

# Airtasker Limited

ABN 53 149 850 457 (ASX Code: ART)

Appendix 4D Half-Year Report and Interim Report 31 December 2023

Lodged with ASX under Listing Rules 4.2A.1 and 4.2A.3. <u>www.airtasker.com</u>

#### Airtasker Limited Appendix 4D Half-year report

#### 1. Company details

Name of entity:	Airtasker Limited
ABN:	53 149 850 457
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

#### 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	6.8%	to	23,322
Profit from ordinary activities after tax attributable to the owners of Airtasker Limited	up	103.0%	to	236
Profit for the half-year attributable to the owners of Airtasker Limited	up	103.0%	to	236

#### Dividends

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

#### Comments

The loss for Airtasker Limited for the period after providing for income tax and amounts attributable to non-controlling interests amounted to \$291,000 (31 December 2022: \$7,774,000 loss).

Refer to the 'Operating and financial review' within the Directors' report for further commentary on the performance of Airtasker Limited.

#### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.06	2.75
Calculated as:		
		lidated 31 Dec 2022 \$'000
Net assets Less: Right-of-use assets Less: Intangibles Add: Lease liabilities	29,553 (2,156) (21,231) 3,160	
Net tangible assets	9,326	12,345
	Number of shares	Number of shares
Total shares issued	451,875,924	449,505,940

#### 4. Control gained over entities

Not applicable.

#### 5. Loss of control over entities

Not applicable.

#### 6. Dividends

*Current period* There were no dividends paid, recommended or declared during the current half-year.

#### Previous period

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

#### 7. Dividend reinvestment plans

Not applicable.

#### 8. Details of associates and joint venture entities

Not applicable.

#### 9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

#### 10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

#### **11. Attachments**

Details of attachments (if any):

The Interim Report of Airtasker Limited for the half-year ended 31 December 2023 is attached.

#### 12. Signed

Approved for release by the Board of Directors

- Shi

Signed \_\_\_\_\_

Date: 29 February 2024

Cass O'Connor Chair

**Airtasker** 

## **Airtasker Limited**

ABN 53 149 850 457

Interim Report - 31 December 2023

#### Airtasker Limited Contents 31 December 2023

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The Directors present their report, together with the financial statements, for the consolidated entity ('Airtasker' or the 'Group') consisting of Airtasker Limited (the 'Company') and the entities it controlled at the end of, or during, the halfyear ended 31 December 2023.

#### **Directors**

The following persons were directors of Airtasker Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Catherine (Cass) O'Connor - Independent Non-Executive Chair Timothy (Tim) Fung - Managing Director and Chief Executive Officer Ellen (Ellie) Comerford - Independent Non-Executive Director Peter (Pete) Hammond - Non-Executive Director Xiaofan (Fred) Bai - Non-Executive Director

#### **Principal activities**

The principal activity of the Group is the provision of technology-enabled online marketplaces for local services, connecting people and businesses who need work done with people and businesses who want to work.

#### **Financial and operational review**

#### Key financial and operational metrics

	Consolidated			
Financial metrics	31 Dec 2023 \$'000	31 Dec 2022 \$'000	Change \$'000	Change %
Group revenue	23.322	21.846	1.476	6.8%
Gross profit	22,310	20,618	1,692	8.2%
Employee benefits expense	(11,017)		5,587	33.6%
Sales and marketing expense	(5,502)		(1,774)	(47.6%)
Technology, general and administration expense	(5,309)	(6,510)	<b>1,201</b>	<b>`18.4</b> %
Loss before tax	(291)	(7,774)	7,483	96.3%
Net loss after tax	(291)	(7,774)	7,483	96.3%
Net profit after tax attributable to the owners of Airtasker				
Limited	236	(7,774)	8,010	103.0%
Cash from/(used in) operating activities	1,408	(6,206)	7,614	122.7%
Australian net EBITDA <sup>1</sup>	7,076	(2,005)	9,081	452.9%
Group EBITDA	1,967	(5,134)	7,101	138.3%
Non-statutory free cash flow/(net cash outflow)	109	(4,643)	4,752	102.3%
		Consoli	dated	
Operational metrics - Airtasker marketplaces	31 Dec 2023	31 Dec 2022	Change	Change %
Booked tasks	385,589	404,005	(18,416)	(4.6%)
Average task price (\$)	248	256	(8)	(3.1%)
Monetisation rate <sup>2</sup>	19.8%	16.6%	3.2%	19.3%
Airtasker marketplaces revenue	18,908	17,136	1,772	10.3%

Airtasker marketplaces revenue Gross marketplace volume<sup>3</sup> (\$'000)

1 Earnings before interest, taxation, depreciation and amortisation (EBITDA) are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the statutory net loss after tax under AAS adjusted for specific non-cash and other items.

95,688

103,501

(7,813)

(7.5%)

2 Monetisation rate (previously take rate) represents Airtasker marketplaces revenue in a given financial period, expressed as a percentage of Airtasker marketplaces gross marketplace volume ('GMV') in the same period.

3 Gross marketplace volume represents the total price of all tasks booked through the Airtasker marketplaces before cancellations and inclusive of price adjustments between customers and Taskers, bonuses paid by customers to Taskers, fees payable by customers and Taskers to Airtasker, and any applicable sales taxes.

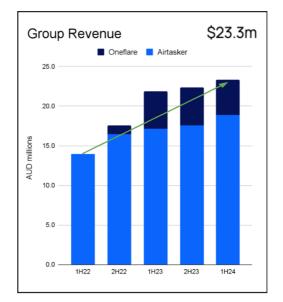
#### **Financial review**

#### Financial performance

Airtasker achieved strong growth in the half-year to 31 December 2023 ('HY24'), with Group statutory revenue growing 6.8% to \$23.3 million versus \$21.8 million at 31 December 2022 ('HY23'). This result reflected organic growth supported by investments to improve marketplace reliability by reducing cancellations and addressing leakage which led to an improvement in the monetisation rate. This growth was supported by an emerging contribution from new international marketplaces where revenue grew 35.3% in HY24 to \$0.6 million.

The Group's gross profit grew 8.2% ahead of revenue growth primarily due to premium reductions achieved in relation to Tasker third party liability insurance, which is treated as a direct cost.

The HY24 statutory net loss after tax ('NPAT') decreased 96.3% to \$0.3 million (HY23: \$7.8 million loss). After accounting for the non-controlling interest held by 4 Ventures Limited ('Channel 4'), the net profit after tax attributable to the owners of Airtasker Limited was \$0.2 million, an increase of 103.0% (HY23: \$7.8 million loss). This result reflects a deliberate effort to achieve profitability with a substantial reduction in direct costs and operating expenses while also maintaining revenue growth.



Earnings before interest and taxation ('Group EBIT') and earnings before interest, taxation, depreciation and amortisation ('Group EBITDA') are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the statutory NPAT under AAS adjusted for specific non-cash and other items. The directors consider that Group EBIT and Group EBITDA reflect the core earnings of the Group and assist in understanding the financial performance of the Group

Group EBIT and Group EBITDA have been calculated by eliminating the following from statutory NPAT:

- Net interest income and finance costs; and
- Depreciation and amortisation expense.

