1. Company details

Name of entity:	Airtasker Limited
ABN:	53 149 850 457
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	18.4%	to	31,469
Loss from ordinary activities after tax attributable to the owners of Airtasker Limited	up	110.0%	to	(20,391)
Loss for the year attributable to the owners of Airtasker Limited	up	110.0%	to	(20,391)

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

Comments
The loss for the Group after providing for income tax amounted to $20,391,000 (30 June 2021: $9,709,000).

Refer to the 'Operating and financial review' within the directors' report for further commentary on the performance of the Group.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.31	8.37

Calculated as:

	Group 2022 $'000	Group 2021 $'000
Net assets	36,967	44,175
Less: Right-of-use assets	(923)	(419)
Less: Intangibles	(23,058)	(9,553)
Add: Lease liabilities	1,597	422
Net tangible assets	14,583	34,625
Total shares issued	440,279,432	413,741,361

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 financial period.

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

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 have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Directors' report and financial statements of Airtasker Limited for the year ended 30 June 2022 is attached.

12. Signed

Approved for release by the Board of Directors

Signed ______________________________ Date: 29 August 2022

James Spenceley
Chairperson

Airtasker Limited

ABN 53 149 850 457

Directors' report and financial statements - 30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Airtasker' or the 'Group') consisting of Airtasker Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

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

James Spenceley - Chairperson
Timothy (Tim) Fung - Chief Executive Officer
Ellen Comerford
Peter Hammond
Xiaofan (Fred) Bai

Company secretary
Mark Simpson

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.

Operating and financial review
Overview of the Group
Airtasker is Australia's leading online marketplace platform for local services, connecting people who need work done with people who want to work and generating more than $180m of gross marketplace volume in Australian city-level marketplaces in FY22. Since launching in 2012, Airtasker has enabled more than $2 billion in working opportunities and served more than 1.3 million unique paying customers.

Airtasker's international operations include established and early stage city-level marketplaces in the United Kingdom ('UK'), and early stage city-level marketplaces in the United States of America ('US'), which have experienced strong growth during the financial year ended 30 June 2022 ('FY22').

The mission of Airtasker is to empower people to realise the full value of their skills. The core purpose of the company is to create flexible jobs and income opportunities by becoming the world's most trusted place to buy and sell local services. Airtasker is at the forefront of the flexible working movement which has seen more than 7.1% of Australians use a flexible platform to find work and more than 34.8% of those people choosing to work via Airtasker[1].

Airtasker has two main areas of strategic focus: In Australia, we are scaling and realising value in our home marketplaces; while in international markets, we are investing to establish new marketplaces in the US and UK.

On 25 May 2022, Airtasker acquired the assets and certain liabilities of Oneflare Pty Limited ('Oneflare'), one of Australia's largest local services marketplace platforms. The acquisition provides Airtasker with enhanced network effects, improved access to the high value professional trades segment with an estimated total addressable market ('TAM') of $110.3 billion[2] as well as significant brand, technology and financial synergies. Further information on the Oneflare acquisition is provided in this operating and financial review and in the financial statements under *note 29 Business combinations*. Oneflare is included in the Group's financial statements from 25 May 2022.

[1] Frost & Sullivan, 2021.

[2] Management estimates based on publicly available information.

Operating and financial performance for the year
Statutory and Underlying Pro Forma profit or loss
Airtasker achieved strong growth in FY22 with full year GMV of $189.6m up 23.8% on the previous corresponding period ('pcp') despite significant local and macro headwinds including COVID-19 related lockdowns, a nationwide labour shortage as well as excess rain and flooding - demonstrating a highly resilient business model.

Strong international growth was achieved in line with the Group's stated strategic focus. International GMV grew to an annualised run rate of $9.5m in May-22[3], and was up 111.6% in the last quarter of FY22 ('4Q FY22') compared to 4Q FY21, and up 120.5% in FY22 compared to FY21.

- In the US, demand grew 49% in 4Q FY22 compared with 3Q FY22, with gains continuing throughout the broader US market and clear evidence of the two-sided marketplace “flywheel” (simultaneous demand-side and supply-side growth) gaining momentum, with supply (offers made by active Taskers) increasing 27% quarter-on-quarter.

- In the UK, both demand and supply more than doubled, with UK GMV in 4Q FY22 increasing 103.8% compared with 4Q FY21.

During FY22, Airtasker invested in a number of key areas of the business to support continued long-term growth both in Australia and internationally, including strengthening the Airtasker leadership team with the hiring of Chief Marketing Officer Noelle Kim (formerly Meta, Google), Chief Product Officer Patrick Collins (formerly Zip, Fifth Finger) and Chief HR Officer Isa Notermans (formerly Spotify, Linktree).

Key marketing capabilities were established or upgraded including email marketing, paid acquisition and social media, leveraging an in-house content studio to optimise organic marketing opportunities. These capabilities amplify the inherently strong characteristics of the Airtasker brand and business model which drives organic acquisition through public relations by promoting “long tail” marketplace activity which is relevant to news media. For example, during June 2022 Airtasker received over 250 media mentions across TV, radio, print and online media related to Taskers being hired to line up in passport office queues.

Airtasker successfully increased its brand awareness in both Australia and the UK during FY22 through the release of the new “Joy of Done” marketing campaign which lifted aided brand awareness to 68% in Australia and to 17% in the UK, both all-time highs[4].

[3] Calculated on a constant currency basis using exchange rates at the date of releasing FY21 results (19-Aug-21).

[4] Source: Qualtrics.

Airtasker is continuing to drive improvement of its core value proposition via ongoing optimisation of our Open Marketplace product and establishment of a Data Products team to enhance matching within the marketplace through “smart tasker alerts” and “weekly recommendations”. Airtasker Contacts, which enables customers to get back in touch with Taskers that they have worked with previously (ie. rebooking) was launched during the year and is demonstrating early traction.

Finally, in May 2022 Airtasker successfully completed the acquisition of Oneflare at a price of $9.2 million[5], to strengthen network effects, unlock the high value trades opportunity and drive significant technology, brand and financial synergies.

[5] Difference between $9.8 million purchase price announced to the market on 4 May 2022 and final purchase price of $9.2 million is due to: (i) working capital adjustment mechanism (reducing purchase price by $0.2 million); and (ii) adjustment to equity consideration due to change in share price between announcement date and date of completion (reducing purchase price by $0.4 million). Refer to note 29 Business combinations for further details.

Statutory and Underlying Pro Forma profit or loss

Airtasker considers that certain income earned and costs incurred during FY22 and FY21 are not representative of the underlying and future financial performance of the Group, and as a result the statutory financial statements reduce the comparability of financial performance across reporting periods.

To improve comparability of Airtasker’s financial performance for FY22 with FY21 and with future periods, the profit or loss for Airtasker has therefore been provided below, on a statutory, Underlying and Underlying Pro Forma basis.

Underlying EBITDA has been calculated by removing:

- share-based payment expenses, the majority of which in FY21 relate to legacy grants prior to becoming a publicly listed company in March 2021 which the Group considers is not reflective of its future cost base;
- receipts from government subsidies in FY21 associated with COVID-19;
- expenses associated with corporate actions, including the acquisition of Oneflare in FY22, acquisition of the assets of Zaarly Inc. ("Zaarly") in FY21 and the IPO in FY21;
- income relating to a reduction in the provision for government grants in FY22 following resolution of a dispute with the ATO regarding the Group's research and development tax activities for FY15 and FY16, which resulted in other income of $0.6 million being recognised in 1H FY22;
- receipts from government subsidies relating to research and development tax offsets in FY21 in respect of the years ended 30 June 2017, 30 June 2018 and 30 June 2019; and
- impairment of right of use asset related to a lease included in the acquisition of Oneflare in FY22.

Underlying Pro Forma EBITDA has been calculated by making the same adjustments above for Underlying EBITDA, and then, for FY21, adding the additional costs of operating as a publicly listed company (based on Airtasker's assessment of FY22 listed company costs), so that in each period the listed company costs results reflect the Group's cost base as if it was listed for the full period[6].

[6] Airtasker Limited listed on the ASX on 22 March 2021; note that FY21 Underlying Pro Forma EBITDA, which is calculated by adding incremental FY22 publicly listed company costs to FY21, will not equal FY21 Underlying Pro Forma EBITDA contained in the FY21 financial statements, which at the time was based on lower estimated listed company costs.

	Statutory 2022 $'000	Statutory 2021 $'000	**Underlying Pro Forma 2022 $'000**	Underlying Pro Forma 2021 $'000
Revenue	**31,469**	26,571	**31,469**	26,571
Cost of sales	**(2,191)**	(1,727)	**(2,191)**	(1,727)
Gross profit	**29,278**	24,844	**29,278**	24,844
Paid and direct marketing expenses	**(4,516)**	(1,636)	**(4,516)**	(1,636)
Gross profit after paid acquisitions ('GPAPA')	**24,762**	23,208	**24,762**	23,208
Operating expenses[a]	**(41,840)**	(30,625)	**(39,201)**	(24,309)
EBITDA	**(17,078)**	(7,417)	**(14,439)**	(1,100)
Earnings before interest and tax ('EBIT')	**(20,603)**	(9,615)	**(17,964)**	(3,297)
Interest income and finance costs	**60**	(94)	**60**	(94)
Profit/(loss) before tax	**(20,543)**	(9,709)	**(17,904)**	(3,392)
Income tax benefit	**152**	-	**152**	-
Net profit/(loss) after tax ('NPAT')	**(20,391)**	(9,709)	**(17,752)**	(3,392)

[a] Operating expenses is presented net of Other income and gains on derivative financial instruments of $681,000 in FY22 and $702,000 in FY21.

Reconciliation of statutory NPAT to statutory EBIT and EBITDA

	2022 $'000	2021 $'000
Statutory NPAT for the year	(20,391)	(9,709)
Income tax benefit	(152)	-
Interest income and finance costs	(60)	94
Statutory EBIT	(20,603)	(9,615)
Depreciation and amortisation	3,525	2,198
Statutory EBITDA	(17,078)	(7,417)

Reconciliation of statutory EBITDA to Underlying EBITDA and Underlying Pro Forma EBITDA

	2022 $'000	2021 $'000
Statutory EBITDA	(17,078)	(7,417)
Share-based payments expense	2,214	6,808
Capital raising (including IPO) and acquisition expense[a]	403	2,795
Government subsidies relating to COVID-19	-	(526)
Government subsidies relating to FY17-FY19 research and development tax offsets	-	(399)
Reduction in provision for government grants payable to the ATO[b]	(643)	-
Impairment of right of use asset related to a lease acquired as part of Oneflare	665	-
Underlying EBITDA	(14,439)	1,261
Incremental listed company costs[c]	-	(2,361)
Underlying Pro Forma EBITDA	(14,439)	(1,100)

Reconciliation of statutory NPAT to Underlying NPAT and Underlying Pro Forma NPAT

	2022 $'000	2021 $'000
Statutory NPAT	(20,391)	(9,709)
Share-based payments expense	2,214	6,808
Capital raising (including IPO) and acquisition expense[a]	403	2,795
Government subsidies relating to COVID-19	-	(526)
Government subsidies relating to FY17-FY19 R&D tax offsets	-	(399)
Reduction in provision for government grants payable to the ATO[b]	(643)	-
Impairment of right of use asset related to a lease acquired as part of Oneflare	665	-
Underlying NPAT	(17,752)	(1,031)
Incremental listed company costs[c]	-	(2,361)
Underlying Pro Forma NPAT	(17,752)	(3,392)

[a] Non-recurring costs associated with the IPO in March 2021, Zaarly acquisition and associated capital raising in May 2021, and Oneflare acquisition and associated capital raising in May 2022.

[b] Relates to the reduction in a provision for government grants payable to the ATO in respect to research and development tax offsets (refer to note 6 of the financial statements).

[c] The additional costs of operating as a publicly listed company in FY22 have been added to FY21 to reflect Underlying Pro Forma EBITDA in FY21.

Note: EBITDA (Statutory, Underlying and Underlying Pro Forma) and NPAT (Underlying and Underlying Pro Forma) are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represent the statutory result under AAS adjusted for only certain items as noted above. The directors consider Underlying Pro Forma EBITDA and Underlying Pro Forma NPAT to reflect the core earnings of the Group, adjusted for listed company costs.

Summary of FY22 operating and financial performance

Airtasker's business activity grew strongly in FY22, with Gross Marketplace Volume ('GMV')[7] rising 23.8% compared with FY21 and Revenue growth of 18.4% compared with FY21. This result was achieved despite a number of significant macro headwinds including extensive COVID-19 related government-mandated restrictions in key Australian marketplaces during much of the first five months of the financial year; near-record low unemployment and a nationwide labour shortage impacting marketplace supply; and unprecedented rainfall and flooding in key city level marketplaces in New South Wales and Queensland during the second half of FY22.

[7] GMV represents the total price of all tasks booked through the Airtasker marketplace 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's estimated GMV contribution from 25 May 2022. This is calculated by dividing total Oneflare revenue by the Airtasker marketplace take rate for FY22. Take rate represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.

Management believes that a comparison of the performance of the last quarter of FY22 ('4Q FY22') with the last quarter of FY21 ('4Q FY22') illustrates the underlying performance of the business, given that neither period was materially impacted by lockdown restrictions in key Australian city-level marketplaces. Notwithstanding the 4Q FY22 period being negatively impacted by rainfall and flooding and labour supply shortages, GMV of $54.4 million was 38.3% higher than in 4Q FY21.

	4Q FY22 $m	Percentage increase on 4Q FY21 %	FY22 $m	Percentage increase on FY21 %
GMV	54.4	38.3%	189.6	23.8%
Revenue	9.0	30.6%	31.5	18.4%
Gross profit	8.4	30.6%	29.3	17.9%

In FY22, GPAPA of $24.8 million was $1.5 million (6.7%) higher than FY21. The main difference between growth in GPAPA and Revenue was due to higher paid and direct marketing expenses as Airtasker increased its investment in marketing to support continued growth in Australia and in the key international target markets of the UK and the US. Underlying Pro Forma EBITDA of negative $14.4 million was $13.3 million lower than in FY21. The year on year change in Underlying Pro Forma EBITDA was primarily driven by the aforementioned headwinds impacting revenue (in particular COVID-19 restrictions during H1 FY22) and the increased marketing investment described above. In addition, the Group continued to invest in development of the platform, reflected in higher employee and technology costs, to continue to support future growth.

GMV

GMV for FY22 was $189.6 million (FY21: $153.1 million) representing growth of 23.8%. GMV grew faster than revenue during the period, due primarily to Airtasker's decision to support Taskers during lockdown periods and to build loyalty by implementing a tasker tier freeze during 1H FY22. The tier freeze allowed Taskers in locations impacted by extended COVID-19 restrictions to temporarily retain their tier status and associated Service Fee rate (which is ordinarily determined by the value of tasks completed) for up to 4.5 months. The impact of the tasker tier freeze was temporary and following the support period, the take rate recovered to pre-restriction levels.

GMV in Q4 FY22 of $54.4 million (Q4 FY21: $39.3 million) represented growth of 38.3%, despite record rainfall and flooding occurring in a number of key east coast markets during the period, and the impact of labour supply shortages which negatively impacted the number of tasks completed.

Revenue

Airtasker reported revenue of $31.5 million (FY21: $26.6 million) representing an increase of 18.4%, with much of the first five months of the financial half-year impacted by COVID-19 related government-mandated restrictions in Australia. For 4Q FY22, which was not impacted by these restrictions, revenue of $9.0 million was 30.6% higher than revenue of $6.8 million in 4Q FY21. The lower Revenue growth rate compared with GMV was due to the lower take rate, as described below.

The tasker tier freeze, described above, contributed to a lower average take rate[8] of 16.6% in FY22 compared with FY21 of 17.4%. Other contributors to the lower take rate were higher cancellations caused by excess rainfall and flooding during 2H FY22, and the growth in the average task price during FY22, which caused a higher percentage of tasks to exceed the booking fee cap, reducing the average booking fee take rate during the period.

[8] Take rate represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.

Total Unique Paying Customers in the trailing 12 months to June 2022 increased to 428k (FY21: 415k), representing growth on pcp of 3.0%. Unique paying customers was materially negatively impacted by the effect of COVID-19 on marketplace activity during lockdowns in H1 FY22, and the tighter labour market which reduced the available supply of workers in the Airtasker marketplace.

Offsetting the impact of fewer available workers in the marketplace, this tighter demand-supply dynamic likely contributed to higher task prices, with the average task price in FY22 of $237 (FY21: $198) representing an increase of 19.7% and helping to offset the impact of the tighter labour supply market. Management believes the ability for the higher average task price to offset task completion rates caused by a tight labour supply market, has served as an effective and valuable mechanism to balance changes in macroeconomic conditions and strengthens the resilience of Airtasker's business model.

EBITDA
Underlying Pro Forma EBITDA in FY22 was negative $14.4 million (FY21: negative $1.1 million).

Management estimates that the impact of COVID-19 related restrictions on GMV, and the tasker tier freeze introduced in response to COVID-19, reduced Underlying Pro Forma EBITDA by approximately $2.2 million in 1H FY22.

