

31 May 2024

## TASK Group FY24 Results Update

### ***Strong revenue growth and continued profitability***

- **Group operating revenue of \$70.7m, up 20% on pcp (FY23: \$59.1), reflecting first full year of McDonald's arrangements and increased customer engagement**
  - *Recurring revenue of \$67.4m, up 31% on pcp (FY23: \$51.5m)*
  - *Plexure revenue of \$57.5m, up 32% on pcp, reflecting commercial terms with McDonald's, addition of new markets and increased customer engagement*
  - *TASK recurring revenue of \$10.2m, up 4% on pcp. TASK today has a backlog of over 800 locations moving onto the transaction management platform and over 1,300 locations deploying our new digital-first platform. These will all positively impact revenue in FY25.*
- **Operating profit was \$7.8m (FY23: \$10.8m), reflecting significant and disciplined investment in growth**
  - *Targeted investment in people, capabilities and new product development supporting strong revenue growth and future prospects*
  - *Disciplined operating cost management,*
- **Robust net cash position of \$18.8m at 31 March 2024**
- **Progressing Scheme of Arrangement with PAR Technology**
  - *Scheme Booklet, including an Independent Expert's Report concluding that the Scheme is fair and reasonable, despatched to TASK shareholders*
  - *TASK Board unanimously recommends TASK shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of TASK Shareholders*
  - *Shareholders will have opportunity to vote at the Scheme Meeting on Friday 28 June 2024 at 11.00am.*

**Sydney, Australia, May 31, 2024** - TASK Group Holdings Limited (ASX) announces a 20% increase in operating revenue to AUD\$70.7m for the FY24 financial year ended 31 March 2024. This result reflects the first full year of the new McDonald's commercial arrangements as well as increased customer engagement and is testament to the power of TASK and Plexure together. Recurring revenue for the combined group in FY24 was \$67.4m, up 31% on pcp (FY23: \$51.5m).

Operating expenses increased 30% as a result of the Group's investment in product and development resources (FTE +32% on pcp) to support the further expansion of its product offering and customer acquisition, as well as increased IT costs due to increased numbers of active users on the McDonald's platform.

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While the investment has resulted in a short term impact to profits, the Group has maintained profitable growth with \$7.8m operating profit recorded for the year (FY23: \$10.8m). The investment has enabled TASK to round out its digital ecosystem, with customer interest and onboarding increasing in the second half, laying the foundations for future growth.

The FY24 loss includes share-based payment expenses and related costs of \$4.3m, and \$8.5m in amortisation related to the acquisition of the TASK division. The share based payment expenses are expected to decrease following the vesting of the deferred rights issues as part of the Plexure Task merger.

Table 1: Group results. For full details please refer to the Annual Report released today.

	<b>FY24</b> (AUD\$'000)	<b>FY23</b> (AUD\$' '000)
<b>Operating Revenue</b>	<b>70,733</b>	<b>59,108</b>
Recurring Revenue	67,361	51,525
Non-Recurring Revenue	893	3,266
Hardware	2,479	4,317
Operating Expenditure	(62,950)	(48,350)
<b>Operating Profit<sup>1</sup></b>	<b>7,783</b>	<b>10,758</b>
Share-based payments expense and related costs	(5,043)	(4,866)
Acquisition and transaction costs	(1,801)	(347)
<b>EBITDA<sup>2</sup></b>	<b>939</b>	<b>5,545</b>
Depreciation and amortisation expense	(12,150)	(11,654)
Net interest, other income and foreign exchange movements	1,012	1,253
<b>Loss before tax benefit</b>	<b>(10,199)</b>	<b>(4,856)</b>
Income tax benefit	2,831	5,281
<b>Net (loss)/profit after tax</b>	<b>(7,368)</b>	<b>425</b>

TASK CEO Daniel Houden said: "We have continued our strong growth trajectory in FY24, marking the first full year of the new commercial arrangement with McDonald's. Our FY24 results underlines the strides we have made in delivering profitable growth, while supporting disciplined investment in people and products to entrench our digital platform as a market leader globally.