Concolidated

	Consolidated					
Reconciliation of statutory NPAT to Group EBITDA	31 Dec 2023 3 \$'000	1 Dec 2022 \$'000	Change \$'000	Change %		
Statutory NPAT Less: Net interest income and finance costs Group EBIT	(291) (107) (398)	(7,774) <u>97</u> (7,677)	7,483 (204) 7,279	96.3% (210.3%) 94.8%		
Add: Depreciation and amortisation expense	2,365	2,543	(178)	(7.0%)		
Group EBITDA	1,967	(5,134)	7,101	138.3%		

During the half-year, Group EBIT was a loss of \$0.4 million (HY23: \$7.7 million loss), a 94.8% improvement. Group EBITDA was positive \$2.0 million (HY23: \$5.1 million loss), a 138.3% improvement.

The Group EBITDA result was largely driven by top line revenue growth of \$1.5 million during the half-year and the benefits flowing from the one-time operational restructure implemented in April 2023 that resulted in a 20.0% headcount reduction. The headcount reduction and temporary vacancies during the half-year largely contributed to employee benefits expense decreasing 33.6% to \$11.0m (HY23: \$16.6 million).

Technology, general and administration expenses of \$5.3 million were collectively down 18.4% (HY23: \$6.5 million) due to an ongoing program of expenditure optimisation and reduction. During the half-year significant reductions were achieved in corporate insurance premiums, facilities costs, travel and entertainment and external consulting services.

During HY24 sales and marketing expenditure of \$5.5 million (HY23: \$3.7 milion) as a proportion of Group revenue increased to 23.6% (HY23: 17.1%). This was principally due to the launch of the UK television brand campaign 'Airtasker. Yeahtasker!' which lead to higher expenditure on creative assets, paid marketing and amortisation of the advertising media services asset provided by Channel 4, which alone accounted for \$1.1 million of the movement.

#### **Cash flows**

On a statutory basis, net cash outflows in the half-year were \$10.4 million (HY23: \$0.5 million), reflecting the net \$10.5 million surplus cash invested in term deposits. These term deposits are treated as investing cash outflows for statutory accounting purposes.

Net cash from operating activities for HY24 was positive \$1.4 million, up \$7.6 million, compared to operating cash outflow of \$6.2 million in HY23. The positive operating cash flow result in HY24 was achieved by delivering solid Group revenue growth of 6.8% against HY23 whilst at the same time improving operating efficiency and reducing employee benefits expense by 33.6% and technology, general and administration expense by 18.4%.

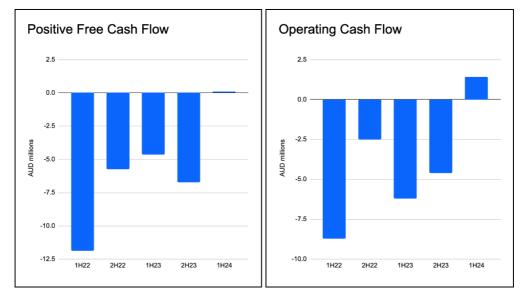
Net cash used in investing activities of \$11.3 million reflected the net \$10.5 million surplus cash invested in term deposits and receipts of \$0.4 million as proceeds from the disposal of non-core businesses announced in April 2023.

Net cash used in financing activities of \$0.5 million related to the financing component of lease liability payments associated with office facilities leases.

In order to better reflect the underlying improvement in the Group's cash flow generation during the half-year, management have also presented a non-statutory view of the cash flows disclosed in the consolidated statement of cash flows. During HY24, after adjusting for investments in term deposits, Airtasker generated positive free cash flow of \$0.1 million, an improvement of \$4.7 million, compared to a net cash outflow of \$4.6 million in HY23.

## **Airtasker**

	Consolic 31 Dec 2023 3	
Non-statutory cash flow	\$'000	\$'000
Cash and cash equivalents at the end of the half-year Add: Payments for term deposits	5,664 11.000	23,259 530
Less: Proceeds from maturing term deposits and bonds	(503)	(4,710)
Less: Cash and cash equivalents at beginning of the half-year	(16,052)	(23,722)
Non-statutory free cash flow/(net cash outflow)	109	(4,643)



#### **Financial position**

Airtasker's net assets increased \$0.4 million during the half-year reflecting the greater reduction in total liabilities versus total assets.

Total assets at 31 December 2023 decreased \$2.5 million to \$48.5 million. This was principally due to the movement in the capitalised advertising media services asset and the movement in intangible assets.

During the half-year \$1.1 million of the advertising media services asset was amortised based on usage following the launch of the 'Airtasker. Yeahtasker!' UK television brand campaign on Channel 4. The intangible asset decreased in line with the decrease in the carrying value of platform development costs of \$0.8 million following higher levels of amortisation as a number of projects moved from development into production.

Total liabilities at 31 December 2023 decreased \$2.9 million to \$19.0 million mainly due to a decrease of \$1.0 million in trade and other payables and \$1.0 million in unclaimed customer credits. The movement in trade and other payables was principally due to the timing of payments with a higher balance at 30 June 2023 related to trade creditors associated with financial year-end software subscription renewals.

The decrease in unclaimed customer credits reflected high task completion rates and lower task cancellation rates with fewer customer credits being granted. In addition, the introduction of a revised cancellation policy has begun to also drive fewer task cancellations and fewer customer credits being granted.

Airtasker remains in a strong financial position at 31 December 2023 with \$17.2 million (30 June 2023: \$17.1 million) in cash and term deposits on its balance sheet with zero debt. The Company had term deposit investments of \$11.5 million at 31 December 2023, up \$10.5 million on the balance at 30 June 2023.

## **Airtasker**

	Consolidated	
Cash and term deposits	31 Dec 2023 30 Jun 2023 \$'000 \$'000	
Cash and cash equivalents (note 6) Term deposits (note 7)	5,664 16,052 11,530 1,033	
Total cash and term deposits	17,194 17,085	

#### **Operational review**

#### **Overview**

Airtasker is Australia's leading online marketplace platform for local services, connecting people who need work done with people who want to work.

The mission of Airtasker is to empower people to realise the full value of their skills. The core purpose of the Group is to enable flexible jobs and income opportunities by becoming the world's most trusted place to buy and sell local services. More than 7.1% of Australians use a digital platform to find work and more than 34.8% of those people have chosen to work through the Airtasker marketplaces, placing the Group at the forefront of the flexible working movement.<sup>4</sup>

Since launching in 2012, Airtasker has served 1.7 million unique paying customers<sup>5</sup> and has put more than \$550 million into the pockets of Taskers in the community (net of Airtasker's fees).

The challenging macroeconomic conditions associated with an inflationary environment and tightening monetary policy, particularly in Australia, that impacted consumer sentiment and marketplace demand in the second half of financial year ('FY23') were still apparent as financial year ('FY24') commenced.

Top of funnel customer demand (posted tasks) remained soft in the half-year, however, supply (Tasker offers) remained relatively strong. As such, the marketplaces continued to see high task completion rates and lower task cancellation rates, resulting in an improved customer experience.

The Airtasker marketplaces are highly seasonal and as such the spring and summer seasons, in both the northern and southern hemispheres, generally experience greater marketplace activity with stronger demand and supply versus the autumn and winter seasons.

Airtasker marketplaces revenue grew 10.3% to \$18.9 million (HY23: \$17.1 million) during HY24 despite activity across the Airtasker marketplaces, represented by GMV, declining 7.5% to \$95.7 million (HY23: \$103.5 million). This reflected a 4.6% decline in booked tasks to 385,589 (HY23: 404,005) and a 3.1% decrease in the average task price to \$248 (HY23: \$256).

During the half-year Airtasker implemented a number of funnel optimisation programs including the introduction of a revised cancellation policy and fee structure designed to improve platform reliability and address task leakage. Consequently, Airtasker has seen its monetisation rate improve and expects this to continue in the second half of FY24.