Sales and Marketing expense was $12.0 million (FY21: $5.0 million), an increase of $7.0 million, reflecting increased direct marketing investment in Australia, the UK and the US, as well as creative production of the new "Joy of Done" brand campaign in 2H FY22.

Employee benefits of $25.0 million (FY21: $21.1 million) increased by $3.8 million and included share-based payments expense of $2.2 million (FY21: $6.8 million) which is excluded from the calculation of Underlying Pro Forma EBITDA. The higher employee benefits expense (excluding share-based payments expense) primarily reflects an increase in headcount in product development and marketing, with the acquisition of Oneflare from 25 May 2022 also contributing to the higher expense.

Financial position
Airtasker had $31.8 million of cash, term deposits and equity receivables[9] and no debt on balance sheet at 30 June 2022, compared with $45.9 million in cash and term deposits and no debt at 30 June 2021.

The net reduction of $14.1 million was driven by net cash used in operating activities of $13.3 million and net cash used in investing activities (excluding receipts from maturing term deposits) of $7.5 million, partially offset by net cash received or receivable from financing activities of $6.7 million (including the $3.6 million equity receivable relating to capital raising undertaken in May 2022).

[9] $31.8m cash and equity receivables = $28.2m cash at 30 June 2022 + $3.6m receivable from tranche 2 of May 2022 equity raising, which settled on 19 August 2022.

Net cash used in operating activities was driven by:

- increased marketing expense in line with an increased investment in customer awareness and growth in Australia, the UK and the US;
- higher employee benefits expense and payments to contractors reflecting an increase in investment in product development and marketing;
- an increase in trade and other payables during the period of $1.3 million; and
- management estimates that lost potential GMV due to the impact of COVID-19 related government-mandated restrictions, had a negative impact on cash receipts in 1H FY22 of approximately $2.2 million[10].

[10] Based on a take rate of 16.6% and a gross margin of 93%.

Net cash used in investing activities was driven by $4.6 million of cash payments for platform development and $2.1 million cash applied to the acquisition of the assets of Oneflare on 25 May 2022. Net cash from financing activities reflects $2.7 million raised in tranche 1 of the equity raising associated with the acquisition of the assets of Oneflare (with the remaining $3.6 million from tranche 2 of this equity raising settled on 19 August 2022) and $1.1 million received from the exercise of employee options.

Coronavirus pandemic (COVID-19)
The financial year commenced with each of New South Wales, Queensland and Western Australia under government mandated restrictions due to the emergence of the Delta variant of COVID-19. The Victorian government later imposed restrictions from 15 July 2021, with South Australia entering into restrictions shortly after on 20 July 2021. In total during the financial half-year, Airtasker saw its five largest city marketplaces (Sydney, Melbourne, Brisbane, Adelaide and Perth) under government-mandated restrictions in place for an aggregate of 220 days. These mandated restrictions were weighted towards Q1 FY22, with the five largest city marketplaces under restrictions for an aggregate 188 days in Q1 FY22 and for an aggregate 32 days in Q2 FY22.

Based on modelling by management using city-level marketplace data before, during and following the end of these government-mandated restrictions, management estimates that these government-mandated restrictions caused a loss of potential GMV in Australia of $14.0 million in 1H FY22, split $12.0 million in Q1 FY22 and $2.0 million in Q2 FY22.

Following the removal of these restrictions Airtasker saw a strong bounce back in activity in its key Australian city-level marketplaces. Weekly GMV reached a record $4.5 million during December 2021, representing an accelerating year-on-year growth trajectory (measuring from peak-to-peak). This underscored the expected resilience of the marketplaces and in particular, of Airtasker's taskers and customers.

Based on the National Plan to Transition Australia's National COVID-19 Response released by the Australian Government ('National Plan')[11], Airtasker does not expect future periods to be negatively impacted by COVID-19 related government-mandated restrictions. While COVID-19 continues to circulate throughout the community in key marketplaces, recent performance as illustrated by 38.3% growth in GMV in Q4 FY22 vs pcp, further underlines the resilience of Airtasker's marketplace platform during the current phase of the pandemic.

Airtasker received no COVID-19 related Government subsidies recorded through profit or loss in FY22 (FY21: $0.8 million).

[11] Australia's National Cabinet (comprising the prime minister and all state and territory premiers and chief ministers) met on 10 February 2022 and agreed to transition to Phase D of the National Plan, which has as its objective to "Manage COVID-19 consistent with public health management of other infectious diseases", and whose measures include to "Minimise cases in the community without ongoing restrictions or lockdowns".

Business growth strategy, likely developments and expected results of operations

In service of our mission - to empower people to realise the full value of their skills - Airtasker's vision is to become the world's most trusted place to buy and sell local services. Our investment thesis is focused on continued development of Airtasker's core product offering, inspiring more customers and taskers to drive usage frequency, and increasing our total addressable market through expansion in international markets.

Marketplace Staging

Because each Airtasker city-level marketplaces is built on liquidity and network effects which develop over time, the staging of our strategic growth initiatives is critical. 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 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 marketplace is balanced to drive completed tasks (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.

Strategic Focus

Based on these stages of marketplace development, Airtasker has two main areas of strategic focus:
1. In Australia, we are scaling and realising value in our home marketplaces.
2. In international markets, we are investing to establish new marketplaces in the US and UK.

1. Australia: scaling our home marketplaces

In Australia, Airtasker has established a number of city-level marketplaces that are in the "scaling" stage. As such, in the Australian market the primary focus is on leveraging network effects to produce strong margins and positive cashflows. This is achieved via core marketing initiatives that improve brand trust and profitable organic customer acquisition as well as Airtasker's superstore initiative which includes developing or acquiring products that unlock new customer interactions (eg. rebooking) or industry segments (eg. high value professional trades).

A. Ongoing optimisation of core marketing channels

During FY22, the team has continued to invest into optimisation of core organic marketing channels including search engine optimisation ('SEO'), email and push notification marketing ('CRM'), organic social engagement such as Instagram and TikTok ('Social') and search and social performance ('Paid') marketing. In addition, the marketing team continued to invest in building Airtasker's brand awareness through above the line and brand marketing initiatives. Following comprehensive user research, a new brand campaign "The Joy of Done" was developed and launched in Australia in late January 2022 and successfully increased aided brand awareness from 59% in January 2022 (pre-campaign launch) to 68% in June 2022[12].

[12] Source: Qualtrics.

B. Continued investment into core product

During the year, Airtasker also continued to invest in the development of a world-class user experience for its customers and taskers including improvements to our core marketplace model and the release of new marketplace models. Within the core Open Marketplace product, Airtasker released a new version of the Post Task flow and commenced a program of verticalisation (task category optimisation) using machine learning to improve the customer experience of posting a task, with a material improvement in sales funnel conversion observed in a number of categories. Data science is also being leveraged to improve matching within the marketplace by improving the quality and relevance of alerts to taskers, known as "Smart Tasker Alerts".

In H2 FY22, Airtasker released a new marketplace model "Contacts" which enables customers to contact and rebook Taskers (their Contacts) that they have worked with previously. Whilst still in the early stages of development and market awareness, Contacts is already being utilised by thousands of unique paying customers and active Taskers each week. Through Contacts, management believes there is a significant opportunity to improve "same customer, same Tasker" repeat usage behaviour and increase customer purchase frequency.

C. Unlocking a new market segment via the acquisition of Oneflare

On 25 May 2022, Airtasker successfully completed the acquisition of the assets and certain liabilities of Oneflare, one of Australia's largest local services marketplace platforms. The acquisition of Oneflare is expected to create the following benefits for Airtasker:

> *Strengthen network effects* – combining Oneflare's 540,000+ customers with Airtasker's 900,000+ active customer base and 14,500+ Oneflare Service Pros[13] with Airtasker's more than 98,000 active independent Taskers, will create stronger network effects, resulting in an improved experience for both customers and taskers through better matching, faster response times and more job opportunities.
>
> The combination of the two marketplaces is expected to enable both Oneflare and Airtasker customers to be connected with the right type of Service Pro (either independent taskers or verified businesses) more quickly and efficiently. Oneflare customers seeking a fast, high value Service Pro can be connected with a Tasker; Airtasker customers seeking verified businesses can be connected with a Oneflare Service Pro; and Service Pros on both Oneflare and Airtasker gain access to a greater range of customers.

[13] Refers to verified businesses who submitted a quote via the Oneflare platform during calendar year 2021.

> *Unlock high value trades opportunity* – Oneflare provides Airtasker with access to the high value professional trades and home improvement verticals which have a combined estimated TAM of $110.3 billion. The acquisition provides an active user base and suite of features including:

- Subscription pricing model – which can be “layered” on top of and alongside Airtasker’s “pay as you go” fee model and “end-to-end payments” to provide Services Pros with greater choice.
- Business-specific features – including a business success team, data analysis tools and quote management systems.
- Base of more than 14,500 verified businesses.

Synergies from maintaining a single technology platform – Over the 18-24 months following acquisition, Oneflare’s product features will be integrated into a single Airtasker platform serving both individual Taskers and verified businesses. Operating a single technology platform to serve a significantly larger user base will create a range of technology, data, brand and financial synergies.

2. International markets: investing to establish new marketplaces in the US and UK

In the US and UK, Airtasker is creating new city-level marketplaces in order to replicate the success of its Australian marketplaces. Thus in both the US and the UK, Airtasker is investing the cashflows generated in Australia to establish network effects in new city-level marketplaces.

Market data[14] shows that the total addressable markets for local services in the US and UK are in aggregate more than $500 billion per annum and more than 10x the size of the Australian TAM. So, whilst Airtasker continues to drive growth in its home market (Australia) the Group is also leveraging its marketplace platform to scale into new international geographies.

[14] Frost & Sullivan, 2021.

United States

In the US, city-level marketplaces are primarily in the “zero to one” stage and Airtasker is focussed on generating a consistent flow of customer demand (posted tasks).

The Group's strategy in the US is to leverage Airtasker’s unique ability to address the “long tail of services” (eg. “remove a spider from my home” or “retrieve my drone from a tree”) rather than compete in traditional local service categories in which there is a high degree of competition.

During FY22, posted tasks increased significantly with more than 11,000 posted tasks in Q4 FY22 being up more than 3x on pcp and a “flywheel” effect starting to emerge with Tasker engagement (offers made) increasing rapidly in line with the growth in customer demand.

During FY22, strong organic growth was increasingly observed outside initial focus cities of Miami, Atlanta, Dallas and Kansas City. This “overflow” growth across the country was driven by organic channels including SEO and PR and was similar to early stage growth in Australia where a focus on Sydney organically spawned new marketplaces in Melbourne, Brisbane and Perth. Given the massive nationwide “surface area” in the US the “overflow” is even more pronounced and growing faster than expected and moving forward the intention is to focus efforts into the Los Angeles market which Airtasker believes can drive greater SEO, PR and organic social media activity through tactics including influencer and brand partnerships.

United Kingdom

In the UK, we are primarily in the “one to 100” stage of marketplace development and are focussed on balancing marketplace supply and demand to drive GMV.

During FY22 Airtasker experienced strong growth with Q4 FY22 demand (posted tasks) and supply (offers made) both increasing significantly up 115% on pcp and 118% on pcp respectively. In the same period, GMV increased more than 104% on pcp and hit a weekly GMV record of approx. £100K per week.

This strong growth result was achieved by launching Airtasker’s “Joy of Done” above-the-line marketing campaign including extensive exposure in the London tube station advertising network which proved to be a highly effective advertising medium. This successful marketing campaign led to a significant increase in aided brand awareness from 14% to 17%[15], representing an improvement of more than 20% and an all-time high.

During the period, Airtasker also partnered with leading television personality and UK property expert Phil Spencer and achieved significant media coverage with segments on both ITV and BBC focussing on how Airtasker can help people in the UK earn additional income to address the rising cost of living.

[15] Source: Qualtrics.

Marketplace economics at different stages of maturity

As described above, Airtasker operates marketplaces at different stages of maturity: “scaling” (eg Australian marketplaces), “one to 100” (eg UK marketplaces) and “zero to one” (eg US marketplaces). The economics of each marketplace may differ materially depending on its stage of maturity.

To illustrate these economics, management has estimated a notional (non-statutory) split of financial performance based on the following:

- Revenue is attributed to each local marketplace based on customer location.
- All marketing, infrastructure and customer support costs are attributed to each local marketplace on a proportional traffic, spend or customer volume basis.
- Global head office costs include both operations and research and development:
    - Operating costs refers to the core platform’s engineering and product investment (support and maintenance of the Airtasker marketplace) as well as back office support functions (leadership team, finance, HR and legal functions).
    - Research and development includes investment into new brand product features and initiatives (management judgement basis).

On this basis, Airtasker’s Australian marketplace generated EBITDA of $19.4 million in FY22. EBITDA from the Australian marketplace more than covers the full cost of global head office operations[16] (excluding research and development costs [17]), with a combined EBITDA from the Australian marketplace and global head office of $1.3 million.

[16] Global head office operating costs refers to the Airtasker core platform’s engineering and product support and maintenance, as well as back office support functions (Leadership, Finance, HR and Legal). Excludes research and development investments.

[17] Research and development refers to costs associated with the research and development of new features designed to enhance customer experience, or new products in pursuit of incremental long-term GMV and revenue growth opportunities. Research and development is presented net of software capitalisation.

The Group is committed to research and development investment to realise long-term growth opportunities (eg development for rebooking via our Contacts product and leveraging the Group’s investment in Oneflare into Airtasker Pro), as illustrated by head office research and development investment of $7.8 million.

Airtasker continues to build “zero to one” and “one to 100” marketplaces such as in the US and UK, leveraging its internationally scalable software platform, head office operations and global research and development investment. This is illustrated by a net estimated investment in FY22 of $10.5 million. Creating new marketplaces in the US and UK requires upfront investment primarily in the form of variable marketing expenditure (ie. paid advertising) to drive user acquisition and establish early network effects.

Illustrative economics of marketplaces at different stages of maturity[a]

	FY22 $m
Australian marketplace	
Revenue	31.0
Gross Margin[b]	28.9
AU operating costs (marketing, customer support etc)[c]	(9.5)
AU marketplace EBITDA	**19.4**
Global Head Office	
Operating costs	(18.1)
AU marketplace + Head Office Operations EBITDA	**1.3**
Head Office R&D expense	(7.8)
New marketplaces	
International marketplaces (US and UK)	(10.6)
Airtasker Group EBITDA	**(17.1)**

[a] The Group reports and manages the business as a single operating segment and these numbers are for illustrative purposes only. Calculations and allocations in this table are notional estimates based on management assumptions and judgement, and are subject to change. EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS').

[b] Gross profit margin as a percentage of revenue likely to be lower in future reporting periods due to inclusion of Oneflare for the full period.

[c] AU operating costs is presented net of $0.7m of non-operating income.

Continued investment into executive leadership strength

Airtasker believes it has the opportunity to transform the local services economy globally and has invested in an executive leadership team with the experience and passion to deliver on this opportunity.

In July 2021, Noelle Kim was appointed as our first Chief Marketing Officer to lead the Group's rapid ramp up in global marketing investment across Australia and internationally. Noelle brings a wealth of experience, strong business acumen and international perspective from over two decades across Australia and the US. Noelle joined Airtasker from Facebook, where she rose to head of marketing (Asia-Pacific) for Facebook, Instagram and WhatsApp.

In October 2021, Patrick Collins joined Airtasker as Chief Product Officer, from his previous role as Chief Product and Technology Officer at Zip (ASX: Z1P). Patrick is also a successful entrepreneur, founding and successfully exiting marketing technology company 5th Finger, and spent 12 years as an executive based in Silicon Valley.

In January 2022, Airtasker welcomed its first Chief Human Resources Officer, Isa Notermans, to Airtasker. Isa joins from her most recent role as Head of Human Resources at Linktree and prior to that spent five years as Global Head of Diversity at Spotify New York, following senior roles at Pandora and Google.

Cost management

A program of cost management initiatives has been activated to reduce Airtasker's fixed cost base and enable a clear path to sustained positive cashflow in the next 12 months assuming current run rate of investment into US and UK expansion:

- Fixed headcount reduced by decreasing planned hiring targets in long term R&D related roles and reducing headcount in non-revenue related functions.
- Airtasker and Oneflare operational costs reduced by merging business process outsourcing providers, consolidating site reliability engineering operations and de-duplicating leadership headcount.
- Program of General & Administrative cost reduction initiatives implemented to reduce administrative cost base including hosting, software related costs and reduction of property leasing expenses (via intended subleasing of Oneflare premises).

Significant changes in the state of affairs

Acquisition of Oneflare and capital raising
On 25 May 2022, Airtasker completed the acquisition of the assets and certain liabilities of Oneflare, one of Australia's largest local services marketplace platforms, for a purchase price of $9.2 million[18], providing Airtasker with improved access to the professional trades and home improvement segment with an estimated TAM of $110.3 billion. Airtasker funded the acquisition with $7.1 million in ordinary shares in Airtasker Ltd and $2.1 million in cash.

The intended acquisition was announced on 4 May 2022 and Airtasker announced an equity capital raising of $6.25 million on that day, with proceeds to be applied to fund the cash component of the Oneflare purchase price, acquisition and placement costs, and future growth.

