

ASX Release
28 April 2017

DROPSUITE EXCEEDS MILESTONE EXPECTATIONS

- *Dropsuite reaches 160,000 paid SMB subscribers*
- *Achievement comes only two months after Dropsuite hit the 140,000 paid user mark and shows an exponential paid user increase*
- *Partnership with Dreamscape Networks/Crazy Domains (ASX: DN8) confirmed with DN8's launch of the Dropsuite backup service*
- *368% Year on Year growth ('15/'16) demonstrates strong SMB demand for Dropsuite's cloud backup services*

Dropsuite Limited (ASX: DSE) (Dropsuite) is pleased to announce that it has grown the paid user numbers referred to in the Company's 2016 Prospectus on its cloud software platform by 67%, after reaching the 160,000 subscribers milestone. Strong growth in user numbers is expected for the remainder of calendar year 2017.

These numbers show an exponential growth in paid SMB users of Dropsuite's cloud based products, with the Company adding 20,000 users alone since the previous reporting to ASX on 27 February 2017. These numbers show Dropsuite's continued strategic commitment to reach millions of small and medium sized businesses (SMBs) worldwide.

With this momentum underway and further significant growth in user numbers anticipated, Dropsuite is focused on continuing to develop strategic partnerships with some of the biggest global names in the hosting and IT service provider market, including Dreamscape Networks (ASX: DN8) who confirmed the collaboration between Dropsuite and Australia's number one domain company, Crazy Domains, on 21 April 2017. This partnership, and Crazy Domain's launch of the Dropsuite backup service, reinforces the Company's expansion plans to increase product adoption via targeted sales and marketing programs.

Dropsuite's revenue has also seen an increase with a 368% Year on Year (2015 v 2016) growth announced on 3 April 2017. This growth confirms Dropsuite's expanding position in the fast growing cloud services market, especially within the small-to-medium business (SMB) sector.

Dropsuite's growth is being fueled, in part, by the highly documented rise in the number of reported cyber attacks and fears of future cyber threats, with SMBs worldwide now needing to act diligently to protect their business data. Dropsuite has deployed affordable cloud solutions for backing up and recovering data that are easy to use, affordable and secure — ensuring business continuity and providing peace of mind that mission-critical data is safe.

In commenting on the additional increase in Dropsuite's user numbers, Charif Elansari, Chief Executive Officer of Dropsuite, said:

"We are excited to have again exceeded our user number expectations and to see our growth trajectory confirmed.

"We are confident that these figures will continue to increase over the course of 2017 as we announce further key global partnerships.



"As people, systems and businesses are increasingly interconnected via the internet, cyber security threats are real for businesses of all sizes, and those threats can be disruptive. Globally, 30,000 websites get hacked every single day, and 20% of emails are hacked every year, yet businesses and consumers still don't routinely backup their data.

"We hear horror stories everyday about companies who fall prey to hacking, like the Census Bureau or Yahoo, and it is only a matter of time until a security breach affects an unprotected company with no data protection in place."

Encrypted backup services like Dropsuite are becoming increasingly pertinent in today's cloud based society, as statistics have shown that 90% of companies say they have been hacked at least once (Juniper), and that 71% of data breaches occur in businesses with less than 100 employees (Verizon Enterprise). Kaspersky Lab also claims that 42% of small and medium-sized businesses experienced a ransomware incident in the past 12 months. Companies need to have a comprehensive data protection plan in place that includes prevention, monitoring, detection, backup, archiving and recovery.

According to a [report based on IDC's cloud adoption survey](#), U.S. SMB adoption of cloud services has grown rapidly in the past five years, rising from below 20% of SMBs to now 75% of small companies (those with fewer than 100 employees) and 95% of mid-market companies (those with 100 to 999 employees).

Australia is a case in point in terms of online interconnectedness, as 90% of Australians are online, along with 84% of businesses, and 1 in 2 small to medium sized enterprises receive payments through an online channel. Given the alarming rate of cyber breaches, and that the estimated cost of cyber crime is around \$1 billion, the Prime Minister has set a cyber security strategy, highlighting the importance of this topic to the country's national security.

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About Dropsuite

Dropsuite is a global cloud software platform enabling SMBs in over 100 countries to easily backup, recover and protect their important business information. Dropsuite's network of preferred reseller partners has a combined customer reach of millions of small and medium-sized businesses worldwide. Dropsuite's products include website and database backup, email backup and archiving and file-based server backup.

Dropsuite partners with some of the biggest global names in the hosting and IT service provider market, including GoDaddy, the world's largest domain name registrar, and Ingram Micro, the world's largest distributor of computer and technology products. Dropsuite was launched in 2012 and is headquartered in Singapore with a sales presence in the US, Europe, Japan, and Australia.

For more information please visit: www.dropsuite.com