Dropbox

Company Presentation
February 2022

Motion Offense Exhibit 2016

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This presentation contains forward-looking statements. These statements may relate to, but are not limited to, plans for growth, technological capabilities and new features and products and the long-term financial targets of Dropbox, Inc. (“Dropbox,” “we,” “us,” or similar terms), as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” anticipate,” “believe,” “estimate,” “predict,” “intend,” “potential,” “would,” “continue,” “ongoing” or the negative of these terms or other comparable terminology. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all.

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Business Overview

Dropbox Today

Leader in file sync and share

Smart workspace for digital content collaboration

Addressing individual and team workflows

Leveraging virality and scale in go-to-market

Balanced growth and cash flow generation model

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Global Collaboration Platform at Scale*

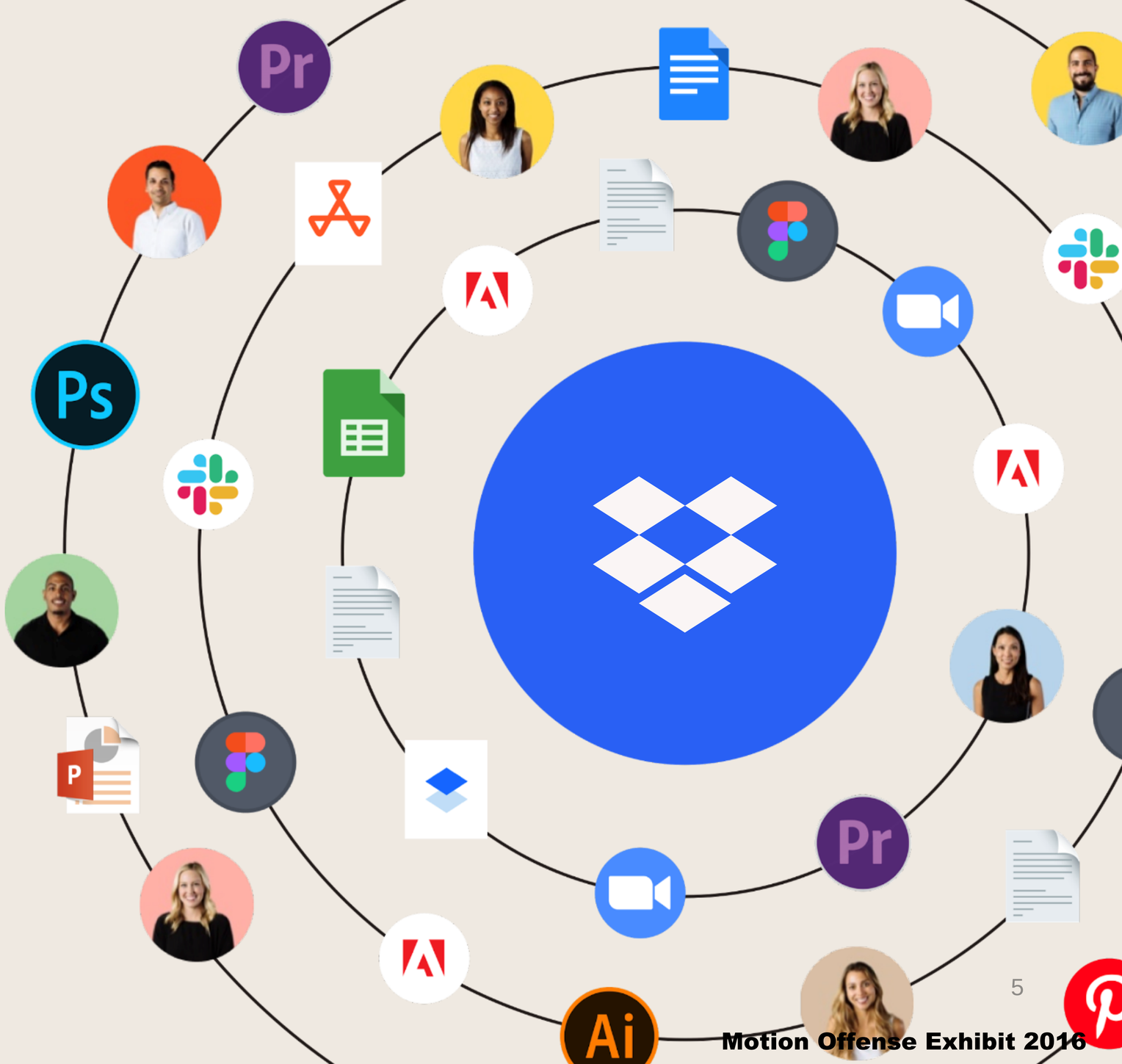
700M+
registered users

550B+
pieces of content

16.79M
paying users

80%
of subscribers use us for work

*Data as of 12/31/21



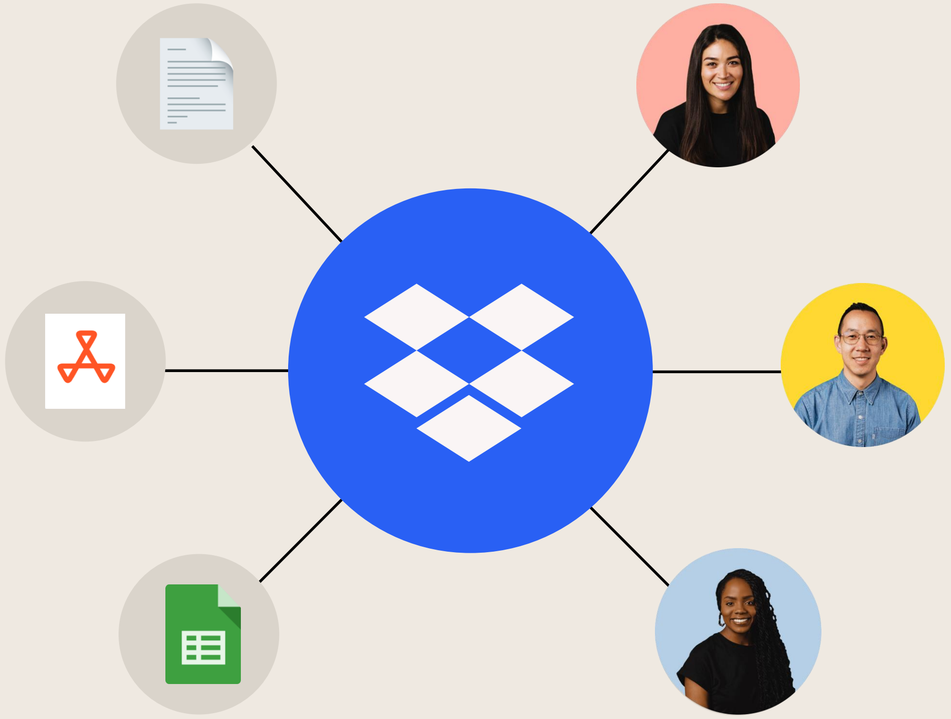
Keeping Files in Sync

Cloud storage

2007

Backup & sync

File sync and sharing



Keeping Teams in Sync

Smart Workspace

Today

Team collaboration

Content management

Professional sharing

Secure sharing and analytics

Project management

eSignature

Content backup

Our Product Portfolio

Dropbox

Individuals	Teams	HELLOSIGN	Dropbox DocSend
Basic	Family	HelloSign	Personal
Plus	Standard	HelloSign API	Standard
Professional	Advanced	HelloWorks	Advanced
	Enterprise	HelloFax	Enterprise