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

[18] Difference between $9.8 million purchase price announced to the market on 4 May 2022 and final purchase price of $9.2 million is due to: (i) working capital adjustment mechanism (reducing purchase price by $0.2 million); and (ii) adjustment to equity consideration due to change in share price between announcement date and date of completion (reducing purchase price by $0.4 million). Refer to note 30 Business combinations for further details.

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

Matters subsequent to the end of the financial year

The equity raising announced on 4 May 2022, described above, included participation from existing shareholders associated with Airtasker Directors James Spenceley, Peter Hammond and Xiaofan (Fred) Bai, who in aggregate committed $3.55 million to the capital raising. The participation of shareholders associated with the Airtasker Directors was subject to approval of shareholders at an extraordinary general meeting which took place on 28 July 2022 and approved the placement to these shareholders of 8,256,035 shares with settlement occurring on 19 August 2022.

No other significant matter or circumstance has arisen since 30 June 2022 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.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	**James Spenceley**
Title:	Independent Non-Executive Chairperson
Experience and expertise:	James is a well-known Australian entrepreneur and experienced company director. In 2007 he founded Vocus Communications Limited (now Vocus Group Limited) (previously ASX: VOC), one of Australia's largest telecommunications companies which he grew, both organically and through acquisitions, into a multi-billion dollar business. James has twice won the Ernst & Young Australian Entrepreneur of the Year Award (in the young and listed categories) and in 2018 was inducted into the Telecommunications Hall of Fame. In addition to being Chairperson of Airtasker Limited, James is Chairperson of Swoop Holdings Limited (ASX: SWP), and a non-executive director of Kogan.com Ltd (ASX: KGN), elected North Sydney councillor and former non-executive director of Think Childcare Limited (ASX: TNK). He has previously been a director of children's charity, the Humpty Dumpty Foundation, and is a former owner of the Illawarra Hawks NBL team.
Other current directorships:	As listed above
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and Nomination and Remuneration Committee
Interests in shares:	3,077,208 ordinary shares (held indirectly)
Interests in options:	1,000,000 options (held directly)
Interests in rights:	789,292 rights (held indirectly)

Name:	**Timothy (Tim) Fung**
Title:	Managing Director and Chief Executive Officer
Qualifications:	Bachelor of Commerce from the University of New South Wales
Experience and expertise:	Tim is co-founder and CEO of Airtasker and has been the CEO of Airtasker since its incorporation in 2011. Tim is currently also a co-founder and director of Tank Stream Labs Pty Ltd, a Sydney-based technology co-working space, a director of Joe Button Pty Ltd and a director of Circuit Club Pty Ltd. Prior to joining Airtasker, Tim was a founding team member at mobile telco start-up Amaysim and prior to that spent time at Macquarie Bank and talent representation agency Chic Management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	47,740,000 ordinary shares (held indirectly)
Interests in options:	1,683,000 options (held directly)
Interests in rights:	4,000,000 rights (held indirectly)

Name:	**Ellen (Ellie) Comerford**
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics from Macquarie University
Experience and expertise:	Ellie has over 30 years of experience in financial services businesses in Australia and internationally across a range of regulated sectors, including insurance, banking and finance, and associated products and services. Ellie was the chief executive officer and managing director of Genworth Mortgage Insurance Australia (ASX: GMA) between 2010 and 2016, leading the company to IPO in 2014. Prior executive positions in the previous 20 years were held with First American Financial Corporation (NYSE: FAF – Fortune 500) and Citigroup Australia. Ellie is an executive director of Hollard Holdings Australia and The Hollard Insurance Company and is also a non-executive director of Lendi Group Pty Limited. Ellie is a member of Chief Executive Women.
Other current directorships:	Non-Executive Director of Heartland Group Holdings Limited (ASX: HGH) (NZX: HGH)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	270,917 rights (held indirectly)

Name:	**Peter Hammond**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business from the University of Technology, Sydney and is a registered Australian Chartered Accountant
Experience and expertise:	Peter joined Airtasker as a Non-Executive Director in November 2013. Peter is a co-founder and director of Exto Partners, a Sydney-based venture capital firm formed in 2003. With over nineteen years of experience as founder, investor and director of technology companies, Peter is experienced in building high growth companies. Peter is a Chartered Accountant and prior to founding Exto Partners spent 10 years with KPMG in Australia and the US. As a senior executive with KPMG Consulting in New York, he focused on advising capital markets clients on risk management, product pricing, business process re-engineering and large-scale merger integration.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee
Interests in shares:	70,817,712 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	577,416 rights (held indirectly)

Name:	**Xiaofan (Fred) Bai**
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of Sydney
Experience and expertise:	Fred joined Airtasker as a Non-Executive Director in April 2015. Fred is a co-founder and the managing partner of Morning Crest Capital, a venture capital firm. Fred is currently also founder and CEO of Fanyu Investment, an equity investment management company. Fred was a co-founder and director of NASDAQ listed company Reven Housing REIT.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	61,682,042 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	153,635 rights (held directly)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mark Simpson joined the Company as General Counsel and Company Secretary in February 2021. Mark has over 25 years' experience as a corporate lawyer, working for major firms in the United Kingdom and Australia. Mark has advised companies and boards on all aspects of Corporations Act and Listing Rules compliance, both as a senior corporate lawyer with Gilbert + Tobin and Minter Ellison, and as a partner at national Australian firm Sparke Helmore. Prior to joining the Company, Mark was General Counsel and Company Secretary for ASX200 company Vocus Group Limited for six years between 2010 and 2016, and subsequently for four years with Australian technology unicorn, Siteminder Pty Limited, from 2017 to 2021.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
James Spenceley	16	16	4	4	6	6
Timothy Fung	16	16	-	-	-	-
Ellen Comerford	15	16	4	4	6	6
Peter Hammond	16	16	4	4	6	6
Xiaofan Bai	16	16	-	-	-	-

Remuneration Report (audited)

Introduction and contents

On behalf of the Board of Directors of Airtasker, we are pleased to present the audited FY22 Remuneration Report (Report), which forms part of the directors' report. It has been prepared in accordance with the Corporations Act 2001 and the Corporations Regulation 2M.3.03 and audited as required by section 208(3C) of the Corporations Act 2001. It also includes additional information and disclosures that are intended to support a deeper understanding of remuneration governance and practices, for shareholders, where statutory requirements are not sufficient.

The Remuneration Report details the Key Management Personnel ('KMP') remuneration arrangements for the Group (also referred to as 'Airtasker'). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Airtasker, directly or indirectly, including all directors.

The Board takes its obligation to develop and implement a fair, responsible, and competitive remuneration framework seriously. The Board is focused on ensuring that remuneration is sufficient to attract and retain high quality key management personnel and executives, particularly given the very competitive market for qualified resources in the digital, technology and engineering sector.

At Airtasker we aim to align our people philosophy and remuneration approach to the Company's mission of empowering people to realise the full value of their skills. In FY22 the Board approved revised remuneration principles that aim to strengthen this alignment. In addition to this, throughout FY22 Airtasker has increased its focus on remuneration for KMP, Executive Leadership Team ('ELT') and the wider employee population to ensure that we are aligned to the remuneration principles, attracting and retaining the right talent and driving desired behaviours and outcomes. The report is structured with the following sections:

1. People covered by this report
2. Airtasker's Remuneration Principles and Strategy
3. FY22 KMP Remuneration Framework and FY23 updates
4. FY22 KMP Remuneration and the link to performance and reward
5. Statutory Remuneration for KMP

1. People covered by this report

This report details the remuneration arrangements for the Group's KMP which comprises Executive KMP and Non-Executive Directors ('NED') for FY22. There have been no changes to the KMP throughout the year.

KMP	Position	Term as KMP	Nomination & Remuneration	Audit & Risk
Executive KMP				
Tim Fung	Founder and CEO	Full year	Not applicable	Not applicable
Nathan Chadwick	Chief Financial Controller	Full year	Not applicable	Not applicable
Non-Executive Directors				
James Spencerly	Independent Chair	Full year	Member	Member
Ellen Comerford	Non-Executive Director	Full year	Member	Chairperson
Peter Hammond	Non-Executive Director	Full year	Chairperson	Member
Xiaofan Bai	Non-Executive Director	Full year	Not applicable	Not applicable

2. Airtasker's Remuneration Principles and Strategy

Airtasker listed in March 2021 and has since been on a continuous improvement journey to develop its remuneration strategy into a market leading proposition. The FY22 executive remuneration framework was designed to attract, retain, and motivate high quality talent across all components of the business. The FY22 executive KMP remuneration reflected a transitional structure from the legacy remuneration framework that was in line with a venture capital structure to that of an ASX listed company. In FY23 we will continue the journey to align executive remuneration with our reward principles and strategy and ASX best practice.

In June 2022 the Board approved the following remuneration principles for Airtasker:

Total Reward approach	**Attract, motivate and retain top talent**	**Pay for performance**	**Inclusive, equitable and fair approach**	**Value high demand skill sets**	**Tailored for our employees**
We use a mix of reward elements to build competitive total reward packages.	We build market competitive policies and frameworks in each country / region with purpose. We have global strategic alignment which is locally implemented.	We reward out-performance, push hard to achieve our goals and celebrate when we win at an individual, team and company level.	We consider both internal and external factors when making reward decisions. Decisions will reflect our commitment to pay parity and inclusiveness. We aim to be open and transparent in how we make compensation decisions.	We see the value in people's skills. We understand skill supply /demand pressures and ensure we're able hire the right skills at the right time.	We value our employees as individuals and we support them through a tailored approach to benefits, ways of working, health and wellness offerings.

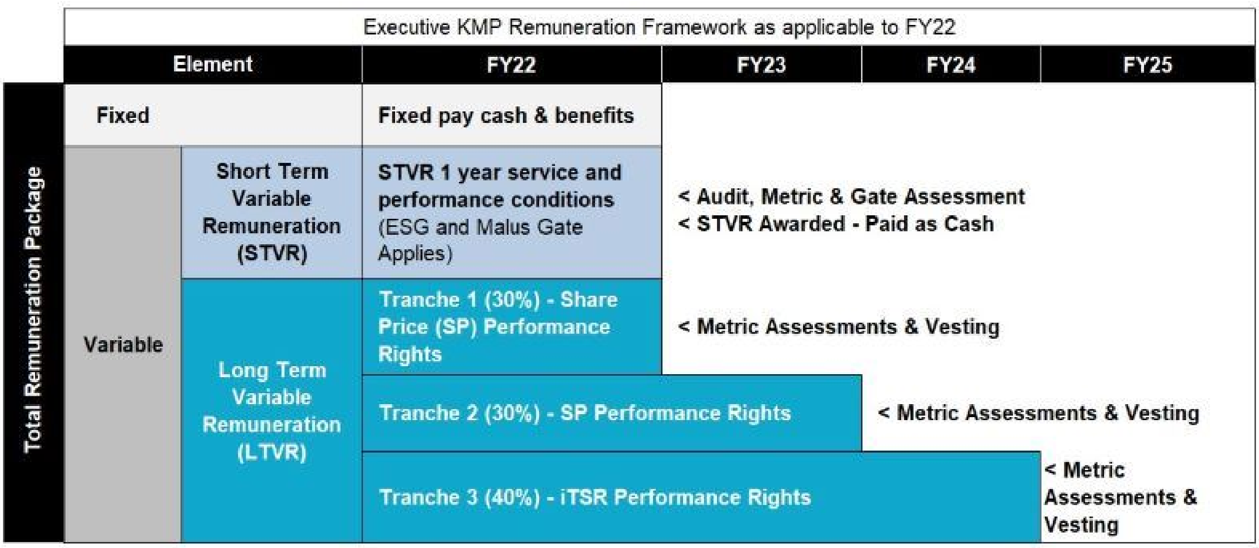
The remuneration principles aim to:
1. drive clear alignment between the remuneration of Airtasker employees and the Group's strategic objectives,
2. offer competitive total reward packages that reward out-performances, and
3. be clear, transparent and fair in the design, approach and communication of Total Reward elements.

3. FY22 KMP Remuneration Framework and FY23 updates

This section provides an overview of the Executive KMP Remuneration Framework.

3.1 FY22 Executive KMP Remuneration Framework

The diagram below summarises the Executive KMP Remuneration Framework as applicable to FY22.



Executive KMP Remuneration Framework as applicable to FY22

	Element		FY22	FY23	FY24	FY25
Total Remuneration Package	Fixed		Fixed pay cash & benefits			
	Variable	Short Term Variable Remuneration (STVR)	STVR 1 year service and performance conditions (ESG and Malus Gate Applies)	< Audit, Metric & Gate Assessment < STVR Awarded - Paid as Cash		
		Long Term Variable Remuneration (LTVR)	Tranche 1 (30%) - Share Price (SP) Performance Rights	< Metric Assessments & Vesting		
			Tranche 2 (30%) - SP Performance Rights		< Metric Assessments & Vesting	
			Tranche 3 (40%) - iTSR Performance Rights			< Metric Assessments & Vesting

Total Remuneration Package ('TRP') is intended to be composed of an appropriate mix of remuneration elements including Fixed Pay ('FP'), Short Term Variable Remuneration ('STVR') and Long Term Variable Remuneration ('LTVR'). The Target TRP ('TTRP') (being the TRP value at Target/Expected Performance) is generally intended to fall around the sixty second and a half percentile (P62.5) of market benchmarks, subject to smoothing for volatility across role samples at the same level.

(1) Fixed Remuneration - comprises base salary plus any other fixed elements such as superannuation, allowances, benefits, and fringe benefits tax. Fixed remuneration is intended to be positioned at the fiftieth percentile (P50) of market benchmarks for comparably designed roles.

(2) Short Term Variable Remuneration - is the annual at-risk remuneration comprising cash and/or equity, based on service and performance hurdles. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while 'Target' is intended to be a challenging but realistically achievable objective. 'Stretch' on the other hand is designed to reward outperformance. The STVR is positioned around the median of peers.

(3) Long Term Variable Remuneration - is the at-risk remuneration comprising of equity, based on service and performance hurdles over a 3 year period. Metrics selected are intended to be linked to the long-term shareholder value creation and to align the interests of executives with the interests of shareholders through “skin in the game”. The LTVR is positioned around the median of peers.

Details of remuneration components

FY22 Short-Term Variable Remuneration Plan ('STVR Plan')

A description of the STVR structure applicable for FY22 is set out below:

Purpose	Provide at-risk remuneration and incentives that reward executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement period	The financial year of the Company.
Opportunity	Maximum target value is 56% of FP for the KMP, with a maximum/Stretch of 83% of FP.
Performance conditions (outcome metrics and weightings)	The STVR is dependent on meeting Group performance objectives. For FY22 the metrics were as follows: Revenue: 70% weighting Operating leverage: 30% weighting Operating leverage performance requirements specify targets associated with the relationship between revenue growth and expense growth (including capitalised salaries). The objective of these targets is to ensure expense growth is limited by the corresponding revenue growth.
Settlement	Settlement is in the form of cash only unless otherwise determined by the Board at the time of settlement. Awards are determined following auditing of accounts after the end of the financial year. The Board is of the view that in the current context the FY22 STVR is not materially high, therefore no deferral of the settlement amount has been applied to allow the Company to claw back in the event a malus or ESG issue emerges in relation to FY22. This will be reviewed in future periods to align with ASX best practice. The Board has discretion to ensure the STVR and LTVR reflect creation of shareholder value.

Service condition	In addition to performance conditions, the STVR is subject to the participant continuing to be employed by the Company throughout the FY22 financial year up to 30 June 2022 and not being subject to any period of notice of termination at that date unless otherwise determined by the Board.

Long-Term Variable Remuneration Plan ('LTVR Plan')

A description of the LTVR structure applicable for FY22 is set out below. For FY22, the CEO and some non-KMP ELT will be eligible to participate in the LTVR Plan.

Purpose	To provide at-risk remuneration and incentives that reward executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders through "skin in the game".
Measurement period	For the FY22 grant, the measurement periods are FY22, FY23 and FY24 in respect of three tranches. The Board recognises that a three-year measurement period is expected to apply to LTVR. Vesting occurs annually after each LTVR grant. As this was the first time an LTVR of this type was offered, the Board put in place transition arrangements that will be reviewed as the Company establishes itself on the ASX.
Opportunity	The Target value was 22% of FP for the CEO, with a maximum/Stretch of double the Target, or 44% of FP. The Target value was in a range of 5% to 67% of FP for direct reports to the CEO.
Instrument	The LTVR is granted under the rights plan which allows for rights, service rights or restricted rights, each of which may be constructed as a share appreciation right ('SAR'), which is equivalent to an option, when an exercise price is specified. For FY22 rights were used for the purposes of the LTVR. Rights are not subject to dividend or voting entitlements. The CEO and selected executives were able to elect to take SARs rather than zero exercise price rights.
Price and exercise price	The price was nil because it forms part of the remuneration of the participant. The exercise price was nil when constructed as rights, or equal to the share price used in the grant calculation when constructed as SARs. However, the exercise price is "cashless" or notional. When rights with an exercise price greater than nil are exercised the exercised rights value is calculated as: *(Share Price at Exercise – Exercise Price) x Number of Rights Exercised* The exercised rights value that is to be settled in shares is then divided by the share price at exercise to determine the number of shares that will be received. The aim of this approach is to reduce dilution compared to options with comparable terms.

