Dropsuite Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Dropsuite Limited
ABN:	91 008 021 118
Reporting period:	For the half-year ended 30 June 2024
Previous period:	For the half-year ended 30 June 2023

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	34.3%	to	18,904
Profit from ordinary activities after tax	down	67.3%	to	273
Profit for the half-year	down	67.3%	to	273

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the Group after providing for income tax amounted to $273,000 (30 June 2023: $836,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	41.04	36.50

Calculated as follows:

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Net assets	28,672	25,180
Net tangible assets	28,672	25,180
Number of shares on issue at 30 June (no.)	69,860,858	68,989,209

Number of shares on issue for the prior period have been restated to reflect consolidation of shares in the ratio of 10:1 which occurred in the current period.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of Dropsuite Limited for the half-year ended 30 June 2024 is attached.

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12. Signed

Signed _____ Date: 28 August 2024

Kobe Li
Company Secretary
Melbourne, Victoria

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Dropsuite Limited

ABN 91 008 021 118

Interim Report - 30 June 2024

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Dropsuite Limited
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30 June 2024

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Dropsuite Limited
Directors' report
30 June 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Dropsuite') consisting of Dropsuite Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024 ('1H 2024').

Directors

The following persons were Directors of Dropsuite Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Theo Hnarakis - Chair
Charif El Ansari
Bruce Tonkin
Eric Martorano (appointed 1 January 2024)

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- Cloud-based suite of data backup and archiving solutions for workplace productivity and accounting software; and
- Partner provisioning, reporting, support and billing platform.

Dropsuite's mission, to safeguard data and help businesses stay in business, has never been more prescient at a time when everyone is so dependent on digital information and the need to protect that information from cyber-attack is ever more necessary.

Dropsuite's Cloud platform allows businesses to easily backup, archive, discover and recover their data to protect themselves from all forms of data loss including cyber-attacks, and to help them comply with various regulations. Provisioning onboarding, user management and billing happens seamlessly through our IT reseller partners who have at their disposal extensive APIs and plug-ins to integrate the Dropsuite backup software into their services.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The profit for the Group after providing for income tax amounted to $273,000 (30 June 2023: $836,000).

	30 Jun 2024 $'000	30 Jun 2023 $'000	Change $'000	Change %
Revenue	**18,904**	**14,079**	**4,825**	**34%**
Total income	19,334	14,385	4,949	34%
Gross margin	**13,055**	**9,721**	**3,334**	**34%**
Operating expenses	12,148	8,432	3,716	44%
EBITDA	7	576	(569)	(99%)
Net profit after tax	**273**	**836**	**(563)**	**(67%)**
Cash generated in operating activities	**931**	**616**	**315**	**51%**
Cash and cash equivalents	25,127	22,958	2,169	9%

Revenue in 1H-24 increased 34.3% to $18.9 million (1H-23: $14.1 million) driven by an increase in user numbers and a slight uplift in average revenue per user ('ARPU'). The Company's annual recurring revenue ('ARR') at 30 June 2024 was $39.9 million, a 31% increase on a constant currency basis vs 1H-23.

Gross margin contribution increased by 34.3% to $13.1 million (1H-23: $9.7 million).

Operating expenses increased through the period reflecting the Company's stated strategy of investment in research and development as well as go-to-market functions in FY24 aimed at driving future growth. Operating expenses, which consist of employee benefits, IT expenses, sales and marketing expenses and administrative and other operating expenses increased by approximately 44.1% to $12.1 million (1H-23: $8.4 million). The primary component of the lift in operating expenses was a $2.1 million increase in employee costs reflecting the increase in headcount from 98 to 134 as at 30 June 2024.

Operating cashflow for the period grew to $0.93m, an increase of 51% on prior period.

The Company had no debt and $25.1 million in available cash at 30 June 2024.

EBITDA is defined as Earnings before Interest, Tax, Depreciation & Amortisation

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EBITDA was $0.007 million in the half-year ended 30 June 2024 compared to $0.6 million in the previous corresponding period.

Due to the movements described above, the net profit after tax was $0.3 million for the half-year ended 30 June 2024, compared to $0.8 million net profit after tax in the previous corresponding period.

