



21 November 2023

TASK Group Holdings Limited
Results for Announcement to the Market
Appendix 4D and FY24 Interim Report

Sydney, Australia – TASK Group Holdings Limited (“TASK” or “The Group”), by the ASX Listing Rules, attaches its Appendix 4D and FY24 Interim Report.

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 (ASX: TSK)

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.

TASK GROUP HOLDINGS LIMITED
(TSK)
ACN 605 696 820
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21 November 2023

TASK Group Holdings Limited

ACN 605 696 820

Reporting period Half year ended 30 September 2023

Previous reporting period Half year ended 30 September 2022

| | Amount | Up/down | % change |
|--|----------------------|---------|----------|
| Results for announcement to the market | (NZD \$'000s) | | |
| Revenues from ordinary activities | \$36,093 | Up | 36% |
| Net profit / (loss) after tax from ordinary activities | \$(2,972) | Up | 35% |
| Net profit / (loss) attributable to security holders | \$(2,972) | Up | 35% |

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial period.

Dividend reinvestment plans

Not applicable.

Explanation of results

Refer to the Review of Operations in the Directors' Report for further details.

Net tangible assets

Net tangible assets include right-of-use assets which are classified as property, plant and equipment. Net tangible assets, after providing for estimated tax on unrealised income and gains is NZD \$0.038 per share at 30 September 2023 (30 September 2022: NZD -\$0.006 per share).

Entities over which control has been gained or lost during the period

Not applicable.

Details of associates and joint venture entities

Not applicable.

Audit qualification or review

The interim financial statements have been subject to a review by the Company's independent auditor (BDO Auckland) and an independent Auditor's Review Report is included in the Interim Report.

Attachments

Additional information supporting the Appendix 4D disclosure requirements can be found in the attached Interim Report for TASK Group Holdings Limited half-year ended 30 September 2023.

Signed on behalf of the Board of TASK Group Holdings Limited.



William (Bill) Crichton

Independent Non-executive Chair

Sydney

21 November 2023

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TASK.

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|--|----|
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Directors' Report

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The Directors present their report, together with the financial statements of the consolidated entity (referred to hereafter as the 'Group' or 'TASK Group') consisting of TASK Group Holdings Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the half-year ended 30 September 2023.

Directors

The following persons were Directors of TASK Group Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

William (Bill) Crichton – Chair
 Daniel Houden – Chief Executive Officer
 Phil Norman
 Manda Trautwein
 Mitchell (Mitch) Bowen (resigned 22 September 2023)

Principal Activities

The Group's principal activities remain the development and sale of software applications to the global hospitality sector, supporting the end-to-end operations of a hospitality customer from customer engagement to kitchen operations and transactional management.

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial half-year.

Review of Operations

The Group recorded a positive operating cash flow driven by demand from new and existing customers while continuing to invest in our people and products to ensure our offerings remain world class and to create value over the long term.

The Plexure division continued to support the digital growth ambitions of the world's largest quick service restaurant, McDonald's, driving growth in active users and strong customer engagement and loyalty outcomes.

The division expanded the McDonald's relationship during the period with a new rollout into the significant Asian market of Taiwan, demonstrating the value of our platform to this key customer and further validating recent investment in people and product which has enhanced the platform's functionality and scalability.

The TASK division continues to invest in its platform, enabling TASK to develop and launch some exciting products and features. This sets TASK up for future expansion with its existing customer base and into new customers as they increasingly digitise their consumer engagement.

The Group acquired software IP in April 2023 as part of its plans to develop a proprietary payments capability – TASK Pay – to complete its end-to-end offering. Solid progress was recorded on integrating the software into the TASK platform during the period and early live testing has received positive feedback from prospective customers. TASK Pay completed certification in New Zealand during the half and is approaching certification in Australia. The certification process has also commenced in the United States with Europe and Asia to follow.

