

**plexure**

# **Annual Report 2021**

Others Guess,  
Plexure Knows



# Contents

- 04** About Plexure
- 05** Highlights
- 06** Chairman's Review
- 10** CEO's Review
- 12** Independent Auditor's Report
- 15** Consolidated Financial Statements
- 19** Notes to the Consolidated Financial Statements
- 42** Supplementary Financial Information
- 43** NZX Governance Report
- 55** Additional NZX Disclosure
- 59** Directory

## About Plexure

### **Next generational customer engagement**

Plexure is a leading provider of customer engagement solutions. We harness the power of data to create magical moments between brands and consumers. Plexure works with McDonald's in 63 markets around the world, White Castle, Super Indo (part of the Ahold Delhaize group) and Loyalty NZ.

Founded in 2010, dual listed on the NZX and ASX (PX1), Plexure has people situated in Tokyo, Copenhagen, London, Atlanta and Auckland. Plexure employs 150 staff, 90 of which are developers.

## Investor Dates

The 2021 Annual Meeting of shareholders will be held on Tuesday, 21st September at 3pm (New Zealand time) venue to be announced.

## Highlights

**1.**

224 million end-users in 64 countries and 40 languages

**2.**

SOC2 Type 2 compliance obtained

**3.**

IP portfolio commenced with patents pending

**4.**

Re-launch of Plexure Analytics

**5.**

Named in 2020 Gartner Magic Quadrant for MMPs

**6.**

Over-subscribed capital raise and SPP

**7.**

Secondary listing on ASX

**8.**

15% total revenue growth

## Chairman's Review



Dear Shareholder,

Over the course of the financial year ended 31 March 2021, the Company continued to build on the financial foundations laid down over the previous three years.

Revenues from existing customers have continued to grow, although the rate of growth has slowed compared to previous years with COVID-19 restrictions on indoor dining impacting billable platform activity.

The pandemic has also slowed new customer acquisition, with prospective customers taking longer to make decisions about implementing new technology solutions.

Notwithstanding adverse market conditions, we closed out the year with over 224 million end-users on the platform in 64 countries. We are currently delivering approximately 735 million push messages per month in 40 different languages and we are continuing to invest to ensure the platform performs at scale as these numbers steadily increase.

In November 2020, Plexure was the only New Zealand company to be named in the Gartner Magic Quadrant for Mobile Marketing Platforms. We believe this accolade affirms Plexure's position as a global leader in mobile marketing and recognises the Company's depth of experience and technical capability in delivering highly personalised experiences for consumers. Receiving this external validation from such a prestigious organisation has lifted our profile internationally and we continue to leverage it to enhance the credibility and awareness of our brand.

The capital raising of NZ\$31.6m and secondary listing on the ASX was a significant focus for the Board and the senior leadership team in the latter part of 2020. A further NZ\$5m was raised via a Share Purchase Plan (SPP) in New Zealand, bringing the

total new cash raised to NZ\$36.6m. At year-end, our total cash reserves totalled NZ\$42.4m.

Our healthy cash resources will allow the Company to comfortably fund future growth plans, in particular investment in new products, improved technology and a greater physical presence in our key target markets around the world.

We have accelerated investment in our product portfolio and our technology capability, specifically continuing to develop our Artificial Intelligence (AI) and Machine Learning (ML) engines. This ensures that we remain a leader in 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 secure new international customers and improve the management of existing customers as their business with us grows.

Our original headcount target for FY21 was to have 190 staff by year-end, however we fell short of

this figure ending up with a staff count of 150 at 31 March 2021. Like others in the technology sector, the immigration freeze has significantly impacted our ability to secure top talent, particularly for highly technical roles. We have appointed a People and Culture Director and continue to explore ways to address this.

Overall revenue increased by 15% to \$29.2m, whilst we moved from a profit of \$1.0m to a loss of \$7.9m. The loss was driven by our increased investment in people as we scale the business, a strategy which was the precursor for our capital raising.

FY21 was an extraordinarily difficult year but despite the adverse market conditions caused by the pandemic, the Company achieved year-on-year sales growth while also investing in a number of product and technology initiatives designed to increase the appeal of our market proposition and allow us to operate at an ever increasing scale. Thus, we remain confident about our future growth potential.

	2021	2020	Change	Change
	\$'000s	\$'000s	\$'000s	%
Total revenue	29,362	25,503	3,859	15
Revenue from contracts with customers	29,150	25,251	3,899	15
Net (loss)/profit after tax	(7,930)	1,007	(8,937)	(887)
Cash at bank (including term deposits)	42,353	14,219	28,134	198
Staff (FTE's and contractors)	150	139	11	8

## Financial Performance

Our financial results for FY21 are reflective of our growth strategy. The Board undertook the capital raising to accelerate new product and feature development and the platform enhancements required to support much larger user numbers and activity levels. We have also bolstered the Company's sales and marketing capability. As a result, our operating cost base increased by

53% to \$36.935m compared to the previous year (\$24.219m). Of the \$12.716m increase in costs, wage and staff costs contributed 59% of that increase, while platform and IT costs contributed 23%.

Revenue from existing customers grew 15% to \$29.150m compared to the previous year (\$25.251m). Recurring revenue (representing licence and support fees) increased by \$2.199m

or 14% to \$18.315m, while non-recurring revenue increased by \$1.929m, or 22% to \$10.835m. Non-recurring revenue is funded development and consulting services undertaken for customers. There has been a consistent pipeline of non-recurring revenue over the past few years and this will continue for the foreseeable future.

The increase in platform users and activity has elevated IT costs from \$6.473m to \$9.337, up 44%, which included 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.

The end of year staff headcount increased by 8% from 139 to 150. Salary and contractor costs increased by \$7.479m to \$20.295m. This is largely due to investment in our engineering teams as we continue to enhance and grow our technology capability.

Expenses associated with the capital raising and ASX listing process were the major factors for the increase in professional costs of \$1.6m.

Other (losses)/gains show a loss of \$0.667m compared to a gain of \$0.420m last year. This is largely driven by a foreign exchange loss of \$0.150m compared to last year's foreign exchange gain of \$0.803m. Significant strengthening of the New Zealand dollar over the course of the year has predicated this shift.

The net loss after tax for the period attributable to shareholders increased by \$8.937m to \$7.930m.

### Cash Position

As at 31 March 2021, the Company had \$42.4m of cash at bank (including term deposits). During the year \$31.6m was raised via a secondary listing on the ASX together with a further \$5.0m from a New Zealand Share Purchase Plan (SPP).

### COVID-19 Impact

In March 2020, we updated the market signalling there would be no COVID-19 impact on the financial result for FY20.

Although revenue has continued to grow through FY21, the rate of growth slowed as the impact of COVID-19 precipitated a slowdown in new sales activity coupled with lower volumes of activity from existing customers.

During the pandemic, supermarkets shifted focus from incentivising store visits and increasing basket size, to keeping up with increasing demand and alternative fulfilment models (home delivery/pickup). Quick Service Restaurants (QSR's) have faced disruption to their traditional operating models, with lockdowns forcing store closures as well as staffing and supply chain issues. The flow-on effect has impacted the conversion of sales prospects in our key target markets, which is reflected in the slower year-on-year revenue growth.

Market conditions improved in the second half of the year, however several deals stalled in the final stages. We remain confident that they will come to fruition in time.

One unforeseen implication of the pandemic has been on our ability to recruit and retain talent. We planned to grow staff levels to 190 by the end of the financial year, but ended the year with 150. Attracting and retaining talent is vital for the Company's continued growth and is a key area of focus for the senior leadership team at the moment.

### Business Strategy and Sales

Our overarching ambition of being a world leader in highly personalised mobile engagement experiences for enterprise level, high-frequency retailers remains our goal. Our intelligent platform can improve business metrics for global brands by increasing customer numbers, frequency of



visit, average transaction values, share of wallet and overall customer satisfaction scores.

As part of our growth strategy we raised new capital to invest in capability building, and as a result expect to make losses for a period before returning to profit.

We will continue to focus our resources on the 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 programmes
- AI-data driven analytics
- Mobile ordering and payment

Efforts will be concentrated on securing enterprise level customers that operate in predictable, high frequency retail environments, ideally with businesses that span multiple geographies. Historically, we have focussed our customer acquisition efforts on the US market. With the funds secured from the capital raising, we will expand those efforts into other markets including Asia and Europe. This increased in-market sales and marketing presence will significantly increase our ability to close new sales in FY22.

### **Governance and Management**

There have been no changes to the composition of the Board in FY21 but the Company undertakes annual reviews of the Board skill set and performance and will ensure that its governance is appropriate to support the Company's international growth plans and operational needs.

Two new roles have recently been added to the existing management team - a People and Culture Director and a Chief Strategy Officer. We will continue to assess our management needs and

look to acquire the senior leaders required to grow the Company.

### **Merger and Acquisition Activity**

Alongside the development of and investment in our own platform and products, we are investigating integration opportunities to augment our product set and remove obstacles for growth. The Company may consider future mergers or acquisitions, which could require further funding or the issuing of shares.

### **Outlook**

The Board remains positive about the future of the business. The COVID-19 pandemic has presented some unexpected challenges, however, the senior leadership team has dealt with these decisively and effectively, limiting the impact of the pandemic.

Whilst we have not secured the level of sales hoped for in FY21, we are confident that increasing sales and marketing staff in multiple jurisdictions will rectify this.

We are making excellent progress with our new product initiatives and platform updates, which will support the acquisition of new customers in our key target markets and verticals.

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



Phil Norman, Chairman

20 May 2021

## CEO's Review



Dear Shareholder,  
 FY21 was a challenging year due to the  
 macro-economic worldwide impact of COVID-19.

