

The logo for 'rhipe' is displayed in a white, lowercase, sans-serif font. The letters are bold and rounded. The background is a gradient of orange and red, with a rounded corner on the right side.

rhipe

28th November 2014

AGM

CEO Address

(ASX: RHP)

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rhipe...the Cloud Channel Company

rhipe is passionate about helping service providers to adapt and thrive in the emerging cloud economy



Agenda

- rhipe overview
- rhipe strategy
- nSynergy acquisition
- rhipe trading update
- rhipe capital raising
- questions

rhipe overview

Overview

rhipe sells & aggregates subscription licensing to IT service providers for global software vendors

Leading aggregator in ANZ and SEA of service provider programs for: **Microsoft, VMware, Veeam, Citrix, TrendMicro**

FY14 New vendor programs **DataCore, McAfee & Zimbra** added to Vendor portfolio for subscription licensing programs

Exclusive aggregator agreements

New Zealand: **TrendMicro**

Philippines: **Microsoft**

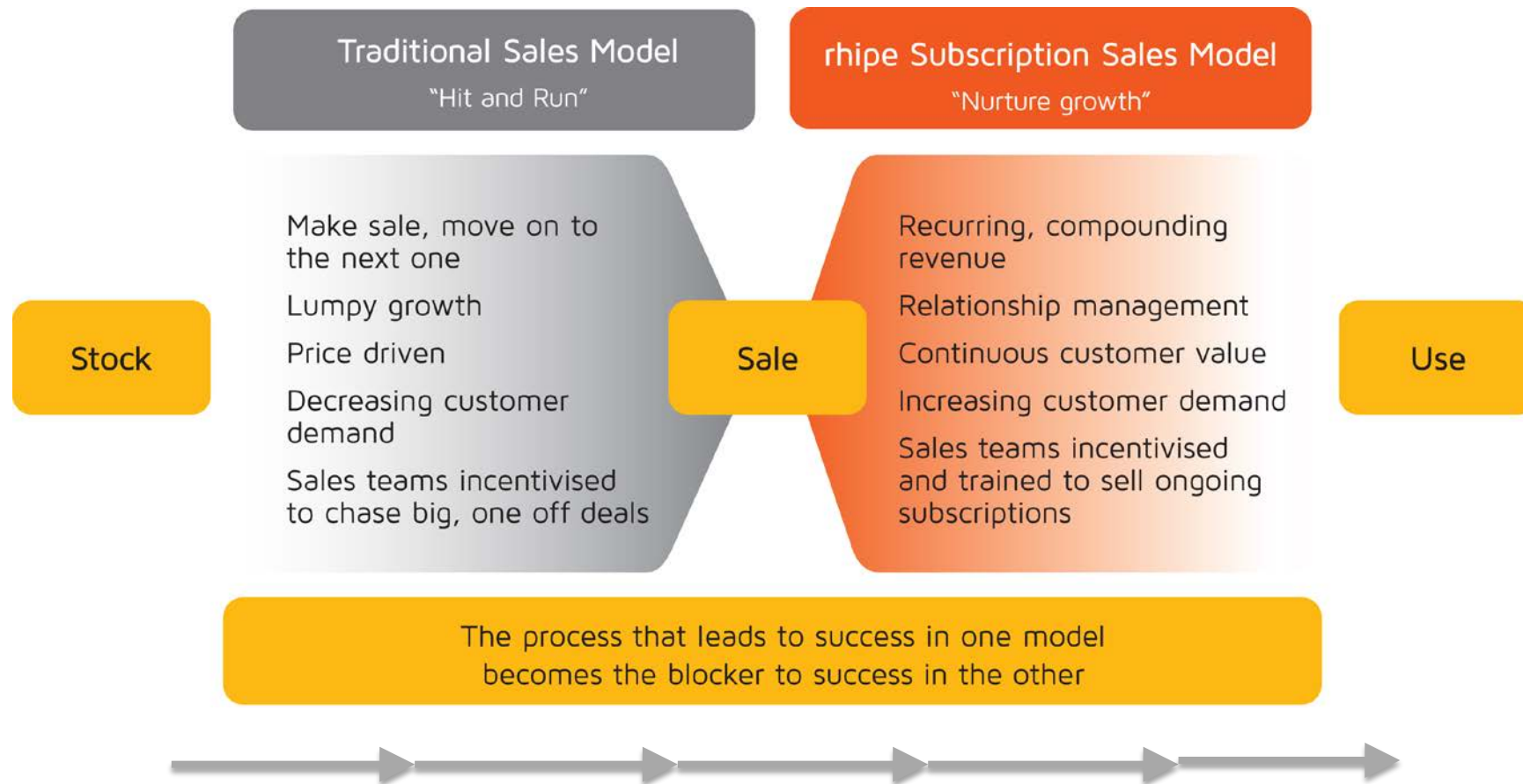
Malaysia: **RedHat**

Australia: **Citrix, Veeam
DataCore, RedHat
TrendMicro**

Australia & NZ: **Zimbra**

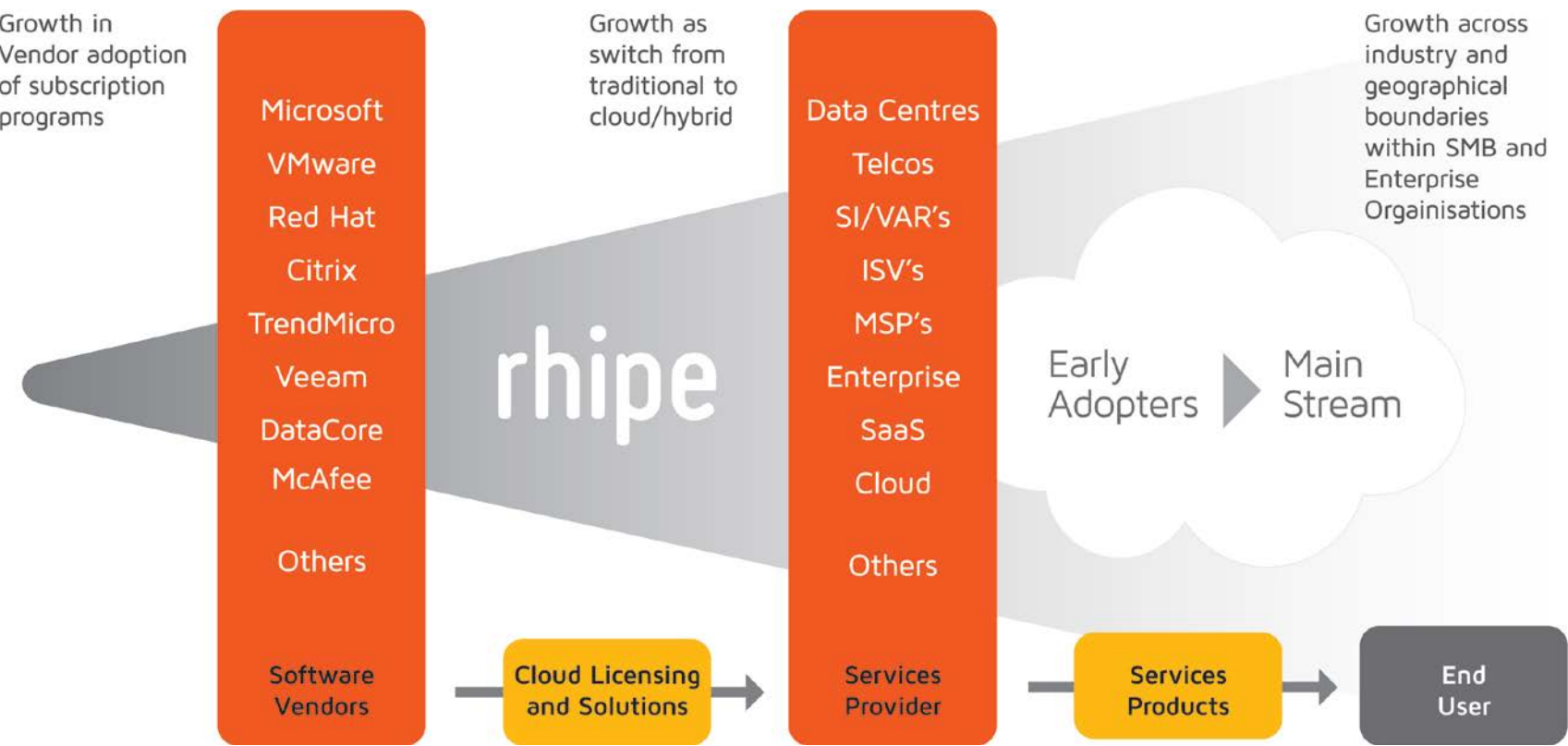
Business model

rhipe's business model is different to the traditional software sales model. Software is becoming more of a utility. You pay for what you use in the new world.



rhipe business model

rhipe sells & aggregates subscription licensing programs for global software vendors



