Simmons
CORPORATE FINANCE

Plexure Group Limited

Independent Adviser's Report

In Respect of the Allotment of Shares to the Task Shareholders as Part Consideration for the Acquisition of Task Retail Pty Limited and Task Retail Technology LLC

September 2021

Statement of Independence

Simmons Corporate Finance Limited confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report; and
- has no direct or indirect pecuniary or other interest in the proposed transactions considered in the report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Simmons Corporate Finance Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Takeovers Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.

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Appendix

1. Executive Summary

1.1 Background

Plexure Group Limited (**Plexure** or the **Company**) is a mobile engagement software company. Global brands (such as McDonald's) use the Company's products to engage consumers on mobile devices and drive them to store with personalised offers, mobile order and pay and loyalty.

Plexure's shares are listed on the main equities securities market (the **NZX Main Board**) operated by NZX Limited (**NZX**) with a market capitalisation of approximately $115 million as at 3 September 2021. Its shares are also listed on the Australian Securities Exchange (**ASX**). Its audited total equity as at 31 March 2021 was approximately $42 million.

A profile of the Company is set out in section 3.

1.2 Acquisition of Task Retail Pty Limited and Task Retail Technology LLC

Task Merger

On 15 August 2021, Plexure entered into the *Merger Agreement* (the **Merger Agreement**) with Kym Houden, Jennifer Houden, Jo Anne Wright, David Wright and Task Retail Investment Pty Limited (as trustee of the Task Retail Investment Trust) (collectively the **Task Shareholders**), whereby Plexure agreed to acquire 100% of the shares in Task Retail Pty Limited and Task Retail Technology LLC (collectively **Task**) from the Task Shareholders (the **Task Merger**) for A$120 million, subject to a working capital adjustment (the **Purchase Price**).

The Purchase Price is to be satisfied by:

- cash of A$30 million (the **Cash Consideration**)
- A$90 million through the issue of 157,232,704 fully paid ordinary shares in Plexure (the **Consideration Shares**) at an issue price of $0.60 per share (the **Task Allotment**):
  - 134,433,962 will be issued to the Task Shareholders and will be subject to transfer restrictions for 2 years from the date the shares are allotted (the **Task Lock-up**)
  - 2,707,896 will be issued to the Task Shareholders' advisers on the transaction Latimer Partners Pty Limited (**Latimer Partners**) and will also be subject to the Task Lock-up
  - 20,090,846 deferred share rights will be issued under a new employee long term incentive scheme for vesting to 37 selected Task employees and contractors who meet service hurdles over a 3 year period and then, on exercise with a nil exercise price, converted into fully paid ordinary shares (the **Task LTI Scheme**).

We refer to the Task Shareholders, Latimer Partners and the 37 Task LTI Scheme participants collectively as the **Task Associates**.

Plexure expects that the Task Merger will be completed around 1 October 2021 (the **Completion Date**) and not later than 30 October 2021.

The Task Merger is in essence a merger of equals, effected by Plexure acquiring Task:

- Plexure's market capitalisation immediately prior to the announcement of the Task Merger was approximately $94 million compared with Task's value of A$120 million (approximately $125 million)
- following the Task Merger, the completion of the capital raise that will be undertaken to part fund the Cash Consideration and assuming all of the Task LTI Scheme Consideration Shares are issued, the Task Associates will collectively hold 42.30% of the shares in Plexure.

Task

Task provides its customers with a fully integrated transaction management platform enabling point of sale (**POS**), online ordering (**OLO**), loyalty, kiosk, mobile apps and other engagement products on a globally deployed and scalable single technology stack. Task has a significant customer base of global brands in the restaurant, food service, entertainment and stadium venues sectors.

A profile of Task is set out in section 4.

Capital Raise

The Task Merger is conditional on Plexure raising up to A$20 million (the **Capital Raise**). Plexure is able to waive this condition at its discretion.

The Capital Raise comprises:

- a fully underwritten A$15 million placement with institutions and sophisticated and professional investors in Australia and New Zealand (the **Institutional Placement**)
- a fully underwritten A$5 million placement with existing shareholders in New Zealand who did not participate in the Institutional Placement (the **Retail Placement**).

The Company jointly mandated Australian stockbrokers Ord Minnett Limited and Bell Potter Securities Limited to arrange the Capital Raise.

The Institutional Placement was conducted via a bookbuild and was executed on 1 September 2021 at A$0.50 per share.

The Retail Placement will open on or about 9 September 2021 and closes on or about 22 September 2021. It will be at $0.52 per share (being the same price as the Institutional Placement price of A$0.50 per share at a fixed exchange rate of $1 = A$0.9615).

The Capital Raise will result in the issue of 40,000,000 fully paid ordinary shares (the **Capital Raise Shares**).

The Capital Raise is subject to shareholder approval.

Plexure had approximately $40.2 million of cash on hand as at 31 March 2021. The gross proceeds from the Capital Raise, along with A$10 million of the Company's cash on hand, will be used to fund the Cash Consideration.

1.3 Impact on Shareholding Levels

Plexure currently has 174,445,362 ordinary shares on issue, held by 3,729 shareholders (the **Current Shareholders**).

Following the Task Allotment of 137,141,858 Consideration Shares to the Task Shareholders and Latimer Partners and the issue of the Capital Raise Shares but before any of the Task LTI Scheme Consideration Shares are issued and assuming there are no other changes to the Company's capital structure:

- the Current Shareholders will collectively hold a 49.62% of the Company's ordinary shares on issue
- the Task Associates will collectively hold 39.01% of the Company's ordinary shares on issue
- the subscribers to the Capital Raise (the **Capital Raise Shareholders**) will collectively hold 11.38% of the Company's ordinary shares.

Following the Task Allotment of 137,141,858 Consideration Shares to the Task Shareholders and Latimer Partners and the issue of the Capital Raise Shares and assuming all of the Task LTI Scheme Consideration Shares are issued and there are no other changes to the Company's capital structure:

- the Current Shareholders will collectively hold 46.93% of the Company's ordinary shares on issue
- the Task Associates will collectively hold 42.30% of the Company's ordinary shares on issue
- the Capital Raise Shareholders will collectively hold 10.76% of the Company's ordinary shares.

Impact of the Task Merger on Shareholding Levels

	Current Shareholders	Task Associates	Capital Raise Shareholders	Total
Current	174,445,362			174,445,362
Capital Raise			40,000,000	40,000,000
Task Allotment - Task Shareholders		134,433,962		134,433,962
Task Allotment - Latimer Partners		2,707,896		2,707,896
	174,445,362	137,141,858	40,000,000	351,587,220
%	*49.62%*	*39.01%*	*11.38%*	*100.00%*
Task Allotment - Task LTI Scheme		20,090,846[1]		20,090,846[1]
Post the Capital Raise and Task Allotment	174,445,362	157,232,704[1]	40,000,000	371,678,066[1]
%	*46.93%*	*42.30%*	*10.76%*	*100.00%*

1 Assumes all 20,090,846 Consideration Shares held by the Task LTI Scheme are issued to the 37 participants

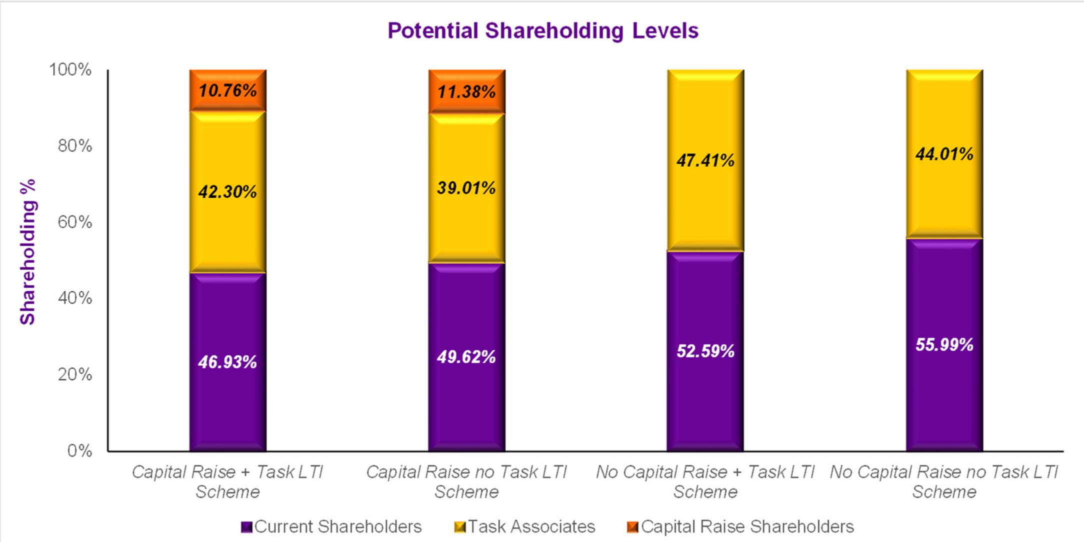
The Capital Raise is subject to shareholder approval. If the Task Merger is approved but the Capital Raise is not approved (which we consider to be a highly unlikely outcome), the respective shareholding levels will be as set out below. This assumes that the Capital Raise condition precedent is waived by Plexure.

Impact of the Task Merger on Shareholding Levels With No Capital Raise

	Current Shareholders	Task Associates	Total
Current	174,445,362	-	174,445,362
Task Allotment - Task Shareholders		134,433,962	134,433,962
Task Allotment - Latimer Partners		2,707,896	2,707,896
	174,445,362	137,141,858	311,587,220
%	*55.99%*	*44.01%*	*100.00%*
Task Allotment - Task LTI Scheme		20,090,846[1]	20,090,846[1]
Post the Task Allotment	174,445,362	157,232,704[1]	331,678,066[1]
%	*52.59%*	*47.41%*	*100.00%*

1 Assumes all 20,090,846 Consideration Shares held by the Task LTI Scheme are issued

Accordingly, depending on whether the Capital Raise is approved and when the Consideration Shares are issued to the Task LTI Scheme, the Task Associates will hold between 39.01% and 47.41% of the Company's shares.



Given that, in our view, it is highly likely that the Capital Raise will be approved if the Task Merger is approved, the most likely maximum shareholding that the Task Associates will collectively hold is 42.30% (after all of the Consideration Shares are issued to the Task LTI Scheme).

The number of Consideration Shares that will be held by the Task Associates following the issue of all of the Task LTI Scheme Consideration Shares is set out below.

Task Associates Shareholding

Task Associate	No. of Consideration Shares	% of Total Shares: Capital Raise Not Approved	% of Total Shares: Capital Raise Approved
Kym Houden	62,111,565	18.73%	16.71%
Jennifer Houden	62,111,565	18.73%	16.71%
Jo-Anne Wright	3,269,030	0.99%	0.88%
David Wright	3,269,030	0.99%	0.88%
Task Retail Investment Trust	3,672,772	1.11%	0.99%
Task Shareholders	134,433,962	40.53%	36.17%
Latimer Partners	2,707,896	0.82%	0.73%
Task LTI Scheme[1]	20,090,846	6.06%	5.41%
Total	157,232,704	47.41%	42.30%

1 The names and shareholding of the 37 participants in the Task LTI Scheme are set out in Appendix D of the notice of special meeting

1.4 Summary of Opinion

Our evaluation of the merits of the Task Allotment as required under the Takeovers Code (the **Code**) is set out in section 2.

In our opinion, after having regard to all relevant factors, the positive aspects of the Task Merger (including the Task Allotment) significantly outweigh the negative aspects from the perspective of the Current Shareholders.

1.5 Special Meeting

Plexure is holding a special meeting of shareholders on or around 24 September 2021, where the Company will seek shareholder approval of 3 resolutions which cover the Task Merger (the **Task Resolutions**):

- resolution 1 – approval of the Task Merger for the purposes of Rule 5.1.1 of the NZX Listing Rules (the **Listing Rules**) and section 129 of the Companies Act 1993 (the **Companies Act**)
- resolution 2 – approval of the issue of 137,141,858 Consideration Shares to the Task Shareholders and Latimer Partners for the purposes of Rule 7(d) of the Code and Listing Rules 4.1.1
- resolution 3 – approval of the issue of 20,090,846 Consideration Shares (by way of the issue of deferred share rights) to the 37 participants of the Task LTI Scheme for the purposes of Rule 7(d) of the Code and Listing Rule 4.1.1.

The Company will also seek shareholder approval of the Capital Raise for the purposes of Listing Rule 4.1.1 (resolution 4 – the **Capital Raise Resolution**).

The Task Resolutions are interdependent. All 3 resolutions must be passed in order for any one particular resolution to be implemented.

If the Task Resolutions are not approved, then the Capital Raise will not proceed.

If the Task Resolutions are approved but the Capital Raise Resolution is not approved, the Task Merger could still proceed at Plexure's option (ie by Plexure waiving the Capital Raise condition precedent and funding the Cash Consideration out of existing cash reserves).

Resolution 1 is a special resolution. A special resolution is a resolution passed by a majority of 75% or more of the votes of those shareholders entitled to vote and voting on the resolution in person or by proxy.

Resolutions 2, 3 and 4 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of those shareholders entitled to vote and voting on the resolutions in person or by proxy.

If the Task Resolutions are all passed, then any shareholder that has cast all of their votes against special resolution 1 is entitled to require Plexure to purchase their shares in accordance with section 110 of the Companies Act. The Explanatory Notes included in the notice of special meeting sets out the procedure for minority buy-out rights.

Voting Restrictions

All Current Shareholders are entitled to vote on each of the Task Resolutions, other than any person to whom it is proposed to issue the new equity securities referred to in resolutions 2 and 3 and their Associated Persons (as defined in the Listing Rules) and associates (as defined in the Code), who are not permitted to vote on the relevant resolution.

All Current Shareholders are entitled to vote on the Capital Raise Resolution, other than certain persons to whom it is proposed to issue the new equity securities referred to in the resolution and their Associated Persons (as defined in the Listing Rules), who are not permitted to vote on the relevant resolution. The Company has received a waiver from NZX allowing any Current Shareholder who is a participant in the Retail Placement to vote on the Capital Raise Resolution, providing that all institutional investors, including those also participating in the Institutional Placement are precluded from voting on the resolution.

1.6 Regulatory Requirements

Plexure is a code company as defined by the Code and is subject to the provisions of the Code.

Rule 6 of the Code prohibits:

- a person and that person's associates who hold or control no voting rights or less than 20% of the voting rights in a code company from increasing their holding or control of voting rights beyond 20%
- a person and that person's associates holding or controlling 20% or more of the voting rights in a code company from increasing their holding or control of voting rights

unless the person and that person's associates comply with exceptions to this fundamental rule.

