

November 14, 2012

## Asure Software Reports Third Quarter Financial Results, Announces Accelerated Transition to SaaS

- Third quarter revenue of \$5.7 million was up 35% or \$1.5 million compared to the second quarter 2012.
- Cash and cash equivalents increased by \$1.3 million or 83% compared to second quarter 2012.
- Recurring revenue has increased to 80% of our total revenue in third quarter up from 75% in the previous quarter.

AUSTIN, Texas, Nov. 14, 2012 (GLOBE NEWSWIRE) -- Asure Software, Inc. (Nasdaq:ASUR), a leading provider of workplace management software, today announced results for the third quarter, which ended September 30<sup>th</sup>, 2012.

### Q3 Strategic Highlights

- Acquired the outstanding shares of PeopleCube effective July 1, 2012. This acquisition resulted in an increase in revenue in the quarter of \$1.8 million and expanded Asure Software's product line in the U.S. and EMEA. PeopleCube's workplace management solutions help companies more effectively manage scheduling processes, increase utilization of corporate assets, and improve workplace productivity, all of which result in better cost control over one of a company's highest expenses — real estate. PeopleCube's SaaS (Software as a Service)- and HaaS (Hardware as a Service)- based solutions are directly in line with Asure Software's strategy to bring innovative, cloud-based solutions to clients to help them simplify their workplaces.
- An accelerated SaaS-based technology strategy, with a de-emphasis on perpetual licensing models, continues to be a primary strategic driver and we are seeing high customer satisfaction and marketplace acceptance. The AsureForce Time & Labor Management (TLM) and AsureSpace NetSimplicity platforms are now exclusively SaaS-based and all other solutions are moving primarily toward a pure repetitive approach by end of year 2012.
- Expanded senior leadership team with the addition of two proven executives: 1) Jennifer Crow, CFO, with a proven track record of success in the areas of finance, accounting and investor relations and 2) Jennifer Roth, VP of Marketing, who has over 20 years of experience building global brands and driving demand generation programs that align with business priorities and directly support revenue goals.

### Q3 Results

- Revenue for the third quarter was \$5.7 million compared to \$4.2 million in the previous quarter and \$2.5 million in the third quarter 2011. Revenue for the nine months ended was \$14 million versus \$7.3 million in the same period 2011.
- Non-GAAP revenue\* for the third quarter was up \$6.3 million. Non-GAAP revenue for the nine months ended was \$14.7 million.
- Gross margin for the quarter was \$4.7 compared to \$3.2 in the previous quarter and \$2.0 in the same quarter 2011. Gross margin for the nine months ended was \$11 million versus \$5.9 million in the same period 2011.
- EBITDA\* excluding one-time items\* for the third quarter was \$906,000 up from the \$838,000 in the previous quarter. One-time items\* in the quarter related legal and professional fees, site consolidation related to the acquisition of Meeting Maker and other one-time expenses\* were \$739,000 up from \$427,000 in the second quarter 2012 for the one-time items\* related to the acquisition of ADI Time and Legiant.

### Management Commentary

[Pat Goepel](#), Chief Executive Officer of Asure Software commented, "Our third quarter saw us complete an important transaction with the acquisition of PeopleCube. The addition of PeopleCube's offerings to our product line and our fully-SaaS based AsureForce platform align with our strategic shift to a pure-play SaaS-based recurring revenue model. Goepel also commented, "Third quarter earnings and gross margin were up over the previous quarter 2012 and we saw strong cash at \$1.3 million. We also experienced a non-cash deferred revenue charge due to the PeopleCube acquisition in the third quarter."

