

# Market Announcement | 27 February 2024

## FY23 Business Update

Freelancer Limited delivers GMV in FY23 of \$1020.7 million, down 4.8% on pcp.

- Freelancer GMV \$132.1m, up 2.9% on pcp
- Escrow.com GMV \$888.6m, down 5.8% on pcp

Group net revenue \$53.3m, down 4.1% on pcp:

- Freelancer revenue \$44.2m down 2.8% on pcp
- Escrow.com revenue \$9.1m down 9.9% on pcp

Group achieves positive Net Profit Before Tax of \$0.2m, which is a momentous turnaround from a NPBT of negative \$7.0m in FY22

**SYDNEY, 27 February 2024** - Freelancer Limited (ASX: FLN) (OTCQX: FLNCF), the world's largest freelancing and crowdsourcing marketplace by total number of users and jobs posted, today released its business and activities update for FY23.

All figures in \$Am	Fourth quarter				Year to date			
	4Q23	4Q22	% pcp	% in USD	FY23	FY22	% pcp	% in USD
<b>GMV*</b>								
- Freelancer	32.8	32.3	1.6%	0.6%	132.1	128.4	2.9%	(1.8)%
- Escrow.com	215.8	187.3	15.2%	14.4%	888.6	943.3	(5.8)%	(10.7)%
<b>Total</b>	<b>248.6</b>	<b>219.6</b>	<b>13.2%</b>	<b>12.3%</b>	<b>1020.7</b>	<b>1071.8</b>	<b>(4.8)%</b>	<b>(9.6)%</b>
<b>Net revenue</b>								
- Freelancer	10.6	11.1	(4.4)%	(5.4)%	44.2	45.5	(2.8)%	(7.2)%
- Escrow.com	2.1	2.1	1.5%	0.8%	9.1	10.1	(9.9)%	(14.1)%
<b>Total</b>	<b>12.7</b>	<b>13.2</b>	<b>(3.5)%</b>	<b>(4.4)%</b>	<b>53.3</b>	<b>55.6</b>	<b>(4.1)%</b>	<b>(8.5)%</b>
Operating cash flow	(0.4)	(3.3)	87.5%	n.a.	1.9	(4.2)	144.9%	n.a.
Cash and cash equivalents	21.2	23.4	(9.4)%	n.a.	21.2	23.4	(9.4)%	n.a.

\* Represents the underlying transaction value between third parties which is the basis for Freelancer's revenue, i.e. the value of services performed (Freelancer); goods shipped (Loadshift) or goods / services exchanged (Escrow).

The Freelancer Group primarily consists of Freelancer- the largest cloud workforce in the world, Escrow.com- the world's largest online escrow company, which facilitates and secures large value payments, and Loadshift- Australia's largest online freight marketplace. All are market leading, broad, horizontal service offerings that consumers through to large enterprises require as part of their everyday business.

## Freelancer

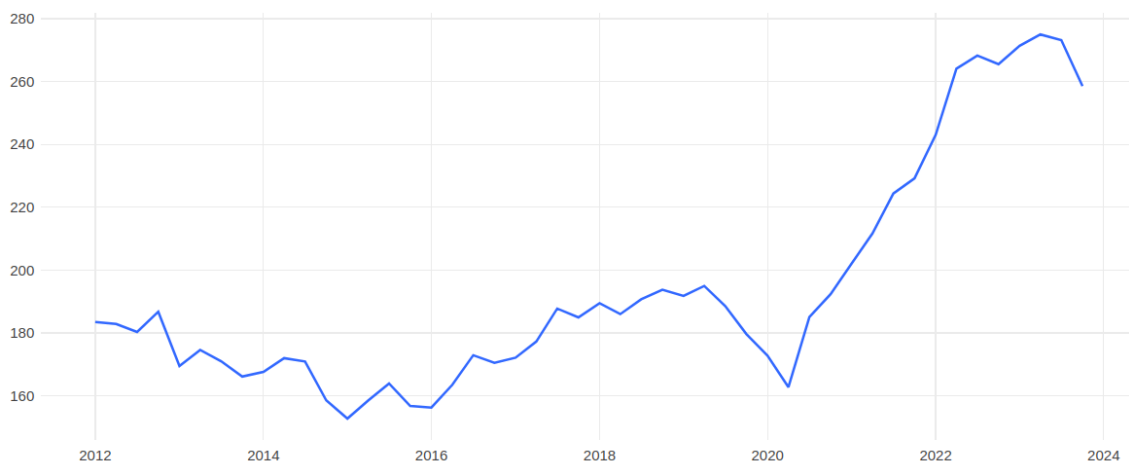


### Summary

Freelancer revenue was \$44.2m (down 2.8% on pcp). Freelancer GMV was \$132.1m (up 2.9% on pcp). The segment was Operating EBITDA positive in the year.

### Marketplace

In 4Q23 we added 1.4m new users and 201k new projects to the marketplace. The average project size was US\$259, down 2.6% on pcp in the quarter<sup>1</sup>. This average project size includes all enterprise customers and the Loadshift division. Large number of small value projects from our Freelancer Global Fleet are counterbalanced by the large values of Loadshift loads.



**Figure 1:** Average project size (US\$) incl. Enterprise & Loadshift

Marketplace liquidity remains strong, with the average bids per project remaining at 42 (~ flat on pcp), and average entries per contest now an astounding 341 (up 11.1% on pcp).

### Product & Engineering

Our focus for FY23 was on user-facing product, including:

1. Personalisation to drive core marketplace conversion via AI
2. Collaborative features to drive retention, engagement and growth
3. Improve acquisition through organic channels

