

Market Announcement | 24 April 2024

1Q24 Business Update

Freelancer Limited delivers GMV in 1Q24 of \$227.1 million, down 23.8% on pcp.

- **Freelancer GMV \$31.5m, down 2.2% on pcp**
- **Escrow.com GMV \$195.7m, down 26.5% on pcp**
 - Long term uptrend in GPV remains intact - laps a spike in 1Q23

Group net cash receipts \$13.2m, down 3.6% on pcp:

- **Freelancer cash receipts \$10.8m down 2.0% on pcp**
- **Escrow.com cash receipts \$2.4m down 10.2% on pcp**

The group had positive net operating cash flow of \$1.0 million for 1Q24 (1Q23: $-\$0.1$) and ended with cash & equivalents of \$21.7 million, down 4.2% on pcp.

SYDNEY, 24 April 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 1Q24.

All figures in \$Am	First quarter				Year to date			
	1Q24	1Q23	% pcp	% in USD	FY24	FY23	% pcp	% in USD
GMV*								
- Freelancer	31.5	32.2	(2.2)%	(5.8)%	31.5	32.2	(2.2)%	(5.8)%
- Escrow.com	195.7	266.1	(26.5)%	(29.1)%	195.7	266.1	(26.5)%	(29.1)%
Total	227.1	298.3	(23.8)%	(26.6)%	227.1	298.3	(23.8)%	(26.6)%
Cash receipts from customers								
- Freelancer	10.8	11.0	(2.0)%	(5.7)%	10.8	11.0	(2.0)%	(5.7)%
- Escrow.com	2.3	2.6	(10.2)%	(13.4)%	2.3	2.6	(10.2)%	(13.4)%
Total	13.2	13.7	(3.6)%	(7.2)%	13.2	13.7	(3.6)%	(7.2)%
Operating cash flow	1.0	(0.1)	nm	n.a.	1.0	(0.1)	nm	n.a.
Cash and cash equivalents	21.7	22.7	(4.2)%	n.a.	n.a.	n.a.	n.a.	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

In the first quarter, Freelancer GMV was \$31.5m, down 2.2% on pcp. Freelancer cash receipts were \$10.8m, down 2.0% on pcp

Marketplace

In 1Q23 we added 1.49m new users and 211k new projects to the marketplace. The average project size was US\$253, down 6.9% on pcp in the quarter¹. 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.

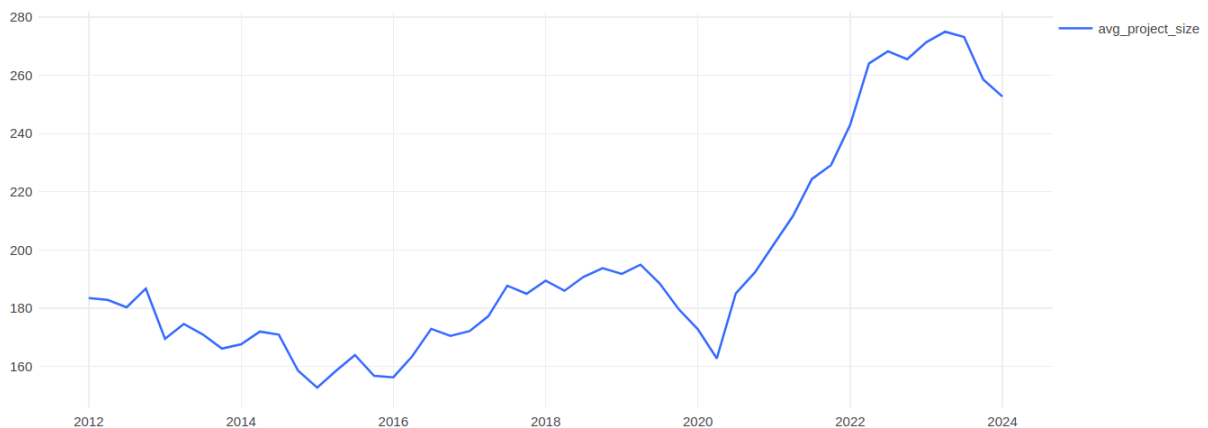


Figure 1: Average project size (US\$) incl. Enterprise & Loadshift

Marketplace liquidity remains strong, with the average bids per project at 39 (down 9.1 % on pcp), and average entries per contest now 322 (up 10.7% on pcp).

Looking at the marketplace as a whole, the company remains well-positioned strategically. Freelancer.com has the widest and deepest online crowd talent pool, which is distributed globally, covering a broad range of skill sets. This is evident on the contest platform, where basic \$10 contests regularly receive hundreds of entries, while at the high end, the company is able to provide top-tier talent to clients such as NASA. A recent example is the Gene

¹

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).

Editing contest, which saw a strong response, with entries from teams at leading universities including Harvard, MIT, and others.

Our clients also value us highly, as evidenced through the numerous positive freelancer reviews. Our Trustpilot score sits at 4.5 with 13,744 reviews, the highest of any in the industry, with the closest major competitor averaging only 3.4 stars.

In 2024, our focus is on ensuring we heavily increase client activation rates, turning initial positive experiences into ongoing and lasting business relationships, through sticky and retentive product offerings and effective cross-selling. This means moving the core experience from a transactional marketplace to a sticky, essential and widely-adopted business service.

Marketplace Product Update

In 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.

