



Airtasker®

Issuer:
Airtasker Limited ACN 149 850 457

prospectus

Initial Public Offering of Shares



Airtasker®

Lead Manager and Underwriter

 **morgans**

Important notices

Offer of Shares

The offer contained in this Prospectus is an invitation to acquire fully paid ordinary shares in Airtasker Limited (ACN 149 850 457) (**Company** or **Airtasker**) (**Shares**) (the **Offer**). This Prospectus is issued by the Company and Airtasker SaleCo Limited (ACN 646 549 117) (SaleCo) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**). Refer to Section 7 for further information.

Lodgement and Listing

This Prospectus is dated 8 February 2021 (**Prospectus Date**) and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

Airtasker will apply to ASX Limited (**ASX**) within seven days after the Prospectus Date for admission of the Company to the Official List of ASX and quotation of its Shares on ASX. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or for the merits of the investment to which this Prospectus relates.

As set out in Section 7, it is expected that the Shares will be quoted on ASX. Airtasker, SaleCo, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Expiry Date

This Prospectus expires on the date which is 13 months after the Prospectus Date (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

Note to applicants

The information contained in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. Neither Airtasker nor SaleCo is licensed to provide financial product advice in respect of Airtasker's securities or any other financial products.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in Airtasker. In particular, you should consider the assumptions underlying the Financial Information and the risk factors (refer to Section 5) that could affect the business, financial condition and financial performance of Airtasker.

You should carefully consider these risks in light of your personal investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares. There may be risks in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of Airtasker, the repayment of capital by Airtasker or any return on investment in Shares made pursuant to this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Airtasker, SaleCo, the Lead Manager or any other person in connection with the Offer. You should rely only on information in this Prospectus.

No offer where offer would be illegal

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer is not being extended to any investor outside Australia, other than to certain institutional and sophisticated investors as part of the Institutional Offer and Broker Firm Offer in certain jurisdictions as described in Section 7. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law, and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Notice to United States residents

The Shares being offered pursuant to this Prospectus have not been registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or any US State securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration under the US Securities Act and applicable State securities laws. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the Shares or distribution of this Prospectus or other offering material or advertisement in connection with the Offer in any State or other jurisdiction in which such offer, solicitation, distribution or sale would be unlawful under applicable law, including the US Securities Act and applicable State securities laws. In addition, any hedging transactions involving the Shares or any Shares into which the Shares may be converted may not be conducted unless in compliance with the US Securities Act.

Financial information and amounts

Section 4 of this Prospectus sets out in detail the Financial Information referred to in this Prospectus and the basis of preparation of that information. The Financial Information included in Section 4 has been prepared and presented in accordance with Australian Accounting Standards (**AAS**) except where otherwise stated.

The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in this Prospectus.

All Financial Information contained in this Prospectus which relates to FY19 and FY20 has been audited. All Financial Information contained in this Prospectus which relates to 1HFY20, 1HFY21 and 1HFY21F has been reviewed by Airtasker's auditor but has not been audited. All other financial amounts contained in this Prospectus are extracted from unaudited management accounts and have neither been reviewed nor audited by Airtasker's auditor.

All financial amounts contained in this Prospectus are expressed in Australian dollars and rounded to the nearest A\$0.1 million unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Forward-looking statements

This Prospectus may contain forward-looking statements concerning Airtasker's business, operations, financial performance and condition as well as Airtasker's plans, objectives and expectations for its business, operations, financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be

deemed to be forward-looking statements. You can identify these statements by words such as 'aim', 'anticipate', 'assume', 'believe', 'could', 'due', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'predict', 'potential', 'positioned', 'should', 'target', 'will', 'would' and other similar expressions that are predictions of or indicate future events and future trends.

The Forecast Financial Information included in Section 4 is an example of forward-looking statements. These forward-looking statements speak only as at the Prospectus Date. Unless required by law, Airtasker does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks Airtasker describes in the reports to be filed from time to time with ASX after the Prospectus Date.

These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors, many of which are in some cases beyond Airtasker's control. As a result, any or all of Airtasker's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 5. Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements set out in this Prospectus and are cautioned not to place undue reliance on such forward-looking statements.

Past performance

This Prospectus includes information regarding the past performance of Airtasker. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

Exposure period

The Corporations Act prohibits Airtasker from processing Applications for Shares under the Offer in the seven-day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by ASIC and market participants prior to the raising of funds under the Offer. This Prospectus will be made generally available to Australian residents during the Exposure Period (without an application form) by being posted on the following website: <http://investor.airtasker.com/prospectus>.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

Obtaining a copy of the Prospectus

During the Exposure Period, an electronic version of this Prospectus (without an application form) will be available in electronic form at <http://investor.airtasker.com/prospectus> to persons who are Australian residents only. Application forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus is available in electronic form at <http://investor.airtasker.com/prospectus>. The Offer constituted by this Prospectus in electronic form is available only to persons within Australia. It is not available to persons in any other jurisdiction (including the US) without the prior approval of Airtasker and the Lead Manager. If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety. You may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the Airtasker Offer Information Line on 1300 288 664 (within Australia) or +61(2) 8072 1400 (outside Australia) from 8.30am to 7.00pm (Sydney

time), Monday to Friday, emailing airtasker@automicgroup.com.au or using the live chat function at <https://investor.automic.com.au/#/support/contact>.

Applications for Shares may only be made during the Offer Period on an application form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing the application form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus. Refer to Section 7 for further information.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application form once it has been accepted.

Defined terms and time

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Rounding

Any discrepancies between totals and the sum of components in tables contained in this Prospectus are due to rounding. References to minimum application amounts, and similar amounts may vary slightly compared to actual amounts due to rounding.

Privacy

Airtasker, SaleCo, the Registry on their behalf, and the Lead Manager may collect, hold, use and disclose personal information provided by investors to allow them to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that Airtasker will need to collect your personal information (for example, your name, address and details of the Securities that you hold). Under the Corporations Act some of this information must be included in Airtasker's securities register, which will be accessible by the public.

Airtasker and SaleCo will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, Airtasker, SaleCo and the Registry may not be able to process your Application.

Airtasker, SaleCo and the Registry may also share your personal information with agents and service providers of Airtasker or others who provide services on Airtasker's behalf, some of which may be located outside of Australia where personal information may not receive the same level of protection as that afforded under Australian law.

For more details on how Airtasker collects, stores, uses and discloses your information, please read Airtasker's Privacy Policy located at <https://www.airtasker.com/privacy/>. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an application form or authorising a broker to do so on your behalf, or by providing Airtasker with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and Airtasker's Privacy Policy. Airtasker aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Registry if any of the details you have provided change.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by Airtasker. Diagrams and maps used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Disclaimer

Morgans Corporate Limited (**Lead Manager**) is managing and underwriting the Offer. The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its respective affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and each of its affiliates, officers, employees and advisors expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their respective names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Third Party Reports

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third Party Report**) in this Prospectus represent research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third Party Report are based on information believed by the third party author in good faith to be reliable, that third party author is not able to make any representation or guarantee as to the accuracy or completeness of any information upon which a view, opinion or forecast or information contained in any Third Party Report is based. Any views, opinions or predictions contained in a Third Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third Party Report is made as at the date of that Third Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third Party Report. The Third Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

Consent not sought for certain statements

Unless specifically noted in Section 9.12, statements made by, attributed to or based on statements by third parties have not been consented to for the purpose of section 729 of the Corporations Act and are included in this Prospectus on the basis of ASIC Corporations (Consents to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

Company website

Any references to documents included on Airtasker's website are for convenience only, and none of the documents or other information available on Airtasker's website are incorporated into this Prospectus by reference.

Questions

If you have any questions about how to apply for Shares, call your Broker or the Airtasker Offer Information Line on 1300 288 664 (within Australia) or +61(2) 8072 1400 (outside Australia) between 8.30am and 7.00pm (Sydney time), Monday to Friday, email airtasker@automicgroup.com.au or use the live chat function at <https://investor.automic.com.au/#/support/contact>. Instructions on how to apply for Shares are set out in Section 7 of this Prospectus and on the back of the application form. If you have any questions about whether to invest in Airtasker, you should seek professional advice from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares.

This document is important and should be read in its entirety.

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Key Offer Details

Important Dates

Lodgement of Prospectus with ASIC	Monday, 8 February 2021
Offer (Broker Firm Offer, Priority Offer and Tasker Offer) opens	Monday, 22 February 2021
Offer (Broker Firm Offer, Priority Offer and Tasker Offer) closes	Tuesday, 9 March 2021
Settlement of the Offer	Friday, 12 March 2021
Completion. Issue and transfer of Shares	Monday, 15 March 2021
Expected dispatch of holding statements	Tuesday, 16 March 2021
Expected commencement of trading on the Official List of ASX	Monday, 22 March 2021

Note: This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney time. The Company, in consultation with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice (including, subject to ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as early as possible after the Offer opens.

Key Offer Statistics

Total number of Shares on issue after the Restructure and immediately prior to allotment under the Offer ¹	369.8 million
Total number of existing Shares from Selling Shareholders available under the Offer	105.6 million
Total number of new Shares available under the Offer	23.1 million
Total number of Shares available under the Offer	128.7 million
Offer Price	\$0.65
Gross proceeds from the Offer	\$83.7 million
Total number of Shares on issue at Completion ¹	392.9 million
Indicative market capitalisation at Completion ²	\$255.4 million
Pro forma net cash (as at 31 December 2020) ³	\$28.5 million
Enterprise value ⁴	\$226.9 million
Enterprise value/FY21F GMV ^{6,7}	1.6x
Enterprise value/FY21F revenue ^{5,6}	9.3x
Enterprise value/FY21F pro forma Gross Profit ⁶	10.0x
Enterprise value/FY21F pro forma GPAPA ^{6,8}	11.1x

- Assumes the Restructure is completed in full and no shares are issued before Completion as a consequence of the exercise of vested options or rights.
- Market capitalisation at the Offer Price is defined as the Offer Price multiplied by the total number of Shares expected to be on issue at Listing
- Represents \$28.5 million pro forma net cash as at 31 December 2020 and is calculated as cash and cash equivalents as at 31 December 2020 of \$14.7 million, the exercise of Employee Options with \$1.9 million being paid to the Company on the exercise of these Options, and the net impact of proceeds from the Offer (\$15 million) less the cash costs of the Offer of \$3.1 million. See Sections 4 and 7 for further details.
- Enterprise value is defined as market capitalisation at the Offer Price, less pro forma net cash of \$28.5 million as at 31 December 2020.
- There is no difference between pro forma and statutory revenue for FY21F.
- This table contains Forecast Financial Information and information derived from the Forecast Financial Information. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and Appendix A and is subject to the key risks set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons described in Section 4. Forecasts have been included in this Prospectus for FY21F.
- GMV or Gross Marketplace Volume is calculated by 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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes.
- Gross Profit after Paid Advertising represents Gross Profit less Paid and Direct Marketing expense.

Currency in this Prospectus

All financial amounts contained in this Prospectus are expressed in Australian dollars.

How to invest

Applications for Shares can only be made by completing and lodging the application form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Sections 7.2 to 7.7 of this Prospectus and on the back of the application form.

Questions

Please call the Offer Information Line on 1300 288 664 (within Australia) or +61(2) 8072 1400 (outside Australia) from 8.30am to 7.00pm (Sydney time) Monday to Friday (excluding public holidays), email airtasker@automicgroup.com.au or use the live chat function at <https://investor.automic.com.au/#/support/contact>. If you are unclear in relation to any matter or are uncertain as to whether Airtasker is a suitable investment for you, you should seek advice from your accountant, financial advisor, stockbroker, lawyer or other independent professional advisor before deciding whether to invest in Shares.

Chairperson's Letter



Dear Investor,

On behalf of the Board, it is my pleasure to offer you the opportunity to become a Shareholder of Airtasker Limited.

Airtasker is Australia's leading marketplace for local services, connecting people and businesses who need work done (Customers) with people who want to work (Taskers). Airtasker delivers a simple ecommerce experience to buy local services and creates flexible working opportunities and income for Taskers. More than 4.3 million registered users have joined Airtasker's marketplace to date.

The use of flexible labour marketplaces is growing rapidly and the local services market is no exception with Airtasker growing significantly by both Customers and by Taskers. We are excited by this growth but also at the success of our revenue model that aligns all 3 parties (Airtasker, its Customers and Taskers) whereby Airtasker only charges a fee on a successfully completed task. This model greatly reduces the friction for users and aligns all parties, and we believe this is what has assisted Airtasker in becoming by far the most widely-used local services marketplace in the Australian market.¹

Airtasker provides a significant number of people the opportunity to support themselves financially, as well as enabling a much broader base of people to supplement their incomes, and in recent times providing many with working opportunities in times of job-related stress such as during the COVID-19 pandemic.

Airtasker's growth has been supported by a large and growing community of repeat users as well as attracting new users and delighting them with the increasing speed of responses to their posted tasks that the growing and liquid Airtasker marketplace delivers.

While we are happy with what we have built, we believe in challenging ourselves and continuous investment into the development of the Airtasker technology platform and brand. Airtasker's growth strategy is focused on investing in further marketing initiatives both here in Australia and overseas as well as entirely new products such as the Airtasker Superstore.

The Offer is being made to provide funds to continue the expansion of Airtasker's marketplace platform, international expansion and to fund working capital requirements. The Board and leadership team are focused on the opportunity to significantly grow the Airtasker business and grow it in a way that we can all be proud of.

Airtasker is seeking to raise \$83.7 million through the issue of 23.1 million new Shares and 105.6 million existing Shares available for sale at a price of \$0.65 per Share pursuant to the Offer. The Offer is an important next step in the evolution of the Company and the Board believes this funding accelerates our growth strategy. The Offer provides an opportunity for incoming investors to share in Airtasker's exciting future.

This Prospectus contains detailed information about the Offer, the industry in which Airtasker operates, the historical and forecast financial information, as well as the key risks associated with an investment in the Company. These key risks are set out in Section 5.

Please read this Prospectus carefully, and in its entirety, before deciding whether to invest in the Company.

On behalf of the Board of Directors, I look forward to welcoming you as a Shareholder.

Yours sincerely,

James Spenceley
Chairperson, Airtasker

1. Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019.

CEO and Founder Letter



Dear Investor,

Thank you for considering an investment in Airtasker and our mission: to empower people to realise the full value of their skills.

Since launching in 2012, it's been truly inspiring to see the people of Airtasker – our Customers, Taskers and the Airtasker team – grow and work together to enable more than \$1 billion in working opportunities and to create Australia's no. 1 marketplace for local services.

For our Customers, we aim to provide a simple ecommerce experience for local services whilst having a positive impact on the future of work by creating truly flexible opportunities for people to share their skills and earn income. One of our most important values at Airtasker is People Matter and we believe that creating jobs, income and purpose is not just a by-product of the work we do: it's our core purpose.

In service of our mission, the Airtasker marketplace is built upon principles of openness, transparency and accountability in which Taskers are empowered to determine the work they choose to complete and how much they earn for completing that work. We believe that aligning incentives is critical to long term success, and our business model – in which revenue is tied directly to the amount earned by Taskers – ensures that Airtasker is closely aligned with the success of Taskers, Customers and the broader community.

Over the past 9 years, we've focussed on building scalable technology that supports the Airtasker marketplace, enables network effects and empowers our Taskers and customers to work together to get things done without the need for major operational inputs such as manual handling, direct marketing or a salesforce. Going forward, we intend to continue to invest significant resources into product, software and data capabilities that empower our community.

We believe the opportunity to empower the local services economy on a global scale is truly massive. Striving towards this opportunity, we will continue to explore, experiment and iterate to drive user acquisition, improve frequency of use and expand our addressable market by investing into organic and paid marketing, establishing new marketplace models and expanding our global reach.

Driving towards our vision will be the work of a lifetime and I'm truly humbled by the incredibly talented and driven people that have joined us at each step of the way - past, present and future. To each of you: thank you for being part of the Airtasker journey. We would not be here without you.

Thank you again for taking the time to consider an investment in Airtasker. I look forward to welcoming you on the journey.

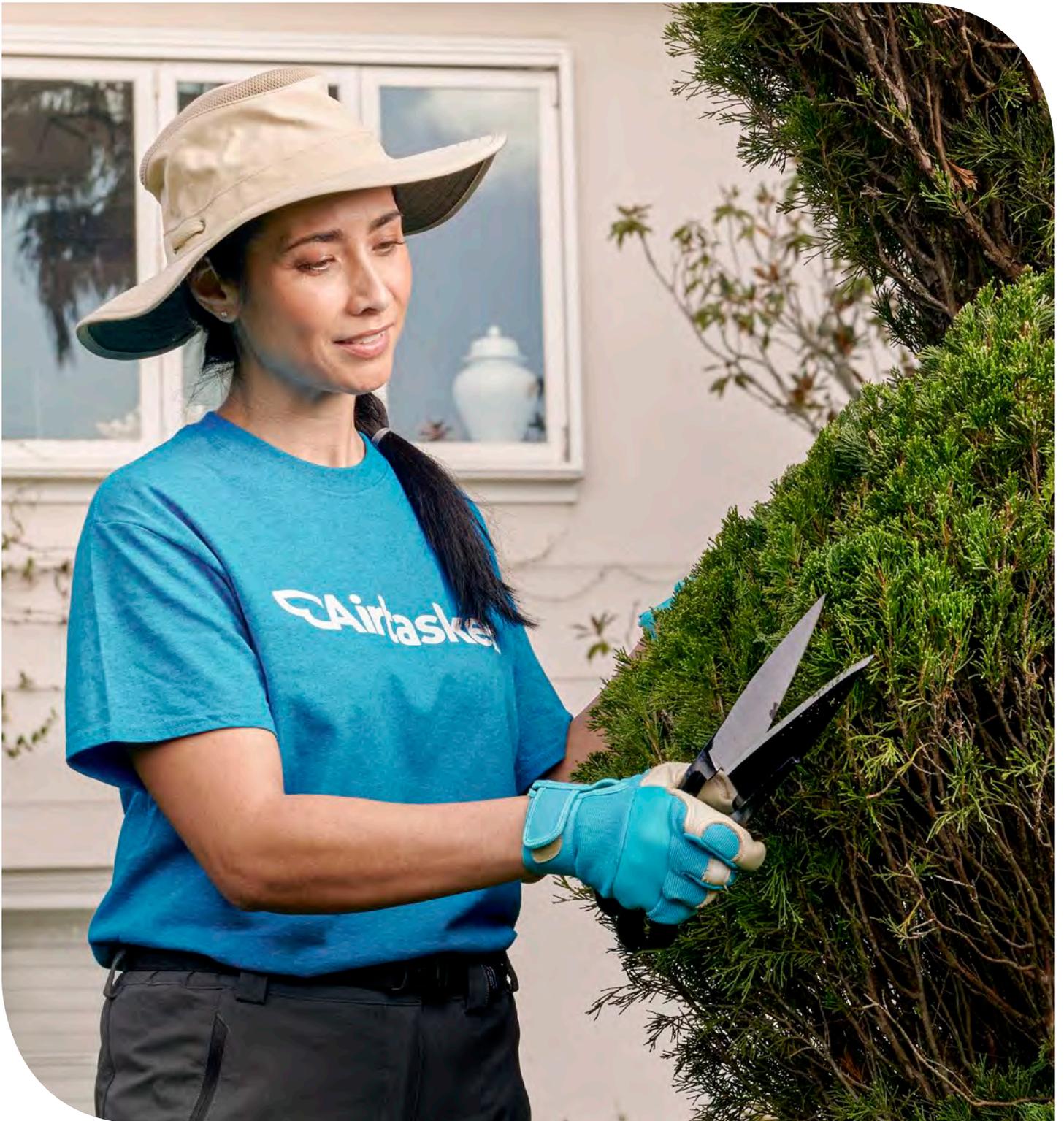
Yours faithfully,

Tim Fung

Airtasker Co-founder and CEO

Section 1

Investment Overview



1.1 Introduction

Topic	Summary
Who is Airtasker and what does it do?	<p>Airtasker is Australia's leading online marketplace for local services, connecting people and businesses who need work done (Customers) with people and businesses who want to work (Taskers). Airtasker delivers a simple ecommerce experience for Customers to buy local services and creates flexible working opportunities and income for Taskers. Service industries currently facilitated by the Airtasker marketplace include everyday tasks such as handyman jobs, domestic cleaning and business administration, through to more complex work including architectural design, tax consultancy and legal advice, and many service industries in between.</p> <p>For further information, see Section 3.</p>
What industry does Airtasker operate in?	<p>Airtasker operates in the online labour marketplace industry for local services. Online marketplaces for local services such as Airtasker allow customers to easily search for relevant independent workers and provide independent workers with access to a wide base of potential customers.</p> <p>Local services are a segment of labour services, which involve a worker undertaking a task in return for payment. Labour services can be split into local and remote services. Local services are services that are delivered in the presence or vicinity of the customer (such as home repairs, cleaning, etc).</p> <p>Local services account for 89% of the labour services market, with remote services¹ making up the remaining 11%. The total addressable market for local services in Australia is conservatively estimated at \$52 billion in Australia in 2019 (excluding local services purchased by businesses and excluding further upside from new services enabled by online labour platforms). This grew at a CAGR of 5.2% between 2010 and 2016, over double the CAGR for all products and services. In the other markets addressed by Airtasker (Ireland, New Zealand, Singapore, the United Kingdom and the United States) the aggregated total addressable market was estimated at \$591 billion in 2019.²</p> <p>For further information, see Section 2.</p>
What is the history of Airtasker?	<p>Airtasker was launched in 2012 by co-founders Tim Fung and Jonathan Lui.</p> <p>Airtasker's primary focus from launch to early 2019 was increasing the number of Taskers, Customers and completed Tasks on its platform. This was achieved through significant investment into building a scalable technology platform that enabled Tasks to be completed without the need for major operational inputs by Airtasker such as manual handling, direct marketing or salespeople.</p> <p>From early 2019 Airtasker has continued to increase its marketplace growth, with more than 4.3 million registered users joining Airtasker's marketplace to date. The Company has focused on operational efficiency by improving marketing, generating other cost efficiencies and improving its revenue model which has driven significant improvements in Airtasker's operating results.</p> <p>For further information, see Sections 3.1.1 and 3.1.2.</p>
Who are the key competitors of Airtasker?	<p>The competitive landscape for Airtasker comprises a number of online labour marketplaces typically focusing either on remote or local services, as described above.</p> <p>Amongst marketplaces that focus on local services, the majority are 'vertical' with a single category of task or limited categories, such as ride-sharing including Uber and Didi; pet services including Rover and MadPaws; building trades including Thumbtack and Hipages; or child care including Care.com. Relatively few marketplaces are 'horizontal' in providing a wide range of categories like Airtasker.</p> <p>The key online labour marketplaces include local marketplaces such as TaskRabbit, Hipages, Rated People, Pro Referral, Thumbtack and Oneflare and remote marketplaces such as Fiverr, Upwork, Freelancer, PeoplePerHour and Amazon Mechanical Turk.</p> <p>For further information, see Section 2.</p>

1. Remote services can be delivered online, with no requirement for the worker to physically interact with or to be in the vicinity of the customer, and are often delivered by workers located overseas to the customer.

2. Frost & Sullivan, 2021 estimate

SECTION 1 | INVESTMENT OVERVIEW

Topic	Summary
Why is the Offer being conducted and what are the expected benefits of the Offer?	<p>The Offer is being conducted to:</p> <ul style="list-style-type: none"> provide Airtasker with capital to fund the further development of Airtasker's marketplace platform, international expansion and working capital requirements; provide Airtasker with the benefits of an increased profile that arises from being a publicly listed company; provide Selling Shareholders with an opportunity to realise all or part of their investment in Airtasker; and provide a liquid market for Shares and an opportunity for others (including members of the Airtasker community) to invest in Airtasker. <p>Airtasker has enough working capital at the time of its admission to carry out these stated objectives.</p> <p>For further information, see Section 7.1.3.</p>

What is Airtasker's current capital structure and what will it be on Completion?	Securities	On the Prospectus Date		On Completion		
		Securities	% (undiluted)	Securities	% (undiluted)	% (diluted)
	Shares					
	Ordinary Shares ^{1,2,3,4,7,8}	318,493,027	90.11%	392,902,277	100.00%	93.41%
	Preference Shares ²	33,077,185	9.36%	–	–	–
	Employee Shares ³	1,896,000	0.54%	–	–	–
	Total Shares	353,466,212	100.00%	392,902,277	100.00%	93.41%
	Other Securities					
	Contractual Rights ⁴	5,936,675	–	–	–	–
	Employee Options ⁵	28,422,273	–	–	–	–
	Ordinary Options ^{5,8}	–	–	21,609,896	–	5.14%
	Rights ⁶	–	–	6,095,106	–	1.45%
	Total other Securities	34,378,948	–	27,705,001	–	6.59%
	Total	387,845,160	100.00%	420,607,279	100.00%	100.00%

Between the Prospectus Date and Completion, Airtasker proposes to undertake the Restructure to:

- issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder;
 - convert all Preference Shares (including the bonus Preference Shares) to Ordinary Shares on a 1-to-1 basis;
 - convert all Employee Shares to Ordinary Shares on a 1-to-1 basis;
 - settle the Contractual Rights by issuing Ordinary Shares;
 - convert all Employee Options to Ordinary Options on a 1-to-1 basis,
- and to:
- issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.

On Completion, Airtasker proposes to:

- issue and procure the transfer of Ordinary Shares under the Offer; and
- issue 3,940,169 Ordinary Shares under the separate Alumni Offer as consideration for the cancellation of 6,832,377 Ordinary Options.

Airtasker's free float at the time of Listing is expected to be 32.76%.

For further information, see Section 9.4.

1.2 Key features of the Airtasker business model

Topic	Summary
What is the Airtasker platform and what are the key solutions offered through Airtasker's platform?	<p>Airtasker's marketplace platform enables end-to-end ecommerce for local services, connecting people and businesses who need tasks done (i.e. Customers) with people and businesses who want to work (i.e. Taskers) and enabling them to transact through a simple ecommerce experience. Airtasker's technology platform is available through device-responsive websites, and Android and iPhone (iOS) apps.</p> <p>Airtasker is an almost infinitely horizontal marketplace, which means that Customers may describe almost any problem they need solved (by posting a Task) and Taskers may offer to solve that problem (by making an offer to complete the Task) in one place – the Airtasker marketplace³. Airtasker applies machine learning and data science algorithms to improve the marketplace experience for both Customers and Taskers.</p> <p>Airtasker aims to empower the entire local services economy on an international scale by enabling the shift of <i>existing service industries</i> to an efficient and easily accessible online ecommerce model, whilst also enabling the creation of <i>new service industries</i> by leveraging the flexibility of the Airtasker marketplace.</p> <p>For further information, see Sections 3.1 to 3.5.</p>
Who are the customers of Airtasker?	<p>The customers of Airtasker comprise the people and businesses who need work done (i.e. Customers) and the people and businesses who want to work (i.e. Taskers). Airtasker has seen a large and growing Customer and Tasker base with approximately 950,000 Customers purchasing services and 150,000 cumulative Taskers using Airtasker since inception to December 2020. Unique Paying Customers⁴ has grown from approximately 18,000 in FY15 to approximately 367,000 in FY20, Frequency⁵ has grown from 1.7 to 1.9 and Average Task Value⁶ has increased from \$97 to \$159 over the same timeframe.</p> <p>For further information, see Sections 3.2 and 3.3.</p>
What is the Customer and Tasker value proposition?	<p>The key value proposition for Customers using Airtasker is access to an almost infinite range of services at a time and price that suits the Customer. The key value proposition for Taskers using Airtasker is access to a large pool of truly flexible work opportunities in which the price, scope and timing of work is self-determined. A new work opportunity is created on Airtasker approximately every 17 seconds.⁷</p> <p>For further information, see Sections 3.2 and 3.3.</p>
How does Airtasker generate revenue?	<p>Airtasker primarily earns revenue from charging Taskers a Service Fee and charging Customers in the Australian market a Booking Fee. Customers in marketplaces outside Australia are not currently charged a Booking Fee. Both Service Fees and Booking Fees are calculated as a percentage of the Task value agreed between the Customer and the Tasker. Airtasker does not recognise the Service Fees and Booking Fees as revenue until the Task is complete, which closely aligns the interests of all stakeholders: Customers, Taskers and Airtasker.</p> <p>Airtasker does not charge any upfront fees to Customers or Taskers to access the marketplace or to post Tasks. As such, Customers and Taskers can access the Airtasker marketplace on a risk-free (win-win) basis.</p> <p>For further information, see Section 3.6.</p>
How does Airtasker fund its operations?	<p>Airtasker funds its operations from its revenue and cash reserves.</p> <p>For further information, see Sections 3.6 and 4.</p>
What are Airtasker's key relationships?	<p>Airtasker has to date had more than 950,000 Customers and more than 150,000 Taskers transact through its marketplace and does not have any key Customers or Taskers. Airtasker contracts with a number of suppliers, including Amazon Web Services, which provides software hosting, and Stripe, which provides payment processing services. All such supplier contracts are on the suppliers' standard terms and conditions, which are available on the suppliers' websites. Airtasker also engages 54 staff through a third party business administration service provider in Manila, Philippines.</p> <p>For further information, see Sections 3.9 and 3.10.</p>

3. Excludes Tasks which breach Airtasker's Community Guidelines. Please see Section 3.9.4 for further details.

4. **Unique Paying Customers** represents the number of unique Customers who assign a Task in a given financial period.

5. **Frequency** represents the number of times a Unique Paying Customer assigns a Task in a given financial period.

6. **Average Task Value** represents the total GMV in a given financial period divided by the total number of assigned Tasks in the same period. **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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes

7. For the period January to December 2020.

SECTION 1 | INVESTMENT OVERVIEW

Topic	Summary
What are Airtasker's key dependencies?	<p>Airtasker's marketplace uses software developed and owned by Airtasker and software licensed to Airtasker by third parties under their standard terms and conditions, such as for cloud storage and data warehousing, security, user authentication and payment processing. Moving forward, Airtasker intends to further invest significant resources into the development of its software in order to provide secure and reliable access to the Airtasker marketplace, optimise user experience and develop new products and services. Data capabilities are also crucial to Airtasker's long-term success and Airtasker intends to invest significant resources into data engineering, data analytics and data science products going forward. Airtasker also engages 54 staff through a third party business administration service provider in Manila, Philippines.</p> <p>For further information, see Sections 3.9 and 3.10.</p>
What is the growth strategy of Airtasker and how does it propose to achieve that strategy?	<p>Airtasker is exploring a number of opportunities to increase Customer and Tasker acquisition, improve usage frequency and expand the addressable market including:</p> <ul style="list-style-type: none"> • Growth marketing – investing in organic and paid marketing initiatives to drive new Customer acquisition and organic marketing initiatives to drive new Tasker acquisition; • Airtasker Superstore – establishing new marketplace models (such as Airtasker Listings, Instant Booking and Subscriptions) to increase Customer and Tasker usage frequency; and • International expansion – launching into new geographic markets by leveraging Airtasker's scalable technology platform, centralised operations and marketing strategies referred to above. <p>For further information, see Section 3.8.</p>
How has COVID-19 impacted Airtasker?	<p>Airtasker initially experienced a drop in marketplace activity during the early phase of the COVID-19 pandemic between February and April 2020, due to the effect of the pandemic on consumer sentiment and the impact in Australia of Stage 3 government restrictions. Stage 4 restrictions applied by the Victoria State Government saw a similar impact on marketplace activity in August 2020. Airtasker saw a rebound in the market with its GMV⁸ growth trajectory recovering following the lifting of government restrictions.</p>

1.3 Investment highlights and key strengths

Topic	Summary
Large addressable market with favourable trends	<p>Airtasker operates in the online labour marketplace industry for local services. As noted above, the total addressable market for local services in Australia is estimated to be \$52 billion in 2019 (excluding local services purchased by businesses and excluding further upside from new services enabled by online labour platforms) and in the other markets addressed by Airtasker (Ireland, New Zealand, Singapore, the United Kingdom and the United States) was estimated at \$591 billion in 2019.⁹</p> <p>Demand for local services is growing at a rate well ahead of growth in overall household expenditure, given the increased propensity for households to spend on services rather than products, and the growing tendency to purchase services. While a minority of labour services are currently procured via online labour marketplaces, penetration growth among independent workers is accelerating due to the maturing generation of independent workers comfortable with online labour marketplaces, and the advantages that these marketplaces offer to both independent workers and customers.</p> <p>For further information, see Section 2.</p>
Highly scalable and capital light technology marketplace model	<p>Airtasker has invested significant product management, engineering and data science resources into research and development of software that supports the Airtasker marketplace. Airtasker's operating model is not reliant on direct marketing and does not require direct sales staff. As a result, individual service transactions generally require no handling resulting in a highly efficient operating model, low incremental costs and high operating margins. Airtasker is able to scale operations and support efficient marketplace operations with minimal on-the-ground resources.</p> <p>For further information, see Sections 3.4 and 3.6.</p>

8. **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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes..

9. Frost & Sullivan estimate.

Topic	Summary
Unique, open and almost infinitely horizontal marketplace structure	<p>Airtasker is an almost infinitely 'horizontal' marketplace, which means that Customers are able to describe almost any problem they need solved (posting a Task) and Taskers are able to solve that problem (making an offer to complete the Task) in one place – the Airtasker marketplace.</p> <p>As Airtasker is not limited to any particular service 'vertical' (such as home improvements, web development or design), there is an almost infinite variety of Tasks which can be completed through Airtasker's marketplace including potential brand new service industries in which limited competition exists (such as flatpack furniture assembly or spider removal services). The 'horizontal' nature of Airtasker's marketplace means it is able to quickly adapt to changing conditions.</p> <p>For further information, see Section 3.4.</p>
Attractive offering to Customers and Taskers	<p>Airtasker does not charge Customers or Taskers any upfront fees to advertise on or access the marketplace. Airtasker earns fees based on successful outcomes, which aligns the interests of all stakeholders: Customers, Taskers and Airtasker. Taskers' earnings are released to them once the Task is confirmed as being completed by a Customer, rather than periodically (e.g. fortnightly or monthly).</p> <p>Airtasker also provides critical ecommerce infrastructure to Taskers, including third party payments, third party public liability insurance in some jurisdictions and a streamlined Customer management and communication system.</p> <p>For further information, see Section 3.2 and 3.3.</p>
Attractive growth opportunity	<p>Airtasker is forecasting strong growth in the following measures:</p> <ul style="list-style-type: none"> • Airtasker's GMV growing at a 2-year CAGR of 24.2% between FY19 and FY21F; • Airtasker's revenue growing at a 2-year CAGR of 32.1% between FY19 and FY21F; • Airtasker's Gross Profit¹⁰ growing at a 2-year CAGR of 33.8% between FY19 and FY21F; and • Airtasker's GPAPA¹¹ growing at a 2-year CAGR of 67.5% between FY19 and FY21F. <p>Airtasker also has a track record of strong and sustainable Gross Margins, with its Gross Margin¹² being 93% in FY20.</p> <p>For further information, see Section 4.</p>
Considerable existing and near-term growth opportunities	<p>Airtasker has a comprehensive growth strategy focused on:</p> <ul style="list-style-type: none"> • Growth marketing – investing in organic and paid marketing initiatives to drive new Customer acquisition and organic marketing initiatives to drive new Tasker acquisition; • Airtasker Superstore – establishing new marketplace models to increase Customer and Tasker usage frequency; and • International expansion – launching into new geographic markets by leveraging Airtasker's scalable technology platform, centralised operations and marketing strategies referred to above. <p>For further information, see Section 3.8.</p>
Founder-led business with deep industry and listed company experience	<p>Airtasker Co-founder, Tim Fung, will continue to lead a passionate and experienced team dedicated to Airtasker's ongoing growth and profitability.</p> <p>The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance.</p> <p>For further information, see Section 6.</p>

10. **Gross Profit** represents Airtasker's revenue after Cost of Sales. **Cost of Sales** or **COS** refers to Section 4.8.2.3.

11. **GPAPA** or **Gross Profit after Paid Advertising** represents Airtasker's revenue after COS less Paid and Direct Marketing expense. **Paid and Direct Marketing** refers to paid advertising and sponsored content on social networks, search engines and advertising display networks (eg. Facebook, Instagram, Google).

12. **Gross Margin** or **Gross Profit Margin** represents Gross Profit expressed as a percentage of Airtasker's revenue.

1.4 Key financial information

Topic	Summary
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What is the key historical and forecast financial information you need to know about Airtasker's financial position, performance and prospects?

A summary of Airtasker's Pro Forma Historical Financial Information for the financial years ended 2019 and 2020, as well as the forecast financial information for the financial year ending 30 June 2021, is set out below. The information presented below is intended as a summary only and contains measures which are not recognised under IFRS or Australian Accounting Standards. The following should be read in conjunction with the more detailed financial overview set out in Section 4, including the assumptions, management discussion and analysis and sensitivity analysis, as well as the key risks set out in Section 5.

The financial information included in this Prospectus has been prepared on the basis described in Section 4 of this Prospectus.

\$ millions	Pro Forma historical		Pro Forma forecast
	FY19	FY20	FY21F
Revenue	14.0	19.3	24.5
Gross Profit	12.8	17.9	22.8
EBITDA	(26.2)	(3.9)	(4.2)
EBIT	(27.1)	(5.1)	(6.2)
Profit/(loss) before tax	(27.2)	(5.2)	(6.2)
Net profit/(loss) after tax	(27.2)	(5.2)	(6.2)

\$ millions	Statutory historical		Statutory forecast
	FY19	FY20	FY21F
Revenue	14.0	19.3	24.5
Gross Profit	12.8	17.9	22.8
EBITDA	(27.6)	(6.0)	(10.2)
EBIT	(28.5)	(7.3)	(12.2)
Profit/(loss) before tax	(29.7)	(10.3)	(12.3)
Net profit/(loss) after tax	(29.7)	(10.3)	(12.3)

Topic	Summary	Pro Forma historical		Pro Forma forecast
		FY19	FY20	FY21F
What is the key historical and forecast financial information you need to know about Airtasker's financial position, performance and prospects?	The key pro forma historical and pro forma forecast annual operating and financial metrics for Airtasker are set out below:			
	Unique Paying Customers ¹ (millions)	0.32	0.37	0.41
	Frequency ² (times)	1.9	1.9	1.9
	Average Task Value ³ (\$)	152	159	189
	GMV ⁴ (\$ millions)	93.2	113.2	143.7
	Revenue (\$ millions)	14.0	19.3	24.5
	Take Rate ⁵ (%)	15.1%	17.0%	17.1%
	Gross Profit ⁶ (\$ millions)	12.8	17.9	22.8
	Gross Profit Margin ⁷ (%)	91%	93%	93%
	GPAPA ⁸ (\$ millions)	7.3	17.3	20.5
GPAPA (% of revenue)	52%	90%	84%	

Further detail on the reconciliation of the pro forma historical and forecast income statements to the statutory historical and forecast income statements is provided in Section 4.

1. **Unique Paying Customers** represents the number of unique Customers who assign a Task in a given financial period.
2. **Frequency** represents the number of times a Unique Paying Customer assigns a Task in a given financial period.
3. **Average Task Value** represents the total GMV in a given financial period divided by the total number of assigned Tasks in the same period.
4. **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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes.
5. **Take Rate** represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.
6. **Gross Profit** represents Airtasker's revenue after Cost of Sales.
7. **Gross Profit Margin** represents Gross Profit expressed as a percentage of Airtasker's revenue.
8. **GPAPA** represents Gross Profit less Paid and Direct Marketing expense. **Paid and Direct Marketing** expense means paid advertising and sponsored content on social networks, search engines and advertising display networks (eg. Facebook, Instagram, Google).

What is the dividend policy of Airtasker?	<p>Given the strong potential growth opportunities Airtasker intends to pursue, as described in Section 3.8, it does not have any present plan to pay dividends.</p> <p>The payment of a dividend by Airtasker, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of Airtasker and its Directors and management, and are not reliably predictable), including the operating results, the general business environment, cash flows and the financial condition of Airtasker, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by Airtasker, and any other factors the Directors may consider relevant.</p> <p>For further information, see Section 4.11.</p>
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1.5 Key risks

Topic	Summary
Performance of technology	<p>Airtasker is heavily reliant on information technology to make the Airtasker platform available to users. There is a risk that Airtasker or third parties who license software to Airtasker may fail to adequately maintain their information technology systems, or that system or other failures may occur, which may cause disruptions to Airtasker's marketplace. This may have a material adverse impact on Airtasker's reputation, financial performance and growth prospects.</p> <p>For further information, see Section 5.1.1.</p>
Data breaches and other data security incidents	<p>Airtasker and its suppliers collect data and other confidential information from Airtasker's users and store that data electronically. As an online business, Airtasker is subject to cyber-attacks. There can be no guarantee that systems maintained by Airtasker and its suppliers will completely protect against data breaches and other data security incidents or withstand cyber and other attacks. If Airtasker's data security infrastructure is unable to reduce the impact of such attacks, data breaches and other data security incidents could cause disruptions to Airtasker's marketplace, expose Airtasker to penalties for breaching laws or require Airtasker to incur substantial costs to remedy any loss of data. This may have a material adverse impact on Airtasker's reputation and financial position.</p> <p>For further information, see Section 5.1.2.</p>
New technologies	<p>Airtasker may fail to update its platform to adopt new technologies. Competitors may develop or adopt new technologies which give them a competitive advantage over Airtasker, or may be able to replicate Airtasker's technology at a cheaper cost to users. This may have a material adverse impact on Airtasker's financial performance and prospects.</p> <p>For further information, see Section 5.1.3.</p>
Changes to laws and regulations	<p>Airtasker operates in a sector where the laws and regulations around its operations are evolving. There is a risk that changes to laws (such as relating to employee classifications of Taskers, privacy, data and taxation) may impose additional obligations on Airtasker or expose Airtasker to penalties for non-compliance. Depending on the significance of the changes, Airtasker may even need to fundamentally change its business model. This may have a material adverse impact on Airtasker's ongoing operations, financial performance and growth prospects.</p> <p>For further information, see Section 5.1.4.</p>
Compliance with laws and regulations	<p>There is a risk that the provision of a Task through Airtasker's marketplace may require Airtasker itself to comply with laws or hold licences in respect of those Tasks. If that occurs, Airtasker must either obtain such licences or determine not to allow that service to be provided through the marketplace. If it determines to not allow any particular services to be provided through the marketplace, this may have a material adverse impact on Airtasker's ongoing operations, financial performance and prospects.</p> <p>For further information, see Section 5.1.5.</p>
Tax	<p>Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax and Airtasker's ability to claim research and development offsets) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law and practice that impact Airtasker, or Airtasker's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by Airtasker which is contrary to that of a revenue authority may give rise to additional tax payable.</p> <p>For further information, see Section 5.1.6.</p>
Use of Airtasker's marketplace	<p>The success of Airtasker's business and its ability to grow relies on its ability to attract new users to, and retain existing users in, its marketplace. If Airtasker is unable to retain existing users or attract new users, this may have a material adverse impact on Airtasker's operations, financial performance and growth prospects.</p> <p>For further information, see Section 5.1.7.</p>

Topic	Summary
Liability and reputational damage	<p>There is a risk that Taskers may not perform services to the standards expected by Customers or that Customers may seek to hold Airtasker liable for the actions of Taskers. There is a risk that users may use Airtasker's marketplace to engage in criminal or other dangerous activities. This may have a material adverse impact on Airtasker's brand, reputation, financial position and future prospects.</p> <p>For further information, see Section 5.1.8.</p>
Changes to macro-economic conditions	<p>Changes to macro-economic conditions (such as rising unemployment, reduced consumer confidence and volatility in global markets) may impact the types and levels of services demanded through Airtasker's marketplace. If changes in macro-economic conditions have an adverse impact on the use of Airtasker's marketplace, this may have a material adverse impact on Airtasker's financial performance and prospects.</p> <p>For further information, see Section 5.1.9.</p>
COVID-19	<p>COVID-19 is a major community and economic concern which is having an impact on business operations in Australia and globally. There is a risk that government or industry measures taken in response to COVID-19, such as lockdowns and other restrictions on movements, may restrict the ability of users of Airtasker's marketplace to provide or receive services through the marketplace. There is also a risk that users may be unable to provide or receive services through the marketplace for a period of time if they contract COVID-19 or are quarantined. These risks may have a material adverse impact on Airtasker's operations, financial performance and growth prospects.</p> <p>For further information, see Section 5.1.10.</p>
Growth strategies	<p>Airtasker's future success and growth prospects are dependent on continued, and increased, use of its marketplace in the jurisdictions in which it operates from time to time. The success of Airtasker's expansion in those jurisdictions may be affected by a number of factors, such as existing incumbent competitors, and different regulatory requirements and tax treatments in those jurisdictions. Airtasker may have to expend significant resources to develop a presence in those jurisdictions. There is no guarantee that Airtasker will attract or retain sufficient users of the Airtasker marketplace in those jurisdictions, or that it will generate profits in those jurisdictions. There is a risk that other growth strategies of Airtasker, such as the 'Airtasker Superstore', may not be successful or deliver growth. Even if Airtasker does achieve its growth strategies, there is a risk that growth may place a significant strain on Airtasker's operations, systems, staff and/or financial resources. This may have a material adverse impact on Airtasker's operations and reputation.</p> <p>For further information, see Section 5.1.11.</p>
Intellectual property	<p>Airtasker may inadvertently fail to adequately protect its intellectual property or be unable to adequately protect its intellectual property in new jurisdictions which it expands into. Employees, competitors or other parties may seek to replicate Airtasker's unique platform features, or use intellectual property that is similar to Airtasker's intellectual property, to compete with Airtasker. Airtasker may inadvertently infringe a third party's intellectual property rights and may be liable for penalties or be required to cease using those rights. This may have a material adverse impact on Airtasker's competitive position, reputation, branding, financial performance and growth prospects. Airtasker's trade mark applications for the Airtasker logo and the word 'Airtasker' in the European Union are currently subject to opposition.</p> <p>For further information, see Section 5.1.12.</p>
Key personnel	<p>A loss of key employees or under-resourcing, and inability to recruit suitable replacements or additional staff within a reasonable time period, may cause disruptions to Airtasker's platform and growth initiatives, and may adversely affect Airtasker's operations and financial performance.</p> <p>For further information, see Section 5.1.13.</p>
Suppliers	<p>Airtasker's platform is reliant on a number of third party suppliers, including information technology companies which provide Airtasker with cloud storage and data warehousing services, security services, user contact services, payment processing services and other services used to operate, maintain and support the Airtasker platform. Airtasker contracts with these pursuant to the suppliers' standard terms and conditions. Any loss of suppliers, changes to supply terms or limitations on Airtasker's recourse against suppliers may have a material adverse impact on its operations, reputation, financial performance and prospects.</p> <p>For further information, see Section 5.1.14.</p>

SECTION 1 | INVESTMENT OVERVIEW

Topic	Summary
Profitability and requirement for additional capital	<p>Airtasker is not currently profitable and may take time to achieve, or may never achieve, profitability. Even if Airtasker does achieve profitability, it may not be able to sustain or increase profitability over time. Airtasker's ability to continue its current operations and effectively implement its growth strategies may depend on its ability to raise additional funds. If Airtasker is unable to obtain such additional funding as required, or on favourable terms, this could have a material adverse effect on Airtasker's financial position and prospects.</p> <p>For further information, see Section 5.1.15.</p>
Competition	<p>There is a risk that Airtasker may face competition from existing labour marketplaces who increase their competitive positions or new market entrants in the future. Airtasker also faces competition from competitors in certain geographic markets it is seeking to expand into. Any increased competition could adversely affect Airtasker's competitive position and its ability to attract and retain users of its marketplace.</p> <p>For further information, see Section 5.1.16.</p>
General risks	<p>There are a number of general risks to an investment in Airtasker, including, without limitation, risks that the price of Shares may not increase or even remain at the Offer Price, an active market in the Shares may not develop, Shareholders may be diluted by future capital raisings, and tax consequences may arise from acquiring or disposing of Shares.</p> <p>For further information, see Section 5.2.</p>

1.6 Board and management

Topic	Summary
Who are the Directors of Airtasker?	<p>The Directors are:</p> <ul style="list-style-type: none"> • James Spenceley, independent non-executive Chairperson; • Ellen Comerford, independent non-executive Director; • Peter Hammond, non-executive Director; • Xiaofan (Fred) Bai, non-executive Director; and • Timothy (Tim) Fung, Chief Executive Officer (CEO) and executive Director. <p>For further information, see Section 6.1.</p>
Who are the senior management team of Airtasker?	<p>The senior management team are:</p> <ul style="list-style-type: none"> • Tim Fung, CEO and executive Director; • Nathan Chadwick, Chief Financial Officer (CFO); • Yaniv Bernstein, Chief Operating Officer (COO); and • Mark Simpson, General Counsel and Company Secretary. <p>For further information, see Section 6.2.</p>

1.7 Significant interests of key people and related party transactions

Topic

Who are the existing substantial Shareholders and what will be their interests in Airtasker at Completion?

On the Prospectus Date

Substantial Shareholders	Ordinary Shares	Preference Shares ²	Employee Shares ³	Employee Options ⁵	Contractual Rights ⁴	% (undiluted) ⁹	% (fully diluted) ⁹	% with associates (fully diluted) ⁹
Seven West Media Investments Pty Limited	54,286,000	9,234,829	–	–	5,936,675	17.97%	17.91%	17.91%
Tune Fiorano Pty Ltd ATF Tune Fiorano Trust ⁸	47,740,000	–	–	1,683,000	–	13.51%	12.74%	12.74%
Exto Active Pty Ltd as Trustee for the Exto Active Trust ⁸	47,714,000	11,543,537	–	–	–	16.76%	15.28%	15.28%
MCC Resources Holding Limited ⁸	29,700,000	494,723	–	–	–	8.54%	7.79%	15.13%
Morning Crest Airtasker Investment Holdings Limited ⁸	28,488,000	–	–	–	–	8.06%	7.35%	
Skyfield Capital Pty Ltd (Trustee for Bluestone Unit Trust)	19,789,000	1,978,892	–	–	–	6.16%	5.61%	6.25%
Skyfield Capital Pty Ltd (Trustee for Green Seed Unit Trust)	–	2,473,615	–	–	–	0.70%	0.64%	
Jonathan See-Chun Lui	19,775,000	–	–	752,000	–	5.59%	5.29%	5.29%
Total	247,492,000	25,725,596	–	2,435,000	5,936,675	77.30%	72.60%	72.60%

SECTION 1 | INVESTMENT OVERVIEW

Topic						
Who are the existing substantial Shareholders and what will be their interests in Airtasker at Completion? continued						
On Completion						
Substantial Shareholders	Ordinary Shares ^{1, 2, 3, 4}	Ordinary Options ⁵	Rights ⁶	% (undiluted) ⁹	%(fully diluted) ⁹	% with associates (fully diluted) ⁹
Seven West Media Investments Pty Limited ⁷	–	–	–	–	–	0.00%
Tune Fiorano Pty Ltd ATF Tune Fiorano Trust ⁸	47,740,000	1,683,000	4,000,000	12.15%	12.70%	12.70%
Exto Active Pty Ltd as Trustee for the Exto Active Trust ⁸	61,175,540	–	–	15.57%	14.54%	14.68%
Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust ⁸	–	–	577,415	–	0.14%	
MCC Resources Holding Limited ^{7,8}	28,941,711	–	–	7.37%	6.88%	13.60%
Morning Crest Airtasker Investment Holdings Limited ^{7,8}	28,089,168	–	153,635	7.15%	6.71%	
Skyfield Capital Pty Ltd (Trustee for Bluestone Unit Trust)	22,096,692	–	–	5.62%	5.25%	5.94%
Skyfield Capital Pty Ltd (Trustee for Green Seed Unit Trust)	2,884,615	–	–	0.73%	0.69%	
Jonathan See-Chun Lui ¹	4,283,347	–	–	1.09%	1.02%	1.02%
Total	195,211,073	–	4,731,051	49.68%	47.94%	47.94%

Notes:

- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which it will issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Preference Shares (including the bonus Preference Shares) will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Shares will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure to issue Ordinary Shares in settlement of the Contractual Rights.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Options will convert to Ordinary Options on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.
- On Completion, Selling Shareholders will sell down some of their Shares under the Offer.
- Tune Fiorano Pty Ltd ATF Tune Fiorano Trust is an entity controlled by CEO and Executive Director, Tim Fung. Exto Active Pty Ltd as trustee for the Exto Active Trust and Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust are entities which non-executive Director, Peter Hammond, is a director of and these trusts are trusts which he holds units in. Morning Crest Airtasker Investment Holdings Limited and MCC Resources Holding Limited are entities of which non-executive Director, Fred Bai, is a director.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of shares and other securities, such as options and rights, on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested options or rights.

While this summary assumes no existing Shareholders participate in the Offer, there is no prohibition on existing Shareholders participating in the Offer and the substantial shareholdings outlined above may be larger to the extent any Shares are allocated to existing Shareholders under the Offer.

For further information, see Section 6.5.

What significant benefits and interests are payable to Directors and what will their interests be in Airtasker at Completion?

Directors are entitled to remuneration and fees on commercial terms as summarised below:

Directors	Remuneration and fees
James Spenceley <i>Non-executive Chairperson</i>	\$160,000.00 (excl. super) per annum, to be satisfied for Q4FY21 and FY22 in Rights
Ellen Comerford <i>Non-executive Director</i>	\$125,000.00 (excl. super) per annum, to be satisfied 80% in Rights and 20% in cash for 1 February 2021 to 30 June 2021 and FY22
Peter Hammond <i>Non-executive Director</i>	\$131,400.00 (excl. GST) per annum, payable to Exto Partners Pty Ltd, to be satisfied for Q4FY21 and FY22 in Rights issued to Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust

Topic	
Directors	Remuneration and fees
Fred Bai <i>Non-executive Director</i>	\$75,000.00 per annum, to be satisfied for Q4FY21 and FY22 in Rights
Tim Fung <i>CEO and executive Director</i>	\$280,000.00 (excl. super) per annum, to be satisfied in cash

The Directors and key executives will hold interests in Securities as follows:

Director or key executive ⁵	On the Prospectus Date						On Completion					
	Ordinary Shares	Pre-ference Shares ²	Employee Shares ³	Employee Options ⁴	% (un-diluted) ⁸	% (fully diluted) ⁸	Ordinary Shares ^{1,2,3}	Ordinary Options ⁴	Rights ⁵	% (un-diluted) ⁸	% (fully diluted) ⁸	
James Spenceley Non-executive Chairperson ⁷	3,212,000	–	–	1,000,000	0.91%	1.09%	3,212,000	1,000,000	789,292	0.82%	1.19%	
Ellen Comerford Non-executive Director ⁷	–	–	–	–	–	–	–	–	270,917	–	0.06%	
Peter Hammond Non-executive Director ⁷	47,714,000	11,543,537	–	–	16.76%	15.28%	61,175,540	0	577,415	15.57%	14.68%	
Fred Bai Non-executive Director ^{6,7}	58,188,000	494,723	–	–	16.60%	15.13%	57,030,879	0	153,635	14.52%	13.60%	
Nathan Chadwick Chief Financial Officer	–	–	–	2,000,000	–	0.52%	–	2,000,000	153,846	–	0.51%	
Yaniv Bernstein Chief Operating Officer	–	–	–	4,000,000	–	1.03%	–	4,000,000	–	–	0.95%	
Tim Fung CEO and executive Director ⁷	47,740,000	–	–	1,683,000	13.51%	12.74%	47,740,000	1,683,000	4,000,000	12.15%	12.70%	
Total	156,854,000	12,038,260	–	8,683,000	47.78%	45.79%	169,158,419	8,683,000	5,945,106	43.05%	43.70%	

Notes:

- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which it will issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder.
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- Between the Prospectus Date and Completion, Airtasker will issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.
- On Completion, Selling Shareholders will sell down some of their Shares under the Offer.
- The Ordinary Shares which James holds an interest in at the Prospectus Date are held by Spenceley Management Pty Ltd ATF The Spenceley Family Trust, an entity controlled by James. The Ordinary Shares which Tim holds an interest in at the Prospectus Date are held by Tune Fiorano Pty Ltd ATF Tune Fiorano Trust, an entity controlled by Tim. The Ordinary Shares and Preference Shares which Peter holds an interest in at the Prospectus Date are held by Exto Active Pty Ltd as trustee for the Exto Active Trust, an entity which Peter is a director of and a trust which he holds units in. This Shareholder is a substantial Shareholder of Airtasker represented by Peter on the Board. The Rights which Peter will hold an interest in at Completion will be held by Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust, an entity which Peter is a director of and a trust which he holds units in. The Ordinary Shares and Preference Shares which Fred holds an interest in at the Prospectus Date are held by Morning Crest Airtasker Investment Holdings Limited (28,488,000 Ordinary Shares) and MCC Resources Holding Limited (29,700,000 Ordinary Shares and 494,723 Preference Shares), entities of which Fred is a director and which are substantial Shareholders of Airtasker represented by Fred on the Board. Directors may elect to hold their Rights through entities controlled by them.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of shares and other securities, such as options and rights, on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested options or rights.

For further information, see Section 6.4.2.

SECTION 1 | INVESTMENT OVERVIEW

Topic	Summary															
Will any Shares be subject to restrictions on disposal following Completion?	Yes. The Shares referred to below held by existing Shareholders, and to be issued under the Alumni Offer, will be escrowed under voluntary escrow agreements. No Shares will be subject to ASX-imposed escrow. No Shares issued or transferred under the Offer will be escrowed.															
	<table border="1"> <thead> <tr> <th>Escrow Period*</th> <th>Number of Securities escrowed (undiluted) at Completion</th> <th>Percentage of Securities (undiluted) on Completion</th> </tr> </thead> <tbody> <tr> <td>On and from Completion until two weeks after Airtasker's FY21 financial results are released to the market</td> <td>49.17 million</td> <td>12.51%</td> </tr> <tr> <td>On and from Completion until two weeks after Airtasker's 1HFY22 financial results are released to the market</td> <td>116.20 million</td> <td>29.57%</td> </tr> <tr> <td>On and from Completion until the earlier of two weeks after Airtasker's 1HFY23 financial results being released to the market and two years having elapsed since the date of the voluntary escrow agreements</td> <td>98.84 million</td> <td>25.16%</td> </tr> <tr> <td>Total Shares escrowed</td> <td>264.21 million</td> <td>67.24%</td> </tr> </tbody> </table>	Escrow Period*	Number of Securities escrowed (undiluted) at Completion	Percentage of Securities (undiluted) on Completion	On and from Completion until two weeks after Airtasker's FY21 financial results are released to the market	49.17 million	12.51%	On and from Completion until two weeks after Airtasker's 1HFY22 financial results are released to the market	116.20 million	29.57%	On and from Completion until the earlier of two weeks after Airtasker's 1HFY23 financial results being released to the market and two years having elapsed since the date of the voluntary escrow agreements	98.84 million	25.16%	Total Shares escrowed	264.21 million	67.24%
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* The Board may determine that the escrow period applying to any escrowed Shares end before the dates set out above, to the extent permitted by ASX.																
For further information, see Section 6.6.																
Are there any other related party transactions?	No. For further information, see Section 6.8.															
What corporate governance policies does Airtasker have in place?	A summary of the corporate governance policies adopted by Airtasker are set out in Sections 6.7.4 and 6.7.5.															

1.8 Proposed use of funds and key terms and conditions of the Offer

Topic	Summary
Who are the issuers of this Prospectus?	Airtasker and SaleCo.
What is SaleCo?	SaleCo is a special purpose vehicle, established to enable Selling Shareholders to sell part of their investment in Airtasker in connection with the Offer. For further information, see Section 7.1.4.
What is the Offer?	The Offer comprises an offer of approximately 23.1 million new Shares to be issued by Airtasker, and approximately 105.6 million existing Shares to be sold by SaleCo. The Shares are offered at an Offer Price of \$0.65 per Share. For further information, see Sections 7.1.

