

Enprise Group acquisition aims to fast-track growth in Australia

AUCKLAND, 1 September, 2017 - Enprise Group (NZAX: ENS) has accelerated its regional growth plans by acquiring a major stake in Australia's largest MYOB enterprise reseller.

Enprise Group Limited has acquired a 47.09% equity stake in Kilimanjaro Consulting Pty Limited, for \$3,168,400 NZD (comprising \$1 million cash to be settled from surplus cash and existing facilities, and 1,560,000 ENS shares). Enprise Group chairman Lindsay Phillips will become a director of Kilimanjaro Consulting Pty Limited and services agreements have been executed between the companies to enable synergies from leveraging their dominant positions in their respective geographic markets.

Enprise Group Limited has granted a put option for the remaining 52.91% for \$3,967,964 NZD (2,854,650 ENS Shares) subject to approval at the annual general meeting to be held on 27th October 2017. The option can be exercised between 1 September 2019 and 30 August 2020.

Kilimanjaro Consulting Pty Limited is the largest MYOB Exo and MYOB Advanced reseller in Australia with offices in North Sydney, Parramatta, Melbourne, Canberra and Perth. The 30 June 2017 turnover was \$9.1M AUD which included recurring revenue of \$3.2M AUD.

Enprise Group's stated strategy at listing was to be the leading reseller across the region in both MYOB Exo and MYOB Advanced, says Enprise Group CEO Elliot Cooper.

"This acquisition reflects that strategy," he says. "Enprise is already profitable and growing strongly. We achieved 65.3% revenue growth in the last financial year for our existing Australian operations. That was profitable growth, which contributed to a profit rise of 35.1% from continuing operations for the Group. The Kilimanjaro acquisition is expected to further accelerate that growth."

Both organisations have similar internal control processes and culture. The shared strategy of the two companies is to benefit clients by applying the best processes, procedures and systems from each organisation to create the most efficient delivery of services, Elliot Cooper says.

The acquisition will enable further specialisation with MYOB Advanced and therefore increase the addressable market for both companies, he says.

“Our customers will benefit from having access to a pool of more than 80 highly skilled and qualified consultants,” Elliot Cooper says.

“Enprise will make its successful “Cloud the way you like it” service available to Kilimanjaro Consulting customers. This will better utilise the cloud skills and infrastructure resources already deployed by Enprise.

“Enprise and Kilimanjaro teams already have a history of working constructively together on the delivery of selected customer projects. This cooperation will be enhanced under the new services agreements.”

Enprise Group signed the agreement at 4.10 on Friday 1 September 2017 for completion on 30 September 2017.

About Enprise Group

Listed on the New Zealand Stock Exchange Alternative Market (NZAX) on 1 December 2014, Enprise Group (ENS) has two operating divisions: Enprise Solutions and Datagate Innovation Ltd.

Enprise Solutions is a cloud business software company that is the leading trans-Tasman provider of solutions based on the MYOB EXO and MYOB Advanced software platforms. Enprise Solutions offers cloud options for every piece of software it sells, including a broad range of companion products to extend the power of the MYOB Advanced and MYOB EXO platforms. The company supports around 750 MYOB EXO and MYOB Advanced customers across Australia and New Zealand.

Datagate Innovation Ltd provides online billing and reporting portals for resellers of telco, utility and other subscription services. Datagate is a cloud-based billing engine and customer self-service portal that manages the data aggregation, rating, billing and analysis of service usage. It makes complex billing easy and inexpensive, enabling resellers to differentiate their offerings in what are often commodity markets.

Ends.

Released by Sayle Noble & Associates on behalf of Enprise Group. For more information please contact Enprise Group CEO Elliot Cooper tel +649 829 5500 email elliotc@enprisegroup.com; or Caroline Sayle tel +649 307 8450 email caros@noble.co.nz