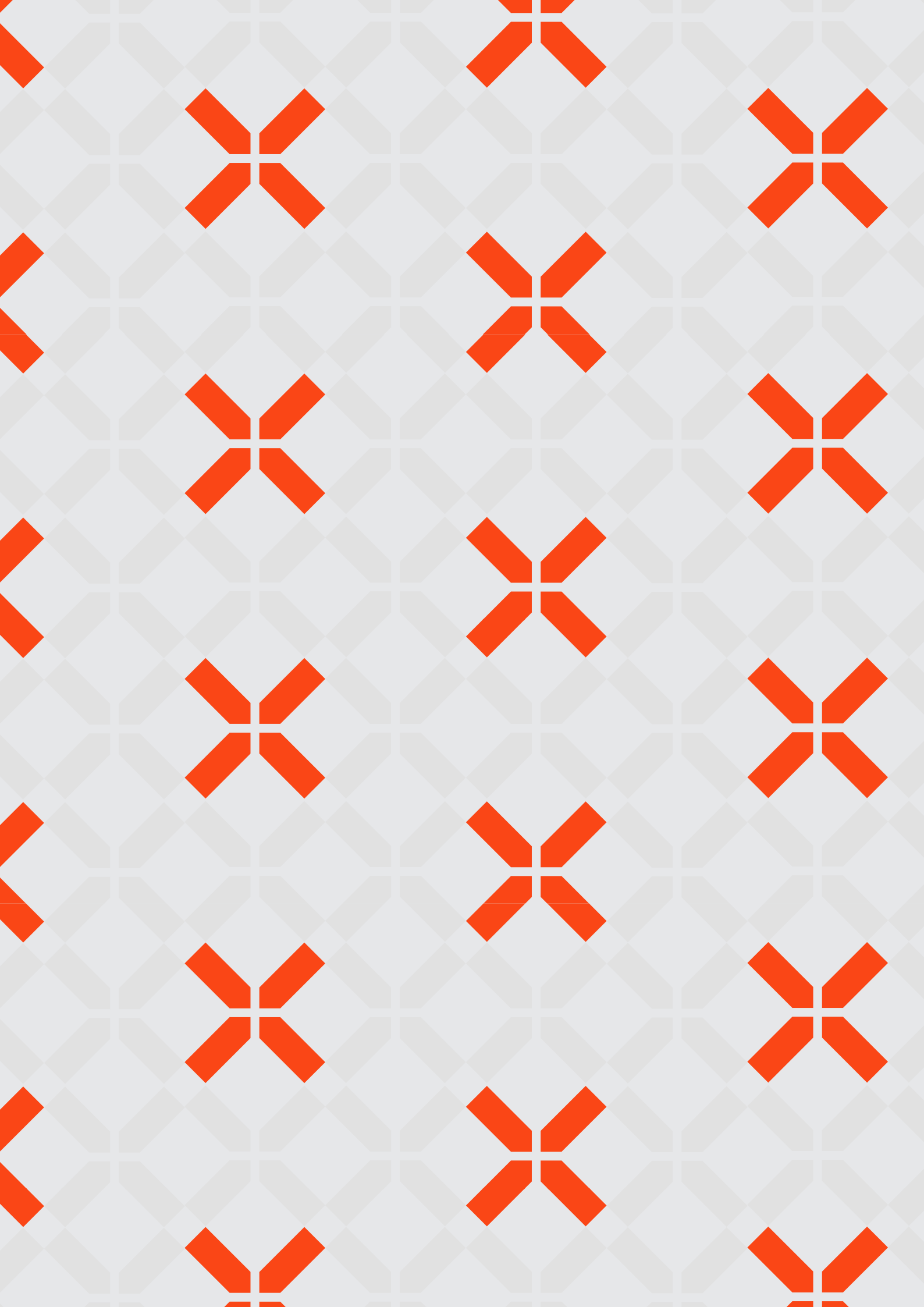




2020 / 2021 Interim Report

For the six months ended
30 September 2020

plexure



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Plexure
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210 million

