



Asure

Payroll and HR for 60,000 small businesses

During uncertain times, there's nothing more essential than a paycheck. As an essential business, Asure is here to help small businesses survive this Coronavirus pandemic and thrive when it's all over. We'll get through this together.

Investor Overview

August 2020

Nasdaq: ASUR
#HCM4Growth

Safe Harbor Statement

(Under the Private Securities Litigation Reform Act of 1995)

This presentation contains forward-looking statements about our financial results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, deferred revenue growth, expected revenue run rate, expected tax rates, stock-based compensation expenses, amortization of purchased intangibles, amortization of debt discount and shares outstanding. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make. The risks and uncertainties referred to above include -- but are not limited to -- risks associated with possible fluctuations in the company's financial and operating results; the company's rate of growth and anticipated revenue run rate, including impact of the current environment, the spread of major epidemics (including Coronavirus) and other related uncertainties such as government-imposed travel restrictions, interruptions to supply chains and extended shut down of businesses, the company's ability to convert deferred revenue and unbilled deferred revenue into revenue and cash flow, and ability to maintain continued growth of deferred revenue and unbilled deferred revenue; foreign currency exchange rates; errors, interruptions or delays in the company's services or the company's Web hosting; breaches of the company's security measures; changes in the forgiveness provisions for loans under the Paycheck Protection Program; domestic and international regulatory developments, including the adoption of new privacy laws; the financial and other impact of any previous and future acquisitions; the nature of the company's business model, including risks related to government contracts; the company's ability to continue to release, gain customer acceptance of and provide support for new and improved versions of the company's services; successful customer deployment and utilization of the company's existing and future services; changes in the company's sales cycle; competition; various financial aspects of the company's subscription model; unexpected increases in attrition or decreases in new business; the company's ability to realize benefits from strategic partnerships and strategic investments; the emerging markets in which the company operates; unique aspects of entering or expanding in international markets, including the compliance with United States export control laws, the company's ability to hire, retain and motivate employees and manage the company's growth; changes in the company's customer base; technological developments; litigation and any related claims, negotiations and settlements, including with respect to intellectual property matters or industry-specific regulations; unanticipated changes in the company's effective tax rate; factors affecting the company's outstanding convertible notes, term loan, and revolving credit facility; fluctuations in the number of company shares outstanding and the price of such shares; collection of receivables; interest rates; factors affecting the company's deferred tax assets and ability to value and utilize them; the potential negative impact of indirect tax exposure; the risks and expenses associated with the company's real estate and office facilities space; and general developments in the economy, financial markets, credit markets and the impact of current and future accounting pronouncements and other financial reporting standards. Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Information section of the company's website at investor.asuresoftware.com. Asure Software assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

;

CEO's Highlights on the 2nd Quarter of 2020

- Second-quarter results exceeded Wall Street expectations.
- HCM bookings up 21% year-over-year.
- Product innovation and go-to-market investments.
- Effective expense reductions.
- Decline in same-store sales due to COVID-19/US unemployment.
- Experienced gradual improvements in key metrics through quarter.
- Strengthened Board and Leadership team.
- Completed Workspace transition services.
- Pure-play SaaS HCM provider - small-business and Tier-2/3 market focus, reseller network, client service and product innovation remain differentiators.



5-year growth strategy Progress Update

Rebrand | Reinvented as 'HCM for growth'



**Payroll and HR for
growing companies**

HCM software and services
that work as hard as you do



exist logo

+



business growth

→



new logo

New brand = HCM as a platform for growth.
Simple, bold, messaging to executives with an
owner's mindset

Mission

Provide Human Capital Management software and services that help companies grow, while nurturing a culture of **growth** around us.