Turn Freelancer from a painkiller into a narcotic

In 1Q24, Freelancer.com launched a new feature designed to enhance communication and collaboration between freelancers and clients. This feature was developed in response to observations that a significant number of projects experience challenges or abandonment due to insufficient or inconsistent communication from freelancers to clients.

The company believes that this feature will help facilitate regular communication between parties, leading to a reduction in project abandonment and failure rates. Additionally, it is expected to increase client engagement and retention on the platform.

The feature was initially released to a limited group of users for beta testing approximately one month ago and is currently being rolled out to a wider audience at the time of this report.

Throughout the course of the year, we will continue to release collaborative features to derive engagement and retention in the core marketplace.

Reinvent the world of work in the AI revolution

In 1Q24 Freelancer continued to innovate in AI, building upon the capabilities of both the platform and our users.

Following the successful launch of many AI features over the past year, such as the AI-powered job posting flow, we have implemented a series of optimizations including fine-tuning the output of our AI models while significantly reducing operational costs.

Our data science team has implemented a real-time machine-learning algorithm to mitigate malicious activity on the platform, bringing spam projects to an all-time low and reducing instances of off-platform communication.

The first quarter also saw Freelancer deploy hundreds of freelancers from around the world in a pilot project to train the next generation of artificial intelligence models for one of the world's largest tech companies. This pilot project is accelerating rapidly and will scale to thousands of freelancers over the coming months.

Looking forward to 2Q24, Freelancer will continue to empower our users with access to best-of-breed generative AI tooling, expanding from text and image generation to voice and video modalities. Further, we will continue to leverage AI technologies to optimise internal processes across all areas of the business including customer service, trust and safety and sales.

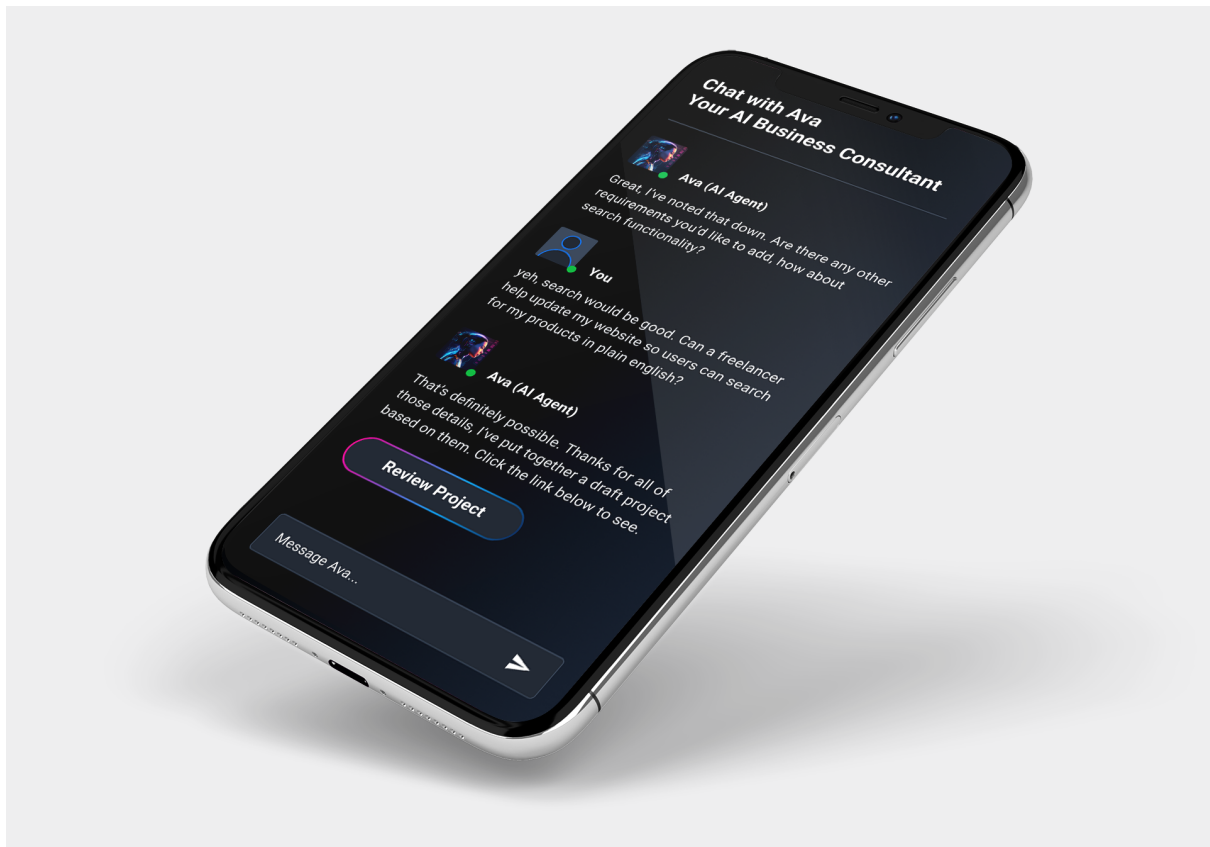


Figure 2: Freelancer will be at the centre as business transforms with AI

Improve acquisition through organic channels

As businesses seek to adopt AI into their workflows, we see a substantial opportunity to acquire a significant portion of this rapidly increasing market. Key verticals shared by nearly every business such as sales, customer support and marketing are ripe for disruption by generative AI, and we are ensuring our freelancers are well positioned to take advantage of this revolution in the coming months and years.

