

30 May 2023

## **TASK Group Holdings Limited – Results for Announcement to the Market**

### **Appendix 4E and FY23 Annual Report**

**Auckland, New Zealand** – TASK Group Holdings Limited (“TASK” or “The Group”), in accordance with the ASX Listing Rules, attaches its Appendix 4E and FY23 Annual Report.

**ENDS**

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

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### **About TASK Group (ASX/NZX: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.

30 May 2023

**TASK Group Holdings Limited**

ARBN 605 696 820

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Reporting period	12 months to 31 March 2023
Previous reporting period	12 months to 31 March 2022

**Result for announcement to the market**

	Amount (NZD \$'000s)	% change
Revenues from ordinary activities	\$64,929	up 99%
Net profit / (loss) after tax from ordinary activities	\$365	up 102%
Net profit / (loss) attributable to security holders	\$365	up 102%

**Additional information**

TASK Group Holdings Limited (**TASK** or the **Company**) does not propose to pay a dividend and no dividends were declared and paid for the reporting period. The Company does not operate a distribution reinvestment plan.

Net tangible assets include right-of-use assets which are classified as property, plant and equipment. Net tangible assets, before providing for estimated tax on unrealised income and gains is NZD \$0.042 per share at 31 March 2023 (31 March 2022: NZD \$0.018 per share). Net tangible assets, after providing for estimated tax on unrealised income and gains is NZD \$0.030 per share at 31 March 2023 (31 March 2022: NZD -\$0.012 per share).

Details of entities over which control has been gained or lost during the reporting period can be found in note 9 to the consolidated financial statements for the year ended 31 March 2023.

For additional Appendix 4E disclosure requirements refer to TASK Group Holding Limited's FY23 Annual Report, which contains the consolidated financial statements and accompanying notes for the year ended 31 March 2023. The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS)

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



# TASK.

**Our Mission Statement:**  
**To personalise and power consumer transactions around the world.**

#### Key dates

24 July 2023	Annual Meeting
30 September 2023	Financial Half Year End
30 November 2023*	Half Year Results Announcement
31 March 2024	Financial Year End

\*Indicative date

This Annual Report is dated 30 May 2023 and is signed on behalf of TASK Group Holdings Limited by Bill Crichton (Independent Chair of the Board) and Daniel Houden (CEO and Managing Director).



**Bill Crichton**  
Chair of TASK Group



**Daniel Houden**  
CEO

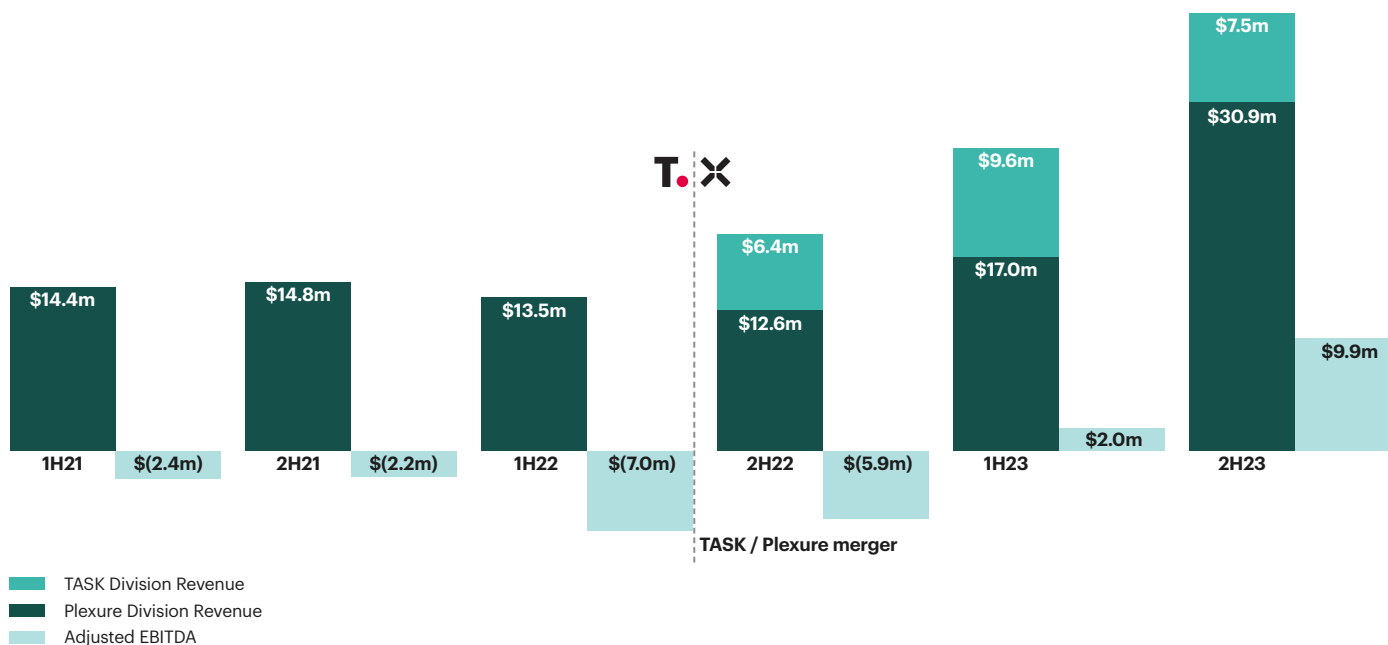
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## Business Highlights

### Positive revenue and earnings trend since TASK merger

Revenue growth since merger: Group +102% PLX +145% TSK +18%



### Year ending 31 March 2023<sup>1</sup>, NZD\$

#### Group revenue<sup>2</sup>

# \$64.9m

+99% YoY Growth

FY22: \$32.6m

#### Group recurring revenue

# \$56.6m

+123% YoY Growth

FY22: \$25.4m<sup>3</sup>

#### NPAT<sup>4</sup>

# \$0.4m

+101% YoY Growth

FY22: \$(24.3)m

#### Adjusted EBITDA<sup>5</sup>

# \$11.9m

+192% YoY Growth

FY22: \$(12.9)m

#### Cash at Year end

# \$28.3m

+\$0.9m in term deposits  
& strong net operating  
cash flow

<sup>1</sup> TASK merger occurred 1 October 2022. FY22 results include only six months for TASK Division.

<sup>2</sup> Revenue from customers, excludes Other Income.

<sup>3</sup> Prior year revenue uplift of \$0.6m resulting from reclassification of retainer-based services.

<sup>4</sup> Net Profit After Tax (NPAT) includes these non-cash items in FY23: Amortisation (\$11.2m); recognition of deferred tax asset (\$4.2m); Employee share-based expense (\$5.4m); Foreign exchange gain (\$1.4m).

<sup>5</sup> Adjusted EBITDA is a non-IFRS measure and removes the non-cash impact of employee share schemes from EBITDA. Refer to reconciliation in Directors' Report.

## Customer Highlights

### Plexure is driving significant customer outcomes post transformation



#### Completion of the Plexure turnaround, reorienting the business focus

New 5-year term and commercials with McDonald's  
(from 1 Aug 2022)

#### Strong operational growth, supporting key customer outcomes<sup>1</sup>

Monthly Active User growth of +19%

Active customers growth +41%

Engaged (transacting) customers +60%

+95% growth in Loyalty customers and 128-287% growth in Loyalty transactions<sup>2</sup>

<sup>1</sup> Year-on-year growth based on March 2023 vs March 2022.

<sup>2</sup> Dependent on form of Loyalty transaction (points versus stamp card gamification).



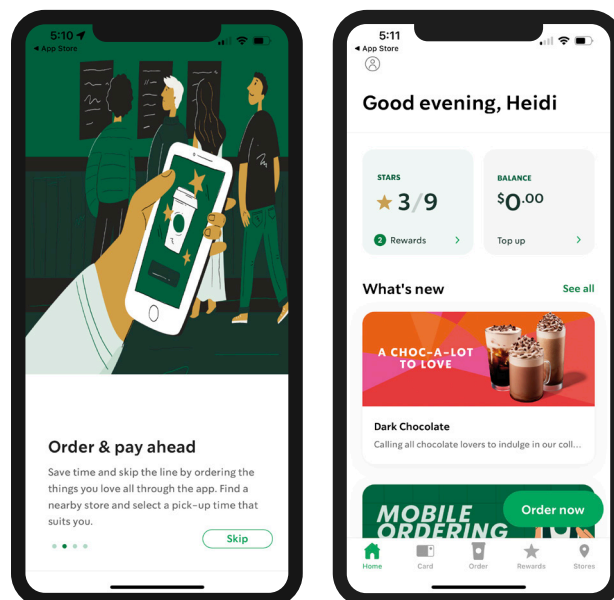
### Successful launch of TASK's white label Mobile Order and Pay app



#### TASK built a world-class cross-functional tailored solution for one of the world's biggest brands.

The TASK designed and built Starbucks Australia Mobile Order and Pay loyalty application is fully integrated with the TASK transaction management platform and has industry-leading UI/UX.

White label version fully available in app stores in 4Q23.



## Chair's Report



**It is my pleasure to present TASK Group's Annual Report for the financial year ended March 31, 2023, my first report as Chairman in a year of strong operational and financial progress for the Group.**

Our focus in FY23 was on the transformation of the business, and I am pleased to report that we have delivered on our goals and exceeded our own expectations.

In August 2022, we announced the restructuring of Plexure's commercial terms with its largest client. This milestone, together with cost base reductions and operational improvements within the Plexure division, underpinned the company's transformation and led to a substantial upgrade to our FY23 guidance.

In April 2023 we then confirmed to the market that we had surpassed this guidance on both revenue and adjusted EBITDA, a huge milestone for the company. As a result, we have:

- Ended the year profitably, after a net loss after tax of \$24.3m in FY22
- Delivered revenue for the year of \$64.9m, representing 99% growth on the previous year and ahead of guidance (\$59.0m - \$62.0m)

- EBITDA improvements of \$22.0 million over FY22, while Adjusted EBITDA has improved by \$24.9 million
- Ended year with strong cash in bank \$28.3m, plus term deposits of \$0.9m and strong net operating cash flow of \$18.9m

I am proud of the Group's stable and strong position, an outlier who is beating guidance, investing in staff and growing customers and revenue when others in the tech industry are retreating. We are confident that our strategic plans, together with our talented team and our dedication to delivering outstanding value to our clients, will continue to set us apart and enable us to thrive in this ever-changing environment.

### **Completion of the Plexure division turnaround**

In FY23, management delivered on their commitment to ensuring that the Plexure Division operations were cash flow positive.

We have continued to achieve cost reductions following the FY22 year end, all while continuing to support the growth of our end customers and the digital usage of the Plexure platform. This has resulted in the need to restart hiring to ensure that we have the necessary resources to deliver on our commitments. As a result of the higher usage of the Plexure platform, our IT costs have been above forecast to support our continued growth expectations.

### **TASK division's continued growth**

We are pleased to report that our growth has continued, despite our focus on transformation.

We have experienced strong growth in our SaaS business, with recurring revenue reaching \$10.8m. Furthermore, our SaaS Annualised Monthly Recurring Revenue (AMRR) result was 14% higher than at the end of FY22.

In terms of our customers, we are proud to announce the completion of the rollout of the Starbucks Australia Mobile



## Our focus in FY23 was on the transformation of the business, and I am pleased to report that we have delivered on our goals and exceeded our own expectations

Order and Pay app. Additionally, we have successfully piloted a new pizza QSR vertical with no operational issues.

We have invested in both our people and our platform, with an investment in new hires in Sports and Entertainment in the USA towards the end of the year. Furthermore, we have invested in an end-to-end platform that is ready for broader customer adoption. This platform offers disruptive value that is sure to challenge our competition.

### Governance changes

In August 2022 we announced an orderly renewal of our Board, our intention to change the Company's name to TASK Group Holdings and transition our primary listing to the Australian Securities Exchange (ASX) while maintaining a foreign exempt listing on the NZX.

At our AGM in September, I stepped into the Chairman role with my predecessor, Phil Norman, continuing to contribute to the company as a Non-Executive Director. We also welcomed Manda Trautwein and Mitchell Bowen as Independent Non-Executive Directors and we farewelled outgoing non-Executive Directors Sharon Hunter, Brian Russell, Robert Bell and Jack Matthews.

On 18 October 2022, Plexure Group began to trade under its new name, TASK Group Holdings Limited using the ticker 'TSK' following the company receiving the necessary regulatory approvals to move its primary listing to the ASX.

### A reinvigorated business

I have great confidence in the foundations of our business, which have supported us during a year in which we have successfully reinvigorated and reorientated our business. With strong and growing SaaS revenue, significant new hires in the USA and substantial investment in our platform made, we are confident that our Task Division will be a future growth engine for the business. We remain focused on continuing our transformation and growth plans at

pace, and I am pleased to report that with a profitable and growing business, we are in the strongest possible position to embark on FY24.

I would like to express my sincere thanks to our management team led by CEO Dan Houden and all of our exceptional staff, whose hard work and dedication have been crucial to our success. I am proud of what we have achieved together, and I have no doubt that we will continue to go from strength to strength in the years to come.

I would also like to extend my thanks to our valued customers, partners, and shareholders, whose ongoing support has been instrumental to our success. We remain committed to delivering exceptional value to all our stakeholders, and we look forward to working closely with you in the future.

Thank you for your continued support.

Sincerely,



**William (Bill) Crichton**  
Chair of TASK Group

## CEO's Report



Dear Shareholders,

**I am pleased to update you on our full year results for the twelve months ended 31 March 2023, a year where we exceeded on our commitment to become profitable and cashflow positive.**

Our team delivered on the turnaround of the Plexure division which resulted in an increase in revenue, profitability and a healthy cash position for the Company.