Topic	Summary																																													
What is the Alumni Offer?	<p>In addition to the Offer, this Prospectus has also been issued by Airtasker to provide disclosure to certain existing holders of Options whose Options will be cancelled in exchange for Shares at the Offer Price (referred to as the Alumni Offer). 3,940,169 additional Shares are expected to be issued under the Alumni Offer. No funds will be raised from the issue of Shares under the Alumni Offer – rather, Airtasker is issuing those Shares as consideration for cancelling 6,832,377 Options.</p> <p>For further information, see Sections 7.1 and 7.7.</p>																																													
What is the proposed use of funds raised under the Offer?	<p>Funds raised from the issue and transfer of Shares under the Offer (totalling approximately \$83.7 million) will be applied as set out in the below table.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Sources</th> <th style="background-color: #0070c0; color: white;">\$ millions</th> </tr> </thead> <tbody> <tr> <td colspan="2">Airtasker</td> </tr> <tr> <td>Offer proceeds received by Airtasker</td> <td style="text-align: right;">15.0</td> </tr> <tr> <td colspan="2">SaleCo</td> </tr> <tr> <td>Offer proceeds received by SaleCo from the sale of existing Shares</td> <td style="text-align: right;">68.7</td> </tr> <tr> <td>Total sources</td> <td style="text-align: right;">83.7</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0070c0; color: white;">Uses</th> <th style="background-color: #0070c0; color: white;">\$ millions</th> <th style="background-color: #0070c0; color: white;">%</th> </tr> </thead> <tbody> <tr> <td colspan="3">Airtasker</td> </tr> <tr> <td>Marketing expenses (including international)</td> <td style="text-align: right;">6.0</td> <td style="text-align: right;">40.00%</td> </tr> <tr> <td>Investment in product development</td> <td style="text-align: right;">4.0</td> <td style="text-align: right;">26.67%</td> </tr> <tr> <td>Working capital</td> <td style="text-align: right;">1.9</td> <td style="text-align: right;">12.66%</td> </tr> <tr> <td>Offer costs</td> <td style="text-align: right;">3.1</td> <td style="text-align: right;">20.67%</td> </tr> <tr> <td>Total uses – Airtasker</td> <td style="text-align: right;">15.0</td> <td style="text-align: right;">100.00%</td> </tr> <tr> <td colspan="3">SaleCo</td> </tr> <tr> <td>Offer costs</td> <td style="text-align: right;">3.4</td> <td style="text-align: right;">4.95%</td> </tr> <tr> <td>Pay Selling Shareholders the remaining Offer proceeds received by SaleCo</td> <td style="text-align: right;">65.3</td> <td style="text-align: right;">95.05%</td> </tr> <tr> <td>Total uses – SaleCo</td> <td style="text-align: right;">68.7</td> <td style="text-align: right;">100.00%</td> </tr> </tbody> </table>	Sources	\$ millions	Airtasker		Offer proceeds received by Airtasker	15.0	SaleCo		Offer proceeds received by SaleCo from the sale of existing Shares	68.7	Total sources	83.7	Uses	\$ millions	%	Airtasker			Marketing expenses (including international)	6.0	40.00%	Investment in product development	4.0	26.67%	Working capital	1.9	12.66%	Offer costs	3.1	20.67%	Total uses – Airtasker	15.0	100.00%	SaleCo			Offer costs	3.4	4.95%	Pay Selling Shareholders the remaining Offer proceeds received by SaleCo	65.3	95.05%	Total uses – SaleCo	68.7	100.00%
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What is the proposed use of funds raised under the Offer? continued	<p>The above tables are a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.</p> <p>Airtasker has enough working capital at the time of its admission to carry out the objectives it has stated in the Prospectus it is seeking to achieve from its admission and the Offer.</p> <p>For further information, see Section 7.1.3.</p>																																													
What are the rights and liabilities attaching to the Shares?	<p>All new and existing Shares offered under the Offer and Alumni Offer will rank equally with all other existing Shares on issue. The rights attaching to Shares are described in Section 9.6.</p> <p>For further information, see Sections 7.1 and 9.6.</p>																																													

SECTION 1 | INVESTMENT OVERVIEW

Topic	Summary
Will the Shares be quoted on the ASX?	<p>Airtasker will apply within seven days of the Prospectus Date to the ASX for admission to the Official List of ASX and quotation of Shares on the ASX under the code 'ART'.</p> <p>Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer and Alumni Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>For further information, see Section 7.10.</p>
How is the Offer structured?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> • the Broker Firm Offer, which is open to Australian retail clients of Brokers who have received a firm allocation from their Broker; • the Priority Offer, which is only open to investors nominated by Airtasker; • the Tasker Offer, which is only open to investors nominated by Airtasker; and • the Institutional Offer, which consists of an offer to Institutional Investors in Australia. <p>As noted above, this Prospectus also provides for the issue of 3,940,169 Shares under the Alumni Offer.</p> <p>For further information, see Section 7.</p>
Is the Offer underwritten?	<p>Yes. The Offer is fully underwritten by the Lead Manager.</p> <p>The separate Alumni Offer is not underwritten.</p> <p>For further information, see Section 9.5.</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer, the Priority Offer, the Tasker Offer and the Institutional Offer was determined by Airtasker and the Lead Manager having regard to the allocation policies outlined in this Prospectus.</p> <p>For Broker Firm Offer applicants, the relevant Broker will decide how they allocate Shares among their retail clients.</p> <p>The Lead Manager and Airtasker have absolute discretion regarding the allocation of Shares to applicants under the Offer and may reject an Application, or allocate a lesser number of Shares than applied for. The Lead Manager, Airtasker and SaleCo also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p> <p>3,940,169 Shares will be issued under the separate Alumni Offer.</p> <p>For further information, see Sections 7.3.6, 7.4.6, 7.5.6, 7.6.2 and 7.7.3.</p>
Is there any brokerage, commission or stamp duty payable by applicants?	<p>No brokerage, commission or stamp duty is payable by applicants on acquisitions of Shares under the Offer or the Alumni Offer.</p> <p>For further information, see Section 7.2.</p>
What are the tax implications of investing in the Shares?	<p>You may be subject to Australian income tax on any future dividends paid. The tax consequences of any investment in Shares will depend upon your particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</p> <p>For further information, see Sections 7.2, 7.13 and 9.8.</p>
What is the minimum and maximum application size under the Offer?	<p>The minimum Application size for investors in the Offer is 3,077 Shares (A\$2,000.05). There is no maximum value of Shares that may be applied for under the Offer.</p> <p>For further information, see Section 7.2.</p>

Topic	Summary
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be dispatched on or about 16 March 2021.</p> <p>Refunds (without interest) to applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the application monies, will be made as soon as practicable after Completion.</p> <p>For further information, see Sections 7.2 and 7.10.2.</p>
How can I apply for Shares?	<p>Broker Firm Offer: If you have received an allocation of Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Offer application form and for payment instructions.</p> <p>Priority Offer: If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for Shares, you should follow the instructions on your personalised invitation to complete and lodge your Application.</p> <p>Tasker Offer: If you have received a personalised invitation to apply for Shares under the Tasker Offer and you wish to apply for Shares, you should follow the instructions on your personalised invitation to complete and lodge your Application.</p> <p>To the extent permitted by law, an Application under the Offer is irrevocable</p> <p>For further information, see Sections 7.3, 7.4, 7.5 and 7.7.</p>
Can the Offer be withdrawn?	<p>Airtasker reserves the right not to proceed with the Offer and the Alumni Offer at any time before the issue of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded to Applicants. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer.</p> <p>For further information, see Sections 7.2 and 7.9.</p>
When can I sell my Shares on ASX?	<p>It is expected that the dispatch of the holding statements will occur on 16 March 2021 and trading of the Shares on ASX will commence on or about 22 March 2021.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p> <p>For further information, see Section 7.2.</p>
Where can I find more information about this Prospectus or the Offer or Alumni Offer?	<p>Please call the Airtasker Offer Information Line on 1300 288 664 (within Australia) or +61 (2) 8072 1400 (outside Australia) from 8.30am until 7.00pm (Sydney time) Monday to Friday, email airtasker@automicgroup.com.au or use the live chat function at https://investor.automic.com.au/#/support/contact. If you are unclear about any matter or are uncertain as to whether Airtasker is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.</p> <p>For further information, see Section 7.2.</p>

Section 2

Market Report

The market report contained in this section was commissioned by Airtasker and prepared by Frost & Sullivan for the purposes of including in this prospectus. Frost & Sullivan is a business consulting firm involved in market research and analysis, growth strategy consulting, and corporate training across multiple industries. It is headquartered in Mountain View, California, and has 45 offices on six continents.



Market Report

The Local Services Market

8 February 2021

This report has been commissioned from Frost & Sullivan by Airtasker Limited (Airtasker or the Company) to support its initial public offering (IPO) process.

1. Background, Definitions and Methodology

1.1 Background

Airtasker is Australia's leading marketplace for local services, and the largest online marketplace for these services, connecting people who need a task performed (Customers) and individuals able to undertake the task for a fee (independent workers or 'Taskers'). Online marketplaces for local services such as Airtasker allow customers to easily search for relevant independent workers, and provide independent workers with access to a wide base of potential customers.

This report describes the market opportunity for local services in Australia, and in other markets where Airtasker operates or plans to operate (Ireland, New Zealand, Singapore, the UK and the US). Other online marketplaces for labour services (online labour marketplaces) in these markets are also described.

1.2 Definitions

1.2.1 Local Services

Local services are a segment of labour services, which involve a worker undertaking a task in return for payment. Labour services can be split into local and remote services. Local services are services that are delivered in the presence or vicinity of the customer (such as home repairs, cleaning, etc). Local services account for a significant majority of all labour services, with one study estimating that they account for 89% of all service jobs, with only 11% able to be performed remotely.¹

Conversely, remote services can be delivered digitally, with no requirement for the worker to physically interact with or to be in the vicinity of the customer, and are often delivered by workers located overseas to the customer. Examples include digital design, translation, accounting services, etc. Remote services are most commonly used by businesses/organisations, whereas local services are more generally used by households, although businesses (especially small businesses) are also a customer group for local services.

1.2.2 Independent Workers

Independent workers are individuals with the appropriate skills and experience to undertake specific services for customers. They can include full-time workers (who derive all or the majority of their income from this type of work), and those who deliver services to supplement earnings from other work or from social security, either by desire or financial necessity. This type of work is sometimes referred to as 'flexible work', 'freelance work', 'independent work' or 'gig work', and involves a high degree of autonomy, payment by task, and a temporary relationship between worker and customer. The terms '**flexible work**' and '**independent workers**' are henceforth used in the report to describe this type of work and type of worker.

Because independent workers often use digital platforms to source flexible work, they are sometimes referred to as '**platform workers**'. Research undertaken in the European Union (EU) and the US identified that approximately 20-30% of the working age population undertake some degree of flexible work,² and of these a growing proportion are using digital platforms (see Section 2.1.2).

1. McKinsey Global Institute, Part I: The emerging global labor market: The demand for offshore talent in services, accessed from <https://www.mckinsey.com/featured-insights/employment-and-growth/the-emerging-global-labor-market-demand-for-offshore-talent>

2. McKinsey Global Institute, Independent Work: Choice, necessity, and the gig economy, October 2016.

SECTION 2 | MARKET REPORT

1.2.3 Online Labour Marketplaces

An online marketplace facilitates transactions of products or services between suppliers and customers, underpinned by a digital platform. The marketplace operator does not hold product inventory or provide services, but acts as an intermediary to connect sellers and buyers. Payment is often undertaken through the marketplace. Leading online marketplaces include Amazon, eBay and Airbnb.

Online labour marketplaces facilitate transactions of labour services (remote and local) between independent workers and customers. Online labour marketplaces can derive revenue based on different revenue models, which can be summarised as advertising based and service fee based. Advertising revenue includes subscription (fees for independent workers to subscribe to the platform), advertising (fees for independent workers to advertise their services), and lead generation (fees for leads referred to independent workers). Alternatively, service fees (or commission) payments from independent workers (and in some cases from customers) are payments based on a percentage of the value of the service.

Online labour marketplaces include 'vertical' marketplaces (such as Uber and Deliveroo) which specialise in a specific industry sector or type of task, and 'horizontal' marketplaces (such as Airtasker) which provide access to a broad range of independent workers and types of task.

Online labour marketplaces can create opportunity and reduce dysfunctions in the labour market by making it easier for individuals to find suitable work opportunities based on their skills. One estimate is that by 2025 online labour marketplaces can add US\$2.7 trillion to global GDP through factors such as increased labour market participation and increased productivity.³ These marketplaces offer a range of advantages for both independent workers and customers, including scale (the ability to access large networks of independent workers and customers); faster and better matching of tasks and workers based on real-time information and efficient algorithms; providing richer information that enhances transparency and trust (e.g. through ratings and reviews); and the fact that new participants can be added at almost zero marginal cost, making it easy and low-cost for new users to join the marketplace.⁴

1.3 Methodology

Data provided in this report is based on publicly available data sources, including governmental statistics and reports, Company reports and presentations, articles and press reports, and analyst reports.

All data in the report is in Australian dollars (\$) unless otherwise stated. When converting from other currencies, the following exchange rates have been used.

\$1 =	€0.62	NZ\$1.05	SGD0.98	£0.55	US\$0.74
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Source: Xe.com, 30 November 2020.

1.3.1 Estimation of Total Addressable Market

The total addressable market (TAM) is defined as the total amount spent annually by households in each country on local services, which equates to total income for the providers of these services. This has been estimated using household expenditure surveys (HES) or equivalents in each country, which itemise average expenditure per household on individual products and services. Services which can be defined as 'local services' have been identified, and the average annual amount spent per household has been multiplied by the total number of households in the country to provide a TAM for local services. The most recently published HES has been used in each country, which in most cases is 2019. For countries where the most recent HES is earlier than this, the 2019 average expenditure has been estimated based on historic growth rates.

It should be noted that this approach understates the TAM for Airtasker since:

- It only includes expenditure by households and not by businesses. In practice, businesses (especially small businesses) are also likely to source local services through digital labour platforms.
- It only includes existing services on which households spent money in the most recent HES. This therefore excludes 'new' services which may be enabled as a direct result of the development of digital labour platforms.

3. McKinsey Global Institute, Connecting talent with opportunity in the digital age, accessed from <https://www.mckinsey.com/featured-insights/employment-and-growth/connecting-talent-with-opportunity-in-the-digital-age>

4. McKinsey Global Institute, Independent Work: Choice, necessity, and the gig economy, October 2016.

2. Market Drivers

This section describes the main factors that are driving the market for local services, and the use of online marketplaces to source and offer local services.

2.1 Market Drivers for Local Services

2.1.1 Preference for Householders to Purchase Services

Demand for local services is being stimulated by the increasing preference for householders to purchase services, particularly resulting from an increase in the share of households with one individual, or two working individuals, who have less time available for domestic tasks. Purchasing of services is linked to time pressures on households, with households that feel pressed for time more likely to purchase domestic services.⁵ Over 45% of Australian women and 36% of men admit to always feeling rushed and pressed for time.⁶ As the percentage of women who work full-time increases, there is an increased tendency to purchase domestic services and childcare, with some governments encouraging this through policies such as subsidies, tax breaks and vouchers.⁷

2.1.2 Growing Availability of Independent Workers

Local services are being stimulated by the growing availability of independent workers, including those able to undertake specialised tasks. Various surveys have indicated that significant percentages of individuals in different countries undertake flexible and platform work. In 2016, up to 150 million people in the US and the largest 15 EU countries (EU-15) (20-30% of the working age population) were estimated to be engaged in flexible work (only including those that provide labour, and excluding those that sell products or lease assets). Although only around 15% of these workers had sourced work through digital platforms in 2016, this has been growing significantly – with these marketplaces potentially having a transformative impact by efficiently matching a larger pool of independent workers with customers of their services.⁸

2.2 Market Drivers for Online Labour Marketplaces

2.2.1 Independent Workers Sourcing More Work from Online Labour Marketplaces

Use of online labour marketplaces (platforms) to source flexible work is increasing amongst independent workers. For example, in the UK, 9.6% of individuals aged 16-75 are undertaking platform work (defined as undertaking platform work in the past week), an increase from 4.7% in 2016.⁹ In Australia, 7.1% of all individuals aged 18-74 were either currently earning or had in the last 12 months earned an income working or offering services through a platform, with 13.1% having done so at some time.¹⁰

Data on the percentage of active platform workers and all platform workers (i.e. individuals who have ever undertaken platform work) based on surveys undertaken in various countries is given below. The percentage of active platform workers in the adult workforce ranges from 7% to over 10%.

Table 2.1: Platform Workers, Key Data by Country

Country (date of survey)	Active Platform Workers	All Platform Workers
Australia (2019)	7.1% (of adults aged 18-74)	13.1% (of adults aged 18-74)
Germany (2017)	8.3% (of individuals aged 16-74)	10.6% (of individuals aged 16-74)
Spain (2017)	10.2% (of individuals aged 16-74)	12.5% (of individuals aged 16-74)
UK (2019)	9.6% (of individuals aged 16-75)	12.0% (of individuals aged 16-75)
US (2016)	8.0% (of adults aged 18+)	N/A

Sources: Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019; European Commission, Digital Labour Platforms in Europe: Numbers, Profiles, and Employment Status of Platform Workers, 2019; University of Hertfordshire, Platform Work in the UK, 2016-19; Pew Center, Gig Work, Online Selling and Home Sharing, 2016.

5. Craig et al., Domestic Outsourcing, Housework Time, and Subjective Time Pressure: New Insights From Longitudinal Data, *Journal of Marriage and Family* 78 (October 2016): 1224-1236.

6. Choice, How to outsource cleaning, home maintenance, childcare and more, accessed from <https://www.choice.com.au/shopping/shopping-for-services/services/articles/outourcing-household-chores>

7. Shire et al., Determinants of Outsourcing Domestic Labour in Conservative Welfare States, *Duisburger Beiträge zur soziologischen Forschung*, No. 2017-04.

8. McKinsey Global Institute, Independent Work: Choice, necessity, and the gig economy, October 2016.

9. University of Hertfordshire, Platform Work in the UK, 2016-19.

10. Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019.

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The propensity to undertake platform work is highest in the younger age groups, particularly among millennials (generally defined as those aged between 24 and 39 in 2020). For example, in Australia 9% of individuals aged 18-34 are active platform workers, compared to 7.1% of all adults,¹¹ and in the US 16% of those aged 18-29, compared to 8% for all adults.¹² The digital labour marketplace penetration is expected to accelerate as the generation of independent workers more comfortable with these platforms matures, and new generations enter the workforce.

2.2.2 Increasing Use of the Internet to Search for Products/Services

For customers searching for products and services, the internet is increasingly used as the main platform. In 2019, 90% of Australian adults accessed the internet (around 17.7 million individuals), with near universal access (99%) amongst those aged 18-34. The use of smartphones to access the internet has increased significantly, with 80% of Australians using a mobile phone to access, up from 73% in 2015. 94% of internet users research information on the internet, and 78% buy goods or services online (an increase from 60% in 2015).¹³

2.2.3 Decline in Offline Alternatives

Traditionally, independent workers would seek new customers through word-of-mouth referrals and offline channels, such as advertising in directories and local newspapers, letterbox drops and other advertising (such as on local noticeboards). However, changes in the media landscape are removing some of these alternatives, such as printed local directories and local newspapers. For example, in 2017, Yell (the owner of Yellow Pages) announced that printing of the UK Yellow Pages would cease in January 2019 as the directory was fully digitised.¹⁴ Similarly, publication of the printed Thomson local directory ceased in 2016.¹⁵ In Australia, News Corporation, the main publisher of local newspapers, announced in May 2020 that it would cease printing of over 100 local publications, with the majority of these becoming digital only and some being terminated altogether.¹⁶

2.2.4 Convenience and Transparency of Online Marketplaces

Online labour marketplaces offer a convenient solution for both customers and independent workers. Customers are able to identify and compare independent workers, easily upload reviews, ratings and feedback, have certainty over pricing, have greater confidence in the capability of the independent worker, and may be able to pay for the service through the platform. Independent workers are able to access a wide customer base, understand the nature of tasks and apply only for those where they have the capability, and may have the security of payment through the platform. For independent workers, online labour marketplaces are rated as having a higher return on investment (ROI) than offline approaches.¹⁷

3. The Total Addressable Market (TAM) for Local Services

This section describes the size of the TAM for local services in Australia and the other markets where Airtasker operates or plans to operate.

3.1 Australia

As described in Section 1.3.1, estimation of the TAM for local services in Australia is based on the 2015-16 HES published by the Australian Bureau of Statistics (ABS), which provides average weekly household expenditure across a broad range of products and services. Services which can be categorised as 'local services' have been identified, and total expenditure derived by annualising the weekly average expenditure per service and multiplying by the total number of households in Australia. Since the most recent HES was based on 2016 data, the 2019 TAM has been estimated by applying the historic growth rate in expenditure on each item from the 2009-10 HES. Between 2010 and 2016, expenditure on local services increased at a compound annual growth rate (CAGR) of 5.2%, compared to 2.4% for all products and services.¹⁸

Services included, average annual expenditure per household and annual TAM are given below. In 2019, the TAM for local services was estimated at \$52.3 billion. This was approximately 6.8% of total household spending on all products and services.

11. Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019.

12. Pew Center, Gig Work, Online Selling and Home Sharing, 2016.

13. Australian Communications and Media Authority (ACMA), Communications Report, 2018-19 and 2014-15.

14. The Guardian, Yellow Pages to stop printing from January 2019, accessed from <https://www.theguardian.com/media/2017/sep/01/yellow-pages-to-stop-printing-from-january-2019>.

15. Thomson Local, accessed from <https://www.thomsonlocal.com/blog/news-and-updates/thomson-local-directory-distribution>

16. ABC.net, News Corp to cut jobs in restructure towards digital-only community and regional newspapers, accessed from <https://www.abc.net.au/news/2020-05-28/news-corp-to-cut-jobs-in-restructure-towards-digital-newspapers/12294970>

17. Hipages prospectus, 2020, page 31, Tradie return on investment.

18. ABS, Household Expenditure Survey, Australia: Summary of Results, 2015-16, and 2009-10.

Table 2.2: TAM for Local Services, Australia, 2019

Service	Average Annual Expenditure per Household (\$)	TAM (\$ millions)
Housing repairs and maintenance payments to contractors (painting, plumbing, electrical, roofing, etc)*	1,766	17,043
Clothing and footwear services (cleaning, repair, alterations)	53	514
Household services (cleaning, pest, gardening, security, rubbish removal)	406	3,917
Informal child care services	161	1,552
Repair and maintenance of household durables (carpet cleaning, appliance repairs, etc)	156	1,506
Transportation/delivery services	997	9,624
Recreation (sports lessons, other lessons)	447	4,318
Animal fees (animal minding, care and grooming)	68	653
Personal Care Services (hairdressing, etc)	775	7,478
Professional services (legal, accounting, etc)	591	5,704
Total	5,421	52,309

*Excludes construction and major renovation services.

Source: Frost & Sullivan, based on ABS, Household Expenditure Survey, Australia: Summary of Results, 2015-16.

3.2 Other Countries

A similar approach to estimating the TAM for local services in other countries has been adopted. However, it should be noted that the HES (or equivalent) in each country uses different categories of services, which limits the ability to directly compare expenditure between countries. The TAM in each country should therefore be regarded as indicative.

As a percentage of total average household expenditure on all products and services, expenditure on local services ranges from 4.1% in New Zealand to 5.4% in Ireland. Expenditure in local currency has been converted to dollars (\$) using the exchange rates given in Section 1.3. The aggregated TAM across the five countries is approximately \$591 billion.

Table 2.3: TAM for Local Services, by Country, 2019

Country	TAM for Local Services (\$ millions)	Local Services Expenditure as Percentage of all Household Expenditure
Ireland	6,393	5.4%
New Zealand	4,890	4.1%
Singapore	5,021	5.1%
UK	70,440	4.6%
US	504,058	4.6%
Total	590,807	–

Sources: Frost & Sullivan, based on Central Statistics Office, Ireland, Household Budget Survey, 2015-16; Statistics New Zealand, Household expenditure statistics: Year ended June 2019; Singapore Statistics, Report on the Household Expenditure Survey, 2017/18; Office for National Statistics (UK), Family Spending in the UK, 2019; US Census Bureau, Consumer Expenditure Survey, 2019.

4. Competitive Environment

This section describes the main bases of differentiation for online labour marketplaces, and describes the main marketplaces in the markets where Airtasker operates.

4.1 Differentiation of Online Labour Marketplaces

Online labour marketplaces can be differentiated based on a number of factors, as described below.

4.1.1 Category Focus

Online labour marketplaces typically focus either on remote or local services. Remote services (e.g. sourced through Upwork, Freelancer, Fiverr, etc) are those that can be delivered digitally, with the business model largely based on labour cost arbitrage (i.e. using independent workers in lower-cost countries to deliver services). However, there are limits to the types of services that can be delivered remotely, with local services accounting for 89% of all service jobs, and only 11% able to be performed remotely.¹⁹

Amongst marketplaces that focus on local services, the majority are 'vertical' with a single category of task or limited categories, such as ride-sharing (e.g. Uber, Didi, etc), pet services (e.g. Rover, MadPaws), building trades (e.g. Thumbtack, Hipages) or child care (e.g. Care.com). Relatively few marketplaces are 'horizontal' in providing a wide range of categories.

4.1.2 Revenue Model

The revenue model for online labour marketplaces also varies, with many marketplaces operating via an advertising model wherein independent workers pay a fee to subscribe to the marketplace and/or are charged for leads provided to them. Other platforms such as Airtasker operate a service fee model, wherein revenue is based on commissions charged only when payment for a completed job is made.

4.1.3 Scale and Network Effects

Scale is a key differentiator for online labour marketplaces, due to the 'virtuous circle' whereby a larger number of customers using the marketplace attracts a larger number of independent workers, which in turn generates a larger number of customers. This provides a significant barrier to entry for new entrants who find it challenging to achieve the scale of established online labour marketplaces.

Figure 2.1: The 'Virtuous Circle' in Online labour marketplaces



Source: Frost & Sullivan.

19. McKinsey Global Institute, Part I: The emerging global labor market: The demand for offshore talent in services, accessed from <https://www.mckinsey.com/featured-insights/employment-and-growth/the-emerging-global-labor-market-demand-for-offshore-talent>

4.1.4 End-to-end Services

Online labour marketplaces can also be differentiated through their ability to provide end-to-end services, such as allowing the task to be transacted and paid for through the platform. This adds transparency in the process, with the certainty of a fixed fee for both customer and independent worker, and provides convenience and reliability in payment. Marketplaces can also include the facility for public and private communications before and after job assignment, insurance services, customer support, and customer ratings and reviews, allowing the platform to build up an increasing volume of data on independent workers.

4.2 Online Labour Marketplaces

There are a large number of online labour marketplaces, reflecting the relatively low entry barriers, although there are significant barriers to building scale. Most marketplaces operate in only a single country, although some are present in multiple countries.

4.2.1 Australia

In Australia in 2019 there were over 25 online labour marketplaces which 1% or more of platform workers had used in the previous 12 months, with Airtasker being the most commonly used (34.8% of platform workers had used Airtasker in the previous 12 months).²⁰ However, the majority of these marketplaces focus on a single task category or a limited number of categories.

The main online labour marketplaces are listed below.

Table 2.4: Main Online labour marketplaces, Australia, 2020

Marketplace	Service Categories	Percentage of Platform Workers that have Used in Past 12 Months
Airtasker	All categories	34.8%
Uber	Transport and food delivery	22.7%
Freelancer	Clerical and data entry; creative and multimedia; writing and translation; sales and marketing; software development; professional services	11.8%
Uber Eats	Transport and food delivery	10.8%
Deliveroo	Transport and food delivery	8.2%
Ola Cabs	Transport and food delivery	7.2%
Upwork	Clerical and data entry; creative and multimedia; writing and translation; sales and marketing; software development; professional services	6.2%
Fiverr	Creative and multimedia; writing and translation; sales and marketing; software development and technology	6.0%
Amazon Mechanical Turk	Software development and technology; clerical and data entry	5.5%
Foodora	Transport and food delivery	5.2%
Taxify	Transport and food delivery	5.2%

Source: Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019. All platforms used by 5.0% or more of platform workers are listed.

20. Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019.

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4.2.2 Other Countries

In addition to Airtasker, the leading online labour marketplaces in the countries covered in this report are listed below. The list excludes marketplaces focused on ride-sharing services (e.g. Uber), courier services (e.g. CitySprint), and food delivery services (e.g. Deliveroo).

Table 2.5: Main Online labour marketplaces, Global, 2020

Marketplace (HQ)	Status	Countries Served	Service Focus	Revenue Model
Airtasker (Australia)	Private	Australia, NZ, UK, Ireland, US, Singapore	Local services (multiple categories)	Service fees – from customers and independent workers (average 17%)
Angi Home Services (US)	Publicly-listed (NASDAQ)	US, UK, France, Germany, Italy, Netherlands	Local services (home repair, maintenance and improvement)	Advertising – lead fees and subscription revenue from independent workers
Fiverr (US)	Publicly-listed (NASDAQ)	Global (websites in five languages)	Remote services (design, accounting, translation, etc)	Service fees – from customers (5%) and independent workers (20%)
Freelancer (Australia)	Publicly-listed (ASX)	Global	Remote services (design, media, data entry, etc)	Service fees – from customers (3%) and independent workers (10%)
Hipages (Australia)	Publicly-listed (ASX)	Australia	Local services (building trades)	Advertising – subscription fees from independent workers
Mechanical Turk (MTurk) (US)	Owned by Amazon (publicly-listed (NASDAQ))	Global	Remote services (data entry, data tagging, etc)	Service fees – from independent workers (20%)
Oneflare (Australia)	Private	Australia	Local services (multiple categories)	Advertising – lead fees from independent workers
PeoplePerHour (UK)	Private	Global	Remote services (technology services, social media, translation, etc)	Service fees – from independent workers (charged on tiers between 20% and 3.5%)
Pro Referral (previously Red Beacon) (US)	Private (acquired by Home Depot in 2012)	US	Local services (home repair and improvement)	Advertising – lead generation fees from independent workers, with the number of leads based on the amount spent by the worker at Home Depot
Rated People (UK)	Private	UK	Local services (tradespeople)	Advertising – subscription fees and quote fees from independent workers
ServiceSeeking (Australia)	Private	Australia	Local services (trades, domestic services)	Advertising – subscription fees charged to independent workers
TaskRabbit (US)	Private (acquired by IKEA in 2017)	US, UK, Canada, France, Germany, Spain, Portugal	Local services (multiple categories)	Service fees – from independent workers (15% of price of task)
Thumbtack (US)	Private	US	Local services (multiple categories)	Advertising – lead fees charged to independent workers
Upwork (US)	Publicly-listed (NYSE)	Global	Remote services (IT services, translation, accounting, etc)	Service fees – tiered service fees (up to 20%) and subscription fees from independent workers. Also, some subscription fees charged to clients

Sources: Company websites, reports and presentations.

A summary of Airtasker and the other online labour marketplaces listed above based on their service focus and revenue model (advertising (subscription/lead generation fee) or service fee/commission) is given below. Only Airtasker and TaskRabbit amongst the major marketplaces offer local services through a service fee/commission revenue model. TaskRabbit currently overlaps with Airtasker only in the US and UK markets.

Figure 2.2: Online labour marketplaces, Service Offering and Revenue Model, 2020



* Denotes an Australian local services marketplace.
 Source: Frost & Sullivan.

5. Conclusion

Online labour marketplaces such as Airtasker create opportunity and reduce dysfunctions in the labour market by making it easier for customers to find suitable independent workers and for independent workers to find flexible work. Consequently there is rapidly growing use of these by both customers and independent workers.

Online labour marketplaces can be differentiated based on the nature of services offered through the platform and the revenue model of the marketplace operator. There are few other marketplaces which adopt a similar model to Airtasker of offering local services with a service fee revenue model, and Airtasker is by far the most widely used digital labour marketplace in the Australian market.²¹

Local services account for 89% of the labour services market, with remote services making up the remaining 11%.²² The TAM for local services in Australia is conservatively estimated at \$52 billion in 2019 (excluding local services purchased by businesses, and excluding further upside from new services enabled by digital labour platforms). This grew at a CAGR of 5.2% between 2010 and 2016, over double the CAGR for all products and services. In the other markets addressed by Airtasker (Ireland, New Zealand, Singapore, the UK, the US) the aggregated TAM is estimated at \$591 billion in 2019.²³

Demand for local services is growing at a rate well ahead of growth in overall household expenditure, given the increased propensity for households to spend on services rather than products, and the growing tendency to purchase services. While a minority of labour services are currently procured via online labour marketplaces, penetration growth among independent workers is accelerating due to the maturing generation of independent workers comfortable with online labour marketplaces, and the advantages that these marketplaces offer to both independent workers and customers.

21. Victorian Department of Premier and Cabinet, Digital Platform Work in Australia, 2019.

22. McKinsey Global Institute, Part I: The emerging global labor market: The demand for offshore talent in services, accessed from <https://www.mckinsey.com/featured-insights/employment-and-growth/the-emerging-global-labor-market-demand-for-offshore-talent>

23. Frost & Sullivan estimate.

6. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Airtasker Pty. Ltd. and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's license or Financial Services License. This report does not constitute advice in respect of the IPO.

Section 3

Company Overview



3.1 Introduction

3.1.1 Overview

Launched in 2012, Airtasker is Australia's leading marketplace for local services, connecting people and businesses who need work done (**Customers**) with people or businesses who want to work (**Taskers**). Airtasker delivers a simple ecommerce experience for Customers to buy local services and creates flexible working opportunities and income for Taskers. It is free to join, and users can then engage with the Airtasker marketplace as a Customer or Tasker, with many people using Airtasker for both. More than 4.3 million registered users have joined Airtasker's marketplace to date.

Airtasker aims to empower the entire local services economy on an international scale by enabling the shift of *existing service industries* to an efficient and easily accessible online ecommerce model, whilst also enabling the creation of *new service industries* by leveraging the flexibility of the Airtasker marketplace. This is described further in Section 3.4.

Service industries currently facilitated by the Airtasker marketplace include everyday tasks such as handyman jobs, domestic cleaning and business administration, through to more complex work including architectural design, tax consultancy and legal advice, and many service industries in between. In addition, a range of new service industries have emerged on Airtasker that may not otherwise exist without the Airtasker marketplace including, for example, flatpack furniture assembly, date night planning and spider removal services. This is described further in Section 3.4.

Our Mission:

To empower people to realise the full value of their skills.

Airtasker's mission is to **empower people to realise the full value of their skills**. In pursuit of this mission, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income.

The Airtasker marketplace is built upon principles of openness, transparency and accountability in which Taskers are fully empowered to choose the work they complete and how much they earn for completing that work. Airtasker's business model – in which revenue is tied directly to the amount earned by Taskers – ensures that Airtasker is closely aligned with the success of Taskers, Customers and the broader community.

Airtasker is forecasting gross marketplace volume (**GMV**)¹ of \$143.7 million for the year ending 30 June 2021 (**FY21F**). Airtasker's revenue is largely a function of GMV as Airtasker earns revenue by charging a Service Fee to Taskers and a Booking Fee to Customers, which are calculated as a percentage of the price of Tasks completed by Taskers.² Airtasker is forecasting revenue of \$24.5 million for FY21F. Airtasker's business model is explained further in Section 3.6.

Airtasker's growth has been supported by a large and growing community of repeat users, effective digital marketing and continuous investment into the development of the Airtasker technology platform and brand. Airtasker's growth strategy is focused on investing further in marketing initiatives, developing the Airtasker Superstore (establishing new marketplace models to increase Customer and Tasker usage frequency) and launching into new geographic markets, and is explained further in Section 3.8.

Figure 3.1: Airtasker GMV (\$ millions)

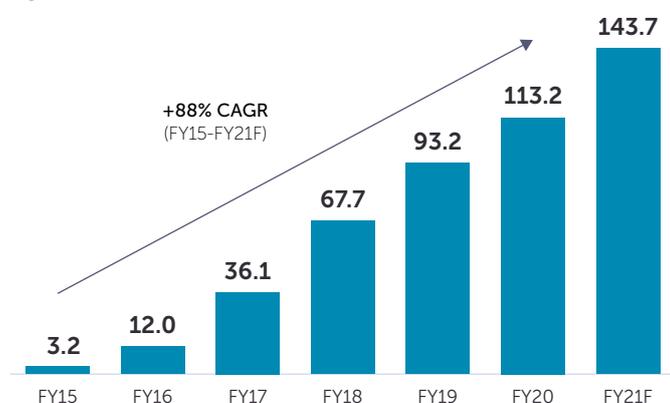
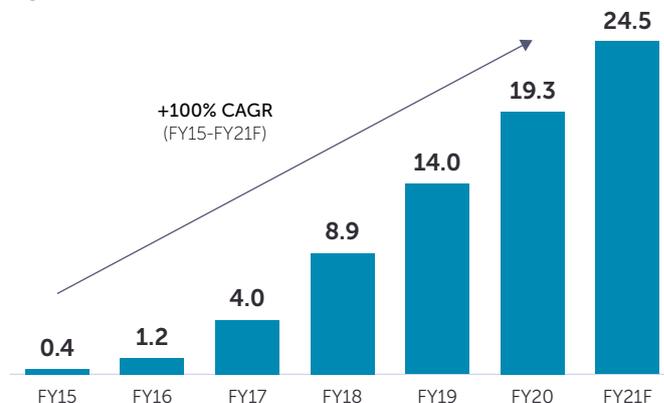


Figure 3.2: Airtasker revenue (\$ millions)



Airtasker has a team of 147 people³ and is headquartered in Sydney, Australia with operations in Manila, Philippines. Airtasker's team is explained further in Section 3.10.

1. 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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes.

2. A portion of Airtasker's revenue is also attributable to unclaimed Customer credits and unclaimed Task payments. See Section 4.8.2.2 for more information.

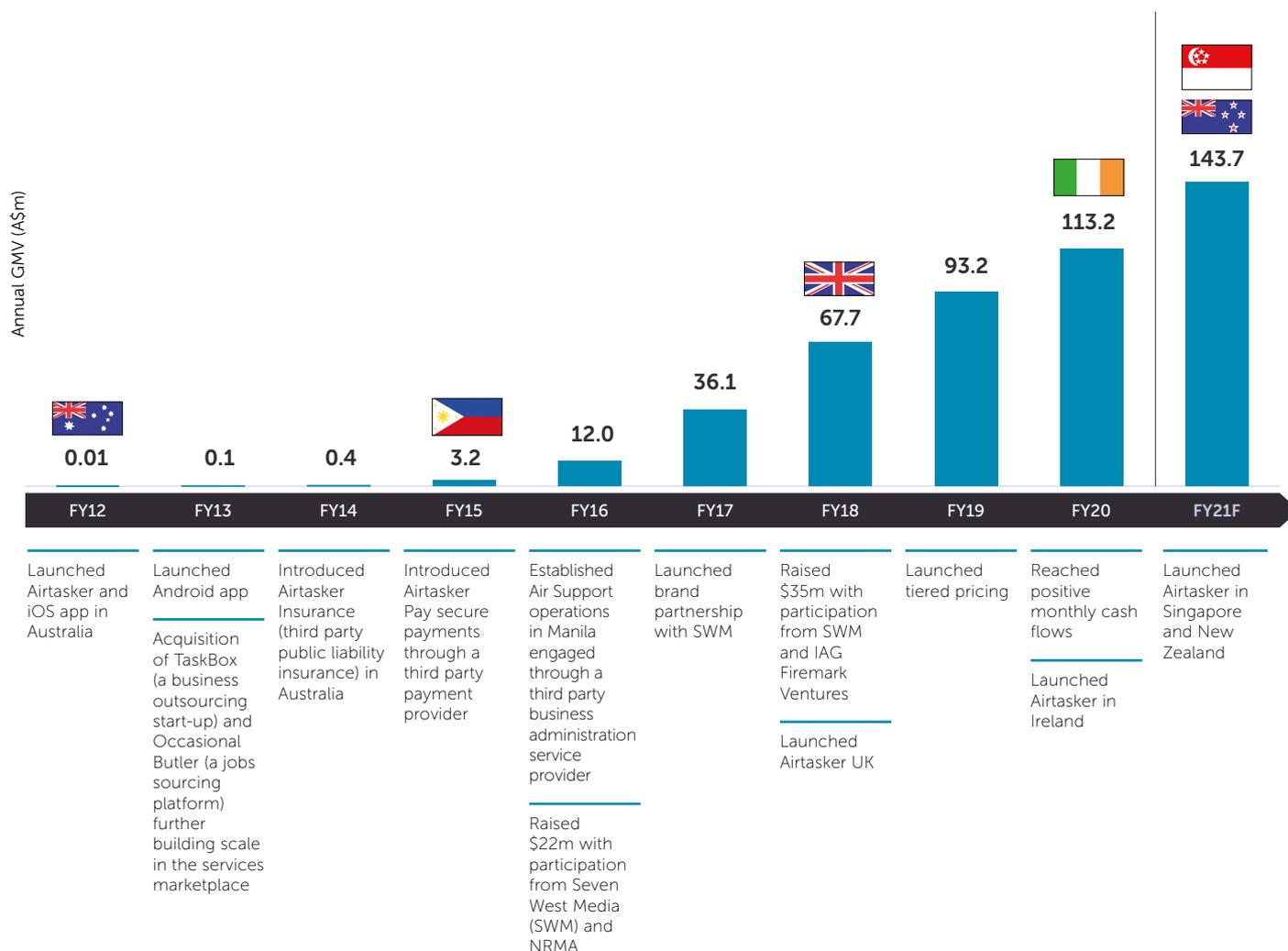
3. 54 of Airtasker's team are employed by a third party business outsourcing provider in Manila, with which Airtasker has a contract. The team members are not directly employed by the Company. See Section 3.10 for more information.

3.1.2 Company history

Airtasker was launched in March 2012 by co-founders Tim Fung and Jonathan Lui.⁴ The idea for Airtasker came about when Tim was moving apartments and asked his friend to help with moving. This experience got Tim thinking: Why do we bother our busy friends and family to help with all of these tasks when there are so many people who are looking to work and earn money?

The key milestones in Airtasker's history since its launch in 2012 are set out in Figure 3.3.

Figure 3.3: Company timeline



Airtasker's primary focus from launch to early 2019 was increasing the number of Taskers, Customers and completed Tasks on its platform, thereby establishing **liquidity** (as defined in the Glossary) and generating **network effects** (as explained in Section 3.4.3) that enable efficient and sustainable GMV growth in Australia. This was achieved through significant investment into building a scalable technology platform that enabled Tasks to be completed without the need for major operational inputs by Airtasker such as manual handling, direct marketing or salespeople.

From early 2019 Airtasker has continued to increase its marketplace growth while focusing on operational efficiency by improving marketing, generating other cost efficiencies and improving its revenue model. This has driven significant improvements in Airtasker's operating results (see Section 4.3).

With the Australian marketplace now efficient and growing strongly, Airtasker believes its marketplace model can be scaled internationally, and its international roll-out is underway (see Section 3.8.3 for more details).

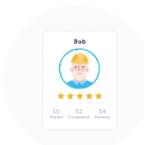
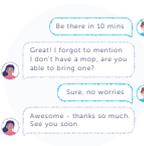
⁴ Airtasker was incorporated in 2011 but did not carry on any operations until 2012.

SECTION 3 | COMPANY OVERVIEW

3.1.3 Airtasker marketplace

Airtasker's marketplace enables end-to-end ecommerce for local services, connecting people and businesses who need tasks done with people who want to work and enabling them to transact through a simple ecommerce experience. Airtasker's technology platform is available through device-responsive websites, and Android and iPhone (iOS) apps. Figure 3.4 provides a description of the marketplace services and solutions that the Airtasker platform provides.

Figure 3.4: Airtasker's end-to-end marketplace features

Services/Solutions	Features
Discover and Connect 	<ul style="list-style-type: none"> • Post a Task and get quotes for almost any service • Request a quote to receive offers from a selected Tasker • Book services instantly with Instant Booking (limited range of services only) • Task templates and price guides to empower informed user purchase decisions
Reputation 	<ul style="list-style-type: none"> • Tasker profiles including the ability to display and verify relevant qualifications, licences and certifications • Tasker Reputation Passport including star ratings, Customer reviews and reliability score (as discussed in Section 3.2.3)
Secure payments 	<ul style="list-style-type: none"> • Airtasker Pay provides fast and secure cashless payment through a third party secure payment system • Bonus feature enables Customers to send additional payment to Taskers for a job well done • Secure authentication for relevant transactions (KYC and AML)
Communication 	<ul style="list-style-type: none"> • Question, reply and photo sharing functionality enables information exchange and informs Customer purchase decisions • Machine learning enabled content moderation system ensures privacy and alignment with community guidelines • Secure private messaging service enabled between Customer and Tasker for the duration of the Task
Public liability insurance 	<ul style="list-style-type: none"> • Third party public liability insurance for property damage or personal injury offered in Australia, the United Kingdom and New Zealand • Dispute management and resolution service
End-to-end customer support 	<ul style="list-style-type: none"> • Dedicated Air Support team to help with any questions, queries or issues from Taskers and Customers • Help centre and answer bot to assist instantly with common questions and queries • Community Guidelines that reflect Airtasker's values and standards of behaviour and underpin marketplace integrity

3.2 Customer experience

For Customers, Airtasker enables simple end-to-end ecommerce for local services.

3.2.1 Key benefits for Customers

The key selling proposition for Customers using Airtasker is access to an almost **infinite range of services at a time and price that suits the Customer**. Airtasker considers that the ability to compare multiple quotes received on a particular Task also provides Customers with confidence that the Task has been priced fairly (note that the range of prices contained in quotes is displayed to the Customer only and not to other Taskers).

Customers benefit from the following platform features as outlined in Figure 3.5.

Figure 3.5: Benefits of Airtasker to Customers

Key selling proposition	Description
✓ Wide range of services	Access to an almost infinite range of services available at a time and price that suits the Customer.
✓ Rapid response times	80% of Tasks completed receive a first response from Taskers less than two minutes from the time the Task is posted. ⁵
✓ Offer (quote) comparison	Receive comparable offers (quotes) from multiple Taskers in a consistent and easy to understand format.
✓ Win-win fee model	It is free to post Tasks and the Task value is only charged when a Tasker is selected to complete a Task. Booking Fees are recognised as revenue upon successful Task completion which Airtasker believes aligns the goals of Airtasker and Customers.
✓ Secure payments	Cashless payments made through Airtasker Pay (enabled by a third party secure payments system) with funds released to the Tasker only when the Task has been completed.
✓ Quality assurance	Ability to select the preferred Tasker based on skills, ratings and reviews with the Task then being covered by third party public liability insurance (currently offered in Australia, the United Kingdom and New Zealand).
✓ Privacy protection	All communications with the Tasker are handled in one place with secure moderation systems preventing unsolicited contact and protecting customer data privacy.

3.2.2 Booking Fee

Airtasker's revenue model is designed to align the interests of all stakeholders.

Airtasker does not charge any upfront fees to Customers to access the marketplace or to post Tasks. As such, Customers can use Airtasker on a risk-free (win-win) basis.

Airtasker charges Customers in the Australian marketplace a Booking Fee which is calculated as a percentage of the Task value agreed between the Customer and the Tasker and displayed at the time the Customer selects a Tasker. The Booking Fee is payable by the Customer to Airtasker upon the assignment of a Task; however as Customers may be entitled to credits or refunds in the event Tasks are cancelled after assignment, Airtasker does not recognise the Booking Fee as revenue until a Task is completed.⁶ The Booking Fee in Australia is currently subject to a minimum of \$2.90 and a maximum of \$24.90. Customers in marketplaces outside Australia are not currently charged a Booking Fee.

In FY20, aggregate Booking Fees were 4.4% of GMV.

3.2.3 Key Customer statistics

Airtasker's growth strategy (see Section 3.4.4) has resulted in a large and growing Customer base with approximately 950,000 Customers purchasing services since inception to December 2020. Unique Paying Customers⁷ have grown from approximately 18,000 in FY15 to a forecast of approximately 405,000 in FY21F. Frequency⁸ has grown from 1.7 to 1.9 and Average Task Value⁹ has increased from \$97 to \$189 over the same period. Growth in Average Task Value has been supported by the increasing use of the marketplace to complete more complex Tasks such as those completed by tradespeople, accountants and lawyers.

5. Median first response time in the period January 2020 to December 2020.

6. See Section 4.8.2.2 for more details.

7. **Unique Paying Customers** represents the number of unique Customers who assign a Task in a financial period.

8. **Frequency** represents the number of times a Unique Paying Customer assigns a Task in a given financial period.

9. **Average Task Value** represents the total GMV in a given financial period divided by the total number of assigned Tasks in the same period.

SECTION 3 | COMPANY OVERVIEW

Figure 3.6: Unique Paying Customers ('000)

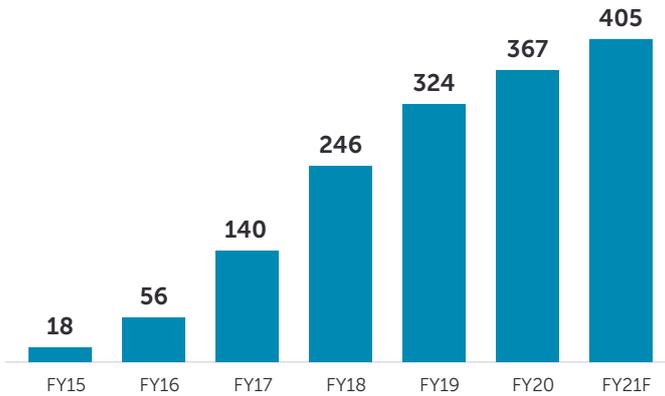
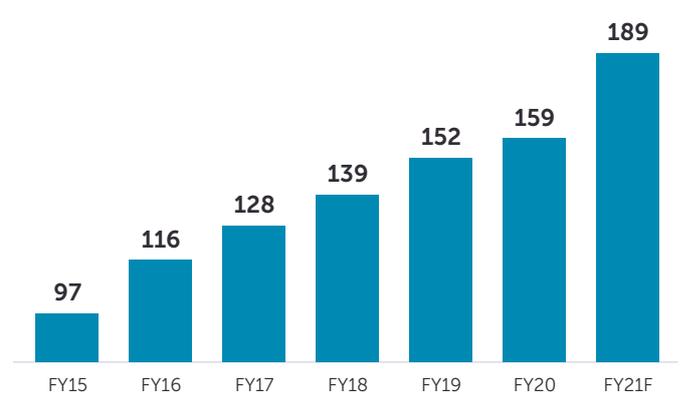
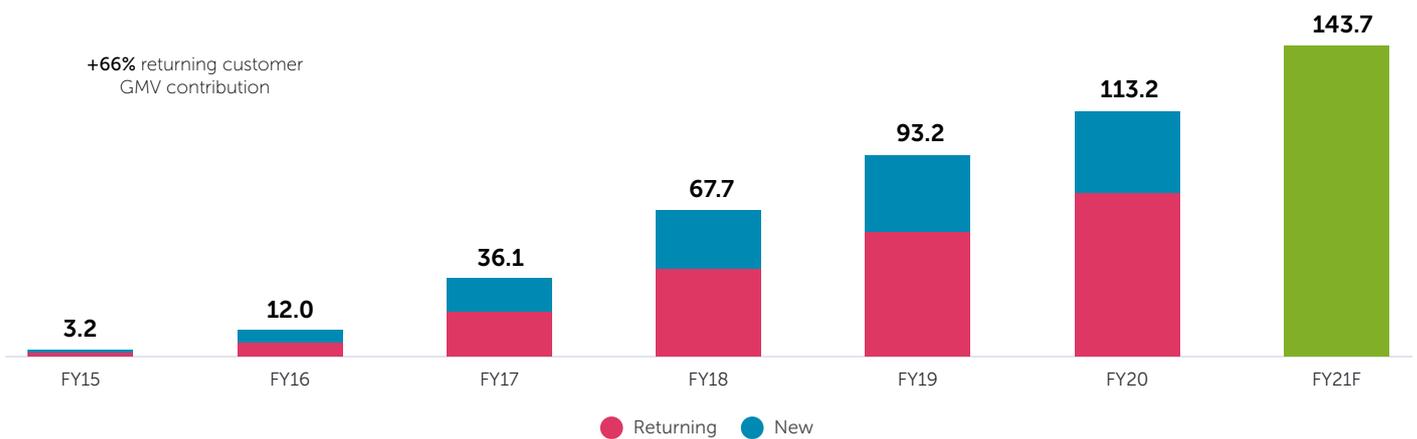


Figure 3.7: Average Task Value (\$)

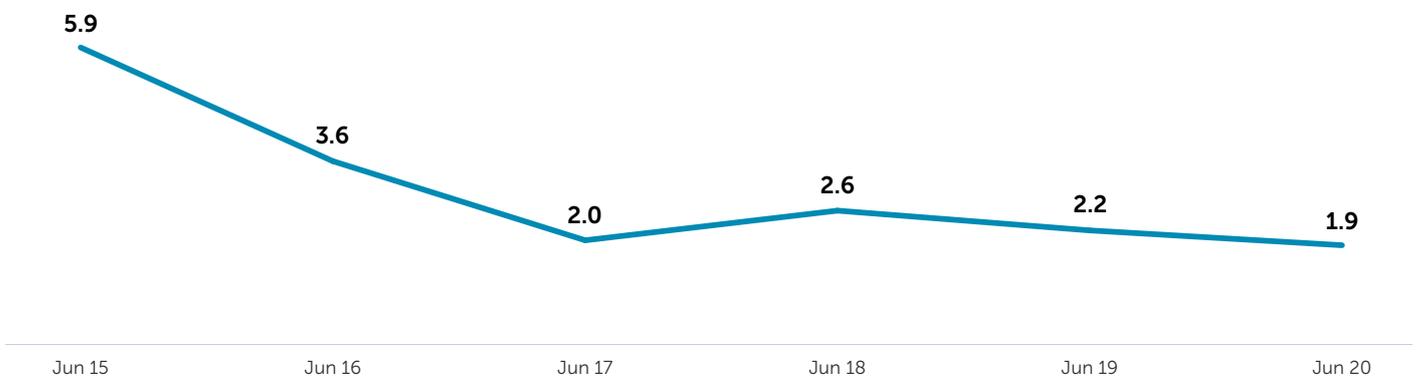


Airtasker believes the network effects generated by Airtasker's marketplace as well as ongoing growth in cumulative reputation data (e.g. ratings, reviews, verified licences) results in a sticky user base which represents a significant competitive advantage. This is demonstrated by approximately 66% of GMV being contributed by returning Customers in FY20 and continued growth in GMV from both new and returning Customers since inception as illustrated in Figure 3.8.

Figure 3.8: Returning Customer GMV contribution (\$ millions)



In line with increasing marketplace liquidity, the median first response time for Customers has continued to improve (decrease) with 80% of completed Tasks now receiving a first response in under two minutes.

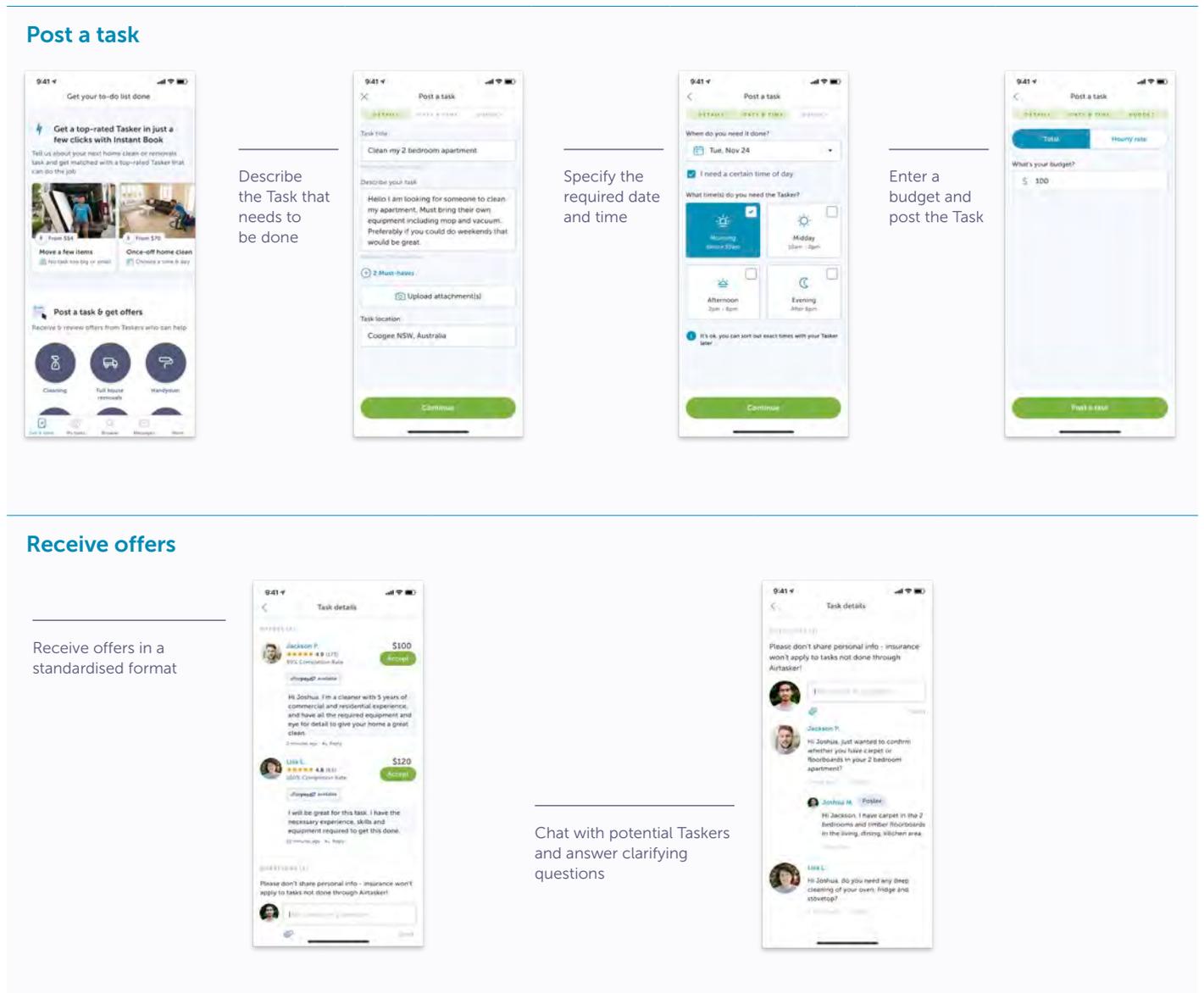
Figure 3.9: Median first response time (80% of completed Tasks)¹⁰ (Minutes)

10. The data included in this figure is for the month of June in each financial year from FY15 to FY20.

3.2.4 Customer experience

The interaction with the Airtasker platform for a Customer through to Task completion is as follows:

Figure 3.10: The Customer experience – mobile¹¹

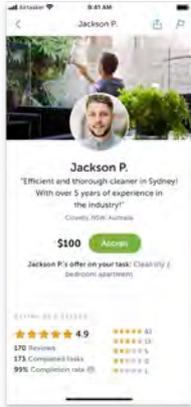


11. Screenshots are for illustration purposes only – not true events

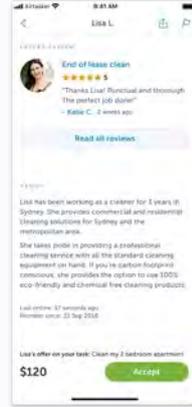
SECTION 3 | COMPANY OVERVIEW

Select a Tasker

Assess Taskers by checking out their ratings, reviews and completion statistics



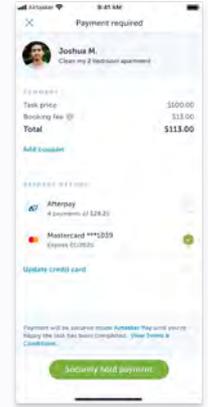
Read more about their individual qualifications and experience



View their portfolio and confirm verified identity and licensing including Digital ID, police checks and licences



Select a Tasker and deposit payment into a secure Airtasker Pay account

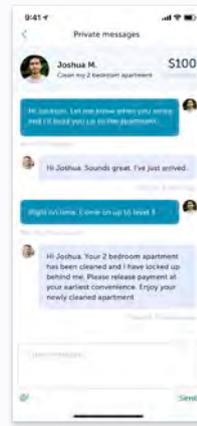


Task gets done

The selected Tasker gets started on the Task



Keep in constant communication through Airtasker's secure private messaging

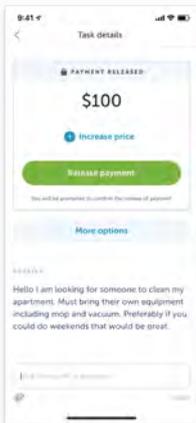


Receive notifications and updates

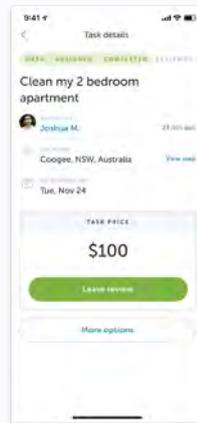


Task completed

Receive a request to release payment



Confirm the Task is complete and release funds from the secure Airtasker Pay account



Leave a star rating and review to help build the Tasker's profile



Airtasker seeks to continuously iterate and improve on the Customer experience and has a number of new optimisations, features and products either recently launched or soon to be released (see Section 3.6.2 for additional details on product strategy).

