



Enprise Group takes up Datagate rights allocation before Series A capital round

AUCKLAND, 22 October, 2020. Hi-tech software and services investment company Enprise Group (NZX: ENS) will pay \$335,038 to take up its full allocation of shares in a rights issue of its joint venture Datagate Innovation as Datagate chalks up 359% growth in monthly recurring revenue in the US.

Enprise's management team has a strong track record in building profitable businesses, clocking up more than \$50 million in successful venture capital deals. Enprise Group is positioning to repeat its winning formula with Datagate Innovation, a global SaaS telecom billing provider.

Datagate aims to raise between \$750,000 and \$1 million through the rights issue, which closes October 31st 2020. Offered at \$2.20 per share, the capital raise gives Datagate a pre-money valuation of \$12.2 million. If Enprise Group 2,010,397 shares in Datagate with an unaudited carrying value of \$847,390 were valued at the October 2020 rights issue price of \$2.20 per share, the value of the investment would be \$4,422,873.

Datagate is planning a Series A capital round in August/September 2021.

Most of Datagate's revenue and growth comes from the US with its primary market of 100,000 technology service providers. More than 90 of Datagate's 150 customers are in the US, with the rest in New Zealand, Australia, UK and Canada. In September 2020 Datagate reached \$1.2 million in annual recurring revenue. US monthly recurring revenue grew by 359% during EOY March 2020. Datagate plans to grow annual recurring revenue to USD \$2 million (NZD \$3 million) by December 2021.

Market demand for Datagate has not slowed down since the Covid-19 outbreak, as its clients are busy supplying advanced unified communications systems and remote working solutions to their customers.

Enprise Group is investing because 'we believe in it', says Enprise Group CEO, Elliot Cooper.

"Computers and phones have converged, so Datagate's target market is now selling VoIP phone systems as a natural and profitable extension of IT managed services – and using Datagate to bill and manage these new revenue streams," he says.

Datagate also has strong synergies with iSell, another Enprise Group company. Datagate and iSell both target the same Managed Service Provider market and are linking their sales and marketing functions to give each other sales introductions. The two companies recently closed a significant joint deal, a sales channel management company whose primary market is MSP's.

“These interlocking characteristics are a hallmark of Enprise Group’s wider growth strategy,” Elliot Cooper says.

Cloud phone systems company Vadacom is enabling Datagate pitches to its customers. Vadacom and Enprise Solutions also share a significant number of customers and have a similar target market. The Kilimanjaro acquisition better utilises the cloud skills and infrastructure resources already deployed by Enprise Solutions, while giving Enprise Solutions and Kilimanjaro customers throughout Australasia access to a much bigger pool of certified consultants.

“Enprise Group works to unlock mutual synergies to accelerate growth for all companies within the group,” Elliot Cooper says.

About Enprise Group

Listed on the New Zealand Stock Exchange (NZX), Enprise Group ([ENS](#)) is an investment vehicle for high-growth tech companies that complement its core ERP capability. Enprise Group is invested in five businesses – the wholly owned companies Enprise Solutions and Kilimanjaro Consulting, subsidiary iSell, joint venture Datagate Innovation, and a holding in Vadacom.

[Enprise Solutions](#) is MYOB’s number one partner in New Zealand. [Kilimanjaro Consulting](#) is MYOB’s number one partner in Australia. [iSell](#) is a primary provider of cloud business systems to the IT Reseller market. [Datagate Innovation](#) provides SaaS Telecom Billing for MSPs in the U.S, U.K, Australia and New Zealand. [Vadacom](#) specialises in cloud phone system software development and unified communications solutions for Australian and New Zealand businesses.

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