Users on the platform



6 billion

API calls per month



740 million

Push messages sent per month



40

Languages

\$14.5m

Total revenue
+23%

\$14.4m

Revenue from contracts
with customers
+23%

\$8.8m

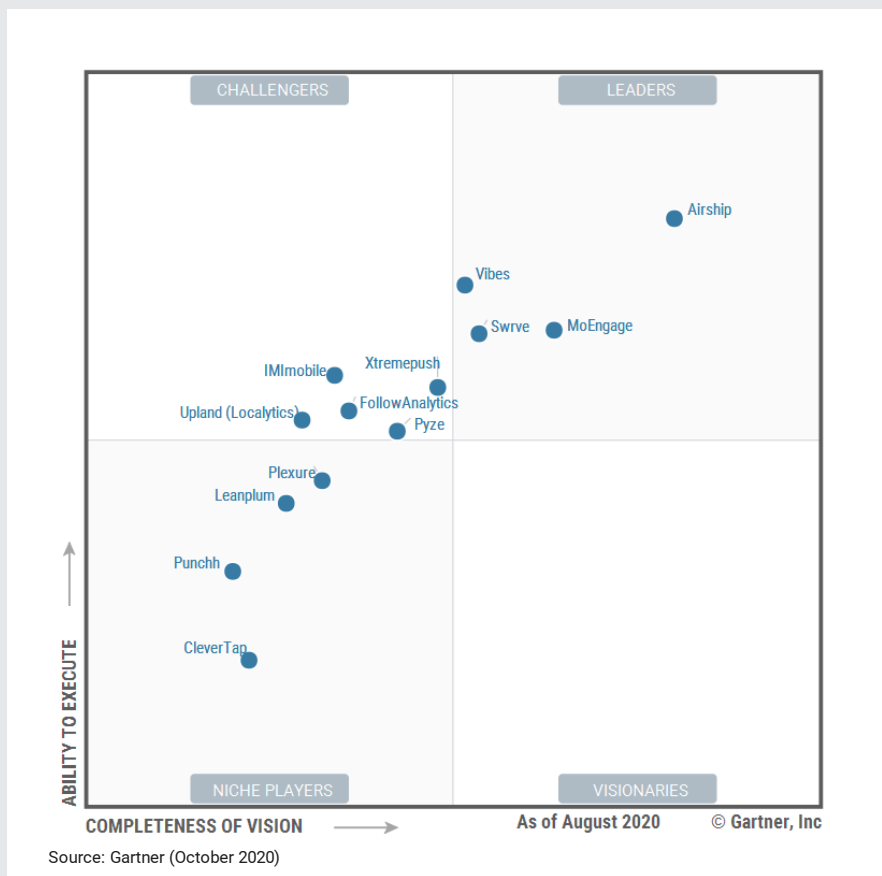
Cash at bank
(35%)

(\$4.4m)

Net loss after tax
(475%)



2020 Gartner Magic Quadrant for Mobile Marketing Platforms



Plexure named highest for Ability to Execute and furthest for Completeness of Vision in the Niche Player quadrant.

Plexure joins an elite group of New Zealand companies to be named in Gartner Magic Quadrants, affirming its position as a market leader in its field.

[DOWNLOAD THE COMPLIMENTARY REPORT](#)



Overview

During the first half of FY21, the Company continued to build on the financial foundations laid down over the previous three years. Revenues have continued to grow, although the rate of growth has slowed compared to previous years as the impact of the COVID-19 pandemic on customer activity and our sales pipeline took hold. Notwithstanding this slowdown in activity, we ended the half with over 200 million users on our platform supporting customers in 60 countries in 40 different languages.

We have undertaken a review of our business strategy during the last six months and will continue to focus our resources on the Quick Service Restaurant (QSR) and Grocery verticals where there are large, globally addressable market opportunities and we have proven and sustainable competitive advantages in the delivery of:

- Mobile customer engagement;
- Loyalty management;
- Ai-driven data analytics; and
- Mobile order and pay.

More recently, customer and sales pipeline activity has increased and the Board remains confident that despite ongoing market uncertainty related to COVID-19, our value proposition is strong and will assist driving consumers back into our customer's retail

environments. Our prospects and customers have become increasingly reliant on digital channels for sales growth.