3.3 Tasker experience

For Taskers, Airtasker is an end-to-end platform that provides access to flexible work and a suite of simple business administration tools including third party public liability insurance, a third party secure payment system, customer support and a customer communication system.

Airtasker's mission is to empower people to realise the full value of their skills. In pursuit of this mission Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income.

The Airtasker marketplace is built upon principles of openness, transparency and accountability in which Taskers are fully empowered to choose the work they complete and how much they earn for completing that work. Airtasker's business model – in which revenue is tied directly to the amount earned by Taskers – ensures that Airtasker is closely aligned with the success of Taskers, Customers and the broader community.

One of Airtasker's most important values is people matter and Airtasker believes that creating jobs, income and purpose is not just a by-product of the work it does – it is Airtasker's core purpose.

3.3.1 Key benefits for Taskers

The key selling proposition for Taskers using Airtasker is access to a large pool of **truly flexible work opportunities** in which the price, scope and timing of work is self-determined. A new work opportunity is created on Airtasker approximately every 17 seconds.¹²

Taskers benefit from the following platform features as outlined in Figure 3.11.

Figure 3.11: Benefits of Airtasker to Taskers

Key selling proposition	Description
✓ Access to truly flexible work opportunities	Access to a large pool of truly flexible work opportunities in which the price, scope and timing of work is self-determined.
✓ Win-win fee model	It is free to access work opportunities and fees are charged only when a Tasker earns income through Airtasker which Airtasker believes aligns the goals of Airtasker and Taskers.
✓ Instant access	Register and start accessing work opportunities immediately. Once a Task is confirmed as completed by the Customer, payment is released instantly to the Tasker.
✓ Low friction	Streamlined registration, verification and onboarding process enabled by easy-to-use mobile and web apps.
✓ Fair pricing	Tasker offers can only be viewed by the Customer (and not other Taskers), ensuring fair pricing for Taskers.
✓ Business support	Access to simple business administration tools including third party public liability insurance (currently offered in Australia, United Kingdom and New Zealand), third party secure payment system, customer support and communication tools.
✓ Personal brand development	Opportunity to build and monetise a personal brand by creating a profile, verifying qualifications and earning positive Customer reviews.

12. For the period January to December 2020.

3.3.2. Service Fee

Airtasker's revenue model is designed to align the interests of all stakeholders. Airtasker does not charge any upfront fees to Taskers to access the marketplace or make offers on Tasks. As such, Taskers can use Airtasker on a risk-free (win-win) basis.

Airtasker charges Taskers a Service Fee which is calculated as a percentage of the Task value agreed between the Customer and the Tasker. The Service Fee is only payable by the Tasker to Airtasker upon the achievement of a successful Tasker outcome (a completed Task). Airtasker rewards Taskers who complete a higher value of Tasks with tiered pricing – a system through which Taskers with higher earnings are charged lower Service Fees as a percentage of the Task value (see Figure 3.12 below).

The individual Service Fee is displayed at the time the Tasker makes an offer to complete the Task and is only charged to the Tasker and realised as revenue to Airtasker upon completion of the Task.

Figure 3.12: Tiered level Service Fees as at 31 December 2020

Tier	Tasker earnings	Service fee
 Platinum Tier	\$5,000+ in the last 30 days	10% service fee plus GST
 Gold Tier	\$2,500+ in the last 30 days	12.7% service fee plus GST
 Silver Tier	\$1,000+ in the last 30 days	16.4% service fee plus GST
 Bronze Tier	Less than \$1,000 in the last 30 days	20% service fee plus GST

3.3.3 Tasker experience

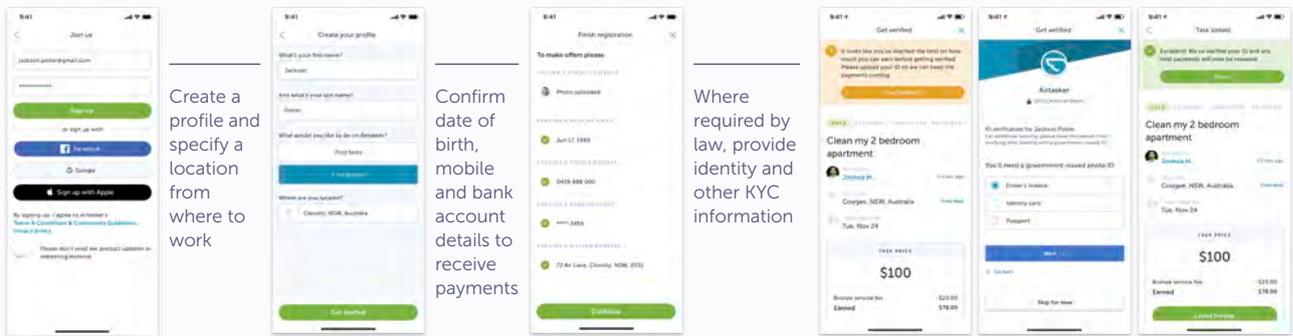
The interaction with the Airtasker platform for a Tasker through to Task completion is as follows:

Figure 3.13: The Tasker experience – mobile¹⁵

Join the Airtasker community

Creating a profile

Where required by law, provide identity and other KYC information



15. Screenshots are for illustration purposes only – not true events.

Browse tasks



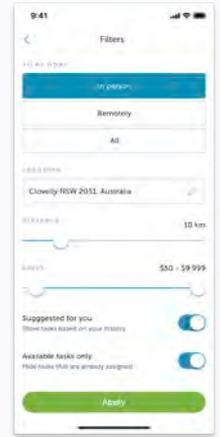
Browse available work



Discover Tasks nearby



Search and filter Tasks to find relevant opportunities

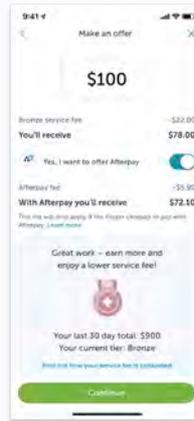


Make offers

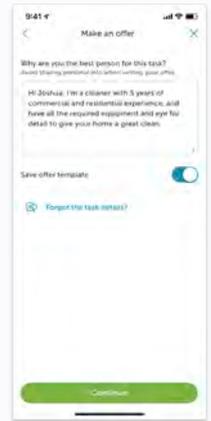
Ask questions to clarify Task details including timing, qualifications or equipment required



Make an offer and review Service Fee (only paid upon successful Task completion)



Include a pitch to maximise probability of a successful offer

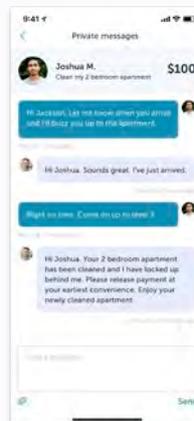


Complete tasks

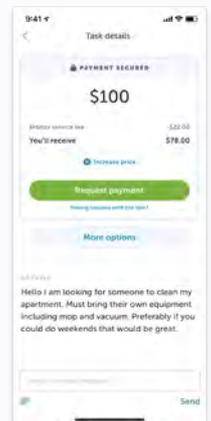
Complete the Task per the agreed details



Keep in constant communication through Airtasker's secure private messaging



Confirm the Task is complete and request payment



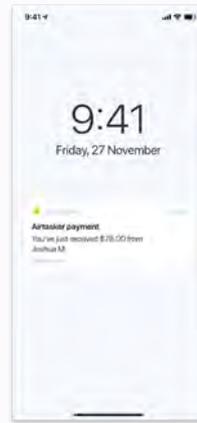
SECTION 3 | COMPANY OVERVIEW

Get paid

Get notified once payment has been released



Receive payment in bank account



Check out the review received for completing the Task



3.3.4 Key Tasker statistics

+ \$1.1 billion

in work opportunities have been created through Airtasker

~ 150,000

people have earned an income through Airtasker

~ \$250,000

earned by our top Tasker in calendar year 2020

~ 13,000

people have created a \$5,000+ business on Airtasker

3.3.5 The humans of Airtasker

Airtasker's mission is to empower people to realise the full value of their skills. In pursuit of this mission, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income.

Outlined below are a selection of individual stories introducing just a few of the 'humans of Airtasker'. These and many, many more individual human stories thread together to form the fabric of the Airtasker community and marketplace.

Figure 3.14: Case study of Taskers using the Airtasker platform



Bruce R.
Professional cleaner

Joined Airtasker in August 2015.

"I joined Airtasker after I found out that I wasn't very good at doing nothing in retirement. Airtasker gets me out of the house, provides physical and brain exercise, some money and most importantly I meet some nice people."

"I like Airtasker, because it is an easy way to find jobs, without needing expensive marketing."



Tania V.
Videographer

Joined Airtasker in September 2018.

"I am a professional video producer working with a prominent Australian airline and have been recently stood down due to COVID-19. So your platform means the world right now. I specialise in social media stories, Youtube vlogs, charity stories, documentaries, business stories and weddings."

"I've also done Tasks such as pet transport (long haul), delivery of goods, packages, gifts and food."



Patrick H.
Trampoline Assembly

Joined Airtasker in March 2017.

"I'm a 25 year old who has recently finished uni. I'm trying to pursue my dream of becoming a vet as I've completed my vet science degree. So all my jobs will go to pursuing my dream and paying for the course!"

3.4 Marketplace structure

By bringing together a highly fragmented local services industry and empowering Customers and Taskers to trust one another through a system of transparency and accountability, Airtasker has developed Australia's leading marketplace for local services.

Airtasker's marketplace is structured as an **open** and almost **infinitely horizontal** marketplace. These expressions are explained in Sections 3.4.1 and 3.4.2 respectively.

The Airtasker marketplace leverages **user generated content** and **network effects** to deliver a high-quality user experience at scale (explained in Sections 3.4.2 and 3.4.3 respectively).

3.4.1 Open marketplace

As an Open Marketplace, Airtasker empowers Customers and Taskers to independently engage with one another to agree on the scope and price payable for Tasks to be completed. Airtasker believes that an Open Marketplace enables Customers and Taskers to identify and trust one another through a system of transparency and accountability and incentivises Taskers to follow through and meet expectations they set with Customers in respect of Tasks they offer to perform.

By facilitating **end-to-end ecommerce transactions**, Airtasker is able to maintain a record of what happens at each step of the Task – from posting the Task, to connecting a Customer and Tasker, to facilitating payment through a secure third party payment provider and providing a system for feedback on both Taskers and Customers, including ratings and reviews.

When aggregated, the feedback provided by users represents what Airtasker calls a **Reputation Passport**. For Taskers, their Reputation Passport represents a personal brand which can be monetised by earning higher prices on future Tasks completed through the Airtasker marketplace. This dynamic results in a sticky user base which Airtasker believes represents a significant competitive advantage.

3.4.2 Almost infinitely horizontal marketplace

The local services industry is **highly fragmented** with a large number of individual service providers, customers and types of services.

Airtasker is an almost **infinitely horizontal** marketplace, which allows Customers to describe any problem they need solved (posting a Task) and empowers Taskers to solve that problem (making an offer to complete the Task) in one place – the Airtasker marketplace.¹⁴ Airtasker is not limited to any particular service 'vertical' (such as home improvements, web development or design) with the term 'horizontal' referring to the almost infinite variety of Tasks which may be completed through Airtasker's marketplace.

The Task content created by Customers, offer content created by Taskers and reputation content created by both Customers and Taskers are all forms of user generated content. As Customers and Taskers create this user generated content themselves, Airtasker is able to adopt a **highly efficient, light touch operating model** with limited need for Airtasker to be involved in individual service transactions (see Section 3.6 for more detail).

As Customers are able to request almost any service through the Airtasker marketplace, Airtasker believes that this enables new service industries to be developed that may not previously have been available and may not exist without Airtasker – including, for example, flatpack furniture assembly, date night planning and spider removal services.

By being almost infinitely horizontal and leveraging user generated content, the Airtasker marketplace is able to quickly adapt to changing conditions. For example, during the COVID-19 pandemic's first wave in Australia in March and April 2020, demand for domestic home cleaning declined whilst demand for contact-free shopping deliveries and bike repairs increased significantly. During this period, the Airtasker marketplace empowered Customers to request bespoke services relevant to their specific situation and Taskers were empowered to adapt to deliver required services. By empowering Customers and Taskers to utilise the marketplace to address their unique needs, they are able to respond and adapt to ever changing social and economic conditions.

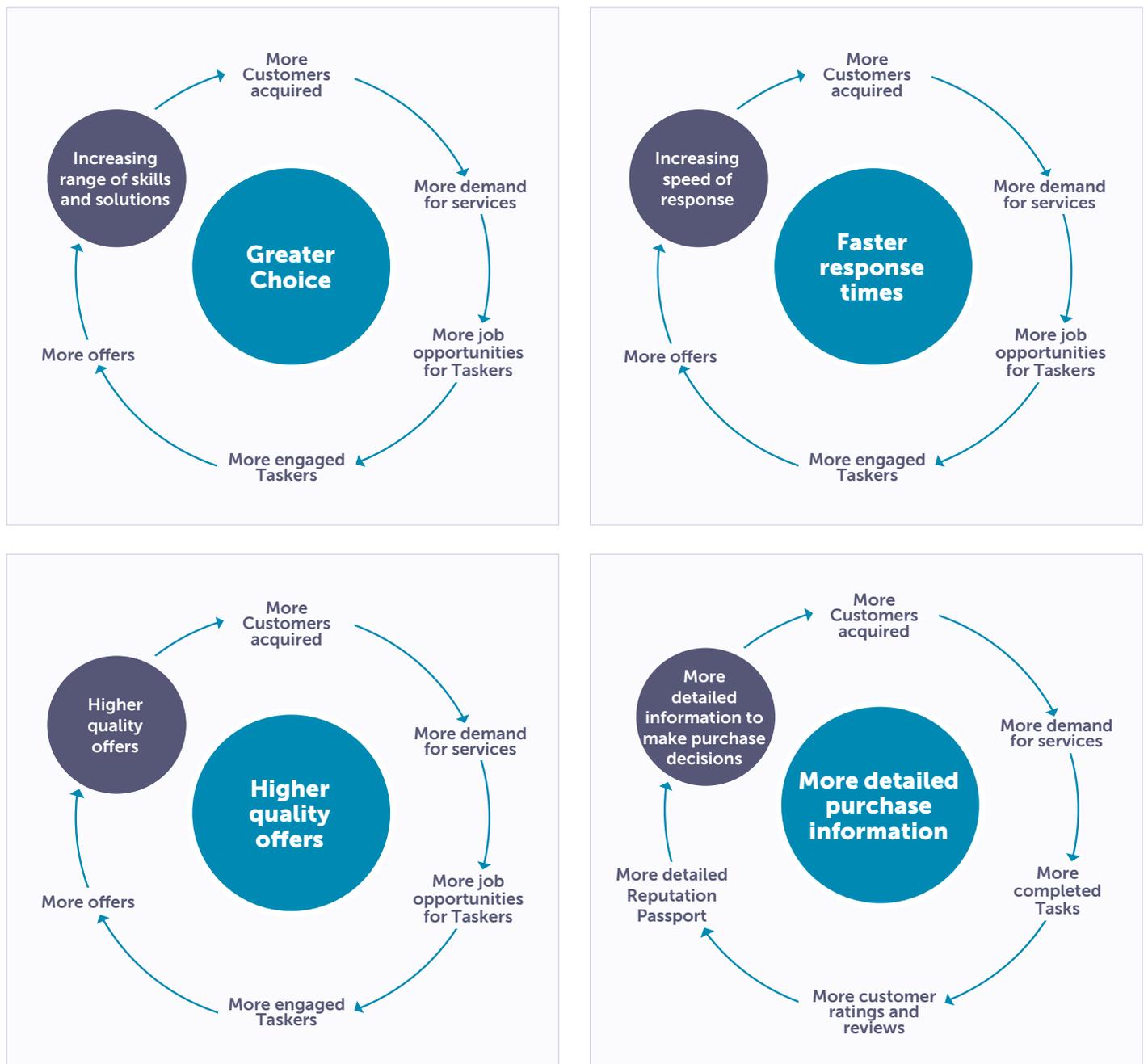
14. Please see Section 3.4.6 which provides further information on how Airtasker utilises machine learning algorithms and human powered content moderation tools and services to identify user generated content and user behaviour that breach Airtasker's Community Guidelines.

3.4.3 Network effects

Network effects are a phenomenon in which the value of a product or service increases as the number of people that use that product or service increases. The Airtasker marketplace generates and benefits from network effects as outlined below.

At the individual Customer experience level, the impact of network effects on Airtasker’s marketplace can be represented as follows:

Figure 3.15: Network effects



As outlined above, the more Customers that use Airtasker, the better the experience becomes for other Customers ... while an individual Customer is using Airtasker to solve his or her own individual service need, he or she is at the same time improving Airtasker for other Customers.

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This incremental product improvement that an individual Customer creates for the broader Airtasker community is known as a positive externality and the sum of these positive externalities is referred to as a network effect.

This network effect explains why the Airtasker Customer experience continues to improve as more Customers are acquired. Thus, as the marketplace increases in scale, this network effect enables Airtasker to better engage with its existing Customer base and acquire new Customers. This network effect also represents an increasingly strong competitive advantage.

3.4.4 Long tail of services

Airtasker believes that the potential of the local services economy is extremely large and the size of the addressable market (\$52 billion in Australia, as estimated by Frost & Sullivan) may be underestimated because there are a significant number of customer problems which may be either ignored or left as unsolved problems (because a potential solution is too difficult to identify) and many of these customer problems could be addressed with a service solution.

In addition, each individual *service* solution needs to take into account many different *variables* that are specific to the individual customer or problem. For example, in the case of a domestic cleaning service, variables include:

- Timing: When does the home need to be cleaned? How often?
- Location: Where is the home located? How many rooms and what type?
- Other specifics: Does the homeowner prefer organic cleaning products? Are there expectations that the inside of the oven is cleaned? Are there pets in the home?

The inherent *variability* of buying *services* means that in the services economy there is an almost infinitely wide range of Customer problems and thus an almost infinitely wide range of service solutions that need to be provided. This almost infinite range of service solutions is known at Airtasker as the **long tail of services** and Airtasker believes that the long tail of services is much longer than economists might intuitively anticipate right now. Airtasker is able to address the long tail of services by allowing Customers to request almost any service and empowering Taskers to deliver that service as they see fit.

Airtasker does not just address one or a few existing service industries but aims to provide a marketplace for all local service industries. Further, Airtasker promotes the creation of **brand new service industries** which may not have previously been available to Customers and may not exist without Airtasker.

Figure 3.16: Examples of service industries on Airtasker

Examples of **existing service industries** within the Airtasker marketplace:

Home services	
 Cleaning	 Deliveries
 Removalists	 Computer and IT support
 Professional trade and handyman services	
Business services	
 Office administration	 Marketing and promotional services
 Event organisation	 Accounting and legal services
 Customer research	
Creative services	
 Photography	 Interior decoration
 Graphic design	 Architecture
 Content production	

Examples of new service industries which may be facilitated by the Airtasker marketplace:

Flatpack furniture assembly	Date night planning	Spider removal services
Drone retrieval services	Halloween costume making	

The long tail of services and the creation of brand new service industries means that rather than just shifting the flow of existing services transactions into a different channel, Airtasker is facilitating services transactions which otherwise may not exist.

Further, the long tail nature of the Airtasker marketplace means that the traditional concept of total addressable market (\$52 billion in Australia, as estimated by Frost & Sullivan) may be underestimated for Airtasker and that the market opportunity for Airtasker may be continually expanding.

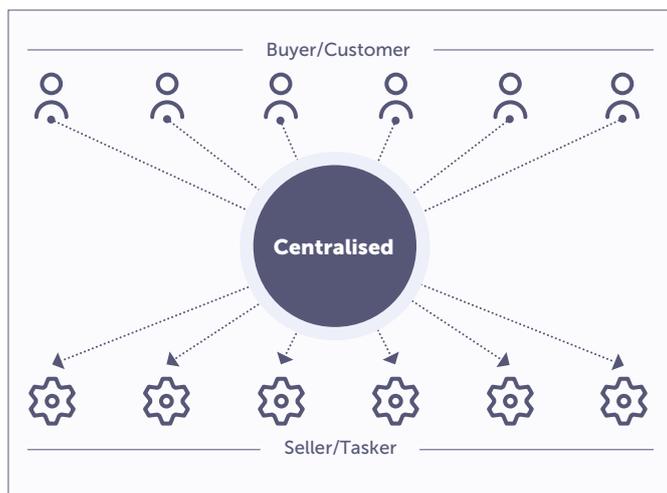
3.4.5 Reputation Passport

By facilitating end-to-end ecommerce transactions, Airtasker is able to maintain a record of what happens at each step of the Task transaction – from posting a Task, to connecting a Customer and Tasker, to facilitating payment, through to providing a system for feedback on both Taskers and Customers, including ratings and reviews.

Airtasker has established a transparent set of performance indicators based on this user feedback which is known to Airtasker as the user's Reputation Passport. Both Taskers and Customers are provided with a Reputation Passport which is then made transparent to all other members of the Airtasker community to guide expectations and incentivise mutually positive outcomes for each Task. This system of transparency and accountability creates trust between members of the Airtasker community through **distributed ownership** of the system rather than **centralised control**.

Figure 3.17: Centralised control and distributed ownership

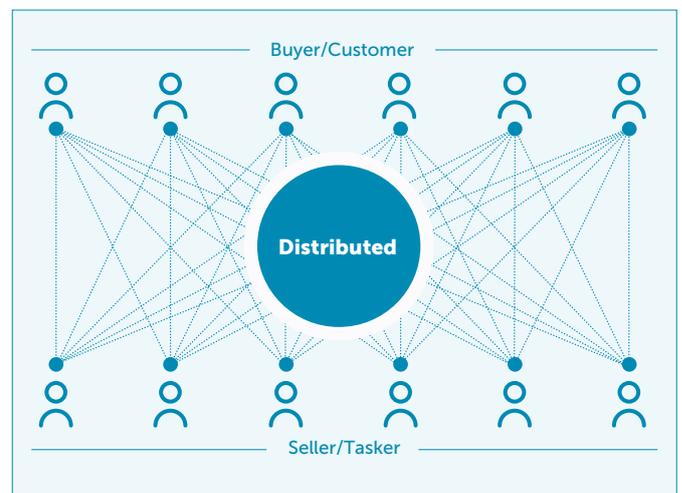
Centralised control



In a centralised control model, the marketplace itself establishes expectations with buyers (Customers) and then oversees and implements controls to ensure that sellers (Taskers) comply with those expectations.

In this model, buyers build trust with the marketplace and the marketplace implements a system to control the sellers.

Distributed ownership (Airtasker)



In the Airtasker distributed ownership model, the marketplace establishes a system that empowers individual sellers (Taskers) to set expectations with buyers (Customers) and then incentivises those sellers to follow through and meet those expectations.

In this model, buyers build trust with individual sellers through a system provided by the marketplace.

The Reputation Passport currently includes three main performance indicators based on previously completed Tasks:

1. **Star rating:** A quantitative score out of five based on star ratings provided by the Customer and Tasker;
2. **Customer reviews:** A collection of written user feedback provided by the Customer and Tasker; and
3. **Reliability score:** A quantitative score based on Task completion.

As more Tasks are completed, Airtasker community members generate more ratings and reviews which strengthen the Reputation Passport and increase trust between users.

For Taskers, the Reputation Passport also represents a personal brand which can be improved over time and monetised by charging higher prices on future Tasks completed through the Airtasker marketplace.

This dynamic results in a **sticky user base** which Airtasker believes represents a significant competitive advantage.

Figure 3.18: New user reviews per calendar year

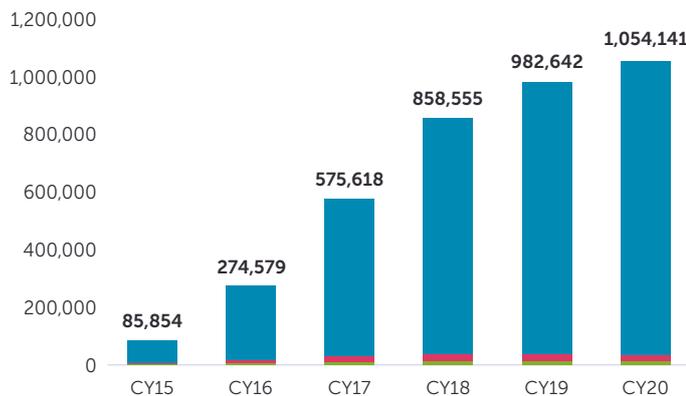
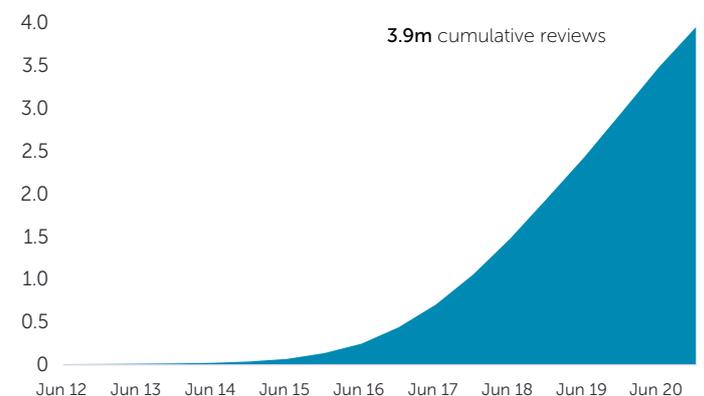


Figure 3.19: Cumulative user reviews (#m)¹⁵



Verified identity and licensing

In addition to the performance indicators outlined above, both Taskers and Customers can submit additional reputational information which is then checked by a third party and, if verified, added to the user's Reputation Passport including:

- ID verification¹⁶



- Police Check¹⁷



- Working with Children Check¹⁸



- Electrical¹⁹



- Gas fitting²⁰



- Plumbing licence²¹



15. 95% of cumulative reviews over time to December 2020 have received a five-star rating.

16. Verifies User's first name, last name and date of birth. Verification is processed by Australia Post's Digital iD, which provides individuals with a reusable digital identity. Available nationally in Australia. No expiry date.

17. Verifies that the user has no Disclosable Court Outcomes on their National Police Check. The verification and National Police check is processed by a third party providing background and identity checking services, which provides background and identity checking services and is an accredited Australian Criminal Intelligence Commission agency. Available nationally in Australia. Verification expiry is after 12 months.

18. Verifies that the user has a valid Working with Children Check for their state/territory. The verification is processed by a third party providing background and identity checking services. Available in VIC, QLD, TAS, WA and NT. Verification expiry is the expiry date of the Working with Children Check.

19. Verifies the user has a valid electrical contractor licence for their state/territory. The verification is processed by a third party providing background and identity checking services. Available in NSW, VIC, QLD, TAS, WA, SA, ACT and NT. Verification expiry is the expiry date of the electrical contractor licence.

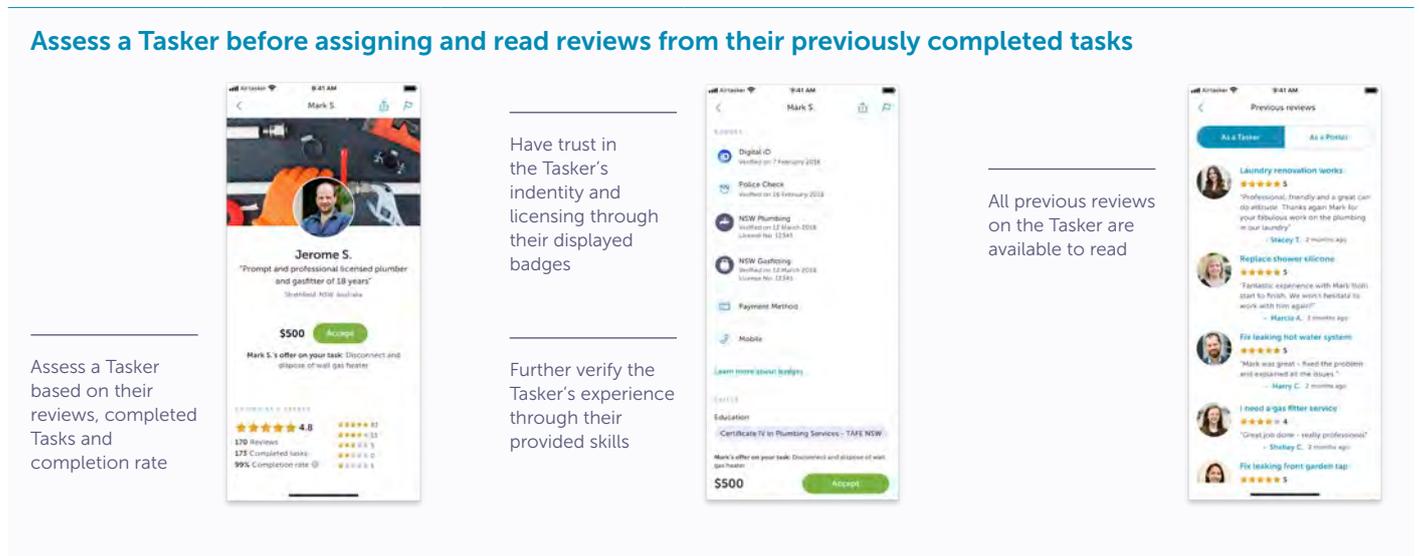
20. Verifies the user has a valid gas fitting contractor licence for their state/territory. The verification is processed by a third party providing background and identity checking services. Available in NSW, VIC, QLD, TAS, WA, SA and NT. Verification expiry is the expiry date of the gas fitting contractor licence.

21. Verifies the user has a valid plumbing contractor licence for their state/territory. The verification is processed by a third party providing background and identity checking services. Available in NSW, VIC, QLD, TAS, WA, SA and NT. Verification expiry is the expiry date of the plumbing contractor licence.

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The Reputation Passport for each member of the community is made available to other members of the Airtasker community as displayed in Figure 3.20.

Figure 3.20: Profile view of performance indicators and previous reviews display²²



3.4.6 Machine learning and data science

Airtasker applies machine learning and data science algorithms to improve the marketplace experience for both Customers and Taskers. This is enabled by user feedback and marketplace behaviour data sets that grow cumulatively over time.

For example, by understanding a Tasker's working preferences Airtasker is able to sort and rank a feed of Tasks for each individual Tasker making it faster and more convenient to discover relevant working opportunities. Airtasker can also send individually customised Task alerts (via email or push notification) to ensure that Taskers do not miss relevant working opportunities.

Machine learning and data science also enable Airtasker to better understand Customer preferences and can be used to provide recommendations. For example, Airtasker can suggest that Customers who buy a specific service (e.g. home moving) may also want to purchase an additional service (e.g. end of lease clean).

Significant opportunities exist to apply machine learning and data science to further improve the Airtasker user experience, representing a potential further competitive advantage.

Data capabilities are crucial to Airtasker's long-term success and Airtasker intends to invest significant resources into data engineering, data analytics and data science products going forward.

3.4.7 Case studies

The case studies in Figure 3.21 below demonstrate the variety of Tasks facilitated through Airtasker.

Figure 3.21: Case study of Tasks available through the Airtasker platform



Home services: Flat pack furniture assembly

Example:

Deliver and assemble IKEA Malm double bed frame

"I need help to pick up this bedframe from IKEA Rhodes store, deliver to and assemble bedframe in Chatswood.

"Elevators are available in apartment. No rush, can pick a day that is convenient for you."

Other examples of home services include cleaning, removalists, professional trade and handyman services, deliveries and computer and IT support.



Business services: Marketing services

Example:

Branding, logo design, social media templates

"I'm looking for someone to design a logo, branding strategy, colours and social media templates.

"I am happy to consider any offer but am only looking for experienced people who are quick communicators and professional."

Other examples of business services include office administration, event organisation, customer research, accounting and legal services.



Creative services: Photography

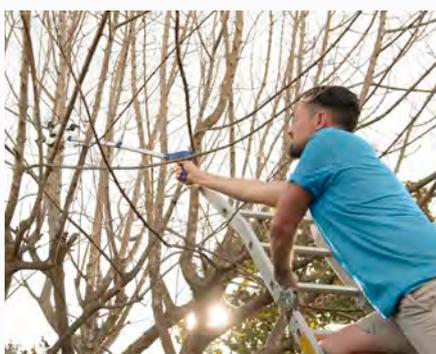
Example:

Flat lay photography

"Looking for a photographer to shoot one flat lay photograph for a giveaway competition (dressing gown, candle, champagne).

"Photos and editing must be done on the same day as I need them ASAP! Must provide backdrop, lights and camera."

Other examples of creative services include, graphic design, content production, interior decoration and architectural drafting.



Brand new service industries: Drone retrieval services

Example:

Get drone off two-storey house

"Drone crashed on a two-storey house. Looking for someone to go up and get it. Can probably get to with a six metre extension ladder or a ladder onto the garage then another up onto the roof."

Other examples of new service industries include flatpack furniture assembly, spider removal services, date night planning and Halloween costume making.

3.5 Competitive strengths

The industry in which Airtasker operates and its competitors are described in Section 2. As described in Section 2, there are few other marketplaces that adopt an end-to-end ecommerce model for local services; however, Airtasker does face competition from alternative marketplaces including classifieds and lead-generation services.

Airtasker believes its unique marketplace structure and business model provide an underlying competitive advantage compared to these alternatives as outlined in the figure below.

Figure 3.22: Airtasker competitive strengths

Competitive strength	Description
 <p>Almost infinite range of services</p>	<ul style="list-style-type: none"> Airtasker offers Customers access to an almost infinite range of services in one place (outlined in Section 3.4.2). Leveraging user generated content, Airtasker is able to empower Customers to create brand new service industries in which limited competition exists (outlined in Section 3.4.4).
 <p>Payment and ecommerce services</p>	<ul style="list-style-type: none"> Airtasker provides critical ecommerce infrastructure including secure third party payments, third party public liability insurance (currently offered in Australia, the United Kingdom and New Zealand) and a streamlined Customer management and communication system. For Taskers, these services represent critical business infrastructure on a fully variable cost basis. For Customers these services enable simple ecommerce for local services, in one place.
 <p>End-to-end transactions</p>	<ul style="list-style-type: none"> Airtasker facilitates end-to-end ecommerce, keeping a record of what happens at each step of the Task transaction – from posting a Task, to connecting a Customer and Tasker, to facilitating payment, through to a system for user feedback. By 'closing the loop' and assessing user feedback for Tasks both individually and collectively, Airtasker is able to identify Customer and Tasker decision making that leads to positive outcomes and leverage this data to improve user experience.
 <p>Aligned stakeholder interests</p>	<ul style="list-style-type: none"> Airtasker earns fees based on successful outcomes (completed Tasks) which aligns the interests of all stakeholders: Customers, Taskers and Airtasker. In contrast to some advertiser-funded platforms, Airtasker transparently publishes all user feedback (including negative Customer reviews) to most accurately inform users and support quality decision making.
 <p>Low friction</p>	<ul style="list-style-type: none"> There are no upfront fees charged to service providers to advertise or access the marketplace. Taskers can use Airtasker on a risk-free (win-win) basis. Service providers can get started on Airtasker within minutes and at any time, representing fast access to flexible working opportunities. Earnings are released to Taskers instantly (once a Task is confirmed as completed by the Customer). There are no weekly, fortnightly or monthly delays to access earnings.
 <p>Network effects</p>	<ul style="list-style-type: none"> Airtasker benefits from network effects (outlined in Section 3.4.3) in which the more Customers use the marketplace, the better the experience becomes for other Customers. Further, as more Tasks are completed, more user feedback is generated, strengthening the Reputation Passport (outlined in Section 3.4.5) and increasing the information Customers can access to inform purchase decisions.
 <p>Efficient operating model</p>	<ul style="list-style-type: none"> Airtasker connects Customers directly with Taskers and is built on the foundations of user generated content and distributed ownership (outlined in Section 3.4.5). Airtasker's operating model is not reliant on direct marketing and does not require direct sales staff. As a result, individual service transactions generally require no handling resulting in a highly efficient operating model, low incremental costs and high operating margins. Combined with an almost infinitely horizontal range of services and network effects, Airtasker's operating model can scale rapidly, efficiently and broadly across service industries.

3.6 Airtasker's business model

The Airtasker marketplace is built on the foundations of user generated content and is not reliant on direct marketing or direct sales staff. This means that individual service transactions generally require no handling resulting in a highly efficient and light touch operating model, **strong Gross Margins** and **scalable operations**, as described below.

Airtasker also maintains a **forward cash flow** model and believes a significant and sustainable revenue optimisation opportunity exists moving forward, as described below.

3.6.1 Aligned revenue model

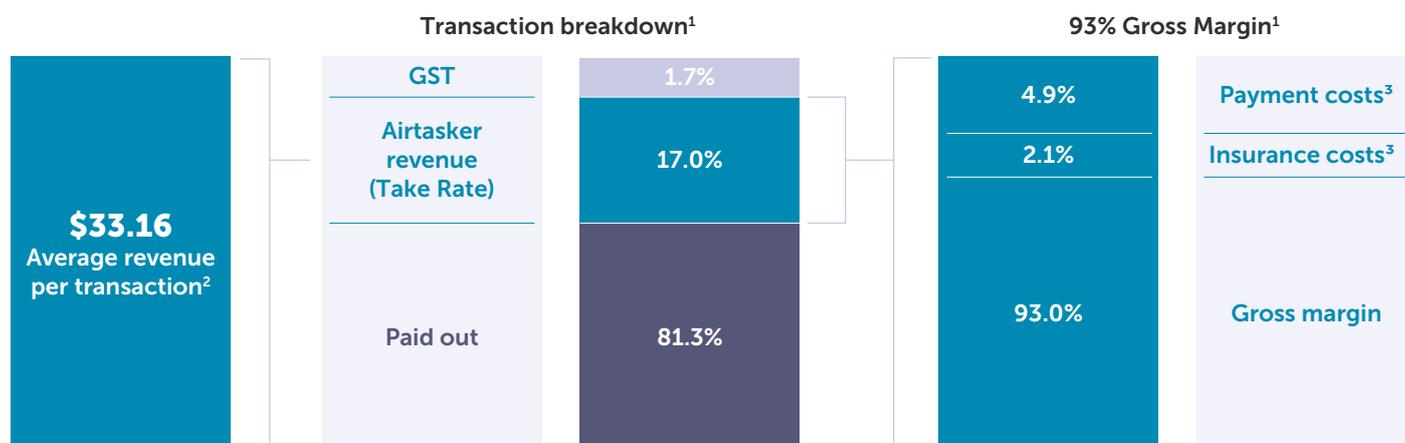
Airtasker primarily earns revenue from Service Fees paid by Taskers and Booking Fees paid by Customers.²³ Service Fees are explained in Section 3.3.2 and Booking Fees are explained in Section 3.2.2. Both Service Fees and Booking Fees are charged upon the achievement of successful outcomes (completed Tasks) which closely aligns the interests of all stakeholders: Customers, Taskers and Airtasker.

3.6.2 Strong Gross Margins

Due to its light touch operating model, Airtasker is able to achieve a 93% Gross Margin with only two main costs associated with the processing of an individual Task:

- **Payment costs** – fees paid to Stripe, a secure third party payment service provider, to process credit card payments, and Afterpay to process Afterpay payments. Payment costs are applied over the entire Task price plus Booking Fee and represented approximately 4.9% of Airtasker's revenue in FY20.
- **Insurance costs** – premiums paid to insurers to provide third party public liability insurance for property damage or personal injury. Insurance costs represented approximately 2.1% of Airtasker's revenue in FY20.

Figure 3.23: Airtasker GMV to revenue and Gross Margin breakdown²⁴



1. FY21F.

2. Six months to December 2020, calculated as revenue divided by number of assigned Tasks (Unique Paying Customers x Frequency). See glossary for definitions.

3. Payment and insurance costs have been presented as a percentage of Airtasker revenue to illustrate gross margin, however these costs are largely a function of GMV. Payment and insurance costs represented 1.12% of GMV for the six months to December 2020.

23. A portion of Airtasker's revenue is also attributable to unclaimed Customer credits and unclaimed Task payments. See Section 4.8.2.2 for more information.

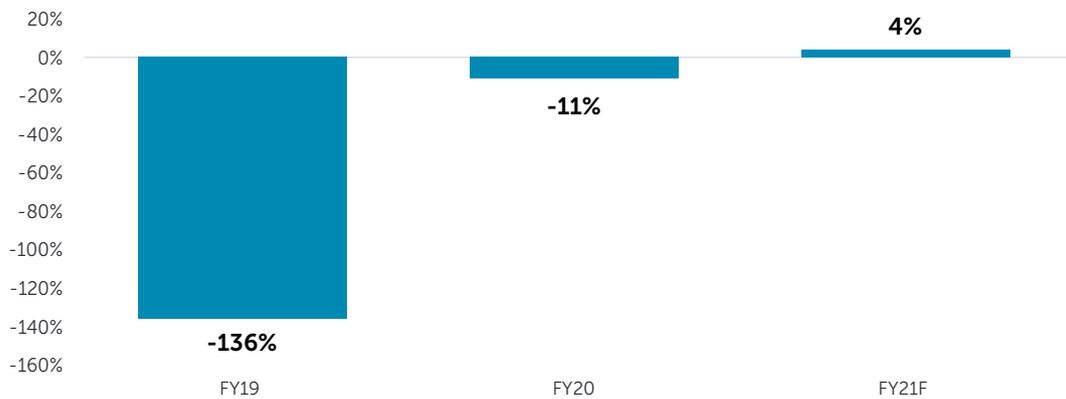
24. This figure is representative of Airtasker's operations in Australia only.

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3.6.3 Scalable operations

Airtasker invests significant product management, engineering and data science resources into research and development of software that supports the Airtasker marketplace. By developing software that automates common processes, such as describing a customer problem (posting a Task) or providing a quotation (making an offer), Airtasker is able to scale operations with minimal on-the-ground resources. This is illustrated by Airtasker's growing operating cash flow margin, outlined below.²⁵

Figure 3.24: Operating cash flow margin



3.6.4 Forward cash flow

Airtasker maintains a forward cash flow model with Customers depositing payment for Tasks upon assignment of the Task and earnings being released to Taskers only upon successful completion of the Task. As a result, Airtasker holds a forward cashflow balance approximately equal to the aggregate value of Tasks being completed at any single point in time.

3.6.5 Revenue optimisation

Since inception, Airtasker has continued to iterate and evolve its revenue model:

- Upon launch in 2012, Airtasker did not provide a payment system to users and payment was required to be arranged directly between the Customer and Tasker, with a separate Service Fee paid by the Tasker to Airtasker which was calculated as \$2 plus 5% of the Task price.
- In 2015, Airtasker introduced Airtasker Pay, a third party secure payment system provided for all Tasks, with Service Fees (amended to 15% of the Task price) included in and charged by Airtasker from the Task price, simplifying payments between Customers and Taskers and removing the need for a separate Service Fee transaction.
- In early 2019, a tiered Service Fee model was implemented to further align marketplace incentives, rewarding Taskers with a lower Service Fee percentage (ranging from 10-20% of Task value) as they completed a higher cumulative value of Tasks over a defined timeframe (see Section 3.3.2).
- In late 2019, a Booking Fee was introduced to reflect the value being provided to Customers (see Section 3.2.2).

Airtasker believes there is significant opportunity beyond FY21F to continue to optimise its revenue model whilst improving Customer experience and further aligning stakeholder incentives.

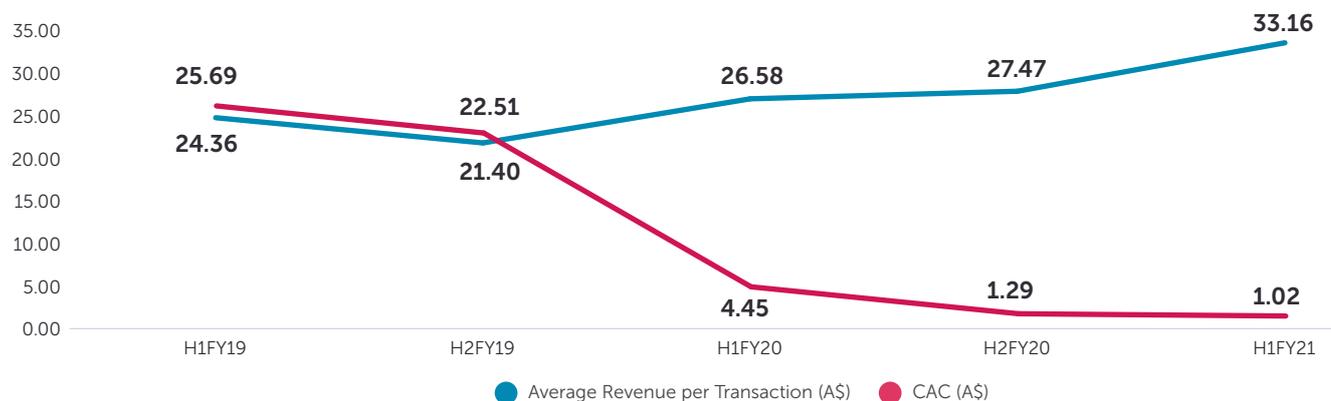
3.6.6 Strong organic Customer and Tasker acquisition

Airtasker's organic and product-led growth strategies resulted in 99% of new Customers originating from non-paid marketing channels in FY20. For the six-month period to 31 December 2020, Airtasker acquired an average of approximately 19,500 new paying Customers per month for an average Customer acquisition cost of \$1.02 per new Paying Customer.²⁶

²⁵. Calculated by dividing operating cash flow by revenue for a given period.

²⁶. Calculated by dividing Paid and Direct Marketing expenses by total new Paying Customers acquired.

Figure 3.25: Average Revenue per Transaction vs Customer Acquisition Cost



While Airtasker intends to continue leveraging its organic growth strategies and does not anticipate a decline in organic Customer growth, Airtasker believes there is significant opportunity to engage in additional direct and paid marketing initiatives moving forward. Airtasker intends to increase investment into direct and paid marketing in the forecast period to June 2021 and will continue refining its approach to Customer acquisition in the future. No incremental revenue is assumed to be realised in the forecast period in relation to this initiative.

Airtasker has not engaged in any material paid Tasker acquisition initiatives to date. Airtasker believes that the proposition offered to Taskers (as outlined in Section 3.3) has resulted in a strong and engaged Tasker base. While Airtasker has no current plans to implement paid marketing initiatives towards Taskers, this may change as the Airtasker marketplace evolves and macroeconomic conditions change.

3.7 COVID-19 impact and response

Airtasker's open, almost infinitely horizontal marketplace enables Customers to request almost any service and empowers Taskers to adapt their service offerings accordingly. This flexibility has enabled the Airtasker marketplace to respond and adapt during the COVID-19 pandemic.

3.7.1 Marketplace adaptation

Airtasker initially experienced a drop in marketplace activity during the early phase of the COVID-19 pandemic between February and April 2020, due to the effect of the pandemic on consumer sentiment and the impact in Australia of Stage 3 government restrictions. Stage 4 restrictions applied by the Victoria State Government saw a similar impact on marketplace activity in August 2020.

However the horizontal nature of the Airtasker marketplace combined with the ability for Customers to request almost any service and for Taskers to adapt their service offerings (through user generated content), enabled users of the Airtasker marketplace to quickly adapt to these changing conditions, which Airtasker believes has caused an accelerated adoption of its marketplace for certain services.

Customers were able to request and access a wide range of COVID-19 relevant services such as contact-free delivery, home office set-up and bicycle repairs, and to specify the provision of traditional services in a compliant manner. At the same time, Taskers in the marketplace were quick to adapt their focus to provide COVID-19 relevant services in an innovative way including by providing certain services remotely.

Figure 3.26: Impact of COVID-19 on customer demand for selected services

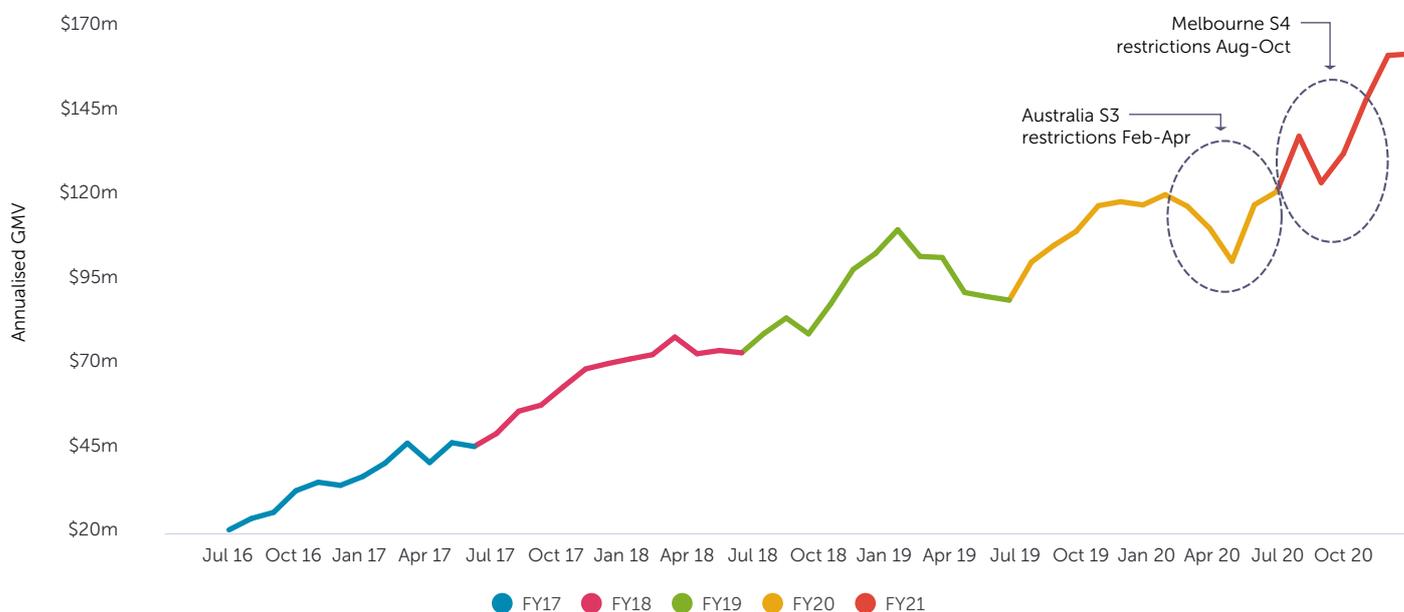
Adaptive customer demand ¹	
↓ 27%	Removals
↑ 31%	Pick up and delivery
↓ 52%	Cleaning
↑ 167%	Bicycle repair
↑ 22%	IT Support

1. Based on six-week posted Task volume average from week of 18 January 2020 compared to week of 18 April 2021 (three week moving average).

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GMV growth in the six-month period to December 2020 exceeded pre-COVID-19 rates. Airtasker believes that the 'V-shaped' recovery of its GMV growth trajectory following the lifting of government restrictions is also evidence of the resilience of its marketplace through uncertain or volatile periods.

Figure 3.27: Annualised GMV (\$ millions)



3.7.2 Community safety and wellbeing

Airtasker responded proactively to the impact of the COVID-19 pandemic, utilising direct communications and establishing an online COVID-19 Safety Centre to keep the Airtasker Community informed of government regulation and safe practices whilst completing Tasks. Airtasker's COVID-19 Safety Centre includes links to Australian Federal and State government public health advice, directions and apps, and guides to best practice health and safety principles in relation to COVID-19.

Airtasker took a number of further steps to support the Airtasker community in Australia by:

- working with the Australian Federal government representatives including the Department of Treasury to advocate for stimulus support to be made available to Taskers in the Airtasker marketplace, including freelancers and sole traders;
- providing a once-off assistance package designed to help Taskers receive more income from the Tasks they completed in the marketplace during the initial Stage 3 restrictions period. The value of the assistance package equated to 50% of Service Fees charged on Tasks that were both assigned and completed within Australia between 1 April to 28 April 2020; and
- restoring the tier status of Taskers based in Melbourne in order to mitigate the negative impact of the lockdown period. Taskers' tiers were restored to the status achieved before Stage 4 restrictions were implemented, by excluding the period 2 August 2020 to 18 October 2020 from tier status calculations.

3.7.3 Employee safety and wellbeing

Airtasker executed on a comprehensive COVID-19 operational response to address the safety and wellbeing of Airtasker employees and team members and to ensure ongoing business continuity by:

- in March 2020, shifting all employees and team members in both Sydney and Manila offices to a full remote working environment and providing access to additional mobile devices, software, hardware and enhanced internet connectivity where required;
- implementing remote-first policies, meeting rituals and cultural standards including the creation of remote-friendly social events, fitness training and telehealth counselling services; and
- where government regulations have permitted, gradually re-opening offices and obtaining certification as a COVID-19 Safe Office (including employee training and induction to relevant safety protocols).

Given the predominantly knowledge-based and online nature of Airtasker's operations, business productivity has been largely uninterrupted during the COVID-19 pandemic.

3.8 Growth opportunities

Airtasker is exploring a number of opportunities to increase Customer and Tasker acquisition, improve usage frequency and expand the addressable market including:

- **Growth marketing** – investing in organic and paid marketing initiatives to drive new Customer acquisition and organic marketing initiatives to drive new Tasker acquisition;
- **Airtasker Superstore** – establishing new marketplace models to increase Customer and Tasker usage frequency; and
- **International expansion** – launching into new geographic markets.

3.8.1 Growth marketing

Leveraging strong Gross Margins and user generated content, Airtasker believes there is significant potential to continue investing into a number of organic and paid growth marketing initiatives with a positive return on investment.

Airtasker is currently engaged in all the following initiatives to varying degrees, and believes that continued (and, in some cases, increased) investment in these areas may be strong growth drivers in the forecast period and beyond:

- **Search engine optimisation (SEO)** – improving the ability of potential Customers to discover Airtasker service solutions through search engines (e.g. Google, Bing).
- **Customer messaging (CRM)** – communicating with Customers and Taskers to share Airtasker content, recommendations and special offers through email and mobile push notifications.
- **Performance marketing** – promoting Airtasker service solutions through paid advertising and sponsored content on social networks, search engines and advertising display networks (e.g. Facebook, Instagram, Google).
- **Content and press** – creating engaging content (e.g. interviews, how-to guides) to attract Customers and promoting this content via social and third party owned media channels.
- **Conversion rate optimisation (CRO)** – testing and iterating on features and enhancements in the Customer purchase process to reduce friction and improve conversion.

Airtasker also invests into building awareness, consideration and confidence in the Airtasker marketplace through indirect marketing channels including above the line advertising.

3.8.2 Airtasker Superstore

To date, Airtasker has almost exclusively connected Customers to service solutions provided by Taskers via the Open Marketplace model (as that term is described in Section 3.4.1) in which Customers describe the problem they need solved (posting a Task) and Taskers are empowered to solve that problem (making an offer to complete the Task).

Airtasker believes that the Open Marketplace model is well suited to delivering a service solution when the Customer is able to clearly identify, describe and price the problem they need solved.

However Airtasker believes that the introduction of new **marketplace models** can enable significant growth by making Customers aware of a wider range of service solutions available through Airtasker's marketplace and making it easier for Customers to purchase those services. Airtasker refers to the collective set of marketplace models available as the **Airtasker Superstore**. The introduction of new marketplace models is a medium-term growth initiative which is not expected to generate material revenue in the forecast period to June 2021. Examples of new marketplace models being introduced include:

Airtasker Listings

Airtasker Listings is a marketplace model that enables Taskers to create predefined packages of services with fixed prices, that will be promoted through the Airtasker platform and available to be booked by Customers.

For Taskers, Airtasker Listings is designed to create an online shopfront that enables Taskers to showcase their unique skills and to make their service offerings continuously available for online purchase.

For Customers, Airtasker Listings is designed to create a shopping experience that enables Customers to browse, discover and select from a wide range of services available for immediate purchase.

Airtasker believes that Airtasker Listings will enable Customers to discover and purchase an expanded set of services that they may not have otherwise been aware were available.

The functionality to create Airtasker Listings was made available to Taskers in November 2020 and, as at 31 December 2020, over 4,600 unique listings have been created offering over 10,000 individual service packages. Airtasker believes that these early data points indicate a strong appetite to create Airtasker Listings. Airtasker expects to enable Customers to be able to purchase Listings in early 2021.

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Instant Booking and Subscriptions

Airtasker has developed an Instant Booking marketplace model in which Customers can purchase certain services at standardised pricing (based on inputs provided by Taskers through a user research process). For services that recur regularly, Airtasker has also enabled a Subscription model in which Customers can set a weekly, fortnightly or monthly schedule for the service to be completed.

For Customers, the Instant Booking model makes it easier for Customers to book Tasks by standardising Task prices and descriptions and then allowing the Customer to book and pay for the service solution upfront. For Subscription services, Customers are able to access a recurring service without having to book Tasks each time they require the service.

For Taskers, the Instant Booking model also makes it easier to connect with work opportunities as services that have been booked upfront are able to be claimed by Taskers (who meet the predefined Reputation Passport criteria) without the need to make offers. For Subscription services, Taskers are also able to access a potential recurring income stream.

Airtasker believes that the Instant Booking and Subscription marketplace models will make it easier for Customers to purchase services and easier for Taskers to access work opportunities and may expand the addressable market of Customers who may not be willing or able to describe their Task in an Open Marketplace format.

As at 31 December 2020, the Instant Booking and Subscription models have been made available to Customers for a limited range of services including domestic cleaning and removalist services.

3.8.3 International expansion

Airtasker intends to drive growth by establishing marketplaces in new international geographies.

As Airtasker's Australian marketplace is now efficient and growing strongly, Airtasker believes it can replicate its marketplace model internationally in a scalable and efficient manner with minimal on-the-ground resources. This will involve Airtasker making its platform available in suitable new international markets and then employing growth initiatives to increase use of the platform in those markets. Airtasker's international expansion leverages:

- **Scalable technology** – investment into a technology layer which enables the marketplace to be configured in line with local requirements (e.g. including local currency, payment methods and time zones), with minimal additional software development required for English-language international markets;
- **Centralised operations** – investment into a growth marketing and customer support operation based in Sydney and Manila with capability to support new international markets with limited on-the-ground resources; and
- **Efficient marketing** – development of a cost-efficient and scalable marketing strategy that leverages user generated content to address a long tail of services not currently being addressed by local offerings in order to establish initial liquidity and network effects in due course.

As at 31 December 2020, the Australian marketplace currently represents approximately 99% of Airtasker's revenue, with the remaining 1% derived from the United Kingdom. In 2020, Airtasker established marketplaces in New Zealand, Singapore and Ireland. Meaningful revenue is yet to be generated in each of these markets and Airtasker intends to implement growth marketing initiatives as outlined above (including in the United Kingdom) on a staged basis as it scales internationally. Airtasker intends to commence operations in the United States in 2021.