<sup>1</sup>

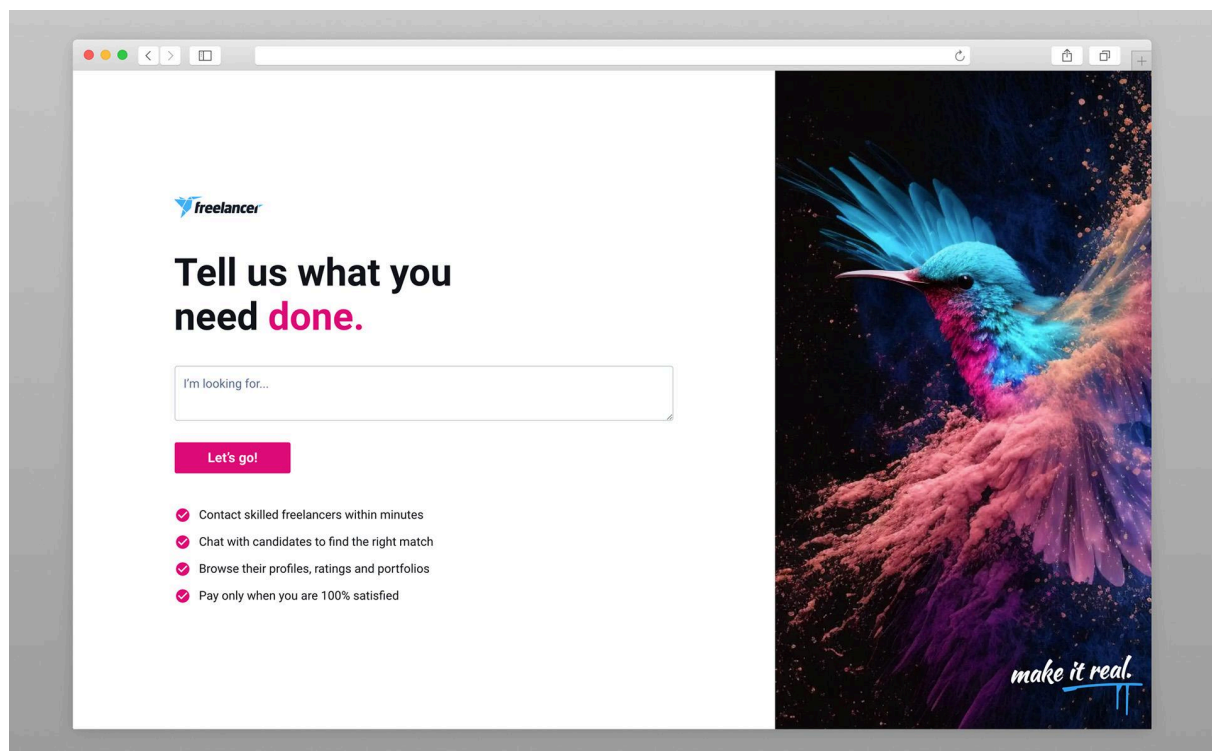
Metric has been updated to be the total GMV in US Dollars on projects transacted over a given quarter, divided by the count of projects *which have* GMV within the given quarter. The previous definition of all payments to date on a project completed on a certain date lagged (payments continued to accrue on projects later).

#### 4. Taking UX & design to the next level: from consistent to delight

##### Personalisation to drive core marketplace conversion

Throughout FY23, the product team had a major focus on personalising the product via the introduction and optimisation of AI throughout the funnel. This included an overhaul of the job posting process to take advantage of enhanced personalisation via AI, integration of AI tooling for use by freelancers, and much more.

In 4Q23 we released a completely new design for our job posting flow, alongside updates to the underlying AI model, resulting in new client conversion uplifts exceeding 5%.



**Figure 2:** New Post Projects Experience

We also launched a new series of AI-related landing pages, helping companies and individuals understand the potential of AI, and introducing a new AI powered assistant.

Finally, we continued to improve the ability of freelancers to personalise their profile pages, allowing them to create specific profiles for each type of work they do. Since release, nearly half a million bids have been created from thousands of new profiles.

##### Collaborative features to drive retention, engagement and growth

Collaboration featured heavily in our FY23 product strategy, with the bulk of our efforts focused on improving our Groups product. We now have groups with millions of people in them, and this functionality has now become the centrepiece of our collaboration strategy. FY24 will be focused primarily on integrating this product into the project workflow.

We continue to focus heavily on collaboration, with a new “Project Updates” feature focused around lifting client-freelancer communication & engagement released into beta testing in the last week.

Additionally, in 4Q23 we launched the ability for freelancers to create packaged services, powered by our quotations & subscriptions products, in preparation for a major launch in FY24. Since then thousands of services have been created, and we look forward to discussing this further in future reports.

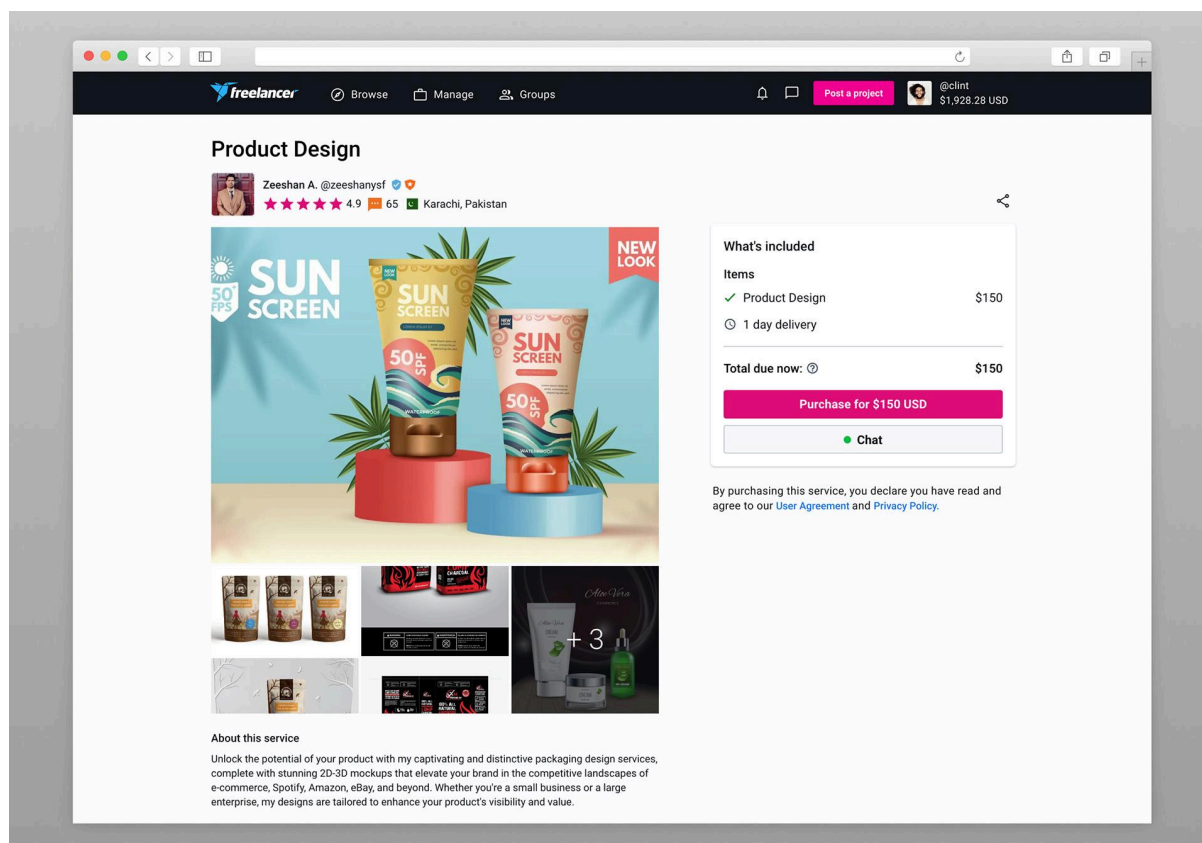


Figure 3: Services landing page

## Improve acquisition through organic channels

Acquisition remained an important pillar of our FY23 product strategy, with the primary focus being on developing new organic (free) marketing channels, whilst continuing to lift the ROAS (Return On Ad Spend) of our existing paid channels.

