

# Market Announcement | 24 Oct 2023

## 3Q23 Business Update

Freelancer Limited delivers GMV in 3Q23 of \$222.3 million, down 3.0% on pcp.

- Freelancer GMV \$34.1m, up 8.4% on pcp
- Escrow.com GMV \$188.2m, down 4.8% on pcp

Group net cash receipts \$13.7m, up 1.2% on pcp:

- Freelancer cash receipts \$11.4m up 2.0% on pcp
- Escrow.com cash receipts \$2.3m down 2.6% on pcp

The group had positive operating cash flow of \$1.0 million for 3Q23 (3Q22: negative \$3.2 million) and ended with cash & equivalents of \$23.5 million, up 1.7% on 1H23. Each business division achieved positive EBITDA for the quarter.

**SYDNEY, 24 October 2023** - 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 3Q23.

All figures in \$Am	Third quarter				Year to date			
	3Q23	3Q22	% pcp	% in USD	3Q23	3Q22	% pcp	% in USD
<b>GMV*</b>								
- Freelancer	34.1	31.5	8.4%	3.7%	99.3	96.2	3.3%	(2.6)%
- Escrow.com	188.2	197.7	(4.8)%	(9.2)%	672.8	756.1	(11.0)%	(16.4)%
<b>Total</b>	<b>222.3</b>	<b>229.2</b>	<b>(3.0)%</b>	<b>(7.4)%</b>	<b>772.2</b>	<b>852.2</b>	<b>(9.4)%</b>	<b>(14.9)%</b>
<b>Cash receipts from customers</b>								
- Freelancer	11.4	11.2	2.0%	n.a.	35.0	36.2	(3.3)%	n.a.
- Escrow.com	2.3	2.3	(2.6)%	n.a.	7.1	8.1	(12.5)%	n.a.
<b>Total</b>	<b>13.7</b>	<b>13.5</b>	<b>1.2%</b>	<b>n.a.</b>	<b>42.1</b>	<b>44.3</b>	<b>(5.0)%</b>	<b>n.a.</b>
Operating cash flow	1.0	(3.2)	n.m.	n.a.	2.3	(0.9)	n.m.	n.a.
Cash and cash equivalents	23.5	28.6	(17.8)%	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

Freelancer cash receipts were \$11.4m up 2.0% on pcp. Freelancer GMV was \$34.1m, up 8.4% on pcp. The segment was Operating EBITDA positive in the quarter.

## Marketplace

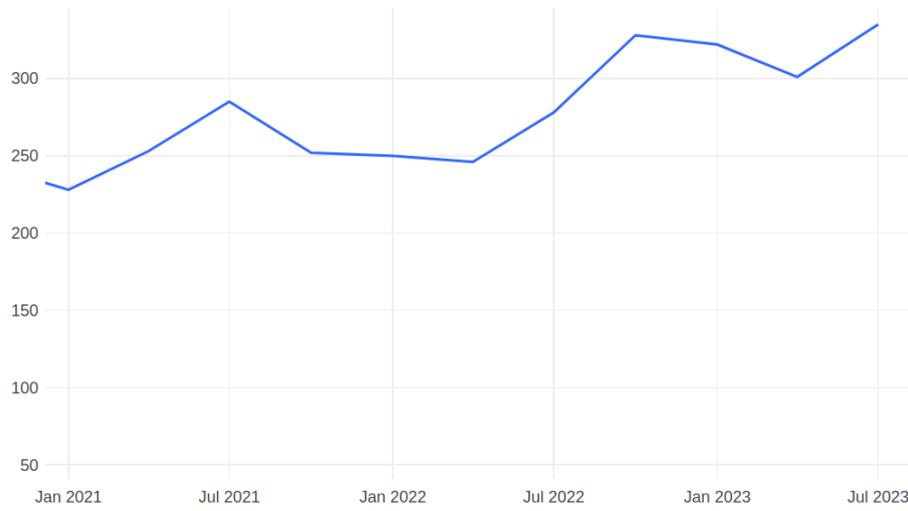
In 3Q23 we added 1.6m new users and 208k new projects to the marketplace. The average project size was US\$273, up 1.9% on pcp in the quarter<sup>1</sup>. This average project size includes all enterprise customers and the Loadshift division. Large number of small value projects from our Freelancer Global Fleet are counterbalanced by the large values of Loadshift loads.



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

Marketplace liquidity remains strong, with an average of 43 bids per project (~ flat on pcp), and average entries per contest now at 335 (up 20.5% on pcp). Contests continue to be an exemplary method for accomplishing tasks. Diamandis (XPrize Foundation) [estimates](#) that contests offer a 10 to 40-fold return on investment. Freelancer contests encompass a broad monetary range from \$10 to \$10 million. Presently, we are administering the [TARGETED \(Targeted Genome Editor Delivery\) Challenge](#) with a budget of US\$6 million, aimed at propelling genome editing technology forward by soliciting inventive solutions for the delivery of genome editors to somatic cells.

<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).



**Figure 2:** Average number of contest entries

## Artificial Intelligence

We are observing a notable shift in the marketplace, where our users are rapidly embracing AI tools. This adoption is considerably amplifying the pool of skilled labour in the marketplace, thereby boosting value and competitiveness. This is evident across areas including but not limited to copywriting, design, translation, video production and we expect to see significant advances in AI tooling for software development and almost every other online profession.

As the largest online crowd workforce in the world, the step change upward in skills through AI, coupled with the majority of our talent coming from low cost geographies, is driving a remarkable enhancement in the value of our workforce.

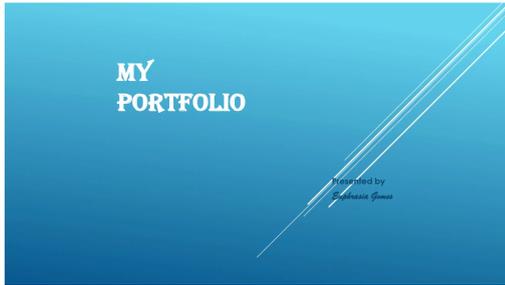
For example, illustrations that traditionally took 20-40 hours to deliver can now be produced by freelancers in a fraction of the time at a significantly higher level of quality than before.