One of the exceptions, set out in Rule 7(d) of the Code, enables a person and its associates to increase their holding or control of voting rights by an allotment of shares if the allotment is approved by an ordinary resolution of the code company.

The Task Associates currently do not hold any shares in Plexure. The Task Allotment will result in the Task Associates controlling up to 47.41% of the voting rights in Plexure.

Accordingly, the Current Shareholders will vote at the Company's special meeting on resolutions 2 and 3 in respect of the Task Allotment in accordance with the Code.

Rule 18 of the Code requires the directors of a code company to obtain an Independent Adviser's Report on the merits of an allotment under Rule 7(d).

This Independent Adviser's Report is to be included in, or accompany, the notice of meeting pursuant to Rule 16(h).

1.7 Purpose of the Report

The Company's board of directors (the **Board**) has engaged Simmons Corporate Finance Limited (**Simmons Corporate Finance**) to prepare an Independent Adviser's Report on the merits of the Task Allotment in accordance with Rule 18 of the Code.

Simmons Corporate Finance was approved by the Takeovers Panel on 14 July 2021 to prepare the Independent Adviser's Report.

Simmons Corporate Finance issues this Independent Adviser's Report to the Board for the benefit of the Current Shareholders to assist them in forming their own opinion on whether to vote for or against the Task Resolutions.

We note that each shareholder's circumstances and objectives are unique. Accordingly, it is not possible to report on the merits of the Task Allotment in relation to each shareholder. This report on the merits of the Task Allotment is therefore necessarily general in nature.

The Independent Adviser's Report is not to be used for any other purpose without our prior written consent.

1.8 Currency References

Currency references in this report are to:

- New Zealand dollars: **$**
- Australian dollars: **A$**.

2. Evaluation of the Merits of the Task Merger (Including the Task Allotment)

2.1 Basis of Evaluation

Rule 18 of the Code requires an evaluation of the *merits* of the Task Allotment having regard to the interests of the Current Shareholders.

There is no legal definition of the term *merits* in either the Code or in any statute dealing with securities or commercial law in New Zealand.

In the absence of an explicit definition of *merits*, guidance can be taken from:

- the Takeovers Panel *Guidance Note on Independent Advisers* dated 11 March 2021
- definitions designed to address similar issues within New Zealand regulations which are relevant to the proposed transaction
- overseas precedents
- the ordinary meaning of the term *merits*.

Given that the Task Allotment is an integral component of the Task Merger, we are of the view that an assessment of the merits of the Task Allotment cannot be undertaken in isolation and needs to be considered in conjunction with the merits of the Task Merger. Accordingly, we are of the view that an assessment of the merits of the Task Merger should focus on:

- the strategic rationale for the Task Merger
- the terms and conditions of the Task Merger
- the impact of the Task Merger on Plexure's financial position
- the impact of the Task Merger on the control of Plexure
- the impact of the Task Merger on Plexure's share price
- the benefits and disadvantages for the Current Shareholders of the Task Merger
- the benefits and disadvantages for the Task Associates of the Task Merger
- the implications if the Task Resolutions are not approved.

Our opinion should be considered as a whole. Selecting portions of the evaluation without considering all the factors and analyses together could create a misleading view of the process underlying the opinion.

2.2 Summary of the Evaluation of the Merits of the Task Merger (Including the Task Allotment)

The Task Merger is in essence a merger of equals between Plexure and Task, effected by Plexure acquiring Task. The transaction will transform the nature of Plexure's business from a customer engagement solution into an end-to-end cloud engagement and transaction platform provider for major hospitality and retail enterprises.

The Task Merger consists of Plexure:

- acquiring Task from the Task Shareholders for A$120 million
- issuing 157,232,704 Consideration Shares at an issue price of $0.60 per share to the Task Associates

The Capital Raise involves Plexure issuing 40,000,000 Capital Raise Shares at an issue price of A$0.50 / $0.52 per share to raise A$20 million.

The Task Associates will collectively hold up to 47.41% of the shares in Plexure, although we consider a collective holding of 42.30% to be most likely, after the Consideration Shares are issued to the 37 participants in the Task LTI Scheme.

The intended completion date of the Task Merger is 1 October 2021 and not later than 30 October 2021.

The Current Shareholders are being asked to vote on 3 resolutions in respect of the Task Merger. All resolutions must be passed in order for the Task Merger to proceed.

Accordingly, shareholders have 3 alternatives with regard to their voting:

- vote in favour of all 3 resolutions. In event that all resolutions are passed and all conditions precedent are satisfied or waived, the Company will complete the Task Merger and will transform into an end-to-end cloud engagement and transaction platform provider for major hospitality and retail enterprises, or
- vote against any of the 3 resolutions. In the event that any resolution is not passed, then the Task Merger will not be undertaken and Plexure will remain as a mobile engagement software company, or
- abstain from voting, in which case the voting of the other shareholders will determine the outcome.

Our evaluation of the merits of the Task Merger is set out in detail in sections 2.3 to 2.17.

In summary, the positive aspects of the Task Merger are:

- the strategic rationale for the Task Merger is compelling. The Task Merger will be transformational for the Company, moving it from being a customer engagement solution heavily reliant on one client (McDonald's) to being an end-to-end cloud engagement and transaction platform provider used by a number of major hospitality and retail enterprises. The transaction will result in the diversification of Plexure's customer base, an expanded product portfolio for both companies and cross-selling opportunities
- the terms of the Task Merger are reasonable:
  - the Purchase Price of A$120 million is reasonable based on our assessment of the value of Task
  - the issue price of $0.60 per share under the Task Allotment is fair to the Current Shareholders. The issue price of $0.60 represents a premium of 11% to the closing share price of $0.54 on 13 August 2021 (the last trading day before the announcement of the Task Merger) and equates to Plexure's volume weighted average share price (**VWAP**) over the month to 13 August 2021
  - the 137,141,858 Consideration Shares issued to the Task Shareholders and Latimer Partners are subject to a 2 year restricted transfer period under the Task Lock-up

- the conditions and warranties set out in the Merger Agreement are in line with market practice for transactions of this nature and are not unreasonable

- there is unlikely to be any material transfer of value from the Current Shareholders to the Task Associates under the Task Merger as we consider the Acquisition Price to be reasonable and the issue price of the Consideration Shares to be fair
- the Task Merger will have a positive impact on the Company's financial position. The Company's revenue and profitability will increase significantly, as will the size of the Company on a total assets and net assets basis
- the Task Associates will have a strong degree of influence over the Company:
  - their collective (most likely) 42.30% shareholding / (maximum) 47.41% shareholding will be able to singlehandedly block special resolutions and strongly influence the outcome of ordinary resolutions
  - they will have 2 representatives on the Company's 7 member Board
  - Task's chief executive officer Daniel Houden will be appointed chief executive officer of Plexure
- the Company's shares may be re-rated by the market, which may improve the liquidity of the shares
- given that the Consideration Shares issue price of $0.60 is at an 11% premium to the closing price on 13 August 2021 and is in line with the one month VWAP and taking into account the size of the Task Allotment and the Capital Raise, we are of the view that any impact of the Task Merger on the Company's share price is more likely to be positive than negative
- the attraction of Plexure as a takeover target may increase as the Company will potentially have a higher profile following the Task Merger and may be more visible and attractive to potential investors
- the implication of any of the Task Resolutions not being approved by the Current Shareholders is that the Task Merger will not proceed. Plexure will remain as a mobile engagement software company heavily reliant on one customer (McDonald's) and no capital will be raised under the Capital Raise.

In summary, the negative aspects of the Task Merger are:

- the risk profile of Plexure will broaden to some degree from just the risks associated with a business operating in the mobile engagement sector to the wider range of risks associated with the end-to-end transaction management sector
- the dilutionary impact of the Task Allotment and the Capital Raise on the Current Shareholders will result in their current collective interests in the Company reducing by approximately 53% (if they do not participate in the Capital Raise).

In our opinion, after having regard to all relevant factors, the positive aspects of the Task Merger (including the Task Allotment) significantly outweigh the negative aspects from the perspective of the Current Shareholders.

2.3 The Strategic Rationale for the Task Merger

Plexure currently offers an extensive customer engagement platform. Its key barrier is integration into the customer's POS or enterprise management systems.

Task provides a state-of-the-art enterprise POS solution that will enable Plexure to offer a fully integrated system, providing an end-to-end enterprise hospitality and retail engagement platform.

Task also offers Plexure access to new industry verticals (such as casinos, restaurant chains, stadiums and food service) and access to a large, diverse, quality client base.

The Board's rationale for the transaction is set out in detail in section 2 of the Explanatory Memorandum attached to the notice of special meeting (the **Explanatory Memorandum**) and is summarised below:

- complementary product sets – the combination of operations and customer engagement product capability will create an end-to-end platform that can improve clients' digital transformations
- diversification of Plexure's customer base – Task brings a range of global clients that include multi-national restaurant chains, food service businesses and entertainment and stadium venues across Australia and increasingly in North America and Europe. This will diversify Plexure from its heavy reliance on McDonald's (which accounted for 94% of Plexure's revenue in the 2021 financial year)
- development capability – Task's development capability based in Poland and Australia will complement Plexure's development team based in New Zealand and ensure the combined group achieves its combined software development ambitions more efficiently than Plexure would be able to achieve alone
- scale, growth and synergies – Task brings material additional recurring software revenue to the combined group. The Board believes the combined group will be better positioned to capture the significant opportunities open to either Task or Plexure on a standalone basis. Furthermore, the combined group will be able to share corporate functions such as finance and human resources.

In our view, the strategic rationale for the Task Merger is compelling. The Task Merger is effectively a merger of equals and will be transformational for Plexure. The Company's operations will broaden from providing a customer engagement solution for a relatively small number of customers (and being heavily reliant on one – McDonald's) to being an end-to-end cloud engagement and transaction platform provider for a number of major hospitality and retail enterprises. The transaction will diversify Plexure's customer base, expand the product portfolio for both companies and should generate cross-selling opportunities.

2.4 Process Undertaken by Plexure

We are advised by the Board that the Task Merger was initiated by Latimer Partners, who approached Plexure on behalf of the Task Shareholders to discuss the possible acquisition of Task by Plexure.

Plexure's senior management commenced discussions with Task in March 2021. The potential transaction was presented to the Board in April 2021, which set up a subcommittee in May 2021 to govern the transaction. The next 2 months involved Plexure developing a deep understanding of Task and in particular its sales pipeline, leading to the negotiation of the terms of a possible transaction. Negotiations on behalf of Plexure were led by independent chair Phil Norman, with consultation with the Board subcommittee.

On 23 June 2021, Plexure entered into a non-binding term sheet with the Task Shareholders (the **Term Sheet**).

The Company then undertook an in-depth due diligence review of Task in conjunction with its financial advisers (PwC) and legal advisers (Bell Gully), focusing on Task's technical operations, its financial performance and financial position, tax position and legal matters.

The Board then negotiated and entered into the Merger Agreement with the Task Shareholders on 15 August 2021.

2.5 Terms of the Task Merger

Purchase Price

The Purchase Price is A$120 million (on a cash free debt free basis) and is to be satisfied by the Cash Consideration and the Task Allotment.

There is an allowance for a working capital adjustment to the Purchase Price at the Completion Date.

The Board has advised us that it negotiated the Purchase Price on a commercial arms-length basis with the Task Shareholders, based on the Board's evaluation of the underlying Task business model and Task's future cash flows. A particular emphasis was placed on the quality of Task's sales pipeline and the likelihood of the sales pipeline being converted into revenue.

Our assessment of the value of Task is set out in section 5. We assess the value of Task on a cash free debt free basis to be in the range of A$107.6 million to A$133.6 million as at the present date.

Based on our analysis, we consider the Purchase Price to be reasonable.

Task Allotment

Terms

The 157,232,704 Consideration Shares issued under the Task Allotment will be fully paid ordinary shares ranking equally in all respects with all existing shares, issued at $0.60 per share to the Task Associates:

- 134,433,962 will be issued to the Task Shareholders
- 2,707,896 will be issued to Latimer Partners
- 20,090,846 shares will be issued under the Task LTI Scheme.

The Task Shareholders and Latimer Partners have agreed that the 137,141,858 Consideration Shares they will be collectively allotted will be subject to the Task Lock-up, meaning that their respective Consideration Shares cannot be traded until 2 years from the date the shares are allotted.

These transfer restrictions are subject to the exception to enable the Task Shareholders and Latimer Partners to accept a full takeover offer for the Company's shares or a court-approved scheme of arrangement or amalgamation under the Companies Act.

Reasonableness Assessment

Our assessment of the reasonableness of the issue price of the Consideration Shares is set out in section 6.

Conclusion

We consider the Consideration Shares issue price of $0.60 per share under the Task Allotment to be fair, from a financial point of view, to the Current Shareholders.

Capital Raise

The Capital Raise consists of 2 private placement components:

- the Institutional Placement – a fully underwritten A$15 million institutional / sophisticated investor / professional investor offer in Australia and New Zealand at an issue price of A$0.50 per share. The Institutional Placement was executed on 1 September 2021
- the Retail Placement – a fully underwritten $5.2 million (A$5 million) shareholder offer to New Zealand resident Current Shareholders that did not participate in the Institutional Placement at an issue price of $0.52 per share (equivalent to the Institutional Placement A$0.50 issue price).

The Capital Raise Shares will be fully paid ordinary shares ranking equally in all respects with all existing shares.

The gross proceeds of A$20 million raised from the issue of the Capital Raise Shares will be applied towards the Cash Consideration.

The Capital Raise is subject to shareholder approval.

Merger Agreement Conditions

The Task Merger is conditional on:

- Plexure obtaining the Current Shareholders' approval of the Task Resolutions
- Plexure raising up to A$20 million through the Capital Raise. This condition may be waived at Plexure's discretion
- no Specified Event (as defined in the Merger Agreement) that constitutes a Task Material Adverse Effect (as defined) occurs before the Completion Date
- no Plexure Prescribed Event (as defined) occurs before the Completion Date.

The final date for satisfaction of the above conditions is 30 October 2021.

Failure to meet any of the conditions will allow the party that had the right of the condition to terminate the Merger Agreement.

We are of the view that the conditions of the Task Merger are in line with market practice for transactions of this nature and are not unreasonable.

Merger Agreement Warranties

Under the Merger Agreement, both the Task Shareholders and Plexure have provided warranties in respect of incorporation and power, their respective shares, corporate matters, financial information, assets, material contracts, related party transactions (on the part of the Task Shareholders), authorisations, insurance, records, employment, superannuation, property, intellectual property, information technology, cyber security, privacy, compliance with laws, anti-corruption and sanctions, litigation and disputes, information and tax.