Competitor matrix – subscription licensing

| | Microsoft | Zimbra | VMware | Citrix | McAfee | Veeam | Trend Micro | Red Hat |
|-------------|------------------------|--------------|----------------------|--------------|----------------------|-------------|-------------|-------------|
| Australia | Express Data | Exclusivity | Westcon | Exclusivity | Westcon | Exclusivity | Exclusivity | Exclusivity |
| New Zealand | Express Data Ingram | Exclusivity | Westcon Datashore | Express Data | Westcon Datashore | Westcon | Exclusivity | |
| Singapore | ECS Atria | Software One | Ingram | Atria | | | | |
| Thailand | ECS | Software One | Westcon Comstor | | | | | |
| Philippines | Exclusivity | Software One | Westcon Comstor | | | | | |
| Malaysia | Atria | Software One | | | | | | |
| Indonesia | Atria | Software One | | | | | | |

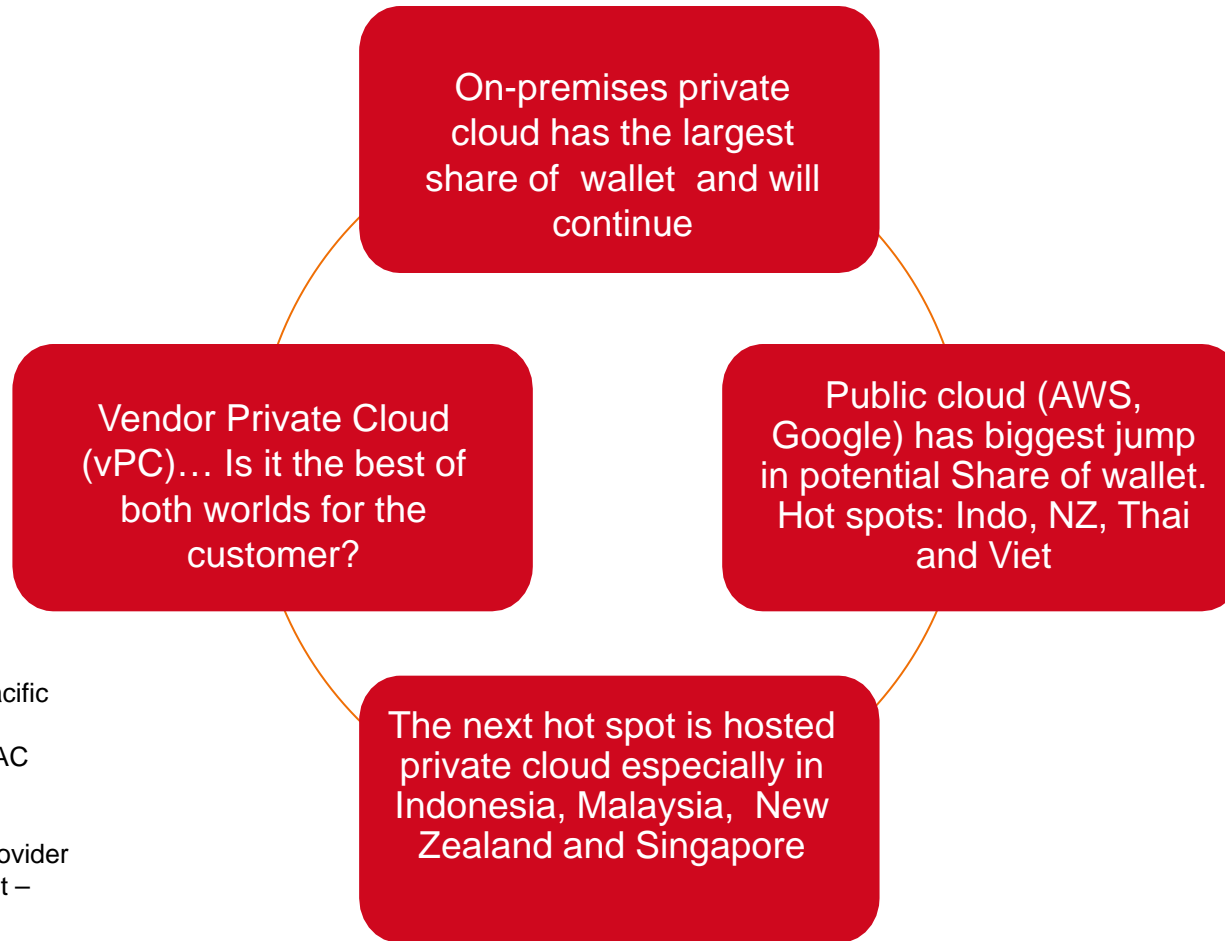
rhipe sells & aggregates
subscription licensing
programs for global
software vendors

