



Airtasker Limited

ABN 53 149 850 457

(ASX Code: ART)

Quarterly Activity Report and Appendix 4C Quarterly Cash Flow Report 31 December 2023

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

www.airtasker.com

31 January 2024

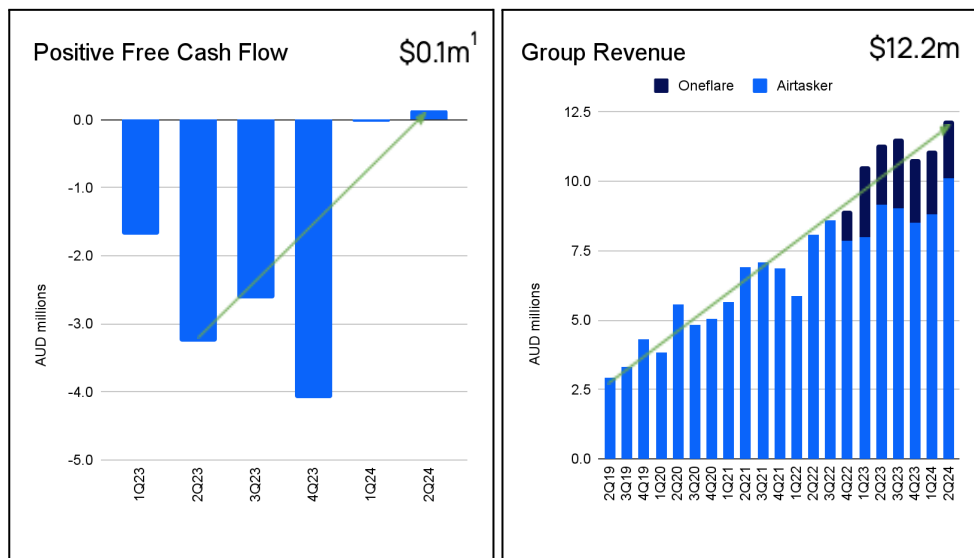
ASX Announcement

31 December 2023 - Quarterly Activity Report

**Airtasker delivers positive free cash flow result,
Airtasker marketplace revenue grows 10.2% and UK tasks surge over 30%³**

2Q Highlights

- Positive free cash flow of \$0.1m¹, an improvement of \$3.4m on pcp²
- Positive operating cash flow of \$0.7m, an improvement of \$3.3m on pcp
- Positive Group EBITDA of \$0.8m, an improvement of \$3.5m on pcp
- Airtasker marketplace revenue up 10.2% on pcp to \$10.1m; Group revenue up 7.8% on pcp to \$12.2m
- UK posted tasks up over 30.0%³ following the Channel 4 television campaign launch
- \$17.2m in cash and term deposits on balance sheet and zero debt



¹ Calculated as item 4.6 minus item 4.1 plus item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C current quarter column. The net term deposit investment of \$2.5m (calculated as item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C current quarter column), which is treated as an investing cash outflow for statutory accounting purposes in the 2Q24 Appendix 4C, is carried on balance sheet.
² Prior comparative period.
³ Calculated as the movement in cumulative posted tasks for the first 4 weeks of calendar 2024 against pcp.

Positive free cash flow

In 2Q24 Airtasker generated positive free cash flow of \$0.1m⁴, up \$3.4m on pcp (compared to a net cash outflow of \$3.3m in 2Q23). During the period Airtasker placed net \$2.5m⁵ of surplus cash in bank term deposits. These term deposits are treated as investing cash outflows for statutory accounting purposes and reconcile to a statutory accounting net cash outflow of \$2.4m⁶.

Cash flow from operating activities for 2Q24 was positive \$0.7m, up \$3.3m on pcp (compared to operating cash outflow of \$2.6m in 2Q23). This is the second consecutive quarter of Airtasker generating positive operating cash flow, with 1Q24 also delivering positive operating cash flow of \$0.7m.

Airtasker also generated positive free cash flow for the first half of FY24 of \$0.1m⁷, an improvement of \$5.1m. As noted above, during the half year Airtasker placed net \$10.5m⁸ of surplus cash in bank term deposits which reconciles this result to a statutory accounting net cash outflow of \$10.4m⁹ for the half year.

Airtasker finished the first half in a solid financial position with \$17.2m in cash and term deposits on its balance sheet and zero debt.

The positive operating cash flow result in 2Q24 was achieved by delivering solid Group revenue growth of 7.8% against pcp to \$12.2m whilst at the same time improving operating efficiency and reducing expenditure by \$2.8m (28.4%) on pcp (excluding restructuring costs in pcp).