We've continued our investment in viral acquisition, with distinct active referring users up 70% in 4Q23 as compared to 4Q22. We also began to roll out a rebuild of the logged-out project listings page, with a focus on performance and quality.

Whilst the primary focus was on development of new organic channels, we also continued to work hard on improving our paid channels. Throughout the year our ROAS lifted by around 25% for our primary SEM channel, driven by incremental improvements to conversion.



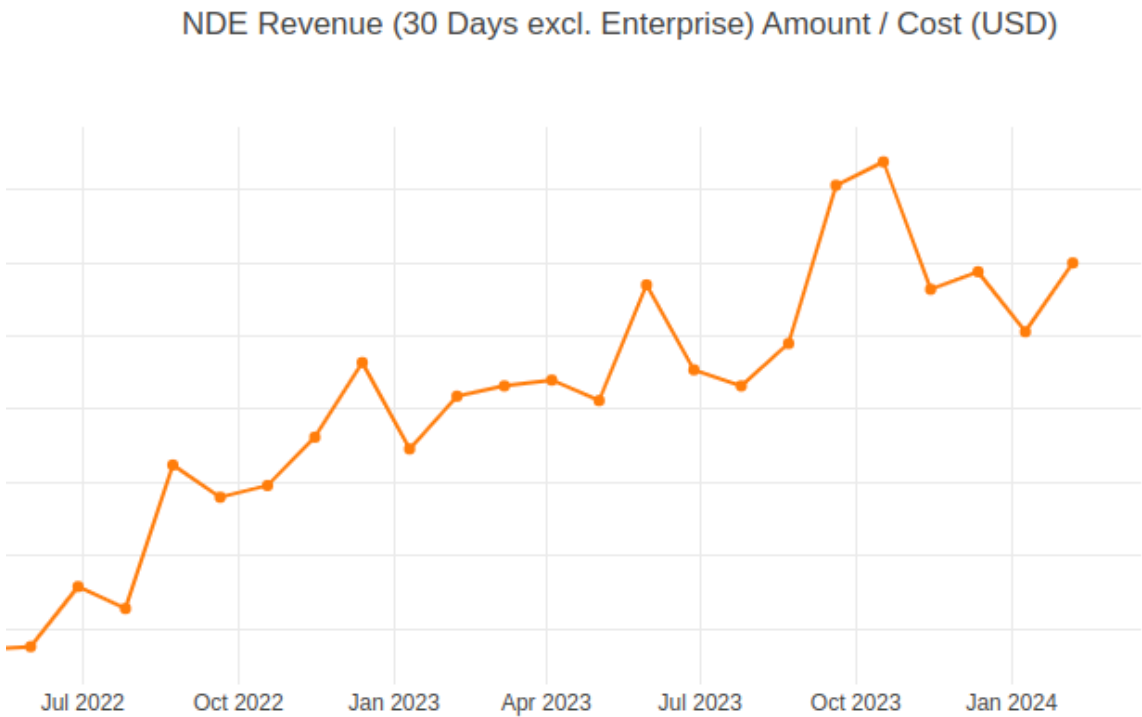


Figure 4: Acquisition 30 day revenue

**Taking UX & design to the next level: from consistent to delight**

In FY23 our UX improved leaps and bounds, with the focus gradually shifting from consistency & basic useability to delight. We believe that despite UX improvements being difficult to measure, they underpin the success of all of our product development efforts, and subsequently are critical to our long term success.

In 4Q23, we released a series of significant updates. We introduced dark mode navigation and a new homepage design for a clearer, more user-friendly experience. We made substantial improvements to the mobile interface, especially on management and start pages, to streamline project postings and quotes creation. Innovations like micro animations, a smarter navigation bar, and a revamped system status messaging system enhanced interactivity, screen usability, and overall clarity. We also fixed numerous UI bugs, making the platform smoother and more reliable for everyone.