The funnel optimisation programs have seen cancellations in the Airtasker marketplaces reduce by 28.4% in HY24 against HY23 resulting in the monetisation rate improving to 19.8% in HY24 (HY23: 16.6%), up 19.3%. The cancellation fee structure was phased in during the half-year for both customers and Taskers in staggered cohorts, and as such the monetisation rate for HY24 does not yet fully reflect the impact of the introduction of this fee structure.

5 Comprising the Airtasker and Oneflare marketplaces.

<sup>4</sup> Frost and Sullivan, 2021.

**Airtasker** 

Airtasker operates marketplaces at multiple stages of development. The staging of Airtasker's growth is critical because each city-level marketplace is built on liquidity and network effects which develop over time. Airtasker has defined 3 stages of marketplace development.

- 'Zero to one'. This is the first stage of marketplace development. During this stage the focus is on building a base of actively engaged Taskers who will make offers by creating a consistent source of job opportunities (posted tasks).
- 'One to 100'. This is the second stage of marketplace development. Once an initial flow of job opportunities has been established, the goal is to carefully balance supply and demand to drive marketplace activity and grow GMV.
- 'Scaling'. Once a marketplace has moved into the third stage of development, established network effects, organic customer acquisition and strong unit economics are leveraged to realise value.

#### Marketplace economics

Airtasker's marketplaces, as disclosed at note 3, fall into two business segments being the 'Established Marketplaces Segment' and the 'New Marketplaces Segment' plus global head office expenditure which is not directly attributable to a segment. Geographic operations are segmented based on the maturity of the marketplaces as economics differ at each stage of growth as noted in the discussion above regarding marketplace staging.

The Airtasker Australia and Oneflare Australia marketplaces are at the 'scaling' stage as they have established user bases and operations and represent the 'Established Marketplaces Segment'.

International marketplaces, particularly in the UK and the US, are at the 'zero to one' and 'one to 100' stages as they have less established user bases and operations and represent the 'New Marketplaces Segment'. Airtasker continues to invest in establishing and growing these international marketplaces.

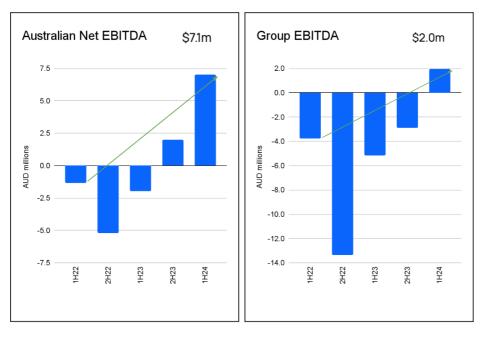
Management have also presented a non-statutory view of the operating segment data disclosed in note 3 based on the 'marketplace economics', reconciling the contribution of the Established Marketplaces Segment EBITDA to the investment in the New Marketplaces Segment and Group EBITDA.

	31 Dec 2023 3	1 Dec 2022	Chang	je
Non-statutory operating segment data	\$'000	\$'000	\$'000	%
Established Marketplaces (Australia) EBITDA (note 3) Less: Global head office operating expenditure <sup>6</sup> (note 3) Less: Global head office innovation investment <sup>7</sup> (note 3)	15,942 (6,484) (2,382)	11,931 (11,828) (2,108)	4,011 5,344 (274)	33.6% 45.2% (13.0%)
Australian net EBITDA	7,076	(2,005)	9,081	452.9%
Less: New Marketplaces (UK and US) EBITDA (note 3)	(5,109)	(3,129)	(1,980)	(63.3%)
Group EBITDA (note 3)	1,967	(5,134)	7,101	138.3%

During HY24, Airtasker's Established Marketplaces Segment in Australia generated positive EBITDA of \$15.9 million (HY23: positive \$11.9 million), a 33.6% increase.

6 The operating expenditure relating to the marketplace platforms (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).

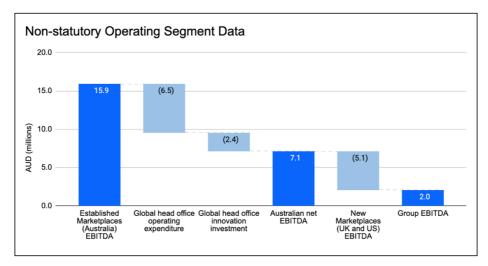
7 The innovation investment that is non-capitalisable and associated with the design of, and post-implementation work on new features designed to enhance the customer experience, increase long term GMV and grow long term revenue.



The EBITDA from the Australian Established Marketplaces Segment contributed to the non-variable global head office operating expenditure of \$6.5 million (HY23: \$11.8 million) and the global head office innovation investment of \$2.4 million (HY23: \$2.1 million), to generate a positive Australian net EBITDA of \$7.1 million (HY23: \$2.0 million loss), up \$9.1 million.

Global head office operating expenditure decreased 45.2% against HY23, primarily due to the 20.0% headcount reduction implemented in April 2023 and the 18.4% reduction in technology, general and administration expense noted earlier.

Airtasker delivered a 138.3% improvement in Group EBITDA of positive \$2.0 million (HY23: \$5.1 million loss), after accounting for the increased investment in the New Marketplaces Segment, which recorded an EBITDA loss of \$5.1 million (HY23: \$3.1 million loss). The investment in the New Marketplaces Segment during HY24 primarily consisted of UK expenditure on creative assets, paid marketing and amortisation of the advertising media services asset provided by Channel 4, which alone accounted for \$1.1 million of the expenditure.



#### Established marketplaces

The Established Marketplaces Segment in Australia, comprising Airtasker and Oneflare, generated revenue of \$22.7 million (HY23: \$21.4million), up 6.2%. The Australian Airtasker marketplaces generated revenue of \$18.3 million (HY23: \$16.7 million), up 9.7% based on steady growth supported by a number of funnel optimisation programs, including the introduction of a revised cancellation policy. The Oneflare marketplaces revenue contribution for HY24 was \$4.4 million (HY23: \$4.7 million).

Airtasker

In April 2023 the Group announced its intention to exit a number of non-core businesses acquired as part of Oneflare's portfolio of businesses, which collectively represented approximately \$1.0 million in revenue. During the half-year the Group successfully completed all of these targeted exits with both Word of Mouth and Urban You being sold. The exit from these non-core businesses will allow greater management focus on the core Airtasker and Oneflare marketplace platforms and reflects ongoing extraction of synergies related to the acquisition of Oneflare.

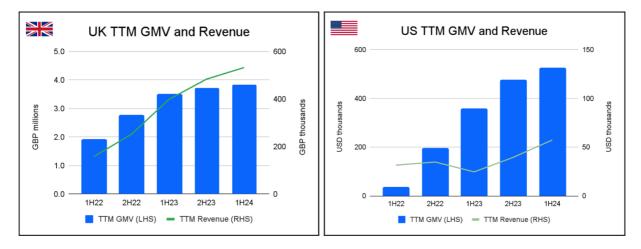
#### New marketplaces

The New Marketplaces Segment, particularly in the UK and US, generated revenue of \$0.6 million in HY24 (HY23: \$0.4 million), up 35.3%.

As at 31 December 2023, Airtasker experienced strong growth in its UK marketplaces enabling it to generate trailing twelve months ('TTM') GMV growth of 10.1% to £3.8 million<sup>8</sup> versus the prior comparative period while TTM revenue increased 33.6% to £0.5 million<sup>8</sup> versus the prior comparative period. This strong GMV and revenue performance was achieved on the back of increasing brand awareness. In late October 2023, Airtasker launched its 'Airtasker. Yeahtasker!' UK television brand campaign broadcast on Channel 4. This campaign has increased top of funnel posted tasks by 30.0%.<sup>10</sup> Airtasker intends to continue broadcasting this television brand campaign on Channel 4 in the second half of FY24, during the peak spring and summer seasons in the northern hemisphere.