Airtasker marketplace revenue up 10.2%

Airtasker marketplace revenue improved by 10.2% on pcp to \$10.1m. This result was achieved despite GMV¹⁰ being down 8.8% due to a 3.8% decrease in average task value and soft consumer demand.

⁴ Calculated as item 4.6 minus item 4.1 plus item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C current quarter column. The net term deposit investment of \$2.5m (calculated as item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C current quarter column), which is treated as an investing cash outflow for statutory accounting purposes in the 2Q24 Appendix 4C, is carried on balance sheet.

⁵ Calculated as item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C current quarter column.

⁶ Calculated as item 4.6 minus item 4.1 of the 2Q24 Appendix 4C current quarter column.

⁷ Calculated as item 4.6 minus item 4.1 plus item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C year to date column. The net term deposit investment of \$10.5m (calculated as item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C year to date column), which is treated as an investing cash outflow for statutory accounting purposes in the 2Q24 Appendix 4C, is carried on balance sheet.

⁸ Calculated as item 2.1(f) minus item 2.2(f) of the 2Q24 Appendix 4C year to date column.

⁹ Calculated as item 4.6 minus item 4.1 of the 2Q24 Appendix 4C year to date column.

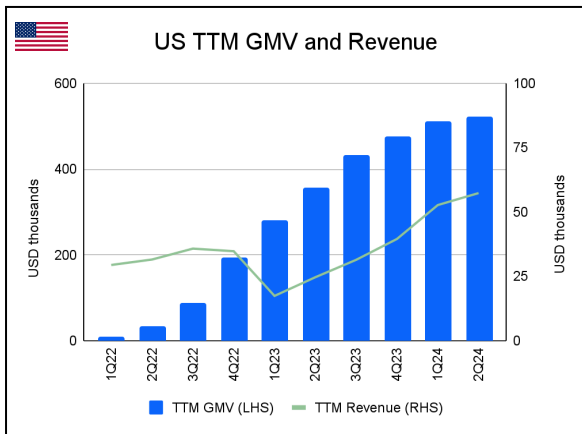
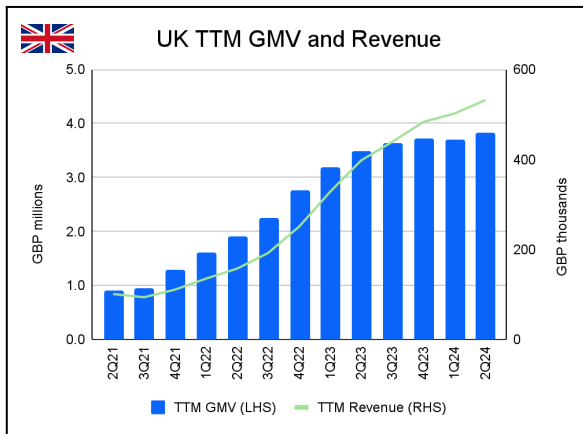
¹⁰ Gross marketplace volume.

This strong revenue result was driven by successful funnel optimisation programs including the introduction of a revised cancellation policy designed to improve platform reliability and address task leakage. These programs saw cancellations reduce by 22.5% on pcp resulting in the take rate¹¹ improving by 3.4 percentage points to 20.0%.

Media partnership delivers over 30% increase in UK posted tasks

In Australia, a key strategy for Airtasker to build the no. 1¹² marketplace for local services was a media-for-equity partnership with Seven West Media. This partnership enabled Airtasker to build a trusted household brand name and scale network effects rapidly, resulting in 20x revenue growth and a 5x investment return for Seven West Media over 5 years. Airtasker is now replicating this model to drive rapid scale in new markets.

In the UK, Airtasker has formed a media-for-equity partnership with Channel 4 which provides Airtasker with \$6.7m in advertising media and access to Channel 4's reach of 47 million UK people (78% of the UK population). In October 2023, Airtasker released it's first UK television advertising campaign, 'Airtasker. Yeahtasker!' resulting in a surge in marketplace demand, with posted tasks up over 30.0%.¹³ This rapid growth in marketplace activity has been achieved during the low season in the UK and is expected to accelerate in the northern hemisphere spring and summer season (3Q24 and 4Q24).



In the UK, Airtasker's marketplaces demonstrated strong performance with 2Q24 TTM¹⁴ GMV up 10.1% on pcp to £3.8m¹⁵ and TTM revenue up 33.6% on pcp to £532k¹⁵ as a result of record levels of tasker engagement driving higher task completion rates.