3.9 Product and operations

3.9.1 Software development

Since inception, Airtasker has invested significant product, design and engineering resources into development of web, Android and iOS applications and underlying software that enable scalable and efficient marketplace operations.

The Airtasker marketplace is built upon the foundations of software developed and owned by Airtasker as well as software licensed to Airtasker by third parties under their standard terms and conditions. Licensed software includes cloud storage and data warehousing, security, user authentication and payment processing. Airtasker's software is primarily hosted via Amazon Web Services, providing a high degree of infrastructure scalability and data security.

Moving forward, Airtasker intends to further invest significant resources into the development of its software in order to provide secure and reliable access to the Airtasker marketplace, optimise user experience and develop new products and services.

3.9.2 Data function

Airtasker's Data function employs data engineering, data analytics and data science capabilities to improve user experience, drive growth initiatives and advance the quality of decision making, experimentation and opportunity identification at Airtasker.

Examples of utilising data to create value for Airtasker include:

- development of matching algorithms to personalise the Tasker experience by displaying Tasks relevant to their preferences;
- creation of a Task category prediction service that uses natural language processing; and
- establishment of a sophisticated user behaviour and analytics platform to empower product development teams by enabling them to assess how Customers and Taskers interact with the Airtasker marketplace.

Data capabilities are crucial to Airtasker's long-term success and Airtasker intends to invest significant resources into data engineering, data analytics and data science products going forward.

3.9.3 Privacy and data protection

Airtasker treats the privacy and protection of user data as a top priority.

The company is subject to the privacy laws which apply in each jurisdiction in which it operates and maintains a privacy policy in accordance with the Australian Privacy Act and European General Data Protection Legislation implementing practices, procedures and systems to mitigate privacy risk. Airtasker's privacy policy is available at: www.airtasker.com/privacy/.

Airtasker takes steps as required by law to protect personal information from misuse, loss, unauthorised access, modification or disclosure, and regularly reviews the security and reliability of its systems and processes in this regard.

Airtasker's system architecture enables it to separate and securely store sensitive customer data externally with specialist service providers. For example, payment information such as credit card and bank account details are not stored on Airtasker's systems and are managed via systems designed and maintained by Stripe (a well-established financial services and economic infrastructure provider). Integration with specialist authentication and data storage services also enables finely-tuned, secure access controls to meet specific business, organisational and compliance requirements whilst protecting user data.

Airtasker has policies and procedures in place for assessing and resolving personal data breaches and enters into confidentiality agreements with employees and contractors as appropriate in order to protect user data and intellectual property.

3.9.4 Community Guidelines

Airtasker provides its users with a set of Community Guidelines which outline the values and standards of behaviour expected from the community to promote a safe and rewarding marketplace experience. Airtasker's Community Guidelines are available at www.airtasker.com/community-guidelines/.

Airtasker has engaged a third party content moderation software provider which utilises machine learning algorithms and human powered content moderation tools and services to identify user generated content (including Tasks, profiles, messages and reviews) and user behaviour that breach Airtasker's Community Guidelines.

Airtasker removes certain user generated content and in some instances restricts access to users that engage in behaviour that breaches Airtasker's Community Guidelines.

3.9.5 Air Support

To support healthy marketplace operations and assist users through individual transactions where required, Airtasker has established the Air Support team. Air Support provides the Airtasker community with:

- guidance on how to use the Airtasker marketplace;
- assistance with payments, insurance and dispute resolution; and
- communication and moderation where required to manage compliance with Airtasker's Community Guidelines and Privacy Policy.

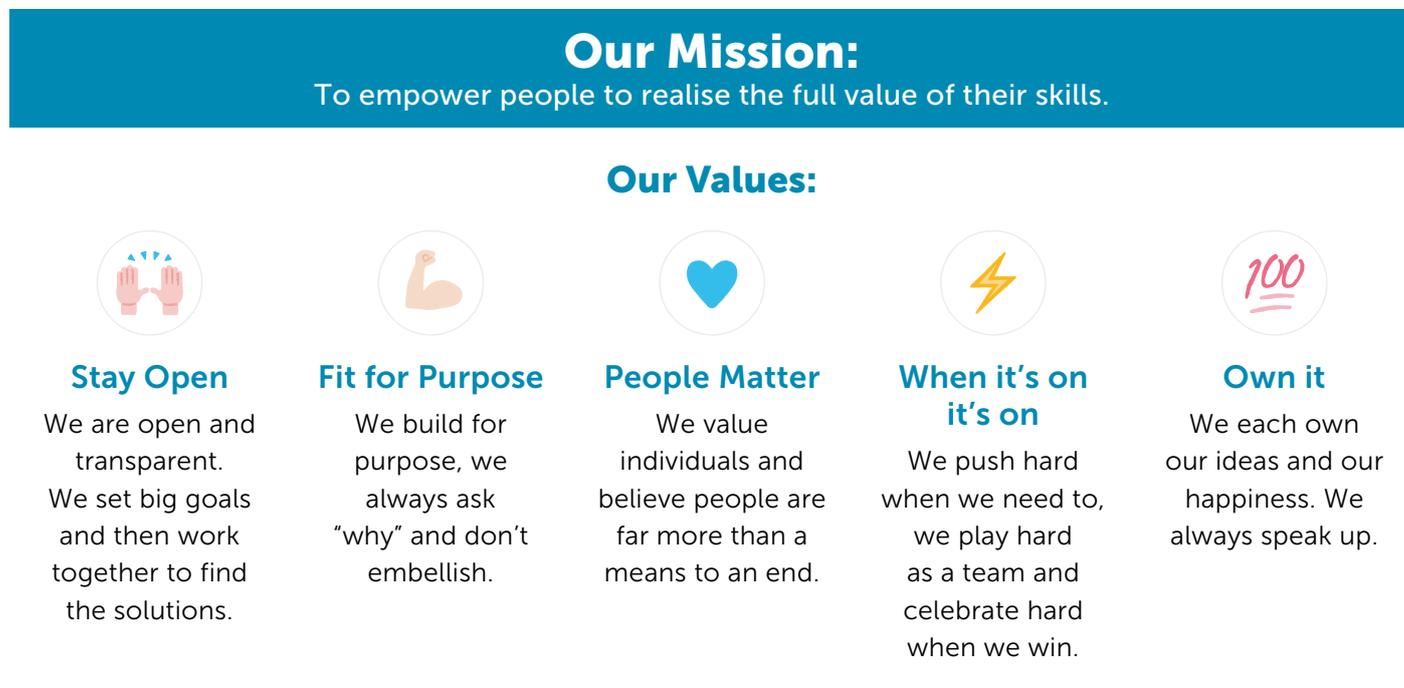
Air Support is also an important source of critical feedback from Customers and Taskers which is used to inform ongoing product development.

Air Support operations are based both in Airtasker's Sydney headquarters and in Manila.

3.10 Team and culture

The Airtasker team strives towards its mission supported by a culture of high performance, aligned with its values.

Figure 28: Airtasker's mission and values



3.10.1 Organisational structure

Airtasker has a team of 147 people, with 93 staff in Sydney, Australia and 54 staff engaged through a third party business administration service provider in Manila, Philippines²⁷.

In order to deliver on its mission, Airtasker hires people across a range of functional disciplines including software engineering, data science, product management, growth marketing, design, customer support, finance and people operations.

The organisation is primarily structured into independent, cross-functional product and growth teams that are fully empowered to deliver customer and business outcomes aligned to Airtasker's strategy. These teams are comprised of engineering, product management, growth marketing, data and design capabilities as necessary to deliver on specific strategic outcomes.

Data, platform engineering and customer support (Air Support) teams are also structured to be independent and support or work alongside product and growth teams to deliver customer and business outcomes.

Each of these teams is supported by centralised finance and people operations functions and guided by the Airtasker leadership team.

27. The Manila team members are employed by a third party business outsourcing provider in Manila, with which Airtasker has a contract. The Manila team members are not directly employed by Airtasker.

Figure 3.29: Staff by functional discipline¹

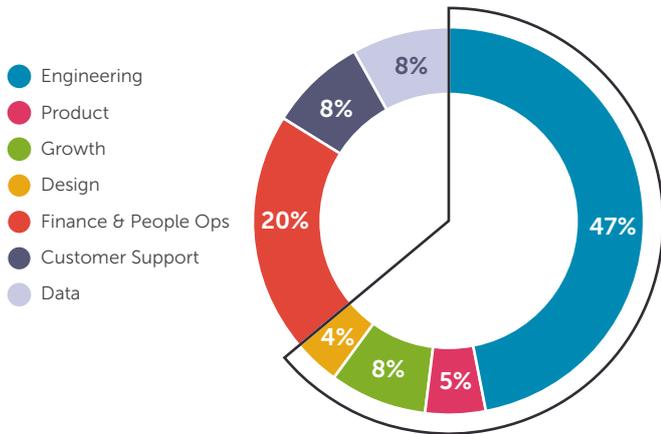
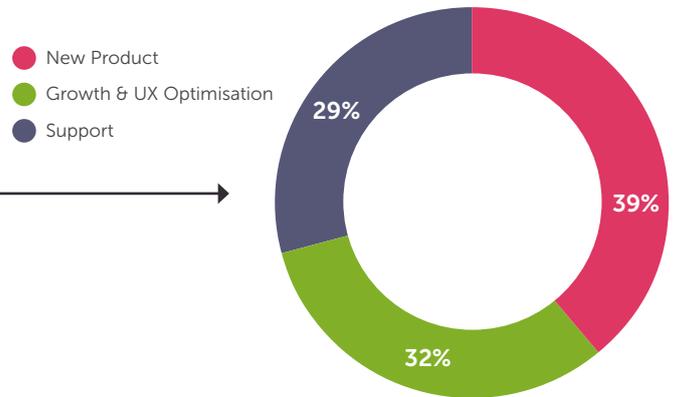


Figure 3.30: Product development by initiative type²



Notes:

1. Includes employees and contractors. Percentage of total base salaries for December 2020.
2. Employees and contractors. Percentage of total base salaries for December 2020. Staff from functional disciplines dedicated to product and growth initiatives.

3.10.2 Flexible work

Airtasker has headquarters in Sydney and operations in Manila, maintaining a flexible working approach with a combination of home-based, office-based and fully remote staff.

Moving forward, Airtasker intends to provide a remote-friendly working culture and believes that this will not only expand the ability to attract high quality talent but also improve overall business productivity.

Section 4

Financial Overview



4.1 Introduction

4.1.1 Financial information

4.1.1.1 Overview

The Financial Information of Airtasker contained in Section 4 includes the Historical Financial Information for the financial years ended 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) and the six months ended 31 December 2019 (1HFY20) and 31 December 2020 (**1HFY21**); the Statement of Financial Position as at 31 December 2020; and the Forecast Financial Information for the financial year ending 30 June 2021 (**FY21F**). The Statutory Financial Information and the Pro Forma Financial Information are together referred to as the Financial Information.

Table 4.1 : Overview of the Financial Information

	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	<p>Statutory Historical Financial Information comprises the:</p> <ul style="list-style-type: none"> statutory historical consolidated income statements for FY19 and FY20 (Statutory Historical Annual Income Statements) and 1HFY20 and 1HFY21 (Statutory Historical Half Year Income Statements) (together, the Statutory Historical Income Statements); statutory historical consolidated cash flows for FY19 and FY20 (Statutory Historical Annual Cash Flows) and 1HFY20 and 1HFY21 (Statutory Historical Half Year Cash Flows) (together, the Statutory Historical Cash Flows); and statutory historical consolidated statement of financial position as at 31 December 2020 (Statutory Historical Statement of Financial Position). 	<p>Pro Forma Historical Financial Information comprises the:</p> <ul style="list-style-type: none"> pro forma historical consolidated income statements for FY19 and FY20 (Pro Forma Historical Annual Income Statements) and 1HFY20 and 1HFY21 (Pro Forma Historical Half Year Income Statements) (together, the Pro Forma Historical Income Statements); pro forma historical consolidated cash flows for FY19 and FY20 (Pro Forma Historical Annual Cash Flows) and 1HFY20 and 1HFY21 (Pro Forma Historical Half Year Cash Flows) (together, the Pro Forma Historical Cash Flows); and pro forma historical consolidated statement of financial position as at 31 December 2020 (Pro Forma Historical Statement of Financial Position).
Forecast Financial Information	<p>Statutory Forecast Financial Information comprises the:</p> <ul style="list-style-type: none"> statutory forecast consolidated income statement for FY21F (Statutory Forecast Income Statement); and statutory forecast consolidated cash flows for FY21F (Statutory Forecast Cash Flows). 	<p>Pro Forma Forecast Financial Information comprises the:</p> <ul style="list-style-type: none"> pro forma forecast consolidated income statement for FY21F (Pro Forma Forecast Income Statement); and pro forma forecast consolidated cash flows for FY21F (Pro Forma Forecast Cash Flows).

Also summarised in Section 4 are:

- the basis of preparation and presentation of the Financial Information (refer to Section 4.2.1 and Section 4.2.2);
- an explanation of certain financial measures that are neither recognised by the Australian Accounting Standards Board (**AASB**) or under the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**) that are used by Airtasker and included in this Prospectus to assist investors in understanding the financial performance of the business (refer to Section 4.2.3);
- a summary of key pro forma operating and financial metrics (refer to Section 4.3.2);
- pro forma adjustments and reconciliations of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, respectively (refer to Section 4.3.1, Section 4.3.3 and Section 4.5);
- details of the cash and cash equivalents of Airtasker and its pro forma cash position at the assumed date of Completion (refer to Section 4.4.1);
- information regarding liquidity and capital resources (refer to Section 4.6.1 and Section 4.7);
- information regarding the contractual obligations, commitments, contingent liabilities and off-balance sheet arrangements of Airtasker (refer to Section 4.6.2);
- management's discussion and analysis of the Pro Forma Financial Information (refer to Section 4.9);

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- general and specific assumptions underlying the Forecast Financial Information (refer to Section 4.8);
- an analysis of the sensitivity of the Pro Forma Forecast Financial Information to changes in certain key assumptions (refer to Section 4.1); and
- a summary of the proposed dividend policy of Airtasker (refer to Section 4.11).

The Financial Information presented in this Prospectus has been reviewed by Deloitte Corporate Finance Pty Limited (Investigating Accountant) in accordance with the Australian Standard on Assurance Engagements (ASAE) ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information, as stated in its Investigating Accountant's Report. Investors should note the scope and limitations of the Investigating Accountant's Report (refer to Section 8 of this Prospectus).

The Financial Information in this Section 4 should be read in conjunction with Airtasker's Significant Accounting Policies, as set out in Appendix A, the risk factors described in Section 5, the Investigating Accountant's Report on Financial Information set out in Section 8 and the other information in this Prospectus.

Unless otherwise noted, all amounts disclosed in Section 4 are presented in Australian dollars (AUD or A\$), which is the Company's presentational and functional currency, and are rounded to the nearest A\$0.1 million. Some numerical tables included in this Prospectus have been subject to rounding adjustments. Any differences between totals and the sum of components in tables contained in this Prospectus are due to rounding.

4.2 Basis of preparation and presentation of the Financial Information

4.2.1 Overview and Preparation of the Financial Information

The Directors are responsible for the preparation and presentation of the Financial Information. The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding Airtasker's underlying historical financial performance, cash flows and financial position, together with the forecast financial performance and cash flows for FY21F.

The Financial Information in this Prospectus has been prepared in accordance with the measurement and recognition principles of Australian Accounting Standards (AAS) adopted by the AASB, which are consistent with IFRS issued by the IASB.

The Financial Information is presented in abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Airtasker's Significant Accounting Policies are set out in Appendix A. Airtasker's accounting policies have been consistently applied in the preparation of the Financial Information, including in relation to the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Prospectus and does not reflect the actual financial results and cash flows of Airtasker for the periods indicated. Airtasker believes that the Pro Forma Historical Financial Information provides useful information as it permits investors to examine what it considers to be the underlying financial performance and cash flows of the business presented on a consistent basis with the Pro Forma Forecast Financial Information.

The Prospectus includes Forecast Financial Information based on the specific and general assumptions of Airtasker set out in Section 4.8. The Forecast Financial Information presented in this Prospectus is unaudited.

In addition to the Financial Information, Section 4.2.3 describes certain non-IFRS financial measures that are used to manage and report on Airtasker's business that are not defined under or recognised by AAS or IFRS.

4.2.1.1 Critical accounting judgements and estimates

Preparing financial statements in accordance with AAS requires Airtasker to make judgements, estimates and assumptions about the application of accounting policies that affect the reported revenues and expenses, carrying values of assets and liabilities and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current and future periods. Judgements that have been made in the application of AAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next financial year are disclosed, where applicable, in the relevant notes to Airtasker's financial statements when these are prepared.

Key areas in which critical estimates and judgements are applied include the capitalisation of platform development costs, determination of the useful life of the software platform, share-based payments and unclaimed Customer credits from cancelled Tasks, as described in Airtasker's Significant Accounting Policies outlined in Appendix A.

4.2.1.2 Segment Information

Airtasker manages its operations as a single business operation and there are no parts of the business that qualify as operating segments under AASB 8 Operating Segments (AASB 8). Airtasker assesses the financial performance of the Group on an integrated basis and accordingly, the Group is managed on the basis of a single segment.

4.2.2 Preparation of the Financial Information

4.2.2.1 Preparation of the Historical Statutory Financial Information

The Statutory Historical Financial Information has been extracted from the audited general purpose consolidated financial statements of Airtasker Pty Ltd and its controlled entities for FY20, including audited comparative financial information for FY19 (the **Audited Financial Statements**).

The Audited Financial Statements were prepared in accordance with AAS as issued by the AASB which is consistent with IFRS as issued by the IASB and were audited by RSM Australia Partners in accordance with the Australian Auditing Standards. RSM Australia Partners issued an unqualified audit opinion in respect of the Audited Financial Statements.

The Historical Financial Information for 1HFY20 and 1HFY21 has been extracted from the half-year interim consolidated financial statements for 1HFY21 (which included comparative financial information for 1HFY20) (the **Interim Financial Statements**), which were reviewed by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified review conclusion on the Interim Financial Statements.

Investors should note that past results are not a guarantee of future performance.

4.2.2.2 Preparation of Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared solely for inclusion in this Prospectus and has been derived from the Statutory Historical Financial Information and adjusted for the effects of the pro forma adjustments described in Sections 4.3.3, 4.4.2 and 4.5 of the Prospectus, which provide reconciliations of the Statutory Historical Financial Information to the Pro Forma Historical Financial Information.

The Pro Forma Historical Income Statements and Pro Forma Historical Cash Flows include pro forma adjustments to reflect:

- the interest expense associated with convertible notes that were on issue in FY19 and have subsequently been converted, together with the fair value movement in relation to preference shares that were issued in FY20;
- the impact of removing share-based payment expenses in respect of existing Employee Options granted to the CEO, Chairperson and former employees that will be exercised on Completion;
- the estimated costs of the Offer; and
- the estimated costs associated with operating as a listed public company as if they were incurred from 1 July 2018.

Refer to Section 4.3.3 for the pro forma adjustments made to the Statutory Historical Annual and Forecast Income Statements, and the pro forma adjustments made to the Statutory Historical Half Year Income Statements.

Refer to Section 4.4.2 for the pro forma adjustments made to the Statutory Historical Annual and Forecast Cash Flows, and the pro forma adjustments made to the Statutory Historical Half Year Cash Flows.

The Pro Forma Historical Statement of Financial Position includes pro forma adjustments to reflect the impact of the Offer as if it had occurred as at 31 December 2020, including:

- the impact of certain existing Employee Options that will be exercised on Completion;
- the conversion of SAFE notes and preference shares into ordinary shares; and
- the funds raised through the Offer, including the payment of the costs of the Offer which are partly expensed and partly offset against share capital.

The Pro Forma Historical Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the future financial position of Airtasker.

Refer to Section 4.5 for the pro forma adjustments made to the Statutory Historical Statement of Financial Position and a reconciliation of the Statutory Historical Statement of Financial Position to the Pro Forma Historical Statement of Financial Position.

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4.2.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared solely for the inclusion in this Prospectus. The Forecast Financial Information is presented on both a statutory and pro forma basis for FY21F.

The basis of preparation and presentation of the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information is consistent with the basis of preparation and presentation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, respectively.

The Forecast Financial Information has been prepared by the Directors with due care and attention based on an assessment of current economic and operating conditions and on best estimate general and specific assumptions regarding future events and actions set out in Section 4.8. The disclosure of these assumptions is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and the effect on the Forecast Financial Information if they do not occur and is not intended to be a representation that the assumptions will occur. Investors should be aware that the assumptions may not eventuate in full or in part and investors are cautioned not to place undue reliance on the Forecast Financial Information. The Forecast Financial Information should be read in conjunction with the sensitivity analysis set out in Section 4.10, the risk factors set out in Section 5, the Significant Accounting Policies included in Appendix A, the Investigating Accountant's Report included in Section 8 and the other information included in this Prospectus.

Airtasker believes the best estimate general and specific assumptions set out in Section 4.8, when taken as a whole, to be reasonable at the time of preparing the Prospectus. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information and that this may have a material positive or negative effect on Airtasker's actual financial performance, financial position and cash flows. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Airtasker or its Directors, and are not reliably predictable. Accordingly, none of Airtasker or its Directors or any other person can give investors any assurance that the outcomes disclosed in the Forecast Financial Information will be realised.

Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on Airtasker's financial performance, financial position or cash flows.

Airtasker does not intend to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation or ASX continuous disclosure obligations.

The Forecast Financial Information is presented on both a Statutory and Pro Forma basis. The Statutory Forecast Income Statement and Statutory Forecast Cash Flows for FY21F incorporate the results for 1HFY21 included in the Interim Financial Statements, and the forecast trading results for 2HFY21. The Statutory Forecast Income Statement and Statutory Forecast Cash Flows for FY21F each have regard to the trading performance of Airtasker up until the date of lodgement of the Prospectus.

The Pro Forma Forecast Income Statement and Pro Forma Forecast Cash Flows have been derived from the Statutory Forecast Income Statement and the Statutory Forecast Cash Flows, after applying pro forma adjustments (as if those adjustments took effect from 1 July 2020) to reflect Airtasker's expected operating and capital structure following Completion, including:

- the incremental costs of being a publicly listed entity;
- eliminating the estimated Offer costs, including transaction-related bonuses paid to Management and Non-Executive Directors, expected to be expensed; and
- the impact of removing share-based payment expenses recorded in the period between 1 July 2020 and Completion in respect of existing Employee Options granted to the CEO, Chairperson and former employees that will be exercised on Completion.

Reconciliations of the Statutory Forecast Financial Information to the Pro Forma Forecast Financial Information are outlined in Sections 4.3.3 and 4.4.2.

4.2.3 Explanation of certain non-IFRS and other financial measures

In addition to Airtasker's financial information presented in accordance with AAS and IFRS, Airtasker uses certain measures to manage and report on its business that are not recognised under AAS or IFRS. These measures are collectively referred to in this Section 4 and under Regulatory Guide 230 Disclosing Non-IFRS Financial Information published by ASIC as non-IFRS financial measures. The principal **non-IFRS financial measures** that are referred to in this Prospectus are outlined in this Section 4.2.3.

Although Airtasker believes that these measures provide useful information about the financial performance of the business because they provide consistency and comparability with past financial and operational performance, they are presented for supplemental informational purposes only, have limitations as analytical tools, and should not be considered in isolation or as a substitute to the financial information measures that have been presented in accordance with AAS and IFRS.

As these financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Airtasker calculates and presents these measures may differ from similarly titled measures used by other companies, and may therefore not be comparable to similarly titled metrics used by other companies. Further, as these financial measures are defined by Airtasker, these definitions may be revised over time or may no longer represent a useful indication of financial performance. Investors should not place undue reliance on these non-IFRS financial measures. These non-IFRS financial measures that are referred to in this Prospectus include the following:

- **Gross Marketplace Volume (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, fees payable by Customers and Taskers to Airtasker, and any applicable sales taxes.
- **Take Rate** represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.
- **Unique Paying Customers** represents the number of unique Customers who assign a Task in a given financial period.
- **Paying Customers** represents a Customer who assigns a Task through the Airtasker marketplace.
- **Average Task Value** represents the total GMV in a given financial period divided by the total number of assigned Tasks in the same period.
- **Frequency** represents the number of times a Unique Paying Customer assigns a Task in a given financial period.
- **Cost of Sales (COS)** refers to Section 4.8.2.3
- **Gross Profit** represents Airtasker's revenue after Cost of Sales.
- **Gross Profit Margin** or **Gross Margin** represents Gross Profit expressed as a percentage of Airtasker's revenue.
- **Gross Profit after Paid Advertising (GPAPA)** represents revenue after Cost of Sales less Paid and Direct Marketing expense.
- **Paid and Direct Marketing expense** refers to paid advertising and sponsored content on social networks, search engines and advertising display networks (e.g. Facebook, Instagram, Google).
- **Customer Acquisition Cost** is calculated as Paid and Direct Marketing expense divided by the total new Paying Customers in a given financial period.
- **Employee benefits expense** – refer to Section 4.8.2.4
- **Sales and marketing expense** – refer to Section 4.8.2.4
- **General and administration expense (G&A)** – refer to Section 4.8.2.4
- **EBITDA** represents earnings or losses before interest, taxation, depreciation and amortisation.
- **EBIT** represents earnings or losses before interest and taxation.
- **Working Capital** represents the sum of trade and other receivables, prepayments and other current assets less trade and other payables, accruals, contract liabilities, current provisions and other current liabilities including stored value liabilities (Customer credits).
- **Capital Expenditure** represents costs related to the acquisition of property, plant and equipment.
- **Capitalised development cost** relates to significant enhancements to Airtasker's platform from which Airtasker expects to derive a future benefit, which are capitalised in accordance with AASB 138.
- **Non-cash items** represents expenses included in EBITDA of a non-cash nature (e.g. share-based payment expenses, contra advertising expenses and asset impairments).

4.2.4 Foreign currency

Airtasker transacts in currencies other than its reporting currency (the Australian Dollar (AUD)), most notably the US Dollar (USD).

Airtasker's revenue is primarily denominated in AUD, although there is a small component of revenue denominated in other currencies (less than 1% in FY20). Cost of Sales and operating expenses are primarily incurred in AUD, with approximately \$2.9 million (13%) of total pro forma operating expenses in FY20 related to the costs of operations located in the Philippines and some IT subscriptions, which are paid in USD.

Airtasker is exposed to the net impact of movements in exchange rates in the foreign currencies in which the revenue is denominated, or in which the services are provided, and hence is subject to both realised and unrealised gains and losses on foreign currency movements.

4.3 Historical and Forecast Income Statements

4.3.1 Pro Forma Historical and Forecast Annual Income Statements and Statutory Forecast Income Statement

Table 4.2 : Pro Forma Historical and Forecast Annual Income Statements and Statutory Forecast Income Statement

\$ millions	Notes	Pro Forma ¹			Statutory
		Historical	Forecast		Forecast
		FY19	FY20	FY21F	FY21F
Revenue	2	14.0	19.3	24.5	24.5
Cost of sales	3	(1.3)	(1.3)	(1.7)	(1.7)
Gross profit		12.8	17.9	22.8	22.8
Employee benefits expense	4	(19.2)	(15.3)	(16.2)	(21.1)
Sales and marketing expense	5	(10.8)	(1.2)	(5.4)	(5.4)
General and administration expense	6	(9.2)	(5.4)	(5.4)	(6.6)
Operating expenses		(39.3)	(21.9)	(27.1)	(33.1)
Other income	7	0.3	0.1	0.1	0.1
EBITDA		(26.2)	(3.9)	(4.2)	(10.2)
Depreciation and amortisation	8	(0.9)	(1.2)	(2.0)	(2.0)
EBIT		(27.1)	(5.1)	(6.2)	(12.2)
Net interest income/(expense)	9	(0.1)	(0.1)	(0.0)	(0.0)
Profit/(loss) before tax		(27.2)	(5.2)	(6.2)	(12.3)
Income tax benefit/(expense)	10	–	–	–	–
Net profit/(loss) after tax		(27.2)	(5.2)	(6.2)	(12.3)

Notes:

1. Statutory Historical Annual Income Statements are set out in Table 4.8 in Section 4.3.4 and a reconciliation between the Pro Forma and Statutory Income Statements is included in Table 4.6 in Section 4.3.3.
2. Airtasker generates the majority of its revenue from fees charged to Taskers and Customers. Refer to Section 4.8.2.2 for further information.
3. Cost of Sales comprises merchant fees for payment facilitation and third party liability insurance premiums.
4. Employee benefits expense is presented after capitalising employee expenses incurred in relation to development activities. A reconciliation of the total expenditure in relation to development activities is set out in Section 4.7. In FY20 and FY21, Airtasker received \$0.6 million and \$0.8 million respectively in JobKeeper support from the Australian government, of which \$0.5 million and \$0.5 million has been offset against Employee benefits expense respectively. Employee benefits expense also includes certain costs expected to be incurred as a publicly listed company including fees paid to non-executive Directors, bonuses to Directors and management (in Statutory Forecast only) and increases in management salaries reflecting Airtasker's transition to a listed company.
5. Sales and marketing expense includes a non-cash advertising expense (FY19: \$2.9 million; FY20: \$0.0 million; FY21F: \$2.4 million) which was provided by Seven West Media as part of its investment in Airtasker.
6. General and administration expense relates to hosting and software expenses, professional fees, corporate insurances (excluding third party liability insurance that is included in Cost of Sales) together with other administration expenses, as well as certain costs expected to be incurred as a publicly listed company, including ASX and share registry fees amongst others.
7. Other income in FY20 and FY21 includes \$0.1 million and \$0.1 million respectively from the government cash flow boost relating to COVID-19. In FY19 it also included revenue of \$0.3 million from a licensing agreement with a corporate customer that was discontinued in August 2019 (revenue from this customer in FY20 was immaterial).
8. Depreciation relates to the depreciation of property, plant and equipment, including leasehold improvements and the right-of-use asset recognised under AASB 16. Assets are depreciated over their useful lives in accordance with Airtasker's Significant Accounting Policies set out in Appendix A. Amortisation represents amortisation of internally developed software and intellectual property. Assets are amortised over their useful lives in accordance with Airtasker's Significant Accounting Policies set out in Appendix A.
9. Net interest income/expense relates to interest income net of the interest component recognised in accounting for leases under AASB 16.
10. Tax expense represents taxable profit at the tax rates relevant to the jurisdictions in which Airtasker operates. As Airtasker is not yet in a tax payable position and has accumulated tax losses, it may be able to offset future income tax payable. As such, no income tax expense has been recognised.

Table 4.3: Pro Forma Historical Half Year Income Statements

\$ millions	Notes	Pro Forma Historical ¹	
		1HFY20	1HFY21
Revenue	2	9.4	12.6
Cost of Sales	3	(0.6)	(0.8)
Gross Profit		8.7	11.8
Employee benefits expense	4	(7.7)	(7.4)
Sales and marketing expense	5	(0.6)	(2.1)
General and administration expense	6	(3.0)	(2.3)
Operating expenses		(11.3)	(11.8)
Other income	7	0.0	0.1
EBITDA		(2.6)	0.0
Depreciation and amortisation	8	(0.6)	(0.9)
EBIT		(3.1)	(0.8)
Net interest income/(expense)	9	0.0	0.0
Profit/(loss) before tax		(3.1)	(0.8)
Income tax benefit/(expense)	10	–	–
Net profit/(loss) after tax		(3.1)	(0.8)

Notes:

1. The Statutory Historical Half Year Income Statements are set out in Table 4.8 included in Section 4.3.4. A reconciliation between the Statutory and Pro Forma Historical Half Year Income Statements is provided in Table 4.7 in Section 4.3.3.
- 2-4, 6-10: Refer to the Notes attached to Table 4.2.
5. Sales and marketing expense includes a non-cash advertising expense (1HFY20: \$0.0 million; 1HFY21: \$1.7 million) which was provided by Seven West Media as part of its investment in Airtasker.

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4.3.2 Key operating and financial metrics

Table 4.4 : Pro Forma Historical and Forecast Annual Operating and Financial Metrics

Year ended June	Notes	Pro Forma Historical		Pro Forma Forecast
		FY19	FY20	FY21F
Key operating metrics				
Unique Paying Customers (millions)	1	0.32	0.37	0.41
Growth in Unique Paying Customers (% increase YoY)		n/a	13%	10%
Frequency (times)	1	1.9	1.9	1.9
Average Task Value (\$)	1	152	159	189
Gross Marketplace Volume (\$m)	1	93.2	113.2	143.7
Gross Marketplace Volume (\$m increase YoY)		n/a	20.0	30.5
Gross Marketplace Volume (% increase YoY)		n/a	21%	27%
Key financial metrics				
Revenue (\$m)		14.0	19.3	24.5
Revenue growth (\$m increase YoY)		n/a	5.2	5.3
Revenue growth (% increase YoY)		n/a	37%	27%
Average Revenue per transaction (\$)	2	22.83	27.03	32.24
Take Rate %	1	15.1%	17.0%	17.1%
Gross Profit (\$m)	1	12.8	17.9	22.8
Gross Profit growth (\$m increase YoY)		n/a	5.2	4.9
Gross Profit growth (% increase YoY)		n/a	40%	27%
Gross Profit Margin %	1	91%	93%	93%
GPAPA (\$m)	1	7.3	17.3	20.5
GPAPA (% of revenue)		52%	90%	84%
Paid and Direct Marketing expense (% of revenue)	1	39%	3%	9%

Notes:

1. Definitions of these items are included in Section 4.2.3.
2. Calculated as revenue divided by number of assigned tasks (Unique Paying Customers x Frequency).

Table 4.5: Pro Forma Historical Half Year Operating and Financial Metrics

Half year ended December	Notes	Pro Forma Historical	
		1HFY20	1HFY21
Key operating metrics			
Unique Paying Customers (millions)	1	0.18	0.20
Growth in Unique Paying Customers (% increase YoY)		n/a	12%
Frequency (times)	1	1.9	1.9
Average Task Value (\$)	1	158	190
Gross Marketplace Volume (\$m)	1	55.9	72.5
Gross Marketplace Volume (\$m increase YoY)		n/a	16.6
Gross Marketplace Volume (% increase YoY)		n/a	30%
Key financial metrics			
Revenue (\$m)		9.4	12.6
Revenue growth (\$m increase YoY)		n/a	3.2
Revenue growth (% increase YoY)		n/a	35%
Average Revenue per transaction (\$)	2	26.58	33.16
Take Rate %	1	16.8%	17.4%
Gross Profit (\$m)	1	8.7	11.8
Gross Profit growth (\$m increase YoY)		n/a	3.1
Gross Profit growth (% increase YoY)		n/a	35%
Gross Profit Margin %	1	93%	94%
GPAPA (\$m)	1	8.2	11.7
GPAPA (% of revenue)		88%	93%
Paid and Direct Marketing expense (% of revenue)	1	5%	1%

Notes:

1. See Notes to Table 4.4.

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4.3.3 Pro Forma adjustments to Statutory Historical and Forecast Income Statements

Table 4.6: Pro Forma adjustments to Statutory Historical Annual and Forecast Income Statements

\$ millions	Notes	Historical		Forecast
		FY19	FY20	FY21F
Statutory EBITDA		(27.6)	(6.0)	(10.2)
Share-based payment expense	1	3.2	3.9	3.5
Offer costs	2	–	–	4.0
Incremental listed company costs	3	(1.8)	(1.8)	(1.4)
Pro Forma EBITDA		(26.2)	(3.9)	(4.2)

\$ millions	Notes	Historical		Forecast
		FY19	FY20	FY21F
Statutory NPAT		(29.7)	(10.3)	(12.3)
Share-based payment expense	1	3.2	3.9	3.5
Offer costs	2	–	–	4.0
Incremental listed company costs	3	(1.8)	(1.8)	(1.4)
Interest expense	4	1.1	3.0	–
Pro Forma NPAT		(27.2)	(5.2)	(6.2)

Notes:

- Share-based payment expense:** This adjustment removes share-based payment expenses in relation to a legacy incentive scheme awarded to the CEO as well as options issued to the Chairperson and former employees that will be exercised on Completion that will not be representative of the expenses expected to be incurred as a listed company.
- Offer Costs:** Total transaction costs (including transaction related bonuses to certain members of Management and Non-executive Directors) related to the Offer that are expected to be borne by the Company are estimated at A\$4.9 million, of which A\$0.9 million are directly attributable to the issue of new Shares by Airtasker and will be offset against equity raised in the Offer. The remaining A\$4.0 million relates to the sale of existing Shares and is included within employee benefits expense and general and administrative expense in the FY21F Statutory Forecast Income Statement. These costs do not include Offer Costs being borne by Selling Shareholders, estimated to total \$3.4 million.
- Incremental listed company costs:** Airtasker's estimate of incremental annual costs as a result of being a listed company. These costs include Directors' fees, changes to management salary expenses to reflect revised contract terms, ASX fees, share registry costs, audit and legal fees, Directors' and officers' insurance premiums, investor relations costs, annual general meetings costs, annual report costs and other listed company costs. The partial adjustment for FY21F reflects that some of these costs are expected to be incurred in the Statutory Forecast Income Statement for FY21F.
- Removal of interest expense:** This adjustment removes the interest expense associated with convertible notes that were on issue in FY19 and which were subsequently converted to ordinary shares, as well as the fair value through profit and loss movement associated with preference shares that were on issue in FY20 that will convert to ordinary shares on Completion.

Table 4.7: Pro Forma adjustments to Statutory Historical Half Year Income Statements

\$ millions	Notes	1HFY20	1HFY21
Statutory EBITDA		(3.6)	(1.1)
Share-based payment expense	1	1.9	1.6
Offer costs	2	–	0.5
Incremental listed company costs	3	(0.9)	(0.9)
Pro forma EBITDA		(2.6)	0.0

\$ millions	Notes	1HFY20	1HFY21
Statutory NPAT		(7.1)	(2.0)
Share-based payment expense	1	1.9	1.6
Offer costs	2	–	0.5
Incremental listed company costs	3	(0.9)	(0.9)
Interest expense	4	3.0	–
Pro forma NPAT		(3.1)	(0.8)

Notes:

1 & 3-4. Refer to the Notes to Table 4.6.

2. As at 31 December 2020, \$0.5m of Offer Costs had been expensed and \$0.2m had been capitalised.

4.3.4 Statutory Historical Income Statements

Table 4.8: Statutory Historical Income Statements for FY19, FY20, 1HFY20 and 1HFY21

\$ millions	Notes	Statutory Historical			
		FY19	FY20	1HFY20	1HFY21
Revenue	2	14.0	19.3	9.4	12.6
Cost of Sales	3	(1.3)	(1.3)	(0.6)	(0.8)
Gross Profit		12.8	17.9	8.7	11.8
Employee benefits expense	4	(21.3)	(18.2)	(9.1)	(8.5)
Sales and marketing expense	5	(10.8)	(1.2)	(0.6)	(2.1)
General and administration expense	6	(8.5)	(4.7)	(2.7)	(2.4)
Operating expenses		(40.7)	(24.0)	(12.3)	(13.0)
Other income	7	0.3	0.1	0.0	0.1
EBITDA		(27.6)	(6.0)	(3.6)	(1.1)
Depreciation and amortisation	8	(0.9)	(1.2)	(0.6)	(0.9)
EBIT		(28.5)	(7.3)	(4.1)	(2.0)
Net interest income/(expense)	9	(1.2)	(3.0)	(2.9)	0.0
Profit/(loss) before tax		(29.7)	(10.3)	(7.1)	(2.0)
Income tax benefit/(expense)	10	–	–	–	–
Net profit/(loss) after tax		(29.7)	(10.3)	(7.1)	(2.0)

Notes:

Refer to the Notes to Table 4.2.

4.4 Historical and Forecast Cash Flows

4.4.1 Pro Forma Historical and Forecast Cash Flows and Statutory Forecast Cash Flows

Table 4.9: Summary Pro Forma Historical Annual and Forecast Cash Flows and Statutory Forecast Cash Flows

\$ millions	Notes	Pro Forma			Statutory
		Historical	Forecast		Forecast
		FY19	FY20	FY21	FY21F
EBITDA		(26.2)	(3.9)	(4.2)	(10.2)
Change in working capital	1	2.9	0.8	1.8	1.8
Non-cash items	2	4.2	1.0	3.5	8.5
Cash flow from operating activities		(19.1)	(2.1)	1.1	0.1
Payment of lease liabilities	3	(0.4)	(0.4)	(0.5)	(0.5)
Payments for property, plant and equipment		(0.2)	(0.1)	(0.1)	(0.1)
Capitalised development costs	4	(0.5)	(2.5)	(5.4)	(5.4)
Net cash flow before interest and financing		(20.2)	(5.1)	(4.8)	(5.9)
Interest received				0.0	0.0
Interest paid				–	–
Net cash flow before financing				(4.8)	(5.8)
Proceeds from share capital raised	5				16.9
Offer costs	6				(0.9)
Net cash flow					10.2

Notes:

- Change in Working Capital** comprises changes in trade and other receivables, prepayments and other current assets, trade and other payables, accruals, contract liabilities, current provisions and other current liabilities including stored value liabilities.
- Non-cash items** primarily includes share-based payment expenses and non-cash marketing expenses.
- Payment of lease liabilities** primarily comprises cash payments in respect to the rental of the Company's office premises accounted for in accordance with accounting for leases under AASB 16.
- Capitalised development costs** represent payments for salaries and wages and payments for IT subscriptions in respect of development associated with the Company's intellectual property. In FY20 and FY21F, these costs are presented net of \$0.1 million and \$0.3 million JobKeeper support, in addition to \$0.5 million and \$0.5 million JobKeeper support that is already included in EBITDA for each year respectively.
- Proceeds from share capital raised** relate to the capital raised under the Primary Offer and proceeds from the exercise of Employee Options by the CEO, advisors and ex-employees prior to the Offer.
- Offer costs** of \$0.9 million reflect the costs of the Offer which are expected to be capitalised against equity in relation to the primary capital raising and are in addition to the Offer costs of \$4.0 million which are expected to be expensed to the income statement. Total Offer costs borne by Airtasker amount to \$4.9 million.

Table 4.10: Summary Pro Forma Historical Half Year Cash Flows

\$ millions	Note	Pro Forma Historical	
		1HFY20	1HFY21
EBITDA		(2.6)	0.0
Change in working capital	1	0.6	1.1
Non-cash items	2	0.2	2.5
Cash flow from operating activities		(1.8)	3.6
Payment of lease liabilities	3	(0.2)	(0.2)
Payments for property, plant and equipment		(0.1)	(0.0)
Capitalised development costs	4	(1.3)	(2.4)
Net cash flow before interest and financing		(3.3)	1.0

Notes:

Refer to the Notes attached to Table 4.9.

4.4.2 Pro Forma adjustments to the Statutory Historical Annual Cash Flows and Statutory Forecast Cash Flows

Table 4.11: Pro Forma adjustments to Annual Statutory Historical and Forecast Cash Flows

\$ millions	Note	Historical		Forecast
		FY19	FY20	FY21F
Statutory net cash flow before interest and financing		(18.6)	(3.5)	(5.9)
Offer costs ¹	1	–	–	2.2
Incremental listed company costs ²	2	(1.5)	(1.5)	(1.2)
Pro Forma net cash flow before interest and financing		(20.2)	(5.1)	(4.8)

Note:

- Offer costs: \$2.2m represents the cash component included in Statutory EBITDA of the total Offer costs of \$4.0m.
- Incremental listed company costs: Airtasker's estimate of incremental annual costs as a result of being a listed company. These costs include Directors' fees, changes to management salary expenses to reflect revised contract terms, ASX fees, share registry costs, audit and legal fees, Directors' and officers' insurance premiums, investor relations costs, annual general meetings costs, annual report costs and other listed company costs. The partial adjustment for FY21F reflects that some of these costs are expected to be incurred in the Statutory Forecast Income Statement for FY21F.

Table 4.12: Pro Forma adjustments to Statutory Historical Half Year Cash Flows

\$ millions	Note	Historical	
		1HFY20	1HFY21
Statutory net cash flow before interest and financing		(2.6)	1.7
Offer costs	1	–	0.1
Incremental listed company costs	2	(0.8)	(0.8)
Pro Forma net cash flow before interest and financing		(3.3)	1.0

Notes:

- Offer costs: \$2.2m represents the cash component included in Statutory EBITDA of the total Offer costs of \$4.0m.
- Incremental listed company costs: Airtasker's estimate of incremental annual costs as a result of being a listed company. These costs include Directors' fees, changes to management salary expenses to reflect revised contract terms, ASX fees, share registry costs, audit and legal fees, Directors' and officers' insurance premiums, investor relations costs, annual general meetings costs, annual report costs and other listed company costs.

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4.4.3 Statutory Historical Annual and Half Year Cash Flow Statements

Table 4.13: Statutory Historical Annual and Half Year Cash Flows

\$ millions	Notes	Statutory Historical			
		FY19	FY20	1HFY20	1HFY21
EBITDA		(27.6)	(6.0)	(3.6)	(1.1)
Change in working capital	1	2.9	0.8	0.6	1.5
Non-cash items	2	7.1	4.6	2.0	3.9
Cash flow from operating activities		(17.6)	(0.6)	(1.0)	4.3
Payment of lease liabilities	3	(0.4)	(0.4)	(0.2)	(0.2)
Payments for property, plant and equipment		(0.2)	(0.1)	(0.1)	(0.0)
Capitalised development costs	4	(0.5)	(2.5)	(1.3)	(2.4)
Net cash flow before interest and financing		(18.6)	(3.5)	(2.6)	1.7
Interest received		0.1	0.1	0.0	0.0
Interest paid		(0.1)	(0.1)	(0.1)	(0.0)
Net cash flow before financing		(18.7)	(3.6)	(2.6)	1.6
Proceeds from share capital raised	5	3.0	10.4	9.1	–
Net proceeds from convertible note issued		9.8	0.5	0.5	–
Net cash flow		(5.9)	7.3	7.0	1.6

Notes:

1-4. Refer to the Notes to Table 4.9.

5. Proceeds from share capital raised relates to capital raised from historical funding rounds.

4.5 Statutory and Pro Forma Historical Statement of Financial Position

Table 4.14: Statutory and Pro Forma Historical Statement of Financial Position as at 31 December 2020

\$ millions	Statutory 31 Dec 20	Conversion of Preference share and SAFE Note	Vesting and Exercising Employee Options	Impact of the Offer	Pro Forma 31 Dec 20
Notes		1	2	3	
Assets					
Current assets					
Cash and cash equivalents	14.7	–	1.9	11.9	28.5
Trade and other receivables	0.2	–	–	0.1	0.2
Other assets	1.4	–	–	–	1.4
Total current assets	16.3	–	1.9	11.9	30.1
Non-current assets					
Property, plant and equipment	0.5	–	–	–	0.5
Right-of-use assets	0.4	–	–	–	0.4
Intangibles	4.4	–	–	–	4.4
Other assets	0.2	–	–	–	0.2
Total non-current assets	5.4	–	–	–	5.4
Total assets	21.8	–	1.9	11.9	35.6
Liabilities					
Current liabilities					
Trade and other payables	6.4	–	–	–	6.4
Contract liabilities	0.5	–	–	–	0.5
Lease liabilities	0.4	–	–	–	0.4
Financial instruments	0.1	–	–	–	0.1
Employee benefits	0.9	–	–	–	0.9
Preference Share Financial Liability	25.1	(25.1)	–	–	–
Provision for the repayment of government grants	2.0	–	–	–	2.0
Total current liabilities	35.3	(25.1)	–	–	10.2
Non-current liabilities					
Lease liabilities	0.2	–	–	–	0.2
Employee benefits	0.2	–	–	–	0.2
Total non-current liabilities	0.4	–	–	–	0.4
Total liabilities	35.7	(25.1)	–	–	10.6
Net assets	(13.9)	25.1	1.9	11.9	25.0
Equity					
Issued equity	59.5	27.6	12.3	14.1	113.5
Other equity	2.5	(2.5)	–	–	–
Reserves	11.0	–	(9.5)	1.7	3.2
Accumulated losses	(86.9)	–	(0.9)	(3.9)	(91.8)
Total equity	(13.9)	25.1	1.9	11.9	25.0

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Notes:

1. **Conversion of Preference Shares and SAFE note** relates to the conversion into ordinary shares in conjunction with the Offer of Preference Shares issued to Preference Shareholders with a fair value of \$25.1 million and a \$2.5 million SAFE Note issued to SWM.
2. **Employee Options** relates to 27.8 million options which will all be vested and exercised prior to the Offer, which will increase the cash balance at Completion. The adjustment to accumulated losses (\$0.9 million) reflects the expense associated with accelerating the vesting of the CEO's unvested options post 31 December 2020. The adjustment to issued equity (\$12.3 million) and reserves (\$9.5 million) recognises the issue of equity to the CEO, advisors and ex-employees, on exercise of their options prior to the Offer (including total cash proceeds to the Company of \$1.9 million).
3. **Impact of the Offer:** Cash and cash equivalents is expected to increase by \$11.9 million as a result of the proceeds of the Offer (\$15 million), assuming the issue of 23.1 million new Shares at \$0.65 per Share, offset by the cash impact of Offer costs (\$3.1 million). The remaining \$1.7 million of the Offer costs are non-cash and in the form of Rights, which are recorded against employee share option reserves. Total Offer costs (including third-party advisor costs and IPO bonuses paid to certain key members of Management and Non-Executive Directors) are \$4.9 million which are split between \$4.0 million expensed to the income statement and \$0.9 million offset against equity. A GST receivable of \$0.1 million has been assumed to be recoverable in relation to the Offer Costs but no deferred tax asset is recognised on the basis that the Company has existing tax losses which are not expected to be utilised in the near term.

4.6 Liquidity and capital resources

Following Completion, Airtasker's principal sources of funds are expected to be operating revenues and cash on hand. The cash raised from the Offer will be used to pay the Offer costs. Pro forma cash after paying Offer costs is \$28.5 million.

Following Completion, Airtasker expects that its primary uses of cash will be to fund operations, Capital Expenditure and to support Airtasker's growth initiatives. Airtasker believes that from Completion it will have sufficient cash, based on existing cash holdings, the proceeds of the Offer and forecast cash collections to meet its operational and Working Capital requirements and stated business objectives during the Forecast Period.

Airtasker's ability to generate sufficient cash depends on its future performance, which, to a certain extent, is subject to a number of factors beyond Airtasker's control including general economic, financial and competitive conditions.

Over time, Airtasker may seek additional funding from a range of sources to diversify its funding base.

4.6.1 Cash and cash equivalents and borrowings

Airtasker's cash and cash equivalents position as at 31 December 2020 on a statutory basis was \$14.7 million; and on a pro forma basis as if the Offer had occurred as at 31 December 2020, was \$28.5 million.

The pro forma balance of net cash and cash equivalents is derived from:

- Cash and cash equivalents as at 31 December 2020 of \$14.7 million;
- the exercise of Employee Options, with \$1.9 million being paid to the Company on the exercise of these options; and
- the net impact of proceeds from the Offer (\$15 million), less the cash costs of the Offer of \$3.1 million.

The pro forma balance of net cash and cash equivalents as at 31 December 2020 reflects only those adjustments expressly described herein and therefore does not reflect the change in cash position between 31 December 2020 and Completion resulting from various cash movements of the business over this period.

As at 31 December 2020, on a pro forma basis Airtasker had no borrowings.

4.6.2 Contractual obligations, commitments, contingent liabilities and off-balance sheet arrangements

Airtasker had no material contractual obligations or commitments, contingent liabilities or other off-balance sheet arrangements as at 31 December 2020 other than its lease commitments for office space as summarised in the table below.

Table 4.15: Contractual obligations, commitments and contingent liabilities

\$ million	< 1 Year	1 – 5 Years	>5 Years	Total
Property lease commitments	0.4	0.2	0.0	0.6

4.7 Reconciliation of capitalised development costs

Airtasker capitalises employee salaries and wages (including superannuation), and IT subscription costs relating to the development of software, if the recognition criteria in AASB 138 Intangible Assets are met. The capitalised costs are subsequently amortised over the period of their expected benefits, being 1-5 years depending on the project to which those costs relate.

The total expenses recognised in the income statement in a given financial period are the sum of those costs which are directly expensed as operating expenses within EBITDA (typically relating to employee and contractor time related to research and development (not capitalised)) and the amortisation of Capitalised Development Costs (recognised below EBITDA)

The cash outflow relating to development costs in a given financial period includes both the amount capitalised and the expense recognised in the income statement (ignoring any Working Capital impacts at the start and end of the year).

Table 4.16: Summary of Capitalised development costs FY19 to FY21F

\$ millions	Pro Forma Historical		Pro Forma Forecast
	FY19	FY20	FY21F
Development costs – cash outflow			
Development costs expensed	4.4	7.0	4.9
Development costs capitalised	0.5	2.5	5.4
Cash outflow	4.9	9.5	10.2
Development costs – impact on NPAT			
Development costs expensed	4.4	7.0	4.9
Development costs amortisation	0.1	0.4	1.3
Impact on NPAT	4.5	7.5	6.2

4.8 Forecast Financial Information

The Forecast Financial Information is based on various best estimate general and specific assumptions, including those set out in this Section 4.8. In preparing the Forecast Financial Information, Airtasker has undertaken an analysis of historical performance and applied assumptions where appropriate in order to forecast future performance for FY21F. The Directors believe that the Forecast Financial Information has been prepared with due care and attention and considers all assumptions, when taken as a whole, to be reasonable at the time of preparing the Prospectus. However, actual results are likely to vary from those forecasts and any variation may be materially positive or negative.

The assumptions upon which the Forecast Financial Information are based are prepared to the best of management's knowledge and belief based on Airtasker's expected results of operations and sources and uses of cash for the forecast period. This is by nature subject to significant uncertainties and contingencies, many of which are outside the control of Airtasker and its Directors, and are not reliably predictable. Accordingly, none of Airtasker or its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved.

The assumptions set out in this Section 4.8 should be read in conjunction with Airtasker's Significant Accounting Policies and critical accounting estimates and judgements set out in Appendix A, the sensitivity analysis described in Section 4.1, the risk factors described in Section 5, the Investigating Accountant's Report set out in Section 8 and the other information in this Prospectus. A reconciliation of the Pro Forma Forecast Income Statement to the Statutory Forecast Income Statement is set out in Section 4.3.3.

4.8.1 General assumptions

The following general assumptions are relevant to the Forecast Financial Information:

- no material change in the competitive and operating environments in which Airtasker operates;
- no material deviation from current market expectations of economic and trading conditions relevant to the industry in which Airtasker operates, including business confidence, consumer sentiment, economic growth, inflation, fiscal and taxation policies throughout the countries in which Airtasker operates

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- no material changes in key personnel, including executive leadership, and Airtasker being able to continue to recruit and retain personnel who will be required to support the future growth of Airtasker;
- no material interruptions, disturbances, disruptions or departures from expectations in relation to the performance or availability of the Airtasker platform or its software, or third party software; no material intellectual property infringement or loss, cyber security attack or IT incidents;
- no material industrial or employee relations disputes, actions or other disturbances, litigation, legal claims or environmental costs;
- no material changes in foreign currency exchange rates, particularly as they relate to the GBP and the USD, amongst others. The following foreign exchange rates have been used in the FY21F:
 - A\$: GBP = 0.55,
 - A\$: USD = 0.72;
- no material industry disturbances, disruptions to the continuity of operations of Airtasker or other material changes in its business, including acquisitions, disposals, restructurings, strategic partnerships or investments or change in the corporate or funding structure of Airtasker other than as contemplated by this Prospectus;
- the Offer proceeds are received in accordance with the timetable set out in Section 7 of this Prospectus;
- no material change in applicable IFRS, AAS, Corporations Act, ASX Listing Rules or other mandatory professional reporting requirements which have a material effect on the financial performance or cash flows of Airtasker, its financial position, accounting policies, or financial reporting or disclosures other than those set out in this Prospectus;
- no material changes in government regulation and policy that impact Airtasker;
- none of the key risks listed in Section 5 occur, or if they do, none of them has a material adverse impact on the operations, financial position or performance of Airtasker; and
- no significant further impact on operations as a result of COVID-19 (refer to Section 4.8.2.1).

4.8.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, Airtasker has analysed historical performance, including the current rates of revenue and expenses, and applied assumptions, where appropriate, across the business.

4.8.2.1 Impact of COVID-19

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The outbreak and the response of the Australian Federal and State governments in dealing with the pandemic is impacting the economy and communities in different ways. The scale and duration of these impacts continue to remain uncertain as at the Prospectus Date.

During the first COVID-19 wave in Australia (February to April 2020) and the second COVID-19 wave in Melbourne (August to September 2020), the Airtasker marketplace experienced an initial, short decline in marketplace activity, followed by a rapid 'V-shaped' recovery. During the first wave, the decline commenced in mid-February 2020 prior to government restrictions being imposed (April 2020). The recovery of marketplace activity commenced in the first half of April 2020 prior to government restrictions being lifted (May 2020). The ability to recover ahead of restrictions being lifted was enabled by Airtasker's open, almost infinitely horizontal marketplace structure which enabled Customers to request almost any service and for Taskers to adapt their service offerings (through user generated content), which Airtasker believes has caused an accelerated adoption of its marketplace for certain services.

There is significant uncertainty as to the future response of the Australian Federal and State governments to the COVID-19 pandemic and the potential for any future economic downturn caused directly or indirectly by the COVID-19 pandemic. The performance of Airtasker's results in 2HFY20 illustrates some degree of resilience to the negative impacts. Airtasker's financial forecasts for FY21 have been prepared on the basis that we see a similar operating environment to that experienced in 1HFY21. Should a stricter, longer and more comprehensive lockdown be imposed by State governments at any time in the forecast period then there is a risk that this would have a negative impact on Airtasker's forecast financial performance.

Refer to Section 3.7 which contains a detailed discussion of the impact of COVID 19 on Airtasker and refer to Section 5.1.10 in relation to the future risks and uncertainties that Airtasker faces due to COVID-19.

In FY20 and FY21, Airtasker received JobKeeper support from the Australian government, which has been partially netted off against Employee benefits expense. Airtasker also received the cash flow boost from the Australian government which is received as credits in the business activity statement. This has been recognised on the Income Statement as other income. No further government support is assumed in the forecast for 2HFY21.

4.8.2.2 Revenue assumptions

In preparing the revenue forecast for FY21 management has considered historical trends, including actual data for the period to December 2020. Management has taken into account historical seasonality trends that impact GMV and has made assumptions that recognise seasonal changes in activity and hence revenue.

Given the immaterial nature of the international markets, the FY21 forecast is prepared with an assumption of no revenue growth in any market outside of Australia in which Airtasker operates.

Airtasker earns revenue by charging a Service Fee to Taskers and a Booking Fee to Customers, as well as a small portion of revenue from unclaimed Customer credits as a result of cancelled and incomplete tasks. Revenue from Service Fees and Booking Fees is recognised on completion of the Task and represents a percentage of the Task value.

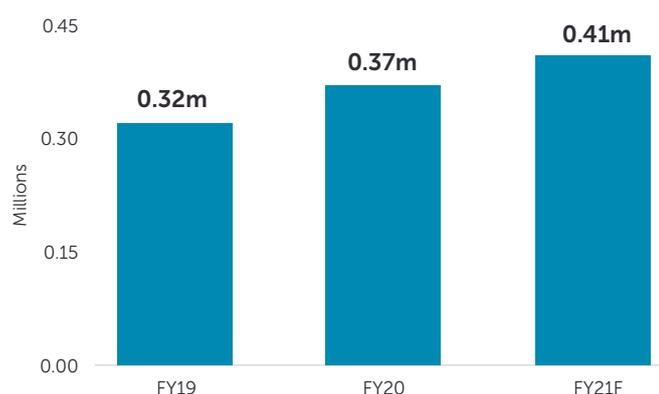
The key inputs to Airtasker's revenue are:

- GMV, which itself is a factor of:
 - Unique Paying Customers;
 - Average Task Value; and
 - Frequency of transactions; and
- Take Rate, which itself is a factor of Service Fees, Booking Fees and revenue from unclaimed credits.