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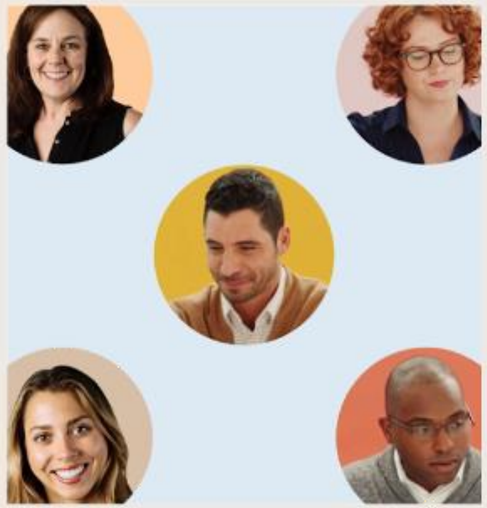
Reinventing the Software Playbook

Traditional playbook		What sets Dropbox apart
Designed for IT	**vs.**	Designed for users
Top-down distribution	**vs.**	Bottom-up adoption
Walled garden	**vs.**	Open ecosystem
Rip-and-replace	**vs.**	Live side-by-side

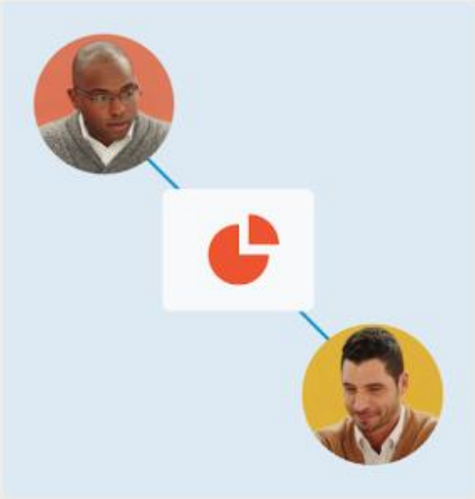
Efficient Go-to-Market

Land

Adopt organically



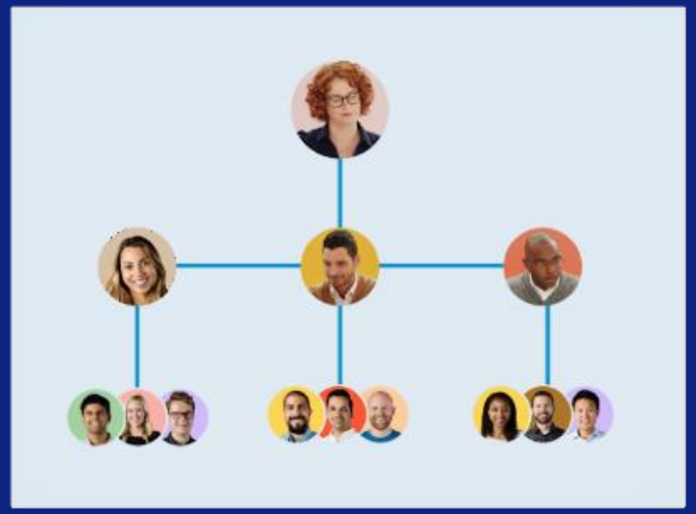
Land within companies



Expand within companies

Expand

Deploy fully



Growth Drivers

Execute

Convert and Retain

Drive registered users to become paying users of Individual and Team plans

Upsell

Prompt existing users to upgrade to premium plans or purchase additional licenses and add-ons

Innovate

New product experiences

Leverage scale and user insights to enhance existing products and drive adoption of new ones

Expand into workflows

Invest in integrations and native capabilities to enable more workflows

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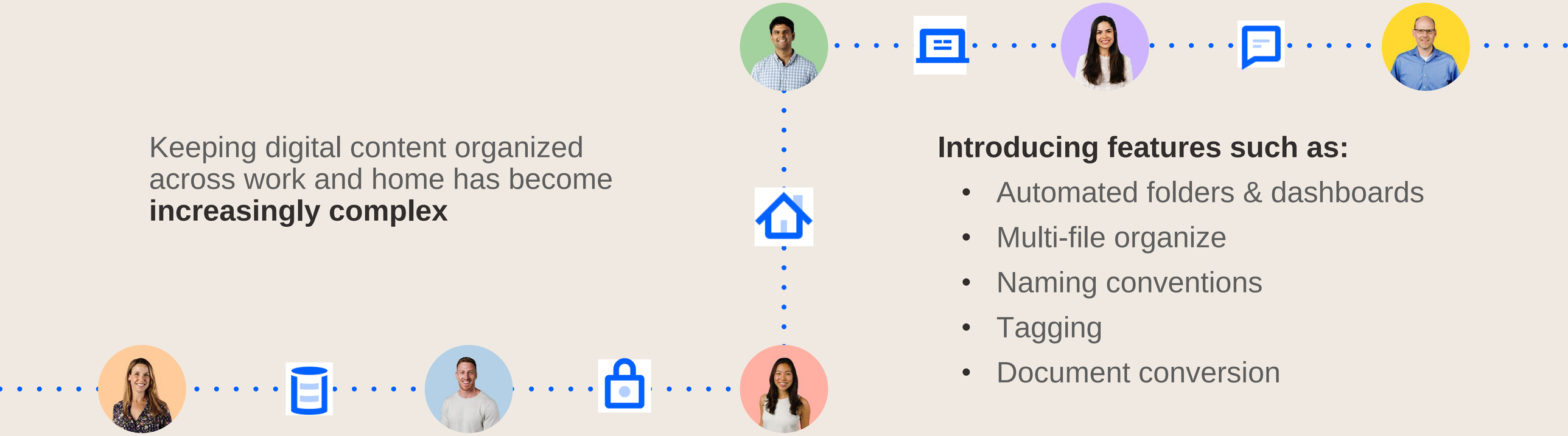
New Features Help Organize Digital Content

Dropbox introduces new tools to easily automate and maintain an organized file system



Keeping digital content organized across work and home has become **increasingly complex**

Introducing features such as:

- Automated folders & dashboards
- Multi-file organize
- Naming conventions
- Tagging
- Document conversion