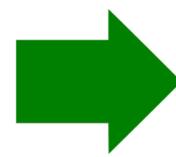
**Figure 3:** Rithesh is a designer that is winning 5-stars by embracing AI tools like Dalle-3.

Additionally, we are seeing freelancers enter areas where they were previously unskilled through the use of AI tooling.

### Typing, Copy-paste and Form Filling project

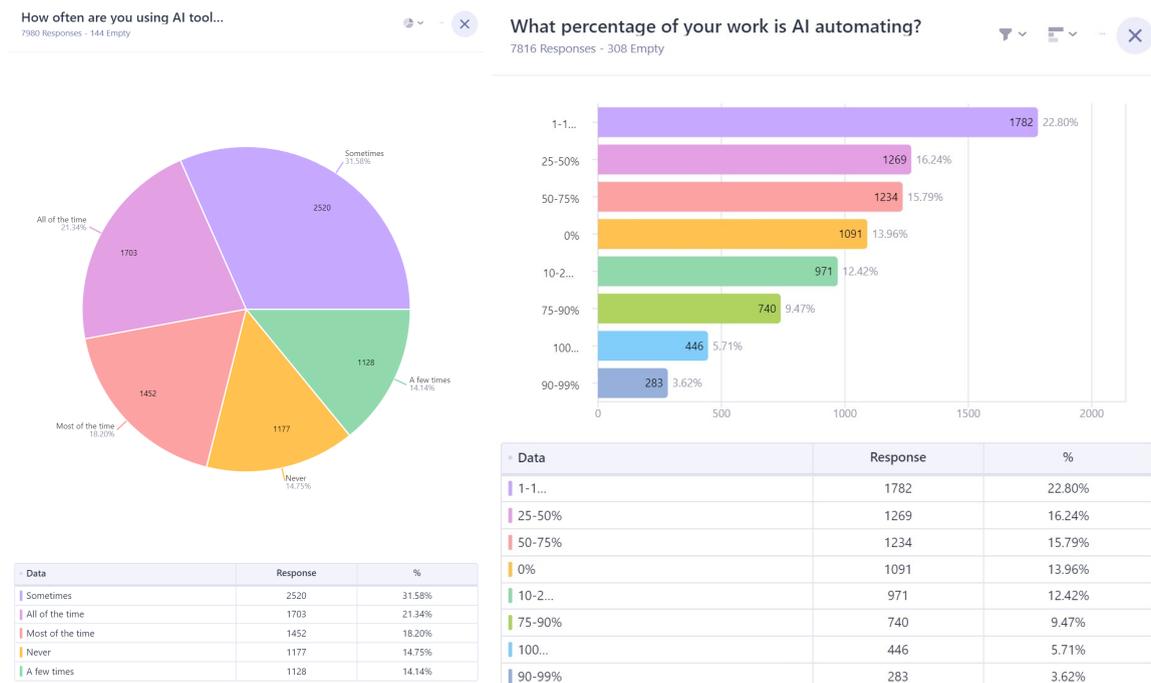


**Euphrasia G.**  
 0.0 (0 reviews)  
 \$5 USD/Hour  
 Hire Euphrasia G.  
 About the project  
 This project is a typing and copy-paste project. I was very excited to do this project because it gave me more information on some state of London.  
 SKILLS  
 Copy Typing, Typing, Data Entry



**Figure 4:** Euphrasia usually works in typing/form filling but now can produce art using AI.

In a global survey we conducted of 8,124 freelancers, 73% said that they are using generative AI tools in their work. Of respondents, 21% said they are using AI tools “all of the time”, 18% said “most of the time” and 32% responded “sometimes”. Of those that use generative AI tooling, 35% responded that they use it more than half of the time.

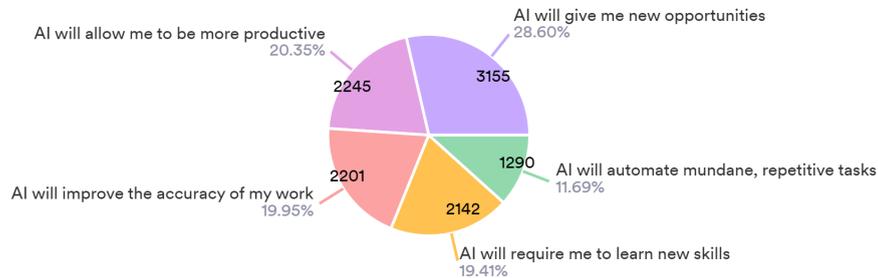


**Figure 5:** Survey responses from 8,124 freelancers on the platform (May to Aug 2023).

Of 11,033 responses, 29% believed that AI will give freelancers new opportunities, 20% believe that it will allow them to become more productive and 20% said that it will improve the accuracy of their work.

### How do you think AI will change your job?

11033 Responses - 1445 Empty



Data	Response	%
AI will give me new opportunities	3155	28.60%
AI will allow me to be more productive	2245	20.35%
AI will improve the accuracy of my work	2201	19.95%
AI will require me to learn new skills	2142	19.41%
AI will automate mundane, repetitive tasks	1290	11.69%

**Figure 6:** Survey responses from 8,124 freelancers on the platform (May to Aug 2023).

We have observed that jobs in both copywriting and design have lifted in the last quarters. For example, in 1Q23 contemporaneously with the explosion in generative AI design tools, the fastest growing segments were design jobs.

Fastest Growing Jobs - Q4 2022 vs. Q1 2023				
Rank	Skill	Job Count Q4 '22	Job Count Q1 '23	% Increase
1	T-Shirt Design	1,403	1,868	33.14%
2	Covers & Packaging Design	1,128	1,436	27.30%
3	Corporate Identity Design	2,474	3,073	24.21%
4	Product Design	1,214	1,493	22.98%
5	3D Design	5,027	6,135	22.04%

In the Freelancer Fast 50 for the current quarter 3Q23, [copywriting jobs were up 23-29%](#).

Rank	Skill	Growth	Q2 2023	Q3 2023
1	Copy Typing	+28.7%	6,381	8,213
2	Microsoft Word	+24.7%	4,396	5,485
3	Search Engine Marketing	+24.1%	2,321	2,881
4	Copywriting	+23.8%	8,737	10,817
5	Ghostwriting	+23.1%	6,377	7,852

Freelancer Chief Executive Matt Barrie [was quoted in FOX Business](#) in October, “The reason we’re seeing a big jump in jobs is because maybe the small business owner goes out there,

sees what can be done, understands what can be done, but then realises I actually don't have the time to do it myself, I'll get someone to go do it for me.”



