

ENPRISE GROUP LIMITED

DISCLOSURE DOCUMENT

1 December 2014

NZAX Sponsor

Sean Joyce - Corporate Counsel
Auckland

Warning – Restricted Disclosure

This Disclosure Document has been prepared to contain information required by Appendix 3 of the NZAX Listing Rules. This Disclosure Document does not contain as much information as would ordinarily appear had the Disclosure Document been prepared to comply with the same disclosure requirements required for a registered prospectus prepared in accordance with the requirements of Schedule 1 of the Securities Regulations 2009.

Copies of this Disclosure Document and other information about Enprise Group Limited (“Enprise”) are available on Enprise’s NZX webpage; and on Enprise’s Internet site (www.enprisegroup.com); and on request from Enprise free of charge.

NZX Limited accepts no responsibility for any statement in this Disclosure Document.

Enprise is not as yet a profitable Company

Enprise is not as yet a profitable Company and currently is trading at a loss. As a consequence of its historical financial performance, Enprise carries a higher degree of risk when compared with a more mature and profitable business. As such, it may not suit the investment profile of all investors. Enprise is not currently expected to be profitable for at least three years and is not expected to pay a dividend for the foreseeable future

IMPORTANT INFORMATION

Intention to list on the NZAX

Enprise Group Limited (“Enprise”) is a company that is proposing to have its ordinary fully paid shares quoted on the NZAX. The NZAX Listing Rules require Enprise to provide a Disclosure Document to NZX Limited (“NZX”) and to the market. The Disclosure Document will notify certain material information to NZX, for the purpose of that information being made available to participants in NZX’s market.

This document is a Disclosure Document which has been prepared in support of a compliance listing of Enprise’s ordinary shares on the NZAX market. There is no offer of securities being made by Enprise as part of the compliance listing process. This document has been prepared to comply with the requirements of Appendix 3 of the NZAX Listing Rules.

As at the date of this Disclosure Document there are 6,235,597 ordinary fully paid shares on issue in Enprise. There are no other securities on issue in Enprise.

Enprise’s Shares have been accepted for quotation by NZX and will be quoted upon completion of the quotation process. However, NZX accepts no responsibility for any statement in this Disclosure Document. NZX is a registered exchange and the NZAX is a registered market under the Securities Markets Act 1988.

Enprise’s Shares are expected to be quoted on 1 December 2014. The fact that NZX may approve Enprise’s Shares for quotation is not to be taken in any way as an indication of the merits of Enprise.

Future Capital Raising Initiatives

The Board considers it likely that the Company will seek to raise new capital within the next 6 to 12 months. The new capital will be deployed to fund the recruitment of new staff, fund the development of new products, and fund the growth of the business into the Australian market. No determination has been made by the Board at this time as to how much new capital will be sought to be raised, or what mechanism will be utilised to raise the new capital.

In the event that the Company undertakes a successful capital raising initiative, the following loans can, at the request of the respective lenders, be called up for repayment and be required to be paid by the Company from the proceeds of the capital raising:

- A loan of \$100,000 from Encap Group Limited, a company controlled by Mark Loveys; and
- A loan of \$319,166.66 from Nightingale Partners Pty Limited, a company controlled by Lindsay Phillips.

The decision as to whether new capital raised will be deployed against the repayment of these loans will be determined having regard to the requirements of the respective lenders. The Board will consult with the lenders to ultimately determine what their expectations are in respect of this issue at the time of undertaking a capital raising initiative.

Further detail of these two loan arrangements is provided on page 49.

No Guarantee

No person (including any director, agent, employee or adviser of Enprise) guarantees the performance of Enprise and/or its Shares.

Enquiries

Enquiries about Enprise or this Disclosure Document should be directed to your stockbroker, solicitor, accountant or other professional adviser.

CONTENTS

Important Information	Page 2
Executive Summary for our Business	Page 4
Enprise Group Company Structure	Page 14
The Rationale for Transferring Our Listing to the NZAX	Page 15
Enprise Solutions	Page 17
Enprise Software	Page 24
Datagate Innovation	Page 29
Historical Milestones	Page 36
Board of Directors, Senior Executives and Advisers	Page 39
Activities and Risks	Page 41
Consequences of Insolvency	Page 44
Financial Information	Page 45
Information about Enprise and its Shares	Page 48
Directors Interests	Page 49
Ownership	Page 50
Returns	Page 51
Alteration of the Shares	Page 52
Enquiries	Page 53
Annual Information	Page 53
On Request Information	Page 53
Certificate from Directors	Page 54
Glossary	Page 55
Directory	Page 56
Schedule 1 – Annual Report (including audited financial statements for the FY 31 March 2014)	

EXECUTIVE SUMMARY FOR OUR BUSINESS

About Enprise Group Limited (“Enprise”)

Enprise and its subsidiary companies (“Group”) comprise a group of 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.

In 2012 Enprise Group Limited acquired the Enprise Solutions and Enprise Software business operations from interests associated with Mark Loveys, the CEO of Enprise Group. In April 2014 Enprise Group Ltd acquired 100% of the shares of Datagate Innovation Ltd from interests associated with Tim Mulcock, who was retained as the managing director of the Datagate business.

The Enprise business operations which were ultimately acquired by Enprise Group Limited in 2012 were launched in 2002 by Mark Loveys and Elliot Cooper (Enprise’s CFO) and their associates, following its acquisition of Exonet’s direct customer base in New Zealand (8 customers that were deemed too large and complex to be sold through channel partners of the time). Since then, Enprise has achieved the following milestones;

- **Enprise Solutions** has grown to become the largest New Zealand MYOB EXO reseller and the only trans-Tasman MYOB EXO reseller, with approximately 600 customers (owning around 1,000 legal entities) serviced through a team of 25 consultants located in Auckland, Hamilton, Wellington, Sydney and Melbourne.
- The **Enprise Software** business unit was established, which develops add-on software for the international accounting package called SAP Business One and has set up an international channel of 46 resellers.
- A software business called EMS-Cortex which develops Cloud Control Panel software for hosted service providers was acquired in 2005 for NZ\$2.52M and after substantial international growth, was sold to Citrix Corporation for US\$11M in 2011.
- Datagate Innovation Ltd, an early-stage Cloud-software developer of on-line billing and analytical portals for Telco and Utility companies, was acquired in April 2014 for \$120K. Datagate was founded by Tim Mulcock, who was also a co-founder of EMS-Cortex.

Having three business units offers Enprise Group a diverse set of revenue streams with exposure to a range of geographies, customers from different industries and a mixture of up-front and recurring revenues. By providing a broad suite of complimentary products to the market, Enprise is able to promote itself as being a provider of “holistic business solutions” rather than essentially being the provider of only one specific product line.

The Enprise Group, its directors and management, have historically been involved in the development of three software businesses that were each subsequently sold to large international software companies

for prices ranging between US\$11M and A\$30M since the year 2000. The funds that were generated from those transactions was ultimately returned to the respective stakeholders of those businesses. These transactions are detailed in the Historical Milestones section in page 36.

Enprise Group – Summary Timeline

Year	Event (significant to Enprise Group)
2000	Mark Loveys (Enprise Group’s CEO) and his business partners sold their start-up ERP software business “Exonet International Ltd” to Australian-listed software company Solution 6 for A\$30M. Exonet International developed the “Exonet” software product, which was a new mid-market accounting software package that is today known as MYOB-EXO, following Solution 6’s merger with MYOB.
2001	Mark Loveys and his business partners started up a new business called “Datasquirt” that developed business software that made use of SMS text messages.
2002	Mark Loveys, Elliot Cooper (Enprise Group’s CFO) and other business partners bought the direct-sales department of the Exonet business (known as Enprise) from Solution 6. This was the beginning of Enprise Solutions, which went on to become the largest New Zealand reseller of the Exonet/MYOB EXO business accounting software package.
2004	Enprise started building a Job Costing module for SAP Business One with a view to selling it globally through SAP’s channel of reseller partners.
2005	Enprise obtained investment capital from two Direct Capital managed funds (TMT Ventures and VIF) of NZ\$4.52M and subsequently invested those funds towards growing the international channel for Enprise Software. Enprise acquired “EMS-Cortex”, a software developer that was developing a Cloud Control Panel for Telcos and Hosted Service Providers for NZ\$2.52 million
2007	Datasquirt’s shares were listed on the Australian Securities Exchange (ASX) and approximately A\$6M of working capital was raised from the IPO.
2011	Enprise sold the EMS-Cortex business and its intellectual property to Citrix Corporation for US\$11M. These funds were distributed to Enprise’s shareholders. Datasquirt Ltd sold its going-concern business and intellectual property to Silicon Valley-based LiveOps Inc for US\$12.5M. The majority of these proceeds derived from the sale were remitted back to Datasquirt’s shareholders via a partial buyback of the share capital of the Company.
2012	Datasquirt Ltd delisted from the Australian Securities Exchange (ASX). Datasquirt Ltd acquired Enprise for NZ\$2.1M and renamed itself to Enprise Group Ltd.
2013	Enprise Group listed on the National Stock Exchange of Australia (NSX).
2014	Enprise Group acquired Datagate Innovation Ltd for NZ\$120K. Enprise delisted from the NSX and looks to list on the New Zealand Alternative Stock Exchange (NZAX).

A further comprehensive timeline of the history of Enprise and its business operations is provided on pages 36 to 38.

Intention to list in New Zealand

At the company's Annual Meeting on 27 August 2014, shareholder approval was given for Enprise to shift from its current listing on the National Stock Exchange of Australia (NSX) to the NZAX as soon as possible. Enprise de-listed its securities from the NSX with effect from 30 September 2014.

NZX has recently announced plans to launch a new market for small and medium sized growth companies called the "NXT market" ("NXT"). Enprise understands that the NZAX market will be ultimately phased out over time and companies listed on the NZAX market will need to transition to either the Main Board operated by NZX, or alternatively seek to transition its listing to the NXT.

The Enprise Board would anticipate, having regard to the underlying premise on which the NXT has been developed, that it would probably be most appropriate for it to migrate its listing to the NXT in due course, subject to Enprise complying with the requirements for listing on the NXT.

A description of the current business

Enprise Group consists of three software business units that provide accounting and integrated data management solutions to small and medium-sized enterprises in the global market.

These three business units are:

- Enprise Solutions (Sales and service provider for MYOB EXO accounting software)
- Enprise Software (Solution development for SAP Business One accounting software)
- Datagate Innovation (Development of Cloud portal software for Telco and Utility companies)

A summary of the operations for the respective business divisions is provided below. A more comprehensive explanation of those business divisions is provided subsequently in this Disclosure Document.

ENPRISE SOLUTIONS

Enprise Solutions sells, implements and supports MYOB EXO accounting and business management software to small and medium sized businesses throughout New Zealand and Australia.

As a Platinum¹ MYOB Enterprise reseller that has offices in Auckland, Hamilton, Wellington, Sydney and Melbourne, servicing approximately 600 customers (with approximately 1,000 legal entities) throughout Australasia; Enprise specialises in selling and supporting the MYOB EXO range of business management and ERP software, which is a package of accounting and business management software modules suitable for larger and more complex Australasian SME businesses. It also sells and services a selection of companion products that integrate with MYOB EXO.

Revenue Streams

Enprise Solutions' revenue streams are derived from the following sources:

¹ In order to be classified as a Platinum MYOB Enterprise Solution Partner, a reseller must employ at least 3 MYOB accredited consultants, 1 dedicated technical support person, achieve MYOB license sales of at least \$100,000 per year, have implemented at least 30 MYOB EXO sites and contribute at least 3 customer case-studies to MYOB.

- Sales of software licenses (Enprise makes a margin between 30% - 50% on software license sales).
- Sales of annual software licenses fees (a recurring annual fee which is normally 10% - 20% of the value of the up-front software licenses for which Enprise makes a margin of between 10% - 35%).
- Time-based consulting services related to the scoping, implementation and customisation of business software.
- Sales of Enprise software support contracts.
- Time-based software support charges.

The most material income streams to Enprise Solutions' profitability are the time-based consulting and support charges as well as the recurring annual license and annual support contract fees. The mark-up Enprise makes on software licenses is generally considered to only cover the costs of sale. Enprise Solutions' long term strategy is to build up the size of the customer base because existing customers require on-going upgrades and support over time as their businesses evolve. Overall revenue from existing customers is constant and predictable in comparison to revenue from new business sales, which is more prone to change at different times of the year and affected by overall business confidence levels.

