

Market Announcement | 23 October 2024

3Q24 Business Update

Freelancer Limited delivers GMV in 3Q24 of \$279.8 million, up 25.9% on pcp.

- Freelancer GMV \$32.8m, down 3.8% on pcp
- Escrow.com GMV \$247.0m, up 31.2% on pcp

Group net cash receipts \$14.2m, up 3.9% on pcp:

- Freelancer cash receipts \$10.9m, down 4.3% on pcp
- Escrow.com cash receipts \$3.3m, up 44.9% on pcp

Group achieved positive NPAT for the quarter.

Group had positive net operating cash flow of \$2.3 million for 3Q24 (3Q23: \$1.0), YTD \$4.4 million up 88% on pcp.

The quarter ended with cash & equivalents of \$21.7 million, up 2.7% on 1H24.

SYDNEY, 23 October 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 3Q24.

All figures in \$Am (Unaudited)	Third quarter				Year to date			
	3Q24	3Q23	% pcp	% in USD	YTD24	YTD23	% pcp	% in USD
GMV*								
- Freelancer	32.8	34.1	(3.8)%	(1.8)%	97.5	99.3	(1.9)%	(2.8)%
- Escrow.com	247.0	188.2	31.2%	35.0%	632.1	672.8	(6.1)%	(6.8)%
Total	279.8	222.3	25.9%	29.4%	729.6	772.2	(5.5)%	(6.3)%
Cash receipts from customers								
- Freelancer	10.9	11.4	(4.3)%	(2.0)%	31.9	35.0	(8.9)%	(9.7)%
- Escrow.com	3.3	2.3	44.9%	48.9%	8.1	7.1	13.8%	13.0%
Total	14.2	13.7	3.9%	6.4%	40.0	42.1	(5.1)%	(5.9)%
Operating cash flow	2.3	1.0	138.8%	n.a.	4.4	2.3	88.2%	n.a.
Cash and cash equivalents	21.7	23.5	(7.7)%	n.a.	21.7	23.5	(7.7)%	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 3Q24, Freelancer GMV was \$32.8m, down 3.8% on pcp. Freelancer net receipts from customers was \$10.9m, down 4.3% on pcp.

Marketplace

In 3Q24 we added 1.96 million new users and 204k new projects to the marketplace. The average project size in 3Q24 was US\$258, down 5.5% 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.

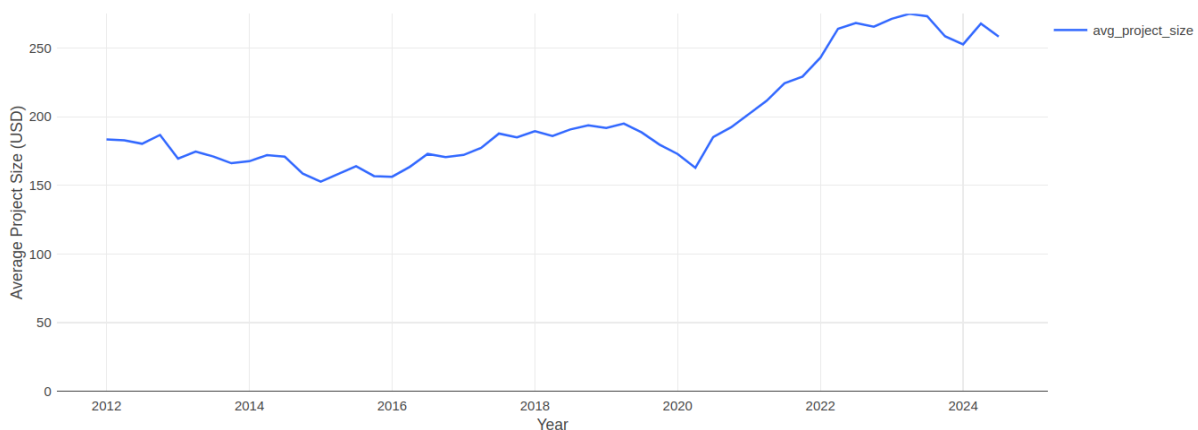


Figure 1: Average project size (US\$) incl. Enterprise & Loadshift

¹Metric 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).

Marketplace liquidity improved substantially in 3Q24, the average bids per project now at 47 (up 11.9% on pcp), and average entries per contest now at an astonishing 414 (up 36.6% on pcp).

User acquisition has shown remarkable improvement, with new client deposits (measured by value in the first 30 days after signup) up 25% year-on-year in USD terms. This represents a dramatic turnaround from the 7% decline recorded in the previous corresponding period—a positive swing of 32 percentage points. These stronger, more valuable user cohorts are progressively replacing earlier groups, establishing a foundation for sustained growth. We detail the drivers behind this successful transformation later in this report.



Figure 2: YoY growth in new client deposits (USD)

Throughout the year, we've implemented a series of targeted product enhancements that have measurably improved user retention. These improvements, validated through A/B testing, span product quality and user experience optimisation.

First-week client retention has increased by 5% compared to the previous corresponding period on a rolling weekly basis. This metric is particularly significant as improvements in client retention have an outsized impact on our core marketplace financial performance, creating a multiplier effect on overall growth.

Our sustained focus on incremental improvements has enabled our core marketplace to avoid typical Northern Hemisphere summer seasonal declines. At the time of writing, we are achieving positive year-on-year growth across three key metrics—GMV, revenue and deposits—on a rolling monthly basis. The trajectory is clear in our year-on-year fee and GMV data, showing consistent improvement since February, when we began closing the gap before ultimately surpassing prior year performance.

The following two graphs show GMV from “rookies” (new clients) and GMV overall, and the continued improvement of both from operational focus.

