

plexure

**Interim
Report
2021 / 2022**

For the six months ended
30 September 2021

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Chairman's Review



The most significant milestone of the first half of the financial year, and of the Company's history to date, was the acquisition of TASK Retail Pty Limited (TASK) for A\$120 million.

TASK is an Australian headquartered transaction management solutions provider specialising in the Quick Service Restaurant (QSR), hospitality, stadium, and entertainment sectors.

The Plexure and TASK businesses are highly complementary, and the merger will enable TASK's state-of-the art POS offering to be combined with Plexure's personalisation and data analytics capabilities into a fully integrated, end-to-end cloud-based solution for high-frequency, repeat purchase, enterprise level brands.

The transaction was formally closed on 1 October 2021, following approval

from 99% of the Company's voting shareholders at a Special Meeting called for that purpose. The acquisition was funded in part by a successful and over-subscribed institutional placement of A\$15.0 million which was supported by both Australian and New Zealand institutions, plus an over-subscribed retail offer which raised NZ\$5.2 million and was supported by existing New Zealand shareholders. Both the institutional placement and the retail offer were completed in September 2021.

Alongside the TASK acquisition, the Company rolled out its products and services into 2 new McDonald's markets,

now totalling 64 markets (63 countries), including a new loyalty offering, which at the end of the period was implemented in 31 McDonald's markets. The relationship with McDonald's remains strong and the Company continues to work closely with them across the world. This support from McDonald's was evidenced by them taking their full pro-rata entitlement in the institutional placement.

During the first half, Plexure continued with its "invest for growth" strategy, in so doing incurring substantial increases in IT and personnel costs, as reflected in the Interim Results. This strategy was predicated on the Company securing a number of new customers, however, only one (Pita Pit) was closed during the period. It is hard to fully understand the impact of COVID-19 on these results, but it is clear that the pandemic has affected our customers' performance and investment decisions in different ways.

In August 2021, the Company's CEO, Craig Herbison, resigned from his role. Fortunately, the senior leadership team quickly stepped up, in particular the newly appointed executives, CFO André Gaylard, CTO Russ Bennett and Chief Strategy Officer Kathryn Byrne, all of whom joined the Company late in the half. As part of the acquisition transaction, Daniel Houden, who was formerly CEO of TASK, was appointed CEO of the combined Group. Daniel was also appointed to the Company's Board along with Bill Crichton, an experienced Australian businessman and long-term advisor to TASK.

The acquisition of TASK has accelerated the opportunity to refresh Plexure's

strategy, with the goal of driving towards profitable growth by leveraging the joint capability sets and customer bases and exploiting cost synergies across the combined Group. A transformation, which is being pursued at pace during the second half of FY22, is being led by Daniel Houden and the Senior Leadership Team with strong support from the Board.

The Board and Senior Leadership Team are particularly positive about the opportunities presented by the merger with TASK and are confident that, post transformation, the combined business will generate an attractive return for all shareholders.

The Board is very appreciative of the support shareholders have provided in relation to the TASK transaction and the capital raising undertaken to give effect to the merger and we look forward to your continuing support in the future.



Phil Norman
Chairman

CEO Update



I am excited to be leading the Plexure Group at such a pivotal point in the Company's history following the merger with TASK and I am proud to be working with the Board and Senior Leadership Team in setting a new direction for the business.

The merger intends to create an end-to-end enterprise hospitality and retail engagement platform that merges best-in-class customer engagement, loyalty and POS operations. My initial focus, post appointment on 1 October 2021, has been on understanding where the business is today and how to best deliver on an updated vision for the combined Group that delivers profitable growth.

A refreshed business strategy that focuses on leveraging the joint capabilities and a common Group direction will replace Plexure's previous

approach to spending. Running the existing Plexure capabilities on the TASK "rails" will advance speed to market and reduce costs.