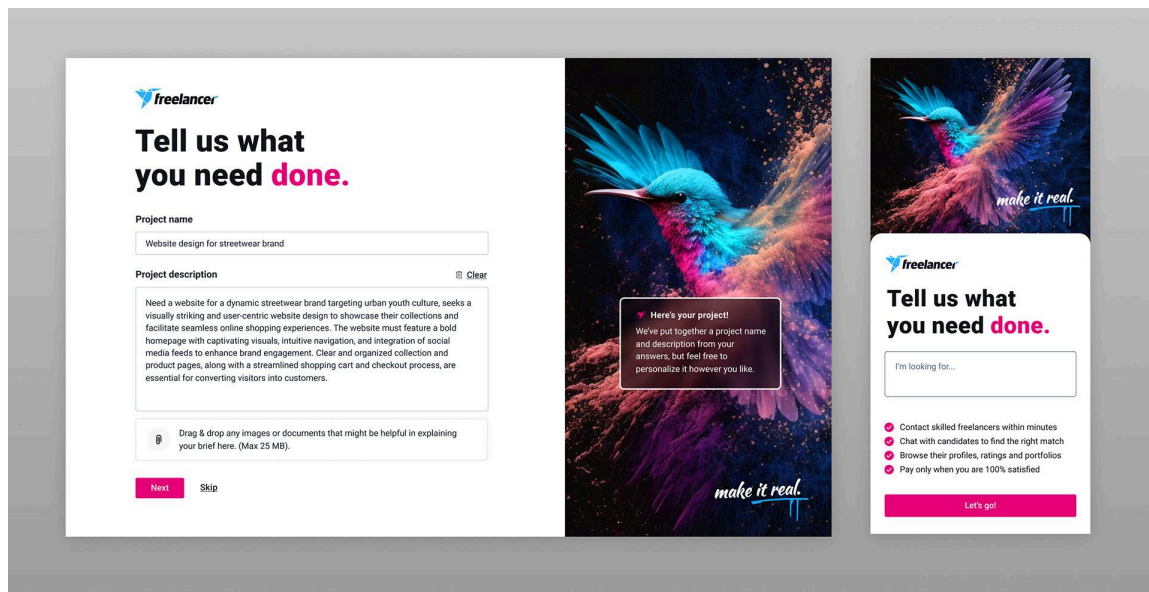


Figure 5: Overhauled experience

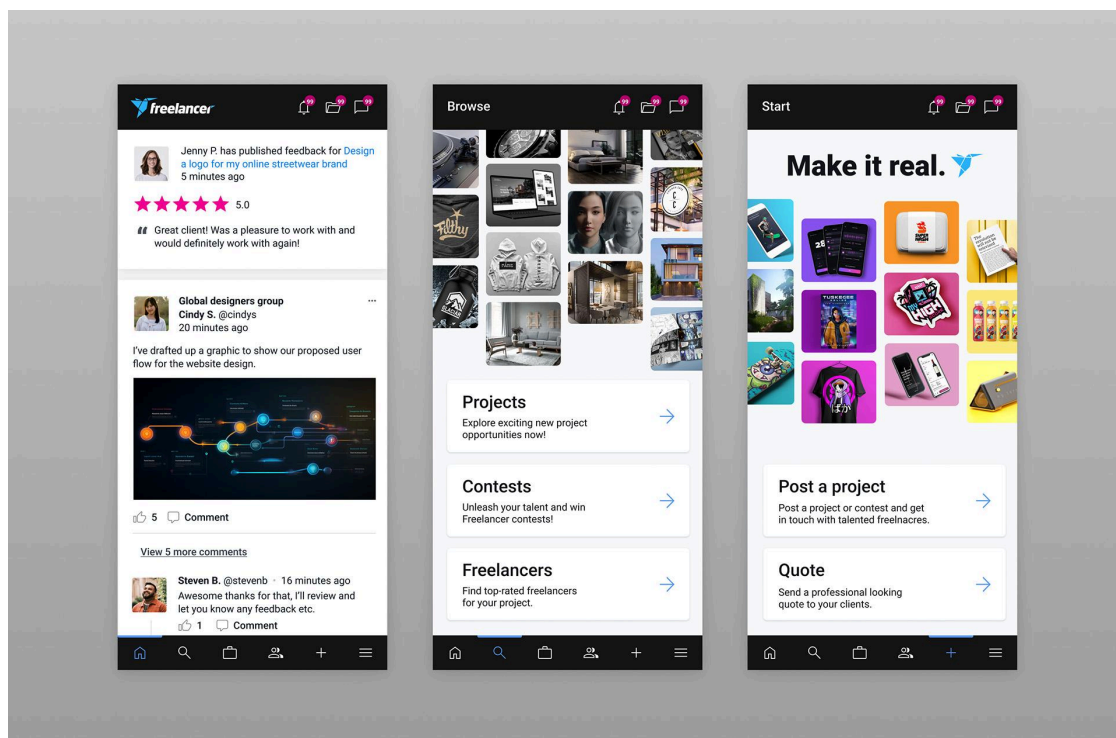


Figure 6: Mobile experience

## Trust & Safety

A major achievement of the last year was to massively reduce the spam and bad actors from the marketplace. The number of activated spam projects in the past 30 days on a rolling basis is now below 5% and dropping. In order to achieve this, our Trust & Safety team identified over 180,000 proxy domains being used through amalgamation of lists, research and observations. We also now block thousands of SMS proxy phone numbers, and have overcome state of the art attempts at documentary fraud. Our team are now experts on the

topic and have spoken at global forums on the topic. We will continue to fight spam & scams wherever we find them as we continue our efforts to ensure Freelancer.com remains a trusted place for global commerce.

## Product Focus for 2024

As we move into 2024, our product focus will be:

- 1. Turn Freelancer from a painkiller into a narcotic**  
*Ensuring our clients come back time and time again, making regular repeat purchases from our huge base of freelance talent.*
- 2. Reinvent the world of work in the AI revolution**  
*The economic landscape made a major paradigm shift in 2023, with generative AI products increasingly going mainstream. In 2024, we will focus on ensuring our freelancers stay at the forefront of this revolution, substantially enhancing their productivity and quality of output.*
- 3. Rethink client acquisition in a world without Google**  
*With the introduction of generative AI, existing organic acquisition channels will change substantially in nature, and new channels will rise. Our focus in 2024 will be on ensuring we take full advantage of this changing landscape.*
- 4. World leading UX and design that wins awards**  
*Our UI/UX improved significantly in FY23, and our focus moving into FY24 is to move towards a position of leadership in this space.*

We look forward to reporting on each of these goals as FY24 progresses.

## Forward Looking

We are particularly excited by the impact we expect the AI revolution will have on our marketplace in FY24.

Every business in the world will want to transform themselves by taking advantage of AI technology. Where will these businesses go to find experts that can assist in that transformation? Freelancer will be the place that these businesses will go. We believe that this new category will be akin to "website development" in the dot com boom - every business will want assistance.

We have the world's largest online workforce- which is now powered by AI, making Freelancer potentially the largest community in the world using AI tools. This has enabled our low-cost on-demand freelancers to reach unprecedented levels of productivity and output quality. Echoing Jensen Huang, founder and CEO of Nvidia, "AI won't steal your job, but someone using AI tools will." Our freelancers, equipped with AI, are the ultimate combination to drive business success. Our platform is not just a marketplace; it's a launchpad for businesses of all sizes to leap into the future.

Also as a result of having the world's largest online workforce is that we have a tremendous amount of data about work. As of today we have data on 71 million freelancers and 23 million jobs. That data will be invaluable for training AI to assist with getting things done.

Our core marketplace also now has numerous areas of opportunity to apply AI technology to solve real, significant marketplace and customer problems, many of which were intractably difficult prior to the rise of generative AI. As a simple example, previously it was extremely difficult to design personalised project posting funnels across over tens of thousands of types of work. With generative AI this is now straight forward. There are many other similar examples of opportunities that were previously difficult that we are now actively pursuing.

We believe that our core customers, namely small businesses and startups, will have a eureka moment, as their respective industries are transformed by the impact of AI. As their peers embrace AI, replacing their support functions, sales teams, lead generation and more, there will increasingly be competitive pressure on these businesses to enhance their offerings and their processes with generative AI products, which we are uniquely positioned to provide and integrate.

We believe that AI will also drive an explosion in entrepreneurship, as starting a business gets easier and less expensive. We also believe that this will be driven by dislocation in traditional, full-time jobs, similar to as we have seen in Covid and the Global Financial Crisis.

This will form a key pillar of our FY24 company & product strategies.



*Freelancer Enterprise*

## **Enterprise**

The Freelancer Enterprise division deepened a number of strategic engagements with our Enterprise partners and leadership returned to Shaun McMeekan in 4Q23. During 4Q23 we delivered 55% revenue growth on pcp, resulting in overall growth for the year of 12% on pcp.