Airtasker's US marketplaces continued their momentum and as at 31 December 2023 achieved TTM GMV growth of 46.3% to US\$0.5 million<sup>9</sup> versus the prior comparative period and TTM revenue growth of 132.4% to US\$57 thousand<sup>9</sup> versus the prior comparative period.

During HY24 Airtasker continued to focus on developing its marketplace playbook for establishing new marketplaces, driving growth through press relations leveraging the timely and unique user community content, local partnerships and building an engaged Tasker community.



8 Calculated on a trailing twelve months basis for the UK.

9 Calculated on a trailing twelve months basis for the US

10 Calculated as the movement in cumulative posted tasks for the first 4 weeks of calendar year 2024 against the same period in calendar year 2023.

#### Focus

At the beginning of FY24 the Group set a target of generating positive free cash flow on a full year basis. The Group achieved this target at the end of HY24 with positive non-statutory free cash flow of \$0.1 million. This achievement was assisted by the high seasonality of the Airtasker marketplaces such that the spring and summer seasons, in both the northern and southern hemispheres, generally experience greater marketplace activity with stronger demand and supply versus the autumn and winter seasons which results in better financial performance.

The Group still intends to deliver a full year positive free cash flow for FY24 while preserving the \$17.2 million cash and term deposits on its balance sheet at 31 December 2023. The Group also intends to accelerate investment in marketing activities to drive revenue growth in the Australian, UK and US Airtasker marketplaces.

In the second half of FY24 Airtasker intends to focus on the following three strategic pillars to support its Established Marketplaces and its New Marketplaces:

- Protect and grow the revenue of the core Airtasker and Oneflare marketplace platforms through funnel optimisation programs;
- Continue to improve Airtasker marketplace reliability through enhancements to the cancellation policy; and
- Continue to scale new marketplaces in the UK and US via exisiting and new media-for-equity partnerships.

#### Established marketplaces

#### Airtasker Australia

In Australia, macroeconomic conditions associated with an inflationary environment and tightening monetary policy were expected to continue to impact consumer sentiment and marketplace demand in FY24. These challenges dissipated over the course of the half-year as inflation eased and monetary policy tightening was paused.

Consequently, consumer sentiment appears to be improving as we commence the second half of FY24 pointing to better top of funnel demand metrics. However, while cost of living pressures continue we expect Tasker offers to remain buoyant leading to high task completion rates during the second half of FY24.

As noted previously, during the half-year Airtasker implemented a number of funnel optimisation programs including the introduction of a revised cancellation policy and fee structure designed to improve platform reliability and address task leakage. The cancellation fee structure was phased in during the half-year for both customers and Taskers in staggered cohorts, and as such the HY24 revenue and monetisation rate do not yet fully reflect the impact of this fee structure. Further improvements in the monetisation rate and the task cancellation rate are expected in the second half of FY24 with the cancellation fee structure in place for the full period for both customers and Taskers.

#### Oneflare

The Oneflare platform continues to provide a significant opportunity to enhance the customer experience for more complex and high value tasks through access to the professional tradesperson segment. The business model is largely subscription based sales from salespeople targeting professional tradespeople while search engine optimisation and paid performance marketing drive job leads to match consumers with tradespeople.

The focus for the second half of FY24 is to continue to stabilise revenue by improving the retention of subscribing tradespeople through increases in the quantity and quality of consumer job leads, which will grow the revenue contribution of the business to the Group. Opportunities to improve monetisation are also being investigated including simplifying the breadth and complexity of subscription plans as well as the duration and price points of subscription plans.

#### New marketplaces

Airtasker continues to invest in international markets in order to replicate the success of its Australian Airtasker marketplaces. According to market data<sup>11</sup>, the aggregate total addressable market ('TAM') for local services in the UK and US is more than \$500 billion per annum, more than 10 times the size of the Australian TAM. Airtasker is focused on leveraging its proven, open and infinitely horizontal marketplace platform to expand its reach in new markets.

The Airtasker business model has a high operating leverage as the marketplace platform it has developed can be launched in new markets with relatively low incremental non-variable costs including product, engineering and corporate costs. The primary investment in new markets is brand marketing to build awareness of the marketplace platform and build network effects.

In Australia, over a 5 year period Airtasker successfully leveraged a partnership with television network Channel 7 to increase brand awareness by 6 times and grow the revenue of its Airtasker Australian marketplaces by 20 times. In the current equity capital markets constrained environment, Airtasker continues to explore media-for-equity partnerships as a cost effective strategy to fund new market expansion and growth. These equity partnerships also provide the added benefit of a partner who understands local market dynamics and has a vested interest in the performance of the local business.

#### Airtasker UK

The UK city-level marketplaces are in the 'one to 100' phase of marketplace development with a focus on growing customer demand (posted tasks) while also ensuring an adequate supply (Tasker offers) for the successful matching of supply and demand to drive GMV. Airtasker intends to grow brand awareness through a combination of above-the-line television brand campaigns, organic social media content, paid performance marketing and press relations to drive the acquisition of new users.

In June 2023, the Group completed a media-for-equity partnership with UK television station Channel 4, whereby the Group received \$6.7 million (£3.5 million) of advertising media services in exchange for a 20.0% interest in the Company's subsidiary, Airtasker UK Limited ('Airtasker UK'). The current unamortised balance of the advertising media services asset is \$5.4 million (note 8).

The agreement incorporates the Company repurchasing the 20.0% stake at the end of financial year 2028 ('FY28') for scrip or cash (at the Company's option) at a valuation based on Airtasker UK's FY28 revenue and the Group's revenue multiple. This repurchase agreement aligns Channel 4 with Airtasker's UK growth and the Group's global expansion plans, while mitigating risk of excessive shareholder dilution.

In late October 2023, Airtasker launched its 'Airtasker. Yeahtasker!' UK television brand campaign broadcast on Channel 4. This campaign is expected to rapidly grow brand awareness, users and network effects through Channel 4 which provides access to the UK's biggest free streaming service (with over 1.2 billion views per year) and Channel 4's monthly reach of more than 47 million people (78% of the UK population).<sup>12</sup> The brand campaign has already increased top of funnel posted tasks by 30.0%.

This brand campaign, which will continue to be broadcast in the second half of FY24, is expected to result in aided brand awareness increasing from the current 26%.<sup>13</sup> The television brand campaign will be supported by an increase in paid performance marketing to drive user acquisition. As such posted tasks and Tasker offers are expected to continue to increase during the peak spring and summer seasons in the northern hemisphere, leading to further growth in GMV and revenue in the second half of FY24.

Airtasker's partnership with Dunelm, the UK's leading home furnishings retailer, involving Airtasker point of sale merchandise in stores across the UK continues to drive customer demand.

13 Qualtrics, June 2023.

<sup>11</sup> Frost & Sullivan, 2021.

<sup>12</sup> https://www.channel4.com/corporate/about-4/who-we-are/channels-and-platforms.



#### Airtasker US

As noted previously, the priority in markets at the 'zero to one' stage of marketplace development is to generate a consistent flow of posted tasks (customer demand) to create the foundations for building a liquid and sustainable marketplace.