Aggregation by region

rhipe is the largest multi-vendor subscription aggregator in Asia Pacific

| | North America | | | | | | | EMEA | | | | | | | Asia Pacific | | | | | | | Latin America | | | | | | | | |
|------------------|---------------|--------|--------|--------|---------|-------------|-------|-----------|--------|--------|--------|---------|-------------|-------|--------------|--------|--------|--------|---------|-------|-------------|---------------|----------|-----------|--------|--------|--------|---------|-------------|-------|
| | MICROSOFT | CITRIX | VMWARE | MCAFEE | RED HAT | TREND MICRO | VEEAM | MICROSOFT | CITRIX | VMWARE | MCAFEE | RED HAT | TREND MICRO | VEEAM | MICROSOFT | CITRIX | VMWARE | MCAFEE | RED HAT | VEEAM | TREND MICRO | ZIMBRA | DATACORE | MICROSOFT | CITRIX | VMWARE | MCAFEE | RED HAT | TREND MICRO | VEEAM |
| rhipe | | | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | | | | | | | |
| Arrow ECS | | | | | | | | X | X | X | X | | | | | | | | | | | | | | | | | | | |
| Comparex | | | | | | | | X | X | X | | | | | | | | | | | | | | | | | | | | |
| Crayon | | | | | | | | X | X | | | | | | | | | | | | | | | | | | | | | |
| HP | X | X | | | | | | X | | | | | | | | | | | | | | | | | | | | | | |
| Ingram Micro | X | X | X | X | | | | X | X | X | | | | | | | X | | | | | | | | | | X | | | |
| Insight | X | X | X | | | | | X | X | X | | | | | | | | | | | | | | | | | | | | |
| Licencias Online | | | | | | | | | | | | | | | | | | | | | | | | X | X | X | | | | |
| Software ONE | X | | | | | | | X | X | X | | | | | X | | | | | | | | | X | | | | | | |

