

November 13, 2013

## Asure Software Reports 2013 Third Quarter Financial Results Meet Expectations

- Third quarter EBITDA\*, excluding one-time items\*, was \$1.46 million vs. guidance range of \$1.3 to \$1.5 million
- Third quarter revenue of \$6.5 million vs. guidance range of \$6.3 to \$6.6 million
- Third quarter net income per share, excluding one-times\* was \$0.04

AUSTIN, Texas, November 13, 2013 (GLOBE NEWSWIRE) -- [Asure Software, Inc.](#) (Nasdaq:ASUR), a leading provider of workplace management software, announced results for the third quarter ended September 30, 2013.

### Q3 Strategic Highlights

- Transitioned several key customers from On Premise to Cloud-based SaaS solutions; notable migrations include Sears Holding, Weill Cornell Medical College and Sensata Technologies. These migrations demonstrate continued strong customer demand and success toward our strategy to focus on SaaS-based solutions.
- Announced the successful completion of debt consolidation initiatives. Asure Software entered into the Third Amendment to the Loan Agreement with Deerpath Funding, LP. Under this amendment, we borrowed an additional \$2.5 million and obtained a commitment from Deerpath to lend Asure Software an additional \$1.5 million on or before December 31, 2013. We used the net proceeds to pay two Legiant Acquisition Notes totaling \$1.7 million, as well as two related party 15 percent Notes totaling \$800,000. These loans were all due in October 2014.
- Sold the Web Event customer base to Active Data Exchange resulting in a one-time gain of \$72,000 in the quarter. Moving the book of business to a leader in community calendar software allows Asure Software to place clients with a strong partner and gain a tighter focus on product development for core offerings.

### Q3 Results

- Revenue for the quarter was \$6.5 million as compared to \$6.3 million in the previous quarter and \$5.7 million in the third quarter 2012, an increase of 3.2% and 14.0%, respectively.
- Gross margin for the quarter was \$4.9 million compared to \$4.8 million in the previous quarter and \$4.7 million in the third quarter 2012, an increase of 2.1% and 4.3%, respectively.
- EBITDA\* excluding one-time items\* for the quarter was approximately \$1.46 million compared to \$1.15 million in the previous quarter and \$906,000 in the third quarter of 2012. One-time items\* in the quarter were approximately \$104,000 down from \$228,000 in the previous quarter and down from \$739,000 in the third 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 as a percent of total revenue was 76% for the quarter as compared to 78% for the previous quarter and 80% in the third quarter of 2012.
- Cloud SaaS-based revenue for the quarter increased to \$3.2 million up \$92,000 and 2.9% over the previous quarter and up \$433,000, or 15.5% over the third quarter of 2012.
- Cloud SaaS-based bookings for the quarter decreased by 3% from the previous quarter and increased by 10% from the third quarter of 2012.

### Management Commentary

[Pat Goepel](#), Chief Executive Officer of Asure Software commented, "Third quarter performance continues to position Asure Software well for growth within the workplace management and time & labor management industries. We saw success in our UK-based business with key sales such as Thomson TUI, the United Kingdom's largest Holiday company and a two-year extension with Price Waterhouse Coopers' largest graduate recruitment program. Client demand for SaaS solutions remains high as we have transitioned several AsureSpace customers from On Premise to SaaS-based solutions. Additionally, the sale of the Web Event book of business allowed us to deepen our focus on our core competencies, including delivering several technology enhancements within both the AsureSpace and AsureForce product lines."

[Jennifer Crow](#), Asure's Chief Financial Officer added, "We have cleared some key hurdles this quarter. We regained compliance with the Nasdaq listing rules and we executed on our plan to consolidate our debt. In October 2013, we continued our efforts by paying our ADI Acquisition Note in full, reducing our debt due in October 2014 by \$800,000. We are pleased to strengthen the balance sheet while delivering strong financial results. Looking ahead, we are reaffirming our earnings outlook for the rest of the year and will continue to drive our business forward and deliver ongoing value to the shareholders."