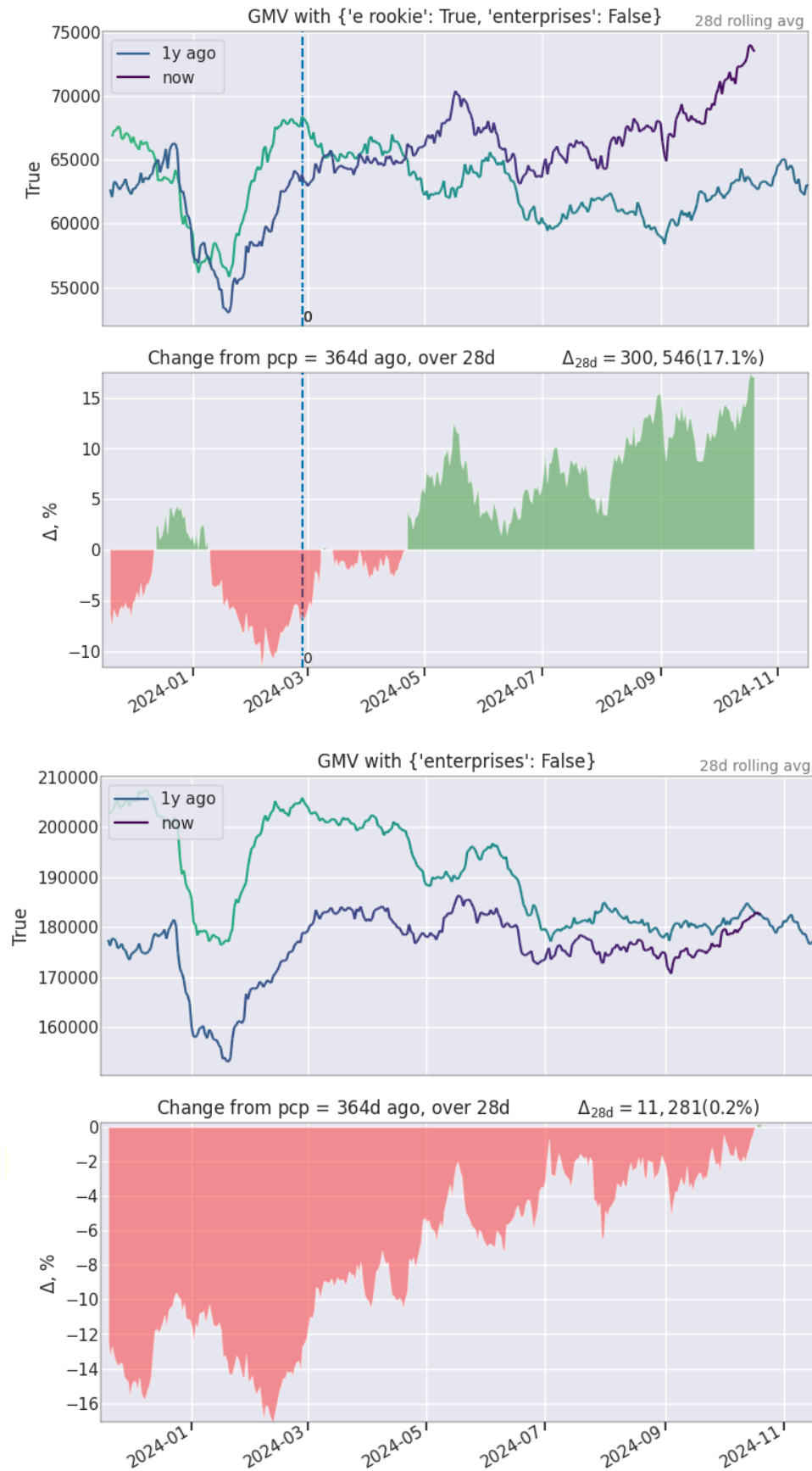


Figure 3: YoY performance in key statistics.

For the remainder of the year and looking forward to next year, our primary focus will be on achieving substantial year on year growth.

Marketplace Product

In 2024, our product focus is:

- 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 in FY24 is to move towards a position of leadership in this space.

Turn Freelancer from a painkiller into a narcotic

Improving client retention remains the greatest lever we have in terms of driving long term sustainable revenue growth. Our strategy to achieving improvements in this space consists of a multipronged approach, focusing on:

- 1) Improving product quality across the board. We believe that this has a direct impact on overall customer experience and their propensity to retain as longer term clients.
- 2) Introducing new sticky and retentive products into the marketplace. Examples of this include our work on collaboration, including Project Updates & Workrooms.
- 3) Improving marketplace conversion, liquidity and matching quality. Most of our day-to-day AB testing and experimentation is focused in this area.

In terms of product quality, we have continued to lift our standards for new product development, alongside conducting regular reviews of the existing product, focused primarily on short-term incremental improvements.

In 3Q24 we successfully AB tested and released our Workrooms & Project Updates products into the core client flow. Very early signs of substantial retention improvements have been observed, and we look forward to continuing to iterate on this product in the coming months.

On the conversion side, we successfully AB tested using AI to improve conversion of new clients, resulting in the count of clients with GMV up 9% within 14 days, and up 14% within 21 days. We have a number of other conversion-focused AB tests ready for imminent release, and look forward to reporting on them in 4Q24.

All of these efforts have helped culminate in a 5% lift on pcp for first-week client retention. We believe there is still enormous potential for improvement in this space, with even small improvements delivering outsized returns.

Reinvent the world of work in the AI revolution

We continue to be enthusiastic adopters of new and innovative AI technologies. In particular, we have made a substantial product and engineering investment in agentic AI, building a world-class framework for use across a variety of business areas, including but not limited to support, managed services, sales, product onboarding, client activation & more.

Furthermore, our marketing efforts, alongside macroeconomic trends, are rapidly driving AI as a major category of work on the website. GMV from this category has nearly doubled in this quarter alone (Figure 4).

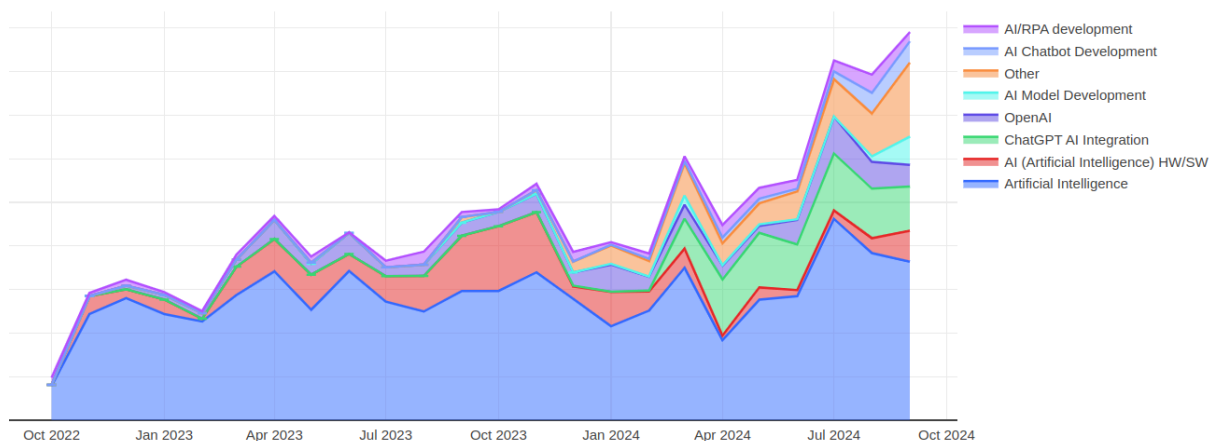


Figure 4: AI category GMV.