Cloud impact on service providers

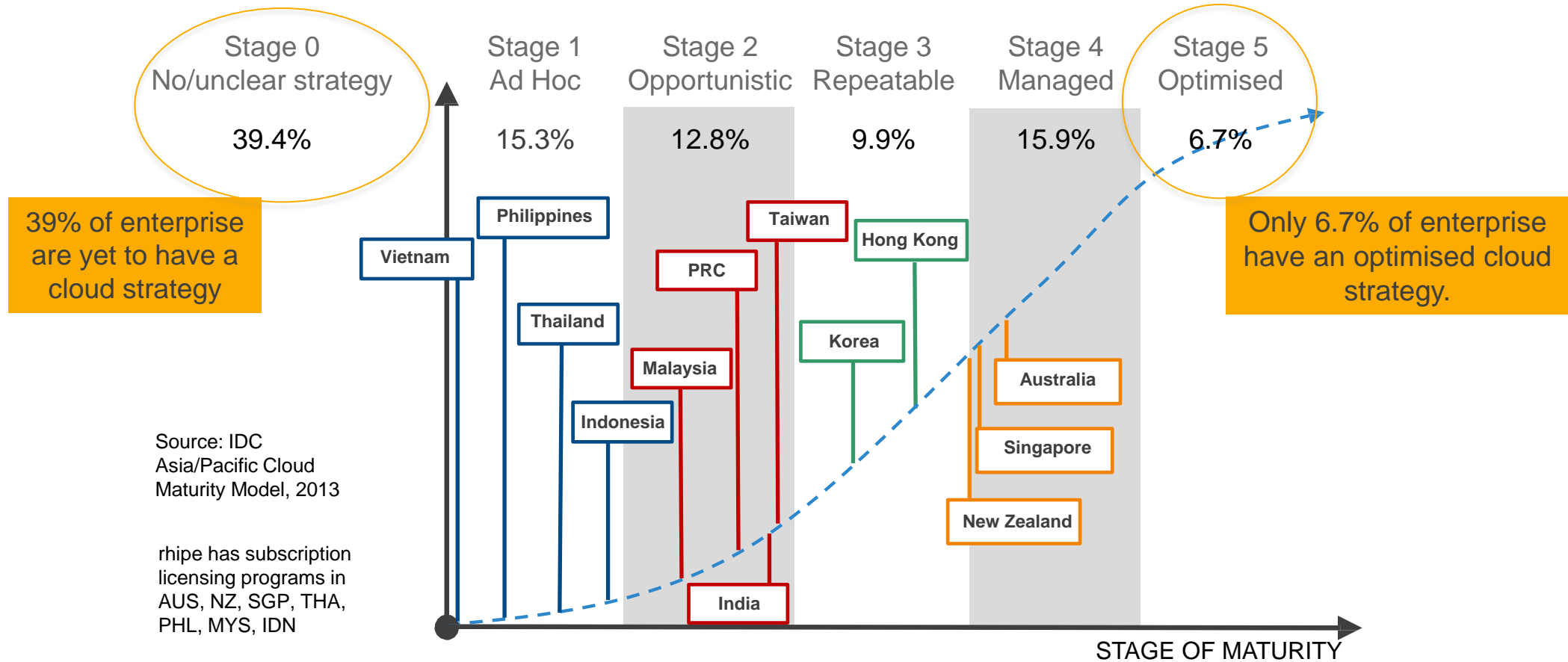


Source: IDC Asia/Pacific Cloud Survey, 2014 (N=1,330 MSFT APAC Region) – Q1, Q2

* SPLA – Service Provider Licensing Agreement – Microsoft Software

Cloud-first marketplace: market maturity

IDC CLOUD MATURITYSCAPE



rhipe strategy

Our growth strategy - key elements

To position Rhippe for the next wave of Vendor Cloud Programs that require implementation and support



Helping Service Providers to thrive in the emerging Cloud Economy

Cloud Licensing

Software sold and implemented by service providers. Pay based on usage

Licensing

Build and expand on cloud licensing programs. Multi vendor and Multi region

Cloud Solutions

Professional services & support people to help Service Providers with technical needs

Support

Services & Support to position offering for new licensing programs

Intellectual Property

Intellectual Property (e.g. in billing, SAM and license optimization)

Retain

Add Value with systems and Ease of Trade for Cloud Service Providers

Lead Generation

Digital and Social Marketing with Leads for our Channel Partners

Accelerate

Digital marketing to accelerate leads and opportunities



nSynergy acquisition

A new cloud solutions business unit



Helping Service Providers to thrive in the emerging Cloud Economy

100%
ownership of
NewLease*

Cloud licensing
Rebrand rhipe
December 1

100%
acquisition of
nSynergy**

Global cloud professional
services and solutions,
and modern support programs

12.5%
investment into
LiveTiles**

Global cloud UX platform.

* NewLease will be rebranding to rhipe on Dec 1 2014

** nSynergy (services) and LiveTiles (products) were owned by the same vendor prior to this investment



Acquisition strategic rationale

Strategy

Growing RHP with new cloud offerings and new geographical presence

Provides our service provider community with ability to sell and support products without needing to hire their own team of skilled people

Inherit well established overseas locations including China and the USA

Obtain distribution agreement of LiveTiles software for our service providers

Great cultural fit with current RHP team

Investment into LiveTiles provides upside in terms of exposure to a very high growth product-centric business

Why nSynergy

nSynergy are a multi-award winning Microsoft-centric business: a go-to partner for major compete deals for Microsoft in US and Australia

nSynergy projects will drive more licensing opportunity

Why LiveTiles

Compliment our current offerings with rapidly growing LiveTiles software

Support service provider community with value add solutions

Cloud software & services

nSynergy operate a profitable global modern consulting/solutions business

nSynergy can provide non-competitive services to and through our rapidly expanding service-provider community, in addition to nSynergy's traditional global revenue streams

nSynergy run a modern support offering called LiveTeam to support strategic programs with Microsoft that Rhipe are targeting

Opens up global market opportunity in rapidly growing Microsoft Azure and Office 365 space

nSynergy – global cloud solutions provider

Key Company Details

- Global modern consulting/solutions provider primarily focusing on delivering cloud solutions
- Services customers of all sizes, with focus primarily on mid-market and enterprise
- Boasts some of the most well known customers globally, including Tiffany's, CBA, Westpac, Nike etc.
- Located in 5 countries
- Share very similar values to original NewLease business, with strong focus on customer service
- Ability to provide services to our community in a non-compete model
- Specialist provider of Office 365, SharePoint and Azure services and solutions
- Used as a strategic go-to partner for Microsoft for major compete deals
- Delivered over 600 projects globally
- 70% of revenue derived from cloud based engagements

