

May 15, 2013

Asure Software Reports 2013 First Quarter Financial Results Exceeding Expectations

- First quarter EBITDA*, excluding one-times*, was \$727,000 vs. guidance range of \$400,000 to \$600,000
- First quarter revenue of \$6.0 million vs. guidance range of \$5.7 to \$6.0 million
- First quarter net loss per share, excluding one-times* was \$(0.15)

AUSTIN, Texas, May 15, 2013 (GLOBE NEWSWIRE) --[Asure Software, Inc.](http://www.asuresoftware.com) (Nasdaq:ASUR), a leading provider of workplace management software, announced results for the first quarter ended March 31, 2013.

Q1 Strategic Highlights

- Expanded the AsureSpace solution with long-time global customer Proctor & Gamble; the client purchased additional Resource Scheduler software licenses for their global offices that do not currently use the AsureSpace solution. This sale, in addition to recent contract expansions with clients such as Merck (for professional services and videoconferencing integration), demonstrates success with Asure's "Land & Expand" strategy to increase customer profitability and retention with innovative, trusted solutions. Within the AsureForce product line, success with SaaS-based sales in the mid-market continues with the addition of Health Concepts, Hiscox, Inc., and Multiquip, Inc. to the AsureForce customer family.
- Launched new version of the Web site, www.asuresoftware.com to better support Asure Software's growth objectives. The new site improves the user experience and demonstrates a more elevated thought leadership position in the workplace management industry. It also features social media integration, a company blog, integrated access to customer tools and resources, and a much deeper level of industry and product-related information for the AsureForce TLM offerings and AsureSpace workplace management solutions.
- Deployed an integrated enterprise-wide Client Service Portal, which allows complete integration of customers from prior acquisitions, better client access to information, and the ability to cross-sell multiple offerings based on a client's objectives. The portal will help improve client retention and satisfaction through better access to information and resources.

Q1 Results

- Revenue for the quarter was \$6.0 million compared to \$5.9 million in the previous quarter and \$4.2 million in the first quarter 2012.
- Non-GAAP revenue* for the quarter was \$6.2 million compared to \$6.3 million in the previous quarter and \$4.2 in the first quarter 2012.
- Gross margin for the quarter was \$4.2 compared to \$4.3 in the previous quarter and \$3.1 in the same quarter 2012.
- EBITDA* excluding one-time items* for the quarter was approximately \$727,000 compared to \$948,000 in the previous quarter and \$777,000 in the first quarter of 2012. One-time items* in the quarter were approximately \$320,000 up from \$175,000 in the previous quarter and down from \$509,000 in the first quarter of 2012, and were related to legal and professional fees, site consolidation related to the acquisition of Meeting Maker and other one-time expenses*.
- Recurring revenue remained steady at 79% as compared to the previous quarter and increased from 74% over the first quarter of 2012.
- Cloud (SaaS-based) revenue for the quarter increased to \$3.1 million up 1.41% over the previous quarter and up \$75,000, or 3.48% over the first quarter of 2012, excluding PeopleCube.
- Cloud (SaaS-based) bookings for the quarter decreased slightly by 4% from the previous quarter and increased by 16% from the first quarter of 2012, excluding PeopleCube.

Management Commentary

[Pat Goepel](#), Chief Executive Officer of Asure Software commented, "We are pleased with our performance in the first quarter. The initiatives we kicked off in prior quarters are gaining momentum and are now showing in the financial results. We completed our hosting cost synergies and are now on track to save \$1.2 million annually. The transition to a SaaS-based

recurring revenue model is continuing to take hold and now represents 51% of all revenue in the quarter. Our "Land & Expand" sales strategy is being executed and can be seen in several strategic add-on purchases by key customers, including Proctor & Gamble and Merck. We look forward to seeing these strategies drive increased revenue and EBITDA in the quarters to come."

[Jennifer Crow](#), Asure's Chief Financial Officer added, "Our continued cost discipline enabled us to achieve guidance while on boarding the strategic additions to our direct sales team. We are on track to deliver on our 2013 goals and achieve EBITDA positive growth over the long term."

Please see below for details around Asure's financial results.

Company Outlook

	Q2 13	FY 13
Revenue	\$6,200 - \$6,500	\$25,000 - \$27,000
EBITDA, excluding one-time items	\$900 - \$1,100	\$6,000

Conference Call Details

Asure will follow this announcement with a conference call for the investment community on Wednesday, May 15, 2013 at 11:00 a.m. ET, (10:00 a.m. CT) to further discuss the quarter and outlook. Participating in the call will be [Pat Goepel](#), Chief Executive Officer and [Jennifer Crow](#), Chief Financial Officer. To participate, dial (877) 853-5636 ten minutes before the call begins. International callers should dial (631) 291-4544. The conference ID for all callers is 48238837.