Plexure can use some of the mature capabilities and customer base provided by TASK instead of continuing to pursue a cost intensive strategy in new product innovation and new customer expansion, which was previously required in order to achieve diversification. This can now be facilitated at a reduced cost and more rapid pace via the TASK pipeline. It will also allow Plexure to optimise

its platform and reinvigorate our relationship with McDonald's as our key customer.

It's exciting to see that this model resonates with clients, as highlighted by Pita Pit's recent extension of their contract to encompass the full TASK technology stack.

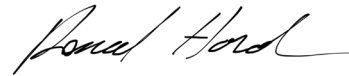
Importantly, the combined TASK + Plexure platform will be able to be deployed at significantly lower cost than the original Plexure-only offering due to the benefits of a single integrated solution. The extended contract (from 3 to 5 years) includes the addition of POS and kiosk services, kitchen video, digital signage, third party delivery aggregations (e.g. uber eats), online ordering, loyalty and a mobile app.

The integrated platform will give Pita Pit the ability to seamlessly enable menu options across multiple virtual brands and associated ghost kitchens. This presents a ground-breaking and industry-first opportunity to link restaurant operations with customer personalisation for a well-established national brand.

I am hugely excited by the vision for the combined group. However, we need to transform our operations to create a stronger Plexure which will benefit employees, shareholders and, most importantly, customers.

Our strategy will focus on delivering better service for our existing customers, faster returns on investment (capitalising on our joint capabilities) and profitable growth.

I would like to thank the Board, and our shareholders for their warm welcome and support as we embark on the next chapter of the Plexure Group story.



Daniel Houden
CEO

Financial Performance



	6 Months 30 Sept 2021 \$'000s	6 Months 30 Sept 2020 \$'000s	Change \$'000s	Change %
Total revenue	13,525	14,490	(965)	(7%)
Revenue from contracts with customers	13,513	14,362	(849)	(6%)
Net profit/(loss) after tax	(8,496)	(4,409)	(4,087)	(93%)
Cash at bank (including term deposits)	52,254	8,761	43,493	496%
Total staff and contractors	170	161	9	6%

The Company reported a net loss attributable to shareholders of \$8.5 million for the six months to 30 September 2021, including \$2.1 million in relation to the TASK acquisition and higher recruitment costs. This compared with a net loss of \$4.4 million in the prior comparative period (PCP).

Total revenue for the period was \$13.5 million, which was \$1.0 million (7%)

lower than last year. Recurring revenue, representing licence and support fees, increased by \$1.1 million (13%) to \$10.1 million, predominantly because of increases in redemptions and growth in users for McDonald's.

Non-recurring revenue, which represents funded development and one-off consulting projects for customers, decreased by \$2.0 million (37%) to \$3.4 million. The

decrease in non-recurring revenue was almost entirely attributable to McDonald's and was the result of two significant projects last year that were not repeated this year, as well as the Company's pursuit of the strategy to "invest for growth". This resulted in fewer staff being available for funded development activities, while the additional staff that were hired focused on developing a suite of products that would be attractive to the Company's smaller customers as well as prospective customers.

Consequently, Plexure's operating costs have intentionally grown by \$3.0 million to \$21.8 million, compared with the same period last year (\$18.8 million). An increase in the volume of users has driven up platform activity, resulting in increased platform hosting costs and additional support and maintenance costs of \$5.6 million (up 40% on PCP). This is driven mainly by McDonald's again; however, Super Indo user growth and related costs outstripped revenue growth for the period. New product development has also increased IT costs, while the Company's increased staff numbers required additional equipment, software licences and support.

Total staff and contractor headcount at the end of the reporting period increased by 6% from 161 to 170. Wages and staff costs increased by \$3.2 million to \$11.6 million as a result; however, the Company did incur approximately \$0.7 million in one-off recruitment costs in relation to the onboarding of four new executives to strengthen and replace roles on the leadership team, including changes to the Chief Executive, Chief Financial

Officer and Chief Technology Officer during this period. Further to this, the Company is working in a very competitive technology labour market, which continues to drive up salaries as there is limited talent inflow resulting from border restrictions imposed since COVID-19 hit New Zealand in March 2020.

