



2023

Airtasker Limited

ABN 53 149 850 457

(ASX Code: ART)

Quarterly Activity Report and Appendix 4C Quarterly Cash Flow Report 30 June 2023

Lodged with ASX under Listing Rules 4.7B and 4.7C.

www.airtasker.com

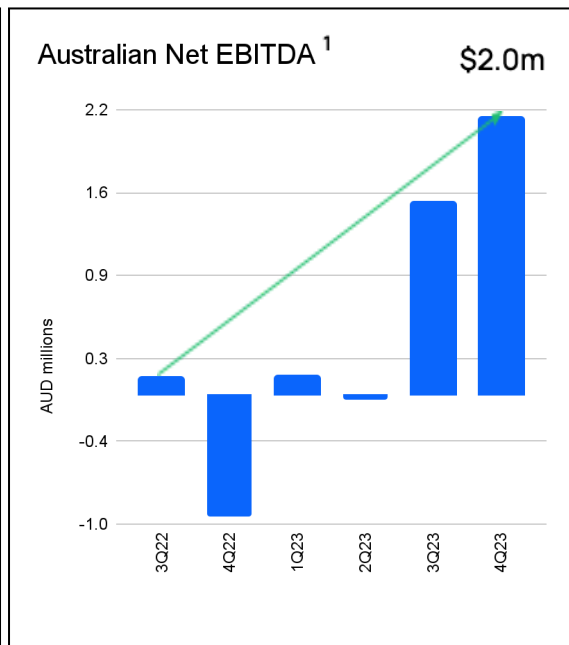
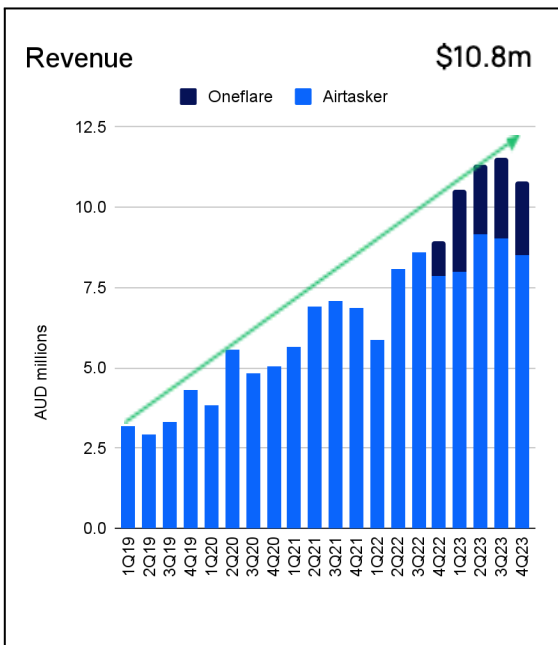
27 July 2023

ASX Announcement

30 June 2023 - Quarterly Activity Report

4Q Highlights

- Record positive Australian Net EBITDA¹ of \$2.0m
- Airtasker positioned to be cashflow positive for full year FY24
- Revenue up 20.6% on pcp^{2,3} to \$10.8m and GMV^{4,5} up 5.6% on pcp² to \$57.3m
- UK TTM⁶ revenue up 92.5% on pcp to £483k⁷ and GMV up 34.6% on pcp to £3.7m⁷
- US TTM posted tasks up 158.0% on pcp to 64k⁷ and TTM tasker offers up 300.2% on pcp to 106k⁷
- Operating cash burn down 4.9% on pcp to \$3.4m with \$16.6m balance sheet cash and no debt



¹ This is Australian EBITDA less global head office operating costs. Calculations are estimates based on management assumptions and judgement, are unaudited and are provided for illustrative purposes only to demonstrate the contribution of various marketplaces.

² Prior comparative period.

³ pcp included a contribution from the Oneflare marketplace acquired on 25 May 2022.

⁴ Gross marketplace volume.

⁵ 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, and fees payable by customers and taskers to Airtasker, and any applicable sales taxes plus Oneflare marketplace GMV estimated by dividing total Oneflare marketplace revenue by the budgeted Airtasker marketplaces take rate.

⁶ Trailing twelve months.

⁷ Calculated on a TTM basis.

4Q23 saw Airtasker revenue increase 20.6% on pcp to \$10.8m whilst GMV grew 5.6% on pcp to \$57.3m. The solid 4Q23 revenue result against pcp was achieved through a combination of improved conversion rates on the Airtasker marketplaces driven by record levels of marketplace supply, lower funnel optimisation programs designed to address leakage and cancellations as well as the contribution of the Oneflare marketplace.

As a result of these optimisations and improvements in the efficiency of marketing expenditure (Australian marketing expenses were down 55% on pcp), Airtasker's Australian marketplace achieved a record positive Australian Net EBITDA⁸ of \$2.0m, after covering global head office operating costs⁹.