Kym Houden and Jennifer Houden have agreed to a 5 year restraint of trade in respect of any Restricted Business (as defined in the Merger Agreement) and have provided non-solicitation undertakings for a period of 5 years from Completion.

Each party's liability under these warranties is limited to claims brought within 3 years of the Completion Date (other than for tax which is for 7 years) and to an aggregate amount limited to A$35 million in the case of Business Warranties (as defined in the Merger Agreement) or any tax claim and the Purchase Price in the case of any other warranties.

We are of the view that the warranties provided under the Merger Agreement are in line with market practice for transactions of this nature and are not unreasonable.

Completion Date

Completion of the Task Merger is expected to take place by 1 October 2021 and no later than 30 October 2021.

2.6 Impact on Financial Performance and Financial Position

A summary of Plexure's and Task's recent financial performance is set out in sections 3.5 and 4.6 respectively and their recent financial position is set out in sections 3.6 and 4.7 respectively.

Section 4 subsection 6 of the Explanatory Memorandum sets out the pro forma combined group financial information.

The table below summarises the combined group's pro forma financial performance and financial position for the 2021 financial year.

Combined Group's Pro Forma 2021 Financials

	Plexure[1] (Pro Forma) $000	Task[2] (Unaudited) $000	Combined (Pro Forma) $000
Total revenue	29,362	14,007	43,369
EBITDA	(3,927)	2,442	(1,485)
Net profit / (loss) for the year	(6,876)	1,094	(5,782)
Total assets	53,459	4,531[3]	160,099[4]
Total liabilities	(11,034)	(5,555)[3]	(16,589)
Net assets	42,425	(1,024)[3]	143,510

EBITDA: Earnings before interest, tax, depreciation and amortisation

1 Year ended 31 March 2021
2 Year ended 30 June 2021, translated at $1 = A$0.95
3 Based on Task's adjusted acquisition financial position
4 Includes $115.2 million of goodwill arising upon acquisition

Source: Explanatory Memorandum

The analysis shows that the Task Merger will result in Plexure's revenue increasing significantly, its profitability improving and the size of the Company increasing significantly on both a total assets and net assets basis.

2.7 Impact on Control

Share Capital and Shareholders

Plexure currently has 174,445,362 fully paid ordinary shares on issue held by 3,729 shareholders. The names, number of shares and percentage holding of the Company's 10 largest shareholders as at 20 August 2021 are set out in section 3.4.

The Company's largest shareholders at present are 2 custodial companies – Forsyth Barr Custodians Limited (**FBCL**) (holding 10.32% of the Company's shares) and New Zealand Central Securities Depository Limited (**NZCSD**) (holding 9.79% of the Company's shares).

Atlas Bear LLC (**Atlas**), an indirect wholly-owned subsidiary of McDonald's Corporation (**McDonald's Corp**) is Plexure's third largest shareholder, holding 9.41% of the Company's shares.

Allectus Capital Limited (**Allectus**) a Bermuda-based investment company is the Company's fourth largest shareholder, holding 7.28% of the Company's shares.

None of the Current Shareholders hold significant control over shareholder voting.

As discussed in section 2.15, McDonald's Corp and Allectus have participated in the Capital Raise. In our view, the participation of McDonald's Corp and Allectus in the Capital Raise does not have any significant impact on their respective ability to exert control over shareholder voting.

Shareholding Levels Post the Task Merger

The Task Associates currently do not hold any shares in the Company.

As set out in section 1.3, following the Task Merger and assuming the Capital Raise is approved:

- the Task Associates will hold 39.01% of the Company's shares before the Task LTI Scheme Consideration Shares are issued
- the Task Associates will hold 42.30% of the Company's shares after the Task LTI Scheme Consideration Shares are issued.

If the Capital Raise is not approved, following the Task Merger:

- the Task Associates will hold 44.01% of the Company's shares before the Task LTI Scheme Consideration Shares are issued
- the Task Associates will hold 47.41% of the Company's shares after the Task LTI Scheme Consideration Shares are issued.

Shareholding Voting

The Task Merger will result in the Task Associates collectively holding a high degree of influence over the outcome of shareholder voting by being able to:

- block special resolutions (which require the approval of 75% of the votes cast by shareholders)
- strongly influence the outcome of ordinary resolutions (which require the approval of more than 50% of the votes cast by shareholders).

Collectively, the Task Associates will likely be able to determine the outcome of any ordinary resolution with their (most likely) 42.30% shareholding / (maximum) 47.41% collective shareholding. This is because a number of shareholders in listed companies tend not to vote on resolutions and hence the relative weight of each shareholding increases.

Collectively, the Task Associates will not be able to pass special resolutions.

The ability for any shareholder to influence the outcome of voting on the Company's ordinary resolutions or special resolutions may be reduced by external factors such as the Company's constitution, the Code, the Listing Rules and the Companies Act (eg if the shareholder is precluded from voting on the resolution because it is a party to the transaction which the resolution relates to).

Board Control

As set out in section 3.3, the Company currently has 5 directors on the Board, none of whom are associated with the Task Associates.

We are advised by the Board that Bill Crichton and Daniel Houden will join the Board following the Task Merger as the Task Shareholders' representatives. Mr Crichton is an adviser to Task and Mr Houden is Task's chief executive officer.

Accordingly, the Task Associates will have 2 representatives on the 7 member Board.

Operations

Following the completion of the Task Merger, Task's chief executive officer Daniel Houden will be appointed as Plexure's chief executive officer. The Company's previous chief executive officer resigned on 4 August 2021.

Other than Daniel Houden taking a senior management role in Plexure upon completion, the Board plans to not functionally integrate Task with Plexure in the first year of the combined entity's operations. The 2 businesses will largely operate separately – especially the technology teams. However, the Board aims to integrate certain corporate functions such as finance and human resources as soon as is feasible.

Protection for Minority Shareholders

While the Task Associates will have a significant degree of control over Plexure, they cannot act in an oppressive manner against minority shareholders. The Companies Act, the Listing Rules and the Code provide a level of protection to minority shareholders. Furthermore, any transactions between the Company and any shareholder holding 10% or more of the Company's shares will need to satisfy the requirements of the Listing Rules with respect to transactions with related parties.

2.8 Dilutionary Impact

The Task Merger will result in the Current Shareholders' shareholdings in the Company being diluted by up to 53.1%:

- the Task Allotment of 157,232,704 Consideration Shares will dilute the Current Shareholders' shareholdings by 47.4%. Their current collective shareholding of 100% will be diluted down to 52.59%
- the Capital Raise will further dilute the Current Shareholders' (already diluted) shareholdings by 10.8% (if they do not participate in the Capital Raise). Their collective shareholding of 52.59% will be further diluted down to 46.93% (if they do not participate in the Capital Raise).

While the dilutionary impact is significant, we are of the view that the Current Shareholders' main focus should be on whether there is any dilutionary impact on the value of their respective shareholdings rather than on their level of voting rights. As stated in section 2.5, we are of the view that the Purchase Price and the Consideration Shares issue price are fair to the Current Shareholders from a financial point of view and therefore the Task Merger does not dilute the value of their respective shareholdings.

2.9 Impact on Share Price and Liquidity

A summary of Plexure's daily closing share price and monthly volume of shares traded from 3 January 2019 is set out in section 3.8.

In the year up to 13 August 2021 (immediately prior to the announcement of the Task Merger), 33.6% of the Company's shares traded at a VWAP of $1.04. The closing share price on 13 August 2021 was $0.54 and the one month VWAP was $0.60.

Given that the Consideration Shares issue price of $0.60 is at an 11% premium to the pre-announcement share price and is equivalent to the one month VWAP and the size of the Task Allotment and the Capital Raise, we are of the view that any impact of the Task Merger on the Company's share price is more likely to be positive than negative.

Since the announcement of the Task Merger on 16 August 2021, 4.6% of the Company's shares have traded between $0.53 and $0.66 at a VWAP of $0.57 up to 3 September 2021.

The completion of the Task Merger may lead to a re-rating of the Company's shares. The increased size of the Company and the transformation of Plexure into an end-to-end cloud engagement and transaction platform provider for major hospitality enterprises may lead to higher prices for the shares. However, Current Shareholders should also bear in mind that any re-rating of the Company's shares may increase the variability in the Company's share price and this may result in the share price either increasing or decreasing.

Liquidity

Trading in the Company's shares is relatively thin, reflecting that the top 10 shareholders collectively hold 50.48% of the shares.

The Task Merger will not necessarily improve the liquidity of the Company's shares as the number of shares held by the Current Shareholders will not change and the Consideration Shares issued to the Task Shareholders and Latimer Partners are subject to the Task Lock-up.

Should the Task Shareholders seek to dispose of some of their Consideration Shares following the restricted transfer period, this may result in increased trading in the Company's shares, thereby improving liquidity. Similarly, the sale of any Consideration Shares not subject to the Task Lock-up and / or any Capital Raise Shares may improve liquidity.

2.10 Main Advantage to the Current Shareholders of the Task Merger

The Current Shareholders currently hold 100% of the shares in a mobile engagement software company that is heavily dependent on one customer (McDonald's).

The Task Merger will significantly increase the size of the Company, transforming the nature of Plexure's business into an end-to-end cloud engagement and transaction platform provider for major hospitality enterprises.

2.11 Main Disadvantage to the Current Shareholders of the Task Merger

The main disadvantage to the Current Shareholders of the Task Merger is that the shares issued under the Task Allotment and the Capital Raise will significantly dilute their interests in the Company. Their collective shareholding will be diluted by approximately 53% from their collective shareholding of 100% at present to 46.93% (if they do not participate in the Capital Raise).

In our view, the positive aspects of the transformation of the Company's operations outweigh the dilutionary impact of the Task Merger.

2.12 Other Issues for the Current Shareholders to Consider

Change in Business Risk

A detailed analysis of the risks associated with an investment in Plexure following the Task Merger is set out in the Explanatory Memorandum and is summarised in section 4.5 of this report.

The analysis highlights the broader range of risk associated with an investment in the Company post the Task Merger and the Current Shareholders need to be cognisant of the change in the risk profile of their investment in the Company.

Benefits to Plexure of the Task Shareholders as Cornerstone Shareholders

The Task Allotment will position the Task Shareholders as an important cornerstone investor in Plexure, signalling their confidence in the future prospects of the combined Plexure / Task entity. Furthermore, representatives of the Task Shareholders will undertake integral roles in the governance and management of the Company.

Current Shareholder Approval is Required

The Current Shareholders must approve by special resolution the Task Merger and by ordinary resolutions the Task Allotment and the Capital Raise.

The Task Merger will not proceed unless the Current Shareholders approve all of the Task Resolutions.

May Increase the Attractiveness of the Company as a Takeover Target

Plexure will potentially have a higher profile following the Task Merger and may be more visible and attractive to potential investors, which may increase the likelihood of a takeover offer for the Company.

2.13 Key Benefit to the Task Associates

The Task Shareholders currently own 100% of a closely-held company whose shares are not listed on any securities trading platform.

The Task Merger provides the Task Shareholders with the opportunity to sell Task for A$30 million of cash and a 42.30% shareholding in Plexure (of which some of the shareholding will be allocated to Latimer Partners and the 37 participants in the Task LTI Scheme), assuming the Capital Raise is approved.

This will enable the Task Shareholders to monetise a portion of their investment in Task and to hold a substantial shareholding in a company listed on both the NZX Main Board and the ASX, thereby enhancing the liquidity of their investment.

Furthermore, the Task LTI Scheme will enable the Task Shareholders to reward selected Task employees and contractors with shares in a company listed on both the ASX and the NZX Main Board. The shares will reward key Task employees for their long term commitment to Task / Plexure and provide them with an incentive to contribute to the success of the combined entity.

2.14 Disadvantages to the Task Associates

The key risks that are likely to impact upon the combined business operations of Plexure and Task are summarised in section 4.5. The Task Shareholders currently face most of these risks through their investment in Task and therefore their risk exposure does not change to any significant extent.

However, following the Task Allotment, the Task Associates will collectively be a substantial shareholder in Plexure and will be subject to the regulatory requirements of the Code and the Listing Rules (such as restrictions on share transactions and related party transactions).

2.15 Likelihood of the Task Resolutions Being Approved

The Task Resolutions are interdependent with each other. All 3 Task Resolutions must be passed in order for any one resolution of the 3 Task Resolutions to be passed.

All Current Shareholders are entitled to vote on each of the Task Resolutions.

The Board has unanimously recommended that the Current Shareholders vote in favour of the Task Resolutions. Each director has indicated that he or she will vote the shares they hold in favour of the Task Resolutions.

The Company's top 10 shareholders collectively hold 50.48% of the Company's shares. This includes McDonald's Corp (who holds 9.41% of the Company's shares) and Allectus (who holds 7.28% of the Company's shares). Plexure's independent chair Phil Norman holds 1.83% of the Company's shares and is the Company's ninth largest shareholder.

We are advised by the Board that McDonald's Corp has indicated that it is supportive of the Task Merger. McDonald's Corp has a top-up right in respect of share issues in order to maintain a shareholding of up to 9.9% in the Company. The Board has advised us that McDonald's Corp has indicated that it will defer any potential exercise of its top-up right in respect of the Task Allotment for a period of time.

McDonald's Corp participated in the Capital Raise, subscribing for 3,960,000 Capital Raise Shares (9.90% of the total Capital Raise Shares).

Allectus also participated in the Capital Raise, subscribing for 3,074,910 Capital Raise Shares (7.69% of the total Capital Raise Shares).

We are not aware of how the major shareholders will vote in respect of the Task Resolutions (other than assuming that McDonald's Corp, Allectus and Mr Norman will vote in favour of the resolutions). The votes of the major shareholders will significantly influence the outcome of the voting on the Task Resolutions.

2.16 Implications of the Task Resolutions not Being Approved

If any one of the 3 Task Resolutions is not approved, then the Task Merger will not proceed and Plexure will remain as mobile engagement software company. No capital will be raised under the Capital Raise.

2.17 Options for Shareholders who do not Wish to Retain Their Investment in Plexure

Sell On-market

Those Current Shareholders who do not wish to remain shareholders in the Company after the Task Merger is completed could sell their shares on-market.

3.3% of the Company's shares traded over the month up to the announcement of the Task Merger at a VWAP of $0.60 and since the announcement of the Task Merger on 16 August 2021, 4.6% of the Company's shares have traded between $0.53 and $0.66 at a VWAP of $0.57 up to 3 September 2021.