While the direct impact of the business was limited, our customers' operations were significantly impacted as international markets closed and management teams moved to a new norm of working from home. The more significant impacts on our business related to New Zealand becoming a closed ecosystem for talent due to border closures and new customer meetings facing delays as businesses adapted to changes they faced. However, there were some significant highlights, including:

- Developing new product
- Gartner Magic Quadrant inclusion
- Secondary listing on the ASX
- Successful capital raising of NZ\$36.6m
- Growing revenue by 15% year on year

Due to various factors no new customers were signed during the year. Whilst we had some significant deals in the pipeline, closing them by year-end proved challenging. Our enterprise

sales approach requires the alignment of multiple parties and divisions within the target organisation and many businesses struggled with operational disruption for a number of months before finding effective ways for teams to function at a distance.

With businesses forced to adapt to new ways of operating in this vastly altered landscape there was opportunity in the acceleration of digital adoption by customers. The requirement for operating at a distance became the norm and those companies with well advanced digital transformation journeys particularly with mobile commerce capabilities have accelerated their programmes of work. The necessity for businesses to converse and transact with customers via digital channels was heightened, and a businesses ability to adapt to the seismic shift in consumer behaviour was pivotal to their success. Our investment in steadily building our consulting function has been incredibly helpful in advising prospects with their

transformation journey. Shopping at distance has become the norm, and likely to remain so post COVID. Further investments in our Mobile Order and Fulfilment capabilities combined with the strengthening of our customer success and consulting teams sees us well positioned to further enable this shift for our customers and prospects.

We remain confident that some of the outstanding new business opportunities, RFP's and deals will still eventuate and are concurrently increasing investment in staffing in key acquisition markets to continue to fill the pipeline.

From a product perspective, our product group delivered some great outcomes for Plexure and our customers including:

- Launch of McDonald's Japan mobile order and payment app
- A mobile application experience for Super Indo
- The successful roll out of our new Plexure Analytics data platform and visualization tool to 62 markets
- User interface improvements to our admin consoles significantly improving the user experience

As a technology company, our most important asset is our people. We require highly skilled, coveted staff to continue to develop our product, and attracting and retaining staff has been extremely challenging. The New Zealand technology sector is flourishing. The demand for specialised talent continues to grow as more and more Companies invest in technical solutions. The border closures, essentially eliminating our ability to hire overseas talent has presented issues felt by the wider tech industry. We continue to address this internally, reviewing our benefits and salaries, and increasing our remote work force. The impact is reflected in our overall headcount figures. Although we have grown from our year-end headcount figure last year, we are 40 people short of our target of 190 for FY21. Attracting and retaining talent is the biggest risk to our business.

I would also like to acknowledge the impact of the pandemic on our current staff. Whilst the majority are based out of our Auckland, New Zealand, Head Office, we have remote workers all around the world, including in some of the hardest hit COVID countries. Some members of our team have been in lockdown for over a year, and have been personally affected by the virus, either having contracted it themselves, or with family members and friends that have. It was an immensely challenging year for our staff as they adapted to working from home and the complications that can bring juggling childcare, home schooling and their own mental health. I am immensely proud of how our staff continued to deliver such a high standard of work during these challenging times.

Our future strategy remains the same, as we scale our business to provide more enterprise level, global companies with the tools to truly understand their customers and optimise engagement via personalised experiences. Ultimately creating stickier, more profitable customers, and improving business outcomes.

The funds we secured via the oversubscribed capital raise and subsequent share purchase plan (SPP) will be used to fund growth, with the majority being invested in securing and retaining the talent we need to realise these plans. This will see us incurring a planned loss for the next few years, but this will be balanced out with an increase in revenue as we focus on increasing our activity with our current customers coupled with new customer revenue.

Finally, I would like to thank the Board, and our shareholders for their support. We look forward to seeing our plans and momentum continuing into FY22.



Craig Herbison, CEO

20 May 2021



## Independent Auditor's Report

### To the Shareholders of Plexure Group Limited

#### Opinion

We have audited the consolidated financial statements of Plexure Group Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 15 to 41, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, our firm carries out other assignments for the Group in the area of taxation compliance and ancillary services. We have no other relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

#### Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be \$540,000.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue Recognition (Note 2(c), 2 (e) and Note 3)</b></p> <p>The Group's primary revenue arises from licensing and consulting services, and totalled \$29.15m (2020: \$25.25m) for the year to 31 March 2021.</p> <p>The Group enters into contracts with customers which contain the provision of software licenses and consulting services. The revenue recognition for each element differs based on when the service has been delivered to the customer and is normally after the revenue has been invoiced. This requires the Group to identify the value of the individual services being provided in the service agreements so that it can be allocated to the service in the period when the service is provided (in accordance with NZ IFRS 15 Revenue from Contracts with Customers ('NZ IFRS 15')).</p> <p>We have included the recognition of revenue as a key audit matter due to the significance of revenue to the measurement of the performance of the Group and the judgement made in determining when services are delivered.</p>	<p>As part of our audit, for a sample of contracts, we:</p> <ul style="list-style-type: none"> <li>• assessed the salient contractual terms in the service agreements for conditions that impact the timing of revenue recognition in line with NZ IFRS 15 and in turn the completeness and timing of deferred revenue;</li> <li>• evaluated the Group's allocation of revenue to the various services and ensured this has been determined appropriately;</li> <li>• checked that the period over which revenue is recognised is consistent with the period over which services are provided ; and</li> <li>• reperformed the calculation for deferred revenue at balance date based on the contract price, payments made to date, hours charged and the period in which the services are being delivered under the contract are provided.</li> </ul>
<p><b>Intangible Assets – Internally Developed Software (Note 2(c), 2(i) and Note 15)</b></p> <p>As a software as a service provider the Group incurs significant expenditure in developing, maintaining and upgrading software.</p> <p>The Group has to exercise judgement in determining which costs associated with the software expenditure meet the criteria for capitalisation (as described in Note 2(c) and (i)) rather than being expensed as incurred.</p> <p>Intangible assets relating to software had a carrying value of \$5.28m (2020: \$4.10m) at 31 March 2020, and there were additions of \$3.12m (2020: \$2.59m) for the year then ended.</p> <p>We have included internally developed software as a key audit matter due to the judgment involved in the assessment of the capitalisation criteria in line with NZ IAS 38.</p>	<p>As part of our audit we:</p> <ul style="list-style-type: none"> <li>• assessed the Group's policy for determining whether internally generated projects should be capitalised or expensed against the criteria as summarised in Note 2 (i) and performed a walkthrough to confirm our understanding of the Group's policy;</li> <li>• selected a sample of the additions to internally developed software during the year and evaluated whether these additions were appropriately capitalised by: <ul style="list-style-type: none"> <li>○ comparing the selected samples to relevant supporting documentation (such as supplier invoices, and employee records)</li> <li>○ evaluating and challenging whether the cost meets the criteria for recognition as an intangible asset.</li> </ul> </li> </ul>

#### Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

**Directors' responsibilities for the consolidated financial statements**

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1>

This description forms part of our auditor's report.

**Restriction on use**

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

**Jason Stachurski , Partner**

**for Deloitte Limited**

Auckland, New Zealand

20 May 2021

This audit report relates to the consolidated financial statements of Plexure Group Limited (the 'Company') for the year ended 31 March 2021 included on the Company's website. The Directors are responsible for the maintenance and integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. The audit report refers only to the consolidated financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these consolidated financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited consolidated financial statements and related audit report dated 20 May 2021 to confirm the information included in the audited consolidated financial statements presented on this website.

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 \$'000	2020 \$'000
<b>Revenues</b>			
Revenue from contracts with customers	3	29,150	25,251
Other income	4	212	252
Total revenue and other income		<u>29,362</u>	<u>25,503</u>
<b>Expenses</b>			
Wages and staff costs	5	(17,615)	(11,144)
Contractors		(2,680)	(1,672)
Travel costs		(126)	(1,202)
Office costs		(527)	(526)
Professional fees	6	(2,413)	(813)
Board fees		(442)	(295)
Marketing		(536)	(337)
IT costs	7	(9,337)	(6,473)
Other (losses)/gains	8	(667)	420
Depreciation	14	(627)	(432)
Amortisation	15	(1,965)	(1,745)
Operating expenses		<u>(36,935)</u>	<u>(24,219)</u>
Interest expenses on lease liabilities	22	(127)	(69)
<b>Net (loss) / profit before tax</b>		<u>(7,700)</u>	<u>1,215</u>
Income tax expense	9(a)	(230)	(208)
<b>Net (loss) / profit after tax for the year attributable to the shareholders of the company</b>		<u>(7,930)</u>	<u>1,007</u>
<b>Other comprehensive income</b>			
Exchange difference on translating foreign operations	18(c)	(156)	112
<b>Total comprehensive (loss) / profit for the year attributable to the shareholders of the company</b>		<u>(8,086)</u>	<u>1,119</u>
<b>(Loss)/earnings per share</b>			
Basic (loss)/earnings per share (cents)	19	(5.23)	0.72
Diluted (loss)/earnings per share (cents)	19	(5.23)	0.69

Calculated on a weighted average basis of the number of shares on issue.