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

#### Company Outlook

\$000s	FY 13
Revenue	\$25,000 - \$26,000
EBITDA, excluding one-time items	\$4,800 - \$5,500

#### Conference Call Details

Asure will follow this announcement with a conference call for the investment community on Wednesday, November 13, 2013 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 74400415.

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 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 5,000 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](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 non-GAAP financial measures 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 is 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 Excluding One-time items.**

**FOR THE THREE MONTHS ENDED**

<b>\$000s</b>	<b>September 30, 2013</b>	<b>September 30, 2012</b>	<b>Inc/Dec</b>
<b>Net Income (Loss)</b>	<b>109</b>	<b>(1,228)</b>	<b>1,455</b>
Interest and amortization of OID	456	578	(122)
Tax	39	30	(109)
Depreciation	111	56	55
Amortization	599	699	(117)
Stock Compensation	44	32	12
<b>EBITDA</b>	<b>1,358</b>	<b>167</b>	<b>1,174</b>
<b>One-time items</b>	<b>104</b>	<b>739</b>	<b>(635)</b>
<b>EBITDA excluding one-time items</b>	<b>1,462</b>	<b>906</b>	<b>539</b>

**FOR THE NINE MONTHS ENDED**

<b>\$000s</b>	<b>September 30, 2013</b>	<b>September 30, 2012</b>	<b>Inc/Dec</b>
<b>Net Loss</b>	<b>(1,560)</b>	<b>(2,399)</b>	<b>(957)</b>
Interest and amortization of OID	1,781	942	839
Derivative mark -to-market	--	465	(465)
Tax	120	196	(194)
Depreciation	331	161	169
Amortization	1,903	1,413	473
Stock Compensation	113	66	47
<b>EBITDA</b>	<b>2,688</b>	<b>844</b>	<b>1,826</b>
<b>One-time items</b>	<b>652</b>	<b>1,675</b>	<b>(1,023)</b>
<b>EBITDA excluding one-time items</b>	<b>3,340</b>	<b>2,519</b>	<b>803</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>2013</b>	<b>2012</b>
<b>Net Income (Loss)</b>	<b>109</b>	<b>(1,228)</b>
Legal & Professional Services	224	439

Severance, Recruitment & Relocation	--	273
Site Consolidation	--	5
Gain on sale of assets	(72)	--
Interest income from settlement	(48)	--
Other one-time items (net)	--	22
<i>Sub-total excluding Taxes</i>	<u>104</u>	<u>739</u>
<b>Sub-total one-time items</b>	<b>104</b>	<b>739</b>
<b>Net Gain/(Loss) excluding one-time items</b>	<b>213</b>	<b>(489)</b>

<b>\$000s</b>	<b>FOR THE NINE MONTHS ENDED</b>	
	<b>September 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Net Loss</b>	<b>(1,560)</b>	<b>(2,399)</b>
Legal & Professional Services	534	982
Severance, Recruitment & Relocation	160	369
Gain on sale of assets	(72)	--
Interest income from settlement	(48)	--
Site Consolidation	--	55
Derivative mark-to-market	--	465
Loss on Debt Conversion	--	199
3:2 Stock Split	--	19
Provision for Taxes — Site Shut Down	--	60
Other one-time items (net)	78	50
<i>Sub-total excluding Taxes and MTM</i>	<u>652</u>	<u>1,674</u>
<b>Sub-total one-time items</b>	<b>652</b>	<b>2,199</b>
<b>Net Gain/(Loss) excluding one-time items</b>	<b>(908)</b>	<b>(200)</b>

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

<b>\$000s</b>	<b>FOR THE THREE MONTHS ENDED</b>	
	<b>September 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenue</b>	<b>6,470</b>	<b>5,659</b>
Adjustment	40	556
<b>Non- GAAP revenue</b>	<b>6,510</b>	<b>6,215</b>

<b>\$000s</b>	<b>FOR THE NINE MONTHS ENDED</b>	
	<b>September 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Revenue</b>	<b>18,742</b>	<b>14,017</b>
Adjustment	403	661
<b>Non- GAAP revenue</b>	<b>19,145</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)