Excluding the Oneflare marketplace contribution, 4Q23 revenue increased 8.2% on pcp to \$8.5m. This solid revenue result was achieved despite GMV (excluding Oneflare) decreasing 8.5% on pcp to \$43.7m due to lower consumer demand (posted tasks) being offset by a sharp increase in tasker engagement (supply) resulting in significantly improved task completion rates.

Oneflare marketplace revenue continues to be ahead of expectations communicated when the acquisition was announced.

The marketplaces continue to demonstrate strong seasonal cyclicity with the spring and summer seasons in both the southern and northern hemispheres generating stronger volumes and revenues versus the autumn and winter seasons.

On 27 April 2023, Airtasker announced a program to reduce costs which would result in headcount decreasing by approximately 45 non-revenue generating roles (20% of total headcount). At the same time Airtasker announced it would exit non-core businesses acquired as part of the Oneflare portfolio companies which would result in a reduction in FY24 revenue of approximately \$1.0m while positively impacting operating costs and operating cashflow in FY24. The headcount restructure program was completed during 4Q23 with \$0.9m of restructuring costs incurred. The exit of non-core businesses is underway and is expected to be completed during 1Q24. These changes have positioned Airtasker to be cashflow positive on a full year basis for FY24 while enabling efficient global scaling of its business.

While Airtasker achieved a strong 4Q23 revenue result, net cash used in operating activities for the quarter was \$3.4m (down 4.9% on pcp). The net cash used in operating activities included \$0.9m of restructuring costs relating to the 20% headcount reduction, \$0.8m paid to the Australian Taxation Office in settlement of the dispute regarding Airtasker's research and development

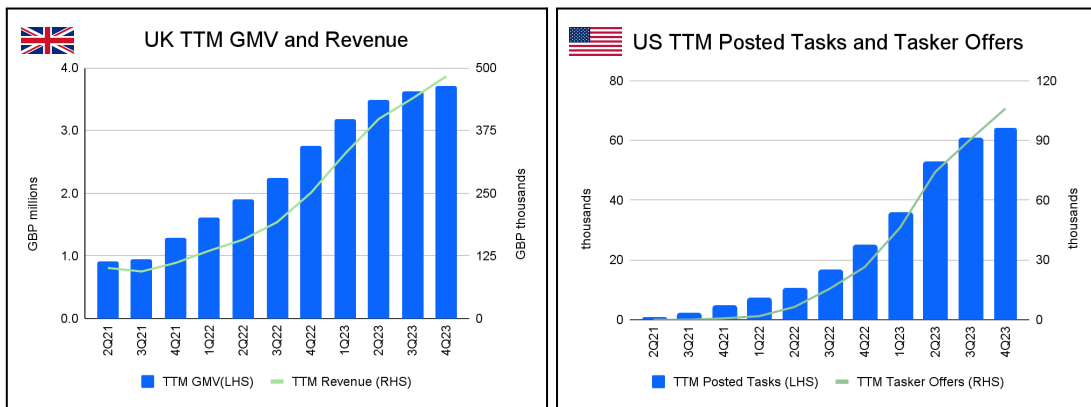
⁸ This is Australian EBITDA less global head office operating costs. Calculations are estimates based on management assumptions and judgement, are unaudited and are provided for illustrative purposes only to demonstrate the contribution of various marketplaces.

⁹ This is operating expenditure relating to the Airtasker and Oneflare marketplaces (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).

activities for the years ended 30 June 2015 and 30 June 2016 as well as annual insurance premium prepayments of \$0.5m for FY24. Airtasker remains in a solid financial position with \$16.6m in cash on its balance sheet and no debt at the end of 4Q23.

Airtasker operates marketplaces at multiple stages of development. In Australia, our marketplaces are at the “scaling” stage. In the UK, our marketplaces are in the “one to 100” stage during which the goal is to carefully balance supply and demand to drive marketplace activity and grow GMV. In the US, our marketplaces are in the “zero to one” stage during which the focus is on creating a steadily increasing flow of job opportunities (posted tasks).

In the UK, Airtasker’s marketplaces demonstrated strong performance with 4Q23 TTM GMV up 34.6% on pcp to £3.7m¹⁰ and TTM revenue up 92.5% on pcp to £483k⁹ as a result of record levels of tasker engagement driving higher task completion rates and the ongoing impact of improved monetisation introduced in late 4Q22.



On 8 June 2023, Airtasker announced that it had entered into a media-for-equity partnership with Channel 4 Ventures and Channel 4 Television in the UK (together, Channel 4). Channel 4 will invest \$6.5m (£3.5m) in Airtasker UK, Airtasker’s UK subsidiary, for a 20% stake. The investment will enable Airtasker to accelerate its UK marketplace growth through access to the UK’s biggest streaming services (with over 1.2bn views per year) and Channel 4’s monthly audience reach of more than 47m people (78% of the UK population).