Our inclusion in Gartner's 2020 Magic Quadrant for Mobile Marketing Platforms in October this year is a great endorsement of Plexure's leadership position in its sector and places the Company in an elite group of providers. This external validation by Gartner will attract international attention from prospective customers and have a positive impact on sales pipeline growth.

Given our confidence in the long-term prospects for the Company, we have accelerated investment in our product portfolio and our technology capability during the first half. In particular, we have increased our use of Artificial Intelligence (Ai) and Machine Learning (ML) in the development of new products to ensure that we remain a leader of data-driven analytics to enable our customers to deliver highly relevant personalised offers to their consumers. We have also increased our investment in our sales and marketing functions to help capture new international customers and improve the management of existing customers as their business with us grows.

These investments are principally in people, thus our headcount through the half-year has grown from 139 at 1 April 2020 to 161 at 30 September 2020. Consequently, our cost base for the first half has grown by 79% and the net result for the period is an after tax

loss of \$4.4 million, which is in line with the Board's expectations given our conscious decision to invest for growth.

In July 2020, we announced that Plexure was investigating an ASX listing and capital raising to support its need for new capital to fund the Company's growth plan. After much work undertaken in conjunction with the Company's advisors, it has been decided that the best way to achieve an Australian presence is to seek a secondary ASX listing (an ASX foreign exempt listing) and maintain the Company's primary listing in New Zealand. Consideration may be given to migrating our primary listing to Australia at a later date.

Financial Performance

	6 Months 30 Sept 2020 \$'000s	6 Months 30 Sept 2019 \$'000s	Change \$'000s	Change %
Total revenue	14,490	11,763	2,727	23%
Revenue from contracts with customers	14,362	11,651	2,711	23%
Net profit/(loss) after tax	(4,409)	1,177	(5,586)	(475%)
Cash at bank (including term deposits)	8,761	13,581	(4,820)	(35%)
Staff (FTEs)	161	95	66	69%

During the first half of FY21, the Company continued to build on the financial foundations laid over the previous three years. Revenues have continued to grow and along with this the associated platform costs have also increased. The Board and Senior Leadership Team (SLT) team made the decision to increase headcount to enable product development to be accelerated and undertake the platform enhancements required to support much larger user numbers and activity levels. An increased investment has also been made in the Company's sales and marketing capability. This increase in headcount is the principal driver of cost growth and is aligned with the Company's business strategy and capital raising plans.

Contemporaneously with completion of the ASX foreign exempt listing, the Company will undertake an underwritten A\$30.0 million private placement to Australian and New Zealand institutions and sophisticated and professional investors. A non-underwritten Share Purchase Plan (SPP) of up to NZ\$5.0 million will also be offered to the Company's New Zealand shareholders on the same terms as the placement.

It is expected that the ASX foreign exempt listing and capital raising will be complete by the end of November 2020, providing the Company with the growth funding required to pursue its three-year plan at pace.

During the first half of FY21, the Company's revenue grew 23% to \$14.4 million, compared with the same six-month period last year (\$11.7 million). Recurring revenue (representing licence and support fees) increased by \$1.7 million, or 23% to \$9.0 million, while non-recurring revenue increased by \$1.2 million, or 28% to \$5.3 million. Non-recurring revenue represents funded development and one-off projects for customers. There has been a consistent pipeline of non-recurring revenue for several years and this will continue for the foreseeable future.

Our cost base has increased by 79% to \$18.8 million, compared with the same six-month period last year (\$10.5 million), as we invested in product and platform development, staff, and professional costs.

Increased users and platform activity have driven growth in IT costs from \$2.6 million to \$4.0 million. During the period, we incurred some dual running costs as we moved parts of our platform between cloud providers. Re-architecting and modernising the platform remains a key focus for the business.

Total staff and contractor headcount has increased by 69% from 139 to 161 and the associated wage and salary costs have increased by \$4.5 million to \$9.9 million. Most of this growth has been in our engineering teams as we continue to employ further staff to modernise the platform and develop new products.

As the Company requires significant capital for its next phase of growth, in July 2020 we announced our intention to investigate undertaking an Initial Public Offering (IPO) on the ASX. Expenses associated with this process were the major driver of the increase in professional costs of \$1.7 million to \$2.1 million.