Allocation method	The rights are valued using the following method when the exercise price is nil: *Right Value = Share Price – (Annual Dividend x Years to First Exercise)* The number of rights in each tranche is then calculated as follows: *Number = Maximum LTVR$ ÷ Right Value* Share price = Volume weighted average price during the 5-day period up to the grant date. When constructed as SARs, the right value was subject to a Black-Scholes valuation, ignoring vesting conditions.
Performance metrics and weightings	**Tranche 1** (30% weight at Target) is subject to a binary hurdle of the share price at the end of the first financial year (30 June 2022) exceeding the share price at 1 July 2021. **Tranche 2** (30% weight at Target) is subject to a binary hurdle of the share price at the end of the second financial year (30 June 2023) exceeding the share price at 1 July 2021. **Tranche 3** (40% weight at Target) is to be subject to compound annual share price growth rate ("CAGR") vesting condition (100% weighting). The vesting of such rights will be determined by comparing the Company's CAGR ("ART CAGR") over three financial years ("Measurement Period") with the CAGR of the ASX 300 Information Technology Total Return Index for the Measurement Period ("Index CAGR"). A proportion of the Tranche 3 rights will vest on a straight-line basis, where zero will be paid if the ART CAGR is equal to or less than the Index CAGR, up to 100% of the on-target LTVR grant is payable where the ART CAGR is 2.5%, or more, higher than the Index CAGR (for example, ART CAGR of 17.5% vs Index CAGR of 15%). Up to 100% of the stretch target LTVR grant is paid if ART CAGR is 5%, or more, higher than the index CAGR.

Performance level	Airtasker CAGR	Percentage of tranche vesting
Stretch	Index CAGR + 5%	100%
Target	Index CAGR + 2.5%	50%
Threshold	Index CAGR	25%
Below Threshold	< Index total shareholder return ('TSR')	0%

Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied.

Settlement	The rights were "indeterminate rights" which may be settled in the form of a Company share (including a restricted share), or cash equivalent, upon valid exercise.
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse. When constructed as SARs, the term is five years.

Service condition	Under the rules, in addition to the performance conditions, continued service during the full first year of the measurement period is a requirement for all rights to become eligible to vest. Termination after the first year will generally result in pro-rata forfeiture for the incomplete portion of the year, unless otherwise determined by the Board.
Retesting	If performance conditions have not been met at the end of year one or two, then performance is deferred and retested at the next available performance tranche. Retesting is not available beyond year three. This feature is part of a transition arrangement intended to assist in the introduction of the new LTVR design.

Both the STVR and LTVR plan payments are subject to an Environmental, Social and Governance ('ESG') and malus, clawback and corporate action terms. The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the measurement period.

3.2 FY23 Executive KMP Remuneration Framework updates

The following section provides details of any changes being made to the Executive KMP remuneration. The diagram below summarises the Executive KMP Remuneration Framework as applicable to FY23.

Executive KMP Remuneration Framework as applicable to FY23

	Element		FY23	FY24	FY25	FY26
Total Remuneration Package	Fixed		Fixed pay cash & benefits			
	Variable	Short Term Variable Remuneration (STVR)	STVR - 1 year service and performance conditions (ESG and Malus Gate Applies)	< Audit, Metric & Gate Assessment < STVR Awarded - Paid as Cash		
		Long Term Variable Remuneration (LTVR)	LTVR - 1 year service & 3 year performance condition (iTSR Performance Rights)			< Metric Assessments & Vesting

Fixed remuneration
No changes have been made to the base salary of the Executive KMP for FY23.

FY23 STVR plan updates
The STVR plan has new performance conditions as detailed below:

Performance conditions (outcome metrics and weightings)	The STVR is dependent on meeting Group performance objectives. For FY23 the metrics will be as follows: 1. Revenue: 50% 2. Operating leverage: 25% 3. Cashflow: 25% Operating leverage performance requirements specify targets associated with the relationship between revenue growth and expense growth (including capitalised salaries). The objective of these targets is to ensure expense growth is limited by the corresponding revenue growth. The cashflow requirements specify targets associated with the quarterly cash flow for FY23.

FY23 LTVR plan updates
For FY23 we are continuing the journey to transition to best practice and therefore we have reviewed and modified the long-term incentive program. The changes to the LTVR plan for FY23 aim to strengthen the link between the long term performance of Airtasker and the Executive KMP remuneration.

This year the balance of short term versus long term remuneration for the KMP executives has been reviewed. For the FY23 LTVR plan, 100% of the award will vest subject to a one year service condition and a three year performance condition. Therefore 100% of the FY23 LTVR will be considered as a long-term incentive.

Under the rules, in addition to the performance conditions, continued service during the full first year of the measurement period is a requirement for all rights to become eligible to vest. Termination after the first year will generally result in pro-rata forfeiture for the incomplete portion of the year, unless otherwise determined by the Board.

The FY23 LTVR will have two applicable vesting conditions:

Service condition	The Executive KMP must meet 12-month service criteria to receive 100% of the grant or will receive a pro-rata portion of the grant for the period of service completed for the year.
Performance condition	Three-year performance condition based on the compound annual share price growth rate (“CAGR”) vesting condition (100% weighting). The vesting of such rights will be determined by comparing the Company’s CAGR (“ART CAGR”) over three financial years (“Measurement Period”) with the CAGR of the ASX 300 Information Technology Total Return Index for the Measurement Period (“Index CAGR”). A proportion of the Tranche 3 rights will vest on a straight-line basis, where zero will be paid if the ART CAGR is equal to or less than the Index CAGR, up to 100% payable where the ART CAGR is 2.5%, or more, higher than the Index CAGR (for example, ART CAGR of 17.5% vs Index CAGR of 15%).

Ongoing Benchmarking and transition of Executive KMP to the post-listed framework
Executive KMP remuneration is to be tested regularly by reference to appropriate independently sourced comparable benchmark data, and specific advice as may be appropriate from time to time. Benchmark groups are generally designed to be based on 20 companies from the same market sector, within a range of 50% to 200% of the market value of the Company at the time, and evenly balanced to ensure measures of central tendency are highly relevant. Benchmarks may be adjusted upwards or downwards for variations in role design compared to market benchmark roles, and individual remuneration may vary by +/- 25% compared to the policy midpoint, to reflect individual/incumbent factors such as experience, qualifications and performance.

3.3 FY22 NED Remuneration Principles, Policy and Framework

NED fee policy
The following outlines the principles that Airtasker applies to governing NED remuneration:

Aspect	Comment
Key considerations	Fees for NEDs are based on the nature of the directors' work and their responsibilities, considering the nature and complexity of the Company and the skills and experience of the director. NEDs' fees are recommended by the Nomination and Remuneration Committee and determined by the Board. External consultants may be used to source the relevant data and commentary or to obtain independent recommendations given the potential for a conflict of interest in the Board setting its own fees.
Independence	To preserve independence and impartiality, NEDs are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Company's performance.
Flexibility	NEDs can elect how they wish to receive their fees, for example, as cash, superannuation contributions or equity.
Aggregate board fees	The total amount of annual fees paid to NEDs is within the aggregate amount set out as part of the Prospectus of $750,000 per annum. Grants of equity approved by shareholders are excluded from counting towards the aggregate Board fees, in accordance with the ASX Listing Rules.

The NED fee policy for FY22 and FY23 are the same.

The following outlines the board fees applicable for FY23:

Role/function	Main Board FY23*	Audit and Risk Committee FY23*	Nomination and Remuneration Committee FY23*
Chair	$160,000	$20,000	$15,000
Member (Australia)	$100,000	$5,000	$5,000
Member (International)	$75,000	$0	$0

* Fees are in Australian dollars and expressed as exclusive of superannuation. The Board Chair does not receive committee fees. NEDs are also reimbursed for out-of-pocket expenses that are directly related to Airtasker's business.

NED fee sacrifice equity plan
A description of the key terms of the NED fee sacrifice equity plan is provided below:

Purpose	To facilitate NEDs exchanging cash remuneration for equity interests with a view to increasing their "skin in the game", alignment with shareholder interests, and to fulfil expectations regarding NED share ownership.
Opportunity	NEDs may elect to exchange up to 100% of their Board fees excluding superannuation.
Price and exercise price	The price is nil, because it forms part of the remuneration of the participant, however grants are generally based on an agreement to forego cash Board fees. The exercise price is nil.

Allocation method	The rights are valued using the following method: *Right Value = Share Price – (Dividends expected to be lost before first exercise date)* *The Number of Rights to be granted = Sacrificed$ ÷ Right Value* Share price = Volume weighted average price during the 5-day period up to the grant date. For the grant made in FY21 for FY21 and FY22 fees, the IPO price of $0.65 was used.
Vesting conditions, exercise restrictions and disposal restrictions	To ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the rights are not subject to any vesting conditions. Rights may not be exercised within 90 days of the grant date. However, a specified disposal restriction applies such that rights may never be disposed of while soever the NED holds office or employment with the Company, or the earlier elapsing of 15 years from the grant date.
Settlement	The rights are share rights (that is, not indeterminate) that may be settled in shares only, however, if they are exercised while a specified disposal restriction applies, they will be restricted shares that will be held in trust.
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse.

The NED fee sacrifice equity plan for FY22 and FY23 are the same.

3.4 Results of the FY21 AGM Remuneration Report

At the company's most recent AGM no comments were made on the Remuneration Report and when a resolution that the Remuneration Report for the last financial year be adopted was put to the vote over 99% of shareholders voted to adopt the report.

4. KMP Remuneration and the link to performance and reward

The Board views the outcomes of remuneration for FY22 performance as appropriately aligned to stakeholder interests generally, given the strong Group performance against annual objectives despite ongoing challenging market conditions with COVID-19 lockdowns in H1, record low unemployment and national labour shortages impacting marketplace supply and excess rain resulting in lower marketplace activity in flood-affected Local Government Areas ('LGAs') and increased task cancellations.

4.1 Group performance at-a-glance

The following outlines the annual financial performance compared to 2021:

	2022 $,000	2021 $,000
Revenue	31,469	26,571
Gross Marketplace Volume ('GMV')	189,609	153,136
Earnings before interest and tax ('EBIT')	(20,603)	(9,615)
Loss after income tax	(20,391)	(9,709)

Airtasker's share price was $0.250 at 30 June 2022 ($1.10 at 30 June 2021).

In addition to these indicators of Group performance, the following were notable performance achievements for the year:

- achieving 18.4% revenue growth despite the very challenging period of COVID-19 lockdowns, weather events restrictions and market uncertainty throughout the year;
- the acquisition of the assets and certain liabilities of Oneflare Pty Ltd, which will form the base for acceleration into the complex task market; and
- successful completion of a $6.25 million fully underwritten share placement to institutional, sophisticated and professional investors.
- continuation of strategic priorities with further development of the global platform and release of the new "Joy of Done" marketing campaign which lifted aided brand awareness to 68% in Australia and to 17% in the UK, both all-time highs[*].

[*] Source: Qualtrics.

4.2 FY22 executive remuneration

The FY22 FP reflected the realignment to the benchmark ASX listed market data remuneration.

The FY22 STVR consisted of the following key components:

1	Legacy short-term bonuses	Nathan Chadwick will receive a $500,000 bonus when annualised monthly revenues reach $75 million over a three-month period and another $500,000 when the annualised monthly revenues reach $100 million over a three-month period. These revenue targets were not met in FY22 and these bonuses were not paid.
2	Current short-term cash bonus	Tim Fung will receive a $250,000 bonus when service conditions and ordinary time earnings performance targets are reached. Tim Fung was eligible to receive a further $125,000 bonus when stretch performance targets are reached. These targets were not met in FY22 and these bonuses were not paid. Nathan Chadwick will receive a $65,000 bonus when service conditions and ordinary time earnings performance targets are reached. Nathan Chadwick was eligible to receive a further $65,000 bonus when stretch performance targets are reached. These targets were not met in FY22 and these bonuses were not paid.

The legacy bonus plan was developed during FY21 prior to the Company being listed on the ASX and were designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. These plans are replaced with the STVR plan for FY22 and beyond.

The FY22 LTVR consisted of the following key components:

1	Legacy KMP option plan (start-up concessions) - details of which are outlined below	Tim Fung received employee share options that vest over four years from FY18 to FY23. In FY22, $23,765 was expensed in relation to these options. Nathan Chadwick received employee share options that vest over four years from FY19 to FY24. In FY22, $85,596 was expensed in relation to these options.
2	Current LTVR	Tim Fung was issued rights subject to service and performance conditions equal to $100,000 (with a fair value of $73,320). Further $100,000 rights were to be issued if stretch targets were met. In accordance with the FY22 LTVR Plan, rights vest over 3 annual tranches. The first tranche, representing 30% of the total grant, was eligible to vest in FY22 if the service and performance conditions were met. The service condition was met but the performance conditions were not met in FY22. These grants will be retested in FY23 in accordance with the FY22 LTVR Plan.

Legacy KMP option plan (start-up concessions)

As a private start-up, pre-listing, Airtasker had established employee option plans under the ATO start-up tax concession program to align interests of the executives and employees with that of the shareholders and to help reduce cash costs.

Purpose	To facilitate selected executives and directors to acquire options under the start-up tax concessions in a pre-IPO environment, to align interests and reduce cash costs.
Instrument	Options to acquire ordinary shares subject to the payment of an exercise price.
Price and exercise price	The exercise price was $0.50 being the share price at the time of issue.
Allocation method	The options were valued using a Black-Scholes model, which was divided into an agreed portion of the remuneration of each participant. The Black-Scholes values at grant were $0.1392 - $0.3156.
Term	The options expire five years after the grant date.

In FY21, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both. The new shares under options with the exercise price of $0.500 were granted when the market price of the underlying equity instrument was $0.500, and thereby increased the fair value of the $0.760 option by $0.098.

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	five years post original grant date	five years from new grant date
Vesting conditions	service-based, over a four year period	service-based, over a four year period
Vesting period	not applicable	the same timeframe as the original $0.760 grant
Selling restrictions	none	employees cannot sell until three years from new grant date

4.3 FY22 NED remuneration
The FY22 NED remuneration consisted of the following key components:

1 Board and committee fees

No NED remuneration was paid to James Spenceley in FY22. In FY21, James Spenceley exchanged $213,040 FY21 and FY22 Board Chairman fees for zero priced rights under the NED fee sacrifice equity plan.

No NED remuneration was paid to Peter Hammond in FY22. In FY21, Peter Hammond exchanged $171,320 FY21 and FY22 Board and Committee fees for zero priced rights under the NED fee sacrifice equity plan (issued to Exto Partners Australia Pty Ltd).

Ellen Comerford was paid $38,959 [1] in cash in FY22. In FY21, Ellen Comerford exchanged $141,096 FY21 and FY22 Board fees for zero priced rights under the NED fee sacrifice equity plan.

No NED remuneration was paid to Xiaofan Bai in FY22. Xiaofan Bai exchanged $99,863 FY21 and FY22 Board fees for zero priced rights under the NED fee sacrifice equity plan.

2 Legacy KMP option plan (start-up concessions)

James Spenceley received employee share option plans that vest over four years from FY20 to FY24. In FY22, $61,381 was expensed in relation to these options.

[1] Included in this amount are director's fees of $10,369 and superannuation of $1,037 paid in cash to Ellen Comerford relating to the period of 1 February 2021 to 30 June 2021 that was accrued in FY21.

5. Statutory remuneration for KMP
5.1 Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

2022	Cash salary and fees STB $	Cash/ STVR/ non-monetary/ bonuses¹ STB $	Annual leave accrual² STB $	Super-annuation PEB $	Long service leave accrual² LTB $	Equity-settled/LTVR ³ SBP $	Total $
NEDs statutory remuneration:							
James Spenceley	-	-	-	-	-	61,381	61,381
Ellen Comerford	25,000	-	-	2,500	-	-	27,500
Peter Hammond	-	-	-	-	-	-	-
Xiaofan Bai	-	-	-	-	-	-	-
Executive Directors statutory remuneration:							
Timothy Fung	450,000	-	34,520	23,568	5,893	62,581	576,562
Other KMP statutory remuneration:							
Nathan Chadwick¹	300,000	748	17,349	23,568	2,572	85,596	429,833
	775,000	748	51,869	49,636	8,465	209,558	1,095,276

(STB: Short-term benefits; PEB: Post-employment benefits; LTB: Long-term benefits; SBP: Shared-based payments)

1 Nathan Chadwick also received $748 non-monetary benefits.
2 Represents an accounting adjustment for leave provisioning accrual.
3 LTVR value reported in the table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is used such as TSR or share price, no adjustments can be made to reflect actual LTVR vesting.