Enprise has the competitive advantage of being the largest, most experienced New Zealand reseller (given that key members of the Enprise team were the original designers of MYOB EXO) and the only trans-Tasman reseller of the MYOB EXO business software package. Being trans-Tasman makes Enprise a logical choice of supplier to businesses that have offices in both New Zealand and Australia.

Enprise established its offices in Sydney and Melbourne in 2012 in order to expand its accessible market to include Australia, leveraging the experience and expertise of its New Zealand team.

The Australian market size is five times larger than New Zealand's and Enprise is experiencing significant market demand for MYOB EXO sales and service there. Australian customers of MYOB EXO have similar requirements to New Zealand business but on average are slightly larger. The limiting factor to Australian growth for the Enprise Group is Enprise's ability to recruit and retain the right skilled & experienced staff in Australia, and to deploy sufficient working capital into the Australian market to exploit the opportunity in Australia, rather than any lack of sales demand within the Australian market. We are currently in the process of interviewing, hiring and training appropriately qualified and skilled staff for deployment in Australia.

Growth Strategy

Enprise Solutions will increase its profitability by increasing its base of customers and its overall scale. It will do this by;

- Aggressive sales and marketing campaigns and organic growth of the business.
- Acquiring competitor businesses with existing installed bases of customers. We are constantly testing the acquisition market, and are currently involved in early-stage high level conversations with several potential acquisition targets. No contractual documentation has been entered into to date with respect to any prospective transactions, and due to strict confidentiality obligations, Enprise is unable to shed any further light on these prospective targets at this stage.
- Transitioning existing customers to new-generation MYOB software in the Cloud.

ENPRISE SOFTWARE

Enprise Software develops accounting software modules that integrate with an international accounting software package called SAP Business One and is sold internationally through a channel of resellers.

As an SAP “Solution Partner”, Enprise has developed a range of software products that extend the capabilities of SAP’s Business One ERP accounting software product, making it suitable to be used by project-oriented businesses, professional service companies and manufacturers that make to order (for example boat builders, building trades & equipment servicing companies). Enprise’s software products are sold through a channel of SAP resellers in North America, Australasia, Africa and the United Kingdom.

Revenue Streams

Enprise Software’s revenue streams are derived from the following sources:

- Sales of Enprise software licenses (sold through a reseller channel)
- Sales of Annual license fees for Enprise’s software (a recurring annual fee which is normally 10% - 20% of the value of the up-front software licenses).
- Subscription license fees (where the customer “rents” the software licenses instead of buying them).
- Time-based consulting charges.

The most material revenues are new licence sales and annual license fees.

SAP Business One is a mid-market business accounting package (similar to MYOB EXO), that is sold in almost all countries of the world by SAP’s channel of reseller partners. Enprise has initially focused on selling its products through resellers in the English-language countries and is now adding French, German and Spanish language support.

Enprise CEO Mark Loveys is a founding member of SAP’s Global Solution Partner Advisory Council (SPAC) for SAP Business One and was chairman for several years. The SPAC is made up of 15 to 20 senior managers of SAP Partner businesses from around the world that develop software solutions for SAP Business One. The purpose of the council is to act as a sounding board and give advice to senior SAP executives on new strategies and initiatives.

Mark is still an active member of this council and this relationship with SAP gives Enprise early access to strategic information from SAP and a network of global contacts which are useful for expanding business opportunities in to new markets and regions.

Growth Strategy

Enprise Software will grow through

- Extending the base of SAP Business One reseller partners in new geographies (mainly in Europe).
- Adding new Cloud and mobile software products its portfolio.

DATAGATE INNOVATION

Datagate Innovations develops on-line portal software for Telco's and Utility Companies that enables on-line billing and gives their customers to monitor and analyse their consumption of services.

Acquired by Enprise in April 2014, Datagate Innovation Ltd is an early-stage business that provides online reporting and billing portals for resellers of Telco and utility services (such as data circuits, SIP trunks & mobile phones) and hosted service providers under a Software-as-a-Service (SaaS) model. It enables resellers to provide on-line billing and analysis services for a range of aggregated services to their business customers, with minimal investment in technology or back office resource. The cloud-hosted SaaS model allows global deployment with a business case that stacks up for small regional business services suppliers as well as large international providers.

Revenue Streams

Datagate's revenue streams are derived from the following sources:

- Contracted, recurring service fees, based on the number of subscribers using the Datagate portal (and subject to minimum charges per Telco or Utility reseller).
- Implementation fees – the up-front charges for getting a Telco or Utility reseller connected and running on the Datagate portal.
- Time-based custom development charges – where a Telco or Utility reseller wants additional functionality added to the Datagate portal that is beyond the standard offering.

The most material revenues for Datagate are/will be the recurring service fees, which will build up as we grow the customer base.

Growth Strategy

Datagate is currently building up its base of customers in New Zealand before taking the product to offshore markets.

SEGMENTATION OF THE BUSINESS OPERATIONS BY GEOGRAPHY

The following table presents revenue, profit, and certain asset information regarding the subsidiaries' performance for the financial year ended 31 March 2014.

Year ended	New Zealand	Australia	Asia	North America	EMEA	TOTAL
31 March 2014	\$000	\$000	\$000	\$000	\$000	\$000
Revenue	3,623	2,350	44	364	186	6,567
Other income	21	-	-	-	-	21
Total segment revenue	3,644	2,350	44	364	186	6,588
Inter-segment elimination						-
Total group revenue	3,644	2,350	44	364	186	6,588
Total foreign sourced revenue						2,966
Interest received	21	1	-	-	-	22
Inter-segment elimination						-
Total group interest received	21	1	-	-	-	22
Share of loss from equity accounted associate	(4)	-	-	-	-	(4)
Net profit / (loss)	101	(332)	-	-	-	(231)
Inter-segment elimination						-
Total group profit / (loss)	97	(332)	-	-	-	(231)
Depreciation & amortisation	123	-	-	-	-	123
Capital expenditure	267	-	-	-	-	267
Segment assets – current	1,502	384	-	-	-	1,886
Investments in equity accounted associate	16	-	-	-	-	16
Segment assets – other non-current	2,983	150	-	-	-	3,133
Inter-segment elimination	(788)	(38)				(826)
Total group assets	4,239	496				4,209
Liabilities	1,398	1,290	-	-	-	2,688
Inter-segment elimination	-	(826)				(826)
Total group liabilities	1,398	464				1,862

Year ended 31 March 2013	New Zealand \$000	Australia \$000	Asia \$000	North America \$000	EMEA \$000	TOTAL \$000
Revenue	1,340	913	21	62	44	2,380
Other income	17	12	-	-	-	29
Total segment revenue	1,357	925	21	62	44	2,409
Total group revenue	1,357	925	21	62	44	2,409
Total foreign sourced revenue						1,052
Interest received	70	-	-	-	-	70
Inter-segment elimination						-
Total group interest received	70	-	-	-	-	70
Share of loss from equity accounted associate	(2)	-	-	-	-	(2)
Net profit	(316)	(157)	-	-	-	(473)
Inter-segment elimination						-
Total group loss	(318)	(157)	-	-	-	(473)
Depreciation & amortisation	73	-	-	-	-	73
Capital expenditure	108	-	-	-	-	108
Segment assets – current	2,028	384	-	-	-	2,412
Investments in equity accounted associate	20	-	-	-	-	20
Segment assets – other non- current	2,860	174	-	-	-	3,034
Inter-segment elimination	(1,359)	(28)				(1,387)
Total group assets						4,079
Liabilities	1,138	363	-	-	-	1,501
Inter-segment elimination						-
Total group liabilities						1,501

*EMEA (EUROPE, MIDDLE EAST AND AFRICA)

SEGMENTATION OF REVENUES BY BUSINESS UNIT

The following table presents revenue, profit, and certain other information regarding the performance of the three principal business units for the financial year ended 31 March 2014.

	Enprise Solutions	Enprise Software	Corporate	Total
31 March 2014				
Revenue	5,836	731	-	6,567
Other income	-	-	21	21
Total segment revenue	5,836	731	21	6,588
Interest received	4	-	18	22
Total group revenue	5,840	731	39	6,610
Share of loss from equity accounted associate			(4)	(4)
Net profit / (Loss)	581	83	(895)	(231)
31 March 2013				
Revenue	2,124	256	-	2,380
Other income	-	-	29	29
Total segment revenue	2,124	256	29	2,409
Interest received	2	-	68	70
Total group revenue	2,126	256	97	2,249
			(2)	(2)
Net profit / (Loss)	156	10	(639)	(473)

Notes:

1. Datagate Innovation revenue is not included in this report because it was acquired by Enprise Group in April 2014 and therefore was not part of the Enprise Group during these reporting periods.
2. The 31 March 2013 year was not a complete year, because the Enprise businesses were acquired on 1st November 2012 and therefore there are only five months of trading recorded.

CUSTOMER RETENTION

The Enprise Group of Company's maintains positive customer retention/net customer gain performance within its business operations. For our services businesses :

Enprise Australia Pty Ltd:

- Lost (last year revenue) AUD\$48,080 17 customers
- Won (YTD) AUD\$120,700 6 customers

Enprise Solutions Ltd (services division)

- Lost (last year revenue) NZD \$109,670 9 customers
- Won (YTD) NZD\$282,296 20 customers

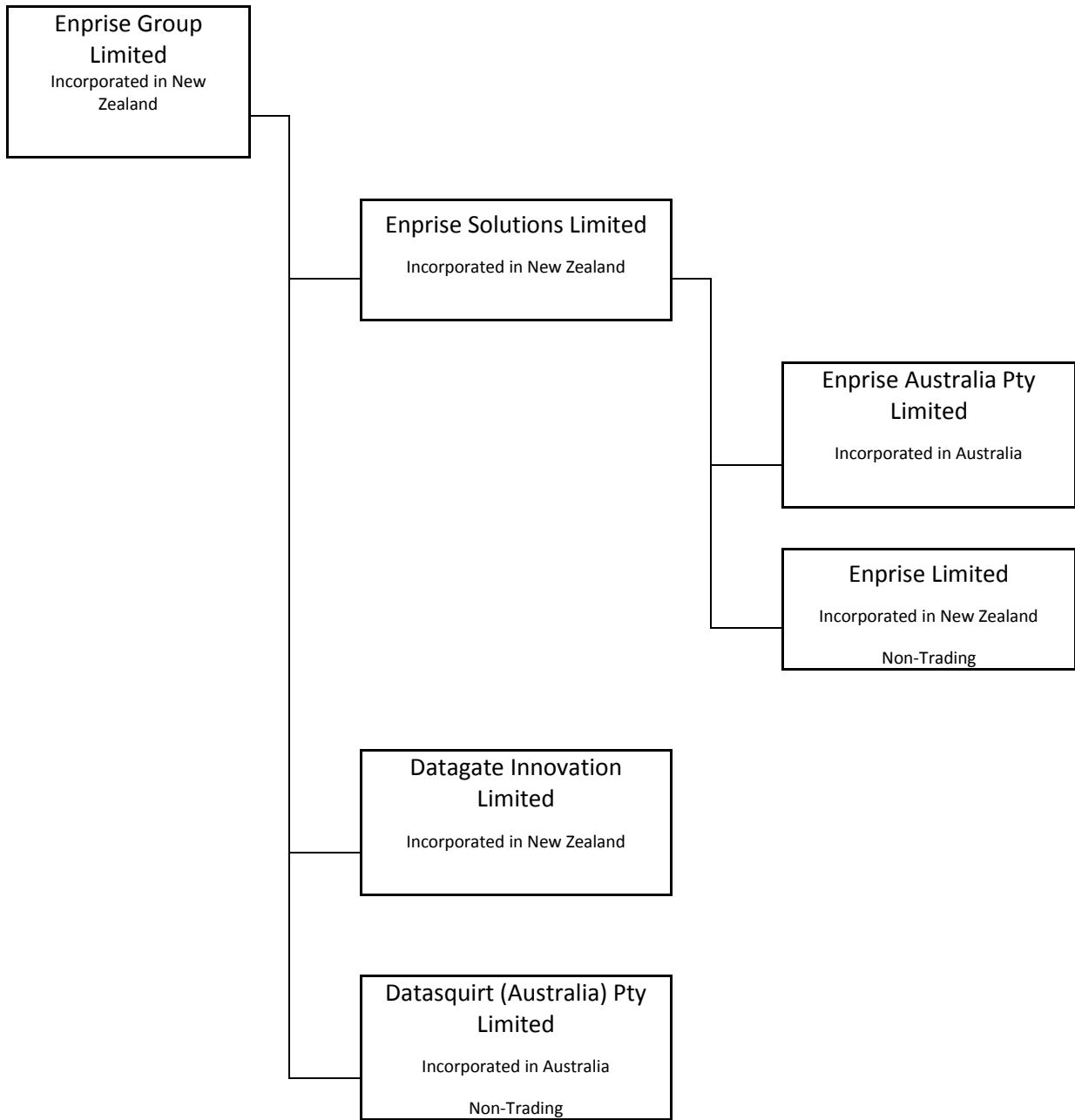
In Australia, we lost mostly low value payroll customers and added higher value Exo business customers in their place.

