

NZ cloud software company Datagate oversubscribes and extends rights issue

AUCKLAND, 6 December, 2016 – New Zealand cloud software start-up Datagate Innovation Limited has successfully oversubscribed a \$500,000 rights issue to existing shareholders – and subsequently extended the issue to include new investors.

For customers including a network of Spark resellers and one of New Zealand's largest IT services companies, Datagate's cloud billing solution provides online billing, reporting and customer self-service for Telco, Utility and other subscription services. End customers can buy aggregated services – for example mobile phone, electricity, gas, broadband, and cloud software – all from a single reseller with a single invoice.

Datagate's CEO Mark Loveys says the new capital will fund expansion of the Datagate sales force as well as prepare the way for international sales.

"We're delighted with the level of investor support and interest," Loveys says. "We quickly secured \$500,000 at a pre-money valuation of \$3.6 million, or \$1.20 per share – 20 percent above the share price of our first seed capital round which closed in February this year. We're also delighted by the strong interest from new investors and have extended our timeframe to December 2016 to allow due diligence by incoming new investors."

He says new investors include \$100,000 from an existing Datagate customer and a yet-to-be-determined amount by members of another angel group, which is subject to due diligence. If successful, the new angel group will join Datagate's two existing angel group investors: Ice Angels Nominees Ltd and FKA Nominees Ltd.

Spark Wholesale: 'Billing is Sorted'

"Our customers to date are mainly IT, Telco and Utility resellers," Loveys says. "Spark Wholesale is a particularly strong and valued partner. Spark recommends Datagate to its resellers and uses Datagate as part of new reseller development, using the phrase 'Billing is Sorted'."

Formerly a wholly-owned division of NZAX-listed Enprise Group (ENS), in 2015 Datagate was established as a joint venture between Enprise Group and new investors, including the Ice Angels, VIF, Flying Kiwi Angels and Datagate management. First round seed funding of \$1.46 million was raised and a

separate board established, BankLink founder Malcolm McDonald joined the board as a director and Enprise CEO and co-founder Mark Loveys was appointed CEO.

Looking ahead, Loveys says Datagate is very well placed in a global market shift towards cloud software and services ‘consumed’ on a subscription basis.

“Datagate can bill, rate and present virtually any service that is subscription or usage-based,” he says. “We see providers of cloud software as an especially massive growth opportunity, particularly as we move into offshore markets later next year.”

About Datagate Innovation Ltd

Datagate provides online billing and reporting solutions for businesses that bill according to subscription or usage.

Datagate opens up new recurring revenue opportunities for Telcos, Utilities, Retailers and Managed Service Providers by allowing them to sell, price and invoice their customers for a wide range of services – including phone, internet, electricity and software – all on a single invoice under their own branding.

Datagate’s friendly and intuitive white labelled self-service portal reduces time and cost for both the customer and the service provider. A strong feature is customer self-service where customers can log in to view and analyse consumption data, as well as view and pay invoices online.

Datagate's largest shareholder is Enprise Group (NZAX: ENS) with the balance privately held.

Visit <http://www.datagate-i.com/> to see Datagate at work.

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Released by Sayle Noble & Associates on behalf of Datagate Innovation Ltd. For more information, please contact Datagate CEO Mark Loveys: tel +64 275 971 889, email mark.loveys@datagate-i.com; or Caroline Sayle: tel +649 307 8450, email caros@noble.co.nz