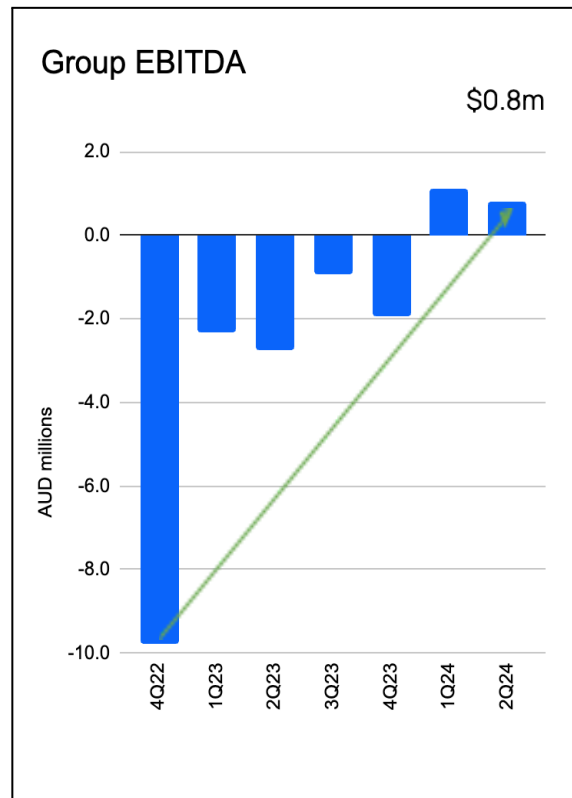
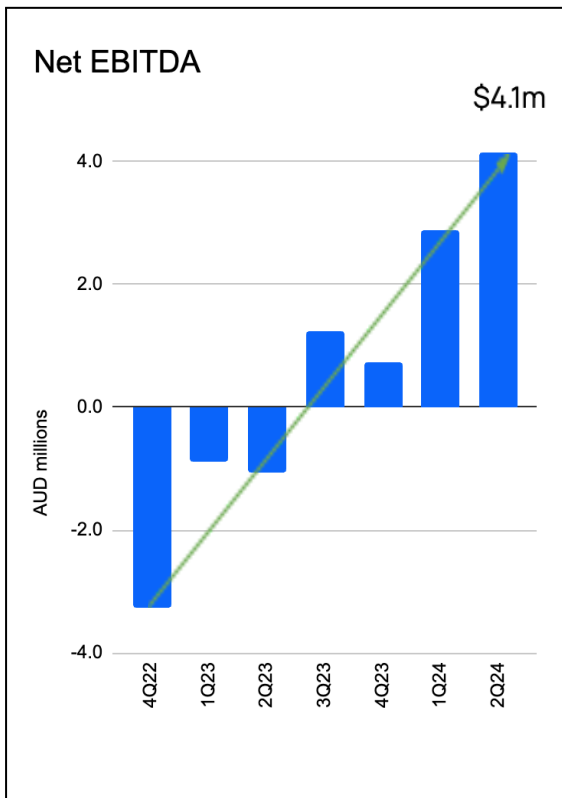
In Airtasker's US marketplaces, 2Q24 TTM GMV increased 46.3% on pcp to US\$523k¹⁵ and revenue increased 132.4% on pcp to US\$57k.¹⁵

¹¹ Take rate represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.
¹² Based on 1.9m posted tasks on the Airtasker Australia platform during FY23.
¹³ Calculated as the movement in cumulative posted tasks for the first 4 weeks of calendar 2024 against pcp.
¹⁴ Trailing twelve months.
¹⁵ Calculated on a TTM basis.

In the US, Airtasker is seeing healthy growth in marketplace activity and maintaining a disciplined approach to investment as we explore several media partnership opportunities.

Positive Net EBITDA \$4.1m and positive Group EBITDA \$0.8m

Airtasker's marketplaces fall into two business segments, being the 'Established Marketplaces Segment' and the 'New Marketplaces Segment'. Geographic operations are segmented based on the maturity of the marketplaces as economics differ at each stage of growth. The Airtasker Australia and Oneflare Australia marketplaces have established user bases and operations and represent the 'Established Marketplaces Segment'. International marketplaces, which have less established user bases, form the 'New Marketplaces Segment'.



During 2Q24, Airtasker's Established Marketplaces in Australia achieved positive Net EBITDA of \$4.1m, after all fixed global head office expenditure. Group EBITDA was \$0.8m, which included \$3.3m investment in New Marketplaces. This investment principally comprised marketing and amortisation of contra-media assets.

The performance of the segments for 2Q24 is presented in the table below.