### Key FY23 highlights

- The Group exceeded guidance, with earnings before interest, tax, depreciation and amortisation (EBITDA) improving by \$22.0 million over FY22, while Adjusted EBITDA improved by \$24.9 million.
- Net Profit After Tax (NPAT) for the year is \$0.4 million, compared with a loss after tax of \$24.3 million in FY22.
- Group Revenue is up 99% on FY22, as a result of the Plexure division's revenue growth and a full year's contribution from the TASK division.
- Plexure division revenue is up 125% reflecting eight months of the new commercial terms with McDonald's, together with significant increases in user numbers and engagement on the Plexure platform

**Our progress in development and performance enhancement across our platforms has led to significant benefits for customers and opened up new opportunities to expand.**

- TASK division revenue is \$17.1 million for the full year compared to \$6.4 million in the last six months of FY22
- SaaS revenue is up 110%, with TASK division contributing 25% of the increase (\$4.5 million) and Plexure division the remaining 85% (\$15.4 million)
- Operating cost management has been sustained even though reported Operating Expenses are \$13.7 million higher year-on-year (the TASK division contributed a full year of costs in FY23 compared with only six months in FY22).
- Staff Costs, excluding share-based payments expense, are 4% higher year-on-year, reflecting the continued cost containment in Plexure division (18% lower year-on-year) that offset a full year of TASK division staff costs
- IT Costs are up 30% compared to FY22, as a result of an increase in McDonald's user numbers and end-user engagement activity on the Plexure platform
- Hardware costs are up 289% in line with the increased Hardware revenue, albeit at slightly lower margin to FY22

During the year, our continued progress in feature development and performance enhancement across our platforms has led to significant benefits for existing customers and opened new opportunities to expand our addressable market.

A major milestone for the business was the launch of our 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 services for our 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, giving users a convenient way to order and pay for goods and services. This feature has directly benefited existing clients by providing them with a powerful tool to enhance the customer experience and increase customer loyalty. It has also positioned the business to extend its reach and attract new customers who are looking for a fast and convenient way to order and pay for goods and services.

During the year, we have also delivered TOLO7's new platform releases, which have enabled a range of virtual location management tools, mobile responsive views, active order module support and more accurate location searches.

In addition to the continued benefits from the Plexure restructure undertaken in FY22, the turnaround of the Plexure division has been cemented by the renegotiation of our commercial terms with McDonald's.

Focus has remained on expanding the Plexure platform's customer engagement and loyalty ecosystem, which has seen significant user growth in FY23, adding over 19% more Monthly Active Users than in FY22. Engagement with the platform has significantly increased over this same period with growth in Active customers of +41%, Engaged (transacting) customers +60%, and Loyalty customers +95%, 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 period prior, 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.

## Strategy and Outlook

The Company has made a strategic decision to use FY24 to invest in the foundations needed for global growth. With a firm focus on expanding our reach, the Company recognises the importance of building a solid base for sustained success. This means investing in our customers,

platform, and people to ensure that we can provide a world-class experience to our clients around the globe.

We are now focused on targeting several attractive organic growth opportunities, including building on our strong trajectory in the QSR and the Sports and Entertainment sectors in the US. We will also explore opportunities in new geographies and industries to broaden our customer base.

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.

We will also continue to explore new lines of business, including our post year end acquisition of software IP to support the development and commercialisation of TASK payments capability, which is being demanded by customers and represents an attractive revenue stream in the medium term. We hope to begin to commercialise this platform in the next 12-18 months.

While always ensuring we are laser focused on managing our cost base with discipline, we do expect operating costs to grow as we enter new markets and invest in additional capability to support our growth.

## Guidance

In FY24, TASK Group is confident of maintaining our strong and profitable growth based on our pipeline of opportunities and our investment in sales and product.

I want to express my gratitude to all our team members, customers, partners, and shareholders for their unwavering support. The strong growth in revenue and turnaround in profitability for the Group is a testament to the team's hard work in transforming the business. The improving profitability profile of the business ensures we are in the strongest competitive and financial position to go to market in the coming year.



**Daniel Houden**  
CEO

## Board of Directors



**William (Bill) Crichton**  
Independent Chair and Non-Executive Director  
Appointed 1/10/2021

Mr Crichton is a globally minded and highly experienced strategic adviser and investor with over 20 years' experience in Asia as the regional President and CEO of leading international brands Sanyo (Asia) and Lixil Corporation (Asia, India, Oceania).



**Daniel Houden**  
CEO, Executive Director and Managing Director  
Appointed 1/10/2021

Prior to Plexure's acquisition of TASK, Daniel was with TASK for over 20 years and was instrumental in the company's transition to a SaaS product offering. Daniel's understanding of the business, marketplace and product is second to none and has been the driving force for much of TASK's growth.



**Manda Trautwein**  
Non-Executive Director  
Appointed 20/9/2022

Manda is a Chartered Accountant with extensive experience in governance, finance, and strategy. She is a Partner at accounting and advisory firm, William Buck. She also serves as Non-Executive Director and Chair of the Board Audit Committee of Judo Bank, an SME-focused challenger bank.



**Mitchell Bowen**  
Non-Executive Director  
Appointed 20/9/2022

Mr Bowen is the current CEO Online RMG and Chief Transformation Officer (CTO) at Aristocrat Leisure Limited (ALL), having held senior product, commercial, strategy and transformation roles across all major gaming functions and regions at Aristocrat.



**Phil Norman**  
Non-Executive Director  
Appointed 23/8/2012

Phil was a co-founder of Plexure and is an experienced director focusing on high-growth companies. He was the founding Chairman of Xero and currently holds directorships in a number of listed and unlisted businesses in New Zealand and Australia.

- ▲ Chair of Audit and Risk Committee
- Chair of Nominations and Remuneration Committee

## Executive Management Team



**Daniel Houden**  
Chief Executive Officer

See previous section.



**Russ Bennett**  
General Manager, Plexure Division

Russ is a strong technical leader with over 20 years of experience in the technology, payments and fintech space. He joins Plexure from his role as CEO at Fraedom, where he oversaw more than 450 staff and lead the company's global business strategies.



**Kathryn Byrne**  
Chief Strategy and People Officer

Kathryn is a strategic leader with a successful record of helping businesses across Europe, Australia and Asia Pacific to grow and adapt to ever-changing market conditions. She brings a wealth of knowledge from leadership roles in ecommerce, marketing, data analytics and digital innovation.



**André Gaylard**  
Chief Financial Officer

Over the course of his career, André has accumulated a wealth of senior financial and commercial experience, including a decade as CFO of listed companies in New Zealand and, more recently, in his role as General Manager Future Generation at Genesis Energy.



**Dean Houden**  
General Manager, TASK Division

Dean has been with TASK for more than two decades and has been a leader in transitioning the company from a Point-of-Sale provider to a comprehensive, transaction platform. Dean has a deep understanding of product design, branding, sales, business, and marketing.



## Directors' Report

The Directors present their Report on the Group for the financial year ended 31 March 2023.

### Principal activities

TASK 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. Our strength lies in our core proprietary platform that seamlessly connects and integrates TASK owned and third-party capabilities.

### Review of operations and activities

Commentary on the Group's operations and activities during the year is set out in the Chair's Review and CEO's Report. This includes the signing of a new 5-year commercial contract with McDonald's to complete the Plexure division's transformation and deliver a profitable result in FY23. It is expected that Plexure will progress to onboard new markets in FY24.

Apart from the acquisition of payments software IP to support the development and commercialisation of TASK payments capability, which followed the end of the reporting period, the Directors are not aware of any matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in subsequent financial years. This acquisition was made to meet increasing customer demand for payment capabilities and complete TASK's customer transaction platform. The Company believes that adding Payment capabilities would create a key competitive advantage and would complete TASK's transactional platform for hospitality clients. Integrated payments further reduces the number of suppliers that a customer has to deal with, and enables more streamlined core and value-added service delivery.

TASK Group will continue to focus on the Hospitality industry's evolving needs and innovate its core solution offering through development of new and existing products to broaden the connected platform's functionality that it is known for today. Driving targeted innovation through R&D to improve the client experience will support our ability to grow and retain our clients and enhance our competitive advantage through deepening our knowledge of the sector globally. Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

## Review of Financial Results for the year

### Summary of financial performance

The Group's summarised income statement is presented below.

Income Statement <sup>1</sup> (NZD\$,000)	Restated 2022	2023	TASK Division	Plexure Division
<b>Total income</b>	<b>32,779</b>	<b>65,379</b>	<b>17,237</b>	<b>48,142</b>
Recurring Revenue	25,423	56,584	10,783	45,801
<i>SaaS</i>	18,177	38,085	7,880	30,205
<i>Other Software &amp; Services</i>	7,246	18,499	2,903	15,596
Non-Recurring Revenue	5,853	3,587	1,598	1,989
Hardware	1,280	4,758	4,758	-
Other income	223	450	98	352
<b>Operating expenditure</b>	<b>(48,224)</b>	<b>(58,843)</b>		
Depreciation	(1,442)	(1,616)		
Amortisation	(8,316)	(11,194)		
<b>Earnings before interest and tax</b>	<b>(25,203)</b>	<b>(6,274)</b>		
Interest & foreign exchange movements	(486)	941		
Tax	1,353	5,698		
<b>Net profit after tax</b>	<b>(24,336)</b>	<b>365</b>		
<b>EBITDA<sup>2</sup></b>	<b>(15,445)</b>	<b>6,536</b>		
<b>Adjusted EBITDA<sup>3</sup></b>	<b>(12,947)</b>	<b>11,940</b>		

### Financial performance commentary

- Group Revenue is up 99% on FY22 as a result of Plexure division's revenue growth and a full year's contribution from TASK division.
  - Plexure division revenue is up 125% reflecting eight months of operations under the new commercial contract with McDonald's, together with significant increase in user numbers and engagement on Plexure's customer engagement platform
  - TASK division revenue is \$17.1 million for the full year compared to \$6.4 million in last six months of FY22
  - SaaS revenue is up 110%, with TASK division contribution 25% of the increase (\$4.5 million) and Plexure division the remaining 85% (\$15.4 million)
- Reported Operating Expenses are \$13.7 million higher year-on-year; however, TASK division contributed a full year of costs in FY23 compared with only six months in the comparative period.

<sup>1</sup> TASK division was acquired on 1 October 2022 and is included for only six months in the FY22 results.

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

<sup>3</sup> Adjusted EBITDA is a non-IFRS measure and removes the non-cash impact of employee share schemes from EBITDA. Refer to reconciliation in Directors' Report.

- Staff Costs, excluding share-based expense, are 4% higher year-on-year, reflecting the continued cost containment in Plexure division (18% lower year-on-year) that offset a full year of TASK division staff costs that includes modest growth in resources (126% higher – 12m vs 6m)
  - Share-based expense is \$5.4 million (up \$2.9 million or 116% on prior comparable period) reflecting a full year of TASK LTI scheme costs (\$2.0 million of the increase) and awards to Plexure and corporate staff to incentivise and reward the division's turnaround which was successful
  - IT Costs are up 30% compared to FY22, as a result of increase in user numbers and end user engagement activity for McDonald's on the Plexure division platform
  - Hardware Costs are up 289% in line with the increased Hardware revenue, albeit at slightly lower margin to FY22
  - Amortisation has increased \$2.9 million reflecting the net impact of a full year of amortisation for the acquired intangible assets of TASK division, partially offset by the longer estimated useful lives of the acquired software and brand assets
  - Travel and Marketing costs are \$1.1 million higher in FY23, reflecting the increased investment in activities to win customers and grow revenue in the TASK division
3. Tax in FY23 is a benefit of \$5.7 million, which includes the recognition of a deferred tax asset in the year \$4.2 million. The Group returned to profitability during FY23 and carried forward losses in New Zealand are expected to be fully utilised.
  4. Net profit after tax for the year is \$0.4 million compared with a net loss after tax of \$24.3 million in FY22.
  5. EBITDA has improved by \$22.0 million over FY22, while Adjusted EBITDA has improved by \$24.9 million.

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

NZD '000s	Restated 2022	2023
<b>Net loss after tax</b>	<b>(24,336)</b>	<b>365</b>
<i>Add back:</i>		
<i>Tax</i>	<i>(1,353)</i>	<i>(5,698)</i>
<i>Finance expense (incl. FX movements)</i>	<i>486</i>	<i>(941)</i>
<i>Depreciation</i>	<i>1,442</i>	<i>1,616</i>
<i>Amortisation</i>	<i>8,316</i>	<i>11,194</i>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>(15,445)</b>	<b>6,536</b>
<i>Add back:</i>		
<i>Employee share-based expenses*</i>	<i>2,498</i>	<i>5,404</i>
<b>Adjusted EBITDA</b>	<b>(12,947)</b>	<b>11,940</b>

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



### Balance Sheet and Cash Flow

- The Balance Sheet was strong as at 31 March 2023. TASK Group had:
  - \$28.3 million of cash on hand, reflecting an increase on prior year
  - \$0.9 million in term deposits as security
  - No debt facilities or borrowings
  - \$4.2 million deferred tax asset recognised as a result of expected ongoing profitability
- Net cash inflow from operating activities during the year was \$18.9 million vs a net cash outflow of \$16.6 million in FY22.

### Dividends

During or since the end of the financial year, no dividends have been paid or declared.

### Subsequent Events

As mentioned previously, the Group acquired payments software IP to support the development and commercialisation of TASK payments capability after 31 March 2023.

The Company's Board and Management are also working towards moving the Company's incorporation from New Zealand to Australia. Subject to receiving a written notice from the Commissioner of Inland Revenue that the Commissioner has no objection to the Company being removed from the New Zealand register, the Company will ask shareholders to approve by special resolution the making of an application to remove the Company from the New Zealand register. Further details on the migration process will be set out in the Notice of Annual Meeting.

At the date of this report, there is no other matter or circumstance that has arisen since the end of the financial year requiring disclosure or an adjustment to the financial statements.

### Corporate Governance Statement

The Company's Directors and Management are committed to upholding a high standard of corporate governance and ethical conduct. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.7.4 and 4.10.3, the Corporate Governance Statement will be available for review on TASK's website (<https://tasksoftware.com/investors>) and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX. The Appendix 4G will particularise each Recommendation that needs to be reported against by TASK and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on TASK's website (<https://tasksoftware.com/investors>).