As the US local services market is highly competitive, Airtasker is leveraging its unique strength which is its infinitely horizontal marketplaces to address the 'long tail of services' (e.g. 'remove a snake from my garage') that other marketplaces cannot. This strategy continues to enable Airtasker to build initial marketplace liquidity before addressing more competitive local services categories.

During the second half of FY24 Airtasker will continue to focus its efforts on organic growth in customer demand (posted tasks) through press relations, social media, search engine optimisation and paid performance marketing in order to build an engaged Tasker community that will make offers on posted tasks.

Airtasker will also continue to explore appropriate media-for-equity partnerships to fund the expansion and growth of its US marketplaces while also bringing in a partner with local market knowledge.

#### **Regulatory environment**

The Group operates in a sector where laws and regulations relating to its operations and marketplaces are evolving.

#### Regulation of gig economy

In late calendar year 2023 the Australian Federal Government indicated its intention to impose regulations on marketplaces that had material control over 'gig workers' and particularly, their working conditions. Airtasker is supportive of the fundamental drive behind the legislation to protect Australian workers from exploitation and unfair practices.

In February 2024, the *Fair Work Legislation Amendment (Closing Loopholes) Bill 2023* was passed by both houses of Parliament and the relevant 'gig worker' provisions will commence 6 months after Royal Assent. The amendments, amongst other things, empower 'gig workers' to apply to the Fair Work Commission for orders on minimum standards with respect to payment rates and terms, insurance, superannuation, and protection from unfair de-activation from relevant marketplace platforms. The Group has considered the intended scope of the legislation in light of its specific business model, and how applications to the Fair Work Commission might be made by users of its marketplace platform. As a business connecting users who have total control over the hours they work, when they work, the prices they charge and the scope of their job, Airtasker expects minimal operational and financial impact to its business.

#### Reporting by digital platform operators

The UK, European Union and New Zealand Governments have adopted the OECD Model Rules for reporting by digital platform operators with respect to sellers in the sharing and 'gig' economy. Australia has also adopted similar rules in principle (being, the Sharing Economy Reporting Regime) for ride sharing and food delivery platforms which will be expanded in calendar year 2024 to apply to other digital platform operators, like Airtasker.

The Group will be subject to these new rules across the various jurisdictions in which it operates and, therefore, will be obligated to collect, verify and report certain user information to the relevant taxation authorities over the next 12 months. The Group is currently investigating the various requirements and application dates to ensure its proper compliance.

#### Reporting of gender pay gap

Airtasker is proud to have participated in the Workplace Gender Equality Agency reporting on the gender pay gap for 2022-23.

The Group is committed to ensuring equal pay among its people. This focus ensures men and women are paid equally for the same, or comparable, role. Airtasker is actively prioritising policies and strategies to achieve this, including continuing to invest in compensation benchmarking data and reviewing the accessibility of its recruitment, promotion and remuneration processes for all.



In 2022-23, the Group's median base salary gender pay gap was 25.8% and the median total remuneration gender pay gap was 23.7%. While the Group is close to equal gender representation across the organisation, the Airtasker gender pay gap scores were driven by female underrepresentation in roles with higher compensation. Airtasker is working to address this imbalance through its recruitment strategies.

Airtasker is confident that its continuing efforts will contribute to the national effort to close the gender pay gap.

#### Significant changes in the state of affairs

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

#### **Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

#### Auditor's independence declaration

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

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

On behalf of the directors

Cass O'Connor Chair

29 February 2024

Tim Fung Managing Director



Deloitte Touche Tohmatsu ABN 74 490 121 060

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Phone: +61 2 9322 7000 www.deloitte.com.au

29 February 2024

The Board of Directors Airtasker Limited Level 6, 24 Campbell St Sydney NSW 2000

Dear Board Members

#### Auditor's Independence Declaration to Airtasker Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Airtasker Limited.

As lead audit partner for the review of the half year financial report of Airtasker Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Delotte Tarela Tohmatri

DELOITTE TOUCHE TOHMATSU

**Joshua Tanchel** Partner Chartered Accountants

#### **Airtasker Limited** Consolidated statement of profit or loss and other comprehensive income For the half-year ended 31 December 2023

## **Airtasker**

	Note	Consolid 31 Dec 2023 3	1 Dec 2022
		\$'000	\$'000
Revenue	4	23,322	21,846
Other income Interest revenue calculated using the effective interest method Loss on derivative financial instruments at fair value through profit or loss		716 279 (143)	21 26 (99)
<b>Expenses</b> Employee benefits expense Sales and marketing expense Technology expense General and administration expense	5	(11,017) (5,502) (2,656) (2,653)	(16,604) (3,728) (2,887) (3,623)
Depreciation and amortisation expense Impairment of assets Finance costs	5 5 5	(2,003) (2,365) (100) (172)	(3,023) (2,543) (60) (123)
Loss before income tax		(291)	(7,774)
Income tax		<u>-</u>	-
Loss after income tax for the half-year		(291)	(7,774)
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss Foreign currency translation (loss)/gain		(133)	80
Other comprehensive (loss)/income for the half-year, net of tax		(133)	80
Total comprehensive loss for the half-year		(424)	(7,694)
Loss for the half-year is attributable to: Non-controlling interest Owners of Airtasker Limited		(527) 	(7,774) (7,774)
Total comprehensive loss for the half-year is attributable to: Non-controlling interest Owners of Airtasker Limited		(527)	- (7,694)
		(424)	(7,694)
		Cents	Cents
Basic earnings/(loss) per share Diluted earnings/(loss) per share	20 20	0.05 0.05	(1.74) (1.74)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

#### Airtasker Limited Consolidated statement of financial position As at 31 December 2023



	Note	Consol 31 Dec 2023 \$'000	
Assets			
Current assets Cash and cash equivalents Trade and other receivables Financial assets Other assets Total current assets	6 7 8	5,664 785 11,530 <u>6,969</u> 24,948	16,052 331 1,033 8,720 26,136
Non-current assets Property, plant and equipment Right-of-use assets Intangibles Total non-current assets	9 10	184 2,156 <u>21,231</u> <u>23,571</u>	292 2,415 22,126 24,833
Total assets		48,519	50,969
Liabilities			
Current liabilities Trade and other payables Lease liabilities Contract liabilities Unclaimed customer credits Employee benefits Provisions and other liabilities Total current liabilities	11 12 13	2,889 1,032 1,454 3,587 1,036 277 10,275	3,889 987 1,662 4,607 1,258 224 12,627
Non-current liabilities Financial instruments Lease liabilities Employee benefits Total non-current liabilities	14 12	6,398 2,128 	6,444 2,659 134 9,237
Total liabilities		18,966	21,864
Net assets		29,553	29,105
Equity Issued capital Reserves Accumulated losses Equity attributable to the owners of Airtasker Limited Non-controlling interest Total equity	15 16	137,448 20,083 (127,653) 29,878 (325) 29,553	137,448 19,344 (127,889) 28,903 202 29,105

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

## **Airtasker Limited** Consolidated statement of changes in equity For the half-year ended 31 December 2023

Consolidated	lssued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2022	133,768	18,186	(114,987)	-	36,967
Loss after income tax for the half-year Other comprehensive income for the half-	-	-	(7,774)	-	(7,774)
year, net of tax	-	80			80
Total comprehensive income/(loss) for the half-year	-	80	(7,774)	-	(7,694)
<i>Transactions with owners in their capacity as owners:</i> Contributions of equity, net of transaction					
costs	3,680	-	-	-	3,680
Share-based payments	-	1,085	-	-	1,085
Transfer to current liabilities from share- based payments reserve Foreign exchange movement on share-	-	(142)	) -	-	(142)
based payments reserve	-	13		-	13
Balance at 31 December 2022	137,448	19,222	(122,761)		33,909