The following table highlights key balances in Dropsuite's statement of financial position:

	30 Jun 2024 $'000	31 Dec 2023 $'000	Change $'000	Change %
Cash and cash equivalents	25,127	24,289	838	3%
Trade and other receivables	6,589	5,855	734	13%
Other assets	1,140	1,013	127	13%
Total assets	**32,856**	**31,157**	**1,699**	**5%**
Trade and other payables	3,629	3,239	390	12%
Other current liabilities	505	469	36	8%
Other non-current liabilities	50	64	(14)	(22%)
Total liabilities	**4,184**	**3,772**	**412**	**11%**
Net assets	**28,672**	**27,385**	**1,287**	**5%**
Issued capital	43,879	43,416	463	1%
Retained losses and reserves	(15,207)	(16,031)	824	(5%)
Total equity	**28,672**	**27,385**	**1,287**	**5%**

The Company recorded operating cash flow of $0.9 million for the half-year ended 30 June 2024 compared to $0.6 million for the previous corresponding period.

At 30 June 2024, Dropsuite held over $25 million in cash and term deposits.

Operational and product overview

For the half-year to 30 June 2024, Dropsuite continued to invest in internal initiatives such as new product development, increased global sales footprint, and expanded customer service facilities to improve the backup and archive experience for Dropsuite's partners and streamline the support processes for end clients. Key activities during the half-year included:

- Adding 185k paid users in the 1H24, up 30% on 1H23, growing total paid user count to 1.35 million.
- Strong partner acquisition in 1H24, onboarding >90 new direct and >500 indirect transacting Managed Service Provider (MSP) partners, up 39% and 40% respectively on 1H23.
- Launched new backup product targeted at Entra ID (limited access/early release). Entra ID (formerly Azure Active Directory), is Microsoft's cloud-based identity and access management solution providing authentication and authorization to a wide range of Microsoft products.
- Launch of Professional Service Automation (PSA) Integration Marketplace, a centralized hub for partners to seamlessly integrate Dropsuite with their preferred PSA vendor, discover integrations, manage customers, and drive internal operational efficiencies.
- Enhanced data restore capabilities via Point-in-Time-Restore ('PITR') which allows users to restore their mailboxes as they appeared at a specific point in time. This feature, paired with our industry leading continuous backup architecture, gives partners and their clients an ability to restore all data or respond to specific cyber events.
- Dropsuite has made both its backup and archiving product offerings available to verified Not-for-profit ('NFP') organisations which will allow MSPs to provide Dropsuite's solutions to their NFP clients at a discounted price. The special priced NFP products is a common practice with many software companies, including Microsoft, Google and Salesforce.
- Completed Partner Services launch and activation of a fully managed Dropsuite service to help MSPs migrate data from other backup providers into Dropsuite.
- Several updates and feature enhancements to our core email and productivity backup and archiving products.

Outlook

Dropsuite is well positioned to deliver strong annual recurring revenue growth driven by our significant existing partner base and a growing pipeline of new partners. Market tailwinds from data security and regulation in an environment of increasing cyber-attacks are expected to remain, especially bolstered with a growing pool of SaaS applications like Microsoft 365 and Google Workspace providing a continued growth opportunity.

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Over the remainder of 2024 the Company will focus on:

- Delivering ARR growth via its existing partner ecosystem, strong sales pipeline and expanded product line.
- Incremental investment in Research & Development and Go-To-Market functions in 2024 to sustain growth momentum.
- Maintaining positive cashflow and profitability performance.
- Driving product innovation to maintain our leading position as a backup vendor of choice.
- Pursuing high conviction M&A opportunities taking advantage of strong market tailwinds around data protection.

Significant changes in the state of affairs

On 21 May 2024, the Company undertook a share consolidation on a ten to one basis with approval of the shareholders.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Theo Hnarakis
Non-Executive Chairperson

28 August 2024

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Dropsuite Limited and its controlled entities for the half year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Dated: 28 August 2024
Melbourne, Victoria

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Dropsuite Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