This begins by ensuring we have sufficient work categories, landing pages, and services set up - alongside guides, AI assistants and more to help scope out and define the required work, as well as acquisition channels and advertising programs to drive traffic.

Furthermore, Freelancer.com is on the verge of introducing a new feature aimed at leveraging the existing client relationships of newly registered freelancers. This feature will encourage new freelancers to reach out to and engage clients they have previously worked with outside of the platform, with the goal of bringing them on board as new clients.

Given the substantial number of freelancers joining the platform daily, the company believes that this initiative has the potential to become a significant channel for new client acquisition in the future.

Additionally, our SEM program continues to improve, with 30-day profitability up 18% on pcp, and volume up 6.7% on pcp.

Overall, our acquisition volume (defined as gross deposits from clients in their first 30 days) was up 3.3% on pcp, despite spending being down 13.1% on pcp. We expect that in time this will flow through to wider marketplace stats as the new, more lucrative cohorts develop.

The gross value of deposits for new users within the first 4 weeks since registration have been caught up year on year for quite some time now. This suggests that the acquisition part of the funnel has been making solid progress in terms of profitability, despite the decreased count of new depositing clients (as a result of a reduction of marketing spend and improved targeting).

Crafting a world leading UX and design that wins awards

In 1Q24, we focused primarily on preparing our front-end infrastructure ready for the launch of the highly anticipated 'dark mode' feature in 2Q24. Highly requested by our users, dark mode aims to provide a modern design and a comfortable viewing experience in low-light environments.

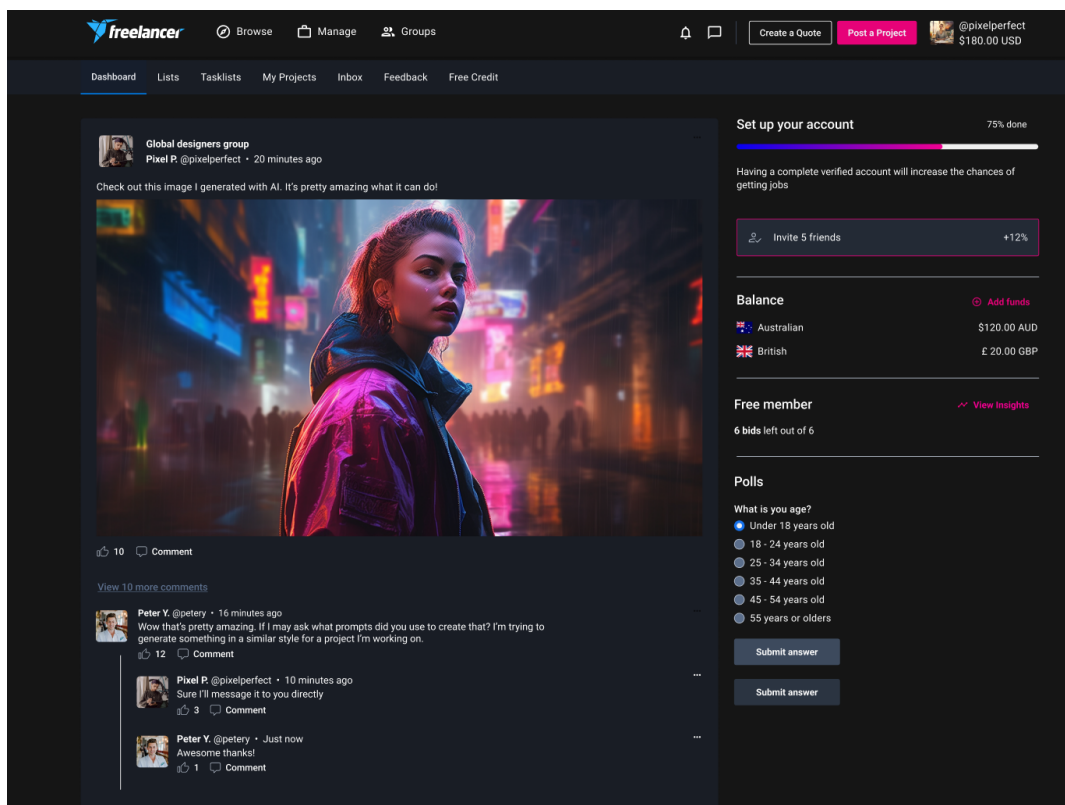


Figure 3: Dark Mode

General Product Improvements

In addition to our areas of focus above, we have also launched a new, web-based version of our time-tracking software into beta testing. Initial feedback is very positive, and we look forward to rolling this out in future quarters.



Enterprise

The Freelancer Enterprise division started the quarter with a few strategic initiatives and partner engagements. There was an increase in new account activity and the activation of some top clients in our existing portfolio. The growth in account activity compared to previous years, especially in January and February, is an encouraging sign for the market outlook.

Key Highlights of 1Q24:

- **Training the leading AI models:** This quarter we delivered on a large scale pilot for a technology giant. They are looking to crowdsource certain generative AI tasks to train their foundational model. The team is looking into a direct integration with the client's platform to seamlessly outsource tasks to millions of users on Freelancer. As part of the pilot, we sourced and qualified over 20,000 freelancers in 24 hours across 52 languages. This strategic initiative capitalises on the strength of our in-house AI capabilities and demonstrates our commitment to leading the market in this highly competitive space.
- **Engineering Services:** We submitted proposals to three companies looking to whitelabel Freelancer's marketplace to create a private talent cloud for their clients. Their objective is to provide access to certified and vetted freelancers who can help with ongoing projects. This value-added service for their clients helps them gain greater exposure and market share for their products and certifications.
- **New Clients:** We initiated the vendor onboarding process for several new clients across the automotive, industrial equipment and beverages industry. Soon after completion, the Activation Program for these pilots will all commence.
- **Biotech:** We signed an agreement with a leading biotechnology research organisation that serves more than 150 countries.
- **Activation Program:** Following the previous quarter, the newly redesigned activation program was rolled out to clients across the oil and gas, FMCG, e-commerce, healthcare and technology industries. We have noticed greater activity levels and comfort utilising Freelancer as their go-to marketplace for sourcing, managing and paying their freelancers.

