in exchange rates on cash held	0.85	(0.40)	(0.52)	(>100%)	(>100%)
Net increase/(decrease) in cash for the period	3.09	0.35	(0.26)	>100%	(>100%)
Cash on hand	28.57	25.48	24.30	12%	18%

A Balanced Approach to Investing in Growth

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Operating Expenses

- DSE continue to manage operating expenses whilst increasing revenue
- Operating expenses in 2024 included:
 - Increase wages as staff grew from 98 to ~150;
 - Investment in Technology R&D to drive product development; and
 - Go to market Functions including marketing and business development initiatives
- DSE will continue to invest in research and development as well as go-to-market functions across the remainder of FY25 to drive future growth.

Board and Management



Theo Hnarakis

Non-Executive
Chairman



Dr. Bruce Tonkin

Non-Executive
Director



Eric Martorano

Non-Executive
Director



Charif El Ansari

Managing
Director



Bill Kyriacou

Chief Financial
Officer



Deepika Garg

Global Head
of HR



Manoj Kalyanaraman

Chief Technology
Officer



Eric Roach

SVP Global Channel
Sales & Marketing

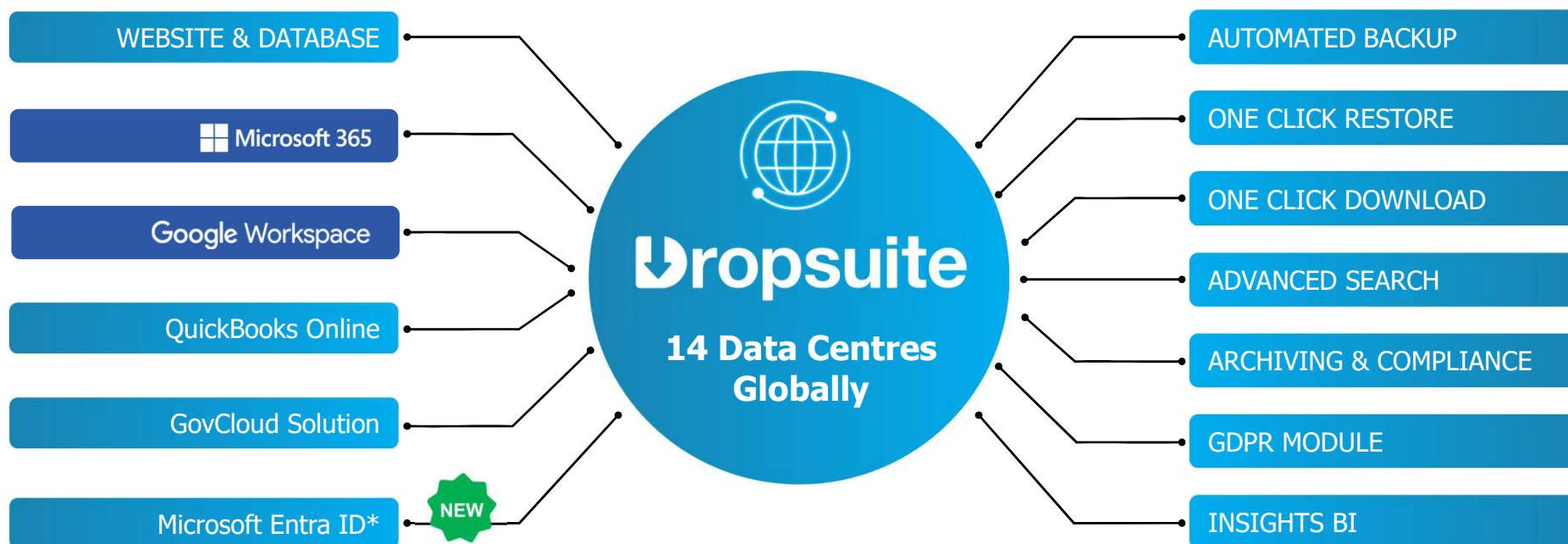


Mark Kirstein

Chief Product
Officer

Exceptional User Experience

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



*Entra ID - new backup product targeted at Microsoft Entra ID (formerly Azure Active Directory), which is Microsoft's cloud-based identity and access management solution providing authentication and authorization to a wide range of Microsoft products.

