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The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Dear Sirs

ASX Code: RHP

Acquisition of nSynergy, investment in LiveTiles, \$25 million Placement and a Share Purchase Plan

The directors of Rhype Limited (whose name is expected to be changed to "Rhipe Limited" at today's annual general meeting) are pleased to announce a further expansion of its Cloud licensing business through:

- the strategic acquisition of 100% of nSynergy OSC Holdings Pty Ltd and its operating subsidiaries ("nSynergy") and;
- a 12.5% investment in LiveTiles and its operating subsidiaries ("LiveTiles"), (collectively, the "Acquisition").

The Acquisition will be funded by an oversubscribed placement to raise \$25 million at \$1.00 per share. The placement will be conducted in two tranches, the first tranche of \$20 million will be completed following shareholder approval at today's annual general meeting and the balance of \$5 million will be completed following approval at an extraordinary general meeting of Rhype Limited to be held in January 2015 (Placement).

The Placement has been managed by Blue Ocean Equities and the subscribers for the shares under the Placement comprise a number of institutional fund managers and high net worth investors. Rhype intends to complete the Placement in advance of the Acquisition. The Acquisition is inter-conditional on and subject to a series of conditions precedent which include no material adverse change to nSynergy.

To ensure all shareholders are able to participate in the capital raising, the board has resolved to offer a share purchase plan ("SPP") to all eligible shareholders. The SPP can raise a maximum of \$3.5million with a minimum of \$2,000 and a maximum of \$15,000 per shareholder at the institutional offer price of \$1.00 per share.

As detailed in the CEO's presentation to Rhype's Annual General Meeting, Rhype's strategy is focused on helping service providers to thrive in the emerging cloud economy.

The investment in nSynergy and LiveTiles adds additional solutions capabilities for the Rhype business in order to provide value added services to its 1400+ service provider channel, broadens the relationship with its key vendors such as Microsoft and provides additional territories such as the USA, China and the UK. Whilst the nSynergy business is small in comparison to Rhype's core licensing business, the acquisition satisfies a strategic desire to build out the solutions offering (including services and helpdesk functions). Importantly, this allows Rhype to work with its key vendor relationships to offer more solutions to expand its licensing programs focused on cloud technology.



Highlights – acquisition of nSynergy:

- nSynergy is a leader in the supply and delivery of innovative consulting cloud focused solutions, in particular Microsoft Sharepoint, Azure and Office 365;
- nSynergy has won awards from Microsoft and has offices in Australia, the United Kingdom, China and the United States;
- nSynergy has over 40 staff and has an impressive blue chip customer base;
- nSynergy has recorded strong revenue and EBITDA growth of +60% in FY14 with +30% EBITDA margins; and
- nSynergy is supported by a strong and experienced management team led by one of the founders, Peter Nguyen-Brown.

Highlights – investment in LiveTiles

- \$2.5m investment valuing the LiveTiles business at \$20m post money;
- LiveTiles is patent protected software product developed by the nSynergy founders;
- the product consists of LiveTiles, a unique interface for Sharepoint and Office 365 for corporate enterprise customers, and a similar product called Mosaic for the education market;
- the product is offered as an add on sale with Microsoft Office 365 and often provides nSynergy solutions services to follow;
- as part of the Acquisition, Rhype will sign a global service provider distribution agreement to offer the product through its service provider channel;
- the user experience interface of the product is designed to make Microsoft Sharepoint, Azure, Office 365 more user friendly for large and/or complex enterprises;
- LiveTiles and Mosaic have 3.7 million users globally using the user interface which in turn drives consumption of other software products including Microsoft; and
- LiveTiles is led by Karl Redenbach as CEO based in New York City. Mike Hill from Rhype will join the board of LiveTiles to monitor the RHP investment.

Transaction summary:

- Acquisition of 100% of nSynergy for approximately \$25 million payable as follows:
 - \$13 million cash payable to the vendors on completion;
 - \$4.35 million by way of the issue of 4,347,826 million fully paid ordinary shares in RHP (subject to voluntary escrow for a period of 12 months from issue);
 - Standard commercial warranties and indemnities for a transaction of this size and scope; and
 - deferred consideration of up to \$4 million (for 2 annual periods – up to \$8 million in total), based on a minimum EBITDA targets for the calendar years ended 31 December 2015 and 31 December 2016. The EBITDA targets range must exceed \$3.5 million but is weighted to an EBITDA goal of \$4.5 million to \$5.5 million.
- Acquisition of 12.5% of LiveTiles by way of a total investment of \$2.5 million (comprising \$1.5 million invested in LiveTiles as fresh equity and the acquisition of \$1 million in existing equity from existing shareholders). It is a condition of the Acquisition that LiveTiles has a minimum cash balance of \$2 million at completion;
- Standard commercial warranties, for the acquisition of 12.5% of LiveTiles and indemnities for a transaction of this size and scope; and
- Mike Hill to join the board of LiveTiles.

The transaction is inter-conditional on both nSynergy and LiveTiles completing as planned and subject to a series of usual conditions precedent, which include a pre acquisition restructure process and there being no material adverse change to the target companies before completion.