2021	Cash salary and fees STB $	Cash/ STVR/ non-monetary/ bonuses[1] STB $	Annual leave accrual[2] STB $	Super-annuation PEB $	Long service leave accrual[2] LTB $	Equity-settled/LTVR[3] SBP $	Equity-settled/IPO[4] SBP $	Total $
NEDs statutory remuneration:								
James Spenceley	49,167	-	-	-	-	323,039	300,000	672,206
Ellen Comerford[5]	10,369	-	-	1,037	-	141,096	35,000	187,502
Peter Hammond	-	-	-	-	-	175,320	200,000	375,320
Xiaofan Bai	-	-	-	-	-	99,863	-	99,863
Tyler Tan[6]	25,000	-	-	-	-	-	-	25,000
Alan Stuart[6]	7,500	-	-	-	-	-	-	7,500
Executive Directors statutory remuneration:								
Timothy Fung[7]	280,000	3,000	58,643	26,885	12,166	2,263,746	1,041,200	3,685,640
Other KMP statutory remuneration:								
Nathan Chadwick	250,000	101,539	17,292	23,750	1,224	180,802	100,000	674,607
Yaniv Bernstein[8]	520,000	91,338	5,452	40,200	-	176,941	-	833,931
	1,142,036	195,877	81,387	91,872	13,390	3,360,807	1,676,200	6,561,569

(STB: Short-term benefits; PEB: Post-employment benefits; LTB: Long-term benefits; SBP: Shared-based payments)

1 Nathan Chadwick received $50,000 (non-IPO related) and $50,000 (IPO related) and Yaniv Bernstein received $90,500 (non-IPO related) cash STVR bonus for performance during the financial year ended 30 June 2021 and approved by the Board. Refer to Section 4 for further details. Nathan Chadwick also received $1,539 and Yaniv Bernstein received $838 non-monetary benefits. A once-off employee referral bonus of $3,000 was paid to Timothy Fung.
2 Represents an accounting adjustment for leave provisioning accrual.
3 LTVR value reported in the table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market based measure of performance is used such as TSR or share price, no adjustments can be made to reflect actual LTVR vesting.
4 Shares issued on completion of IPO.
5 Represents remuneration from 1 February 2021 to 30 June 2021. These amounts were accrued but not yet paid as at 30 June 2021.
6 Represents remuneration from 1 July 2020 to 4 February 2021.
7 $2,213,919 of the equity-settled remuneration for Timothy Fung was granted on 21 August 2018 which vested upon a liquidity event (the IPO) and were exercised immediately prior to the Company's listing on the ASX.
8 Yaniv Bernstein's employment was terminated by reason of redundancy on 30 June 2021. Included in cash salary and fees is a termination benefit of $240,000.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Remuneration	2022 % of maximum awarded/vested	2022 % of maximum forfeited/lapsed	2022 % of total remuneration package
Timothy Fung	Total fixed pay	100%	-	88%
	Cash STVR/bonuses	-	-	-
	Equity/LTVR	100%	-	12%
Nathan Chadwick	Total fixed pay	100%	-	79%
	Cash STVR/bonuses	-	-	-
	Equity/LTVR	100%	-	21%

Name	Remuneration	2021 % of maximum awarded/vested	2021 % of maximum forfeited/lapsed	2021 % of total remuneration package
Timothy Fung	Total fixed pay	100%	-	9%
	Cash STVR/bonuses	100%	-	-
	Equity/LTVR	97%	-	91%
Nathan Chadwick	Total fixed pay	100%	-	42%
	Cash STVR/bonuses	100%	-	15%
	Equity/LTVR	46%	-	43%
Yaniv Bernstein	Total fixed pay	100%	-	55%
	Cash STVR/bonuses	48%	52%	15%
	Equity/LTVR	59%	41%	30%

5.2. Statutory share-based compensation for KMP

Issue of shares
There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2022.

Options
There were no new options granted to directors and other KMP as part of compensation during the year ended 30 June 2022.

Values of options over ordinary shares granted, vested, exercised and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year $	Value of options vested during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
NEDs:					
J Spenceley	-	61,381	-	-	100.00%
Executives:					
T Fung	-	23,765	-	-	4.43%
N Chadwick	-	85,596	-	-	20.88%

Rights
There were no performance rights over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2021.

The terms and conditions of each grant of rights over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

1. On 24 November 2021, 29,644 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based on ART’s 30 day volume weighted average share price (VWAP) at 30 June 2022 being equal to or above ART’s VWAP at 30 June 2021. The fair value per right at grant date was $0.82.

2. On 24 November 2021, 29,644 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based on ART’s 30 day VWAP at 30 June 2023 being equal to or above ART’s VWAP at 30 June 2021. The fair value per right at grant date was $0.76.

3. On 24 November 2021, 39,526 performance rights over ordinary shares were granted to Timothy Fung. The rights are vested and exercisable based Airtasker’s share price compound annual growth rate (CAGR) being equal to or exceeding the CAGR of the ASX 300 Information Technology Index (IT Index) for the three year period commencing 1 July 2021. The fair value per right at grant date was $0.67.

Each performance right over ordinary shares granted to Timothy Fung during the year has $nil exercise price, and expires on 24 November 2036.

Note: the minimum value to be expensed in future years for each of the above grants made in 2022 is $nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of a KMP departure or failure to meet non-market-based conditions.

Rights granted carry no dividend or voting rights.

Values of performance rights over ordinary shares granted, vested, exercised and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of rights granted during the year $	Value of rights vested during the year $	Value of rights exercised during the year $	Value of rights lapsed during the year $	Remuneration consisting of rights for the year %
Executives:					
T Fung	73,320	38,816	-	-	7.24%

5.3. Additional statutory disclosures

Shareholding

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
NEDs:					
James Spenceley	3,212,000	-	-	(251,292)	2,960,708
Peter Hammond	67,329,340	-	-	-	67,329,340
Xiaofan Bai	57,030,879	-	-	-	57,030,879
Executives:					
Timothy Fung	47,740,000	-	515,000	-	48,255,000
Yaniv Bernstein*	23,077	-	-	(23,077)	-
	175,335,296	-	515,000	(274,369)	175,575,927

* Disposals/other represents no longer being a KMP, not necessarily actual physical disposal.

Options holdings

The number of options over ordinary shares in the Company held during the financial year by each director and other members of KMP personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
NEDs:					
James Spenceley	1,000,000	-	-	-	1,000,000
Executives:					
Timothy Fung	1,683,000	-	(515,000)	-	1,168,000
Nathan Chadwick	2,000,000	-	-	-	2,000,000
Yaniv Bernstein*	2,359,000	-	-	(2,359,000)	-
	7,042,000	-	(515,000)	(2,359,000)	4,168,000

* Expired as no longer a KMP.

Rights holdings

The number of rights over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Rights over ordinary shares					
NEDs:					
James Spenceley	789,292	-	-	-	789,292
Ellen Comerford	270,917	-	-	-	270,917
Peter Hammond	577,416	-	-	-	577,416
Xiaofan Bai	153,635	-	-	-	153,635
Executive KMP:					
Timothy Fung	4,000,000	98,814	-	-	4,098,814
Nathan Chadwick	153,846	-	-	-	153,846
	5,945,106	98,814	-	-	6,043,920

Executive KMP service agreements

The following outlines current executive KMP service agreements:

Name and position	Employing company	Duration of contract	Notice period from the company	Notice period from the KMP	Termination payments*
Timothy Fung (MD and CEO)	Airtasker Limited	No fixed term	12 months	12 months	12 months' fixed pay
Nathan Chadwick (CFO)	Airtasker Limited	No fixed term	6 months	6 months	6 months' fixed pay

* Under the Corporations Act 2001 the Termination Benefit Limit is 12 months average salary (over prior three years) unless shareholder approval is obtained.

NED service agreements

The appointment of NEDs is subject to a letter of engagement. Under this approach NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

Shares that result from the exercise of restricted rights issued in lieu of fees may not be disposed of until the director is no longer a member of the Board, or an employee of the Group, unless approved by the Board.

Loans to/from KMP and their related parties

The Group made no loans to directors and other KMP during the year and as at 30 June 2022 (2021: Nil).

Other transactions with KMP and their related parties

Certain directors and KMP, or their personally related entities (related parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Group in FY22. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arms-length basis.

Use of external remuneration consultants

The Board did not engage any external remuneration consultants during the current financial year.

This concludes the Remuneration Report, which has been audited.

Shares under option

Unissued ordinary shares of Airtasker Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price*	Number under option
October 2015	N/A	$0.028	130,000
July 2016	N/A	$0.060	212,000
May 2018	May 2023	$0.760	250,000
August 2018	August 2023	$0.760	271,229
October 2018	October 2023	$0.760	436,542
December 2018	December 2023	$0.760	213,542
January 2019	January 2024	$0.760	3,589,269
April 2019	April 2024	$0.760	24,000
July 2019	July 2024	$0.760	1,354,604
September 2019	September 2024	$0.760	396,000
November 2019	November 2024	$0.760	89,989
September 2020	September 2025	$0.500	2,462,500
January 2021	January 2026	$0.500	3,396,692
September 2020*	September 2025	$0.500	850,000
January 2021*	January 2026	$0.500	5,495,328
			19,171,695

* In September 2020 and January 2021, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both. The new shares under options with the exercise price of $0.500 were granted when the market price of the underlying equity instrument was $0.500, and thereby increased the fair value of the $0.760 option by $0.098. The terms were as follows:

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	five years post original grant date	five years from new grant date
Vesting conditions	service-based, over a four year period	service-based, over a four year period
Vesting period	not applicable	the same timeframe as the original $0.760 grant
Selling restrictions	none	employees cannot sell until three years from new grant date

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under rights
Unissued ordinary shares of Airtasker Limited under rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
February 2021	February 2036	$0.760	4,000,000
February 2021	February 2036	$0.000	303,846
March 2021	March 2036	$0.000	1,861,260
May 2021	May 2036	$0.000	345,384
June 2021	June 2036	$0.000	166,894
July 2021	July 2036	$0.000	313,522
August 2021	August 2036	$0.000	343,372
September 2021	September 2036	$0.000	1,400,000
November 2021	November 2036	$0.000	161,203
December 2021	December 2036	$0.000	174,651
January 2022	January 2037	$0.000	189,409
February 2022	February 2037	$0.000	68,092
March 2022	March 2037	$0.000	856,491
April 2022	April 2037	$0.000	19,405
June 2022	June 2037	$0.000	269,297
August 2022	August 2037	$0.000	2,056,202
			12,529,028

No person entitled to exercise the rights had or has any right by virtue of the right to participate in any share issue of the Company or of any other body corporate.

Subsequent to year-end, the Company has elected to settle 607,550 shares under rights, in cash. The shares under rights had no previous expiry date.

The settlement amount was yet to be determined as at the date of this report.

Shares issued on the exercise of options
The following ordinary shares of Airtasker Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
January 2014	$0.012	515,000
December 2015	$0.028	73,000
July 2016	$0.060	43,000
August 2017	$0.303	66,437
January 2019	$0.760	50,237
September 2020	$0.500	1,046,500
November 2021	$0.500	906,908
		2,701,082

Shares issued on the exercise of rights
There were no ordinary shares of Airtasker Limited issued on the exercise of rights during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Business objectives

Airtasker Limited has used cash and cash equivalents held at the time of listing in a way that is consistent with its stated business objectives.

Non-audit services

As shown in note 23 to the financial statements, there has been no amounts paid or payable to the auditor for non-audit services during the financial year.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Risk and governance

The Board of Airtasker recognises that effective risk management is an integral part of good management and vital to continued growth and success of the Group. Through the established risk management framework and risk management processes, the key risks for the Group have been identified. Risk management mitigation strategies to manage impacts of these key risks on the business are in place, monitored, reviewed and updated periodically. The key identified risks for Airtasker are:

Changes to macro-economic conditions - The demand for particular services through the Group’s marketplace is dependent on the overall level of consumer demand in the economy for those services. Changes to macro-economic conditions, such as inflation, reduced consumer confidence, volatility in global markets, unemployment may impact levels of discretionary spending on the Tasks available.

Climate Change - The Group’s revenue may be affected by unusually heavy and persistent rain in key markets. Should this continue in the future as a result of climate change, it could have an impact on Group revenue.

Competition - There are a number of online marketplaces with which the Group competes from time to time, particularly in international markets. There is a risk that competitors may increase their position through increased marketing, technological advances and innovations, more competitive pricing, obtain more funding and more specialised expertise and resources. Increased competition may reduce demand for the service and its use of the marketplace.

Compliance and change to laws and regulations - The Group operates in a sector where laws and regulations around its operations are evolving. There is a risk that new laws or regulations may be enacted or existing laws or regulations amended in such a way that impose regulations on the Group and/or its Taskers. The Group operates an almost 'infinitely horizontal marketplace', which means that users may use the Group's marketplace to demand and supply almost any services they wish or want to provide. There is a risk that the provision of a particular service may require the Group itself to comply with laws and regulation or require a specific licence in respect of that particular service. As the group expands internationally, compliance risk expands with it, and there is a risk that the Group will not meet all internally applicable laws and regulations.

COVID 19 - The Group continues to respond to the ongoing impacts of COVID-19 related risks. The Group is equipped to quickly adapt to changing public health regulations and has developed better ways to continue operating in a COVID-safe manner including sales through click and collect and contactless service operations. However, given the person-to-person nature of most tasks undertaken on the platform there is a risk that any additional shutdowns as a result of further COVID outbreaks could affect the business negatively.

Data breaches and other data security incidents - The Group and its suppliers collect a wide range of personal, and service usage data and other confidential and sensitive information from users in the ordinary course of business and stores that data electronically. As an online business the Group maybe subject to cyber-attacks. The Group and its third party suppliers have systems in place to maintain the confidentiality and security of that data and prevent unauthorised access to, or disclosure of that data, however there can be no guarantee that the systems will completely protect against data breaches or other data security incidents.

Fraud on marketplace – As the Group continues to grow, particularly into international markets, incidences of fraud on the platform may increase. The Group has teams dedicated to platform security management, but cannot guarantee increasingly sophisticated occurrences of fraud will be prevented.

Key personnel - The Group is dependent on its existing personnel as well as its ability to attract and retain skilled employees. Loss of key employees or under-resourcing and inability to recruit suitable staff within a reasonable time period may cause disruptions to the Group's market place and growth initiatives and adversely impact the Group's operations and financial performance.

Liability and reputational damage - There is a risk that Taskers may not perform services to the standards expected by customers or engage in criminal or other dangerous activities that may negatively impact the Group's brands and reputation. Users may seek legal action against Airtasker or seek to hold the Group liable for the actions of its Taskers. The Group's reputation and brands may be adversely impacted by substandard performance by Taskers, negative user experiences in the marketplace, user complaints or other adverse events which involve the Group's marketplace.

M&A Activity - The Group has made two acquisitions in the previous 15 months. There is a risk that unless these acquired companies are properly integrated, they may have a negative impact on revenue, profitability and asset values.

Performance of technology - The Group operates online marketplaces and is heavily reliant on information technology to make the marketplaces available to users. The Group's marketplace platform uses software created by Airtasker and software licensed from other third parties, and also depends on the performance and reliability of internet, mobile and other infrastructure which is outside of the Group's control. The success of the Group also depends on its ability to identify and deploy the most appropriate new technologies and feature in its platform. There is a risk that the Group may fail to update, develop or adopt new technologies which may render the Group's marketplaces less competitive.

Profitability and requirement for additional capital - The Group is not currently profitable and may take time to achieve profitability. Even if the Group achieves profitability, it may not be able to sustain or increase profitability over time. The Group's ability to continue its current operations and effectively implement its growth strategies may depend on its ability to raise additional funds. Inflationary pressures and increased interest rates, as well as a flight of capital away from unprofitable technology stocks, may limit the Group's ability to access the capital markets in the short term.

Suppliers - The Group's platform is reliant on a number of third-party suppliers, including information technology for cloud storage services, security services, payment processing and other services used to operate, maintain and support the Group’s platform. Any loss of suppliers, changes to supply terms or limitations may have a material adverse impact on its operations, reputation and financial performance and growth prospects.

Tax risks - Tax laws are complex and subject to change periodically. There is a risk that changes to Australian and international tax laws and practice may impact the Group's ongoing operations and could have an adverse impact on shareholders’ returns.

Use of the Group’s marketplace - The Group is not reliant on any one customer or Tasker or a concentration of a few customers or Taskers. The success of the Group’s business and its ability to grow relies on its ability to attract new users or Taskers and retain existing ones. There is a risk that customers and Taskers may, after connecting through the Group’s marketplace, engage off-platform and deal directly with one another to avoid paying fees.

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.

Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

James Spenceley Chairperson	Timothy Fung Director

29 August 2022

Deloitte Touche Tohmatsu
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The Board of Directors
Airtasker Limited
Level 6, 24 Campbell Street
Sydney NSW 2000

29 August 2022

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 audit of the financial report of Airtasker Limited for the year ended 30 June 2022, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	5	31,469	26,571
Other income	6	648	601
Interest revenue calculated using the effective interest method		19	13
Gain on derivative financial instruments at fair value through profit or loss	7	33	101
Expenses			
Employee benefits expense	7	(24,953)	(21,134)
Sales and marketing expense	7	(12,288)	(5,024)
Technology expense		(3,561)	(2,448)
General and administration expense	7	(7,720)	(6,010)
Depreciation and amortisation expense	7	(3,525)	(2,198)
Impairment of assets	7	(706)	(74)
Finance costs	7	41	(107)
Loss before income tax benefit		(20,543)	(9,709)
Income tax benefit	8	152	-
Loss after income tax benefit for the year attributable to the owners of Airtasker Limited		(20,391)	(9,709)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation, net of tax		224	156
Other comprehensive income for the year, net of tax		224	156
Total comprehensive income for the year attributable to the owners of Airtasker Limited		(20,167)	(9,553)
		Cents	**Cents**
Basic earnings per share	31	(4.88)	(2.99)
Diluted earnings per share	31	(4.88)	(2.99)

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

	Note	Group 2022 $'000	Group 2021 $'000
Assets			
Current assets			
Cash and cash equivalents	9	23,722	33,854
Trade and other receivables		233	12
Financial assets	10	4,513	12,002
Forward foreign exchange contracts		36	3
Other assets	11	1,677	1,203
Total current assets		30,181	47,074
Non-current assets			
Property, plant and equipment		481	291
Right-of-use assets	12	923	419
Intangibles	13	23,058	9,553
Other assets	11	197	197
Total non-current assets		24,659	10,460
Total assets		54,840	57,534
Liabilities			
Current liabilities			
Trade and other payables	14	7,294	6,031
Contract liabilities	15	1,596	641
Lease liabilities	16	580	422
Provisions	17	909	1,454
Employee benefits		1,643	1,122
Unclaimed customer credits	18	4,680	3,500
Total current liabilities		16,702	13,170
Non-current liabilities			
Lease liabilities	16	1,017	-
Employee benefits		154	189
Total non-current liabilities		1,171	189
Total liabilities		17,873	13,359
Net assets		36,967	44,175
Equity			
Issued capital	19	133,768	123,062
Reserves	20	18,186	15,709
Accumulated losses		(114,987)	(94,596)
Total equity		36,967	44,175

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

Group	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020	59,488	2,544	8,745	(84,887)	(14,110)
Loss after income tax expense for the year	-	-	-	(9,709)	(9,709)
Other comprehensive income for the year, net of tax	-	-	156	-	156
Total comprehensive income for the year	-	-	156	(9,709)	(9,553)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	61,030	-	-	-	61,030
Share-based payments (note 20)	-	-	6,808	-	6,808
SAFE equity instrument converted to contributed equity	2,544	(2,544)	-	-	-
Balance at 30 June 2021	123,062	-	15,709	(94,596)	44,175

Group	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2021	123,062	-	15,709	(94,596)	44,175
Loss after income tax benefit for the year	-	-	-	(20,391)	(20,391)
Other comprehensive income for the year, net of tax	-	-	224	-	224
Total comprehensive income for the year	-	-	224	(20,391)	(20,167)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 19)	10,706	-	-	-	10,706
Share-based payments (note 20)	-	-	2,214	-	2,214
Foreign exchange movement on share-based payments reserve (note 20)	-	-	39	-	39
Balance at 30 June 2022	133,768	-	18,186	(114,987)	36,967

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		35,238	30,007
Payments to suppliers and employees (inclusive of GST)		(48,545)	(25,452)
		(13,307)	4,555
Government grants		-	1,004
Interest received		26	2
Interest paid on lease liabilities		(2)	(41)
Net cash (used in)/from operating activities	30	(13,283)	5,520
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(2,383)	(3,125)
Payments for property, plant and equipment		(482)	(124)
Payments for intangibles		(4,620)	(4,998)
Proceeds receipted from maturing deposits and bonds/(payments for term deposits and bonds)		7,489	(11,502)
Proceeds from disposal of property, plant and equipment		7	-
Net cash from/(used in) investing activities		11	(19,749)
Cash flows from financing activities			
Proceeds from issue of shares		3,765	37,608
Share issue transaction costs		(117)	(1,672)
Payment of lease liabilities	30	(508)	(450)
Net cash from financing activities		3,140	35,486
Net (decrease)/increase in cash and cash equivalents		(10,132)	21,257
Cash and cash equivalents at the beginning of the financial year		33,854	12,597
Cash and cash equivalents at the end of the financial year	9	23,722	33,854

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Airtasker Limited as a group consisting of Airtasker Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Airtasker Limited's functional and presentation currency.

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
Charternet Services Pty Limited Level 20 109 Pitt Street Sydney NSW 2000	Level 6 24 Campbell Street 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 August 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AAS') and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as unclaimed customer credits and contract liabilities.

Fee revenue
Fee revenue is made up of booking and service fees on the Airtasker platform. The booking fee is calculated as a fixed percentage of the task value (subject to a floor and a cap) of the contract formed between the Group, customer and tasker payable by the customer. The service fee is charged to the tasker and is a variable percentage of the task value of the contract formed between the Group, customer and tasker calculated at task completion based on the tasker's earnings in the 30 days prior to task completion.

The Group has one integrated performance obligation in relation to fee revenue which is considered satisfied when its overall end-to-end service offerings to the customer is delivered upon task completion. The service offerings available to the Group's customers are listed below:
- initial connection between the customer and tasker at task assignment when a contract is formed between the Group, customer and tasker and the transaction price is determined;
- the facilitation of secure payments between the customer and tasker by the escrow of the transaction price upon task assignment and the disbursement to the tasker on task completion; and
- the provision of other services on the Group's platform such as customer support, insurance and mechanisms for messaging and feedback.

From the customer’s perspective, the Group’s promised services are only transferred to the customer on task completion and it is at this point in time in which the performance obligation is satisfied and service fee revenue is recognised.

Unclaimed customer credit breakage revenue
A customer credit is created and added to a customer's account on the Airtasker platform under two circumstances:
(i) when an assigned task is neither marked completed nor cancelled for a period of 90 days ('incomplete task credits'); and
(ii) when an assigned task is cancelled ('cancellation credits').

The Group's terms and conditions enable the expiry of customer credit that remains unclaimed within a specified period. The Group recognises breakage revenue from unclaimed customer credits in each case as follows:

Unclaimed incomplete task credits: The Group is entitled to the balance of all incomplete task credits upon their expiry, which occurs 12 months after their initial grant. The expected revenue to be recognised is equivalent to the forecasted unclaimed incomplete task credit balances after 12 months and is recognised over time, over the 12 months prior to expiry, in proportion to the historical average pattern of incomplete task credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Unclaimed cancellation credits: The Group is entitled to the balance of all cancellation credits upon their expiry, which occurs 18 months after their initial grant. The expected revenue to be recognised is equivalent to the forecasted unclaimed cancellation credit balances after 18 months and is recognised over time, over the 18 months prior to expiry, in proportion to the historical average pattern of cancellation credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Note 2. Significant accounting policies (continued)

Listings subscription revenue
Listings subscription revenue is generated from providing featured listings for verified business customers on the Oneflare and Word of Mouth platforms.

The Group has one performance obligation in relation to listing subscription revenue which is to provide a featured listing for the verified business customers on the platforms over the life of the listings subscriptions contract term. The transaction price is calculated based on the contract formed between the Group and the verified business customer upon the purchase of the listings subscription contract, adjusted for the variable amounts such as discounts and refunds, and allocated wholly to the contract purchased. Revenue is recognised over the life of the listings subscription contract as verified business customers simultaneously receive and consume the benefits of featured listing on the Group's platform.

Quoting credits revenue
Quoting credits revenue is generated from pay-as-you-go and prepaid packs of quoting credits purchased on the Oneflare platform by verified business customers, in which verified business customers can use the quoting credits on the Group's platform. Quoting credits are used monthly by verified business customers and otherwise expire monthly.

The Group has one performance obligation in relation to quoting credits revenue which is considered satisfied when quoting credits are used by verified business customers to contact and submit a quote on a job request on Oneflare's platform. The transaction price allocated to each quoting credit is calculated based on the contract formed between the Group and its verified business customer upon the purchase of the quoting credits and revenue is recognised at a point in time when quoting credits are used by verified business customers, whereby control over the services passes to the verified business customers.

Unused quoting credits breakage revenue
The Group's terms and conditions enable the expiry of quoting credits that remain unused within a specified period as dictated by the terms and conditions. The Group recognises breakage revenue from unused quoting credits in each case as follows:

The Group expects to be entitled to revenue from the unused quoting credits expiring from verified business customer accounts when the likelihood of verified business customer redemptions becomes remote.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 2. Significant accounting policies (continued)

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-5 years
Furniture and fixtures	4-10 years
Computer equipment	2-4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date or date of acquisition of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

When a right-of-use asset is recognised as part of a business combination, it is recorded as if the acquired lease were a new lease at the acquisition date, with the value recorded being the present value of remaining lease payments.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

When the Group enters into sub-lease arrangements where substantially all the risks and rewards incidental to ownership are transferred to a lessee, the right-of-use asset relating to the head lease is derecognised equal to the value of that portion of the leased space.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Note 2. Significant accounting policies (continued)

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Patents and trademarks
Costs associated with patents and trademarks are capitalised as an asset and are not subsequently amortised. Instead, patents and trademarks are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses. Management considers that the useful life of patents and trademarks is indefinite because there is no foreseeable limit to the cash flows these assets can generate.

Customer lists
Customer lists acquired as part of a business combination are amortised using the unit of production method based on the expected customer attrition rate as this reflects the consumption of the expected future economic benefits embodied in the acquired customer lists.

Platform development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of one to five years. Once a project is available for use, amortisation commences and no further capitalised costs are allocated to the project. The capitalised platform development costs are shown net of research and development tax offset credits.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of (a) an asset's fair value less costs of disposal and (b) value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within their repayment terms of 14-60 days.

Unclaimed customer credits
Unclaimed customer credits represents both incomplete task credits and cancellation credits. Refer to 'Revenue recognition - Unclaimed customer credit breakage revenue' policy above.

Contract liabilities
Contract liabilities on the Airtasker platform are recognised upon task assignment when a customer pays consideration, and represent the Group's performance obligation in relation to service fee revenue. From the customer's perspective, the Group's promised distinct services are only transferred to the customer on task completion and it is only at this point in time that the performance obligation is satisfied and service fee revenue is recognised upon the unwinding of the contract liabilities.

Note 2. Significant accounting policies (continued)

Contract liabilities on the Oneflare and Word of Mouth platforms are recognised upon the receipt of advance payments from verified business customers and represent the Group's performance obligation in relation to listings subscriptions revenue or quoting credits revenue. In relation to listings subscription revenue, from the verified business customer's perspective, the Group's promised distinct services are transferred over time to verified business customers as they simultaneously receive and consume the benefits of featured listings on the platforms. In relation to quoting credits revenue, from the verified business customer's perspective, the Group's promised distinct services are only transferred to the verified business customer upon quoting credits usage by verified business customers.

Lease liabilities

A lease liability is recognised at the commencement date or date of acquisition of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

When a lease is recognised as part of a business combination, it is recorded as if it were a new lease at the acquisition date, with the value recorded being the present value of remaining lease payments.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Group as a lessor

Leases in which the Group transfers substantially all the risks and rewards incidental to ownership of an asset are classified as financing leases. Rental income is accounted for through recognition of a lease receivable, valued at the present value of all future lease payments. As rental payments are received, the lease receivable is derecognised, with a portion of finance income being recognised.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages, salaries and short-term incentives, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 2. Significant accounting policies (continued)

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or rights over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. The fair value for grants with non-market conditions is independently determined using the Black-Scholes option pricing model and the fair value of those with market conditions is independently determined using the Monte Carlo Simulation methodology. The key inputs include the spot price, exercise price, the term of the option or right, the volatility of the underlying share price, the expected dividend yield and the risk free rate for the term of the option or right.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest based on the expectation of achievement of non-market hurdles and the satisfied portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 2. Significant accounting policies (continued)

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the fair value of any pre-existing investment in the acquiree is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Airtasker Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

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.

Comparatives
Comparatives have been realigned to the current year presentation. The net loss for the year and net assets have not been impacted by the realignment.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet fully assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
Participating in share options and rights plans meets the criteria of equity-settled share-based payment transactions. The Group has recognised the fair value of the services received, and the corresponding increase in equity based on the fair value of the equity transaction at the date at which they are granted. There is a degree of judgement in estimating the fair value of equity instruments granted. The fair value of the options and rights issued has been based on the fair value of the underlying share instrument considering the latest market prices, taking into account the terms and conditions upon which those equity instruments were granted. In respect of options and rights issued prior to the IPO in March 2021, the Group has used the services of an expert to assist it in determining fair value of the share instrument under options issued and used the Black-Scholes model to arrive at the fair value of the options. Capitalisation ceases at the point in time when testing is complete on capitalisable projects and ready for implementation.

Management has exercised its best judgements in determining the key inputs in the Black-Scholes model which includes volatility and the risk-free rate.

Stored value breakage revenue
Stored value breakage revenue from unclaimed incomplete task credits and cancellation credits on the Airtasker platform is estimated based on the forecasted breakage rates of each monthly cohort and the credit redemption patterns of customers; this forecast has been calculated using historical data collected from the Group's platform. The determination of the forecasted breakage rate at the point-in-time in which unclaimed credits expire from customer accounts and the pattern of rights in which credits are exercised requires a significant amount of judgement, estimates and assumptions. A wide range of factors have been considered when determining the forecasted breakage rates and redemption patterns, such as the historical average breakage rate and redemption patterns, cancellation rates, seasonality impacts, activity trends and expected increase of repeat customer rate.

Platform development costs
Software is capitalised when the Group can reliably determine when the recognition criteria are met in order to capitalise software development costs. To determine the cost of software development, management uses a combination approach. Capitalisation ceases at the point in time when testing is complete on capitalisable projects and ready for implementation. Once a project is implemented and is in use, amortisation commences and no further capitalised costs are allocated to the project. Management has also exercised its best estimates to allocate the capitalisable employee costs to each project according to the scope and nature of the projects and Jira system records.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on fair value less cost of disposal. Refer to note 13 for further information.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement and estimates are required in recognising and measuring current and deferred tax amounts. For any uncertain tax treatment adopted relating to transactions or events, the Group recognises and measures tax related amounts having regard to both the probability that such amounts may be challenged by a tax authority and the expected resolution of such uncertainties. In such circumstances, tax balances are determined based on either most-likely amount or expected-value probability based outcomes. Where final tax outcomes vary from what is estimated, such differences will impact the current and deferred tax provisions recognised in the financial statements. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Recognition of deferred tax assets
Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Tax losses are carried forward indefinitely to offset against future taxable income. This is based on the satisfaction of the similar business test, which is performed at each reporting period.

If it is not probable that future taxable amounts will be available to utilise, deferred tax liabilities recognised on taxable temporary differences are offset to the point that there is no deferred tax balance.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates within one business segment, being the operation of online marketplace platforms enabling users to outsource everyday tasks and reports to the Board of Directors (who are identified as the CODM) on the performance of the Group as a whole. While the Group generates revenue in a number of countries including Australia (where the majority of its revenue was generated in the current year), the UK and the USA, these geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment.

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these financial statements.

The Group has identified a single operating segment, which is the whole of the consolidated operation. This single operating segment represents a reporting segment. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

The information reported to the CODM is on a regular basis.

Major customers
During the years ended 30 June 2022 and 30 June 2021 there were no major customers nor major customer groups that represent greater than 10% of the Group's revenue.

Note 5. Revenue

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

	Group	
	2022 $'000	2021 $'000
Fee revenue	25,741	23,184
Unclaimed customer credit breakage revenue	4,686	3,387
Quoting credits revenue	841	-
Listings subscription revenue	201	-
Revenue	31,469	26,571

	Group	
	2022 $'000	2021 $'000
Timing of revenue recognition		
Services transferred at a point in time	26,582	23,184
Unclaimed customer credits redeemed and transferred over time	4,686	3,387
Services transferred over time	201	-
	31,469	26,571

	Group	
	2022 $'000	2021 $'000
Australia	30,960	26,358
International	509	213
	31,469	26,571

Note 6. Other income

	Group	
	2022 $'000	2021 $'000
Government grants - research and development tax incentive	643	575
Other income	5	26
Other income	648	601

Government grants - research and development tax incentive liability
The research and development tax incentive reduction recognised during the year ended 30 June 2022 pertains to the reduction of the balance of government grants provisioned as payables to the Australian Taxation Office ('ATO') as at 30 June 2021 following the favourable resolution of a dispute with the ATO regarding the Group's research and development activities registered for the years ended 30 June 2015 and 30 June 2016.

