

Why Enprise Group acquired the MYOB EXO practice of GlobalBizPro

Media release 9 February 2015

Enprise Group makes first strategic acquisition following NZAX listing

Enprise Group (ENS) has acquired the MYOB EXO practice of New Zealand software services company GlobalBizpro Limited.

Under the terms of the acquisition GlobalBizpro will receive cash and 200,000 Enprise shares valued at 50 cents per share, comprising a total transaction value of \$750,000.

A total of 142 GlobalBizpro MYOB EXO customers and key GlobalBizpro support staff and contractors will move across to Enprise on 9 February.

Enprise Group CEO Mark Loveys says the acquisition will add around \$1.6 million to Enprise Group annual revenues; around \$762,000 of contracted recurring revenue per annum in licence and support service revenue, and around \$300,000 to annual net earnings.

“From a strategic perspective, the acquisition adds scale as Enprise positions itself for the market rollout of MYOB’s new cloud product – MYOB Advanced – which was announced last week. This is a totally new generation of software positioned alongside MYOB EXO. It leapfrogs existing cloud business software products. Enprise already has strong advance demand for MYOB Advanced,” Loveys says.

“Enprise has invested in upskilling its support and consulting teams ahead of the MYOB Advanced release. We are well set up to be a leading reseller of this exciting new Cloud ERP platform. Some customers prefer the on-premise client server solution represented by MYOB EXO. Some customers want a full cloud solution. With MYOB Advanced we now have the opportunity to span both the client server and cloud markets with market-leading solutions in both categories.

“The combination of the acquisition and the launch of MYOB Advanced are linked in our plan. There are two distinct midrange business software markets. MYOB EXO is already the leading mid-market business software solution across Australia and New Zealand with around 7,000 mid-sized business customers. MYOB Advanced further strengthens MYOB’s market position as the leading regional business software vendor (with a total of around 1.2 million customers) and our business is likewise strengthened.

“Our stated strategy at listing was to be the leading reseller across the region in both MYOB EXO and MYOB Advanced and we will continue to acquire and promote organic growth in pursuit of that goal,” Mark Loveys says.

A Notice of Issue of New Securities, in respect of the issue of the 200,000 new shares issued as part of the transaction, accompanies this announcement.

About Enprise Group

Enprise Group comprises three software businesses that build and provide integrated accounting and data management solutions to small and medium-sized enterprises in Australasia and the global market. The Group has international partnerships with business software industry leaders MYOB and SAP, as well as an international channel of reseller partners. All three businesses have growth strategies underpinned by the adoption of Cloud and mobile computing by small to medium sized enterprises.

Enprise Group co-founder and CEO Mark Loveys is one of New Zealand's best known software entrepreneurs. He was the original developer of the Exonet ERP business software solution, now called MYOB EXO. MYOB EXO is the most widely installed business software among mid-sized companies across Australia and New Zealand. Other high profile achievements include the development and sale of the EMS Cortex cloud provisioning software, sold to Citrix in February 2011 for US \$11 million. Loveys was also a co-founder and director in Datasquirt, an innovative call centre software product sold to Californian call centre provider LiveOps for US \$12.5 million in November 2011.

Listed on the New Zealand Stock Exchange's NZX Alternative Market (NZAX) during December 2014, Enprise Group (ENS) has three operating divisions: Enprise Solutions, Enprise Software and Datagate Innovation Ltd.

Enprise Solutions is a leading specialist provider of solutions based on the MYOB EXO and MYOB Advanced software platforms. It supports more than 700 MYOB EXO customers across Australia and New Zealand, with branch offices in Auckland, Hamilton, Wellington, Sydney and Melbourne.

Enprise Software is an international SAP Business One software development partner. Enprise Software develops, sells and supports a suite of award winning add-on modules for the SAP Business One business software platform through a global reseller channel. Enprise Software's flagship add-on module 'Enprise Job' is now in use by more than 300 SAP Business One customers around the world.

Datagate Innovation Ltd is an early-stage cloud software development company specialising in online reporting and billing portals for telcos, utility companies and hosted service providers.

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