- **Government Engagements:** We are currently entering the contracting stages to finalise an agreement and preparing for kickoff with an EMEA based government organisation focused on human capital and employment. They are looking to run a three-fold program to provide hands-on training to individuals in the region to reach their objective of being future of work ready.

Global Fleet/Field Services

This quarter we continued to focus on better operational efficiencies and effectiveness, by driving process improvement to help set us up for the forecasted volume growth in FY24.

Our global fleet service has continued to scale rapidly across the major countries in APAC, working with a major technology giant to deliver onsite repairs with an increase of 235% in repair volume in 1Q24 on pcp. India saw the biggest increase, where we did more volumes in each of the three months for this quarter than we did for all three months combined in the first quarter of last year.



Figure 4: Members of Freelancer Global Fleet across India

Our field services platform continues to scale and provide better operational efficiency. This consistent commitment to advancements in the technology was pivotal in enabling our growth and expansion.

We are now live and operational in 48 cities across 5 countries globally, servicing multiple product types varying from repairing laptops to installing printers. To date, we've completed over 57,000 jobs globally, showing our commitment to leading the market in innovative global fleet and field services.



Figure 5: Our global footprint represented across five countries and covering 48 cities

NASA & U.S. Government

Freelancer and Ensemble Consultancy announced the winners of the [Detect, Track, and Remediate: The Challenge of Small Space Debris competition](#). Hosted on behalf of NASA and run on Freelancer, this global competition aimed at addressing the critical issue of small debris in Earth's low-earth orbit (LEO) environment. Participants were challenged to propose scalable solutions for detecting, characterising, tracking and remediating debris ranging from 1mm to 10cm, aiming to enhance space safety and sustainability. Contestants submitted concept papers in one of the three prize categories (Detect & Characterize; Track; and Remediate) and competed for a share of the US \$120,000 prize purse.

This innovation challenge yet again demonstrates the sophistication of Freelancer's user base to solve complex scientific and technological problems with solutions ranging from incorporating arrays of LEO optical imaging satellites, analysing plasma signatures to laser beam break arrays.

Challenge Winners

Detect & Characterize

Place	Prize	Team lead name	Country	Submission Title	Summary of the submissions
1	\$20,000	Daniel Gebhardt	United States	Synchronous Correlated Imaging for Detection of Debris On-Orbit (SCIDDOO)	The Synchronous Correlated Imaging for Detection of Debris On-Orbit (SCIDDOO) concept detects and characterizes small space debris (SSD) in low-earth orbit (LEO). The core component of SCIDDOO is a constellation of optical imaging

satellites in, or just above, LEO. Collected data is shared within the constellation to identify likely SSD objects and provide their characterization.

2	\$12,000	Christine Hartzell, University of Maryland	United States	Mapping Small Orbital Debris with a SmallSat Fleet via Plasma Soliton Detection	This concept proposed to map small (mm to 10-cm scale) orbital debris about Earth using a fleet of smallsats equipped with sensors to detect the plasma signature of the debris.
3	\$4,000	Jesse Reynolds	United States	CODA (Characterizing Orbital Debris Affordably)	The CODA (Characterizing Orbital Debris Affordably) mission concept proposes to employ a novel interferometric radar technique on a fleet of low-cost CubeSat buses to identify and characterize millions of millimetric debris in orbit.
4	\$3,000	Dr. Richárd Ádám Vécsey, team Rixel	Hungary	AI-ready Multimodal Camera System with Spectrograph and MIMO-FMCW Radar to Detect and Characterize Debris on LEO	This concept is to detect small debris between 1 mm and 10 cm on the most crowded part of the Low Earth Orbit with MIMO-FMCW radar and fine tune the detection together with characterisation with the help of a visible range image, an infrared image and a spectrograph record.
5	\$1,000	Nevin Thinagar	United States	A Novel CubeSat-Based Beam-Break Array for Millimetric Orbital Debris Characterization	This concept proposes a laser beam-break array capable of detecting orbital debris as small as 0.1 cm that can be prototyped on a CubeSat platform.

Tracking

Place	Prize	Team lead name	Country	Submission Title	Summary of the submissions
1	\$20,000	Christophe Choquet	France	A constellation of binocular twin satellites to track small space debris	This concept is based on a pair of satellites equipped with cameras able to detect debris of up to magnitude 9
1	\$20,000	Paolo Petrinca	Italy	Ultraviolet Reflective Tracking System	ULTRAV is a Space Debris passive detector system able to detect and track space small orbiting objects with dimensions greater than 1 cm. The ULTRAV system is conceived to be installed on board satellites (one or constellations) and is equipped with high-sensitive photon detectors that look toward the Earth, and is able to measure the ultraviolet radiation reflected by SD.