Investors, analysts, media and the general public will also have the opportunity to listen to the conference call in listen-only mode via the Internet by visiting the investor relations page of Asure's Web site at www.asuresoftware.com. To monitor the live call, please visit the Web site at least ten minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, an archived replay will be available shortly after the call at <http://investor.asuresoftware.com/>

About Asure Software

[Asure Software, Inc.](#), (Nasdaq:ASUR) headquartered in Austin, Texas, offers cloud-based time and labor management and workspace management solutions that enable businesses to control their biggest costs -- labor, real estate and technology -- and prepare for the workforce of the future in a highly mobile, geographically disparate and technically wired work environment. Asure serves approximately 6,000 clients worldwide and currently offers two main product lines: [AsureSpace™](#) Workplace management solutions enable organizations to maximize the ROI of their real estate, and [AsureForce®](#) time and labor management solutions deliver efficient management of human resource and payroll processes. For more information, please visit www.asuresoftware.com

The Asure Software, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=11986>

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

Statements in this press release regarding Asure's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. Such risks and uncertainties could cause actual results to differ from those contained in the forward-looking statements.

*Non-GAAP Financial Measures

This press release includes the following financial measures defined as a non-GAAP financial measure by the Securities and Exchange Commission: EBITDA and GAAP Net Income/(Loss) excluding one-time items. These supplemental financial measures are not required by GAAP, nor are the presentation of this financial information intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with GAAP. Management recognizes that non-GAAP financial measures have limitations in that they do not reflect all of the items associated with Asure's earnings results as determined in accordance with GAAP. However, for the reasons described below, management uses these non-GAAP measures to evaluate the performance of Asure's business. Asure's management believes that it is important to provide investors with these same tools, together with reconciliation to GAAP, for evaluating the performance of Asure's business, as it may provide additional insight into Asure's financial results. See the "Reconciliation of GAAP Net Income/(Loss) to Earnings Before Interest, Taxes, Depreciation, Amortization and Stock Compensation Expense (EBITDA)" and the "Reconciliation of GAAP Net Income/(Loss) to Net Earnings Excluding One-Time Items" tables included in this press release for

further information regarding these non-GAAP financial measures. In addition, these measures are presented because management believes they are frequently used by securities analysts, investors and others in the evaluation of companies.

EBITDA is calculated by adding income taxes, interest expense, depreciation and amortization and stock compensation expense to net earnings, EBITDA is not defined under GAAP and should not be considered in isolation or as a substitute for net earnings and other consolidated earnings data prepared in accordance with GAAP or as a measure of Asure's profitability.

Net Earnings Excluding One-Time Items is calculated by combining the company's GAAP Net Earnings, or earnings per share, with items that are one time in nature and are not expected to recur on a dollar or per share basis.

Free Cash Flow is computed by subtracting capital expenditures from cash flow from operations, each as determined in accordance with GAAP and as reflected in the statement of cash flows.

Non-GAAP Revenue is computed added back the deferred revenue fair market valuation to GAAP revenue.

Reconciliation of GAAP Net Earnings to Earnings Before Interest, Taxes, Depreciation, Amortization and Stock Compensation Expense (EBITDA) and EBITDA Gain Excluding One-time items.

FOR THE THREE MONTHS ENDING

\$000s	March 31, 2013	March 31, 2012	Inc/Dec
Net Loss	(1,100)	(847)	(253)
Interest and amortization of OID	680	190	490
Derivative mark -to-market	--	465	(465)
Tax	39	45	(6)
Depreciation	112	47	65
Amortization	652	357	295
Stock Compensation	24	11	13
EBITDA Gain	407	268	139
One-time items	320	509	(189)
EBITDA Gain excluding one-time items	727	777	(50)

Reconciliation of GAAP Net Earnings to Net Earnings Excluding One-time items

\$000s	FOR THE THREE MONTHS ENDED March 31	
	2013	2012
Net Loss	(1,100)	(847)
Legal & Professional Services	214	245
Severance, Recruitment & Relocation	91	37
Derivative mark-to-market	--	465
Loss on Debt Conversion	--	199
Other one-time items (net)	<u>15</u>	<u>28</u>
Sub-total one-time items	320	974
Net Gain/(Loss) excluding one-time items	(780)	127

Reconciliation of GAAP Revenue to Non-GAAP revenue

\$000s	FOR PERIOD ENDED MARCH 31	
	Three months ended 2013	Three months ended 2012
Revenue	5,975	4,153

Adjustment	216	65
Non- GAAP revenue	6,191	4,218

Note — Adjustment relates to the fair market valuation for assumed deferred revenue contracts that were not recognized in the period due to business combination accounting rules.