In Airtasker’s US marketplaces, 4Q23 TTM posted tasks increased 158.0% on pcp to 64k⁹ and tasker offers increased 300.2% on pcp to 106k⁹.

¹⁰ Calculated on a TTM basis.

Airtasker reports and manages its business as a single operating unit. However, as the Airtasker marketplaces are at different stages of maturity the economics differ at each stage. As such, management has prepared a notional (non-statutory) split of financial performance for 4Q23 in the table below.

Economics of marketplaces at different stages of maturity ¹¹	4Q23 \$m	4Q22 \$m
Established marketplaces (Australia) EBITDA ¹²	6.1	4.6
Global head office operating costs ¹³	(4.1)	(5.5)
Australian Net EBITDA	2.0	(0.9)
Global innovation expenditure ¹⁴	(1.4)	(2.4)
New marketplaces (UK and US) EBITDA	(2.7)	(5.0)
Group EBITDA	(2.1)	(8.3)

Commenting on the results, Airtasker Founder and CEO Tim Fung said, "I'm super pleased to announce that Airtasker has achieved a record \$2.0m Australian Net EBITDA in Q4 (including global head office operating costs) at the same time as delivering revenue growth of over 20% on pcp. During the quarter we made excellent progress on improving operating efficiency - so combined with a strong balance sheet and an exciting media-for-equity partnership with Channel 4 in the UK - we are looking forward to achieving both positive operating cashflow and growth in FY24!"

Related party payments in 4Q23 totalled \$272k. The payments comprised \$87k to non-executive directors for director's fees, superannuation and expense reimbursements and \$185k to Tank Stream Labs Pty Ltd for leases, utilities and cleaning costs related to office facilities.

All numbers are unaudited.

- Ends -

¹¹ The amounts in the table, including EBITDA splits, are estimates based on management assumptions and judgement, are unaudited and are provided for illustrative purposes only to demonstrate the contribution of various marketplaces.

¹² Excluding global head office operating costs and global innovation expenditure.

¹³ This is operating expenditure relating to the Airtasker and Oneflare marketplaces (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).

¹⁴ This is non-capitalisable operating expenditure relating to the Airtasker and Oneflare marketplaces associated with the development of new features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

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About Airtasker

Airtasker (ASX: ART) is Australia's leading online marketplace for local services, connecting people and businesses who need work done with people who want to work. With a mission to **empower people to realise the full value of their skills**, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income. Since launching in 2012, Airtasker has put more than \$450m into the pockets of workers (payments made after all fee revenue is deducted) and served more than 1.3m unique paying customers across the world. For more information visit: investor.airtasker.com.

This announcement was approved for release by the Board of Directors of Airtasker Limited.

Appendix 4C

Quarterly Cash Flow Report for Entities Subject to Listing Rule 4.7B

Name of entity

Airtasker Limited

ABN

53 149 850 457

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 months) A\$'000
1.	Cash flows used in operating activities		
1.1	Receipts from customers	11,211	48,447
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,074)	(4,685)
	(c) advertising and marketing	(2,240)	(10,532)
	(d) leased assets	(3)	(12)
	(e) staff costs	(7,306)	(29,970)
	(f) administration and corporate costs	(2,289)	(10,368)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	114	160
1.5	Interest and other costs of finance paid	(44)	(146)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(762)	(762)
1.8	Other – GST and FBT	(972)	(2,937)
1.9	Net cash used in operating activities	(3,365)	(10,805)
2.	Cash flows used in investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(23)
	(c) property, plant and equipment	-	(69)
	(d) investments	-	-
	(e) intellectual property	(539)	(3,398)
	(f) other non-current assets	-	(530)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (12 months) A\$'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	15	28
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	197
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash used in investing activities	(524)	(3,795)
3.	Cash flows (used in) / from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,550
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	250
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(155)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease liabilities	(205)	(766)
3.10	Net cash (used in) / from financing activities	(205)	2,879
4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,641	28,235
4.2	Net cash used in operating activities (item 1.9 above)	(3,365)	(10,805)
4.3	Net cash used in investing activities (item 2.6 above)	(524)	(3,795)
4.4	Net cash (used in) / from financing activities (item 3.10 above)	(205)	2,879
4.5	Effect of movement in exchange rates on cash held	7	40
4.6	Cash and cash equivalents at end of period	16,554	16,554

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter A\$'000	Previous quarter A\$'000
5.1	Bank balances (item 4.6 and item 4.1)	16,554	20,641
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,554	20,641

6. Payments to related parties of the entity and their associates		Current quarter A\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 3	111
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		Total facility amount at quarter end A\$'000	Amount drawn at quarter end A\$'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
There are no financing arrangements available to the Company.			

8. Estimated cash available for future operating activities		A\$'000
8.1	Net cash used in operating activities (item 1.9)	(3,365)
8.2	Cash and cash equivalents at quarter end (item 4.6)	16,554
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	16,554
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.9
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.