ARTIFICIAL INTELLIGENCE - Published October 17, 2023 5:29pm EDT

## Demand for human writers growing despite the rise of generative AI: report

Freelancer.com found a surge in postings seeking human writers on its platform in the last quarter

We also predict that every business will soon be seeking to transform themselves through the use of AI. Freelancer is the place to find AI consultants to perform that transformation.

In the quarter, Freelancer Chief Executive Matt Barrie spoke at the J.P. Morgan Global Chief Investment Officer Summit in New York on AI and the Future of Work, as well as being interviewed [by MacroVoices](#) on the topic.



MacroVoices #390 Matt Barrie: The awesome power and risk of Artificial Intelligence

Published: 24 August 2023

MacroVoices  
Market Commentary and weekly interviews with the brightest minds in the world of finance and macroeconomics.  
Hosted by hedge fund manager Erik Townsend

MacroVoices #390 Matt Barrie: The awesome power and risk of Artificial Intelligence

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Erik Townsend and Patrick Ceresna welcome Matt Barrie to MacroVoices. Erik and Matt discuss:

- Unprecedented growth in Artificial Intelligence
- Complex problem solving using AI
- Transformer technology accelerating AI's learning from vast datasets
- AI's potential to transform job markets, bridging skill gaps
- Challenges in automating specialized tasks with AI
- Concerns and legal issues regarding misuse of AI

Download the podcast transcript: [Click Here](#)

[Click here to register or login for access to supporting materials.](#)



Figure 7: J. P. Morgan & MacroVoices

### Product & Engineering

Our focus for 2023 is 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
4. Taking UX & design to the next level: from consistent to delight

### Personalisation to drive core marketplace conversion

Personalisation is a key pillar of our product team's 2023 strategy, with a focus on utilising recent technological advancements in artificial intelligence to drive substantial improvements to conversion. We have found that AI is fast for us to adopt and leads to substantial increases in conversion when we do.

## Profiles

We have introduced a new feature that allows our freelancers to create multiple different profiles in an effort to help them choose a more personalised profile for their bid.

This feature was extremely well received by our freelancers, especially the power-user segment, who often work across a variety of different industries and were forced to generalise their profile to be relevant for each industry. Now, they can have a separate profile per industry, improving the relevance of their profile to the clients project.

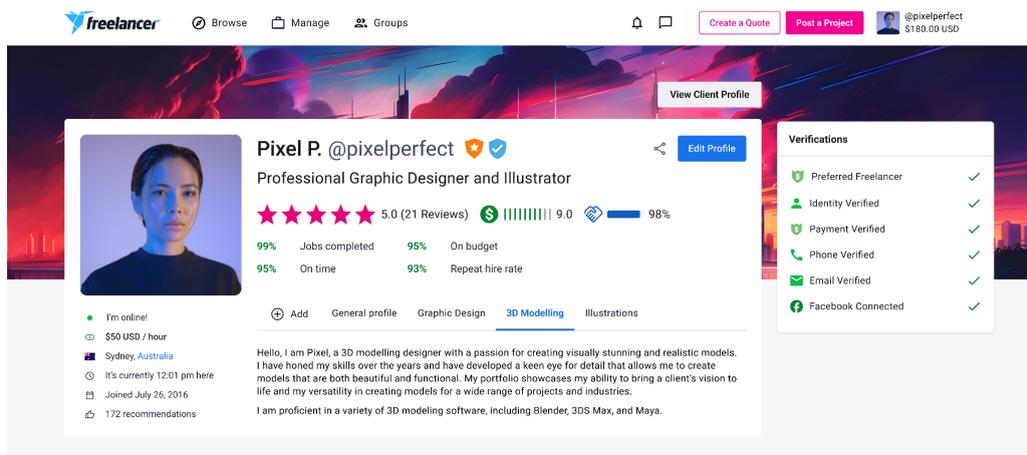


Figure 8: Multi-profiles

## Improve acquisition through organic channels

SEM profitability has reached all-time highs and is now approaching a 1 year payback window, driven by improved on-page conversion and bidding strategy optimisation. This completes the multi-year effort on improving our paid advertising as we transition the efforts of the team to organic (free) channels.

In particular, the focus is on virality as a channel - this channel is deep, highly scalable, and used by a substantial number of household-name consumer tech companies to power their growth. Initial results of this channel are promising, and we will continue to report on our progress here in future quarters.



Figure 9: SEM profitability

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

Our design team continued to deliver substantial improvements to the UI, UX and visual design of the website and apps with a mission to take design from consistency to delight by the end of the year.