- Help **customers grow** by getting the most from human capital
- Help our **employees grow** personally and professionally
- **Grow relationships** in our communities that inspire goodness
- Do all of these things in a way that **grows shareholder value**

Vision

Be the most trusted Human Capital
Management resource to
entrepreneurs everywhere

Values

- Embrace Change
- Lead with Integrity
- Own the Outcome
- Deliver Awesome
- Be a Good Human

Asure 2024 at a glance



Founded
1985



Pure-play HCM
Dec 2019

 **Nasdaq: ASUR**

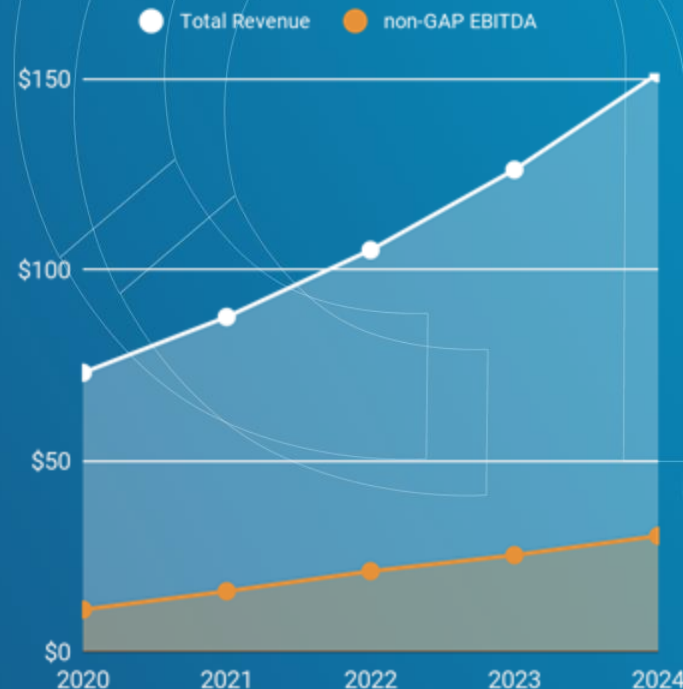


Due to COVID-19 uncertainty, withdrew 2020 guidance but 5-year growth plan remains unchanged:

- Double revenue over 5 years to **~\$150M**
- Leverage operating scale to triple Non-GAAP EBITDA over same period to **~\$30M+**



2020 Employees
~400 growing to **~680** (~\$220k/ee)

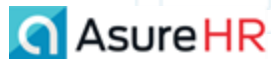


*Our growth model is being provided for informational purposes only.

One HCM Suite | For both Direct & Indirect



HCM software equips clients to develop their 'human capital' — HR Services (HRaaS) reduce risk and overhead of doing it in-house



HCM Partner suite enables payroll providers, CPAs, banks, and brokers to grow revenue with white-labeled HCM services

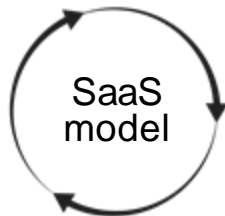


Investment Highlights

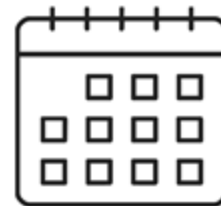
Big market + Repetitive + Sticky Revenue



\$42B TAM
7.6% CAGR



60k Clients + 90%
Repetitive Revenue



Sticky products
Customers 8-10+ yrs

2020 Enterprise Value to Revenue Valuations as of 8-5-2020, Data Source: Capital IQ,



2.0X
Revenue



12.9X
Revenue



20.9X
Revenue



4.1X
Revenue



6.8X
Revenue

Targeted Approach to a Big Market

US TAM
HCM
\$90B

7.6% CAGR
\$23B in 2025¹

\$45B

50% Of HCM
market is **SMB**²

\$42B

~94% SMBs outside
10-largest markets

Go Where the Competition Isn't

Tier 2 & Tier 3 Cities: Tampa, Nashville,
Omaha, Rochester, Eugene, Santa Ana

1. Source: Census, D&B, IHS, Nelson Hall, Market Study Report LLC

2. Netscribes, Inc.

3. SBA

Organic Growth + Accretive Acquisitions = Long-term self-funded growth

Along with the COVID-19 impact, 2020 will be transition year with expected investment in HCM sales and harmonizing Workspace Management overhead. EBITDA improves over time as accretive acquisitions tuck into existing scalable infrastructure.

