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Plexure Chairman's Address

Company Background

Plexure offers a next generation Customer Relationship Management (or CRM) solution that enables retailers to engage with consumers in real time using connected devices and sensors. It is an enterprise scale solution that improves the customer experience and optimises retail revenues. Today, we have deployments of this CRM solution in 27 countries.

Over the last year, we have seen a growing demand for professional services to be delivered together with the Company's technology platform. Larger enterprise clients are increasingly requesting tailored solutions integrated into their existing enterprise architecture, which requires a combination of software and added-value services.

Previously, we have thought of ourselves as a SaaS platform business but given this shift in customer demand, today we describe ourselves as a solutions business offering a combination of a SaaS software platform and professional services that embrace pre-sale consultancy and post-sale implementation and support.

We remain very focused on expanding revenues from our existing large retail client utilising a "land and expand" strategy whereby a successful deployment in one country will typically lead to deployments in other regions and, ultimately, worldwide deals such as been the case with McDonald's. This strategy is working well.

We are also continuing to develop our new business pipeline both directly and through our partnership relationships with Microsoft, Current by GE and Samsung.

Our technology is proven and operating at scale. Our transaction volumes are massive and, as a mature offering, we are now able to deploy solutions to large enterprise customers very rapidly. The sophistication and robustness of our software platform is a key differentiator for the Company.

Before discussing the 2017 year, I would like to comment on a number of recent developments.

Re-structure & Q1 Results

On 30 June 2017, we released our Annual Report and announced a re-structure of the business. The re-structure was designed to accelerate the Company's path to profitability and we noted that at that date that we expected to be cash flow positive by the end of the calendar year.

On 14 July 2017, we released an investor update in which we provided an update on our financial performance for the first quarter of the 2018 financial year. By comparison with the same quarter in 2017, revenue grew by 41%, costs decreased by 18% and we had our first ever quarter of positive EBITDA.

This is a substantial improvement in our financial performance and reflects the Board's heightened focus on profitability.

Capital Strategy

Our most recent capital raising took place during July and August 2017, securing \$1.9M. At this stage, we do not have any near-term plans to raise further capital, however any review of strategy could change this.

The Company also has a \$1.6m convertible note on issue. This was initially issued just after the Wynyard collapse when capital markets were avoiding technology stocks like Plexure. As advised last week, the terms of the note have been re-negotiated. The repayment date has now been extended from 3 November 2017 until 31 March 2019. Interest to date has been added to the face value of the convertible note and interest going forward will no longer be charged. In return for these amended terms, the convertible note has been re-priced from \$0.28 to \$0.12.

Financial Performance 2017

I would now like to discuss the Company's financial performance for the year ended 31 March 2017.

The Company's operating revenues increased by 31% to \$7.0M, reflecting strong growth in the underlying business, particularly from existing customers that are extending their commitment to their use of Plexure's technology. Total revenues for the same period grew 10% to \$7.3M.

Total costs increased year-on-year by 3% to \$13.7M, however, in the second half of the year, the Company was able to decrease operating costs by 9% and this has continued in the current year.

Although we reduced costs, particularly in sales and marketing, by increasingly leveraging our channel partnerships, these reductions were offset by increases in our hosting and associated IT costs. These costs increased 59% to \$2.9M, the largest contributor being Microsoft Azure hosting fees. The increase was driven by usage and we continue to refine the platform to reduce Azure consumption. The benefit of this hard work will be apparent from Scott's presentation, which will include our forecast results for the half-year ending 30 September 2017.

The net loss after tax for the year of \$6,482M is 2% less than the previous year with losses narrowing in the second half of the year by 22% due to a combination of increased revenue and decreased costs.

As a result of the recent re-structuring and cost reduction programme, the Company is now well positioned to sustain these performance improvements. Revenue is still growing at a higher rate than last year on a lower cost base (principally through a substantial reduction in headcount) and we have added new professional services and data analytics offerings that generate attractive margins.

Leadership and Governance

In the recent re-structure, the Company has been re-organised into five operational groups, namely: New Sales, Account Management, Product Development, Professional Services and Finance and Administration. Each is managed by a member of the senior leadership team.

As a result of these changes our US-based Chief Revenue Officer, Jen Millard has left the Company.

At a governance level, Mike Carden left the Board in December 2016. We are currently reviewing the composition of the Board as the Company moves to its next stage of life.

Finally, while on the topic of leadership and governance, it is with great regret that I have to advise that our Founder and CEO, Scott Bradley, has decided that after seven hard years, it is time to move on. Scott will be stepping down from his role as CEO immediately but will work with the new CEO over the next three months to ensure an orderly transition. Scott will remain a Director and significant shareholder.

I have worked with Scott since the business was established seven years ago and without his vision and personal drive, Plexure would not exist. We have a great deal to thank him for and should all understand that being a technology entrepreneur taking a New Zealand based company to market internationally is extraordinary demanding both professionally and personally. After seven years, Scott has decided to call time out. Our team will all miss him but we also all wish him the very best for whatever he decides to do in the future.

Scott's resignation provides the opportunity to re-assess our leadership needs and I am also today pleased to be able to announce that Craig Herbison will be appointed as Scott's replacement.

Craig is an internationally experienced leader with over 20 years of digital and brand marketing, business transformation, sales and corporate leadership experience.

Originally qualifying as a barrister and solicitor in 1990 Craig then moved into the advertising industry. With the emergence of digital marketing in the late 1990's, Craig worked in Web development and in digital agencies in New Zealand and the UK.

In the UK, Craig led the digital marketing launch of the world's first 3G mobile operator "3" and ran the digital and CRM Vodafone relationship globally for WPP. He returned to Australasia in 2006 and worked in corporate marketing roles for Vodafone regionally, Sensis and led the brand transformation of Telecom NZ to "Spark" a few years ago.

In 2011, he joined the BNZ executive team as its first ever CMO and assumed an expanded role in 2014 running BNZ's retail, small business and insurance businesses. During his tenure, he took BNZ back into mortgage brokers after an absence of twelve years, which produced \$1.1Bn of new lending in the first year. Craig was responsible for 2,500 staff and 174 retail stores at BNZ.

Craig was also previously a director of Loyalty New Zealand, the operator of Fly Buys in New Zealand.

Conclusion

In concluding and before handing over to Scott, I would like to acknowledge the enormous effort made by our staff over the last year. We are a small company and without them we would not have the world class technology platform we do, nor would we be able to operate globally. I should also acknowledge the work undertaken by my fellow Directors, whose wise counsel is always valued.

I would also like to say how much we appreciate the support of our loyal shareholders. The Directors still remain excited about the prospects for the business and we look forward to you continuing the journey with us.

For more information please contact:

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About Plexure

Plexure uses digital insight to optimize transactions in the real world for business with physical locations.

By personalizing, influencing and enhancing these transactions revenue and margin return is significant. Plexure is unique, because it can gather live data feeds from a vast array of sources.

These sources include IoT devices such as beacons, sensors, RFID, Wi-Fi, Mobile App, POS data, weather, public events or traffic. Plexure observes, analyzes, predicts, influences individual customer behavior and then measures the results.

The Plexure platform can harness machine learning, proximity marketing, real time decisioning, facial and voice recognition to connect customers with brands. These services are delivered using Microsoft's cloud platform, Azure, through a global network of Microsoft data centres. Plexure has offices in San Francisco, Auckland, and Tokyo. Clients include McDonald's, 7-Eleven, Ikea, Heart of the City and Loyalty New Zealand