	Note	Group 30 Jun 2024 $'000	Group 30 Jun 2023 $'000
Revenue	4	18,904	14,079
Other income	5	12	3
Interest revenue calculated using the effective interest method		418	303
Expenses			
Hosting fees		(5,848)	(4,358)
Marketing and conference expense		(780)	(584)
Technology expense		(1,514)	(475)
Professional fees		(128)	(309)
Employee benefits expense		(8,688)	(6,510)
Share-based payment expense	12	(767)	(495)
Depreciation expense		(149)	(42)
Other expenses		(1,185)	(775)
Finance costs	6	(2)	(1)
Profit before income tax expense		273	836
Income tax expense		-	-
Profit after income tax expense for the half-year		273	836
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		247	250
Other comprehensive income for the half-year, net of tax		247	250
Total comprehensive income for the half-year		520	1,086
		Cents	**Cents**
Basic earnings per share	11	0.39	1.21
Diluted earnings per share	11	0.38	1.17

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The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Dropsuite Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	Group 30 Jun 2024 $'000	Group 31 Dec 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		25,127	24,289
Trade and other receivables	7	6,589	5,855
Other assets		822	650
Total current assets		32,538	30,794
Non-current assets			
Investments		13	12
Property, plant and equipment		159	142
Right-of-use assets		78	141
Other assets		68	68
Total non-current assets		318	363
Total assets		32,856	31,157
Liabilities			
Current liabilities			
Trade and other payables	8	3,512	3,172
Contract liabilities		117	67
Lease liabilities		79	130
Employee benefits		426	339
Total current liabilities		4,134	3,708
Non-current liabilities			
Lease liabilities		-	14
Other liabilities		50	50
Total non-current liabilities		50	64
Total liabilities		4,184	3,772
Net assets		28,672	27,385
Equity			
Issued capital	9	43,879	43,416
Reserves		3,110	2,559
Accumulated losses		(18,317)	(18,590)
Total equity		28,672	27,385

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The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Dropsuite Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2024

Group	Issued capital $'000	Foreign exchange reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2023	43,416	46	943	(20,174)	24,231
Profit after income tax expense for the half-year	-	-	-	836	836
Other comprehensive income for the half-year, net of tax	-	250	-	-	250
Total comprehensive income for the half-year	-	250	-	836	1,086
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	495	-	495
Balance at 30 June 2023	43,416	296	1,438	(19,338)	25,812

Group	Issued capital $'000	Foreign exchange reserve $'000	Share-based payments reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 January 2024	43,416	(1)	2,560	(18,590)	27,385
Profit after income tax expense for the half-year	-	-	-	273	273
Other comprehensive income for the half-year, net of tax	-	247	-	-	247
Total comprehensive income for the half-year	-	247	-	273	520
Transactions with owners in their capacity as owners:					
Transfer upon exercise of options/rights	463	-	(463)	-	-
Share-based payments expense	-	-	767	-	767
Balance at 30 June 2024	43,879	246	2,864	(18,317)	28,672

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The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Dropsuite Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2024

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	18,271	12,782
Payments to suppliers and employees (inclusive of GST)	(17,746)	(12,461)
	525	321
Interest received	406	295
Net cash from operating activities	931	616
Cash flows from investing activities		
Payments for property, plant and equipment	(100)	(77)
Net cash used in investing activities	(100)	(77)
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	831	539
Cash and cash equivalents at the beginning of the financial half-year	24,289	22,336
Effects of exchange rate changes on cash and cash equivalents	7	83
Cash and cash equivalents at the end of the financial half-year	25,127	22,958

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The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Dropsuite Limited as a Group consisting of Dropsuite Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Dropsuite Limited's functional and presentation currency.

Dropsuite Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 30, Collins Place, 35 Collins Street Melbourne VIC 3000	10 Anson Road #14-07 International Plaza Singapore 079903

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 30 June 2024 and are not expected to have a significant impact for the full financial year ending 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment, being the provision of backup services. The determination of this operating segment is based on the internal reports that are reviewed and used by the Board (who is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews sales revenue from the provision of backup services over time. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The reportable segment financial information is therefore the same as the consolidated statement of financial position and the consolidated statement of profit and loss and other comprehensive income.

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Note 3. Operating segments (continued)

Intersegment transactions
Intersegment transactions were made at market rates.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Revenue by geographical area
Refer to note 4 for geographical information.