Note 7. Expenses

	Group 2022 $'000	Group 2021 $'000
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	2,191	1,727
Depreciation		
Leasehold improvements	101	209
Furniture and fixtures	6	6
Computer equipment	245	112
Office buildings - right-of-use assets (note 12)	543	491
Total depreciation	895	818
Amortisation		
Platform development (note 13)	2,483	1,380
Customer list (note 13)	147	-
Total amortisation	2,630	1,380
Total depreciation and amortisation	3,525	2,198
Impairment		
Leasehold improvements	3	74
Furniture and fixtures	7	-
Platform development (note 13)	31	-
Office buildings - right-of-use assets (note 12)	443	-
Lease receivable	222	-
Total impairment	706	74
Finance costs		
Interest and finance charges paid/payable on lease liabilities	8	41
General interest charge	17	66
General interest charge - reversal of prior year over-accruals	(66)	-
Finance costs expensed	(41)	107
Net foreign exchange loss		
Net foreign exchange loss	12	211
Net gain on derivatives not qualifying as hedges		
Net gain on derivatives not qualifying as hedges	(33)	(101)
Leases		
Short-term and low-value lease payments	6	3
COVID-19 rent concession received	-	(75)
	6	(72)

Note 7. Expenses (continued)

	Group 2022 $'000	Group 2021 $'000
Superannuation expense		
Defined contribution superannuation expense	1,772	1,279
Share-based payments expense		
Share-based payments expense	2,214	6,808
Research and development costs		
Research and development costs	10,266	5,118
Sales and marketing expense		
Equity contra advertising expense	-	2,394
Paid and direct marketing	4,516	1,636

Note 8. Income tax

	Group 2022 $'000	Group 2021 $'000
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	(152)	-
Aggregate income tax benefit	(152)	-
Deferred tax included in income tax benefit comprises:		
Increase in deferred tax assets	(152)	-
Numerical reconciliation of income tax expense to accounting result		
Loss before income tax benefit	(20,543)	(9,709)
Tax at the statutory tax rate of 25% (2021: 26%)	(5,136)	(2,524)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	554	1,770
Amortisation of prepaid advertising services procured through the issue of a SAFE equity instrument	-	622
Non-taxable government grant income and other gains	(156)	(156)
Other non-deductible expenditure	230	74
	(4,508)	(214)
Current year temporary differences not recognised	145	(147)
Tax losses for the year not brought to account	4,211	361
Income tax benefit	(152)	-

	Group 2022 $'000	Group 2021 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	54,809	44,039
Potential tax benefit @ 25%	13,702	11,010

Note 8. Income tax (continued)

Tax losses in the year ended 30 June 2022 increased substantially following the resubmission of prior periods' income tax returns upon the favourable resolution of a dispute with the ATO as described in Note 6. Income tax returns from prior periods were resubmitted to claim for the amortisation expense of platform development costs for the years ended 30 June 2015 to 30 June 2020 that were previously not claimed due to the uncertainty of the Group's position with the ATO regarding their research and development activities registered for the years 30 June 2015 and 30 June 2016.

The above potential tax benefit for tax losses has not been recognised in the statement of financial position, as it is not probable that there will be sufficient profits against which these tax losses can be utilised. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Group	
	2022 $'000	**2021 $'000**
Net deferred tax asset/(liability)		
Net deferred tax asset/*(liability)* comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Prepayments	(380)	(265)
Property, plant and equipment	(112)	(48)
Customer contracts	(115)	-
Tax losses	607	313
Deferred tax asset	-	-
Movements:		
Opening balance	-	-
Credited to profit or loss	152	-
Additions through business combinations (note 29)	(152)	-
Closing balance	-	-

Changes in tax rate
The corporate tax rate applicable to base rate entities reduced from 26% to 25% for the 2021-22 income year. The Group qualifies as a base rate entity as it has a turnover of less than $50,000,000 and less than 80% of its assessable income is derived from base rate entity passive income. The Group has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised.

Note 9. Cash and cash equivalents

	Group	
	2022 $'000	**2021 $'000**
Current assets		
Cash at bank	22,974	32,844
Stripe clearing account	748	1,010
	23,722	33,854

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

Note 10. Financial assets

	Group	
	2022	2021
	$'000	$'000
Current assets		
Term deposits	4,513	12,002

Term deposits are held on average for seven months during the period.

Note 11. Other assets

	Group	
	2022	2021
	$'000	$'000
Current assets		
Prepayments	1,676	1,183
Other assets	1	20
	1,677	1,203
Non-current assets		
Rental bond	197	197
	1,874	1,400

Note 12. Right-of-use assets

	Group	
	2022	2021
	$'000	$'000
Non-current assets		
Office buildings - right-of-use	3,740	2,250
Less: Accumulated depreciation	(2,374)	(1,831)
Less: Impairment	(443)	-
	923	419

Additions to the right-of-use assets during the year were $1,490,000.

The Group leases office space under agreement of three years with no option to extend.

Note 12. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Office buildings - right-of-use $'000
Balance at 1 July 2020	551
Additions	359
Depreciation expense	(491)
Balance at 30 June 2021	419
Additions	1,490
Impairment of assets	(443)
Depreciation expense	(543)
Balance at 30 June 2022	923

For other lease related disclosures refer to the following:
- note 7 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 16 for lease liabilities as at the reporting date;
- note 22 for undiscounted future lease commitments; and
- the consolidated statement of cash flows for repayment of lease liabilities.

Note 13. Intangibles

	Group	
	2022 $'000	2021 $'000
Non-current assets		
Goodwill - at cost	13,978	3,482
Patents and trademarks - at cost	107	57
Platform development - at cost	12,942	7,929
Less: Accumulated amortisation	(4,398)	(1,915)
Less: Impairment	(31)	-
	8,513	6,014
Customer list - at cost	607	-
Less: Accumulated amortisation	(147)	-
	460	-
	23,058	9,553

Note 13. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Goodwill $'000	Patents and trademarks $'000	Platform development $'000	Customer list $'000	Total $'000
Balance at 1 July 2020	-	57	2,396	-	2,453
Additions	-	-	4,998	-	4,998
Additions through business combinations (note 29)	3,482	-	-	-	3,482
Amortisation expense	-	-	(1,380)	-	(1,380)
Balance at 30 June 2021	3,482	57	6,014	-	9,553
Additions	-	50	5,003	-	5,053
Additions through business combinations (note 29)	10,177	-	-	607	10,784
Exchange differences	319	-	10	-	329
Impairment of assets	-	-	(31)	-	(31)
Amortisation expense	-	-	(2,483)	(147)	(2,630)
Balance at 30 June 2022	13,978	107	8,513	460	23,058

Impairment testing
As at 30 June 2022, the Group had two cash-generating units ('CGUs') which were the operations of Airtasker and Oneflare Pty Ltd ('Oneflare'). Goodwill from business combinations has been recorded as a result of the acquisition of the Zaarly Inc. business ('Zaarly') on 21 May 2021 and the acquisition of the Oneflare business on 25 May 2022. Similar to Zaarly, the goodwill acquired through the acquisition of Oneflare consists predominantly of the market position of the business and expertise of employees in the complex task market, which management is applying across Airtasker's marketplace platforms and expects to facilitate the Group’s acceleration into the complex task market.

The Group has considered its goodwill recoverability through a fair value less costs of disposal approach noting significant headroom based on comparable market multiples of revenue for other listed companies.

Key assumptions used in the fair value less costs of disposal calculation include:
- selection and weighting of comparable companies to the applicable revenue multiple; and
- the costs of disposal

In calculating the recoverable amount of the group of CGUs, relevant comparable listed companies with similar operations, at similar stages in their lifecycle which had comparable market capitalisations to the Group were identified. Market data was obtained for these companies of their historical and forecasted revenue multiples. Using a weighted average approach, assigning more weight to more comparable companies, the revenue multiple was calculated to apply to revenue for the Group.

Revenue for the Group was multiplied by the revenue multiple to determine the fair value of the group of CGUs. This was then adjusted for hypothetical costs of disposal using market data of success fees from transactions of companies of similar sizes and other appropriate expenses.

It was concluded that the fair value less costs of disposal exceeded the recoverable amount of the identified group of CGUs.

Note 14. Trade and other payables

	Group 2022 $'000	Group 2021 $'000
Current liabilities		
Trade payables	3,329	1,569
Escrowed payment	-	333
Accrued expenses	2,314	1,712
Other payables	1,651	2,417
	7,294	6,031

Refer to note 22 for financial instruments information.

Escrowed payment
The escrowed payment related to Zaarly business acquisition during the financial year ended 30 June 2021. The amount was released to the vendor during the current financial year.

Note 15. Contract liabilities

	Group 2022 $'000	Group 2021 $'000
Current liabilities		
Contract liabilities	1,596	641

Reconciliation
Reconciliation of the values at the beginning and end of the current and previous financial year are set out below:

	2022 $'000	2021 $'000
Opening balance	641	337
Payments received in advance	26,834	23,488
Additions to contract liabilities from the acquisition of Oneflare (note 29)	904	-
Transfer to revenue - services transferred at a point in time (note 5)	(26,582)	(23,184)
Transfer to revenue - services transferred satisfied over time (note 5)	(201)	-
Closing balance	1,596	641

Contract liabilities are different from the unclaimed customer credits contract liabilities disclosed in note 18 as they pertain to considerations received by the Group from its customers in advance of performance obligations being satisfied.

Unsatisfied performance obligations
The aggregate transaction price allocated to performance obligations that are unsatisfied at the end of the reporting period was $1,596,000 as at 30 June 2022 (30 June 2021: $641,000) and is expected to be recognised as revenue upon task completion and services rendered in future periods as follows:

	Group 2022 $'000	Group 2021 $'000
Within 12 months	1,596	641

Increase in contract liabilities for year ended 30 June 2022 is primarily due to the acquisition of Oneflare.

Note 16. Lease liabilities

	Group 2022 $'000	Group 2021 $'000
Current liabilities		
Lease liability	580	422
Non-current liabilities		
Lease liability	1,017	-
	1,597	422

Refer to note 22 for financial instruments information.

Note 17. Provisions

	Group 2022 $'000	Group 2021 $'000
Current liabilities		
Lease make good	147	-
Government grants	762	1,454
	909	1,454

Government grants
During the year ended 30 June 2022, the Group and the ATO resolved their dispute regarding the Group's research and development activities registered for the years ended 30 June 2015 and 30 June 2016. An amount of $709,000 comprising $643,000 R&D tax incentive liability reduction and $66,000 general interest charge reduction was credited to the income statement, representing the excess amount previously provided for. The Group is awaiting agreement of a payment plan with the ATO for the balance of $762,000.

Lease make good
The current provision for lease make good pertains to the Group's contractual obligations under its office lease liabilities, to make good any fitout installed by the Group to the premises. The current provision at 30 June 2022 relates to two office lease liabilities, one of which is expected to be settled within 12 months and the other within 36 months.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Group - 2022	Make good provisions $'000	Government grants $'000
Carrying amount at the start of the year	-	1,454
Additional provisions recognised	147	-
R&D tax incentive liability reduction (note 6)	-	(643)
General interest charge	-	(49)
Carrying amount at the end of the year	147	762

Note 18. Unclaimed customer credits

	Group 2022 $'000	Group 2021 $'000
Unclaimed customer credits	4,680	3,500

Reconciliation
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

	2022 $'000	2021 $'000
Opening balance	3,500	2,690
Unclaimed customer credits granted	35,921	28,589
Unclaimed customer credits redeemed	(10,720)	(10,704)
Unclaimed customer credits redeemed via voluntary cash refunds	(18,865)	(13,348)
Transfer to unclaimed customer credits breakage revenue	(4,687)	(3,388)
GST on unclaimed customer credits breakage revenue	(469)	(339)
Closing balance	4,680	3,500

Unclaimed customer credits represents amounts that the customer has paid and the Group credits back to the customer's account when an assigned task on the Airtasker platform has been either inactive for a period of 90 days or is 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 its unclaimed customer credits liabilities. The Group does not immediately recognise the full balance of customer credits as revenue, because upon redemption some credits are paid to the tasker who completes the task, and customers may also elect a cash refund in certain circumstances. The revenue arising from unclaimed customer credits liabilities is recognised over time at the earlier of:

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

The Group expects any revenue from unclaimed customer credits to be realised within 12 months of the reporting date for incomplete task credits and within 18 months of the reporting date for cancellation credits.

Note 19. Issued capital

	Group 2022 Shares	Group 2021 Shares	Group 2022 $'000	Group 2021 $'000
Ordinary shares – fully paid	440,279,432	413,741,361	133,768	123,062

Note 19. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2020	290,667,000	59,465
Issue of shares on exercise of options under Alumni Offer	22-29 January 2021	9,018,027	334
Issue of shares on exercise of options under Alumni Offer	1 February 2021	8,000	2
Issue of shares to existing contractual rights holder	8 February 2021	18,800,000	1,568
Issue of shares on conversion of preference shares	15 March 2021	38,573,082	25,073
Issue of shares on conversion of employee restricted ordinary shares	15 March 2021	1,896,000	23
Issue of shares on conversion of SAFE equity instrument	15 March 2021	6,923,076	2,544
Issue of shares under Alumni Offer	15 March 2021	3,940,169	-
Issue of shares on IPO	23 March 2021	23,076,923	15,000
Issue of shares on exercise of options	30 April 2021	95,000	1
Issue of shares on exercise of options	7 May 2021	31,650	16
Issue of shares on exercise of options	28 May 2021	8,500	4
Issue of shares	31 May 2021	20,703,934	20,704
Less: share issue transaction costs	23 March 2021	-	(925)
Less: share issue transaction costs	25 May 2021	-	(747)
Balance	30 June 2021	413,741,361	123,062
Issue of shares on exercise of options	5 July 2021	100,854	51
Issue of shares on exercise of options	12 July 2021	123,237	40
Issue of shares on exercise of options	28 July 2021	64,437	13
Issue of shares on exercise of options	18 August 2021	54,302	17
Issue of shares on exercise of options	8 September 2021	100,583	50
Issue of shares on exercise of options	6 October 2021	597,561	299
Issue of shares on exercise of options	20 October 2021	811,500	154
Issue of shares on exercise of options	1 November 2021	90,460	45
Issue of shares on exercise of options	11 November 2021	300,000	150
Issue of shares on exercise of options	24 November 2021	139,167	70
Issue of shares on exercise of options	13 December 2021	62,813	31
Issue of shares on exercise of options	22 December 2021	22,117	11
Issue of shares on exercise of options	11 February 2022	79,010	40
Issue of shares	11 March 2022	155,041	75
Issue of shares	26 May 2022	6,278,849	2,700
Issue of shares	26 May 2022	17,558,140	7,111
Less: Share issue transaction costs	26 May 2022	-	(151)
Balance	30 June 2022	440,279,432	133,768

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 19. Issued capital (continued)

Capital risk management
The Group manages capital with the objectives of ensuring its ability to continue as a going concern, and to maintain an optimal capital structure to reduce its costs of capital. These objectives are designed to enable the Group to maximise returns to shareholders.

The capital structure of the Group consists of equity of the Group (comprising issued capital (note 19), reserves (note 20) and accumulated losses). The Group had no borrowings as at 30 June 2022 and 30 June 2021. The Group is not subject to any externally imposed capital requirements. The Group reviews its capital structure on a regular basis, and as part of this review, considers the above objectives and the risks associated with each class of capital.

Note 20. Reserves

	Group	
	2022 $'000	2021 $'000
Foreign currency reserve	279	55
Share-based payments reserve	17,907	15,654
	18,186	15,709

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Group	Foreign currency reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 July 2020	(101)	8,846	8,745
Foreign currency translation	156	-	156
Share-based payments	-	6,808	6,808
Balance at 30 June 2021	55	15,654	15,709
Foreign currency translation	224	-	224
Share-based payments	-	2,214	2,214
Foreign exchange movement on share-based payments reserve	-	39	39
Balance at 30 June 2022	279	17,907	18,186

Note 21. Dividends

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

Note 22. Financial instruments information

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

Risk management framework
The Group’s Board of Directors recognises that effective management of risk is an integral part of good management and vital to the continued growth and success of the Group. The Board of Directors has ultimate responsibility for establishment and oversight of the Group’s risk management framework in conjunction with and aligned with the business strategy. The Board of Directors has established an Audit and Risk Committee, whose responsibilities include further developing and monitoring the Group’s risk management framework. The Committee reports regularly to the Board of Directors on these activities.

The Group's risk management processes have been established to identify and assess the risks faced by the Group, set appropriate risk limits and controls, and monitor these risks and adherence to agreed limits. Financial risk management is carried out by senior finance executives ('Finance') based on the risk management framework established by the Board of Directors. Finance identifies, evaluates and, where appropriate, hedges financial risks within the Group's operations and reports to the Board of Directors on a monthly basis.

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group’s profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Foreign currency risk
The Group transacts in currencies other than its reporting currency of the Australian dollar, most notably the US dollar and pound sterling. The Group’s revenue is primarily denominated in Australian dollars, with a small component of revenue denominated in US dollars and pound sterling. The Group also has expenses denominated in these currencies. The Group is exposed to the net impact of movements in exchange rates in foreign currencies in which expenses (net of revenues) is denominated, or in which services are provided, and hence is subject to both realised and unrealised gains and losses on foreign currency movements. It is the policy of the Group to hedge its exposure to foreign currency to manage the risk where appropriate. Presently, the Group enters into participating forward contracts in US dollars, and does not hedge its exposure to pound sterling as its net exposure to pound sterling is not considered meaningful.

The Group does not consider its foreign currency risk to be significant.

Price risk
The Group’s holding of financial instruments are limited to term deposits and consequently the Group is exposed to limited price risk.