"Our continued focus on technology and innovation is paying off, with our ability to offer an all-in-one customer engagement platform proving critical in attracting and securing significant new customers internationally during the period."

<sup>1</sup> Operating Profit is a non-IFRS measure

<sup>2</sup> EBITDA is a non-IFRS measure and is 'Earnings before interest, tax, depreciation and amortisation'.

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## Divisional Results

The Plexure division reported revenue of \$57.5m, up 32% on pcp (FY23: \$43.5m). This increase reflects the first full year of the new commercial arrangement with McDonald's (FY23: eight months), the addition of new markets, including Taiwan and a significant increase in customer engagement on the Plexure platform. The platform reported increased customer engagement across all aspects, including a 36% increase in transacting customers, 56% growth in loyalty transactions and 107% increase in delivery and Mobile Order and Pay transactions.

The TASK division reported \$10.2m in recurring revenue, up 4% on pcp (FY23: \$9.8m). Hardware sales and other non-recurring revenue decreased to \$3.1m (FY23: \$5.8m), as the group focused on directing resources towards growing customers on the digital platform and progressing onboarding for converting customers. As a result of the previously reported delays in onboarding, TASK expects the backlog of customers transitioning to the new digital-first platform to benefit customer retention and recurring revenue in FY25 and beyond.

## Balance Sheet

The Group ends the financial year with a net cash position of \$18.8m (31 March 2023: \$26.5m), reflecting the Group's balance sheet strength while investing for growth. The Group has no debt facilities or borrowings.

## Strategic overview and outlook

In FY24, the Group made significant progress in the expansion of its product offering across both divisions. The Plexure division delivered new features and increased capabilities to support McDonald's digital growth aspirations, including an expansion of its loyalty capabilities, mobile pay offering and scalability. The platform also expanded into Taiwan and Hong Kong (Q1FY25).

The TASK division has continued its product investment and innovation focus with the expansion of its new TASK end-to-end transaction platform and the fully integrated white label Mobile Order and Pay app. This includes the release of new modules and capabilities, such as the extension of loyalty features across the entire ecosystem, a brand-new POS experience, enhancements to back office and mobile order & pay features and additional third-party application integrations with delivery providers.

During the year, the Group also made significant progress on the development of its comprehensive payment offering (TASK Pay). TASK Pay achieved full certification in New Zealand, with certification nearing completion in Australia and in the US.

Daniel Houden, CEO of TASK, continued: *"Our global end-to-end platform gives us an attractive pipeline of organic opportunities globally, as we continue to reinforce our position as a global market technology leader. We expect our focused investment in people and product to continue to drive strong and profitable growth in the year ahead, as new and existing clients internationally expand their digital services."*

## Proposed Scheme of Arrangement with PAR Technology

On 11 March 2024, TASK announced that it has entered a Scheme Implementation Agreement with PAR Technology Corporation (PAR) under which PAR will acquire all of TASK's shares by way of a Scheme of Arrangement (Scheme). The Scheme Booklet, which includes an Independent's Expert's Report and the notice of the Scheme Meeting, has been despatched to shareholders, with a copy attached to the TASK announcement on 28 May 2024.

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TASK shareholders will have the opportunity to vote on the Scheme at a Scheme Meeting, scheduled to be held virtually on Friday 28 June 2024 at 11.00am (indicative timetable below). Shareholders are encouraged to read the Scheme Booklet carefully and then vote by attending the virtual Scheme Meeting or by appointing a proxy.

## *Indicative Scheme Timetable*

<b>Event</b>	<b>Indicative Date</b>
<i>Scheme Meeting</i>	<i>28 June 2024 (11:00am)</i>
<i>Second Court Date</i>	<i>5 July 2024</i>
<i>Scheme Record Date</i>	<i>12 July 2024 (7:00pm)</i>
<i>Scheme Implementation Date – including provision of scheme consideration to Scheme participants</i>	<i>19 July 2024</i>

**ENDS**

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

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

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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.