Note 4. Revenue

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Software sales	18,875	14,079
Service sales	29	-
Revenue	18,904	14,079

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Geographical regions		
Australia	852	410
Singapore	72	74
Europe	4,675	3,370
United States of America	12,682	9,682
Rest of the World	623	543
	18,904	14,079
Timing of revenue recognition		
Services transferred at a point in time	18,753	13,987
Services transferred over time	151	92
	18,904	14,079

Note 5. Other income

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Revaluation of investments	1	1
Government grants	11	2
Other income	12	3

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Note 6. Finance costs

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Interest and finance charges paid/payable on lease liabilities	2	-
Other interest and finance charges paid	-	1
	2	1

Note 7. Trade and other receivables

	Group	
	30 Jun 2024 $'000	31 Dec 2023 $'000
Current assets		
Trade receivables	6,315	5,717
Less: Allowance for expected credit losses	(110)	(150)
	6,205	5,567
Other receivables	243	199
Deposits	91	50
Interest receivable	50	39
	6,589	5,855

Note 8. Trade and other payables

	Group	
	30 Jun 2024 $'000	31 Dec 2023 $'000
Current liabilities		
Trade payables	1,353	1,270
Wages payable	130	149
Bonus payable	669	763
Superannuation	129	35
Hosting fee accrual	1,065	888
Other payables and accrued expenses	166	67
	3,512	3,172

Note 9. Issued capital

	Group			
	30 Jun 2024 Shares	31 Dec 2023 Shares	30 Jun 2024 $'000	31 Dec 2023 $'000
Ordinary shares - fully paid	69,860,858	696,092,092	43,879	43,416

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Note 9. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 January 2024	696,092,092		43,416
Issue of shares from performance rights exercised	3 May 2024	2,012,500	$0.161	324
Issue of shares from performance rights exercised	21 May 2024	500,000	$0.278	139
Share consolidation 10:1	21 May 2024	(628,743,734)	$0.000	-
Balance	30 June 2024	69,860,858		43,879

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Earnings per share

Basic and diluted earnings per share for the comparative half-year have been restated to reflect consolidation of shares in the ratio of 10:1 in accordance with AASB 133 'Earnings Per Share'.

	Group	
	30 Jun 2024 $'000	30 Jun 2023 $'000
Profit after income tax	273	836
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	69,691,057	68,989,209
Adjustments for calculation of diluted earnings per share:		
Non-converted performance rights	2,192,750	2,554,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	71,883,807	71,543,209
	Cents	**Cents**
Basic earnings per share	0.39	1.21
Diluted earnings per share	0.38	1.17

Note 12. Share-based payments

A long-term incentives plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant performance rights in the Company to certain employees of the Group. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

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Note 12. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

30 Jun 2024

Grant date	Expiry date	Balance at the start of the half-year	Adjustment for 10:1 share consolidation	Share consolidation restatement	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
12/04/2022	31/03/2025	8,140,000	(7,326,000)	814,000	-	-	-	814,000
18/07/2022	30/06/2025	400,000	(360,000)	40,000	-	-	-	40,000
06/04/2023	31/03/2026	8,450,000	(7,605,000)	845,000	-	(251,250)	(10,000)	583,750
22/05/2023	31/03/2026	2,000,000	(1,800,000)	200,000	-	-	-	200,000
25/06/2024	25/06/2025	-	-	-	138,750	-	-	138,750
25/06/2024	25/06/2026	-	-	-	166,500	-	-	166,500
25/06/2024	25/06/2027	-	-	-	249,750	-	-	249,750
		18,990,000	(17,091,000)	1,899,000	555,000	(251,250)	(10,000)	2,192,750

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was 1.26 years.

For the performance rights granted during the current financial half-year, the Monte Carlo valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Risk-free interest rate	Fair value at grant date
25/06/2024	25/06/2025	$0.260	64.00%	4.17%	$1.640
25/06/2024	25/06/2026	$0.260	64.00%	4.17%	$1.900
25/06/2024	25/06/2027	$0.260	64.00%	4.11%	$1.980

Note 13. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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Dropsuite Limited
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Theo Hnarakis
Non-Executive Chairperson

28 August 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF DROPSUITE LIMITED

Report on the Half-Year Financial Statement

Conclusion

We have reviewed the accompanying half-year financial report of Dropsuite Limited (Company) and its Controlled Entities (Group) which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dropsuite Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Responsibility of the Directors' for the Financial Report

The directors of Dropsuite Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Melbourne, Victoria
Dated: 28 August 2024

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