[Jennifer Crow](#), Asure's Chief Financial Officer added, "Our guidance is being revised (per below) to reflect the fair market valuation accounting treatment of deferred revenue and reduced perpetual revenue, offset by expected SaaS business. As a

reminder, perpetual revenue (and correlated profit) is recognized immediately upon booking, whereas SaaS and recurring revenues are recognized ratably over longer time periods. Thus, an accelerated shift to SaaS, including the PeopleCube acquisition, has a negative impact to near-term reported financials but our Board believes it increases the Company's value over the longer term. Asure continues to generate strong cash flow while managing costs and expects to continue to do so, which positions us well for future financial growth and strong forward performance." Please see below for details around Asure's financial results.

## Company Outlook

	<u>Q4</u>	<u>FY 13</u>
Revenue	5,800-6,200	25,000-27,000
EBITDA, excluding one-time items	1,000-1,300	6,000 - 7,000
Free cash flow		6,000 -7,000

## Conference Call Details

Asure will follow this announcement with a conference call for the investment community on Wednesday, November 14, 2012 at 11:00 a.m. EST, (10:00 a.m. CST) 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 34307490.

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](http://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 intuitive and innovative workplace and workforce management solutions that enable companies of all sizes and complexities to operate more efficiently and better control costs. The company ensures a high-performing work environment by delivering its "keep it simple" solutions and expertise to more than 11,000 clients worldwide. Asure Software's suite of solutions ranges from time and attendance workforce management solutions to intelligent on-demand workplace management solutions. For more information, please visit [www.asuresoftware.com](http://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**

<b>\$000s</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Inc/Dec</b>
<b>Net Gain/(Loss)</b>	<b>(1228)</b>	<b>29</b>	<b>(1257)</b>
Interest	578	9	569
Interest - Mark to Market	0	0	0
Tax	30	9	21
Depreciation	56	33	23
Amortization	699	195	504
Stock Compensation	32	27	5
<b>EBITDA Gain</b>	<b>167</b>	<b>302</b>	<b>(135)</b>
<b>One-time items</b>	<b>739</b>	<b>160</b>	<b>579</b>
<b>EBITDA Gain excluding one-time items</b>	<b>906</b>	<b>462</b>	<b>444</b>

**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 NINE MONTHS ENDING**

<b>\$000s</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>Inc/Dec</b>
<b>Net Gain/(Loss)</b>	<b>(2,399)</b>	<b>(4)</b>	<b>(2395)</b>
Interest	942	31	911
Interest - Mark to Market (MTM)	465	0	465
Tax	196	30	166
Depreciation	161	114	47
Amortization	1,413	585	828
Stock Compensation	66	55	11
<b>EBITDA Gain</b>	<b>844</b>	<b>811</b>	<b>33</b>
<b>One-time items</b>	<b>1,675</b>	<b>276</b>	<b>1,399</b>
<b>EBITDA Gain excluding one-time items</b>	<b>2,519</b>	<b>1,087</b>	<b>1,432</b>

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

<b>\$000s</b>	<b>FOR THE THREE MONTHS ENDED September 30</b>	
	<b>2012</b>	<b>2011</b>
<b>Net Gain/(Loss)</b>	<b>(1,228)</b>	<b>29</b>
Legal & Professional Services	439	84

Severance & Recruitment	273	26
Site Consolidation	5	0
Other one-time items (net)	22	50
<b>Sub-total one-time items</b>	<b>739</b>	<b>160</b>
<b>Net Gain excluding one-time items</b>	<b>(489)</b>	<b>189</b>

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

\$000s	FOR THE NINE MONTHS ENDED SEPTEMBER 30	
	2012	2011
<b>Net Gain/(Loss)</b>	<b>(2,399)</b>	<b>(4)</b>
Legal & Professional Services	982	84
Severance & Recruitment	369	105
Site Consolidation	55	0
Interest - Mark to Market	465	0
Loss on Conversion of Debt	199	0
3:2 Stock Split	19	0
Provision for Taxes - Site Shut down	60	0
Other one-time items (net)	50	87
<b>Sub-total one-time items</b>	<b>2,199</b>	<b>276</b>
<b>Net Gain excluding one-time items</b>	<b>(200)</b>	<b>272</b>