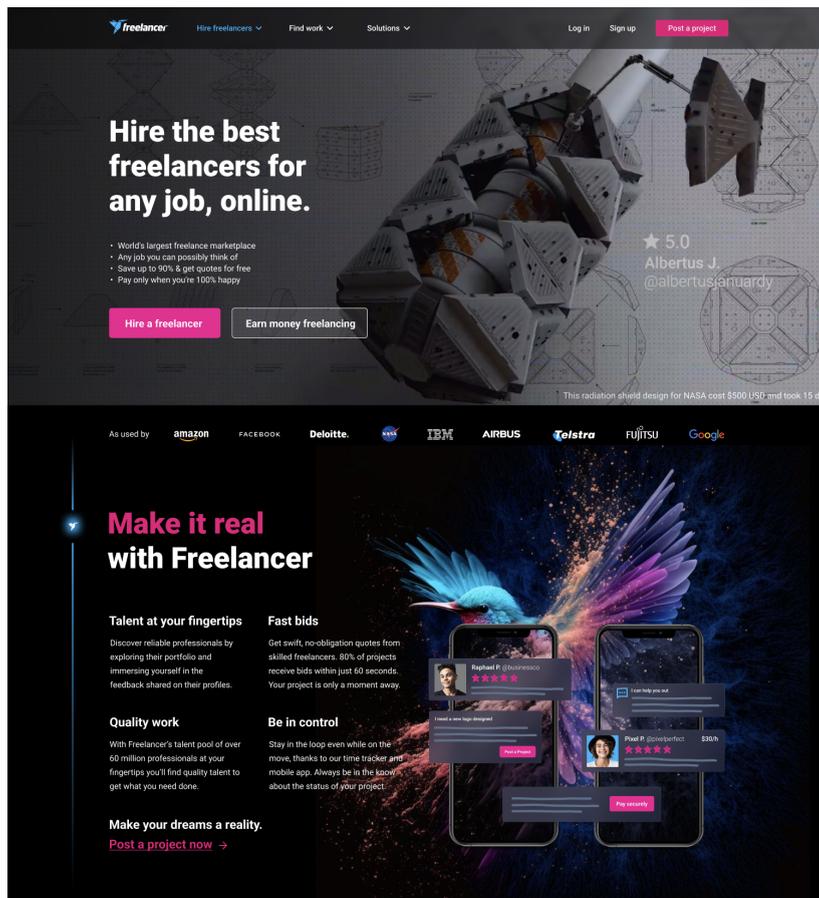


Figure 10: Homepage

## Trust and Safety

As part of our ongoing efforts to eliminate all sources of spam and other bad actors from the marketplace, we have recently added additional checks that have reduced the remaining spam in the marketplace dramatically. Today, spam is at its lowest figures for at least a decade.

## Academic Research

Our longstanding academic engagement program has produced over 500 papers<sup>2</sup> analysing the economics of the Freelancer marketplace, making Freelancer one of the most studied labour marketplaces in the world. We will continue to engage with academics globally, as they seek to understand the economics that underpin our online services marketplace, and we derive commercial benefit from greater understanding of the marketplace.

### Quantitative Insights into the Gender Wage Gap in Bangladesh's Online Freelance Marketplace: A Study Focused on Freelancer.com

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#### Abstract

This study explores the gender pay gap within the freelancing sector of Bangladesh, focusing on the relationship between factors such as education, work experience, and monthly investment with hourly earnings. The analysis, aimed at understanding the current situation, uncovers significant disparities between male and female freelancers. Specifically, the average hourly payment for female freelancers was found to be \$17.08, compared to \$24.05 for male freelancers. Additionally, female freelancers reported fewer years of education (9.5 years on average) and work experience (3.58 years on average) than their male counterparts (12.42 and 6.83 years, respectively). Furthermore, the average monthly investment was considerably lower for female freelancers (\$3.92) in contrast to male freelancers (\$11.73). The correlation analysis unveiled gender-specific differences in the impact of work experience and education on hourly payment. The findings emphasize that the gender pay gap in freelancing is a multifaceted issue, influenced by an array of interconnected factors. Given the intricacies of these disparities, there is an evident need for more extensive research to comprehend the underlying causes and to propose effective solutions.

**Keywords:** Freelancing Gender Pay Gap, Gender Disparities in Freelancing, Gendered Income Disparities in Digital Gig Economy, Exploratory Quantitative Research

### The Impact of Politeness in Bidding Descriptions on Hiring Decisions in Online Labor Markets

Short Paper

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#### Abstract

*Due to the lack of face-to-face interactions in online labor market, employers often have to rely on bidding descriptions to assess the interpersonal aspects of freelancers. Since politeness is a potential indicator of one's willingness and ability to facilitate cooperation, our study examines the impact of politeness in bidding descriptions on hiring decisions. Based on data collected from Freelancer.com, we differentiate the politeness of bidding descriptions with textual analysis. Surprisingly, our findings reveal that politeness in bidding descriptions is negatively associated with the probability of getting hired, and the association is negatively moderated by the capability of freelancers and the textual similarity of bidding descriptions. Specifically, the association is positive for incapable workers or unique bidding descriptions but becomes more negative for capable workers or bidding descriptions similar to others. The findings contribute novel insights on the contingent impact of politeness in bidding descriptions in online labor market.*

**Keywords:** Online labor market, politeness, bidding descriptions, hiring decisions

#### Introduction

Due to the epidemics in recent years, a growing number of workers are moving away from traditional full-time offline jobs and choosing to work online as freelancers, leading to the booming of online labor markets (Hong et al. 2016). Online labor markets such as Upwork, Freelancer, and oDesk have facilitated companies in accessing a global pool of workers, thereby increasing the efficiency of their labor sourcing (Hong et al. 2020). Unlike offline market, the recruitment in online labor market is typically in a form of auction and bidding. Workers apply for their favored tasks or projects by submitting bids, and employers assess applicants by reviewing their bids and profiles (Kokkosis et al. 2015). While the profiles reflect workers' background and experience (e.g., demographics and reputation), the bids reveal information that the workers demonstrate for the specific projects (e.g., price, periods, and descriptions of work plans, etc.). Despite its novelty and efficiency, this recruitment process also brings various operational challenges (Pallais 2014). For instance, new workers who lack the records of past performance may have a hard time getting hired. This highlights the importance to explore how freelancers could better craft their bidding information to stand out from the crowd.

*Pacific Asia Conference on Information Systems, Nanchang 2023*

**Figure 11:** Academic papers published in 2023 about Freelancer.

## Enterprise

The Freelancer Enterprise Division experienced robust growth in September as the quarter closed, with revenue increasing by more than 30% between August and September. This growth was primarily driven by Deloitte, NASA and a globally significant computer company. However, for the quarter, revenues remained flat year-over-year due to a leadership transition in the team and a slight slowdown in corporate business during the Northern Hemisphere summer holidays, including the 4th of July and Labor Day.

<sup>2</sup> If interested, please get in contact and we will supply the list.