	Pre COVID-19 Transition year 2020*	COVID-19 Impact	Multi-year growth plan
2019 Baseline Revenue	\$73.1M	Reset to COVID	
Organic Growth	0-1%	Negative	8 - 12% annual organic growth
Acquisitions Growth	0-10%	Opportunistic	8 - 12% annual growth from acquisitions
Total Revenue	\$72-74M	Decline	Revenue approx. doubles over 5 years
EBITDA	\$11-12M	Decline	20%+ margins grow w/tuck-in acquisitions

* Note that this prior guidance was withdrawn due to the COVID-19 pandemic. These numbers should no longer be relied upon and are not reflective of our current expectations for 2020.

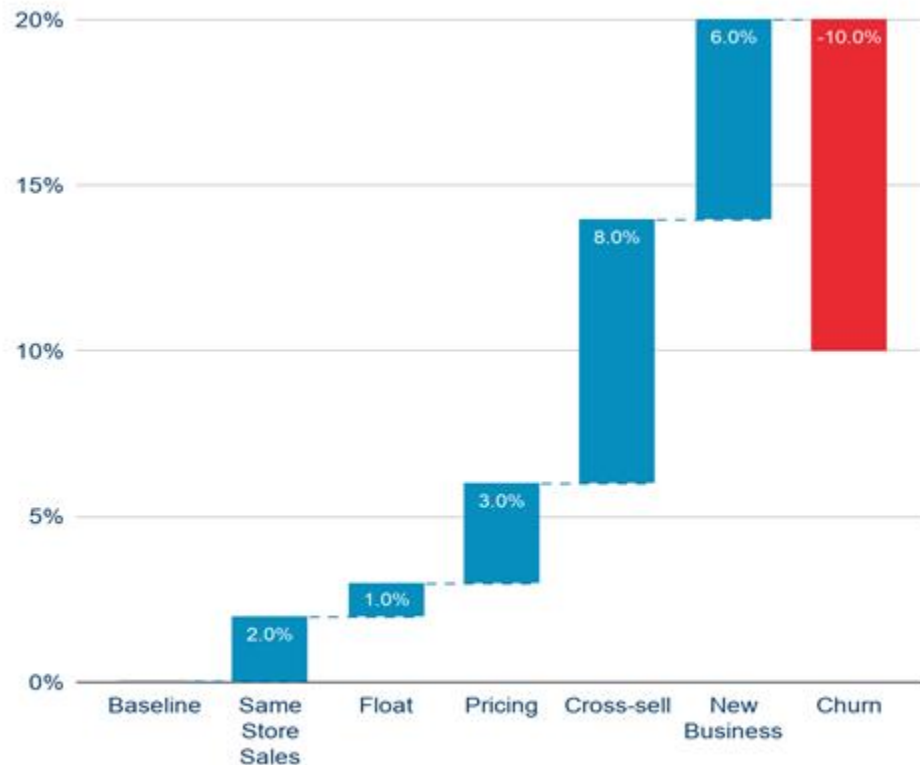
* Our credit facility currently requires lender consent to acquisitions and we do not anticipate an issue with obtaining such consent for acquisitions we deem opportunistic.

Organic Growth Model... COVID-19 Delayed, Not Changed

Long-term growth model with multiple ways to achieve 8-12% organic growth

	Growth %
Same Store Sales	1% -3%
Float	1% - 2%
Pricing	2% - 4%
Cross-sell	6% - 10%
New Business	5%+
Churn (current 90%+ retention)	(8% - 12%)
NET Organic growth	¹Average 10%

¹ This is our growth model and not 2020 Guidance. Our growth model is being provided for informational purposes only.



Integrated Go-to-Market Growth Strategy

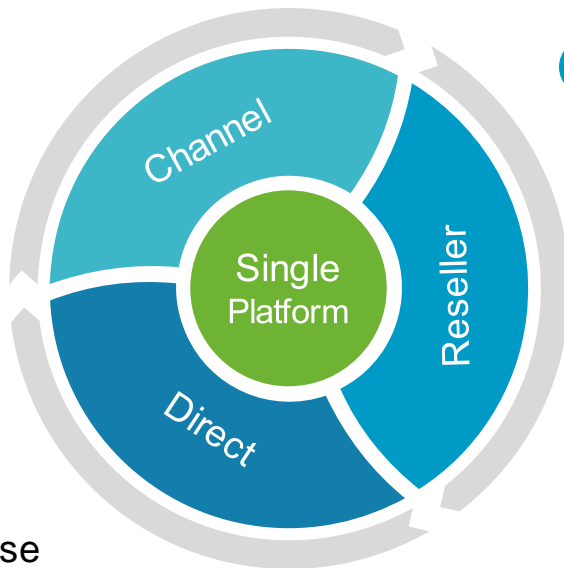
Multi-faceted sales model pursues Tier 2-3 markets with direct sales and reseller partners — While all sales fund the development of a single HCM platform