ASURE SOFTWARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

(Unaudited)

	March 31,	December
	2013	31,
	2012	2012
Assets		
Current assets:		
Cash and cash equivalents	\$1,588	\$2,177
Restricted cash	250	250
Accounts receivable, net of allowance for doubtful accounts of \$184 and \$182 at March 31, 2013 and December 31, 2012, respectively	3,222	3,040
Inventory	348	266
Notes receivable	19	19
Prepaid expenses and other current assets	1,845	1,497
Total current assets	7,272	7,249
Property and equipment, net	1,180	1,154
Goodwill	15,520	15,525
Intangible assets, net	11,527	12,179
Other assets	53	41
Total assets	\$35,552	\$36,148
Liabilities and Stockholders' Equity		
Current liabilities:		
Line of credit	\$--	\$--
Current portion of notes payable	3,450	3,450
Accounts payable	2,562	2,713
Accrued compensation and benefits	338	78
Other accrued liabilities	859	1,013
Deferred revenue	10,289	9,684
Total current liabilities	17,498	16,938
Long-term liabilities:		
Deferred revenue	14	199
Notes payable- related party	800	800
Notes payable	15,674	15,887
Other liabilities	439	164
Total long-term liabilities	16,927	17,050
Stockholders' equity:		
Preferred stock, \$.01 par value; 1,500 shares authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 11,000 shares authorized; 5,647 and 5,644 shares issued, 5,263 and 5,260 shares outstanding at March 31, 2013 and December 31, 2012, respectively	56	56
Treasury stock at cost, 384 shares at March 31, 2013 and December 31, 2012	(5,017)	(5,017)
Additional paid-in capital	274,474	274,445

Accumulated deficit	(268,322)	(267,222)
Accumulated other comprehensive loss	(64)	(102)
Total stockholders' equity	1,127	2,160
	<u>\$35,552</u>	<u>\$36,148</u>

The notes in the Company's forthcoming 10-Q are an integral part of these condensed consolidated financial statements.

ASURE SOFTWARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Amounts in thousands, except share and per share data)

(Unaudited)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2013	2012
Revenues	\$5,975	\$4,153
Cost of sales	1,777	1,046
Gross Margin	4,198	3,107
Operating Expenses		
Selling, general and administrative	3,276	2,135
Research and development	700	591
Amortization of intangible assets	582	292
Total Operating Expenses	4,558	3,018
Income (Loss) From Operations	(360)	89
Other Income (Loss)		
Interest income	--	1
Loss on disposal of assets	--	(10)
Loss on debt conversion	--	(199)
Foreign currency translation loss	(21)	(28)
Interest expense and other	(530)	(120)
Interest expense — amortization of OID and derivative mark-to-market	(150)	(535)
Total other income (loss)	(701)	(891)
Loss From Operations before Income Taxes	(1,061)	(802)
Provision for income taxes	(39)	(45)
Net Loss	<u>\$(1,100)</u>	<u>\$(847)</u>
Other Comprehensive Loss:		
Foreign currency gain	38	28
Other Comprehensive loss	<u>\$(1,062)</u>	<u>\$(819)</u>
Basic and Diluted Net Loss Per Share		
Basic	\$(0.21)	\$(0.18)
Diluted	\$(0.21)	\$(0.18)
Weighted Average Basic and Diluted Shares		

Basic	5,261,000	4,699,000
Diluted	5,261,000	4,699,000

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ASURE SOFTWARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands, except per share data)

(Unaudited)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$(1,100)	\$(847)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	764	404
Provision for doubtful accounts	2	(24)
Share-based compensation	24	11
Amortization of original issue discount (OID)	150	70
Loss on sale/disposal of assets	--	15
Derivative mark-to-market	--	465
Loss on debt conversion	--	199
Changes in operating assets and liabilities:		
Notes receivable	--	(1)
Accounts receivable	(184)	16
Inventory	(82)	3
Prepaid expenses and other assets	(172)	52
Accounts payable	(151)	137
Accrued expenses and other long-term obligations	405	44
Deferred revenue	420	65
Net cash provided by operating activities	76	609
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchases of property and equipment	(140)	(45)
Collection of note receivable	--	24
Net cash used in investing activities	(140)	(21)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(363)	(274)
Payments on amendment of senior notes payable	(188)	
Payments on conversion of subordinated notes payable	--	(222)
Payments on capital leases	(24)	(12)
Net proceeds from exercise of options	5	14
Net cash used in financing activities	(570)	(494)
Effect of translation exchange rates	45	28

Net increase (decrease) in cash and cash equivalents	(589)	122
Cash and equivalents at beginning of period	<u>2,177</u>	<u>1,067</u>
Cash and equivalents at end of period	<u>\$1,588</u>	<u>\$1,189</u>

SUPPLEMENTAL INFORMATION:

Cash paid for:

Interest	\$399	\$104
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Non-cash Investing and Financing Activities:

Conversion of subordinated convertible notes payable to equity	--	2,247
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