Interest rate risk
The investment return of the Group’s holdings of cash and financial instruments is exposed to interest rate risks. This risk is managed by continuously monitoring forecast cash flows, to enable the Group to invest its financial assets in appropriate maturities and thereby earn an appropriate return on these assets.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Due to its business model, whereby cash is collected by the Group prior to the completion of a task, the Group has limited counterparty risk with its Customers. The Group's main credit risk exposure is cash and cash equivalents and term deposits and to minimise this risk, the Group only holds cash and cash equivalents and term deposits with creditworthy counterparties, and monitors periodically the creditworthiness of its counterparties, including their credit ratings.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty meeting its financial obligations that are settled by cash. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Note 22. Financial instruments information (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Group - 2022	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,329	-	-	-	3,329
Other payables	-	1,651	-	-	-	1,651
Interest-bearing - fixed rate						
Lease liability	3.73%	595	535	561	-	1,691
Total non-derivatives		5,575	535	561	-	6,671
Derivatives						
Forward foreign exchange contracts net settled	-	36	-	-	-	36
Total derivatives		36	-	-	-	36

Group - 2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,569	-	-	-	1,569
Other payables	-	2,417	-	-	-	2,417
Escrowed payment	-	333	-	-	-	333
Interest-bearing- variable						
Lease liability	9.58%	423	-	-	-	423
Total non-derivatives		4,742	-	-	-	4,742
Derivatives						
Forward foreign exchange contracts net settled	-	(3)	-	-	-	(3)
Total derivatives		(3)	-	-	-	(3)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

	Group	
	2022 $	2021 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of financial statements	354,998	185,000
Other services - Deloitte Touche Tohmatsu		
Investigating Accountant's Report related to the IPO	-	580,000
Other services	-	60,500
	-	640,500
	354,998	825,500
Audit services - unrelated firms		
Audit or review of financial statements	-	28,000

Note 24. Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 25. Commitments

The Group did not have any commitments as at 30 June 2022 and 30 June 2021.

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and members of key management personnel of the Group is set out below:

	Group	
	2022 $	2021 $
Short-term employee benefits	827,617	1,179,300
Post-employment benefits	49,636	91,872
Long-term benefits	8,465	13,390
Termination benefits	-	240,000
Share-based payments	209,558	5,037,007
	1,095,276	6,561,569

Included in the 2021 compensation was an amount of $1,966,200 relating to non-recurring remuneration of which $1,726,200 was associated with completion of the IPO and achieving the Prospectus Forecast and $240,000 was associated with the termination of a key management personnel in the financial year ended 30 June 2021.

Note 27. Related party transactions

Parent entity
Airtasker Limited is the parent entity.

Note 27. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year, other than loans within the Group that are eliminated on consolidation as noted below.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The Group has loans contracted in the ordinary course of business between the parent entity and its subsidiaries. The loans are used to fund the operations of the Group, and are eliminated as part of the consolidation.

Other than loans within the Group, there were no loans to or from other related parties at the current and previous reporting date.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Airtasker (AU) Pty Ltd	Australia	100%	100%
Airtasker UK Limited	United Kingdom	100%	100%
Airtasker USA Inc.	United States of America	100%	100%
Airtasker New Zealand Limited	New Zealand	100%	100%
Airtasker SGP Pte. Ltd.	Singapore	100%	100%

Note 29. Business combinations

(a) Oneflare acquisition (in current year)
On 25 May 2022, the Group acquired the assets and certain liabilities of ACN 154 482 283 Pty Ltd (previously known as Oneflare Pty Ltd ('Oneflare'). Oneflare has a strong presence in trades, home improvement and professional services. The acquisition of Oneflare was to further accelerate Airtasker's strategic expansion into high value service categories including trades, home improvement and professional services. Goodwill recorded on acquisition of $10,177,000 represents the expected synergies from operating a single technology platform to serve a larger user base and the strengthening of marketplace network effects.

The acquired business contributed revenues of $1,107,000 for the period from 25 May 2022 to 30 June 2022.

Note 29. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value $'000
Prepayments	147
Property, plant and equipment	73
Right-of-use assets	1,362
Lease receivable	315
Other intangibles	607
Lease liability	(1,555)
Unclaimed customer credits contract liabilities	(904)
Trade and other payables	(475)
Employee benefits	(299)
Lease make good provision	(112)
Deferred tax liabilities	(152)
Net liabilities acquired	(993)
Goodwill	10,177
Acquisition-date fair value of the total consideration transferred	9,184
Representing:	
Cash paid or payable to vendor	2,073
Airtasker Limited shares issued to vendor	7,111
	9,184
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	9,184
Less: shares issued by Company as part of consideration	(7,111)
Net cash used or payable to vendor	2,073
Acquisition costs expensed to profit or loss	431

Payment for purchase of business, net of cash acquired includes $2,051,000 of cash paid during the year with $22,000 remaining outstanding to be paid at 30 June 2022.

Note 29. Business combinations (continued)

(b) Zaarly acquisition (in prior year)
On 21 May 2021, the Group acquired a local services marketplace business from Zaarly, Inc. for the total consideration of $3,458,000. This is a curated local services marketplace business with operations in Kansas City and Dallas. It was acquired to accelerate the Group's expansion into the United States of America. As no separately identifiable intangible assets were acquired, the full $3,482,000 represents goodwill. The goodwill represents predominantly the capability and knowledge of Zaarly's founder and employees being acquired know-how and expertise and expected synergies from merging this business in the Group.

Details of the acquisition are as follows:

	Fair value $'000
Trade and other liabilities acquired	(24)
Net liabilities acquired	(24)
Goodwill	3,482
Acquisition-date fair value of the total consideration transferred	3,458
Representing:	
Cash paid or payable to vendor	3,125
Escrowed purchase price paid in November 2021	333
	3,458
Acquisition costs expensed to profit or loss	201

Note 30. Cash flow information

Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Group 2022 $'000	Group 2021 $'000
Loss after income tax benefit for the year	(20,391)	(9,709)
Adjustments for:		
Depreciation and amortisation	3,525	2,198
Impairment of property, plant and equipment and right of use assets	706	74
Share-based payments	2,214	6,808
Movement on financial instruments at fair value through profit or loss	(33)	(101)
Non-cash SWM contra spend	-	2,394
Government grants - research and development tax incentive (including general interest charge)	(715)	(575)
Other	(10)	(193)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(139)	223
Increase in other operating assets	(315)	(712)
Increase in trade and other payables	607	3,867
Increase in employee benefits	188	432
Increase in unclaimed customer credits in excess of unclaimed customer credits breakage revenue	1,181	814
Increase in contract liabilities	51	-
Decrease in net deferred tax assets/liabilities	(152)	-
Net cash (used in)/from operating activities	(13,283)	5,520

The net cash from operating activities of $5,520,000 for the year ended 30 June 2021 included non-recurring costs related to the Company's IPO.

Non-cash investing and financing activities

	Group 2022 $'000	Group 2021 $'000
Ordinary shares issued	7,111	27,638

Note 30. Cash flow information (continued)

The $7,111,000 ordinary shares issued for the year ended 30 June 2022 relates to the business combination prescribed in note 29(a).

Changes in liabilities arising from financing activities

Group	Lease liabilities $'000	Total $'000
Balance at 1 July 2020	836	836
Net cash used in financing activities	(450)	(450)
Other accounting changes	36	36
Balance at 30 June 2021	422	422
Net cash used in financing activities	(508)	(508)
Acquisition of leases	1,683	1,683
Balance at 30 June 2022	1,597	1,597

Note 31. Earnings per share

	Group 2022 $'000	Group 2021 $'000
Loss after income tax attributable to the owners of Airtasker Limited	(20,391)	(9,709)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	417,961,583	325,162,402
Weighted average number of ordinary shares used in calculating diluted earnings per share	417,961,583	325,162,402
	Cents	Cents
Basic earnings per share	(4.88)	(2.99)
Diluted earnings per share	(4.88)	(2.99)

20,314,835 (2021: 27,856,749) options and 11,240,967 (2021: 6,935,346) rights have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 32. Share-based payments

Employee Option Plan ('EOP')
The EOP is a legacy start-up concession employee incentive plan, in which current employees, contractors or directors of Airtasker Limited may participate.

The options have exercise prices, which must be paid by participants to exercise the options and are subject to time-based vesting conditions that are set out in respective options offer letters and predominantly vests in four tranches of 25% each over four years.

The options expire five years after grant date and do not carry dividend or voting rights prior to vesting. The options may be settled in ordinary shares only and the shares allocated on exercise carry the same dividend and voting rights as other shares. The Group has not issued options since 11 January 2021 and does not intend to issue any further options under this plan.

Note 32. Share-based payments (continued)

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

	Number of options 2022	Weighted average exercise price 2022	Number of options 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	27,856,749	$0.562	50,802,000	$0.279
Granted	-	$0.000	18,961,229	$0.500
Forfeited	(4,840,832)	$0.625	(13,945,303)	$0.477
Exercised	(2,701,082)	$0.387	(27,961,177)	$0.069
Outstanding at the end of the financial year	20,314,835	$0.569	27,856,749	$0.562
Exercisable (vested and unexercised) at the end of the financial year	16,624,991	$0.573	16,314,334	$0.561

The weighted average share price during the financial year was $0.490 (30 June 2021: $0.484).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.67 years (30 June 2021: 3.59 years).

Rights

Rights Plan ('RP')
The RP is one of the Company's current employee incentive plans, in which current employees, contractors or executive directors of Airtasker Limited may participate. Non-executive directors are not eligible to participate in this plan.

Rights, when exercised, may be settled in cash or shares, as determined by the Board at its discretion. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. Rights may be subject to:
- performance-based vesting conditions (which may also include time-based vesting conditions);
- time-based vesting conditions; or
- no vesting conditions.

Performance-based vesting conditions are measured over a period of one to three financial years unless otherwise determined by the Board. Performance-based vesting conditions may relate to the performance of the Company or the participant and may be subject to the achievement of minimum hurdles. For the year ended 30 June 2022, the performance-based vesting conditions were market based and non-market based.

Grants with market conditions were introduced this year. The grants were issued to senior employees and include the following conditions:
- the achievement of various share price targets at the end of each financial reporting period and subject to requiring participants to remain employed with the Group during the grant period; and
- the achievement of index conditions regarding the Company’s share compound annual growth rate ('CAGR') during the grant vesting period and subject to requiring participants to remain employed with the Group during the grant period.

Grants with non-market based conditions include the following conditions:
- the meeting or exceeding milestones relating to performance metrics on the Group's platform such as Cancellation Rates, Assignment Rates and Return Assigner Rates and subject to requiring participants to remain employed with the Group during each relevant financial year.

Service-based (i.e. time-based) vesting conditions are measured over a period of a number of financial years as determined by the Board. The Board has the discretion to determine that any service-based vesting conditions have been fulfilled whether or not a participant remains employed by the Group.

Note 32. Share-based payments (continued)

Rights do not carry dividend or voting rights prior to vesting. Shares allocated on exercise carry the same dividend and voting rights as other shares.

NED Equity Plan ('NEP')
The NEP is one of the Company's current incentive plans in which only non-executive directors may participate.

There were no rights issued under the NEP during the financial year ended 30 June 2022.

During the financial year ended 30 June 2021, the rights issued under the NEP included the rights in lieu of Directors' fees for the last quarter of the financial year ended 30 June 2021 and for the year ended 30 June 2022.

Rights, when exercised, are settled as shares. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. No vesting conditions apply to rights issued under this plan. Rights do not carry dividend or voting rights prior to vesting. Shares allocated on exercise carry the same dividend and voting rights as other shares.

Set out below are summaries of rights granted under the plans:

	Number of rights 2022	Weighted average exercise price 2022	Number of rights 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	6,935,346	$0.375	-	$0.000
Granted	4,883,556	$0.000	6,935,346	$0.375
Forfeited	(577,935)	$0.000	-	$0.000
Outstanding at the end of the financial year	11,240,967	$0.270	6,935,346	$0.375
Exercisable (vested and unexercised) at the end of the financial year	6,849,696	$0.440	-	$0.000

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 6.55 years (30 June 2021:7.51 years).

There were no new options granted during the year.

Note 32. Share-based payments (continued)

For the market based rights that were granted during the current financial year, the valuation was performed using the Monte Carlo Simulation methodology. The inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
August 2021	June 2022	$1.000	$0.000	75%	-	0.04%	$0.840
August 2021	June 2023	$1.000	$0.000	75%	-	0.04%	$0.780
August 2021	June 2024	$1.000	$0.000	75%	-	0.04%	$0.690
September 2021	October 2022	$0.970	$0.000	75%	-	0.01%	$0.970
September 2021	October 2023	$0.970	$0.000	75%	-	0.01%	$0.970
September 2021	October 2024	$0.970	$0.000	75%	-	0.16%	$0.650
September 2021	October 2025	$0.970	$0.000	75%	-	0.16%	$0.710
November 2021	June 2022	$0.990	$0.000	75%	-	0.63%	$0.820
November 2021	June 2023	$0.990	$0.000	75%	-	0.63%	$0.760
November 2021	June 2024	$0.990	$0.000	75%	-	0.63%	$0.670
January 2022	January 2023	$0.720	$0.000	60%	-	0.80%	$0.487
January 2022	January 2024	$0.720	$0.000	60%	-	0.80%	$0.467
January 2022	January 2025	$0.720	$0.000	60%	-	1.20%	$0.426
March 2022	January 2023	$0.665	$0.000	60%	-	0.80%	$0.665
March 2022	January 2024	$0.665	$0.000	60%	-	1.40%	$0.665
March 2022	January 2025	$0.665	$0.000	60%	-	1.90%	$0.464
March 2022	January 2025	$0.665	$0.000	60%	-	2.10%	$0.469

The non-market based rights that were granted during the current financial 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 inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date
May 2021	May 2036	$1.08
June 2021	June 2036	$1.10
July 2021	July 2036	$1.12
August 2021	August 2036	$0.98
October 2021	October 2036	$0.96
November 2021	November 2036	$1.07
December 2021	December 2036	$0.84
January 2022	January 2037	$0.69
February 2022	February 2037	$0.76
March 2022	March 2037	$0.63
April 2022	April 2037	$0.62
June 2022	June 2037	$0.32

Refer to note 7 for the share-based payment expense during the year ended 30 June 2022.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2022 $'000	2021 $'000
Loss after income tax	(11,035)	(8,771)
Total comprehensive income	(11,035)	(8,771)

Statement of financial position

	Parent	
	2022 $'000	2021 $'000
Total current assets	29,279	45,737
Total assets	67,107	64,680
Total current liabilities	13,166	12,185
Total liabilities	13,363	12,374
Equity		
Issued capital	133,768	123,062
Share-based payments reserve	17,348	15,584
Accumulated losses	(97,372)	(86,340)
Total equity	53,744	52,306

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 34. Events after the reporting period

The equity raising announced on 4 May 2022, described above, included participation from existing shareholders associated with Airtasker Directors James Spenceley, Peter Hammond and Xiaofan (Fred) Bai, who in aggregate committed $3.55 million to the capital raising. The participation of shareholders associated with the Airtasker Directors was subject to approval of shareholders at an extraordinary general meeting which took place on 28 July 2022 and approved the placement to these shareholders of 8,256,035 shares with settlement occurring on 19 August 2022.

No other significant matter or circumstance has arisen since 30 June 2022 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

James Spenceley Chairperson	Timothy Fung Director

29 August 2022

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Independent Auditor's Report to the Members of Airtasker Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Airtasker Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Revenue recognition & unclaimed customer credits The Group has reported total revenue of $31.5 million, as disclosed in Note 5 'Revenue' and "Unclaimed customer credit liabilities" of $4.7m in Note 18. The Group primarily earns revenue from charging Taskers a service fee and charging customers a booking fee. Service fees and booking fees are calculated as a percentage of the task value agreed between the customer and the Tasker. Revenue is not recognised until the task is complete. The Group also generates revenue from breakage revenue arising on unclaimed customer credits. Breakage revenue is recognised using management's internal estimate of the historical breakage rate based on historical usage patterns. Revenue is also characterised by a high volume of relatively low value transactions that are processed through complex information systems and is heavily reliant on the IT systems in which tasks are reported and accounted for, upon which we have been unable to place reliance.	Our procedures included, but were not limited to the following: • Obtaining an understanding of the revenue streams and the appropriateness of the Group's principles in determining that revenue is recognised in accordance with the criteria in AASB 15 *Revenue from Contracts with Customers*; • Understanding management's controls over revenue recognition and measurement, including breakage revenue; • Performing an assessment of General IT Controls (GITCs) over key design and implementation components of the IT environment in which tasks are reported and accounted for, in conjunction with our IT specialists; • Where technology services were provided by a third party we obtained assurance reports from the third party's SOC 1 type 2 auditor on the design and operating effectiveness of controls at the third party; • Testing on a sample basis, revenue transactions in the sales ledger and testing that the service has in fact been provided by verifying that the task has been completed and accurately recorded into the general ledger; • Performing "proof to cash" testing, agreeing the total cash received to the revenue and unclaimed customer credits liabilities balance recorded in the general ledger; • Testing the mathematical accuracy of management's calculation of the unclaimed customer credits breakage revenue; • Testing on a sample basis the accuracy and the existence of the cancelled and incomplete credits; • Testing on a sample basis refunds were returned to the original payee payment account; • Recalculating on a sample basis the ageing of cancelled and incomplete tasks;

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	• Evaluating the reasonableness of management's estimate relating to the breakage revenue rates including corroborating management's assertions of the historical redemption rates; and • Assessing the appropriateness of the Group's accounting policies and disclosures in Note 2, Note 5 and Note 18 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

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fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 33 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Airtasker Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

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Joshua Tanchel
Partner
Chartered Accountants

Sydney, 29 August 2022