Minority Buy-out Rights Under the Companies Act

If the Task Resolutions are passed, those Current Shareholders who voted all of their shares against special resolution 1 will be entitled to require the Company to buy their shares in accordance with the provisions of the Companies Act.

A shareholder entitled to require the Company to purchase its shares by virtue of section 110 of the Companies Act may, within 10 working days of the passing of the special resolution, give written notice to the Company requiring it to purchase the shares.

The Board is then required to give notice to the shareholder of a fair and reasonable price for the shares. Shareholders who do not agree with the nominated price can object to the price, in which case the price will be determined by arbitration.

An explanation of the minority buy-out rights is set out in the Explanatory Notes included in the notice of special meeting.

2.18 Voting For or Against the Task Resolutions

Voting for or against the Task Resolutions is a matter for individual shareholders based on their own views as to value and future market conditions, risk profile and other factors. Shareholders will need to consider these consequences and consult their own professional adviser if appropriate.

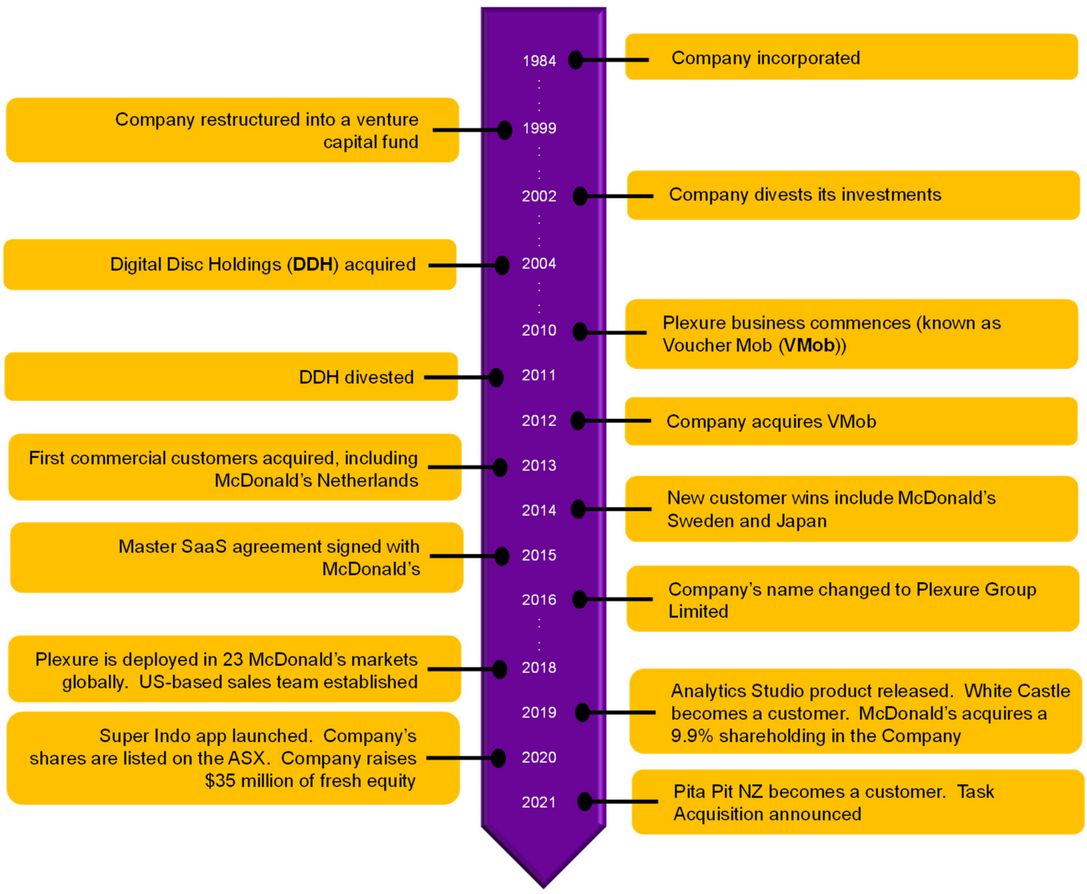
3. Profile of Plexure

3.1 Background

The Company was incorporated on 27 July 1984 as Australasian Breeding Stables Limited. It changed its name to:

- Strathmore Group Limited on 3 March 1987.
- Media Technology Group Limited on 11 February 2004
- Forge Media Group Limited on 5 August 2010
- Velo Capital Limited on 15 July 2011
- VMob Group Limited on 31 August 2012
- Plexure Group Limited on 25 July 2016.

The Company's key events are summarised below.



3.2 Nature of Operations

Plexure is a mobile engagement provider enabling global brands to create stronger connections with their customers through personalised offers, mobile order and pay and loyalty.

Plexure's software integrates with operational systems to remove friction and create a seamless purchase experience for consumers.

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

The Company's technology platform and product offering covers 5 key capabilities:

- mobile order and pay
- next generation loyalty programs
- personalised offers
- analytics
- seamless operations integration.

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

The Company now has over 286 million end users on its platform in 64 countries.

Plexure employs 167 staff globally, 90 of which are within the technology teams.

The Company has offices in Auckland, Christchurch, Chicago, Tokyo, London, Copenhagen and Amsterdam.

Plexure's clients include McDonald's, White Castle, Super Indo (part of the Ahold Delhaize grocery chain), Loyalty New Zealand and Pita Pit.

3.3 Directors and Senior Management

The Board consists of 5 directors:

- Robert Bell, independent director
- Sharon Hunter, independent director
- Jack Matthews, independent director
- Phil Norman, independent chair
- Brian Russell, independent director.

Craig Herbison resigned as an executive director on 4 August 2021.

The Company's senior management team consists of:

- Russ Bennett, chief technology officer
- Kathryn Byrne, chief strategy officer
- Richard Fraser, chief product officer
- André Gaylard, chief financial officer
- Russ Harwood, customer success director
- Paula Williams, people and culture director.

Craig Herbison resigned as chief executive officer on 4 August 2021.

3.4 Capital Structure and Shareholders

Ordinary Shares

Plexure currently has 174,445,362 fully paid ordinary shares on issue held by 3,729 shareholders.

The names, number of shares and percentage holding of the 10 largest shareholders as at 20 August 2021 are set out below.

Plexure's 10 Largest Shareholders

Shareholder	No. of Shares	%
FBCL	18,009,671	10.32%
NZCSD	17,077,981	9.79%
Atlas	16,423,629	9.41%
Allectus	12,706,989	7.28%
New Zealand Depository Nominee Limited	6,063,757	3.48%
FBCL	5,467,268	3.13%
Collins Asset Management	3,838,692	2.20%
Custodial Services Limited	3,271,394	1.88%
Phil Norman	3,194,405	1.83%
Citicorp Nominees Pty Limited	2,014,040	1.15%
Subtotal	88,067,826	50.48%
Others (3,719 shareholders)	86,377,536	49.52%
Total	174,445,362	100.00%

Source: NZX Company Research

Plexure has 4 shareholders holding more than 5% of the Company's shares:

- FBCL holds the shares in a custodial role for Forsyth Barr clients
- NZCSD holds the shares in a custodial role on behalf of 7 entities, including Public Trust and Accident Compensation Corporation
- Atlas is an indirect wholly-owned subsidiary of McDonald's Corp
- Allectus is an unlisted investment holding company based in Hamilton, Bermuda. It holds investments in a value-focused technology portfolio of listed and unlisted companies. It was formerly called Vix Investments Limited.

Share Options

Plexure has 5,947,274 options on issue, granted under the Company's Employee Share Option Plan to selected employees, contractors and executives.

3.5 Financial Performance

A summary of Plexure's recent financial performance is set out below.

Summary of Plexure Financial Performance

	Year to 31 Mar 18 (Audited) $000	Year to 31 Mar 19 (Audited) $000	Year to 31 Mar 20 (Audited) $000	Year to 31 Mar 21 (Audited) $000
Revenue	11,745	16,828	25,265	29,276
Cost of sales	(2,760)	(3,168)	(6,473)	(9,337)
Gross profit	8,985	13,660	18,792	19,939
Operating expenses	(7,135)	(10,749)	(15,569)	(25,006)
EBITDA	1,850	2,911	3,223	(5,067)
Depreciation and amortisation	(2,038)	(1,882)	(2,177)	(2,592)
EBIT	(188)	1,029	1,046	(7,659)
Net interest received / (expense)	(1,245)	(1,588)	169	(41)
Net profit / (loss) before tax	(1,433)	(559)	1,215	(7,700)
Income tax expense	(233)	(144)	(208)	(230)
Net profit / (loss) for the year	(1,666)	(703)	1,007	(7,930)

EBIT: Earnings before interest and tax

Source: Plexure audited financial statements

Plexure's revenue consists mainly of:

- platform revenue
- services revenue.

Platform revenue is recurring revenue from licence fees, usage fees, support fees and managed service fees. Platform revenue represented 63% of revenue in the 2021 financial year.

Services revenue is predominantly non-recurring revenue from integration fees, funded development fees and consulting service fees. Services revenue represented 37% of revenue in the 2021 financial year.

46% of 2021 revenue was derived from customers in Asia, with 26% from North America and 26% from Europe.

The contracts with McDonald's accounted for 94% of Plexure's revenue in the 2021 financial year.

Cost of sales predominantly relates to IT costs required to support the Company's platform that is licenced to its clients.

Employment and contractor expenses are Plexure's largest operating expense and represented 70% of operating costs in the 2021 financial year.

The loss in the 2021 financial year was largely due to a $7.5 million (58%) increase in employment and contractor expenses as the Company hired staff (mainly in the engineering teams) to execute its growth initiatives.

3.6 Financial Position

A summary of Plexure's recent financial position is set out below.

Summary of Plexure Financial Position

	As at 31 Mar 18 (Audited) $000	As at 31 Mar 19 (Audited) $000	As at 31 Mar 20 (Audited) $000	As at 31 Mar 21 (Audited) $000
Cash and cash equivalents	4,097	1,179	11,205	40,214
Term deposits	-	6,071	3,014	2,139
Income tax receivable	-	14	22	-
Trade and other receivables	1,431	2,635	5,184	3,744
Current assets	5,528	9,899	19,425	46,097
Property, plant and equipment[1]	243	196	2,512	2,080
Intangible assets	4,401	3,255	4,099	5,282
Non current assets	4,644	3,451	6,611	7,362
Total assets	10,172	13,350	26,036	53,459
Trade payables and other liabilities	(3,603)	(1,344)	(2,822)	(4,047)
Income tax payables	(27)	-	-	(23)
Deferred revenue	(2,446)	(3,888)	(5,942)	(5,056)
Lease liabilities – current	-	-	(369)	(392)
Current liabilities	(6,076)	(5,232)	(9,133)	(9,518)
Lease liabilities – non current	-	-	(1,909)	(1,516)
Total liabilities	(6,076)	(5,232)	(11,042)	(11,034)
Total equity	4,096	8,118	14,994	42,425
Net tangible assets per share	($0.003)	$0.039	$0.078	$0.214

1 Including right-of-use assets

Source: Plexure audited financial statements

Plexure's main assets are cash and term deposits, which totalled $42.4 million as at 31 March 2021 following the raising of $35.3 million of capital (after costs) in the 2021 financial year.

The Company had $5.3 million of intangible assets (mainly its core platform) as at 31 March 2021 and $2.1 million of fixed assets and right-of-use assets.

Trade and other payables of $4.0 million as at 31 March 2021 marginally exceeded trade and other receivables at that date.

Deferred revenue amounted to $5.1 million as at 31 March 2021.

The Company has no external borrowings and recorded lease liabilities of $1.9 million as at 31 March 2021.

The Company had total equity of $42.4 million as at 31 March 2021, comprising:

- share capital – $72.4 million
- share based payments reserve – $0.6 million
- accumulated losses – negative $30.6 million.

3.7 Cash Flows

A summary of Plexure's recent cash flows is set out below.

Summary of Plexure Cash Flows	Year to 31 Mar 18 (Audited) $000	Year to 31 Mar 19 (Audited) $000	Year to 31 Mar 20 (Audited) $000	Year to 31 Mar 21 (Audited) $000
Net cash inflow / (outflow) from operating activities	2,634	3,899	4,486	(3,166)
Net cash (outflow) from investing activities	(1,069)	(6,816)	(12)	(2,469)
Net cash inflow / (outflow) from financing activities	1,868	(13)	5,469	34,804
Net increase / (decrease) in cash held	3,433	(2,930)	9,943	29,169
Opening cash balance	615	4,097	1,179	11,205
Effect of foreign exchange rate changes	49	12	83	(160)
Closing cash balance	4,097	1,179	11,205	40,214

Source: Plexure audited financial statements

Plexure generated positive cash flows from its operations in the 3 years to 31 March 2020. The negative operating cash flow in the 2021 financial year reflected the operating loss incurred by Plexure.

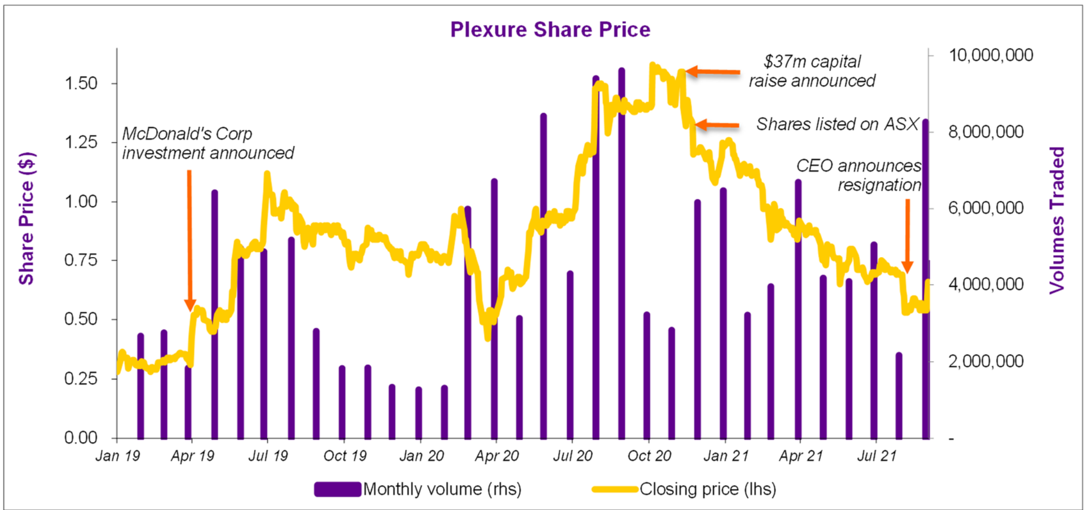
Cash outflows from investing activities in the 2019 financial year included $6.1 million placed on term deposit.

