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## Welcome

It's been a busy six months for the company since our last update and with the ongoing support of our shareholders, we've continued to drive impressive growth and have hit some really important milestones. We wanted to share some of the highlights of the last six months and a little more detail on some of the customers we work with in this update.

For those that were there, it was a great chance to gain a bit more insight into the business and some of the things we've been working on. For those that were unable to attend, I'd encourage you to not only read through this update but also take a look at the presentation from the meeting and my address linked below.

Phil Norman, Chairman of Plexure

## The Plexure Annual Meeting

A big thank you to all those who attended the annual meeting on Thursday the 29th of September.

 [Chairman's address](#)

 [Slide deck](#)

 [Annual meeting results](#)

## Andrew Dalziel joins Plexure as CFO

This month the Board is happy to welcome Andrew Dalziel back to the company in a permanent role as Chief Financial Officer. Andrew previously served as interim CFO and was instrumental in ensuring a smooth transition for the company from the NZAX to the main NZX board.

Outside of Plexure, Andrew has held senior financial roles at a number of publicly traded

companies including Z and Telecom New Zealand. He also has extensive experience with technology businesses.

"We're extremely pleased to have Andrew on board – he's already been an immensely valuable member of the team at different points over the last 12 months and it's great that we've been able to secure him for a full-time role" Phil Norman



## Customer updates

### 7-Eleven Australia

7-Eleven first went live with its new mobile app in March 2016. The app uses the Plexure platform to personalise and target marketing content to customers using a range of data points including customers' buying behaviour in the unique built-in fuel lock function.

Seven months into the program and the app is not only being

hailed as a great innovation by consumers, it's also being seen as a marketing success story and an example for other 7-Eleven markets around the world. The Plexure customer success team has been working with 7-Eleven's marketing team throughout the initial stages of the project and we are continuing to see the program deliver great results.

Recently, Paul Wallace, Digital Marketing Manager for 7-Eleven Australia presented alongside Plexure's Christopher Dawson at the NZ Marketing Association's Direct Marketing Conference and shared some of the metrics for the app six months after launch:



2MM+ litres sold through the app



150K locks created  
100K+ redeemed



1.5MM+ searches  
260K+ downloads



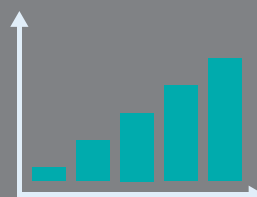
20K+ offer redemptions  
25% redemption rate



\$3MM+ AUD revenue



Fuel accounts for 80% of redemptions



Top 10 App store charts



67% of created fuel locks are redeemed

### Compass Group pilot extension

In our previous update, we shared some details on an exciting pilot project we were running with Compass Group at select sites in the US. The pilot sees Compass using the Plexure platform to collect and analyse sales data alongside environmental variables like weather. We then provide

them with the ability to predict purchase patterns and therefore plan supply and target promotions more effectively.

The program has already delivered positive results in the initial trial locations and Compass has extended the pilot to a further 20

locations across North America.

The extension to the Compass Group contract represents an additional \$330,000 ACMR. But more importantly, it is further validation of our 'land and expand' strategy for new business - see page 5 for more.

We joined some of NZ's hottest companies at the Deloitte Fast 50 Auckland announcements in September. While the exact standings within the Fast 50 won't be released until the Festival of Fast Growth in November, Plexure is confirmed as one of the companies on the index, reaffirming the impressive growth

the business has generated over the last three years.

The Fast 50 index looks at growth across the last three years of the business. Plexure's revenue of \$6.64 million for the 2016 financial year gives the company an impressive 1,625% growth over the three-year period.

CEO Scott Bradley is pleased with the company's inclusion in the index: *"Making the Fast 50 index is a competitive position to be in. Considering the other companies in the index, it really validates what the team is doing here, as well as our commitment to funding the company's growth over the past three years."*

# Enterprise SaaS: challenges & rewards

As a business, we've focused very specifically on developing our solution for the enterprise end of the market. One of the challenges our customers face is that massive data requirements mean most systems built for the upper end of the market have evolved as clunky, on premise or custom-build systems with high installation and setup costs and ongoing overheads. This was something we identified early on and it's why we've built the Plexure platform as a purely SaaS (Software as a Service) delivered model. This SaaS delivery model offers us a unique advantage at the enterprise end of the market.