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the year ended March 2021

	Notes	Share capital and treasury stock \$'000	Foreign currency translation reserve \$'000	Share based payment reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 1 April 2019</b>		31,288	132	415	(23,717)	8,118
Net profit after tax	20	-	-	-	1,007	1,007
Exchange differences arising on translating foreign operations	18(c)	-	112	-	-	112
Total comprehensive income		-	112	-	1,007	1,119
<i>Transactions with owners</i>						
Shares Issued	18(a)	5,387	-	-	-	5,387
Shares issued by way of exercising of share options	18(a)	141	-	(27)	-	114
Recognition of share based payments	18(a)	-	-	256	-	256
Share based payments on options vested but not exercised	18(b)	-	-	(20)	20	-
<b>Balance at 31 March 2020</b>		36,816	244	624	(22,690)	14,994
<b>Balance at 1 April 2020</b>		36,816	244	624	(22,690)	14,994
Net loss after tax	20	-	-	-	(7,930)	(7,930)
Exchange differences arising on translating foreign operations	18(c)	-	(156)	-	-	(156)
Total comprehensive loss		-	(156)	-	(7,930)	(8,086)
<i>Transactions with owners</i>						
Shares Issued	18(a)	36,602	-	-	-	36,602
Capital Raising Costs		(1,932)	-	-	-	(1,932)
Shares issued by way of exercising of share options	18(a)	897	-	(267)	-	630
Recognition of share based payments	18(b)	-	-	217	-	217
Share based payments on options vested but not exercised	18(b)	-	-	(2)	2	-
<b>Balance at 31 March 2021</b>		72,383	88	572	(30,618)	42,425

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



## Consolidated Statement of Financial Position

As at 31 March 2021

	Notes	2021 \$'000	2020 \$'000
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	40,214	11,205
Term deposits	11	2,139	3,014
Income tax receivable	9(b)	-	22
Trade and other receivables	12	3,744	5,184
		<u>46,097</u>	<u>19,425</u>
<b>Less current liabilities</b>			
Trade and other payables	16	4,047	2,822
Income tax payables	9(b)	23	-
Deferred revenue	17	5,056	5,942
Lease liabilities	22	392	369
		<u>9,518</u>	<u>9,133</u>
<b>Working capital</b>		<u>36,579</u>	<u>10,292</u>
<b>Non-current assets</b>			
Property, plant & equipment	14	2,080	2,512
Intangible assets	15	5,282	4,099
		<u>7,362</u>	<u>6,611</u>
<b>Non-current liabilities</b>			
Lease liabilities	22	1,516	1,909
		<u>1,516</u>	<u>1,909</u>
<b>Total net assets</b>		<u>42,425</u>	<u>14,994</u>
<b>Equity</b>			
Share capital and treasury stock	18(a)	72,383	36,816
Foreign currency translation reserve	18(c)	88	244
Share based payment reserve	18(b)	572	624
Accumulated losses	20	(30,618)	(22,690)
<b>Total equity</b>		<u>42,425</u>	<u>14,994</u>

Signed on behalf of the board by:



Phil Norman, Chairman  
Dated: 20 May 2021



Robert Bell, Director  
Dated: 20 May 2021

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Notes	2021 \$'000	2020 \$'000
<b>Operating activities</b>			
<i>Cash was provided from (applied to):</i>			
Receipts from customers		29,558	25,206
Interest received		86	238
Other income		126	14
Payment to suppliers and employees		(32,752)	(20,756)
Income tax paid		(184)	(216)
<b>Net cash (outflow)/inflow from operating activities</b>	25	<u>(3,166)</u>	<u>4,486</u>
<b>Investing activities</b>			
<i>Cash was provided from (applied to):</i>			
Term deposit proceeds		875	3,056
Purchase of property, plant and equipment		(196)	(479)
Capitalised development costs	15	<u>(3,148)</u>	<u>(2,589)</u>
<b>Net cash outflow from investing activities</b>		<u>(2,469)</u>	<u>(12)</u>
<b>Financing activities</b>			
<i>Cash was provided from (applied to):</i>			
Issue of ordinary shares		37,232	5,528
Share capital raising cost		(1,932)	-
Repayment of lease liability		(369)	(58)
Interest paid on lease liabilities		(127)	(1)
<b>Net cash inflow from financing activities</b>		<u>34,804</u>	<u>5,469</u>
<b>Net increase in cash held</b>		<b>29,169</b>	<b>9,943</b>
Add cash and cash equivalents at start of year		11,205	1,179
Effect of foreign exchange rate changes on cash		(160)	83
<b>Cash at bank at end of year</b>	10	<u><b>40,214</b></u>	<u><b>11,205</b></u>
<b>Comprised of:</b>			
Cash and short-term deposits	10	<u>40,214</u>	<u>11,205</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

## 1. Corporate Information

The consolidated financial statements of Plexure Group Limited and its subsidiaries (collectively, the Group) for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 20 May 2021.

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:PX1) and the Australian Securities Exchange (ASX:PX1). 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 Relationship Management (or CRM) solution that enables retailers to engage with consumers in real time using connected devices and sensors. The principal activities of subsidiaries are disclosed in Note 13.

### Statement of Compliance

The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities.

The consolidated financial statements comply with International Financial Reporting Standards (IFRS) applicable to companies reporting under IFRS.

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 goods and services.

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.

### (b) Critical Judgements in Applying Accounting Policies

In the application of NZ IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (b) Critical Judgements in Applying Accounting Policies (continued)

reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### (c) Key Sources of Estimation Uncertainty and Key Judgements

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key Sources of Estimation Uncertainty and key judgements include:

- The Group assesses each revenue contract to ensure that revenue is recognised by making estimates and assumptions, for the contracts Plexure has in place with its customers in identifying performance obligations. Refer to Note 2(e).
- Determining whether the intangible assets to which the development expenditure relates meet the criteria for capitalisation and if there are any indicators of impairment. Refer to Note 2(i).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be measurable under the circumstances.

### (d) Basis of Consolidation

The consolidated financial statements incorporate

the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The consideration transferred for an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred and included in operating expenses.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (e) Revenue from contracts with customers and deferred revenue

The Group derives revenue from the provision of software licenses, consulting services and other revenue. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation, in the

contract, has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

The specific recognition criteria described below must also be met before revenue is recognised.

Revenue Type	Description	Key Judgement	Outcome	Timing of revenue recognition
SaaS and Hosting fees (relates to license revenue in Note 3)	Mobile engagement platform licensing and support.	Determining the distinct performance obligations and whether items are required to be bundled to form a distinct performance obligation.	Providing a software license is a distinct performance obligation and is not required to be bundled with other performance obligations except setup and deployment fees where applicable.	<b>Over time</b> Platform access is recognised over time on the input of service period basis as benefits are simultaneously received and consumed.
Setup and Deployment fees (relates to license revenue in Note 3)	SaaS platform setup and CRM implementation for customers.	Determining whether the services provided are a distinct performance obligation.	The services are a part of SaaS and hosting performance obligation and should be bundled as such.	As above
Professional services (consulting revenue in Note 3)	Value-add services, and tailored software development and/or enhancement.	Determining whether the services provided are a distinct performance obligation.	The services are a distinct performance obligation as they are not highly dependent or interrelated to other performance obligations in the contract.	<b>Over time/Point in time</b> Recognised when the service is complete or on a stage of completion input basis based on the hours required to finalise the project.
Expense reimbursement (relates to other revenue in Note 3)	Compensation for client related travel	No major judgement required, other than confirming the period of client travel and aligning costs to revenue recognised.	N/A	<b>Point in time</b> Recognised at the point in time when the client related travel has occurred.

Deferred customer revenue relates to amounts invoiced to customers in advance of the service being delivered. Deferred revenue will be recognised in the statement of comprehensive income in the subsequent financial period. All deferred revenue is classified as a current liability.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (f) Taxation

#### *Current Income Tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

#### *Deferred Tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination), which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited in other comprehensive income, in which

case the deferred tax is also dealt with in other comprehensive income.

#### *Sales Tax*

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

### (g) Foreign Currencies

The Group's consolidated financial statements are presented in New Zealand dollars, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (g) Foreign Currencies (continued)

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

#### *Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into New Zealand Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange

differences arising on translation for consolidation are recognised in other comprehensive income.

On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### (h) Property, Plant and Equipment

All items of Property, Plant and Equipment are stated at cost less accumulated depreciation, and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis, so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The following estimates of useful lives are used in the calculation of depreciation:

<i>Category</i>	<i>Estimated useful life</i>
Fixtures & Fittings	2-14 years
Plant & Equipment	3 years
Right of use asset	6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (i) Intangible Assets

Capitalised Software Development Expenditure  
Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally and externally developed intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally and externally developed intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally and externally developed intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally and externally developed intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Based on the financial performance of the intangible assets the Group did not identify any impairment indicators for the year ended 31 March 2021.

The useful life of internally and externally developed intangible assets is as follows:

<i>Category</i>	<i>Estimated Useful Life</i>
Core Platform	5 years
Mobile Apps	2 years

### (j) Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (k) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand, demand deposits, and other short-term highly liquid investments (original maturity of less than three months) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### (l) Term deposits

Term deposits are investments with an original maturity exceeding three months. Deposits with the original maturity between three and twelve months are classified as current term deposits.

### (m) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 18. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

### (n) Financial Instruments

Financial assets and financial liabilities are rec-

ognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

### (o) Accounts Receivable

Accounts receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method.

Plexure Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade and other receivables.

To measure expected credit losses, trade and other receivables have been grouped and reviewed on the basis of the number of days past due. The expected credit loss allowance has been calculated by considering the impact of the following characteristics:

- The country, customer and market characteristics consider the relative risk related to the country and region within which the customer resides and makes an assessment of the financial strength of the customer and the market position.
- The baseline characteristic considers the age of each invoice and applies an increasing expected credit loss estimate as the trade receivable ages.
- The accounts receivables are written off when they are no longer recoverable.

### (p) Accounts Payable

Accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (q) Employee Benefits

Provision is made for benefits accruing to employees in respects of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

### (r) Lease assets and liabilities

Leases are recognised as a right of use asset (lease asset) and a corresponding lease liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and interest expenses on lease liabilities. The interest expenses on lease liabilities is charged to the consolidated statement of comprehensive income over the lease period. The lease asset is depreciated over the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

Plexure Group has leases for property (office lease) and office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

### (s) Consolidated Statement of Cash Flows

For the purpose of the consolidated statement of

cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The consolidated statement of cash flows is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive income.