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

NRR: Net Revenue Retention is defined as percentage of revenue retained from existing partners over a 12 month period

PCP: Prior Corresponding Period

QBO: QuickBooks Online

QoQ: Prior Quarter Comparative Period

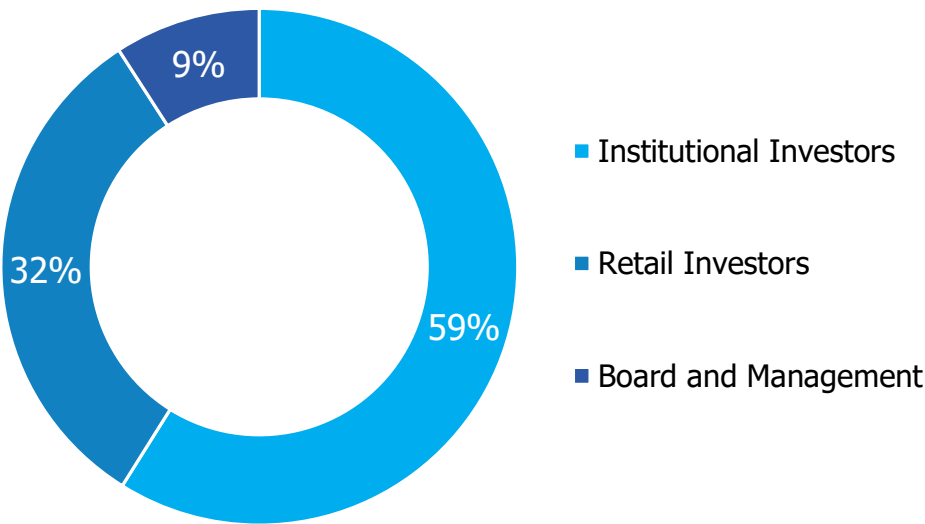
SAM: Serviceable Addressable Market

SME: Small to Medium enterprise

Corporate Overview

Share registry breakdown

As at 10 December 2024



Financial Information

Share price as at 24 January 2025	\$4.40
Ordinary Share on Issue (M)	70.3
52-week trading (low/high)	2.50/5.24
Market Cap (\$)	\$309M
Cash (Dec 31, 2024)	\$28.57M
Debt (Dec 31, 2024)	nil