This is becoming a bigger and bigger advantage for Plexure as the rate of innovation in the retail space increases. While smaller retailers are able to adapt quickly

and trial new technologies, the larger retailers find it difficult to keep pace, largely hampered by legacy systems that are hard - in some cases impossible - to integrate with new technology. Businesses are increasingly looking to Plexure because of our SaaS deployment and highly flexible infrastructure.

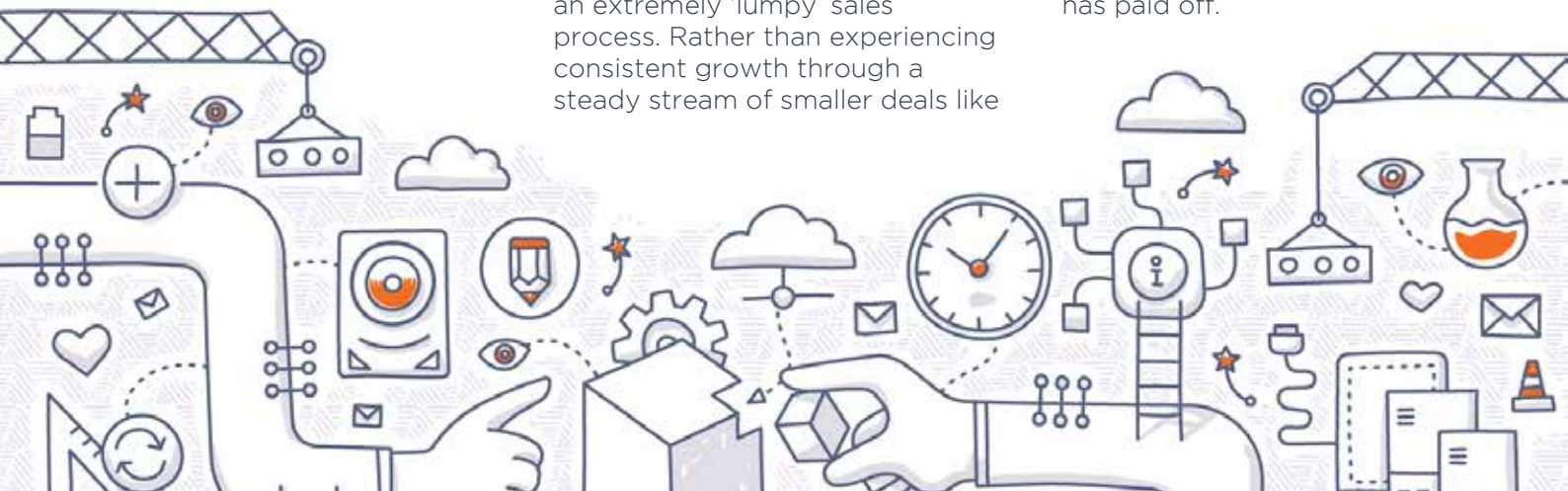
While the focus on a true enterprise SaaS offering is now a key advantage for the business, it's also presented some of the greatest challenges. In targeting large businesses, the sheer volumes of data that our platform deals with mean that it is an expensive system. So even with the reduced overheads that SaaS offers, the average cost of the system is high.

The nature of pursuing such large deals means that we see an extremely 'lumpy' sales process. Rather than experiencing consistent growth through a steady stream of smaller deals like

most SaaS businesses that operate in the SMB space, we see large but erratic jumps in revenue. It's these large jumps that are the true reward for winning a big contract, but also what makes it challenging to drive an aggressive growth strategy.

As the business grows, the jumps in revenue from new customers become a lesser percentage compared to the recurring revenue derived from new customers, so revenue becomes more predictable and that's why ACMR is a key focus for the business.

As was highlighted by Plexure's recent inclusion in the Deloitte Fast 50 index, while the revenue growth has been 'lumpy', the net effect has been a truly impressive growth rate over the past three years. Furthermore, it has been validation that the focus on Enterprise SaaS has paid off.





## Rebranding from VMob to Plexure

One of the most obvious transformations we undertook in the last six months was the rebrand from VMob to Plexure. This wasn't simply a change in logo - it was critical in aligning the brand of the company with the evolution of the product offering. So we have also been developing all our sales and marketing material to support this positioning.