### Key Highlights of the Quarter:

- **Sales Leadership Revamp:** Under the new helm of David Lane, the sales leadership is streamlining and instilling best practices across sales force organisation, activation processes, and account management. These refinements are anticipated to foster transformative improvements as we step into the new calendar year.
- **Major Chinese Retailer Partnership:** We've onboarded one of the largest online Chinese retailers, boasting over \$28 billion in revenue, who selected Freelancer for establishing a global contingent workforce, recognizing our prowess in Open Talent.
- **Enterprise Contest Platform:** The platform was enhanced in the quarter, including adding detailed project guidelines for clients, timeline management for long-running contests, tiered and bonus prizes to entice more freelancer participation and enhanced contest notifications. These upgrades not only cater to NASA but also entice other enterprises to host contests on Freelancer Platform. Our Deloitte collaboration further accentuates these enhancements.
- **Government Engagements:** Our government team had a productive quarter with NASA engagements, launching the NASA Microgravity Tank Venting Innovation Challenge, securing five NASA task orders, and concluding Phase 1 of the National Institute of Health Challenge with winner announcements underway.
- **Global Fleet:** Our ongoing partnership with a globally significant computer company has flourished, extending our services to 32 cities globally, doubling work orders during the quarter. Encouraged by the success in the Asia Pacific, we're venturing into the US market in Q4, piloting services in New Mexico, Chicago, and Atlanta. Discussions for a three-year contract renewal also explored expanding geographical and service scope.
- **Robust Lead Generation:** With a solid lead generation framework, client acquisition continues to be a forte, while the emphasis has shifted towards activation and utilisation optimisation.
- **Deloitte MyGigs:** Transitioning to the activation phase, the Deloitte MyGigs project has a dedicated newly hired activation team to streamline the process.

The quarter's progress underscores our continual efforts to refine operational strategies, foster meaningful collaborations, and enhance platform functionalities, aiming for a broader market reach and improved user engagement.

### Global Fleet/Field Services

Our primary focus has been on ramping up volume, laying the necessary groundwork for it. The new technical integration is live in five countries, with the latest activation in Malaysia,

taking us to 32 operational cities globally. We've seen a 122% average monthly volume increase over the past three months. We aim to sustain this growth by launching in 11 new cities in India, entering the US market, and broadening our product range. To date, we've completed over 32,000 jobs globally.



**Figure 12:** Dispatchers and engineers collaborating in Chennai, India

#### Country-Specific Updates:

- **India:** Now operational in 12 cities, significantly contributing to the 122% volume increase by delivering exceptional service. Relationship-building with key stakeholders has allowed commercial volume increase and the initiation of install work. Plans include expanding to 11 more cities and adding print, PC, and onsite install support. We have verbal approval for 30 cities in total.
- **Indonesia:** Continual service excellence above the required standard has been achieved, with technical integration enhancing the process and reducing reporting turnaround times. Expansion and volume increase discussions are ongoing with the country head.
- **Australia:** Expanded to three new cities (Wollongong, Woolner, & Hervey Bay) with a 50% volume increase from Q2. A meeting with the country head is scheduled to further solidify our partnership and discuss volume commitments in Australia & New Zealand.
- **New Zealand:** Operations remain steady as a backup to the current labour force, with ongoing discussions to expand beyond the operational cities of Auckland & Wellington.
- **Malaysia:** With new engineers having been onboarded and upskilled in desktop and notebook troubleshooting, we're positioned to increase volumes while continuing recruitment in Malaysia's remote regions, now active in three states.
- **Rest of World:** A Statement of Work (SOW) signed for US activation in October marks a major milestone. As part of this we will demonstrate the success of our model in urban, suburban and white space. Past successes in five other countries have paved the way for this critical US expansion.

## NASA & U.S. Government

Freelancer secured five task orders via our NASA program in the quarter. These tasks are directed towards space exploration, microgravity operations, urban air taxis, and open source code modifications, by leveraging crowdsourced solutions from the Freelancer user community.



**Figure 13:** NASA's GSFC Exploration & In-Space Services (NExIS) seeks an innovative solution for venting a tank's gas/vapour mixture without liquid ingestion into the vent.

The work we are doing with NASA demonstrates the sophistication and complexity of jobs that can be accomplished on Freelancer.

### Small Space Debris Solutions - US\$200,000

In partnership with Ensemble Consultancy, we're addressing a task for NASA's Space Technology Mission Directorate. We're working on innovative techniques for detecting, tracking, and mitigating small space debris, focusing on scalable methods and technology demonstration programs.

### Urban Air Taxi VR Acceptance Study - US\$165,000

Collaborating with Blue Clarity LLC, under the AAVP and RVLТ Project, our objective is to create a VR-accessible app or website. This will enable a wide-scale passenger acceptance study of virtual urban air taxi flights navigating cityscapes.

### Emerging Tech Exploration for Aeronautics & Space - US\$140,000

Secured with Blue Clarity LLC, this task is for NASA and its Langley Research Center. We're diving into the future by exploring the emerging technology scene, market trends, and insights across domains like aeronautics, space exploration, and science.

### Micro-Gravity Ullage Venting Innovation - US\$105,000

Working with Maven for NASA's NExIS Division, our challenge is to design a solution for venting a tank's gas/vapour mixture without liquid seepage, suitable for integration into propellant tank designs.

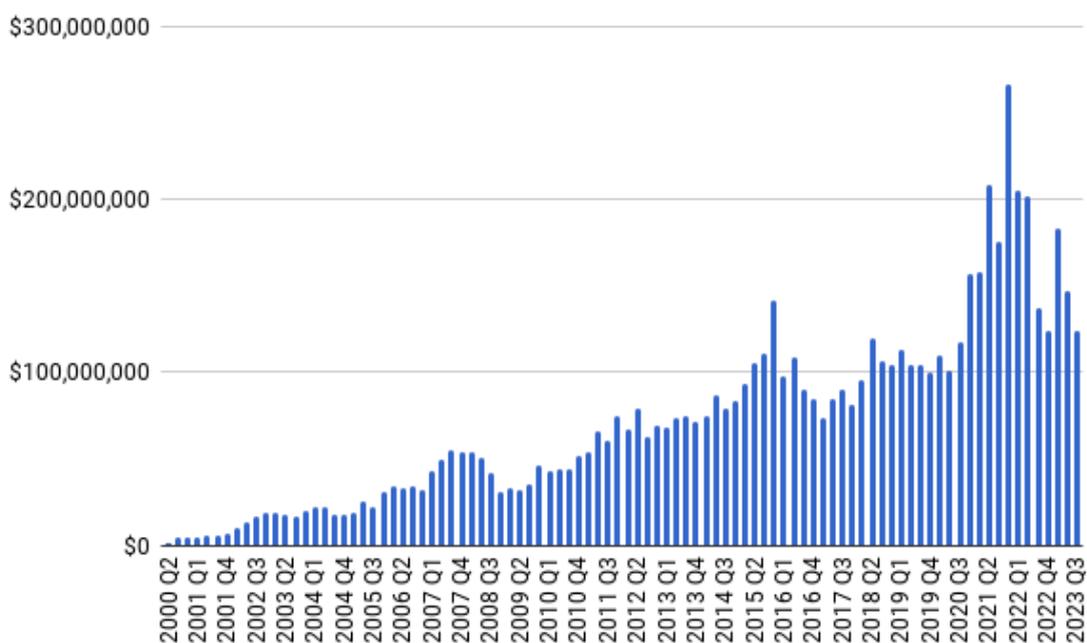
**Enhanced Coverage for Gcov Tool - US\$65,000**

In collaboration with Orion Avionics, Power, and Software Office, we're enhancing the open-source GNU Coverage (gcov) project. This will involve including Modified Condition/Decision Coverage measurements and reports, greatly aiding NASA programs like the Orion Flight Software program.