Improve acquisition through organic channels

New client acquisition shows strong momentum, with first-30-day deposit values now up 25% year-on-year in USD terms. Across 3Q24 in its entirety these were up 9% and new client revenue up 6.6% in USD terms.



Figure 5: New User Deposits in first 30 days

This growth stems from multiple channels:

Search Engine Marketing (SEM) optimisation has yielded significant efficiencies, delivering 19% volume growth year-on-year on a rolling monthly basis with flat costs. While this channel is now operating at sustainable profitability levels and requires less strategic focus, we continue to fine-tune operations to gradually expand volume whilst improving margins.

Search Engine Optimisation (SEO) has adapted successfully to an AI-driven landscape, achieving 60% volume growth year-on-year on a rolling monthly basis. We maintain a strategic focus on this rapidly evolving channel, ensuring we capitalise on emerging opportunities.

Direct traffic has grown substantially, with volume up 21% year-on-year on a rolling monthly basis, reflecting strengthened word-of-mouth referrals and enhanced marketing effectiveness.

Our AI-first job posting experience continues to deliver significant conversion improvements through ongoing optimisation. This success demonstrates AI's tangible impact in addressing fundamental marketplace challenges.

We have strengthened our marketing capability with the appointment of a Brand Marketing lead, tasked with modernising our brand identity and developing upper-funnel marketing initiatives. This expansion includes awareness-focused campaigns across creative platforms such as TikTok and Instagram, alongside targeted communications to our substantial existing client base. While immediate returns are not expected, this strategic investment lays the foundation for diversifying our marketing channels.

The upcoming launch of our Services marketplace represents a significant opportunity for client acquisition. This curated, e-commerce-style experience provides an accessible entry point for new clients, complementing our traditional project-posting platform. Moreover, the Services marketplace creates additional opportunities to cross-sell and upsell to existing

clients, supporting our retention objectives and providing pathways to our higher-value offerings.

Crafting a world leading UX and design that wins awards

In 3Q24, we completed the rollout of 'dark mode', a significant platform enhancement driven by user demand. Following extensive beta testing and user feedback, the feature delivers a modern, eye-friendly interface optimised for low-light environments. The overwhelmingly positive reception validates our user-centric approach to platform development and strengthens our commitment to design excellence.

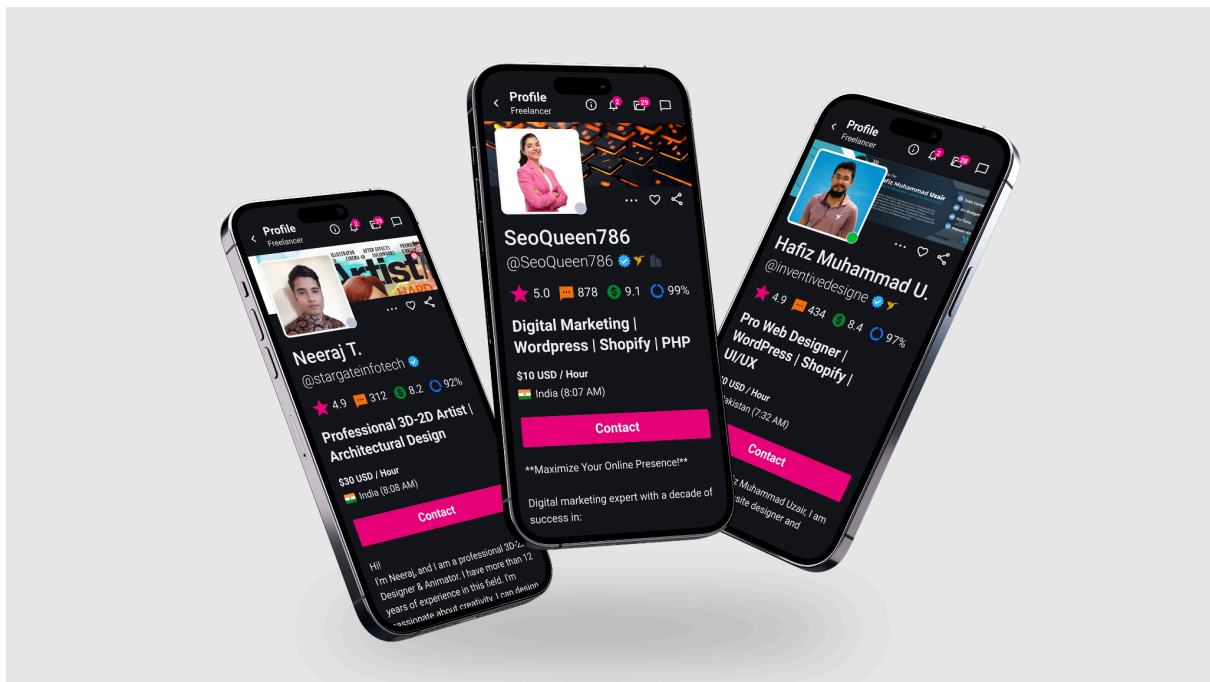


Figure 6: Dark mode

In 3Q24, we enhanced the mobile responsiveness of freelancer profile pages based on user feedback. These improvements enable better portfolio presentation across devices while maintaining a modern, user-friendly design. We continue to refine our platform to showcase freelancer capabilities more effectively.