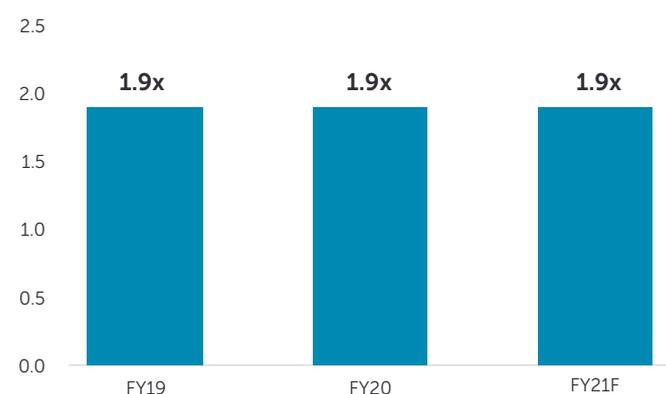
The specific assumptions in relation to these key drivers are discussed below.

Figure 4.1: Revenue drivers

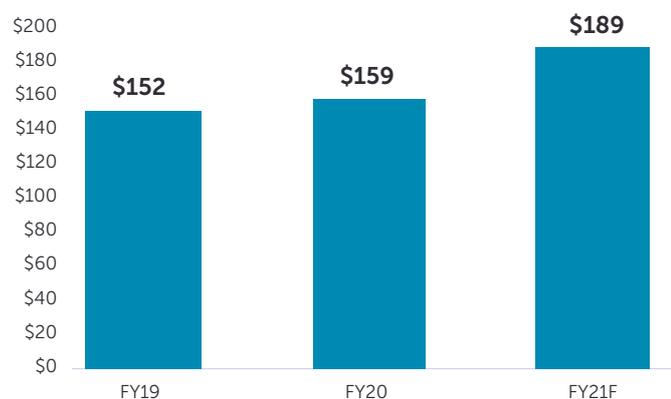
Unique Paying Customers



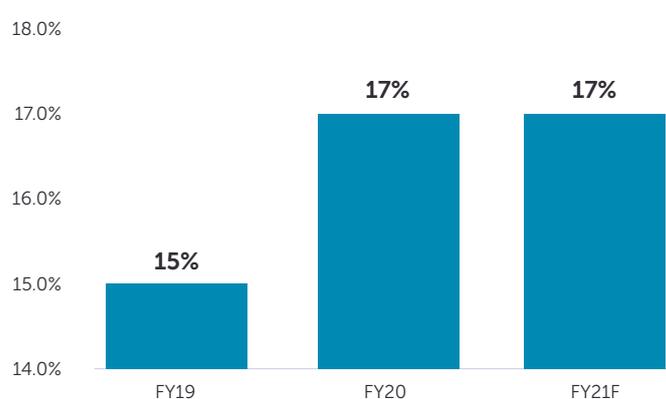
Frequency



Average Task Value



Take Rate



Unique Paying Customers

Airtasker's Unique Paying Customer base is a function of both newly acquired customers as well as returning customers and has grown over recent years from 0.32 million in FY19 to 0.37 million in FY20 (13% growth) and is forecast to reach 0.41 million in FY21 (10% growth). For the period July to December 2020, Unique Paying Customers was 0.2 million, an increase of 12% on the same period of the prior financial year.

Airtasker has been successful in attracting Unique Paying Customers through organic and product-led growth strategies.

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This can be demonstrated by the 12% growth in Unique Paying Customers for the period July to December 2020 (relative to the same period in the prior financial year), a period in which Paid and Direct Marketing costs represented only 1% of Revenue. While Airtasker intends to continue leveraging its organic growth strategies and does not anticipate a decline in organic Customer growth, Airtasker believes there is significant opportunity to engage in additional Paid and Direct marketing initiatives moving forward. Airtasker intends to increase Paid and Direct Marketing through the forecast period to June 2021.

Frequency

Frequency represents the average number of times a Unique Paying Customer assigns a task in a given financial period. Frequency has been stable at 1.9 assigned Tasks per Unique Paying Customer in FY19 and FY20. It is forecast to be at a similar level in FY21. For the period July to December 2020, Frequency remained stable at 1.9 assigned Tasks per Unique Paying Customer, consistent with the same period of the prior financial year.

The open, almost infinitely horizontal nature of the Airtasker marketplace combined with user generated content allows Customers to request and purchase an almost infinite range of services and Airtasker believes there is a significant opportunity to increase Frequency through customer messaging (email and push notifications), performance marketing and other growth marketing initiatives (see Section 3.8.1). The introduction of new marketplace models such as Airtasker Listings (see Section 3.8.2) could also potentially improve Frequency.

Average Task Value

Average Task Value represents the average GMV per assigned Task in a given financial period. It is inclusive of the Service Fee and Booking Fee. Average Task Value has increased consistently since launch of the Airtasker marketplace, supported by the increasing use of the platform to complete more complex tasks such as those provided by professional tradespeople, accountants and lawyers.

Average Task Value increased from \$152 in FY19 to \$159 in FY20 (5% growth) and is forecast to increase strongly to \$189 in FY21 (19% growth). For the period July to December 2020, the Average Task Value was \$190, an increase of 20% on the same period of the prior financial year.

Take Rate

Take Rate represents the percentage of GMV which Airtasker receives as revenue. It is presented net of any applicable sales taxes. Airtasker's revenue is primarily earned by charging a Service Fee paid by Taskers and a Booking Fee paid by Customers. Airtasker provides a tiered Service Fee model to reward Taskers with a lower Service Fee percentage as they complete a higher cumulative value of Tasks over a defined timeframe (see Section 3.3.2). The Service Fee ranges from 10-20% of the completed Task value. The Booking Fee is a percentage of the completed Task value, subject to a minimum of \$2.90 and a maximum of \$24.90.

Take Rate increased from 15% in FY19 to 17% in FY20, due to the introduction of the tiered Service Fee structure in March 2019 and introduction of the Booking Fee in August 2019, as well as other fee changes. In FY20, Service Fees contributed 11% to the Take Rate, and Booking Fees contributed 4%. The Take Rate also incorporates revenue from unclaimed Customer credits as a result of cancelled and incomplete Tasks. Revenue from unclaimed credits contributed 3% to the Take Rate in FY19 and 2% of GMV in FY20.

The FY21F forecast Take Rate of 17% is broadly consistent with FY20, with Service Fees contributing 9% to the Take Rate, Booking Fees 6%, and unclaimed credits 2%. For the period July to December 2020, the Take Rate was 17%.

4.8.2.3 Cost of Sales

Airtasker's Cost of Sales comprises costs associated with secure third party payment processing and third party liability insurance. Payment processing fees are based on scheme fees plus a specified percentage of transaction values for facilitating debit and credit card payments, or facilitating transactions through Afterpay. It also includes a monthly fee based on per active account¹ and per payment to Taskers. Insurance costs relate to the premium paid to Airtasker's insurer which provides third party liability insurance for Tasks provided via the Airtasker marketplace (subject to insurance policy exclusions). Given that payment processing fees and insurance premiums are broadly based on transaction value, Cost of Sales tends to be correlated to revenue.

In FY20, Airtasker received a benefit from changing its supplier of payment processing facilities, which reduced the cost of this service per transaction and hence the percentage of revenue represented by Cost of Sales. This was a major factor resulting in a decrease in Cost of Sales (as a percentage of revenue) from 9.2% in FY19 to 7.0% in FY20.

Cost of Sales as a percentage of revenue in FY21 is forecast to be 6.9%, broadly comparable to FY20. For the period July to December 2020, Cost of Sales was 6.5%.

1. An account in which the funds have been deposited into in the month for the benefit of the Tasker.

4.8.2.4 Operating expenses

Employee benefits expense: To the extent that this cost relates to existing employees, this expense is based on current salaries and incorporates anticipated annual salary reviews. To the extent that this cost relates to new employees, the cost is based on the expected cost for the new positions based on detailed assumptions, including anticipated start dates and salary requirements. The FY21 forecast also includes salary reviews for senior executives and Directors to bring them to the level of comparable listed companies. A bonus pool, available for all employees, is also incorporated into the FY21 forecast. This category also includes salary 'on-costs' including superannuation and payroll taxes (based on the regulated percentages for these costs) and workers compensation premiums based on the expected annual premium.

A detailed schedule of product and growth initiatives currently in progress, and new initiatives expected to commence prior to 30 June 2021, has been prepared – including identification of resources that will be assigned to each of these initiatives. Based on this schedule, an estimated amount of product, engineering and design employment costs is capitalised from Employee benefits expense to intangible assets.

In 1HFY21, Airtasker received a total of \$0.8 million in JobKeeper support from the Australian government, of which \$0.5 million has been netted off against Employee benefits expense with the remaining \$0.3 million offset against capitalised software development costs (i.e. this related to JobKeeper support payments attributable to software developers). No further government support payments are forecast to be received in FY21F.

Sales and marketing expense: Includes largely discretionary and directly controllable expenses related to TV advertising, digital advertising, social media, search engine marketing, public relations and external design costs. These expenses were significantly lower in FY20 versus FY19, as Airtasker focused on improving operational efficiency. Airtasker's organic and product-led growth strategies resulted in 99% of new Customers originating from non-paid marketing channels in FY20. Airtasker's Customer Acquisition Cost in FY20 was \$2.87 per new Paying Customer and improved to \$1.02 in 1HFY21. While Airtasker intends to continue leveraging its organic growth strategies and does not anticipate a decline in organic Customer growth, Airtasker believes there is significant opportunity to engage in additional Paid and Direct Marketing initiatives moving forward. Airtasker intends to increase spend in this area to \$2.3 million in FY21F to support further growth.

General and administration expense: Includes software subscriptions, cloud storage services, professional services (consulting, legal and accounting advice) and learning and development costs. In FY21F, these expenses are expected to be fairly consistent with the monthly run rate for these expenses as at December 2020, adjusted for any known changes. Some set-up costs for new international operations (including New Zealand, Singapore and the United States) are also incorporated in the FY21 forecast for these expenses.

4.8.2.5 Depreciation and Amortisation

The Forecast Financial Information includes the following assumptions in relation to depreciation and amortisation:

- **Depreciation** consists of the depreciation of the right-of-use asset in accordance with AASB 16, depreciation schedules for existing property, plant and equipment (primarily leasehold improvements and computer equipment) and the depreciation for any planned expenditure.
- **Amortisation** is based on intangible assets' amortisation schedules and includes amortisation from the planned deployment date of software currently under development, over their expected useful economic lives, which range between 1-5 years.

4.8.2.6 Net interest income/expense

The FY21 forecast assumes interest income of less than \$0.1 million, based on estimated cash balances throughout the year and an interest rate of circa 1% per annum.

The finance expense in FY21F is related to Airtasker's property lease in accordance with AASB 16. The forecast finance expense for FY21 is also less than \$0.1 million.

4.8.2.7 Other assumptions

Other key assumptions made in the preparation of Forecast Financial Information include:

Change in Working Capital: Reflects the expected movement in receivables, other current assets, trade and other payables, stored value liabilities and provisions. Working Capital assumptions for FY21F are consistent with historical trends; and

Capital Expenditure: Forecast expenditure on further development of Airtasker's platform as planned for FY21F (see Section 4.7), as well as investment in computer equipment and software consistent with historical levels of investment.

4.9 Management discussion and analysis of the Pro Forma Historical and Forecast Financial Information

This Section is a discussion of the key factors that affected Airtasker's operations and relative financial performance over FY19 and FY20, and a discussion of the key factors and assumptions which Airtasker expects may affect performance during FY21F.

The discussion of these general factors is intended to provide a summary only and does not detail all factors that have affected the historical operating and financial performance of Airtasker, nor everything that may affect its operations and financial performance in the future. The information in this Section should be read in conjunction with the basis of preparation of the Forecast Financial Information in Section 4.2 which in particular refers to the key assumptions set out in Section 4.8 and the risk factors set out in Section 5.

4.9.1 Revenue

Figure 4.2 below illustrates Airtasker's actual and forecast revenue growth between FY19 and FY21F.

Figure 4.2: Revenue (A\$ million)¹



1. Differences between totals and the sum of components in the table above are due to rounding to the nearest A\$0.1 million.

Over the period FY19 to FY21F, Airtasker has experienced and expects to continue to experience strong revenue growth. Historical revenue growth has been achieved through:

- growth in GMV, a function of Unique Paying Customers, purchase Frequency and Average Task Value; and
- optimisation of Booking Fee and Service Fee structures and pricing, leading to improvements in the Take Rate.

Airtasker continuously seeks to invest in growth initiatives that impact key revenue drivers. These initiatives include organic and product-led growth strategies, growth marketing and development of the Airtasker Superstore as outlined in Section 3.8.

FY19 to FY20

From FY19 to FY20, Airtasker increased revenue by \$5.2 million (37% increase), from \$14.0 million to \$19.3 million. Key drivers of this increase were:

- GMV growth of 20% from \$93.2 million to \$113.2 million primarily due to an increase in Unique Paying Customers (from 0.32 million in FY19 to 0.37 million in FY20) and an increase in the Average Task Value (from \$152 in FY19 to \$159 in FY20); and
- an increase in the Take Rate from 15% in FY19 to 17% in FY20 due to the introduction of a Booking Fee implemented in August 2019 and an increase in the cap on Booking Fees from \$19.90 to \$24.90 implemented in February 2020.

FY20 to FY21F

From FY20 to FY21F, Airtasker forecasts an increase in revenue of \$5.3 million (27% increase) from \$19.3 million to \$24.5 million. Key drivers of this forecast increase include:

- GMV growth of 27% from \$113.2 million to \$143.7 million primarily due to an increase in Unique Paying Customers (from 0.37 million in FY20 to 0.40 million in FY21F); and
- an increase in Average Task Value from \$159 in FY20 to \$189 in FY21F which is broadly consistent with the average July to December 2020 Average Task Value of \$190.
- Airtasker forecasts a Take Rate of 17.1% in FY21F, broadly consistent with the Take Rate in FY20. There is no expected change in the Frequency of transactions.
- As noted above, no growth in revenue from international operations is assumed in FY21F. FY20 generated A\$0.2 million of revenue from UK operations.

Revenue seasonality

Figure 4.3 below illustrates Airtasker’s revenue by half year from FY19 to FY21F. Airtasker’s revenue is seasonal in nature and has historically been approximately evenly split in absolute terms between the first and second halves of the year. The first half (July to December) has historically been the period of strongest revenue growth, with strong month-on-month growth until the holiday season in December. The second half of the financial year has historically not shown the same level of growth as the first half of the financial year, although it still represents strong growth versus the same period in the prior year.

The net result of the assumptions adopted by Airtasker for the 2HFY21 forecast is growth of approximately 20% on the prior corresponding period.

Figure 4.3: Revenue by half year (A\$ million)

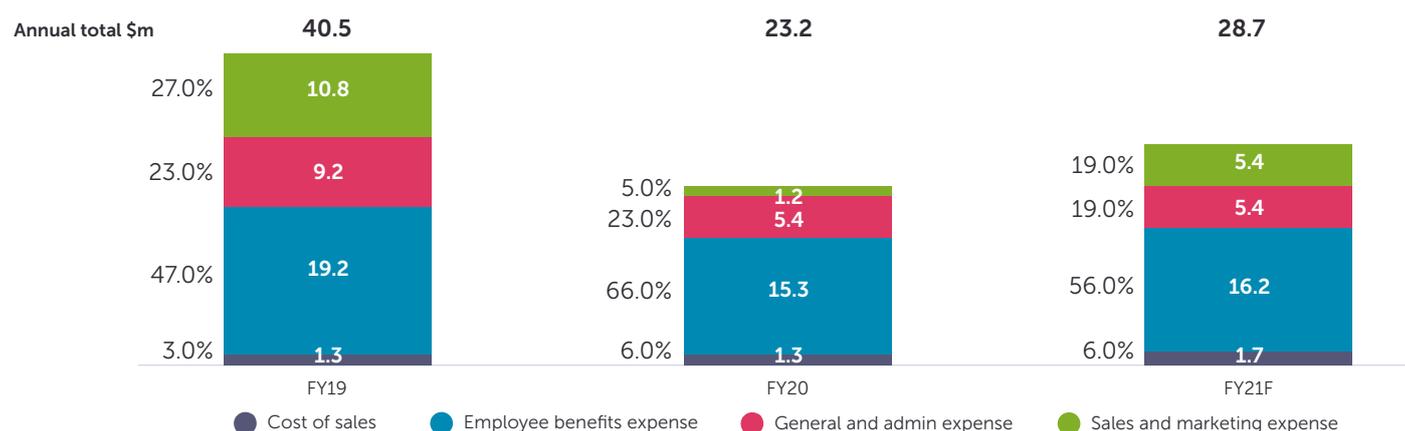


4.9.2 Expenses

4.9.2.1 Overview

Figure 4.4 below illustrates Airtasker’s Pro Forma historical and forecast total expenses, comprising Cost of Sales and operating expenses together with the component that each category of expenses represents as a percentage of total expenses, from FY19 to FY21F. Expenses are presented on a Pro Forma basis.

Figure 4.4: Pro Forma Cost of Sales and Operating Expenses (\$ million)¹



1. Percentages above are the percentage that each category of expenses represents of total expenses in that year.

FY19 to FY20

Pro Forma expenses decreased by \$17.3 million, from \$40.5 million in FY19 to \$23.2 million in FY20 primarily due to:

- Sales and marketing expense reducing by \$9.7 million from \$10.8 million in FY19 to \$1.2 million in FY20, and declining from 27% of total expenses to 5% of total expenses respectively. The decline was part of a deliberate strategy implemented by management to drive greater efficiency in advertising and marketing spend.

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- General and administration expense reducing by \$3.8 million from \$9.2 million in FY19 to \$5.4 million in FY20, but remaining consistent at 23% of total expenses, as a result of non-recurring expenses in FY19 due to a provision for a tax dispute and write-down of intangible assets, as well as reductions in other G&A.
- Employee benefit expense reducing by \$3.9 million from \$19.2 million in FY19 to \$15.3 million in FY20, but increasing from 47% of total expenses to 66% as Sales and marketing and General and administration expenses were significantly reduced. The decline is largely attributable to a decrease in the number of headcount, an increase in Capitalised Development Costs and the effect of JobKeeper.

The cost reductions were the result of an increased focus on organic and product-led growth initiatives and improving operating efficiency. Despite the 44% reduction in operating expenses, GMV increased by 21% in FY20 compared to FY19 and revenue increased by 37% in the same period, demonstrating strong operating efficiency.

FY20 to FY21F

Pro Forma expenses are forecast to increase by \$5.5 million in FY21F from \$23.2 million to \$28.7 million due to:

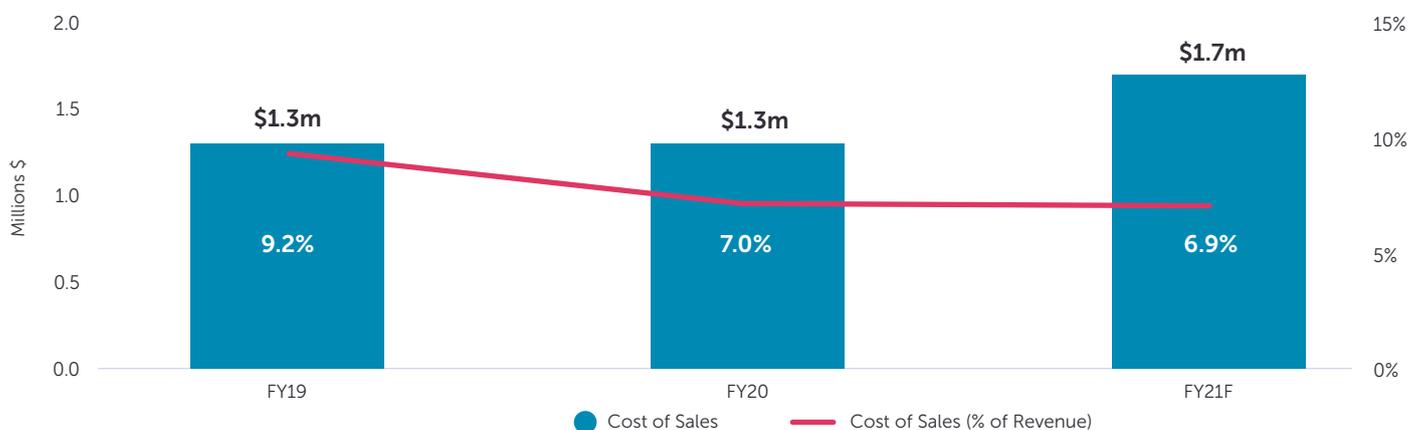
- Sales and marketing expense increasing by \$4.2 million from \$1.2 million to \$5.4 million, as management invests in marketing to support the future growth of the business. As a percentage of total expenses, Sales and marketing expense increase from 5% in FY20 to 19% in FY21F.
- Employee benefits expense increasing by \$0.9 million from \$15.3 million to \$16.2 million, due to growth in salary and wages and from increases in headcount being offset by a higher proportion of employment expenses capitalised. As a percentage of total expenses, Employee benefits expense decline from 66% in FY20 to 56% in FY21F;
- General and administration expense is expected to remain consistent between FY20 and FY21F.

The movements in each category of expenses are explained in further detail below.

4.9.2.2 Cost of Sales

Figure 4.5 below illustrates Cost of Sales from FY19 to FY21F. Cost of Sales is predominantly comprised of payment costs (paid to a third party secure payment service provider) and insurance costs (premiums paid to third party insurers (in Australia, the United Kingdom and New Zealand) to provide public liability insurance).

Figure 4.5: Cost of Sales (\$ million and % of Revenue)



FY19 to FY20

In FY20, Airtasker reported Cost of Sales of \$1.3 million, broadly consistent with FY19. Cost of Sales declined from 9.2% of revenue in FY19, to 7.0% of revenue in FY20 due to lower payment costs achieved as a result of migrating to a new payments services provider. This was partially offset by an increase in insurance costs as a result of an increase in the number of Tasks completed.

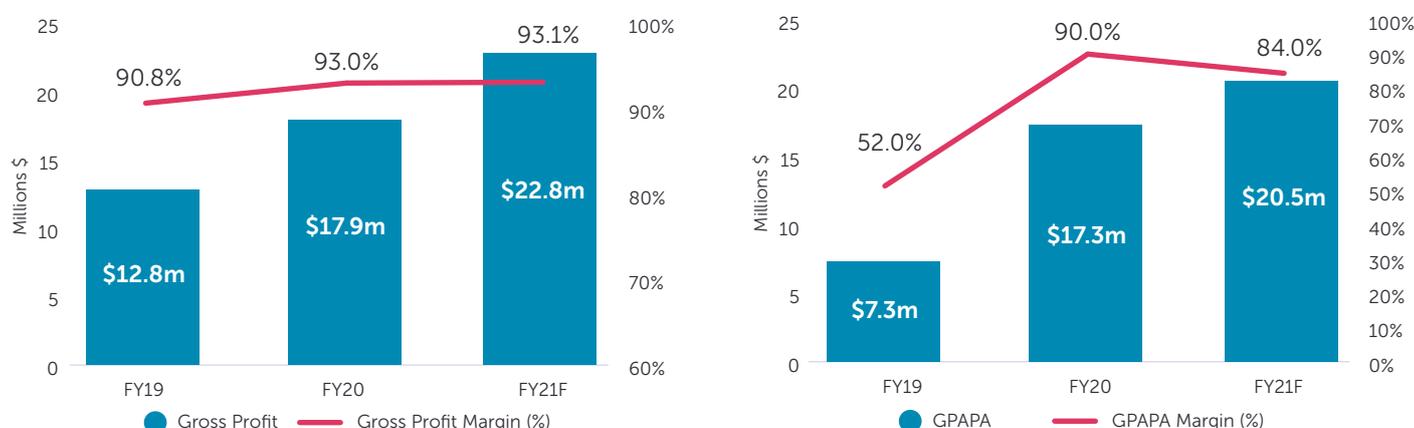
FY20 to FY21F

From FY20 to FY21F, Airtasker forecasts an increase in Cost of Sales of \$0.3 million, from \$1.3 million to \$1.7 million. Cost of Sales as a % of revenue in FY21F is forecast to remain broadly consistent with FY20. Cost of Sales for the period July to December 2020 was \$0.8 million, which represented 6.5% of revenue.

4.9.2.3 Gross Profit and GPAPA

Figure 4.6 below illustrates Gross Profit and GPAPA from FY19 to FY21F.

Figure 4.6: Gross Profit and GPAPA (\$ million and % of Revenue)



In FY20, Airtasker reported Gross Profit of \$17.9 million, an increase of \$5.2 million (40%) compared to FY19, driven by a higher GMV, and the introduction of a Booking Fee in August 2019 increasing the Take Rate, combined with a lower Cost of Sales as a percentage of revenue as a result of the new arrangement with the payments provider described above.

FY21F Gross Profit is forecast to be \$22.8 million, an increase of \$4.9 million (27%) compared to FY20, driven primarily by increased GMV. Cost of Sales as a percentage of revenue, and the Take Rate, is forecast to remain broadly consistent compared with FY20. A Gross Profit Margin of 93% is forecast for FY21F, broadly consistent with FY20.

GPAPA increased by \$10.0 million in FY20 over FY19, as a result of the increase in Gross Profit and a reduction in Paid and Direct Marketing expenses. Paid and Direct Marketing expenses declined from \$5.4 million in FY19 to \$0.7 million in FY20. As a result, GPAPA as a percentage of revenue ('GPAPA Margin') increased from 52% to 90%.

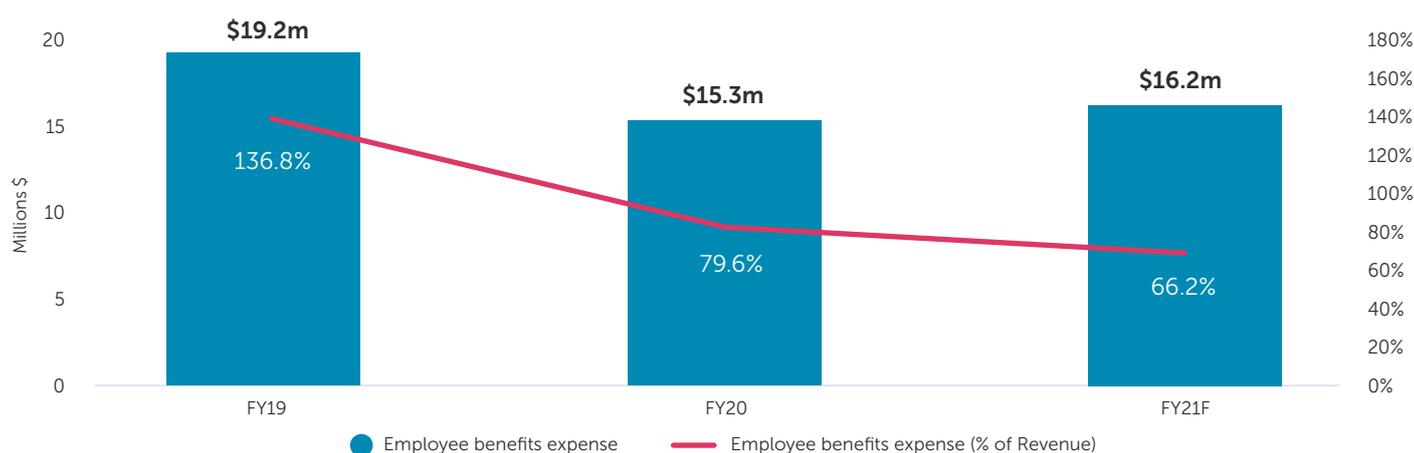
Airtasker's high GPAPA in FY20 illustrates that revenue growth in FY20 was achieved with very limited investment in Paid and Direct Marketing. Airtasker management believes that a significant opportunity exists to invest in Paid and Direct Marketing to drive additional growth.

In FY21F, Paid and Direct Marketing expenses are forecast to increase from \$0.7 million in FY20 to \$2.3 million. GPAPA Margin is forecast to decline from 90% in FY20 to 84%. Whilst an increase in Paid and Direct Marketing expense in FY21F has been forecast, no specific revenue growth has been included in the forecast as a result of this investment (refer to Section 4.9.4.5).

4.9.2.4 Employee benefits expense

Figure 4.7 illustrates employment benefits expense from FY19 to FY21F. Employment expenses predominantly comprise salaries and wages for Airtasker staff and fees paid to Directors, together with associated on-costs including superannuation, payroll tax, annual and long service leave expense, referral and sign-on bonuses and workers' compensation costs. It also includes expenses related to the Employee Options plan. These costs are offset by an amount that is capitalised in each year relating to product development expenses that meet the recognition criteria under AASB 138.

Figure 4.7: Employee Benefits Expense (\$ million and % of Revenue)



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FY19 to FY20

In FY20, Airtasker reported a \$3.9 million decrease (20%) in Employee benefits expense, from \$19.2 million in FY19 to \$15.3 million in FY20. Key drivers of this reduction were:

- an increase in the amount of Capitalised Development Costs (from \$0.5 million in FY19 to \$2.5 million in FY20);
- consolidation of growth operations in the UK into the Australian headquarters, which reduced total Employee benefits expense by \$1.0 million in FY20; and
- improvement in customer service operating efficiency, which reduced total Employee benefits expense by \$0.6 million in FY20.

The reduction in headcount in FY20 was part of a program of work designed to improve operating efficiency, particularly in the areas of growth operations and customer service.

FY20 to FY21F

In FY21F, Airtasker forecasts an increase in employment expenses of \$0.9 million from \$15.3 million to \$16.2 million. Key drivers of the increase include:

- an increase in headcount primarily in growth marketing, product and engineering roles;
- an increase in employee share scheme expenses of \$0.9 million; offset by
- an increase in the amount of Capitalised development costs (from \$2.5 million in FY20 to \$5.1 million in FY21).

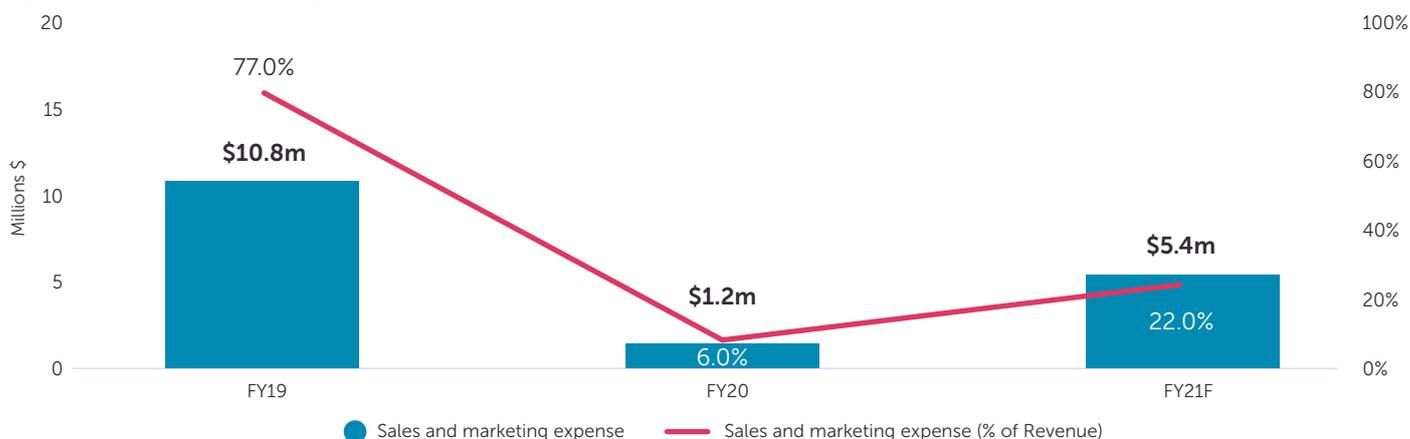
For the period July to December 2020, an amount of \$2.2 million in relation to Capitalised development costs was reallocated from Employee benefits expense to intangible assets, reflecting development staff costs allocated to specifically identified product development initiatives during the period.

As noted in Section 4.7 Airtasker undertakes a detailed analysis to determine the amount of time that can be capitalised under AASB 138 for each financial period. The forecast increase in Capitalised development costs in FY21F predominantly reflects both higher forecast headcount and better management visibility of projects to identify and record the allocation of resources undertaking development, resulting in an increase in the benchmark capitalisation percentage used. Total capitalised costs as a percentage of total engineering and product development resource allocation is benchmarked against a basket of comparable listed companies.

4.9.2.5 Sales and marketing expense

Figure 4.8 illustrates Sales and marketing expense from FY19 to FY21F. Sales and marketing predominantly includes Paid and Direct Marketing, above the line advertising, public relations, Customer vouchers, content development and growth marketing operations (e.g. SEO operations).

Figure 4.8: Sales and Marketing Expense (\$ million and % of Total Revenue)



FY19 to FY20

In FY20, Airtasker reported a significant decrease in Sales and marketing expense of \$9.7 million (89%), from \$10.8 million to \$1.2 million. The reduction in expenditure was part of an increased focus on organic and product-led growth initiatives and improving operating efficiency. Key drivers of this decrease include:

- a significant reduction in Paid and Direct Marketing expense of \$4.8 million from \$5.4 million in FY19 to \$0.7 million in FY20;
- a reduction in above the line advertising (including television advertising provided in the form of non-cash contra by Seven West Media as part of its investment in Airtasker) of \$2.9 million, from \$2.9 million in FY19 to \$0.0 million (immaterial credit adjustment balance) in FY20; and
- a reduction in content development, public relations and other marketing expenses of \$1.9 million, from \$2.5 million in FY19 to \$0.5 million in FY20.

Despite the 89% reduction in Sales and marketing expense, GMV increased by 21% in FY20 versus FY19 and revenue increased by 37% in the same period, demonstrating strong operating efficiency.

FY20 to FY21F

In FY21F, Airtasker forecasts an increase in Sales and marketing expense of \$4.2 million, from \$1.2 million to \$5.4 million. Key drivers of the increase include:

- an increase in Paid and Direct Marketing expense of \$1.6 million, from \$0.7 million to \$2.3 million;
- an increase in above the line marketing (including television advertising provided in the form of non-cash contra by Seven West Media as part of its investment in Airtasker), from \$0.0 million to \$2.4 million; and
- an increase in other marketing expenses related to content development, public relations and other marketing expenses of \$0.2 million, from \$0.5 million to \$0.7 million.

Whilst an increase in sales and marketing expense in FY21F has been forecast, no specific revenue growth has been factored in as a result of this increased spend as it is not possible to forecast this with a reasonable basis.

4.9.2.6 General and administration expense

Figure 4.9 Illustrates General and administration (G&A) expense from FY19 to FY21F. G&A expense predominantly comprises technology costs including hosting and software expenses, professional fees and insurances (excluding third party public liability insurance costs which are included in Cost of Sales), other administration expenses and incremental costs incurred as a listed company.

Figure 4.9: General and administration expenses (\$ million and % of Revenue)



FY19 to FY20

In FY20, Airtasker reported a decrease in G&A of \$3.8 million (41%), from \$9.2 million to \$5.4 million. Key drivers of this reduction were:

- a non-recurring expense of \$1.5 million in FY19 related to a provision for a tax dispute with the ATO. There was no further expense related to this matter in FY20;
- a non-recurring write-down in the value of intangible assets (\$1.1 million) which was recorded in FY19;
- a reduction in hosting and IT subscriptions (\$0.3 million); and
- reductions in other G&A including legal and accounting fees, travel and insurance claims management (\$0.9 million).

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FY20 to FY21F

From FY20 to FY21F, Airtasker is forecasting G&A to remain flat at \$5.4 million. Key drivers of this forecast are:

- an expected increase in software expenses. Aside from new software purchases, some IT subscription costs are driven by volume-based pricing and will increase as a result of increasing marketplace activity and/or headcount growth; offset by
- a reduction in other G&A due to a reduction in third party administrative services provider costs associated with operations in the Philippines, offset by set-up costs for international markets and increases in professional fees as a result of being a listed company.

4.9.2.7 Depreciation and amortisation expenses

Depreciation is a non-cash expense and predominantly relates to the ongoing use of fixed assets that have a useful life greater than one year, including items such as computer equipment and software and leasehold improvements. In accordance with AASB 16, depreciation expense also includes the depreciation of the right-of-use assets related to the Company's property lease.

Amortisation is a non-cash expense that relates to amortisation of capitalised development costs.

Depreciation and amortisation expenses are based on existing useful life profiles with any new Capital Expenditure being depreciated over its useful life in accordance with Airtasker's accounting policies.

Pro forma depreciation and amortisation expenses increased by \$0.3 million in FY20, from \$0.9 million to \$1.2 million. In FY21F, Airtasker forecasts depreciation and amortisation expense of \$2.0 million. The historical and forecast increase in depreciation and amortisation expense is primarily driven by an increase in amortisation expense related to Capitalised development costs due to the increased amount of capitalisation of development expenditure between FY19 to FY21F.

4.9.2.8 Net interest income/(expense)

Interest income remained consistent at less than \$0.1 million in both FY19 and FY20. In FY21, Airtasker forecasts broadly consistent interest income of less than \$0.1 million, based on estimated cash balances throughout the year and an interest rate of circa 1% per annum.

The finance expense in FY21F is related to Airtasker's property lease. The forecast finance expense for FY21F is also less than \$0.1 million.

4.9.2.9 Income tax expense/(benefit)

In FY19 and FY20, Airtasker incurred a net operating loss and Airtasker expects to be loss making in FY21F. As such, no income tax expense has been recorded in the Financial Information.

4.9.2.10 Net cash flow before interest and financing

Net cash flow before interest and financing significantly improved by \$15.1 million from \$20.2 million net cash outflow in FY19 to \$5.1 million in FY20. This is primarily driven by the improvement in EBITDA as a result of the increased focus on improving operating efficiency.

Net cash flow before interest and financing is forecast to improve by \$0.3 million from \$5.1 million cash outflow in FY19 to \$4.8 million in FY21F.

Changes in working capital relates to changes in stored value liabilities, employee provisions and trade payables, and is forecast to increase in FY21F by \$1.0 million from \$0.8 million to \$1.8 million.

Non-cash items primarily relate to non-cash advertising expenses and employee share schemes, and are forecast to increase in FY21 by \$2.5 million from \$1.0 million to \$3.5 million.

Payment of lease liabilities relates to forecast rental payments not included in the income statement in accordance with AASB 16. This is forecast to increase by \$0.1 million from \$0.4 million to \$0.5 million in FY21F.

Payment for property, plant and equipment is forecast to be minimal (less than \$0.1 million) and relates to minor IT purchases.

Capitalised development costs are expected to increase in FY21F by \$2.9 million from \$2.5 million to \$5.4 million, as a result of both higher forecast headcount and increased management visibility to identify and record resource allocation within Airtasker.

4.9.3 Management discussion and analysis of 1HFY20 and 1HFY21

For ease of reference, Tables 4.3, 4.5 and 4.10, which summarise the Pro Forma Historical Half Year Income Statements, key operating and financial metrics, and cash flows of Airtasker, for 1HFY20 and 1HFY21, are repeated in this Section.

\$ millions	Notes	Pro Forma Historical ¹	
		1HFY20	1HFY21
Revenue	2	9.4	12.6
Cost of Sales	3	(0.6)	(0.8)
Gross Profit		8.7	11.8
Employee benefits expense	4	(7.7)	(7.4)
Sales and marketing expense	5	(0.6)	(2.1)
General and administration expense	6	(3.0)	(2.3)
Operating expenses		(11.3)	(11.8)
Other income	7	0.0	0.1
EBITDA		(2.6)	0.0
Depreciation and amortisation	8	(0.6)	(0.9)
EBIT		(3.1)	(0.8)
Net interest income/(expense)	9	0.0	0.0
Profit/(loss) before tax		(3.1)	(0.8)
Income tax benefit/(expense)	10	–	–
Net profit/(loss) after tax		(3.1)	(0.8)

Notes:

Refer to the Notes attached to Table 4.3.

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Half year ended December	Note	Pro Forma Historical	
		1HFY20	1HFY21
Key operating metrics			
Unique Paying Customers (millions)	1	0.18	0.20
Growth in Unique Paying Customers (% increase YoY)		n/a	12%
Frequency (times)	1	1.9	1.9
Average Task Value (\$)	1	158	190
Gross Marketplace Volume (\$m)	1	55.9	72.5
Gross Marketplace Volume (\$m increase YoY)		n/a	16.6
Gross Marketplace Volume (% increase YoY)		n/a	30%
Key financial metrics			
Revenue (\$m)		9.4	12.6
Revenue growth (\$m increase YoY)		n/a	3.2
Revenue growth (% increase YoY)		n/a	35%
Average Revenue per transaction (\$)	2	26.58	33.16
Take Rate %	1	16.8%	17.4%
Gross Profit (\$m)	1	8.7	11.8
Gross Profit growth (\$m increase YoY)		n/a	3.1
Gross Profit growth (% increase YoY)		n/a	35%
Gross Profit Margin %	1	93%	94%
GPAPA (\$m)	1	8.2	11.7
GPAPA (% of revenue)		88%	93%
Paid and Direct Marketing expense (% of revenue)	1	5%	1%

Notes:

Refer to the Notes attached to Table 4.5.

\$ millions	Note	Pro Forma Historical	
		1HFY20	1HFY21
EBITDA			
Change in working capital	1	0.6	1.1
Non-cash items	2	0.2	2.5
Cash flow from operating activities		(1.8)	3.6
Payment of lease liabilities	3	(0.2)	(0.2)
Payments for property, plant and equipment		(0.1)	(0.0)
Capitalised development costs	4	(1.3)	(2.4)
Net cash flow before interest and financing		(3.3)	1.0

Notes:

Refer to the Notes attached to Table 4.10.

4.9.3.1 Revenue, Gross Profit and GPAPA 1HFY20 vs 1HFY21

GMV in 1HFY21 increased by \$16.6 million (30%) from \$55.9 million in 1HFY20 to \$72.5 million in 1HFY21. This improvement was driven by a combination of:

- growth in Average Task Price from \$158 to \$190; and
- an increase in Unique Paying Customers of 12%, from 0.18 million to 0.20 million Unique Paying Customers.

Revenue increased by \$3.2 million (35%) from \$9.4 million in 1HFY20 to \$12.6 million in 1HFY21. This increase was driven by the growth in GMV and an increase in Take Rate. The increase in the Take Rate from 16.8% in 1HFY20 to 17.4% in 1HFY21 was primarily due to the introduction of the Booking Fee in August 2019, and as such, 1HFY20 did not include a full six months of Booking Fee revenue.

Gross Profit increased by \$3.1 million (35%) from \$8.7 million in 1HFY20 to \$11.8 million in 1HFY21. The increase is consistent with the percentage increase in revenue. The Gross Profit Margin of 94% was broadly consistent with the prior period.

GPAPA increased from 88% in 1HFY20 to 93% in 1HFY21 reflecting the reduction in Paid and Direct Marketing between the periods (from \$0.5 million in 1HFY20 to \$0.1 million in 1HFY21).

4.9.3.2 Operating Expenses 1HFY20 vs 1HFY21

Total operating expenses increased by \$0.5 million from \$11.3 million in 1HFY20 to \$11.8 million in 1HFY21. This was a result of an increase in Sales and marketing expense, offset by a decrease in Employment benefits expense and G&A expense.

Employment benefits expense decreased by \$0.3 million from \$7.7 million in 1HFY20 to \$7.4 million in 1HFY21 due to:

- an increase of \$1 million in the employee share scheme expense from \$0.3 million in 1HFY20 to \$1.3 million in 1HFY21; and
- an increase of \$0.9 million in the amount of Capitalised development costs (from \$1.3 million in 1HFY20 to \$2.2 million in 1HFY21); and
- a decrease in salary and wages expense of \$0.5 million due to the consolidation of international growth operations from the UK to Australia, together with a decrease in headcount between 1HFY20 and 1HFY21.

Sales and marketing expense increased by \$1.5 million, from \$0.6 million in 1HFY20 to \$2.1 million in 1HFY21 due to:

- expenditure on free-to-air television advertising of \$1.7 million in 1HFY21 (1HFY20: nil), provided in the form of contra by Seven West Media as part of its investment in Airtasker; offset by
- a decrease in Paid and Direct Marketing (from \$0.5 million in 1HFY20 to \$0.1 million in 1HFY21).

G&A expenses decreased by \$0.7 million from \$3.0 million in 1HFY20 to \$2.3 million in 1HFY21 due to:

- the capitalisation of \$0.2 million software costs in 1HFY21 associated with software development (versus 1HFY20: nil);
- a minor decrease in hosting and software costs (from \$1.4 million to \$1.3 million in 1HFY21);
- a decrease in rental costs of \$0.2 million for the customer service operations in Manila (from \$0.3 million in 1HFY20 to \$0.1 million in 1HFY21); and
- a decrease in other G&A of \$0.1 million relating to fraud management and travel.

4.9.3.3 Net cash flow before interest and financing

Net cash flow before interest and financing improved by \$4.3 million from \$3.3 million cash outflow in 1HFY20 to \$1.0 million positive cash inflow in 1HFY21.

Working capital increased by \$0.9 million from \$0.6 million in 1HFY20 to \$1.5 million in 1HFY21 as a result of an increase in stored value liabilities, employee benefits provisions and trade payables.

Non-cash items increased by \$1.8 million from \$0.2 million in 1HFY20 to \$2.0 million in 1HFY21 primarily due to an increase in above the line advertising.

Capitalised development increased by \$1.1 million, from \$1.3 million to \$2.4 million, as a result of an increase in the benchmark capitalisation being used due to increased management visibility in identifying and recording resource allocation.

Payment of lease liabilities and payments for property, plant and equipment remained relatively consistent in 1HFY20 and 1HFY21.

SECTION 4 | FINANCIAL OVERVIEW

4.10 Sensitivity analysis

Forecast Financial Information included in Section 4.3.1 of this Prospectus is based on a number of estimates and assumptions as described in Section 4.8. These estimates and assumptions are subject to business, general economic and competitive uncertainties, many of which are beyond the control of Airtasker or its Directors. These estimates are also based on best estimate assumptions with respect to future business developments and decisions, which are subject to change.

Table 4.17 sets out a summary of the sensitivity of the Pro Forma Forecast Financial Information for FY21F to changes in a number of key assumptions during the second half of the financial year. The changes in key assumptions are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the potential impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions.

Table 4.17: Sensitivity analysis for FY21F

Assumption	Notes	Sensitivity	Revenue (\$ million)	Cost (\$ million)	FY21F Pro Forma PBT Impact (\$ million)
GMV	1	+/- 5%	+/- \$0.6m	+/- \$0.1m	+/- \$0.5m
Take Rate		+/- 30bps	+/- \$0.2m	+/- \$0.0m	+/- \$0.2m
Total Expenses	2	+/- 1%	Nil	+/- \$0.2m	-/+ \$0.2m
Capitalised development costs	3	+/- 5%	Nil	-/+ \$0.2m	+/- \$0.2m
Employee benefit expense	4	Delay in hiring by one month	Nil	- \$0.2m	+ \$0.2m

Notes:

1. A move in any of Unique Paying Customers, Frequency, or Average Task Value by +/-5% will result in a move in GMV of +/-5%. Calculation assumes 20% of IT subscription costs are variable with the change in GMV (i.e. +/-5% in IT expenses).
2. Excludes Depreciation and Amortisation expense. For the purposes of the sensitivity analysis, it is assumed that revenue will not be impacted by a +/-1% in expenses.
3. Calculated as +/-5% of the total capitalised development cost.
4. The FY21F assumes a number of staff hires to be completed by June 2021. This scenario assumes start dates to be delayed by one month, and assumes that 50% of eligible salaries are capitalised under AASB 138.

4.11 Dividend policy

Given the strong potential growth opportunity Airtasker has identified it does not have any present plan to pay dividends.

The payment of dividends by the Company, if any, subject to any contractual, legal or regulatory restrictions, is at the complete discretion of the Directors, and the Directors do not provide any assurance of the future level of dividends paid by the Company. The ability to pay dividends will depend on a number of factors, many of which are beyond the control of the Company. In determining whether to declare future dividends, the Directors will have regard to Airtasker's earnings, cash flows after development costs, overall financial condition and capital requirements, taxation considerations (including the level of franking credits available), the general business environment, and any other factors that the Directors may consider to be relevant.

Section 5

Key Risks



SECTION 5 | KEY RISKS

This Section identifies some of the potential risks associated with an investment in Airtasker and its Shares. It does not purport to list every risk which Airtasker and its investors may be exposed to now or in the future. The occurrence or consequences of some of the risks described in this Section are partially or completely outside the control of Airtasker. The occurrence of any single risk, or a combination of these risks, may have a material adverse impact on the business, operations, financial position, performance and prospects of Airtasker. Accordingly, any investment in Airtasker is subject to significant risk and uncertainty with respect to return or preservation of capital.

The selection of risks has been based on an assessment of a combination of the likelihood of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of Airtasker as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that Airtasker will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. The actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Airtasker's Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Airtasker, it is recommended that you seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.

5.1 Specific risks

5.1.1 Performance of technology

Airtasker operates an online marketplace and is heavily reliant on information technology to make the Airtasker platform available to users. Airtasker's platform uses software created by Airtasker and software licensed from third parties. Airtasker's business also depends on the performance and reliability of internet, mobile and other infrastructure, which is outside of Airtasker's control. There is a risk that Airtasker or third party suppliers may fail to adequately maintain their information technology systems, which may cause disruptions to Airtasker's marketplace. There is also a risk that systems failures or delays, corruption of databases or other electronic information, power failures, issues with upgrades, technical malfunctions and other disruptions to information technology systems used by Airtasker, its third party suppliers or its users may cause disruptions to Airtasker's marketplace or adversely affect user experience in the marketplace. This may adversely affect Airtasker's ability to attract and retain users to its marketplace. This may have a material adverse impact on Airtasker's reputation, financial performance and growth prospects, particularly if the interruptions continue for a prolonged period of time.

5.1.2 Data breaches and other data security incidents

Airtasker collects a wide range of personal, financial and service usage data and other confidential information from users in the ordinary course of its business, such as contact details and addresses, and stores that data electronically. Airtasker is also reliant on third party suppliers who may collect information on Airtasker's users, such as payment details. As an online business, Airtasker is subject to cyber attacks. Airtasker and, as far as Airtasker is aware, those third party suppliers have systems in place to maintain the confidentiality and security of that data and detect and prevent unauthorised access to, or disclosure of, that data. There can be no guarantee that the systems will completely protect against data breaches and other data security incidents. This may be due to Airtasker or its suppliers not adequately maintaining or securing their systems, or their systems being subject to cyberattacks, viruses, data theft, ransomware attacks, phishing attacks or hacking. As the techniques used to hack or otherwise obtain unauthorised access to data and information frequently change, even if Airtasker and its suppliers have systems in place to detect such access attempts, their systems may be unable to anticipate and prevent any new hacking techniques. If any data breaches or data security incidents occur, and Airtasker's data security infrastructure is unable to reduce the impact of such attacks, this could result in a loss of information and system integrity, misappropriation of accessed data including for fraudulent purposes or significant disruptions to Airtasker's marketplace, all of which may reduce demand for Airtasker's services by users. It may also cause Airtasker to breach privacy and other laws, which may expose Airtasker to regulatory prosecution or substantial financial penalties. Airtasker may also incur significant costs to remedy any loss of data. This may have a material adverse impact on Airtasker's reputation and financial position.

5.1.3 New technologies

Airtasker's success in the future may depend on its ability to continue to identify and deploy the most appropriate new technologies and features in its platform. There is a risk that Airtasker may fail to update its platform to adopt new technologies, or that other businesses may develop or adopt new technologies which give them a competitive advantage over Airtasker's platform. This may render Airtasker's marketplace less competitive. There is a risk that Airtasker's competitors may be able to replicate existing and new technologies used by Airtasker in its platform at a cheaper cost to users, which may also render Airtasker's marketplace less competitive. Airtasker may need to invest significant time and costs into updating its technology to remain competitive, which may have a material adverse impact on its financial performance. Even if Airtasker does adopt new technologies or launch new features on its platform, there is a risk that users may not perceive any value in those new technologies or features, which may reduce demand for Airtasker's services by users. This may have a material adverse impact on Airtasker's financial performance and prospects.

5.1.4 Changes to laws and regulations

Airtasker operates in a sector where the laws and regulations around its operations are evolving. There is a risk that new laws or regulations may be enacted, or existing laws and regulations may be amended in such a way that impose obligations on Airtasker. For example, Airtasker currently treats its Taskers as independent contractors. There is increased scrutiny of the classification of contractors by flexible labour platforms, such as Airtasker, and the application of labour hire licensing laws to such contractors. There is a risk that laws or regulations governing the definition or classification of contractors, or legal decisions regarding independent contractor classification, could require Airtasker to classify Taskers as employees or within a new classification of contractors specific to flexible labour platforms. While, to date, the focus has primarily been on rideshare and food delivery platforms, there is a risk that changes to laws and regulations, and their interpretation, in response to particular issues in those rideshare or food delivery platforms may be applied unilaterally to all flexible labour platforms, including Airtasker. While to date Airtasker has been successful in demonstrating to regulators the distinctions between its marketplace and rideshare or food delivery platforms, there is a risk that in the future regulators may consider Airtasker's marketplace to require the same regulation as other rideshare or food delivery platforms. If this were to occur, Airtasker may have additional responsibilities to Taskers under workplace health and safety laws, workers compensation laws and in respect of other matters such as the application of payroll tax and superannuation laws. Airtasker is also subject to privacy, data and taxation laws and regulations, which are also evolving. If any laws or regulations are adopted which are more stringent than the laws and regulations currently applying to Airtasker's marketplace, Airtasker may need to invest significant time and costs into complying with those laws and updating its platform. If Airtasker is found to be non-compliant with any such laws, Airtasker may also be subject to prosecution by regulators or be required to pay penalties, the cost of which may be significant. Depending on the significance of the changes to the laws and regulations applying to Airtasker, Airtasker may even need to fundamentally change its business model. There is also a risk that laws and regulations may change in some jurisdictions in which Airtasker operates but not others. Depending on the significance of the changes, Airtasker may need to fundamentally change its business model in those jurisdictions affected by the changes or may determine to cease operations in those jurisdictions. This may have a material adverse impact on Airtasker's ongoing operations, financial performance and growth prospects.

5.1.5 Compliance with laws and regulations

Airtasker operates an almost 'infinitely horizontal marketplace', which means that users may use Airtasker's marketplace to demand and supply almost any services which they wish to, provided the services are legal and do not breach Airtasker's community guidelines. While Airtasker's terms and conditions of use require Taskers to ensure they have the right to perform the services and to comply with laws when performing the services, there is a risk that the provision of a particular service through Airtasker's marketplace may require Airtasker itself to comply with laws and regulations or hold licences in respect of that particular service. Airtasker has received queries from a number of regulators requiring Airtasker to demonstrate why it is not required to obtain a licence to enable Taskers to provide particular services through Airtasker's marketplace. While to date Airtasker has either demonstrated that it does not require any such licences, or has ceased to allow services to be provided through the marketplace, there is a risk that in the future Airtasker may be required to obtain licences or comply with particular laws or regulations in order for particular services to be provided through its marketplace. Alternatively, Airtasker may determine not to allow those particular services to be provided through the marketplace. This may reduce demand for services through Airtasker's marketplace and reduce Airtasker's revenue. This may have a material adverse impact on Airtasker's ongoing operations, financial performance and prospects.

SECTION 5 | KEY RISKS

As noted in Sections 3.8.3 and 9.2, Airtasker has operations in the United Kingdom, New Zealand, Singapore, Ireland and the United States. Given the commercially immaterial stage of operations in those jurisdictions at this time, a comprehensive analysis of all legal factors which may be relevant to the Group's overseas operations has not yet been conducted. There is a risk that a breach of applicable regulatory rules may be discovered which could result in penalties being incurred for any breach of such requirements and additional requirements may also be imposed by such regulatory rules as to the manner of the conduct of business in these jurisdictions which may result in material additional costs to the Group or may make the conduct of certain of these overseas operations not commercially viable.

5.1.6 Tax risks

Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australia's tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty. The precise scope of many of the new and proposed tax laws is not yet known. Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax and Airtasker's ability to claim research and development offsets) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law and practice that impact Airtasker, or Airtasker's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by Airtasker which is contrary to that of a revenue authority may give rise to additional tax payable.

5.1.7 Use of Airtasker's marketplace

Airtasker is not reliant on any one Customer or Tasker, or a concentration of a few Customers or Taskers. However, the success of Airtasker's business and its ability to grow relies on its ability to attract new users to, and retain existing users in, the marketplace. Airtasker's ability to attract and retain users may be affected by a number of factors, including, without limitation, the functionality of the Airtasker marketplace, Airtasker's pricing model, user support provided by Airtasker and Airtasker's competitive position in the market. If users are not satisfied with any of these factors or the Airtasker marketplace generally, they may cease to use the Airtasker marketplace. If Airtasker is unable to attract a sufficient supply of Taskers to perform Tasks demanded by Customers, it may be unable to attract Customers to its marketplace. Conversely, if Airtasker is unable to attract sufficient demand from Posters, Taskers may use different avenues such as competitors' platforms to source the level of work which they wish to undertake. There is also a risk that Customers and Taskers may, after connecting through the Airtasker marketplace, deal directly with one another to avoid paying Airtasker any fees. There is no guarantee that Airtasker will retain existing users or attract new users to the Airtasker marketplace. If Airtasker is unable to retain existing users or attract new users, this may have a material adverse impact on Airtasker's operations, financial performance and growth prospects.

5.1.8 Liability and reputational damage

There is a risk that Taskers may not perform services to the standards expected by Customers. While Airtasker requires Customers and Taskers to enter into contracts directly with one another, and disclaims all liability for all aspects of the Customer and Tasker interaction, including the performance of services by the Tasker, and while third party insurance is provided for the majority of Tasks undertaken via the Airtasker marketplace (for Australia, the United Kingdom and New Zealand), there is a risk that Customers may still take action against Airtasker or seek to hold Airtasker liable for the actions of Taskers. There is a risk that Airtasker's reputation may be adversely impacted by sub-standard performance by Taskers, negative user experiences in the Airtasker marketplace, user complaints or other adverse events which involve Airtasker or its marketplace. Users may also feel aggrieved if they are unable to hold Airtasker liable for the actions of Taskers. Any negative impact on Airtasker's reputation may adversely influence user sentiment towards Airtasker and willingness to use its marketplace. This may have a material adverse impact on Airtasker's future prospects.

While Airtasker's terms and conditions of use prohibit users from using Airtasker's marketplace to engage in criminal activities, there is a risk that Airtasker's users may nonetheless use Airtasker's marketplace to engage in criminal or other dangerous activities which result in injuries, property damage or other liabilities. If users use Airtasker's marketplace to engage in criminal or other dangerous activities, Airtasker may receive negative publicity which may have an adverse impact on its brand and reputation. Airtasker may be subject to claims for liabilities based on such incidents, injuries and damages caused by users while using Airtasker's marketplace. Airtasker may incur significant costs in investigating and defending any such liability claims. This may have a material adverse impact on Airtasker's reputation, financial position and prospects.

5.1.9 Changes to macro-economic conditions

The demand for particular services through Airtasker's marketplace is dependent on the overall level of consumer demand in the economy for those services. Changes to macro-economic conditions may impact the types and levels of services demanded through the marketplace. For example, during March and April 2020 when a number of states and territories in Australia were first subject to government-imposed 'lockdowns', demand for removal and cleaning services through Airtasker's marketplace reduced. Airtasker operates an almost 'infinitely horizontal marketplace', which is expected to mitigate the impact of reduced demand for particular types of services from time to time. For example, during the March and April 2020 period referred to above, while demand for some services decreased, demand for other services such as pickup and delivery and bicycle repair services increased. However, there is no guarantee that there will be increased demand for services or that any such increased demand will offset any reduced demand for other services. Changes to macro-economic conditions, such as rising unemployment, reduced consumer confidence and volatility in global markets, may also impact levels of discretionary spending on Tasks available through Airtasker's marketplace (e.g. cleaning, repairs, etc.) in the economy. These changes may affect Customers' willingness to use Airtasker's marketplace at the levels they used to or at all. If changes in macro-economic conditions have an adverse impact on the use of Airtasker's marketplace, this may have a material adverse impact on Airtasker's financial performance and prospects. Further risks relating to COVID-19 are set out in Section 5.1.10.