STRENGTHS OF THE ENPRISE GROUP MODEL

- Enprise Group has partnerships spanning almost 10 years with market-leading international partners, MYOB, SAP and Microsoft, who each invest substantially in Research & Development for the benefit of their customers and partners. All are investing in new Cloud and Mobile offerings that are likely to assist Enprise's sales for the next three to five years.
- Enprise is the largest reseller of MYOB EXO software in the New Zealand market and has won MYOB's award for top New Zealand sales every year since 2009 with a substantial quantity of installed customers that are likely to transition to new MYOB Cloud and/or Mobile solutions. Enprise has established two new sales offices in Australia, where there is significant growth potential for the business.
- Enprise's directors and management have a history of developing software solutions that are relevant to existing international sales networks, facilitating rapid growth and subsequent sales of the businesses (Exonet sold to Solution 6 in 2000 for \$A30M, Datasquirt sold to LiveOps in 2011 for US\$12.5M and EMS-Cortex sold to Citrix in 2011 for \$US11M).
- Enprise has a stable, skilled and experienced workforce which the Board considers, having regard to the feedback it has received from its customers to date, provides quality service and support for MYOB EXO. The Board considers that the provision of this quality service encourages customers wanting to upgrade to Cloud and/or Mobile solutions, to do so with Enprise.²
- Enprise has established international channels to market which have been developed over a decade that facilitate sales of appropriate business software solutions that have relevance to users of SAP Business One.

² We have a large catalogue of customer testimonials for our service & support. Examples of our customer comments can be viewed as: <http://www.enprise.co.nz/case-studies/professional-services/enprise-service-and-support>.

ENPRISE GROUP COMPANY STRUCTURE



THE RATIONALE FOR TRANSFERRING OUR LISTING TO THE NZAX

The shares of Enprise were, until 30 September 2014, listed on the National Stock Exchange of Australia (“NSX”) in Australia. On 30 September 2014 Enprise de-listed from the NSX. Prior to its listing on the NSX, Enprise was listed on the Australian Securities Exchange (“ASX”). Enprise voluntarily de-listed from the ASX shortly after its divestment of its principal business operations – Datasquirt in 2011. In conjunction with the sale of Datasquirt, the Company undertook a share buyback so that the Company could return the proceeds of sale of the Datasquirt business to shareholders. The consequences of the completion of the buyback were that the Company no longer had sufficient number of shareholders holding minimum parcels of shares to meet the spread requirements of the ASX Listing Rules, and could no longer retain its listing.

Enprise is proposing to transfer its domicile for listing from the NSX in Australia to the NZAX Market in New Zealand and have its shares quoted on the NZAX.

The rationale for Enprise’s decision to migrate its listing to the NZAX is as follows:

- There has been very little liquidity for Enprise on the NSX with sometimes no shares being traded in a single month. Enprise believes the reasons are that Enprise is not well known to Australian investors and that the NSX is difficult to access for New Zealand investors.
- Our corporate headquarters is based in Auckland, New Zealand and most of our staff and operations are based in New Zealand. Two of our four directors are New Zealand citizens and permanently reside in New Zealand.
- 50% of the shares of the Company by number are held by New Zealand residents.
- The New Zealand market is receptive to small cap listings, especially those in the high tech sector.
- New Zealand domiciled small cap companies are likely to receive greater profile and media attention in New Zealand as opposed to offshore markets. Enprise has historically received more media attention and its track record has been more visible in New Zealand than elsewhere.
- The NZAX is preferred as the place for small to medium-sized fast growing businesses seeking a safe and efficient capital raising facility.
- Enprise Group Ltd, with over 300 shareholders, already meets the spread requirements of the NZAX.

The new NXT Market

NZX has recently announced plans to launch a new market for small and medium sized growth companies called the “NXT market” (“NXT”). Enprise understands that the NZAX market will be ultimately phased out over time and companies listed on the NZAX market will need to transition to either the Main Board operated by NZX, or alternatively seek to transition its listing to the NXT.

The Enprise Board would anticipate, having regard to the underlying premise on which the NXT has been developed, that it would probably be most appropriate for it to migrate its listing to the NXT in due course, subject to Enprise complying with the requirements for listing on the NXT.

ENPRISE SOLUTIONS

OUR PRODUCTS AND SERVICES

Enprise Solutions sells, installs, integrates, supports and customises a suite of MYOB EXO branded business software which includes; integrated accounting and business management systems, payroll systems, human resource (HR) management systems and customer relationship management (CRM) systems; all of which are specifically designed for small to medium sized businesses in New Zealand and Australia.

MYOB EXO Business Management Software

MYOB EXO is a fully integrated financial and business management system which consists of modules supporting Finance, Job Costing, Inventory Control, Point of Sale, Fixed Assets, Customer Management, Reporting and Human Resources modules.

By providing a unified view of the internal and external factors affecting a client's business, MYOB EXO gives clients direct access to the 'big picture' information they need to make critical business decisions.

Key features of MYOB EXO Business include:

- General ledger, finance & administration
- FX management, banking & bank reconciliation
- Integrated cashbook
- Localised GST handling and BAS processing
- Subscription billing and direct debits modules
- Inventory control
- Multiple warehouses
- Serial number and batch number handling
- Multiple price lists, discount policies and special pricing
- Sales order processing
- Back order processing
- Purchase order processing
- Purchase order import costing
- Bill of materials
- Works orders and light manufacturing
- Reporting and company dashboards

Expansion modules for MYOB EXO include:

- Point of Sale options
- Warehouse management
- Integrated job costing and project management
- Asset management – depreciation and revaluation
- Management of service department
- Payroll and HR Management
- Employee Information Management
- Workplace Health and Safety

Support Helpdesk

Enprise has a centralised customer support team consisting of experienced, certified MYOB EXO consultants available on-call to support our customers throughout New Zealand and Australia via our support web site, email and telephone. In addition to the centralised team, we have experienced MYOB EXO certified consultants at each of our five branches in Auckland, Hamilton, Wellington, Sydney and Melbourne. This means we can provide localised and on-site support as needed.

Our dedicated, support team, which is separate to our software implementation team enables Enprise to provide a direct level of support to our customers.. Enprise's large trans-Tasman team enables us to have specialists who have deep knowledge on various subject areas, such as Payroll, Human Resources, Job Costing, Inventory Planning – to name a few.

Key outcomes from our support strategy:

- Many customers have stayed with Enprise for more than ten years
- Support quality enhances the success of an implementation
- Separate, full time support team is undistracted by new implementations
- Mix of remote, localised and on-site support as needed
- Seamless trans-Tasman capability

On-line support enables Enprise clients to log their own jobs, receive rapid responses, check the status of their jobs and avoid wasting time on the phone. Enprise clients have complete visibility to:

- Log their own jobs
- Add detailed comments and notes
- Check the status of their current jobs
- Search for jobs by status
- Review job history

OUR BUSINESS MODEL – REVENUE STREAMS

Enprise Solutions' products and services are sold in New Zealand and Australia, through its five branches in Auckland, Hamilton, Wellington, Sydney and Melbourne. The revenue streams generated from this division primarily comprise:

- Software license sales (non-recurring)
- Annual license fees (recurring)
- System-implementation service fees (non-recurring)
- Support Contract fees (recurring)
- Service and support fees (non-recurring)

TECHNOLOGY STRATEGY

Enprise takes a balanced and pragmatic view towards new technologies, ensuring our business customers move forward to new technology platforms at an optimum time to get the maximum business benefit with a minimum of business disruption.

There is currently a fundamental shift taking place in business software, away from “on premise” systems towards the cloud and mobility. Customers are now able to get easy access to their systems and data via mobile devices such as tablets and smartphones. According to Gartner, cloud computing will take up the bulk of IT spending by 2016 (<http://www.gartner.com/newsroom/id/2613015>).

All three Enprise businesses are well positioned to capitalise on the shift towards the cloud and mobile solutions and we think the timing is right for our customers to transition.

As a leading Australasian reseller of MYOB’s mid-market MYOB EXO ERP³ and Payroll solutions, Enprise Solutions is well positioned to adopt and promote MYOB’s new generation of cloud ERP and mobile solutions. Adopting new solutions requires investment in training and gaining experience in the new solutions and technology. Enprise is well positioned to make this investment and retain its New Zealand market leadership position.

OUR CLIENTS AND KEY STRATEGIC RELATIONSHIPS

Enprise Solutions has a key relationship with MYOB as a Platinum Partner for MYOB Enterprise division products in both New Zealand and Australia. Enprise is the largest MYOB EXO reseller in New Zealand and the only MYOB EXO reseller with offices in both New Zealand and Australia. Enprise also has the advantage of having as its CEO, Mark Loveys - the original developer of the initial product suite called “Exonet” which has subsequently been re-branded “MYOB EXO”.

OUR GROWTH STRATEGY FOR THE BUSINESS

While Enprise is the top-selling MYOB EXO reseller in New Zealand (according to MYOB’s reports), it is still growing its presence in Australia which is a much larger market.

As a leading Australasian reseller of MYOB’s mid-market MYOB EXO ERP and Payroll solutions, Enprise Solutions is well positioned to adopt and promote MYOB’s new generation of cloud ERP and mobile solutions which are expected to be released to the market in early 2015. We currently have approximately 600 customers in Australasia using on-premise MYOB EXO software.

MYOB has recently released “MYOB EXO on the Go”, which is a mobile solution for salespeople. It runs on an iPad or iPhone and integrates back to their MYOB EXO accounting systems for entering orders and looking up customer and inventory information. At this time we have only shown this product to a small sample of our customers, who have expressed strong interest in the solution.

In addition to this, MYOB is releasing a new mid-market Cloud ERP product which will be offered to the market alongside MYOB EXO. Enprise has four consultants that have attended training sessions on this new product and we have confidence it will be a strong performer in the market where currently a significant portion of our sales prospects are looking for a cloud-based ERP system. Enprise customers

³ MYOB EXO is the brand name of the software we sell. ERP is a generic acronym for “Enterprise Resource Planning”.

are participating in the beta phase of development of this new Cloud ERP product. The addition of this new ERP product, will give Enprise customers the choice of either Cloud-based ERP software or on-premise ERP software (MYOB EXO).

The business has growth potential in Australia, given that it has only recently opened branches in Sydney and Melbourne in March 2012 and the population in Australia is five times that of New Zealand. The barriers to growth in Australia are having sufficient working capital and being able to recruit suitably qualified personnel.

MARKET SUMMARY

'MYOB EXO from the people who invented it'. Enprise Solutions' marketing strategy leverages Enprise's unique market position as the inventor of the software that is now called MYOB EXO. This strategy has helped position Enprise Solutions as the reseller who can sell and implement the largest and most demanding MYOB EXO sites; customise MYOB EXO software in a reliable and cost effective way; and provide the best ongoing support.

Support contract fees and annual license fees provide Enprise Solutions with recurring annual revenue. Customer case studies provide direct customer testimonial about the business benefits realised from successful implementations and excellent ongoing support. Customer testimonials are used to create dedicated landing pages for Google AdWords campaigns, providing real proof that Enprise Solutions is the 'gold standard' for MYOB EXO service and support.

The Company regularly communicates with existing customers and prospects through a monthly electronic newsletter. The news gathering discipline demanded by this constantly refreshes the Enprise Solutions websites with new, highly relevant content.

For each of the past five years Enprise Solutions has won MYOB's Enterprise Division annual "Excellence in Business Development in New Zealand" partner award. This award is in recognition that Enprise sold more MYOB EXO licenses in the respective year, than any other reseller in New Zealand.

Enprise Solutions has two areas of market focus; its existing base of approximately 600 customers and new prospective customers.

Growing MYOB customers upgrade to MYOB EXO Software

Approximately 50% to 60% of sales enquiries for MYOB EXO software come from customers of other MYOB accounting products that are designed for smaller businesses, such as MYOB Premier and MYOB AccountRight. Typically the upgrade will be required because the customer's company has grown and/or requires more sophisticated functionality.