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New Product Experiences

Dropbox introduces new product experiences for distributed teams and creatives

Capture

An all-in-one visual communication tool that helps team members share their work and ideas asynchronously

Replay

A video collaboration tool that makes it easier to collect, manage, and respond to feedback, all in one place

Shop

A platform to sell digital content creations that users store in their Dropbox

Growing Portfolio of Add-on Products for Teams

Advanced Team and Content Controls	• Automated workflows for account capture, onboarding & off-boarding • Data Loss Prevention
Data Governance	• Recover any files deleted or changed in the last 10 years • Offered with or without Legal Hold capability
Data Migration	• Quickly migrate files from local or cloud storage into Dropbox Business • Insightful analytics & comprehensive reporting
Creative Tools	• Secure and easy large file previews and transfers • Review and aggregate frame-based commenting for large videos • Integration with Adobe Creative Cloud

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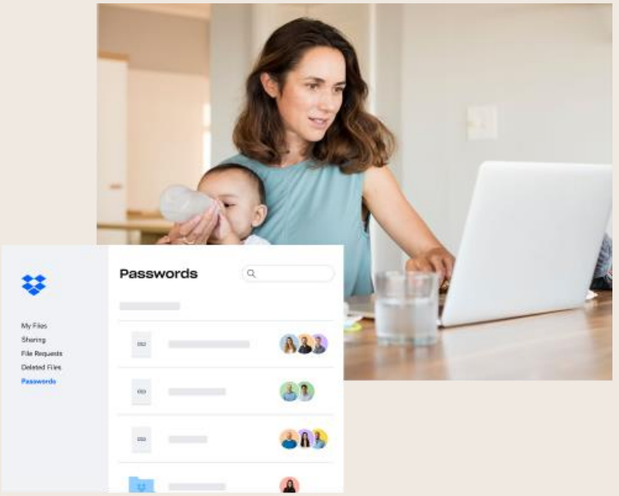
Dropbox Family Plan

- Organize, centralize and protect your Family content
- Enhanced privacy and security features



Manage what matters most

Keep your family connected

Keep sensitive info safe

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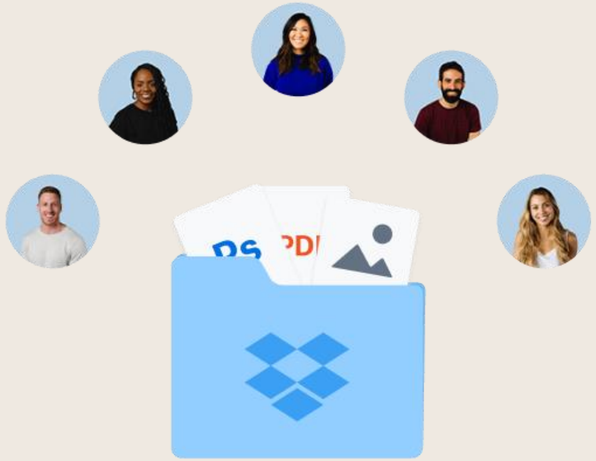
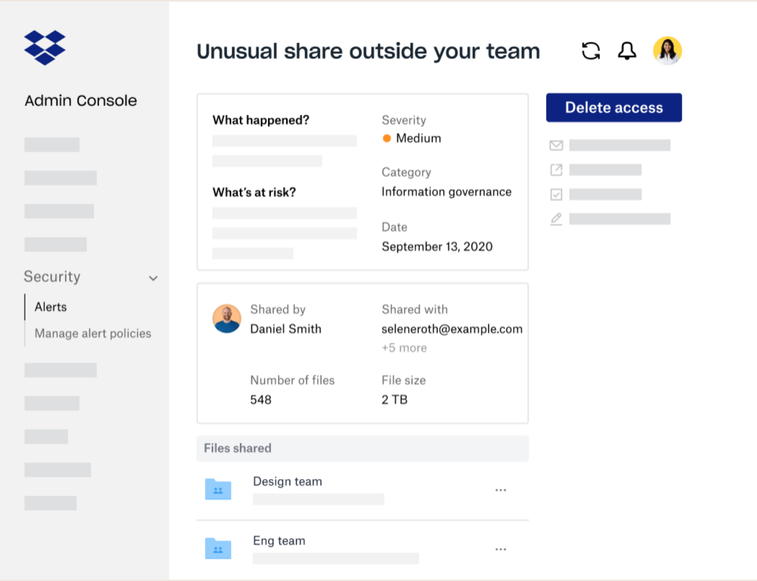
Dropbox Business

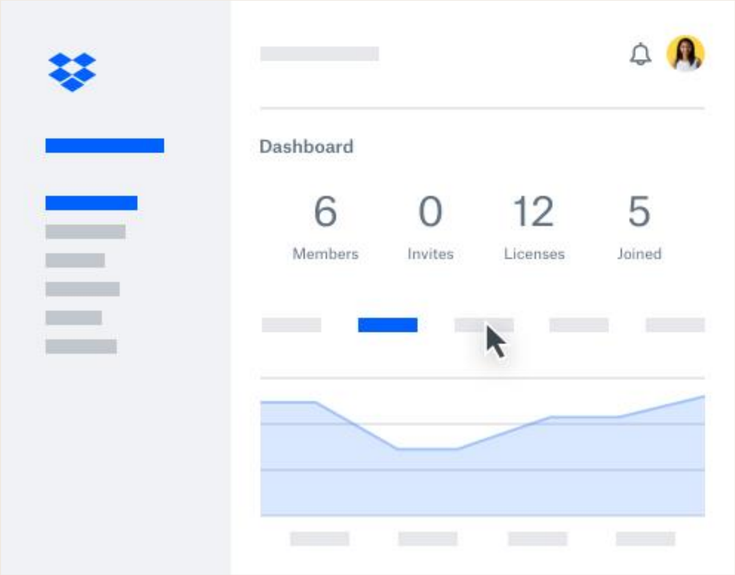
- Organize and centralize content around the needs of your team
- Collaborate in shared workspaces and streamline workflows
- Secure company data through visibility into content access and sharing