5.1.10 COVID-19

COVID-19 is a major community and economic concern which is having an impact on business operations in Australia and globally. There is a risk that government or industry measures taken in response to COVID-19, such as lockdowns and other restrictions on movements, may restrict the ability of users of Airtasker's marketplace to provide or receive services through the marketplace. As noted in Section 3.7, Airtasker's revenue was impacted in March and April 2020 when many states and territories of Australia, and the United Kingdom, entered into lockdowns, and again between August and October 2020 when Melbourne, Australia entered into a second lockdown. There have also been other lockdowns in Australia, such as in Adelaide in November 2020, the Northern Beaches in Sydney in December 2020 and January 2021, Brisbane in January 2021, and the United Kingdom currently. While Airtasker's operating and financial performance has improved overall since the COVID-19 pandemic began, it is possible that further lockdowns may be imposed in Australia or overseas which have an adverse impact on Airtasker's business. While Airtasker took and continues to take steps to educate users on COVID-19 safe practices and to ensure the continuing operation of the business, there is a risk that existing and further lockdowns and restrictions on movements may adversely impact the level of services sought and performed through Airtasker's marketplace, which may impact Airtasker's revenue. There is also a risk that users may be unable to provide or receive services through the marketplace for a period of time if they contract COVID-19 or are quarantined. These risks may have a material adverse impact on Airtasker's operations, financial performance and growth prospects. Where COVID-19, or government or industry measures taken in response to COVID-19, impact macro-economic conditions, such as by increasing unemployment, this may also give rise to the risks referred to in Section 5.1.9. Airtasker will update the market about any material impact of COVID-19 on its business.

5.1.11 Growth strategies

Airtasker's marketplace has been operational in Australia since 2012 and the United Kingdom since 2018. Airtasker's future success and growth prospects are dependent on continued, and increased, use of its marketplace in the jurisdictions in which it operates from time to time. Airtasker's historical growth rates may not be indicative of future growth. In late 2020, Airtasker commenced operations in Singapore, New Zealand and Ireland, and in calendar year 2021, Airtasker is proposing to commence operations in the United States. The success of Airtasker's expansion into those jurisdictions may be affected by a number of factors, including, without limitation, existing incumbent competitors, the timing for and rate of uptake of Airtasker's marketplace, differing consumer demands and sentiments, differing regulatory requirements, the ability to enforce intellectual property rights, exchange rate fluctuations and differing tax treatments in those jurisdictions. Airtasker may have to expend significant resources, such as costs and time, to establish operations, and market itself and develop its presence in those jurisdictions. There is no guarantee that Airtasker will attract or retain sufficient users of the Airtasker marketplace in those jurisdictions, or that Airtasker will generate profits in those jurisdictions. As described in Section 3.8, one of Airtasker's growth strategies relates to the 'Airtasker Superstore'. There is a risk that the 'Airtasker Superstore' may not be successful, or that the Airtasker Superstore may result in unforeseen costs or risks, may not perform as intended or may not deliver the growth in or retention of users anticipated. If any of these risks arise, this may have a material adverse impact on Airtasker's financial performance, reputation and growth prospects. Even if Airtasker does achieve its growth strategies, there is a risk that growth may place a significant strain on Airtasker's operations, systems, staff and/or financial resources. If Airtasker is unable to manage its growth effectively, or upgrade its systems to support growth, this could result in disruptions to its marketplace and have a material adverse impact on its operations and reputation.

SECTION 5 | KEY RISKS

5.1.12 Intellectual property

Airtasker's intellectual property includes, without limitation, its logos and branding (whether or not registered as trade marks), copyright over its software code, the contents of its website and internally developed features used in its marketplace. There is a risk that Airtasker may inadvertently fail to adequately protect its intellectual property or be unable to adequately protect its intellectual property in new jurisdictions which it expands into from time to time. For example, if Airtasker fails to renew its registered domain name before expiry, it would lose control of all website traffic directed to its marketplace or that a third party may be able to purchase the website, which may have a material adverse impact on its financial performance and operations. There is also a risk that employees, competitors or other parties may seek to replicate some or all of Airtasker's unique marketplace features, or use intellectual property that is similar to Airtasker's intellectual property, to compete with Airtasker. While Airtasker does impose confidentiality and non-compete obligations on its employees, and requires employees to assign to Airtasker their rights in intellectual property developed for Airtasker's business, there can be no guarantee that these will be sufficient to prevent an employee from competing with Airtasker or using its intellectual property rights. If Airtasker's intellectual property is used to compete with Airtasker, this may have a material adverse impact on its competitive position, branding, financial performance and growth prospects. Even if Airtasker seeks to enforce its intellectual property rights against third parties, these attempts may be unsuccessful and Airtasker may expend significant time and costs on such enforcement actions. If Airtasker is unable to protect its intellectual property rights, this could affect its ability to commercialise those intellectual property rights and have a material adverse impact on its branding and reputation.

There is also a risk that Airtasker may inadvertently infringe a third party's intellectual property rights. Airtasker may expend significant time and costs on actions disputing any such allegations of infringement. If Airtasker is unsuccessful in disputing such allegations, it may be required to pay penalties for infringing the third party's intellectual property rights or cease using the infringing intellectual property rights. This may have a material adverse impact on Airtasker's branding, reputation, financial performance and growth prospects.

Airtasker's trade mark applications for the Airtasker logo and the word 'Airtasker' in the European Union are currently subject to opposition. If any of these oppositions are successful, Airtasker's trade mark applications in that jurisdiction may be unsuccessful. If Airtasker's logos are not registered in that jurisdiction, there may be fewer legal remedies available to Airtasker if other parties copy or use Airtasker's logos in that jurisdiction. Further, while the opposing party has not presently brought a claim against Airtasker alleging that Airtasker has infringed the opposing party's trade marks, if such a claim is brought against Airtasker, and Airtasker is unsuccessful in disputing the claim, Airtasker may be liable to pay penalties or cease using its logo in the European Union. This may have a material adverse impact on Airtasker's branding, reputation, financial performance and growth prospects.

5.1.13 Key personnel

Airtasker is dependent on its existing personnel as well as its ability to attract and retain skilled employees. Airtasker must recruit and retain expert engineers and other staff with the skills and qualifications to operate, maintain and develop the Airtasker marketplace. A loss of key employees or under-resourcing, and inability to recruit suitable replacements or additional staff within a reasonable time period, may cause disruptions to Airtasker's marketplace and growth initiatives, and may adversely affect Airtasker's operations and financial performance.

5.1.14 Suppliers

Airtasker's platform is reliant on a number of third party suppliers, including information technology companies which provide Airtasker with cloud storage and data warehousing services, security services, user contact services, payment processing services and other services used to operate, maintain and support the Airtasker platform. Airtasker contracts with those third party suppliers pursuant to their standard terms and conditions and purchase orders. Airtasker's contracts with those suppliers are generally short-term, such as under purchase orders that require annual renewal, and the suppliers have termination for convenience rights. Airtasker also engages 54 staff through a third party business administration service provider in Manila, Philippines. There is a risk that suppliers may become unable or unwilling to do business with Airtasker, or to renew contracts with Airtasker once they expire. There is no guarantee that Airtasker will maintain existing contracts or be able to renew contracts with suppliers on current terms, or at all. If Airtasker is unable to source alternative suppliers within a reasonable period of time and on reasonable terms, this may cause disruptions to Airtasker's platform while suitable replacements are sourced or cause Airtasker to incur substantial costs.

As these contractual arrangements are typically governed by standard terms and conditions, Airtasker has limited influence over the suppliers and is unable to negotiate more favourable positions for itself, and suppliers are able to unilaterally amend their standard terms and conditions from time to time. This may affect Airtasker's recourse against suppliers for breaches of, or non-compliance with, those terms and conditions by suppliers or may result in more onerous obligations being imposed on Airtasker from time to time. There is a risk that suppliers may fail to deliver their services as and when required by Airtasker, which may cause disruptions to Airtasker's platform. As the suppliers' standard terms and conditions generally seek to disclaim

or limit suppliers' liability for matters such as data breaches and other data security incidents, service interruptions and viruses, Airtasker may not have any, or any meaningful, recourse against third party suppliers who cause or contribute to data or service issues which impact Airtasker's platform or its users. Any loss of suppliers, changes to supply terms or limitations on Airtasker's recourse against suppliers may have a material adverse impact on its operations, reputation, financial performance and prospects.

5.1.15 Profitability and requirement for additional capital

Airtasker is not currently profitable and may take time to achieve, or may never achieve, profitability. Even if Airtasker does achieve profitability, it may not be able to sustain or increase profitability over time. While Airtasker has reduced its losses between FY19 and FY21 by generating increased revenue and otherwise reducing or eliminating a number of its expenses, as shown in Section 4, Airtasker must increase its revenue or decrease its expenses further in order to achieve profitability. As noted in Section 4, Airtasker anticipates that it may continue to incur losses in FY21 as it pursues its growth strategies and develops its platform. There is no guarantee that Airtasker will be able to recoup its investments into pursuing those growth strategies, or that those investments will increase Airtasker's revenue in the future.

While Airtasker considers that the funds to be raised under the Offer will be sufficient to meet its objectives, there is a risk that Airtasker may need to raise additional funds if and once the funds raised under the Offer have been spent or to exploit other opportunities to develop its platform and its other longer-term objectives. Airtasker's ability to continue its current operations and effectively implement its growth strategies may depend on its ability to raise additional funds. The availability of funds (whether through debt or further equity raisings) on favourable terms, if at all, may be subject to factors beyond the control of Airtasker, such as cyclical factors affecting the economy. If Airtasker is unable to obtain such additional funding as required, this could have a material adverse effect on Airtasker's financial position and prospects.

5.1.16 Competition

There are a number of online marketplaces with which Airtasker competes from time to time. There is a risk that competitors may increase their competitive positions through a change in their type or breadth of service offerings, increased marketing efforts, technological advances and innovations, more competitive pricing or because they otherwise appear more attractive to users. Competitors may also increase their competitive positions by consolidating or partnering with other businesses. If Airtasker's competitors are able to secure more funding than Airtasker, they may be able to leverage that funding to increase marketing efforts or otherwise secure competitive advantages over Airtasker. Airtasker also faces competition from competitors in certain geographic markets it is seeking to expand into where existing competitors enjoy the benefits of greater brand recognition, longer operating histories and developed relationships with users and regulators. There is also a risk that Airtasker may face competition from new market entrants in the future. Due to the ability of users to switch between platforms which they consider to provide the most competitively attractive service, any increased competition could adversely affect Airtasker's competitive position and its ability to attract and retain users of its marketplace.

While Airtasker operates an almost 'infinitely horizontal marketplace', some of its competitors focus on making limited services available or targeting specific industries through their platforms. There is a risk that those competitors may be able to develop more specialised expertise and employ resources in a more targeted manner than Airtasker does, giving them a competitive advantage over Airtasker in respect of the particular services or industries which they focus on. Any increased competition may reduce demand for Airtasker's service and use of its marketplace, which may have a material adverse effect on its revenue, profit margins, operations, financial position and growth prospects.

5.1.17 Insurance

Airtasker maintains customary insurances against typical business risks, such as public liability insurance and cyber insurance. There is a risk that Airtasker's insurance may not be adequate, may not insure all risks or may not be able to be claimed against in respect of losses. This could have a material adverse impact on Airtasker's financial position and reputation. Airtasker also maintains public liability insurance against certain liabilities incurred by Taskers in Australia, New Zealand and the United Kingdom. This type of insurance is only provided by a limited number of insurance providers and is not available in all international markets. If providers discontinue or increase the costs of such insurance coverage, there is no guarantee that Airtasker will be able to secure replacement coverage on favourable terms or at all. In markets where Tasker insurance is not available, there is a risk that Taskers or Customers may try to recover damages from Airtasker directly that Airtasker's other insurances may not cover, which may have a material adverse impact on Airtasker's financial position. There is also a risk that claims brought under Airtasker's insurance policies could increase the premiums payable by Airtasker going forward, which may have a material adverse impact on Airtasker's financial position.

SECTION 5 | KEY RISKS

5.1.18 Litigation and investigations

While Airtasker is not presently party to any material litigation, disputes or regulatory investigations, it is possible that it may become involved in material litigation, disputes or regulatory investigations from time to time. While the extent of any possible material litigation, disputes or regulatory investigations cannot be ascertained at this time, it is possible that such litigation, disputes or regulatory investigations may be costly and have a material adverse impact on Airtasker's financial position.

5.1.19 Foreign currency risk

Airtasker transacts in currencies other than its reporting currency (the Australian Dollar (AUD)), most notably the US Dollar (USD).

Airtasker's revenue is primarily denominated in AUD, although there is a small component of revenue denominated in other currencies (less than 1% in FY20). Cost of Sales and operating expenses are primarily incurred in AUD, with approximately \$2.9 million (13%) of total pro forma operating expenses in FY20 related to the costs of operations located in the Philippines and some IT subscriptions, which are paid in USD.

Airtasker is exposed to the net impact of movements in exchange rates in the foreign currencies in which the revenue is denominated, and for expenses, in which the services are provided, and hence is subject to both realised and unrealised gains and losses on foreign currency movements.

5.2 General risks to an investment in Airtasker

5.2.1 Economic and geopolitical conditions

There are a number of general economic and geopolitical conditions which may have an adverse effect on Airtasker's operations, and ability to pursue its growth strategies and pay dividends. Such changes include changes in government policy, taxation or other legislation, interest rates, unemployment, consumer sentiment, the strength of the Australian equity markets, natural disasters, acts of terrorism, financial failures of suppliers with which Airtasker contracts or the global economic outlook. As a result of COVID-19 and government or industry measures taken in response to COVID-19, a number of these factors have recently experienced volatility and may continue to in the future.

5.2.2 Equity market risks

There can be no assurance that the price of the Shares will increase or even remain at the Offer Price, even if Airtasker is profitable and performing well. The Shares may trade at a discount to the Offer Price. The Share price may be affected by a number of factors, many of which are outside Airtasker's control, including the conditions described in Section 5.1 or investor attitudes. Further, there can be no certainty that an active market in the Shares will develop once the Shares are quoted on the ASX.

As noted in Section 6.6, approximately 67.2% of the Shares on Listing will be subject to voluntary escrow arrangements. Those Shares being escrowed may contribute to limited liquidity in the market for the Shares during the escrow period, which could affect the Share price. Further, as Shares are released from escrow, there is a risk that an actual or expected significant sell-down of those Shares could drive down the market price of the Shares.

5.2.3 Taxation

The acquisition and disposal of Shares will have tax consequences which will differ depending on individual investors' affairs. Any change in the general treatment of companies for taxation purposes may impact on investors' returns, the treatment of dividends for income tax purposes or the taxation treatment of capital gains or losses for investors.

5.2.4 Dilution risk

Airtasker may undertake capital raisings in the future to raise funds, facilitate employee share plans or fund growth and other strategic initiatives. While Airtasker will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period, Shareholders at the time may be diluted as a result of such capital raisings.

5.2.5 Distributions may vary

The ability of Airtasker to pay dividends is dependent upon Airtasker having, at the time, the available cash, a sufficient level of retained profits and the probability of ongoing profitability and cash generation, which cannot be guaranteed. As such, there is a risk that Airtasker may not pay dividends to Shareholders from time to time, or at all. Airtasker does not presently intend to pay dividends.

5.2.6 Forecasts and forward looking statements

There can be no guarantee that the assumptions and contingencies on which any forecasts or other forward-looking statements, opinions and estimates are based will ultimately prove to be valid or accurate.

5.2.7 Accounting Standards

Australian Accounting Standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the control of Airtasker and its Directors. The AASB may, from time to time, introduce new or refined Australian Accounting Standards, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the reported financial performance and position of Airtasker.

Section 6

Key people, interests and benefits



6.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience.

Director	Experience and qualifications
 <p>James Spenceley Non-executive Chairperson</p>	<p>James joined Airtasker as the non-executive Chairperson in March 2016. James is a member of the Board's Audit and Risk Committee and Nomination and Remuneration Committee.</p> <p>James is also currently a non-executive director of ASX-listed company, Think Childcare (ASX:TNK) and the executive chairperson of Swoop Telecom.</p> <p>Prior to joining Airtasker, James was the CEO and managing director of Vocus Communications (now Vocus Group) (ASX:VOC), one of Australia's largest telecommunications companies. James founded Vocus in 2007 and when he left in 2016 it was a multi-billion dollar business and an ASX 100 company. James was also a non-executive director of APNIC Pty Ltd from 2008 to 2014, a non-executive director of Indoor Skydive Limited from 2018 to 2019 and a non-executive director of the children's charity, the Humpty Dumpty Foundation. James is a multiple former Ernst & Young Australian Entrepreneur of the year winner.</p>
 <p>Ellen (Ellie) Comerford Non-executive Director</p>	<p>Ellie joined Airtasker as a non-executive Director in February 2021. Ellie is the chair of the Board's Audit and Risk Committee and a member of the Board's Nomination and Remuneration Committee.</p> <p>Ellie is currently a non-executive director of Heartland Group Holdings Limited (NZX:HGH) and Auscred Pty Limited, and is the chair of the audit and risk committee in both roles. Ellie is also an executive director of Hollard Holdings Australia Pty Ltd.</p> <p>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.</p> <p>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.</p> <p>Ellie holds a Bachelor of Economics from Macquarie University, and is a member of Chief Executive Women.</p>
 <p>Peter Hammond Non-executive Director</p>	<p>Peter joined Airtasker as a non-executive Director in November 2013. Peter is the chair of the Board's Nomination and Remuneration Committee and a member of the Board's Audit and Risk Committee.</p> <p>Peter is a co-founder and director of Exto Partners Pty Ltd, a Sydney-based venture capital investment company formed in 2003. Peter is a director of several of the investee companies of Exto Partners and 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.</p> <p>Peter holds a Bachelor of Business from the University of Technology, Sydney and is a registered Australian Chartered Accountant.</p>
 <p>Xiaofan (Fred) Bai Non-executive Director</p>	<p>Fred joined Airtasker as a non-executive Director in April 2015.</p> <p>Fred is a co-founder and the managing partner of Morning Crest Capital, a venture capital firm.</p> <p>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.</p> <p>Fred holds a Bachelor of Commerce from the University of Sydney.</p>

SECTION 6 | KEY PEOPLE, INTERESTS AND BENEFITS

Director

Experience and qualifications



Timothy (Tim) Fung
Chief Executive Officer
(CEO) and executive
Director

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 startup Amaysim and prior to that spent time at Macquarie Bank and talent representation agency Chic Management.

Tim holds a Bachelor of Commerce from the University of New South Wales and received the UNSW Alumni Award in 2016.

6.2 Management team

Executive

Experience and qualifications



Nathan Chadwick
Chief Financial Officer
(CFO)

Nathan joined Airtasker as Finance Director in November 2018 and assumed the role of CFO in April 2019.

Nathan has had a career in finance spanning more than 20 years. After beginning his career with Deloitte, he joined Credit Suisse as an equities research analyst and later worked in capital markets and corporate advisory as a senior director with ABN AMRO and Royal Bank of Scotland. Since leaving investment banking in 2012, Nathan has advised a number of early stage and ASX listed companies including Aspen Group Limited, and held senior finance roles at ASX listed AJ Lucas Group Limited prior to joining Airtasker.

Nathan holds a Bachelor of Commerce from the University of Queensland, a First Class Honours in Finance from Curtin University and is a recipient of the Australian Student Prize.



Yaniv Bernstein
Chief Operating Officer
(COO)

Yaniv joined Airtasker as Vice President of Engineering in April 2018 and assumed the role of COO in March 2020.

Prior to joining Airtasker, Yaniv had a 10 year career at Google as a software engineer and technology leader across Google Search, YouTube and Google Maps.

Yaniv holds a Bachelor of Computer Science from the University of Melbourne and a PhD in Computer Science from RMIT University.



Mark Simpson
General Counsel and
Company Secretary

Mark joined Airtasker 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 UK 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 Airtasker, 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. Prior to qualifying as a lawyer, Mark worked as a corporate finance analyst for Citicorp Investment Bank in London.

Mark holds a Bachelor of Laws (Honours) and a Postgraduate Diploma in Legal Practice from the University of Edinburgh.

6.3 Directors' and management's disclosure

No Director or member of Airtasker's senior management team has been the subject of any legal or disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or member of the senior management team of Airtasker or which is relevant to an investor's decision as to whether to subscribe for Shares.

Peter Hammond was a director of Australasia Franchise Group Pty Ltd at the time the company was placed into voluntary administration. The company was subsequently deregistered in June 2015. James Spenceley was a non-executive director of Silver Heritage Group Limited which was placed into voluntary administration in May 2018, seven months after he departed from the board of that company. At the second meeting of creditors of Silver Heritage Group Limited held on 25 August 2020, creditors resolved that the company execute a deed of company arrangement. Other than as noted above, no Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after which they ceased to be an officer.

6.4 Interests and benefits

This Section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer and Alumni Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Airtasker; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

held at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Airtasker;
- property acquired or proposed to be acquired by Airtasker in connection with their formation or promotion or in connection with the Offer or Alumni Offer; or
- the Offer or Alumni Offer,

and no amount (whether in cash, Securities or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such person for services in connection with the formation or promotion of Airtasker or the Offer or Alumni Offer, or to any Director or proposed Director of Airtasker to induce them to become, or qualify as, a Director or proposed Director of Airtasker.

6.4.1 Interests of advisors

Airtasker has engaged the following professional advisors in relation to the Offer and Alumni Offer:

- Morgans Corporate Limited has acted as Lead Manager to the Offer. Airtasker has agreed to pay the Lead Manager the fees described in Section 9.5.1 for these services;
- Thomson Geer has acted as Australian legal adviser to Airtasker in relation to the Offer and Alumni Offer. Airtasker has paid, or agreed to pay, approximately \$225,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Thomson Geer for other work in accordance with its normal time-based charges;
- Deloitte Corporate Finance Pty Limited has performed financial due diligence enquiries for Airtasker in relation to the Offer and Alumni Offer, has acted as the Investigating Accountant in relation to the Offer and has prepared the Independent Limited Assurance Report included in Section 8. Airtasker has paid, or agreed to pay, approximately \$385,000 (excluding disbursements and GST) for these services up until the Prospectus Date;
- Deloitte Tax Services Pty Ltd has acted as tax adviser in relation to the Offer and Alumni Offer. Airtasker has paid, or agreed to pay, approximately \$210,000 (excluding disbursements and GST) for these services up until the Prospectus Date; and
- Frost & Sullivan Pty Ltd has provided the industry report included in Section 2. Airtasker has paid, or agreed to pay, approximately \$16,500 (excluding disbursements and GST) for these services up until the Prospectus Date.

These amounts, and other costs of the Offer and Alumni Offer will be paid by Airtasker out of funds raised under the Offer or available cash. Further information on the use of proceeds of the Offer and payment of costs of the Offer and Alumni Offer is set out in Section 7.1.3.

SECTION 6 | KEY PEOPLE, INTERESTS AND BENEFITS

6.4.2 Directors' and management's interests and remuneration

6.4.2.1 Senior management's remuneration

The key senior management team are currently entitled to receive the following cash and non-cash remuneration:

Executive	Annual fixed remuneration	Cash bonuses	Non-cash remuneration
Tim Fung CEO and executive Director	\$280,000 plus superannuation at the applicable statutory rate	Tim is eligible to receive cash bonuses from time to time. No cash bonuses are currently owing.	Tim is eligible to participate in Airtasker's employee incentive plans. Tim currently holds 1,683,000 Employee Options, with a value of \$188,626, and will be granted 4,000,000 Share Appreciation Rights (referred to in the Rights Plan as 'Share Appreciation Rights'), with a value of \$1 million, by Completion under those plans.
Nathan Chadwick CFO	\$250,000 plus superannuation at the applicable statutory rate	Nathan is eligible to receive cash bonuses from time to time. Nathan is currently entitled to receive a cash bonus of \$50,000 inclusive of superannuation and taxes upon completion of the Offer by 30 June 2021. Nathan is also eligible to receive a cash bonus of \$500,000 when Airtasker's monthly revenue meets or exceeds \$6.25m for at least three consecutive months (equating to an annual recurring revenue (ARR) of \$75m) and an additional \$500,000 when Airtasker's monthly revenue meets or exceeds \$8.33m for at least three consecutive months (equating to an ARR of \$100m). Eligibility for this cash bonus is conditional upon him being employed by Airtasker at the time that the relevant monthly revenue run rate is satisfied.	Nathan is eligible to participate in Airtasker's employee incentive plans. Nathan currently holds 2,000,000 Employee Options and will be granted 153,846 Rights by Completion under those plans.
Yaniv Bernstein COO	\$280,000 plus superannuation at the applicable statutory rate.	Yaniv is eligible to receive cash bonuses from time to time. Yaniv is currently entitled to receive a cash bonus of \$100,000 inclusive of superannuation and taxes if Airtasker meets or exceeds the GMV, Revenue and EBIT included in the financial forecasts set out in this Prospectus, based on the audited FY21 Statutory Financial Statements. Yaniv is also eligible to receive a cash bonus of \$1,000,000 when Airtasker's monthly revenue meets or exceeds \$6.25m for at least three consecutive months (equating to an ARR of \$75m) and an additional \$1,000,000 when Airtasker's monthly revenue meets or exceeds \$8.33m for at least three consecutive months (equating to an ARR of \$100m). Eligibility for this cash bonus is conditional upon him being employed by Airtasker at the time that the relevant monthly revenue run rate is satisfied.	Yaniv is eligible to participate in Airtasker's employee incentive plans. Yaniv currently holds 4,000,000 Employee Options under those plans.

Details of the options and rights (including exercise prices) are set out in Sections 9.4 and 9.7 of this Prospectus

6.4.2.2 Senior management's employment contracts

Each of Airtasker's senior management team has entered into an individual employment contract with Airtasker. In addition to the provisions referred to in Section 6.4.2.1, these individual employment contracts:

- allow the senior manager's employment to be terminated on six months' (for the CFO and COO) and 12 months' (for the CEO) notice by either party;
- allow Airtasker to terminate a senior manager's employment without notice if that senior manager engages in serious misconduct;
- restrain senior managers from competing with Airtasker's business or soliciting any of the Group's suppliers, customers or employees with whom they have had dealings in the last 12 months of their employment with Airtasker. The restraint applies for a maximum period of up to 12 months (for the CEO and CFO) and six months (for the COO) after their employment

ends (on a cascading basis) and applies for a maximum area of Australia, New Zealand, the United Kingdom, Singapore and the United States of America (on a cascading basis);

- impose confidentiality obligations on the senior managers, which survive termination of their employment with Airtasker; and
- provide for the senior managers to assign to Airtasker all of their intellectual property rights arising out of their employment with Airtasker or the performance of their duties, including any intellectual property rights they owned prior to their employment with Airtasker which are necessary for the conduct of Airtasker's business. It also provides for the senior managers to consent to any acts or omissions by Airtasker or persons associated with it, such as other employees, which infringe their moral rights over any works made by them in the course of their employment or prior to their employment which are necessary for the conduct of Airtasker's business.

6.4.2.3 Non-executive Directors' remuneration

The maximum aggregate fees payable to all non-executive Directors for their services has been set at \$750,000 per annum (exclusive of superannuation). Any change to that aggregate fee pool requires Shareholder approval.

The non-executive Directors are currently entitled to receive the following remuneration for FY21 and FY22:

Director	Annual Directors' fees
James Spenceley Non-executive Chairperson	\$160,000 (comprising base fees of \$160,000 and no fees for being a member of any Board committee), to be satisfied for Q4FY21 and FY22 in Rights, plus superannuation at the applicable statutory rate.
Ellen Comerford Non-executive Director	\$125,000 (comprising base fees of \$100,000, \$20,000 for being the chair of the Audit and Risk Committee and \$5,000 for being a member of the Nomination and Remuneration Committee), to be satisfied 80% in Rights and 20% in cash for 1 February 2021 to 30 June 2021 and FY22, plus superannuation at the applicable statutory rate.
Peter Hammond Non-executive Director	\$131,400 plus GST (comprising base fees of \$109,500 plus GST, \$16,425 plus GST for being the chair of the Nomination and Remuneration Committee and \$5,475 plus GST for being a member of the Audit and Risk Committee), payable to Exto Partners Pty Ltd ¹ , to be satisfied for Q4FY21 and FY22 in Rights issuable to Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust.
Fred Bai Non-executive Director	\$75,000, to be satisfied for Q4FY21 and FY22 in Rights. No superannuation is payable as Fred is not an Australian resident.

1. Peter is a nominee Director of Exto Partners Pty Ltd, which holds its interests in Airtasker through associated entities Exto Active Pty Ltd as trustee for the Exto Active Trust and Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust.

As noted above, non-executive Directors have elected to be issued Rights in lieu of some or all cash payments of their Directors' fees. Further, some Directors will by Completion be issued additional one-off Rights in connection with the Offer and Listing. A summary of these entitlements are set out below:

Director	Non-cash remuneration
James Spenceley Non-executive Chairperson	1,000,000 Employee Options (which will convert to Ordinary Options prior to Completion), with a value of \$166,700, which were issued in 2019 327,754 Rights in lieu of Directors' fees for Q4FY21 and FY22, with a value of \$213,040, to be issued on Completion 461,538 Rights in connection with the Offer and Listing, with a value of \$300,000, to be issued on Completion
Ellen Comerford Non-executive Director	217,071 Rights in lieu of 80% of Directors' fees from 1 February 2021 to 30 June 2021 and for FY22, with a value of \$141,096, to be issued on Completion 53,846 Rights in connection with the Offer and Listing, with a value of \$35,000, to be issued on Completion
Peter Hammond* Non-executive Director	269,723 Rights in lieu of Directors' fees for Q4FY21 and FY22, with a value of \$175,320, to be issued to Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust on Completion 307,692 Rights in connection with the Offer and Listing, with a value of \$200,000, to be issued to Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust on Completion
Fred Bai Non-executive Director	153,635 Rights in lieu of Directors' fees for Q4FY21 and FY22, with a value of \$99,863, to be issued on Completion

SECTION 6 | KEY PEOPLE, INTERESTS AND BENEFITS

Directors may elect to hold their Rights through entities controlled by them. The material terms of the Employee Options (and Ordinary Options on conversion of the Employee Options to Ordinary Options) and Rights are summarised in Section 9.4.2. The material terms of the employee incentive plans under which the Employee Options (and Ordinary Options on conversion of the Employee Options to Ordinary Options) and Rights were issued are summarised in Section 9.7.

6.4.2.4 Other information about Directors' interests and benefits

Directors may be reimbursed for travel and other expenses incurred in attending to Airtasker's affairs, including attending meetings of the Board, Board committees or general meetings. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions as applicable.

6.4.2.5 Non-executive Directors' appointment letters

Each of the non-executive Directors has entered into an individual appointment letter and a deed of indemnity, insurance and access with Airtasker. These letters and deeds include provisions recommended by the ASX Corporate Governance Council in the ASX Corporate Governance Principles and Recommendations (**ASX Principles**), including provisions requiring non-executive Directors to disclose their interests and matters which could affect their independence, comply with key corporate governance policies and maintain confidentiality. The deeds are described further in Section 6.4.2.6.

6.4.2.6 Indemnification and Directors' and officers' insurance

Under Airtasker's Constitution, Airtasker indemnifies each officer against any liability incurred by that officer in his or her capacity as an officer of Airtasker to the extent permitted by law. Under the deeds of indemnity, insurance and access that Airtasker has entered into with each Director, Airtasker has agreed to indemnify each Director against any liability incurred by that Director in his or her capacity as an officer of Airtasker or a related body corporate to the maximum extent permitted by law. The indemnity does not apply in respect of:

- a liability owed to Airtasker or any of its related bodies corporate;
- a pecuniary penalty order under section 1317G or a compensation order under section 1317H of the Corporations Act;
- a liability that is owed to someone other than Airtasker or any of its related bodies corporate and did not arise out of conduct in good faith; or
- reasonable legal costs incurred in defending or resisting certain proceedings including criminal proceedings in which the Director is found guilty.

Under the Constitution and each deed of indemnity, insurance and access, Airtasker may arrange and maintain directors' and officers' insurance for its Directors and officers to the extent permitted by law. Under each deed of indemnity, insurance and access, Airtasker may maintain such a policy for the benefit of a Director while the Director is an officer of Airtasker and for a period of seven years after the Director ceases to be an officer of Airtasker. This period may be extended where proceedings are commenced against the Director before expiry of that period until such time as the proceedings have been finally resolved.

Under each deed of indemnity, insurance and access, Airtasker must give each Director access to written materials provided to the Board and Board committees while the Director was an officer of Airtasker if the request is made in connection with proceedings referred to above and is made within the period referred to above.

6.4.2.7 Directors' and key management's interests in Securities

The Directors of Airtasker are not required to hold Shares under the Constitution.

The table below sets out the expected interests of the Directors and key senior management of Airtasker in Securities in Airtasker as at the Prospectus Date and at Completion.

Table 6.1: Directors' and management's interests in Securities

Director or key executive ⁵	On the Prospectus Date						On Completion					
	Ordinary Shares	Preference Shares ²	Employee Shares ³	Employee Options ⁴	% (un-diluted) ⁸	% (fully diluted) ⁸	Ordinary Shares ^{1,2,3}	Ordinary Options ⁴	Rights ⁵	% (un-diluted) ⁸	% (fully diluted) ⁸	
James Spenceley Non-executive Chairperson ⁷	3,212,000	–	–	1,000,000	0.91%	1.09%	3,212,000	1,000,000	789,292	0.82%	1.19%	
Ellen Comerford Non-executive Director ⁷	–	–	–	–	–	–	–	–	270,917	–	0.06%	
Peter Hammond Non-executive Director ⁷	47,714,000	11,543,537	–	–	16.76%	15.28%	61,175,540	0	577,415	15.57%	14.68%	
Fred Bai Non-executive Director ^{6,7}	58,188,000	494,723	–	–	16.60%	15.13%	57,030,879	0	153,635	14.52%	13.60%	
Tim Fung CEO and executive Director ⁷	47,740,000	–	–	1,683,000	13.51%	12.74%	47,740,000	1,683,000	4,000,000	12.15%	12.70%	
Nathan Chadwick Chief Financial Officer	–	–	–	2,000,000	–	0.52%	–	2,000,000	153,846	–	0.51%	
Yaniv Bernstein Chief Operating Officer	–	–	–	4,000,000	–	1.03%	–	4,000,000	–	–	0.95%	
Total	156,854,000	12,038,260	–	8,683,000	47.78%	45.79%	169,158,419	8,683,000	5,945,106	43.05%	43.70%	

Notes:

- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which it will issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Preference Shares (including the bonus Preference Shares) will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Shares will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Options will convert to Ordinary Options on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.
- On Completion, Selling Shareholders will sell down some of their Shares under the Offer.
- The Ordinary Shares which James holds an interest in at the Prospectus Date are held by Spenceley Management Pty Ltd ATF The Spenceley Family Trust, an entity controlled by James. The Ordinary Shares and Employee Shares which Tim holds an interest in at the Prospectus Date are held by Tune Fiorano Pty Ltd ATF Tune Fiorano Trust, an entity controlled by Tim. The Ordinary Shares and Preference Shares which Peter holds an interest in at the Prospectus Date are held by Exto Active Pty Ltd as trustee for the Exto Active Trust, an entity which Peter is a director of and a trust which he holds units in. This Shareholder is a substantial Shareholder of Airtasker represented by Peter on the Board. The Rights which Peter will hold an interest in at Completion will be held by Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust, an entity which Peter is a director of and a trust which he holds units in. The Ordinary Shares and Preference Shares which Fred holds an interest in at the Prospectus Date are held by Morning Crest Airtasker Investment Holdings Limited (28,488,000 Ordinary Shares) and MCC Resources Holding Limited (29,700,000 Ordinary Shares and 494,723 Preference Shares), entities which Fred is a director of and which are substantial Shareholders of Airtasker represented by Fred on the Board. Directors may elect to hold their Rights through entities controlled by them.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of shares and other securities, such as options and rights, on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested options or rights.

The material terms of the Employee Options (and Ordinary Options on conversion of the Employee Options to Ordinary Options), Rights, Employee Shares and Preference Shares are summarised in Section 9.4.2. The material terms of the employee incentive plans under which the Employee Options (and Ordinary Options on conversion of the Employee Options to Ordinary Options) and Rights were issued are summarised in Section 9.7.

Directors and senior management may apply for additional Shares under the Offer. No Directors or senior management will participate in the Alumni Offer. Any such Shares will not be subject to escrow. Final Directors' security holdings will be notified to the ASX following Listing.

6.4.3 Employee incentive arrangements

Airtasker has established various incentive arrangements to assist in attracting, motivating and retaining management and employees, including general incentive payments under contracts of employment and/or the grant of options, rights or other awards under Airtasker's employee incentive plans, which are summarised in Section 9.7. The summaries of each plan below do not purport to be complete and are qualified in their entirety by the provisions of the plans.

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6.5 Interests in Securities of existing and new investors

The table below sets out the expected interests of existing and new investors of Airtasker, including substantial Shareholders, in Securities in Airtasker as at the Prospectus Date and at Completion.

Table 6.2: Interests in Securities of existing and new investors

On the Prospectus Date						
Substantial Shareholders	Ordinary Shares	Preference Shares ²	Employee Shares ³	Employee Options ^{4,7}	Contractual Rights ⁵	% (undiluted) ¹⁰
Seven West Media Investments Pty Limited ⁹	54,286,000	9,234,829	–	–	5,936,675	17.97%
Tune Fiorano Pty Ltd ATF Tune Fiorano Trust ⁹	47,740,000	–	–	1,683,000	–	13.51%
Exto Active Pty Ltd as Trustee for the Exto Active Trust ⁹	47,714,000	11,543,537	–	–	–	16.76%
Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust ⁹	–	–	–	–	–	–
MCC Resources Holding Limited ^{8,9}	29,700,000	494,723	–	–	–	8.54%
Morning Crest Airtasker Investment Holdings Limited ^{8,9}	28,488,000	–	–	–	–	8.06%
Skyfield Capital Pty Ltd (Trustee for Bluestone Unit Trust)	19,789,000	1,978,892	–	–	–	6.16%
Skyfield Capital Pty Ltd (Trustee for Green Seed Unit Trust)	–	2,473,615	–	–	–	0.70%
Jonathan See-Chun Lui ⁸	19,775,000	–	–	752,000	–	5.59%
Total substantial Shareholders	247,492,000	25,725,596	–	2,435,000	5,936,675	77.30%
Other security holders						
Other Board and key management	3,212,000	–	–	7,000,000	–	0.91%
Other existing security holders ⁸	67,789,027	7,351,589	1,896,000	19,007,273	–	21.79%
Investors under the Offer	–	–	–	–	–	–
TOTAL	318,493,027	33,077,185	1,896,000	28,442,273	5,936,675	100.00%

Notes:

- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which it will issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Preference Shares (including the bonus Preference Shares) will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Shares will convert to Ordinary Shares on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure, under which all Employee Options will convert to Ordinary Options on a 1-to-1 basis.
- Between the Prospectus Date and Completion, Airtasker will undertake the Restructure to issue Ordinary Shares in settlement of the Contractual Rights.
- Between the Prospectus Date and Completion, Airtasker will issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.
- On Completion, Airtasker will issue 3,940,169 Shares under the separate Alumni Offer for the cancellation of 6,832,377 Ordinary Options.
- On Completion, Selling Shareholders will sell down some of their Shares under the Offer.
- Tune Fiorano Pty Ltd ATF Tune Fiorano Trust is an entity controlled by CEO and Executive Director, Tim Fung. Exto Active Pty Ltd as trustee for the Exto Active Trust is an entity which non-executive Director, Peter Hammond, is a director of and a trust which he holds units in. Morning Crest Airtasker Investment Holdings Limited and MCC Resources Holding Limited are entities which non-executive Director, Fred Bai, is a director of.
- Undiluted refers to the number of shares on issue and fully diluted refers to the number of shares and other securities, such as options and rights, on issue. Assumes no shares are issued before Completion as a consequence of the exercise of vested options or rights.
- Rights (referred to in the Rights Plan as 'Share Appreciation Rights') with an exercise price of \$0.76 per share.

		On Completion					
% (fully diluted) ¹¹	% (fully diluted together with associates) ¹⁰	Ordinary Shares ^{1, 2, 3, 4, 7}	Ordinary Options ^{4, 7}	Rights ⁶	% (undiluted) ¹⁰	% (fully diluted) ¹⁰	% (fully diluted together with associates) ¹⁰
17.91%	17.91%	–	–	–	–	–	–
12.74%	12.74%	47,740,000	1,683,000	4,000,000 ¹¹	12.15%	12.70%	12.70%
15.28%	15.28%	61,175,540	–	–	15.57%	14.54%	14.86%
–		–	–	577,415	–	0.14%	
7.79%	15.13%	28,941,711	–	–	7.37%	6.88%	13.60%
7.35%		28,089,168	–	153,635	7.15%	6.71%	
5.61%	6.25%	22,096,692	–	–	5.62%	5.25%	5.94%
0.64%		2,884,615	–	–	0.73%	0.69%	
5.29%	5.29%	4,283,347	–	–	1.09%	1.02%	1.02%
72.60%	72.60%	195,211,073	1,683,000	4,731,051	49.68%	47.94%	47.94%
2.63%	–	3,212,000	7,000,000	1,214,055	0.82%	2.72%	–
24.76%	–	65,782,482	12,926,896	150,000	16.74%	18.75%	–
–	–	128,696,722	–	–	32.76%	30.60%	–
100.00%	–	392,902,277	21,609,896	6,095,106	100.00%	100.00%	–

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6.6 Escrow arrangements

Existing Shareholders have entered into voluntary escrow agreements with Airtasker in relation to Securities in which they will have interests on Completion. In addition, all Shares issued under the Alumni Offer will be subject to escrow pursuant to voluntary escrow agreements. Under each voluntary escrow agreement, the relevant escrowed party agrees, subject to certain limited exceptions, not to deal in those Securities until the expiry of the escrow periods as set out below. No Shares are subject to ASX-imposed escrow. No Shares issued or transferred under the Offer will be subject to escrow.

Table 6.3: Voluntary escrow arrangements

Escrowed Party	Escrow Period*	Number of escrowed Securities (undiluted) on Completion	Percentage of Securities (undiluted) on Completion
Substantial Shareholders			
Exto Active Pty Ltd as Trustee for the Exto Active Trust	Commencing on Completion and ending:	61.18 million	15.57%
Tune Fiorano Pty Ltd ATF Tune Fiorano Trust	<ul style="list-style-type: none"> in respect of 50% of the escrowed Securities, on the date being two weeks after Airtasker's 1HFY22 financial results are released to the market; and 	47.74 million	12.15%
MCC Resources Holding Limited	<ul style="list-style-type: none"> in respect of the remaining 50% of the escrowed Securities, on the earlier of the date being two weeks after Airtasker's 1HFY23 financial results are released to the market and the date being two years after the date of the voluntary escrow agreements 	28.94 million	7.37%
Morning Crest Airtasker Investment Holdings Limited		28.09 million	7.15%
Skyfield Capital Pty Ltd (Trustee for Bluestone Unit Trust)		22.10 million	5.62%
Other existing Shareholders			
Other Shareholders including under the Alumni Offer	Commencing on Completion and ending on the date being two weeks after the release of Airtasker's FY21 results to the market.	49.17 million	12.51%
	Commencing on Completion and ending on the date being two weeks after the release of Airtasker's 1HFY22 results to the market	22.17 million	5.64%
	Commencing on Completion and ending on the earlier of the date being two weeks after the release of Airtasker's 1HFY23 results to the market and the date being two years after the date of the voluntary escrow agreements	4.82 million	1.23%
Total shares subject to escrow conditions		264.21 million	67.24%
Shares offered to new investors under the Offer	No escrow – shares free trading at listing	128.70 million	32.76%
Total Shares at Completion		392.90 million	100.00%

* The Board may determine that the escrow period applying to any escrowed Shares end before the dates set out above, to the extent permitted by ASX.

An escrowed Shareholder may be released early from escrow in the following circumstances:

- to accept a full or proportional takeover offer, provided that the offer has been accepted by the holders of at least 50% of the securities in the class of securities to which offers under the bid relate and which are not subject to escrow. If the offer is a conditional off-market bid, the escrow restrictions will apply to each escrowed Share not purchased by the bidder under the takeover offer or post-takeover compulsory acquisition under the Corporations Act. If the takeover bid is unsuccessful, the Shares will return to escrow;
- to be disposed of or cancelled as part of a merger by way of compromise or arrangement under Part 5.1 of the Corporations Act. If the merger by way of compromise or arrangement does not take effect, the Shares will return to escrow; or
- if the escrowed Shareholder is a trustee, to dispose of the escrowed Shares to a new trustee provided the new trustee assumes the escrow obligations, there is no extension to the escrow period and there is no change in the beneficial ownership of the escrowed Shares as a result of the disposal.

6.7 Corporate Governance

6.7.1 Overview

This Section 6.7 details how the Board will oversee both the management and corporate governance of Airtasker. The Board will monitor Airtasker's operational and financial position and performance and will oversee development and implementation of its business strategy, including considering and approving Airtasker's strategic objectives and annual business plan, including a budget.

Copies of Airtasker's key policies and practices and the charters for the Board and each of its committees are available at <http://investor.airtasker.com/corporate-governance>.

6.7.2 Corporate governance framework

The Board is committed to ensuring the sustained, long-term growth, performance and success of Airtasker, as well as representing and serving the best interests of all Company stakeholders, including security holders, customers and employees.

At Listing, Airtasker will be an entity listed on the ASX. The ASX Principles for listed entities are intended to promote investor confidence and assist companies in meeting stakeholder expectations. Under the ASX Listing Rules, Airtasker will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX Principles in the reporting period. Where Airtasker does not follow an ASX Principle, it must identify the relevant recommendation or principle that has not been followed and give reasons for not following it.

The main policies and practices adopted by Airtasker are summarised below. Except as set out below, Airtasker does not anticipate that it will depart from the recommendations of the ASX Principles; however, it may do so in the future if it considers that such a departure would be reasonable or appropriate:

ASX Principle	Reason for non-compliance
<p>Recommendation 1.5</p> <p>A listed entity should through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally.</p>	<p>Airtasker is a committed to equal opportunity employer and strives to ensure it maintains as diverse a workforce as recruitment and availability allows. Airtasker has adopted a Diversity Policy, which is summarised in Section 6.7.5.4. Airtasker and the Board are not currently of a size that enables fixed quotas to be appointed to the Board and senior management, but efforts are continuously made to ensure discrimination is eradicated in all employment and recruitment decision-making.</p>

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ASX Principle	Reason for non-compliance
<p>Recommendation 2.1</p> <p>The board of a listed entity should have a nomination committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.</p> <p>Recommendation 8.1</p> <p>The board of a listed entity should have a remuneration committee which has at least three members, a majority of whom are independent directors, and is chaired by an independent director.</p>	<p>The Board has a Nomination and Remuneration Committee comprised of three non-executive Directors, two of whom are independent; however, the chair of the Nomination and Remuneration Committee, Peter Hammond, is not independent. Given the historic knowledge and experience the chair has of Airtasker's, and market, remuneration practices, the Board considered him to be the best Board member to fill this role and he will remain as chair of the committee for the foreseeable future.</p>
<p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>At Listing, two of the Board's five Directors are independent. Due to historic size and composition of the Board, it is not possible to achieve a majority of independent directors immediately. However it is the Board's intention to appoint an additional independent non-executive Director in the coming year.</p>

6.7.3 The Board and independence

The Constitution requires that Airtasker has a minimum of three Directors and a maximum of 10 Directors, unless the Constitution is amended. The Board shall initially comprise five Directors: an independent non-executive Chairperson, one independent non-executive Director, two non-independent non-executive Directors and one non-independent executive Director (the CEO). Biographies of the Board members are provided in Section 6.1.

Each Director has confirmed to Airtasker that he or she anticipates being available to perform his or her duties as a non-executive Director or executive Director, as the case may be, without constraint from other commitments.

In determining whether a Director is 'independent', the Board has adopted the definition of this word in the ASX Principles. Consequently, a Director will be considered 'independent' if that Director is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party. The Board will consider the materiality of any given relationship on a case-by-case basis, with the Board Charter to assist in this regard.

The Board considers the Chairperson, James Spenceley, to be an independent Director, notwithstanding that James has interests in Securities as the Securities held by him do not give him a material interest in Airtasker's Securities and, although some of those Securities include Options and Rights, the Options and Rights are not subject to performance-based vesting criteria. The Board considers the non-executive Director Ellen Comerford to be an independent Director as she is free from any business or any other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of the Director's judgement, and that she is able to fulfil the role of an independent Director for the purposes of the ASX Principles.

The Board does not consider the CEO and executive Director, Tim Fung, to be independent as he is employed in an executive capacity with Airtasker and is a substantial holder of Airtasker. The Board does not consider the non-executive Directors, Peter Hammond or Fred Bai to be independent as they are directors of current substantial holders of Airtasker.

Except for Peter Hammond, who is a representative of substantial Shareholder, Exto Active Pty Ltd as trustee for the Exto Active Trust, and Fred Bai, who is a representative of substantial Shareholder, Morning Crest Capital (through MCC Resources Holding Limited and Morning Crest Airtasker Investment Holdings Limited), none of the Directors are acting as nominee or representative of any security holder (other than in respect of their own direct or indirect interests), nor as nominees or representatives of the Lead Manager or suppliers to Airtasker.

The Board will regularly review the independence of each Director in light of interests disclosed to the Board and will disclose any change to the ASX, as required by the ASX Listing Rules.

6.7.3.1 Board Charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including (amongst other things) the following responsibilities:

- defining the Company's purpose and setting its strategic objectives;
- overseeing and evaluating management's implementation of the Company's strategic direction, objectives and goals, and instilling the Company's values and its performance generally;
- appointing and replacing the CEO, and approving the appointment and replacement of other senior executives of the Company, including the Company Secretary;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate.

The Board Charter provides for the Board to delegate management of the day to day affairs of Airtasker to the CEO, who has the authority to sub-delegate to the senior management team, or to committees established by the Board.

Under the Board Charter, the Chairperson of the Board will assess the performance of any Director standing for re-election and the Board will determine their recommendation to Shareholders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chairperson), will conduct the review of the Chairperson.

Under the Board Charter, Directors may seek independent professional advice at the expense of the Company whenever Directors judge such advice necessary for them to discharge their responsibilities as Directors.

6.7.4 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities.

To assist in carrying out its responsibilities, the Board has established an Audit and Risk Committee and a Nomination and Remuneration Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of Airtasker, relevant legislative and other requirements and the skills and experience of individual Directors.

6.7.4.1 Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities by overseeing the integrity of financial reporting and financial statements, the independence and competence of external auditors, and the effectiveness of Airtasker's risk management system, internal controls, systems and procedures for compliance with applicable legal and regulatory requirements.

The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Committee are documented in an Audit and Risk Committee Charter approved by the Board and include:

- overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- reviewing and making recommendations to the Board in relation to the adequacy of Airtasker's corporate reporting processes and internal control framework;
- reviewing the adequacy of Airtasker's risk management policy and framework for identifying, assessing, monitoring and managing risk in light of the Board's risk appetite statement and making recommendations to the Board in relation to changes that should be made to Airtasker's risk management framework or to the risk appetite set by the Board;
- examining and evaluating the effectiveness of the external auditors and making improvements;
- ensuring that Airtasker has appropriate internal audit systems and controls in place; and
- reviewing and assessing the effectiveness of Airtasker's policies and procedures for identifying, monitoring and managing compliance with statutory, regulatory and listing requirements (including tax requirements).

It is intended that the Audit and Risk Committee will meet at least four times each year. The CEO and CFO are expected to attend each scheduled meeting of the committee and a standing invitation will be issued to the external auditors. The chair may also invite Directors who are not members of the committee, other senior managers and external advisors to attend meetings of the committee. The chair, or delegate, will report to the Board after each committee meeting.

The Audit and Risk Committee comprises three non-executive Directors (the majority of whom are independent), being Peter Hammond, James Spenceley and Ellen Comerford, being an independent Director, as the chair.

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6.7.4.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has two key functions. The purpose of the nomination function is to assist and advise the Board on succession planning for the Board and senior executives, the processes to evaluate performance of Directors, Board committees and the Board, and the recruitment, appointment and re-election of Directors to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of Airtasker as a whole. The purpose of the remuneration function is to assist and advise the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of Airtasker.

The role and responsibilities, composition, structure and membership requirements of the Nomination and Remuneration Committee are documented in a Nomination and Remuneration Committee Charter approved by the Board and include:

- developing and reviewing the process for the selection, appointment and re-election of Directors;
- identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- overseeing the development and implementation by the Board of a process for the evaluation of the performance of the Board, Board committees, and Directors individually, using both measurable and qualitative indicators;
- reviewing Board and senior executive succession plans and processes, including for the CEO and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity; and
- reviewing and making recommendations to the Board on Airtasker's remuneration for senior executives, incentive compensation and superannuation arrangements.

The Nomination and Remuneration Committee comprises three non-executive Directors (a majority of whom are independent), being Ellen Comerford, James Spenceley and Peter Hammond as the chair.

6.7.5 Corporate Governance Policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Principles.

Airtasker's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet Airtasker's needs.

6.7.5.1 Code of Conduct

Airtasker has a Code of Conduct which sets out the values, commitments, ethical standards and policies of Airtasker, and outlines the standards of conduct expected of Airtasker's employees, Directors and other person that act on behalf of Airtasker.

The Code of Conduct deals with areas such as (amongst other things) conflicts of interest, ethical business practices and privacy. The Code of Conduct sets out mechanisms for persons to report conduct which breaches the Code of Conduct and explains the consequences which persons may face if they breach the Code of Conduct.

The Board or a committee of the Board will monitor for any material breaches of the Code of Conduct by a Director or senior executive of Airtasker, as well as any other material breaches of that Code of Conduct that call into question the culture of Airtasker's organisation.

6.7.5.2 Securities Trading Policy

Airtasker has adopted a Securities Trading Policy which sets out the types of conduct in relation to dealings in securities that are prohibited by law. The Securities Trading Policy also establishes procedures for buying and selling securities by Directors, senior executives and other employees of Airtasker.

The Securities Trading Policy requires Directors and employees to obtain clearance prior to dealing in Airtasker's securities. The Securities Trading Policy also restricts Directors and employees of Airtasker from dealing in Airtasker's securities other than during certain permitted periods after the release of Airtasker's half year and full year financial results and annual general meeting and any extensions of those periods, or any additional periods as specified by the Board.

The Securities Trading Policy also requires Directors and employees of Airtasker in possession of inside information to not at any time deal in securities of Airtasker, or advise or suggest another person do so, or communicate the inside information to a person who may deal in securities of Airtasker.

The Securities Trading Policy prohibits Directors and employees of Airtasker from engaging in short-term dealing in securities of Airtasker, and prohibits them from taking out margin loans over their holdings in Airtasker's securities.

The Securities Trading Policy clearly identifies those individuals who are restricted from trading, the relevant laws relating to insider trading and the consequences which persons may face if they are in breach of the trading restrictions.

6.7.5.3 Continuous Disclosure and Communication Policy

Airtasker has adopted a Continuous Disclosure and Communication Policy which sets out its commitment to promoting investor confidence and the rights of Shareholders by complying with the continuous disclosure obligations imposed by law, ensuring that all Shareholders have equal and timely access to material information concerning Airtasker and communicating effectively with Shareholders.

As a publicly listed company, Airtasker has continuous disclosure obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which a reasonable person would expect to have a material effect on the price or value of Airtasker's securities.

Information will be communicated to Shareholders through announcements to ASX, half-yearly and yearly financial reports, an annual report, at Airtasker's annual general meeting and on Airtasker's website: <http://investor.airtasker.com>.

The Company Secretary has been appointed as the person primarily responsible for managing the Board's external communications with ASX.

6.7.5.4 Diversity Policy

Airtasker has adopted a Diversity Policy which sets out its commitment to diversity and inclusion in the workplace.

The Diversity Policy provides for the Board to set measurable objectives to assist Airtasker to achieve gender diversity and to review Airtasker's progress in meeting these objectives and the effectiveness of these objectives each year. The Nomination and Remuneration Committee will review nomination practices against measurable objectives for achieving gender diversity and report to the Board annually on those objectives and on Airtasker's progress in achieving them, including a review of the relative proportions of men and women at all levels in the organisation.

Under the policy, Airtasker states that it will take action against inappropriate workplace and business behaviour.

Airtasker serves a diverse and far-reaching community and believes that bringing together diversity of thoughts, perspectives, experiences and expression is key to making Airtasker a great place to work and delivering on its mission. Airtasker believes in 'culture add' – that each person is different and has their own background, learnings and unique experiences that can add to its cultural tapestry.

6.7.5.5 Anti-Bribery and Corruption Policy

Airtasker has adopted an Anti-Bribery and Corruption Policy for Directors, employees, contractors, consultants and other persons that act on behalf of Airtasker and its associates. The Anti-Bribery and Corruption Policy sets out Airtasker's 'zero tolerance' approach to bribery and corruption.

The Anti-Bribery and Corruption Policy covers bribery and corruption, gifts and hospitality, secret commissions, facilitation payments, dealings with politicians and government officials and charitable contributions. The Anti-Bribery and Corruption Policy sets out mechanisms for persons to report conduct which breaches the Anti-Bribery and Corruption Policy and explains the consequences which persons may face if they breach the Anti-Bribery and Corruption Policy.

The Company Secretary is responsible for the overall administration of the Anti-Bribery and Corruption Policy. The Company Secretary must notify the Board of any material breach of the Anti-Bribery and Corruption Policy.

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6.7.5.6 Whistleblower Policy

Airtasker has adopted a Whistleblower Policy which sets out its commitment to creating and maintaining an environment where individuals can come forward and report known or suspected business misconduct or wrongdoing.

The Whistleblower Policy applies to eligible 'whistleblowers' who disclose information to an eligible recipient which is protected under relevant legislation.

The Whistleblower Policy sets out what matters can be disclosed, who they can be disclosed to, how a matter can be disclosed, the protections that are available for disclosers, how those the subject of a disclosure will be treated and how a disclosed matter will be handled and investigated.

The Board will monitor for any material breaches of the Anti-Bribery and Corruption Policy.