Operating profit and earnings before interest, tax, depreciation, and amortisation (EBITDA) are financial measures that are not prescribed by the Australian Accounting Standards ('AAS') and represent non-IFRS profit under AAS adjusted for non-cash items and other items including, interest, financial costs and tax expenses. The table on the following page summarises key reconciling items between operating profit, EBITDA and statutory net loss after tax.

Financial Summary

| | 2023 \$'000 | 2022 \$'000 | PCP % |
|----------------------------------|-----------------|-----------------|--------------|
| Recurring Revenue ⁽¹⁾ | 34,181 | 21,735 | +57% |
| Hardware Sales | 1,338 | 3,292 | (59)% |
| Non-Recurring Revenue | 574 | 1,514 | (62)% |
| Total Revenue | 36,093 | 26,541 | +36% |
| Operating Expenditure | (32,798) | (24,661) | +33% |
| Operating Profit | 3,295 | 1,880 | +75% |
| Share-Based Payments – Expense | (2,447) | (2,684) | (9)% |
| EBITDA | 848 | (804) | +206% |
| Depreciation | (911) | (1,029) | (11)% |
| Amortisation | (5,581) | (5,609) | (1)% |
| Net Interest, Other Income & FX | 1,025 | 2,209 | (54)% |
| Net Loss Before Tax | (4,619) | (5,233) | +12% |
| Income Tax | 1,647 | 636 | +159% |
| Net Loss After Tax | (2,972) | (4,597) | +35% |

⁽¹⁾ Recurring Revenue includes consulting fees of \$1.039m for the TASK division (pcp: \$1.037m) and \$3.945m for the Plexure division (pcp: \$1.610m) for retainer and services agreements that are expected to be ongoing.

Financial Highlights

The Group recognised revenue of \$36.093m, a 36% increase on the prior corresponding period (pcp)*. 95% of the Group's revenue is derived from recurring revenue streams highlighting the strong and sticky customer base of the Group.

— Plexure recurring revenue has increased 75% on the pcp to \$28.701m. This increase reflects six months of the new commercial arrangement with McDonald's compared to the pcp having on two months of the new commercial arrangement.

— TASK division recurring revenue increased by 3% on the pcp to \$5.480m, reflecting the expanded operations of existing and new customers being onboarded.

— Hardware sales decreased by \$1.954m, and non-recurring revenue from consultancy and development work decreased by \$0.938m on the pcp.

The Group has continued to invest in people and product to ensure the Group continues to provide industry leading technology solutions and support the onboarding of new clients without disruption to other growth projects.

* Prior corresponding period (pcp) refers to 1 April – 30 September 2022.

This investment is reflected in the increase in operating expenditure by \$8.135m on the pcg, and includes:

- a 42% increase in product design and development full-time equivalent employees (FTE), and a 33% increase in customer acquisition and implementation resources, resulting in a \$4.186m increase in staff costs (excluding share-based payments)
- IT costs have increased by \$3.855m, up 62% on the pcg due to increased user engagement and activity on the Plexure platform
- Hardware costs of \$1.516m lower than the pcg.

The strong revenue performance has also translated into an Operating Profit adjusted for non-cash and other items of \$3.295m, a 75% increase on the pcg.

The net statutory loss before tax includes \$3.518m in amortisation for the software asset recognised on the acquisition of the TASK division.

Cash flow from operations has remained positive at \$7.121m for the financial half-year, and the Group is well-positioned, with a strong cash and cash equivalents balance of \$31.070m as of 30 September 2023.

Significant changes in the state of affairs

The company migrated its country of incorporation from New Zealand to Australia on 18 September 2023. Prior to this date, the Company was a New Zealand company registered under the Companies Act 1993.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 26 October 2023, the Company delisted from the New Zealand stock exchange.

There were no other significant events between balance date and the date these financial statements were authorised for issue.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts have been rounded off in the Directors' Report and the Interim Financial Report to the nearest thousand dollars or, in certain cases, to dollars where indicated.