Key Company Dates

2002
company founded

2004
UK office

2007
China office

2012
US office

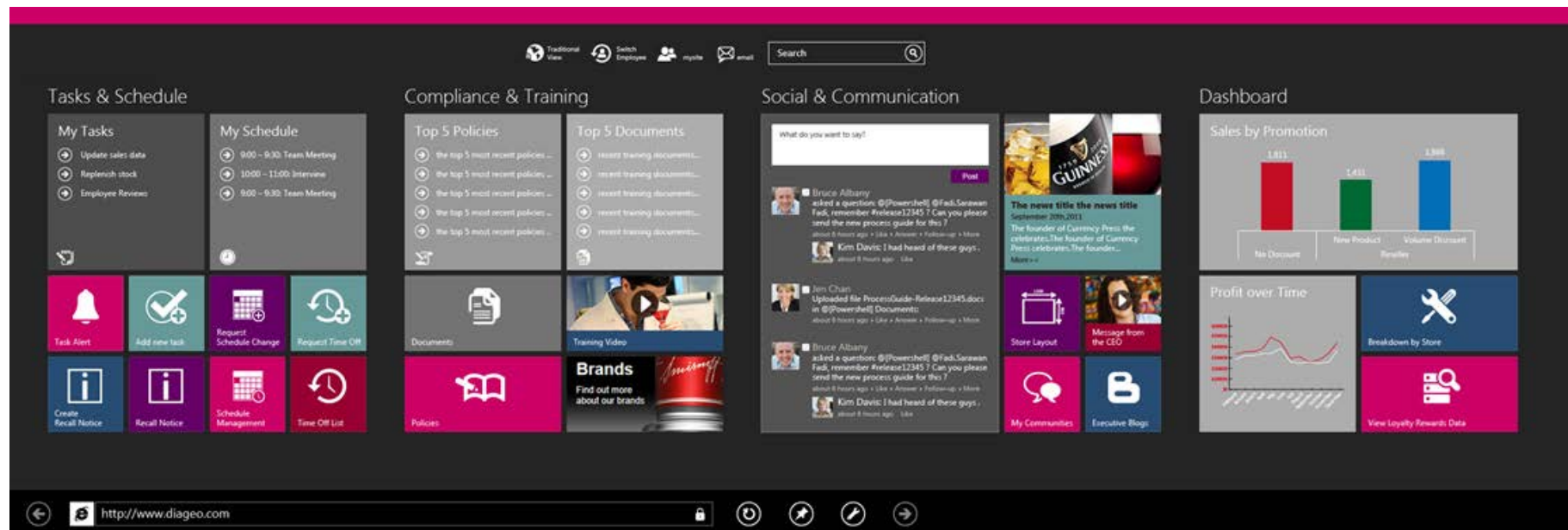
Recent recognition

- Winner MS Education Partner of the Year 2014
- Finalist MS Collaboration and Content Partner of the Year 2014
- Finalist MS Cloud Packaged Solutions Partner of the Year 2014
- Winner MS Collaboration Content Partner of the Year 2013
- Finalist MS Global Enterprise Cloud Partner of the Year 2013
- Inaugural winner of Microsoft Online Services Partner of the Year
- Finalist AHRI Sir Ken Robinson Award for workforce flexibility 2014
- Finalist AHRI Creativity and Innovation Award
- Finalist AHRI CEO Award

LiveTiles – investment

LiveTiles

User Experience platform for the cloud.
Office 365, Azure, and expanding.



LiveTiles – cloud UX platform

Key Company Details

- Significant global growth since launch in 2014
- Used by organisations with up to 3.7M members. Led by award winning Mosaic Education solution built on LiveTiles.
- Fully Microsoft endorsed to help drive their key FY15 metrics
- 2014 LiveTiles established as new company and HQ in New York City Use sister-company nSynergy to do key implementation work

LiveTiles highlights

- Initially built in Office 365
- Now supports Azure and native .NET apps
- Plans to extend into other platforms to scale market opportunity
- Subscription billing model

LiveTiles future

- Negotiating several significant multi-million user LiveTiles deals
- Grow Mosaic product rapidly with Microsoft into education sector

Scale Strategy

- Distribute through strategic partnerships
- Sell solution through large industry bodies such as education institutes and aggregators

Acquisition of nSynergy key terms

| nSynergy | | | |
|-------------------------|--|---|--------|
| Acquisition | 100% of nSynergy Group | | |
| Purchase Price | \$25.35M (including \$8M contingent Earn Out over 24 months) | | |
| Consideration | \$17.35m upfront represents a 4.9x EBITDA multiple on \$3.5m EBITDA in FY14 • \$13M cash + \$4.35M RHP scrip issue | | |
| Contingent payments | Additional (2 X \$4M) consideration payable over next 2 years based on achievement of target EBITDA (weighted to high end of EBITDA range) •12 mths ending 31 Dec 15 EBITDA target between \$3.5m and \$5.0m EBITDA •12 mths ending 31 Dec 16 EBITDA target between \$3.5m and \$5.5m EBITDA | | |
| Strategic consideration | Microsoft endorsed cloud solutions company, provides solutions and helpdesk services to support Office365 and Azure products for Microsoft. New regional expansion. Licensing “synergy” opportunities. | | |
| Offices | Melbourne (HQ), Sydney, Shanghai, NYC, London. Total of 48 Staff | | |
| | FY13 nSynergy Unaudited Pro Forma (\$M) | FY14 nSynergy Unaudited Pro Forma (\$M) | Growth |
| Operating Revenue | 6.5 | 10.4 | +60% |
| EBITDA | 1.0 | 3.5 | +250% |