Consolidated	lssued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Non- controlling interests \$'000	Total equity \$'000
Balance at 1 July 2023	137,448	19,344	(127,889)	202	29,105
Profit/(loss) after income tax for the half- year Other comprehensive loss for the half-year, net of tax	-	- (133)	236	(527)	(291) (133)
Total comprehensive (loss)/income for the half-year	-	(133)	236	(527)	(424)
<i>Transactions with owners in their capacity as owners:</i> Share-based payments (note 16)		872			872_
Balance at 31 December 2023	137,448	20,083	(127,653)	(325)	29,553

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes  $\frac{17}{17}$ 

#### Airtasker Limited Consolidated statement of cash flows For the half-year ended 31 December 2023

## **Airtasker**

	Consolic 31 Dec 2023 3 \$'000	
Cash flows from/(used in) operating activities Receipts from customers (inclusive of applicable taxes) Payments to suppliers and employees (inclusive of applicable taxes)	24,439 (23,067)	24,939 (31,132)
Interest received Interest paid	1,372 114 (78)	(6,193) 25 (38)
Net cash from/(used in) operating activities	1,408	(6,206)
Cash flows (used in)/from investing activities Payments for term deposits Payments for intangibles Payment for purchase of business assets, net of cash acquired Payments for property, plant and equipment Proceeds from maturing term deposits and bonds Proceeds from sale of business assets Proceeds from disposal of property, plant and equipment Proceeds from facilities licences	(11,000) (1,229) - 503 393 3 3 51	(530) (1,852) (23) (65) 4,710 - 12 62
Net cash (used in)/from investing activities	(11,279)	2,314
Cash flows (used in)/from financing activities Payment of lease liabilities Proceeds from exercise of share options Proceeds from issue of shares, net of transaction costs	(486)	(243) 250 3,397
Net cash (used in)/from financing activities	(486)	3,404
Net decrease in cash and cash equivalents Cash and cash equivalents at the beginning of the half-year Effects of exchange rate changes on cash and cash equivalents	(10,357) 16,052 (31)	(488) 23,722 25
Cash and cash equivalents at the end of the half-year	5,664	23,259

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#### Note 1. General information

The financial statements represent the consolidated entity ('Airtasker' or the 'Group') consisting of Airtasker Limited (the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Airtasker

Airtasker Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 6	Level 6
24-28 Campbell Street	24-28 Campbell Street
Haymarket NSW 2000	Haymarket NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024. The directors have the power to amend and reissue the financial statements.

#### Note 2. Material accounting policy information

These general purpose financial statements for the half-year ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Note 3. Operating segments

#### Identification of reportable operating segments

The Group operates within two business segments, being the 'Established Marketplaces Segment' and the 'New Marketplaces Segment'. The operations of both segments relate to online marketplace platforms enabling users to outsource everyday tasks. The segment results are reported to the Board of Directors, who are identified as the Chief Operating Decision Maker ('CODM').

The Group generates revenue in a number of countries including Australia (where the majority of its revenue was generated in the half-year), the UK and the US. These geographic operations are segmented based on the maturity of the marketplaces.

In Australia, there are two relatively mature marketplaces which form the Established Marketplaces Segment. These are the Airtasker Australia marketplaces and the Oneflare Australia marketplaces. These markets are between 6 and 12 years old and have established user bases and operations.



International marketplaces form the New Marketplaces Segment. These include Airtasker marketplaces based in the UK and US, which are between 2 and 6 years old, have less established user bases and operations and may experience exponential growth in revenue each year.

Airtasker

Internal management reporting provided on a regular basis and the allocation of resources by the Group's CODM are based on this segment disaggregation.

#### Financial summary of operating segments

The Group's revenue and results by reportable segment for the half-year ended 31 December 2023 are:

	Established Marketplaces Segment \$'000	New Marketplaces Segment \$'000	Expenditure not attributable to a segment \$'000	Consolidated \$'000
Revenue Gross profit	22,716 21,825	606 485	-	23,322 22,310
EBITDA attributable to segments	15,942	(5,109)		10,833
Global head office operating expenditure Global innovation investment			(6,484) (2,382)	(6,484) (2,382)
Total Group EBITDA				1,967
Net interest income and finance costs Depreciation and amortisation				107 (2,365)
Loss before income tax				(291)

#### Basis for allocation

Revenues and expenses that directly relate to a segment are assigned to that segment only, including marketing expenses and employee costs dedicated to a particular segment. Split allocations are required where the benefit of the expense is shared between a combination of the Established Marketplaces Segment, the New Marketplaces Segment and the global head office. Split allocations of expenses is performed on appropriate metrics including:

- Posted tasks, where the expense is directly related to servicing customers who have posted a task;
- Project based work for employees who service multiple segments;
- Actual marketing spend directly related to a particular segment; and
- Website traffic for hosting related expenses.

Global head office expenditure also includes expenses which cannot be directly attributable to the Established Marketplaces Segment or the New Marketplaces Segment, including:

- Operating expenditure, being the portion of expenditure relating to engineering, product support and maintenance of the marketplace platforms and back office support functions including, leadership, legal, finance and people operations; and
- Innovation investment, being the portion of expenditure relating to the marketplace platforms that is noncapitalisable and associated with the design of, and post-implementation work on, new features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

#### Major customers

During the half-years ended 31 December 2023 and 31 December 2022 there were no major customers nor major customer groups that represented more than 10% of the Group's revenue.

#### Note 4. Revenue

*Disaggregation of revenue* The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Fee revenue	16,762	15,160
Unclaimed customer credits breakage revenue	2,320	2,208
Quoting credits revenue	3,867	3,628
Listings subscription revenue	373	850
	23,322	21,846
<i>Timing of revenue recognition</i> Services transferred at a point in time Services transferred over time Unclaimed customer credits earned over time	20,629 373 2,320 23,322	18,788 850 2,208 21,846
Geographical regions		
Australia	22,716	21,398
International	606	448
	23,322	21,846

#### Note 5. Expenses

		lidated 31 Dec 2022 \$'000
Loss before income tax includes the following specific expenses:		
Cost of sales	1,012	1,228
Depreciation Computer equipment Furniture and fixtures Leasehold improvements Make good asset Office facilities - right-of-use assets	84 2 - 3 259	106 27 23 3 405
Total depreciation	348	564
<i>Amortisation</i> Platform development Customer list	1,992 25	1,727 252
Total amortisation	2,017	1,979
Total depreciation and amortisation	2,365	2,543

## **Airtasker**

#### Note 5. Expenses (continued)

	Consoli 31 Dec 2023 3 \$'000		
Impairment			
Computer equipment	14	8	
Furniture and fixtures	3	13	
Office facilities - right-of-use assets	-	67	
Platform development	-	26	
Lease receivable Prepayments	83	(54)	
Total impairment	100	60	
Finance costs			
Interest and finance charges paid/payable on liabilities	169	85	
General interest charge	2	37	
Unwinding of discount on provisions	1	1	
Total finance costs	172	123	
Paid and direct marketing expense	2,788	2,717	
Employment benefits expense			
Salaries and on-costs	9,370	14,532	
Outsourced labour	743	987	
Share based payments expense	904	1,085	
Total employment benefits expense	11,017	16,604	
Note 6. Cash and cash equivalents			

#### Note 6. Cash and cash equivalents

	Consolidated 31 Dec 2023  30 Jun 2023 \$'000     \$'000
<i>Current assets</i> Cash at bank Stripe clearing account	4,491 15,342 1,173710
	5,664 16,052

The Group's payment gateway provider is Stripe, whose accounts are underwritten by the various domestic banking partners of each of its legal entities. Included in the Stripe clearing account are funds held on behalf of the Group by the respective Stripe legal entities in 'For Benefit Of' accounts.