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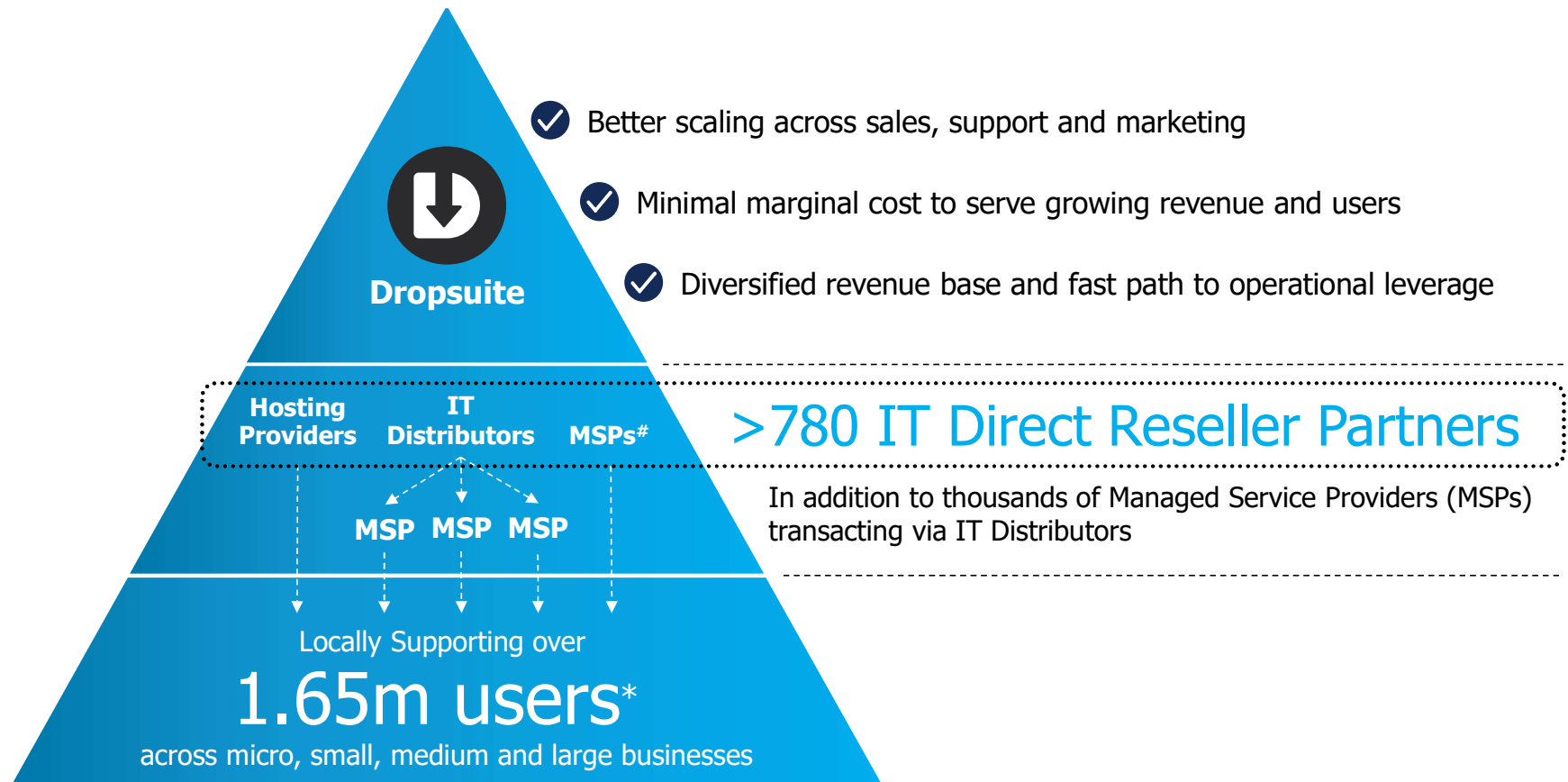
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Benefits of a Partner-led Business Model

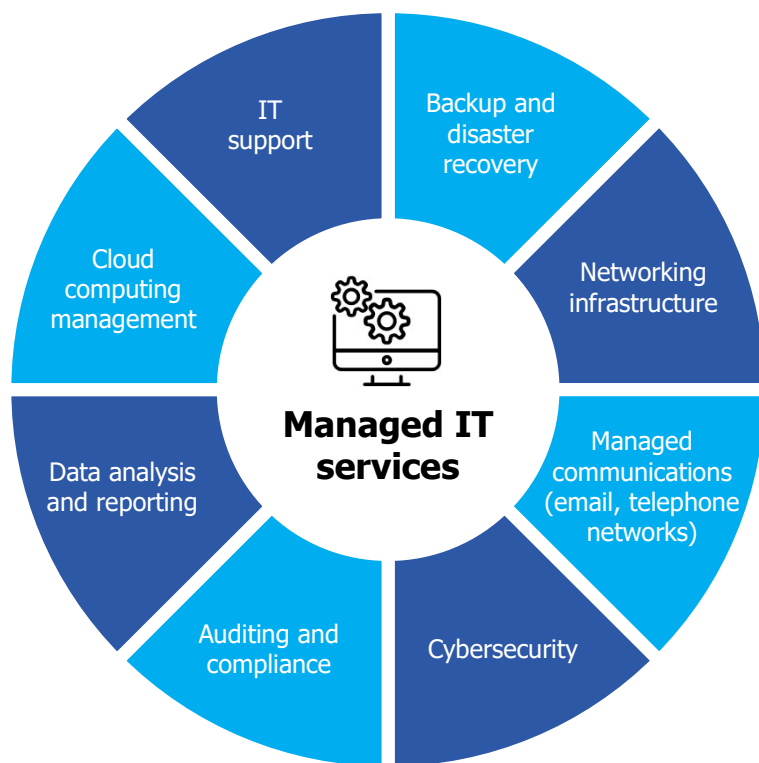


MSP: Managed Service Provider is an outsourced IT provider ensuring business availability and security for mostly small and mediums businesses (SMBs)