#### Reconciliation of GAAP Revenue to Non-GAAP revenue

\$000s	FOR PERIOD ENDED SEPTEMBER 30	
	Three months ended 2012	Nine months ended 2012
<b>Revenue</b>	<b>5,659</b>	<b>14,017</b>
Adjustment	556	661
<b>Non- GAAP revenue</b>	<b>6,215</b>	<b>14,678</b>

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, except per share data)

(Unaudited)

	September 30, 2012	December 31, 2011
<b>ASSETS</b>		
Current Assets:		
Cash and equivalents	\$2,746	\$1,067
Accounts receivable, net of allowance for doubtful accounts of \$203 and \$19 at September 30, 2012 and December 31, 2011, respectively	3,312	1,483
Notes receivable	24	96
Inventory	174	116
Prepaid expenses and other current assets	1,305	338
Total Current Assets	7,561	3,100

Property and equipment, net	501	414
Intangible assets, net	12,805	6,307
Goodwill	14,830	6,264
Other	29	--
<b>Total Assets</b>	<b>\$35,726</b>	<b>\$16,085</b>

#### LIABILITIES AND STOCKHOLDERS' EQUITY

##### Current Liabilities:

Line of credit	\$--	\$500
Current portion of notes payable	101	349
Accounts payable	2,208	1,097
Accrued compensation and benefits	78	141
Other accrued liabilities	725	536
Deferred revenue	9,673	4,792
Total Current Liabilities	12,785	7,415

##### Long-term liabilities:

Deferred revenue	14	169
Note payable	14,500	--
Sellers note	2,438	--
Subordinated notes payable	2,916	4,323
Subordinated convertible notes	283	1,247
Derivative liability	--	835
Other long-term obligations	25	32
Total Long-Term Liabilities	20,176	6,606

##### Stockholders' Equity:

Preferred stock, \$.01 par value; 1,500 shares authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 11,000 shares authorized; 5,642 and 5,014 shares issued; 5,258 and 4,630 shares outstanding at September 30, 2012 and December 31, 2011, respectively	339	334
Treasury stock at cost, 384 shares at September 30, 2012 and December 31, 2011	(5,017)	(5,017)
Additional paid-in capital	274,136	271,065
Accumulated deficit	(266,590)	(264,190)
Accumulated other comprehensive loss	(103)	(128)
Total Stockholders' Equity	2,765	2,064
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$35,726</b>	<b>\$16,085</b>

#### ASURE SOFTWARE , INC.

#### CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data)

(Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2012	2011	2012	2011
Revenues	\$5,659	\$2,502	\$14,017	\$7,293
Cost of Sales	(936)	(486)	(2,973)	(1,363)
Gross Margin	4,723	2,016	11,044	5,930

Operating Expenses:

Selling, general and administrative	3,975	1,526	8,443	4,340
Research and development	809	366	1,991	1,150
Amortization of intangible assets	<u>573</u>	<u>150</u>	<u>1,158</u>	<u>449</u>
<b>Total Operating Expenses</b>	<b>5,357</b>	<b>2,042</b>	<b>11,592</b>	<b>5,939</b>

**Income/(Loss) From Operations** (634) (26) (548) (9)

Other Income (Expenses):

Interest income	--	2	3	8
Foreign currency translation (loss)/gain	7	67	(22)	47
Gain/ (Loss) on disposal of assets	9	--	(28)	--
(Loss) on debt conversion	--	--	(198)	--
Interest expense- amortization of OID and derivative mark-to market	(578)	--	(1,409)	--
Interest expense and other	<u>(2)</u>	<u>(5)</u>	<u>(1)</u>	<u>(20)</u>
<b>Total Other Income (Expense)</b>	<b>(564)</b>	<b>64</b>	<b>(1,655)</b>	<b>35</b>