Plexure announced a binding, conditional agreement to acquire leading transaction platform provider TASK on 16 August 2021. The total transaction cost associated with the TASK acquisition and merger amounted to \$2.6 million, with \$1.4 million expensed through the Consolidated Statement of Comprehensive Income for the period albeit the TASK transaction did not settle until 1 October 2021.

The acquisition was completed on 1 October 2021, being the date on which Plexure settled the cash consideration of A\$30 million thereby reducing the bank balance reported on 30 September 2021. The acquisition being a post balance date event, TASK's financial results will be included in the larger Plexure Group accounts for the period from 1 October 2021 to 31 March 2022.

Other operating expenses, including depreciation and amortisation, decreased by 33% to \$2.9 million, with the biggest reductions coming from fewer contractors and FX differences having a smaller impact than last year.

Cash Position and Utilisation

The Company utilised cash of \$9.8 million in operating and investing

activities, excluding investment in term deposits of \$0.5 million. In the same period last year, Plexure utilised \$5.4 million. The increase of \$4.4 million (82%) is the result of higher spend on employees and suppliers and despite a bit of timing is comparable to the increases in Wages and staff costs together with increases in IT costs.

At balance date (30 September 2021), the Company's total cash at bank was \$49.6 million. The cash balance includes \$20.0 million (net of costs) in proceeds from the capital raise completed successfully on 29 September 2021. As mentioned earlier, Plexure transferred A\$30.0 million, plus A\$3.3 million for working capital, to the TASK vendors on 1 October 2021 in part payment of the total acquisition consideration of A\$120.0 million.

Plexure also holds term deposits amounting to \$2.7 million, as at 30 September 2021.



André Gaylard
CFO

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2021

	Notes	6 months ended 30 Sept 2021 Unaudited \$'000	6 months ended 30 Sept 2020 Unaudited \$'000
Revenues			
Revenue from contracts with customers	3	13,513	14,362
Other income	4	12	128
Total revenue and other income		<u>13,525</u>	<u>14,490</u>
Expenses			
Wages and staff costs	6(a)	(11,586)	(8,387)
Contractors		(621)	(1,527)
Travel costs		(14)	(91)
Rental costs		(268)	(278)
Professional costs	6(b)	(1,715)	(2,062)
Board fees		(259)	(183)
Marketing		(232)	(278)
IT costs	6(c)	(5,592)	(4,010)
Other expenses	6(d)	(109)	(698)
Loss on disposal		-	(2)
Depreciation	7(a)	(380)	(316)
Amortisation	7(b)	(1,044)	(972)
Operating expenses		<u>(21,820)</u>	<u>(18,804)</u>
Interest expense		(55)	(66)
Financing expenses		(55)	(66)
Net loss before tax		<u>(8,350)</u>	<u>(4,380)</u>
Income tax expense		(146)	(29)
Net loss after tax for the period attributable to the shareholders of the group		<u>(8,496)</u>	<u>(4,409)</u>
Other comprehensive loss			
Exchange difference on translating foreign operations		(17)	(29)
Total comprehensive loss for the period attributable to the shareholders of the group		<u>(8,513)</u>	<u>(4,438)</u>
Earnings per share			
Basic loss per share (cents)		(4.88)	(3.14)
Diluted loss per share (cents)		(4.73)	(2.97)

Calculated on a weighted average basis of the number of shares on issue.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2021

