



3 September 2020

Plexure 2020 Annual Meeting – Chairman’s Address

I am pleased, once again, to have this opportunity to address shareholders at the Company’s Annual Meeting.

Overview

Plexure is one of the world’s leading specialist, mobile engagement platforms. We enable brands to connect consumers with physical stores through deeply personalised offers.

Brands that use Plexure experience an increase in customer numbers and visit frequency, higher average transaction values, larger share of wallet and improved customer satisfaction scores.

Harnessing the power of data and artificial intelligence (Ai) to create magical moments for people, we help brands incentivise their customers to return to physical stores and increase their spending once in store. We do this using an intelligent technology platform that delivers personalisation along with powerful analytics that enable one-to-one digital targeting at the right time and place.

The financial year ended 31 March 2020 was a highly successful year for the Company. Customer usage grew strongly throughout the year and at year-end there were 183 million users on our app. This month, September 2020, the number of users will reach 200 million. This has driven revenues to a new high of \$25.5 million and we recorded a net profit of just over \$1.0 million. At 31 March 2020, we had \$14.2 million in the bank. This trading result is our best to date and continues the strong forward momentum the Company has achieved over the last three years.

During the year, we signed two major new customers - White Castle, a well-known US burger chain, confirming the attractiveness of our proposition for the Quick Service Restaurant (QSR) sector, and Super Indo, an Indonesian supermarket operator that is 51% owned by Ahold Delhaize, one of the world’s largest food retail groups, headquartered in Europe. Super Indo is our first customer in the grocery sector and demonstrates the relevance and strength of our personalised, mobile-focused customer engagement offering to consumers in this high-growth category.

In April 2019, McDonald’s purchased a 9.9% equity stake in the Company and on the back of that investment, our relationship with McDonald’s has continued to strengthen throughout FY20. We now work with McDonald’s in 59 markets worldwide and continue to broaden the scope of our offerings for them, including enhanced Ai-based data analytics. McDonald’s growing global use of Plexure’s technology to enhance engagement with its customers is clear validation of the value-add we provide.

Like every business, we continue to closely monitor the impact of COVID-19 on our operations. To date, the impact has been minimal. We have actually grown our team as we continue to focus on existing customers as well as new opportunities arising from the global pandemic. In the current COVID-19 environment and the “new normal” that will exist for some time, we anticipate, personalised, mobile-focused customer engagement and data analytics solutions such as those offered by Plexure will be highly sought after and we will continue to adapt our products and services to remain responsive to newly emerging market needs.

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Financial Performance

Our financial results for FY20 reflected the Company's continuing strong progress.

Highlights included:

- Operating revenue of \$25.3 million, up 50% or \$8.4 million from FY19.
- A net profit of \$1.0 million, up 243% from the FY19 loss of \$0.7 million.
- Cash on hand of \$14.2 million at balance date. The Company was cashflow positive from operating activities for the third successive year.

The Company's operating revenue of \$25.3 million does not directly correlate to user numbers. This is because approximately 95% of the Company's operating revenue is linked to contracts that were signed in 2014 with pricing mainly based on store numbers. Only a small percentage of FY20 operating revenue is linked to consumer usage. In 2019, this pricing model was changed with new customer contracts being based on digital adoption. This will mean that as consumer usage grows so too will the Company's operating revenue.

Our current cash resources will allow the Company to fund its organic growth plans in the near-term but the pursuit of our three-year plan will require the Company to raise additional capital.

Scale

The Company's technology platform is now one of the world's largest and busiest cloud-based technology platforms.

We now have approximately 200 million end-users on the platform in 59 countries. We are currently delivering 740 million brand messages per month in 78 different languages. API calls per month have now reached a staggering 6.4 billion per month. These usage statistics demonstrate the robustness of our platform and its ability to perform at scale, matched by very few companies globally.

Our technology roadmap anticipates continuing strong usage growth and this will require ongoing investment in our platform to ensure that we can continue to handle our ever-increasing transaction volumes, while also adding new products and services.

This platform investment will also significantly reduce the "cost to serve" for end-users in the future and is an essential element of our growth strategy as we build capability to support end-user numbers approaching 500 million. The investment will have an impact on our financial results in FY21 and consume some part of our available cash reserves.

Business Strategy

The Company's goal is simple: to be the world leader in the delivery of highly personalised mobile engagement experiences that drive sales.

The investment by McDonald's is a solid validation that we are well on the way to achieving this goal.

Since the refresh of our leadership team, which started two years ago, we have focused our attention on profitable growth and have achieved a major transformation in the Company's financial performance. This has been accomplished through a combination of improved management of existing customers, new business development, operating cost containment and driving value from the existing technology platform.

We have now reached the next stage in our strategy evolution and in the year ahead will expand the business further. We have developed a range of new products including Ai-enabled fraud detection, offer engagement, price optimisation and advanced analytics tools, and we will launch more innovative Ai-driven capabilities in FY21.

The Company has spent considerable time undertaking competitor and market analysis. The global mobile marketing sector is growing rapidly year-on-year and was estimated to be worth over US\$53b



in 2018 and will grow at a CAGR of 23% from 2019 to 2025. Plexure is positioning itself in the market to capture this growth and in FY21 will be investing some of its cash reserves enhancing the Company's sales, marketing, consulting, product development and platform capability to drive this outcome.

If these FY21 growth objectives can be accelerated by the acquisition of other businesses with complementary product sets, the Company may also consider M&A activity and may raise additional capital to do this. Planning for such a capital raising includes an assessment of the potential for the Company to migrate its primary listing to the ASX.