Plexure raised $5.4 million in April 2019 through the issue of 13,795,311 shares to McDonald's (the **2019 McDonald's Placement**).

The Company raised $35.3 million (after costs) in November 2020 through the issue of a total of 30,715,339 shares via a private placement (the **2020 Placement**) and a share purchase plan (the **2020 SPP**).

3.8 Share Price History

Set out below is a summary of Plexure's daily closing share price and monthly volumes of shares traded from 3 January 2019 to 3 September 2021.



Source: NZX Company Research

During the period, Plexure's shares have traded between $0.28 and $1.58 at a VWAP of $0.90.

An analysis of Plexure's recent VWAP, traded volumes and liquidity (measured as traded volumes as a percentage of shares outstanding) up to 13 August 2021 (the last trading day before the announcement of the Task Merger) is set out below.

Share Trading up to 13 August 2021

Period	Low ($)	High ($)	VWAP ($)	Volume Traded (000)	Liquidity
1 month	0.52	0.74	0.60	5,815	3.3%
3 months	0.52	0.81	0.66	14,753	8.5%
6 months	0.52	1.09	0.78	29,818	17.1%
12 months	0.52	1.59	1.04	58,581	33.6%

Source: NZX Company Research

Trading in the Company's shares is relatively thin, reflecting that the top 10 shareholders collectively hold 50.48% of the Company's shares.

Since the announcement of the Task Merger on 16 August 2021, 4.6% of the Company's shares have traded between $0.53 and $0.66 at a VWAP of $0.57 up to 3 September 2021.

4. Profile of Task

4.1 Ownership Structure

Task was founded in 2000 by Kym Houden and Jennifer Houden.

Task was incorporated on 17 March 2011 as Task Health Products Limited. It changed its name to Task Retail Pty Limited on 23 January 2015.

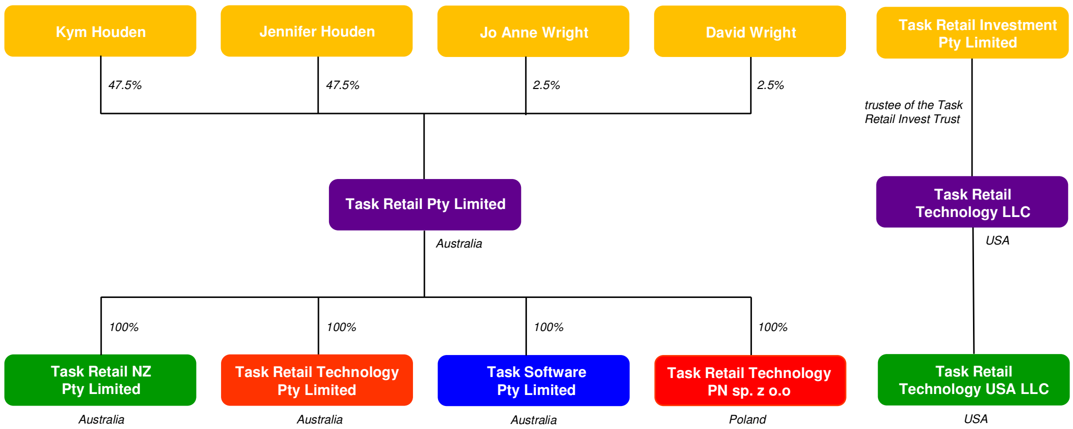
The issued capital of Task consists of 4,000 ordinary shares.

The shares are held by:

- Kym Houden – 1,900 ordinary shares (47.5%)
- Jennifer Houden – 1,900 ordinary shares (47.5%)
- Jo Anne Wright – 100 ordinary shares (2.5%)
- David Wright – 100 ordinary shares (2.5%).

4.2 Group Structure

The Task group structure is set out below.



4.3 Nature of Operations

Section 5 of the Explanatory Memorandum provides a comprehensive overview of Task.

In order to avoid unnecessary duplication, much of that information is not replicated in this report.

A brief summary is set out below.

Overview

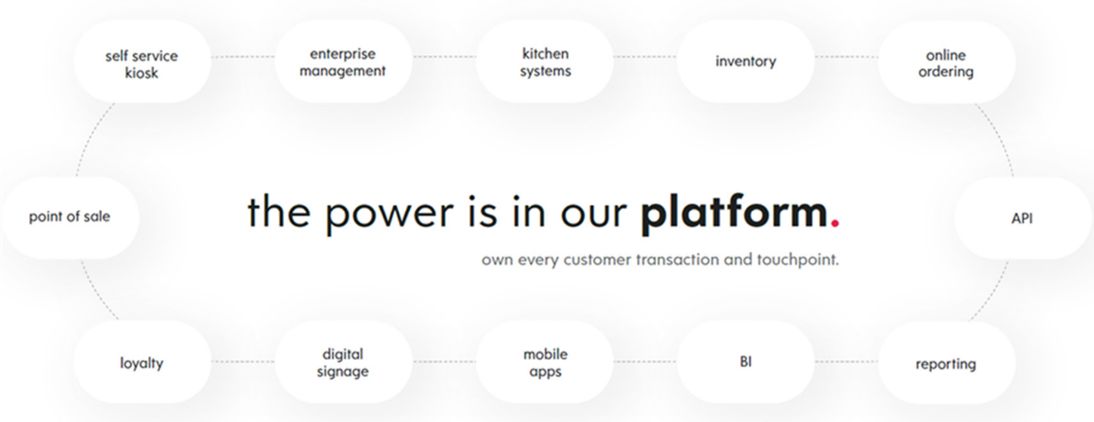
Task provides a transaction management platform used by a wide range of large enterprise clients including stadiums, casinos, food service companies and multinational quick service restaurant (**QSR**) and table service restaurant chains.

Task is headquartered in Mona Vale, Sydney, Australia and currently has approximately 50 full time equivalent employees and contractors.

Task also has a software development office in Wroclaw, Poland and a sales support office in San Diego, USA.

Platform

Task's power is in its Web API platform, owning every customer transaction and touchpoint across POS, kiosks, OLO, loyalty, mobile apps and other engagement products on a single technology stack.



Source: Explanatory Memorandum

Task's platform is hardware agnostic meaning that its software operates on a wide range of industry standard POS devices (essentially any device that runs the Windows operating system).

Customer Base

Task provides software to enterprise clients across the hospitality retail sector including major casinos, stadiums and event-based businesses, large food service companies and multi-unit QSR and restaurant groups.

Source: Explanatory Memorandum

Competitive Position

Task's key competitors are large global players including Agilysys, micros (owned by Oracle) and NCR.

Task does not compete in the small business space.

4.4 Directors and Senior Management

The directors of Task are:

- Kym Houden
- Jennifer Houden.

Task's senior management consists of:

- Daniel Houden, chief executive officer
- Dean Houden, chief marketing officer
- Owen Scott, general manager – sales
- Andrew Fyfe, sales manager
- Trevor Dee, director business development (based in the USA)
- Wade Nila, global manager professional services
- Shaun Tomlinson, product manager
- Matthew Whitaker, operations manager
- Andrew Wright, professional services
- Thomas Bieganski, development manager (based in Poland).

Daniel Houden and Dean Houden are the sons of Task's founders Kym Houden and Jennifer Houden. They have both worked for Task for about 20 years.

Following the completion of the Task Merger, Daniel Houden will be appointed as Plexure's chief executive officer.

4.5 Key Business Risks

Section 3 of the Explanatory Memorandum sets out in detail the key business risks that Plexure will face following the Task Merger.

In summary, the key business risks are:

- the failure to attract new customers and / or to retain existing customers
- COVID-19 business risks
- adverse renegotiation of client contract prices
- failure to realise benefits from product research and development
- competition and new technologies
- the reliance on key management personnel
- data loss, theft or corruption
- data privacy issues
- disruption or failure of technology and software systems
- the protection of intellectual property
- breach of third party intellectual property rights
- brand and / or reputation damage
- integration risks, leading to identified cost, capital expenditure and revenue synergies not being achieved.

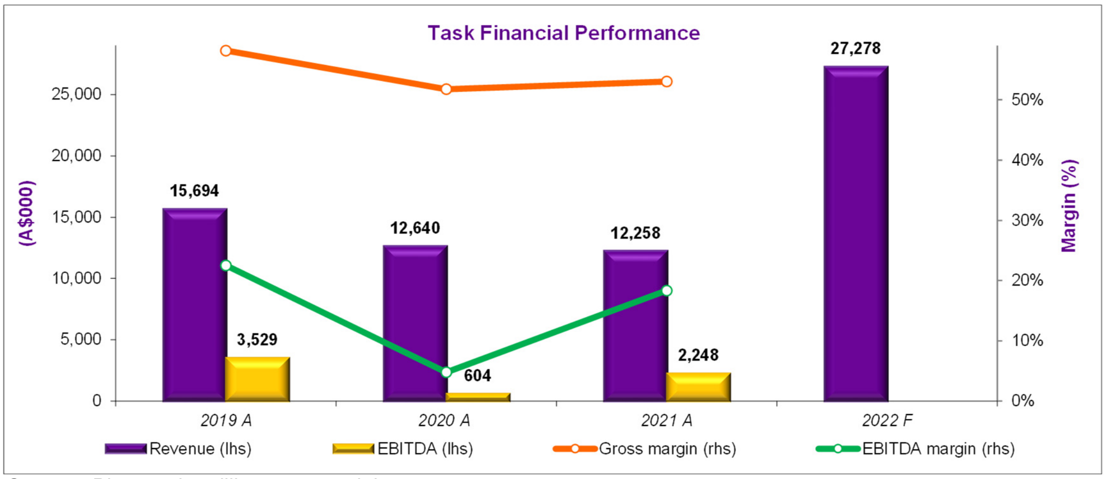
4.6 Financial Performance

A summary of Task's financial performance for the last 3 financial years is set out below.

Summary of Task Financial Performance

	Year to 30 Jun 19 (Audited) A$000	Year to 30 Jun 20 (Audited) A$000	Year to 30 Jun 21 (Unaudited) A$000
Revenue	15,694	12,640	12,258
Cost of sales	(6,568)	(6,098)	(5,757)
Gross profit	9,126	6,542	6,501
Other income	1,567	1,051	1,140
Operating expenses	(7,164)	(6,989)	(5,393)
EBITDA	3,529	604	2,248
Depreciation	(217)	(809)	(741)
EBIT	3,312	(205)	1,507
Interest income / (expense)	8	(98)	(101)
Net profit / (loss) before tax	3,320	(303)	1,406
Income tax	(830)	(616)	(437)
Net profit / (loss) after tax	2,490	(919)	969

Source: Plexure due diligence material (Task 2020 annual report and 2021 management accounts)



Source: Plexure due diligence material

Revenue

Task currently generates revenue from 3 streams:

- software
- hardware
- services.

The nature of these revenue streams is set out below.

Task Revenue Model			
Stream	**Description**	**Model**	**% of 2021 Revenue**
Software (SaaS)	• Licence and support fees • Software runs on any Windows device	Recurring	59%
Hardware	• Hardware provided by Aures Technologies • Customers replace hardware about every 6 years • Task receives rebates from supplier	Non-recurring	21%
Services	• Integration fees (time and materials / up-front quote) • Pay for priority funded development (time and materials) • Creative services / app development (time and materials)	Non-recurring	20%

SaaS: Software as a Service

Source: Plexure due diligence material (Task 2021 management accounts)

Revenue in the 2019 financial year included one-off software and services revenue of A$3.5 million from VenuesLive. Excluding this revenue, Task's revenue has consistently been just over A$12 million in the past 3 financial years.

Approximately half of Task's revenue each year is derived from its 5 largest customers and over two thirds of its revenue is derived from its 10 largest customers.

Task is currently developing its version of OLO (which it refers to as **TOLO** (Task online ordering)). TOLO is currently in a pilot phase with selected customers.

Gross Profit

Cost of sales consists mainly of direct wages, hardware product costs and services and maintenance costs. Development expenses are fully expensed each year.

Gross margin has ranged between 52% and 58% in the past 3 years. The fluctuations are driven by revenue mix, with Task achieving higher margins on software and services revenue than on hardware revenue.

EBITDA

EBITDA decreased from A$3.5 million in the 2019 financial year to A$0.6 million in the 2020 financial year largely as a result of reduced services revenue and increased direct wages and employment costs.

EBITDA increased to A$2.2 million in the 2021 financial year largely as a result of reduced overhead costs reflecting declines in marketing and travel costs due to the COVID-19 pandemic. Task received a total of A$1.2 million in JobKeeper and Boosting Cash Flow subsidies between April 2020 and December 2020.

Operating expenses include salaries and on-costs, fringe benefits, management fees and rent of approximately A$0.7 million per annum paid to the Houden family and related parties. These payments will not continue post the Task Merger (other than the rent payments).

2022 Revenue Forecast

The forecast for the 2022 financial year is for a substantial increase in revenue by A$15.0 million (123%) to A$27.3 million.

The forecast increase is primarily driven by the expected conversion of a substantial pipeline of opportunities. The sales pipeline is largely based on opportunities which are either closed and in deployment, near-close or in active discussions.

A significant focus has been placed on the quality of the sales pipeline in Plexure's and PwC's due diligence review of Task.

Achievement of the sales pipeline is dependent on a number of factors including converting opportunities, timing of sales and length of deployment (particularly impacting SaaS).

Forecast 2022 revenue consists of:

- A$10.9 million of recurring revenue from existing customers:
  - software – A$8.0 million
  - hardware – A$0.5 million
  - services – A$2.4 million
- A$16.4 million of new pipeline revenue:
  - software – A$2.7 million
  - hardware – A$10.8 million
  - services – A$2.9 million.

No TOLO revenue is included in the forecast.

4.7 Financial Position

A summary of Task's recent financial position is set out below.

Summary of Task Financial Position	As at 30 Jun 19 (Audited) A$000	As at 30 Jun 20 (Audited) A$000	As at 30 Jun 21 (Unaudited) A$000
Cash and cash equivalents	4,498	3,949	6,419
Trade and other receivables	2,771	2,886	1,342
Inventories	3	2	1
Other assets	1,606	1,389	693
Current assets	8,878	8,226	8,455
Property, plant and equipment	1,056	867	565
Intangible assets	6	15	-
Trade and other receivables	546	361	929
Other assets	117	1,743	1,784
Deferred tax assets	262	228	-
Non current assets	1,987	3,214	3,278
Total assets	10,865	11,440	11,733
Trade and other payables	(1,540)	(1,426)	(1,370)
Deferred revenue	(1,862)	(1,983)	(1,727)
Employee benefits obligations	(326)	(478)	(581)
Borrowings	(312)	(646)	(699)
Current tax liabilities	(393)	(401)	(355)
Current liabilities	(4,434)	(4,934)	(4,732)
Deferred revenue	(170)	(340)	(485)
Employee benefits obligations	(240)	(314)	(379)
Borrowings	(342)	(1,365)	(785)
Deferred tax liabilities	(59)	(207)	(154)
Non current liabilities	(811)	(2,226)	(1,803)
Total liabilities	(5,244)	(7,160)	(6,535)
Total equity	5,621	4,280	5,198

Source: Plexure due diligence material (Task 2020 annual report and 2021 management accounts)

Task's main current assets are cash and receivables. The Task Merger is structured on a cash free debt free basis. Accordingly, the Task Shareholders will retain all excess cash held by Task.