Definition of terms used in the consolidated statement of cash flows:

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

### (t) Treasury Stock

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### (u) Adoption of New Revised Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2021 reporting periods of the Group. These standards are not expected to have a material impact on the current or future reporting periods, nor on foreseeable future transactions.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	2021	2020
	\$'000	\$'000
<b>3. Revenue from contracts with customers</b>		
License revenue (1)	18,315	16,116
Consulting revenue	10,835	8,906
Other revenue	-	229
	<u>29,150</u>	<u>25,251</u>

(1) License revenue is recognised over time. The unutilised portion of revenue is recognised as deferred revenue in the balance sheet. For detailed breakdown of deferred revenue refer to Note 17.

Refer to Note 24 for revenue by segment and region.

	2021	2020
	\$'000	\$'000
<b>4. Other income</b>		
Interest received	86	238
Other income	126	14
	<u>212</u>	<u>252</u>

	2021	2020
	\$'000	\$'000
<b>5. Wages and staff costs</b>		
<i>Salaries</i>		
New Zealand	16,459	10,469
Overseas	1,996	1,417
Less: Capitalised	(2,804)	(2,589)
<i>Benefits</i>		
New Zealand	423	441
Overseas	249	155
<i>Kiwisaver/Pension</i>		
New Zealand	415	277
Overseas	37	29
Staff costs	<u>840</u>	<u>945</u>
	<u>17,615</u>	<u>11,144</u>
<i>Permanent staff numbers as at 31 March</i>		
New Zealand	133	114
Overseas	8	13

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

<b>6. Professional fees</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors' fees for audit of the financial statements	71	69
Auditors' other fees:		
Taxation compliance services	18	35
Ancillary services (1)	26	27
Ancillary services related to ASX Initial Public Offering (2)	37	-
Professional services related to ASX Initial Public Offering	1,198	-
Accounting advisory services and systems	147	163
Statutory audit of a foreign subsidiary	22	-
Consultancy services	708	357
Legal expenses	186	162
	<u>2,413</u>	<u>813</u>

(1) Ancillary services relate to transfer pricing documentation and R&D tax credit application.

(2) Ancillary services related to ASX Initial Public Offering includes costs for advice around shareholder continuity, tax and accounting.

<b>7. IT Costs</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Platform hosting	6,759	5,123
Support and maintenance	2,220	1,247
License	210	50
Other IT expenses	148	53
	<u>9,337</u>	<u>6,473</u>

## 8. Other losses/(gains)

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Listing expenses	273	120
Share option expense	216	256
Foreign exchange loss/(gain)	150	(803)
Trade receivables recovered	(9)	(36)
Loss allowance on trade receivables	-	9
Loss on disposal of property, plant & equipment	4	-
Bank fees	33	34
	<u>667</u>	<u>(420)</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 9. Tax

The major components of income tax expense for the years ended 31 March 2021 and 2020 are:

<b>(a) Consolidated Statement of Comprehensive Income:</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Current income tax:</i>		
Current income tax expense	(66)	(74)
Withholding tax not recognised	(164)	(134)
Income tax reported in the consolidated statement of comprehensive income	<u>(230)</u>	<u>(208)</u>
<b>(b) Current tax assets and liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
RWT receivable	(2)	(67)
Current tax payable	25	45
	<u>23</u>	<u>(22)</u>
<b>(c) Reconciliation of income tax expense to net (loss)/profit before tax:</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Net (loss)/profit before tax	(7,700)	1,215
At the New Zealand statutory income tax rate of 28%	2,156	(340)
Non-deductible expenses	(493)	(280)
Future benefit of tax losses not recognised	(1,758)	541
Effect of difference in overseas tax rates	29	5
Foreign withholding tax expenses	(164)	(134)
Income tax expense reported in the consolidated statement of comprehensive income	<u>(230)</u>	<u>(208)</u>

### (d) Deferred Tax

The Group has estimated gross tax losses of \$21.6m at balance date (2020: \$16.8m). These are subject to confirmation by the Inland Revenue Department and subject to meeting the requirements of the 2007 Income Tax Act. Unrecognised deferred tax assets arising from these tax losses are \$6m measured at 28% (2020: \$4.8m).

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (d) Deferred Tax (continued)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Intangible assets	Provisions & accruals	Tax losses	Total
	\$'000	\$'000	\$'000	\$'000
At 1 April 2019	(652)	(63)	715	-
Recognised in profit and loss	169	(84)	(85)	-
At 31 March 2020	(483)	(147)	630	-
At 1 April 2020	(483)	(147)	630	-
Recognised in profit and loss	6	73	(79)	-
At 31 March 2021	(477)	(74)	551	-

### (e) Imputation Credit Account Balances

	2021	2020
	\$000	\$000
Balance as at 31 March	2	67

## 10. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Cash and cash and cash equivalents	40,214	11,205
	40,214	11,205
<i>Denominations in:</i>		
New Zealand Dollars	36,747	8,202
United States Dollars	386	2,749
Australian Dollars	2,057	65
Japanese Yen	983	160
Great British Pounds	41	29
	40,214	11,205

## 11. Term deposits

	2021	2020
	\$'000	\$'000
Term deposits	2,139	3,014
	2,139	3,014

Term deposits are held with the group's bankers, made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective term deposit rates.

All term deposits are denominated in New Zealand dollars.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

<b>12. Trade and other receivables</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accounts receivable	3,051	4,341
Provision for expected credit loss	-	(9)
Accrued Income	66	-
Sales tax receivable	77	116
Prepayments and other receivables	550	736
	<u>3,744</u>	<u>5,184</u>

The aging profile of Accounts receivable are as follows:

Current	1,633	2,174
30-59	233	444
60-89	1,137	1,267
90 days and older	48	456
	<u>3,051</u>	<u>4,341</u>

The aging profile above does not necessarily reflect whether an amount is past due and potentially impaired, as customer credit terms vary. Of the accounts receivable total of \$3,051m, \$1,418m is showing as past due (2020: \$2.167m) however based on overseas payment patterns this is considered normal.

The Group's historical credit loss experience does not justify a significant provision for expected credit loss.

Accounts receivable are split into revenue categories as follows:

License revenue	2,021	3,435
Consulting revenue	1,030	906
	<u>3,051</u>	<u>4,341</u>

### 13. Investments in subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Name	Holding company	Equity interest		Balance date	Country of incorporation	Principal activity
		2021	2020			
Plexure Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Trading entity
VMob IP Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Holder of IP assets
VMob UK Limited	Plexure Limited	100%	100%	31 March	United Kingdom	Trading entity
Plexure USA Limited	Plexure Limited	100%	100%	31 March	USA	Trading entity
Plexure KK	Plexure Limited	100%	100%	31 March	Japan	Trading entity

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 14. Property, Plant & Equipment

	Leasehold Improvements \$'000	Furniture & Fittings \$'000	Plant & Equipment \$'000	Right of use asset \$'000	Total \$'000
<b>Cost</b>					
At 1 April 2019	-	113	366	-	479
Additions	29	129	333	2,258	2,749
Disposal	-	-	(5)	-	(5)
At 31 March 2020	29	242	694	2,258	3,223
Additions	31	1	168	-	200
Disposal	-	(14)	(170)	-	(184)
At 31 March 2021	60	229	692	2,258	3,239
<b>Depreciation</b>					
At 1 April 2019	-	(42)	(241)	-	(283)
Depreciation charge for the year	(5)	(69)	(138)	(220)	(432)
Disposal	-	-	4	-	4
At 31 March 2020	(5)	(111)	(375)	(220)	(711)
Depreciation charge for the year	(11)	(60)	(180)	(376)	(627)
Disposal	-	13	166	-	179
At 31 March 2021	(16)	(158)	(389)	(596)	(1,159)
<b>Net book value</b>					
At 31 March 2020	24	131	319	2,038	2,512
At 31 March 2021	44	71	303	1,662	2,080

Leased assets are presented in Plant and Equipment (office equipment) and Right of use asset (office lease).

### 15. Intangible Assets

	Core Platform \$'000	Mobile Platform \$'000	Total \$'000
<b>Cost</b>			
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	2,671	133	2,804
Additions—externally developed	344	-	344
As at 31 March 2021	15,522	1,382	16,904



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 15. Intangible Assets (continued)

#### 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 year	(1,790)	(175)	(1,965)
As at 31 March 2021	<u>(10,400)</u>	<u>(1,222)</u>	<u>(11,622)</u>

#### Net book value

As at 31 March 2020	<u>3,897</u>	<u>202</u>	<u>4,099</u>
As at 31 March 2021	<u>5,122</u>	<u>160</u>	<u>5,282</u>

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>16. Trade and other payables</b>		
Accounts payable	936	846
Accruals	2,558	1,594
Staff social security and tax payable	553	382
	<u>4,047</u>	<u>2,822</u>

Normal credit terms are 20<sup>th</sup> of the following month.