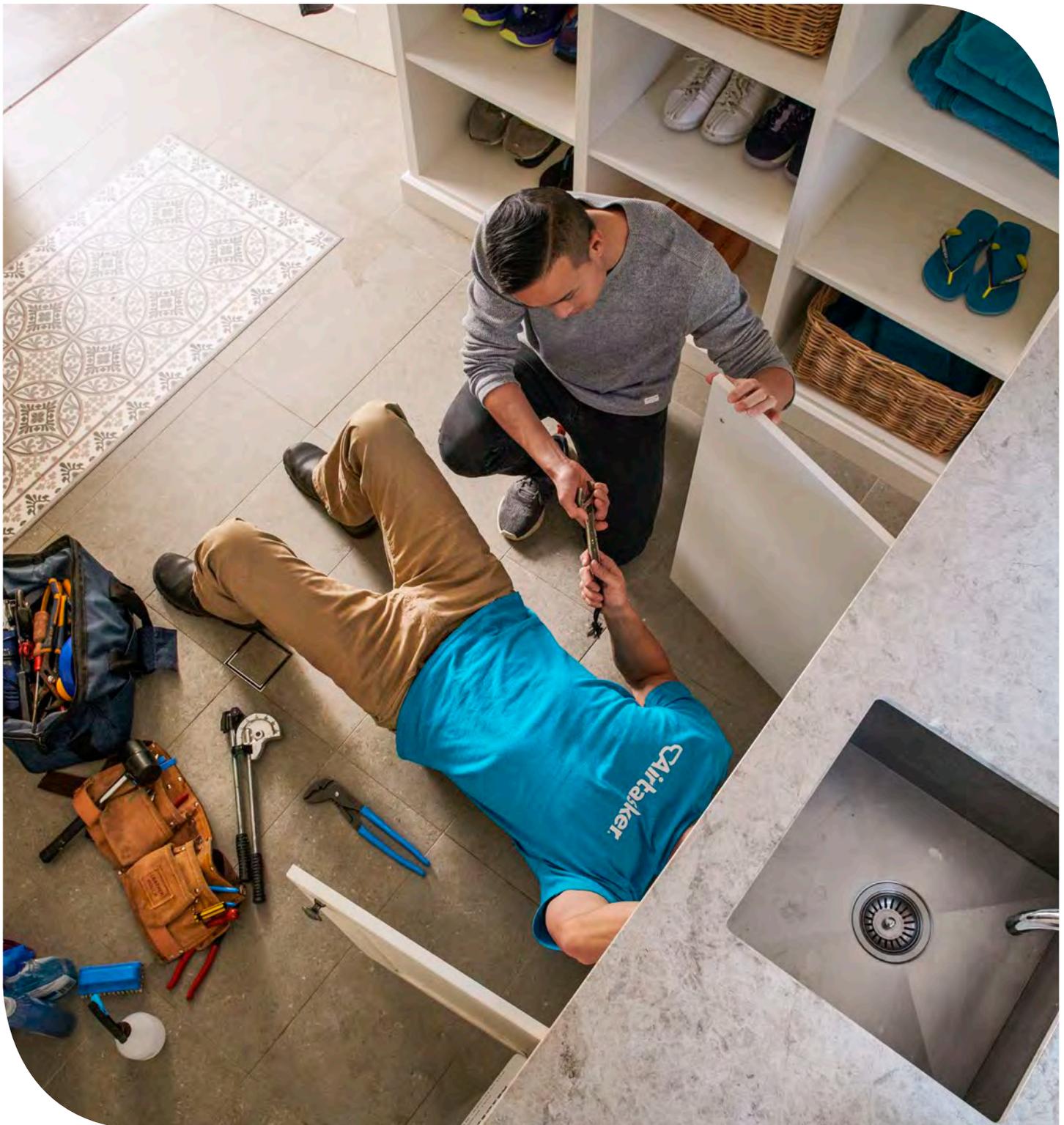
Airtasker's full policies and charters can be reviewed on Airtasker's website: <http://investor.airtasker.com/corporate-governance>.

6.8 Related party transactions

Other than as set out in this Prospectus, there are no existing agreements or arrangements and there are no currently proposed transactions in which Airtasker was, or is to be, a participant, and in which any related party had or will have a direct or indirect material interest.

Section 7

Details of the Offer



SECTION 7 | DETAILS OF THE OFFER

7.1 What is the Offer?

This Prospectus relates to an initial public offering of approximately 23.1 million new Shares to be issued by Airtasker, and approximately 105.6 million existing Shares to be transferred by SaleCo, as well as an application for admission of Airtasker to the Official List of the ASX. All new and existing Shares offered under the Offer and Alumni Offer will rank equally with all other existing Shares on issue. Shares are offered at A\$0.65 per Share. The Offer is underwritten by the Lead Manager and will raise approximately A\$83.7 million, of which approximately A\$15.0 million will be received by Airtasker and approximately A\$68.7 million will be distributed to Selling Shareholders (less certain transaction cost).

7.1.1 Offer structure

The Offer comprises:

- the **Institutional Offer**, which consists of an invitation to certain Institutional Investors in Australia, New Zealand, Hong Kong and Singapore and a number of other authorised jurisdictions to apply for Shares;
- the **Broker Firm Offer**, which is open to Australian resident retail investors and sophisticated investors who have received a firm allocation from their Broker;
- the **Priority Offer**, which is open to persons who have received a Priority Offer invitation from Airtasker; and
- the **Tasker Offer**, which is open to persons who have received a Tasker Offer invitation from Airtasker.

The allocation of Shares between the Broker Firm Offer, the Institutional Offer and the Priority Offer will be determined by agreement between Airtasker and the Lead Manager having regard to the allocation policies described in Sections 7.3.6, 7.4.6, 7.5.6 and 7.6.2 below.

In addition, this Prospectus has also been issued by Airtasker to provide disclosure to existing holders of Options (all of whom are in Australia) whose Options will be cancelled in exchange for Shares at the IPO Price (referred to as the **Alumni Offer**). 3,940,169 additional Shares are expected to be issued under the Alumni Offer. No funds will be raised from the issue of Shares under the Alumni Offer – rather, Airtasker is issuing those Shares as consideration for cancelling 6,832,377 Options.

7.1.2 Is the Offer underwritten?

The Offer is fully underwritten by the Lead Manager pursuant to the Underwriting Agreement, under which the Lead Manager has been appointed to arrange and manage the Offer, act as bookrunner and underwrite the Offer. A summary of the Underwriting Agreement, including the events which would entitle the Lead Manager to terminate the Underwriting Agreement, is set out in Section 9.5.

The Alumni Offer is not underwritten.

7.1.3 Purpose of the Offer and use of Offer proceeds

The Offer is being conducted for the following purposes and Airtasker is seeking to achieve the following objectives from its admission and the Offer:

- provide Airtasker with capital to fund the further development of Airtasker's marketplace platform, international expansion and working capital requirements;
- provide Airtasker with the benefits of an increased profile that arises from being a publicly listed company;
- provide Selling Shareholders with an opportunity to realise all or part of their investment in Airtasker; and
- provide a liquid market for Shares and an opportunity for others (including members of the Airtasker community) to invest in Airtasker.

The Offer is expected to raise A\$15.0 million for Airtasker (less certain transaction costs). The proceeds of the Offer received will be applied as described in the table below. The proceeds of the Offer received by SaleCo from the sale of Shares in respect of Shares will be paid to SaleCo and distributed by SaleCo to the respective Selling Shareholders. Airtasker will not receive any proceeds from Shares sold by SaleCo in the Offer.

No funds will be raised from the issue of Shares under the Alumni Offer.

Table 7.1: Use of funds

Sources	\$ millions	
Airtasker		
Offer proceeds received by Airtasker		15.0
SaleCo		
Offer proceeds received by SaleCo from the sale of existing Shares		68.7
Total sources		83.7

Uses	\$ millions	%
Airtasker		
Marketing expenses (including international)	6.0	40.00%
Investment in product development	4.0	26.67%
Working capital	1.9	12.66%
Offer and Alumni Offer costs	3.1	20.67%
Total uses – Airtasker	15.0	100.00%
SaleCo		
Offer costs	3.4	4.95%
Pay Selling Shareholders the remaining Offer proceeds received by SaleCo	65.3	95.05%
Total uses – SaleCo	68.7	100.00%

Airtasker intends to spend at least half of its cash and assets in a form readily convertible to cash, and in particular intends to make the investments set out in the use of funds table, within two years of the date of the Prospectus. Airtasker believes that the full Offer amount is sufficient to meet its objectives.

The above tables are a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

Airtasker has enough working capital at the time of its admission to carry out these stated objectives.

7.1.4 Sale of Shares by Selling Shareholders

The Offer of Shares by SaleCo is a sell down of existing Shares by the Selling Shareholders via SaleCo. SaleCo is a special purpose vehicle that has been established to facilitate the sale of Shares by the Selling Shareholders. Each of the Selling Shareholders has entered into sale agreements with SaleCo and executed transfer forms in favour of, and for the benefit of, SaleCo under which they agree to sell an agreed portion of their Shares to SaleCo free from encumbrances and third party rights, at the Offer Price per Share less any costs and conditional on Completion. The sale agreements will complete after completion of the Restructure and prior to Completion of the Offer.

Shares that SaleCo acquires from the Selling Shareholders under those sale agreements will be transferred to successful Applicants under the Offer at the Offer Price free from encumbrances and third party rights. The price payable by SaleCo to the Selling Shareholders for those Shares is the Offer Price less any costs.

SaleCo has no assets, liabilities or operations other than its interests in and obligations under the sale agreements detailed above. The Company has agreed to provide certain administrative and information support as is necessary to enable SaleCo to discharge its functions in relation to the Offer. The Directors of SaleCo are James Spenceley, Peter Hammond and Tim Fung, and the secretary of SaleCo is Nathan Chadwick. The Company has indemnified SaleCo and its directors and secretary in respect of loss suffered by them as a consequence of the Offer.

Neither the Company nor SaleCo will be responsible for paying any tax incurred by any Selling Shareholder as a result of transferring or selling Sale Shares pursuant to the sale agreements.

SECTION 7 | DETAILS OF THE OFFER

7.1.5 Corporate Structure

An overview of the corporate structure of Airtasker is set out in Section 9.2.

7.1.6 Other information about the Offer

Airtasker's pro forma statement of financial position following Completion, including details of the pro forma adjustments, is set out in Section 4.5. The financial year of Airtasker ends on 30 June annually.

A summary of Airtasker's cash, cash equivalents and borrowings as at 30 June 2020 and following Completion is set out in Section 4.6.1.

Except as described in this Prospectus, Airtasker has not granted or proposed to grant any rights to any person, or to any class of person, to participate in an issue of Airtasker's securities.

Details of interests in Securities of substantial Shareholders at the Prospectus Date and as expected on Completion, are set out in Section 6.5.

7.2 Summary Terms of the Offer

Topic	Summary
What type of security is being offered?	Shares (being fully paid ordinary shares in the Company).
What rights and liabilities are attached to the security being offered?	A description of the Shares, including rights and liabilities attaching to them, is set out in Section 9.6.
What is the Offer Price?	The Offer Price per Share is \$0.65.
What is the Offer Period?	<p>The key dates, including details of the Offer Period are set out on page 4 in the Important Dates Section.</p> <p>The proposed opening date for acceptance of the Offer will be 22 February 2021 or such later date as may be prescribed by ASIC. The Offer is expected to remain open until 5.00 pm (Sydney time) on 9 March 2021.</p> <p>The Directors reserve the right to open and close the Offer at any other date and time, without prior notice.</p> <p>No Shares will be issued or transferred on the basis of this Prospectus later than 13 months after the date of this Prospectus.</p>
What are the cash proceeds to be raised?	<p>\$83.7 million will be raised if the Offer proceeds.</p> <p>Of this, the Company will receive \$15.0 million for the issue of new Shares by the Company (prior to deductions for Offer costs) with \$68.7 million (before costs) to be paid to the Selling Shareholders as proceeds for the sale of existing Shares by them.</p> <p>No funds will be raised under the Alumni Offer.</p>
Is the Offer underwritten?	<p>The Offer is fully underwritten by the Lead Manager.</p> <p>In the event the Company does not receive Applications for the full amount of 128.7 million Shares under the Offer, the Lead Manager will subscribe for, or procure subscriptions for, any shortfall. Refer to Section 9.5 for full details of the Underwriting Agreement.</p> <p>The Alumni Offer is not underwritten.</p>

Topic	Summary
Who can apply?	<p>The Broker Firm Offer is open to persons who have received a firm allocation of Shares from their Broker and who have a registered address in Australia. You should contact your Broker to determine whether you can receive a firm allocation from them under the Broker Firm Offer.</p> <p>The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and certain foreign jurisdictions to apply for Shares under the Offer.</p> <p>The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Airtasker.</p> <p>The Tasker Offer is open to investors who have received an invitation to participate in the Tasker Offer from Airtasker.</p> <p>The Alumni Offer is only open to certain existing holders of Options.</p>
What is the minimum and maximum Application size under the Broker Firm Offer?	<p>The minimum Application under the Offer is A\$2,000.05 for 3,077 Offer Shares.</p> <p>There is no maximum value of Shares that may be applied for under the Offer.</p> <p>The Lead Manager, in consultation with the Company, reserves the right to reject any Application or to allocate a lesser number of Shares than applied for.</p>
What is the allocation policy?	<p>The allocation of Shares between the Broker Firm Offer, Priority Offer, Tasker Offer and the Institutional Offer will be determined by agreement between the Company and the Lead Manager having regard to the allocation policy outlined in Sections 7.3.6, 7.4.6, 7.5.6 and 7.6.2.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Broker how they allocate firm Shares among their eligible retail clients.</p>
Will the Shares be quoted?	<p>The Company will apply within seven days of the date of this Prospectus to be admitted to the Official List of the ASX and will seek quotation of the Shares on ASX under the code 'ART'. Completion of the Offer and Alumni Offer are conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer and Alumni Offer will be withdrawn and all Application monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p>
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 22 March 2021, subject to ASX confirmation.</p> <p>It is the responsibility of each Applicant to confirm its own holdings before trading on ASX, and any Applicant who sells its Shares before it receives an initial holding statement does so at its own risk.</p> <p>To the maximum extent permitted by law, the Company, SaleCo, the Directors of the Company and SaleCo, the Selling Shareholders, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their initial holding statements, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.</p>
When will I receive confirmation that my Application has been successful?	<p>It is expected that initial holding statements will be dispatched by standard post on or about 16 March 2021.</p>
Are there any escrow arrangements?	<p>Yes. Refer to Section 6.6 in relation to the voluntary escrow arrangements that will apply after Completion. All Shares issued under the Alumni Offer will be subject to escrow.</p>
Are there brokerage, commission or stamp duty considerations?	<p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer or the Alumni Offer.</p> <p>See Sections 6.4.1 and 9.5 for details of various fees payable by the Company to the Lead Manager.</p>

SECTION 7 | DETAILS OF THE OFFER

Topic	Summary
Are there any tax considerations?	<p>The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Company.</p> <p>A general overview of the Australian taxation implications of investing in the Company is set out in Section 9.8. The information in Section 9.8 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.</p>
What should you do with any enquiries?	<p>The Prospectus and information about the Offer and Alumni Offer can be accessed in electronic form at http://investor.airtasker.com/prospectus.</p> <p>If you have queries about investing under the Offer, you should contact your stockbroker, financial advisor, accountant or other professional advisor.</p> <p>If you have queries about how to apply under the Offer or Alumni Offer, or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 288 664 (within Australia) or +61(2) 8072 1400 (outside Australia) between 8.30am and 7.00pm (Sydney time), email airtasker@automicgroup.com.au or use the live chat function at https://investor.automic.com.au/#/support/contact.</p>

7.3 Broker Firm Offer

7.3.1 Who can apply

The Broker Firm Offer is open to Australian resident retail clients of participating Brokers who are sophisticated investors, have a registered address in Australia, received an invitation from a Broker to acquire Shares under this Prospectus and are not in the US, a US Person or acting for the account or benefit of a US Person. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

7.3.2 How to apply

Applications for Shares may only be made on a Broker Firm Offer application form attached to or accompanying this Prospectus which may be downloaded in its entirety from <http://investor.airtasker.com/prospectus>. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer application form with the Broker from whom you received your firm allocation. Broker Firm Offer application forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer application form.

By making an application, you declare that you were given access to this Prospectus (or any replacement Prospectus), together with a Broker Firm Offer application form. The Corporations Act prohibits any person from passing an application form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum application under the Broker Firm Offer is 3,077 Shares (A\$2,000.05). There is no maximum value of Shares that may be applied for under the Broker Firm Offer. However Airtasker and the Lead Manager reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications in the Broker Firm Offer. Airtasker may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, at its discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Broker Firm Offer application form and application monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Offer application forms to the Registry.

The Broker Firm Offer opens at 9.00am (Sydney time) on 22 February 2021 and is expected to close at 5.00pm (Sydney time) on 9 March 2021. Airtasker and the Lead Manager may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

Airtasker, SaleCo, the Lead Manager and the Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

7.3.3 How to pay

Applicants under the Broker Firm Offer must pay their application monies in accordance with instructions received from their Broker.

7.3.4 Acceptance of applications

An application in the Broker Firm Offer is an offer by an applicant to subscribe for Shares in the amount specified on the Broker Firm Offer application form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Broker Firm Offer application form. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.

An application may be accepted by Airtasker in respect of the full number of Shares specified on the Broker Firm Offer application form, or any lesser number of Shares, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

7.3.5 Application monies

Airtasker reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of Shares to be allocated will be determined by the applicant's Broker.

7.3.6 Broker Firm Offer allocation policy

The allocation of Shares to Brokers has been determined by the Lead Manager and Airtasker. Shares that have been allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of Company and the Lead Manager to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate Shares among their retail clients, and they (and not Airtasker or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

Airtasker expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

7.4 Tasker Offer

7.4.1 Who can apply

The Tasker Offer is open to eligible investors who have received a personal invitation to participate in the Tasker Offer from Airtasker. If you have been invited by the Company to participate in the Tasker Offer, you will be treated as an applicant under the Tasker Offer in respect of those Shares that are allocated to you.

7.4.2 How to apply

If you have received an invitation from Airtasker to participate in the Tasker Offer, you should follow the instructions on your personalised invitation.

The Tasker Offer opens at 9.00am (Sydney time) on 22 February 2021 and is expected to close at 5.00pm (Sydney time) on 9 March 2021. Airtasker and the Lead Manager may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice (subject to the ASX Listing Rules and the Corporations Act). Applicants are therefore encouraged to submit their applications as early as possible.

By making an application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

SECTION 7 | DETAILS OF THE OFFER

7.4.3 How to pay

Applicants under the Tasker Offer must pay their application monies in accordance with instructions received from Airtasker.

7.4.4 Acceptance of applications

The Company has absolute discretion regarding the allocation of Shares to applicants in the Tasker Offer and may reject an application, or allocate fewer Shares than the amount applied for. To the extent permitted by law, an application by an applicant under the Tasker Offer is irrevocable. Acceptance of an application will give rise to a binding contract.

7.4.5 Application monies

Airtasker reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Tasker Offer whose applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your BPAY® or electronic funds transfer payment. You may also pay by cheque or bank draft, ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which those cheque or bank draft clear in time for allocation) is less than the amount specified on the application form, you may be taken to have applied for such lower dollar amount of Shares or your application may be rejected. All payments must be made in Australian dollars.

7.4.6 Tasker Offer allocation policy

Airtasker will determine the allocation of Shares to applicants under the Tasker Offer and may reject an application or allocate fewer Shares than applied for.

7.5 Priority Offer

7.5.1 Who can apply

The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from Airtasker. If you have been invited by Airtasker to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those Shares that are allocated to you.

7.5.2 How to apply

If you have received an invitation from Airtasker to participate in the Priority Offer, you will be separately advised of the application procedures under the Priority Offer.

The Priority Offer opens at 9.00am (Sydney time) on 22 February 2021 and is expected to close at 5.00pm (Sydney time) on 9 March 2021. Airtasker and the Lead Manager may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice (subject to ASX Listing Rules and the Corporations Act). Applicants are therefore encouraged to submit their applications as early as possible.

7.5.3 How to pay

Applicants under the Priority Offer must pay their application monies in accordance with instructions received from Airtasker.

7.5.4 Acceptance of applications

An application in the Priority Offer is an offer by an applicant to Airtasker to subscribe for Shares in the amount specified on the Priority Offer application form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Priority Offer application form. To the extent permitted by law, an application is irrevocable.

An application may be accepted by Airtasker and the Lead Manager in respect of the full number of Shares specified on the Priority Offer application form, or any lesser number of Shares, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

7.5.5 Application monies

Airtasker reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Priority Offer whose applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of Shares calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of Shares to be allocated will be rounded down to the nearest whole number.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your BPAY® or electronic funds transfer payment. You may also pay by cheque or bank draft, ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which the cheque or bank draft clear in time for allocation) is less than the amount specified on the application form, you may be taken to have applied for such lower dollar amount of Shares or your application may be rejected. All payments must be made in Australian dollars.

7.5.6 Priority Offer allocation policy

Airtasker will determine the allocation of Shares to applicants under the Priority Offer and may reject an application or allocate fewer Shares than applied for.

7.6 Institutional Offer

7.6.1 Invitation to bid

The Institutional Offer consists of an invitation to certain Institutional Investors in Australia and a number of other eligible jurisdictions to apply for Shares. The Lead Manager has separately advised Institutional Investors of the application procedures for the Institutional Offer. Offers and acceptances in the Institutional Offer are made with disclosure, under this Prospectus, and are at the Offer Price.

7.6.2 Institutional Offer allocation policy

The allocation of Shares among applicants in the Institutional Offer was determined by the Lead Manager and Airtasker. The Lead Manager and Airtasker had absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it had bid.

The allocation policy is influenced by, but not constrained by, the following factors:

- the price and number of Shares bid for by particular bidders;
- Airtasker's desire for an informed and active trading market following listing on the ASX;
- Airtasker's desire to establish a wide spread of institutional Shareholders;
- the overall level of demand under the Broker Firm Offer, Priority Offer, Tasker Offer and Institutional Offer;
- the timeliness of the bid by particular bidders; and
- any other factors that Airtasker and the Lead Manager consider appropriate.

7.7 Alumni Offer

7.7.1 Who will receive Shares in the Alumni Offer

The Alumni Offer is a separate offer under this Prospectus which is being made to certain existing holders of Options who are former employees and advisors of the Company and whose Options are being cancelled.

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7.7.2 Consideration under the Alumni Offer

Persons who will be issued Shares under the Alumni Offer are not required to make any cash payment for Shares issued to them under the Alumni Offer. Rather, they will have certain Options held by them cancelled. The total number of Options that are expected to be cancelled in connection with the Alumni Offer is 6,832,377.

Each Option which is being cancelled will be cancelled for consideration equal to the Offer Price minus the exercise price of that Option. Accordingly, any Options which have an exercise price equal to or greater than the Offer Price will be cancelled for no consideration. The Company will satisfy the total consideration owing for the cancellation of Options to a holder by issuing the holder a number of Shares equal to the aggregate consideration owing divided by the Offer Price.

7.7.3 Allocation policy

A total of 3,940,169 Shares will be issued under the Alumni Offer.

7.8 Restrictions on distribution

No action has been taken to register or qualify this Prospectus, the Shares, the Offer or the Alumni Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia. This Prospectus does not constitute an offer or invitation to subscribe for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any other jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

This Prospectus may not be released or distributed in the US, and may only be distributed to persons outside the US to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. The Shares and underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the US and may not be offered or sold, directly or indirectly, in the US except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US State securities laws.

Each applicant in the Broker Firm Offer, Tasker Offer, Priority Offer, and each person to whom the Institutional Offer and Alumni Offer are made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- if outside Australia, it is a person to whom the Offer or Alumni Offer can be lawfully made and Shares lawfully allocated and issued or transferred to without the requirement of any person to prepare, or file with any regulatory authority, a prospectus or other document under the laws applicable to that person or the jurisdiction it is in;
- it understands and agrees that the Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state of the US and may not be offered or sold, directly or indirectly, in the US, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US State securities laws, and it agrees not to engage in hedging transactions with regard to such securities except in compliance with the US Securities Act;
- it is not in the US;
- it has not sent, and will not send, the Prospectus or any other material relating to the Offer or Alumni Offer to any person in the US; and
- it will not offer or sell the Shares in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under applicable securities laws and in compliance with all other applicable laws in the jurisdiction in which Shares are offered and sold.

Any offer, sale or resale of the Shares in the US by a dealer (whether or not participating in the Offer or Alumni Offer) may violate the registration requirements of the US Securities Act if made prior to 40 days after the date on which the Offer Price is determined and the Shares are allocated under the Offer or Alumni Offer or if such Shares were purchased by a dealer under the Offer or Alumni Offer.

Each applicant under the Institutional Offer will be required to make certain representations, warranties and covenants set out in the confirmation of allocation letter distributed to it.

Each applicant under the Broker Firm Offer, Tasker Offer and Priority Offer will be required to make, or will be deemed to have made, certain representations, warranties and covenants set out in the application form attached to or accompanying this Prospectus.

7.9 Discretion regarding the Offer

Airtasker may withdraw the Offer and/or Alumni Offer at any time before the issue or transfer of Shares to successful applicants under the Offer and/or Alumni Offer. If the Offer, or any part of it, does not proceed, all relevant application monies will be refunded (without interest).

Airtasker and SaleCo, in consultation with the Lead Manager, also reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late applications either generally or in particular cases, reject any application, or (subject to the terms of any guaranteed allocations referred to in this Prospectus) allocate to any applicant fewer Shares than applied for.

7.10 ASX listing, registers and holdings statements

7.10.1 Application to ASX for listing and quotation of Shares

Airtasker will apply, within seven days after the Prospectus Date, to ASX for admission to the Official List of ASX and quotation of the Shares on the Official List of ASX (which is expected to be under the ASX code 'ART').

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit Airtasker to the Official List of ASX is not to be taken as an indication of the merits of Airtasker or the Shares offered for subscription or sale.

If permission is not granted for the official quotation of the Shares on ASX within three months after the date of this Prospectus (or any later date permitted by law), all application monies received by Airtasker will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

7.10.2 CHES and issuer sponsored holdings

Airtasker will apply to participate in ASX's Clearing House Electronic Sub-register System (**CHES**) and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHES sub-register or an issuer sponsored sub-register. For all successful applicants, the Shares of an investor who is a participant in CHES or an investor sponsored by a participant in CHES will be registered on the CHES sub-register. All other Shares will be registered on the issuer-sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a security holder's Holder Identification Number (**HIN**) for CHES holders or, where applicable, the security holder's Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES subregister or through the Registry in the case of a holding on the issuer sponsored subregister.

The Company and the Registry may charge a fee for these additional issuer sponsored statements

7.10.3 Selling Shares on-market

It is expected that trading on ASX will commence on or about Monday, 22 March 2021. It is the responsibility of each person who trades in Shares to confirm their own holding before trading in Shares. If you sell Shares before receiving a holding statement, you do so at your own risk. Airtasker, SaleCo, the Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if you sell Shares before receiving your holding statement, even if you obtained details of your holding statement from the Airtasker Offer Information Line or confirmed your firm allocation through a Broker.

SECTION 7 | DETAILS OF THE OFFER

7.11 International offer restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares offered under this Prospectus may not be offered or sold, in any country outside Australia except to the extent permitted below.

7.11.1 Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares offered under this Prospectus have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares offered under this Prospectus has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares offered under this Prospectus may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

7.11.2 New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The Shares offered under this Prospectus are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

7.11.3 Singapore

This document and any other materials relating to the Shares offered under this Prospectus have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares offered under this Prospectus, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares offered under this Prospectus being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

7.12 ASIC exemptions and ASX waivers

7.12.1 ASIC relief

Neither Airtasker nor SaleCo has sought any exemptions, modifications or relief from ASIC in relation to the Offer or Alumni Offer.

7.12.2 ASX waivers

Airtasker has obtained certain confirmations and waivers from ASX, principally:

1. ASX has given in-principle advice to Airtasker that ASX would be likely to form the view that the restrictions in clauses 1, 2, 3, 4, 6, 7, 8 and 9 of Appendix 9B of the ASX Listing Rules will not apply to Airtasker as it has a track record of revenue acceptable to ASX;
2. ASX has given in-principle advice that ASX would be likely to grant Airtasker a waiver from ASX Listing Rule 10.14 to the extent necessary to permit Airtasker to issue options or rights to its Directors (and their associates) under Airtasker's long-term incentive plan without Shareholder approval on the following conditions:
 - this Prospectus contains the information required by ASX Listing Rule 10.15 in respect of the proposed issue of options or rights. This information is set out in Sections 6.4, 6.7.3, 9.4 and 9.7;
 - the date by which Airtasker will issue the options or rights under the plans must be no later than three years from the date of Airtasker's admission to the Official List of ASX. The proposed issue dates are set out in Section 9.7; and
 - details of any options or rights issued to the Directors (and their associates) under the plans must be published in Airtasker's annual report relating to the period in which they were issued;
3. ASX has given in-principle advice that ASX would be likely to grant Airtasker a waiver from ASX Listing Rule 1.1 condition 12 to the extent necessary to permit Airtasker to have on issue 13,013,000 options with various exercise prices and expiry dates issued under Airtasker's employee incentive scheme, on the condition that the material terms and conditions of the options are clearly disclosed in the Company's initial public offering prospectus. This information is set out in Sections 9.4.2.5, 9.4.2.6, 9.7.2 and 9.7.3; and
4. ASX has given in-principle advice that ASX would be likely to confirm the terms of issue of 20,740,654 options with various exercise prices and expiry dates on issue are appropriate and equitable for the purposes of ASX Listing Rule 6.1.

7.13 Tax implications of investing in Airtasker

The taxation consequences of any investment in the Shares will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in Airtasker.

A general overview of the Australian taxation implications of investing in Airtasker is set out in Section 9.8. The information in Section 9.8 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

7.14 Further information

The Prospectus and information about the Offer and Alumni Offer can be accessed in electronic form at <http://investor.airtasker.com/prospectus>.

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or Alumni Offer or would like additional copies of this Prospectus, please call the Offer Information Line on 1300 288 664 (within Australia) or +61(2) 8072 1400 (outside Australia) between 8.30am and 7.00pm (Sydney time), email airtasker@automicgroup.com.au or use the live chat function at <https://investor.automic.com.au/#/support/contact>.

7.15 Acknowledgements

Each Applicant under the Offer and Alumni Offer will be deemed to have:

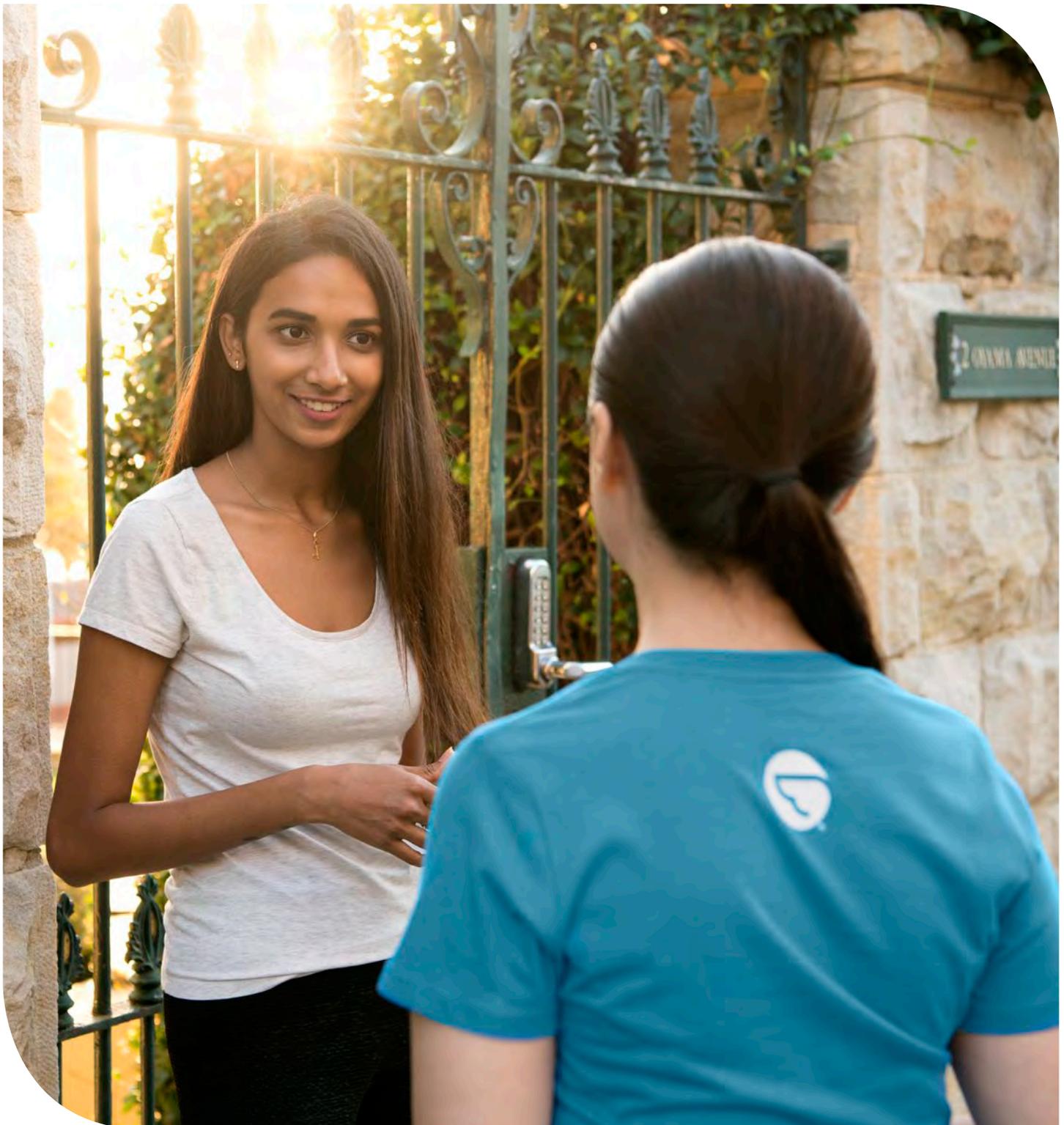
- agreed to become a member of the Company and to be bound by the Constitution and the terms and conditions of the Offer or Alumni Offer (as applicable);
- acknowledged having personally received a printed or electronic copy of this Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued or transferred the number of Shares applied for (or a lower number allocated or transferred in a way described in this Prospectus) or no Shares at all;
- authorised the Company, SaleCo, the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Registry upon using the contact details in the Application Form;
- acknowledged that the Company does not intend to pay dividends in the near term and that any dividends paid in the future may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer and the Broker Firm Offer);
- acknowledged and agreed that the Offer or Alumni Offer (as applicable) may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer and Alumni Offer will not proceed.

Each Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold, pledged, transferred in the United States, except in accordance with the US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States;
- it has not sent and will not send this Prospectus or any other material relating to the Offer or Alumni Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

Section 8

Investigating Accountant's Report





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 Australia

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The Directors
 Airtasker Limited
 Level 3, 71 York St
 Sydney NSW 2000

The Directors
 Airtasker SaleCo Limited
 Level 3, 71 York St
 Sydney NSW 2000

8 February 2021

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Airtasker Limited (ACN 149 850 457) (the Company) and Airtasker SaleCo Limited (ACN 646549117) (SaleCo), for inclusion in the prospectus (the Prospectus) to be issued in respect of the initial public offering of fully paid ordinary shares in the Company by way of issue by the Company and transfer by SaleCo (the Offer) and the Company's subsequent listing on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 (Cth) for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Statutory Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to review the statutory historical financial information of the Company, being:

- the statutory historical consolidated income statements for the financial years ended 30 June 2019 and 30 June 2020 and for the half-years ended 31 December 2019 and 31 December 2020;
- the statutory historical consolidated statement of financial position as at 31 December 2020; and
- the statutory historical consolidated cash flows for the financial years ended 30 June 2019 and 30 June 2020 and the half-years ended 31 December 2019 and 31 December 2020,

as set out in Tables 4.8, 4.14 and 4.13 respectively of the Prospectus (together the Statutory Historical Financial Information).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

The Statutory Historical Financial Information for the financial years ended 30 June 2019 and 30 June 2020 has been extracted from the general purpose financial statements of the Company for the year ended 30 June 2020, which were audited by RSM Australia (RSM) in accordance with the Australian Auditing Standards. RSM issued an unmodified audit opinion on the financial statements.

The financial information for the half-years ended 31 December 2019 and 31 December 2020 has been extracted from the interim financial report of the Company for the half-year ended 31 December 2020, which was reviewed by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified review conclusion on the interim financial report.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (Cth).

Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to review the pro forma historical financial information of the Company, being:

- the pro forma historical consolidated income statements for the financial years ended 30 June 2019 and 30 June 2020;
- the pro forma historical consolidated income statements for the half-years ended 31 December 2019 and 31 December 2020;
- the pro forma historical consolidated statement of financial position as at 31 December 2020;
- the pro forma historical consolidated cash flows for the financial years ended 30 June 2019 and 30 June 2020; and
- the pro forma historical consolidated cash flows for the half-years ended 31 December 2019 and 31 December 2020,

as set out in Tables 4.2, 4.3, 4.14, 4.9 and 4.10 respectively of the Prospectus (the Pro Forma Historical Financial Information).

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Sections 4.3.3, 4.4.2 and 4.5 of the Prospectus (the Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, and/or cash flows.

Forecast Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and SaleCo to review the forecast financial information of the Company, being:

- the statutory forecast consolidated income statements and the statutory forecast consolidated cash flows for the financial year ending 30 June 2021, as set out in Tables 4.2 and 4.9 respectively (the Statutory Forecast Financial Information). The Directors' best-estimate assumptions underlying the Statutory Forecast Financial Information are described in Sections 4.8.1 and 4.8.2 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and
- the pro forma forecast consolidated income statements and the pro forma forecast consolidated cash flows for the financial year ending 30 June 2021, as set out in Tables 4.2 and 4.9 respectively (the Pro Forma Forecast Financial Information). The Pro Forma Forecast Financial Information has been derived from the



Statutory Forecast Financial Information, after adjusting for the effects of the Pro Forma Adjustments described in Sections 4.3.3 and 4.4.2, respectively.

The stated basis of preparation used in the preparation of the Pro Forma Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Forecast Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred prior to 1 July 2020.

Due to its nature the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance and/or cash flows for the financial year ending 30 June 2021.

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information comprise the Forecast Financial Information.

The Forecast Financial Information has been prepared by management of the Company and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best-estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management of the Company expect to occur and actions that management of the Company expect to take and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best-estimate assumptions. We do not express any opinion on the achievability of the Forecast Financial Information. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly, prospective investors should have regard to the investment risks and sensitivities set out in Sections 5 and 4.10 of the Prospectus, respectively.

The sensitivity analysis set out in Section 4.10 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors of the Company determine

are necessary to enable the preparation of Statutory Historical Financial Information, the Pro Forma Historical Financial Information and the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, the Pro Forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Statutory Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the audited financial statements of the Company for the financial year ended 30 June 2020 and the reviewed interim financial report of the Company for the half-year ended 31 December 2020;
- analytical procedures on the Statutory Historical Financial Information;
- a review of the stated basis of preparation, as described in the Prospectus, to the Statutory Historical Financial Information for consistency of application over the period;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors;
- a review of the application of Australian Accounting Standards; and
- enquiry of Directors, management and other relevant persons in relation to the Statutory Historical Financial Information.

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the audited financial statements of the Company for the financial years ended 30 June 2020 and the reviewed interim financial report of the Company for the half-year ended 31 December 2020;
- consideration of the appropriateness of the Pro Forma Adjustments described in Sections 4.3.3, 4.4.2 and 4.5 of the Prospectus;
- enquiry of Directors, management, personnel and advisors of the Company;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors; and
- a review of the accounting policies adopted and used by the Company over the period for consistency of application.

***Forecast Financial Information***

- enquiries, including discussions with management and Directors, of the factors considered in determining the assumptions;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- consideration of the Pro Forma Adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

Conclusions***Statutory Historical Financial Information***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.2.1 of the Prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not prepared in all material respects, in accordance with the stated basis of preparation as described in Section 4.2.2.2 of the Prospectus.

Statutory Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (i) the Directors' best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information
- (ii) in all material respects, the Statutory Forecast Financial Information:
 - a. is not prepared on the basis of the Directors' best estimate assumptions as described in Sections 4.8.1 and 4.8.2 of the Prospectus;
 - b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and
- (iii) the Statutory Forecast Financial Information itself is unreasonable.

Pro Forma Forecast Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (i) the Directors' best estimate assumptions used in the preparation of the Pro Forma Forecast Financial Information do not provide reasonable grounds for the Pro Forma Forecast Financial Information
- (ii) in all material respects, the Pro Forma Forecast Financial Information:
 - a. is not prepared on the basis of the Directors' best estimate assumptions as described in Sections 4.8.1 and 4.8.2 of the Prospectus;
 - b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards, applied to the Statutory Forecast Financial Information and the Pro Forma Adjustments as if those adjustments had occurred prior to 1 July 2020; and
- (iii) the Pro Forma Forecast Financial Information itself is unreasonable.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 4.2.1 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED

**David Hagger**

Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 461001



March 2020

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Section 9

Additional information



SECTION 9 | ADDITIONAL INFORMATION

9.1 Incorporation

Airtasker Limited is the parent company of the Group, was incorporated as a proprietary company in Australia on 15 March 2011 and converted to an unlisted public company in Australia on 8 January 2021.

9.2 Corporate structure

The diagram below provides a graphical representation of the Group corporate structure on the Prospectus Date and Completion:



The Group companies together operate the Airtasker platform (other than the US subsidiary which is not presently operational) Each of the non-Australian subsidiaries enters, or will enter, into contracts on behalf of the Airtasker Group in its respective jurisdiction.

9.3 Company tax status

Airtasker and its subsidiaries are subject to tax at the relevant corporate tax rates in the jurisdictions in which they operate.

9.4 Capital structure

9.4.1 Capital structure

As at the Prospectus Date, Airtasker has on issue:

- Ordinary Shares;
- Preference Shares;
- Employee Shares;
- rights to acquire Ordinary Shares (referred to in this Prospectus as Contractual Rights); and
- options to acquire Employee Shares (referred to in this Prospectus as Employee Options).

Between the Prospectus Date and Completion, Airtasker proposes to:

- undertake the Restructure; and
- issue entitlements to Shares (referred to in this Prospectus as Rights),

as described further below.

On Completion, in addition to issuing and procuring the transfer of Shares under the Offer, Airtasker proposes to issue 3,940,169 Shares under the separate Alumni Offer as consideration for the cancellation of 6,832,377 Ordinary Options.

As a result, at Completion, Airtasker will have on issue:

- Ordinary Shares;
- options to acquire Ordinary Shares (referred to in this Prospectus as Ordinary Options); and
- Rights.

The issued capital of Airtasker on the Prospectus Date, and the expected issued capital of Airtasker on Completion, are set out in the table below:

Table 9.1 : Capital structure

Securities	On the Prospectus Date		Transactions between the Prospectus Date and Completion	On Completion			Transactions following Completion in accordance with material agreements
	Securities	% (undiluted)		Securities	% (undiluted)	% (fully diluted)	
Shares							
Ordinary Shares	318,493,027	90.11%	+5,495,897 ^{1,2} +986,401 ¹ +33,077,185 ² +1,896,000 ³ +5,936,675 ⁴ +3,940,169 ⁸ +23,076,923 ⁷	392,902,277 ^{7,8}	100.00%	93.41%	–
Preference Shares	33,077,185	9.36%	-33,077,185 ^{1,2}	–	–	–	–
Employee Shares	1,896,000	0.54%	-1,896,000 ³	–	–	–	–
Total	353,466,212	100.00%	–	392,902,277	100.00%	93.41%	–
Other securities							
Contractual Rights	5,936,675	–	-5,936,675 ⁴	–	–	–	–
Employee Options	28,442,273	–	-21,609,896 ⁵ -6,832,377 ⁸	–	–	–	–
Ordinary Options	–	–	+ 21,609,896 ⁵	21,609,896	–	5.14%	–
Rights	–	–	+6,095,106 ⁶	6,095,106	–	1.45%	–
Total other securities	34,378,948	–	–	27,705,001	–	6.59%	–
Total							
Total	387,845,160	–	–	420,607,279	–	100.00%	–

Between the Prospectus Date and Completion, Airtasker proposes to undertake the Restructure to:

1. issue 5,495,897 bonus Preference Shares to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder;
2. convert all Preference Shares (including the bonus Preference Shares) to Ordinary Shares on a 1-to-1 basis;
3. convert all Employee Shares to Ordinary Shares on a 1-to-1 basis;
4. issue Ordinary Shares in settlement of the Contractual Rights; and
5. convert all Employee Options to Ordinary Options on a 1-to-1 basis.

During that time, Airtasker also proposes to:

6. issue 6,095,106 Rights to various senior managers and Directors under its employee incentive plans.

On Completion, Airtasker proposes to:

7. issue and procure the transfer of Shares under the Offer; and
8. issue 3,940,169 Shares under the separate Alumni Offer as consideration for the cancellation of 6,832,377 Ordinary Options.

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Securities on Completion may differ from the amounts in tables in this Section if vested options and rights are exercised and Shares are issued in respect of those options and rights by Completion.

Airtasker's free float at the time of listing is expected to be 32.76%, and in any event will be not less than 20%.

9.4.2 Terms of Securities

As noted above, Airtasker currently has on issue:

- Ordinary Shares;
- Preference Shares, which will convert to Ordinary Shares immediately prior to Completion;
- Employee Shares, which will convert to Ordinary Shares immediately prior to Completion;
- Contractual Rights, which will be satisfied by the issue of Ordinary Shares on Completion; and
- Employee Options, which will convert to Ordinary Options immediately prior to Completion,

and by Completion will also have on issue Rights.

The terms of all securities that are currently on issue and/or which will be on issue on Completion are set out below:

9.4.2.1 Ordinary Shares

The terms of Ordinary Shares are summarised in Section 9.6.

9.4.2.2 Preference Shares

The Preference Shares are fully paid, and confer on their holders the same voting and dividend or distribution rights as holders of Ordinary Shares. The Preference Shareholders are entitled to be issued 5,495,897 bonus Preference Shares with a nil issue price in connection with the Offer, which will be issued prior to Completion. The Preference Shares (including the bonus Preference Shares) will convert to Ordinary Shares on a 1-to-1 basis immediately prior to Completion. As such, on Completion there will be no Preference Shares on issue and an additional 38,573,082 Ordinary Shares on issue.

9.4.2.3 Employee Shares

The Employee Shares are fully paid, and confer on their holders no voting or dividend or distribution rights. The Employee Shares will convert to Ordinary Shares on a 1-to-1 basis immediately prior to Completion. As such, on Completion there will be no Employee Shares on issue and an additional 1,896,000 Ordinary Shares on issue.

9.4.2.4 Contractual Rights

The terms of the Contractual Rights are set out in a contract between Airtasker and Seven West Media Investments Pty Ltd. The Contractual Rights entitle the holder to be issued \$4.5 million worth of Ordinary Shares at a price equal to \$0.758, being 5,936,675 Ordinary Shares on Completion. The Contractual Rights holder is also entitled to be issued 986,401 bonus Ordinary Shares with a nil issue price in connection with the Offer, which will be issued prior to Completion. The \$4.5 million has already been fully paid, of which \$4.0 million was effectively paid by the holder providing Airtasker with advertising services. The Contractual Rights confer on the holder no voting or dividend or distribution rights. Airtasker will issue the holder Ordinary Shares on Completion in settlement of this right. As such, on Completion there will be no Contractual Rights on issue and an additional 6,923,076 Ordinary Shares on issue.

9.4.2.5 Employee Options

The Employee Options entitle the holder to one Employee Share per option.

The Employee Options were issued over eight different tranches. The first tranche was issued in 2013.

The Employee Options are only subject to time-based vesting conditions and are otherwise subject to the terms of the plans under which they were issued, as described in Section 9.7.

The Employee Options have the following exercise prices:

Exercise price	Number of options
\$0.7600	293,387
\$0.5000	19,323,509
\$0.3030	925,000
\$0.0600	255,000
\$0.0277	203,000
\$0.0120	610,000
Total	21,609,896

Expiry dates vary by tranche. Two of the earlier tranches, with a total of 458,000 Employee Options outstanding, had no expiry date and these remain unexercised. For later tranches, expiry dates have generally been five years from the grant date. One tranche, which first made a grant in 2013, has expiry dates of either seven or nine years from the grant date.

A total of 28,442,273 Employee Options are on issue at the date of this Prospectus. The Employee Options will convert to Ordinary Options (being options to acquire Ordinary Shares) on a 1-to-1 basis immediately prior to Completion. Further, on Completion, under the Alumni Offer, 6,832,377 options will be cancelled. As such, on Completion there will be no Employee Options and 21,609,896 Ordinary Options (assuming no exercise or cancellation of any Employee Options between the date of this Prospectus and Completion other than as set out above). Of the Employee Options (which will have converted to Ordinary Options) expected to be on issue at Completion, 9,292,255 have vested and 12,317,641 are unvested.

9.4.2.6 Ordinary Options

As noted in Section 9.4.2.5, the Employee Options will convert to Ordinary Options on a 1-to-1 basis immediately prior to Completion. The Ordinary Options will have the same terms as the Employee Options, save that the underlying security will be Ordinary Shares instead of Employee Shares.

9.4.2.7 Rights

Each Right will entitle the holder one Share save that, for Rights issued under Airtasker's Rights Plan, the Board has the discretion to settle the exercise of all or any Rights in cash (less any exercise price and withholdings such as PAYG tax) and/or whole Shares. The Rights will have different issue prices, exercise prices and expiry dates. The Rights are fully paid, and confer on their holders no voting or dividend or distribution rights. Some of the Rights will be subject to performance-based vesting conditions and are otherwise subject to the terms of the plans under which they were issued, as described in Section 9.7.

In total, 6,095,106 Rights will be issued to non-executive Directors and senior management by Completion.

9.5 Underwriting Agreement

The Offer is being underwritten by the Lead Manager pursuant to an underwriting agreement, dated on or about the Prospectus Date, between the Lead Manager, Airtasker and SaleCo (**Underwriting Agreement**). Under the Underwriting Agreement, the Lead Manager has agreed to arrange, manage and underwrite the Offer.

The separate Alumni Offer is not underwritten.

9.5.1 Commissions, fees and expenses

Airtasker and SaleCo have agreed to pay the Lead Manager a management fee equal to 1.5% of the Offer proceeds and an underwriting fee equal to 3.0% of the Offer proceeds. Airtasker and SaleCo may also pay the Lead Manager a discretionary success fee of up to 0.5% of the Offer proceeds, payable at the discretion of Airtasker taking into account the Lead Manager's overall performance in executing the Offer. These fees are payable to the Lead Manager on Completion of the Offer.

Airtasker has also agreed to pay or reimburse the Lead Manager for certain other agreed costs and expenses, including legal costs, incurred by the Lead Manager in relation to the Offer.

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9.5.2 Termination rights

9.5.2.1 Termination rights not subject to materiality

The Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to Airtasker or SaleCo if any of the following events has occurred or occurs at any time before Completion:

- a. (**disclosures in Prospectus**) in the reasonable opinion of the Lead Manager, a statement in this Prospectus is misleading or deceptive or likely to mislead or deceive, or there is an omission from the Prospectus of a material matter required to be included in it (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- b. (**supplementary prospectus**) Airtasker and SaleCo:
 - i. issue or, in the reasonable opinion of the Lead Manager, are required to issue, a supplementary prospectus because of the operation of section 719(1) of the Corporations Act and Airtasker and SaleCo do not lodge a supplementary prospectus with ASIC in the form and with the content, and within the time, reasonably required by the Lead Manager; or
 - ii. lodge a supplementary prospectus with ASIC in a form and substance that has not been approved by the Lead Manager (such approval not to be unreasonably withheld or delayed) in circumstances where Airtasker or SaleCo is notified or otherwise reasonably forms the view or becomes aware of any matter that would require them to lodge a supplementary prospectus with ASIC;
- c. (**market fall**) the S&P/ASX 300 Index published by ASX is at any time more than 10% below its level as at 5.00pm on the business day immediately preceding the date of the Underwriting Agreement and remains at that level:
 - i. at the close of trading on ASX for two consecutive business days; or
 - ii. at the close of trading on ASX on the business day immediately prior to the settlement date for the Offer (**Settlement Date**);
- d. at the close of trading on ASX on the business day immediately prior to the settlement date for the Offer (**Settlement Date**);
- e. (**voluntary escrow agreements**) any of the voluntary escrow agreements entered into by existing Shareholders or persons under the Alumni Offer are withdrawn, varied, terminated, rescinded, altered or amended, breached or fail to be complied with;
- f. (**fraud**) Airtasker, SaleCo or any of their directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a governmental agency to have engaged since the date of the Underwriting Agreement, in any fraudulent conduct or activity whether or not in connection with the Offer or Alumni Offer;
- g. (**notifications**) any of the following notifications are made in respect of the Offer or Alumni Offer::
 - i. ASIC issues an order (including an interim order) under section 739 of the Corporations Act and any such inquiry or hearing is not withdrawn within three business days or if it is made within three business days of the Settlement Date it has not been withdrawn by the business day before the Settlement Date;
 - ii. ASIC holds a hearing under section 739(2) of the Corporations Act;
 - iii. an application is made by ASIC for an order under Part 9.4B or Part 9.5 in relation to the Offer, Alumni Offer or any documents issued or published by or on behalf of Airtasker and SaleCo in respect of the Offer (including, without limitation, this Prospectus) (**Offer Documents**) or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer, Alumni Offer or an Offer Document, and any such application, inquiry or hearing is not withdrawn within three business days or if it is made within three business days of the Settlement Date it has not been withdrawn by the business day before the Settlement Date;
 - iv. any person who has previously consented to the inclusion of its name in this Prospectus (other than the Lead Manager) withdraws that consent;
 - v. any person gives a notice under section 730 of the Corporations Act in relation to this Prospectus (other than the Lead Manager, co-lead manager or co-manager);
- h. (**certificate**) Airtasker and SaleCo do not provide a certificate to the Lead Manager certifying matters such as Airtasker's compliance with its obligations under the Underwriting Agreement and the representations and warranties given by them being true and correct (**Closing Certificate**) as and when required by the Underwriting Agreement;
- i. (**withdrawal**) Airtasker or SaleCo withdraws this Prospectus, the Alumni Offer or the Offer;
- j. (**timetable**) an event specified in the timetable for the Offer up to and including the Settlement Date is delayed, other than any delay in accordance with the Underwriting Agreement;
- k. (**unable to issue**) Airtasker is prevented from issuing and delivering the new Shares offered under this Prospectus (**New Shares**) or SaleCo is prevented from transferring and delivering the existing Shares offered under this Prospectus (**Sale Shares**), by applicable laws, an order of a court of competent jurisdiction or a governmental agency, within the time required by the timetable for the Offer, Offer Documents, ASX Listing Rules and the Corporations Act;

- l. (**force majeure**) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any governmental agency which makes it illegal for the Lead Manager to satisfy a material obligation of the Underwriting Agreement, or to market, promote or settle the Offer;
- m. (**change to Airtasker**) Airtasker:
 - i. alters the issued capital of Airtasker or a Group member in a manner that was not disclosed to the Lead Manager prior to the date of the Underwriting Agreement or fairly disclosed in this Prospectus; or
 - ii. disposes or attempts to dispose of a substantial part of the business or property of the Group without the prior written approval of the Lead Manager (not to be unreasonably withheld or delayed);
- n. (**constitution**) Airtasker varies the Constitution, without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed);
- o. (**insolvency events**) any Group member becomes insolvent, or there is an act or omission which is likely to result in a Group member becoming insolvent;
- p. (**regulatory approvals**) if a governmental agency withdraws, revokes or amends any regulatory approvals required for Airtasker or SaleCo to perform its obligations under the Underwriting Agreement, including an ASX waiver, such that Airtasker or SaleCo is rendered unable to perform its obligations under the Underwriting Agreement;
- q. (**change in management**) a change in the chief executive officer, chief financial officer or chief operating officer of Airtasker occurs, or there is a change in the board of directors of Airtasker without the prior written consent of the Lead Manager;
- r. (**vacancy in office**) the chief executive officer, chief financial officer or chief operating officer of Airtasker, or any director of Airtasker, vacates his or her office (or announces an intention to do so); or
- s. (**prosecution**) any of the following occurs:
 - i. the chief executive officer, chief financial officer or chief operating officer, or any director of Airtasker, or any director of SaleCo is charged with a criminal offence; or
 - ii. any director of Airtasker or SaleCo is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or under any applicable law.

9.5.2.2 Termination rights subject to materiality

The Lead Manager may terminate the Underwriting Agreement without cost or liability by notice to Airtasker or SaleCo if any of the following events has occurred or occurs at any time before Completion and the Lead Manager has reasonable grounds to believe and does believe that the event:

- a. has, or is likely to have, a materially adverse effect on the success, settlement or outcome or marketing of the Offer, or the ability of the Lead Manager to market, promote or settle the Offer at the Offer Price, or the willingness of investors to subscribe for the Shares offered under the Offer (**Offer Shares**); or
- b. will, or is likely to, give rise to a material liability of the Lead Manager or its affiliates under, or a contravention by the Lead Manager or its affiliates of, any applicable law.

These termination events are:

- c. (**compliance with law**) any of the Offer Documents or any aspect of the Offer or Alumni Offer does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable law or regulation;
- d. (**new circumstances**) there occurs a new circumstance that arises after this Prospectus is lodged, that would have been required to be included in this Prospectus if it had arisen before lodgement;
- e. (**other disclosures**) a statement in any of the Offer Documents (other than this Prospectus) is or becomes misleading or deceptive or is likely to mislead or deceive;
- f. (**disclosures in the DDC Report**) the report of the due diligence committee formed by Airtasker in connection with the Offer (**DDC Report**) is, or becomes, false, misleading or deceptive, including by way of omission;
- g. (**information supplied**) any information supplied (including any information supplied prior to the date of the Underwriting Agreement) by or on behalf of a Group member to the Lead Manager in connection with the Offer or Alumni Offer is, or is found to be, misleading or deceptive or likely to mislead or deceive (including by omission);
- h. (**legal proceedings**) any of the following occurs:
 - i. the commencement of legal proceedings against any Group member or against any director of any of them in that capacity; or
 - ii. any governmental agency commences any inquiry or investigation against any Group member;
- i. (**material contracts**) any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the Offer Shares or Shares available under the Alumni Offer is:

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- i. terminated, rescinded, materially altered or amended without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld);
- ii. found to be void or voidable;
- iii. is breached, or there is a failure by a party to comply;
- iv. ceases to have effect, otherwise than in accordance with its terms; or
- v. is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal;
- j. **(adverse change)** an event occurs which is, or is likely to give rise to an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those disclosed in this Prospectus lodged with ASIC;
- k. **(future matters)** there are not, or there ceases to be, reasonable grounds in the opinion of the Lead Manager (acting reasonably) for any statement or estimate in the Offer Documents which relate to a future matter or any statement or estimate in the Offer Documents which relate to a future matter is, in the opinion of the Lead Manager (acting reasonably), unlikely to be met in the projected timeframe (including in each case financial forecasts);
- l. **(breach of laws)** there is a contravention by any entity in the Group of the Corporations Act, the *Competition and Consumer Act 2010* (Cth), the ASIC Act, the Constitution, the ASX Listing Rules or any other applicable law;
- m. **(representations and warranties)** a representation or warranty contained in the Underwriting Agreement on the part of Airtasker is breached, becomes not true or correct or is not performed;
- n. **(certificate)** a Closing Certificate provided under the Underwriting Agreement is false, misleading or deceptive (including by way of omission);
- o. **(breach)** Airtasker defaults on one or more of its obligations or undertakings under the Underwriting Agreement;
- p. **(change of law)** there is introduced, or there is a public announcement of a proposal to introduce a new law or regulation, government policy or governmental agency policy (including ASIC) in Australia (including the Parliament of Australia or any State or Territory of Australia);
- q. **(hostilities)** in respect of any one or more of Australia, New Zealand, the United States, Japan, the United Kingdom, the Peoples' Republic of China (including Hong Kong), North Korea, South Korea and Singapore (**Key Jurisdictions**):
 - i. hostilities not presently existing commence;
 - ii. a major escalation in existing hostilities occurs (whether war is declared or not);
 - iii. a declaration is made of a national emergency or war; or
 - iv. a major terrorist act is perpetrated;
- r. **(pandemic)** a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these):
 - i. not presently existing, occurs; or
 - ii. for any existing epidemic or large-scale outbreak of a disease, there is major escalation in the severity of the outbreak and the restrictions imposed from the date of the Underwriting Agreement,
 in each case, involving any one or more of the Key Jurisdictions;
- s. **(disruption in financial markets)** any of the following occurs:
 - i. a general moratorium on commercial banking activities in any one or more of the Key Jurisdictions is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - ii. any adverse effect on the financial markets in any one or more of the Key Jurisdictions, or in foreign exchange rates or any development involving an actual or prospective change in political, financial or economic conditions in any of those countries; or
 - iii. trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange, the Shanghai Stock Exchange or the Tokyo Stock Exchange is suspended for at least 1 day on which that exchange is ordinarily open for trading.