#### Note 7. Financial assets

	Consolidated	Consolidated	
	31 Dec 2023 30 Jun 2	2023	
	\$'000 \$'000	)	
Current assets			
Term deposits	<u>    11,530                                    </u>	033	

Term deposit investments during the half-year were for durations of 6 to 9 months.

## **Airtasker**

#### Note 8. Other assets

	Consolidated 31 Dec 2023 30 Jun 20 \$'000 \$'000	31 Dec 2023 30 Jun 2023	
<i>Current assets</i> Prepayments Other assets	1,546 1,9	900 320_	
	6,969 8,7	720	

**Airtasker** 

Other assets represent advertising media services of \$5,423,000 provided by Channel 4 in exchange for the issue of equity in Airtasker UK. During the half-year \$1,141,000 of the advertising media services were expensed with \$256,000 of the movement attributable to foreign currency translation.

#### Note 9. Right-of-use assets

	Consolio 31 Dec 2023 3 \$'000	
Non-current assets		
Office facilities	4,250	4,250
Less: Accumulated depreciation	(1,051)	(792)
Less: Impairment	(1,043)	(1,043)
	2,156	2,415

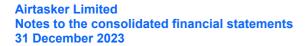
Reconciliations

Reconciliations of the written down values at the beginning and end of the half-year are set out below:

Consolidated	Office lease \$'000
Balance at 1 July 2023 Additions Depreciation expense	2,415 (259)
Balance at 31 December 2023	2,156

#### Note 10. Intangibles

	Consolio 31 Dec 2023 3 \$'000	
<i>Non-current assets</i> Goodwill - at cost	14,022	14,127
Patents and trademarks - at cost	107	107
Platform development - at cost Less: Accumulated amortisation Less: Impairment	17,083 (9,876) (244) 6,963	15,856 (7,884) (244) 7,728



#### Note 10. Intangibles (continued)

	Consolidated 31 Dec 2023  30 Jun 2023	
	\$'000 \$'000	
Customer list - at cost Less: Accumulated amortisation	607 60 (468)(44	
	13916	4
	21,23122,12	6

**Airtasker** 

Reconciliations

Reconciliations of the written down values at the beginning and end of the half-year are set out below:

Consolidated	Goodwill \$'000	Patents and trademarks \$'000	Platform develop- ment \$'000	Customer list \$'000	Total \$'000
Balance at 1 July 2023	14,127	107	7,728	164	22,126
Additions	-	-	1,227	-	1,227
Amortisation expense	-	-	(1,992)	(25)	(2,017)
Foreign exchange translation	(105)				(105)
Balance at 31 December 2023	14,022	107	6,963	139	21,231

#### Note 11. Trade and other payables

	Consol	Consolidated	
	31 Dec 2023 \$'000	30 Jun 2023 \$'000	
<i>Current liabilities</i> Trade payables	1,297	1,549	
Accrued expenses	815	1,039	
Other payables	777	1,301	
	2,889	3,889	

#### Note 12. Lease liabilities

	Consolidated 31 Dec 2023  30 Jun 2023 \$'000     \$'000	
<i>Current liabilities</i> Lease liability	1,032	987_
<i>Non-current liabilities</i> Lease liability	2,128	2,659
	3,160	3,646

#### Note 13. Unclaimed customer credits

	Conso 31 Dec 2023 \$'000	lidated 30 Jun 2023 \$'000
<i>Current liabilities</i> Unclaimed customer credits	3,587	4,607
<i>Reconciliation</i> Reconciliation of the fair values at the beginning and end of the half-year are set out be	low:	
Consolidated		Unclaimed customer credits \$'000
Balance at 1 July 2023 Customer credits granted Customer credits redeemed Customer credits refunded		4,607 12,208 (5,054) (5,624)

**Airtasker** 

Consolidated	Unclaimed customer credits \$'000
Balance at 1 July 2023	4,607
Customer credits granted	12,208
Customer credits redeemed	(5,054)
Customer credits refunded	(5,624)
Transfer to unclaimed customer credits breakage revenue	(2,318)
Sales tax on unclaimed customer credits breakage revenue	(232)
Balance at 31 December 2023	3,587

Unclaimed customer credits represent amounts that customers have paid and the Group credits to the customers' accounts when a task on the Airtasker platform has either been assigned for 30 days and is inactive for 7 days beyond the task due date or is assigned and cancelled prior to task completion. The Group recognises revenue from unclaimed customer credits when customers redeem credits and/or when the Group expects to be entitled to a breakage amount from unclaimed customer credits. The Group does not immediately recognise the full balance of unclaimed customer credits as revenue, because some customers may redeem credits, while other customers may request a refund. The revenue arising from unclaimed customer credits is recognised over time at the earlier of:

- customer redemption, in conjunction with the expected breakage in proportion to the pattern of rights exercised by the customer; or
- upon the expiration of the customer credits. •

The Group expects any revenue from unclaimed customer credits to be realised within 18 months of the reporting date.

#### Note 14. Financial instruments

	Consolidated 31 Dec 2023 30 Jun 2023 \$'000 \$'000
<i>Non-current liabilities</i> Share purchase liability	6,398 6,444
	6,398 6,444

The Company has a forward obligation to purchase the 20% interest in Airtasker UK held by Channel 4 on 30 June 2028. The carrying value of the financial liability of \$6,398,000 represents the present value of the amount expected to be payable at a future date under the terms of the repurchase agreement.

#### Note 15. Issued capital

	31 Dec 2023 30 Jun 2023 Shares Shares	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Ordinary shares - fully paid	451,875,924 450,469,992	137,448	137,448
Movements in ordinary share capital			
Details	Date	Shares	\$'000
Balance at 1 July 2023		450,469,992	137,448
Issue of shares on exercise of rights	3 July 2023	2,380	-
Issue of shares on exercise of rights	5 July 2023	150,000	-
Issue of shares on exercise of rights	10 July 2023	25,934	-
Issue of shares on exercise of rights	21 July 2023	578,631	-
Issue of shares on exercise of rights	14 August 2023	21,580	-
Issue of shares on exercise of rights	31 August 2023	13,753	-
Issue of shares on exercise of rights	25 September 2023	380,968	-
Issue of shares on exercise of rights	20 October 2023	32,521	-
Issue of shares on exercise of rights	23 October 2023	45,490	-
Issue of shares on exercise of rights	17 November 2023	50,754	-
Issue of shares on exercise of rights	30 November 2023	5,933	-
Issue of shares on exercise of rights	13 December 2023	97,988	-
Balance at 31 December 2023		451,875,924	137,448
Note 16. Reserves			
		Conso	lidated
		31 Dec 2023	30 Jun 2023
		\$'000	\$'000
Foreign currency reserve		(102)	31

Foreign currency reserve	(102)	31
Share-based payments reserve	20,185	19,313
	20,083	19,344

#### Movements in reserves

Movements in each class of reserve during the half-year are set out below:

Consolidated	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Total \$'000
Balance at 1 July 2023 Foreign currency translation Share-based payments expense Cash settlement for share-based payments	31 (133) - -	19,313 - 903 (31)	19,344 (133) 903 (31)
Balance at 31 December 2023	(102)	20,185	20,083

#### Note 17. Dividends

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

## **Airtasker**

Consolidated



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#### Note 18. Contingent liabilities

The Group did not have any contingent liabilities as at 31 December 2023 and 31 December 2022.