2 Referral Channels

Sales reps cultivate relationships with trusted advisor ecosystem

1 Direct Sales

Direct sales reps selling new logos and cross-selling to base



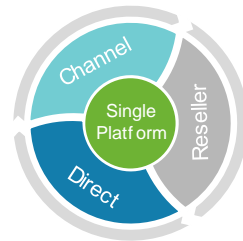
3 Resellers

Convert referral partners & existing payroll providers

4 Closed-loop Reseller roll-up

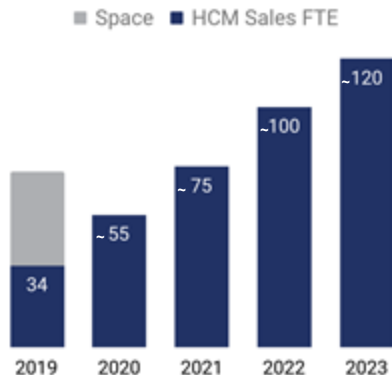
Acquire resellers & grow direct business

Growth Strategy | Direct Sales & Channel



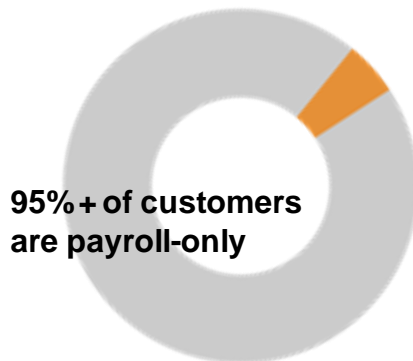
Grow direct sales force

Nearly doubling sales team of highly productive HCM reps in 2020



Cross-sell HCM suite

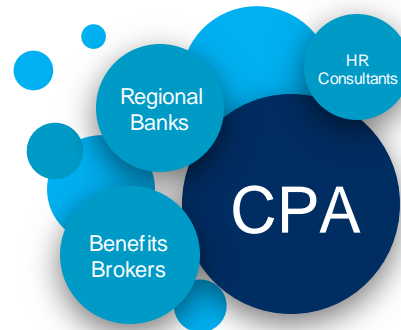
\$100M+ opportunity adding HCM software to existing customers



95%+ of customers are payroll-only

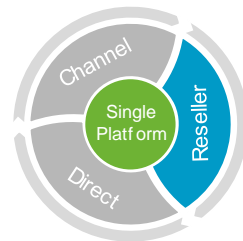
Unique channel value

Non-competitive alternative to big box Payroll/PEO that still has national scale



Growth Strategy | Resellers

By recruiting Referral Partners to become HCM resellers, we monetize the relationship and create future roll-up prospects.



Why resellers love Asure

- Leading Payroll and Tax engine for service providers
- The Payroll company for Payroll companies - we “get it”
- “Partner for life” approach

Why Asure loves resellers

- Access to new markets
- Long-term repetitive revenue with zero CAC
- Acquisition opportunities:
 - Cash out founders
 - No migration for clients
 - High margin revenue adds

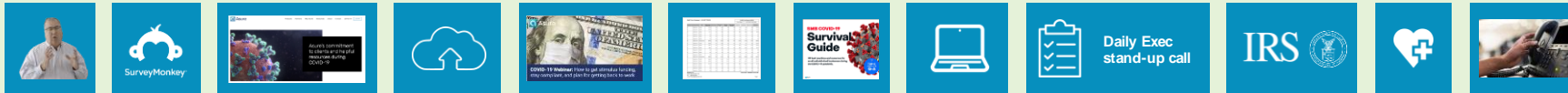
Roll-up opportunity

	Total	0-3 Years	3-5 years	5+ years
# Resellers	200	30	100	70
Asure’s annualized license revenue	\$16M	\$2M	\$8M	\$6M
Reseller’s Payroll-only revenue	\$200M	\$30M	\$100M	\$70M
Reseller’s TOTAL revenue	\$250M	\$40M	\$120M	\$90M