Environmental Regulation and Performance

The Group's operations are not subject to significant environmental regulations under either Commonwealth or State legislation and the Directors are not aware of any material non-compliance with environmental regulations pertaining to the operations or activities during the period covered by this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors Report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)a) of the Corporations Act 2001.

On behalf of Directors



Bill Crichton
Chairman



Manda Trautwein
Director

Sydney
21 November 2023



Declaration of independence by R Croucher to the directors of TASK Group Holdings Limited

As lead auditor for the review of Task Group Holdings Limited for the half-year ended 30 September 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Task Group Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'R Croucher', is written over a light grey rectangular background.

R Croucher
Partner

BDO Auckland
Auckland
21 November 2023

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Consolidated Statement of Profit and Loss and Other Comprehensive Income

| Six months ended 30 September | Notes | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|--|-------|-----------------------------|-----------------------------|
| Revenues | | | |
| Revenue from contracts with customers | 3 | 36,093 | 26,541 |
| Other income | | 581 | 117 |
| Total revenue and other income | | 36,674 | 26,658 |
| Expenses | | | |
| Staff costs | 5 | (19,436) | (15,487) |
| Travel costs | | (960) | (523) |
| Office costs | | (941) | (722) |
| Professional fees | | (1,356) | (1,018) |
| Marketing | | (526) | (417) |
| IT costs | | (10,068) | (6,213) |
| Hardware costs | | (1,325) | (2,841) |
| Other expenses | | (633) | (124) |
| Depreciation | | (911) | (1,029) |
| Amortisation | 6 | (5,581) | (5,609) |
| Operating expenses | | (41,737) | (33,983) |
| Interest expenses | | (201) | (242) |
| Foreign exchange movements | | 645 | 2,334 |
| Financing expenses | | 444 | 2,092 |
| Net loss before tax | | (4,619) | (5,233) |
| Income tax credit / (expense) | | 1,647 | 636 |
| Net loss | | (2,972) | (4,597) |
| Other comprehensive income | | | |
| Items that may or will be reclassified to profit or loss: | | | |
| Translation of foreign operations | | 462 | 7,173 |
| Total comprehensive gain / (loss) | | (2,510) | 2,576 |
| Basic loss per share (cents) | 9 | (0.84) | (1.30) |
| Diluted loss per share (cents) | 9 | (0.84) | (1.30) |

The above Consolidated Income Statement and Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

| | Notes | Share capital \$'000 | Foreign currency translation reserve \$'000 | Share based payment reserve \$'000 | Accumulated losses \$'000 | Total equity \$'000 |
|-------------------------------------|-------|-------------------------|--|---|---------------------------------|------------------------|
| Balance at 1 April 2023 | | 178,343 | 2,865 | 7,479 | (54,439) | 134,248 |
| Net loss | | - | - | - | (2,972) | (2,972) |
| Translation of foreign operations | | - | 462 | - | - | 462 |
| Total comprehensive loss | | - | 462 | - | (2,972) | (2,510) |
| <i>Transactions with owners</i> | | | | | | |
| Share buyback | | (64) | - | - | - | (64) |
| Employee share options – exercised | 8 | 108 | - | (63) | - | 45 |
| Share-based payments cost | 8 | - | - | 4,648 | - | 4,648 |
| Employee share options – expired | 8 | - | - | (8) | 8 | - |
| Balance at 30 September 2023 | | 178,387 | 3,327 | 12,056 | (57,403) | 136,367 |
| Balance at 1 April 2022 | | 177,751 | 3,699 | 2,673 | (54,816) | 129,307 |
| Net loss | | - | - | - | (4,597) | (4,597) |
| Translation of foreign operations | | - | 7,173 | - | - | 7,173 |
| Total comprehensive loss | | - | 7,173 | - | (4,597) | 2,576 |
| <i>Transactions with owners</i> | | | | | | |
| Employee share options – exercised | | - | - | - | - | - |
| Share-based payments cost | | - | - | 2,684 | - | 2,684 |
| Employee share options – expired | | - | - | (12) | 12 | - |
| Balance at 30 September 2022 | | 177,751 | 10,872 | 5,345 | (59,401) | 134,567 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position