Shared team workspace



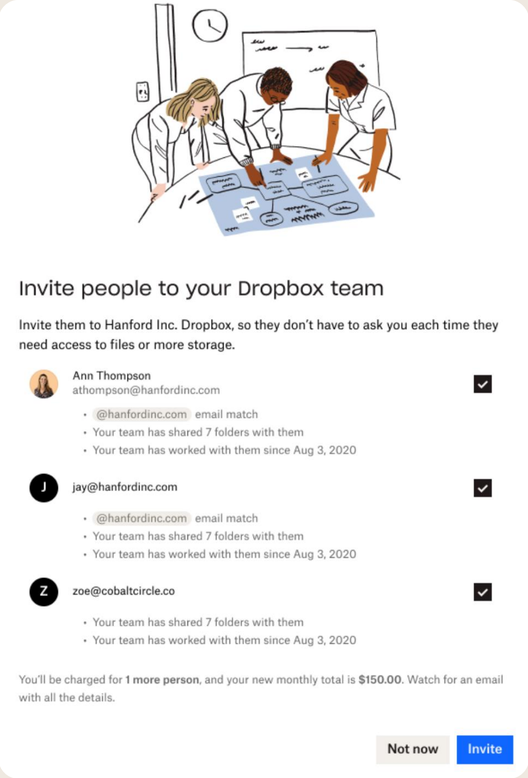
Data governance and audit logs

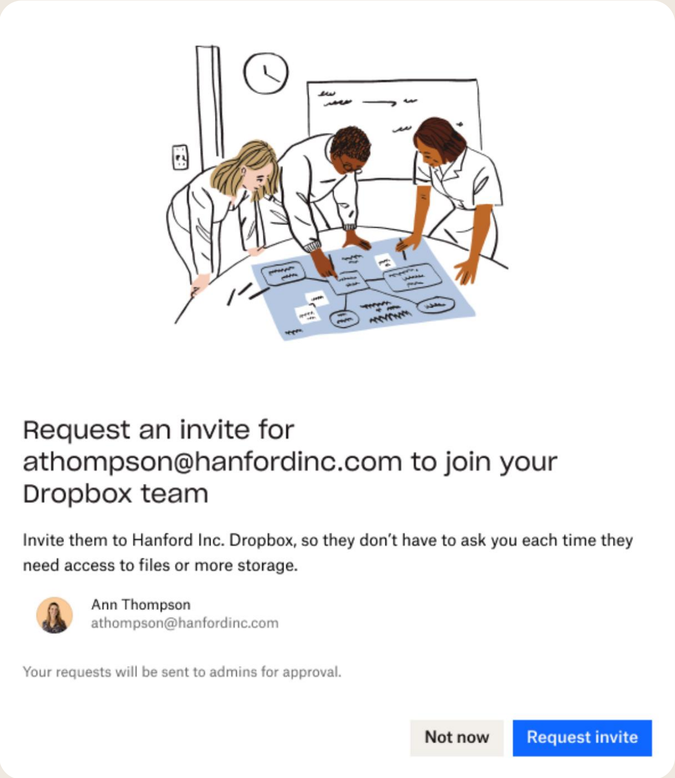


Team management & centralized billing

Dropbox Business Teams Expansion

- Dropbox now has approximately 600K paid Teams
- Making it even easier to invite people to join your team
- Team admins & members can now easily invite collaborators to join the team after sharing content with them





~35%

of paying users are on Teams plans

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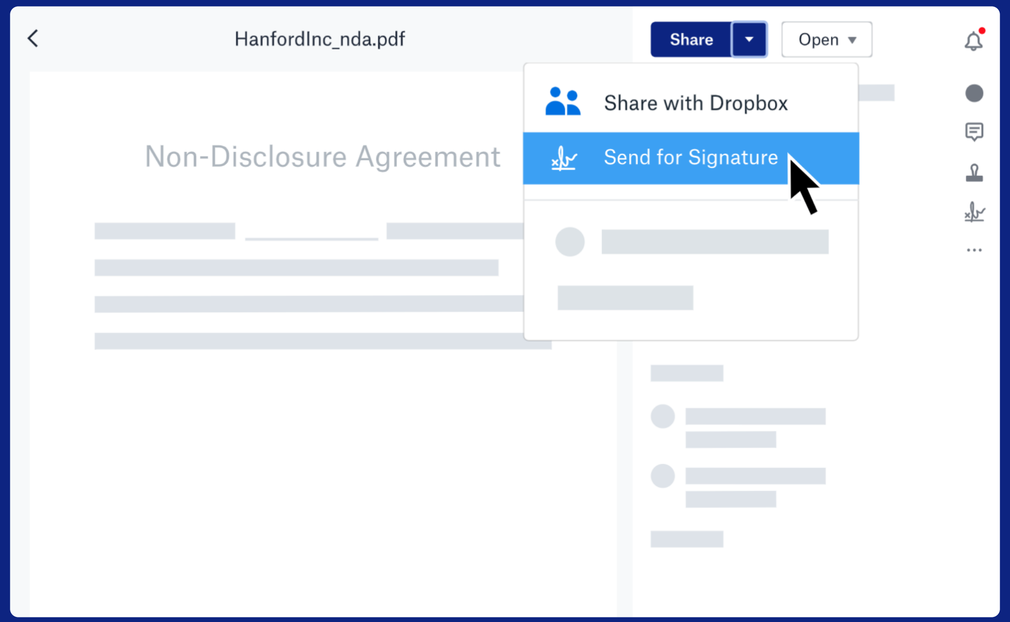
HelloSign Update

HELLOSIGN

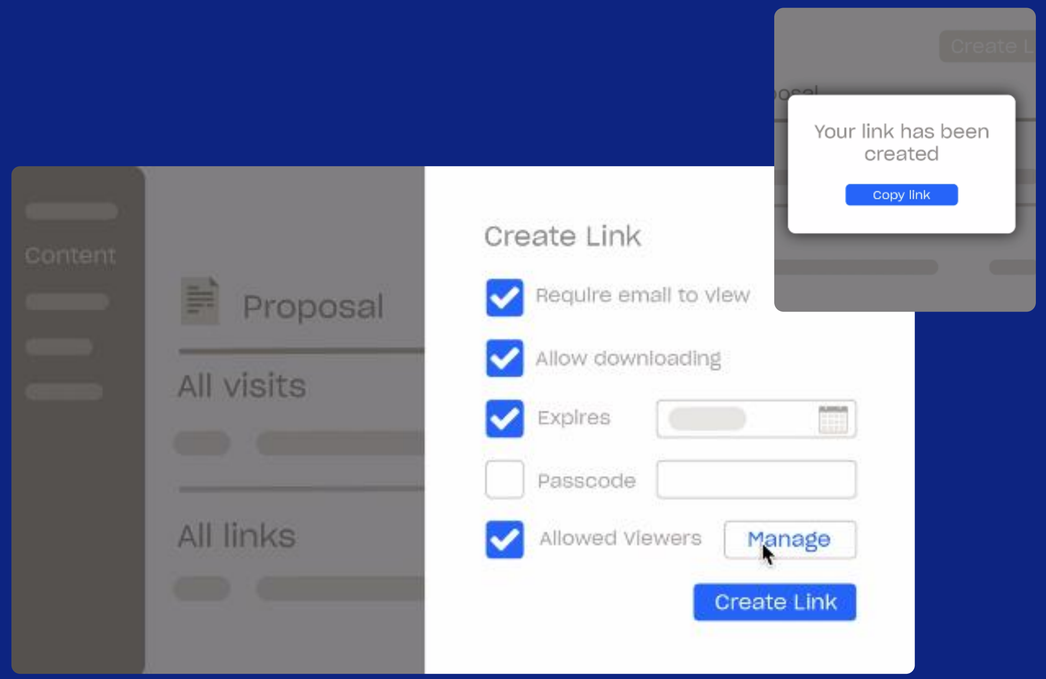
- HelloSign now integrates with Microsoft SharePoint
- Launched the HelloSign Mobile App
- Introduced paid premium support
- HelloSign is available in 21 additional languages