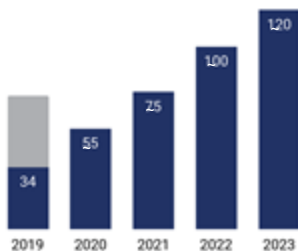
*Asure internal estimates

2020 Transition Year | Key Initiatives

COVID-Response



Adding Sales Headcount to get to double digit growth



Multi-product innovation cloud service architecture



“Centers of Excellence” Optimize sales & svc by COE



Space TSA - Completed Harmonize vendors, org roles



Proven Executive Management Team



Pat Goepel
Chairman & CEO



CERIDIAN



Eyal Goldstein
President & CRO

ORACLE

CERIDIAN



Jay Powers
CFO

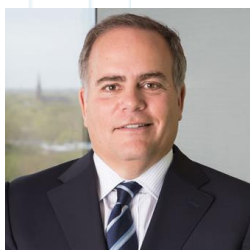


Board of Directors

Asure's board has decades of industry experience optimizing and building fast growing HCM companies. Their tremendous depth in M&A, Finance, Technology, HR, and Sales & Marketing has helped them drive organic and inorganic growth while creating shareholder value in the HCM space.



Pat Goepel
Chairman and CEO



Daniel M. Gill
Lead Independent Director



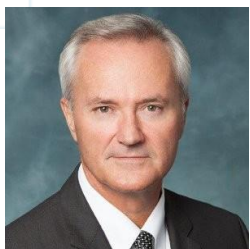
Grace Lee
Independent Director



Bradford Oberwager
Independent Director



Charles W. Lathrop
Independent Director



W. Carl Drew
Independent Director



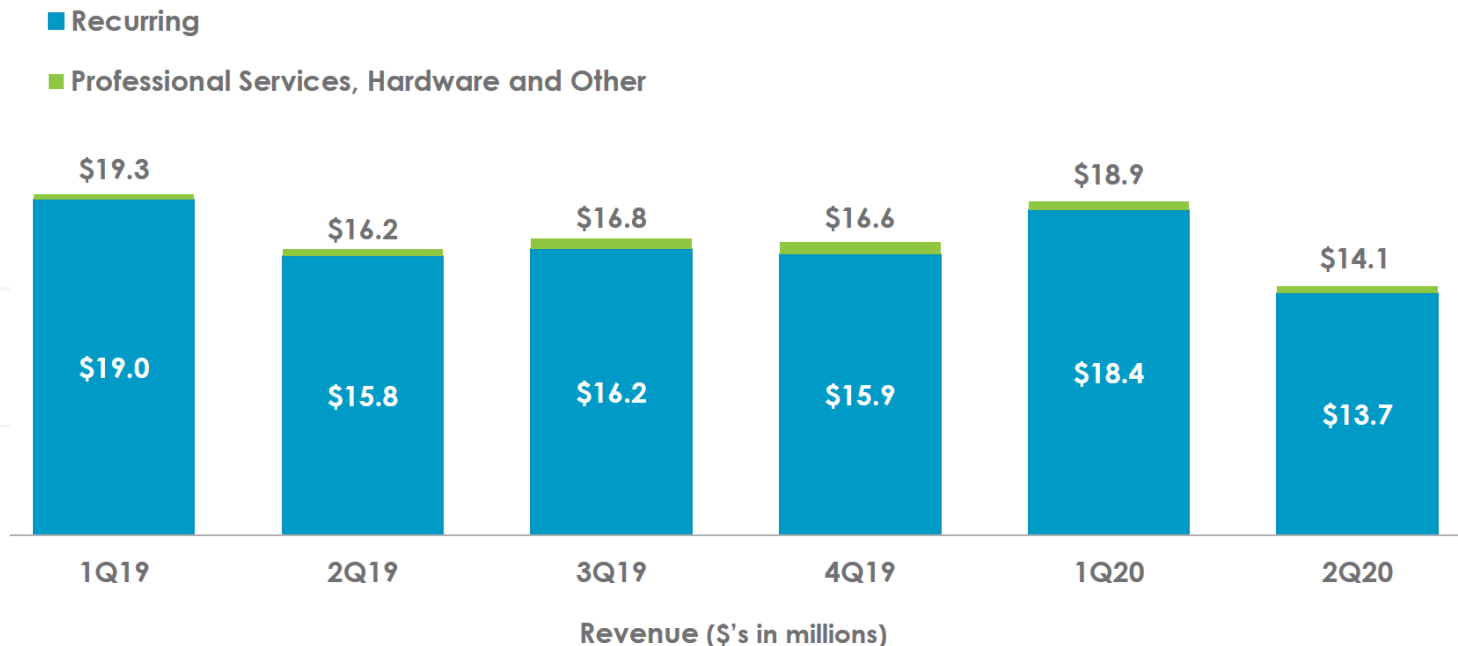
Bjorn Reynolds
Independent Director



Ben Allen
Independent Director

Financials

High Recurring Revenue Mix, Poised for Growth



*Adjusted revenue excludes non-strategic customer contracts

Selected Financial Data

<i>in \$Millions</i>	2Q19	2Q20
Revenue	\$17.3	\$14.1
Non-GAAP EBITDA*	3.6	1.4
Cash and Equivalents	14.7	29.3
Notes Payable	119.4	33.6
Client Funds Assets	104.6	112.6
Total Assets	357.0	302.6
Client Funds Liabilities	105.3	112.9
Total Liabilities	260.1	168.5
Total Equity	96.9	134.1

*See GAAP to non-GAAP reconciliation on Asure's investor relations website

**Market Cap of \$112.9M (8/5/20, source: Google Finance) plus Net Debt of \$4.3M

Ticker ASUR	Price as of 8-5-2020 \$7.17
52 week high \$9.42	52 week low \$4.30