### 17. Deferred revenue

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Deferred license revenue	4,966	5,351
Deferred consulting revenue	90	591
	<u>5,056</u>	<u>5,942</u>

### 18. Share capital, treasury stock and share based payment reserve

All shares are ordinary shares, they 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-rata share of net assets on a wind up.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

<b>(a) Share capital and treasury stock</b>	<b>Shares</b>	<b>\$'000</b>
Balance as at 1 April 2019	125,551,263	31,288
Shares issued by way of private placement in April 2019 (1)	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
Shares issued by way of exercising of share options in May 2020	16,666	4
Shares issued by way of exercising of share options in June 2020	423,333	174
Shares issued by way of exercising of share options in August 2020	6,666	1
Shares issued by way of placement on ASX in November 2020 (net of capital raising costs) (2)	26,548,673	29,670
Shares issued by way of share purchase plan in November 2020 (3)	4,166,666	5,000
Shares issued by way of exercising of share options in November 2020	1,321,224	419
Shares issued by way of exercising of share options in January 2021	153,333	46
Shares issued by way of exercising of share options in February 2021	271,519	80
Shares issued by way of exercising of share options in March 2021	595,291	173
Balance as at 31 March 2021	173,442,029	72,383

- (1) On 2 April 2019 McDonald's Corporation purchased a stake of 9.9% of Plexure for \$5.4m representing a 15% premium over the volume-weighted average price of Plexure shares during March 2019,
- (2) On 25 November 2020 a foreign exempt listing of Plexure on ASX has commenced. Together with the listing a private placement of \$31.6m (\$29.7m net of capital raising costs) or 26,548,673 new shares was made.
- (3) On 27 November 2020 Plexure issued new shares via a share purchase plan. Total of 4,166,666 was issued at a price of \$NZ1.20 for total consideration of \$5m.

### **(b) Share based payment reserve**

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 and employees have options over 5,382,114 shares (2020: 7,900,687).

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of year	624	415
Share based payment	294	290
Writeback of share based payment expired but not vested	(77)	(34)
Options not exercised written to retained earnings	(2)	(20)
Options exercised	(267)	(27)
Balance at the end of year	572	624

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### (c) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Zealand dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

	2021	2020
	\$'000	\$'000
Balance at the beginning of year	244	132
Exchange differences arising on translating the foreign operations	(156)	112
Balance at the end of year	88	244

### (d) Share based payments

In August 2012 the Group established a share option plan that entitles selected employees, contractors and executives to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued. All options are to be delivered by physical delivery of shares. Terms and conditions of outstanding grants are as follows:

Grant date	Personnel entitled	Number of instruments
02/12/2016	Key executives and staff	270,000
06/09/2017	Key executives	1,000,000
10/01/2018	Key executives and staff	13,335
19/06/2018	Staff	16,668
04/09/2018	Key executives	2,333,334
20/11/2018	Staff	45,000
17/12/2018	Key executives and staff	343,500
28/05/2019	Staff	20,000
06/12/2019	Key executives	250,000
30/04/2020	Key executives	1,090,277
Total options issued		5,382,114

All share options vest in three equal tranches, one third on each of the first, second and third anniversaries of the grant. The contractual life of all options is 5 calendar years from the date of issue.

The number and average exercise price of the share options are as follows:

		2021		2020
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April		7,900,687		8,805,440
Exercised during the year	0.23	(2,788,032)	0.19	(592,084)
Granted during the year	0.61	1,341,138	0.79	484,000
Forfeited during the year	0.41	(1,071,679)	0.21	(766,669)
Lapsed during the year		-	0.45	(30,000)
Outstanding at 31 March		5,382,114		7,900,687

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

The fair value of services received in return for the share options granted is based on the fair value of share options granted measured using a Black Scholes model with the following inputs:

Issue Date	30/04/20	6/12/19	28/05/19	17/12/18	20/11/18
Estimated fair value per option at grant date	28.41 cents	39.33 cents	29.49 cents	11.0 cents	9.7 cents
Exercise price per share	60.99 cents	83.0 cents	62.2 cents	23.25 cents	20.65 cents
Expected volatility	50%	50%	50%	50%	50%
Option life from date of grant	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	0.76%	1.70%	1.70%	1.70%	1.70%

Issue Date	4/09/18	19/06/18	10/01/18	06/09/17	02/12/16
Estimated fair value per option at grant date	8.9 cents	9.8 cents	9.5 cents	5.4 cents	11.8 cents
Exercise price per share	18.8 cents	20.75 cents	19.3 cents	11.0 cents	24.0 cents
Expected volatility	50%	50%	50%	50%	50%
Option life from date of grant	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	1.70%	1.70%	4.00%	4.00%	4.00%

Expected volatility was estimated by reference to the volatility of listed equity securities for businesses of a similar nature to the Group operating in the technology industry and Plexure's own volatility.

### 19. (Loss)/Earnings Per Share

The loss of \$7.9m (2020: profit \$1m) for the year represented by (loss)/earnings per share shown below based on weighted average ordinary shares on issue during the year.

	2021	2020
Weighted average ordinary shares issued	151,523,779	139,485,609
Weighted average potential ordinary shares	7,663,116	7,238,026
Weighted average number of ordinary shares for diluted (loss)/earnings per share	159,186,895	146,723,636
Basic (loss)/earnings per share (cents)	(5.23)	0.72
Diluted (loss)/earnings per share (cents)	(5.23)	0.69

Note that the options are not considered dilutive in terms of calculating earnings per share, as a loss was recorded in 2021.

### 20. Accumulated losses

	2021	2020
	\$'000	\$'000
Balance at the beginning of year	(22,690)	(23,717)
Share based payments on expired options	2	20
Net (loss)/profit for the year	(7,930)	1,007
Balance at the end of the year	(30,618)	(22,690)

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 21. Related Party Transactions

At reporting date, the Directors of the Company controlled 2% (2020: 2%) of the voting shares in the Company.

		2021	2020
<b>Phil Norman</b>	Director and Committee fees (\$)	95,000	72,500
	Consulting fees (\$)	30,000	20,000
	Payables (\$)	9,129	20,633
	Shareholding (#)	3,194,405	3,194,405
	Shares (%)	1.84	2.28
	Sales to related party (\$)	174,039	173,517
	Purchases from related party (\$)	629,935	63,259
<b>Sharon Hunter</b>	Director Fee (\$)	50,000	42,500
	Payables (\$)	4,792	4,792
	Shareholding (#)	-	-
	Shares (%)	-	-
<b>Brian Russell</b>	Director Fee (\$)	50,000	42,500
	Payables (\$)	5,373	4,792
	Shareholding (#)	-	-
	Shares (%)	-	-
<b>Craig Herbison</b>	Director Fee (\$)	-	-
	Salary and bonus (CEO) (\$)	647,216	717,002
	Shareholding (#)	-	-
	Shares (%)	-	-
<b>Robert Bell</b>	Director and Committee fees (\$)	60,000	46,722
	Payables (\$)	5,000	5,000
	Shareholding (#)	-	-
	Shares (%)	-	-
	Consulting fees (\$)	10,000	-
<b>Jack Matthews</b>	Director Fee (\$)	50,000	30,833
	Payables (\$)	4,167	4,167
	Shareholding (#)	-	-
	Shares (%)	-	-

Consulting fees relate to ASX Initial Public Offering.

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### Key management personnel and director transactions

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Chief Executive and his direct reports.

In addition to their fees and salaries, the Group also provides non-cash benefits to executive officers in the form of share options (refer Note 18). No share options provided to Directors. The following table summarises remuneration paid to key management personnel and directors:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fees (1)	305	235
Directors' consulting fee	40	20
Exec team salary and bonus	2,351	2,174
Share based payments	230	221
	<u>2,926</u>	<u>2,650</u>

(1) Directors' fees differ to the amount in the consolidated statement of comprehensive income as that figure includes directors and officers insurance.

### 22. Lease liabilities

The maturity of the lease liabilities is as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Less than one year	392	369
One to two years	413	392
Two to three years	437	413
Three to four years	464	437
Four to five years	202	464
More than five years	-	203
	<u>1,908</u>	<u>2,278</u>

The total interest expense on lease liabilities for the year ended 31 March 2021 amounted to \$127,237 (2020: \$69,384).

As at 31 March 2021, the undiscounted lease liability is \$2,177,788 (2020: \$2,673,801).

### 23. Contingencies

There were no material contingent assets at 31 March 2021 (2020: \$Nil). There is a contingent liability of \$508,000 in respect of office lease guarantee and a further \$75,000 in relation to the NZX bond (2020: \$583,000).

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 24. Segmental reporting

The Chief Executive and members of the executive management team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself 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 segment result is reflected in the financial statements.

The Group operated principally in Asia, Australasia, North America, Latin America and Europe during the year ended 31 March 2021. Revenue from contracts with customers by geographical location is as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Asia	13,398	12,248
Australasia	467	761
North America	7,451	4,841
Latin America	188	207
Europe	7,646	7,194
	<u>29,150</u>	<u>25,251</u>

All material non-current assets are held within New Zealand. We note that one customer contributes over 10% of our revenues.

### 25. Reconciliation of Operating Cash Flows

Reconciliation from the net (loss)/profit after tax to the net cash from operating activities.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Net (loss)/profit after tax	<u>(7,930)</u>	<u>1,007</u>
<i>Adjustments for non-cash items</i>		
Amortisation	1,965	1,745
Depreciation	627	432
Recognition of share based payments	217	256
Loss on disposal	4	-
Interest accrued on lease liabilities	127	69
Other	-	2
	<b>2,940</b>	<b>2,504</b>
<i>Movements in working capital</i>		
Decrease/(Increase) in trade and other receivables	1,462	(2,557)
Increase in trade payables and accruals	1,248	1,478
(Decrease)/Increase in deferred revenue	(886)	2,054
	<b>1,824</b>	<b>975</b>
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(3,166)</u>	<u>4,486</u>

## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

### 26. Financial Risk Management

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies set out below:

#### (a) Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group consists of issued capital, equity reserves and accumulated losses as disclosed in Notes 18 and 20.

The Group's Board of Directors reviews the capital structure on a regular basis.

The Group is not subject to externally imposed capital requirements.

The Group's overall strategy remains unchanged from prior years.

#### (b) Interest Rate Risk

The Group has no significant interest bearing assets or liabilities and operating cashflows are substantially independent of changes in market interest rates in interest bearing financial assets or liabilities.