Capital Raising:

Placement

Rhype is also pleased to announce the successful completion of a placement to institutional investors to raise \$25 million ("Placement"). The Placement was strongly supported by existing and new institutional investors and closed oversubscribed.

The Placement will be conducted in two tranches:

- Tranche 1: The issue of \$20 million of shares at \$1.00 per share will be completed following shareholder approval of a reset of the company's capacity to issue shares at the Annual General Meeting being held today; and
- Tranche 2: A further issue of \$5 million of shares at \$1.00 per share which will be completed following shareholder approval of the proposed share issue at an extraordinary general meeting of the company to be held in January 2015.

The proceeds from the Placement are intended to be used to pay the cash consideration for the Acquisition, to pay for the costs associated with the Acquisition, and for general working capital.

Share Purchase Plan

In addition to the Placement, Rhype will conduct an SPP under which eligible Rhype shareholders. Eligible shareholders with an address in Australia or New Zealand on the register at 7:00pm (AEDT) on 26 November 2014 may each apply for a minimum of \$2,000 and a maximum of \$15,000 of new shares. New shares issued under the SPP will be offered at an issue price of \$1.00 per new share.

Rhype may accept up to \$3.5million in proceeds from shareholders under the SPP, and reserves the right to scale back applications under the SPP at its discretion. Further details on the SPP will be provided to eligible shareholders in due course.

Transaction Timetable

An indicative timetable for the transaction and capital raising is set out below:

AGM of Rhype	Friday, 28 November 2014
Settlement of Tranche 1 of Placement	Wednesday, 3 December 2014
Tranche 1 Placement shares issued and trading of these shares expected to commence on ASX	Wednesday, 3 December 2014
Despatch of SPP offer booklet	During December 2015
Closure of SPP	Late January 2015
Extraordinary General Meeting to approve Tranche 2 Placement	Mid January 2015
Issue and Quotation of Tranche 2 Placement Shares	Mid January 2015
Allotment and quotation of SPP Shares	Early February 2015
Expected completion of acquisition of nSynergy and investment in LiveTiles	Before 28 February 2015

Please note the above dates are indicative only and subject to change.

Director Share Sale

Dawn Edmonds, COO of Rhype and a Director of the Company, has been granted approval from the board to sell 2m shares (approximately 30% of her current shareholding) alongside the placement shares, to accommodate her personal financial affairs. Post this sale Ms Edmonds will retain 3.7m shares representing approximately 37% of the company, post capital raising.

Ms Edmonds has no current intention to sell any further shares in the company after this sale.



Outlook for 2015

Rhype is undertaking a full re-branding in December 2014 to change its name from Rhype Limited to Rhipe Limited. Newlease Pty Ltd will change its name to Rhipe Pty Ltd.

The outlook for cloud software sales continues to be optimistic. IDC predicts that worldwide cloud software sales will reach \$75 billion by 2017. IDC Asia/Pacific Cloud Maturity Model survey in 2013 found 39.4% of enterprise is yet to have a clear cloud strategy and only 6.7% believe they have an optimized strategy with countries across Australasia measuring at differing maturity rates.

Rhype expects further growth behind the Microsoft stated strategy of "Mobile first, Cloud first". Microsoft continues to invest heavily into its cloud software license offerings. Rhype is well-positioned to take advantage of further market growth having increased its service provider channel.

The acquisition of nSynergy follows recent expansion into new territories (Indonesia, Malaysia and the Philippines) and the launch of the new Cloud LSP program. These areas are expected to build on the continued growth experienced in the company's foundation Australian and New Zealand business.

Rhype has today also released a CEO presentation at the AGM providing further information for investors on the acquisition and current trading update for Rhype which should be read in conjunction with this announcement.

About Rhype

Established in 2003, NewLease (to be renamed Rhipe) sells subscription based licensing programs for key software vendors including Microsoft, Citrix, Datacore, McAfee, Red Hat, Trend Micro, Veeam and VMware. With offices in Melbourne, Sydney, Auckland, Singapore, Bangkok, Manila, Kuala Lumpur and Jakarta. (ASX: RHP).

About nSynergy

Founded in 2002, nSynergy is a global solutions and consulting company which specialises in building modern business solutions predominantly in the Microsoft suite, with a strong differentiator in dynamic user experiences. nSynergy is a multi-award winning Microsoft partner, current Australian Education Partner of the Year and has extensive SharePoint, Office 365 and Azure expertise. nSynergy is present in Australia, United States, United Kingdom, and China.

About LiveTiles

LiveTiles is a software company headquartered in New York, which has designed and developed a solution which sits above the Microsoft Office 365 and Azure platforms. LiveTiles is a user interface design tool that makes it possible for business users to quickly build beautiful, simple technology experiences. LiveTiles seamlessly connects to any tool in the Microsoft ecosystem and inspires sustained user adoption via its modern, touch-friendly functionality and empowers businesses to reap the rewards of greater productivity and collaboration. Founded in August 2014, LiveTiles is a fast growing business that has over 3.7 million users globally, and growing rapidly.

For further information contact Mike Hill, Executive Chairman on 0421 056 691.