### **TASK Group Directors**

The Directors of the Company who held office during the financial year are noted below. In September 2022, an orderly change of the Board occurred, where shareholders elected new members of the Board, as others stepped down from office:

William (Bill) Crichton	Independent Chair and Non-Executive Director	Appointed 1/10/2021
Phil Norman	Non-Executive Director	Appointed 23/08/2012
Daniel Houden	CEO, Executive Director and Managing Director	Appointed 1/10/2021
Mitchell Bowen	Non-Executive Director & Chair of the Nomination and Remuneration Committee	Appointed 20/9/2022
Manda Trautwein	Non-Executive Director & Chair of the Audit and Risk Committee	Appointed 20/9/2022
Robert Bell	Non-Executive Director	Appointed 8/4/2019; Ceased 20/9/2022
Sharon Hunter	Non-Executive Director	Appointed 27/11/15; Ceased 20/9/2022
Jack Matthews	Non-Executive Director	Appointed 1/7/2019; Ceased 20/9/2022
Brian Russell	Non-Executive Director	Appointed 27/10/2017; Ceased 20/9/2022

The above-named directors held office during and since the end of the financial year unless otherwise stated.

### **Company Secretary – Maria Clemente (via Boardroom Pty Ltd)**

Prior to accepting company secretarial appointments, Maria was a senior listings adviser at the ASX where she had extensive involvement in the oversight of listed entities primarily in the technology sector. Maria is admitted as a lawyer in New South Wales and spent a decade in corporate restructure and turnaround, with specialist experience in conducting formal insolvency appointments.

### **Indemnification and Insurance of Directors and Officers**

The Company has arranged, as provided for under its Constitution, insurance policies for Directors' and Officers' liability which, with a Deed of Indemnity entered into with each Director, are intended to ensure (to the extent permitted by applicable law) that the Directors and Officers will not incur monetary losses as a result of actions undertaken by them as a director or officer (as applicable) of any Group company.

Certain actions are specifically excluded, for example the incurring of penalties and fines which may be imposed in respect of breaches of the law. Under the Deeds of Indemnity with the Directors, TASK Group must (subject to its Constitution and the Companies Act) maintain such insurance during the Director's directorship and for such a period of time following the directorship as determined by the Board.

### **Director re-elections**

Bill Crichton and Daniel Houden, having been appointed to casual vacancies on 1 October 2021, offered themselves up for formal election, and were elected at the Company's annual meeting on 20 September 2022.

Phil Norman is offering himself up for re-election at the Company's annual meeting on 24 July 2022.

## Board and Committee meetings

The number of Directors' meetings (including meetings of Board Committees) held during the year, and the number of meetings attended by each Director is as follows:

	Board Meeting		Audit & Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	Total attended	Eligible to attend	Total attended	Eligible to attend*	Total attended	Eligible to attend*
Bill Crichton	12	12	3	3	3	3
Manda Trautwein	6	6	2	2	1	-
Mitch Bowen	6	6	1	-	2	2
Phil Norman	12	12	3	3	3	3
Daniel Houden	12	12	1	-	2	-
Robert Bell	6	6	1	1	1	-
Sharon Hunter	4	6	1	1	1	1
Jack Matthews	5	6	-	1	1	1
Brian Russell	6	6	-	1	1	1
<b>Total number of meetings held</b>	<b>12</b>		<b>3</b>		<b>3</b>	

\*To attend as a member of that Committee.

## Board skills & composition

During the year the Company reviewed the mix of skills and attributes of the Board against the desired skills and attributes in line with good governance practice utilising a skills assessment criteria and gap analysis.

## Diversity

TASK Group's Directors also believe that diversity goes beyond gender and ethnicity and that diversity is the key to succeeding in the fast-changing world. TASK Group is committed to creating and maintaining an inclusive and collaborative workplace culture and recognises the values of a diverse and skilled workforce. This commitment extends to all areas of its business and is encompassed in TASK Group's Diversity Policy which is available on our website. The guiding principles of this Policy include equal employment opportunities for all employees, that diversity and inclusion is fostered as part of TASK's culture at all levels of the business, decisions will be made free from bias and based on merit and discrimination of any kind will not be tolerated at TASK. The effectiveness of the Diversity Policy is reviewed and monitored by the Remuneration Committee annually.

The Board recognises that gender is one important and commonly reported measure of diversity. The gender composition at TASK Group, as at 31 March 2023, was as follows:

Employee type	Female	Female %	Male	Male %	Grand Total
Directors	1	20%	4	80%	5
CEO & Group Executives	1	20%	4	80%	5
Senior Managers	3	18%	14	82%	17
Employees & Contractors	50	29%	122	71%	172
<b>Totals</b>		<b>28%</b>		<b>72%</b>	<b>100%</b>

The gender balance remains an area of focus of the Company.

In addition, TASK Group is proud of the broad ethnic diversity of the business. As at 31 March 2023, the ethnic balance of the Company's directors, officers and all employees and contractors were as follows:

Ethnicity	Employees & Contractors	Senior Managers	CEO & Group Executives	Directors	Grand Total	% Total
Asian	67	2			69	35%
European	49	2	2	1	54	27%
New Zealand European/Pakeha	17	7	1	1	26	13%
Australian	17	3	2	3	25	13%
American	8	1			9	5%
Middle Eastern	6				6	3%
Latin American	4	1			5	3%
African	3	1			4	2%
Fijian Indian	1				1	1%
<b>Grand Total</b>	<b>172</b>	<b>17</b>	<b>5</b>	<b>5</b>	<b>199</b>	<b>100%</b>

### Environmental and social risks

TASK is currently assessing its environmental and social sustainability footprint and intends to undertake a more in-depth review of its exposure to environmental and social risks in the current financial year.

TASK is cognisant of the importance of climate change and will focus on managing risks and opportunities to be aligned with standards of the Task Force on Climate-related Financial Disclosures and, in particular, on reducing the Group's impact on climate change.

For more information on the Company's assessment of environmental and social risks, please refer to our Corporate Governance Statement.

### Non-audit services

TASK Group's auditor is BDO Auckland Limited, who were appointed on 20 December 2022 following the resignation of Deloitte Limited (New Zealand) after the Group migrated its primary listing to the ASX, in accordance with Deloitte Limited's internal risk policy regarding ASX primary listings for their New Zealand partnership.

The Group's statutory audit fee for the financial year ended 31 March 2023 was NZD \$182 thousand. Including NZD \$45 thousand in fees was paid to Deloitte for the review of the condensed consolidated interim financial statements for the six months ended 30 September 2022.

Prior to being appointed as auditors, fees of \$12 thousand were paid to BDO Auckland related to IFRS advisory services provided to the Group. There have been no amounts paid to BDO Auckland Limited for non-audit services since their appointment as Group auditor.

### Remuneration of key management personnel

Information about the remuneration of directors and key management personnel is set out in the Remuneration Report section of this Directors' Report.

# Remuneration Report

This Remuneration Report, which forms part of the Directors' Report, outlines TASK Group's approach to remuneration for the financial year ended 31 March 2023.

## Overview

TASK Group's remuneration policies and practices are designed to promote a high-performance culture that attracts, retains, motivates and rewards talent in a way that is consistent with the long-term interests of TASK Group. The following principles guide TASK Group's remuneration strategy:

- Reflects the markets we recruit from and need to be competitive in
- Aligns to shareholder interests and sustainable shareholder returns
- Encourages behaviours consistent with our values and delivery of high quality customer outcomes
- Aligns remuneration to business results and achievement of strategies

TASK Group's Total Reward remuneration approach comprises of several components:

- **Fixed remuneration:** a fixed wage or salary, and legislative benefits where applicable (generally based on local government requirements). This is set at a level to attract and retain high calibre employees and is reviewed annually taking into account Company and individual performance and external market conditions;
- **Short-term Incentive (STI):** the potential for a discretionary at-risk annual cash bonus based on achieving pre-determined corporate and individual performance targets. The target value of an STI payment is set annually, usually as a percentage of the individual's base salary; and

- **Long-term Incentive (LTI):** a discretionary long-term form of variable remuneration, often in the form of share options. The Group operated three employee and executive incentive plans during the financial year ended 31 March 2023; an Employee Share Option Scheme (ESOS), a Deferred Share Rights and a Restricted Share Unit Scheme (RSUs). For further details relating to share options issued during the year, refer to note 18 in the Financial Statements. The issue of any share-based incentives is approved by the Board.

TASK Group's Board and Executive Remuneration Policy is published on the TASK Group website.

## Employee remuneration

TASK Group provides the opportunity for employees to receive, where performance merits, a total reward package for equivalent market-matched roles. The review takes multiple criteria into consideration, including business performance, internal and external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

TASK Group evaluate staff performance throughout the year, but formally document the appraisal twice a year. All of TASK Group's permanent employees, have undertaken performance reviews in FY23.

TASK Group notes that the high proportion of employees earning above \$100,000 reflects TASK Group's business model and the demand for skilled staff, particularly in the technology sector.

Outlined below is remuneration totalling NZD\$100,000 or more received by permanent employees or former employees of the Group during the financial year ended 31 March 2023:

Remuneration range (NZ\$)			Number of employees
100,000	to	110,000	14
110,001	to	120,000	8
120,001	to	130,000	17
130,001	to	140,000	18
140,001	to	150,000	12
150,001	to	160,000	6
160,001	to	170,000	6
170,001	to	180,000	7
180,001	to	190,000	9
190,001	to	200,000	4
200,001	to	210,000	3
210,001	to	220,000	3
220,001	to	230,000	2
230,001	to	240,000	1
240,001	to	250,000	2
250,001	to	260,000	1
290,001	to	300,000	1
370,001	to	380,000	1
440,001	to	450,000	1
460,001	to	470,000	1
530,001	to	540,000	1
750,001	to	760,000	1

#### Notes

- Offshore remuneration amounts have been converted into New Zealand dollars at the prevailing rate of exchange.
- Total remuneration includes salaries, defined contribution schemes, commission and discretionary short-term incentives paid during the FY23 financial year.
- Discretionary short-term incentives (if any) include amounts paid after 31 March 2023 relating to FY23, as well as an exceptional deferred discretionary performance bonus for the Group Executive relating to FY22, which was not included in the FY22 closure of accounts and captured in the FY23 financial year.

— Figures do not include long-term variable remuneration (the fair-value of share-based payments, as expensed through the Income Statement in this period) or any discretionary or fringe benefits provided to employees. The figures also do not include the CEO, who is also a Director of the Company.

#### Overview of Executive Management remuneration

TASK Group is committed to ensuring that remuneration packages of Executive Management are designed to align remuneration to the development and achievement of business strategies and objectives that create sustainable value for shareholders.

The Board's aim is to reward Executive Management fairly and responsibly, having regard to Company performance, the individual's performance and applicable remuneration market benchmarks. As such, the Remuneration & Nomination Committee reviews the remuneration of Executive Management annually and provides the Board with recommendations on market remuneration levels for comparable roles. The Board is also responsible for monitoring the performance of the CEO and Executive Management against established and agreed objectives.

Please refer to the table below for an overview of the remuneration components provided to the Company's Executive Management.

Component	Description	Link to strategy & performance
Fixed remuneration	<ul style="list-style-type: none"> <li>— Base salary</li> <li>— Legislative benefits</li> </ul>	Annual reviews take into account Group and division performance, external benchmarking, plus individual factors such as performance and behaviours.
Discretionary short-term incentive (STI)	<ul style="list-style-type: none"> <li>— At-risk component set at between 25% to 40% of the Executive's base salary</li> <li>— Paid in cash</li> <li>— Designed to align Executive Management's remuneration to the delivery of TASK Group's performance objectives (comprising of both financial and non-financial objectives)</li> <li>— The targets are set at the beginning of each financial year and are approved by the Board</li> <li>— Performance against target is determined by the Board at the end of each financial year after review by the Remuneration &amp; Nomination Committee</li> </ul>	Rewards delivery of key strategic and financial objectives in line with TASK Group's annual business plan.
Discretionary long-term incentive (LTI)	<ul style="list-style-type: none"> <li>— At-risk component set at between 30% to 40% of the Executive's base salary</li> <li>— Share-based award, grant is linked to performance against specified annual KPIs (approved by the Board at the end of the financial year)</li> <li>— Designed to align Executive Management with shareholder interests over the longer-term</li> <li>— Vesting is subject to continuing employment (unless the Board determines otherwise)</li> </ul>	Rewards delivery against longer-term, strategy and provides alignment between shareholder and Executive Management outcomes.

## Overview of CEO and Managing Director remuneration

Daniel Houden has entered into an employment agreement with TASK Group to govern his employment. Daniel is employed as CEO and Managing Director.

In FY23, Daniel's remuneration was made up of:

- Fixed remuneration including base salary of NZD\$550,904, plus statutory pension contribution. Typically, the CEO's base salary is reviewed annually with effect from 1 April each year.
- A discretionary annual Short-Term Incentive (STI) bonus up to 50 percent of his base salary, based on the performance of the Company and his achievement against key performance indicators relating to the prior financial year. Payment of an STI is at the Board's discretion and is assessed in the first quarter of each financial year. During FY23, Daniel achieved 100% of his awarded STI, equivalent to NZD\$277,751. In addition, Daniel received a deferred discretionary performance bonus of NZD\$137,123 for TASK Group's performance in the previous financial year (representing 100% pro-rated achievement against target in FY22).

Daniel was not granted share options in the year ended 31 March 2023. He also does not receive additional remuneration in his capacity as a Director of the Company or any other Group company.

## Overview of Non-Executive Director remuneration

The Remuneration & Nomination Committee (RemCo) assists the Board in establishing remuneration and nomination policies and practices that satisfy TASK Group's remuneration framework.

To achieve this, the Remuneration & Nomination Committee's responsibilities include reviewing and recommending to the Board the structure of remuneration to be paid to the Company's Non-Executive Directors and any changes to the structure of such payments. The Committee assesses and reviews each Non-Executive Director's compensation annually having regard to the time commitment and responsibilities of that Director. Where appropriate, the Committee engages external consultants to provide independent advice.