Most of the sales leads that Enprise receives that relate to MYOB customers upgrading their software, are referred directly to Enprise by MYOB.

Existing Customers using MYOB EXO Software

Enprise Solutions has approximately 600 existing business customers using MYOB EXO software that it supports throughout New Zealand and Australia. Given the breadth of the spread of customers, this reduces the exposure of Enprise to any particular key customer. In addition to these, there are approximately 6,000 further MYOB EXO customers that are supported by other MYOB EXO resellers. At present Enprise Solutions makes about half of its revenue from sales to existing customers, although this can vary at different times of the year.

Enprise's large base of existing customers is a strength of the business and makes it more resilient to the highs and lows of general business confidence, which can significantly affect revenue levels from new business sales. The revenue from existing customers, including support contracts, annual maintenance fees and service charges, is more constant and less affected by the general states of the economy.

Enprise's MYOB EXO customers are diverse in terms of size, ranging from two users to over one hundred concurrent users of the product. They cover industry types including service businesses, retail businesses, light manufacturers, distribution businesses, importers and exporters. Enprise in general terms targets these sized enterprises. Given the breadth of the spread of customers, this reduces the exposure of Enprise to any particular key customer.

The Cloud

Enprise's sales team is reporting that a growing proportion of prospective customers are looking for Cloud or hosted ERP solutions.

In 2015, MYOB are releasing a new Cloud ERP solution for the mid-market and Enprise is gearing up to take it to market.

COMPETITORS

The competitors to Enprise Solutions fall into two categories; other MYOB EXO resellers and other resellers selling other mid-market accounting & business management solutions. There is no published data (that Enprise is aware of) regarding market share of Enprise and its competitors.

Other MYOB EXO resellers

Enprise has a good working relationship with other MYOB EXO reseller partners but does compete with them from time to time for new business customers. Existing MYOB EXO customers will swap between MYOB EXO partners if they are unhappy with the support or service they are getting from a particular partner. It is a relatively easy process for a customer to swap partners, involving a signed form to be submitted to MYOB. Enprise overall tends to gain more customers than it loses in this manner.

There are a total of six MYOB EXO Platinum resellers in New Zealand and nine in Australia (including Enprise).

The other MYOB EXO Platinum partners are:

New Zealand

GlobalBizpro NZ Ltd

Aztech Solutions Ltd

Focus Technology Group

Acclaim Group Ltd

Helm Business Information Systems Ltd

Australia

Kilimanjaro Consulting Pty Ltd

Horizon Business Systems Pty Ltd
Exobiz Services
Momentum Software Solutions Pty Ltd
Bizpro (Vic) Pty Ltd
Axsys IT Pty Ltd
Indivia Pty Ltd
BusinessHub

In addition to the Platinum partners, there are an additional ten (non-Platinum) MYOB EXO resellers in Australia and an additional thirty eight in New Zealand.

Enprise's competitive advantages over other MYOB EXO partners are as follows;

- Enprise's team members were instrumental in the original design and development of MYOB EXO (including Enprise CEO Mark Loveys, who was the founder and original developer). Enprise can therefore position itself as the inventors of MYOB EXO and the most experienced partner, with better expertise to help customers.
- Enprise has a dedicated customer support team that offers direct phone support or support via an on-line support portal. Implementations for new customers or sites are carried out by a separate dedicated team. Many other MYOB EXO partners use the same consultants on both support of existing customers and implementing sites for new customers.
- Enprise is the only trans-Tasman MYOB EXO partner, with branches in New Zealand and Australia. A high proportion of the customers in the mid-market have branches in both countries, so this makes Enprise a more capable partner to service the support requirements of a client's whole business.
- Where most MYOB EXO partners have only a single branch, Enprise has five branches covering Auckland, Hamilton, Wellington, Sydney and Melbourne. Enprise has local people supported by a large team of product experts, giving the advantage of local personalised expert service in five regions.

Products that compete with MYOB EXO

The Board is of the view that the competitive landscape is as follows:⁴

Greentree

Greentree is another New Zealand developed ERP package that sells throughout New Zealand and Australia. It is built on the Jade development platform and tends to be more expensive and sell in to larger companies than MYOB EXO.

⁴ There is little readily available and accessible information regarding the market, and the views expressed in this section are representative of the Board's views which they consider to be reasonably held.

Microsoft Dynamics NAV

Dynamic NAV is a global product that competes at the upper end of MYOB EXO's range of customers. It is generally priced and positioned more similarly to Greentree than MYOB EXO.

SAP Business One

SAP Business One targets a similar segment of the ERP market to MYOB EXO. It tends to be more expensive than MYOB EXO and is stronger in some areas of functionality and weaker in others. Enprise does not sell SAP Business One but has an excellent knowledge of the product through our experience with Enprise Software.

Netsuite

Netsuite is a cloud-based mid-market ERP product that is sold on a Software-as-a-Service basis. Enprise encounters Netsuite often in competitive situations in New Zealand and Australia.

Xero

Xero is not normally a competitor to MYOB EXO (nor the new Cloud product being released by MYOB at the end of 2014) because Xero is designed for smaller, less complex businesses and MYOB EXO is designed for the comparatively larger mid-market businesses, with more complex requirements. Enprise has encountered situations on rare occasions where a potential customer evaluates MYOB EXO as well as Xero, but this is the exception rather than the rule.

ENPRISE SOFTWARE

OUR PRODUCTS

SAP Business One is an accounting and business management software package which is sold throughout the world by the Germany-based multi-national software company SAP AG and its international channel of reseller partners.

Enprise's flagship product 'Enprise Job' is an add-on module which increases the addressable market for SAP Business One in the four broad vertical markets of Professional Services, Equipment Servicing, Make to Order or Specific Manufacturing and Project Costing.

This centralized project management system is fully embedded within SAP Business One, using the same user interface and appearing to the end user as if it is part of the core product. It provides for the generation of quotes and estimates, purchasing directly to jobs, the scheduling of tasks for staff and the tracking of all time, materials and resources used on each job.

A variety of invoicing methods are provided, including milestone or phase based billing, which allows for accurate revenue recognition. Profitability is reported in real time. Document Management, Alerts and Web Timesheet Entry round off this SAP-certified add-on.

In addition to Enprise Job, Enprise has a number of other innovative solutions available to augment the already strong core SAP Business One product.

The key features of Enprise's Job Costing for SAP Business One include:

- Job and Sub-Job Management
- Customizable Job Types, Statuses, Categories and Analysis codes
- Time and Material Entry
- Resource Management
- Billing System with Pro-Rata and Under/Over Recovery
- Contracts and Milestone Billing
- Purchase Order / AP Invoice Integration
- Service Call Integration for Advanced Management of Service Jobs
- Bulk Job Invoicing
- Contract Job Invoicing
- Retention Management
- Make to Stock / Light Manufacturing of Product
- Drag & Drop Scheduling of Staff and Resources
- Integrated with SAP Business One General Ledger for Profitability Management
- Comprehensive Reporting Options

OUR BUSINESS MODEL – REVENUE STREAMS

Enprise Software’s sales and services are sold internationally, primarily in The United States, Canada, Australia, New Zealand, Africa and the United Kingdom through a global channel of SAP Business One resellers. The revenue streams generated from this division primarily comprise:

- Software license sales (non-recurring)
- Annual license fees (recurring)
- Service and support fees (non-recurring)
- Software as a service (recurring)

OUR TECHNOLOGY STRATEGY FOR OUR BUSINESS

Enprise Software is developing cloud-based mobile solutions to work with its Enprise Job Costing solution for SAP Business One. These will be sold through SAP’s and Enprise’s international dealer channels. Enprise’s channel partners are experiencing strong demand from end customers for mobile Job Costing solutions to increase the efficiency and productivity of their mobile workforces. We expect our new “Enprise Anywhere” mobile Job Costing solution to be received well by our customers when it is released in the fourth quarter of the FY ending 31 March 2015 having regard to the initial feedback we have received from them after they have been given demonstrations of the new product. . We are unable to project with any real certainty the likely revenues that could be generated from this product line when it is launched, at this time.

OUR INTERNATIONAL CHANNEL

Enprise Software has built up an international channel of resellers within SAP’s Business One reseller channel. These partners sell, configure and support Enprise’s software products, combined with the SAP Business One accounting & business management package. Enprise’s resellers are typically small to medium sized businesses themselves (similar to Enprise Solutions except that they sell SAP’s software rather than MYOB’s software) who make a margin of between 35% and 50% (depending on their respective sales volumes) on selling software licenses and they also charge their end-customer for their consulting services.

Enprise’s reseller partners are located in the following regions:

Country / Region	⁵ Active Partners	Users Sold
New Zealand	3	725
Australia	8	1424
USA and Canada	18	2671
United Kingdom & Ireland	7	280
Africa	9	438
Other	1	239

⁵ Active Partners – resellers that have sold Enprise Software licenses within the last two years.

OUR CLIENTS AND KEY STRATEGIC RELATIONSHIPS

Enprise Software is an SAP Solution partner⁶ whose software products are sold through the global SAP Business One partner channel. Enprise has a strong relationship with SAP internationally through nearly ten years of being a global SAP solution partner and through Mark Loveys' eight years of membership of the global SAP Business One Solution Partner Advisory Council. Mark was chairman of this council for several years.

OUR GROWTH STRATEGY FOR THE BUSINESS

Enprise Software has been developing a new mobile application called "Enprise Anywhere" for its flagship product Enprise Job. The new application runs on tablets and smartphones and includes all the functionality required by operators out in the field. We expect to release it to the market in Q4 and thereby switch on a new Software-as-a Service revenue stream.

Enprise has recently added French and German language support to its software in order to open new market opportunities in French Canada and Europe. This is still in the early stage of release, so it is too early to say how much effect this will have on revenue growth.

MARKET SUMMARY

Enprise Software is positioned as a specialist in developing solutions that increase the power and functionality of SAP Business One. Its marketing has leveraged the success of its flagship product Enprise Job, a SAP Business One add-on that drastically improves visibility of costs vs profit during projects. Enprise Job is SAP Certified, has won a number of industry awards for excellence and is used by customers globally.⁷ The product is distributed through a global reseller network.

Enprise Software has taken advantage of the success of Enprise Job to develop and launch to market seven further SAP Business One add-ons, with more in development. With the exception of the Enprise Hire and Enprise Anywhere add-ons, the add-ons are all mature products that have already been developed and are profitable. Enprise Hire is relatively new and has been sold to only 3 customers so far and we are starting to market it now. Enprise Anywhere is in development and has not been sold to any customers yet and will be released to the market in Q1 2015. These leverage the existing global partner network to take advantage of a ready-made distribution channel.

Enprise regularly communicates with its global partner network via a monthly electronic newsletter as well as selected social media channels. New content for these newsletters helps keep the Enprise Software website fresh and relevant.

Enprise Software maintains contact and training opportunities with the global partner network by being 'on the ground' and highly visible at key global partner events.

⁶ We are referred to as a **SAP Solution Partner** – which is a partner business of SAP that develops add-on software (otherwise referred to as Solutions) to work with SAP's own software

⁷ Over the years Enprise has won a number of awards from SAP for our "Enprise Job" product. In 2008 Enprise won the global "Industry Solution Excellence Award" for SAP Business One. In 2009 Enprise won the "Regional Solution Partner of the Year" for the Asia-Pacific & Japan region for SAP Business One. In 2011 Enprise won the SAP "ISV Partner Leadership in Innovation" award.

SAP Business One

SAP Business One is a mid-market (tier 3) accounting and business management software package (owned by SAP AG of Germany), that is sold in most countries around the world. It currently has 41 country localisations and around 38,000 customers with a total of around 550,000 users.

Enprise chose to develop software for the SAP Business One platform so that it could reach a global market and capitalise on the fact that SAP Business One did not have its own Job Costing module. Enprise recognised that SAP Business One had many similarities to MYOB EXO and that not having a Job Costing module was a significant gap in the product.

COMPETITORS TO ENPRISE JOB

Enprise Software's primary product, Enprise Job has two categories of competitor in the Job Costing software space; those that integrate with SAP Business One and those that don't.

There is no published data (that Enprise is aware of) that states market share of Enprise's products and those of Enprise's competitors.

Other Job Costing Modules for SAP Business One

These products compete with Enprise Job inside the SAP Business One channel for a share of the SAP Business One sales.