Current other assets prior to 30 June 2021 included a boat, which has been sold.

Non current other assets consist mainly of right of use assets.

Property, plant and equipment consists mainly of plant and equipment and furniture and fittings.

Borrowings consist mainly of operating lease liabilities associated with the right of use assets.

5. Reasonableness of the Purchase Price

5.1 Basis of Valuation

In general terms it is recognised that the value of a share represents the present value of the net cash flows expected therefrom. Cash flows can be in the form of either dividends and share sale proceeds or a residual sum derived from the liquidation of the business.

There are a number of methodologies used in valuing shares and businesses. The most commonly applied methodologies include:

- discounted cash flow (**DCF**)
- capitalisation of earnings
- net assets or estimated proceeds from an orderly realisation of assets.

Each of these valuation methodologies is applicable in different circumstances. The appropriate methodology is determined by a number of factors including the future prospects of the business, the stage of development of the business and the valuation practice or benchmark usually adopted by purchasers of the type of business involved.

The DCF method is the fundamental valuation approach used to assess the present value of future free cash flows (**FCF**), recognising the time value of money and risk. The value of an investment is equal to the value of FCF arising from the investment, discounted at the investor's required rate of return.

The capitalisation of earnings method is an adaptation of the DCF method. It requires an assessment of the maintainable earnings of the business and a selection of a capitalisation rate (or earnings multiple) appropriate to that particular business for the purpose of capitalising the earnings figure.

An assets based methodology is often used in circumstances where the assets of a company have a market value independent of the profitability of the company that owns them. A valuation based on an orderly realisation of assets is normally restricted to instances where the investor holds sufficient control to effect a sale of the assets and/or there is some indication that an orderly realisation is contemplated.

5.2 Valuation Approach

We have assessed the fair market value of Task using the DCF method.

The DCF method that we have applied derives an assessment of the value of the core operating business, prior to considering how the business is financed or whether it has any significant surplus assets. This ungeared business value is commonly referred to as the enterprise value and represents the market value of the operating assets (ie operating working capital, fixed assets and intangible assets such as brand names, software, licences, know-how and general business goodwill) that generate the operating income of the business.

Given that the Task Merger is structured on a cash free debt free basis and Task has no interest bearing debt, the value of Task's equity equates to its enterprise value.

We have assessed the reasonableness of the valuation outcomes from the DCF valuation by comparing the implied valuation multiples with observed multiples for comparable companies.

5.3 Discounted Cash Flow Valuation

Methodology

The DCF methodology assesses value in 2 stages:

- first, the FCF of the business are forecast over a given time frame and a forecast of maintainable FCF beyond then is used to determine a perpetuity value
- then the FCF are adjusted to reflect their value at a certain point in time. Present values are calculated by discounting the FCF at an appropriate discount rate.

FCF represent the surplus cash associated with the business after deducting operating expenses, tax, movements in working capital and capital expenditure. They represent the cash which is available to pay returns to providers of debt and equity capital.

The discount rate used to determine the present values of the FCF is the estimated weighted average cost of capital (**WACC**). The WACC is a blend of the cost of debt and the cost of equity, weighted in accordance with the target capital structure of an entity owning the business. The WACC represents the rate of return required by investors to compensate them for the business risks they bear by investing in the business.

Valuation Date

The valuation date is 1 July 2021.

Free Cash Flows

Task provided Plexure with forecasts for a 10 year period to 30 June 2031.

As part of the due diligence process, Plexure and PwC undertook an extensive review of the 2022 forecast on a line-by-line basis, with a particular emphasis on the quality of the Task sales pipeline. The sales pipeline is a significant driver of Task's value – both in terms of the quantum of revenue derived from new customers and the timing of when the revenue is expected to be earned.

Based on the findings of the due diligence review, Plexure and its financial advisers refined the forecasts provided by Task through to 30 June 2031 (the **Plexure Task Forecasts**).

We have used the Plexure Task Forecasts as the basis for our base case DCF assessment. The detailed Plexure Task Forecasts are not set out in this report as the Board considers them to be commercially sensitive.

The Plexure Task Forecasts are based on the following principal assumptions:

- revenue increases at a compound annual growth rate (**CAGR**) of 19% over the 10 year period:
  - software revenue increases at a CAGR of 23% over the 10 year period, representing 39% of 2022 revenue and 85% of 2031 revenue
  - hardware revenue increases at a CAGR of 10% over the 10 year period, representing 41% of 2022 revenue and 9% of 2031 revenue
  - services revenue increases at a CAGR of 7% over the 10 year period, representing 19% of 2022 revenue and 6% of 2031 revenue

   - an assumed churn rate of 3.5% per annum for existing customers

- the revenue forecasts do not include any revenue from the unquantified (at this stage) TOLO opportunity which is currently in pilot phase with select customers
- gross margin increasing from 53% in 2021 to 63% in 2031, reflecting the increased mix of higher margin software revenue
- operating expenses CAGR of 10% over the 10 year period, driven mainly by significant increases in travel and marketing costs and a 5% CAGR for employment costs, rent and administration costs
- EBITDA margin increasing from 18% in 2021 to 46% in 2031
- capital expenditure of A$0.2 million in 2022, increasing at a CAGR of 21% over the 10 year period, mainly representing the purchase of office equipment
- operating working capital equating to approximately negative 9% to 11% of revenue each year
- average annual growth beyond the 2031 financial year of 2.5%
- a corporate tax rate of 30%.

The forecast cash flows represent post tax nominal cash flows.

Weighted Average Cost of Capital

The calculation of the WACC, while being derived from detailed formula, is fundamentally a matter of professional judgement.

We have used the Capital Asset Pricing Model (**CAPM**) to assess the cost of equity for the Company. The inputs into our CAPM calculation are denominated in A$ (keeping with the currency of the Plexure Task Forecasts).

We have assessed the WACC for Task to be in the vicinity of 14%.

Key inputs in the WACC assessment are:

- a risk free rate of 1.5% (based on Australian Government 10 year bond yields)
- an asset beta of 1.4 (based on the observed beta for comparable companies)
- a market risk premium of 7.0%
- a company specific risk premium of 3.0% (to recognise the considerable uncertainty (and hence risk) associated with the future free cash flows)
- target financial leverage of 0%
- a corporate tax rate of 30%.

Given that the assumed capital structure is 100% equity, the Company's WACC equates to its cost of equity.

Sensitivity Analysis and Scenario Analysis

We have evaluated the sensitivity of the base case valuation outcome to changes to key value drivers. The DCF assessment is particularly sensitive to the following factors:

- revenue growth assumptions
- gross margin assumptions
- operating expenses growth assumptions
- capital expenditure assumptions
- discount rate assumptions
- terminal growth assumptions.

Valuation Conclusion

Based on the above, we assess Task's enterprise value to be in the range of A$109.3 million to A$135.3 million as at 1 July 2021 using the DCF approach.

We note that the values are highly dependent upon the assumptions adopted – particularly those in respect of revenue growth.

5.4 Value of Task's Equity

The Task Merger is structured on a cash free debt free basis. Task has no interest bearing debt. Plexure will assume Task's premises' operating lease liabilities following the Task Merger. However, as the premises' rent cash flows have been taken into account in the DCF assessment, no deduction is made for the capitalised lease obligations in arriving at the value of Task's equity.

The one adjustment we have made to the assessed enterprise value to derive the value of Task's equity is to allow for the post tax transaction costs that Plexure will incur in respect of the Task Merger. These are in the vicinity of A$1.7 million.

We assess the fair market value of Task's equity to be in the vicinity of A$107.6 million to A$133.6 million as at 1 July 2021.

Value of Task's Equity

	Low A$m	High A$m
Enterprise value	109.3	135.3
Transaction costs	(1.7)	(1.7)
Value of Task equity	107.6	133.6

5.5 Implied Valuation Multiples

The assessed value range implies revenue, EBITDA, EBIT and price earnings (**PE**) multiples as set out below. The multiples are based on Task's actual financial results for the 2021 financial year and its forecast revenue for the 2022 financial year as set out in section 4.6.

Implied Valuation Multiples				
	30 June 2021 (Unaudited)		30 June 2022 (Forecast)	
	Low	High	Low	High
Revenue multiple	8.9x	11.0x	4.0x	5.0x
EBITDA multiple	48.6x	60.2x		
EBIT multiple	72.5x	89.8x		
PE multiple	111.0x	137.8x		

5.6 Comparable Companies Revenue Multiples

In order to determine the reasonableness of our valuation assessment, we have compared the implied valuation revenue multiples with:

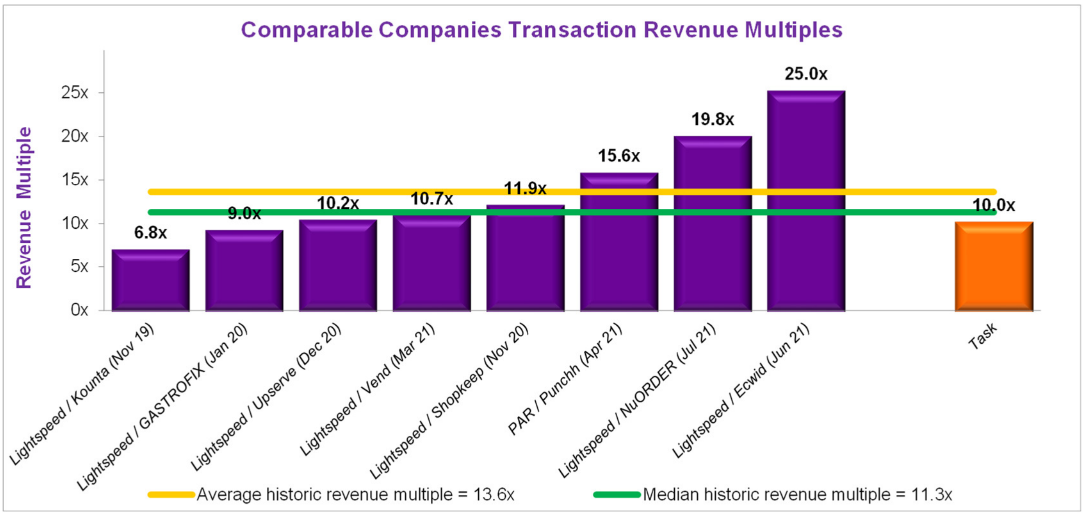
- observed revenue multiples from transactions involving entities that are generally comparable with Task
- observed revenue multiples for publicly traded companies that are generally comparable with Task.

In our view, the following criteria are key factors that drive revenue multiples for SaaS businesses:

- forecast revenue growth – the higher the level of forecast growth, the higher the multiple
- return on investment (**ROI**) on sales and marketing spend – the higher the ROI, the higher the multiple
- earnings margin – the higher the margin, the higher the multiple
- the size of the business – the larger the business, the higher the multiple.

Transaction Multiples

Set out at Appendix I is an analysis of historic revenue multiples for 8 transactions in the past 2 years that involve target companies that are broadly comparable with Task.



Source: S&P Capital IQ, brokers' reports, media coverage, company websites

The historic revenue multiples range from 6.8x to 25.0x at an average of 13.6x and a median of 11.3x.

A recently announced transaction of interest is the scheme of arrangement entered into on 27 May 2021 by Yum! Connect Australia Pty Limited (**Yum!**) and Dragontail Systems Limited (**Dragontail**), whereby Yum! will acquire Dragontail at an implied enterprise value of approximately A$97 million. The transaction implies a historic revenue multiple of 51.5x. Dragontail develops software for QSR customers in Australia, Israel, Canada and the United States.

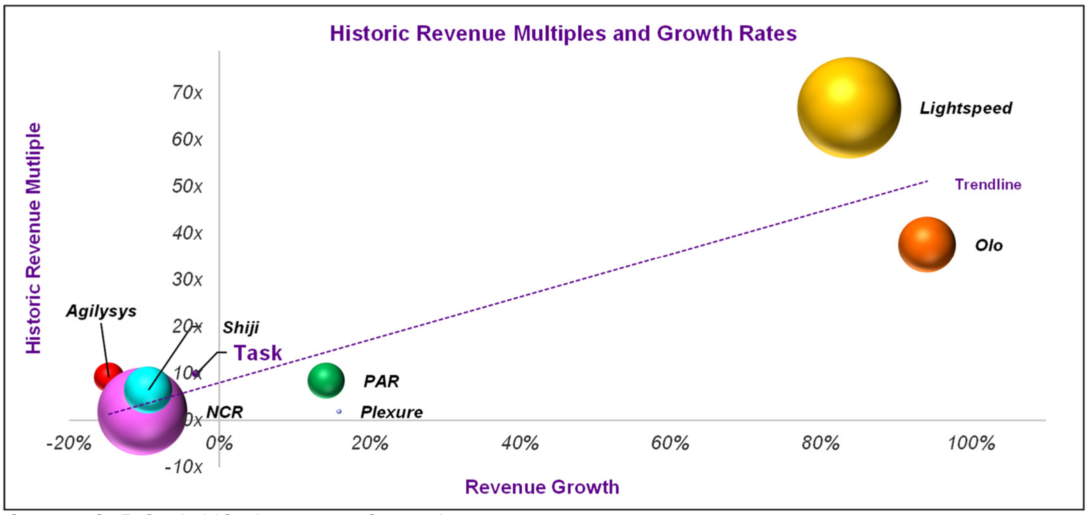
Our valuation implies historic revenue multiples between 8.9x and 11.0x with a midpoint of 10.0x, which sit below the average and median of the range of observed transaction revenue multiples.