* # of MSPs: As at 31 December 2024

The Managed Service Provider (MSP). Our Customer

MSPs are outsourced IT providers servicing small to medium businesses with limited IT function



MSPs by the numbers



- 73% of MSPs have less than 100 clients
- 71% of MSP clients have 20 to 200 employees
- 95%+ of MSPs have total revenues <\$5M annually
- 132K+ MSPs globally \$757B market by 2030 with a 12.6% CAGR

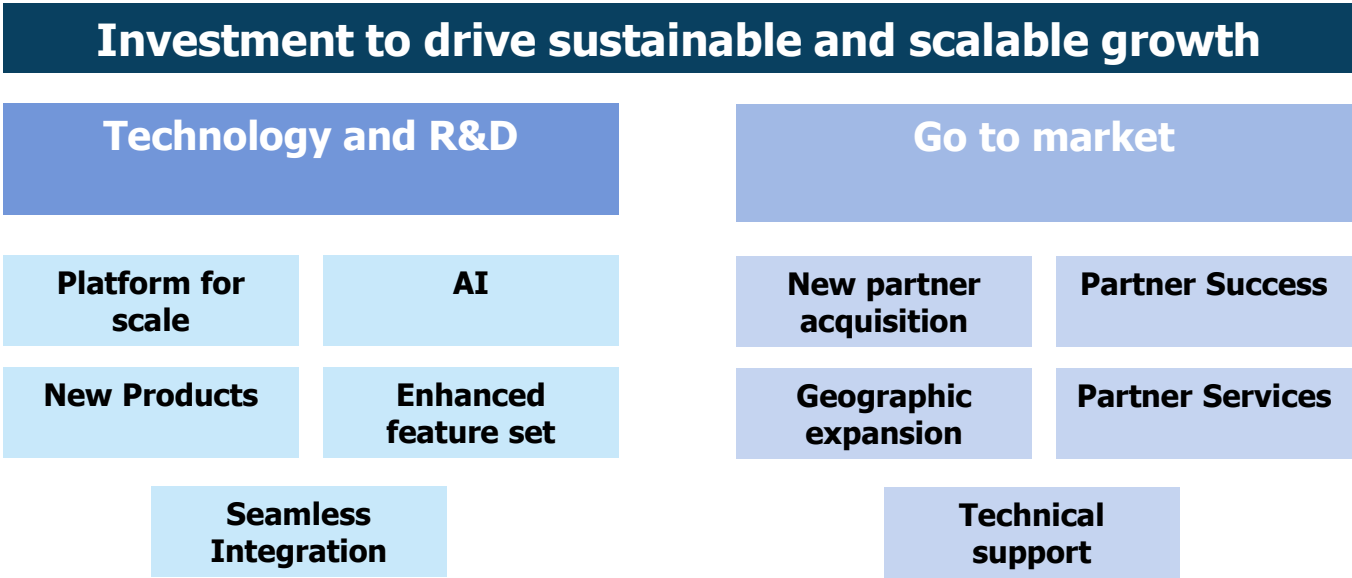
Profile of an MSP



- Value ease of use, quality, automation, and security
- Security offerings are the #1 driver of MSP growth
- Challenged with hiring, training, and operationalising
- Challenged with supporting multiple clients, risk assessments, governance, and data loss prevention

Investing to Deliver Future Growth

Multiple initiatives to enhance growth and increase partner and customer satisfaction



Balanced investment whilst maintaining FY25 guidance for positive cashflow and profitability