Remediation

Place	Prize	Team lead name	Country	Submission Title	Summary of the submissions
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1	\$20,250	Dmitri Garin	United States	The Challenge of Small Space Debris SPACE BAT	This concept offers a novel design of a space sweeper: a deployable rotating tethered sweeper. Unlike previous designs with a single solid shield, the new design features a 1-degree sectoral shield of large radius constantly rotating around the mass center of the spacecraft-sweeper system.
2	\$12,250	Josep Rueda	Spain	Swarm of Satellites Equipped With Solar-pumped Lasers for Cheap and Efficient Space Debris Removal	This concept involves a design employing a swarm of small satellites, each fitted with a solar-pumped laser. These satellites would utilize laser ablation to individually target and decelerate space debris, lowering its altitude to facilitate safe absorption into the Earth's atmosphere.
3	\$4,250	Jeffrey Morse	United States	Orbital Debris Skimmer (Skimmer for short)	This concept offers a crossbow-like design to remediate small space debris (less than 10 cm in size) - Skimmer. Skimmer can use the orbital momentum of the orbital debris object itself, in conjunction with a solar powered crossbow inspired ejector. It can essentially skip across a set of similar orbits, cross-bowing the object into a new lower energy orbit (that should deorbit in 100-1000 days) while providing Skimmer a bit of DV to move to the next object capture.
4	\$3,250	Kyran McDonnell	Australia	NASA LEO Debris Challenge	This concept is the deployment of 7 multipurpose satellites, equipped with a 50kW laser and magnetic contrast agent. Using an Aluminium Air Battery for energy, these satellites employ a unique remediation method involving impact capture, chemical reactions, and magnetic nanoparticles to analyze and manage debris composition, velocity, and orbit characteristics, complemented by machine-learning models for real-time tracking and prediction beyond sensor range.

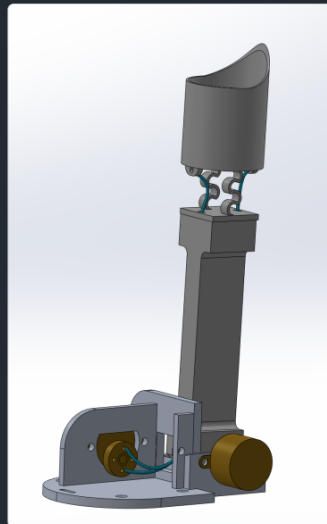
The Australian Space Agency, in collaboration with NASA's Artemis program, is embarking on an ambitious journey to design Australia's first lunar rover. During the first quarter, Freelancer ran the [ELO₂ Big Dipper Lunar Regolith Acquisition Challenge](#), an open invitation for innovators and enthusiasts to be a part of this groundbreaking mission. Freelancer and ELO₂ announced the winners of Phase One and launched Phase Two of the challenge in February.



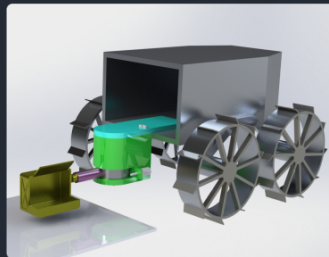
Reaching for the moon

Designs for Australia's First Lunar Rover Excavator Revealed
By ELO₂ and Freelancer.com

FIRST PLACE WINNERS



Entry: **BICEP**
Team lead: Daniel Ricardo
(@danielcbricardo)
Melbourne, Australia

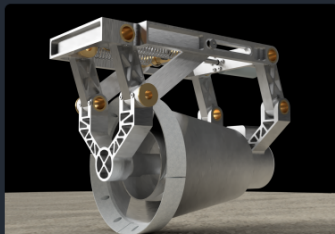


Entry: **KANGA**
Team lead: Chris van Dijk
(@cnvandijk)
Adelaide, Australia



Entry: **ROMEO**
Team lead: Jason Abi Chebli
(@jasonabichebli)
Melbourne, Australia

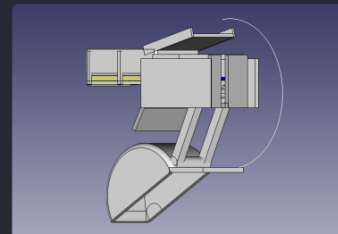
SECOND PLACE WINNERS



Entry: **ARC**
Team lead: James Gray (@jamessgray)
Adelaide, Australia; Team member: @yongooi



Entry: **BLEW**
Matthew Reimers (@mattreimers)
Sydney, Australia

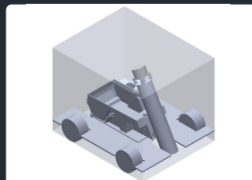


Entry: **Super Duper Lunar Scooper**
Jack Hammonds, Andrew Hammonds
(@JackHammonds2011) Shellharbour, Australia

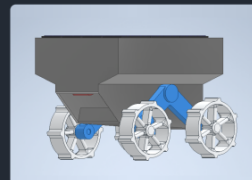
THIRD PLACE WINNERS



Entry: **Central rotating drum with rear tyres**
Robert Graham (@RobAust)
Melbourne, Australia



Entry: **QRAS**
Team lead: Vivek Nayak
(@Vinayak9015)
Parramatta, Australia



Entry: **E.L.R.A.S**
George Polyzos (@Gpolyzos)
Geelong, Australia



Entry: **Venna**
Anay Ashwin (@asa103)
Melbourne, Australia

Figure 6: Designs for Australia's first lunar rover excavator revealed by ELO₂ and Freelancer

As space travel extends to greater duration and distance, missions may require a propellant refill in space. The [Who Let the Gas Out?](#) NASA Tank Venting Challenge seeks solutions to propellant tank venting in microgravity with minimal loss of propellant with US \$80,000 in prizes. The submission window closed in February and winners will be announced in Q2.