	Notes	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Accumul- ated Losses \$'000	Total Equity \$'000
Six months ended 30 September 2020 - Unaudited						
Balance at 1 April 2020		36,816	244	624	(22,690)	14,994
Net loss after tax		-	-	-	(4,409)	(4,409)
Exchange differences arising on translating foreign operations		-	(29)	-	-	(29)
Total comprehensive loss		-	(29)	-	(4,409)	(4,438)
<i>Transactions with owners</i>						
Shares issued by way of exercising of share options	8, 9	154	-	(26)	-	128
Recognition of share based payments	9	-	-	137	-	137
Share based payments on expired options		-	-	(1)	1	-
Balance at 30 September 2020		36,970	215	734	(27,098)	10,821
Six months ended 30 September 2021 - Unaudited						
Balance at 1 April 2021		72,383	88	572	(30,618)	42,425
Net loss after tax		-	-	-	(8,496)	(8,496)
Exchange differences arising on translating foreign operations		-	(17)	-	-	(17)
Total comprehensive loss		-	(17)	-	(8,496)	(8,513)
<i>Transactions with owners</i>						
Shares issued		20,851	-	-	-	20,851
Capital raising costs		(1,225)	-	-	-	(1,225)
Shares issued by way of exercising of share options	8, 9	447	-	(147)	-	300
Recognition of share based payments	9	-	-	35	-	35
Share based payments on expired options		-	-	(5)	5	-
Balance at 30 September 2021		92,456	71	455	(39,109)	53,873

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	As at 30 Sept 2021 Unaudited \$'000	As at 31 Mar 2021 Audited \$'000
Assets			
Current assets			
Cash and cash equivalents		49,569	40,214
Term deposits		2,685	2,139
Income tax receivable		9	-
Trade and other receivables		5,478	3,744
		<u>57,741</u>	<u>46,097</u>
Less current liabilities			
Trade and other payables		7,035	4,047
Income tax payables		-	23
Deferred revenue		2,986	5,056
Lease liabilities	11	732	392
		<u>10,753</u>	<u>9,518</u>
		<u>46,988</u>	<u>36,579</u>
Working capital			
Non-current assets			
Property, plant and equipment	7(a)	8,057	2,080
Intangible assets	7(b)	6,066	5,282
		<u>14,123</u>	<u>7,362</u>
Non-current liabilities			
Lease liabilities	11	7,238	1,516
		<u>7,238</u>	<u>1,516</u>
Total net assets		<u>53,873</u>	<u>42,425</u>
Equity			
Share capital	8	92,456	72,383
Foreign currency translation reserve		71	88
Share based payment reserve	9	455	572
Accumulated losses		(39,109)	(30,618)
Total equity		<u>53,873</u>	<u>42,425</u>

Signed on behalf of the Board by:



Phil Norman

Chairman

Dated: 17 November 2021



Robert Bell

Director

Dated: 17 November 2021

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Notes	6 months ended 30 Sept 2021 Unaudited \$'000	6 months ended 30 Sept 2020 Unaudited \$'000
Operating activities			
<i>Cash was provided from (applied to):</i>			
Receipts from customers		11,038	10,402
Interest received		3	56
Other income		9	-
Payments to suppliers and employees		(18,702)	(14,078)
Income tax paid		(178)	(17)
Net cash outflow from operating activities	10	(7,830)	(3,637)
Investing activities			
<i>Cash was provided from (applied to):</i>			
Purchase of property, plant and equipment	7(a)	(103)	(146)
Term deposit (investment)/proceeds		(546)	895
Capitalised development costs	7(b)	(1,828)	(1,592)
Net cash outflow from investing activities		(2,477)	(843)
Financing activities			
<i>Cash was provided from (applied to):</i>			
Issue of ordinary shares		21,151	128
Share capital raising costs		(1,225)	-
Repayment of lease liability		(192)	(116)
Interest paid		(55)	(66)
Net cash inflow/(outflow) from financing activities		19,679	(54)
Net increase/(decrease) in cash held		9,372	(4,534)
Add cash at bank at start of period		40,214	11,205
Effect of foreign exchange rate changes on cash		(17)	(29)
Cash at bank at end of period		49,569	6,642
Comprised of:			
Cash and cash equivalents		49,569	6,642

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

1 Corporate Information

The consolidated financial statements of Plexure Group Limited and its subsidiaries (collectively, the Group) for the six months ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors on 16 November 2021.