Outstanding Shares (as of 8-5-2020)	~15.8M
-------------------------------------	---------------

Enterprise Value (as of 8-5-2020)	~\$120M
-----------------------------------	----------------

Average Daily Volume 90 day	~140k
-----------------------------	--------------

Management Ownership (as of 8-5-2020)

CEO	~5%
Other Management & Board	~8%



Appendix Valuation Comparisons

Comparable Public Companies Operational Detail

(\$ in millions, excluding per share data)

Company	LTM Margins		Revenue			EBITDA			EPS		
	Gross	EBITDA	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
High Growth Payroll											
Paylocity Holding Corporation	68.0%	16.5%	\$ 551.1	\$ 581.4	\$ 678.3	\$ 91.0	\$ 145.7	\$ 180.4	\$ 1.25	\$ 1.48	\$ 1.82
Paycom Software, Inc.	88.4	32.2	792.4	828.0	999.3	255.5	311.4	395.4	3.02	3.33	4.24
Workday, Inc.	70.9	(4.1)	3,820.5	4,193.9	4,887.6	(157.7)	959.2	1,125.1	(2.28)	2.25	2.74
Mean	75.8%	14.9%	\$ 1,721.3	\$ 1,867.8	\$ 2,188.4	\$ 62.9	\$ 472.1	\$ 567.0	\$ 0.66	\$ 2.35	\$ 2.93
Median	70.9	16.5	792.4	828.0	999.3	91.0	311.4	395.4	1.25	2.25	2.74
Low-Mid Growth Payroll											
SAP SE	70.4%	26.5%	\$ 31,617.2	\$ 33,673.1	\$ 36,256.9	\$ 8,389.6	\$ 11,850.2	\$ 13,253.9	\$ 4.30	\$ 6.04	\$ 6.92
Intuit Inc.	80.8	25.4	6,857.0	7,533.1	8,332.8	1,745.0	2,720.8	3,095.5	5.07	7.14	8.28
Automatic Data Processing, Inc.	44.6	25.4	14,589.8	14,178.4	14,656.3	3,701.3	3,347.9	3,558.2	5.70	5.21	5.56
Paychex, Inc.	68.3	41.3	4,040.5	3,876.6	4,013.6	1,670.2	1,547.6	1,624.2	3.04	2.76	2.91
Ceridian HCM Holding Inc.	48.0	11.6	839.4	NA	NA	97.5	NA	NA	0.50	NA	NA
Mean	62.4%	26.1%	\$ 11,588.8	\$ 14,815.3	\$ 15,814.9	\$ 3,120.7	\$ 4,866.6	\$ 5,382.9	\$ 3.72	\$ 5.29	\$ 5.92
Median	68.3	25.4	6,857.0	10,855.7	11,494.6	1,745.0	3,034.4	3,326.8	4.30	5.62	6.24
Asure Software, Inc.	62%	11%	\$ 68.5	\$ 63.3	\$ 67.1	\$ 7.8	\$ 8.5	\$ 10.5	\$(0.02)	\$ 0.34	\$ 0.27