The Board has determined that Non-Executive Directors shall be compensated by way of cash fees and that no performance-based compensation shall be offered to ensure that objectivity in decision making is not compromised. In addition, TASK Group does not provide superannuation arrangements or retirement allowances to its Non-Executive Directors. Each Non-Executive Director is entitled to be paid for all reasonable travel, accommodation and other expenses incurred by that Director in connection with their attendance at meetings or otherwise in connection with TASK Group's business. The Board may determine that additional fees and allowances be paid to Directors to reflect additional services provided to the Company.

Shareholder approval was gained at TASK Group's September 2022 Annual Meeting to increase the maximum aggregate annual cash-based remuneration payable to all the Company's Non-Executive Directors for their services as a Director to AUD\$600,000, from NZD\$500,000. It was also approved for the Board to issue, at their discretion, ordinary shares in the Company as part or full remuneration payable to Non-Executive Directors, provided that any issue occurs in compliance with ASX Listing Rule 4.7.



## Director remuneration details

The Directors' remuneration (in NZD\$) for the year ended 31 March 2023 is set out below:

NZD\$ Director	Tenure	TASK Group Board tenure	FY23 Directors fees
Mitchell Bowen	Independent	20/09/22 - present	\$51,300
Bill Crichton	Independent, Chair from 20/09/22	01/10/21 - present	\$97,316
Phil Norman	Independent, Chair until 20/09/22	23/08/2012 - present	\$87,890
Manda Trautwein	Independent	20/09/22 - present	\$51,300
Robert Bell	Independent, resigned	8/04/2019 - 20/09/2022	\$28,500
Sharon Hunter	Independent, resigned	27/11/2015 - 20/09/2022	\$25,000
Jack Matthews	Independent, resigned	1/07/2019 - 20/09/2022	\$25,000
Brian Russell	Independent, resigned	27/10/2017 - 20/09/2022	\$25,000
Daniel Houden	Executive Director and CEO	01/10/21 - present	-
<b>Total</b>			<b>\$391,305</b>

## Equity instrument disclosures

In August 2012, the Company established an Employee Share Option Scheme (ESOS) that entitles employees to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued. The granting of options is designed to align the rewards for Executives, Senior Managers and employees with the enhancement of shareholder value over a multi-year period. The options vest in equal tranches over three years and must be exercised within five years from the grant date. The number of options granted is determined by the Board.

In October 2021, as part of the acquisition of TASK Software (TASK), the Company established a Long-Term Incentive Scheme (LTI Scheme) to award the employees and contractors of TASK with Deferred Share Rights that entitle the recipient to be issued with a share in TASK Group after three years of continuing service.

In December 2021, the Company established a Restricted Share Unit Scheme (RSU Scheme) that entitles selected employees to receive shares in TASK Group if specified performance targets and employment conditions are met. The RSUs vest in equal tranches over three years and the performance against each target is measured at a set date based on the performance target.

## Shareholdings

The number of Shares held during FY23 by each Director, including their personally related parties, is set out below.

	Shares held	Ongoing Disclosure Notice / Most recent 3Y issued	% Total Issued Share Capital
Mitchell Bowen	-	-	-
Bill Crichton	463,494	04/08/2022	0.13%
Phil Norman*	4,603,767	27/06/2022	1.30%
Manda Trautwein	-	-	-
Daniel Houden	-	-	-
<b>Total</b>	<b>5,067,261</b>		<b>1.43%</b>

*\*Phil Norman holds 3,194,405 ordinary shares in own name, plus 1,409,362 ordinary shares held jointly with Wendy Joy Norman and Murray Gordon Wells.*

## End of Remuneration Report

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board.



**Bill Crichton**

Independent Chair of the Board of Directors



## Independent Auditor's Report to the shareholders of TASK Group Holdings Limited

### Opinion

We have audited the consolidated financial statements of Task Group Holdings Limited (formerly Plexure Group Limited) ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards (IFRS).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Revenue recognition

### Key Audit Matter

The Group derived revenue of \$64.929m primarily from licensing and consulting services for the year ended 31 March 2023.

The Group enters into contracts with customers which contain the provision of software licenses and consulting services. The revenue recognition for each element differs based on when the service has been delivered to the customer and is normally after the revenue has been invoiced. This requires the Group to identify the value of the individual services being provided in the contract so that it can be allocated to the service in the period when the service is provided (in accordance with NZ IFRS 15 - *Revenue from Contracts with Customers* ("NZ IFRS 15")).

The Group's contracts with customers also contain elements of variable consideration and Management estimates the variable consideration using the 'most likely amount' method. Variable consideration is subject to a constraining principle in accordance with NZ IFRS 15 whereby revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

This is a key audit matter because of the significance of revenue to the measurement of the performance of the Group and the level of judgement made in determining when services are delivered and complexity in estimating variable consideration.

Refer to Note 3 Revenue from contracts with customers of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We have evaluated Management's revenue recognition accounting policy based on our understanding of the contracts with customers and the requirements of NZ IFRS 15.
- We have performed data analytic procedures to gain assurance over the existence and accuracy of revenue transactions of the Group.
- We have tested a sample of transactions on either side of reporting date to confirm revenue has been recognised within the correct accounting period.
- We reperformed the calculation of deferred revenue at balance date based on the contract price, hours charged and the period in which the services are being delivered under the contract.
- We reperformed the calculation of variable consideration at reporting date based on the terms of the contract with the customer.
- We reviewed the disclosures in Note 3 Revenue from contracts with customers to the consolidated financial statements, including the revenue recognition policy, to the requirements of the accounting standard.



## Goodwill impairment

### Key Audit Matter

The Group has recognised goodwill on the historical acquisition of TASK Retail Pty Ltd. The goodwill balance of \$70.203m at 31 March 2023 is subject to an annual impairment test in accordance with NZ IAS 36 - *Impairment of Assets* ("NZ IAS 36").

Management performed their impairment test, by considering the recoverable amount of the Cash Generating Unit ("CGU") (to which goodwill is allocated) using a fair value less costs to dispose calculation. This calculation is judgemental and subject to key inputs and assumptions such as forecast revenue, revenue/enterprise value ("EV") multiple, control premium and disposal costs, which inherently include a degree of estimation uncertainty and are prone to potential bias and inconsistent application. This is a key audit matter due to the significance of goodwill to the consolidated financial statements, and the level of judgement involved in assessing impairment of this balance.

Refer to Note 12 Goodwill of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We obtained and evaluated Management's goodwill impairment assessment as at 31 March 2023.
- We assessed the accuracy of previous forecasts to actual performance to form a view on the reliability of Management's forecasting ability and to understand key differences between historical actual versus forecast performance. We considered these with reference to changes that have been made within the business and the impact of the current market environment.
- We engaged our internal valuation experts to assess whether the methodology used by Management in their fair value less costs to dispose calculation is in accordance with NZ IAS 36 and to assess the revenue/EV multiple, control premium and costs of disposal based on our expert's market and valuation knowledge.
- We reviewed Management's sensitivity analysis performed on key inputs and assumptions to determine the extent to which any changes would affect the recoverable amount of the assets.
- We compared the carrying value of the CGU to the recoverable amount determined by the fair value less costs to dispose calculation to identify any impairment losses.
- We have reviewed the disclosures in Note 12 Goodwill to the consolidated financial statements, including impairment and sensitivity analysis, to the requirements of the accounting standard.



## Change in useful life of intangible assets

### Key Audit Matter

During the year ended 31 March 2023, the Group reassessed the estimated useful life of certain software acquired and developed by the Group and the intangible asset related to the acquired TASK brand. Subsequently, the useful life of certain software has been updated from 5 years to 7 years, and the useful life of the TASK brand has been updated from 5 years to 10 years.

This is a key audit matter due to the significance of software and brand intangible assets to the consolidated financial statements, and the level of judgement involved in determining the useful life applied to these assets.

Refer to Note 2 (b) Summary of significant accounting policies – *critical estimates and judgements in applying accounting policies* of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We obtained Management's positioning paper on the change in useful life of certain software acquired and developed by the Group and the intangible asset related to the acquired TASK brand.
- We challenged Management's determination of the useful life by making a comparison to external information such as market data.
- We re-calculated the effect of the change in accounting estimate on the consolidated financial statements for the year ended 31 March 2023.
- We have reviewed the disclosures in Note 2 Summary of significant accounting policies of the consolidated financial statements to the requirements of the accounting standard.

## Recognition and measurement of deferred tax assets

### Key Audit Matter

The Group has recognised deferred tax assets of \$4.205m as at 31 March 2023.

We consider this a key audit matter because of the significance of the deferred tax assets and the level of judgement and estimation necessary to determine that sufficient future taxable profit will be available against which the unused tax losses can be utilised.

Refer to Note 7 Tax of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We obtained Management's tax calculations and agreed significant items to supporting documentation and assessed the mathematical accuracy of the calculations.
- We engaged our internal taxation experts to assess the accuracy of the tax calculations and treatment of significant items.
- We challenged Management's judgements relating to the forecasts of future taxable profit and evaluated the reasonableness of the assumptions underlying the preparation of these forecasts to ensure that the recognition requirements of NZ IAS 12, including probable future taxable profits, are met.
- We evaluated whether the evidence supporting the recognition of a deferred tax asset (i.e. future taxable profits) outweighs the evidence against the recognition (i.e. the existence of unused tax losses and inherent uncertainty in the forecasts).
- We reviewed the disclosures in Note 7 Tax of the consolidated financial statements to the requirements of the accounting standard.



## Share based payment arrangements

### Key Audit Matter

The Group issued options to certain employees, under the share-based payment arrangements during the year ended 31 March 2023. The share-based payment arrangements included both service and performance vesting conditions.

The Group also had existing share-based payment arrangements that were exercised and forfeited during the year.

There is judgement involved in determining the value of share-based payment arrangements and subsequent recording of the fair value as an expense over the estimated vesting period. As a result, and given the magnitude of the expense in the current year, the audit of the share based payment arrangements was considered a key audit matter.

The share-based payments expense recorded for the year ended 31 March 2023 is \$5.404m resulting in a share-based reserve of \$7.479m as at 31 March 2023. Details of these share-based payment arrangements are disclosed in Note 4 Staff costs and Note 18 Share-based payment reserve of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We evaluated Management's assessment on the treatment of the share-based payments arrangement in accordance with NZ IFRS 2 – *Share-based Payment*.
- We agreed the terms of the share-based payment arrangements issued during the year to contracts.
- We assessed, in conjunction with our internal valuation experts, the appropriateness of the valuation methodology used by Management and the key input assumptions such as volatility rates, expected life and probability of achieving the market-based performance conditions.
- We recalculated the share-based payments expense recorded in the income statement over the relevant vesting periods.
- We have reviewed the disclosures in Note 4 and 18 in relation to the share-based payment arrangements to the requirements of the accounting standard.

## Other Matter

The consolidated financial statements of Plexure Group Limited (now called Task Group Holdings Limited) for the year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 30 May 2022.

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>.

This description forms part of our auditor's report.

### Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Richard Croucher.

A handwritten signature in black ink that reads 'BDO Auckland'. The signature is written in a cursive, flowing style.

BDO Auckland  
Auckland  
New Zealand  
30 May 2023





## Income Statement

Year ended 31 March	Notes	2023 \$'000	Restated 2022 \$'000
<b>Revenues</b>			
Revenue from contracts with customers	3	64,929	32,556
Other income		450	223
<b>Total revenue and other income</b>		<b>65,379</b>	<b>32,779</b>
<b>Expenses</b>			
Staff costs	4	(31,357)	(27,531)
Travel costs		(1,225)	(279)
Office costs		(1,556)	(937)
Professional fees	5	(2,886)	(2,920)
Marketing		(835)	(679)
IT costs	6	(15,655)	(12,034)
Hardware costs		(4,049)	(1,040)
Other expenses		(1,280)	(2,804)
Depreciation	10	(1,616)	(1,442)
Amortisation	11	(11,194)	(8,316)
Operating expenses		<b>(71,653)</b>	<b>(57,982)</b>
Interest expenses		(472)	(303)
Foreign exchange movements		1,413	(183)
Financing expenses		941	(486)
<b>Net loss before tax</b>		<b>(5,333)</b>	<b>(25,689)</b>
Income tax credit / (expense)	7	5,698	1,353
<b>Net profit / (loss)</b>		<b>365</b>	<b>(24,336)</b>
Basic earnings / (loss) per share (cents)	19	0.10	(9.25)
Diluted earnings / (loss) per share (cents)	19	0.10	(9.25)

## Statement of Comprehensive Income

Year ended 31 March	Notes	2023 \$'000	Restated 2022 \$'000
<b>Net profit / (loss)</b>		<b>365</b>	<b>(24,336)</b>
<b>Other comprehensive income</b>			
Translation of foreign operations	17	(834)	3,611
<b>Total comprehensive loss for the year</b>		<b>(469)</b>	<b>(20,725)</b>

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

## 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
<b>Balance at 1 April 2022</b>		<b>177,751</b>	<b>3,699</b>	<b>2,673</b>	<b>(54,816)</b>	<b>129,307</b>
Net profit		-	-	-	365	365
Translation of foreign operations	17	-	(834)	-	-	(834)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>(834)</b>	<b>-</b>	<b>365</b>	<b>(469)</b>
<i>Transactions with owners</i>						
Employee share options – exercised	18	592	-	(586)	-	6
Share-based payments expense	18	-	-	5,404	-	5,404
Employee share options – expired	18	-	-	(12)	12	-
<b>Balance at 31 March 2023</b>		<b>178,343</b>	<b>2,865</b>	<b>7,479</b>	<b>(54,439)</b>	<b>134,248</b>
<b>Balance at 1 April 2021</b>		<b>72,383</b>	<b>88</b>	<b>572</b>	<b>(30,618)</b>	<b>42,425</b>
Net loss – Restated		-	-	-	(24,336)	(24,336)
Translation of foreign operations – Restated	17	-	3,611	-	-	3,611
<b>Total comprehensive loss for the year – Restated</b>		<b>-</b>	<b>3,611</b>	<b>-</b>	<b>(24,336)</b>	<b>(20,725)</b>
<i>Transactions with owners</i>						
Shares issued	16	105,822	-	-	-	105,822
Capital raising costs		(1,230)	-	-	-	(1,230)
Employee share options – exercised	18	776	-	(259)	-	517
Share-based payments expense	18	-	-	2,498	-	2,498
Employee share options – expired	18	-	-	(138)	138	-
<b>Balance at 31 March 2022 – Restated</b>		<b>177,751</b>	<b>3,699</b>	<b>2,673</b>	<b>(54,816)</b>	<b>129,307</b>