### **Key Highlights of 4Q23:**

- **Oil and Gas:** We finalised negotiations with one of the world's largest publicly traded oil and gas companies, in direct partnership with their preferred managed service provider in the United States. The scope of work was defined and is set to be rolled out in the first half of 2024. We are currently exploring deeper integration into the platform.
- **FMCG:** In November, we finalised commercials with and on boarded one of the leading beauty companies in the world, composed of several iconic brands. They selected Freelancer as they are looking for an alternative talent sourcing strategy and more flexibility in their hiring initiatives. During the quarter, we signed the agreement, completed the vendor onboarding process and prepared to activate the pilot campaign in Q1 of 2024.

- **In-Flight Proposals:** Ended the quarter with proposals in progress for engineering services and ongoing project management including a strategic platform-based transformation opportunity with a global BPO leader.
- **New Partners:** With a positive outlook for H12024, we're taking the opportunity to make further inroads into the future of global talent management via new agreements with outsourcing solution specialists in the US, EMEA and APAC. These partnerships will unlock our potential by increasing our scope to enter new markets such as countries in the LATAM region.
- **Activation Program:** Freelancer's new client Activation Program went through a redesign to ensure partners at all stages of growth are appropriately serviced. This three-fold approach starts with educating partners on how they can leverage Freelancer in their day-to-day operations and progresses through the full customer lifecycle journey. The overarching goal of this initiative is to make Freelancer a habit-forming product for major corporations internationally.
- **Government Engagements:** We are seeing a continuation of strong demand from Governments. During the quarter, we progressed commercials with several Labor/Economic/Human Resource Ministries who are looking to grow freelancing in the region as a key economic driver over the next 5 to 10 years. As we enter 2024, two of these State Sponsored opportunities have reached the final stages of negotiation.
- **Deloitte MyGigs:** Deloitte member firms across EMEA and APAC have expressed renewed interest in deploying their own instances of MyGigs based on new initiatives driven by the Innovation and Learning and Development teams. They are in the process of assessing the feasibility of respective pilots ahead of their budget planning for the next fiscal year.

### Global Fleet/Field Services

This year we continued to scale rapidly across the major cities in India with the global computer and printer company, expanding our scope and driving adoption of our technology to increase total volumes by over 150%.

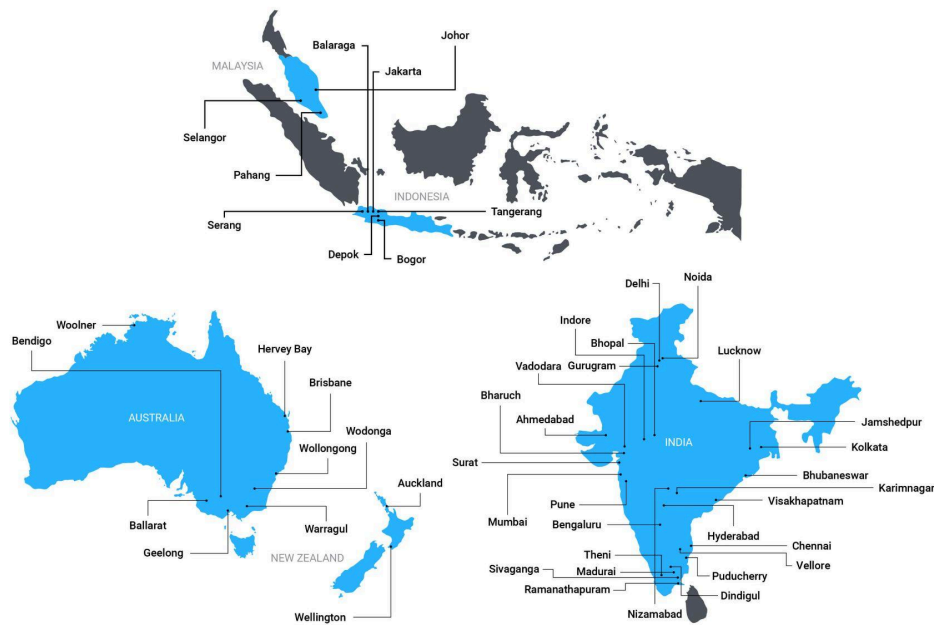
Our technical integration continues to improve and provide better operational efficiency. This consistent commitment to advancements in the technology was pivotal in enabling our growth and expansion, not only this quarter but right across the entire year. We had a 25% increase in volumes in 4Q23 compared to 3Q23 and a 156% increase for FY23 to FY22.

As of the time of writing this report, we are now live and operational in 46 cities across 5 countries globally, servicing multiple product types varying from repairing laptops to installing printers. To date, we've completed over 44,000 jobs globally, showing our commitment to leading the market in innovative global fleet and field services.





**Figure 7::** Freelancer Global Fleet engineers and customers in India



**Figure 8:** Our global footprint across five counties covering 46 cities

### NASA & U.S. Government

2023 was another excellent year for the NASA and US Government operations team. Once again through this engagement Freelancer continues to deliver high end, complex projects to major agencies, winning 8 new task orders and managing 12 projects.

In Q4 we deepened our strategic relationship with NASA through a site visit to the NASA Johnson Space Center in Houston, TX, USA. This visit provided valuable insights into the current NOIS2 contract and the future NOIS3 engagement for 2025 and beyond.



Looking forward, we are proactively planning to diversify our government/tender client base beyond NASA by developing collateral, strategies and processes to pursue new government and enterprise opportunities in North America and APAC.

In addition, the Freelancer's Innovation Challenges team has run crowdsourcing challenges with Harvard and teamed up with the consortium ELO2 to run an innovation challenge for Australia's first lunar rover arm design.

In February, Harvard and Freelancer.com teamed up to host the Global Crowdsourcing Challenge '[Creating a Sustainable Future](#)' challenge.

In April, NIST, Freelancer.com and LMI announced the winners of the CommanDING Tech Challenge, for a next generation heads up display for first responders.

In May, we delivered precipitation measurement prototypes as part of the US Department of Reclamations' [Counting Every Drop Challenge](#). Prototypes are in field testing to determine the final awards.

In July, the [Divide and Conquer Sedimentation and River Hydraulics Computational Model Challenge](#) saw 76 registrations across 5 countries, and 4 winners to parallelise the Bureau of Reclamation's 2D hydraulic model (SRH-2D) and incorporated a parallel linear equation sparse matrix solvers (LESMS). The Challenge results exceeded goals - the top solutions achieved 30-60x times speed up compared to the target 20x speed up.