(Unaudited)

September 30, December 31,

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,106	\$ 2,177
Restricted cash	400	250
Accounts receivable, net of allowance for doubtful accounts of \$209 and \$182 at September 30, 2013 and December 31, 2012, respectively	3,685	3,040
Inventory	170	266
Notes receivable	9	19
Prepaid expenses and other current assets	<u>1,597</u>	<u>1,497</u>
<b>Total current assets</b>	<b>8,967</b>	<b>7,249</b>
Property and equipment, net	1,112	1,154
Goodwill	15,004	15,525
Intangible assets, net	10,208	12,179
Other assets	<u>43</u>	<u>41</u>
<b>Total assets</b>	<b><u>\$ 35,334</u></b>	<b><u>\$ 36,148</u></b>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of notes payable	\$ 1,965	\$ 3,450
Accounts payable	1,710	2,713
Accrued compensation and benefits	446	78
Other accrued liabilities	979	1,013
Deferred revenue	<u>10,315</u>	<u>9,246</u>
<b>Total current liabilities</b>	<b>15,415</b>	<b>16,500</b>
Long-term liabilities:		
Deferred revenue	633	637
Notes payable- related party	--	800
Notes payable	14,693	15,887
Other liabilities	<u>424</u>	<u>164</u>
<b>Total long-term liabilities</b>	<b>15,750</b>	<b>17,488</b>
Stockholders' equity:		
Preferred stock, \$.01 par value; 1,500 shares authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 11,000 shares authorized; 6,313 and 5,644 shares issued, 5,929 and 5,260 shares outstanding at September 30, 2013 and December 31, 2012, respectively	63	56
Treasury stock at cost, 384 shares at September 30, 2013 and December 31, 2012	(5,017)	(5,017)
Additional paid-in capital	277,999	274,445
Accumulated deficit	(268,782)	(267,222)
Accumulated other comprehensive loss	<u>(94)</u>	<u>(102)</u>
<b>Total stockholders' equity</b>	<b>4,169</b>	<b>2,160</b>
	<b><u>\$ 35,334</u></b>	<b><u>\$ 36,148</u></b>

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                      FOR THE  
THREE MONTHS ENDED    NINE MONTHS ENDED

	<u>September 30,</u>		<u>September 30,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues	\$ 6,470	\$ 5,659	\$ 18,742	\$ 14,017
Cost of Sales	<u>(1,542)</u>	<u>(936)</u>	<u>(4,801)</u>	<u>(2,973)</u>
<b>Gross Margin</b>	<b>4,928</b>	<b>4723</b>	<b>13,941</b>	<b>11,044</b>
<b>Operating Expenses</b>				
Selling, general and administrative	3,216	3,975	9,939	8,443
Research and development	736	809	2,100	1,991
Amortization of intangible assets	<u>497</u>	<u>573</u>	<u>1,662</u>	<u>1,158</u>
<b>Total Operating Expenses</b>	<b>4,449</b>	<b>5,357</b>	<b>13,701</b>	<b>11,592</b>
<b>Income (Loss) From Operations</b>	<b>479</b>	<b>(634)</b>	<b>240</b>	<b>(548)</b>
<b>Other Income (Loss)</b>				
Interest income	48	--	48	3
Gain (loss) on sale/disposal of assets	72	9	72	(28)
Loss on debt conversion	--	--	--	(198)
Foreign currency translation gain (loss)	5	7	(19)	(22)
Interest expense and other	(328)	(520)	(1,378)	(759)
Interest expense- amortization of OID and derivative mark-to market	<u>(128)</u>	<u>(60)</u>	<u>(403)</u>	<u>(651)</u>
<b>Total other income (loss), net</b>	<b>(331)</b>	<b>(564)</b>	<b>(1,680)</b>	<b>(1,655)</b>
<b>Income (Loss) From Operations before Income Taxes</b>	148	(1,198)	(1,440)	(2,203)
Income tax provision	<u>(39)</u>	<u>(30)</u>	<u>(120)</u>	<u>(196)</u>
<b>Net Income (Loss)</b>	<b><u>\$ 109</u></b>	<b><u>\$ (1,228)</u></b>	<b><u>\$ (1,560)</u></b>	<b><u>\$ (2,399)</u></b>
<b>Other Comprehensive Income (Loss):</b>				
Foreign currency gain (loss)	<u>(34)</u>	<u>(2)</u>	<u>8</u>	<u>24</u>
<b>Other Comprehensive Income (Loss)</b>	<b><u>\$ 75</u></b>	<b><u>\$ (1,230)</u></b>	<b><u>\$ (1,552)</u></b>	<b><u>\$ (2,375)</u></b>
<b>Basic and Diluted Net Income (Loss) Per Share</b>				
Basic	\$ 0.02	\$ (0.23)	\$ (0.28)	\$ (0.48)
Diluted	\$ 0.02	\$ (0.23)	\$ (0.28)	\$ (0.48)
<b>Weighted Average Basic and Diluted Shares</b>				
Basic	5,929,000	5,245,000	5,565,000	4,976,000
Diluted	6,217,000	5,245,000	5,565,000	4,976,000