Investment into LiveTiles key terms

| LiveTiles | |
|---------------------------------|--|
| Investment | 12.5% stake in LiveTiles Group |
| Investment Amount | Cash investment of \$2.5M (post money valuation of \$20M) |
| Board and Governance | rhipe holds Director position (Mike Hill to join board) along side founders Karl and Peter. |
| Strategic considerations | Highly endorsed software product with patent protected IP, Global Distribution Agreement for RHP to distribute to service provider channel. Lead product in very large Microsoft compete propositions against Google to secure large enterprise software deals. Drive services to build SharePoint interface, O365 and Azure. |
| Financial contribution | Software being deployed to large enterprise and education sector with a strategy to mass deploy ahead of monetisation. Software product complete and functional. Launched in July 2014 and used by organisations with up to 3.7M members |
| Offices | Melbourne, Sydney, NYC (HQ), Shanghai |

rhipe trading update

rhipe YTD trading update

FY15 YTD*
Group Revenue
continues
to grow

+40%

* Unaudited FY15 YTD for first 4 months of fiscal year to October 14

Historic seasonality 1H lower than 2H

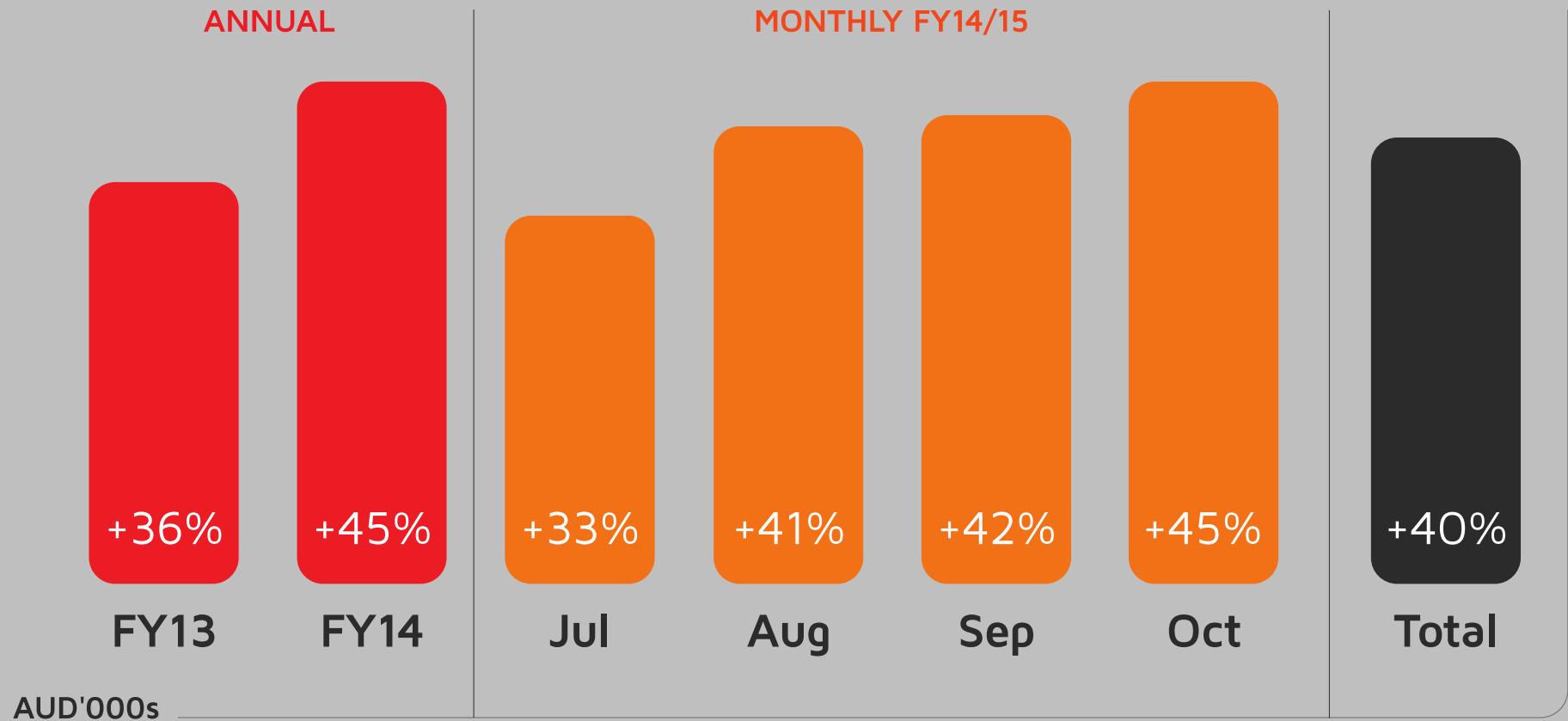
Gross Margin in core AU market above expectation range of 15-16%. Gross Margin for SEA below with a YTD blended margin across the business of approximately 14%