Other expenses increased by 762% to \$0.7 million, including foreign exchange losses of \$0.5 million. The majority of our revenue is either denominated in Japanese Yen or United States dollars while our cost base is mainly New Zealand dollar denominated. The strengthening New Zealand dollar since the start of financial year and the timing of payments from customers generated this foreign exchange loss.

The net loss after tax for the period attributable to shareholders increased by \$5.6 million to \$4.4 million.

Cash Position

As at 30 September 2020, the Company had \$8.8 million of cash at bank (including term deposits). The Company has used some of the cash reserves it had available at 31 March 2020 to support its growth strategy and intends to raise an additional A\$30 million of new capital via a private placement to

institutional, sophisticated and professional investors in Australia and New Zealand in November 2020.

This private placement will be supplemented by an SPP for New Zealand shareholders of up to NZ\$5.0 million to be undertaken at the same time as the private placement and on the same terms.

COVID-19 Impact

In March 2020 we updated the market noting that there would be no COVID-19 impact on the financial results for the year ended 31 March 2020.

Although Plexure's revenues have continued to grow during the first half of FY21, the rate of growth slowed as the impact of the COVID-19 pandemic took hold. This was attributable to a slowdown in new sales activity and a slightly subdued level of spending from existing customers.

During the pandemic, supermarkets shifted attention from bringing people into stores and increasing basket size, to a focus on keeping shelves full and home delivery. QSR's have had to grapple with store closures from lockdowns, staffing and supply chain issues. This has meant that it has been more difficult to convert sales prospects in our key target markets and that is reflected in our slower year-on-year revenue growth.

As the Company entered the second half of FY21, market conditions have improved with the sales pipeline growing again and prospective customers being more prepared to engage in sales conversations now that the impact of COVID-19 is better understood. Our existing customers have also regained confidence and are keen to pursue projects with Plexure that will help them re-engage with their consumers in new and innovative ways.

Plexure continued to increase staff numbers during the half, as a result of which cost have increased. This has been a conscious choice by the Board and the SLT to invest in capability building across the business in order to position Plexure to take advantage of the substantial market opportunities available.

Business Strategy and Sales

The Company's goal still remains to be a world leader in the delivery of highly personalised mobile engagement experiences that drive sales for global brands by increasing customer numbers and visitor frequency, increasing average transaction values, increasing share of wallet and improving customer satisfaction scores.

We have undertaken a review of our business strategy during the last six months and will continue to focus our resources on the Quick Service Restaurant (QSR) and Grocery verticals where there are large, globally addressable market opportunities and we have proven and sustainable competitive advantages in the delivery of:

- Mobile customer engagement;
- Loyalty management;
- Ai-driven data analytics; and
- Mobile order and pay.

We will concentrate our efforts on securing enterprise scale customers that operate in predictable, high frequency physical retail environments, wherever possible seeking relationships that span multiple geographies.

Our sales pipeline is strong and now growing again as the effects of the COVID-19 pandemic are better understood by prospects in our key target markets. The pipeline is driven by an active sales presence in the US market, an increasing preparedness by global companies to do business remotely by video call and our heightened level of marketing activity. Our recent inclusion in Gartner's 2020 Magic Quadrant for Mobile Marketing Platforms in October is a great endorsement of Plexure's leadership position in its sector and will provide profile and credibility for Plexure within its prospect base.

Capital Raising

In July 2020, Plexure announced that it was considering a possible IPO and ASX listing (and re-classifying its NZX listing to a secondary listing) and

the Company received shareholder approval in this regard.

The Board has now determined that the most efficient way to achieve an ASX presence is to undertake an underwritten private placement of A\$30.0 million to institutional and sophisticated and professional investors in Australia and New Zealand, seek a secondary ASX listing (an ASX foreign exempt listing) and maintain its NZX listing as its primary listing. The Company may migrate to a primary listing in Australia at a later date.

In addition, the Company will undertake a non-underwritten SPP of up to NZ\$5.0 million in New Zealand to allow New Zealand shareholders to participate in the offer on the same terms as those institutional, sophisticated and professional investors participating in the placement.

It is expected that the ASX foreign exempt listing and capital raising will be complete by the end of November 2020, providing the Company with the growth funding required to pursue its three-year plan at pace.