Maringo, MariProject: Maringo Computers GmbH is a German SAP solution partner that develops and markets the MariProject solution. MariProject is more suited to larger, more complex businesses than Enprise Job and their sales are more prevalent in the European and South American markets.

Variatec, SAP Business One for Project Industries: Variatec is another German SAP solution partner that develops SAP Business One solutions for production and project industries. Variatec's Project solution does compete with Enprise Job and the two products have comparative strengths in different functional areas. Like Maringo, Variatec tends to sell more in Europe, whereas Enprise tends to sell more in North America and Australasia.

Job Costing modules that are not built for SAP Business One

MYOB EXO Job Costing: SAP Business One with Enprise Job competes with MYOB EXO with the MYOB EXO Job Costing module. Both Job Costing systems come from Enprise origins, but Enprise Job was designed later than the EXO Job Costing product and so is slightly more advanced. MYOB EXO is sold only in the Australasian market, whereas Enprise Job is sold globally through the SAP Business One channel.

Workbench: Workbench is a Job Costing product developed in New Zealand and sold in both New Zealand and Australia. It works with a large number of accounting systems including MYOB EXO, SAP Business One and about ten others. While it is a powerful Job Costing system, one of the main disadvantages of a system that works with so many accounting packages is that it has its own "look and feel" which is usually nothing like the host accounting package. By comparison, Enprise Job uses the

same user interface as SAP Business One, so is more tightly integrated and much easier for end-users to operate, because it looks, feels and acts in exactly the same way as the main host accounting package.

Microsoft Dynamics, Sage, Greentree, Netsuite: Most of the major mid-market ERP software products have their own Job Costing modules. Typically these compete with SAP Business One and Enprise Job. Enprise Job's very tight integration at both the user interface and the database level, make the product a seamless integration with SAP Business One, which allows SAP Business One to compete head on with other ERP products that have their own Job Costing module as part of the core offering from the vendor.

DATAGATE INNOVATION

In April 2014, the Company acquired Datagate Innovation Limited, which company provides online reporting and billing portals for Telcos, utility companies and hosted service providers, under a Software-as-a-Service (SaaS) model.

The purchase consideration paid by Enprise to acquire Datagate was \$120,000, which consideration was satisfied by a combination of cash and the issue of shares in the Company to WhiteHeart Group Limited, the vendor of the business.

Datagate is a new and emerging business unit which Enprise has been operating for only six months. Datagate is not as yet profitable. The Datagate product is currently in User Acceptance Testing. The Company is still developing the Datagate product and distribution channels. Information given in this Document regarding Datagate reflects Enprise's strategy for sales and deployment of the solution at this time. To date, Datagate has seven signed sales contracts with New Zealand customers, including six Telco resellers and one electricity reseller. These contracts include both an up-front implementation fee and recurring usage charges. It should be noted that all seven of these contracts are subject to user acceptance testing (UAT) and therefore there is some risk that the product might not ultimately be accepted by the customers from this testing.

OUR PRODUCTS AND SERVICES

Datagate Innovation's product "Datagate" is a cloud service that provides online reporting and billing portals for telcos, utility companies and hosted service providers under a Software-as-a-Service (SaaS) model. The portals facilitate the importing, publishing and analysing of customer, reseller and distributor usage as well as billing information. Datagate is unique in the sector because it enables resellers to provide a range of aggregated services to their business customers with minimal investment in technology or back office resource. The cloud-hosted SaaS model allows global deployment with a business case that stacks up for small regional business services suppliers as well as large international providers.

Using Datagate's cloud portal, business services providers can offer a whole new range of services as well as a whole new level of service to their end customers. A reseller-branded Datagate portal enables resellers to provide billing and reporting for a suite of services including fixed and mobile telephony, broadband, electricity and hosted services such as email and application services.

Systems and Processes

Datagate technology can be summarised into the following components:

- **Datagate Import:** Currently data is received from suppliers in various forms (automatically collected from ftp sites, deposited on our own ftp sites, via API, via email, etc.). Once the data is received, our sophisticated cleansing and parsing engine processes the data and links it with customer information (site-rated, user-related, etc.) then imports it into the Datagate database platform.
- **Datagate Provisioning:** Datagate provides a range of secure, online forms where distributors and resellers can add details for their new customers, sites and services to be provisioned.

- **Datagate Rating:** An extensive range of rating models are deployed to ensure that the end customers are charged according to agreed Reseller plans. Plans include: mark-up plans, capped plans with overage rates, rating tables, default plans and custom plans.
- **Datagate Reporting and Analytics:** Datagate includes a secure, online portal where distributors, resellers and end customers can access a wide range of usage reports. These include, for example, daily usage reports by customer site or number; rolling 6-monthly trend reports showing service usage and pricing trends; distributors and resellers can view margin reports showing them the top most/least profitable customers or services.
- **Datagate Service Desk:** Datagate has an online service desk where distributors and resellers can log any queries or requests for enhancements.
- **Datagate Hosting:** The Datagate product has been developed as a pure cloud application and is hosted within the Microsoft Azure Cloud.

Suppliers

Datagate Import relies on data feeds from the utility providers and to date has experience in working with the following New Zealand organisations:

- Telecom Wholesale
- Chorus
- Vodafone (or MNVO)
- CallPlus
- Orcon
- Voyager Internet
- 2Talk

Datagate Import has data feeds with all of the above parties, and supply contracts with several of the parties listed.

Datagate services are delivered from Microsoft Azure, a technology platform which is globally based, highly secure, scalable and extensible. This means that Datagate can be easily scaled to accommodate a greater volume of users and extended to accommodate more wholesale service provider product usage inputs.

Microsoft Azure

Microsoft Azure is an open and flexible cloud platform that enables software companies to build, deploy and manage applications across a global network of Microsoft-managed datacentres. Applications or Cloud Services, such as Datagate's, can be easily scaled up with increasing data-processing power on Azure as more and more users are brought on to the system. The global coverage of Azure's datacentres enables Datagate to efficiently deploy its solution to all of the major economies of the world.

All of Datagate's software and services are hosted on the Microsoft Azure platform.

OUR BUSINESS MODEL – REVENUE STREAMS

Datagate's products and services are currently sold in New Zealand, but we expect to expand into other geographies in the future. Datagate is not however likely to expand into any further geographies during the course of 2015. Datagate's immediate focus for Datagate is the New Zealand market – which

market will assist in proving the business model for later expansion into larger international economies. The revenue streams generated from this division primarily comprise:

- Recurring monthly licence fees
- Implementation & services fees (non-recurring)

OUR TECHNOLOGY STRATEGY FOR OUR BUSINESS

Datagate Innovation's core product is built on Microsoft Azure and is sold as a cloud service. This enables it to be deployed quickly, with minimal capital outlay and its capacity can be altered easily to match demand. This means that Datagate can scale quickly and can engage with customers of all sizes.

OUR CLIENTS AND KEY STRATEGIC RELATIONSHIPS

Datagate Innovation's sales have increased strongly since the 100% acquisition by Enprise. To date, Datagate has seven signed sales contracts with New Zealand customers, including six Telco resellers and one electricity reseller. Datagate will integrate with accounting software applications. Enprise continues to broaden Datagate's appeal by adding to these integration options. There is potential for Datagate to strengthen the Enprise Software business by opening up new vertical markets (telcos and utilities) for SAP Business One.

OUR GROWTH STRATEGY FOR THE BUSINESS

Datagate Innovation produces cloud Portals for telcos, hosting companies and utility companies. It is an early stage business that we acquired in April 2014 and it has just started to book revenue. Any revenue we book this year will be growth over and above the previous year.

In addition to the commercial counterparties with whom we are currently working, we have also identified a further ten well qualified opportunities. The current contracts are to provide a billing and reporting service for several thousands of customers consuming a range of telecommunication and internet services. Signed customers include resellers of electricity services and hosted application services such as email and CRM.

MARKET SUMMARY

The continuing convergence of IT and telecommunications has created new and exciting on-demand products and services which businesses can use to improve productivity, but it has, at the same time, created considerable complexity both for the end user wanting to benefit from the new on-line products and services and for the supplier wanting to package up the various components and offer them to the market.

Telco and ICT services have become commoditised to the extent that they are now regarded as utilities. The challenges of providing low-cost, flexible usage reporting and analysis services applies as easily to electricity usage as it does to broadband or mobile data usage.

The three significant market sectors by size have different challenges to service convergence and the speed of change – all of which can be served by the Datagate platform.

Enterprise Sector Service Providers

The Enterprise end of the market has the resources to purchase complex products and engage experts to install them. The major (incumbent) service providers (for example Vodafone and Verizon – globally, and Vodafone, Gen-i, Spark, Mercury Energy within New Zealand) are challenged by low-cost, flexible start-ups, with minimal legacy investment. These organisations are not currently customers of the Company.

The challenge for these enterprise service providers is to establish an online billing and reporting platform that can be rapidly modified to meet changing competitive and short-term campaign requirements – and a modest cost. Typically changes to telco-grade billing systems take months and cost hundreds of thousands of dollars. These service providers also need to provide white-label solutions to secure their regional sales channels and resellers.

Datagate has been designed to sit between an enterprise service provider's invoicing platform and their CRM. Each reseller portal can be individually branded.

Tier 2 Service Providers

In the board's considered opinion; the Tier 2 ISP and Telco reseller market is challenged by the high cost of fibre investment, the sunset of tolls reselling and the increasing competition in the market. The best response in the current environment is rapid growth in customer volumes, increased overall profitability by offering multiple low-margin services – which significantly increase customer retention. One of the most effective means of rapid growth is via small regional resellers who have strong ownership and loyalty of their customer base.

Telecommunications service providers are defined, for our purposes, in 3 segments according to the market segment they generally serve. Enterprise Sector Service Providers typically supply to the top 200 largest New Zealand businesses.

Tier 2 Service Providers are smaller but still provide services to a national business market. This segment includes national service providers such as CallPlus, Compass, Kordia, FX Networks, Snap, M2, Vocus, and Digital Island.

Regional resellers have a trust relationship with businesses in their geographic region and typically provide business communications, utilities and ICT services. This includes regional electricity providers, regional fibre broadband companies, IT services and telephone businesses.

Regional Resellers

At the small-to-medium end of the business market, and the consumer, residential market the trusted reseller relationships are typically owned by small local specialist suppliers providing diverse services such as IT services, Phone Systems, Insurance, Business Consulting, Accounting. As hardware margins shrink these resellers are driven to lock in annuity revenues from services. However these businesses have little extra back office capacity and any service wholesaled must be very easy to sell, deploy, and bill. Datagate provides the solution for the Tier 2 (and Enterprise) Service Providers to deploy services remotely with minimal impact on the resellers existing operating model.

A target market for Datagate is based on the Tier 2 Services Providers and the Regional Resellers. Datagate has developed a technology platform and packaged service offering to address the needs of these distributors, resellers and end customers' needs. This is supported by an innovative cost effective deployment methodology that reduces the cost of sale and support for the Service Provider.

A further target market for Datagate is based on the Enterprise Sector service providers, either directly or via licensing or franchise; as well as the Tier 2 Services Providers and the Regional Resellers.

DATAGATE COMPETITORS

Datagate incorporates key features of four market product segments: utilities billing, telco expense management, customer experience, and big data. It is also differentiated by delivery as a fully managed service, under the cloud-hosted Software-as-a-Service (SaaS) model.

There is no published data (that Enprise Group is aware of) that reports the market share of Datagate and/or its competitors.

Market competition is also defined by customer size – we have specific competitors that offer billing services to small regional resellers and we have larger international competitors providing solutions to our larger national and international reseller market.

Competitors for smaller regional resellers

TNZ

TNZ provides a web-based accounting solution for smaller regional telco resellers. The solution provides no reporting or analysis for either customers or resellers. While it does provide an invoicing solution the package is not designed for customer access. TNZ also competes directly with its reseller customers offering the same service directly in the market. Pricing for small customers is comparable with Datagate.

Vocus Stem7

Vocus Communications, an Australian company who have acquired the New Zealand MaxNet ISP business, provide a wholesale portal service called Stem7 that allows resellers to determine telco service usage and to bill customers. The service is only available for Vocus services.

Bespoke In-house Solutions

Most smaller resellers use a DIY solution, integrating their General Ledger accounting applications with custom in-house solutions incorporating backend databases to collect service usage information and to report and invoice their customers.

Competitors for larger resellers

Globys

Globys, a USA-based company, has a relationship with telco carriers in Australia and New Zealand supplying their Bill Analyst software solution to a majority of the large Telcos.