Plexure Group Limited (“the Company”) is a limited company incorporated and domiciled in New Zealand, registered under the Companies Act 1993, and whose shares are publicly traded on the New Zealand Stock Exchange (NZX:PX1) and the Australian Securities Exchange (ASX:PX1). The registered office is located at Level 2, 1 Nelson Street, Auckland, New Zealand.

The principal activity of the Company is the development and deployment of cloud-based Customer Relationship Management (or CRM) solution that enables retailers to engage with consumers in real time using connected devices and sensors.

Statement of Compliance

These interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and NZ IAS 34, Interim Financial Reporting. These interim consolidated financial statements have not been audited.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements of Plexure Group Limited and its subsidiaries for the financial year ended 31 March 2021, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

Unless otherwise stated in Note 2, all significant accounting policies have been applied on a basis consistent with those used in the audited financial statements.

Plexure Group Limited is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and these financial statements comply with that Act.

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the entity is a for-profit entity.

The consolidated financial statements have been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest (\$000), except when otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

(b) Changes in accounting policies

These unaudited interim financial statements have been prepared using the same accounting policies and methods and should be read in conjunction with the financial statements and related notes included in the Group's annual report for the year ended 31 March 2021.

Certain comparative information has been reclassified to conform with the current period's presentation.

3 Revenue from contracts with customers

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Licence revenue	10,147	9,013
Consulting revenue	3,366	5,349
	13,513	14,362

4 Other income

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Interest received	3	56
Other income	9	72
	12	128

5 Segmental reporting

The Group forms a single operating segment, the development and deployment of a mobile engagement software with consulting services on campaigns and where required paid technology development work.

The group operated in Australasia, Asia, North America, Latin America, Europe/Middle East/Africa during the period. Revenue by geographic location is as follows:

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Asia	6,018	6,719
Australasia	228	296
North America	2,706	3,407
Latin America	95	95
Europe/Middle East/Africa	4,466	3,845
	13,513	14,362

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

6(a) Wages and staff costs

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Salaries (less capitalised)		
NZ	9,723	6,570
Overseas	795	1,249
Benefits		
NZ	265	198
Overseas	37	140
Staff costs	766	230
	11,586	8,387
Permanent staff numbers as at 30 September 2021		
NZ	154	133
Overseas	9	12

6(b) Professional costs

	6 months ended 30 Sept 21 \$'000	6 months ended 30 Sept 20 \$'000
Auditors' fees for audit of the financial statements	38	38
Auditors' other fees:		
Taxation compliance services	9	6
Ancillary services (1)	2	10
Ancillary services related to ASX Initial Public Offering (2)	-	12
Professional services related to ASX Initial Public Offering	-	1,177
Professional services related to acquisition of TASK	1,376	-
Accounting advisory services and systems	48	81
Audit of a foreign subsidiary	-	11
Consultancy services	130	640
Legal Expenses	112	87
	1,715	2,062

1. Ancillary services relate to transfer pricing documentation and R&D tax credit application.

2. Ancillary services related to ASX Initial Public Offering includes costs for advice around shareholder continuity, tax and accounting.