| | Notes | At 30 September 2023 Unaudited \$'000 | At 31 March 2023 Audited \$'000 |
|--------------------------------------|-------|--|--|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 31,070 | 28,345 |
| Term deposits | | 933 | 933 |
| Trade and other receivables | | 13,000 | 10,096 |
| | | 45,003 | 39,374 |
| Non-current assets | | | |
| Property, plant & equipment | | 6,776 | 6,460 |
| Intangible assets | 6 | 122,715 | 123,497 |
| Other non-current assets | | 389 | 367 |
| Deferred tax asset | | 2,486 | 4,205 |
| | | 132,366 | 134,529 |
| Total assets | | 177,369 | 173,903 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 8,837 | 11,432 |
| Income tax payables | | 44 | 130 |
| Contract liabilities | 3 | 21,028 | 12,397 |
| Lease liabilities | | 1,243 | 1,474 |
| | | 31,152 | 25,433 |
| Non-current liabilities | | | |
| Lease liabilities | | 4,862 | 5,359 |
| Contract liabilities | 3 | 412 | 486 |
| Other liabilities | | 175 | 142 |
| Deferred tax liability | | 4,401 | 8,235 |
| | | 9,850 | 14,222 |
| Total liabilities | | 41,002 | 39,655 |
| Net assets | | 136,367 | 134,248 |
| Equity | | | |
| Share capital | 7 | 178,387 | 178,343 |
| Foreign currency translation reserve | | 3,327 | 2,865 |
| Share-based payment reserve | 8 | 12,056 | 7,479 |
| Accumulated losses | | (57,403) | (54,439) |
| Total equity | | 136,367 | 134,248 |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| Six months ended 30 September | Notes | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|---|-------|-----------------------------|-----------------------------|
| Operating activities | | | |
| <i>Cash was provided from (applied to):</i> | | | |
| Receipts from customers | | 43,904 | 35,710 |
| Interest received | | 436 | 23 |
| Other income | | 145 | 94 |
| Payment to suppliers and employees | | (36,892) | (25,669) |
| Income tax paid | | (472) | (77) |
| Net cash inflows / (outflows) from operating activities | 10 | 7,121 | 10,081 |
| Investing activities | | | |
| <i>Cash was provided from (applied to):</i> | | | |
| Term deposit proceeds | | - | 95 |
| Purchase of property, plant and equipment and intangible assets | | (2,078) | (249) |
| Disposal of property, plant and equipment and intangible assets | | 10 | - |
| Capitalised software development costs | | (1,203) | (797) |
| Net cash inflow / (outflow) from investing activities | | (3,271) | (951) |
| Financing activities | | | |
| <i>Cash was provided from (applied to):</i> | | | |
| Issue of ordinary shares | | 45 | - |
| Share buyback | | (64) | - |
| Repayment of lease liability | | (728) | (546) |
| Interest paid | | (201) | (242) |
| Net cash inflow / (outflow) from financing activities | | (948) | (788) |
| Net increase / (decrease) in cash held | | 2,902 | 8,342 |
| Add cash and cash equivalents at start of period | | 28,345 | 12,201 |
| Effect of foreign exchange rate changes on cash | | (177) | 1,508 |
| Cash and cash equivalents at end of period | | 31,070 | 22,051 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements

1 Corporate Information

TASK Group Holdings Limited (the Company) is an Australian company registered under the Corporations Act 2001 and listed on the Australian Securities Exchange (ASX). The Company migrated its country of incorporation from New Zealand to Australia on 18 September 2023. Prior to this date, the Company was a New Zealand company registered under the Companies Act 1993.