Potential Migration of Primary Listing to ASX

As we have already announced, the Company is investigating an IPO in Australia, which will involve listing on the ASX and re-classifying the current primary NZX listing to a secondary listing as an NZX Foreign Exempt Issuer, allowing New Zealand shareholders and investors to continue to trade on the NZX if they wish to do so.

If the Board decides to proceed with the IPO, it is likely that the ASX listing and the NZX re-classification will occur at the same time.

Bell Potter and Ord Minnett in Australia have been appointed to assist with investigating the Australian IPO.

The Company's strategy and three-year plan contemplates a focus on international growth. The Board considers that it may need up to A\$50 million to facilitate the pursuit of this growth plan, which it considers will allow it to capture value accretive opportunities that would not be secured if the Company is constrained by current capital reserves.

Assuming the IPO proceeds and the new capital is raised, it will be used to accelerate development of the Company's technology platform, enhance and add to the product set, acquire more people across all functions within the business, expand global sales and marketing activities and provide a pool of cash to potentially pursue attractive merger and acquisition opportunities that leverage our existing capabilities and our overall growth agenda.

The reason the Board has decided to investigate an IPO in Australia is because of the greater depth of capital markets there, and what the Board considers to be greater support provided for growth companies such as Plexure. We also expect it will enhance liquidity for current and potential investors, and increase the Company's attractiveness as an investment for overseas institutions whose mandates do not currently extend to the NZX.

We anticipate that should the Australian IPO proceed any shares issued will be offered to institutional and retail investors in both Australia and New Zealand, including our existing shareholders.

While the Company is still in the process of investigating the IPO, including its precise terms, the Board considers that it is prudent to use the opportunity of the Company's Annual Meeting to seek approval for the issue of shares should the IPO ultimately proceed. Details of the approval being sought are set out in the Explanatory Statement included in the Notice of Meeting in relation to Resolution 4, which shareholders will be asked to consider as part of the formal business of this meeting.

Should the IPO proceed, we expect that the offer may open in October 2020 with the ASX listing (and NZX secondary listing) occurring during November 2020. However, this timeline remains indicative and is subject to a number of factors including regulatory approvals and market conditions. An announcement will be made to the market if Plexure decides to proceed with the IPO and ASX Listing and NZX secondary listing.

Management and Employees

Under our CEO Craig Herbison's leadership, we have continued to strengthen our senior leadership team and will continue to do so to support the Company's growth.



During the year, Richard Fraser moved from Chief Customer Officer (CCO) into the newly established role of Chief Product Officer (CPO) to support the Company's growth and refreshed strategic vision. This important role is focused on driving innovation through the product roadmap.

In February 2020, Andrew Flavell joined the Company from Nike US as our new CTO. Andrew is a strong technical leader with extensive overseas experience. He was previously VP of Architecture and VP of the Nike+ Brand. Andrew also spent 14 years at Microsoft and holds a PhD degree from the University of Tokushima.

Our overall staff numbers have grown from 69 to 139 at year-end and have continued to grow since then. We have experienced growth in all areas of the business but the majority of the growth in people numbers is within our engineering group.

With this growth, we have expanded the Company's diverse employee base with a blend of gender, nationalities, ethnicities and religions, which creates a rich and vibrant culture within the business. While women still remain under-represented across many areas of the Company, the Board remains committed to addressing, to the extent it can, this gender imbalance.

Governance

In early April 2019, Robert Bell was appointed to the Board. Robert, a Chartered Accountant, is an experienced businessman and director with a background in finance, technology, sales and operations, and has worked in New Zealand, the UK and the US. Robert Chairs the Company's Audit and Risk Management Committee.

In July 2019, Jack Matthews was appointed to the Board. Jack has broad governance and senior management experience across the technology and media sectors and has worked in New Zealand, Australia, Japan and the US. He has a strong sales and marketing background with specific expertise in business development, strategic planning, organisational development and mergers and acquisitions. Jack is a member of the Company's Remuneration Committee.

Outlook

With our increased sales and marketing activity in the US, our pipeline of prospective customers has grown significantly. However, we expect that in the near-term sales conversion may take longer in the "new normal" COVID-19 world. In the medium to longer term, Plexure will emerge from the pandemic stronger than ever as existing and new customers increasingly embrace customer engagement strategies based on mobile technologies.

The Board remains very confident about the prospects for the business. Our leadership team and talented staff are continuing to work extremely hard to meet our current customers' expectations, secure new customers, build innovative new products and evolve our technology platform to prepare for the growth we anticipate.

I would like to thank all shareholders for your continued support. Your confidence in the business is appreciated.

The Board, leadership group and our committed team of people that deliver our products and services all look forward to making the Company the global market leader in mobile customer engagement.

We look forward to continuing this journey with you.



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About Plexure

Plexure is a mobile engagement software company. Global brands use the Company's products to engage consumers on mobile devices and drive them to store with personalised offers, mobile order and pay and loyalty. Plexure's software integrates with operational systems to remove friction and create a seamless purchase experience for consumers.

Plexure makes the sales process for physical retailers seamless, engaging and profitable by identifying where customers are, what they want and then facilitating their purchases.

The Company's technology platform and product offering covers five key capabilities:

- Personalised offers
- Next generation loyalty programmes
- Mobile order and pay
- Analytics
- Seamless operations integration

Brands that use Plexure experience an increase in customer numbers and visit frequency, higher average transaction values, larger share of wallet and improved customer satisfaction scores.

The Company now has over 191 million end users on its platform in 60 countries.

Plexure has offices in Auckland, Chicago, Atlanta, New York, Tokyo, London and Copenhagen. Clients include McDonald's, White Castle, Super Indo and Loyalty New Zealand.