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

## Statement of Financial Position

At 31 March	Notes	2023 \$'000	Restated 2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		28,345	12,201
Term deposits		933	1,715
Income tax receivable		-	35
Trade and other receivables	8	10,096	8,767
		<b>39,374</b>	<b>22,718</b>
<b>Non-current assets</b>			
Property, plant & equipment	10	6,460	8,892
Intangible assets	11	53,294	62,725
Goodwill	12	70,203	70,924
Other non-current assets		367	408
Deferred tax asset	7	4,205	-
		<b>134,529</b>	<b>142,949</b>
<b>Total assets</b>		<b>173,903</b>	<b>165,667</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	11,432	6,339
Income tax payables		130	-
Deferred revenue	14	12,397	9,299
Lease liabilities	15	1,474	1,294
		<b>25,433</b>	<b>16,932</b>
<b>Non-current liabilities</b>			
Lease liabilities	15	5,359	8,102
Deferred revenue	14	486	528
Other liabilities		142	159
Deferred tax liability	7	8,235	10,639
		<b>14,222</b>	<b>19,428</b>
<b>Total liabilities</b>		<b>39,655</b>	<b>36,360</b>
<b>Net assets</b>		<b>134,248</b>	<b>129,307</b>
<b>Equity</b>			
Share capital	16	178,343	177,751
Foreign currency translation reserve	17	2,865	3,699
Share-based payment reserve	18	7,479	2,673
Accumulated losses		(54,439)	(54,816)
<b>Total equity</b>		<b>134,248</b>	<b>129,307</b>

The Board of Directors authorise these consolidated financial statements for issue on 30 May 2023. For and on behalf of the Board of Directors:



Bill Crichton, Chairman

Dated: 30 May 2023



Manda Trautwein, Director

Dated: 30 May 2023

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

## Statement of Cash Flows

Year ended 31 March	Notes	2023 \$'000	2022 \$'000
<b>Operating activities</b>			
<i>Cash was provided from (applied to):</i>			
Receipts from customers		66,997	32,425
Interest received		335	24
Other income		115	202
Payment to suppliers and employees		(47,934)	(48,739)
Income tax paid		(638)	(537)
<b>Net cash inflow / (outflow) from operating activities</b>	22	<b>18,875</b>	<b>(16,625)</b>
<b>Investing activities</b>			
<i>Cash was provided from (applied to):</i>			
Term deposit proceeds		782	424
Purchase of property, plant and equipment and intangible assets		(904)	(712)
Disposal of property, plant and equipment and intangible assets		72	-
Capitalised development costs		(2,090)	(2,130)
Business acquisition, net of cash acquired		-	(29,483)
<b>Net cash inflow / (outflow) from investing activities</b>		<b>(2,140)</b>	<b>(31,901)</b>
<b>Financing activities</b>			
<i>Cash was provided from (applied to):</i>			
Issue of ordinary shares		6	22,990
Share capital raising cost		-	(1,230)
Repayment of lease liability		(1,363)	(940)
Interest paid		(472)	(303)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>(1,829)</b>	<b>20,517</b>
<b>Net increase / (decrease) in cash held</b>		<b>14,906</b>	<b>(28,009)</b>
Add cash and cash equivalents at start of year		12,201	40,214
Effect of foreign exchange rate changes on cash		1,238	(4)
<b>Cash and cash equivalents at end of year</b>		<b>28,345</b>	<b>12,201</b>

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

# Notes to the Consolidated Financial Statements

## 1. Corporate Information

TASK Group Holdings Limited (the Company) is a New Zealand company registered under the Companies Act 1993 and listed on both the Australian Securities Exchange (ASX) and New Zealand Stock Exchange (NZX). The Company is a for-profit entity and required to be treated as an FMC reporting entity under the Financial Markets Conduct Act 2013 and Financial Reporting Act 2013. Comparative information was previously reported under the name Plexure Group Limited.

The consolidated financial statements of the Company and its subsidiaries (collectively, the Group) for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 30 May 2023.

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

## 2. Summary of significant accounting policies

### (a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

Other than where described below, or in the notes, the consolidated financial statements have been prepared on the basis of historical cost and on a going concern basis. Assets, liabilities, revenues and expenses are stated net of any sales taxes, with the exception of receivables and payables, which include sales taxes.

The consolidated financial statements are presented in New Zealand dollars (\$) and all values are rounded to the nearest thousand (\$000), except when otherwise indicated.

### (b) Critical estimates and judgements in applying accounting policies

In the application of the Group's accounting policies, it is necessary for management to make judgements, and estimates that affect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions applied are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements.

Judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined in the notes to the financial statements. The estimates and underlying assumptions are reviewed on an on-going basis.

Key sources of estimation, uncertainty and judgement include:

#### Revenue recognition

The Group assesses each contract it has with customers to identify performance obligations and to ensure revenue is recognised by making estimates and assumptions of performance against these obligations. When contracts contain elements of variable consideration, estimates are made regarding the amount of revenue to be recognised to ensure that it is highly probable a significant reversal of revenue will not occur. Refer to Note 3.

#### Internally generated software

Determining whether the expenditure on software assets meet the criteria for capitalisation. Refer to Note 11.

#### Impairment

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. Goodwill is tested annually for impairment whether or not indicators of impairment exist. Determining whether a Cash Generating Unit's (CGU) carrying value exceeds its recoverable amount requires management to make a number of judgements and estimates including future cash flows associated with the CGU and the fair value of the CGU. Refer to Note 12 for additional information on the impairment testing on Goodwill.

## 2. Summary of significant accounting policies (continued)

### Change in estimates

During the year ended 31 March 2023, the Group reassessed the estimated useful life of certain software acquired and developed by the Group and the intangible asset related to the acquired TASK brand. The useful life of certain software has been updated from 5 years to 7 years, and the useful life of the TASK brand has been updated from 5 years to 10 years.

This change has been applied from 1 April 2022 and impacted the financial statement of the Group as follows:

Income Statement for the year ended 31 March 2023;

- a decrease in Amortisation of \$3.3 million, and
- a decrease in Income tax credit / (expense) of \$976 thousand.

Statement of Comprehensive Income for the year ended 31 March 2023;

- an increase in Translation of foreign operations of \$25 thousand.

Statement of Financial Position at 31 March 2023;

- an increase in Intangible assets of \$3.3 million,
- an increase in Deferred tax liability of \$976 thousand,
- a decrease in Foreign currency translation reserve of \$25 thousand, and
- a decrease in Accumulated losses of \$2.3 million.

The above changes will also impact future reporting periods with an annual decrease in Amortisation of \$3.3 million compared to if the useful life had remained at 5 years.

### (c) Adoption of standards and interpretations

No new standards or interpretations that are effective for the 31 March 2023 reporting period have had a material impact on the Group in the current period.

There are no other standards or amendments that have been issued but are not yet effective, that are expected to have a material impact on subsequent reporting periods.

### (d) Changes to comparatives

Certain comparative information has been restated or reclassified, to conform with the current period's presentation.

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

- contractor costs are now presented within 'Staff costs' within the Income Statement, whereas these were previously presented in 'Contractors'. This change was made to better reflect the full staff costs of the Group. As a result, 'Staff costs' in the 31 March 2022 period increased by \$1.4 million with an offsetting decrease to 'Contractors'.
- foreign exchange movements are now presented as a separate line item within the Income Statement, whereas these were previously presented in 'Other expenses'. This change was made to provide better information regarding the Groups operating expenses, and resulted in a decrease in the 31 March 2022 'Other expenses' by \$146 thousand, with an offsetting increase to 'Foreign exchange movements'.
- board fees are now presented within 'Other expenses' within the Income Statement, whereas these were previously presented as a separate line item called 'Board fees'. This change was made to simplify information regarding the Groups operating expenses and resulted in a decrease in the 31 March 2022 'Board fees' by \$555 thousand, with an offsetting increase to 'Other expenses'.
- other current assets are now presented within 'Trade and other receivables' within the Statement of Financial Position, whereas these were previously presented as a separate line called 'Other current assets'. This change was made to simplify the presentation of the Groups assets, a breakdown is still provided in Note 8. This has resulted in an increase in the 31 March 2022 'Trade and other receivables' by \$2.0 million, with an offsetting decrease in 'Other current assets'.

## 2. Summary of significant accounting policies (continued)

During the year ended 31 March 2022 the Group acquired TASK Retail Pty Ltd and its associated subsidiaries (collectively, TASK Acquiree). During the current financial year, new information became available leading management to increase the value assigned to the TASK software. The acquisition was still within its measurement period, however, there was an error in the prior year's financial statement as the valuation was not stated as being provisional. An updated value for the TASK software was adopted and retrospectively applied from 1 October 2021, resulting in the below adjustments to amounts previously presented for the year ending 31 March 2022.

Statement of Financial Position and Statement of Changes in Equity;

- Income tax receivable has decreased by \$3 thousand,
- Intangible assets have increased by \$5.1 million,
- Goodwill decreased by \$5.0 million,
- Deferred tax liability increased by \$341 thousand,
- Foreign currency translation reserve increased by \$4 thousand, and
- Accumulated losses increased by \$285 thousand.

Income Statement;

- Amortisation has increased by \$555 thousand,
- Income tax credit / (expense) increased by \$270 thousand, and
- Earnings per share have been restated to a loss of 9.25 cents per share from a previously reported loss of 9.15 cents per share.

Statement of Comprehensive Income;

- Translation of foreign operations increased by \$4 thousand.

## 3. Revenue from contracts with customers

Year ended 31 March	2023 \$'000	2022 \$'000
License revenue	51,608	23,975
Consulting revenue	8,563	7,301
Hardware sales	4,758	1,280
	<b>64,929</b>	<b>32,556</b>

**License revenue** comprises recurring software-as-a-service (SaaS), and set up and deployment fees. The performance obligation for these services is satisfied over the term of the contract as the benefits are simultaneously received and consumed. Where the performance obligations of transaction services are usage-based, revenue is recognised consistent with the usage profile.



### 3. Revenue from contracts with customers (continued)

**Consulting revenue** comprises value-add professional services tailored to software development and/or enhancement, the performance obligation is recognised at a point in time as services are distinct and highly independent of other performance obligations. Revenue is recognised upon completion of services.

**Hardware sales** are the sales of third-party hardware. The performance obligation is satisfied upon the delivery or installation of hardware to the customer and recognised at a point in time.

Where contracts with customers contain elements of variable consideration, management makes estimates using the 'most likely amount' method. Variable consideration is subject to a constraining principle whereby revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. This constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Deferred revenue relates to income invoiced to customers in advance, and the performance obligations have not yet been met. Refer to Note 14 for more information on deferred revenue.

### 4. Staff costs

	2023 \$'000	2022 \$'000
<b>Year ended 31 March</b>		
Salaries and employee benefits (less capitalised)	21,240	21,680
Contractors	2,552	1,426
Share-based payments	5,404	2,498
Retirement benefits	1,063	714
Other staff costs	1,098	1,213
	<b>31,357</b>	<b>27,531</b>

Refer to Note 18 for more information on share-based payments.

### 5. Professional fees

	2023 \$'000	2022 \$'000
<b>Year ended 31 March</b>		
Auditors' fees	182	123
Legal fees	563	654
Other professional fees	2,141	2,143
	<b>2,886</b>	<b>2,920</b>

Auditors' fees relate to the audit of the Group's financial statements.

On 20 December 2022, the Group appointed BDO Auckland as auditors following the resignation of Deloitte Limited (New Zealand). Of the above Auditors' fees, \$45 thousand relates to audit services provided by Deloitte from 1 April 2022 to 20 December 2022, and \$137 thousand relates to audit services provided by BDO (2022 audit fees were solely to Deloitte).

Between 1 April 2022 and 20 December 2022, the Group recognised fees of \$182 thousand for the provision of tax compliance and advice provided by Deloitte (2022: \$101 thousand). Prior to being appointed as auditors, fees of \$12 thousand were paid to BDO Auckland related to IFRS advisory services provided to the Group. There have been no amounts paid to BDO Auckland for non-audit services since their appointment as Group auditors.

## 6. IT Costs

Year ended 31 March	2023 \$'000	2022 \$'000
Platform hosting	12,101	8,564
Support and maintenance	2,983	3,109
Licenses	475	291
Other IT expenses	96	70
	<b>15,655</b>	<b>12,034</b>

## 7. Tax

Current income tax assets and liabilities at the reporting date are measured at the amount expected to be recovered from, or paid to the taxation authorities in subsequent financial periods. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

### Current income tax

The tax on the Group's Net loss before tax differs from the amount that would arise using the New Zealand statutory income tax rate as follows:

Year ended 31 March	2023 \$'000	Restated 2022 \$'000
Net loss before tax	(5,333)	(25,689)
At the New Zealand statutory income tax rate of 28%	1,493	7,193
Change in tax rate on subsidiary	(2,153)	-
Non-deductible expenditure	(2,256)	(948)
Future benefit of tax losses not recognised	-	(4,670)
Recognition of previously unrecognised tax losses	3,965	-
Utilisation of previously unrecognised tax losses	5,094	94
Effect of difference in overseas tax rates	325	(149)
Prior period adjustment	(101)	-
Foreign withholding tax expenses	(669)	(167)
<b>Income tax credit</b>	<b>5,698</b>	<b>1,353</b>

### Comprised of:

Current income tax expense	(216)	457
Withholding tax not recognised	(669)	(167)
Deferred tax credit	6,583	1,063
<b>Income tax credit</b>	<b>5,698</b>	<b>1,353</b>

## 7. Tax (continued)

### Deferred tax

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax assets and liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than resulting from a business combination), which affects neither taxable income nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in the Income Statement.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity, or different entities, where there is an intention to settle the balance on a net basis.