Non-statutory operating segment data ¹⁶	2Q24 \$m	2Q23 \$m	Variance \$m	Variance %
Established Marketplaces - Australian EBITDA ¹⁷	8.4	6.1	2.3	38.2%
Global head office - operating expenditure ¹⁸	(3.3)	(6.1)	2.8	46.7%
Global head office - innovation investment ¹⁹	(1.0)	(1.0)	0.0	1.3%
Net EBITDA	4.1	(1.0)	5.1	491.6%
New Marketplaces (UK and US) EBITDA	(3.3)	(1.7)	(1.6)	(96.8%)
Group EBITDA	0.8	(2.7)	3.5	129.2%

Commenting on the results, Airtasker Founder and CEO Tim Fung said, "I'm super pleased to announce that Airtasker has delivered positive free cash flow and Group EBITDA for the half year and is on track to deliver a full year of positive free cash flow in FY24. Our dedicated focus on the core product experience has seen a dramatic improvement in marketplace reliability, lower cancellations, less leakage and overall a much more efficient sales funnel which lays the foundations for continued strong revenue growth in the Australian market.

It's also been super exciting to see our partnership with Channel 4 - and our 'Airtasker, Yeahtasker!' television campaign - deliver over 30% growth in posted tasks and we can't wait to see this marketplace grow as the UK heads into the peak spring/summer period. We've got a massive 2024 ahead!"

Related party payments in 2Q24 totalled \$258k. The payments comprised \$63k to non-executive directors for director's fees, superannuation and expense reimbursements, \$15k of payments to Flotespace Pty Ltd for conference venue costs and \$180k to Tank Stream Labs Pty Ltd for leases, utilities and cleaning costs related to office facilities.

All numbers are unaudited.

- Ends -

¹⁶ Values in the table are rounded for presentation.

¹⁷ Excluding global head office operating expenditure and innovation investment.

¹⁸ This is global head office operating expenditure relating to the Airtasker and Oneflare marketplaces (engineering, product support and maintenance), as well as back office support functions (leadership, legal, finance and people operations).

¹⁹ This is global head office non-capitalisable innovation investment relating to the Airtasker and Oneflare marketplaces associated with the development of new product features designed to enhance the customer experience, increase long term GMV and grow long term revenue.

For further information, please contact:

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About Airtasker

Airtasker (ASX Code: ART) is Australia's leading online marketplace for local services, connecting people and businesses who need work done with people who want to work. With a mission to **empower people to realise the full value of their skills**, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income. Since launching in 2012, Airtasker has put more than \$500m into the pockets of workers (payments made after all fee revenue is deducted) and served more than 1.3m unique paying customers across the world. For more information visit www.investor.airtasker.com.

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

Appendix 4C

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

Name of entity

Airtasker Limited

ABN

53 149 850 457

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (6 months) A\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	12,673	24,440
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,347)	(2,377)
	(c) advertising and marketing	(3,017)	(4,801)
	(d) leased assets	(2)	(4)
	(e) staff costs	(5,025)	(10,586)
	(f) administration and corporate costs	(1,557)	(3,450)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	50	115
1.5	Interest and other costs of finance paid	(38)	(78)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	(78)	(78)
1.8	Other (GST and FBT)	(959)	(1,772)
1.9	Net cash from operating activities	700	1,409
2.	Cash flows used in investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	(564)	(1,230)
	(f) other non-current assets (investment of surplus cash in term deposits)	(3,000)	(11,000)

Consolidated statement of cash flows		Current quarter A\$'000	Year to date (6 months) A\$'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses (non-core business disposals)	241	394
	(c) property, plant and equipment	1	3
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (receipt from maturing of term deposit)	503	503
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash used in investing activities	(2,819)	(11,330)
3.	Cash flows used in financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease liabilities	(220)	(435)
3.10	Net cash used in financing activities	(220)	(435)
4.	Net decrease in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period ¹	8,023	16,052
4.2	Net cash from operating activities (item 1.9 above)	700	1,409
4.3	Net cash used in investing activities (item 2.6 above)	(2,819)	(11,330)
4.4	Net cash used in financing activities (item 3.10 above)	(220)	(435)
4.5	Effect of movement in exchange rates on cash held	(19)	(31)
4.6	Cash and cash equivalents at end of period¹	5,665	5,665
	<i>1. Excludes investment of surplus cash in term deposits.</i>		

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter A\$'000	Previous quarter A\$'000
5.1	Bank balances (item 4.6 and item 4.1) ²	5,665	8,023
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)² <i>2. Excludes investment of surplus cash in term deposits.</i>	5,665	8,023

6. Payments to related parties of the entity and their associates		Current quarter A\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(139)
6.2	Aggregate amount of payments to related parties and their associates included in item 3	(119)
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8. Estimated cash available for future operating activities		A\$'000
8.1	Net cash from operating activities (item 1.9)	700
8.2	Cash and cash equivalents at quarter end (item 4.6) ³	5,665
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3) ³	5,665
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p> <p><i>3. Excludes investment of surplus cash in term deposits.</i></p>		

Compliance statement

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

Date: 31 January 2024

Authorised by: The Board of Directors

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

Notes

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