Customer Satisfaction

Freelancer is the highest ranked of all major freelancing platforms globally for customer satisfaction, with a rank of 4.5 “Excellent” (out of 14,790 reviews) on Trustpilot, and a score of 4.7 (out of 17,984) reviews on SiteJabber. Moving from customer satisfaction to customer delight remains a core focus of the entire team working on the core marketplace.

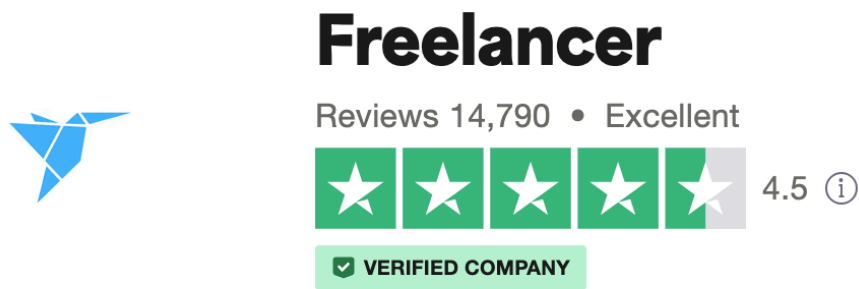


Figure 8: Freelancer Trustpilot Rating

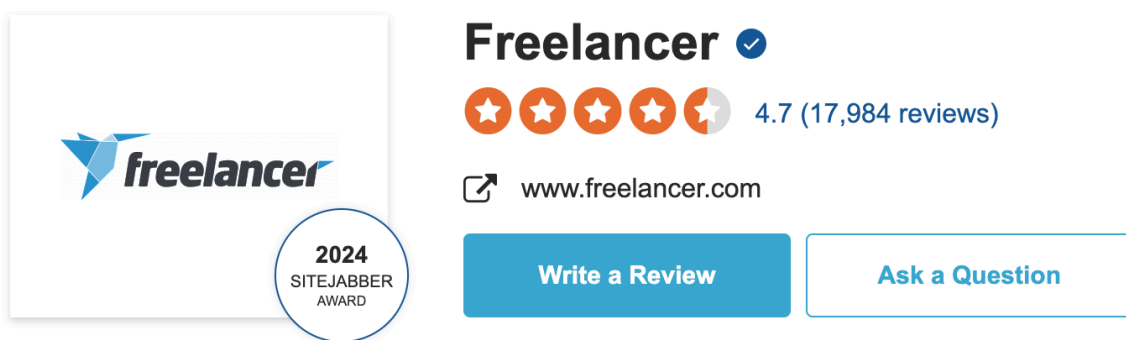


Figure 7: Freelancer Sitejabber Rating

Enterprise



The Freelancer Enterprise division continues to expand its reach through new initiatives and strategic partnerships.

Generative AI Training Partnerships

We secured a major collaboration to provide cloud workforce training for one of the world's largest foundational AI models. Through our Global Fleet program, we qualified over 100,000 freelancers across 52 languages. The partnership's success has led to six additional AI training projects, with development underway for direct platform integration to scale our workforce deployment.

Enterprise Client Growth

New vendor onboarding is progressing across pharmaceutical, automotive, industrial technology, augmented reality, IT services, AI video creation and beverage sectors, including several Global 2000 and Fortune 500 companies. A significant partnership with a global IT services leader operating in 90 countries further strengthens our enterprise portfolio. Government contract expansion continues to be a strategic priority.

Client Activation

Our redesigned activation program has driven increased engagement across oil & gas, FMCG, e-commerce, healthcare and technology sectors. Clients are showing greater adoption of Freelancer as their primary talent marketplace. We are expanding our enterprise team to support this growth.

Government Partnerships

We signed a training and development agreement with the Bahrain Labor Fund (Tamkeen), supporting local talent development and market access. This partnership provides a repeatable model for both government and private sector expansion.

E-commerce Sector Expansion

A major e-commerce account has expanded across multiple global teams, establishing repeatable workflows in translation and related services. Engagement with their Global Head of Contingent Workforce and territory managers has opened discussions for contract expansion.

Healthcare Technology Services

A leading healthcare technology client has integrated our Global Fleet program for ongoing data-related tasks, leveraging our network for high-volume, specialised requirements.

Global Fleet: Revolutionising Workforce Solutions

Freelancer's Global Fleet Program now provides vetted talent across 247 countries, regions and territories. This enterprise solution delivers end-to-end workforce management, including sourcing, training, quality assurance and operational support.

We are building specialised talent pools for Fortune 500 clients in key areas including data analytics, translation, engineering implementation and video services. Our enterprise product group complements these offerings with workflow integration capabilities that align seamlessly with client systems.

We continue to enhance our talent matching and project management capabilities through technology investment, deepening our relationships with Fortune 500 clients and strengthening our position in enterprise talent solutions.