<b>Year ended 31 March 2023</b>	<b>Property, plant and equipment \$'000</b>	<b>Intangible assets \$'000</b>	<b>Provisions &amp; accruals \$'000</b>	<b>Tax losses \$'000</b>	<b>Total \$'000</b>
<i>Deferred tax assets</i>					
Opening balance	-	-	-	-	-
Foreign exchange differences	(2)		2	-	-
Recognised in Income Statement	353	(722)	506	4,068	4,205
<b>At 31 March</b>	<b>351</b>	<b>(722)</b>	<b>508</b>	<b>4,068</b>	<b>4,205</b>
<i>Deferred tax liability</i>					
Opening balance	(72)	(11,776)	277	932	(10,639)
Foreign exchange differences	1	31	(3)	(3)	26
Recognised in Income Statement	33	1,089	433	823	2,378
<b>At 31 March</b>	<b>(38)</b>	<b>(10,656)</b>	<b>707</b>	<b>1,752</b>	<b>(8,235)</b>

<b>Year ended 31 March 2022 Restated</b>	<b>Property, plant and equipment \$'000</b>	<b>Intangible assets \$'000</b>	<b>Provisions &amp; accruals \$'000</b>	<b>Tax losses \$'000</b>	<b>Total \$'000</b>
<i>Deferred tax liability</i>					
Opening balance	-	(477)	(74)	551	-
Recognition of deferred tax on business combination	(89)	(11,611)	324	-	(11,376)
Foreign exchange differences	(2)	(337)	8	5	(326)
Recognised in Income Statement	19	649	19	376	1,063
<b>At 31 March</b>	<b>(72)</b>	<b>(11,776)</b>	<b>277</b>	<b>932</b>	<b>(10,639)</b>

## 7. Tax (continued)

### Imputation credits

	2023 \$'000	2022 \$'000
<b>At 31 March</b>		
Imputation credits	-	4

## 8. Trade and other receivables

	2023 \$'000	2022 \$'000
<b>At 31 March</b>		
Trade receivables	8,578	7,268
Allowance for expected credit loss	(276)	(461)
<b>Net trade receivables</b>	<b>8,302</b>	<b>6,807</b>
<b>Other receivables</b>		
Prepayments and other receivables	1,346	1,072
Accrued income	424	488
Inventory	24	400
<b>Trade and other receivables</b>	<b>10,096</b>	<b>8,767</b>

	2023 \$'000	2022 \$'000
<b>At 31 March</b>		
<b>Ageing analysis</b>		
1-29 days	3,181	2,882
30-59 days	4,153	629
60-89 days	111	2,567
90+ days	1,133	1,190
<b>Trade receivables</b>	<b>8,578</b>	<b>7,268</b>

	2023 \$'000	2022 \$'000
<b>Year ended 31 March</b>		
<b>Movement in allowance for expected credit loss on trade receivables</b>		
Opening balance	(461)	-
Acquisition	-	(129)
Movement in allowance for expected credit losses	127	(340)
Written-off during the year	58	8
<b>Balance at 31 March</b>	<b>(276)</b>	<b>(461)</b>

Trade and other receivables are initially recognised at the fair value of the amounts to be received. They are subsequently measured at amortised cost using the effective interest method.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all Trade receivables.

## 8. Trade and other receivables (continued)

To measure expected credit losses, Trade receivables have been grouped and reviewed based on the number of days past due. The expected credit loss allowance has been calculated by considering the financial strength of each customer based on the relative risk related to the country, customer and market characteristics, and the age of each invoice.

Trade receivable balances are written off when they are no longer recoverable.

## 9. Investments in subsidiaries

Consolidated subsidiaries are all entities over which the Group has control. The Group controls an entity if it is exposed to, or has rights to, variable returns from the entity and has the ability to influence those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

For each subsidiary, the functional currency is determined, and items included in the financial statements of each subsidiary are measured using that functional currency. On consolidation, the assets and liabilities of foreign operations are translated into New Zealand dollars at the spot exchange rate prevailing at the reporting date. Revenue and expenses are translated at rates approximating the exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in the Statement of Comprehensive Income.

All intra-group assets and liabilities, equity, income, and expenses, including cash flows relating to transactions between members of the Group, are eliminated in full on consolidation.

The financial statements of the Group include the Company and the following subsidiaries:

Name	Equity Interest		Balance date	Country of incorporation	Principal activity
	2023	2022			
Plexure Limited	100%	100%	31 March	New Zealand	Trading entity
VMob IP Limited	100%	100%	31 March	New Zealand	Holder of IP assets
VMob UK Limited	100%	100%	31 March	United Kingdom	Trading entity
Plexure KK	100%	100%	31 March	Japan	Trading entity
Plexure Holdings Pty Ltd	100%	100%	31 March	Australia	Non-trading entity
TASK Retail Technology Pty Ltd	100%	100%	31 March	Australia	Trading entity
TASK Retail Technology LLC	100%	100%	31 March	USA	Trading entity
TASK Retail NZ Pty Ltd	100%	100%	31 March	Australia	Trading entity
TASK Retail Technology PN Sp. z.o.o	100%	100%	30 June	Poland	Trading entity
TASK Retail Pty Ltd	100%	100%	31 March	Australia	Holder of IP assets
TASK Services Limited	100%	-	31 March	New Zealand	Support services
Plexure Australia Pty Ltd	-	100%	31 March	Australia	Non-trading entity
Plexure USA Limited	-	100%	31 March	USA	Trading entity
TASK Retail Technology USA LLC	-	100%	31 March	USA	Non-trading entity
TASK Software Pty Ltd	-	100%	31 March	Australia	Non-trading entity

Plexure USA Limited and TASK Retail Technology USA LLC were amalgamated into TASK Retail Technology LLC on 14 December 2022.

TASK Software Pty Ltd and Plexure Australia Pty Ltd were voluntarily deregistered on 15 September 2022 and 20 March 2023, respectively.

## 10. Property, plant & equipment

	Leasehold improvements \$'000	Furniture & fittings \$'000	Computer equipment \$'000	Right of use asset \$'000	Total \$'000
<b>Year ended 31 March 2023</b>					
Opening net book value	67	278	424	8,123	8,892
Additions	-	13	720	5,027	5,760
Disposal	-	-	(85)	(5,837)	(5,922)
Impairment	-	-	-	(729)	(729)
Depreciation	(30)	(52)	(347)	(1,187)	(1,616)
Foreign exchange difference	3	12	7	53	75
<b>Closing net book value</b>	<b>40</b>	<b>251</b>	<b>719</b>	<b>5,450</b>	<b>6,460</b>
<b>At 31 March 2023</b>					
Cost	109	420	1,213	8,963	10,705
Accumulated impairment	-	-	-	(729)	(729)
Accumulated depreciation	(69)	(169)	(494)	(2,784)	(3,516)
<b>Closing net book value</b>	<b>40</b>	<b>251</b>	<b>719</b>	<b>5,450</b>	<b>6,460</b>
	Leasehold improvements \$'000	Furniture & fittings \$'000	Computer equipment \$'000	Right of use asset \$'000	Total \$'000
<b>Year ended 31 March 2022</b>					
Opening net book value	44	71	303	1,662	2,080
Additions	34	4	223	7,214	7,475
Acquisition	12	285	187	1,037	1,521
Modification	-	-	-	(51)	(51)
Disposal	-	(9)	(6)	-	(15)
Impairment	-	-	-	(676)	(676)
Depreciation	(23)	(73)	(283)	(1,063)	(1,442)
<b>Closing net book value</b>	<b>67</b>	<b>278</b>	<b>424</b>	<b>8,123</b>	<b>8,892</b>
<b>At 31 March 2022</b>					
Cost	106	405	1,085	10,509	12,105
Accumulated impairment	-	-	-	(676)	(676)
Accumulated depreciation	(39)	(127)	(661)	(1,710)	(2,537)
<b>Closing net book value</b>	<b>67</b>	<b>278</b>	<b>424</b>	<b>8,123</b>	<b>8,892</b>

All items of Property, plant and equipment are stated at cost less accumulated depreciation, and impairment.

Depreciation on Property, plant and equipment is calculated on a straight-line basis, so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The following estimates of useful lives are used in the calculation of depreciation:

Category	Estimated useful life
Leasehold improvements	2-5 years
Furniture & fittings	2-14 years
Computer equipment	3 years
Right of use asset	Term of lease

## 10. Property, plant & equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement when the asset is derecognised.

Leases arising on commercial property are recognised as a right of use asset (lease asset), with a corresponding lease liability, at the date at which the leased asset is available for use, except for short-term leases and leases of low-value underlying assets. Lease assets are depreciated over the lease term on a straight-line basis. Refer to Note 15 for information on the associated lease liabilities.

## 11. Intangible assets

	Software \$'000	Customer relationships \$'000	Brand \$'000	Other intangible assets \$'000	Total \$'000
<b>Year ended 31 March 2023</b>					
Opening book value	51,119	8,154	3,434	18	62,275
Additions	2,090	-	-	171	2,261
Disposal	(149)	-	-	-	(149)
Amortisation	(8,936)	(1,844)	(388)	(26)	(11,194)
Foreign exchange difference	(294)	(31)	(24)	-	(349)
<b>Closing net book value</b>	<b>43,830</b>	<b>6,279</b>	<b>3,022</b>	<b>163</b>	<b>53,294</b>
<b>At 31 March 2023</b>					
Cost	71,172	8,966	3,777	191	84,106
Accumulated amortisation	(27,342)	(2,687)	(755)	(28)	(30,812)
<b>Closing net book value</b>	<b>43,830</b>	<b>6,279</b>	<b>3,022</b>	<b>163</b>	<b>53,294</b>
<b>Year ended 31 March 2022 Restated</b>					
Opening book value	5,282	-	-	-	5,282
Additions	2,687	-	-	-	2,687
Acquisition	49,459	8,791	3,704	18	61,972
Disposal	(663)	-	-	-	(663)
Amortisation	(7,053)	(888)	(374)	(1)	(8,316)
Foreign exchange difference	1,407	251	104	1	1,763
<b>Closing net book value</b>	<b>51,119</b>	<b>8,154</b>	<b>3,434</b>	<b>18</b>	<b>62,725</b>
<b>At 31 March 2022</b>					
Cost	69,879	9,058	3,815	19	82,771
Accumulated amortisation	(18,760)	(904)	(381)	(1)	(20,046)
<b>Closing net book value</b>	<b>51,119</b>	<b>8,154</b>	<b>3,434</b>	<b>18</b>	<b>62,725</b>

Included in software additions is \$40 thousand of external costs capitalised (31 March 2022: \$269 thousand).

### Capitalised software development expenditure

Expenditure on research activities is recognised as an expense within the Income Statement in the period in which it is incurred.

## 11. Intangible assets (continued)

An internally and externally developed intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally and externally developed intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally or externally developed intangible asset can be recognised, development expenditure is charged to the Income Statement in the period in which it is incurred.

Subsequent to initial recognition, internally and externally developed intangible assets are reported at cost less accumulated amortisation and impairment, on the same basis as intangible assets acquired separately.

### Intangible assets acquired in a business combination

Intangible assets other than Goodwill acquired in a business combination are identified and recognised separately where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment.

### Incremental costs of obtaining a contract

Where costs are incurred by the Group to obtain a contract management assesses whether the costs are incremental costs that would not have occurred if the contract had not been obtained. When costs meet the incremental criteria, they are capitalised and treated as an intangible asset, and amortised over the life of the associated contract. Incremental costs of obtaining a contract are included within 'Other intangible assets'.

### Amortisation

Intangible assets are amortised on a straight-line basis in the Income Statement over their useful lives, from the date that they are acquired and available for use. The estimated useful lives are as follows:

<i>Category</i>	<i>Estimated useful life</i>
Software	2-7 years
Brand	10 years
Customer relationships	5 years
Trademarks	10 years

During the year, the estimated useful life of certain intangible assets was changed. Refer to Note 2 for more information on this change in estimate.



## 12. Goodwill

	2023 \$'000	Restated 2022 \$'000
Opening net book value	70,924	-
Acquisitions	-	68,835
Impairment	-	-
Foreign exchange difference	(721)	2,089
<b>Closing net book value</b>	<b>70,203</b>	<b>70,924</b>
<b>As at 31 March</b>		
Cost	70,203	70,924
Accumulated impairment	-	-
<b>Closing net book value</b>	<b>70,203</b>	<b>70,924</b>

Goodwill represents the excess of purchase consideration over the fair value of the acquirees identifiable net assets acquired in a business combination at the date of acquisition. Goodwill 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. Goodwill is not amortised and is tested for impairment at least annually irrespective of whether there is any indication of impairment. After initial recognition, Goodwill is measured at cost less any accumulated impairment losses.

The Goodwill balance relates to the acquisition of TASK during the year ended 31 March 2022. Management has determined that the TASK business is comprised of a single CGU, and therefore the Goodwill balance is allocated to the single TASK CGU.

The recoverable amounts of the TASK CGU were calculated on the basis of fair value less cost of disposal.

Fair value has been determined using a 12-month forward-looking revenue multiple of 4.9 based on comparable Australian software companies. A control premium of 30% has been applied and is determined using recent comparable market transactions. The recoverable amount is classified as level two on the fair value hierarchy.

A reasonably possible change in the key inputs would not give rise to an impairment.

### 13. Trade and other payables

At 31 March	2023 \$'000	2022 \$'000
Accounts payable	6,083	2,409
Employee entitlements	2,974	1,050
Accrued expenses	2,333	2,755
Other payables	42	125
	<b>11,432</b>	<b>6,339</b>

Accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Trade and other payables are unsecured, non-interest bearing and usually paid within 30 days of recognition. Therefore, the carrying value of creditors and other payables approximates their fair value.