In October, Freelancer and ELO2 launched the Big Dipper Regolith Acquisition Challenge inviting innovators and enthusiasts to be part of the Australian Space Agency, in collaboration with NASA's Artemis program, Australia's first lunar rover mission.

In December, the US National Institutes of Health awarded \$1,375,000 USD in prizes for Phase 1 of the \$6M USD TARGETED Genome Editor Delivery Challenge. The winners are:

### **Target Area 1: Programmable Delivery System for Gene Editing**

#### **Winning Solutions \$75,000 USD Prize**

- **Perelman School of Medicine at the University of Pennsylvania:** *Targeted Delivery of Genome Editing Machinery to Blood Marrow Stem Cells, Pulmonary Endothelium, and Cardiomyocytes*
- **Nizar Y. Saad, PhD and Meisam Naeimi Kararoudi, PhD:** *Development of A Programmable Extracellular Vesicle-Based Delivery System of Allele-Specific Gene Editing Therapy Using Bioorthogonal Chemistry*
- **Beth Israel Deaconess Medical Center:** *Self-Assembling Protein Polymer Micelles for Targeted Gene Editor Delivery*
- **Reza Shahbazi, Ph.D. (Lead PI) Indiana University School of Medicine:** *Developing In Vivo CRISPR Nanotherapeutics with Enhanced Safety and Precision by Dual Targeting Approach*
- **Vesigen Therapeutics:** *Engineered ARMMs: Promising Human-Derived Vectors for Cell Type-Specific Delivery of Genome Editors*

#### **Meritorious Solutions \$50,000 USD Prize**

- **GenEdit, Inc.:** *Programmable Delivery of Genetic Medicine to Multiple Tissues with Polymer-based Hydrophilic Nanoparticles*

- **Stanley Qi lab:** *TRANSFER: Data-driven programmable macromolecule delivery via trans-endocytosis*
- **Columbia University:** *Development of an Orally-Administered, Nonviral Gene Editing System for the Gastrointestinal Tract, Mesenteric Lymph Node, and Liver*
- **GENOMIXIO:** *Programmable Editing of APOE Gene Using PEG-LNPs*

#### **Meritorious Solutions \$25,000 USD Prize**

- **Carmine Therapeutics, Inc.:** *Red Blood Cell Extracellular Vesicle as the ideal delivery system for genome editing*
- **Broad Institute of MIT & Harvard:** *A platform for targeting AAVs to specific receptors*
- **Dehua Pei, PhD Ohio State University:** *Intracellular Delivery of Gene-Editing Enzymes with Membrane Translocation Domains*
- **David R. Liu Group Broad Institute of MIT and Harvard:** *Targeted eVLPs through barcoded lentivirus screening*
- **SiVEC Biotechnologies, Inc.:** *A Vehicle-Encoded Molecular Targeting System for Delivery to Precise Cells and Tissues*
- **Helex, Inc.:** *Proprietary double lock system for targeted LNP delivery and tissue specific gene editing apparatus for safer in vivo gene editing therapeutics*
- **ExoTarget Team (University of Florida):** *ExoTarget Platform as a programmable delivery system*
- **Hunterian Medicine LLC:** *Programmable Gene Editing with Tissue- and Cell-specific Promoters*
- **Battelle Memorial Institute:** *TA1 Phase 1: High throughput in vivo screening of PNPs for Programmable delivery of gene editors*
- **Orion Therapeutics, Inc.:** *Multifunctional Lipid Nanoparticle Delivery System for Targeted Delivery of CRISPR Therapeutics*
- **Exosome Engineers (University of Nebraska):** *Editing the genome in any tissue of choice through programmable milk exosomes*

#### **Target Area 2: Crossing the Blood Brain Barrier**

#### **Winning Solutions \$75,000 USD Prize**

- **ARENEX (University of Kentucky Research Foundation):** *Artificially engineered exosomes for gene editing in the brain*
- **ZhouTeam@Yale:** *TARGETED-STEP RNPs for delivery of genome editing to the brain*
- **Cornell University:** *Systemic and targeted delivery using engineered endogenous virus-like vesicles for gene editing in the central nervous system*
- **Columbia University:** *Focused Ultrasound-Assisted Intravenous Delivery of Optimized Lipid Nanoparticles for Targeted Brain Gene Editing*
- **LEDGE Team:** *Delivery of gene editing complex across the BBB using lectin-mediated transport*

#### **Meritorious Solutions \$50,000 USD Prize**

- **Orion Therapeutics, Inc.:** *Multifunctional Lipid Nanoparticle Delivery System for Delivery of CRISPR Therapeutics Across the Blood-Brain Barrier*

#### **Meritorious Solutions \$25,000 USD Prize**

- **Drs. Wenhui Hu and Qingsheng Li:** *Receptor-mediated and exosome-decorated lentivirus-like particles traverse blood-brain barrier for brain gene editor delivery*

- **Jiukuan Hao & Bin Guo, College of Pharmacy at University of Houston:** *Targeting Blood-Brain Barrier for Crispr/Cas9 Brain Delivery*
- **Talinted, Inc.:** *Exosome Mediated Targeting of Capsid Bound Gene Editing Material*
- **Battelle Memorial Institute:** *Polymeric nanoparticle-facilitated delivery of gene editors across the blood brain barrier*

You can get anything done on Freelancer.

### Deloitte MyGigs

MyGigs is a Deloitte-branded version of the Freelancer InSource platform tailored to meet the needs of Deloitte practitioners and tightly integrated with SAP Fieldglass. Projects are posted both “internally” (to Deloitte practitioners) and “externally” to the greater Freelancer.com marketplace. Over 50,000 Deloitte staff have been onboarded to the platform already.

A dedicated team of product managers and engineers have been working closely with Deloitte to further tailor and enhance product and integration capabilities. Freelancer will also continue to collaborate with Deloitte’s internal marketing and adoption teams to drive activation throughout the coming year.

Freelancer has commenced negotiations to expand the MyGigs program to additional Deloitte business units in Europe and APAC in FY24.



Figure 9: Deloitte MyGigs

Escrow.com



Escrow.com is the world's largest and only multi-jurisdictional licensed online escrow company. Escrow.com Gross Payment Volume (GPV) in 4Q23 was AU\$217.9 million, up by 15.1% on pcp (US\$142.1 million, up by 14.2% on pcp). For FY23, Escrow GPV was AU\$897.7m, down 5.9% on pcp (US\$596.8m, down 10.7% on pcp). Despite this dip from the peaks of late 2021, Escrow's growth trajectory remains consistent with pre-pandemic trends and 4Q23 was in the top 10 all-time for Gross Payment Volume.