#### Note 19. Related party transactions

*Parent entity* Airtasker Limited is the parent entity.

*Transactions with related parties* The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2023 31 Dec 202	
	\$	\$
Payments for goods and services:		
Payments for services from key management personnel	336,184	128,550

#### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Ũ		Consolidated 31 Dec 2023  30 Jun 2023	
		\$	\$
Current payables:			
Trade payables to key mana	agement personnel	3,159	7,636
Trade payables to non-conti	rolling interests	49,719	-

The Group has an office facilities lease agreement with Tank Stream Labs Pty Ltd ('TSL'), a company in which Timothy Fung is a director and shareholder.

During the half-year, the Group entered into a separate agreement with TSL to act on behalf of the Group to market and licence excess capacity within one of its office facilities.

The Group also purchased conference venue services during the half-year from Flotespace Pty Ltd, a company in which Timothy Fung is a shareholder.

Airtasker UK has issued shares equivalent to 20% of its issued capital to Channel 4 in exchange for the provision of advertising media services, resulting in Channel 4 holding a non-controlling interest in the Group.

All transactions were made on normal arms-length commercial terms and conditions and market rates.

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

The FY24 remuneration of Timothy Fung has remained the same as reported in the FY23 financial statements, except for the movement in the statutory superannuation guarantee. During the half-year, Mr Fung requested a renegotiation of his FY24 compensation structure to reduce his base cash salary to \$112,500 plus statutory superannuation of \$6,850 with the remainder of his compensation to be a combination of service rights and performance rights. The issue of 4,279,512 service rights and performance rights during the half-year was approved by shareholders at the Annual General Meeting on 29 November 2023.

There has been no other significant change since the end of the last reporting period.

#### Note 20. Earnings per share

	Consolidated	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Loss after income tax Non-controlling interest	(291) 527	(7,774)
Profit/(loss) after income tax attributable to the owners of Airtasker Limited	236	(7,774)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share Adjustments for calculation of diluted earnings per share:	451,434,137	446,948,049
Options over ordinary shares Rights over ordinary shares	16,296,976 22,084,631	
Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share	489,815,744	446,948,049
	Cents	Cents
Basic earnings/(loss) per share Diluted earnings/(loss) per share	0.05 0.05	(1.74) (1.74)

Options and rights over ordinary shares have been included in the diluted earnings per share calculation at 31 December 2023 as they are now considered to meet the criteria for being earnings per share dilutive given the profit after income tax attributable to the owners of Airtasker Limited for the half-year.

#### Note 21. Share-based payments

#### Options

#### Employee Option Plan ('EOP')

The EOP is a legacy start-up concession incentive plan, in which current and former employees, contractors and directors of the Company participate.

Set out below are summaries of options granted under the EOP:

	Number of options	Weighted average exercise price
Outstanding at 1 July 2023 Exercised Forfeited	17,693,750 _ (1,396,774)	\$0.584 \$0.000 \$0.673
Outstanding at 31 December 2023	16,296,976	\$0.577

The weighted average share price at grant date was \$0.494 (30 June 2023: \$0.499).

The weighted average remaining contractual life of options outstanding at the end of the half-year was 1.36 years (30 June 2023: 1.79 years).

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#### Note 21. Share-based payments (continued)

#### Rights

#### Rights Plan ('RP')

The RP is the Company's incentive plan, in which current employees, contractors and executive directors of the Company may participate. Non-executive directors are not eligible to participate in this plan.

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#### NED Equity Plan ('NEP')

The NEP is the Company's incentive plan in which only non-executive directors may participate.

During the half-year ended 31 December 2023, the rights issued under the NEP were in lieu of certain Directors' fees.

Set out below are summaries of rights granted under the RP and the NEP:

	Number of rights	Weighted average exercise price
Outstanding at 1 July 2023 Granted Exercised Forfeited	14,337,601 10,921,955 (1,405,932) (1,768,993)	\$0.212 \$0.000 \$0.000 \$0.000
Outstanding at 31 December 2023	22,084,631	
Exercisable (vested and unexercised) at 31 December 2023	8,398,646	\$0.000

The weighted average remaining contractual life of rights outstanding at the end of the half-year was 11.97 years (30 June 2023: 10.56 years).

During the half-year, Timothy Fung was granted 4,279,512 service rights and performance rights approved by shareholders at the Annual General Meeting on 29 November 2023.

#### Valuation model inputs

For performance-based rights granted during the half-year with market conditions, the valuation was performed using the Monte Carlo Simulation methodology. The inputs used to determine the fair value at the grant date were as follows:

Grant date	Vesting date	Share price at grant date					Fair value at grant date
29 November 2023 30 November 2023			\$0.000 \$0.000	70.00% 70.00%	-	4.00% 4.00%	\$0.123 \$0.125

The service-based rights granted during the half-year were issued with no exercise price. Given that these rights have no dividend yield and no exercise price, it is standard practice to determine the fair value at the grant date using the underlying share price at grant date. The underlying share price is defined as being the closing share price at grant date. The fair value at the grant date are as follows:

#### Note 21. Share-based payments (continued)

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			-
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Grant date	Expiry date	Share price at grant date
5 July 2023	5 July 2038	\$0.200
7 July 2023	7 July 2038	\$0.180
9 July 2023	9 July 2028	\$0.180
10 July 2023	10 July 2038	\$0.180
14 August 2023	14 August 2038	\$0.220
15 August 2023	15 August 2028	\$0.200
16 August 2023	16 August 2028	\$0.210
17 August 2023	17 August 2038	\$0.210
19 August 2023	19 August 2038	\$0.200
20 August 2023	20 August 2038	\$0.200
21 August 2023	21 August 2038	\$0.200
23 August 2023	23 August 2038	\$0.200
24 August 2023	24 August 2038	\$0.200
27 August 2023	27 August 2038	\$0.200
30 August 2023	30 August 2038	\$0.200
3 September 2023	3 September 2038	\$0.200
6 September 2023	6 September 2038	\$0.200
11 September 2023	11 September 2038	\$0.200
14 September 2023	14 September 2038	\$0.200
20 September 2023	20 September 2038	\$0.200
30 September 2023	30 September 2038	\$0.200
6 October 2023	6 October 2038	\$0.180
7 October 2023	7 October 2038	\$0.180
17 October 2023	17 October 2038	\$0.170
5 November 2023	5 November 2038	\$0.190
23 November 2023	23 November 2038	\$0.180
29 November 2023	29 November 2038	\$0.175
30 November 2023	30 November 2038	\$0.175
20 December 2023	20 December 2038	\$0.200
31 December 2023	31 December 2038	\$0.210

#### Note 22. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### Airtasker Limited Directors' declaration 31 December 2023



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

C S/ ..

Cass O'Connor Chair

29 February 2024

Tim Fung Managing Director

## Deloitte.

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## Independent Auditor's Review Report to the Members of Airtasker Limited

#### Conclusion

We have reviewed the half-year financial report of Airtasker Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations* 2001.

#### Basis for Conclusion

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

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

#### Directors' Responsibilities for the Half-year Financial Report

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

#### Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.



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

Delotte Tarele Tohmetre

DELOITTE TOUCHE TOHMATSU

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Joshua Tanchel Partner Chartered Accountants Sydney, 29 February 2024