Funds raised through the capital raising will be used to accelerate the Company's international growth by increased investment in the following areas:

- Increased staffing to support customer expansion in new verticals and geographies;
- Product innovation including data analytics, Ai and machine learning and platform capacity; and
- Working capital.

FY21 Forecast Guidance

As part of our capital raising initiative, we are providing FY21 forecast revenue guidance of \$29.1 million, an increase of 14% on FY20 revenues of \$25.5 million. This revenue forecast makes allowance for the impact of the slowdown in sales in the first half attributable to COVID-19.

The FY21 forecast net loss after tax loss is expected to be (\$10.0) million, reflecting the investments

the Company has chosen to make in headcount increases to support the expansion of its sales and marketing activities, its produce innovation and the required upgrading of its platform capacity to support much greater user numbers and activity levels.

Outlook

The Board remains extremely positive about the future of the business. The COVID-19 pandemic has forced us to face challenges that were unexpected and the SLT has dealt with these decisively and effectively, limiting the impact the pandemic could have otherwise had on our operations.

As we enter the second half of FY21, there is strong evidence that our sales pipeline is building again and our existing customers are discussing new projects with us.

We are making excellent progress with our new product initiatives and platform updates, which will

position us to expand in our key target markets and, in particular, address the needs of our grocery customers and prospects.

We would like to thank shareholders for their ongoing support and the Plexure team for their commitment, energy and hard work.



Phil Norman
Chairman

11 November 2020

Financial Statements

For the six months ended 30 September 2020

Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2020

	Notes	6 months ended 30 Sept 2020 Unaudited \$'000	6 months ended 30 Sept 2019 Unaudited \$'000
Revenues			
Revenue from contracts with customers	3	14,362	11,651
Other income	4	128	112
Total revenue and other income		14,490	11,763
Expenses			
Wages and staff costs	6(a)	(8,387)	(4,605)
Contractors		(1,527)	(800)
Travel costs		(91)	(592)
Rental costs		(278)	(290)
Professional costs		(2,062)	(357)
Board fees		(183)	(97)
Marketing		(278)	(192)
IT costs	6(b)	(4,010)	(2,558)
Other expenses	6(c)	(698)	(81)
Loss on disposal		(2)	-
Depreciation	7(a)	(316)	(108)
Amortisation	7(b)	(972)	(840)
Operating expenses		(18,804)	(10,520)
Interest expense		(66)	(1)
Financing expenses		(66)	(1)
Net (loss)/profit before tax		(4,380)	1,242
Income tax expense		(29)	(65)
Net (loss)/profit after tax for the period attributable to the shareholders of the group		(4,409)	1,177
Other comprehensive (loss)/income			
Exchange difference on translating foreign operations		(29)	15
Total comprehensive (loss)/income for the period attributable to the shareholders of the group		(4,438)	1,192
Earnings per share			
Basic (loss)/earnings per share (cents)		(3.14)	0.85
Diluted (loss)/earnings per share (cents)		(2.97)	0.80
Calculated on a weighted average basis of the number of shares on issue			

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2020

	Notes	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
Six months ended 30 September 2019 - Unaudited						
Balance at 1 April 2019		31,288	132	415	(23,717)	8,118
Net profit after tax		-	-	-	1,177	1,177
Exchange differences arising on translating foreign operations		-	15	-	-	15
Total comprehensive income		-	15	-	1,177	1,192
<i>Transactions with owners</i>						
Shares issued	8	5,387	-	-	-	5,387
Shares issued by way of exercising of share options	8, 9	52	-	(10)	-	42
Recognition of share based payments	9	-	-	144	-	144
Share based payments on expired options		-	-	(12)	12	-
Balance at 30 September 2019		36,727	147	537	(22,528)	14,883
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