The unaudited condensed interim consolidated financial statements of the Company and its subsidiaries (collectively, the Group or TASK) for the six months ended 30 September 2023 were authorised for issue in accordance with a resolution of the directors on 21 November 2023.

The principal activity of the Group is the development and deployment of cloud-based, transactional management and customer engagement software that provides the hospitality sector with a single solution for all customer interactions.

2 Summary of significant accounting policies

(a) Basis of Preparation

These general-purpose financial statements for the interim half-year reporting period ended 30 September 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards, including AASB4: 'Interim Financial Reporting'. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The consolidated interim financial report does not include all of the information included in the full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Company as at and for the year ended 31 March 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group's annual and interim reports have previously been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and complied with New Zealand Equivalents to the

International Financial Reporting Standards (NZ IFRS). There has been no change to comparative information as a result of the change in reporting framework.

The unaudited interim consolidated financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest thousand, except when otherwise indicated.

(b) Changes in Accounting Policies and Disclosures

The Group has changed the presentation, including comparative information, of:

- Goodwill, which is now included in 'Intangible assets' within the Statement of Financial Position, whereas these were previously presented as a standalone balance. This change was made to better reflect the nature of the Group's assets. A full breakdown of the Group's intangible assets by class is provided in Note 6. As a result, 'Intangible assets' at 31 March 2023 increased by \$70,203 thousand with 'Goodwill' decreasing by the corresponding amount.

Except as noted above, the unaudited interim financial statements have been prepared using the same accounting policies and methods, and should be read in conjunction with, the audited financial statements and related notes included in the Group's annual report for the year ended 31 March 2023.

(c) Critical Accounting Estimates and Judgements

The same significant judgements, estimates, and assumptions included in the notes to the consolidated financial statements in the Group's annual report for the year ended 31 March 2023 have been applied to these interim consolidated financial statements.

Notes to the Consolidated Financial Statements

3 Revenue from contracts with customers

| Six months ended 30 September | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|-------------------------------|-----------------------------|-----------------------------|
| License revenue | 29,197 | 19,088 |
| Consulting revenue | 5,558 | 4,161 |
| Hardware sales | 1,338 | 3,292 |
| | 36,093 | 26,541 |

| Contract liabilities balance | For the six months ended 30 September 2023 Unaudited \$'000 | For the year ended 31 March 2023 Audited \$'000 |
|---|--|--|
| Opening balance | 12,883 | 9,817 |
| Invoices raised and not recognised as revenue during the period | 24,996 | 46,575 |
| Credits raised and not offset against recognised revenue during the period | (3,548) | (4,949) |
| Amounts included in contract liabilities that was recognised as revenue during the period | (12,923) | (38,562) |
| Foreign exchange movement | 32 | 2 |
| Closing balance | 21,440 | 12,883 |
| Current | 21,028 | 12,397 |
| Non-current | 412 | 486 |
| | 21,440 | 12,883 |

Contract liabilities relate to income invoiced to customers in advance during a financial period, part of which will be recognised in the Income Statement in subsequent financial periods or credited under customer contract requirements.

Contract liabilities are classified as a current liability when the performance obligation is expected to be met within 12 months of the reporting date and non-current when the performance obligation is not expected to be met within 12 months of the reporting date.

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Notes to the Consolidated Financial Statements

4 Segment reporting

The Group operates two business segments. These segments have been determined based on how the Group's executive team (the chief operating decision-maker) reviews performance.

