

Wednesday 13 August 2014

NZX Announcement

Finzsoft acquires Sush Global Solutions Limited

Auckland-based financial technology company [Finzsoft Solutions Limited](#) (NZX:FIN) has today announced the entry into an agreement for the acquisition of 100% of the shares in Sush Global Solutions Limited (trading as '[Sush Mobile](#)').

Sush Mobile is a mobile innovation powerhouse that specialises in emerging and disruptive technologies with a diverse portfolio of clients across the finance, agriculture, central and local government and retail sectors.

The purchase price is NZ\$1,900,000.00 subject to post completion adjustments for revenue generated in the financial year to 31 March 2015. Completion is expected to occur on 28 August 2014. Further details regarding the transaction are set out in Appendix 1.

The Sush Mobile deal is part of a planned approach for Finzsoft to build next generation capabilities and reinforces the Fintech company's commitment to leading the development of transformational products for the banking and finance sector, says Finzsoft Managing Director, Andrew Holliday.

"Sush Mobile is a proven, successful and profitable mobile provider. The acquisition of Sush Mobile will provide a diversified income stream for Finzsoft along with access to comprehensive in-house enterprise mobility solutions that will give us a competitive, innovative edge, and a positive material impact both on revenue and bottom-line."

Finzsoft provides the mission critical software that runs banks and financial institutions. Together, Sush Mobile and Finzsoft will leverage 'mBank' solutions to respond to the key current disruptive trends in banking – O2O (Online to Offline), IoT (Internet of Things) and Customer Centricity.

The two companies have previously partnered to develop Finzsoft's Seal the Deal app and mobile banking apps that Finzsoft has sold into local building society and credit union clients, as well as [St George Bank](#) in Australia as part of the company's latest material work orders.

CIO, Online and Mobility for Westpac Australia, Dhiren Kulkarni, who has been a Finzsoft customer since 2005, says the whole world is moving toward mobility and doing everything on the go, including anything to do with your bank – be it payment, service, quote or purchase.

"Currently 50 to 60% of our enquiries and payments come via mobile. This number is growing every day because a device is always to hand. With Finzsoft being a largely online system at this stage, the mobile offering is critical to Finzsoft and its customers," says Mr Kulkarni.

Finzsoft Solutions

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Sheenu Chawla and Sulabh Sharma, who co-founded Sush Mobile in 2009, say they welcome the deal which will give the New Zealand tech start-up access to global markets and Finzsoft's proven back-end technology.

"Finzsoft is known for its maturity and integrity in the financial sector, and although we deal with customers outside of the financial sector, we both have a target market of enterprise customers, so there are good synergies," says Sulabh Sharma.

"To complete every innovation story there has to be an integrated, connected system at the back-end. This is Finzsoft's strength, which combined with our mobile innovations will provide better servicing for customers with more innovative channels for clients," says Mr Sharma.

Andrew Holliday says that Sush Mobile are real leaders in what they do and it is Finzsoft's intention to preserve the company's unique culture and identity.

"Sush Mobile have a talented, young and tech savvy team of 30 plus people, and we want to retain the ideals of its startup culture, while providing opportunities for growth," says Mr Holliday.

The Sush Mobil deal comes just a month after Finzsoft announced the appointment of Gen-I's Hugh McKellar to the position of Chief Operations Officer, and in a year that has seen strong profit growth following a change in leadership and the first material work orders from long-term client, St George Bank in Australia.

"2014 has been a real growth year for the business with steady work orders from tier-one banking and finance clients," says Andrew Holliday. "With Sush Mobile and Hugh McKellar onboard, along with increased staff numbers, Finzsoft is well positioned to become the leading asset-backed finance and software vendor in the Asia-Pacific region."

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Appendix One

Under the agreement for sale and purchase, Finzsoft will acquire 100% of the shares in Sush Global Solutions Limited. The completion date for the sale and purchase of the shares is expected to be 28 August 2014. The agreement is conditional upon the parties being satisfied with the financial statements of Sush for the financial year ended 31 March 2014 and the four months to 31 July 2014.

The consideration payable by Finzsoft for the purchase is \$1,900,000, subject to post completion adjustments for revenue generated in the financial year to 31 March 2015.

Of the consideration and subject to adjustment, \$533,334 is payable in cash on the completion date, \$533,333 is payable in cash six months after the completion date, \$300,000 is to be satisfied by the issue of ordinary shares in Finzsoft to the vendors on the first anniversary of the completion date and \$533,333 is payable in cash on the first anniversary of the completion date.

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Under the sale and purchase agreement, the parties are to enter into put option deeds pursuant to which Finzsoft grants the vendors the right to require Finzsoft to repurchase the shares issued to them in part payment of the consideration provided this right is exercised in the one month period after the second anniversary of the completion date. The put options are subject to Finzsoft complying with the obligations under the Companies Act in respect of repurchasing shares. If Finzsoft cannot repurchase the shares it will instead make an additional payment to the vendors of the difference between the issue price of the shares and their market value.

About Sush Mobile:

An innovative mobile solutions provider based in Auckland and Wellington, Sush Mobile specialises in providing comprehensive enterprise mobile solutions that generate demonstrable return for its customers. Clever tools aligned with business objectives offer businesses sustainability within a dynamic, ever-changing global marketplace. www.sushmobile.co.nz

About Finzsoft:

Finzsoft has offices in Singapore, Malaysia, Australia and Auckland and employs in excess of 40 staff. Since its launch 25 years ago, the company has become one of the leading financial software and solutions providers for banks and financial institutions in Australasia. www.finzsoft.com

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