DocSend Update

Dropbox DocSend

- DocSend is a full suite of self-serve products to manage document sharing and analytics through real-time controls and insights for:
  - Virtual data rooms for fundraising
  - M&A
  - Sales and marketing
  - Investor relations
- Bundled Dropbox Teams + DocSend offer launched in early 2022
- Rebranded Dropbox DocSend brings our offerings into a more seamless experience
- We are investing in adding new functionality into DocSend's adjacent workflows and continuing to improve the user experience



Dropbox + Command E

Accelerating the Dropbox vision to become one organized place for content and all workflows around it

- Command E is a universal search tool that allows users to quickly locate & access content across numerous apps and could content

Dropbox + COMMAND E

Deep Integration Partners

Google

Adobe

slack

zoom

ATLASSIAN

Microsoft

BetterCloud

salesforce

Environmental, Social, and Governance

Environmental

Dropbox is committed to fighting global warming and reducing our carbon footprint. We're always looking at ways we can make a difference in our day-to-day business practices, and have set meaningful sustainability goals that we plan to accomplish by 2030.

Social

Our DEI initiatives, workforce development programs, and ethical business practices all play a role in driving Social Responsibility at Dropbox. In addition, we also empower our employees to give back by providing paid volunteer time off, matching donations, and making product donations to nonprofits, through our Dropbox for Good program.

Governance

We’re committed to maintaining an independent and diverse board of directors. Since 2019, we’ve added four directors who are women or members of underrepresented communities to our board.

Financial Highlights

Financial Highlights

Significant revenue and cash flow scale

Predictable and balanced financial model

Investing for continued revenue growth

Driving for strong operating leverage

Dropbox Financial Strategy: Raising LT Margin Targets

Dropbox

80%-82%
Non-GAAP
Gross Margin

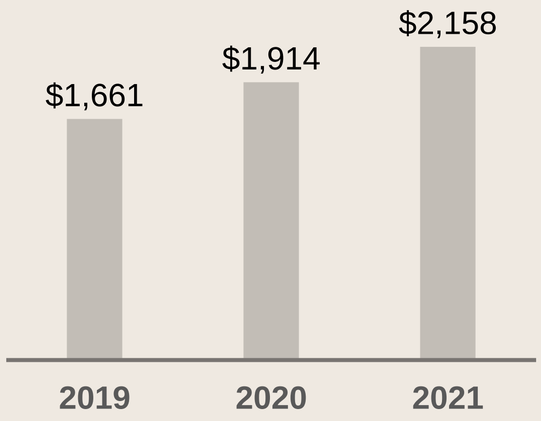
$1 Bn

Free Cash Flow
by 2024

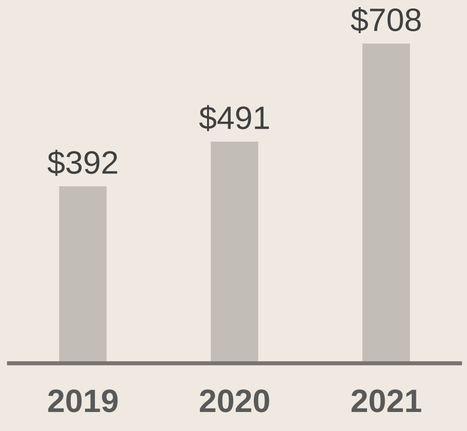
30%-32%
Non-GAAP
Operating Margin

*Note: Operating margin is non-GAAP and excludes stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

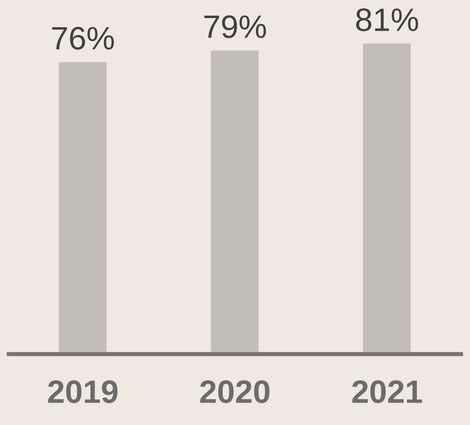
Strong Performance at Scale



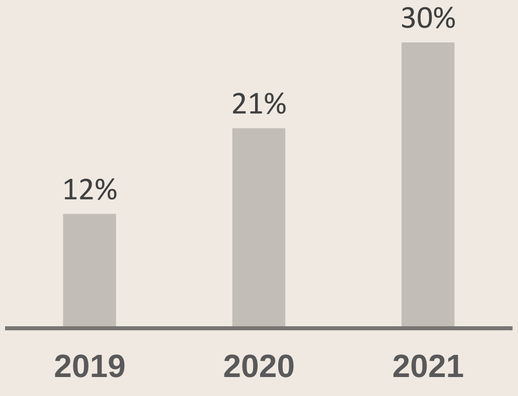
Revenue ($M)



Free Cash Flow ($M)



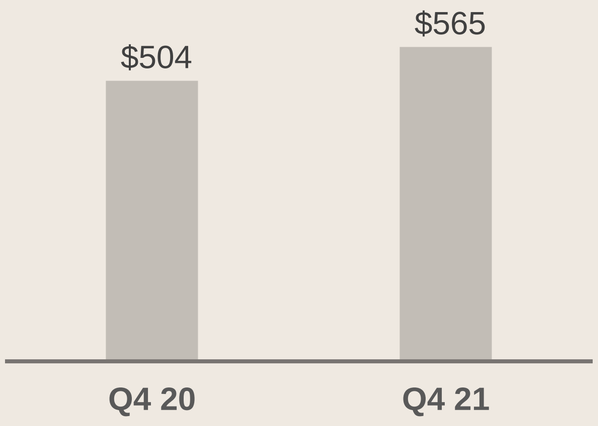
Non-GAAP
Gross Margin



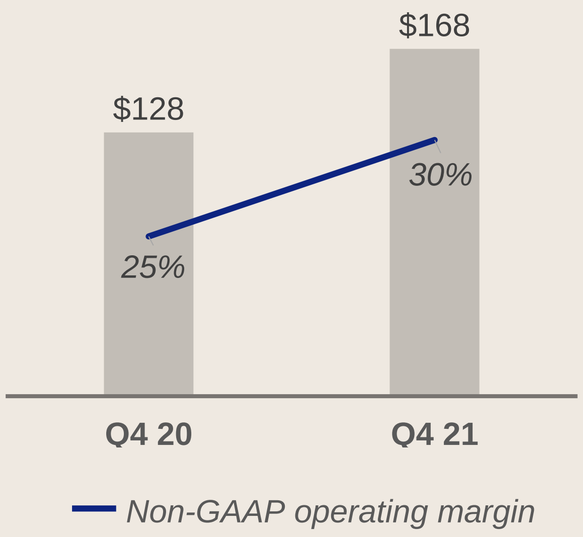
Non-GAAP
Operating Margin

*Note: Non-GAAP gross margin and non-GAAP operating margin exclude stock-based compensation expense and certain non-recurring adjustments. Free cash flow is GAAP net cash provided by operating activities less capital expenditures. See appendix for non-GAAP reconciliation.

