



17 November 2021

Plexure transformation, interim results and growth

- **Transformation** – combined Group has completed an operational review following merger. TASK + Plexure synergies enables the group to replace prior strategy (of having to build capability within the Plexure platform)
- **Customer growth and recent wins** – strong momentum within TASK
- **Interim Result** – net loss of NZ\$8.5 million for the six months to 30 September 2021 (prior to TASK acquisition)
- **Consultation Process** – operational restructure scheduled to commence immediately
- **Outlook** – Improving outlook for combined business

Auckland, New Zealand, November 17, 2021 - Plexure Group Limited (NZX/ASX: PX1), today announced its interim results for the six months ended September 30, 2021, covering the period prior to the merger with TASK.

Interim results

The Company reported a net loss attributable to shareholders of \$8.5 million for the period, including \$2.1 million in relation to the TASK acquisition and higher recruitment costs. This result compared with a net loss of \$4.4 million for the prior comparative period (PCP). Plexure's total revenue for the period was NZ\$13.5 million, which was 7% lower than last year. Operating expenses grew by \$3.0 million to \$21.8 million as the Company pursued a cost intensive strategy to invest for growth. This strategy had been predicated on strong sales growth, which has not occurred. In addition, IT costs from existing client activities also increased by 40% versus last year. Net cash utilised in operating and investing activities was \$9.8 million for the six months, excluding investment in term deposits of \$0.6 million. This was up from \$5.4 million in the prior year. The cash balance on September 30 included funds provided from the capital raise, which were utilised on October 1 to part settle the purchase price for TASK.

Operational review

Plexure's acquisition of TASK aimed to combine complementary platforms to deliver greater value for an expanded customer base.

Post the completion of the merger, the new executive team, led by the CEO have completed an operational review with the goal of delivering the benefits of the merger.

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Prior to the TASK acquisition, Plexure's investment strategy reflected the need to broaden the application of its platform beyond its major customer in order to grow revenue. That strategy involved significant investment and accounts for the significant losses at Plexure.

The operational review has concluded that the previous strategy has not generated material sales, and is no longer relevant in a group which has a broad, state-of-the-art platform in the combined TASK + Plexure offering.

Case Study – Plexure on TASK rails

Plexure announced an agreement in May 2021 to provide its engagement platform to Pita Pit. This contract has now been revised and extended to include the full TASK technology stack, highlighting the benefits of the joint Group capabilities.

Importantly, the combined TASK + Plexure platform is 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 with 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.

Operational Restructure

As a first step in Plexure's operational transformation, Plexure is commencing a consultation process, which will be carried out over the next two weeks.

Following this, Plexure will address further synergies, including platform efficiencies and overhead reductions, including a potential consolidation into a single exchange listing. In parallel, Plexure intends to work with existing customers to deliver mutually beneficial commercial outcomes. Combined, these steps intend to return Plexure to a path towards profitability.

Growth and Recent Wins

TASK has continued to secure several important contracts including new client wins and extensions to existing client agreements.

These include, in the last three months:

- **Compass Group** – one of the world's largest foodservice groups and a customer of TASK in New Zealand, has contracted to roll out TASK across Compass' operations in Australia;
- **Gloria Jeans** – TASK has won the contract to provide a full solution for Gloria Jeans operations (in excess of 50 stores) in the United States;

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- **Sky Stadium** – has contracted TASK to provide their transaction platform for the stadium, with rollout completed by early next year;
- **Bakers Delight** – went live in October with TOLO which it is rolling out region by region. All New South Wales stores are now online;
- **Starbucks** – which currently utilises TASK POS, has now contracted to TASK to drive the Starbucks app across all stores in Australia;
- **Franchised Food Company** – which includes Cold Rock Ice Creamery, Healthy Habits and Pretzel World, has completed the roll out of TASK which includes POS, loyalty and TOLO;
- **Retail Food Group** – driving increased transaction volumes via TOLO and uber eats integration activations across multiple brands;
- **Hawkesbury Racing Club** – has implemented TASK across its operations; and
- **Pita Pit** – extension to the Plexure contract to include the full TASK technology stack, including the addition of POS and kiosk services, kitchen video, digital signage, third party delivery aggregations (e.g. uber eats), online ordering, loyalty and mobile app.

Group Outlook

Supply shortages for hardware have slowed TASK's growth. This is an industry-wide phenomenon (evident from results announcements of major competitors to TASK including NCR, Agilysys, PAR and Lightspeed) which is a direct consequence of Covid-19. These delays will impact not only the timing of hardware sales but the commencement of software revenue for relevant clients.

This impact is likely to be significantly outweighed in the medium term by strong market demand for the combined Company's technology.

Daniel Houden, CEO of Plexure Group, said "After a month at the helm of Plexure, 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."

Phil Norman, Plexure Group Chairman, said: "The Board are positive about the opportunities presented by the merger with TASK and are confident that, post transformation, the combined business will have long term benefits for all stakeholders. We have confidence in the leadership team and support the steps being taken."



Market Call

The Company will host a market call for shareholders and other interested parties at:

11am NZDT / 9am AEST on Wednesday 17 November 2021

Presenters will be:

- Daniel Houden – CEO, Plexure Group
- Andre Gaylard – CFO, Plexure Group

The event call dial-in numbers are as follows:

Australia Dial-in Number	1300 264 803
International Dial-in Number	03 8687 0650
NZ Toll-free Number	0800 480 265

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Authorised by: Board of Directors

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About Plexure Group

Plexure Group combines the Plexure mobile engagement software and TASK Software's transaction management platform to provide a comprehensive solution to a wide range of major enterprise clients including major sports and entertainment venues, casinos, global food service companies and multi-national restaurant chains.

Global brands use the Company's products to engage consumers in store at the counter and at kiosks as well as on mobile devices, driving them to store with personalised offers, mobile order and pay and loyalty.

The Combined platform offering encompasses a broad capability set including:

- Point of Sale software
- Kiosks
- Online ordering and payment
- Mobile app's and other engagement products
- Next generation loyalty programmes
- Personalised offers

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- Analytics
- Seamless operations integration

Plexure Group employs 220 staff globally, with offices in Auckland, Sydney, Christchurch, Chicago, Tokyo, London, Wroclaw, Copenhagen and Amsterdam.

For more information please visit www.plexure.com and www.TASKsoftware.com