Trading Multiples

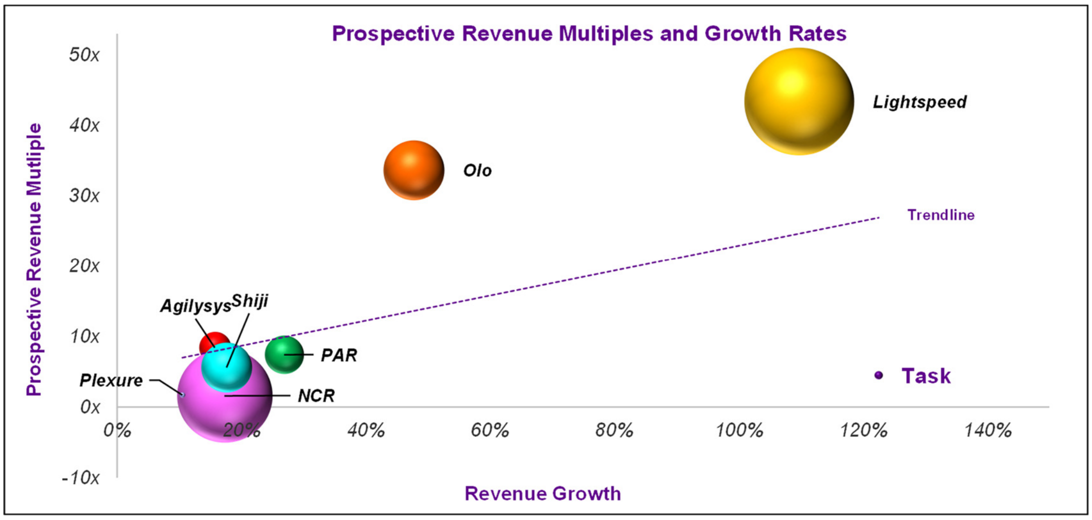
Set out at Appendix II is an analysis of historic and prospective revenue multiples for 7 comparable companies (including Plexure) whose shares are listed on stock exchanges.

The historic revenue multiples range from 1.9x to 66.9x and the prospective revenue multiples range from 1.6x to 43.4x.

The 2 graphs that follow plot historic and prospective revenue multiples, historic and forward revenue growth rates and enterprise values for the comparable companies and for Task.

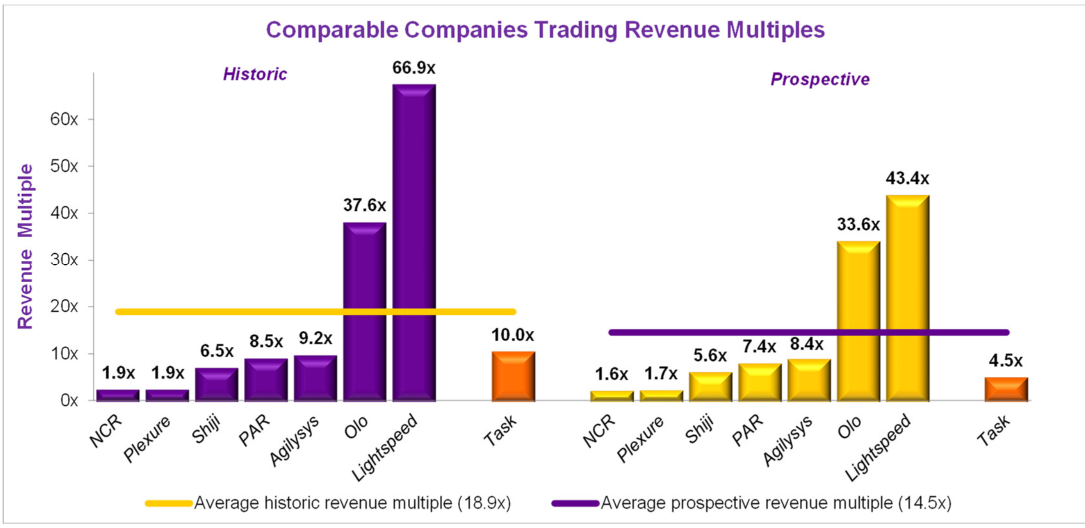


Source: S&P Capital IQ, data as at 3 September 2021



Source: S&P Capital IQ, data as at 3 September 2021

The analysis shows a relatively strong correlation between revenue multiples and revenue growth rates. Companies with lower growth rates tend to have lower revenue multiples and vice versa.



Source: S&P Capital IQ, data as at 3 September 2021

The observed revenue multiples are based on trading prices for minority parcels and as such do not include any premium for control. Task is a private company with significantly less liquidity than the comparable companies. We would expect any control premium for Task to be somewhat offset by a private company illiquidity discount.

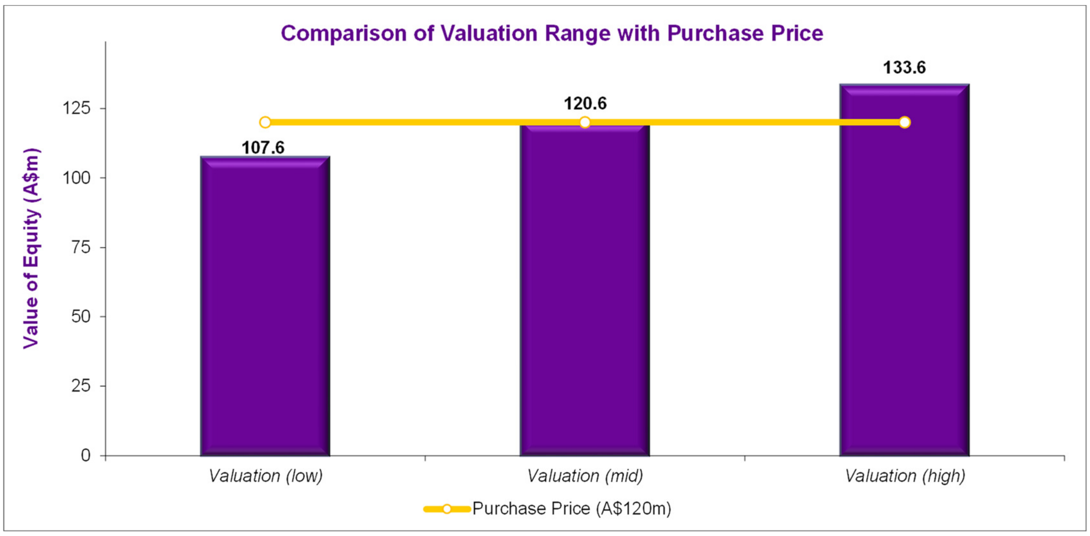
Conclusion

Based on our analysis of comparable companies' transaction revenue multiples and trading revenue multiples, we consider the implied revenue multiples for Task to be reasonable.

5.7 Valuation Conclusion

We assess the value of Task's equity to be in the range of A$107.6 million to A$133.6 million as at the present date.

The Purchase Price of A$120.0 million sits within our valuation range. Accordingly, we are of the view that the Purchase Price is reasonable.



The assessed value range is after allowing for Plexure's transaction costs but does not include the value of any TOLO revenue or any synergies that may arise from the Task Merger, which, if achieved, may lead to incremental value of Task.

Plexure's preliminary identification of potential synergistic benefits that may arise from the Task Merger include:

- revenue synergies from:
  - Plexure funds and expands its international sales team to source new sales opportunities for Task (currently Task does not have an outbound sales team)
  - the improved ability for Task to win larger / more customers through the increased scale, credibility and creditworthiness of the combined business
  - the cross-sell of Plexure to Task customers
- cost synergies in areas such as:
  - legal fees
  - audit fees
  - accounting fees.

6. Reasonableness of the Issue Price of the Consideration Shares

6.1 Assessment of the Reasonableness of the Issue Price

As set out in section 1.3, following the Task Merger and assuming the Capital Raise is approved, the Task Associates will hold 39.01% of the Company's shares before the Task LTI Scheme Consideration Shares are issued and 42.30% after the Task LTI Scheme Consideration Shares are issued.

We have assessed the reasonableness of the issue price of $0.60 per share by reference to:

- the prices at which the Company has recently issued shares to raise capital
- the prices at which the Company's shares have recently traded on the NZX Main Board prior to the announcement of the Task Merger
- the asset backing of the shares.

While the Task Associates will collectively hold a substantial shareholding in Plexure, they will not have full control over the Company. Accordingly, we do not consider the assessment of the full underlying value of 100% of Plexure's shares to be an appropriate basis for assessing the reasonableness of the issue price of the Consideration Shares.

6.2 Capital Raising

The Company has undertaken 3 share issues in the past 2 years:

- the issue of 13,795,311 ordinary shares on 2 April 2019 at $0.3905 per new ordinary share under the 2019 McDonald's Placement, raising $5.4 million
- the issue of 26,548,673 ordinary shares on 25 November 2020 at $1.20 per new ordinary share under the 2020 Placement, raising $31.9 million
- the issue of 4,166,666 ordinary shares on 27 November 2020 at $1.20 per new ordinary share under the 2020 SPP, raising $5.0 million.

The 2019 McDonald's Placement was made at a premium of 15% to the one month VWAP at the time.

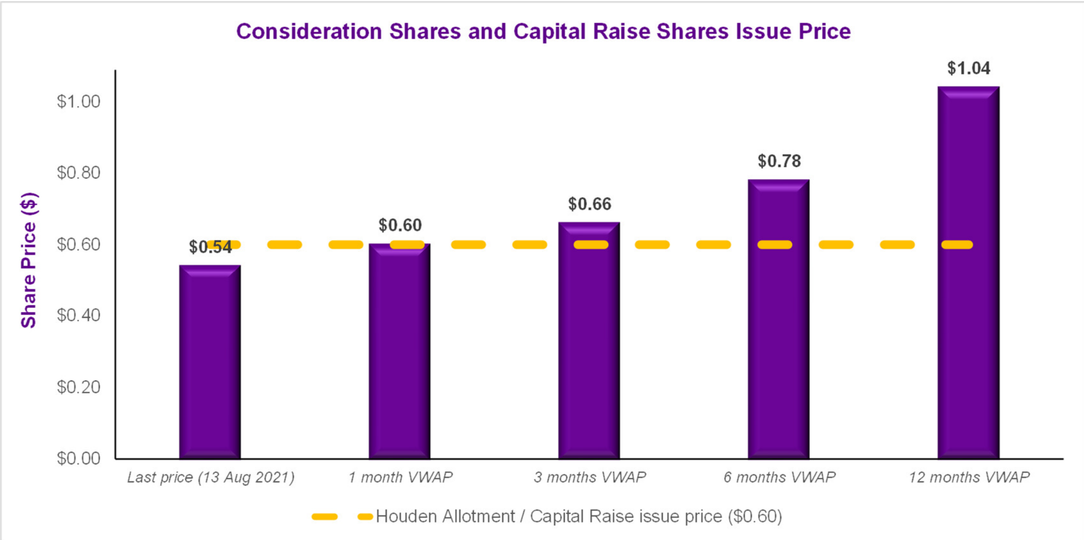
The 2020 Placement and the 2020 SPP was made at a discount of 20% to the 2 week VWAP at the time.

6.3 Share Price History

A summary of Plexure's daily closing share price and monthly volumes of shares traded since 3 January 2019 is set out in section 3.8.

Since reaching a high of $1.58 on 7 October 2020, the Company's share price has steadily declined to a low of $0.52 on 6 August 2021. The shares closed at $0.54 on 13 August 2021 (the last trading day before the announcement of the Task Merger).

The issue price of $0.60 per share is in line with the VWAP for the past month up to 13 August 2021 and is 11% above the Company's last trading price on 13 August 2021.



Source: NZX Company Research

The issue price of $0.60 per share represents:

- a premium of 11% to the last price prior to the announcement of the Task Merger of $0.54
- the same price as the one month VWAP prior to the announcement of the Task Merger of $0.60
- a discount of 9% to the 3 month VWAP prior to the announcement of the Task Merger of $0.66
- a discount of 23% to the 6 month VWAP prior to the announcement of the Task Merger of $0.78
- a discount of 42% to the one year VWAP prior to the announcement of the Task Merger of $1.04.

6.4 Net Assets per Share

Plexure's total equity amounted to approximately $42.4 million as at 31 March 2021, equating to net assets of $0.245 per share.

6.5 Capital Raise Shares Issue Price

Plexure will issue 40,000,000 Capital Raise Shares at an issue price of A$0.50 / $0.52 per share under the Capital Raise.

The Consideration Shares issue price of $0.60 per share is at a premium of 15% to the issue price of the Capital Raise Shares.

6.6 Conclusion

We consider the issue price of the Consideration Shares of $0.60 per share to be reasonable from the perspective of the Current Shareholders as it is in line with the prices that the Company's shares have traded at over the past month on the NZX Main Board.

7. Sources of Information, Reliance on Information, Disclaimer and Indemnity

7.1 Sources of Information

The statements and opinions expressed in this report are based on the following main sources of information:

- the draft notice of special meeting (including the Explanatory Memorandum)
- the Term Sheet
- the Merger Agreement
- the Plexure annual reports for the years ended 31 March, 2019 to 2021
- the Plexure annual financial statements for the year ended 31 March 2021
- Plexure's due diligence material in respect of Task
- the Plexure Task Forecasts
- publicly available information on the transaction management industry
- data in respect of Plexure and companies operating in the transaction management industry from NZX Company Research and S&P Capital IQ.

During the course of preparing this report, we have had discussions with and / or received information from the Board and Plexure's financial and legal advisers.

The Board has confirmed that we have been provided for the purpose of this Independent Adviser's Report with all information relevant to the Task Merger that is known to them and that all the information is true and accurate in all material aspects and is not misleading by reason of omission or otherwise.

Including this confirmation, we have obtained all the information that we believe is needed for the purpose of preparing this Independent Adviser's Report.

In our opinion, the information to be provided by Plexure to the Current Shareholders is sufficient to enable the Board and the Current Shareholders to understand all the relevant factors and to make an informed decision in respect of the Task Merger.

7.2 Reliance on Information

In preparing this report we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by Plexure and its advisers.

We have evaluated that information through analysis, enquiry and examination for the purposes of preparing this report but we have not verified the accuracy or completeness of any such information or conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of Plexure or Task. We do not warrant that our enquiries would reveal any matter which an audit, due diligence review or extensive examination might disclose.

7.3 Disclaimer

We have prepared this report with care and diligence and the statements in the report are given in good faith and in the belief, on reasonable grounds, that such statements are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of Plexure or Task will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of Plexure and Task and their respective directors and management teams. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of the report to the extent that such errors or omissions result from our reasonable reliance on information provided by others or assumptions disclosed in the report or assumptions reasonably taken as implicit, provided that this shall not absolve Simmons Corporate Finance from liability arising from an opinion expressed recklessly or in bad faith.

Our evaluation has been arrived at based on economic, exchange rate, market and other conditions prevailing at the date of this report. Such conditions may change significantly over relatively short periods of time. We have no obligation or undertaking to advise any person of any change in circumstances which comes to our attention after the date of this report or to review, revise or update this report.

