

ASX Announcement

16 September 2015



Blue Chip Acquisition: Leader in Private Cloud Services

Bulletproof to acquire Infoplex Private Cloud Services business:

- Purchase price \$3.55m in cash (funded by placement to institutional investors)
 - EPS accretive deal represents a payment of c.2x EBITDA (fully synergised)
 - EBITDA contribution to FY16 expected to be c. \$1.0m
 - Blue chip managed private cloud customers
 - Leading ISO27001-certified VMware-based private cloud platform
 - Infoplex employees to transition to Bulletproof
-

Bulletproof (ASX:BPF) is pleased to announce it has agreed to acquire Infoplex Pty Ltd, a leading Managed Private Cloud company that utilises third party data centres in Sydney and Melbourne. Infoplex, part of the Nextgen Group, manages and hosts blue chip customers' private cloud requirements for core enterprise applications.

Bulletproof has agreed to pay \$3.55m cash for the purchase of 100% of the shares in Infoplex. The funds to meet that consideration and associated costs have been raised from a placement of \$3.8m of the Company's shares at 25c each with a number of institutional investors, including existing shareholders. The Company proposes to undertake a subsequent Share Purchase Plan at the same price offered to those placement investors (25c), to ensure all shareholders have the opportunity to participate in the transaction.

The Infoplex business currently has annualised revenues of c. \$6.0m with maintainable earnings of \$1.4m EBITDA annually (including some synergies applied immediately upon completion of the transaction). Once the business is fully integrated, further savings will be achieved - with full synergies anticipated to allow the business to generate in excess of \$2m EBITDA annually.

Infoplex's top clients include the Australian operations of a global financial institution that leverages Infoplex's Sydney & Melbourne data centre footprint to host its mission critical applications in a high performance, fully redundant managed private cloud.

Speaking about the acquisition, Bulletproof CEO, Anthony Woodward, said:

"As Bulletproof engages clients in their journey to cloud, we increasingly identify applications that customers wish to move to private cloud for a variety of reasons. This acquisition gives us additional, market leading, private cloud capacity and capability. That not only expands our own offering, but also presents a clear opportunity to the Company to acquire more of these customers. Infoplex uses technology platforms and skills in which we are already the proven market leader, providing managed private cloud services to customers like Bluescope Steel, Crownbet and Movember.

For personal use only

The acquisition will give us broader depth and additional skills to deliver more world class private cloud services to enterprise and government customers. This acquisition also positions Bulletproof as the largest, and most trusted Managed Cloud Services provider in the region. We are excited to count Infoplex as part of the wider Bulletproof family.”

More on Infoplex

Infoplex has provided market-leading Managed Private Cloud services to enterprise and government customers in Australia since its inception in 2006. Provided from redundant Metronode data centres in Sydney and Melbourne, the company offers fully managed private cloud services on an on-demand, per-capacity or per-infrastructure block basis, with self-service capabilities. Disaster Recovery, advanced backup and high end managed firewall services are among the many value-add services offered on the platform. Typical workloads include internet-facing, customer facing and back-office workloads including virtualised centralised desktop infrastructure on a large scale.

Immediate synergy opportunities arise from consolidated buying of key capacity and licensing from suppliers that Bulletproof and Infoplex share. Additional compute and storage capacity for both existing and new customers can be added with minimal incremental cost to the core platform, which has large capacity headroom when deployed.

The high degree of potential automation on the Infoplex platform allows for operational efficiencies to be leveraged as the customer base on the platform grows, requiring lower levels of increased staffing to manage.

Bulletproof will offer the advanced private cloud capability enabled by the acquisition to its existing customer base of over 650 clients. The Company will also have the opportunity to cross sell its market-leading end to end public cloud services including consulting, implementation and ongoing managed services to the Infoplex enterprise and government customer base.

Share Placement

Prior to signing the acquisition, Bulletproof received firm offers to place \$3.8m of the Company's shares with a number of institutional investors, at a price of 25c per share. That price was a 15.4% discount to the 30 day VWAP of the shares as of 4 September (the date offers were required); and a 24% discount to the closing price of shares on that day. The shares placed represented 12.6% of the Company's issued share capital, and was within the 15% placement capacity allowed under Listing Rule 7.1.

Those firm offers were called today, as the acquisition agreement became effective.

For personal use only

Share Purchase Plan

The Company proposes to offer a Share Purchase Plan to all shareholders in the coming weeks, to acquire up to \$15k worth of shares, at an offer price similar to that offered to institutional shareholders in the placement. Shareholders should look out for the relevant documentation in the coming weeks.

Anthony Woodward
Chief Executive Officer
Tel: +61 2 9663 9022
<http://www.bulletproof.net.au>

Stephe Wilks
Chairman
Tel: +61 2 9226 9839

About Bulletproof

Bulletproof Group Limited is an Australian-owned, publicly listed company with offices in Sydney and Melbourne, Australia and employees in the USA. Bulletproof Group shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

Founded in 2000, Bulletproof is Australia's leading end-to-end mission critical Cloud Services provider, providing Cloud Services to business, enterprise and government customers. Bulletproof has consistently been first to market with public and private cloud based services and innovations. With over 14 years of experience in managed hosting and Cloud Services, Bulletproof continues to drive industry innovation since being the first provider in Australia to launch a VMware public cloud service in 2006, the first in 2012 to provide Managed AWS services and in 2013, Bulletproof was given the status of the first and leading AWS Premier Consulting Partner in A/NZ.

Bulletproof's world-class service allows customers to focus on their core business to ensure they have the freedom to be remarkable.

For personal use only