#### (c) Foreign Exchange Risk

The Group faces the risk of movements in foreign currency exchange rates against the New Zealand dollar. During the year ended 31 March 2021, the Group's transactions were in New Zealand dollars, Australian dollars, United States dollars, Japanese Yen, Euro and Pound Sterling. As a result, the Group's consolidated statement of comprehensive income and consolidated statement of financial position can be affected by movements in exchange rates.

The table on the following page details the Group's sensitivity to a reasonably possible (10%) increase or decrease in the New Zealand dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for the change in foreign currency rates.

	2021			2020		
	Carrying amount	+/-10% effect on profit before tax	+/-10% effect on equity	Carrying amount	+/-10% effect on profit before tax	+/- 10% effect on equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
<i>Cash and cash equivalents</i>						
USD	386	39	39	2,749	275	275
AUD	2,057	206	206	65	6	6
JPY	983	98	98	160	16	16
GBP	41	4	4	29	3	3



## Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

	CONTINUED					
	2021			2020		
	Carrying amount	+/-10% effect on profit before tax	+/-10% effect on equity	Carrying amount	+/-10% effect on profit before tax	+/- 10% effect on equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Trade receivables</i>						
USD	2,963	296	296	3,258	326	326
AUD	-	-	-	40	4	4
JPY	88	9	9	1,034	103	103
<b>Financial liabilities</b>						
<i>Trade payables</i>						
USD	333	33	33	396	40	40
AUD	94	9	9	30	3	3
EUR	11	1	1	15	1	1
JPY	8	1	1	9	1	1

### (d) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances and accounts receivable. The Board monitors and manages the exposure to credit risk through the ongoing review of aged receivables and their recoverability.

The maximum exposures to credit risk at balance date are:

	2021	2020
	\$'000	\$'000
Cash, cash equivalents and term deposits	42,353	14,219
Accounts receivable	3,051	4,341

At 31 March 2021, the credit risk associated with accounts receivable is considered minor due to the mix of large organisations. The Group's bank accounts are held with reputable banks in New Zealand and overseas. Otherwise the Group does not have any other concentrations of credit risk. The Group does not require any collateral or security to support financial instruments.

### (e) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## 27. Events after reporting period

No material events occurred after the reporting period.

## Supplementary Financial Information

For the year ended 31 March 2021

The supplementary financial information does not form part of the financial statements. To assist in understanding the Group's performance, The Director's have provided additional disclosure of the Group's results.

### Reconciliation of net (loss)/profit before tax to EBITDA

	2021	2020
	\$'000	\$'000
Net (loss)/profit before tax	(7,700)	1,215
Add Back: Interest expense on Lease liabilities	127	69
Less: Interest Income	(86)	(238)
Add Back: Depreciation	627	432
Add Back: Amortisation	1,965	1,745
EBITDA	<u>(5,067)</u>	<u>3,223</u>

### Reconciliation of net (loss)/profit to pro forma Consolidated Statement of Comprehensive Income

	2021	2020
	\$'000	\$'000
Net (loss)/profit after tax	(7,930)	1,007
Add bank: Professional services related to ASX Initial Public Offering	1,235	-
Less: Incremental full year ASX listing costs	(268)	(403)
Pro forma net (loss)/profit after tax	<u>(6,963)</u>	<u>604</u>

### Reconciliation of EBITDA to pro forma Consolidated Statement of Comprehensive Income

	2021	2020
	\$'000	\$'000
EBITDA	(5,067)	3,223
Add bank: Professional services related to ASX Initial Public Offering	1,235	-
Less: Incremental full year ASX listing costs	(268)	(403)
Pro forma EBITDA	<u>(4,100)</u>	<u>2,820</u>

EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation.

# NZX Governance Report

For the year ended 31 March 2021

## Corporate Governance Statement

This corporate governance statement demonstrates Plexure's compliance with the NZX Corporate Governance Code. The objective of the Board is to enhance shareholder value. The Board and management of Plexure are committed to ensuring that the Company meets best practice governance principles and adheres to high ethical standards.

Plexure is trading on the NZX Main Board. The Company commenced quotation on the Australian Securities Exchange ("ASX") in a foreign exempt listing on 25 November 2020. Pursuant to ASX Listing Rule 1.15.3, the Company confirms that it continues to comply with the NZX Main Board Listing Rules.

The Board considers that, as at 31 March 2021, the Company complied with the recommendations set by the NZX Corporate Governance Code 2020.

### Principle 1: Code of Ethical Behaviour

*"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."*

#### Recommendation 1.1 Code of Ethical Behaviour

*"The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere."*

The Plexure Code of Ethics (the "Code") is fundamental to the way that Plexure Group Limited ("Plexure" or the "Company") does business and it is published on our website. The purpose of the Code is to ensure high standards of ethical conduct. The Code aims to achieve this purpose

by the use of principles that provide guidance on appropriate standards and conduct. As the Code and the principles set out in it cannot capture every situation that might arise, Plexure personnel are requested to assess actions and decisions against the backdrop of the principles and spirit of the Code and always seek to act consistently with that. The Code has been approved by the board of directors (the "Board") of Plexure.

#### Recommendation 1.2 Financial dealing policy

*"An issuer should have a financial product dealing policy which applies to employees and directors."*

Plexure is committed to financial integrity and to ensuring compliance with all regulatory market requirements at all times. Plexure's Securities Trading Policy is a critical part of this commitment and of ensuring every member of the Plexure team is aware of their obligations and legal requirements for trading in Plexure securities. All of Plexure's policies are owned by the board or a board delegate and are regularly reviewed. The Plexure Securities Trading Policy was last reviewed in January 2020.

### Principle 2: Board composition and Performance

*"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."*

#### Recommendation 2.1 Written Board Charter

*"The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management."*

## NZX Governance Report

For the year ended 31 March 2021

### Recommendation 2.1 Written Board Charter (continued)

The Plexure Board Charter sets out how the board exercises and discharges its powers and responsibilities, including through committees established by the board. The Charter defines and prescribes the relationship between the board, the CEO, and the executive team.

The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer of the day-to-day leadership and management of the Company.

### Recommendation 2.2 Nominating and appointing directors to the board.

*“Every issuer should have a procedure for the nomination and appointment of directors to the board.”*

Plexure’s procedures for the nomination and appointment of directors are covered by the remuneration committee. One third of the Directors stand for re-election at each AGM (as per the Board Charter). From time to time Plexure will seek new Directors for its Board. The

potential candidates are recruited based on the specific skill set they can bring to the Board. The candidate will be interviewed by the Chair and a sub-committee of the Board. They will be subject to checks on their character, education, criminal and bankruptcy history.

### Recommendation 2.3 Written agreements with each director

*“An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.”*

Plexure’s Directors enter into a written agreement establishing the terms of their appointment, including Plexure’s expectations for the role of director.

### Recommendation 2.4 Information on directors

*“Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests and director attendance at board meetings.”*

Profiles of each director’s experience can be found on the website.

#### Phil Norman

Chair – Independent

23 August 2012 (8 years, 7 months)

#### Brian Russell

Independent

27 Oct 2017 (3 years, 5 months)

#### Robert Bell

Independent

8 April 2019 (2 years)

#### Craig Herbison

Executive Director

19 June 2018 (2 years, 9 months)

#### Sharon Hunter

Independent

27 November 2015 (5 years, 4 months)

#### Jack Matthews

Independent

1 July 2019 (1 year, 9 months)

## NZX Governance Report

For the year ended 31 March 2021

Directors disclosed the following relevant interests in shares as at 31 March 2021:

Director	Beneficially	Associated Persons
Phil Norman	3,194,405	9,362

### Recommendation 2.5 Diversity Policy

*“An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity’s progress in achieving them. The issuer should disclose the policy or a summary of it.”*

Plexure is committed to creating and maintaining an inclusive and collaborative workplace culture by recognising the values of a diverse and skilled workforce. This commitment extends to all areas of its business and is encompassed in Plexure’s diversity policy which is available on our website.

As at 31 March 2021, the gender balance of the Company’s directors, officers and all employees and contractors were as follows:

	2021			2020		
	Female	Male	Total	Female	Male	Total
Directors	1	5	6	1	5	6
Executive	0	4	4	2	3	5
Employees & contractors	41	104	145	30	103	133
Total (including directors)	42	113	155	33	111	144
Percentage	27%	73%	100%	23%	77%	100%

The gender balance remains an area of focus within the company.

As at 31 March 2021, the ethnic balance of the Company’s directors, officers and all employees and contractors were as follows:

	2021			2020		
	Directors and Executives	Employees and contractors	Total	Directors and Executives	Employees and contractors	Total
NZ European	10	35	45	11	35	46
Asian	-	80	80	-	73	73
Middle Eastern	-	2	2	-	4	4
European	-	19	19	-	10	10
American	-	9	9	-	11	11
Total	10	145	155	11	133	144

Plexure’s Directors also believe that diversity goes beyond gender and ethnicity and that diversity is the key to succeeding in the fast-changing world.

## NZX Governance Report

For the year ended 31 March 2021

### Recommendation 2.6 Director training

*“Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.”*

Plexure is committed to the ongoing development of the board however during the year ended 31 March 2021 Plexure did not organise any group training for Directors. Directors of their own accord attended sessions on their statutory requirements.

### Recommendation 2.7 Performance

*“The board should have a procedure to regularly assess director, board and committee performance.”*

As per Plexure’s charter the Board reviews its performance as a whole on an annual basis. Performance reviews of individual Directors will be undertaken as required and determined by the Board. Plexure has its next scheduled Board review in August 2021.

### Recommendation 2.8 Independent Directors

*“A majority of the board should be independent directors.”*

The majority of Plexure’s Board of Directors consists of independent directors.

