



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP25/018

Tuesday, 18 March 2025

Dropsuite Limited - Panel Receives Application

The Panel has received an application from Harvest Lane Asset Management Pty Ltd in relation to the affairs of Dropsuite Limited (ASX: DSE) (**Dropsuite**).

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 28 January 2025, Dropsuite announced that it had entered into a scheme implementation deed with NinjaOne, LLC and NinjaOne Australia Pty Ltd, under which NinjaOne Australia Pty Ltd had agreed to acquire 100% of Dropsuite's ordinary shares for \$5.90 per share in cash via a scheme of arrangement (**Proposed Scheme**).

In its announcement, Dropsuite made the following statement regarding its largest shareholder, Topline Capital Management LLC (**Topline**): *"Dropsuite's largest shareholder, [Topline], which as at the date of this announcement, holds or controls approximately 21.6 million Dropsuite shares or 31.0% of the Company's issued capital on an undiluted basis, 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 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"* (the **Intention Statement**).

On 18 February 2025, Topline lodged a Form 604 – Notice of change of interests of substantial holder disclosing that its voting power in Dropsuite had decreased from 21,639,316 shares (31.0%) to 13,829,409 shares (19.7%) following various on-market sales of Dropsuite shares between 28 January 2025 and 6 February 2025 (**On-Market Sales**).

The Form 604 stated *"[Topline] continues to firmly support Dropsuite being acquired by NinjaOne... The share sales were made because of an [unforeseen] need for liquidity and*

because the position became a large percent of the portfolio... [Topline] intends to hold its remaining shares through the close of the transaction and vote in favor of the transaction”.

The applicant submits, among other things, that:

- The Intention Statement did not indicate that Topline had reserved the right to sell Dropsuite shares before voting in favour of the Proposed Scheme. Therefore, a reasonable investor would have concluded that Topline intended to maintain its 31.0% interest and vote that interest in favour of the Proposed Scheme.
- The On-Market Sales indicate that the Intention Statement may have been given *“on a knowingly misleading basis”*.
- Even if the On-Market Sales were contemplated in the Intention Statement, Topline failed to disclose those transactions within the time required by section 671B of the *Corporations Act 2001* (Cth), creating a false market in Dropsuite shares to Topline’s benefit.

The applicant seeks interim orders that Topline *“be prevented from any further selling of shares”*.

The applicant seeks final orders that Topline *“is required to return to and vote a 31.0% interest in favour of the scheme of arrangement at the relevant scheme meeting, in line with paragraph 12a and 12d of Takeovers Panel Guidance Note 23, such that it remains compliant with the intention statement provided to the market”*.

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