

28 November 2022

## Strong revenue growth drives earnings and guidance upgrade

- Group revenue of \$26.6m, up 97% on 1H22 reflecting TASK merger
  - Includes \$21.7m or 82% of recurring revenue
- Positive adjusted EBITDA<sup>1</sup> of \$2.0m (compared to \$7.0m loss pcp) and Reported EBITDA loss of \$0.7m (\$7.0m loss pcp)
- Plexure division turnaround delivering strong results
  - Revenue of \$17.0m, an increase of 26% on pcp (1H22: \$13.5m)
  - Cashflow positive due to cost reduction and contract renegotiation
- TASK division continues growth trajectory
  - Revenue of \$9.6m, an increase of 50% on 2H22 (\$6.4m)
  - SaaS AMRR of \$8.1m, an increase of 25% year-on-year<sup>1</sup>
- Significant strategic progress across both divisions driving customer outcomes
  - Restructured 5-year contract and commercials with major customer McDonald's commenced on 1 August 2022, ensuring profitability for the Plexure division
  - Expansion of TASK's transaction management services, including entry into new QSR vertical (pizza) with Retail Food Group
  - Launch of TASK's end-to-end consumer platform with Starbucks Australia
- Strong balance sheet with cash balance of \$24.2m at period end
- FY23 guidance upgraded to expect Group revenue between \$59.0 – 62.0 million and adjusted EBITDA between \$8.5 – 9.5 million, an increase of up to 11% and 157% respectively on previous guidance

**Auckland, New Zealand** – TASK Group Holdings Limited (“TASK” or “The Group”) announces its half-year results for the six months ended 30 September 2022 (1H23), delivering a transformation in the Group's earnings performance and growth outlook.

NZ\$'000s	1H23 <sup>2</sup> (incl. TASK)	1H22 (pre-TASK)	Variance (%)
Group revenue	26,658	13,525	97%
Operating Expenditure	(27,345)	(20,567)	33%
EBITDA <sup>3</sup>	(687)	(7,042)	90%
Adjusted EBITDA <sup>4</sup>	1,997	(7,007)	129%
NPAT	(4,597)	(8,496)	46%

<sup>1</sup> Year-on-year was September 2021, before the TASK business merged with Plexure.

<sup>2</sup> TASK division acquired on 1 October 2021 and included for 6 months in 1H23, compared to prior year which only reflects Plexure division.

<sup>3</sup> EBITDA is earnings before interest, tax, depreciation and amortization (refer to reconciliation at end of this release)

<sup>4</sup> Adjusted EBITDA excludes non-cash employee share-based charges (1H23: \$2.7 million vs 1H22: \$0.04 million).

The Group reported revenue for 1H23 of \$26.6 million, growth of 97% on the prior corresponding period as a result of the contribution of the TASK division (effective on 1 October 2021), which posted \$9.6 million in revenue for the half.

Operating expenses increased by 33% to \$27.3 million due to the 1H23 contribution of the TASK business, partially offset by 25% lower staff costs in the Plexure division as a result of the business restructuring undertaken in FY22.

Overall, the Group posted a positive adjusted EBITDA result of \$2.0 million (1H22: -\$6.8m), excluding \$2.7 million in non-cash employee share-based payments (1H22: \$0.04m).

The Group posted a net loss after tax of \$4.6 million in 1H23 (1H22 -\$8.5m), a 46% improvement upon the prior corresponding period reflecting the contribution of the TASK division and transformation of the Plexure division. The net loss includes several one-off and non-cash items including non-cash employee share-based payments of \$2.7 million and favourable foreign exchange movements of \$2.3 million.

TASK Group CEO Dan Houden said, *“The strong growth in revenue and turnaround in profitability we have delivered this half is testament to team’s progress in transforming the business. The results demonstrate the merged Group’s turnaround following a corporate restructuring of the Plexure division in FY22 and the renegotiated contracts with McDonald’s on 1 August 2022, as well as increased customer demand across both divisions.”*

### Divisional overview

Recurring revenue was \$21.7m, or 82% of Group revenue, including \$12.5m in SaaS revenue.

1H23 Revenue (NZ\$'000s)	Group	TASK	Plexure
Recurring Revenue	21,735	5,337	16,398
SaaS	12,511	3,876	8,635
Other Software & Services	9,224	1,461	7,763
Non-Recurring Revenue	1,514	936	578
Hardware	3,292	3,292	-
Total Revenue from customers <sup>5</sup>	26,541	9,565	16,976

The TASK division reported \$9.6 million revenue, an increase of 50% compared to 2H22 (the Group’s first six months as a merged entity). TASK’s high margin SaaS revenue was \$3.9m, with the division’s AMRR up 25% compared to the prior corresponding period (pre-merger).