The two operating segments are:

- Customer engagement (Plexure division); This is a cloud-based customer engagement and analytics solution that enables the hospitality sector to personalise engagement with end-customers using connected devices. The Plexure division revenue is derived from one customer and its affiliates.
- Enterprise Transaction Management (TASK Division); This is the cloud-based, single-source transaction management platform that offers customers a connected omnichannel solution to capture consumer transactions.

| | Plexure Unaudited \$'000 | TASK Unaudited \$'000 | Total Unaudited \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|
| Six months ended 30 September 2023 | | | |
| License revenue | 24,756 | 4,441 | 29,197 |
| Consulting revenue | 4,195 | 1,363 | 5,558 |
| Hardware sales | – | 1,338 | 1,338 |
| Total Revenue | 28,951 | 7,142 | 36,093 |
| Operating expenses | (19,548) | (12,633) | (32,181) |
| Depreciation and amortisation | (1,371) | (5,121) | (6,492) |
| Interest expense | (179) | (22) | (201) |
| Segment contribution | 7,853 | (10,634) | (2,781) |
| | | | |
| | Plexure Unaudited \$'000 | TASK Unaudited \$'000 | Total Unaudited \$'000 |
| Six months ended 30 September 2022 | | | |
| License revenue | 14,787 | 4,301 | 19,088 |
| Consulting revenue | 2,189 | 1,972 | 4,161 |
| Hardware sales | – | 3,292 | 3,292 |
| Total Revenue | 16,976 | 9,565 | 26,541 |
| Operating expenses | (13,459) | (11,226) | (24,685) |
| Depreciation and amortisation | (1,515) | (5,123) | (6,638) |
| Interest expense | (204) | (38) | (242) |
| Segment contribution | 1,798 | (6,822) | (5,024) |

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Notes to the Consolidated Financial Statements

4 Segment reporting (continued)

Reconciliation from segment contribution to net loss before tax

| | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| Six months ended 30 September | | |
| Segment contribution | (2,781) | (5,024) |
| Corporate overheads | (3,064) | (2,660) |
| Other income | 581 | 117 |
| Currency gains | 645 | 2,334 |
| Net loss before tax | (4,619) | (5,233) |

From 1 April 2023 the Group changed how it classifies costs across its operating segments. Comparative information has been reclassified to reflect the new segment allocations. Key changes include allocating overhead costs into the two segments: Staff, Travel and Marketing. (\$391k to TASK and \$124k to Plexure).

Revenue by geographic location

| | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|--------------------------------------|-----------------------------|-----------------------------|
| Six months ended 30 September | | |
| North America | 11,286 | 6,462 |
| Asia | 9,064 | 6,477 |
| Australia | 5,429 | 8,000 |
| Europe, Middle East and Africa | 9,410 | 4,848 |
| New Zealand | 680 | 647 |
| Other | 224 | 107 |
| | 36,093 | 26,541 |

One customer contributes over 10% of the Group's total revenue.

5 Staff costs

| | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|---|-----------------------------|-----------------------------|
| Six months ended 30 September | | |
| Salaries and employee benefits (less capitalised) | 13,604 | 10,703 |
| Contractors | 1,843 | 1,109 |
| Share-based payments | 2,447 | 2,684 |
| Retirement benefits | 724 | 466 |
| Other staff costs | 818 | 525 |
| | 19,436 | 15,487 |

Refer to Note 8 for more information on share-based payments.

Notes to the Consolidated Financial Statements

6 Intangible assets

| Six months ended 30 September 2023 Unaudited | Software \$'000 | Goodwill \$'000 | Customer Relationships \$'000 | Other intangible assets \$'000 | Total \$'000 |
|---|--------------------|--------------------|-------------------------------------|---|-----------------|
| Opening book value | 43,830 | 70,203 | 6,279 | 3,185 | 123,497 |
| Additions ⁽¹⁾ | 4,266 | - | - | - | 4,266 |
| Amortisation | (4,466) | - | (906) | (209) | (5,581) |
| Foreign exchange difference | 183 | 303 | 33 | 14 | 533 |
| Closing net book value | 43,813 | 70,506 | 5,406 | 2,990 | 122,715 |
| <i>As at 30 September 2023</i> | | | | | |
| Cost | 75,653 | 70,506 | 9,005 | 3,985 | 159,149 |
| Accumulated amortisation | (31,840) | - | (3,599) | (995) | (36,434) |
| Net book value | 43,813 | 70,506 | 5,406 | 2,990 | 122,715 |
| <i>As at 31 March 2023</i> | | | | | |
| Cost | 71,172 | 70,203 | 8,966 | 3,968 | 154,309 |
| Accumulated amortisation | (27,342) | - | (2,687) | (783) | (30,812) |
| Net book value | 43,830 | 70,203 | 6,279 | 3,185 | 123,497 |

⁽¹⁾ Included in software additions is \$3.1 million of external costs capitalised (year ended 31 March 2023: \$40 thousand).