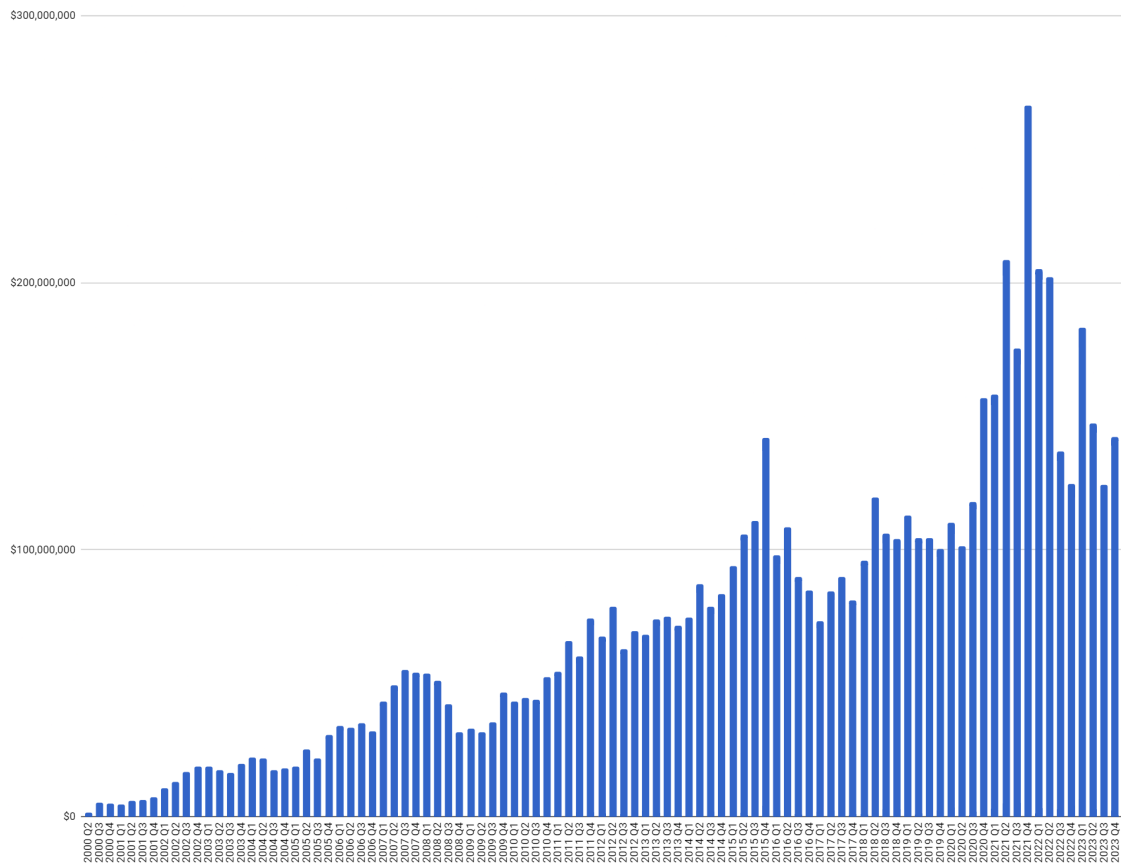


Figure 10: Escrow Gross Payment Volume (USD) by quarter since inception

Venture capital investment has significantly impacted the aftermarket domain market, with a dynamic shift from a peak in funding activity in 2021 to a slowdown by late 2022 and continuing into 2023. Looking ahead, venture funding levels are expected to stabilise in 2024, with a particular rebound in AI.

The major focus for Escrow.com is to widen its customer base by incorporating its checkout solution into a leading SaaS shopping cart platform, scheduled for launch in the second

quarter of 2024. This development represents a strategic move towards broader diversification and enhanced service offerings.

In the quarter, Escrow.com also bid on a major government tender in the automotive space.

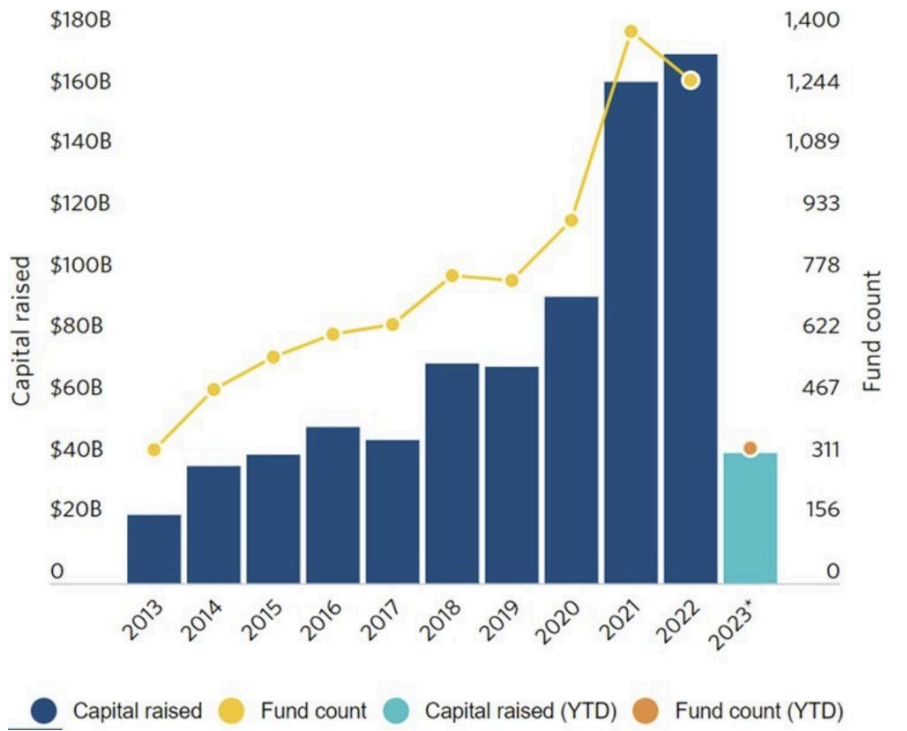


Figure 11: Venture Capital Funding

Product

In 4Q23, building upon the initiatives outlined in 3Q23, Escrow.com maintained its focus on enhancing automation and streamlining operational processes to further strengthen scalability.

Key advancements included:

- Refining ACH payment processes,
- Integrating additional automation into due diligence reviews, and
- Enhancing payment processing mechanisms.

Partner Activity

In 4Q23, Escrow.com actively pursued the e-commerce vertical, while continuing to support a variety of marketplaces and brokers, extending across both existing and new partners. Within the e-commerce space, during 4Q23 Escrow.com signed partner agreements with a Fortune 500 company e-commerce platform, and one with NASDAQ listed e-commerce

platform. Both these companies provide software as a service to online retailers. The pursuit of additional partnerships in this sector is planned for 1Q24 and 2Q24.