### Recommendation 2.9 Chair and CEO

*“An issuer should have an independent chair of the Board. If the chair is not independent, the chair and the CEO should be different people.”*

Plexure’s Board Charter states that the Chair is separate from the CEO. Phil Norman is the Chair

of the board at Plexure, and Craig Herbison is the CEO at Plexure.

### Principle 3: Board committees

*“The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.”*

### Recommendation 3.1 Audit committee

*“An issuer’s audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should not also be the chair of the board.”*

Plexure’s Audit and Risk Committee (ARC) has a written charter and is made up of independent directors. The Chair of the ARC is not the Chair of the Board.

Current members: Robert Bell (Chair), Phil Norman, Sharon Hunter.

The role of the ARC is defined in the ARC Charter. The purpose of the ARC is to provide a specific governance focus on enterprise risks and the financial management, accounting, audit and reporting of Plexure and its subsidiaries.

### Recommendation 3.2 Employees attend audit committee

*“Employees should only attend audit committee meetings at the invitation of the audit committee.”*

Plexure’s employees only attend ARC meetings at the invitation of the Audit and Risk Committee. The Chief Financial Officer, the Financial Controller and the Auditors are regular invitees to these meetings.

## NZX Governance Report

For the year ended 31 March 2021

### Recommendation 3.3 Remuneration committee

*“An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.”*

Plexure's Remuneration Committee has a written charter which is available on the website. Plexure's remuneration committee is made up of independent directors.

Current members: Phil Norman (Chair), Sharon Hunter, Brian Russell, Jack Matthews.

The remuneration committee approves performance criteria and remuneration for the CEO and recommends incentive payment or other adjustments to CEO remuneration to the board, taking into account the CEO's performance review with the board.

### Recommendation 3.4 Nomination committee

*“An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.”*

Plexure does not have a separate nomination committee. The Board as a whole undertakes the role of nominations committee given the size of the company.

### Recommendation 3.5 Other committees

*“An issuer should consider whether it is appropriate*

*to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.”*

Plexure has no other committees.

### Attendance at board meetings

Directors attended the following total number of meetings:

Phil Norman	12 of 13
Sharon Hunter	13 of 13
Brian Russell	13 of 13
Craig Herbison	13 of 13
Robert Bell	13 of 13
Jack Matthews	13 of 13

### Recommendation 3.6 Protocols for takeover offer

*“The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. It should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.”*

Plexure has a takeover protocol that has been prepared by an external advisor that outlines all the appropriate procedures if a takeover offer has been received.

### Principle 4: Reporting and disclosure

*“The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”*

## NZX Governance Report

For the year ended 31 March 2021

### Recommendation 4.1 Continuous disclosure

*“An issuer’s board should have a written continuous disclosure policy.”*

Plexure is committed to notifying the market through full and fair disclosure to the NZX of any material information related to its business required by applicable listing rules. The Market Disclosure Policy assists the Board with the need to keep Plexure’s investors and markets informed through a timely, clear and balanced approach which communicates both positive and negative news.

Plexure has appointed its Chief Financial Officer (CFO) as the Disclosure Officer. The CEO and the executive team are required to provide all material information to the Disclosure Officer.

### Recommendation 4.2 Make key documents available

*“An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.”*

Plexure’s Code of Conduct, board and committee charters, and other policies recommended in the NZX Code, together with other key governance documents are available on Plexure’s website.

### Recommendation 4.3 Financial reporting

*“Financial reporting should be balanced, clear and objective. An issuer should provide non-financial disclosure at least annually, including considering environmental, economic, and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative,*

*include forward looking assessment, and align with key strategies and metrics monitored by the board.”*

The ARC plays a central role in Plexure’s commitment to transparent reporting of its financial and non-financial performance. The ARC Charter clearly defines the roles of the board, the ARC, the executive, and external auditors.

### Financial reporting

The executive is responsible for implementing and maintaining appropriate accounting and financial reporting principles, policies, and internal controls designed to ensure compliance with accounting standards and applicable laws and regulations.

Plexure’s external auditor, Deloitte, is responsible for planning and carrying out each external audit and review in line with applicable auditing and review standards. Deloitte is accountable to shareholders through the ARC and the Board respectively. The Board retains overall responsibility for financial reporting.

The ARC makes sure that it and the full Board are sufficiently informed about good-practice financial reporting and Plexure’s operations to know whether financial reporting is fit for purpose. This means it represents a balanced viewpoint, is factual and complete, and is effectively implemented.

### Non-Financial reporting

Plexure has not adopted environmental, social and governance reporting.

### Principle 5: Remuneration

*“The remuneration of directors and executives should be transparent, fair and reasonable.”*



## NZX Governance Report

For the year ended 31 March 2021

### Directors remuneration received in FY21

	<b>Board Fees</b>	<b>Salary, Bonus and Consultancy fees</b>
Phil Norman (Chair)	95,000	30,000
Sharon Hunter	50,000	-
Brian Russell	50,000	-
Craig Herbison	-	647,216
Robert Bell	60,000	10,000
Jack Matthews	50,000	-

### Recommendation 5.1 Director remuneration

*“An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer’s annual report.”*

The last director remuneration review was proposed for shareholder vote at the Annual Meeting in September 2020. The review indicated the pool should be increased to \$500,000 per year, shareholder approval was achieved.

### Recommendation 5.2 Remuneration policy for directors and officers

*“An issuer should have a remuneration policy for remuneration of directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.”*

Plexure’s Board and Executive remuneration policy which is published on Plexure’s website sets out policies which are designed to be fair, simple and transparent. It is designed to promote a high-performance culture and to align remuneration to the development and achievement of strategies and business objectives to create sustainable value for shareholders.

### Remuneration of directors

None of the directors are entitled to any remuneration from Plexure other than directors’ fees and reasonable travel, accommodation, and other expenses incurred in the course of performing duties or exercising powers as directors. No directors are entitled to any retirement benefits.

### Remuneration of Plexure employees including executives

Plexure provides the opportunity for the employees to receive, where performance merits, a total remuneration package for equivalent market-matched roles. Plexure’s Remuneration Committee reviews the annual performance appraisal outcomes for all Executive Team members, including the Chief Executive Officer. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual’s performance, skills, expertise and experience.

Total remuneration is made up of three components being: fixed remuneration, short-term performance-based cash remuneration and long-term performance-based equity remuneration.

## NZX Governance Report

For the year ended 31 March 2021

### **Fixed Remuneration**

Fixed remuneration consists of base salary and benefits where applicable (generally based on local requirements).

### **Short-Term Incentive**

Short-term incentives (STI) are at-risk payments designed to motivate and reward for performance, typically in that financial year. The target value of an STI payment is set annually, usually as a percentage of the executive's base salary. The relevant percentage ranges from 20% to 50%.

### **Long Term Incentives - Options**

In August 2012, the Group established a share option plan that entitles employees to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued.

The granting of options is designed to align the rewards for Executive Team members with the enhancement of shareholder value over a multi-year period. The options vest over three years and must be exercised within five years.

The number of options granted to the Executive team is determined by the Board.

### **Evaluating performance**

Plexure's Executive will evaluate staff performance at year end. The board is responsible for monitoring the performance

of the CEO and the executive team against established objectives.

All of Plexure's permanent employees, including management, have undertaken performance reviews in 2021.

### **Plexure's employee remuneration tables**

The data in this section relates to Plexure permanent employees only.

Plexure notes the high proportion of employees earning above \$100,000 reflects Plexure's business model and the demand for skill staff particularly in the Technology sector.

During the period employees, including executive directors, within the Group received annualised remuneration, termination payments and benefits which exceeded \$100,000 as follows:

## NZX Governance Report

For the year ended 31 March 2021

### Plexure's employee remuneration tables (continued)

	2021			2020		
	NZ Entity	Intl Entity	Total	NZ Entity	Intl Entity	Total
\$100-\$110,000	15	1	16	3	1	4
\$110-\$120,000	14	1	15	7	-	7
\$120-\$130,000	5	-	5	3	-	3
\$130-\$140,000	9	1	10	3	1	4
\$140-\$150,000	5	-	5	4	-	4
\$150-\$160,000	3	1	4	4	-	4
\$160-\$170,000	6	-	6	2	-	2
\$170-\$180,000	4	1	5	1	-	1
\$180-\$190,000	-	-	-	1	-	1
\$190-\$200,000	-	1	1	-	-	-
\$200-\$210,000	-	2	2	1	1	2
\$230-\$240,000	1	-	1	-	-	-
\$240-\$250,000	-	2	2	-	-	-
\$250-\$260,000	-	-	-	1	-	1
\$260-\$270,000	-	-	-	1	-	1
\$280-\$290,000	-	-	-	1	-	1
\$300-\$310,000	-	-	-	-	1	1
\$340-\$350,000	1	-	1	-	-	-
\$360-\$370,000	-	-	-	-	1	1
\$380-\$390,000	-	-	-	1	-	1
\$410-\$420,000	1	-	1	-	-	-
\$470-\$480,000	1	-	1	-	-	-
\$640-\$650,000	1	-	1	-	-	-
\$710-\$720,000	-	-	-	1	-	1
	<b>66</b>	<b>10</b>	<b>76</b>	<b>34</b>	<b>5</b>	<b>39</b>

### Recommendation 5.3 CEO remuneration

*"An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance based payments."*

In FY21, Craig had a base salary of \$500,000 per annum. The base salary is reviewed annually with effect from 1 April each year. In addition to his base salary, he may also be paid an annual Short-Term Incentive (STI) payment with an on-target value of 50 percent of his base salary. Payment of an STI is at the board's discretion and is assessed in the first quarter of each financial year, based on business performance in the previous financial year.

Craig is also entitled to share options. The size of the package of options is determined by the Remuneration Committee. For further information on the CEOs salary see the additional NZX disclosures.