**Escrow.com**



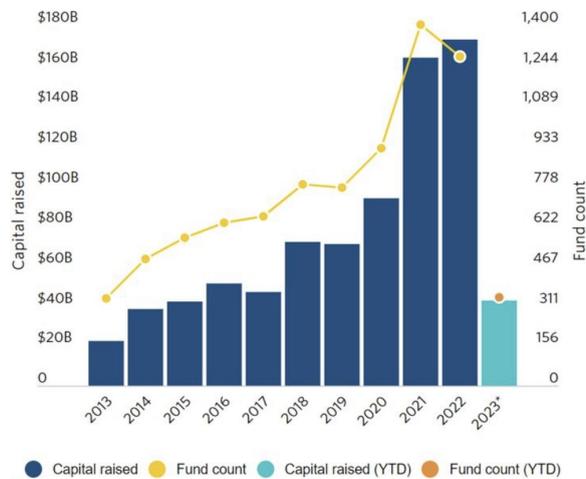
The GMV of Escrow.com in 3Q23 was \$188.2 million, a decrease of 4.8% on the previous corresponding period (pcp) basis, or US\$122.9 million which is a 9.2% reduction on pcp. Despite this dip from the peak in 2021, Escrow's growth trajectory remains consistent with pre-pandemic trends. A notable variance between 2021 and the current quarter lies in the volume from very large transactions (US\$10m or more) in the domain name sector. While an upsurge was anticipated in domain market volume for 3Q23, a slight contraction from \$89 million to \$85 million was observed from 2Q23.



**Figure 14:** Escrow Gross Payment Volume (USD) by quarter since inception

Venture capital investment significantly influences the aftermarket domain market. There's an expected surge in new ventures within the artificial intelligence domain, suggesting a potential uptick in domain market volume. However, 2023 has seen a subdued momentum in venture fund raisings, which is anticipated to rebound in 4Q23.

On a diversification front, Escrow.com is broadening its customer base through its checkout solution. The integration into a major shopping cart Software as a Service (SaaS) platform is a particularly promising venture, with the launch slated for 1Q24, marking a significant step towards diversification and enhanced service provision.



**Figure 15:** Venture Capital Funding

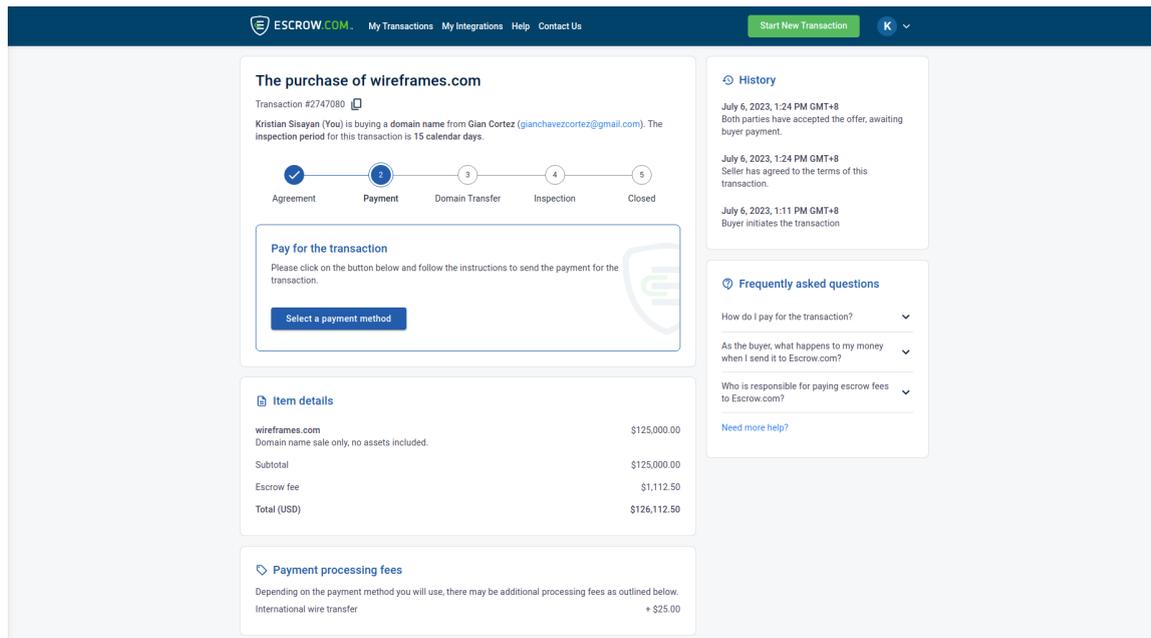
## Product

In 3Q23 the product focus was on automation and enhancements impacting our operational processes, aligning with the objective to bolster Escrow.com's scalability. Through targeted initiatives, we aimed to amplify the efficiency of our backend operations and elevate the overall user experience.

Highlighted advancements include:

- Process enhancements for ACH payments,
- Added automation in due diligence reviews,
- Improvements in payment processing mechanisms.

These steps underscore our dedication to operational excellence, setting a solid foundation for a seamless and robust user interface, all the while keeping an eye on future scalability and efficiency.



**Figure 16: Escrow Product**

The other major product item being worked on is completing an integration with a major player in the shopping cart industry.