Growth Investment opex has been accelerated 1H to address opportunity in SEA and LSP

Group operating cost structure is approximately \$1.15M / month

All opex is inclusive of growth expenditure. No costs are capitalized

Group revenue % growth



- Monthly growth rates in FY14 ranged between 32% and 70% as noted in Investor briefing 25 August 2014
- Slide represents monthly growth % over same month prior year

rhipe South-East Asia revenue YTD

SEA Revenue
first 4 months:
89%^{YOY}
Growth – \$9M

Singapore - opened since 2012

Thailand - opened Apr 2013

Philippines - opened Sept 2013

Malaysia - opened Feb 2014

Indonesia - opened Aug 2014

Revenue growth in all SEA markets is positive albeit growing at different rates given market maturity for cloud adoption

As markets grow, executive resource has been added to secure relationships in region and capitalise on opportunities

Service provider growth

Service Providers have grown from

+1300

at 30 June 2014 to

+1460

at 31 October 2014



- rhipe is adding between 30-50 new service providers per month

Investment & gross margin

- Australia's Gross Margin remains strong and ahead of expectations.
- South East Asia's Gross Margin is lower as large local service providers join up first and sophisticated international customers procure in these markets. Expect margins in SEA to improve as “mid and lower tier” service providers adopt cloud subscription licensing over time.
- Blended AU/SEA mix for FY15 expected to be 13-15% depending on regional growth

RHP has many growth opportunities in terms of geographies and vendor programs.

Of these, the first four months of FY15 has resulted in the following investments

- Corporate Executive Team including South East Asia Executive Hub
- SEA Growth (more regions with opex incurred to build customer base)
- LSP Cloud Team: Current headcount of four since July 14 (three Sales and one operations) due to early success we expect to recruit a further headcount for sales

Financial results FY 14

| | FY12 NewLease Audited (\$000s) | FY13 NewLease Audited (\$000s) | FY14 –12 months NewLease Unaudited (\$000s) | % change | FY14 - 3 months Rhype Consolidated ⁽¹⁾ Unaudited (\$000s) |
|---|---|---|--|-----------------|---|
| Operating Revenue | 37,822 | 51,514 | 74,548 | + 45% | 74,548 |
| Gross Margin | 6,320 | 8,318 | 11,991 | +44% | 11,991 |
| EBITDA | 902 | 882 | 1,998 | +127% | 1,468 |
| EBIT (pre expansion costs) | | 833 | 1,900 | +128% | 1,370 |
| EBIT (after add back of expansion costs) | | 1,593 | 3,407 | +114% | 2,887 |
| Capex expenditure | | | | | 357 |
| Cash at bank | | | | | 4,457 |
| No. of new partners | 600 | 900 | 1350 | +50% | |

Revenue
Growth

+45%

New
partners

+50%

New market
investment

\$1.5M

EBITDA
growth NewLease

+127%

rhipe capital raising

Sources and uses

| Sources | Amount | Uses | Amount |
|----------------|--------|--------------------------|--------|
| | | | |
| Capital Raised | \$20M | Consideration nSynergy * | \$13M |
| | | Investment LiveTiles | \$2.5M |
| | | Deal costs and fees * | \$1.5M |
| | | Working Capital | \$3.0M |
| | | | |
| Total | \$20M | Total | \$20M |
| | | | |

Note additional \$4M Scrip issue as part of acquisition in nSynergy excluded from cash flows above.

* Consideration is \$10M paid on completion plus \$3M paid on satisfaction of audit 31 Dec 2014.
Deal costs and Fees include legal, accounting, other fees and capital raising costs

LiveTiles was wholly owned by the same vendor as nSynergy

Capital raising timetable

| Event | Date |
|--|----------------------------|
| ASX Trading Halt | Wednesday 26 November 2014 |
| ASX announcement and recommencement of trading on the ASX | Friday 28 November 2014 |
| Settlement of placement | Wednesday 3 December 2014 |
| Issue of Placement Shares and normal trading of these shares expected to commence on the ASX | Wednesday 3 December 2014 |
| Expected completion of acquisition of nSynergy | End January 2015 |
| Despatch Share Purchase Plan Offer Booklet | December 2015 |
| Closure of Share Purchase Plan | Before end February 2015 |
| Allotment of Share Purchase Plan Shares and Quotation on ASX | February 2015 |

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

Questions?