Q4’21 Financial Highlights



Revenue ($M)



Operating Income ($M)

Operating income is non-GAAP and excludes stock-based compensation expense and certain non-recurring adjustments. See appendix for non-GAAP reconciliation.

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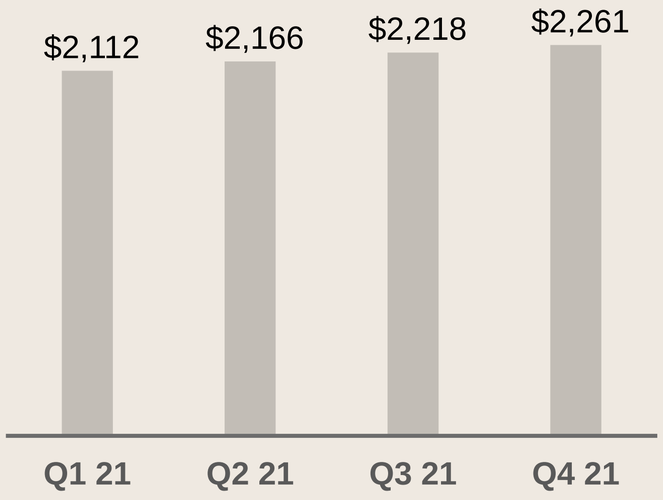
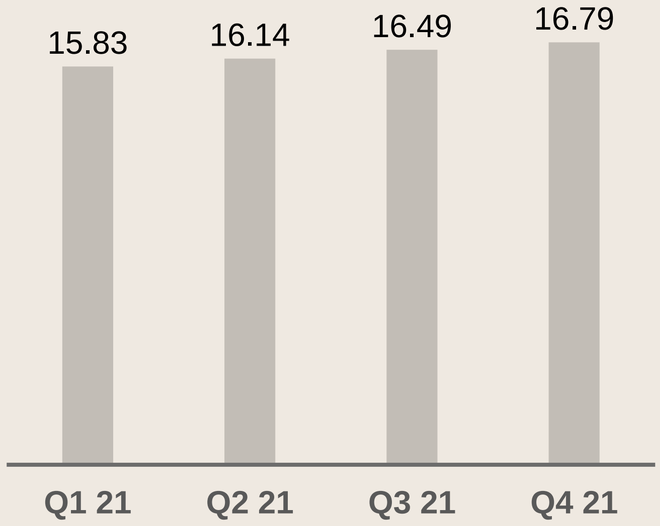
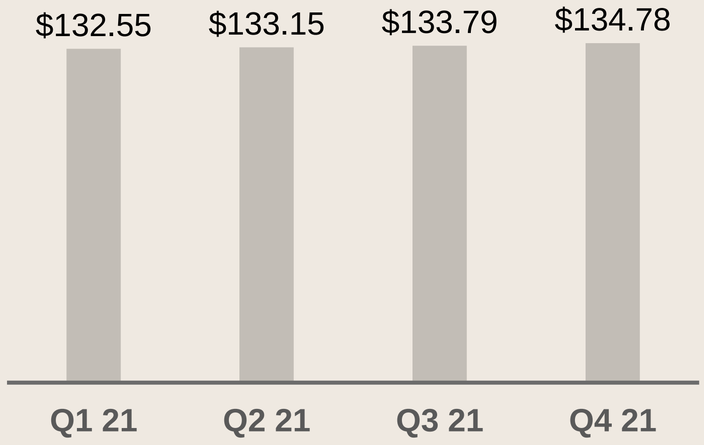
Q4’21 Financial Highlights



ARR ($M)



Paying Users (M)



ARPU ($)

*Note: For information on how we define each of these key metrics, see appendix.

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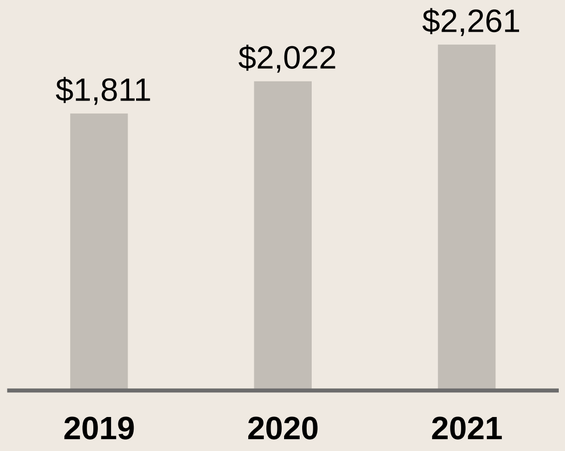
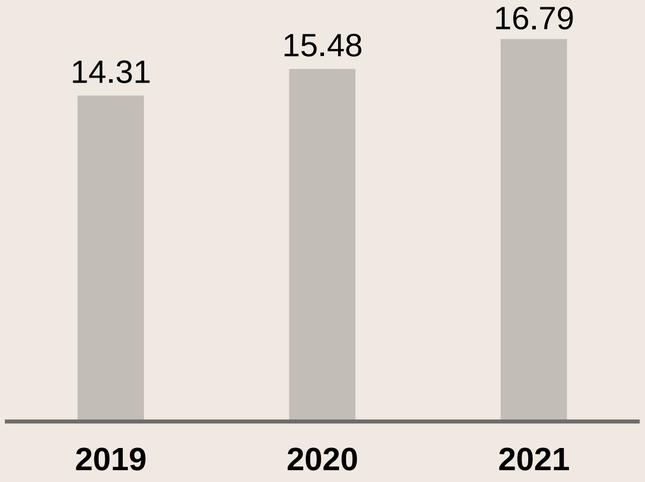
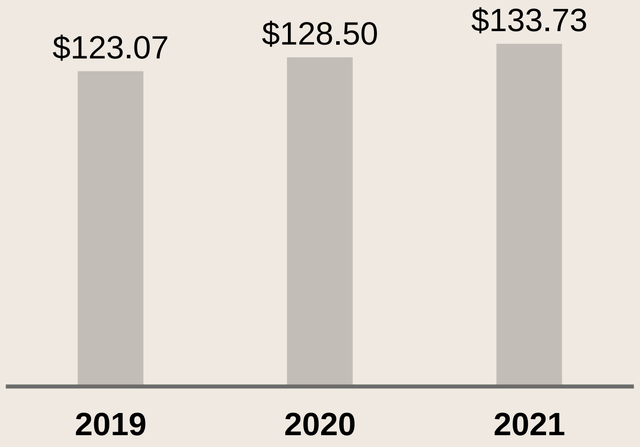
Key Metrics



ARR ($M)



Paying Users (MM)



ARPU ($)

For information on how we define each of these key metrics, see appendix.