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

Consolidated Statement of Financial Position

For the six months ended 30 September 2020

	Notes	As at 30 Sept 2020 Unaudited \$'000	As at 31 Mar 2020 Audited \$'000
Assets			
Current assets			
Cash and cash equivalents		6,642	11,205
Term deposits		2,119	3,014
Income tax receivable		10	22
Trade and other receivables		5,853	5,184
		<u>14,624</u>	<u>19,425</u>
Less current liabilities			
Trade and other payables		6,186	2,822
Deferred revenue		2,580	5,942
Lease liabilities	11	380	369
		<u>9,146</u>	<u>9,133</u>
Working capital		<u>5,478</u>	<u>10,292</u>
Non-current assets			
Property, plant and equipment	7(a)	2,340	2,512
Intangible assets	7(b)	4,719	4,099
		<u>7,059</u>	<u>6,611</u>
Non-current liabilities			
Lease liabilities	11	1,716	1,909
		<u>1,716</u>	<u>1,909</u>
Total net assets		<u>10,821</u>	<u>14,994</u>
Equity			
Share capital	8	36,970	36,816
Foreign currency translation reserve		215	244
Share based payment reserve	9	734	624
Accumulated losses		(27,098)	(22,690)
Total equity		<u>10,821</u>	<u>14,994</u>

Signed on behalf of the Board by:



Phil Norman
Chairman
Dated: 11 November 2020



Robert Bell
Director
Dated: 11 November 2020

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

Consolidated Statement of Cash Flows

For the six months ended 30 September 2020

	Notes	6 months ended 30 Sept 2020 Unaudited \$'000	6 months ended 30 Sept 2019 Unaudited \$'000
Operating Activities			
<i>Cash was provided from (applied to):</i>			
Receipts from customers		10,402	10,291
Interest received		56	106
Payments to suppliers and employees		(14,078)	(8,004)
Income tax paid		(17)	(34)
Net cash (outflow)/inflow from operating activities	10	(3,637)	2,359
Investing Activities			
<i>Cash was provided from (applied to):</i>			
Purchase of property, plant and equipment	7(a)	(146)	(298)
Term deposit proceeds/(investment)		895	(2,636)
Capitalised development costs	7(b)	(1,592)	(1,169)
Net cash outflow from investing activities		(843)	(4,103)
Financing Activities			
<i>Cash was provided from (applied to):</i>			
Issue of ordinary shares		128	5,439
Repayment of lease liability		(116)	(3)
Interest paid		(66)	(1)
Net cash (outflow)/inflow from financing activities		(54)	5,435
Net (decrease)/ increase in cash held		(4,534)	3,691
Add cash at bank at start of period		11,205	1,179
Effect of foreign exchange rate changes on cash		(29)	5
Cash at bank at end of period		6,642	4,875
Comprised of:			
Cash and cash equivalents		6,642	4,875

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

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

1 Corporate Information

The consolidated financial statements of Plexure Group Limited and its subsidiaries (collectively, the Group) for the six months ended 30 September 2020 were authorised for issue in accordance with a resolution of the directors on 11 November 2020.

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:PLX]. 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 engagement solution that enables retailers to engage with consumers through their connected devices.

Statement of Compliance

These interim financial statements for the six months ended 30 September 2020 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 2020, 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 2020

(b) Changes in accounting policies

These unaudited interim financial statement 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 of the year ended 31 March 2020.

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 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Licence revenue	9,013	7,298
Consulting revenue	5,349	4,184
Other revenue	-	169
	<hr/> 14,362	<hr/> 11,651

4 Other income

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Interest received	56	106
Other income	72	6
	<hr/> 128	<hr/> 112

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 location is as follows:

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Asia	6,719	5,668
Australasia	296	406
North America	3,407	2,582
Latin America	95	89
Europe/Middle East/Africa	3,845	2,906
	<hr/> 14,362	<hr/> 11,651

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

6(a) Wages and staff costs

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Salaries (less capitalised)		
NZ	6,570	3,592
Overseas	1,249	520
Benefits		
NZ	198	120
Overseas	140	41
Staff costs	230	332
	8,387	4,605
Permanent staff numbers as at 30 September 2020		
NZ	133	82
Overseas	12	6

6(b) IT costs

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Platform hosting	2,937	2,160
Support and maintenance	888	267
Licence	96	108
Other IT expenses	89	23
	4,010	2,558

6(c) Other expenses

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Listing expenses	63	74
Foreign exchange loss/(gain)	492	(311)
Bad debts	(9)	161
Bank fees	15	13
Share option expense (note 9)	137	144
	698	81

