

27 February 2019

ASX Announcement

Cohesion SaaS Market Update

Secures major strategic client to drive contracted users past 11,000+

General Update

- Cohesion is Empired's proprietary Enterprise Content, Records & Collaboration Management software platform. The platform is built predominately on Microsoft technologies and incorporates a range of Empired proprietary and third party software to deliver world class Enterprise Content Management.
- The platform is now available in 3 forms – Public Cloud, Private Cloud or on Microsoft Office365.
- Empired charges an implementation fee plus an ongoing annuity SaaS Fee typically priced per user. The SaaS Fee per user can range significantly depending on the platform selected, Cohesion modules implemented and services consumed.
- Cohesion is the New Zealand Public Sector market leader for ECM SaaS software.
- **In recent months Cohesion has secured material growth in contracted users growing from 7,000 to 11,500 contracted users up 65%**

Key Strategic Win

- **Oranga Tamariki – Ministry for Children – 4,500 Users**
 - Oranga Tamariki is a new Ministry dedicated to supporting any child in New Zealand whose wellbeing is at significant risk of harm now, or in the future. Oranga Tamariki also work with young people who may have offended, or are likely to offend.
 - Oranga Tamariki has selected Cohesion as the core software platform to deliver intranet and related content services to over 4,500 users across its entire organisation.
 - An implementation fee will be charged for the service to be progressively rolled out over an approximate 6 month period. A base monthly SaaS fee will be charged per user as they are implemented. Oranga Tamariki will also assess a range of additional modules and functionality which may also be deployed through the Cohesion platform.

Cohesion Outlook

- Empired will continue to focus on adoption of Cohesion into NZ Public sector where there exists a total market opportunity of 80,000 users.
- Empired has completed significant work on readying Cohesion for launch in Australia including the establishment of a dedicated sales function. Management estimate the Australian public sector (including local councils) market opportunity at 1.8m users.
- Following significant investment in Cohesion it is expected that capital intensity in FY20 will reduce as SaaS annuity revenue continues to build.
- **With a strong pipeline of mature opportunities Cohesion contracted users are expected to exceed 13,000 by the end of the financial year.**

Russell Baskerville, Managing Director, Empired said, "We are delighted to have been selected by some of New Zealand's largest government agencies to help them manage their critical information assets. We are confident that our offering is portable to the Australian market and excited by the opportunity this presents to us."

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About Empired Limited

Empired Limited is an IT Services provider with a broad range of capabilities targeted at delivering enterprise IT solutions that improve efficiency, productivity and competitive advantage for our clients.

Our clients are medium to large corporate and government organisations within key industries including Energy and Natural Resources, State and Federal Government, Finance and insurance, Utilities and Transport.

We offer a broad range of services from managed services to digital transformation. Together they provide a breadth of service and expertise not seen in other consultancies of similar pedigree allowing Empired to deliver 'end to-end' business solutions that assist our customers in driving their key business outcomes.

With a team of over 1,000 people located throughout Australia, New Zealand and North America, Empired has built a reputation for service excellence. This combined with our strategy that is underpinned by initiative, innovation and growth ensures that in a dynamic and rapidly growing technology market place Empired is strongly positioned to capture market share and continue to build on its success.

Important notice re forward looking statements

Certain statements made in this communication, may contain or comprise certain forward-looking statements. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, and business and operational risk management. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.