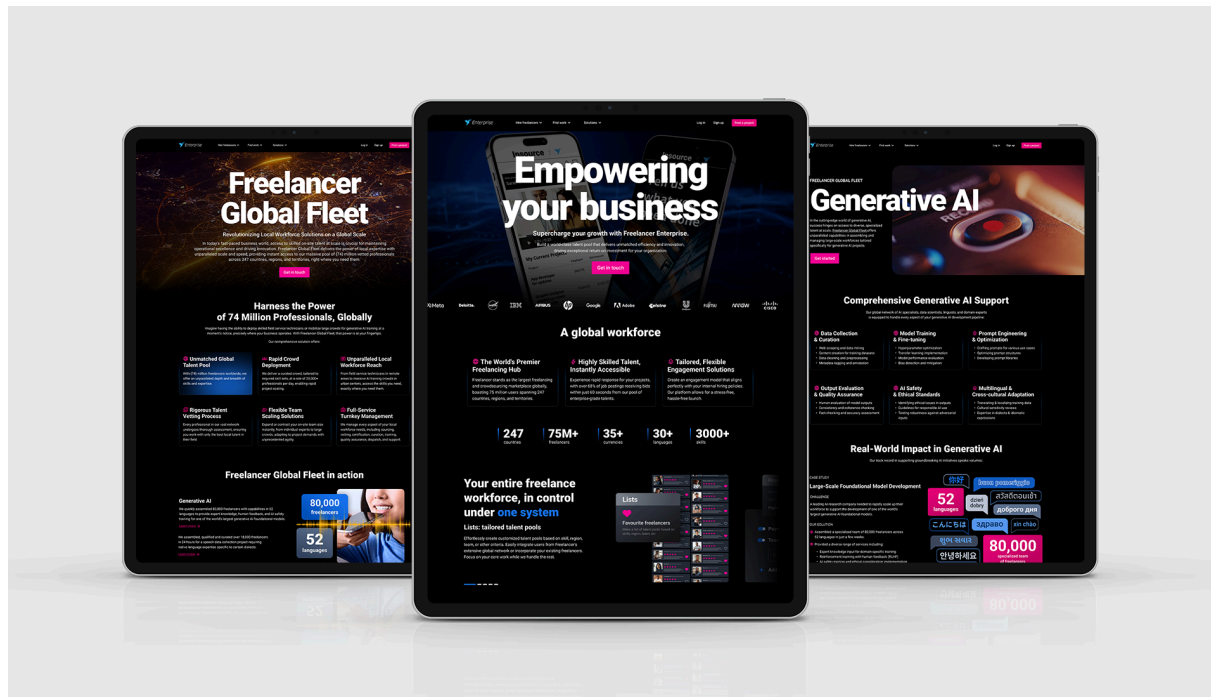


Figure 8: Freelancer Global Fleet expands to Generative AI training

Global Fleet Generative AI Training

Freelancer's Global Fleet program has made significant strides in its Generative AI training initiative, launched earlier this year to address the growing demand for specialised AI development support. As of Q3, this initiative has cumulatively generated over \$500,000 in spend, demonstrating strong market traction.

A cornerstone project involves a major client developing a Generative AI foundational model, with over 100,000 freelancers available engaged in this large-scale effort. To support continued growth and ensure scalability, Freelancer is actively developing robust infrastructure to meet the increasing demand in the rapidly expanding Generative AI sector.

Moving forward, Freelancer aims to enhance its capabilities in this high-growth area by expanding its AI-specialised freelancer pool, developing targeted upskilling programs, and exploring partnerships with leading AI research institutions and technology companies.

This strategic initiative positions Freelancer at the forefront of on-demand talent solutions for the evolving AI industry.

Global Fleet: Field Services

Our operations now span 48 cities across five countries, delivering technical services from monitor replacements to laptop repairs and printer installations. Having completed over 90,000 jobs to date, we continue to expand our reach and capability. Work order volumes

increased 81% compared to the previous corresponding period, reflecting our ability to scale while maintaining service standards.

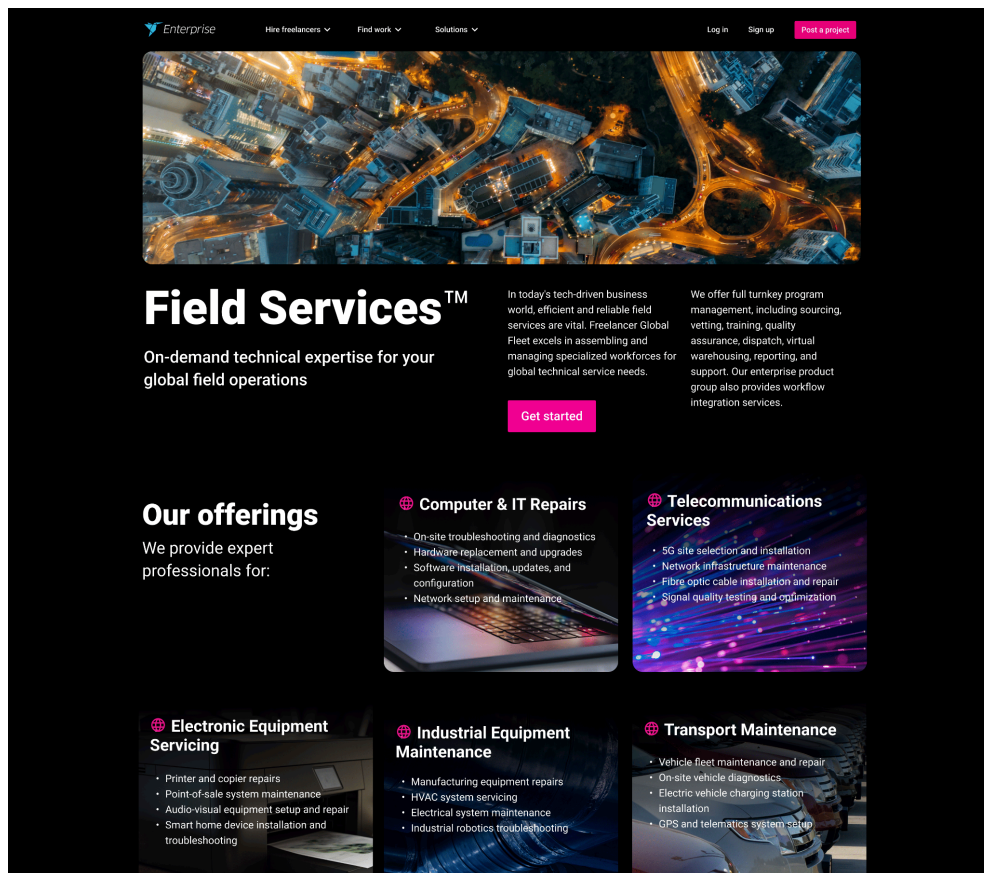


Figure 9: Freelancer Global Fleet Field Services

NASA & U.S. Government

Freelancer leads in Crowd-Based Innovation Challenges, partnering with US Federal Government agencies to source innovative solutions through our global freelancer network. We currently manage eight initiatives with combined prizes exceeding US\$10 million.

Recent multi-year task orders with small business partners include:

- NASA Climate business models (Ensemble)
- Bureau of Reclamation PFAS Water Detection (CrowdPlat)
- National Institutes of Health Data Sharing "S-Index" Challenge (yet2)

Bureau of Reclamation Counting Every Drop Challenge



The Bureau of Reclamation's Precipitation Measurement Challenge has concluded, awarding US\$239,000 to three winning teams for their innovative prototypes. The two-year competition, running from August 2022 to August 2024, included eight months of field testing across two phases. Winning solutions incorporated cutting-edge technologies including solid-state sensors and machine learning, alongside creative adaptations of existing designs.