The overall priorities for product continued to be:

- Prioritise customer feedback
- Improve the overall KYC experience to best in class
- Reduce friction of the end-to-end transaction flow
- Support more verticals and transaction types
- Provide a better partnership experience
- Automate internal transaction processes

These initiatives demonstrate our dedication to crafting a product that elevates the user experience and embodies a customer-centric approach in its design and transaction flow. Besides augmenting transaction counts, this endeavour also optimises our conversion funnel, making the user journey more streamlined and effective.

### Partner Activity

In 3Q23, Escrow.com actively pursued and continued to support a variety of marketplaces and brokers, including both existing and new partners. Representatives from Escrow.com attended Alibaba Co-Create held in Las Vegas, Nevada.

On the automotive and construction front, significant strides were made with the signing of Trailers.com and SurplusRecord. These online marketplaces, specialising in automotive and construction equipment sales, represent two key verticals that Escrow.com has been actively targeting. By establishing these partnerships, Escrow.com has laid the foundation for

developing a robust pipeline of automotive marketplaces. The pursuit of additional partnerships in these sectors is planned for 4Q23 and 1Q24.

In the Mergers and Acquisitions (M&A) marketplaces, Escrow.com continued to fortify its partnership with Acquire.com, witnessing a consistent month-on-month growth. The M&A sector remains a focal point for Escrow.com with the closure of several M&A transactions through the joint offering expected in 4Q23.

Lastly, in the Intellectual Property (IP) Addresses sector, Escrow.com sustained steady transactions with IP partners and identified growth opportunities stemming from previous IP meetings. Notably, discussions with a large IP broker initiated in Q3 are ongoing, with the aim to finalise a partnership agreement in Q4. Furthermore, Escrow.com successfully closed several high-value transactions, indicating a positive trajectory in this vertical.

### **Domain Names**

The count and value of large domain (>\$1m) transactions was fairly static between 2Q23 and 3Q23. During 3Q23, new partnerships were established with Snagged.com, Etoic Companies Inc, and DomainAgents Platform Inc among others.

The domain name industry continues to see a trend in 2L and 3L .com domain names, as well as one-word .com domain names. Additionally, domain names related to artificial intelligence continue to command high values, with notable examples being prompt.com and chat.com sold earlier in the year through Escrow.com.

### **Loadshift**

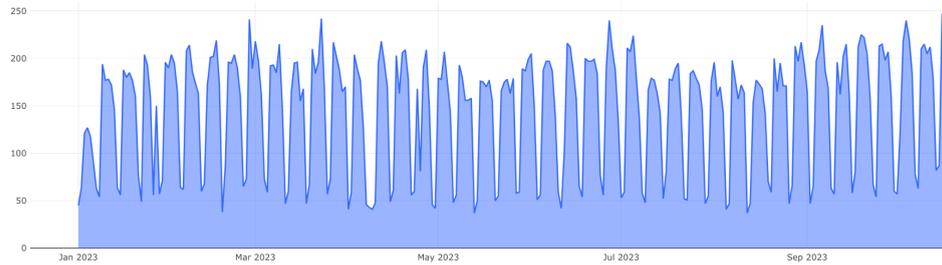


The Loadshift business has now completed a year since it merged with the Freelancer enterprise stack and continued to show robust growth as it transitioned to the marketplace model.

3Q23 saw significant uplifts on the previous quarter (2Q23) including:

- GMV up 39% QoQ
- All-time record for most quotes/day, up 29% QoQ
- All-time record for unique carriers quoting, up 17% QoQ
- Conversion rate on jobs awarded through the platform up 42% QoQ
- Number of reviews on completed loads up 87% QoQ
- Average completed load size: \$3,662, up 0.4% QoQ
- Average freight charge: \$5.56/km, up 28% QoQ

Loadshift was EBITDA positive in the quarter and poised for operating leverage.



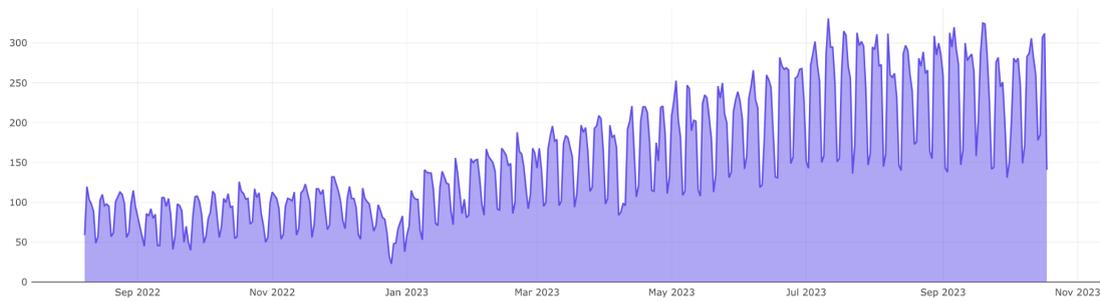
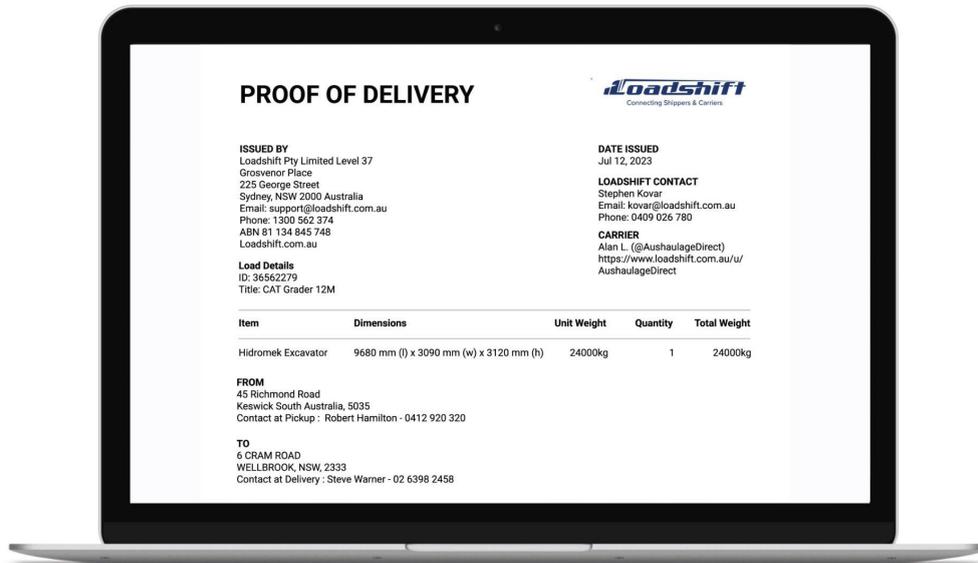
**Figure 17:** Number of loads posted in CY23

Total loads posted for 3Q23 were 13,439 (up 4.6% QoQ). Total kilometres posted were 18,828,260 (up 6.2% QoQ), representing ~\$75m Notional Gross Load Value (NGLV) and an annual NGLV of approximately \$300m.