Accruals are made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and these are capable of being measured reliably. Other employee benefits (long service leave) that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

### 14. Deferred revenue

At 31 March	2023 \$'000	2022 \$'000
<i>Deferred revenue – current</i>		
Deferred license revenue	11,873	6,407
Deferred consulting revenue	480	1,495
Deferred hardware revenue	44	1,397
	<b>12,397</b>	<b>9,299</b>
<i>Deferred revenue – non-current</i>		
Deferred license revenue	486	3
Deferred consulting revenue	-	525
	<b>486</b>	<b>528</b>

Deferred revenue relates to income invoiced to customers in advance during a financial period, part of which will be recognised in the Consolidated Statement of Comprehensive Income in subsequent financial periods.

Deferred revenue is classified as a current liability when the performance obligation will be met within 12 months of balance date, and non-current when the performance obligation will not be met within 12 months of balance date.

## 15. Lease liabilities

Year ended 31 March	2023 \$'000	2022 \$'000
Opening net book value	9,396	1,908
Acquisition	–	1,190
Additions	5,027	6,889
Disposals	(6,277)	-
Lease payments	(1,837)	(1,126)
Interest expense	464	304
Modifications	3	173
Foreign exchange adjustments	57	58
<b>Closing net book value</b>	<b>6,833</b>	<b>9,396</b>
Current	1,474	1,294
Non-current	5,359	8,102
<b>Total lease liabilities</b>	<b>6,833</b>	<b>9,396</b>

Each lease payment is allocated between the liability and interest expenses on lease liabilities. The interest expense on lease liabilities is charged to the Income Statement over the lease period. Refer to Note 10 for additional information on the associated right of use assets.

The liabilities arising from a lease are initially measured on a present-value basis. Refer to Note 23 for the undiscounted cash flows associated with the leases the Group holds.

The Group uses \$933 thousand (2022: \$1,067 thousand) of term deposits as security for the above leasing obligations.

## 16. 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.

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
<b>At 31 March 2023</b>	<b>354,828,928</b>	<b>178,343</b>

Year ended 31 March 2022	Shares	\$'000
Opening balance	173,442,029	72,383
Issue of ordinary share – Employee share option scheme	2,998,499	776
Issue of ordinary share – Private placement (1)	39,999,993	19,621
Issue of ordinary share – TASK acquisition (2)	134,433,962	83,349
Issue of ordinary share – TASK acquisition costs (3)	2,707,896	1,622
<b>At 31 March 2022</b>	<b>353,582,379</b>	<b>177,751</b>

- (1) On 29 September 2021 a private placement of \$20.9 million (\$19.6 million net of capital raising costs) or 39,999,993 new shares were made.
- (2) On 1 October 2021 \$83.3 million worth of shares were issued as part of the consideration for the acquisition of the TASK Acquiree.
- (3) On 1 October 2021 \$1.6 million worth of shares were issued to Latimer Partners in relation to the acquisition of the TASK Acquiree. These shares were payment for services rendered during the acquisition process, however they do not form part of the total consideration paid for TASK. The fair value of the shares was determined based on the fair value of the equity instruments on acquisition date.

## 17. Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Zealand dollars) are recognised directly in Statement of Comprehensive Income and accumulated in the Foreign currency translation reserve. Exchange differences previously accumulated in the Foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to the Income Statement on the disposal of the foreign operation.

Year ended 31 March	2023 \$'000	2022 \$'000
Opening balance	3,699	88
Translation of foreign operations	(834)	3,611
<b>Balance at the end of year</b>	<b>2,865</b>	<b>3,699</b>

## 18. 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 Income Statement. At reporting date employees have options over 27,756,764 shares (2022: 28,302,828).

Year ended 31 March	2023 \$'000	2022 \$'000
Opening balance	2,673	572
Share-based payments expense	5,404	2,498
Options expired	(12)	(138)
Options exercised	(586)	(259)
Balance at the end of year	<b>7,479</b>	<b>2,673</b>

The above Share-based payment expense includes a reversal of \$289 thousand (2022: \$563 thousand) related to options that were forfeited during the period.

Equity-settled share-based payments awarded to employees providing services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

At 31 March 2023, the Group operates three separate share-based payment plans:

### *Employee Share Option Scheme (ESOS)*

Share options issued under the ESOS arrangement allow employees of the Group to purchase shares at a fixed price after a set vesting period. ESOS share options vest in three equal tranches, one third on each of the first, second and third anniversaries of the grant. The contractual life of all ESOS options is 5 calendar years from the date of issue. All ESOS options are to be delivered by physical delivery of shares upon payment of the exercise price.

### *Restricted Share Units (RSU)*

Share options issued under the RSU arrangement allocate shares to selected employees of the Group after both performance and employment criteria have been met. RSU options vest in three equal tranches if the associated performance metrics have been achieved, one third on each of the first, second and third anniversaries of the grant. The contractual life of all RSU options is 5 calendar years from the date of issue. All RSU options are to be delivered by physical delivery of shares.

### *Long Term Incentive (LTI)*

As part of the TASK acquisition, 20,090,846 ordinary share rights were allocated to employees and contractors of the TASK Acquiree. Under the LTI the share rights vest as one tranche on the third anniversary of the grant. The contractual life of all LTI share rights is 5 calendar years from the date of issue. All LTI share rights are to be delivered by physical delivery of shares.

## 18. Share-based payment reserve (continued)

The number and average exercise price (in cents per share) of the share options are as follows:

	2023		2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	0.11	28,302,828	0.30	5,382,114
Exercised during the year	0.01	(1,246,549)	0.17	(2,998,499)
Granted during the year	0.22	1,982,211	0.07	30,304,922
Forfeited during the year	0.18	(1,234,007)	0.50	(3,915,615)
Lapsed during the year	0.74	(47,719)	0.63	(470,094)
Outstanding at 31 March	<b>0.08</b>	<b>27,756,764</b>	<b>0.11</b>	<b>28,302,828</b>

The fair value of services received in return for the share options granted is based on the fair value of share options granted measured using a Black Scholes model with the following inputs:

Issue date & Share-based payment plan	28-Feb-23 ESOS	22-Aug-22 ESOS	30-Jun-22 ESOS	28-Apr-22 RSU
Estimated fair value per option at grant date	22.4 cents	30.3 cents	4.4 cents	28.0 cents
Exercise price per share	18.4 cents	18.2 cents	21.4 cents	-
Expected volatility	87%	86%	59%	57%
Option life from date of grant	5 years	5 years	5 years	5 years
Risk free interest rate	4.25%	3.42%	2.88%	2.48%
Instruments at 31 March 2023	69,924	1,056,108	496,680	161,397

Issue date & Share-based payment plan	28-Apr-22 ESOS	21-Dec-21 RSU	21-Dec-21 ESOS	1-Oct-21 LTI	28-May-19 ESOS
Estimated fair value per option at grant date	14.8 cents	47.5 cents	24.7 cents	61.0 cents	29.5 cents
Exercise price per share	16.1 cents	-	30.6 cents	-	62.2 cents
Expected volatility	57%	60%	60%	65%	50%
Option life from date of grant	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	2.48%	1.90%	1.90%	2.10%	1.70%
Instruments at 31 March 2023	198,102	2,331,270	3,450,592	19,986,024	6,667

Expected volatility was estimated by reference to the Group's historical volatility over a period equal to the vesting term of each share plan.

At 31 March 2023, 1,186,490 share options are exercisable (2022: 10,000).

## 19. Earnings per share

The Net profit of \$0.4 million (2022: Net loss of \$24.3 million) for the year is represented by profit / (loss) per share shown below based on weighted average ordinary shares on issue during the year.

As at 31 March	2023 \$'000	Restated 2022 \$'000
Weighted average ordinary shares issued	354,187,757	262,990,125
Weighted average potential shares	27,365,796	13,583,878
Weighted average number of shares for diluted loss per share	381,553,554	276,574,004
Basic earnings / (loss) per share (cents)	0.10	(9.25)
Diluted earnings / (loss) per share (cents)	0.10	(9.25)

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

## 20. Related party transactions

### Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, and include the Directors, the Chief Executive Officer, and members of the executive leadership team.

In addition to their salaries, the Group also provides non-cash benefits to the executive leadership team in the form of share-based payments (refer to Note 18 for more information on the share-based payment plans).

The following table summarises remuneration paid to key management personnel:

Year ended 31 March	2023 \$'000	2022 \$'000
Directors' fees	391	330
Directors' consulting fees	-	75
Employee short-term benefits	2,889	3,045
Employee share-based payments	493	187
	<b>3,773</b>	<b>3,637</b>

Other than amounts related to the remuneration of key management personnel, directors fees, and expense reimbursement, there are no balances or commitments outstanding with related key management personnel at 31 March 2023 (31 March 2022: nil).

### Other related party transactions

The Group's Australian office is leased from the Houden Superannuation Fund. The trustees and beneficiaries of the Houden Superannuation Fund include Kym, Jennifer, Daniel, and Dean Houden. Kym and Jennifer between them directly own 35% of the Group's ordinary shares. Daniel Houden is the Group CEO and Dean Houden is a member of the executive leadership team. The Australian office has been tenanted by the TASK business since 2005 with the last rent increase occurring in March 2021. The total amount paid to the Houden Superannuation Fund for rent during the year was \$379 thousand (2022: \$183 thousand). At 31 March the lease has 1 year left with contractual cash flows payable of \$379 thousand.

## 21. Segmental 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.
- 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.

Year ended 31 March 2023	Plexure division \$'000	TASK division \$'000	Total \$'000
Revenue	47,790	17,139	64,929
Operating expenses	(30,664)	(20,198)	(50,862)
Depreciation and amortisation	(2,632)	(10,178)	(12,810)
Corporate cost allocation	(4,780)	(3,201)	(7,981)
<b>Segment contribution</b>	<b>9,714</b>	<b>(16,438)</b>	<b>(6,724)</b>

### Reconciliation from segment contribution to net loss before tax

Segment contribution	(6,724)
Other income	450
Interest expense	(472)
Currency gains / (losses)	1,413
<b>Net loss before tax</b>	<b>(5,333)</b>

Comparative information has not been presented for the above segment reporting table as for the first six months of the year ending 31 March 2022 the Group operated as a single segment. For the second six months, following the acquisition of TASK, only revenue was reviewed at the segment level. As such Management believes that presenting prior year comparative information on this basis would be misleading.

### Revenue by geographic location

Year ended 31 March	2023 \$'000	2022 \$'000
North America	23,757	5,958
Asia	14,093	11,966
Australia	13,821	4,888
Europe, Middle East, and Africa	11,818	8,683
New Zealand	1,179	862
Other	261	199
	<b>64,929</b>	<b>32,556</b>

One customer contributes over 10% of total revenue.



## 22. Reconciliation of Operating Cash Flows

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

Year ended 31 March	2023 \$'000	2022 \$'000
Net profit / (loss)	365	(24,336)
<i>Adjustments for non-cash items</i>		
Amortisation	11,194	8,316
Depreciation	1,616	1,442
Impairment on right of use assets	729	676
Recognition of share-based payments	5,404	2,498
(Gain) / loss on disposal of fixed, intangible, and right of use assets	(286)	729
Net foreign exchange (gain) / loss	(1,413)	183
	<b>17,244</b>	<b>13,844</b>
<i>Movements in working capital</i>		
(Increase) / decrease in trade receivables and other assets	(4,954)	(1,858)
Increase / (decrease) in trade and other payables	2,692	(6,175)
Increase / (decrease) in deferred revenue	3,056	1,597
	<b>794</b>	<b>(6,436)</b>
Interest paid	472	303
<b>Net cash inflow / (outflow) from operating activities</b>	<b>18,875</b>	<b>(16,625)</b>

## 23. Capital and financial risk management

### Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group consists of issued capital, equity reserves, and accumulated losses as disclosed in Notes 16 to 18.

The Group's Board of Directors reviews the capital structure on a regular basis.

The Group is not subject to externally imposed capital requirements.

The Group's overall strategy remains unchanged from prior years.

### Financial risk management

The Group is subject to a number of financial risks including liquidity, credit, and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments. Specific risk exposures, along with risk management objectives and policies are set out below:

#### (a) Liquidity risk

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due.

## 23. Capital and financial risk management (continued)

The Group manages liquidity risk by maintaining adequate reserves through the continuous monitoring of forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 31 March 2023, the Group has sufficient cash to meet its requirements for the foreseeable future.

The below tables provide a summary of the maturity analysis of the Group's contractual cash flows including the contractual undiscounted cash flows related to lease liabilities.

<b>At 31 March 2023</b>	<b>Payable 0-12 months \$'000</b>	<b>Payable 1-2 years \$'000</b>	<b>Payable 2-5 years \$'000</b>	<b>Payable over 5 years \$'000</b>	<b>Total contractual cash flows \$'000</b>	<b>Carrying amount \$'000</b>
Trade payables	6,083	-	-	-	6,083	6,083
Lease liabilities	1,850	1,339	1,904	3,184	8,277	6,833
<b>Contractual cash flows</b>	<b>7,933</b>	<b>1,339</b>	<b>1,904</b>	<b>3,184</b>	<b>14,360</b>	<b>12,916</b>

<b>At 31 March 2022</b>	<b>Payable 0-12 months \$'000</b>	<b>Payable 1-2 years \$'000</b>	<b>Payable 2-5 years \$'000</b>	<b>Payable over 5 years \$'000</b>	<b>Total contractual cash flows \$'000</b>	<b>Carrying amount \$'000</b>
Trade payables	2,409	-	-	-	2,409	2,409
Lease liabilities	1,755	1,849	3,822	3,923	11,349	9,396
<b>Contractual cash flows</b>	<b>4,164</b>	<b>1,849</b>	<b>3,822</b>	<b>3,923</b>	<b>13,758</b>	<b>11,805</b>

### (b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, trade receivables, and other receivable balances. Exposure to credit risk is monitored through the ongoing review of aged receivables and their recoverability along with the credit ratings of the Group's banking partners.