Freelancer continues to host Phase 2 of the [NIH TARGETED Challenge](#), seeking to improve the state of gene editing technology with a programmable delivery system and crossing the blood brain barrier, and Phase 2 of the Department of Reclamation's [Counting Every Drop Challenge](#), seeking new or improved designs for ground-based precipitation measurement devices. In January, Freelancer hosted an informational webinar engaging participants of the targeted Challenge. Field testing of the Counting Every Drop Challenge prototypes is underway.

Freelancer won a new challenge for NASA's **Future Visions Across the Universe collection**, visualising the [NASA Innovative Advanced Concepts studies](#).

Deloitte MyGigs

MyGigs is a Deloitte-branded version of the Freelancer InSource platform tailored to meet the needs of Deloitte USA practitioners. Projects are posted both “internally” (to Deloitte practitioners) and “externally” to the greater Freelancer marketplace. Over 50,000 Deloitte staff have been onboarded, with more than 146,000 hours of work completed via the platform to date.

This quarter Freelancer has continued working closely with Deloitte to deliver additional product features and deepen the integration with Deloitte's core business systems, including SAP Fieldglass. Most recently, we have engaged with Deloitte's newly appointed MyGigs adoption team to accelerate usage of the platform and further deepen our strong partnership.

The success of the MyGigs program thus far has prompted significant interest from other practice groups within Deloitte USA. Plans are in progress to expand the US program into additional business units in FY24. Freelancer has also commenced negotiations to add additional regions to the program in Europe and APAC in the coming calendar year.

Escrow.com



While the long-term uptrend in GPV remains intact, Escrow.com's Gross Payment Volume (GPV) in 1Q24 slipped to AU\$196.9 million (US\$130.4 million), down 28.8% year-over-year, as it lapped a spike in 1Q23. This decline was driven by overall softness in the category of domain name sales.

High-value transactions on lower commission rates occasionally introduce volatility in the escrow numbers. To address this, Escrow's top focus is to perfect a checkout solution, which will imminently enter beta testing with some of the world's leading shopping carts.

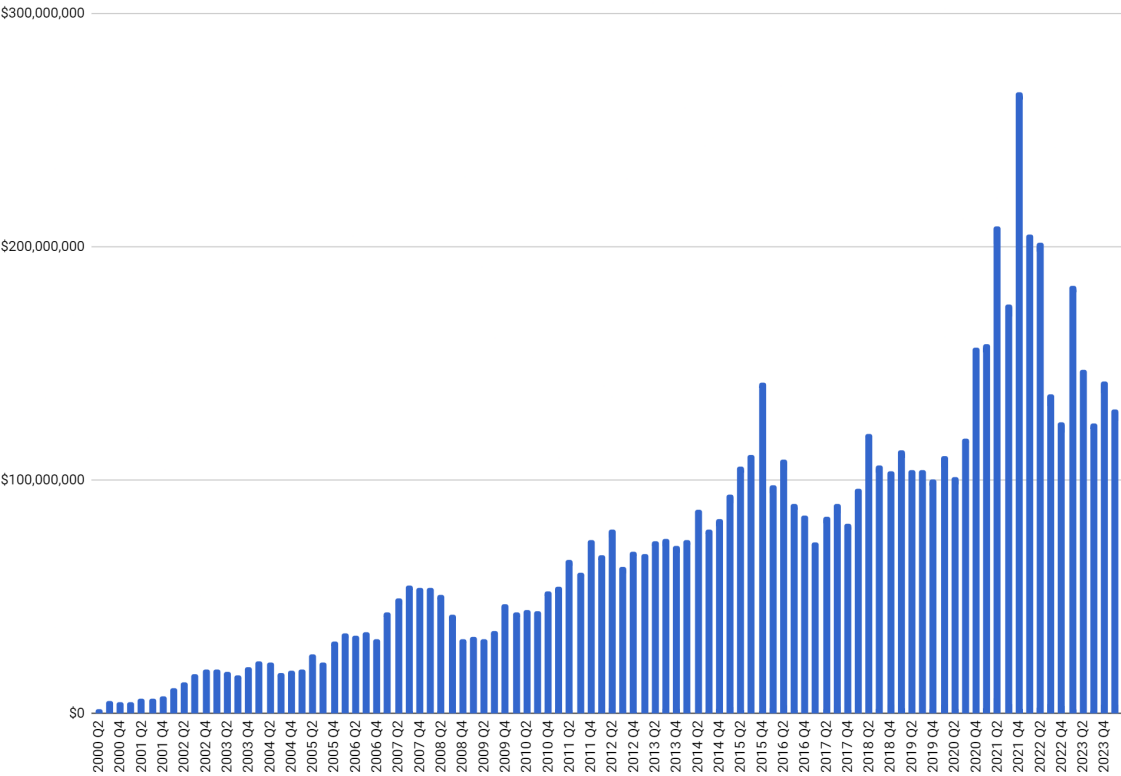


Figure 8: Escrow Gross Payment Volume (USD) by quarter since inception

This development ensures Escrow.com is the primary escrow payment provided across different e-commerce platforms and represents a strategic move towards broader diversification and enhanced service offerings.