Winners:

- Precipitation Measurement with Advanced Solid-state Sensors (PMASS), USA
- Rahavi Brothers' Intelligent Precipitation Measurement System (IPMS), Canada
- Precipitation Gauge with Redundant Array of Weight Scales (PGRAWS), USA

NASA Space ROS Sim Summer Sprint Challenge



The Space Robot Operating System (Space ROS) Challenge enhances NASA's open-source robotics framework for future space missions. Built on ROS 2, Space ROS is specifically designed for safety-critical space robotics applications. The challenge, which ran from July to September 2024, attracted submissions that will expand the framework's capabilities. Judging is currently in progress.

NASA Lunar Navigation Challenge



NASA's "Find Me On The Moon" Lunar Navigation Challenge offers a US\$50,000 prize pool for innovative solutions to navigate the lunar south pole. Running from September to November 2024, the challenge seeks either low-tech orienteering devices or methods to survey and map Shackleton Crater's floor. Winning solutions may be implemented in future lunar missions.

TARGETED Genome Editor Delivery Challenge

The National Institutes of Health TARGETED US\$6M Challenge advances genome editing technology through innovative delivery solutions for somatic cells. Following December 2024's Phase 1 winners, Phase 2 participants are preparing experimental data submissions for January 2025. Freelancer supports participants through information sessions with doctors, professors and US government representatives.

NASA Collaboration Updates

GCov Enhancement Project In partnership with NASA's Orion Avionics, Power, and Software Office, we're enhancing the open-source GNU Coverage (gcov) project by implementing Modified Condition/Decision Coverage capabilities, supporting critical programs like Orion Flight Software.

Urban Air Mobility Research Tool

PreviewLabs, through Blue Clarity LLC, has delivered a virtual reality prototype to NASA's Advanced Air Vehicle Program. This VR tool simulates air taxi flights to assess passenger comfort levels, supporting NASA's urban air transportation research.

Escrow.com



Escrow.com Gross Payment Volume (GPV) in 3Q24 grew to AU\$250.1 million (US\$168 million), rising by 31% year-on-year.

We finished the quarter on a high note, with September recording the third-highest revenue and in Escrow.com’s history. This milestone reflects the positive momentum we’ve built throughout the year and a series of high-value transactions led by our existing partners, and is on track to hit its fourth consecutive year of profitability. We have also seen improvements in gross margins.

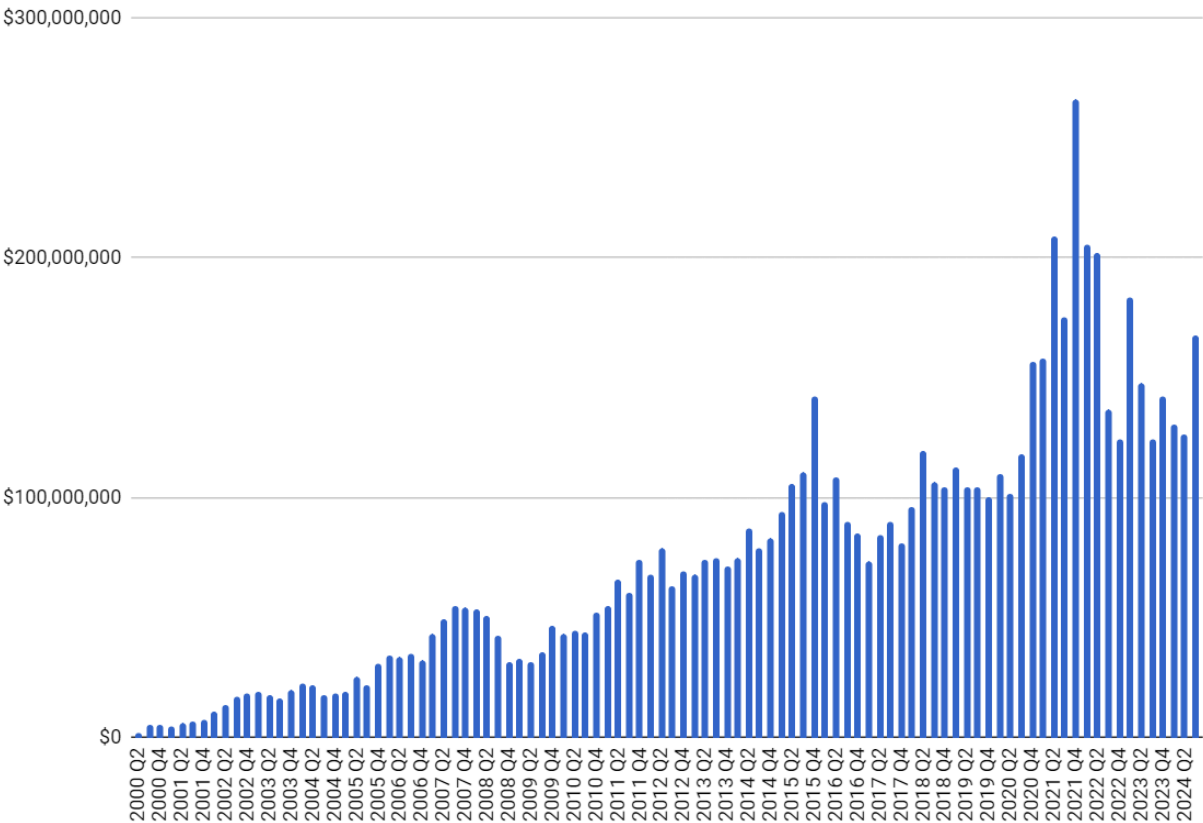


Figure 10: Escrow Gross Payment Volume (USD) by quarter since inception

E-Commerce

The third quarter saw continued work put towards integration of our eCommerce checkout with one of the world's largest shopping card platforms, which processes over \$75 billion per annum in transaction volume. Trials are scheduled for 4Q24, with other major shopping carts lined up for Escrow.com integration.