The maximum exposures to credit risk at balance date are:

<b>At 31 March</b>	<b>2023 \$'000</b>	<b>2022 \$'000</b>
Cash, and cash equivalents	28,345	12,201
Term deposits	933	1,715
Trade receivables	8,578	7,268

At 31 March 2023 and 2022, the credit risk associated with trade receivables is considered minor due to the mix of large organisations that make up the Group's customers. Refer to Note 8 for more information on the Groups trade receivable composition. The Group's bank accounts are held with reputable banks in New Zealand and overseas. Otherwise, the Group does not have any other concentrations of credit risk. The Group does not require any collateral or security to support financial instruments.

### (c) Market risk

The Group is exposed to market risk primarily through changes in foreign currency exchange rates as the Group has no significant interest-bearing assets or liabilities and operating cash flows are substantially independent of changes in market interest rates.

## 23. Capital and financial risk management (continued)

The Group faces the risk of movements in foreign currency exchange rates against the New Zealand dollar. During the year ended 31 March 2023, the Group's transactions were in New Zealand dollars, Australian dollars, United States dollars, Japanese yen, Polish zloty, Euro, and Pound Sterling. As a result, the Group's Income Statement and Statement of Financial Position can be affected by movements in exchange rates.

The table below details the Group's sensitivity to a reasonably possible (10%) increase or decrease in the New Zealand dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for the change in foreign currency rates.

	2023			2022		
	Carrying amount \$'000	+/- 10% effect on profit before tax \$'000	+/- 10% effect on equity \$'000	Carrying amount \$'000	+/- 10% effect on profit before tax \$'000	+/- 10% effect on equity \$'000
<b>At 31 March</b>						
<b>Financial assets</b>						
<i>Cash and cash equivalents</i>						
USD	5,733	573	573	6,230	623	623
AUD	2,564	256	256	1,572	157	157
JPY	537	54	54	1,507	151	151
PLN	505	50	50	67	7	7
GBP	45	4	4	39	4	4
<i>Trade and other receivables</i>						
USD	6,274	627	627	5,181	518	518
AUD	1,472	147	147	2,087	209	209
JPY	794	79	79	-	-	-
<b>Financial liabilities</b>						
<i>Trade payables</i>						
USD	171	17	17	428	42	42
AUD	377	38	38	803	80	80
PLN	354	35	35	157	16	16
JPY	9	1	1	175	18	18
GBP	7	1	1	1	-	-

## 24. Commitments and contingencies

On the 24th of March the Group entered into an agreement to purchase software from a third party, which was received after balance date when the Group paid a deposit of AUD \$0.2 million. The Group is committed to further cash consideration of AUD \$1.0 million contingent on certification of the software, and AUD \$0.9 million contingent on commercialisation being achieved. An additional AUD \$2.0 million in ordinary shares and a capped revenue share component, is contingent on future revenue generation. The Group expects these milestones to be achieved over the coming 18-36 months. At year end, it was not practical to estimate the quantum of the capped revenue share component, or the timing of milestones being achieved.

## 25. Events after the balance sheet date

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

## ASX Additional Information

TASK Group Holdings Limited (**TASK** or the **Company**) listed on the New Zealand Stock Exchange (**NZX**) Main Board on 31 August 2012 and commenced quotation on the Australian Securities Exchange (**ASX**) as a foreign exempt listing on 25 November 2020.

Effective 17 October 2022, TASK commenced quotation on the ASX as an ASX primary listing and converted its NZX listing to a foreign exempt listing.

In accordance with ASX Listing Rule 4.10, TASK provides the following information to shareholders not elsewhere disclosed in the 2023 Annual Report. The information provided is current as at 30 April 2023 (**Reporting Date**).

### Corporate Governance Statement

The Company's Directors and Management are committed to upholding a high standard of corporate governance and ethical conduct. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (**Corporate Governance Statement**).

In accordance with ASX Listing Rules 4.7.4 and 4.10.3, the Corporate Governance Statement will be available for review on TASK's website (<https://tasksoftware.com/investors>) and will be lodged together with an Appendix 4G with ASX at the same time that this Annual Report is lodged with ASX. The Appendix 4G will particularise each Recommendation that needs to be reported against by TASK and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on TASK's website (<https://tasksoftware.com/investors>)

### Substantial holders

As at the Reporting Date, the names of the substantial holders of the Company and the number of equity securities in which those substantial holders and their associates have a relevant interest, as disclosed in the Substantial Product Holder (**SPH**) notices given to the Company during the year ended 31 March 2023 pursuant to section 280 of the Financial Markets Conduct Act 2013 (**FMCA**), are as follows:

Holder of Equity Securities	Class of Equity Securities	Number of Equity Securities held	% of total issued securities
Forsyth Barr Custodians Limited	Ordinary Shares	22,970,023	6.47%

The above holding is based on the last SPH notice provided by the substantial holder to the Company during the year ended 31 March 2023. No other SPH notices were received by the Company during the year ended 31 March 2023.

As at the Reporting Date the Company was listed on the NZX as a foreign exempt listing. This means that the substantial product holder disclosure requirements of the FMCA apply to the Company.

### Substantial Holdings and Limitations on the Acquisition of Securities

TASK is a New Zealand incorporated company with an ASX primary listing which is registered as a foreign company under the Corporations Act 2001 (Cth) (**Corporations Act**). From a regulatory perspective, this means that whilst the ASX Listing Rules apply to the Company, certain provisions of the Corporations Act do not. Specifically, the Company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of its shares (including substantial holdings and takeovers). The Companies Act 1993 (NZ) including provisions relating to financial reporting and the FMCA including provisions relating to substantial holdings apply to the Company.

Key limitations on the acquisition of shares in TASK are imposed by the following New Zealand legislation: Commerce Act 1986, Overseas Investment Act 2005 and Takeovers Act 1993, together with various regulations and codes promulgated under such legislation.

TASK's Constitution does not impose any limitations on the acquisition of securities.

### Anti-Dilution Right

The Anti-Dilution Right provided by the Company to Atlas Bear LLC lapsed on 31 March 2023.

### Number of holders

As at the Reporting Date, the number of holders in each class of equity securities:

Class of Equity Securities	Number of holders
Fully paid ordinary shares	3,542
Options	70
Restricted Share Units	17
Deferred Share Rights	34

### Voting rights of equity securities

The only class of equity securities on issue in the Company which carries voting rights is ordinary shares.

As at the Reporting Date, there were 3,542 holders of a total of 354,908,043 ordinary shares of the Company.

At a meeting of shareholders of the Company, every holder of ordinary shares present in person or by representative has one vote on a show of hands. On a poll, every member (or their representative) is entitled to vote in respect of every fully paid share held and in respect of each partly paid share, is entitled to a fraction of the vote or votes which would be exercisable if that share was fully paid. That fraction must be proportionate to the payment which has been made (excluding amounts credited and amounts paid in advance of a call).

### Distribution of holders of equity securities

The distribution of holders of equity securities on issue in the Company as at the Reporting Date is as follows:

### Distribution of ordinary shareholders

Holdings Ranges	Holders	Total Units	%
1 – 1,000	518	323,694	0.09
1,001 – 5,000	1,072	3,047,452	0.86
5,001 – 10,000	617	4,807,518	1.35
10,001 – 100,000	1,118	36,684,969	10.34
100,001 – 999,999,999	217	310,044,410	87.36
<b>Totals</b>	<b>3,542</b>	<b>354,908,043</b>	<b>100.00</b>

### Distribution of Holders of Options

Holdings Ranges	Holders	Total Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	1	6,667	0.12
10,001 – 100,000	60	2,764,058	49.37
100,001 – 999,999,999	9	2,828,104	50.51
<b>Totals</b>	<b>70</b>	<b>5,598,829</b>	<b>100.00</b>

### Distribution of Holders of Restricted Share Units

Holdings Ranges	Holders	Total Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	3	240,302	9.90
100,001 – 999,999,999	14	2,187,806	90.10
<b>Totals</b>	<b>17</b>	<b>2,428,108</b>	<b>100.00</b>

### Distribution of Holders of Deferred Share Rights

Holdings Ranges	Holders	Total Units	%
1 – 1,000	-	-	-
1,001 – 5,000	-	-	-
5,001 – 10,000	-	-	-
10,001 – 100,000	12	419,292	2.10
100,001 – 999,999,999	22	19,566,741	97.90
<b>Totals</b>	<b>34</b>	<b>19,986,033</b>	<b>100.00</b>

### Less than marketable parcels of ordinary shares (UMP Shares)

The number of holders of less than a marketable parcel of ordinary shares based on the closing market price at 30 April 2023 (\$0.39) is as follows:

Total shares	UMP Shares	UMP Holders	% of issued shares held by UMP holders
<b>354,908,043</b>	440,374	619	0.12%

### Twenty largest shareholders

The Company only has one class of quoted securities, being ordinary shares. The names of the 20 largest holders of ordinary shares, and the number of ordinary shares and percentage of capital held by each holder is as follows:

Rank	Name	Units	% Units
1	Jennifer Anne Houden	62,111,565	17.50
1	Kym Houden	62,111,565	17.50
3	New Zealand Central Securities Depository Limited	29,927,136	8.43
4	Forsyth Barr Custodians Limited	23,085,067	6.50
5	Atlas Bear LLC	17,755,311	5.00
6	New Zealand Depository Nominee Limited	7,615,927	2.15
7	J P Morgan Nominees Australia PTY Limited	7,227,523	2.04
8	Forsyth Barr Custodians Limited	5,507,460	1.55
9	Mirrabooka Investments Limited	4,193,476	1.18
10	Collins Asset Management Limited	3,838,692	1.08
11	TASK Retail Investment PTY Limited	3,672,772	1.03
12	Citicorp Nominees PTY Limited	3,461,191	0.98
13	David Wright	3,269,030	0.92
13	Jo-Anne Jane Wright	3,269,030	0.92
15	Philip John Norman	3,194,405	0.90
16	Atlas Bear LLC	2,628,318	0.74
17	Hobson Wealth Custodian Limited	2,551,993	0.72
18	Custodial Services Limited	2,344,383	0.66
19	Forsyth Barr Custodians Limited	2,168,050	0.61
20	Simon John Raymer	1,960,000	0.55
<b>Totals: Top 20 holders of Ordinary Shares</b>		<b>251,892,894</b>	<b>70.97</b>

### Company Secretary

The Company's secretary is Maria Clemente.

### Registered Office

The address and telephone number of the Company's registered office is:

Level 2, 2 Graham Street, Auckland Central  
Auckland 1010 New Zealand  
Telephone: +64 9 358 1500

### Share Registry

The address and telephone number of the Company's share registry are as follows:

Computershare Investor Services Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Telephone: 1300 850 505 (Australia); +61 3 9415 4000  
(International)

### Stock Exchange Listing

The Company has an ASX primary listing and its ordinary shares are quoted on the ASX (ASX code: TSK).

The Company is listed on the NZX as a foreign exempt listing.

### Escrow

There are no securities subject to voluntary escrow.

### Unquoted equity securities

The number of each class of unquoted equity securities on issue, and the number of their holders, are as follows:

Class of restricted securities	Number of unquoted Equity Securities	Number of holders
Options	5,598,829	70
Restricted Share Units	2,428,108	17
Deferred Share Rights	19,986,033	34

The Options, Restricted Share Units and Deferred Share Rights were issued under the Company's Employee Share Option Scheme, Restricted Share Units Scheme and Long Term Incentive Scheme respectively.

### Other Information

The Company is not currently conducting an on-market buy-back.

The Company is incorporated under the NZ Companies Act and therefore item 7 of section 611 of the Corporations Act does not apply.

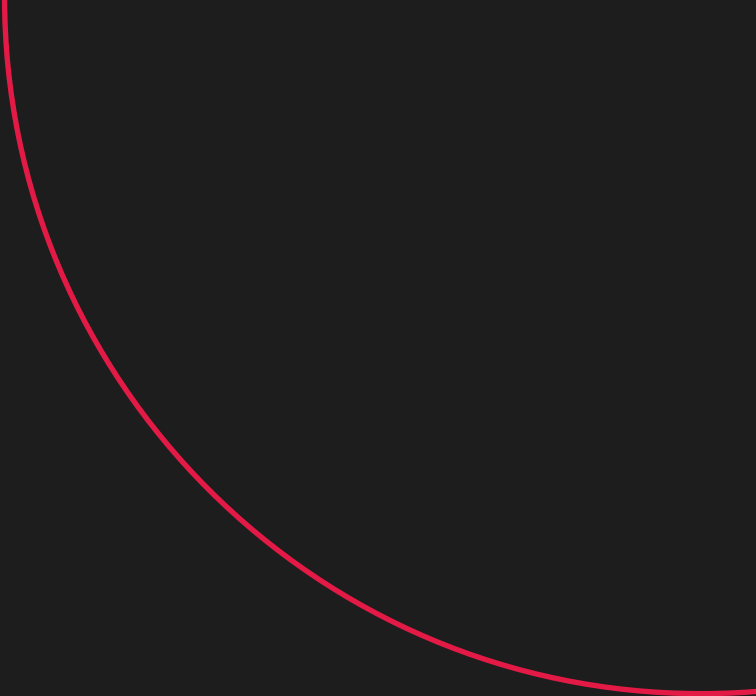
No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

## Directory

Company Number	244518
NZ Business Number	9429039937803
Directors	Bill Crichton – Chairman Daniel Houden – CEO Phil Norman Manda Trautwein (appointed 20.09.2022) Mitch Bowen (appointed 20.09.2022) Sharon Hunter (resigned 20.09.2022) Brian Russell (resigned 20.09.2022) Robert Bell (resigned 20.09.2022) Jack Matthews (resigned 20.09.2022)
Registered Office	Level 2 2 Graham Street Auckland
Postal Address	PO Box 90722 Victoria Street West Auckland
Share Registrar	Computershare Investor Services Pty Limited GPO Box 2975 Melbourne VIC 3000 Phone: +61 3 9415 5000 Fax: +61 3 9473 2500
Auditors	BDO Auckland PO Box 2219 Shortland Street Auckland
Bankers	ASB Bank PO Box 35 Shortland Street Auckland
Solicitors	Bell Gully PO Box 1291 Wellington
Website	tasksoftware.com



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[tasksoftware.com](https://tasksoftware.com)

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**TASK.**