CTI Group

CTI Group has been providing telco billing and analysis software solutions internationally for over 20 years. They have a staff of 130 and annual revenues of US\$16m. They focus on providing services to large national and international carriers.

Zuora

Zuora are a USA-based supplier of subscription-based billing services provided under a SaaS model. Zuora provides an automated billing and a scalable platform to support growth and flexibility in pricing and packaging, collection and accounting of recurring revenue.

Zuora's enterprise-grade platform powers companies of all sizes, from fast growing startups to F500 enterprises -- and in nearly every industry. Here is just a sample of customers that have transformed their business on Zuora's subscription commerce, billing and finance solution.

Utilibill

Utilibill is a cloud-based billing and online payment provider based in Australia. Utilibill provide end-to-end services to over 150 retail Telco, Electricity and Embedded Network Providers across Australia, New Zealand, United Kingdom, Canada, Cyprus, and Europe.

Datagate's competitive advantages over our competitors are as follows;

- For smaller regional resellers the Datagate solution requires minimal back office resource and infrastructure investment to install and operate. The low effort and cost competes successfully with DIY solutions and the inherent value within the Datagate solution provides a better business case when compared with the market competition.
- Successful competition against larger, international solution providers is based on several key factors:
 - Datagate is based on pure cloud design. The screens are modern and access is fast. Many of the incumbent competitors are entrenched with old-fashioned-looking applications and inflexible design.
 - Datagate is hosted within the Microsoft Azure Cloud. This allows us a large enterprise level of security and resilience for subscription-based costs.
 - The Datagate solution includes all hardware, software, licensing, support and maintenance.
 - Datagate is designed to provide aggregated billing, reporting and analysis services for any business service – not just for telco or utilities.
 - Datagate scales competitively for both small resellers and large international service providers and their customers.
 - Datagate is not limited to any one product segment but has design features within utilities billing, telco expense management, customer experience, and big data segments.

- Datagate is not designed as a back-end accounting system. At its core Datagate is designed to enhance the customers' experience with fast, attractive, useful, analysis and reports about their subscribed business services.

HISTORICAL MILESTONES

Overview of the corporate history of Enprise Group Limited

In November 2012, Enprise Group Ltd acquired 100% of the business operations comprised within three companies – Enprise Solutions Limited, Enprise Australia Pty Limited and Enprise Limited. Enprise Group Ltd continues to own these three businesses.

By way of background to Enprise Group Limited (“the Company”), the following is a summary of the corporate history of the Company:

- The Company was incorporated in Auckland on 30 September 2004 and was called Datasquirt Holdings Limited.
- The Company’s business operations were focused on developing business solutions based on SMS text messaging.
- The Company changed its name to Datasquirt Limited on 29 March 2006.
- The securities of the Company were listed on the Australian Securities Exchange (“ASX”) in 2007.
- The Company’s Datasquirt operations operated from offices in London and Sydney. It was headquartered in Auckland.
- In December 2011 the Datasquirt business operations were sold to Silicon Valley-based LiveOps for US\$12.5 million. The majority of these proceeds derived from the sale were remitted back to the Company’s shareholders via a partial buyback of the share capital of the Company.
- Following the completion of the Datasquirt business operations, the Company was renamed “DSQ Holdings Ltd” and the Board set about looking for a suitable business to acquire, to maximize the remaining value of the listed company.
- The Company ultimately resolved to acquire the Enprise business operations, and the acquisition was completed on 1 November 2012 for a gross consideration of \$2.1 million, which sum was payable in cash. An independent valuation of the Enprise business operations was carried out by UHY Haines Norton at the request of the company’s directors. The acquisition was negotiated by the non-executive directors of the Company (as purchaser) and Mr Loveys as vendor. A special resolution of shareholders of the Company was required to be passed for the transaction to proceed, which approval was obtained.
- Mark Loveys, the CEO of the Company, was a director of the Company and also a director and shareholder of Enprise at the time of the acquisition.
- The Company was renamed Enprise Group Limited on 1 November 2012.
- Enprise Group Limited de-listed from the ASX on 22 October 2012, and transferred its listing to the National Stock Exchange of Australia (“NSX”) on 1 February 2013.

- In April 2014, the Company acquired Datagate Innovation Limited, which company provides online reporting and billing portals for telcos, utility companies and hosted service providers, under a Software-as-a-Service (SaaS) model. There was no external independent appraisal carried out on this transaction.

Overview of the history and development of the Enprise business operations

By way of background to the Enprise business operations which were acquired by the Company in 2012, the following is a summary of the corporate history of those operations:

- The business solution which is now called “MYOB EXO” was formerly called “Exonet”.
- Enprise CEO Mark Loveys was the original developer of Exonet and has been deeply involved in the product since the day he cut the first line of its source code back in 1998.
- Exonet International Limited, the company that developed and marketed Exonet, was originally founded by Mark Loveys, David McKee-Wright and Maurice Bryham in 1999. The three founders had previously worked together at PC Direct Ltd (a successful New Zealand computer sales company of the 1990s).
- Exonet developed the new accounting system with a vision to create a modern system that was flexible, easily able to be customised and would integrate painlessly with other software products such as Report Writers, Spreadsheets, Data warehousing products and other accounting software. It was also able to run over the Internet and wide area networks. Furthermore, it was also one of the first accounting packages on the market to utilise the power of SQL Server technology - all with a simple easy-to-use graphical user interface.
- In 2000, technology aggregator Solution 6 acquired Exonet International Ltd for A\$30 million.
- In 2002 Solution 6 resolved to sell the Exonet direct sales division within the Exonet business operations. This division was called "Enprise". Enprise was the direct sales division of Exonet that sold directly to larger customers that were too big or too complex for Exonet's dealer channel of that time to look after. Solution 6 wanted to "purify" its business model and wished to only sell through its retail channel.
- Elliot Cooper (Enprise’s current CFO) and Mark Loveys (Enprise’s CEO), together with two others bought Enprise as a management buyout from Solution 6 and continued to trade that business under the trading name “Enprise”.
- In December 2005 Enprise obtained investment capital from two Direct Capital managed funds (TMT Ventures and VIF) of NZ\$4.52M and subsequently invested those funds towards growing the international channel for Enprise Software.
- In 2005 the holding company for the Enprise business operations acquired “EMS-Cortex”, a software developer that was developing a Cloud Control Panel for Telcos and Hosted Service Providers for NZ\$2.52 million.

- Enprise Software, which is still a significant part of the Enprise group today, developed a popular Job Costing solution called “Enprise Job” for SAP Business One and built up a channel of resellers that is today selling Enprise’s products throughout North America, Australasia, Africa and the United Kingdom.
- EMS-Cortex grew rapidly, supplying its “Cortex Cloud Control Panel” solution to Telcos and Hosting Companies throughout North America, Europe and Australasia. EMS-Cortex was sold to Citrix Corporation by the holdings company for the Enprise Group in February 2011 for \$US11 million. These funds were ultimately distributed to the shareholders of the business. Enprise Software’s global SAP connections were pivotal in getting the attention of Citrix.
- The business operations of Enprise Group were subsequently acquired by the Company in 2012.
- In April 2014, Enprise acquired Datagate Innovation Ltd, which provides online reporting and billing portals for telcos, utility companies and hosted service providers, under a Software-as-a-Service (SaaS) model.

BOARD OF DIRECTORS, SENIOR EXECUTIVE AND ADVISERS

Directors

Enprise has four directors – two executive directors; Mark Loveys and Elliot Cooper, and two non-executive directors; Lindsay Phillips and Jens Neiser. The addresses of the directors are provided in the Directory to this Disclosure Document and a brief biography for each of the directors is provided below.

Lindsay Phillips - Non-executive Chairman

First appointed to the board on 4th April 2006. Resigned 8th December 2008.

Reappointed to the board on 1st December 2013.

Lindsay Phillips has been involved in private equity for over 25 years, commencing in 1987 with M.J.H. Nightingale & Co. Limited in London/New York and subsequently Australia since 1995. His experience includes seven years (1980-87) with Price Waterhouse and twenty six years in investment banking/private equity in the United Kingdom, Europe, USA and Australia including five years (2007-12) as Managing Director of Lazard Australia Private Equity. Lindsay is currently Managing Director of two investment funds - Phoenix Development Fund and Nightingale Partners - focused on providing patient expansion capital to family companies. He serves as a Director of most of the companies in which the funds are invested. Lindsay is a Chartered Accountant and holds a Bachelor of Commerce degree.

Mark Loveys – Managing Director

Appointed to the board on 30th September 2004.

Mark Loveys is a co-founder and CEO of the Enprise Group. He is also a founding member and past Chairman of the SAP Business One Global Solution Partner Advisory Council (SPAC).

Mark Loveys is a serial software entrepreneur. He was the original developer of Exonet, the popular ERP software suite which is now called MYOB EXO - and was the original developer of Datasquirt, the SMS messaging business which was acquired by LiveOps Inc in December 2011. He and his team also established the New Zealand-developed EMS-Cortex 'cloud control panel' software as a leading international solution in its product niche and he was instrumental in the successful sale of EMS Cortex to Citrix Corporation in February 2011. Mark holds a Bachelor of Science degree in Physics from the University of Auckland.

George (Elliot) Cooper – Executive Director

Appointed to the board on 10th April 2012.

Elliot Cooper is a co-founder and CFO of the Enprise Group. He is a qualified accountant with deep experience in financial accounting, designing financial systems and financial controller roles. Elliot was one of the original creators of Exonet, alongside Mark Loveys. Like Mark, Elliot has been involved with the product every step of the way since its inception at PC Direct in the 1990s. Elliot is part of the day-to-day management of the Enprise Solutions team. Elliot is a Chartered Accountant and holds a National Certificate in Business and a National Diploma in Accountancy.

Elliot is the full time Chief Financial Officer of the Enprise Group in which he undertakes the duties and responsibilities customarily commensurate with a chief financial officer of a publically listed business.

Jens Neiser – Non-executive Director

Appointed to the board on 1st July 2006.

Dr. Jens Neiser owns Neiser Capital and manages the Neiser Capital Investment Fund, which holds a significant stake in Enprise Group. From 2006 to 2011, Jens served in the roles of non-Executive Chairman and then non-Executive Director of the Company. Jens has a wealth of merger & acquisition, venture capital and private equity consulting and management experience working both for independent clients and for companies such as Boston Consulting Group, where he was a partner. He moved to Australia in 2006 to pursue investment opportunities in Australia, New Zealand and Southeast Asia. Jens holds director and supervisory board member positions at a number of listed and unlisted companies. Jens' university qualifications include a Master of Law degree, the Law Bar Exam from University of Freiburg Germany and a PhD/Dr. in Economics from University of Hohenheim, Germany.

Advisers**NZX Sponsor**

The NZX Sponsor who has sponsored the Company's application for quotation of its shares on the NZAX Market is Sean Joyce – Corporate Counsel. Sean's address is Suite 107, The Geyser Building, 100 Parnell Road, Parnell, Auckland.

Share Registrar

The Share Registrar for Enprise is Link Market Services Limited.

Auditors

The auditors of Enprise are UHY Haines Norton.

Solicitors

The solicitor for Enprise who has been involved in the preparation of this Disclosure Document is Sean Joyce, Corporate Counsel, of Auckland.

ACTIVITIES AND RISKS

Principal activities

Details regarding the principal activities carried on by Enprise, and the duration of the performance of those activities are provided in the preceding sections of this Disclosure Document.

Principal business risks

The future operational and financial performance of Enprise and its Shares may be affected by a number of risk factors which are set out below. Although the Directors have in place risk management strategies to counter most of these risks where possible, the Directors cannot give any guarantee or assurance that the strategies in place will fully mitigate or remove the risks.

The following risks are listed in order of significance:

Cash flow

There is a risk that Enprise may not have the funding to implement its business plan if there are significant cost over runs incurred by the Enprise businesses (cash generating units) in respect of the execution of their respective business plans.

In particular, Datagate Innovation is an early-stage start-up business which is requiring ongoing investment in the current 2015 business plan. The cash requirements for Datagate's 2015 business plan have been met by loans provided by current major shareholders.

Cashflow risk in general is moderated by Enprise Group deriving its revenue through a diverse spread of software business activities across multiple countries through three business units. The Group's debtor risk is typically spread over hundreds of debtor accounts in total, with historically, no one debtor exceeding 10% of the total debtors balance.

The risks to investors related to the company running out of cash are that they either lose their investment through a liquidation or are diluted by capital raising.