Goodwill represents the excess of purchase consideration over the fair value of the net assets acquired in a business combination and is allocated to cash-generating units (CGU's), which are the lowest level of assets that generate cash inflows and that are largely independent of the cash inflows of other assets.

The Goodwill balance relates to the acquisition of the TASK Division. Management has determined that the TASK Division is comprised of a single CGU, and therefore the Goodwill balance is allocated to the single TASK Division CGU.

On 1 April 2023, the Group acquired software for the capture and processing of customers' sales transactions. The consideration paid for this software was a combination of cash paid at acquisition, cash payments contingent on future events, and a share-based payment element. The Group's accounting policy concerning the contingent payments is to only recognise these payments, and the associated increase in the cost of the software asset, once the uncertainty surrounding both the timing and amount of the payment has been resolved. The share-based payment element was recognised on the acquisition date at the fair value of the equity options granted within the share-based payment reserve, along with an increase in the cost of the intangible asset. Refer to Note 8 for more details on the share-based payment element of this acquisition.

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Notes to the Consolidated Financial Statements

7 Share capital

All shares are ordinary shares, they have been issued as fully paid and have no par value. Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro-rata share of net assets on a wind up.

| Six months ended 30 September 2023 Unaudited | Shares | \$'000 |
|--|--------------------|----------------|
| Opening balance | 354,828,928 | 178,343 |
| Issue of ordinary share – Employee incentive schemes | 252,076 | 108 |
| Share buyback – unmarketable parcels | (143,170) | (64) |
| At 30 September 2023 | 354,937,834 | 178,387 |

| Year ended 31 March 2023 | Shares | \$'000 |
|--|--------------------|----------------|
| Opening balance | 353,582,379 | 177,751 |
| Issue of ordinary share – Employee incentive schemes | 1,246,549 | 592 |
| At 31 March 2023 | 354,828,928 | 178,343 |

On 18 July 2023, the Group completed a share buyback of unmarketable parcels of shares from shareholders who held less than AUD \$500 worth of shares in the Group.

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Notes to the Consolidated Financial Statements

8 Share-based payment reserve

The share-based payment reserve is used to record the accumulated value of unexercised share options and vested share rights which have been recognised in the Consolidated Statement of Comprehensive Income. As at reporting date had options over 28,270,712 shares (31 March 2023: 27,756,764). An additional 6,837,607 are deliverable as part of a share-based payment asset purchase, if certain future conditions are met. The share-based payment has been measured by reference to the fair value of the equity instruments granted as the Group was unable to estimate reliably the fair value of the software asset acquired due to its bespoke nature. Refer to Note 6 for additional information regarding this share-based payment.

| Six months ended 30 September 2023 Unaudited | \$'000 |
|--|---------------|
| Opening balance | 7,479 |
| Share-based payments – expense | 2,447 |
| Share-based payments – software acquisition ⁽²⁾ | 2,201 |
| Options expired | (8) |
| Options exercised | (63) |
| Balance at the end of period | 12,056 |

| Year ended 31 March 2023 Unaudited | \$'000 |
|---|---------------|
| Opening balance | 2,673 |
| Share-based payments expense | 5,404 |
| Options expired | (12) |
| Options exercised | (586) |
| Balance at the end of period | 7,479 |

⁽²⁾ On 1 April 2023, the Group purchased an intangible software asset, for which a portion of the consideration paid by the Group were ordinary shares. These shares are deliverable to the vendor once certain conditions have been satisfied.