E-Commerce

From a commercial standpoint, Escrow.com continued to actively pursue the e-commerce vertical in the first quarter, while supporting a variety of marketplaces and brokers, extending across both existing and new partners.

The major focus for the product and engineering teams in the quarter was to put the final touches on our integration with the world's leading e-commerce platform, which is scheduled to launch in late 2Q24. In 1Q24, we additionally assembled a beta testing group in preparation for the live integration.

Within the e-commerce space, Escrow.com is in the final stages of partnering with another of the leading open-source e-commerce shopping cart solutions, with integration development scheduled to begin in 2Q24. This shopping cart solution has over 70,000 active stores and processes over \$1B in monthly transaction volume, which we will be able to tap into once the integration is complete.

In total, Escrow.com now has four of the major shopping carts in the pipeline.

Automotive

In the automotive category, at the beginning of 1Q24, Escrow.com submitted a tender bid with an Australian State authority related to the sale of second-hand automobiles. The submission has been shortlisted, with a second round of follow-up questions submitted at the end of March.

Escrow.com also attended the National Automobile Dealers Association (NADA) convention in 1Q24, allowing the team to meet with both new and existing clients and continue to position Escrow.com as the go-to secure high-value payment method for online automotive marketplaces. One key partnership being pursued post-NADA is with the largest trade organisation for automotive auctions, as they will be launching a new partnership program within the second half of 2024.

During 1Q24, Escrow.com met multiple times with a large US automotive business that owns nearly two dozen marketplaces across powersports, recreational vehicles, aircraft, marine, commercial vehicles, and heavy equipment industries, reaching over 13 million monthly unique visitors. These talks are currently ongoing, with a decision scheduled to be made in mid-2Q24.

Luxury

In addition to the automotive sector, Escrow.com partnered with four new luxury watch marketplaces and auctions throughout 1Q24, growing our luxury watch client portfolio and increasing our presence within this vertical.

Domain Names

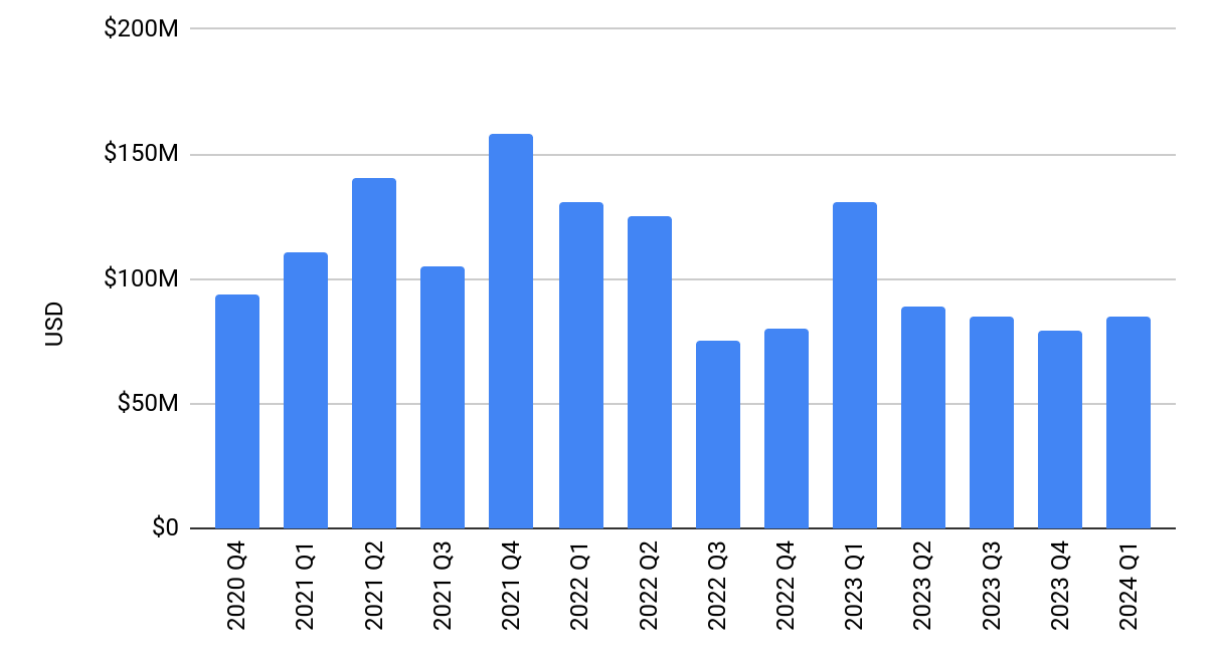


Figure 9: Total domain name sales by quarter (Escrow.com)

This quarter, the total domain name volume on Escrow.com increased by 6% from \$79m in 4Q23 to \$84m in 1Q24.

From a commercial perspective, we focused our attention on our top ten ranked domain name partners, who account for more than \$100m in transaction volume per annum, to further cement our strong relationships with these long-standing clients.

In terms of new business, we successfully secured integrations with the world's number one naming platform for brandable and premium domains, Squadhelp, as well as one of the world's largest online communities and auction forums for domain name investors, NamePros.

Escrow is also intensifying our efforts by strategically preparing for an influential presence at this year's foremost event in the domain industry, NamesCon Global, being held in Texas in early June. As the preeminent international hub for industry leaders, NamesCon serves as a pivotal platform for network connection and innovation, facilitating meetings with key stakeholders in the industry.