## NZX Governance Report

For the year ended 31 March 2021

### Principle 6: Risk management

*“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”*

#### Recommendation 6.1 Risk management framework

*“An issuer should have a risk management framework for its business and the issuer’s board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.”*

Plexure’s risk management policy is published on its website. Plexure has a number of risk management policies, as well as related internal compliance systems that are designed to:

1. optimise the return to, and protect the interests of stakeholders;
2. safeguard Plexure’s assets and maintain its reputation;
3. improve Plexure’s operating performance; and
4. fulfil Plexure’s strategic objectives.

The risk management approach focuses on management of the following material business risks:

1. Operating risks;
2. Financial risks;
3. Organisational risks; and
4. Corporate risks.

The Board is ultimately responsible for overseeing the effectiveness of the risk management system, and the adequacy of

the internal compliance and controls, which it believes should be monitored and managed on a continuing basis. Plexure has in place number of mechanisms and internal controls intended to identify and manage areas of material business risk.

The Audit and Risk Committee (ARC) is responsible for oversight, monitoring, and reviews. The CEO is responsible for promoting a culture of proactively managing risks and reporting to the ARC.

#### Recommendation 6.2 Health and safety risks

*“An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management.”*

Plexure has appointed an internal health and safety officer who receives appropriate training on an ongoing basis. Plexure maintains a risk register and the Board receives an updated risk register and report on a monthly basis at the Board meeting.

Due to the size and nature of Plexure’s business and associated health and safety risks we do not currently report externally on Health & Safety.

### Principle 7: Auditors

*“The board should ensure the quality and independence of the external audit process.”*

#### Recommendation 7.1 Establish a framework

*“The board should establish a framework for the issuer’s relationship with its external auditors.”*

Plexure’s External Auditor Independence Policy sets out the work that the external auditor is

## NZX Governance Report

For the year ended 31 March 2021

required to do and specifies the services that the external auditor is not permitted to do.

This ensures the ability of the auditor to carry out their role is not impaired and could not be reasonably perceived to be impaired.

All non-audit work that the external auditor performs must be approved by the Chair of the ARC. The approval details what work is to be performed and how auditor independence and objectivity are maintained. The policy requires that the development of local and overseas practice for other related assurance services be continuously monitored so that Plexure's policies comply with best practice.

Deloitte has been the external auditor of Plexure for 8 years. The tenure and reappointment procedure of the external auditor is detailed in the External Auditor Independence Policy.

Plexure is committed to having financial reports externally audited to ensure they meet international accounting standards.

### **Recommendation 7.2 External auditor attend Annual Meeting**

*"The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit."*

In the past, Plexure's external auditors have attended the Annual Meeting, where they have been available to answer shareholders' questions about the audit. Plexure expects the auditor to attend the 2021 Annual Meeting.

### **Recommendation 7.3 Internal audit**

*"Internal audit functions should be disclosed."*

Plexure does not have an internal audit function.

### **Principle 8: Shareholder rights and relations**

*"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."*

#### **Recommendation 8.1 Website**

*"An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer."*

The investor section of Plexure's website contains financial and operational information and key corporate governance information.

#### **Recommendation 8.2 Investor communications**

*"An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically."*

Plexure communicates with shareholders through multiple channels throughout the year: continuous market disclosure, half-year and full-year reporting, investor roadshow meetings and an Annual Shareholders' Meeting.

Plexure provides and advocates for the option for investors to receive communications electronically, to and from both Plexure and its share register.

Shareholders can directly access our CEO and CFO who respond directly to shareholder phone calls and emails.

## NZX Governance Report

For the year ended 31 March 2021

### **Recommendation 8.3 Shareholder right to vote**

*“Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.”*

Major decisions that may change the nature of Plexure’s business are presented as resolutions at the ASM and voted on by shareholders.

### **Recommendation 8.4 Additional equity capital**

*“If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favorable terms, before further equity securities are offered to other investors.”*

Plexure’s shareholders receive offers to purchase of additional securities on the pro rata basis, in the event of additional capital issue.

### **Recommendation 8.5 Notice of Annual Meeting**

*“The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer’s website as soon as possible and at least 20 days prior to the meeting.”*

Each year, the annual shareholders notice of meeting is posted in Plexure’s website and is sent to shareholders by mail and email at least 20 days before the meeting.

## Additional NZX Disclosure

For the year ended 31 March 2021

### 1. Substantial Product Holders

Pursuant to section 280 of the Financial Markets Conduct Act 2013, the following persons had given notice as at the balance date of 31 March 2021 that they were substantial product holders in the Company:

Name	No. of Shares	% of Issued Shares
Forsyth Barr Custodians Limited	18,009,671	10.38
Atlas Bear LLC	16,423,629	9.47
Allectus Capital Limited	12,706,989	7.33

### 2. Spread of Security Holders at 31 March 2021

	Shareholders		Shares	
	Number	%	Number	%
1 - 999	401	10.55	208,200	0.12
1,000 - 4,999	1,350	35.51	3,348,099	1.93
5,000 - 9,999	703	18.49	4,705,997	2.71
10,000 - 99,999	1,192	31.35	30,739,011	17.72
100,000 - 499,999	116	3.05	21,721,079	12.53
500,000 - 999,999	13	0.34	9,538,564	5.50
1,000,000 and above	27	0.71	103,181,079	59.49
TOTAL	3,802	100.00	173,442,029	100.00

## Additional NZX Disclosure

For the year ended 31 March 2021

### 3. Twenty Largest Equity Security Holders

The names of the 20 largest holders of ordinary issued shares as at 31 March 2021 are listed below:

Top 20 Shareholders	No. of Issued Ordinary Shares	% Issued
Forsyth Barr Custodians Limited (Account 1 NRL)	18,009,671	10.38
Atlas Bear LLC	16,423,629	9.47
Allectus Capital Limited	12,706,989	7.33
Forsyth Barr Custodians Limited (Account 1 E)	5,449,768	3.14
New Zealand Depository Nominee Limited	5,357,697	3.09
Accident Compensation Corporation - NZCSD	5,152,558	2.97
Public Trust Class 10 Nominees Limited - NZCSD	4,329,272	2.50
Collins Asset Management Limited	3,838,692	2.21
Phillip John Norman	3,194,405	1.84
HSBC Custody Nominees (Australia) Limited	3,123,293	1.80
Sharbo Limited	3,081,095	1.78
Citicorp Nominees Pty Limited	2,288,477	1.32
National Nominees Limited - NZCSD	2,249,118	1.30
Hobson Wealth Custodians Limited	1,853,298	1.07
HSBC Nominees (New Zealand) Limited - NZCSD	1,753,161	1.01
Andrew Lawrence Dalziel	1,518,614	0.88
Jarden Custodians Limited	1,500,000	0.86
ASB Nominees Limited	1,277,666	0.74
Washington H Soul Pattinson and Company LTD	1,277,434	0.74
JAOBQ Pty Limited	1,257,143	0.72
	95,641,980	55.15

### 4. Interests Register

There were no transactions between the Group and Directors during the year other than their remuneration for Director services, Consulting services and in Craig Herbison's case for remuneration as CEO.

### 5. Directors' Remuneration

		2021	2020
Directors' remuneration is as follows:		\$	\$
Phil Norman	Chairman fee	95,000	72,500
	Consulting fee	30,000	20,000
Sharon Hunter	Director fee	50,000	42,500
Brian Russell	Director fee	50,000	42,500
Craig Herbison	Salary and Benefits	647,216	717,002
Robert Bell	Director fee	60,000	46,722
	Consulting fee	10,000	-
Jack Matthews	Director fee	50,000	30,833



## Additional NZX Disclosure

For the year ended 31 March 2021

### 6. Directors' Equity Security Holdings

Details of director equity securities holdings as at 31 March 2021 are set out below:

Name of Director		Beneficially	Associated Persons
Phil Norman	Shares	3,194,405	9,362

Directors are not required to hold shares as part of their Directorship.

### 7. Share Dealing

There was no share dealing by the Directors during the year ended 31 March 2021.

### 8. Directors' Loans

There were no loans from the Group to Directors.

### 9. Use of Company Information

The Board received no notices during the year from directors requesting to use the Group information received in their capacity as directors which would not have been otherwise available to them.

### 10. Dividend

The Directors recommend that no dividend be paid in relation to ordinary shares on issue.

### 11. CEO's salary

In FY21, Craig had a base salary of \$500,000 per annum. The base salary is reviewed annually with effect from 1 April each year.

In addition to his base salary, Craig may also be paid an annual Short-Term Incentive (STI) payment with an on-target value of 50 percent of his base salary. Payment of an STI is at the board's discretion and is assessed in the first quarter of each financial year, based on business performance in the previous financial year.

Craig is also entitled to share options. The size of the package of options is determined by the Remuneration Committee. As at 31 March 2021 Craig had 3,659,903 options granted to him.

## Additional NZX Disclosure

For the year ended 31 March 2021

### 12. Remuneration of Auditors

	2021	2020
	\$'000	\$'000
Audit of the financial statements	71	69
Tax compliance services	18	35
Ancillary assurance services	26	27
Ancillary assurance services related to ASX Initial Public Offering	37	-
	152	131

The auditor of the Group is Deloitte Limited for the year ended 31 March 2021.

### 13. Donations

The Group made no donations during the year ended 31 March 2021 (2020: Nil).

### 14. Directors Holding Office

The names of the Directors of the Group, who held office during and since the end of the year are:

Phil Norman  
 Sharon Hunter  
 Brian Russell  
 Craig Herbison  
 Robert Bell  
 Jack Matthews

## Directory

As at 31 March 2021

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	<a href="http://www.plexure.com">www.plexure.com</a>

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# **Annual Report 2021**

Others Guess,  
Plexure Knows