

30 January 2024

Q3 FY24 BUSINESS UPDATE

Strong customer growth, record volumes and US momentum

Sydney, Australia – TASK Group Holdings Limited (ASX: TSK) (“TASK” or “the Group”) today provided an update on business activities and performance alongside its Appendix 4C for the quarter ended 31 December 2023 (Q3FY24). All figures presented are in the reporting currency of TASK, the New Zealand dollar (NZD).

Highlights

- Strong customer growth – multiple customer wins including PFS, a significant new customer in North America, underpinning the TASK division’s strongest quarter of new software business conversion
- Continuing upsell momentum with existing customers adopting TASK Mobile Order & Pay (MOP) Loyalty Apps
- Launch of TASK MOP in North America with Press Coffee
- Record user and sales platform activity globally during the McDonald’s 2023 Advent Digital Campaigns
- Positive net cash flows from operating activities for the quarter
- Continued investment in Platforms of \$3.5 million for the quarter
- Strong cash position of \$26.9 million at 31 December 2023

CEO Commentary

Commenting on the performance, CEO, Dan Houden said:

“This has been a strong quarter. Having made significant investment in our people and our platform, we are now reaping the rewards in important customer wins and upsell to existing customers which is supporting continued growth. We won three enterprise customers in the quarter and a further two in January post period end.

“We are winning these contracts, including against major North American players, due to our ability to offer a complete, all-in-one customer engagement platform. All our new QSR customers are taking up our full transaction management platform including mobile order and pay (MOP), while the upsell of MOP to our existing customers continues to be strong.

“We expect these wins to positively impact revenue and cashflow in the coming quarters. We see this momentum continuing – particularly in the United States where we have a significant pipeline that will be enhanced by our recent wins and successful deployments.”

Business Update

- Three new enterprise TASK customer contracts were executed in Australia and North America with a further two important customer wins in January 2024.

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- Significant customer developments in North America include:
 - PFS Brands – TASK executed an agreement for the deployment of the TASK enterprise platform across their approximately 300 stores and multiple brands. John Bleidistel, Vice President of Technology for PFS Brands, said: *“We are super excited to be partnering with TASK for this venture! We feel this technology will be a great addition to the services we offer to our retailers, helping them run their food service locations more efficiently and improving margins! We were seeking an all-encompassing platform that covered everything from operations for inventory to customer engagement products such as mobile order & pay loyalty apps, and TASK has what we need.”*
<http://www.pfsbrands.com>
 - Press Coffee – TASK successfully launched its first full platform rollout of TASK MOP in North America with Press Coffee. Alex Mason, the owner of Press Coffee, said: *“We have just completed replacing our customer facing technology, including POS and mobile order & pay loyalty app with TASK. The team was professional, communicative, and a pleasure to work with. Our end result is something we are very proud of, providing an enhanced customer experience and a platform that we have plenty of room to grow into.”*
- Upsell of existing customers on our digital platform to the full platform including MOP continues, providing those customers with additional mobile and digital functionality and a further channel to engage their customers. As set out in our interim results presentation, upsell to MOP typically more than doubles the revenue per customer to TASK.
- The Plexure division successfully supported record market activity during the McDonald’s December “Advent” campaign period, with markets running these campaigns delivering a 60% increase in transacting customers and a 73% increase in transactions across the period when comparing 2023 with 2022. Plexure also successfully supported the December “Lucky Bag” campaign run by McDonald’s Japan.

Platform and Product

Task continues to invest in its state-of-the-art platform. Recent developments include:

- New features for TASK’s reskinable, natively integrated white label MOP product including:
 - Enhanced tipping support
 - Points based loyalty enhancements for paying with points
 - Further Google Analytics support
 - Member reward loyalty redemption enhancements
- Further third party integration enhancements for Uber Eats and Door Dash
- Redesigned UI & UX implemented for TASK enterprise tool
- Positive progress continues on the certification of TASK Pay in Australia and the USA (following certification in New Zealand).

The Plexure division released a range of new platform capabilities include additional customised consumer targeting functionality, extended identity management services to support integration to additional ordering channels, as well as releasing performance enhancements to a number of API accessible services, reducing API response times by over 50%. These API performance enhancements, along with other platform efficiency improvements, meant that Plexure was able to successfully support the significantly increased scale of activity during the McDonald’s “Advent” period in December at a reduced infrastructure cost when compared to the cost of supporting the previous year’s campaign.

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Cashflow

The Group generated cash from operating activities of \$0.3 million for the quarter ended 31 December 2023 (Q3FY23: \$0.5 million). Operating cash flow in the December quarter is typically lower due to the agreed timing of customer payments in the Plexure division.

The Group had cash of \$26.9 million at 31 December 2023 (down from \$31.1 million at 30 September 2023) and no financial debt.

TASK advises that in accordance with Listing Rule 4.7.C.3, \$103,000 was paid to TASK's Directors in fees this quarter. The Group also paid \$102,000 to related party associates, being the family members of the Group CEO and TASK Division General Manager for this quarter's rental of its Australian office space.

ENDS

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

For more information, visit <https://TASKsoftware.com> or contact:

For investors

Daniel Houden
CEO

investor@tasksoftware.com

Glenn Day
CFO

For media:

Domestique

Jon Snowball

+61 477 946 068

| Roger Newby

| +61 401 278 906

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.