The TASK division also posted Hardware revenue of \$3.3 million, an increase of 157% upon 2H22 (\$1.3m), as hardware sales increased despite ongoing supply chain disruptions.

The Plexure division reported \$17.0 million revenue, up 26% on the prior corresponding period, reflecting increased user numbers and engagement on Plexure customer engagement platform.

<sup>5</sup> Group Revenue is \$26,658, including Other Income of \$117 (1H21 was \$13,525 and \$12 respectively).

The reporting period included two months of the new commercial terms renegotiated with McDonalds, with a full contribution expected over the next half.

**Balance sheet and positive cashflow**

At 30 September 2022, the Group had a cash position of \$24.2 million (31 March 2022: \$13.9m).

The Group's net operating cash flow was a positive \$10.1 million in 1H23 (1H22: -\$7.8m).

**Strategic overview**

Over the last 12 months, the Group has delivered on the turnaround of the Plexure-side of the business, including a restructure and expansion of the customer engagement platform's capabilities and scalability.

The transformation culminated in the restructuring of the Group's commercial terms with major client McDonald's Corporation to distribute TASK's digital customer engagement platform for the next five years, ensuring the profitability of the Plexure division.

The Group also expanded its offering across QSR and hospitality customers, including Tank Juice and venues such as the Sydney Football Stadium. Strategically significant was the contract with Retail Food Group, representing TASK's entry into the QSR Pizza vertical. It represents a 10% uplift on monthly SaaS revenue for the TASK division, which will begin contribution in 2H23.<sup>6</sup>

After period end, TASK launched its global end-to-end platform with Starbucks Australia, powering Starbucks' in-store operations as well as its new mobile order and pay loyalty app.

The TASK end-to-end platform unifies the full suite of digital consumer-facing and transaction management services for our global hospitality customers. It drives value through enhancing the end-consumer experience via offers, experiences and loyalty, as well as providing the consumer with the choice of how they transact with our customers' brands. Having a seamlessly connected set of capabilities also drives customer efficiencies through streamlining operations and reducing the cost and complexity of working with multiple providers.

TASK Group CEO Dan Houden said, *"We believe our platform is truly industry-leading, providing an enhanced customer experience and valuable data insights, while reducing the cost and integration challenges of having multiple suppliers. We are excited to have a major global brand like Starbucks as our first customer on this platform, which is a strong endorsement of the platform's capabilities and technology."*

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<sup>6</sup> As of September 2022.

**FY23 Guidance and Outlook**

In light of the improving revenue and earnings trend reported for the last six months, and confidence in the impact of new terms with McDonald's and other contracts executed throughout 1H23, the Group has upgraded its FY23 guidance and expects total revenue between \$59.0 – 62.0 million and adjusted EBITDA between \$8.5 – 9.5 million. This reflects an increase of up to 11% and 157% on previous guidance issued in August.

TASK Group CEO Dan Houden said, *“With the result today, we are well-placed to benefit as our hospitality customers are increasingly looking for ways to maximise their consumer relationships in a digital world. Powered by our platform, we have an exciting roadmap to bring the full range of the Group’s capabilities to our customers across the Asia Pacific and US regions next year.”*

**Investor briefing**

TASK will hold an investor briefing to present its results at 10.30am AEST today.

If you would like to join the briefing, please register in advance and join the webcast:

Link for registration and webcast: <https://ccmediaframe.com/?id=zWFDgzJz>

**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

[daniel@tasksoftware.com](mailto:daniel@tasksoftware.com)

Bill Crichton  
Chairman

[bill@crichtonlimited.com.au](mailto:bill@crichtonlimited.com.au)

**For media:**

Domestique Consulting

Jon Snowball | Minou de Ruiter  
+61 477 946 068 | +61 432 124 003

**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.

TASK's customers are global blue chip customers including restaurants, entertainment and stadium venues, gaming and casinos and large-scale food service operators.

### Reconciliation of Net Loss after Tax to EBITDA and Adjusted EBITDA

NZ\$'000s	1H23 <i>(incl. TASK)</i>	1H22 <i>(Pre-TASK)</i>
<b>Net loss after tax</b>	<b>(4,597)</b>	<b>(8,513)</b>
<i>Add back:</i>		
<i>Tax</i>	<i>(636)</i>	<i>146</i>
<i>Finance expense (including FX)</i>	<i>(2,092)</i>	<i>(116)</i>
<i>Depreciation</i>	<i>1,029</i>	<i>380</i>
<i>Amortisation</i>	<i>5,609</i>	<i>1,044</i>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>(687)</b>	<b>(7,042)</b>
<i>Add back:</i>		
<i>Employee share-based expenses</i>	<i>2,684</i>	<i>35</i>
<b>Adjusted EBITDA</b>	<b>1,997</b>	<b>(7,007)</b>