

**ASX ANNOUNCEMENT
RHIPE LIMITED (ASX:RHP)**

21 September 2020

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RHIPE ACQUIRES AZURE SPECIALIST IT SERVICE PROVIDER PARALLO

The Board of rhipe Limited ('**rhipe**' or the '**Company**') is pleased to announce that it has entered into binding legal agreements to acquire 100 percent of the share capital of Parallo Pty, a New Zealand-based IT services provider that specialises in infrastructure and cloud deployment technologies. Parallo helps Independent Software Vendors (ISVs), Software as a Service (SaaS) businesses and other scale-based cloud partners to manage security, performance, availability and cost, including builds, deployments, upgrades and many other related services. The end goal is to enable companies to focus on their own software applications with Parallo taking care of the cloud workload management.

The acquisition of Parallo reinforces rhipe's commitment to provide partners with the latest infrastructure technology support to assist their growth, driving new opportunities to innovate and diversify their businesses. In the past nine years Parallo has invested in developing service offerings focused on Microsoft Azure and VMware software, rhipe's two largest software vendors. We plan to continue to invest in the Parallo business and support its expansion into the Australian market, leveraging rhipe's existing employee and partner footprint.

Parallo's Azure and VMWare environment expertise was built over the last five years and developed into Intellectual Property and know-how on managing Azure and VMWare environments. The acquisition of Parallo will allow rhipe to deepen its offering to its partner ecosystem. Parallo was also recently accredited as a Microsoft Azure Specialist for ISVs, one of only 35 globally, adding greater value to rhipe partners.

Dominic O'Hanlon, CEO of rhipe said, "Parallo has done an outstanding job as one of the leading IT service providers, delivering cloud-services and solutions that drive value to their local ISV market. This investment is significant in helping us achieve an enhanced product and services offering initially in New Zealand and Australia. As well as being cloud software and infrastructure focused, the majority of Parallo's revenue is annuity based, which is very similar to rhipe's revenue profile.

"We intend to continue investing in the Parallo business to support its expansion into the Australia market, leveraging rhipe's existing employee and partner footprint. We look forward to utilising the skills and expertise of the Parallo team, combined with rhipe's extensive channel, to deliver greater outcomes for our partners."

Symon Thurlow, Co-Founder and CEO of Parallo said, "Together with my co-founders Nicole Schaefer and Shaun Webber, we are excited to be joining the rhipe family and believe this is a pivotal step for our customers and employees to align with rhipe's partner-centric focus and channel. We will also benefit from greater support, capital and structure to propel our offering into the future."

The initial purchase price for Parallo is NZ\$4.25m payable in cash upon completion of the transaction. In addition to the upfront cash price, the vendors will be entitled to additional consideration tied to the reported EBITDA financial performance of the acquired business in the first 12 months and the following 12 months. In the 12 months prior to acquisition, Parallo delivered EBITDA of NZ\$650,000 and is expected to deliver a growing EBITDA contribution to rhipe through continued strong organic growth, as well as leveraging both cost and revenue synergies arising from the combination with rhipe.

The current Directors of Parallo are not continuing in their roles however we are pleased to confirm that Symon Thurlow will remain as a Director after the acquisition.

The acquisition is expected to complete in the next four weeks and, excluding transaction costs, is expected to deliver earnings per share accretion in FY21.

This ASX announcement has been approved by the Board of rhipe Limited.

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About rhipe

rhipe, (ASX: RHP) is a global leader in cloud and technology solutions, providing partners with business advisory and deep domain technical expertise to thrive in the growing cloud market. rhipe is recognised as an expert in subscription software licensing in Asia Pacific. Its multi-award-winning services and support division is the industry leader in Microsoft Office 365 implementation and other global vendor solutions.

About Parallo

Parallo exists so that ISVs and SaaS creators can stay focused on their product, their people, their prospects and their customers. Parallo manages cloud platform security, performance, availability and cost, optimises licensing, opens the door to Microsoft Partner benefits and the Azure Marketplace, and provides strategic Security, DevOps and SRE enablement, so Parallo customers can focus on innovation and growth.