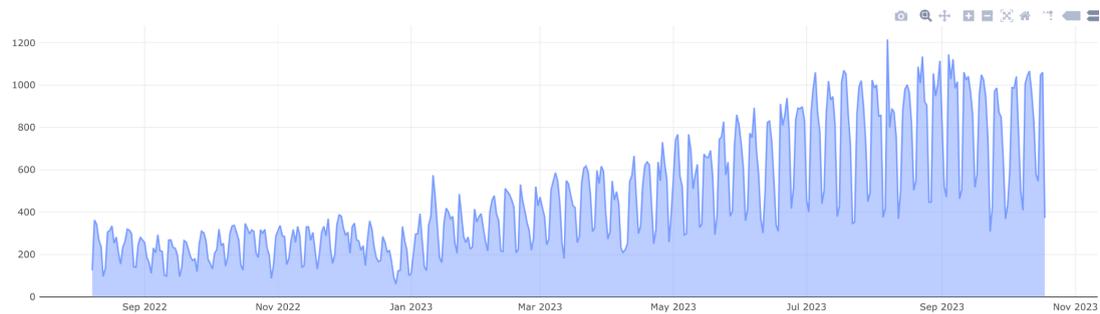


**Figure 18:** Kobelco 30T Excavator from Darwin NT to Darra QLD

In Q3, new features were introduced on the Loadshift site to bolster secure payment adoption, benefiting both shippers and carriers. Enhancements include an updated quoting form allowing carriers to specify dates and truck types, facilitating quicker information exchange and higher award rates. Carriers can now report load issues easily, improving resolution times and overall user experience. An automated proof of delivery document generation was piloted to eliminate manual paperwork, enhancing efficiency and compliance. This feature will be part of a comprehensive load tracking flow launching in Q4, enabling self-serve proof of delivery handling for all users.



**Figure 19:** Daily quoting carriers (since merger)

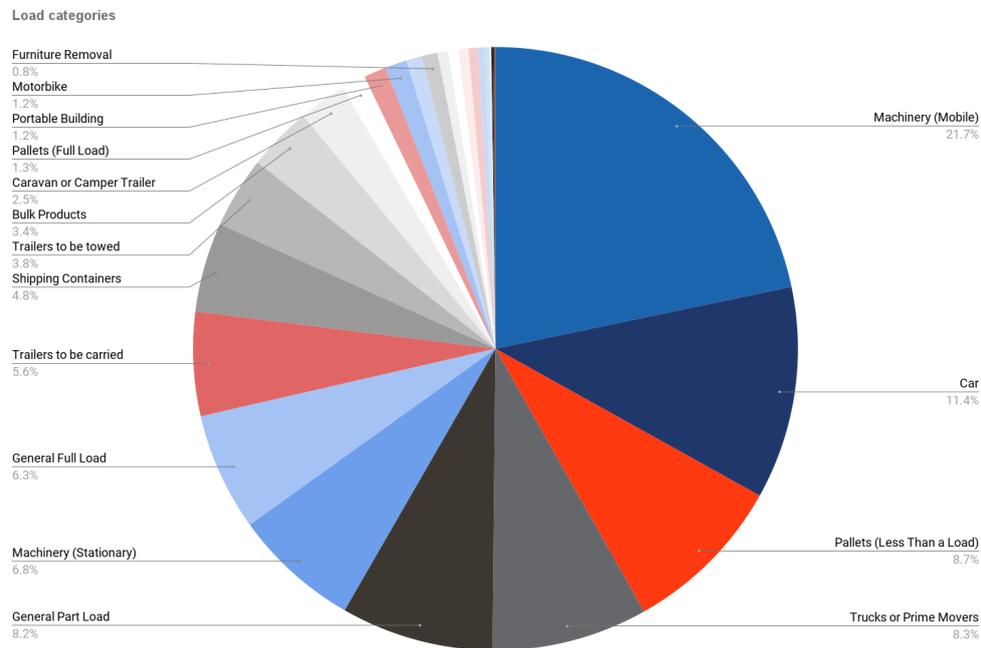


**Figure 20:** Quotes per day (since merger)

### Freight Categories

The freight moved by the group is consistent with the numbers prior to integration. It is diversified but primarily heavy machinery (21.7% mobile, 6.8% stationary) for the mining,

construction and industrial sectors. This is followed by vehicles, cars 11.4%, trucks 8.3%, pallets less than a load 8.7%, general part loads 8.1% and general full loads 5.6%.



**Figure 21:** Loadshift composition in 3Q23

## Management

Tom Pereira came on board as our Deputy Chief Financial Officer in late August. At Just Eat Takeaway.com, he played a pivotal role alongside the CFO, propelling the company from its humble beginnings as a VC-backed entity in Western Europe into one of the world's largest online food delivery marketplaces, listed on three exchanges and active in 20 countries, with over \$AU9b annual revenue. He also spent nearly a year as CFO of Milkrun.

In the recent quarter, we welcomed David Lane to oversee global sales. A distinguished International Technology Leader, David has a proven track record in driving business growth and enhancing technology enterprises. He has expertly advanced revenue in diverse markets including North America, Asia Pacific, the Middle East, and Europe. Recognized for transforming underperforming units, David employs strategic commercial insights with a client-focused approach. Notably, his prior roles include CEO and General Manager at FUJIFILM CodeBlue Australia.

## Group Profitability

Each of the three companies independently and the group as a whole were Operating EBITDA positive for the quarter.

## Conclusion

The group had positive operating cash flow of \$1.0 million for 3Q23 (3Q22: negative \$3.2 million) and ended with cash & equivalents of \$23.5 million, up 1.7% on 1H23.

**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 69 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.

End



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OUR PROJECTS

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