In addition to this, Escrow.com partnered with three new M&A marketplaces and brokers throughout 4Q23, growing our M&A client portfolio and increasing our presence within this vertical.

In automotive, Escrow.com focused on solidifying its relationship with eBay Motors and discussed potential expansion of our current integration that will be explored further within 1Q24 & 2Q24. Escrow also signed one new global automotive marketplace, specialising in worldwide overland vehicles. Capitalising on this, Escrow.com attended the NADA Show convention event in 1Q24, allowing the team to meet with both new and existing clients and continue to position Escrow.com as the secure high-value payment method for online automotive marketplaces.

### **Domain Names**

In the second half of the year, the total domain name volume on Escrow.com eased slightly from \$85M in 3Q23 down to \$79M in 4Q23. For most domain categories, prices were steady quarter on quarter.

Escrow.com's domain name partner portfolio grew during 4Q23 with the addition of two new partners and notably, the value of '.ai' domain names hit another record high in 4Q23. The median price of a four character .com domain increased by 30% in 4Q23 compared to 3Q23, also hitting a record high.

To solidify our international standing, Escrow will again have a presence at NamesCon, the #1 domaining event in the world, bringing together the people who build the domain name industry. Held in Texas in June, preparations and planning are underway at the time of writing this report.



## Loadshift

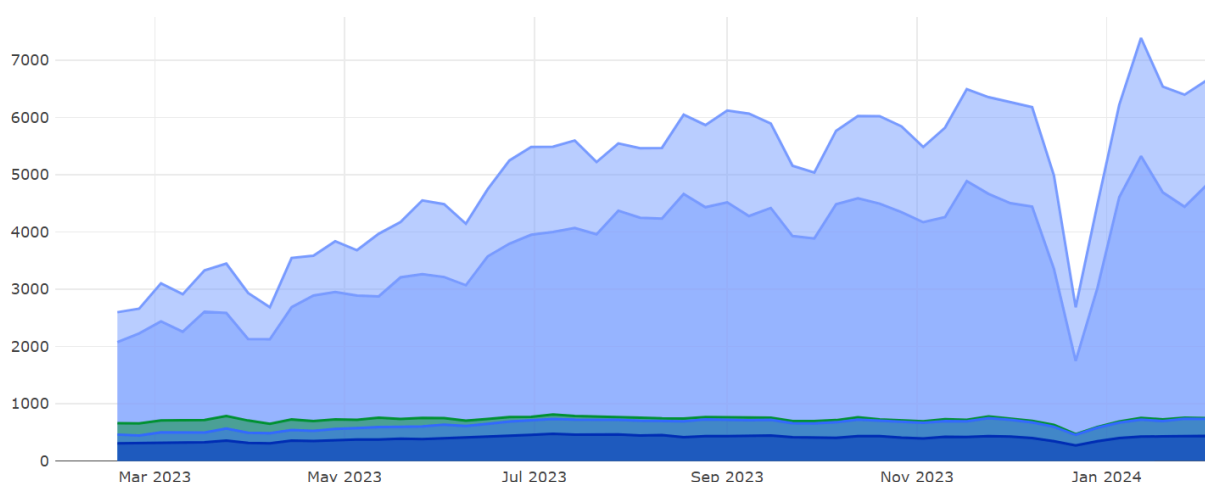


In 4Q23, Loadshift continued to shape the landscape of Australia's heavy haulage transport market. Loadshift has exhibited remarkable growth in several key areas, notably in the volume of quotes and awarded jobs, which underscores the company's expanding market presence and operational efficiency.

In CY23, GMV saw a significant increase of 238.4% pcp, indicating healthy business growth and an effective revenue model after transitioning to the marketplace model.

### Q4 Performance Highlights

- **Loads Posted:** There was a decrease in the number of loads posted, moving from 15,295 in Q4 2022 to 13,015 in Q4 2023, marking a 14.9% decline. This drop is a result of reduced reposts as more loads become awarded and the load expiry time was increased, removing duplicate postings. Additionally some low award rate abusers of the platform were removed.
- **Quotes:** The company saw a substantial increase in quotes, from 22,815 in Q4 2022 to 73,017 in Q4 2023, translating to a 220% growth. This significant rise in quotes per job, from 1.5 to 5.6, suggests an increase in carrier engagement and competitive bidding within the Loadshift platform.
- **Awarded Jobs:** There was an impressive 272.7% increase in awarded jobs, from 796 in Q4 2022 to 2,967 in Q4 2023. The award rate also improved dramatically, from 5.2% to 22.8%, indicating a higher conversion rate of quotes to awarded jobs. This award rate is anticipated to continue to rise in CY24.



**Figure 12:** Number of quotes placed per week in the last 12 months

Total kilometres posted were 17,510,304, representing ~\$70m Notional Gross Load Value (NGLV) and an annual NGLV of approximately \$280m.



**Figure 13:** Demobilisation from Kalgoorlie WA to Eagle Farm QLD via Loadshift

### **Group Profitability**

The group has made significant progress on extracting cost efficiencies across all functions of the business and continues its focus to optimise costs wherever possible, without compromising revenue growth. Overall costs were 18% lower than FY22 and as a result the group was EBITDA positive for FY23. The group now has a structurally lower cost base, which has it well placed to achieve sustainable profitability in FY24 and beyond.

During the quarter, we also addressed our OTCQX DTCC listing for the ticker FLNCF, necessitating a full re-submission of the listing application because of a procedural filing mistake in the original application.

### **Conclusion**

The group had positive operating cash flow of \$1.9 million for FY23 (FY22: negative \$4.2 million) and ended with cash & equivalents of \$21.2 million, down 9.4% on FY22.

### **For more information please contact:**

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### Forward-looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including Freelancer's FY24 outlook, are also forward-looking statements, as are statements regarding Freelancer's plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Freelancer, which may cause actual results to differ materially from those expressed or implied in such statements. Freelancer cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that Freelancer's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and Freelancer assumes no obligation to update such information. The release, publication or distribution of this document in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### About Freelancer

Twelve-time Webby award-winning Freelancer is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. More than 70 million registered users have posted over 23 million projects and contests to date in over 2,700 areas as diverse as website development, logo design, marketing, copywriting, astrophysics, aerospace engineering and manufacturing. Freelancer owns Escrow.com, the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet with over US\$6.5 billion in transactions secured. Freelancer also owns Loadshift, Australia's largest heavy haulage freight marketplace with over 750 million kilometres of freight posted since inception. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN and is quoted on OTCQX Best Market DTC under the ticker FLNCF.

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