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

6(c) IT costs

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Platform hosting	3,952	2,937
Support and maintenance	1,492	888
Licence	119	96
Other IT expenses	29	89
	5,592	4,010

6(d) Other expenses

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Listing expenses	229	63
Foreign exchange (gain)/loss	(171)	492
Bad debts	-	(9)
Bank fees	16	15
Share option expense (note 9)	35	137
	109	698

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

7(a) Property, plant and equipment

	Right-of-use assets \$'000	Leasehold Improvements \$'000	Furniture and Fittings \$'000	Plant and Equipment \$'000	Total \$'000
Cost					
As at 1 April 2020	2,258	29	242	694	3,223
Additions	-	31	1	168	200
Disposal	-	-	(14)	(170)	(184)
As at 31 March 2021	2,258	60	229	692	3,239
Additions	6,254	6	4	93	6,357
Disposal	-	-	-	(5)	(5)
As at 30 September 2021	8,512	66	233	780	9,591
Depreciation					
As at 1 April 2020	(220)	(5)	(111)	(375)	(711)
Depreciation charge for the year	(376)	(11)	(60)	(180)	(627)
Disposal	-	-	13	166	179
As at 31 March 2021	(596)	(16)	(158)	(389)	(1,159)
Depreciation charge for the period	(247)	(6)	(30)	(97)	(380)
Disposal	-	-	-	5	5
As at 30 September 2021	(843)	(22)	(188)	(481)	(1,534)
Net book value					
As at 31 March 2021 - audited	1,662	44	71	303	2,080
As at 30 September 2021	7,669	44	45	299	8,057

Plexure Group's right-of-use assets comprise of property and office equipment leases.

7(b) Intangible assets

	Core Platform \$'000	Mobile Platform \$'000	Total \$'000
Cost			
As at 1 April 2020	12,507	1,249	13,756
Additions - internally developed	2,671	133	2,804
Additions - externally developed	344	-	344
As at 31 March 2021	15,522	1,382	16,904
Additions - internally developed	1,383	-	1,383
Additions - externally developed	158	287	445
As at 30 September 2021	17,063	1,669	18,732
Amortisation			
As at 1 April 2020	(8,610)	(1,047)	(9,657)
Amortisation charge for the year	(1,790)	(175)	(1,965)
As at 31 March 2021	(10,400)	(1,222)	(11,622)
Amortisation charge for the period	(953)	(91)	(1,044)
As at 30 September 2021	(11,353)	(1,313)	(12,666)
Net book value			
As at 31 March 2021 - audited	5,122	160	5,282
As at 30 September 2021	5,710	356	6,066

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

8 Share capital

All shares are ordinary shares, have been issued as fully paid and have no par value. Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro-rate share of net assets on a wind up.

	Shares	\$'000
Balance as at 1 April 2020	139,938,658	36,816
<i>Movements during the year</i>		
Exercising of share options - May 2020	16,666	4
Exercising of share options - June 2020	423,333	174
Exercising of share options - August 2020	6,666	1
Private placement - November 2020 (*)	26,548,673	29,670
Share purchase plan - November 2020 (**)	4,166,666	5,000
Exercising of share options - November 2020	1,321,224	419
Exercising of share options - January 2021	153,333	46
Exercising of share options - February 2021	271,519	80
Exercising of share options - March 2021	595,291	173
Balance as at 31 March 2021	173,442,029	72,383
<i>Movements during the year</i>		
Exercising of share options - May 2021	3,333	2
Exercising of share options - August 2021	1,000,000	168
Exercising of share options - September 2021	1,000,000	277
Private placement - September 2021 (***)	39,999,993	19,626
Balance as at 30 September 2021	215,445,355	92,456

* On 25 November 2020 a foreign exempt listing of Plexure on ASX commenced. Together with the listing a private placement of \$31.6m (\$29.7m net of capital raising costs) or 26,548,673 new shares was made.

** On 27 November 2020 Plexure issued new shares via a share purchase plan. Total of 4,166,666 was issued at a price of \$NZ1.20 for total consideration of \$5m.

*** On 29 September 2021 a private placement of \$20.9m (\$19.6m net of capital raising costs) or 39,999,993 new shares was made. New shares issued under the placement rank equally in all respects with the existing ordinary shares.

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

9 Share based payment reserve

The share based payment reserve is used to record the accumulated value of unexercised share options and vested share rights which have been recognised in the statement of comprehensive income. As at balance date executives, employees and directors have options over 2,849,586 shares (31 March 2021: 5,382,114).