Personnel

In the quarter, August Piao joined the team as Senior Product Manager. August has over a decade of experience building innovative digital products at market leading organisations. Previously at Commonwealth Bank of Australia, leading products across Home Buying, the award winning CommBank App and Digital Data. Prior to that, spearheading digital commerce and business system products at Toyota Motor Corporation Australia.

Loadshift



Loadshift had a strong 1Q24 with GMV up 69.7% on pcp as the company increasingly monetised the freight posted on the platform.



Figure 10: Oversized bucket shifted from Townsville QLD to Buderim QLD

The number of loads posted decreased by 16.0% on pcp (to 11,101) and kilometres by 9.3% on pcp (to 15,761,547 km) as we filtered out shippers with low intent and job execution on platform. The largest segment removed from the platform was low value general freight. Over the same period, machinery, which is the most valuable segment of freight for the business, grew to 30.8% of loads at the end of quarter.

Quoting had a remarkable growth as engagement and competitive activity within the Loadshift marketplace grew, up 145.7% to 83,733 in the quarter on pcp, with quotes per job increasing from 2.6 to 7.5 in 1Q24 on the previous period. Similarly, awarded loads increased 125.3% on pcp.

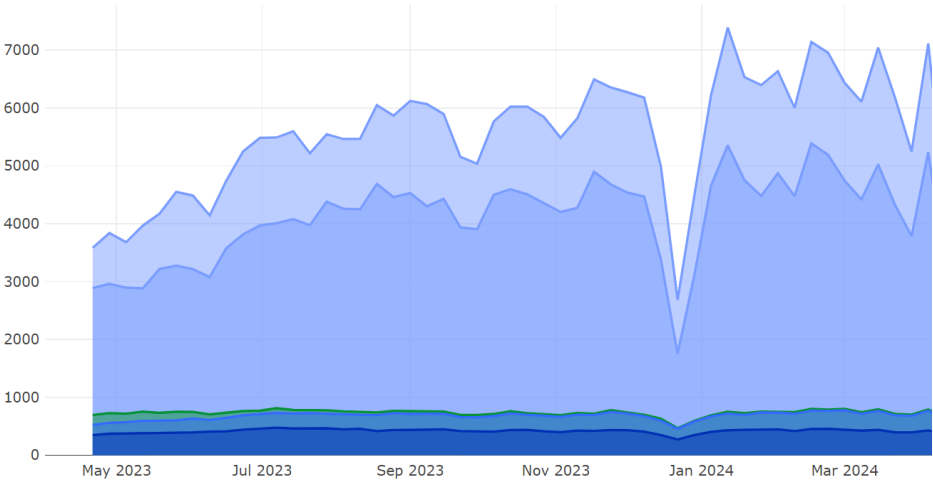


Figure 11: Quotes placed on Loadshift

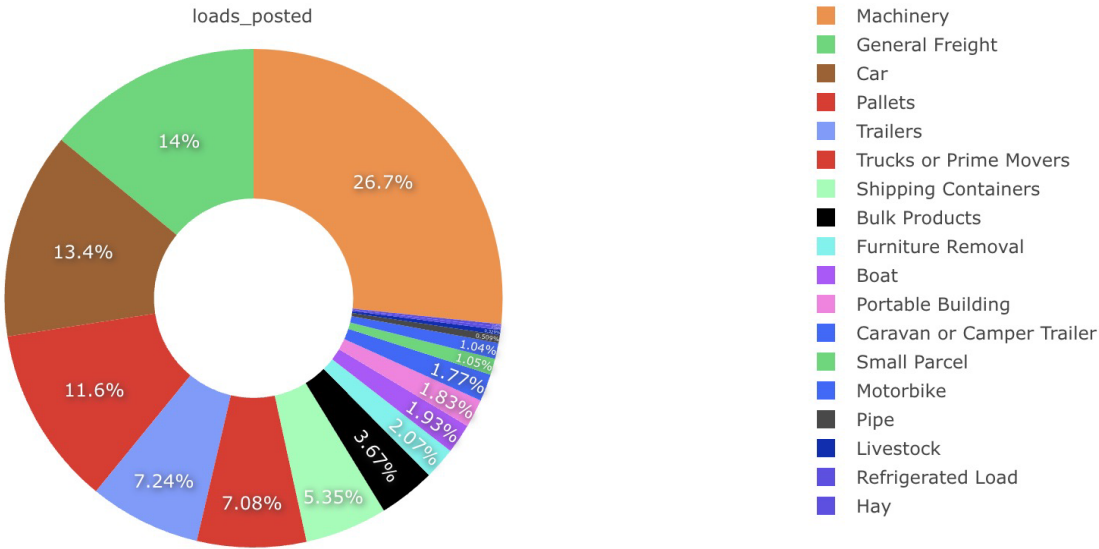


Figure 12: Load segmentation by type (posted)



Figure 13: Various loads shifted in the first quarter of 2024

In the quarter, Freelancer lifted its ownership of the Loadshift business to 60.0% from 53.0%.

Group Profitability

The group continues to optimise and extract cost efficiencies across all functions of the business. Overall costs for the quarter were 10.3% lower than pcp. Due to softer revenues in 1Q24 the group made a small operating loss (before unrealised fx), but expects this to turn around in 2Q24.

Conclusion

The group had positive operating cash flow of \$1.0 million for 1Q24 (1Q23: negative \$0.1 million) and ended with cash & equivalents of \$21.7 million, down 4.2% on 1Q23.

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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 72 million registered users have posted over 23 million projects and contests to date in over 3,000 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\$7 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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