9.5.3 Indemnity

Subject to certain exclusions relating to, amongst other things, the fraud, wilful misconduct or gross negligence of the Lead Manager or certain representatives (as finally judicially determined), Airtasker agrees to keep the Lead Manager and certain representatives of the Lead Manager indemnified from and against all losses suffered or incurred in connection with the Offer and the appointment of the Lead Manager pursuant to the Underwriting Agreement.

9.5.4 Conditions, warranties, undertakings and other items

The Underwriting Agreement contains certain standard representations, warranties and undertakings by Airtasker and SaleCo to the Lead Manager (as well as common conditions precedent, including conducting due diligence, lodgement of this Prospectus, the entry into voluntary escrow deeds by the existing Shareholders and ASX granting the waivers necessary to enable the Offer and Alumni Offer to proceed in accordance with the timetable, and a condition precedent requiring the Company to complete the Restructure before Completion).

The representations and warranties given by Airtasker and SaleCo include, but are not limited to, matters such as its capacity, the validity of its obligations under the Underwriting Agreement, its status, its solvency and the compliance of the Offer, or Alumni Offer and Offer Documents with the Corporations Act, ASX Listing Rules and all other applicable laws.

The additional representations and warranties given solely by Airtasker include, but are not limited to, matters such as the Group's business, litigation, taxation, data privacy, financial information, anti-money laundering and anti-bribery.

The undertakings given by Airtasker relate to matters including, but not limited to, provision of and consultation with the Lead Manager in respect of ASIC or ASX correspondence and notification of breach to the Lead Manager.

In addition, Airtasker has undertaken:

- a. that it will not without prior consultation with, and written consent of, the Lead Manager (which must not be unreasonably withheld or delayed), at any time after the date of the Underwriting Agreement and up to 12 months after Completion, allot, or agree to allot, or indicate in any way that it may or will allot, or agree to allot, any Shares or other securities (whether equity or debt), or any warrants or other rights to acquire Shares or other securities, of Airtasker or any Group member other than pursuant to the Offer, Alumni Offer, the Underwriting Agreement, an employee share plan or to any issue of Shares or other securities pursuant to the exercise of rights granted before the date of the Underwriting Agreement and/or which have been fairly disclosed in this Prospectus;
- b. to carry on its business in the ordinary course from the date of the Underwriting Agreement until Completion, except with the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed);
- c. from the date of distribution of a pathfinder prospectus (if distributed) or this Prospectus (if a pathfinder prospectus is not distributed) until 180 days following Completion, not to alter the capital structure of Airtasker (other than as a result of the Offer or Alumni Offer or to the extent fairly disclosed in this Prospectus) or to amend the Constitution; and
- d. not to withdraw the Offer or Alumni Offer without the consent of the Lead Manager.

9.5.5 Potential control effects

As at the Prospectus Date, the Lead Manager is not a Shareholder of Airtasker. The Lead Manager is also not a related party of Airtasker for the purpose of the Corporations Act. However, if the Lead Manager (and/or any one or more sub-underwriters appointed by it) are required to subscribe for shortfall Shares under the Underwriting Agreement, this will result in it becoming a Shareholder of Airtasker. The Shares available under the Offer will represent approximately 32.76% of the total Shares on issue at Completion. As such, the maximum voting power that the Lead Manager (or a sub-underwriter) may acquire pursuant to the underwriting arrangements (assuming no investors subscribe for Shares under the Offer and all shortfall Shares are allocated to one person) is 32.76%. As noted in Section 6.5, following Completion, the Directors do not expect any Shareholder to control (as defined by section 50AA of the Corporations Act) Airtasker.

9.6 Constitution and rights attaching to Shares

The Constitution is of a kind usually adopted by a public company, with certain provisions taking effect once and for so long as Airtasker is listed on the Official List of ASX.

A summary of the rights attaching to Shares under the Constitution is set out below. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory, ASX Listing Rules and common law requirements. For an investor to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, that investor should seek legal advice.

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Topic	Summary
Voting	<p>At a meeting of members, subject to the Constitution, and the Corporations Act, ASX Listing Rules, ASX Settlement Rules and CSF Rules (Relevant Law) and to any rights or restrictions attaching to any class of securities, a resolution of members must be decided on a show of hands unless a poll is effectively demanded or the chair decides that a poll will be held.</p> <p>Despite anything to the contrary in the Constitution, the Board may determine that a member is entitled to vote at a meeting by direct vote (i.e. a vote delivered to Airtasker by post, fax or other electronic means approved by the Board) in respect of a resolution.</p> <p>Subject to the Constitution, the Relevant Law, and to any rights or restrictions attached to any class of securities, on a show of hands each member present in person or by proxy has one vote and on a poll each member present in person or by proxy has one vote for each fully paid share held by that member (and for each partly paid share a fraction of a vote equivalent to the proportion of the share which is paid).</p> <p>A member is not entitled to be counted in a quorum or cast a vote attached to a share on which a call is due and payable and has not been paid.</p>
Proxy	<p>A member entitled to attend and cast a vote at a meeting of members may appoint an individual or body corporate as its proxy to attend and vote for that member at the meeting.</p> <p>The Board or chair of a meeting of members may allow an appointment of a proxy as valid even if it only contains some of the information required by section 250A(1) of the Corporations Act.</p> <p>Unless Airtasker has received written notice before the start or resumption of a meeting of members, a vote cast by the proxy at that meeting will be valid even if the appointing member dies, is mentally incapacitated, revokes the appointment, revokes the authority under which the proxy was appointed by a third party or the member transfers the share in respect of which the proxy was given.</p>
General meetings and notices	<p>A Director of Airtasker may call a general meeting and the Directors must call an annual general meeting in accordance with the Corporations Act. Members may request or call and arrange to hold a general meeting in accordance with the Corporations Act.</p> <p>A general meeting may be held at two or more venues simultaneously, or wholly virtually, using any technology that gives members as a whole a reasonable opportunity to participate.</p> <p>Subject to the Constitution and the terms of issue of particular shares, each member is entitled to receive notice of, attend and vote at meetings of members of Airtasker.</p> <p>The quorum for a meeting of members is two (2) members entitled to vote at the meeting.</p>
Dividends and share plans	<p>Subject to the Constitution and the terms on which securities in Airtasker are on issue, the Board may declare, determine or pay any dividends as it sees fit. The Board may fix the amount, the time for payment and the method of payment.</p> <p>Subject to the rights of holders of securities in Airtasker issued on special terms a dividend may be declared, determined and paid on the securities in Airtasker of one or more classes (if any) to the exclusion of the other or others.</p> <p>The Board may direct payment of a dividend wholly or partly by the distribution in kind of specific assets.</p> <p>A holder of securities in Airtasker which are Restricted Securities will not be entitled to any dividend during the escrow period applicable to those Restricted Securities except as permitted by the ASX Listing Rules or ASX.</p> <p>Subject to the Relevant Law, the Board may establish and maintain plans as it thinks appropriate, and the Board is authorised to do all things it considers necessary or desirable to establish, implement and carry out each plan.</p>
Issue of Shares	<p>Subject to the Constitution, the Relevant Law and any special rights conferred on the holders of any existing securities or class of securities in Airtasker, securities in Airtasker may be issued or otherwise disposed of by the Board in such manner as it thinks fit.</p> <p>Subject to the Corporations Act, Airtasker may issue preference shares which are, or at the option of Airtasker are to be, liable to be redeemed, in such manner and on such terms and conditions as the Board determines.</p>

Topic	Summary
Transfer of Shares	Generally, securities are freely transferrable subject to the procedural requirements of the Constitution and to the provisions of the Relevant Law. If permitted by the Relevant Law, the Directors may decline to register an instrument of transfer and, if the Company is admitted to the Official List of ASX, the Board must refuse to acknowledge or register a transfer or disposal of Restricted Securities during the escrow period (except as permitted by the ASX Listing Rules or ASX) and of any securities where Airtasker is, or the Board is, required to do so by the ASX Listing Rules.
Proportional takeover provisions	The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.
Winding up	Subject to the rights of the holders of securities in Airtasker issued on special terms, if Airtasker is wound up, the liquidator in a winding up may, with the sanction of a special resolution of Airtasker, divide the assets of Airtasker among the members and/or vest all or any of Airtasker's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.
Variation of rights	The rights attached to securities in a class of securities may, unless their terms of issue state otherwise, be varied or cancelled with the written consent of holders of such securities with at least 75% of the votes in the class, or by a special resolution passed at a meeting of the class of holders holding securities in the class.
Directors – appointment, retirement and removal	<p>The minimum number of Directors is three (3) and the maximum number of Directors is ten (10).</p> <p>Subject to the Constitution, Airtasker may appoint a person as a Director by resolution passed in general meeting.</p> <p>The Board may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting.</p> <p>A Director must retire from office at the end of the third annual general meeting following that Director's last appointment or three (3) years, whichever is longer.</p> <p>Airtasker may, subject to the Corporations Act, by resolution passed in general meeting remove any Director before the end of the Director's term of office and, if the outgoing Director is a non-executive Director, elect another person to replace the Director. A person appointed will hold office for the remainder of the term for which the Director replaced would have held office if the Director had not been removed.</p> <p>In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, Directors may be removed from office pursuant to any provision of the Relevant Law. If a managing or executive Director ceases to be employed by Airtasker or a related body corporate, then that person must also vacate his/her position as a Director.</p>
Decisions of Directors	<p>Unless the Board determines otherwise, the quorum for a meeting of Directors is two (2) Directors.</p> <p>A board resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.</p> <p>The Chairperson of a board meeting has a casting vote if necessary in addition to any vote he/she has in his/her capacity as a Director.</p> <p>The Directors may pass a resolution without a Board meeting being held if a majority of the Directors entitled to vote on the resolution (and being not less than the number required for a quorum at a Board meeting) sign a document containing a statement that they are in favour of the resolution set out in the document.</p>
Alteration to the Constitution	The Constitution can only be amended by a special resolution passed by at least 75% of members present and voting at a general meeting.

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9.7 Employee incentive plans

Airtasker has adopted the following employee incentive plans, which are summarised below:

- the Rights Plan, which is one of Airtasker's current employee incentive plans;
- the NED Equity Plan, which is one of Airtasker's current incentive plans in which only non-executive Directors may participate;
- the Employee Option Plan, which is a legacy employee incentive plan; and
- the Equity Participation Plan, which is a legacy employee incentive plan.

9.7.1 Current plans

Summaries of the terms of Airtasker's current employee incentive plans are set out below:

Topic	Summary
Plan	Rights Plan.
Type of securities issued under the plan	<p>Rights, being entitlements to Shares, save that the Rights may, when exercised, be settled in:</p> <ul style="list-style-type: none"> • cash (less any exercise price and withholdings such as PAYG tax); and/or • whole Shares, <p>as determined by the Board in its discretion.</p>
Eligible participants	Current or prospective full-time, part-time or casual employees or contractors of Airtasker and its subsidiaries (or their nominees). Non-executive Directors of Airtasker are not eligible to participate in this plan.
Price of securities issued under the plan	<p>Unless otherwise determined by the Board, the Rights will have nil issue prices and nil exercise prices. If an issue price greater than nil is specified, that issue price must be paid by the participant to acquire the Right. If an exercise price greater than nil is specified, that exercise price must be paid by the participant to exercise the Right. Rights with an exercise price greater than nil are referred to in the plan as 'Share Appreciation Rights'.</p> <p>The Rights to be granted under this plan in connection with the Offer and Listing (IPO Rights) will have nil issue prices and nil exercise prices, save for Rights, being 'Share Appreciation Rights', to be issued to the CEO, Tim Fung. The value of each IPO Right with a nil exercise price will be equal to the Offer Price. The value of each IPO Right that is a 'Share Appreciation Right' will be \$0.76 per Right.</p>
Vesting conditions	<p>Rights may be subject to:</p> <ul style="list-style-type: none"> • performance-based vesting conditions (which may also include time-based vesting conditions), and these Rights are referred to in the plan as 'Performance Rights'; • time-based vesting conditions only, and these Rights are referred to in the plan as 'Service Rights'; or • no vesting conditions, and these Rights are referred to in the plan as 'Restricted Rights'. <p>Performance-based vesting conditions are measured over a period of three financial years, unless otherwise determined by the Board. Performance-based vesting conditions may relate to performance of Airtasker or the participant, and may be subject to achievement of minimum hurdles.</p> <p>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.</p> <p>The IPO Rights which are Performance Rights will be subject to Airtasker meeting or exceeding the financial forecasts for GMV, Revenue and EBIT set out in the Prospectus based on the audited FY21 Statutory Financial Statements lodged with the ASX and subject to requiring participants to remain employed with Airtasker during FY21 only with pro-rata forfeiture for terminations during that year.</p>

Topic	Summary
Vesting conditions continued	<p>The vesting conditions for the Rights that will be issued to Directors or senior management under this plan in relation to FY22 will be determined in accordance with Airtasker's ordinary remuneration approval cycle approved in Airtasker's next Annual General Meeting. These Rights and may include the following performance and/or service vesting conditions:</p> <ul style="list-style-type: none"> • performance vesting conditions: <ul style="list-style-type: none"> – total shareholder return (TSR) indexed TSR, whereby Airtasker's TSR must meet or exceed the TSR of an appropriate Index on an annualised basis, in order for any vesting to occur, subject to a progressive scale of absolute TSR premiums in excess of index TSR performance. TSR must be positive; and – operational performance metrics whereby vesting will only occur if this metric improves by an agreed amount on an annualised basis, subject to a progressive scale of compound annual growth rates; and • service vesting conditions: <ul style="list-style-type: none"> – participants remain employed during the relevant financial year only with pro-rata forfeiture for terminations during that year. <p>Apart from the IPO Rights, no additional Rights will be issued to the Directors or the senior management team for FY21 under this plan.</p> <p>The Board has the discretion to amend vesting conditions if it forms the view that it is appropriate to do so given the circumstances that prevailed during the relevant measurement period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant measurement period.</p>
Dividends and voting rights	<p>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.</p>
Expiry	<p>The Rights expire if they are not exercised within 15 years of their grant date, or such other date as specified in an invitation. The Rights may also be forfeited in circumstances, as described below.</p> <p>The IPO Rights will expire within 15 years of their grant date, save that the Performance Rights which are Share Appreciation Rights will expire within five years of their grant date.</p>
Forfeiture	<p>Unvested Rights may be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> • if the participant ceases to be employed by the Group, unless the Board allows the participant to retain any Rights for later vesting; • if the Board forms the opinion that the participant has committed an act of fraud, defalcation or gross misconduct in relation to the Group; • if allowing the Rights to be retained by the participant would, in the opinion of the Board, result in an inappropriate benefit to the participant; or • if there is an attempt to deal with Shares which are subject to restrictions as described below.
Loans to participants	<p>N/A.</p>
Restrictions on securities	<p>Holders of Rights may not dispose of or otherwise deal with Rights other than by operation of law on death or legal incapacity to the participants' legal personal representatives.</p> <p>Restricted Rights may not be exercised within 90 days of their grant date, or such longer period as specified in an invitation. Performance Rights and Service Rights may not be exercised until the vesting criteria have been satisfied. The Board may impose other periods during which Rights may not be exercised or may waive any restrictions on exercise.</p> <p>All Shares acquired on exercise of Rights cannot be disposed of or otherwise dealt with for any restriction period specified in an invitation, and in any event cannot be disposed of in breach of the Company's share trading policy or Division 3 of Part 7.10 of the Corporations Act. The restriction can be waived by the Board in cases of severe and demonstrable hardship.</p>
Trustee	<p>The Board may require Shares acquired on exercise of Rights to be held by a trustee for the benefit of participants.</p>

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Topic	Summary
Change in control	<p>Unless otherwise determined by the Board, where the Board determines that Airtasker will be imminently de-listed, all unvested Performance Rights with an exercise price other than nil will vest, a number of unvested Performance Rights with a nil exercise price will vest as determined in accordance with the following formula:</p> $\text{Number of Performance Rights in tranche vest} = \text{Unvested Performance Rights in tranche} \times \% \text{ of first year of measurement period elapsed} \times \frac{\text{(Share price at a date determined by the Board – Share price at measurement period commencement)}}{\text{Share price at measurement period commencement}}$ <p>and otherwise unvested Performance Rights and Service Rights will vest or lapse as determined by the Board. All exercise restrictions will also lift.</p> <p>Where the Board determines that a major part of Airtasker's assets or operations will imminently cease to be owned by the Group, unvested Performance Rights and Service Rights will vest or lapse, or may otherwise be adjusted, as determined by the Board.</p>
Limit on number of securities issued under the plan	ASIC Class Order 14/1000 and the 5% of issued capital issue limit over three years therein will apply to the plan.
Maximum number of securities proposed to be issued under this plan	20,000,000.
Amendments	The Board has the discretion to amend the plan rules. No amendment may reduce the existing rights of any participant in respect of any accepted application for Rights that had commenced prior to the date of the amendment or repeal, other than with the consent of the participant or where the amendment is introduced primarily to comply with laws relating to the plan, to correct any manifest error or mistake or to address possible adverse tax implications for participants or Airtasker.
Topic	Summary
Plan	NED Equity Plan
Type of securities issued under the plan	Rights, being entitlements to Shares.
Eligible participants	Non-executive Directors of Airtasker (or their nominees).
Price of securities issued under the plan	<p>Unless otherwise determined by the Board, the Rights will have nil issue prices and nil exercise prices. If an issue price greater than nil is specified, that issue price must be paid by the participant to acquire the Right. If an exercise price greater than nil is specified, that exercise price must be paid by the participant to exercise the Right.</p> <p>The Rights to be granted under this plan in connection with the Offer and Listing (IPO NED Rights) will have nil issue prices and nil exercise prices. The value of each IPO NED Right with a nil exercise price will be equal to the Offer Price.</p>
Vesting conditions	No vesting conditions will apply to Rights issued under this plan.

Topic	Summary
Dividends and voting rights	Rights do not carry dividend or voting rights prior to vesting. Shares allocated on vesting carry the same dividend and voting rights as other Shares.
Expiry	The Rights expire if they are not exercised within 15 years of their grant date, or such other date as specified in an invitation. The Rights may also be forfeited in circumstances, as described below. The IPO NED Rights will expire within 15 years of their grant date.
Forfeiture	Unvested Rights may be forfeited if the Board forms the opinion that the participant has committed an act of fraud, defalcation or gross misconduct in relation to the Group.
Loans to participants	N/A.
Restrictions on securities	<p>Holders of Rights may not dispose of or otherwise deal with Rights other than by operation of law on death or legal incapacity to the participants' legal personal representatives.</p> <p>Restricted Rights may not be exercised within 90 days of their grant date, or such longer period as specified in an invitation. The Board may impose other periods during which Rights may not be exercised or may waive any restrictions on exercise.</p> <p>The IPO NED Rights may not be exercised until 30 June 2022 and only 50% of the IPO NED Rights held by a holder will be released from the disposal restrictions upon ceasing to act as a non-executive Director.</p> <p>All Shares acquired on exercise of Rights cannot be disposed of or otherwise dealt with for any restriction period specified in an invitation, and in any event cannot be disposed of in breach of the Company's share trading policy or Division 3 of Part 7.10 of the Corporations Act. The restriction can be waived by the Board in cases of severe and demonstrable hardship.</p>
Trustee	The Board may require Shares acquired on exercise of Rights to be held by a trustee for the benefit of participants.
Change in control	Unless otherwise determined by the Board, where the Board determines that Airtasker will be imminently de-listed, all exercise or disposal restrictions on Rights will be lifted.
Limit on number of securities issued under the plan	There is no limit on the number of securities which may be issued under this plan.
Maximum number of securities proposed to be issued under this plan	The maximum number of Rights that may be issued under this plan before obtaining Shareholder approval is 4,400,000 Rights.
Amendments	The Board has the discretion to amend the plan rules. No amendment may reduce the existing rights of any participant in respect of any accepted application for Rights that had commenced prior to the date of the amendment or repeal, other than with the consent of the participant or where the amendment is introduced primarily to comply with laws relating to the plan, to correct any manifest error or mistake or to address possible adverse tax implications for participants or Airtasker.

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9.7.2 Legacy plans

Summaries of the terms of Airtasker's legacy employee option plans are set out below:

Topic	Summary
Plan	Employee Option Plan.
Type of securities issued under the plan	Employee Options, which will automatically convert to Ordinary Options immediately prior to Completion.
Eligible participants	Current or prospective employees, contractors or Directors of Airtasker and its subsidiaries.
Price of securities issued under the plan	The options have exercise prices, which must be paid by the participants to exercise the options.
Vesting conditions	The options are subject to time-based vesting conditions.
Expiry	The options expire if they are not exercised during the exercise periods set out in the options offer letters, or if the eligible participant ceases to be 'eligible' (i.e. ceases its employment or engagement) unless the Board allows the participant to retain any options after cessation of their employment or engagement.
Loans to participants	N/A.
Restrictions on securities	<p>Holders of options, and shares issued on exercise of options, may not dispose of those shares until the earlier of three years after the issue of the option (or such earlier time as the Commissioner of Taxation allows) and the date when the holder leaves its employment or engagement, unless the disposal meets the requirements of section 83A-130 of the <i>Income Tax Assessment Act 1997</i> (Cth).</p> <p>Holders of options may not dispose of their options until the earlier of the date that is 180 days following the Listing and the expiration of the escrow periods set out in Section 6.6 unless otherwise consented to by the Board.</p>
Limit on number of securities issued under the plan	No limit. Airtasker does not intend to issue any further options under this plan.
Maximum number of securities proposed to be issued under this plan	At the Prospectus Date, 24,693,273 options remain on issue under this plan. Airtasker does not intend to issue any further options under this plan.
Topic	Summary
Plan	Equity Participation Plan.
Type of securities issued under the plan	Employee Options, which will automatically convert to Ordinary Options immediately prior to Completion.
Eligible participants	Employees, Directors and consultants of Airtasker or any related body corporate (as defined in the Corporations Act) of Airtasker and other persons approved by the Board.
Price of securities issued under the plan	The options may have issue prices, which must be paid by the participants to acquire the options. The options have exercise prices, which must be paid by the participants to exercise the options.

Topic	Summary
Vesting conditions	All of the options issued under this plan have vested.
Expiry	The options automatically expire seven years after their issue date, or such earlier date provided for in a grant letter. The Board has the discretion to extend the expiry date.
Loans to participants	N/A.
Restrictions on securities	Holders of options may not deal with their options without Board approval.
Limit on number of securities issued under the plan	The maximum number of shares that may be issued on exercise of options granted under the plan is 11,690,000. Airtasker does not intend to issue any further options under this plan.
Maximum number of securities proposed to be issued under this plan	At the Prospectus Date, 3,749,000 options remain on issue under this plan. Airtasker does not intend to issue any further options under this plan.

9.7.3 Options and rights issued under the plans

As at the Prospectus Date:

- 0 Rights have been issued by Airtasker pursuant to the Rights Plan;
- 0 Rights have been issued by Airtasker pursuant to the NED Equity Plan;
- 24,693,273 Employee Options remain on issue pursuant to the Employee Option Plan; and
- 3,749,000 Employee Options remain on issue pursuant to the Equity Participation Plan.

By the Completion Date:

- 4,303,846 Rights will have been issued by Airtasker pursuant to the Rights Plan;
- 1,791,260 Rights will have been issued by Airtasker pursuant to the NED Equity Plan;
- 20,999,896 Ordinary Options will have been converted from Employee Options pursuant to the Employee Option Plan; and
- 610,000 Ordinary Options will have been converted from Employee Options pursuant to the Equity Participation Plan.

Airtasker has no current plans to issue additional securities under the Rights Plan or the NED Equity Plan following Completion but may do so in the future as it considers appropriate. As noted above, Airtasker does not intend to issue any further options under the Employee Option Plan or the Equity Participation Plan.

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9.7.4 Participation of Directors and key management in the plans

Directors are entitled to participate in the employee incentive plans to the extent that they are eligible (i.e. non-executive Directors are not eligible to participate in the Rights Plan and executive Directors are not eligible to participate in the NED Equity Plan).

Directors and key management currently participate in the employee incentive plans as follows:

Table 9.2: Current participation of Directors and key management in employee incentive plans

Name	Plan	Number of securities	Type of securities	Grant date	Issue price per security	Exercise price per security	Number of vested securities	Number of unvested securities	Vesting conditions	Expiry date
James Spenceley Non-executive Chairperson	Employee Option Plan	1,000,000	Employee Options (which will convert to Ordinary Options)	11 January 2021	\$0.00	\$0.50	395,833	604,167	The first 25% of options vested on 1 July 2020 and 75% will vest in equal monthly instalments over the subsequent 36 months.	11 January 2026
Tim Fung CEO and executive Director	Equity Participation Plan	515,000	Employee Options (which will convert to Ordinary Options)	30 September 2014	\$0.00196	\$0.012	515,000	0	N/A – the options have vested	30 September 2021
	Employee Option Plan	130,000		12 October 2015	\$0.00	\$0.02768	130,000	0		No expiry
		205,000		26 July 2016	\$0.00	\$0.06	205,000	0	No expiry	
		437,000		22 August 2017	\$0.00	\$0.303	391,479	45,521	The first 25% of options vested on 1 July 2018 and 75% will vest in equal monthly instalments over the subsequent 36 months.	22 August 2022
		396,000			11 January 2021	\$0.00	\$0.50	181,500	214,500	The first 25% of options vested on 1 April 2019 and 75% will vest in equal monthly instalments over the subsequent 36 months.

Name	Plan	Number of securities	Type of securities	Grant date	Issue price per security	Exercise price per security	Number of vested securities	Number of unvested securities	Vesting conditions	Expiry date
Nathan Chadwick CFO	Employee Option Plan	450,000	Employee Options (which will convert to Ordinary Options)	23 September 2020	\$0.00	\$0.50	243,750	206,250	The first 25% of options vested on 7 November 2019 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025
		400,000		23 September 2020	\$0.00	\$0.50	158,333	241,667	The first 25% of options vested on 1 July 2020 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025
		1,150,000		23 September 2020	\$0.00	\$0.50	0	1,150,000	The first 25% of options will vest on 1 March 2021 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025

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Name	Plan	Number of securities	Type of securities	Grant date	Issue price per security	Exercise price per security	Number of vested securities	Number of unvested securities	Vesting conditions	Expiry date
Yaniv Bernstein COO	Employee Option Plan	1,288,000	Employee Options (which will convert to Ordinary Options)	23 September 2020	\$0.00	\$0.50	885,500	402,500	The first 25% of options vested on 2 May 2019 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025
		112,000		23 September 2020	\$0.00	\$0.50	44,333	67,667	The first 25% of options vested on 1 July 2020 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025
		2,600,000		23 September 2020	\$0.00	\$0.50	0	2,600,000	The first 25% of options will vest on 1 March 2021 and 75% will vest in equal monthly instalments over the subsequent 36 months.	23 September 2025

As shown above, Directors, Tim Fung and James Spenceley, hold Employee Options. Airtasker chose to issue the Employee Options to those Directors to encourage them to remain with Airtasker while those options vest. Airtasker has valued the Employee Options granted to Directors using the Black-Scholes method and considers the value of the Employee Options held by James to be \$166,700 and the Employee Options held by Tim to be \$188,626.

In addition to their current participation described above, Directors and key management are proposing to participate in the employee incentive plans as follows:

Table 9.3: Proposed participation of Directors and key management in employee incentive plans

Name	Plan	Number of securities	Type of securities	Proposed grant date	Issue price per security	Exercise price per security	Number of vested securities	Number of unvested securities	Vesting conditions	Exercise period	Expiry date	Other
James Spenceley Non-executive Chair-person	NED Equity Plan	327,754	Rights	By Completion	\$0.00	\$0.00	327,754	0	N/A	From 90 days after the grant date until the expiry date	22 March 2036	The Rights may not be disposed
	NED Equity Plan	461,538	Rights	By Completion	\$0.00	\$0.00	461,538	0				
Ellen Comerford Non-executive Director	NED Equity Plan	217,071	Rights	By Completion	\$0.00	\$0.00	217,071	0	N/A	From 90 days after the grant date until the expiry date	22 March 2036	The Rights may not be disposed
	NED Equity Plan	53,846	Rights	By Completion	\$0.00	\$0.00	53,846	0				
Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust (an associate of Peter Hammond Non-executive Director)	NED Equity Plan	269,723	Rights	By Completion	\$0.00	\$0.00	269,723	0	N/A	From 90 days after the grant date until the expiry date	22 March 2036	The Rights may not be disposed
	NED Equity Plan	307,692	Rights	By Completion	\$0.00	\$0.00	307,692	0				
Fred Bai Non-executive Director	NED Equity Plan	153,635	Rights	By Completion	\$0.00	\$0.00	153,635	0	N/A	From 90 days after the grant date until the expiry date	22 March 2036	The Rights may not be disposed
Nathan Chadwick CFO	Rights Plan	153,846	Rights (referred to as "Performance Rights" in the Rights Plan)	By Completion	\$0.00	\$0.00	0	153,846	Yes, performance and service vesting conditions as set out in Note 1	From vesting until the expiry date	22 March 2036	The Rights may not be disposed
Tim Fung CEO and executive Director	Rights Plan	4,000,000	Rights (referred to as "Share Appreciation Rights" in the Rights Plan)	By Completion	\$0.00	\$0.76	0	4,000,000	Yes, performance and service vesting conditions as set out in Note 1	From vesting until the expiry date	22 March 2026	The Rights may not be disposed

Notes:

- 1 Vesting conditions: The Group meeting or exceeding the financial forecasts for GMV, Revenue and EBIT set out in the Prospectus based on the audited FY21 Statutory Financial Statements lodged with the ASX. The participant remaining employed with Airtasker during FY21 with pro-rata forfeiture for termination during that year.

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As shown in Table 9.3, Directors, James Spenceley, Tim Fung, Fred Bai and Ellen Comerford (or entities controlled by them), and an associate of a Director, Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust (an associate of Peter Hammond), will hold Rights on Completion. Airtasker chose to issue the Rights to those non-executive Directors and their associates to recognise their contribution to the Offer and Listing and in lieu of cash payments of some or all of their Directors' fees in relation to FY21 and FY22. Airtasker has valued the Rights granted to non-executive Directors and their associates at the Offer Price and considers the value of those Rights to be \$513,040 for Rights to be issued to James, \$375,320 for Rights to be issued to Exto Partners Australia Pty Ltd as trustee for the Exto Unit Trust (an associate of Peter), \$99,863 for Rights to be issued to Fred and \$176,096 for Rights to be issued to Ellen. Airtasker chose to issue the Rights to Tim to recognise his contribution to the Offer and Listing and to encourage him to remain with Airtasker. Airtasker has valued the Rights granted to Tim using the Black-Scholes method and considers the value of those Rights to be \$1 million.

Details of any securities issued under the employee incentive plans will be published in Airtasker's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14 (or not required under ASX Listing Rule 10.14). Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under any of the employee incentive plans after the date of this Prospectus and who were not named in this Prospectus will not participate until approval is obtained under that rule.

9.8 Australian taxation considerations

The disposal of a Share by a Shareholder should constitute a CGT event. A capital gain should arise to the extent that the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus certain non-deductible transaction costs). In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale. Where the Shareholder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal (in their proportionate shares).

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where the entity which realises the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the Shares have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been met. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

If the Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss should be realised to the extent that the reduced cost base of a Share (which should generally be calculated in a similar manner to the cost base) exceeds the capital proceeds from its disposal. Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the Shareholder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (in their proportionate shares).

9.8.1 Dividends

Individuals and complying superannuation entities

Where dividends on a Share are distributed, those dividends should constitute assessable income of an Australian tax resident Shareholder. Australian tax resident Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year they derive the dividend. If the Shareholder satisfies the 'qualified person' rules (refer to further comments below), the Shareholder should also include any franking credit attached to the dividend in their assessable income. However, such a Shareholder should be entitled to a tax offset equal to the franking credit. The tax offset can be applied to reduce the income tax payable on the Shareholder's taxable income. Where the tax offset exceeds the income tax payable on the Shareholder's taxable income in an income year, the Shareholder should be entitled to a tax refund equal to the amount of the excess.

Where a dividend is unfranked, the Shareholder should generally be taxed at their prevailing tax rate on the dividend received with no tax offset.

Corporate Shareholders

Corporate Shareholders are also required to include both the dividend and associated franking credit in their assessable income, subject to satisfaction of the qualified person rules. A tax offset should then be allowed up to the amount of the franking credit on the dividend.

An Australian tax resident corporate Shareholder should be entitled to a credit in its own franking account to the extent of the franking credit attached to the distribution received. This allows the corporate shareholder to pass on the benefit of the franking credits to its own Shareholder(s) on the payment of dividends.

Where franking credits received by a corporate Shareholder exceeds the income tax payable by that Shareholder, the excess cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

Trusts and partnerships

Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include dividend in their assessable income in determining the net income of the trust or partnership. Subject to satisfaction of the qualified person rules, such Shareholders should also include any franking credit attached to the dividend in their net income. As a result, a relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the franking credit received by the Shareholder.

Notably, as the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, it is recommended that Shareholders seek independent advice on the tax consequences arising in these circumstances.

Qualified person rules

The benefit of franking credits can be denied where a Shareholder does not satisfy the qualified person rules, in which case the Shareholder should not be required to include an amount for the franking credits in their assessable income and should also not be entitled to a tax offset.

Broadly, to satisfy the qualified person rules, a Shareholder must satisfy the holding period rule or, if necessary, the related payment rule.

The holding period rule requires a Shareholder to hold the Shares continuously 'at risk' for not less than 45 days in the period beginning the day after the day on which the Shareholder acquires the Shares, and ending on the 45th day after the Shares become ex-dividend. In the ordinary case, this means that the holding period rule should be satisfied provided that the Share have been held 'at risk' for a continuous period of 45 days (not including the date of acquisition or disposal) at some time during the period of ownership of the Shares. Very broadly, Shares should be held 'at risk' to the extent that no material 'positions' are adopted in relation to the Shares which may have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain option and derivative arrangements, or agreements to sell the Shares).

Under the related payment rule, a different testing period applies where the Shareholder or an associate of the Shareholder has made, or is under an obligation to make, a related payment in relation to the dividend. A related payment is one where a Shareholder or their associate effectively passes on the benefit of the dividend to another person.

The related payment rule requires the Shareholder to have held the Shares at risk for the continuous period of 45 days not including the date of acquisition or disposal during a window which commences on the 45th day before, and ends on the 45th day after the day the Shares become ex-dividend. Practically, the related payment rule should not impact Shareholders who do not pass the benefit of the dividend to another person. Shareholders should obtain their own tax advice to determine if the related payment rule applies in the context of their particular circumstances.

In the event that no related payments are made with respect to a particular dividend, an individual Shareholder may satisfy the qualified person rules on an alternative basis, provided that the Shareholder satisfies the small holding exemption. This exemption should generally be satisfied where the Shareholder is entitled to total franking credits (from all sources) of no more than \$5,000 in the relevant year of income.

As indicated above, the qualified person rules can be particularly complex for distributions received by a Shareholder directly or indirectly (for example, via an interposed trust). It is recommended that Shareholders in such situations seek independent taxation advice.

SECTION 9 | ADDITIONAL INFORMATION

Dividend washing rules

Dividend washing rules can apply in certain cases, such that no tax offset is available (nor is an amount required to be included in assessable income in relation to an attached franking credit) for a dividend received on Shares. Broadly, the rules can apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially equivalent parcel of Shares cum-dividend on a special market.

Shareholders should seek independent tax advice regarding the dividend washing rules, and consider the impact of these rules, having regard to their own personal circumstances.

9.8.2 Tax file numbers

Australian tax resident Shareholders may, if they choose, notify the Company of their tax file number ('TFN'), Australian Business Number ('ABN') or a relevant exemption from withholding tax with respect to dividends. In the event that the Company is not so notified, pursuant to the TFN withholding rules, tax should be automatically deducted at the highest marginal rate, including where relevant, the Medicare levy, from unfranked dividends and/or other applicable distributions. However, Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of the tax deducted in their income tax returns.

Shareholders who are not tax resident in Australia should generally be entitled to an exemption from the TFN withholding rules. This means that mandatory withholding may not be required by the Company with respect to unfranked dividends or other relevant distributions paid to such Shareholders, irrespective of whether those Shareholders have notified the Company of their TFN or ABN.

9.8.3 Australian stamp duty

No stamp duty should be payable by Shareholders on the acquisition of Shares. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders on any subsequent transfer of Shares whilst the Company remains listed.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

9.8.4 Australian GST

Shareholders should not be liable for GST from acquiring or disposing of any Shares. Shareholders may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition or disposal of Shares. Separate GST advice should be sought by Shareholders in this respect.

9.9 Privacy

Airtasker, the Registry on its behalf, SaleCo and the Lead Manager may collect, hold, use and disclose personal information provided by investors to allow them to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that Airtasker will need to collect your personal information (for example, your name, address and details of the Securities that you hold). Under the Corporations Act, some of this information must be included in Airtasker's securities register, which will be accessible by the public.

Airtasker and SaleCo will only use and/or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, Airtasker and the Registry may not be able to process your Application. Airtasker, SaleCo and the Registry may also share your personal information with agents and service providers of Airtasker or others who provide services on Airtasker's behalf, some of which may be located outside of Australia where personal information may not receive the same level of protection as that afforded under Australian law.

For more details on how Airtasker collects, stores, uses and discloses your information, please read Airtasker's Privacy Policy located at <https://www.airtasker.com/privacy/>. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an application form or authorising a broker to do so on your behalf, or by providing Airtasker with your personal information, you agree to this information being collected, held, used and disclosed as set out in this Prospectus and Airtasker's Privacy Policy. Airtasker aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact Airtasker or the Registry if any of the details you have provided change.

9.10 Litigation and claims

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which Airtasker or any of its subsidiaries is directly or indirectly concerned and which is likely to have a material adverse impact on the business or financial position of Airtasker.

9.11 Investor considerations

Before deciding to participate in this Offer or Alumni Offer (as applicable), you should consider whether the Shares to be offered are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of Shares listed on the ASX may rise or fall depending on a range of factors beyond the control of Airtasker.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional advisor. The potential tax effects relating to the Offer and Alumni Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer or Alumni Offer by consulting a professional tax advisor.

9.12 Consents to be named and disclaimers of responsibility

Each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or on which a statement which is made in this Prospectus is based, other than as specified below:

- Morgans Corporate Limited, as Lead Manager and underwriter of the Offer;
- Thomson Geer, as Australian legal adviser;
- Deloitte Corporate Finance Pty Limited, as Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 8 in the form and context in which it is included;
- Deloitte Tax Services Pty Ltd, as tax advisor;
- Frost & Sullivan Australia Pty Ltd, as the provider of the industry report set out in Section 2 and to the inclusion of that report in that Section, and statements made by it or based on statements made by it as set out in Sections 1.1, 1.3, 3.4 and 3.5 in the form and context in which they are included;
- RSM Australia Partners, as auditor in respect of FY20 and FY19;
- Deloitte Touche Tohmatsu, as auditor in respect of 1HFY21;
- Automic Pty Ltd, as Registry;
- Bruce R, in respect of statements made by him as set out in Section 3.3.5 and to the inclusion of those statements in that Section in the form and context in which they are included;
- Tania V, in respect of statements made by her as set out in Section 3.3.5 and to the inclusion of those statements in that Section in the form and context in which they are included; and
- Patrick H, in respect of statements made by him as set out in Section 3.3.5 and to the inclusion of those statements in that Section in the form and context in which they are included.

9.13 Costs of the Offer

The costs of the Offer and Alumni Offer are expected to be approximately \$4.9 million (including GST) based on the Offer Price. These costs include Lead Manager and other advisor fees (referred to in Section 6.4.1 and Section 9.5.1) and other costs including initial ASX listing fees and other incidental costs. These costs will be borne by Airtasker.

SECTION 9 | ADDITIONAL INFORMATION

9.14 Contract and Constitution summaries

Summaries of contracts set out in this Prospectus (including the summary of the Underwriting Agreement set out in Section 9.5) and the Constitution are included for the information of potential investors but do not purport to be complete and are qualified by the text of the contracts or Constitution themselves. Copies of the Constitution may be inspected at the registered office of Airtasker during normal business hours by appointment with the Company Secretary.

9.15 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus, its contents or that the assets shown in them are owned by Airtasker. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

9.16 Governing law

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the applications and bids under this Prospectus are governed by the law applicable in New South Wales, and (unless otherwise specially stated) each applicant and bidder submits to the exclusive jurisdiction of the courts of New South Wales.

9.17 Statement of Directors and SaleCo directors

This Prospectus is authorised by each Director and SaleCo director who consents to its lodgement with ASIC and its issue and has not withdrawn that consent.

Appendix A

Significant accounting policies



APPENDIX A | SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies adopted in the preparation of the Financial Information included in Section 4 of this Prospectus are set out below. These accounting policies are consistent with the latest statutory general purpose financial statements of Airtasker Limited (the 'Company') for the half-year ended 31 December 2020.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The ability of the Company to continue as a going concern has not been impacted by the outbreak of the COVID-19 pandemic.

Revenue and other income

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company: 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 services promised.

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 initially recognised as deferred revenue in the form of a separate refund liability.

The Company's revenue results from the fees generated from transactions in its online marketplace, as follows:

Tasker Service Fee and Customer Booking Fee revenue:

The Company's performance obligation in relation to service fee revenue is considered to be satisfied when the following has occurred:

- When the Company has been notified by the Customer and Tasker that the service agreed between the Customer and Tasker upon task assignment has been rendered and completed by the Tasker.
- The amount of service fee revenue that the Company is entitled to from the contract can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Unclaimed Customer credits revenue:

A Customer credit is created and debited to a Customer's account 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 Company's Terms and Conditions enable the expiry of Customer credit that is not redeemed within a specified period as dictated by the Terms and Conditions.

Unclaimed Customer credits revenue in each case is recognised as follows:

a. Unclaimed Customer credits from Incomplete Tasks

The Company expects to be entitled to revenue from unclaimed Incomplete Task Credits. The expected revenue to be recognised is equivalent to the forecasted unclaimed Incomplete Task Credit balances of each cohort at Month 12 and will be recognised over 12 months in proportion to the historical average pattern of rights exercised by Customers for Incomplete Task Credits. The Company will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Company 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 exercising its rights becomes remote.

For the 2019 financial year, in the absence of sufficient historical information to ascertain patterns of rights exercised by Customers for unclaimed Incomplete Task Credits, the Company adopted a prudent approach in recognising unclaimed Customer credits revenue only at the point in time in which the Incomplete Task Credits were physically expired from Customer accounts.

b. Unclaimed Customer credits from Cancelled Tasks

The Company expects to be entitled to revenue from unclaimed Cancellation Credits. The expected revenue to be recognised from unclaimed Cancellation Credits granted post 30 June 2019 is equivalent to the forecasted unclaimed Cancellation Credit balances of each cohort at Month 18 and will be recognised over 18 months in proportion to the historical average pattern of rights exercised by Customers for Cancellation Credits.

The expected revenue to be recognised from unclaimed Cancellation Credits granted prior to 30 June 2019 is equivalent to the forecasted unclaimed Cancellation Credit balances of each cohort at December 2020 and will be recognised from the months in which the Cancellation Credits were granted to December 2020 in proportion to the historical average pattern of rights exercised by Customers for Cancellation Credits. The Company will not recognise any estimated revenue amounts until it is highly probable that a significant revenue reversal will not occur. If the Company 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 the Customer exercising its rights becomes remote.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Government grants

Government grants related to assets, including non-monetary grants at fair value, have been presented in the statement of financial position by deducting the grant before arriving at the carrying amount of the asset. Assets in relation to governments grants receivable are recognised in the year in which the expenditure was incurred.

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 Company'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 Company'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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

The Company recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Intangibles

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 the 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.

Research and 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 Company is able to use or sell the asset; the Company 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 life of one to five years. The capitalised development costs are shown net of research and development tax offset credits.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office building three to five years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Trade and other payables

Trade payables are recognised at their transaction price. Trade payables are obligations on the basis of normal credit terms and do not bear interest.

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company 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

A provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

A provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures. They are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the measurement of obligations for long-term employee benefits, the net change in the obligation is recognised in the profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Convertible notes

Convertible notes are separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the convertible notes, the liability component of hybrid financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until it is extinguished on conversion or redemption.

Embedded derivative

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative.

The embedded derivative is separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit or loss.

APPENDIX A | SIGNIFICANT ACCOUNTING POLICIES

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares and rights, that are provided to employees in exchange for the rendering of services.

For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

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 and the expired 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 the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company 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 are treated as if they were a modification.

Financial liabilities – Preference Shares

Preference Shares have been classified as a financial current liability due to the contingent event of a trade sale being outside the control of the Company under AASB 132: Financial Instruments: *Presentation*. Preference Shares are held at fair value through the profit and loss in accordance with AASB 9: Financial Instruments.

Issued capital

Ordinary Shares and Employee 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.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Changes in accounting policy, disclosure, standards and interpretations

New and amended standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Company has adopted Interpretation 23 *Uncertainty over Income Tax* from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 *Income Taxes* in circumstances where uncertain tax treatments exist. The interpretation requires the Company to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the Company to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the Company concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Management has considered all facts and circumstances as they relate to the Company and believes there is no material uncertainty over the availability of the tax losses and other deductions to the Company.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company.

Critical accounting estimates and judgements

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.

(a) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

(b) Unclaimed Customer credit revenue

Unclaimed Customer credit revenue from Incomplete Tasks and Cancellations is estimated based on the forecasted breakage rates of each cohort and the credit redemption patterns of Customers; this forecast has been calculated using historical data collected from the Company's platform. The determination of the forecasted breakage rate at the point in time in which unclaimed credits are physically expired from Customer accounts and the pattern of rights in which credits are exercised requires a significant amount of judgement, estimates and assumptions. When determining the forecasted breakage rates and redemption patterns, management and the Board of Directors have considered a wide range of factors such as the historical average breakage rate and redemption patterns, cancellation rates, seasonality impacts, activity trends and expected increase of repeat customer rate.

(c) Platform development costs

The Company recommenced software capitalisation from 1 July 2018 as management has deemed this to be the point in time at which the Company can reliably determine when the recognition criteria are met in order to capitalise software development costs. To measure the cost of software development, management uses a combination approach of Jira system analysis and the professional judgement of the leadership teams from Engineering, Product Management and Product Design. To determine the cost of the platform, in conjunction with the Jira system records, the Company's management and Board of Directors have estimated the capitalisation percentage to apply to the salaries of each employee who worked on the capitalisable projects according to their role, responsibility and nature of work. 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.

APPENDIX A | SIGNIFICANT ACCOUNTING POLICIES

(d) Deferred tax

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that the future taxable profit will be available against which the benefits of the deferred tax can be utilised. The ability to generate taxable profit is contingent on the successful commercialisation of the platform and consequently, the Directors consider it prudent not to raise any deferred tax assets in the statement of financial position until such time as there is more certainty in relation to the commercialisation of the platform and its related revenue streams.

(e) Share-based payment transactions

Participating in employee share ownership plans meets the criteria of equity-settled share-based payment transactions as per AASB 2 *Share-based Payment* standard. The Company has recognised the fair value of the goods or services received, and the corresponding increase in equity based on the fair value of the equity transaction. There is a degree of judgement in estimating the fair value of equity instruments granted. The fair value of the options 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. The Company 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. Management has exercised its best judgements in determining the key inputs in the Black-Scholes model which includes volatility and the risk-free rate.

(f) Impairment – general

The Company assesses impairment at the end of each year by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(g) Intangible assets – useful life

There is a degree of estimation in determining the useful life of Airtasker's online platform and its related intangible assets. Management and the Board of Directors have considered the nature of the asset, the technology used to develop the asset, the market conditions, and various other factors in determining that the platform development costs should be amortised over one to five years.

(h) Convertible notes

There is significant judgement included in determining whether the convertible note is a hybrid instrument, compound instrument, equity or purely debt. The Directors have exercised their judgement in determining that the convertible notes be classified as hybrid instruments on the basis that the instruments do not meet the 'fixed for fixed' test in that there is a potential variation that serves to underwrite and protect the value of the conversion option in the event of a decrease in value of the shares. The fair value of the embedded derivative liability and the hosting debt requires significant judgement in determining the interest rate that would apply to an otherwise identical debt instrument with no conversion feature. Management has exercised its judgement in determining the appropriate interest rate to be 33%.

(i) Cash and cash equivalents

Included in cash and cash equivalents are funds held in a 'For Benefit Of (FBO)' by Stripe, the payment gateway partner whose accounts are underwritten by Stripe's domestic banking partner. There is a degree of judgement required in determining the most appropriate classification of these balances. Management has elected to classify these balances as cash equivalents on the basis that these accounts are short-term and highly liquid balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(k) Fair value adjustment on SAFE equity instrument and resulting expenditure

The Simple Agreement for Future Equity ('SAFE') equity instrument is carried at fair value in respect of a share-based payment in relation to services rendered. Airtasker has entered into similar arrangements in the past. There is significant judgement and estimation uncertainty in relation to the determination of the fair value of the services to be received in terms of these types of arrangements. Management has consulted with external advisors in determining the fair value of these instruments and considers the expenditure and resulting equity instruments to represent the fair value of the associated transactions.

(l) Fair value of preference share financial liabilities

The preference share financial liabilities are initially recognised at fair value at inception and are subsequently remeasured to their fair value at each reporting period. The Company makes judgements and estimates in relation to the observable inputs which determine the fair value adopted. These judgements include the estimated share price, as well the timing and probability of a liquidity event (e.g IPO) taking place.

Glossary



Expression	Definition
AAS	Australian Accounting Standards.
Airtasker or Company	Airtasker Limited (ACN 149 850 457).
almost infinitely horizontal marketplace or almost infinite range of services	When used to describe the Airtasker marketplace, refers to the fact that Customers can access through the Airtasker marketplace an almost infinite range of services (subject to Airtasker's Community Guidelines and relevant laws).
Alumni Offer	The offer to certain Option holders to acquire Shares as consideration for the cancellation of Options held by those holders.
Applicant	A person who returns an Application.
Application	An application for Shares under the Offer.
Application Form	The Broker Firm Application Form, the Priority Application Form and the Tasker Application Form.
ASIC	The Australian Securities and Investments Commission.
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i> (Cth).
ASX	ASX Limited.
ASX Listing Rules	The listing rules of ASX.
ASX Settlement Operating Rules	The settlement operating rules of ASX.
ASX Principles	The ASX Corporate Governance Principles and Recommendations.
ATO	The Australian Taxation Office.
Average Task Value	Calculated as the total GMV in a given financial period divided by the total number of assigned Tasks in the same financial period.
Board	The Board of Directors of Airtasker.
Booking Fee	The fee charged to a Customer by Airtasker in respect of a Task requested by that Customer.
Broker	An ASX participating organisation selected by the Lead Manager, the Company and SaleCo to act as a broker to the offer of shares under this Prospectus.
Broker Firm Application Form	The application form made available with a copy of this Prospectus, identified as the Broker Firm Application Form.
Broker Firm Offer	The offer of Shares under this Prospectus to Australian clients of participating Brokers who are sophisticated investors, have a registered address in Australia, received an invitation from a Broker to acquire Shares under this Prospectus and are not in the US, a US Person or acting for the account or benefit of a US Person.
CAGR	Compound annual growth rate.
CEO	The chief executive officer of Airtasker.
CFO	The chief financial officer of Airtasker.
Chairperson	The chairperson of the Board.
CHESS	ASX's Clearing House Electronic Sub-register System.
Clearing and Settlement Facility	Has the meaning given to that term in section 768A of the Corporations Act.
Closing Date	5:00pm (Sydney time) on Tuesday, 9 March 2021 (unless varied).
Company Secretary	The company secretary of Airtasker.
Completion	Completion of the Offer and Alumni Offer.
Constitution	The constitution of Airtasker from time to time.

GLOSSARY

Expression	Definition
Contractual Rights	Rights to acquire Ordinary Shares granted under a contract with Airtasker.
COO	The chief operating officer of Airtasker.
Corporations Act	The <i>Corporations Act 2001</i> (Cth).
Cost of Sales or COS	Has the meaning given to that term in Section 4.2.3.
CSF Rules	The rules of the Clearing and Settlement Facility.
Customer	A person or business who purchases services through the Airtasker marketplace.
Directors	The Directors of Airtasker.
Employee Option Plan	Airtasker's legacy employee incentive plan titled 'Employee Option Plan'.
Employee Options	Options to acquire Employee Shares.
Employee Shares	Employee restricted ordinary shares in Airtasker.
Equity Participation Plan	Airtasker's legacy employee incentive plan titled 'Equity Participation Plan'.
Expiry Date	The date on which the Prospectus expires, being the date which is 13 months after the Prospectus Date.
Exposure Period	The seven-day period after the Prospectus Date (which may be extended by up to a further seven days).
Financial Information	The information set out in Section 4.
Forecast Financial Information	Has the meaning given to that term in Section 4.
Frequency	The number of times a Unique Paying Customer assigns a Task in a given financial period.
FY	Financial year, which for Airtasker is from 1 July to 30 June in a given period. Where FY appears before a number, it denotes the financial year relevant for the abbreviated year. For example, FY20 refers to the financial year ending 30 June 2020. Where 'F' appears after this abbreviation, it denotes a forecast period. For example, FY21F refers to the financial year ending 30 June 2021, which includes forecasts for the period 1 January to 30 June 2021.
GMV or gross marketplace volume	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.
GPAPA or Gross Profit after Paid Advertising	Airtasker's revenue after Cost of Sales less Paid and Direct Marketing expense.
Gross Margin or Gross Profit Margin	Gross Profit expressed as a percentage of Airtasker's revenue.
Gross Profit	Airtasker's revenue after Cost of Sales.
Group	The Company and its subsidiaries.
GST	Has the meaning given to that term in A New Tax System (Goods and Services Tax) Act 1999 (Cth) and includes goods and services tax.
1HFY22	The period commencing on 1 July 2021 and ending on 31 December 2021.
1HFY23	The period commencing on 1 July 2022 and ending on 31 December 2022.

Expression	Definition
Institutional Investor	An investor who is a person who is a wholesale client under section 761G of the Corporations Act and either a 'professional investor' or a 'sophisticated investor' under sections 708(11) and 708(8) of the Corporations Act, or an institutional investor in New Zealand, Hong Kong or Singapore to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approved by, any government agency, provided that in each case such investor is not in the United States.
Institutional Offer	The offer of Shares under this Prospectus to Institutional Investors.
Investigating Accountant	Deloitte Corporate Finance Pty Limited.
Lead Manager	Morgans Corporate Limited.
liquidity	A measure of the ease with which a Customer can have a Task completed and conversely the ease with which a Tasker can complete a Task to generate income.
Listing	Admission of Airtasker to the Official List of ASX.
long tail of services	As described in Section 3.4.4.
NED Equity Plan	Airtasker's employee incentive plan titled 'NED Equity Plan'.
network effects	As described in Section 3.4.3.
Offer	The offer contained in this Prospectus to acquire Shares (excluding the Alumni Offer).
Offer Period	The period over which the Offer is open, being Monday, 22 February 2021 and Tuesday, 9 March 2021 (unless varied).
Offer Price	\$0.65 per Share.
Official List of ASX	The official list of entities that ASX has admitted and not removed.
Open Marketplace	As described in Section 3.4.1.
operational efficiency	A measure of operating costs as a percentage of revenue.
Options	Employee Options or Ordinary Options into which those Employee Options convert (as the context requires). All Employee Options will automatically convert to Ordinary Options immediately prior to Completion.
Ordinary Options	Options to acquire Ordinary Shares.
Ordinary Shares	Has the same meaning as the term 'Shares'.
Paid and Direct Marketing	Paid advertising and sponsored content on social networks, search engines and advertising display networks (eg. Facebook, Instagram, Google).
Paying Customer	A Customer who assigns a Task through the Airtasker marketplace.
Preference Shareholders	Holders of Preference Shares.
Preference Shares	Series A preference shares in Airtasker.
Priority Application Form	The application form made available with a copy of this Prospectus, identified as the Priority Application Form.
Priority Offer	The offer of Shares under this Prospectus to persons who have received a Priority Offer invitation from Airtasker.
Prospectus	This document.
Prospectus Date	The date of this Prospectus, being Monday, 8 February 2021.
Q4FY21	The period commencing on 1 March 2021 and ending on 30 June 2021.
Registry	Automic Pty Ltd, trading as Automic Group.

GLOSSARY

Expression	Definition
Related Body Corporate	Has the meaning given to that term in the Corporations Act.
Relevant Law	The Corporations Act, ASX Listing Rules, ASX Settlement Rules and CSF Rules.
Reputation Passport	As described in Section 3.4.5.
Restricted Securities	Has the meaning given to that term in the ASX Listing Rules.
Restructure	The capital reconstruction to be undertaken by Airtasker between the Prospectus Date and Completion, under which Airtasker will issue 5,495,897 bonus Preference Shares for nil consideration to existing Preference Shareholders and 986,401 bonus Ordinary Shares to the existing Contractual Right holder, all Preference Shares (including the bonus Preference Shares) and Employee Shares will convert to Ordinary Shares, all Contractual Rights will be settled by issuing Ordinary Shares and all Employee Options will convert to Ordinary Options.
Rights	Entitlements to Shares, save that under the Rights Plan the Right may be settled in cash and/or whole Shares.
Rights Plan	Airtasker's employee incentive plan titled 'Rights Plan'.
SaleCo	Airtasker SaleCo Limited (ACN 646 549 117).
Securities	All securities in Airtasker. As at the Prospectus Date, Securities includes Ordinary Shares, Preference Shares, Employee Shares, Contractual Rights and Employee Options. As at Completion, Securities includes Ordinary Shares, Ordinary Options and Rights.
Selling Shareholders	The holders of Ordinary Shares, Preference Shares and Employee Shares at the Prospectus Date who are intending to sell all or part of their existing shareholdings (following completion of the Restructure).
Service Fee	The fee charged to a Tasker by Airtasker in respect of a Task completed by that Tasker.
Shareholders	Holders of Shares.
Shares	Fully paid ordinary shares in Airtasker.
sticky user base	A description of users who frequently use Airtasker.
Task	A unit of service provided by a Tasker to a Customer.
Tasker	A person or business who provides services through the Airtasker marketplace.
Tasker Application Form	The application form made available with a copy of this Prospectus, identified as the Tasker Application Form.
Tasker Offer	The offer of Shares under this Prospectus to persons who have received a Tasker Offer invitation from Airtasker.
Take Rate	Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.
Third Party Report	A report prepared by a third party.
Underwriting Agreement	The underwriting agreement between the Lead Manager, Airtasker and SaleCo dated on or about the Prospectus Date.
Unique Paying Customers	The number of unique Customers who assign a Task in a given financial period.
US Person	Has the meaning given to that term in Rule 902 under the US Securities Act.
US Securities Act	The <i>United States Securities Act of 1933</i> , as amended.
user generated content	As described in Section 3.4.2.

Corporate directory

Airtasker's registered office

c/- Charternet, Suite 2003, Level 20, 109 Pitt Street
Sydney NSW 2000 Australia

Airtasker's principal place of business

Level 3, 71 York Street
Sydney NSW 2000 Australia

Lead Manager and Underwriter

Morgans Corporate Limited
Level 29, 123 Eagle Street
Brisbane QLD 4000 Australia

Australian Legal Advisor

Thomson Geer
Level 14, 60 Martin Place
Sydney NSW 2000 Australia

Independent Auditor

Deloitte Touche Tohmatsu
225 George St
Sydney NSW 2000 Australia

Investigating Accountant

Deloitte Corporate Finance Pty Limited
Level 9, 225 George Street
Sydney NSW 2000 Australia

Tax Advisor

Deloitte Tax Services Pty Ltd
Level 9, 225 George Street
Sydney NSW 2000 Australia

Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Airtasker IPO Offer Information Line

1300 288 664 (within Australia)
+61(2) 8072 1400 (outside Australia)
from 8.30am to 7.00pm (Sydney time) Monday to Friday

Offer website

<http://investor.airtasker.com/prospectus>

Corporate website

<https://www.airtasker.com/>

 **Airtasker**®