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

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 2019	-	-	113	366	479
Additions	2,258	29	129	333	2,749
Disposal	-	-	-	(5)	(5)
As at 31 March 2020	2,258	29	242	694	3,223
Additions	-	32	-	114	146
Disposal	-	-	(2)	(2)	(4)
As at 30 September 2020	2,258	61	240	806	3,365
Depreciation					
As at 1 April 2019	-	-	(42)	(241)	(283)
Depreciation charge for the year	(220)	(5)	(69)	(138)	(432)
Disposal	-	-	-	4	4
As at 31 March 2020	(220)	(5)	(111)	(375)	(711)
Depreciation charge for the period	(188)	(5)	(30)	(93)	(316)
Disposal	-	-	1	1	2
As at 30 September 2020	(408)	(10)	(140)	(467)	(1,025)
Net book value					
As at 31 March 2020 - audited	2,038	24	131	319	2,512
As at 30 September 2020	1,850	51	100	339	2,340

Plexure Group's leased assets comprise of property and office equipment leases.

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

7(b) Intangible assets

	Core Platform \$'000	Mobile Platform \$'000	Total \$'000
Cost			
As at 1 April 2019	10,150	1,017	11,167
Additions - internally developed	2,357	232	2,589
As at 31 March 2020	12,507	1,249	13,756
Additions - internally developed	1,458	134	1,592
As at 30 September 2020	13,965	1,383	15,348
Amortisation			
As at 1 April 2019	(6,895)	(1,017)	(7,912)
Amortisation charge for the year	(1,715)	(30)	(1,745)
As at 31 March 2020	(8,610)	(1,047)	(9,657)
Amortisation charge for the period	(889)	(83)	(972)
As at 30 September 2020	(9,499)	(1,130)	(10,629)
Net book value			
As at 31 March 2020 - audited	3,897	202	4,099
As at 30 September 2020	4,466	253	4,719

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 31 March 2019	125,551,263	31,288
<i>Movements during the year</i>		
Shares issued by way of private placement in April 2019	13,795,311	5,387
Shares issued by way of exercising of share options in June 2019	5,440	3
Shares issued by way of exercising of share options in July 2019	113,313	50
Shares issued by way of exercising of share options in October 2019	3,333	1
Shares issued by way of exercising of share options in January 2020	469,998	87
Balance as at 31 March 2020	139,938,658	36,816
<i>Movements during the year</i>		
Shares issued by way of exercising of share options in May 2020	16,666	5
Shares issued by way of exercising of share options in June 2020	423,333	147
Shares issued by way of exercising of share options in August 2020	6,666	2
Balance as at 30 September 2020	140,385,323	36,970

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

9 Share based payments

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 7,943,631 shares (31 March 2020: 7,900,687).

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Balance at the beginning of the year	624	415
Share based payments	137	145
Write back of share based payment expired	-	(1)
Options not exercised written to retained earnings	(1)	(12)
Options exercised	(26)	(10)
	734	537

10 Reconciliation of operating cash flows

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Net (loss)/profit after tax	(4,409)	1,177
Adjustment for non-cash items:		
Amortisation	972	840
Depreciation	316	108
Loss on disposal	2	-
Share based payment expense	137	144
	1,427	1,092
Movements in Working Capital		
Increase in trade and other receivables and tax	(657)	(537)
Increase in trade payables and accruals	3,364	1,442
Decrease in deferred revenue	(3,362)	(815)
	(655)	90
Net cash (outflow)/inflow from operating activities	(3,637)	2,359

Notes to the Consolidated Financial Statements

For the six months ended 30 September 2020

11 Lease liabilities

The maturity of the lease liabilities is as follows:

	6 months ended 30 Sept 2020 \$'000	6 months ended 30 Sept 2019 \$'000
Less than one year	380	169
One to five years	1,716	1,659
More than five years	-	437
	<hr/> 2,096 <hr/>	<hr/> 2,265 <hr/>

The total interest expense on lease liabilities for the six months ended 30 September 2020 amounted to \$66,412.

12 Contingencies

There were no material contingent assets at 30 September 2020 (2019:\$Nil). There is a contingent liability of \$508,000 in respect of properties and a further \$75,000 in relation to the NZX bond (2019: \$583,000).