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Balance at the beginning of the year	572	624
Share based payments expense	35	137
Write back of share based payment expired	-	-
Options not exercised written to retained earnings	(5)	(1)
Options exercised	(147)	(26)
	455	734

10 Reconciliation of operating cash flows

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Net loss after tax	(8,496)	(4,409)
Adjustment for non-cash items:		
Amortisation	1,044	972
Depreciation	380	316
Loss on disposal	-	2
Share based payment expense	35	137
Interest accrued on lease liability	55	-
	1,514	1,427
Movements in Working Capital		
Increase in trade and other receivables and tax	(1,766)	(657)
Increase in trade payables and accruals	2,988	3,364
Increase in deferred revenue	(2,070)	(3,362)
	(848)	(655)
Net cash outflow from operating activities	(7,830)	(3,637)

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2021

11 Lease liabilities

The maturity of the lease liabilities is as follows:

	6 months ended 30 Sept 2021 \$'000	6 months ended 30 Sept 2020 \$'000
Less than one year	732	380
One to five years	3,335	1,716
More than five years	3,903	-
	7,970	2,096

The total interest expense on lease liabilities for the six months ended 30 September 2021 amounted to \$55,064.

12 Contingencies

There were no material contingent assets at 30 September 2021 (2020:\$Nil). There is a contingent liability of \$1,045,000 in respect of property leases and a further \$75,000 in relation to the NZX bond (2020: \$583,000).

13 Events after reporting period

On 1 October 2021 Plexure Group completed a full acquisition of Australian-based TASK Retail Pty Limited and its global subsidiaries (TASK Group) for total consideration of A\$120.0 million. The acquisition consideration comprised:

- A\$30.0m in cash,
- A\$78.5m by way of the issue of 137,141,858 new shares to previous shareholders of TASK Group at \$0.60 per share, which is deemed materially aligned to the fair value of the Plexure shares on the acquisition date,
- A\$11.5m by way of issue of 20,090,846 deferred share rights to participants in an LTI Scheme for employees and contractors of TASK, that are exercisable on vesting into fully paid ordinary shares after three years. This consideration will be accounted for under NZ IFRS2.

TASK was privately owned and has been consistently self-funded since its incorporation in 2000. TASK provides an enterprise transaction management platform enabling point of sale, online ordering, loyalty, kiosk, mobile apps and other engagement products on a single technology stack.

There is a strong commercial rationale for the TASK acquisition, including:

- Diversification of Plexure's customer base, reducing its dependency on a small number of customers,
- Enhanced product portfolio for TASK and Plexure, creating a comprehensive end-to-end platform attractive to a number of industry sectors,
- Cross-selling opportunities for both companies,
- Cost synergies.

Purchase Price Allocations for the purpose of goodwill determination has not been finalised as at the date of this report.

Post-acquisition Daniel Houden (CEO of TASK) was appointed as Group CEO and Executive Director, while Bill Crichton was appointed as an Independent, Non-Executive Director of the combined Group.

Directory

As at 30 September 2021

Company Number	244518
NZ Business Number	9429039937803
Directors	Phil Norman – Chairman Sharon Hunter Brian Russell Robert Bell Jack Matthews Craig Herbison (resigned 4.8.21) Daniel Houden – CEO (appointed 1.10.21) Bill Crichton (appointed 1.10.21)
Registered Office	Level 2, 1 Nelson Street, Auckland
Postal Address	PO Box 90722 Victoria Street West Auckland
Share Registrar	Computershare Investor Services Limited Private Bag 92119 Auckland Phone: 09 488 8700 Fax: 09 488 8787
Auditors	Deloitte Limited Private Bag 115033 Shortland Street Auckland
Bankers	ASB Bank PO Box 35 Shortland Street Auckland
Solicitors	Bell Gully PO Box 1291 Wellington
Website	www.plexure.com

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plexure