Comparable Public Companies Valuation Detail

(\$ in millions, excluding per share data)

Company	Closing Price 8/5/2020	% of 52 Week High	% Float	Market Cap	Total Debt	Cash	Net Cash	Enterprise Value	Enterprise Value Multiples					
									Revenue			EBITDA		
									LTM	CY 2020	CY 2021	LTM	CY 2020	CY 2021
High Growth Payroll														
Paylocity Holding Corporation	\$ 138.22	88.6%	69.3%	\$ 7,612.6	\$ 82.9	\$ 180.6	\$ 97.8	\$ 7,514.9	13.6x	12.9x	11.1x	82.6x	51.6x	41.7x
Paycom Software, Inc.	302.05	88.3	85.0	17,394.5	54.4	113.5	59.1	17,335.3	21.9	20.9	17.3	67.8x	55.7x	43.8
Workday, Inc.	183.99	91.1	73.5	45,270.0	2,099.9	2,599.0	499.1	44,770.9	11.7	10.7	9.2	NM	46.7	39.8
Mean		89.3%	75.9%	\$ 23,425.7	\$ 745.7	\$ 964.4	\$ 218.7	\$ 23,207.0	15.7x	14.8x	12.5x	75.2x	51.3x	41.8x
Median		88.6	73.5	17,394.5	82.9	180.6	97.8	17,335.3	13.6	12.9	11.1	75.2	51.6	41.7
Low-Mid Growth Payroll														
SAP SE	\$ 161.87	95.0%	91.6%	\$ 192,754.2	\$ 19,217.9	\$ 8,579.8	\$(10,638.1)	\$ 203,392.3	6.4x	6.0x	5.6x	24.2x	17.2x	15.3x
Intuit Inc.	310.95	98.8	96.6	81,627.4	663.0	3,971.0	3,308.0	78,319.4	11.4	10.4	9.4	44.9	28.8	25.3
Automatic Data Processing, Inc.	134.77	73.9	99.8	57,937.6	2,464.0	1,908.5	(555.5)	58,493.1	4.0	4.1	4.0	15.8	17.5	16.4
Paychex, Inc.	72.72	80.3	89.2	26,167.6	936.0	932.4	(3.6)	26,171.2	6.5	6.8	6.5	15.7	16.9	16.1
Ceridian HCM Holding Inc.	84.27	96.9	81.8	13,088.0	1,011.6	526.9	(484.7)	13,572.7	16.2	NA	NA	NM	NA	NA
Mean		89.0%	91.8%	\$ 74,315.0	\$ 4,858.5	\$ 3,183.7	\$(1,674.8)	\$ 75,989.7	8.9x	6.8x	6.4x	25.1x	20.1x	18.3x
Median		95.0	91.6	57,937.6	1,011.6	1,908.5	(484.7)	58,493.1	6.5	6.4	6.1	20.0	17.3	16.3
Asure Software, Inc.	\$ 7.17	76.1%	81.3%	\$ 112.9	\$ 32.4	\$ 20.8	\$(11.6)	\$ 124.5	1.8x	2.0x	1.9x	15.9x	14.6x	11.8x

Source: Capital IQ