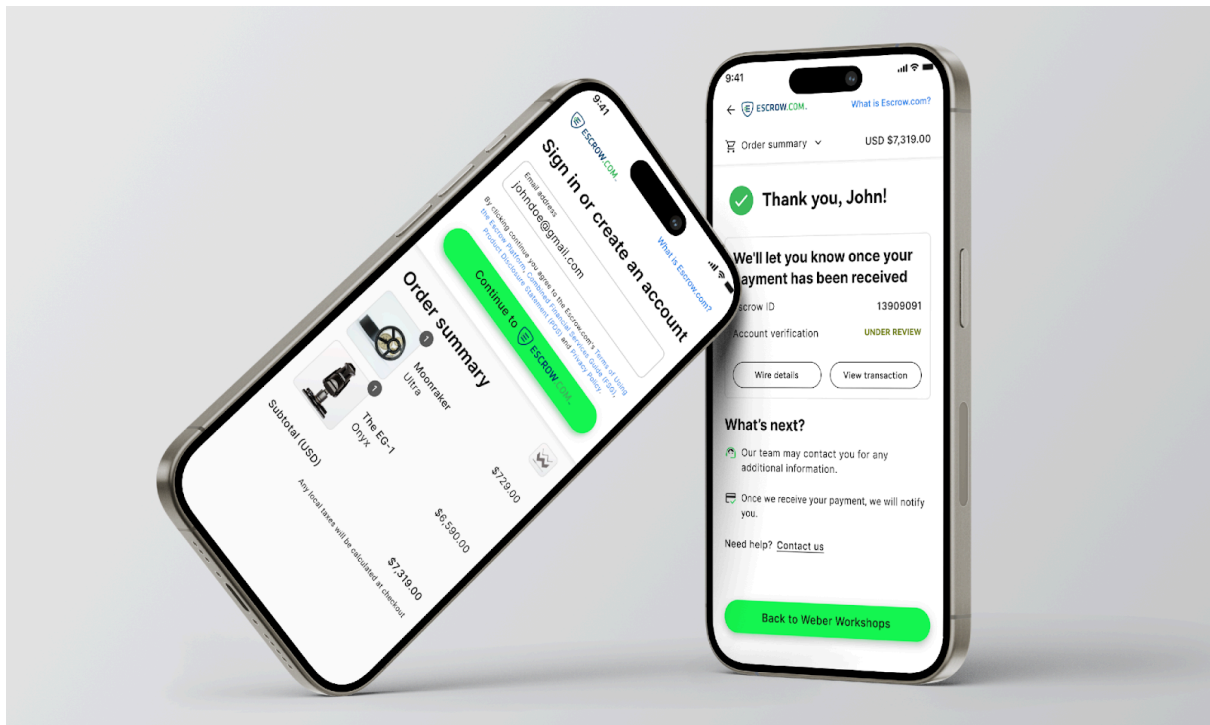


Figure 11: New Escrow.com Checkout Experience

Automotive

During 3Q24, engagements continued with some of the largest automotive marketplaces in North America. As part of this, Escrow.com explored partnerships with major service providers in the US. Partnering with adjacent automotive services yields an opportunity to strengthen our position in the market by adding additional customer value outside of our current offerings

Escrow.com is also in discussion with a market leader automotive marketplace in APAC to provide transaction services for their marketplace. We are also in contention to partner with another marketplace facilitating automotive transactions spanning across Europe, APAC and the Middle East.

As we strengthen our current service offerings and discussions continue to take place with key players in the industry, Escrow.com is focused on further market penetration to solidify our platform as the go-to provider for online automotive transactions.

IPv4

In the quarter, Escrow.com closed an all-time record transaction in this space of US\$50 million with a leading global technology and cloud provider. This marks another major milestone in our six-year partnership with the IPv4 brokerage and consultancy firm, which has seen over US\$240 million in sales.

Domain Names

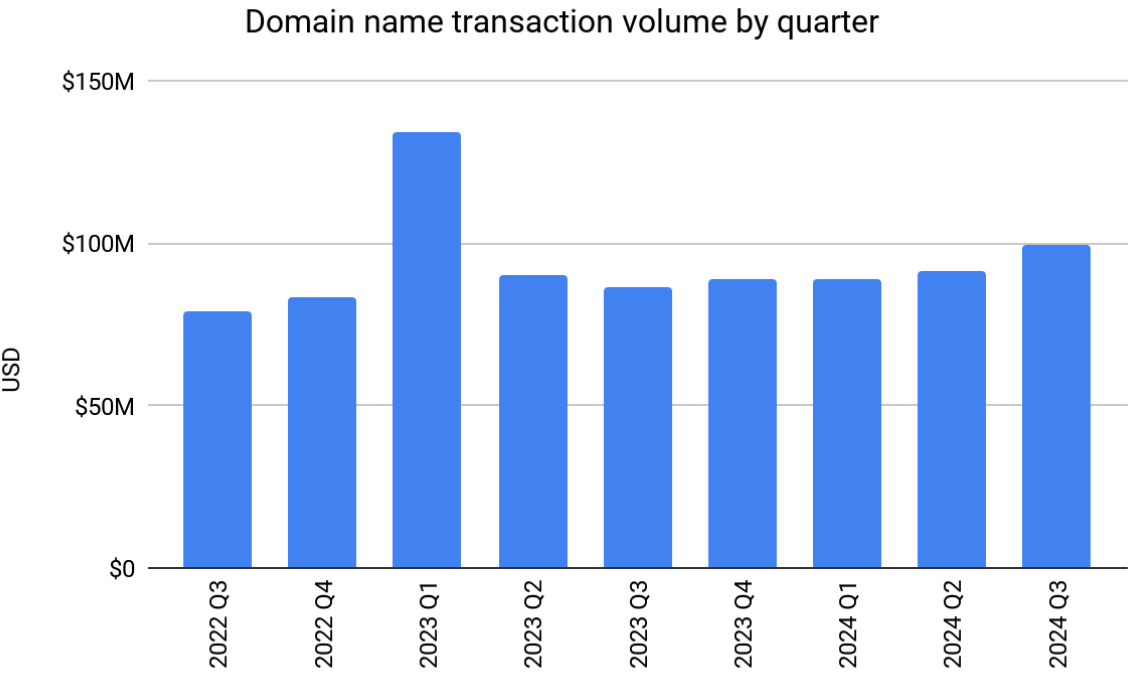


Figure 12: Total domain name sales by quarter (Escrow.com)

In 3Q24, total domain sales facilitated through Escrow.com closed at \$99 million (8.6% up from 2Q24). In the third quarter we saw an increase in volume in high value domain name transactions.