Operating Leverage

Proprietary Infrastructure

Virtual First

Workforce Optimization

Updated Target Model

Non-GAAP	2019	2020	2021	Long-term target
Gross Margin	76%	79%	81%	80 - 82%
R&D expense as % of revenue	30%	28%	25%	23– 25%
S&M expense as % of revenue	23%	20%	18%	18 – 20%
G&A expense as % of revenue	11%	10%	8%	8 – 10%
Operating margin	12%	21%	30%	30 – 32%
Annual Free Cash Flow	$392M	$491M	$708M	$1B+

Appendix

Dropbox subscription plans

Personal			Business					
Basic	**Plus**	**Family**	**Professional**	**Pro + eSign**	**Standard + DocSend**	**Standard**	**Advanced**	**Enterprise**
Free	$11.99 / month $119.88 / year	$19.99 / month $203.88 / year	$19.99 / month $199.00 / year	$31.99 / month $299.88 / year	$83 / user / month $600 / user / year *3 users minimum*	$15.00 / user / month $150.00 / user / year *3 users minimum*	$25.00 / user / month $240.00 / user / year *3 users minimum*	Negotiated pricing
Dropbox Transfer* Dropbox Paper Computer Backup File requests 30 day version history HelloSign eSignatures Passwords	**Everything in Basic** Passwords Vault* Dropbox Rewind Smart Sync and Smart Sync Auto-Evict Full text search Priority email support	**Everything in Plus** Up to 6 users Family Room folder	**Everything in Plus** Auto OCR Image search Watermarking Shared link controls Branded sharing 180 day version history Premium previews Time-based comments Viewer history Traffic and insights	**Everything in Plus** 5 templates for commonly signed documents Tamper-proofing Audit trail that tracks and time-stamps actions Built in data validation 180 day version history Branded watermarking Live chat support Advanced sharing controls	**Everything in Standard** Real-time document analytics Multiple documents with a single link Passcodes and email verification Approved viewer and domain lists	**Everything in Basic** Dropbox Rewind Smart Sync and Smart Sync Auto-Evict Auto OCR, Image and full text search Watermarking Shared link controls Branded sharing 180 day version history Team folders Admin console Granular permissions Active directory connector Enables HIPAA compliance Unlimited API access** Priority email + live chat	**Everything in Standard** Premium previews Time-based comments Viewer history Single sign-on integration (SSO) Audit logs Device approvals Tiered admin roles Business hours phone support	**Everything in Advanced** Enterprise mobility management (EMM) Network control Domain insights and account capture 24/7 phone support and advanced training
2GB of storage	2TB storage	2TB storage	3TB storage	3TB storage; Send unlimited documents for signature	5TB storage	5TB storage	As much storage as needed	As much storage as needed

*Vault is only available in Plus, Family, and Professional. *Size of Dropbox Transfer varies based on Dropbox plan: Basic (100MB), Plus, Family, & Standard (2GB), Professional, Advanced, and Enterprise (100GB). Professional, Advanced, and Enterprise plans also receive advanced Transfer functionality.

**Teams have unlimited API access to productivity and security partners but may be subject to a cap on API calls to data transport partners.

HelloSign Subscription Plans

HELLOSIGN

FREE	ESSENTIAL	STANDARD	PREMIUM
$0	**$15 / user / mo**	**$25 / user / mo**	**$40 / user / mo**
1 user	1 user	Minimum 2 users	Minimum 5 users
0 Templates	5 Templates	15 Templates	Unlimited Templates
3 req / mo	Unlimited reqs	Unlimited reqs	Unlimited reqs
Audit Trail	**Includes Free**	**Includes Ess.**	**Includes Std.**
Notification	Data validation	Branding	Adv. signing tools
Signer fields	Multiple languages	Bulk send	Adv. signer fields
and more….	Tamper-proofing	Salesforce integration$	Adv. reporting
	Template Links	SMS auth.	Multi-teams$
	and more….	*and more….*	*and more….*

Plans include unlimited document storage in HelloSign or Prebuilt storage integrations with Dropbox and several others

HELLOSIGN API

FREE	ESSENTIAL	STANDARD	PREMIUM
Build & Test our API for Free	**$75 / mo**	**$250 / mo**	**$400 / mo**
	5 Templates	15 Templates	Unlimited Templates
	Starts 50 reqs / mo*	Starts 100 reqs / mo*	Starts 100 reqs / mo*
	API dashboard	**Includes Ess.**	**Includes Std.**
	Audit trail	Branding	Adv. signing tools
	Data validation	Bulk send	Adv. signer fields
	SDKs in 6 languages	Embedded signing	Embedded templates
	Signer fields	Signer attachments	White labeling$
	and more….	*and more….*	*and more….*

Plans include unlimited document storage in HelloSign

$ Additional cost add-on
* Higher API volume tiers available, up to 300K per month

DocSend Subscription Plans

Dropbox DocSend

	Personal	Standard	Advanced	Enterprise
	For individuals who want secure sharing and document insights	*For business teams that need best-in-class document sharing and team management*	*For deal management professionals that need advanced security or integrations*	*For larger teams*
	$10 /mo /per user billed annually **$15 /mo /per user billed monthly**	**$45 / month per user billed annually** **$65 / month per user billed monthly**	**Includes 3 users** **$150 / month billed annually** *Add'l users $60/ month* **$250 / month billed monthly** *Add'l users $60/ month*	**Plans start at $5,000**
Document Analytics	✓	✓	✓	✓
Basic Document Security (Require email, Redirect downloading, Expiration & Passwords)	✓	✓	✓	✓
Spaces		✓	✓	✓
Mail Merge Links		✓	✓	✓
eSignature		✓	✓	✓
Integrations *	Basics Only	Basics plus add-ons available	Basics plus add-ons available	✓
Advanced Security Features (1-Click NDA, Watermarking, Allowed viewer list, email auth.)			✓	✓
Advanced Spaces Features (Folders, Granular Space Permission)			✓	✓
Campaign Links			✓	✓
(SSO) Integration			Add-on	✓
Sub-Team Permissions			Add-on	✓
Storage	10 GB / user	50 GB / user	50 GB / user	50 GB / user
Upload large documents	2 GB	2 GB	2 GB	2 GB

*Integrations note that Basics only includes Dropbox, Gmail, and Outlook. Add-ons available for additional cost

Definitions

Total Annual Recurring Revenue, ("Total ARR" or "ARR") – represents the amount of revenue that we expect to recur, enables measurement of the progress of our business initiatives, and serves as an indicator of future growth. We calculate Total ARR as the number of users who have active paid licenses for access to our platform as of the end of the period, multiplied by their annualized subscription price to our platform. We adjust the exchange rates used to calculate Total ARR on an annual basis at the beginning of each fiscal year.