9 Loss per share

The Net loss of \$3.0 million (2023: Net loss of \$4.6 million) for the period is represented by loss per share shown below based on weighted average ordinary shares on issue during the period.

| Six months ended 30 September | 2023 Unaudited | 2022 Unaudited |
|--|---------------------------|---------------------------|
| Weighted average ordinary shares issued | 354,940,126 | 353,582,379 |
| Weighted average potential shares | 28,582,649 | 28,288,033 |
| Weighted average number of shares for diluted loss per share | 383,522,775 | 381,870,412 |
| Basic loss per share (cents) | (0.84) | (1.30) |
| Diluted loss per share (cents) | (0.84) | (1.30) |

Share options are considered non-dilutive and are thus not taken into account in the calculation of diluted earnings per share when the Group is loss-making.

Notes to the Consolidated Financial Statements

10 Reconciliation of operating cash flows

Reconciliation from the net loss after tax to the net cash from operating activities.

| Six months ended 30 September | 2023 Unaudited \$'000 | 2022 Unaudited \$'000 |
|---|-----------------------------|-----------------------------|
| Net loss | (2,972) | (4,597) |
| <i>Adjustments for non-cash items</i> | | |
| Amortisation | 5,581 | 5,609 |
| Depreciation | 911 | 1,029 |
| Impairment on right of use assets | - | (213) |
| Recognition of share-based payments | 2,447 | 2,684 |
| (Gain) / loss on disposal of fixed, intangible, and right of use assets | 4 | (436) |
| Net foreign exchange (gain) / loss | (645) | (2,334) |
| | 8,298 | 6,339 |
| <i>Movements in working capital</i> | | |
| (Increase) / decrease in trade receivables and other assets | (446) | (4,131) |
| Increase / (decrease) in trade and other payables | (6,517) | 4 |
| Increase / (decrease) in deferred revenue | 8,557 | 12,224 |
| | 1,594 | 8,097 |
| <i>Items recognised as financing activities</i> | | |
| Interest paid | 201 | 242 |
| Net cash inflow / (outflow) from operating activities | 7,121 | 10,081 |

11 Related party transactions

On 22 September 2023, Mitch Bowen resigned as a Non-Executive Director. There were no other significant changes in relationships or transactions with related parties during the period ended 30 September 2023.

12 Events after reporting period

On 26 October 2023, the Company delisted from the New Zealand stock exchange.

There were no other significant events between reporting date and the date these financial statements were authorised for issue.

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Directors' Declaration

For the half-year ended 30 September 2023

In the Directors' opinion:

- a. the financial statements and notes set out on pages 6–17 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 September 2023 and of its performance for the half-year ended on that date, and
 - ii. complying with Accounting Standard AASB 134 Interim Financial Reporting, Corporations Regulations 2001, and other mandatory professional reporting requirements; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Bill Crichton
Chairman



Manda Trautwein
Director

Sydney
21 November 2023

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Independent Auditor's Review Report to the members of TASK Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Task Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 September 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 30 September 2023 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Auckland

BDO Auckland

A handwritten signature in black ink, appearing to read 'R Croucher', written over a light blue horizontal line.

R Croucher
Partner

Auckland
21 November 2023

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Directory

| | |
|---------------------------|--|
| Australian Company Number | 605 696 820 |
| Directors | <p>Bill Crichton – Chairman Daniel Houden – CEO Phil Norman Manda Trautwein Mitch Bowen (resigned 22.09.2023)</p> |
| Registered Office | <p>Suite 16 90 Mona Vale Road Mona Vale NSW 2103 Australia</p> |
| Share Registrar | <p>Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3000 Phone: +61 3 9415 5000 Fax: +61 3 9473 2500</p> |
| Auditors | <p>BDO Auckland PO Box 2219 Shortland Street Auckland</p> |
| Website | tasksoftware.com |

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