

30 May 2023

TASK Group FY23 Results Update

First full year as combined entity exceeds revenue and EBITDA guidance

- **Group revenue of NZD\$64.9m, up 99% on pcp (FY22: \$32.6m)**
 - SaaS revenue of \$38.1m up 110% on pcp (FY22: \$18.2m)
 - Recurring revenue of \$56.6m up 123% on pcp (FY22: \$25.4m)
- **Improvement in earnings of \$24.9m to deliver adjusted EBITDA of \$11.9m (FY22: -\$12.9m), reflecting successful business turnaround**
 - *Management delivered on commitment that the Plexure division would be cash positive in FY23*
- **Positive NPAT increase of \$24.7m to \$0.4m (FY22: -\$24.3m)**
- **Plexure FY23 division revenue of \$47.8m up 83% on pcp (FY22: \$26.2m)**
 - *Platform running at record customer numbers and engagement levels*
 - *Reflects eight months of a new commercial contract with McDonald's*
- **TASK FY23 division revenue of \$17.1m (2H22: \$6.4m)**
 - *Strong growth in Recurring revenue to \$10.8m*
 - *Launched new white label Mobile Order and Pay app and global end-to-end platform*
- **Sustained operating cost management**, while investing for further global growth in FY24
 - *\$28.3m net cash¹ as at 31 March, 2023, up 132% on pcp (31 March 2022: \$12.2m)*
- **Multi-pronged strategy creating positive growth outlook**
 - *Group to continue organic growth expansion through investment in platform and people, plus explore new lines of business*

Auckland, New Zealand, May 30, 2023 - TASK Group Holdings Limited (TASK or the Group: ASX/NZX) announces a 99% increase in revenue to NZD\$64.9m for the FY23 financial year ending 31 March 2023. This result exceeds the Group's revised guidance (FY23 Guidance: \$59m – \$62m) and captures a full 12 months of the TASK business, compared to a 6-month

¹ Cash and cash equivalents. Additional term deposits of \$0.9m (2022: \$1.7m).

contribution of \$6.4m in FY22. Recurring Revenue for the combined group in FY23 was \$56.6m, up 123% on pcp (FY22: \$25.4m). All figures presented are in the reporting currency of TASK, which is the New Zealand dollar (NZD).

Operating expenses, excluding depreciation and amortisation, increased 22% with the full year contribution of the TASK division, compared to a 6-month contribution in the prior period. The operational turnaround and sustained cost management is reflected in staff costs (excl. share-based costs) being less than 5% higher in FY23 vs. FY22. This includes a positive change in deployment, with more employees in core development roles, reflecting a determination to invest in the Group's market leading technology. IT costs and Hardware costs were up 30% and 289% respectively, as a result of increased user numbers and engagement activity for McDonald's on the Plexure platform and the increase in hardware sales at a slightly lower margin.

As a result of the successful turnaround of the Plexure division, the Group posted an improvement in earnings of \$24.9m to deliver adjusted EBITDA² of \$11.9m (FY22: -\$12.9m), thereby surpassing our revised FY23 guidance range of \$8.5m - \$9.5m. This resulted in a positive NPAT of \$0.4m (FY22: -\$24.3m).

Table 1: Group results

NZD\$'000	FY23	FY22
Total Income	65,379	32,779
Recurring Revenue ³	56,584	25,423
Non-Recurring Revenue	3,587	5,853
Hardware	4,758	1,280
Other Income	450	223
Operating Expenditure ⁴	(58,843)	(48,224)
Net Profit/(Loss) after Tax	365	(24,336)
EBITDA ²	6,536	(15,445)
Adjusted EBITDA ²	11,940	(12,947)

² Adjusted EBITDA is a non-IFRS measure and removes the non-cash impact of employee share schemes from earnings before interest, tax, depreciation and amortisation (EBITDA).

³ Recurring revenue in 2022 is \$0.6m higher than reported last year as a result of a change in the categorisation of retainer revenue.

⁴ Operating expenditure in this table excludes depreciation and amortisation.

TASK CEO Daniel Houden stated, *“Following the successful renegotiation of a new commercial contract with McDonald’s, we have delivered on the turnaround of the Plexure division and set the business up for profitable growth. Our FY23 results, exceeding both our revenue and earnings guidance, underlines the strength of our platform and our people.*

“During the year, we have continued to develop new features and improve the performance of our platforms, providing significant benefits for our existing and new customers.”

Divisional Results

The Plexure division reported revenue of \$47.8m, up 83% on pcp (FY22: \$26.2m). This increase reflects eight months of the new commercial contract with McDonald’s, as well as a significant growth in user numbers and engagement on the Plexure’s customer engagement platform.

TASK division revenue of \$17.1m (2H22: \$6.4m) continued to grow strongly and profitably, including the delivery of \$10.8m in Recurring revenue for the year. The TASK division also posted Hardware revenue of \$4.8 million (2H22: \$1.3m), as hardware sales increased a result of improving customer appetite particularly in the first half FY23.

Table 2: Divisional results

FY23 (NZD\$'000)	TASK Division	Plexure Division
Total Revenue	17,237	48,142
Recurring Revenue	10,783	45,801
SaaS	7,880	30,205
Other Software & Services	2,903	15,596
Non-Recurring Revenue	1,598	1,989
Hardware	4,758	-
Other Income	98	352

Strategic and operational overview

The Plexure turnaround has allowed the Group to focus on the continued expansion of the Plexure platform, which saw over 19% growth in Monthly Active Users (MAUs) in FY23 versus the prior year. In addition, customer engagement with the platform has significantly increased with +41% YoY growth in active customers, as well as +60% in engaged (transacting) customers and +95% growth YoY in Loyalty customers, with these customers producing +128% more Loyalty points transactions and +287% more transactions using the loyalty gamification feature.