13 Events after the reporting period.

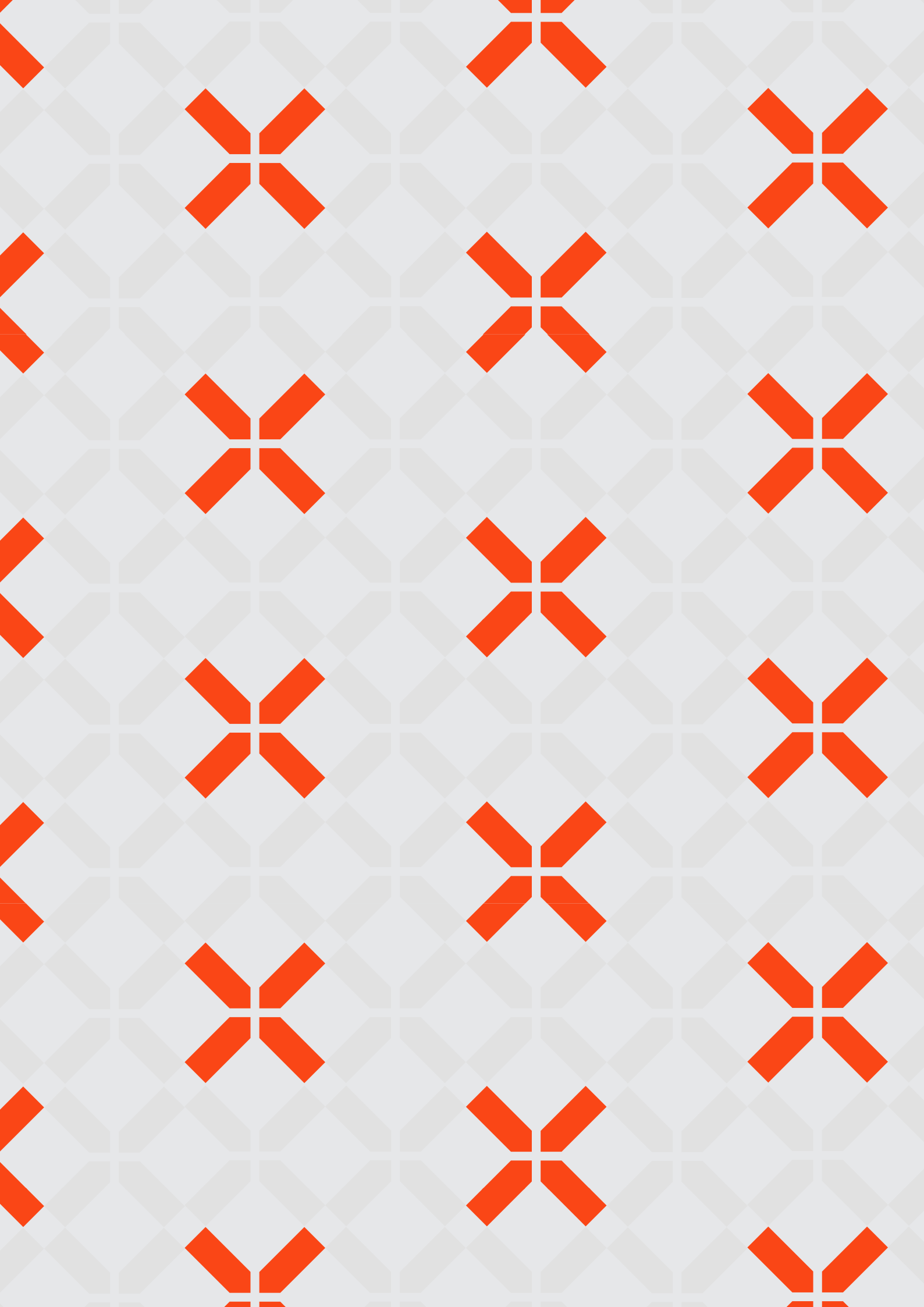
No material events occurred after the reporting period.

As at 30 September 2020

Company Number	244518
NZ Business Number	9429039937803
Directors	Phil Norman – Chairman Sharon Hunter Brian Russell Craig Herbison Robert Bell Jack Matthews
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	plexure.com

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