

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

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30 October 2019

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**RHIPE JAPAN APPOINTMENT AS INDIRECT CLOUD SOLUTIONS PROVIDER BY
MICROSOFT JAPAN**

The Board of rhipe Limited ('**rhipe**' or the '**Company**') is pleased to announce that rhipe Japan has been appointed by Microsoft Japan as an Indirect Cloud Solutions Provider (CSP), effective immediately. Headquartered in Tokyo, rhipe Japan is a newly formed Joint-Venture (JV) company which is owned 80% by rhipe Limited and 20% by Japan Business Systems (JBS). Founded in 1990, JBS has over 2,000 employees and has been awarded a Microsoft Japan partner of the year for six consecutive years.

Rhipe Limited expects to invest approximately AUD \$3M in the rhipe Japan joint venture during the 2020 Financial Year. This investment will largely be focused on hiring personnel and delivering marketing, systems and enablement services to drive the adoption of Microsoft Cloud Subscriptions amongst Small and Medium sized businesses (SMBs) in Japan.

rhipe CEO, Dominic O'Hanlon says "rhipe Japan's appointment as an Indirect Cloud Solutions Provider for the Japanese market is the result of rhipe's significant investments and very strong results over the past three years. Together with our partner JBS, rhipe plans to bring a new subscription and Pay-As-You-Go (PAYG) based business model to one of Microsoft's largest markets in the world. Like other countries that rhipe has entered, Japan will take a number of years of investment before it is able to deliver financial returns to our shareholders. However, Japan has approximately five times the number of SMBs as Australia and rhipe believes the opportunity in Japan is greater than any other market in which the company has previously launched. Additionally, this is the first market in which rhipe has used an established Microsoft business partner to work with via a joint venture. The combination of rhipe with the highly respected market position, technical capabilities, and strong relationships that JBS has in Japan is a very exciting prospect for both companies".

Impact on FY20 Guidance

rhipe maintains its FY20 Operating Profit Guidance of AUD \$16M excluding or \$13M including the required investment for rhipe Japan. This operating profit guidance excludes any changes in market conditions or any major investment initiatives such as vendor or product expansion or acquisition opportunities. A further update will be provided at our forthcoming Annual General Meeting on 21st November 2019.

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About rhipe

rhipe, (ASX: RHP) is the cloud channel company. It provides its partners with a complete end to end cloud solution, helping them to grow and thrive in the emerging Cloud economy. As Cloud 1st, Channel 1st company, rhipe is recognised as the leading expert in subscription software licensing in Asia Pacific and its multi-award-winning services and support division is the industry leader in Microsoft Office365 implementation.

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