(Loss)/Income From Operations Before Income Taxes	(1,198)	38	(2,203)	26
Income Tax Expense	<u>(30)</u>	<u>(9)</u>	<u>(196)</u>	<u>(30)</u>
<b>Net (Loss)/Income</b>	<b><u>\$(1,228)</u></b>	<b><u>\$29</u></b>	<b><u>\$(2,399)</u></b>	<b><u>\$(4)</u></b>

**Basic (Loss)/Income Per Share** \$(0.23) \$0.01 \$(0.48) \$(0.00)

**Diluted (Loss)/Income Per Share** \$(0.23) \$0.01 \$(0.48) \$(0.00)

**Shares Used In Computing Basic (Loss)/Income Per Share** 5,245 3,085 4,976 3,085

**Shares Used In Computing Diluted (Loss)/Income Per Share** 5,245 3,094 4,976 3,085

**ASURE SOFTWARE , INC.**

**Condensed Consolidated Statements of Comprehensive Income (Loss)**

(In thousands)

(Unaudited)

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2012	2011	2012	2011
Net (Loss)/Income	\$(1,228)	\$29	\$(2,399)	\$(4)
Other comprehensive (Loss)/Income:				
Foreign currency translation (loss)/Gain	<u>(2)</u>	<u>(74)</u>	<u>24</u>	<u>(65)</u>
<b>Comprehensive Loss</b>	<b>(1,230)</b>	<b>(45)</b>	<b>(2,375)</b>	<b>(69)</b>

**ASURE SOFTWARE, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in thousands, except per share data)

(Unaudited)

**FOR THE NINE MONTHS  
ENDED  
SEPTEMBER 30,**

	<u>2012</u>	<u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$(2,399)	\$(4)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	1,574	702
Provision for doubtful accounts	(16)	(29)
Share-based compensation	67	55
Interest expense — amortization of OID and derivative mark-to-market	643	--
Loss on sale/disposal of assets	36	--
Loss on debt conversion	198	--
Changes in operating assets and liabilities:		
Notes receivable	--	2
Accounts receivable	435	289
Inventory	(58)	19
Prepaid expenses and other current assets	(187)	28
Accounts payable	229	126
Accrued expenses and other long-term obligations	(297)	30
Deferred revenue	<u>1,184</u>	<u>601</u>
Net cash provided by operating activities	1,409	1,819
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net purchases of property and equipment	(167)	(60)
Acquisitions of PeopleCube net of Cash acquired	(9,316)	--
(Issuance) or collection of note receivable	<u>72</u>	<u>--</u>
Net used in investing activities	(9,411)	(60)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable and capital leases	(3,462)	(36)
Payments on notes payable conversion	(222)	--
Payments on Line of credit	(500)	3,350
Proceeds from notes Payable	14,500	
Acquisition fees	(680)	
Net proceeds from exercise of options	<u>19</u>	<u>--</u>
Net cash provided by financing activities	9,655	3,314
Effect of translation exchange rates	26	(61)
<b>Net increase in cash and equivalents</b>	<b>1,679</b>	<b>5,012</b>
<b>Cash and equivalents at beginning of period</b>	<b><u>1,067</u></b>	<b><u>1,070</u></b>
<b>Cash and equivalents at end of period</b>	<b><u><u>\$2,746</u></u></b>	<b><u><u>\$6,082</u></u></b>
<b>SUPPLEMENTAL INFORMATION:</b>		
Interest Paid	\$437	--
Payments of accelerated interest on subordinated convertible notes payable on conversion	211	--
Non-Cash Financing Activity — conversion of subordinated convertible notes payable to equity	969	--

CONTACT: Jennifer Crow, CFO

Asure Software, Inc.

512-437-2732

jcrow@asuresoftware.com

Jon Cunningham

RedChip Companies, Inc.

Tel: +1-800-733-2447, Ext. 107

info@redchip.com

<http://www.redchip.com>