Average Revenue per Paying User, ("ARPU") – is defined as our revenue for the period presented divided by the average paying users during the same period. For interim periods, we use annualized revenue, which is calculated by dividing the revenue for the particular period by the number of days in that period and multiplying this value by 365 days. Average paying users are calculated based on adding the number of paying users as of the beginning of the period to the number of paying users as of the end of the period, and then dividing by two.

Paying Users – are defined as the number of users who have active paid licenses for access to our platform as of the end of the period. One person would count as multiple paying users if the person had more than one active license. For example, a 50-person Dropbox Business team would count as 50 paying users, and an individual Dropbox Plus user would count as one paying user. If that individual Dropbox Plus user was also part of the 50-person Dropbox Business team, we would count the individual as two paying users.

Motion Offense Exhibit 2016

Non-GAAP reconciliation

	Three Months Ended	
	December 31, 2020	December 31, 2021
Income (loss) from operations - GAAP	$ (346.6)	$ 70.2
Stock-based compensation	69.4	72.5
Acquisition-related and other expenses	4.2	7.6
Amortization of acquired intangible assets	2.4	3.7
Impairment to real estate assets	398.2	14.0
Income from operations - Non-GAAP	$ 127.6	$ 168.0
Non-GAAP operating margin	*25.3%*	*29.7%*

Motion Offense Exhibit 2016

Non-GAAP reconciliation

	Twelve Months Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Net Cash provided by operating activities	$ 528.5	$ 570.8	$ 729.8
Capital expenditures	(136.1)	(80.1)	(22.1)
Free cash flow	$ 392.4	$ 490.7	$ 707.7

Motion Offense Exhibit 2016

Non-GAAP reconciliation

	Twelve Months Ended - 2021						
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets	Workforce reduction expense	Non-GAAP
Gross profit	$ 1,713.7	$ 23.2	$ —	$ 6.0	$ —	$ 1.7	$ 1,744.6
Gross margin	*79%*	*1%*	—	—	—	—	*80%*
Research and development	755.9	(190.1)	(19.7)	—	—	(3.2)	542.9
Research and development margin	*35%*	*(9%)*	*(1%)*	—	—	—	*25%*
Sales and marketing	427.5	(25.0)	(5.3)	(7.1)	—	(6.9)	383.2
Sales and marketing margin	*20%*	*(1%)*	—	—	—	—	*19%*
General and administrative	224.6	(48.8)	(1.8)	—	—	(2.5)	171.5
General and administrative margin	*10%*	*(2%)*	—	—	—	—	*8%*
Impairment related to real estate assets	31.3	—	—	—	(31.3)	—	—
Impairment related to real estate assets margin	*1%*	—	—	—	*(1%)*	—	—
Income from operations	274.4	287.1	26.8	13.1	31.3	14.3	647.0
Operating margin	*13%*	*13%*	*1%*	*1%*	*1%*	*1%*	*30%*

Note: % are rounded for presentation purposes

Non-GAAP reconciliation

	Twelve Months Ended - 2020					
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Impairment related to real estate assets	Non-GAAP
Gross profit	$ 1,499.3	$ 17.1	$ —	$ 3.9	$ —	$ 1,520.3
Gross margin	*78.3 %*	*0.9 %*	—	*0.2 %*	—	*79.4 %*
Research and development	727.5	(174.1)	(16.8)	—	—	536.6
Research and development margin	*38.0 %*	*(9.1%)*	*(0.9%)*	—	—	*28.0 %*
Sales and marketing	422.8	(33.7)	—	(5.6)	—	383.5
Sales and marketing margin	*22.1 %*	*(1.8%)*	—	*(0.3%)*	—	*20.0 %*
General and administrative	227.8	(36.6)	(0.1)	—	—	191.1
General and administrative margin	*11.9 %*	*(1.9%)*	—	—	—	*10.0 %*
Impairment related to real estate assets	398.2	—	—	—	(398.2)	—
Impairment related to real estate assets margin	*20.8 %*	—	—	—	*(20.8%)*	*— %*
Income (loss) from operations	(277.0)	261.5	16.9	9.5	398.2	409.1
Operating margin	*(14.5%)*	*13.7 %*	*0.9 %*	*0.5 %*	*20.8 %*	*21.4 %*

Note: % may not foot due to rounding

Non-GAAP reconciliation

	Twelve Months Ended - 2019				
	GAAP	Stock based compensation	Acquisition-related and other expenses	Amortization of acquired intangible assets	Non-GAAP
Gross profit	$ 1,250.3	$ 15.8	$ —	$ 3.4	$ 1,269.5
Gross margin	*75.3 %*	*1.0 %*	—	*0.2 %*	*76.4 %*
Research and development	662.1	(147.6)	(14.5)	—	500.0
Research and development margin	*39.9 %*	*(8.9) %*	*(0.9) %*	—	*30.1 %*
Sales and marketing	423.3	(31.4)	—	(5.0)	386.9
Sales and marketing margin	*25.5 %*	*(1.9) %*	—	*(0.3%)*	*23.3 %*
General and administrative	245.4	(66.4)	(1.4)	—	177.6
General and administrative margin	*14.8 %*	*(4.0%)*	*(0.1%)*	—	*10.7 %*
Income (loss) from operations	(80.5)	261.2	15.9	8.4	205.0
Operating margin	(4.8) %	*15.7 %*	*1.0 %*	*0.5 %*	*12.3 %*

Note: % may not foot due to rounding

Non-GAAP reconciliation

	Twelve Months Ended		
	2019	**2020**	**2021**
Income (loss) from operations - GAAP	$ (80.5)	$ (277.0)	$ 274.4
Stock-based compensation	261.2	261.5	287.1
Acquisition-related and other expenses	15.9	16.9	26.8
Amortization of acquired intangible assets	8.4	9.5	13.1
Impairment related to real estate assets	—	398.2	31.3
Workforce reduction expense	—	—	14.3
Income from operations - Non-GAAP	$ 205.0	$ 409.1	$ 647.0
Non-GAAP operating margin	*12.3%*	*21.4%*	*30.0%*

Motion Offense Exhibit 2016

Dropbox

Motion Offense Exhibit 2016