Over the last two years, the platform that was born as a mobile-first marketing tool for retailers has grown to use an immense range of data sources. The name Plexure gives us a less mobile-specific

positioning, which has been instrumental in opening up new opportunities. Rather than simply being a mobile enabler, we focus on using the platform's intelligence and targeting across multiple other customer engagement channels including digital signage, ordering systems and ecommerce.

The primary focus for the rebrand was the US market and we've already made significant improvements in our position within the market thanks to the changes we've made. Our updated positioning aligns Plexure better with Microsoft's partner product

sets and has further elevated us in terms of the level of support we are getting from Microsoft - and in the attention we've had from their top-tier industry solutions teams.

A combination of this positioning and ongoing product development has meant Plexure will be featured as a key retail solution in the Microsoft app source catalogue to be released next month. This will not only showcase Plexure's capabilities, but will enable retailers to customize and run a range of example programs similar to those that we've demonstrated in our recent product demo videos:

### Intelligent drive-through



By using Microsoft's Cortana services we can interpret emotion from facial recognition or voice matching on a drive-through order. With built-in connectors, the Plexure platform makes it easy for a marketer to connect services like this to enhance the personalisation of their programs.

### Connected in-store sign



This is an example of how the platform can be used to personalise content on other devices by using the mobile as a customer identifier creating a more seamless experience from online to in-store and a much more personalised environment.

### Multiworld testing



Multi-world testing takes predictions beyond machine learning models that rely on historic data to learn patterns, giving marketers a system that not only measures in real-time but also adapts in real-time to a range of variables, continually evolving the way messaging is targeted.

### Intelligent chat bot



Chat bots give retailers the opportunity to engage with customers at a personal level in a much more efficient manner. By introducing data from the Plexure platform into a chat bot conversation, we can help make these experiences even more personalised and effective.

## The 'land and expand' strategy

To help reduce the lumpiness of our revenue growth and accelerate the rate at which we bring on new customers, we offer initial pilot projects with either a subset of a company's locations or in a particular country. This enables a faster initial sale by removing the investment risk for our customers. As with any new technology, our customers need to validate that they are getting ROI from the investment and a pilot program is the perfect way to achieve that.

We've seen the model work well with the McDonald's business, extending from our initial deployment in the Netherlands to agreements now in place with eight markets and many others in progress.

## GE Partnership

In August, Plexure signed a partnership agreement with GE to provide integrated services on the Plexure platform with the *Current powered by GE* system.

*Current powered by GE* is an innovative set of products that provide smart infrastructure to stores, offices and other indoor environments using LED lighting as a flexible backbone. Jen Millard has led the partnership agreement and

work to identify mutual customers with GE. The product teams from both companies have since been working on building a range of integrations.

Product partners like GE are important because it gives the platform additional reach and functionality without the overheads associated with hardware development.

**"This is a particularly exciting partnership in terms of providing additional value to our clients. GE is making the actual physical in-store infrastructure much more flexible and making upgrades easier and more cost-effective for large businesses. And that's important for us and our customers because better in-store infrastructure means we can pull more data from the store environment, improving the relevance of our platform's targeting."** *Plexure CTO David Inggs*

## Microsoft REC expansion

Plexure will have an extended presence at the Microsoft Retail Excellence Centre in Redmond, WA – a 2,300m<sup>2</sup> mock store environment where Microsoft demonstrates the latest in retail and customer experience technology from their own brands and selected partners.

In addition to the expansion of the demo environment in the Redmond location, Plexure is also being showcased in the new European Retail Excellence Centre, opening in Paris in October.

These centres not only give us a great opportunity to demonstrate the Plexure platform to prospective customers in a live environment, but also give us ongoing exposure to a constant stream of corporate visitors that come through the centre as part of Microsoft executive briefing sessions.



[info@plexure.com](mailto:info@plexure.com)

New Zealand Office

+64 9 358 1500  
Level 3, 104 Quay St  
Auckland 1010

US Office

+1 844 866 2548  
156 2nd St  
San Francisco 94105, CA

Register for updates : [www.plexure.com/investors](http://www.plexure.com/investors)