Loss of Key Personnel or Failure to secure required skills

There is a risk that Enprise may fail to retain or attract personnel with the required skills, in the required quantity to execute the company's business plans.

The Board of Enprise believes that it has assembled a quality executive team for the business. Enprise has spent considerable time and effort in bringing together key individuals who have the skills, experience and ability to work together effectively to achieve superior results and will continue to do so as the needs of the business grows. In the normal course of business, Enprise faces the risk of the loss of one or more of those individuals for a variety of reasons. We face intense competition for such qualified personnel, many of whom are subject to competing employment offers. We may not be able to attract and retain key employees when necessary, which would limit our operations and growth.

If Mark Loveys was to leave the employment of the Company this may have an adverse impact upon the business of the Company given Mr Loveys depth of knowledge of the market sector and the product. However, this risk is mitigated by the depth of experience of the Board of Directors and by having a

team structure to reduce exposure to any one individual. In addition, Mr Loveys is a major shareholder of the Company and is therefore incentivised to remain fully engaged in the business.

Competition

Enprise competes with numerous other developers and suppliers of ERP product offerings and services, and the barriers to entry for more competition are not prohibitive. Competition from other service providers is significant and changes in the composition and extent of competitors has the potential to present opportunities, and or impact on Enprise's market share and profitability.

Unsuccessful Marketing

Enprise may not be able to generate sufficient sales revenues to sustain its growth and strategy plans.

Enprise sets annual growth targets which are reviewed regularly in the light of prevailing market conditions. Despite the best endeavours of Enprise and its distributors it is possible, however, that Enprise's initiatives to market its offerings could fail or not produce the projected levels, which may have an adverse impact on the financial position and performance of Enprise.

Loss of License to resell and distribute MYOB EXO and companion products

Enprise Solutions is an authorised reseller partner of MYOB EXO in New Zealand and Australia. If MYOB should decide to revoke Enprise's ability to sell the MYOB EXO product, this could lead to a significant loss of business for Enprise during the time it would take for Enprise to learn and start selling another software product. We think this is an unlikely eventuality given Enprise is one of the biggest and most successful MYOB EXO resellers in New Zealand and Australia. MYOB would lose significant revenue by cancelling the partnership.

Debtor Risk

As with all businesses there is always a risk that one or more of Enprise's customers may default on the payment of Enprise's invoices, or delay payments in such a manner that Enprise's cash flow suffers. In the event that a significant payment for services supplied was unable to be recovered by Enprise, this event may have a material adverse effect on the financial performance of Enprise. This risk is moderated by the large number of customers (around 350 at any one time) that Enprise typically transacts with.

Liability

In the event that there are defects in the products or services supplied by Enprise, then Enprise may be potentially liable for claims from those who may have been adversely affected by such defects in the products and/or services. Such an occurrence may adversely impact upon the financial position and performance of Enprise. Enprise carries \$2M of public liability insurance to mitigate this risk.

Exchange Rates

As Enprise's international revenue increases with the deployment of its Australian operations, Enprise's exposure to shifts in foreign currency cross rates to the New Zealand dollar will also increase. Consequently, in the event, for example, that the New Zealand dollar appreciates against the Australian dollar, then this will impact adversely on the New Zealand dollar financial performance of the Company that derives from Australia. This risk is offset by the fact that over half of Enprise's debtor exposure is in NZ currency.

General Economic Conditions

The trading and financial performance of Enprise is influenced by a wide variety of business and economic conditions which affect the economy internationally including interest rates, exchange rates, inflation, commodity prices, government monetary, fiscal and regulatory policies, SME spending patterns and the changes in business and consumer confidence.

Factors such as inflation, currency fluctuation, interest rates and the availability of capital, supply and demand and industrial disruption could impact on operating costs, Enprise's future possible profitability and the market price of its quoted securities. These factors may be beyond the control of Enprise.

Future Dilution of Investment

Enprise may need to raise additional capital in the future to fund growth capital. This could have a dilutive effect on an Enprise shareholder's investment.

In order to continue operations, Enprise may need to raise additional capital through the public issue, or private placement of shares. In addition, from time to time Enprise may issue our shares in lieu of cash payments. If Enprise issues additional shares or other equity securities, or issues such securities in respect of other claims or indebtedness, such sales or issuances will further dilute the percentage of Enprise's shares that an Enprise shareholder may own. Depending upon the price per share of securities that Enprise may issue in the future, if any, a shareholder's interest in Enprise could be further diluted by any adjustments to the number of shares and the applicable exercise price required pursuant to the terms of the agreements under which Enprise previously issued securities.

NZAX Listing

Enprise will be listed on the NZAX market. The NZAX market differs from the Main Board, also operated by NZX, in the following key respects:

- There are reduced criteria for listing on the NZAX – there is no requirement for 25 percent of the securities of an NZAX issuer to be widely held and no minimum value requirement for an NZAX listing as applied to Main Board listings. Whilst a Main Board issuer must have 500 shareholders, an NZAX issuer needs only 50 shareholders.
- An NZAX issuer requires an NZAX sponsor in order to list on the NZAX market, whereas Main Board companies require an organising participant.
- Greater flexibility is accorded by the NZAX Listing Rules to NZAX issuers seeking to raise capital, buy back securities, and undertake major transactions. The NZAX Listing Rules provide NZAX issuers with an option to undertake these activities without seeking shareholder consent, by making an announcement to the market which discloses fully the transaction prior to that transaction becoming final.
- The materiality thresholds for related party transactions in the NZAX Listing Rules are higher than in the Main Board Listing Rules. This means that a NZAX issuer may enter into

(proportionally) more substantial transactions with related parties before being required to seek shareholder approval for those transactions.

- The corporate governance standards for NZAX issuers do not contain all the matters provided for in the corporate governance standards for Main Board issuers.

Other Factors

Other factors that may affect Enprise and the Shares are:

- World economic conditions;
- World political events;
- Government legislation, intervention or level of taxation;
- Accounting policies or treatments arising generally;
- Natural disasters, social upheaval, terrorism or war;
- Unanticipated operations and technical difficulties encountered in the development and implementation of Enprise's suite of products;
- Mechanical failure of operating plant and equipment, industrial disputes and force majeure;
- Uninsured losses and liabilities.
- Other risks and uncertainties described from time to time in our reports filed with NZX

CONSEQUENCES OF INSOLVENCY

No holder of Enprise shares will be liable to pay any further amounts to Enprise or any other person in respect of those shares if Enprise becomes insolvent.

In a liquidation of Enprise, the claims of Enprise shareholders' will rank equally with the claims of other shareholders of Enprise, and after the claims of:

- persons to whom preferential payments must be made;
- secured creditors;
- unsecured creditors.

FINANCIAL INFORMATION

The audited financial statements for the Company for the last five accounting periods can be found on the website for Enprise, (www.enprisegroup.com), and also on the NZX website – www.nzx.com – ticker code “ENS”.

This section provides an overview of the financial information for the last five accounting periods. The financial information included in this section has been extracted from the Company’s audited financial statements.

All information in this section is provided in New Zealand dollars and rounded to the nearest thousand dollars.

Overview of Consolidated Income Statement

12 months ended 31 March (NZ\$000)	FY 10 Audited Historical	FY 11 Audited Historical	FY 12 Audited Historical	FY 13 Audited Historical	FY 14 Audited Historical
Operating revenue	2,126	2,916	2,447	2,380	6,567
Operating expenses	(3,447)	(3,552)	(3,397)	(2,876)	(6,690)
Other income	163	104	15,900	17	21
EBITDA	(1,158)	(532)	14,950	(479)	(102)
Depreciation and Amortisation	(83)	(44)	(17)	(73)	(123)
EBIT	(1,241)	(576)	14,933	(552)	(225)
Net Finance (Expenses)/Income	12	10	6	69	(2)
EBT	(1,229)	(566)	14,939	(483)	(227)
Share of loss from equity accounted associate	-	-	-	(2)	(4)
Tax expenses	-	(33)	(4)	12	-
Net profit	(1,229)	(599)	14,935	(473)	(231)

Overview of Consolidated Balance Sheet

12 months ended 31 March (NZ\$000)	FY 10 Audited Historical	FY 11 Audited Historical	FY 12 Audited Historical	FY 13 Audited Historical	FY 14 Audited Historical
Current assets	1,785	2,291	3,159	1,821	2,058
Non-current assets	110	73	-	2,258	2,151
Total assets	1,895	2,364	3,159	4,079	4,209
Current Liabilities	1,001	1,529	108	1,416	1,790
Non-current Liabilities	-	-	-	85	72
Total liabilities	1,001	1,529	108	1,501	1,862
Net Assets	894	835	3,051	2,578	2,347
Contributed equity	11,310	11,850	2,408	2,408	2,408
Other reserves	(18)	(18)	-	-	-
Retained earnings / deficit	(10,398)	(10,997)	643	170	(61)
Total equity	894	835	3,051	2,578	2,347

Overview of Consolidated Cash Flows

12 months ended 31 March (NZ\$000)	FY 10 Audited Historical	FY 11 Audited Historical	FY 12 Audited Historical	FY 13 Audited Historical	FY 14 Audited Historical
Net cash flow from operating activities	(943)	(676)	(780)	122	91
Net cash flow from investing activities	(33)	(7)	(28)	(2,482)	(194)
Net cash flow from financing activities	-	540	3,156	47	104
Net (decrease)/increase in cash	(976)	(143)	2,348	(2,313)	1
Net foreign exchange differences	16	39	(182)	(121)	(44)
Opening cash balance	2,040	1,080	976	3,142	708

Explanation of Financial Information

FY 2011

During the course of FY 2011, the Company undertook a rights issue and raised approximately \$525,000.

FY 2012

During the course of FY ended 2012 the following material financial events took place:

- The sale of the Datasquirt business operations to LiveOps for US\$12.5 million;
- The company undertook as Share Buy Back whereby the company bought back approximately 25.5 million shares for an aggregate consideration of \$9.442 million.
- The Company generated an operating loss for the period 1 April 2011 to 19 December 2011 of \$834,000 from the Datasquirt business operations.

FY 2013

During the course of FY ended 2013 the following materials events took place:

- The Company acquired the Enprise business operations for \$2.1 million; and
- The Company incurred an operating loss of \$184,000 from the Enprise business operations for the period 1 November 2012 to 31 March 2013.

Tax Losses

New Zealand: The tax loss carried forward by Enprise Group Limited is \$10,630,933. The carrying forward of this loss is dependant upon the continuity of shareholding. The continuity is currently 60.5%. The continuity is dependant on the current directors Jens Neiser and Lindsay Phillips maintaining majority shareholdings. If either one of these directors divest their shareholdings then the tax losses as continuity would drop below the 49% threshold.

Extract from the IRD web site:

For a company to be able to carry forward a loss to a future tax year it must meet the shareholder continuity test. The shareholder continuity test will generally be met if there is a group of shareholders whose combined voting interest in the company during the "continuity period" is 49% or more.

The "continuity period" is the period from the beginning of the tax year in which the loss was incurred until the end of the tax year in which it offset. If a company suffers tax losses for several years in a row it will have to calculate its shareholder continuity for each year separately.

A shareholder's voting interest for the purposes of the shareholder continuity test is the lowest voting interest they had in the company during the continuity period.

Australia: Datasquirt (Australia) Pty Limited has losses carried forward of AUD \$ 36,003. As this entity is non-trading it is not expected that this loss will be utilised in the foreseeable future.

Enprise Australia Pty Limited has losses carried forward of AUD \$ 348,489.

INFORMATION ABOUT ENPRISE AND ITS SHARES

Issuer

The Issuer of the Shares is Enprise Group Limited.

Ordinary Shares

As at the date of this Disclosure Document there are 6,235,597 ordinary fully paid shares on issue in Enprise.

Each Share in Enprise confers on the holder with the right to:

- One vote on a poll at a meeting of shareholders of Enprise;
- An equal participation with all other existing Shares in any dividend declared;
- An equal participation with all other Shares in the residual assets on a liquidation of Enprise;
- Be sent reports, notices of meetings and other information sent to Enprise's shareholders; and
- All other rights conferred by Enprise's constitution and the Companies Act 1993.

Registered Office

The registered office of Enprise is 16 Hugo Johnston Drive, Penrose, Auckland 1061.

DIRECTOR'S INTERESTS

Remuneration

Lindsay Phillips

Lindsay Phillips is the non-executive chairman of Enprise and receives an annual chairman's fee of \$40,000.

Jens Neiser

Jens Neiser is a non-executive director of Enprise and receives an annual director's fee of \$25,000.