We have had no involvement in the preparation of the notice of special meeting and have not verified or approved the contents of the notice of special meeting. We do not accept any responsibility for the contents of the notice of special meeting except for this report.

7.4 Indemnity

Plexure has agreed that, to the extent permitted by law, it will indemnify Simmons Corporate Finance and its directors and employees in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity does not apply in respect of any negligence, wilful misconduct or breach of law. Plexure has also agreed to indemnify Simmons Corporate Finance and its directors and employees for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Simmons Corporate Finance or its directors and employees are found liable for or guilty of negligence, wilful misconduct or breach of law or term of reference, Simmons Corporate Finance shall reimburse such costs.

8. Qualifications and Expertise, Independence, Declarations and Consents

8.1 Qualifications and Expertise

Simmons Corporate Finance is a New Zealand owned specialist corporate finance advisory practice. It advises on mergers and acquisitions, prepares independent expert's reports and provides valuation advice.

The person in the company responsible for issuing this report is Peter Simmons, B.Com, DipBus (Finance), INFINZ (Cert).

Simmons Corporate Finance and Mr Simmons have significant experience in the independent investigation of transactions and issuing opinions on the merits and fairness of the terms and financial conditions of the transactions.

8.2 Independence

Simmons Corporate Finance does not have at the date of this report, and has not had, any shareholding in or other relationship with Plexure, Task or the Task Associates or any conflicts of interest that could affect our ability to provide an unbiased opinion in relation to the Task Merger (including the Task Allotment).

Simmons Corporate Finance has not had any part in the formulation of the Task Merger or any aspects thereof. Our sole involvement has been the preparation of this report.

Simmons Corporate Finance will receive a fixed fee for the preparation of this report. This fee is not contingent on the conclusions of this report or the outcome of the voting in respect of the Task Resolutions. We will receive no other benefit from the preparation of this report.

8.3 Declarations

An advance draft of this report was provided to the Board for its comments as to the factual accuracy of the contents of the report. Changes made to the report as a result of the circulation of the draft have not changed the methodology or our conclusions.

Our terms of reference for this engagement did not contain any term which materially restricted the scope of the report.

8.4 Consents

We consent to the issuing of this report in the form and context in which it is to be included in the notice of special meeting to be sent to the Current Shareholders. Neither the whole nor any part of this report, nor any reference thereto may be included in any other document without our prior written consent as to the form and context in which it appears.

Peter Simmons
Director
Simmons Corporate Finance Limited
6 September 2021

Appendix I

Comparable Companies Transaction Multiples

Transaction Multiples					
Date	Target	Acquirer	Country	Enterprise Value (m)	Historic Revenue Multiple
Jul 2021	NuORDER, Inc	Lightspeed Commerce Inc.	USA	US$387	19.8x
Jun 2021	Ecwid, Inc.	Lightspeed Commerce Inc.	USA	US$500	25.0x
Apr 2021	Punchh Inc.	PAR Technology Corporation	USA	US$489	15.6x
Mar 2021	Vend Limited	Lightspeed Commerce Inc.	New Zealand	C$362	10.7x
Dec 2020	Upserve, Inc	Lightspeed Commerce Inc.	USA	US$406	10.2x
Nov 2020	Shopkeep Inc.	Lightspeed Commerce Inc.	USA	US$595	11.9x
Jan 2020	GASTROFIX GmbH	Lightspeed Commerce Inc.	Germany	US$113	9.0x
Nov 2019	Kounta Pty Limited	Lightspeed Commerce Inc.	Australia	US$43	6.8x
Minimum					6.8x
Average					13.6x
Median					11.3x
Maximum					25.0x

Source: S&P Capital IQ, brokers' reports, media coverage, company websites

Lightspeed / NuORDER

Lightspeed Commerce Inc. completed the acquisition of NuORDER, Inc. on 2 July 2021 for approximately US$387 million.

NuORDER operates an online wholesale buying platform for its supplier brands. The company allows fashion brands in increasing sales by getting more accounts in less time and enables buyers to find new brands. It also provides virtual showrooms and trade shows. The company was incorporated in 2011 and is based in Los Angeles, California, United States.

Lightspeed / Ecwid

Lightspeed Commerce Inc. entered into a definitive agreement to acquire Ecwid, Inc. for approximately US$500 million on 7June 2021.

Ecwid develops a SaaS based e-commerce platform for small businesses that allows them to sell products online. The company was founded in 2009 and is based in Encinitas, California, United States. Ecwid generated revenues greater than US$20 million for the trailing 12 months.

PAR / Punchh

PAR Technology Corporation acquired Punchh Inc. for approximately US$489 million on 8 April 2021.

Punchh develops a mobile solution that allows restaurants to drive more repeat customers, word of mouth, referrals and return on investment on marketing campaigns. The company offers Punchh, a mobile solution and mobile phone-based referral and loyalty program that allows users to win rewards at restaurants for their loyalty and referrals. The company's mobile solution interfaces with Facebook, Twitter, FourSquare, Yelp, MailChimp, and SendGrid. Punchh Inc. was incorporated in 2010 and is based in San Mateo, California, United States.

Lightspeed / Vend

Lightspeed Commerce Inc. completed the acquisition of Vend Limited on 11 March 2021 for approximately C$362 million.

Vend develops and provides omni-channel, commerce-enabling SaaS platforms and POS software, which offers retail management solutions. The company offers product management, inventory management, customer management, e-commerce and customer loyalty program solutions. It caters to electronics and computer, fashion, home and lifestyle, health and beauty, sports and food and drink sectors. The company was incorporated in 2009 and is based in Auckland, New Zealand. Vend generated revenues of approximately $34 million.

Lightspeed / Upserve

Lightspeed Commerce Inc. acquired Upserve, Inc. at an implied enterprise value of approximately US$406 million on 1 December 2020.

Upserve develops a smart management assistant for restaurants. The company offers Upserve that manages guests, staff, marketing, finances and menu. Upserve, Inc. was formerly known as Swipely Inc. and changed its name to Upserve, Inc. in March 2016. The company was founded in 2009 and is based in Providence, Rhode Island, United States.

Lightspeed / Shopkeep

Lightspeed Commerce Inc. acquired Shopkeep Inc. at an implied enterprise value of approximately US$595 million on 25 November 2020.

Shopkeep provides point of sale hardware, cloud-based software, and analytics and payment processing for small and medium-sized businesses in the United States and internationally. Its platform enables business owners to start and grow their businesses by accepting various payments with features, such as automatic inventory tracking, employee management, and real time sales reporting. The company was founded in 2008 and is based in New York, New York, United States with additional offices in Portland, Oregon and Northbrook, Illinois, United States and Belfast, United Kingdom.

Lightspeed / GASTROFIX

Lightspeed Commerce Inc. acquired GASTROFIX GmbH from Endeit Capital at an implied enterprise value of approximately US$113 million on 7 January 2020.

GASTROFIX develops cloud-based POS Apple iPad, iPod, and iPhone solutions. Its POS solutions are used in various sectors, including bars, coffee shops and bistros, catering and canteens, fine dining, food trucks and take away, hospitality chains, retail, hotels, restaurants and stadiums and arenas. GASTROFIX GmbH was founded in 2011 and is based in Berlin, Germany. It has additional locations in Hamburg, Germany; Wien, Austria, Schoenbuehl, Switzerland, Deurne, the Netherlands, Oslo, Norway, the United Kingdom and Ireland.

Lightspeed / Kounta

Lightspeed Commerce Inc. acquired Kounta, Pty Ltd. at an implied enterprise value of approximately US$43.3 million on 1 November 2019.

Kounta provides cloud-based POS software. Its solutions enable to add, sell and update inventory, centralize management and reporting, connect to other online and mobile services, reward loyal customers with points and rewards and invite teams to stores. The company was founded in 2012 and is based in Chippendale, Australia with additional offices in Redfern, Australia and Palto Alto, California, United States.

Appendix II

Comparable Companies Trading Multiples

Trading Multiples

Company	Country	Market Capitalisation (m)	Enterprise Value (m)	Revenue Growth LTM	Revenue Growth NTM	Revenue Multiple LTM	Revenue Multiple NTM
Agilysys, Inc.	USA	U$$1,394	US$1,338	(14.7%)	15.7%	9.2x	8.4x
Lightspeed Commerce Inc.	Canada	C$20,723	C$20,179	83.8%	109.8%	66.9x	43.4x
NCR Corporation	USA	US$5,564	US$11,926	(10.2%)	17.3%	1.9x	1.6x
Olo Inc.	USA	US$5,464	US$4,888	94.2%	47.7%	37.6x	33.6x
PAR Technology Corporation	USA	US$1,804	US$2,004	14.2%	26.9%	8.5x	7.4x
Plexure Group Limited	New Zealand	$96	$56	15.9%	10.5%	1.9x	1.7x
Beijing Shiji Information Technology Co., Limited	China	¥26,152	¥21,887	(9.4%)	17.6%	6.5x	5.6x
Minimum				(14.7%)	10.5%	1.9x	1.6x
Average				24.8%	35.1%	18.9x	14.5x
Median				14.2%	17.6%	8.5x	7.4x
Maximum				94.2%	109.8%	66.9x	43.4x

LTM: Last 12 months
NTM: Next 12 months
n/a: not available
n/m: not meaningful

Source: S&P Capital IQ, data as at 3 September 2021

Agilysys, Inc.

Agilysys operates as a developer and marketer of hardware and software products and services to the hospitality industry in North America, Europe, the Asia-Pacific and India.

It offers POS, property management systems, payment, inventory and procurement, reservations and venue management, activity management, document management and analytics and marketing loyalty solutions to enhance guest experience.

The company also provides technical software support, maintenance and subscription services and professional services. It offers its solutions for gaming, hotels, resorts and cruise, corporate foodservice management, restaurants, universities, stadia and healthcare.

The company was formerly known as Pioneer-Standard Electronics, Inc. and changed its name to Agilysys, Inc. in 2003. Agilysys, Inc. was founded in 1963 and is headquartered in Alpharetta, Georgia, United States.

Lightspeed Commerce Inc.

Lightspeed provides a commerce enabling SaaS platform for small and midsize businesses, retailers, restaurants and golf course operators in Canada, the United States, Germany, Australia and internationally.

Its SaaS platform enables customers to engage with consumers, manage operations, accept payments etc. The company's cloud platforms are designed interrelated elements, such as omni-channel consumer experience, a comprehensive back-office operations management suite to improve customers' efficiency and insight and the facilitation of payments. Its platform functionalities include full omni-channel capabilities, order-ahead and curbside pickup, POS, product and menu management, employee and inventory management, analytics and reporting, multi-location connectivity, loyalty, customer management and tailored financial solutions.

The company also offers Lightspeed Loyalty, Lightspeed Analytics, Lightspeed Payments (a payment processing solution) and Lightspeed Capital (a merchant cash advance program). In addition, it sells a suite of hardware products to complement its software solutions for the retail and hospitality segments, such as customer facing displays, stands, barcode scanners, receipt printers, cash drawers, payment terminals and an assortment of other accessories, as well as provides installation and implementation services.

The company was formerly known as Lightspeed POS Inc. and changed its name to Lightspeed Commerce Inc. in August 2021. Lightspeed Commerce Inc. was incorporated in 2005 and is headquartered in Montréal, Canada.

NCR Corporation

NCR provides software and services worldwide. It operates through Banking, Retail, Hospitality and Telecommunications and Technology segments.

The Banking segment offers managed services and ATM-as-a-Service that allow banks to run their end-to-end ATM channels, software, services and hardware, as well as recycling, multi-function, and cash dispense ATMs and digital banking solutions for financial institution's consumer and business customers. This segment also provides solutions for banking channel services, transaction processing, imaging and branch services.

The Retail segment provides solutions for retail industry comprising comprehensive API POS retail software platforms and applications, hardware terminals, payment processing solutions and bar-code scanners, as well as self-service kiosks, which consists of self-checkout.

The Hospitality segment offers technology solutions to customers in the hospitality industry comprising table-service, quick-service and fast casual restaurants. This segment provides cloud-based software applications for point-of-sale, back office, payment processing, kitchen production, restaurant management and consumer engagement and hospitality-oriented hardware products, such as POS terminals, order and payment kiosks, bar code scanners, printers and peripherals.

The Telecommunications and Technology segment offers maintenance, managed and professional services using solutions comprises remote management and monitoring services for telecommunications and technology industry. The company also provides solutions for customer account opening and onboarding across digital, branch and call centre channels.

NCR Corporation was founded in 1881 and is headquartered in Atlanta, Georgia, United States.

Olo Inc.

Olo provides a SaaS platform for multi-location restaurants in the United States.

The company's platform enables on-demand commerce operations, which cover digital ordering and delivery through online and mobile ordering modules. Its modules include:

- Ordering – an on-demand commerce solution that enables consumers to order directly from and pay restaurants via mobile, web, kiosk, voice and other digital channels
- Dispatch – a fulfilment solution, which enables restaurants to offer, manage and expand direct delivery
- Rails – an aggregator and channel management solution, which allows restaurants to control and syndicate menu, pricing, location data and availability.

The company was founded in 2005 and is headquartered in New York, New York, United States.

PAR Technology Corporation

PAR provides POS solutions to the restaurant and retail industries worldwide. The company operates in 2 segments – Restaurant / Retail and Government.

The Restaurant / Retail segment offers:

- POS technology solutions – including Brink POS, an open solution that integrates with third party products and in-house systems
- PixelPoint – an on-premise integrated software solution that provides a self-service ordering, back-office management and enterprise level loyalty and gift card information sharing services, PAR merchant card payment services
- Data Central – a cloud software platform of back-office applications and PAR EverServ POS platforms. This segment also offers G5 wireless headsets for wireless communication and installation, technical and maintenance support services.

The Government segment provides intelligence, surveillance and reconnaissance, systems engineering support and software-based solutions, satellite and telecommunications support, space and satellite control support and information systems support services to the United States Department of Defence and other federal agencies.

The company was founded in 1968 and is headquartered in New Hartford, New York, United States.

Plexure Group Limited

Plexure is profiled in section 3.

Beijing Shiji Information Technology Co., Limited

Shiji provides software solutions and information technology services for the hospitality, food service, retail and entertainment industries in China and internationally.

It also offers cloud and mobile PMS, payment gateways, data management solutions, POS software, IT services for restaurants, POS hardware, kitchen printers and screens, inventory management software for restaurants and e-commerce platforms for stores, products, orders, purchasing, delivery, maintenance, storage, finance, loyalty programs and reporting.

The company was founded in 1995 and is headquartered in Beijing, China.