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 CASH FLOWS**  
(Amounts in thousands)  
(Unaudited)

FOR THE  
**NINE MONTHS ENDED**  
SEPTEMBER 30,  
2013      2012

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (1,560)	\$ (2,399)
Adjustments to reconcile net loss to net cash provided by operations:		
Depreciation and amortization	2,234	1,574
Provision for doubtful accounts	27	168
Share-based compensation	113	67
Amortization of original issue discount (OID)	403	186
(Gain) loss on sale/disposal of assets	(72)	36
Interest income on settlement of post-closing working capital adjustment dispute	(48)	--
Discount on early payoff of Legiant Notes	(135)	--
Derivative mark-to-market	--	465
Loss on debt conversion	--	198
Changes in operating assets and liabilities:		
Restricted cash	(150)	--
Notes receivable	10	(10)
Accounts receivable	(672)	832
Inventory	84	(69)
Prepaid expenses and other assets	196	(133)
Accounts payable	(967)	378
Accrued expenses and other long-term obligations	658	(299)
Deferred revenue	1,058	877
<b>Net cash provided by operating activities</b>	<b>1,179</b>	<b>1,871</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Net purchases of property and equipment	(143)	(167)
Acquisitions net of cash acquired	--	(9,800)
Collection of note receivable	--	72
<b>Net cash used in investing activities</b>	<b>(143)</b>	<b>(9,895)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from notes payable	2,500	14,500
Payments on notes payable	(5,707)	(3,415)
Payments on conversion of subordinated notes payable	--	(222)
Payments on line of credit	--	(500)
Payments on capital leases	(64)	(21)
Debt financing fees	(298)	(680)
Net proceeds from issuance of common stock	3,435	--
Net proceeds from exercise of stock options	13	15
<b>Net cash provided by (used in) financing activities</b>	<b>(121)</b>	<b>9,677</b>

**Effect of translation exchange rates**

<b>14</b>	<b>26</b>
-----------	-----------

**Net increase (decrease) in cash and cash equivalents**

<b>929</b>	<b>1,679</b>
------------	--------------

**Cash and equivalents at beginning of period**

<b>2,177</b>	<b>1,067</b>
--------------	--------------

**Cash and equivalents at end of period**

<b>\$ 3,106</b>	<b>\$ 2,746</b>
-----------------	-----------------

**SUPPLEMENTAL INFORMATION:**

## Cash paid for:

Interest	\$ 361	\$ 437
----------	--------	--------

Non-cash Investing and Financing Activities:

Conversion of subordinated convertible notes payable to equity	--	2,247
Issuance of common stock upon acquisition	--	747

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONTACT: For more information contact:

Jennifer Crow, CFO

Asure Software, Inc.

512-437-2732

[jcrow@asuresoftware.com](mailto:jcrow@asuresoftware.com)