Mark Loveys

Mark Loveys is an executive director and Chief Executive Officer of Enprise. Mr Loveys receives no director's fees from Enprise, but does receive an annual salary of \$150,000 in respect of his role as Chief Executive Officer.

George Elliot Cooper

Elliot Cooper is an executive director and Chief Financial Officer of Enprise. Mr Cooper receives no director's fees from Enprise, but does receive an annual salary of \$150,000 in respect of his role as Chief Financial Officer.

Material transactions entered into between Enprise and Directors

Loan Agreements

Encap Group Limited, controlled by Mark Loveys has made an unsecured loan advance to Enprise Solutions Limited for \$100,000.00 at an interest rate of 10% pa. The terms of the loan require Enprise Solutions Limited to repay the loan to Encap Group Limited on or before 16 September 2015.

Nightingale Partners Pty Limited, controlled by Lindsay Phillips has made a loan advance to Enprise Solutions Limited for \$319,166.66 at an interest rate of 10%. The terms of the loan require Enprise Solutions Limited to repay the loan to Nightingale Partners Pty Limited on or before 16 September 2015 and the loan is secured against the assets of Datagate Innovation Limited.

Both of these loans also have the provision that they can be called in the event of a successful capital raising.

Acquisition of Enprise business operations

In November 2012, Enprise acquired 100% of the business operations comprised within three companies – Enprise Solution Limited, Enprise Australia Pty Limited and Enprise Limited. The transaction value was \$2,100,000 and was settled in cash and Encap Group Limited, which company is associated with Mark Loveys was the sole vendor in that transaction.

OWNERSHIP

Top ten shareholders

The names of the persons who, as at the date of this Disclosure Document, were the ten largest registered holders of equity securities of the Company, and the amounts of their respective holdings are as follows:

Name of Shareholder	Number of Shares Held	Percentage of issued share capital
BNP PARIBAS NOMS PTY LTD <DRP>	1,185,330	19.001
NET POWER SOLUTIONS LIMITED	1,158,608	18.581
NIGHTINGALE PARTNERS PTY LTD	983,774	15.776
MR GEORGE ELLIOT COOPER	399,923	6.414
WHITEHEART GROUP LIMITED	276,073	4.427
IRONWOOD INVESTMENTS PTY LTD <PHILLIPS SUPER FUND A/C>	166,667	2.673
MS SARAH MAY LOVEYS	124,316	1.994
DONWOOD PTY LTD <JOHN COX SUPER FUND A/C>	113,253	1.816
MR LINDSAY JOHN PHILLIPS	99,575	1.597
MR DAVID FALLU	60,250	0.9662

None of the persons named in the Table above undertakes any liability in respect of the shares on issue in Enprise.

Currently, there are no shares escrowed and no plans to do so following the NZAX listing.

Substantial Security Holders

Prior to the publication of this document Enprise requested all registered holders of 5% or more of the voting securities of Enprise to disclose any relevant interest and the nature of that relevant interest held by them and the consideration and other terms and conditions of any transaction under which they acquired their shares.

The holders provided the following disclosures:

Relevant interest holder	Number of shares in which relevant interest held	Nature of relevant interest	Consideration and terms and conditions (if any)
Jens Neiser Held by BNP PARIBAS NOMS PTY LTD	762,024	Beneficial	This holding has been acquired progressively over a number of years via a combination of on and off market acquisitions, and participation in a rights issue undertaken by the Company at a variety of acquisition prices.
Lindsay Phillips Held by Nightingale Partners Pty Ltd, Ironwood Investments Pty Ltd and held directly.	1,250,016	Beneficial	This holding has been acquired progressively over a number of years via a combination of on and off market acquisitions, and participation in a rights issue undertaken by the Company at a variety of acquisition prices.
Mark Loveys Held by Net Power Solutions Ltd	1,158,608	Beneficial	This holding has been acquired progressively over a number of years via a combination of on and off market acquisitions, and participation in a rights issue undertaken by the Company at a variety of acquisition prices.
George Elliot Cooper	399,923	Beneficial	This holding has been acquired progressively, 396,256 shares were acquired in an off market transaction on 10 April 2012 at 46.7 cents per share. The balance of 3,667 shares were acquired on market at various prices during 2011.

RETURNS

Holders of shares in Enprise are entitled to receive any dividends paid by Enprise. In addition, holders of Enprise's shares will receive the benefit from any increase in the market price of their shares or bear the loss from any decline in the market price. In the event of the liquidation of Enprise, the holders of the shares will be entitled to participate in the remaining surplus of assets (if any) after payment of all creditors.

In determining whether to pay dividends, the Board must have regard to the solvency of Enprise. Enprise is the entity liable to pay any dividend.

The dividend return will be determined by the profitability of the business operations of Enprise and the Enprise Group of companies as a whole.

Each dividend will be determined after the consideration of the Capital requirements, operating performance financial position and cash flow of Enprise at the time.

Nothing contained in this Disclosure Document should be construed as a promise of profitability. There is no assurance that dividends will be paid by Enprise in the future. Whether future dividends are paid, and to what extent, will depend on a number of factors, including those discussed under the section entitled "Activities and Risks".

The Board of the Company currently have no intention in distributing any dividends in the foreseeable future as the focus of the business is to reinvest all profits derived from the business back into the business as part of the Company's growth strategy.

New Zealand taxes may affect the return to investors. Dividends will be subject to New Zealand withholding taxes but the investors' liability in respect of such taxes may be reduced or satisfied to the extent the dividends have imputation credits attached. These comments are of a general nature only and do not constitute legal advice. Persons considering the purchase, ownership or disposition of Shares should consult their own tax adviser concerning the tax consequences in light of their particular situations.

In the event that a dividend is ultimately declared and paid at some point in the future, the Company will be the entity legally liable to pay the dividend.

ALTERATION OF THE SHARES

The terms and conditions attaching to the Enprise shares may only be altered with the approval of a special resolution of shareholders of Enprise. A special resolution of shareholders is a resolution that is approved by 75% of the shareholders present and voting at a meeting of shareholders of Enprise.

ENQUIRIES

Enquiries in respect of Enprise may be directed to:

The Board of Directors

Enprise Group Limited
P O Box 62262
Sylvia Park
Auckland 1644

The NZX Sponsor

Sean Joyce – Corporate Counsel
P O Box 105 745
Auckland 1143

ANNUAL INFORMATION

Enprise shareholders will be sent annually a copy of Enprise’s annual report and financial statements, half-year report, notices of meetings of shareholders and all other shareholder communications.

You may receive a copy of the Constitution of Enprise by requesting the above information in writing from:

The Board of Directors

Enprise Group Limited
P O Box 62262
Sylvia Park
Auckland 1644

ON REQUEST INFORMATION

The shareholders of Enprise may at any time request in writing to Enprise that Enprise provide, and are on payment of any fee prescribed by statute:

- a copy of the most recent annual report of Enprise;
- a copy of the most recent financial statements of Enprise required to be registered under the Financial Reporting Act 1993 and all documents required to be registered with those financial statements;
- a copy of this Disclosure Document.

CERTIFICATE FROM DIRECTORS

We, the persons signing this Disclosure Document, after due inquiry by us, certify that:

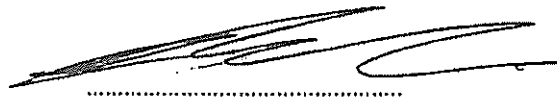
1. All material information relating to Enprise Group Limited, an investment in the Shares of Enprise Group Limited, the process of the creation of Enprise Group Limited, and the business of Enprise Group Limited is set out in this Disclosure Document.
2. All the information contained in this Disclosure Document is complete and accurate in all material respects, and this Disclosure Document does not contain any material that is false, or untrue, or is likely to deceive or mislead, with regard to any particular that is material to Enprise Group Limited or an investment in the Shares of Enprise Group Limited.
3. In the period between 31 March 2014 and the date of this certificate, there have not, in our opinion, arisen any circumstances that materially affect:
 - (a) the trading or profitability of Enprise Group Limited; or
 - (b) the value of its assets; or
 - (c) the ability of Enprise Group Limited to pay its liabilities due within the next 12 months,that is not disclosed in this Disclosure Document.

Signed by the directors of Enprise Group Limited

.....
Mark Clampitt Loveys

.....
George Elliot Cooper

.....
Jens Neiser

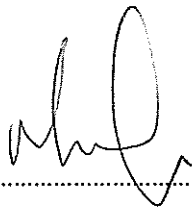

.....
Lindsay John Phillips

CERTIFICATE FROM DIRECTORS

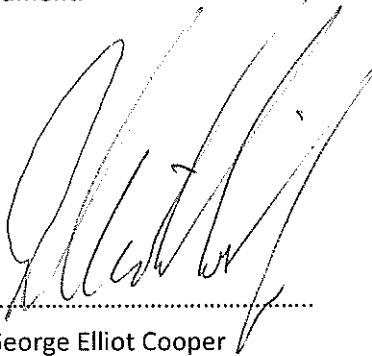
We, the persons signing this Disclosure Document, after due inquiry by us, certify that:

1. All material information relating to Enprise Group Limited, an investment in the Shares of Enprise Group Limited, the process of the creation of Enprise Group Limited, and the business of Enprise Group Limited is set out in this Disclosure Document.
2. All the information contained in this Disclosure Document is complete and accurate in all material respects, and this Disclosure Document does not contain any material that is false, or untrue, or is likely to deceive or mislead, with regard to any particular that is material to Enprise Group Limited or an investment in the Shares of Enprise Group Limited.
3. In the period between 31 March 2014 and the date of this certificate, there have not, in our opinion, arisen any circumstances that materially affect:
 - (a) the trading or profitability of Enprise Group Limited; or
 - (b) the value of its assets; or
 - (c) the ability of Enprise Group Limited to pay its liabilities due within the next 12 months,that is not disclosed in this Disclosure Document.

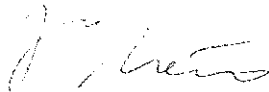
Signed by the directors of Enprise Group Limited



.....
Mark Clampitt Loveys



.....
George Elliot Cooper



.....
Jens Neiser

.....
Lindsay John Phillips

GLOSSARY

The following definitions apply throughout this Disclosure Document unless the context otherwise requires.

ASX means Australian Securities Exchange

Board means the Board of Directors of the Company

CEO means Chief Executive Officer

CFO means Chief Financial Officer

Company and **Enprise** means Enprise Group Limited

CRM means Customer Relationship Management. CRM systems record, track and measure customer interactions and marketing campaigns.

Directors and **Board** mean the directors of Enprise

EDI means electronic data interface

ERP means Enterprise Resource Planning. It refers to business management software—usually a suite of integrated applications—that a company uses to collect, store, manage and interpret data from many business activities.

FY means financial year

HR means human resources

ICT means information and communication technologies

MYOB means MYOB Limited

NSX means National Stock Exchange of Australia

NZAX means the New Zealand Alternative Market

NZD means New Zealand Dollar

NZX means NZX Limited

Enprise means Enprise Group Limited, and its subsidiary companies as the context requires.

SaaS means software as a service

SAP means SAP AG, a global business software company, based in Germany

Share means an ordinary fully paid share in Enprise.

Share Registrar means Link Market Services Limited

SMB means Small and Medium Business

Telco means a telecommunications company

DIRECTORY

Directors

Mark Clampitt Loveys
20 Shepherds Lane
Flatbush
Manukau 2016
Auckland

George Elliot Cooper
132B Plantation Road
RD 2, Te Kauwhata 3782

Jens Neiser
8 Awaba Street
Mosman
New South Wales
Australia

Lindsay John Phillips
37 Pearl Bay Avenue
Mosman
New South Wales 2088
Australia

Registered Office

16 Hugo Johnston Drive
Penrose
Auckland 1061

NZX Sponsor

Sean Joyce – Corporate Counsel
Suite 107, Geyser Building
100 Parnell Road
Parnell
Auckland

Auditor

UHY Haines Norton
22 Catherine Street
Henderson
Waitakere 0650
Auckland

Share Registrar

Link Market Services

PO Box 91976, Auckland 1142

Level 7, Zurich House, 21 Queen Street, Auckland 1010

Investor enquiries: 09 375 5998

Investor email: enquiries@linkmarketservices.co.nz

website: www.linkmarketservices.co.nz

SCHEDULE
ANNUAL REPORT – INCLUDING THE AUDITED FINANCIAL STATEMENTS
FOR THE FY ENDED 31 MARCH 2014