Statistics from the McDonald's 2022 FIFA and Advent campaigns show a +113% increase in the max API throughput (requests per minute) when compared to the prior period, with the 2022 Advent campaign supporting a 52% higher throughput vs. the Advent period for the year prior. This strong growth in platform scalability demonstrates the efforts made by the team to improve the Plexure platform and that offerings were successful in attracting and retaining customers and driving engagement.

In addition, the Group reached a further strategic milestone in 2023, with the launch of TASK's global end-to-end platform, with Starbucks Australia as its first customer. The end-to-end platform unifies the full suite of consumer-facing and transaction management service for the division's global hospitality customers providing an enhanced customer experience and valuable data insights, while reducing cost and integration challenges for the vendor.

TASK's new white label mobile order and pay feature became fully available in app stores in 4Q23, providing clients a powerful tool to enhance their customer experiences and increase customer loyalty. The feature has positioned the Group to extend its reach and attract new customers who are looking for a fast and convenient ordering and payment platform for goods and services.

Following the year end, TASK completed the acquisition of payments software IP to support the ongoing development of TASK's payments capability. The Company believes that adding payment capabilities to its platform will create an additional competitive advantage and enhance TASK's transactional platform for hospitality clients – as well as a potentially significant new revenue stream. Integrating payments further reduces the number of suppliers that our customers have to deal with and enables more streamlined core and value-added service delivery.

Balance Sheet

The Group ends the financial year with a net cash position of \$28.3m⁵ up 132% on pcp (31 March 2022: \$12.2m), reflecting the Group's balance sheet strength. Underpinning the Group's balance sheet was a net operating cash inflow of \$18.9m for FY23, compared to an \$16.6m outflow in the prior year.

The Group reports no debt facilities or borrowings.

As a result of the expected ongoing profitability of the Plexure division, the Group recognised deferred tax assets of \$4.2m.

⁵ Cash and cash equivalents. Additional term deposits of \$09m (2022: \$1.7m).

FY24 Strategy and outlook

In FY24, the Group will further invest in global growth. The Group will target organic opportunities, including US expansion among QSR and Sport & Entertainment customers as well as entering new geographies and industries.

To support our existing customers and further expand our growth, the TASK platform will continue to add to its ecosystem of services to deliver improved consumer experiences, drive operational efficiencies, and provide flexibility and customer choice. Plans to expand our global end-to-end platform offerings are in progress, including features such as capacity management, white label apps, and personalisation capabilities.

The Group will also continue to explore new lines of business, including the recently announced acquisition of software IP to support the development and commercialisation of TASK's payments capability. These new capabilities will generate new revenue streams over the medium term, create value for our customers and open up new opportunities to expand our addressable market.

While cost management remains a core priority, TASK expects operating costs to grow in line with expansion of its client base and capabilities.

Daniel Houden, CEO of TASK, stated, *"Our global end-to-end platform presents us with attractive organic opportunities globally and ensure that we continue to provide a world-class experience for our customers globally. Combined with further investment in our platform, people and new lines of business, we are confident that we can deliver strong profitable growth in the year ahead."*

Plans to migrate Incorporation of Company to Australia

Following the migration of its primary listing to the ASX in October last year, TASK announces it plans to migrate its incorporation to Australia and, in due course, delist from the NZX. Migration of the Company's incorporation will simplify the corporate structure and administration of the Group and clarify the tax residency of the parent company. Furthermore, consolidation of the Group's shares on the ASX will reduce listing costs and support increased liquidity. Migration of the Company is subject to the outcome of a shareholder vote at the Group's Annual Meeting, which will be held on Monday, 24 July 2023. Further details related to its migration plans will be disclosed in the Notice of Meeting, which will be distributed in due course.

ENDS

Approved for release by the Board of TASK Group Holdings Limited.

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About TASK Group

TASK Group is a leading provider of technology solutions enabling its global hospitality clients to maximise their customer relationships in an increasingly digital world.

TASK's end-to-end cloud-based platform helps clients to improve customer experiences across every transactional touchpoint, including digital customer-facing services, back-of-house and enterprise operations. The Group's ecosystem combines transaction services, personalisation, offer management and BI technology to help clients generate operational efficiencies, drive valuable data insights about their consumer base, activate new promotions and build brand loyalty.

Reconciliation of Net Profit / (Loss) after Tax to EBITDA and Adjusted EBITDA

NZD\$'000	FY23	FY22
Net Profit / (Loss) After Tax	365	(24,336)
<i>Add back:</i>		
<i>Tax</i>	<i>(5,698)</i>	<i>(1,353)</i>
<i>Finance expense (including FX)</i>	<i>(941)</i>	<i>486</i>
<i>Depreciation</i>	<i>1,616</i>	<i>1,442</i>
<i>Amortisation</i>	<i>11,194</i>	<i>8,316</i>
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	6,536	(15,445)
<i>Add back:</i>		
<i>Employee share-based expenses*</i>	<i>5,404</i>	<i>2,498</i>
Adjusted EBITDA	11,940	(12,947)

*\$4.1 million relates to awards of deferred share rights to TASK employees at the time of the merger.