Loadshift



Figure 13: Treatment plant transported from Boonanarring to Nambung WA on Loadshift

Job Postings for the quarter totaled 11,618 loads, marking a 13.4% decrease compared to the previous corresponding period (pcp). Despite this decline, platform engagement showed significant improvement, with the number of quotes rising by 27.6% on pcp to 93,966. This increase in quoting activity translated to 8.1 quotes per job, representing a substantial 47% uplift on pcp and indicating heightened competition and engagement among carriers.

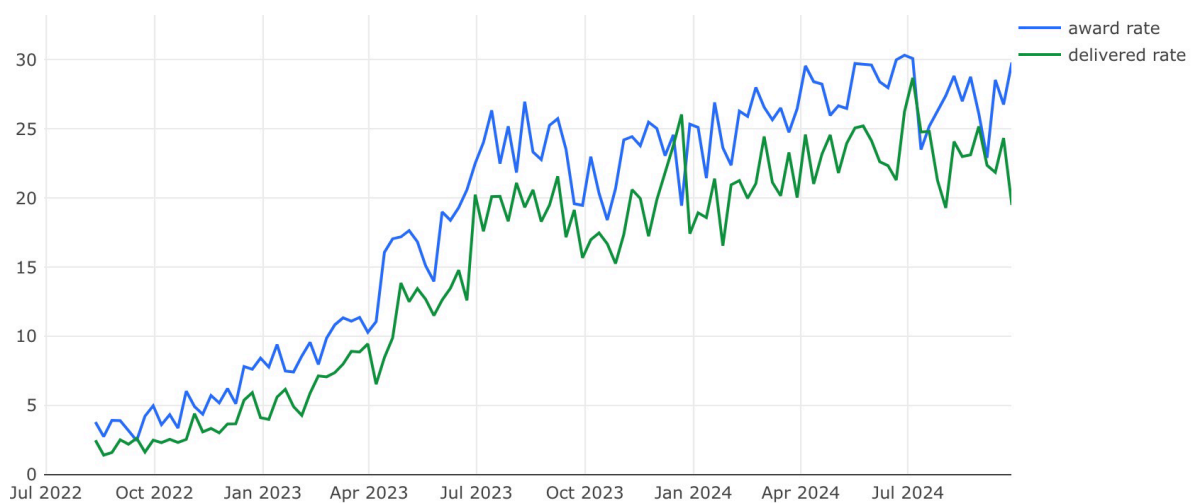


Figure 14: Weekly award and delivery rate

Awarded loads remained relatively stable at 3,155, while the award rate saw a notable improvement, reaching 27.2%, which is a 15.3% increase on pcp. Delivered loads also demonstrated positive momentum, increasing by 4.6% on pcp to 2,722. The delivered rate showed particularly strong growth, improving by 20.6% on pcp to reach 23.4%.

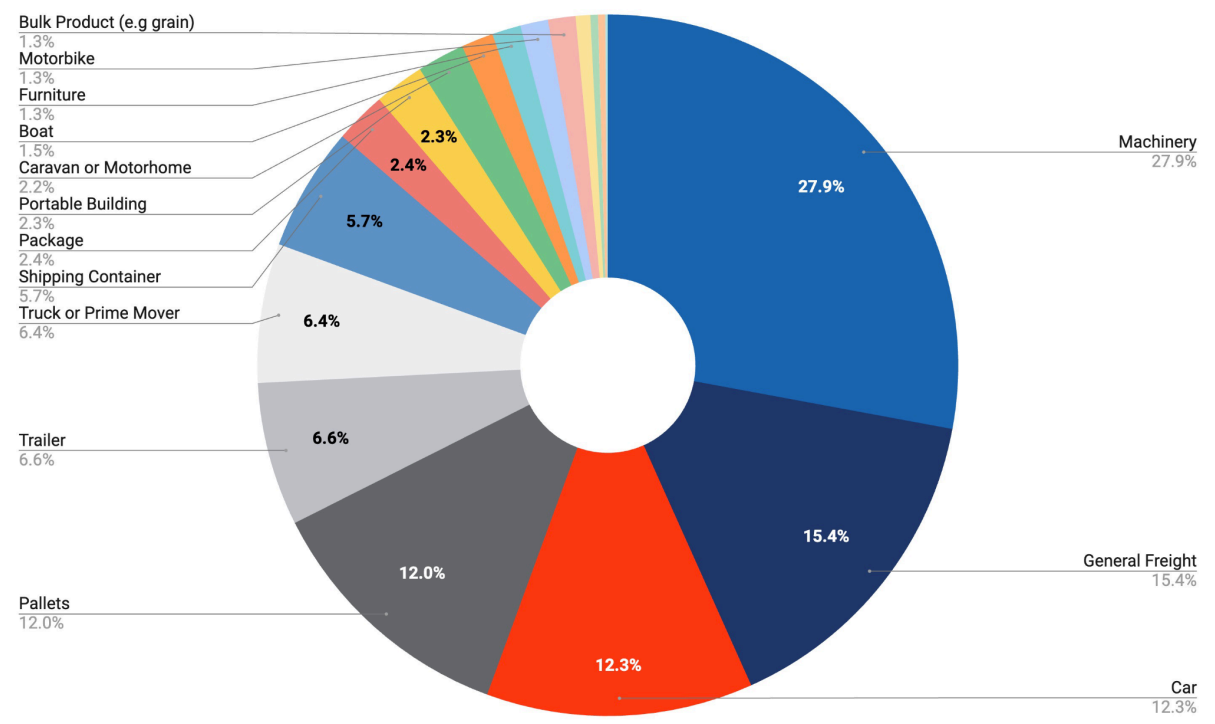


Figure 15: Breakdown of freight categories posted

Loadshift has launched a new Load Tracking feature, enhancing control and visibility throughout the freight process. This innovation allows clients to provide comprehensive load details and enables carriers to offer real-time updates, including journey status and consignment note submission.

The feature facilitates detailed load information sharing, real-time journey status updates, digital consignment note submission, and photo upload capability at pickup and delivery points. The figure below illustrates the Load Tracking feature's interface and functionality.

This addition underscores Loadshift's commitment to improving operational efficiency and user experience in freight logistics.

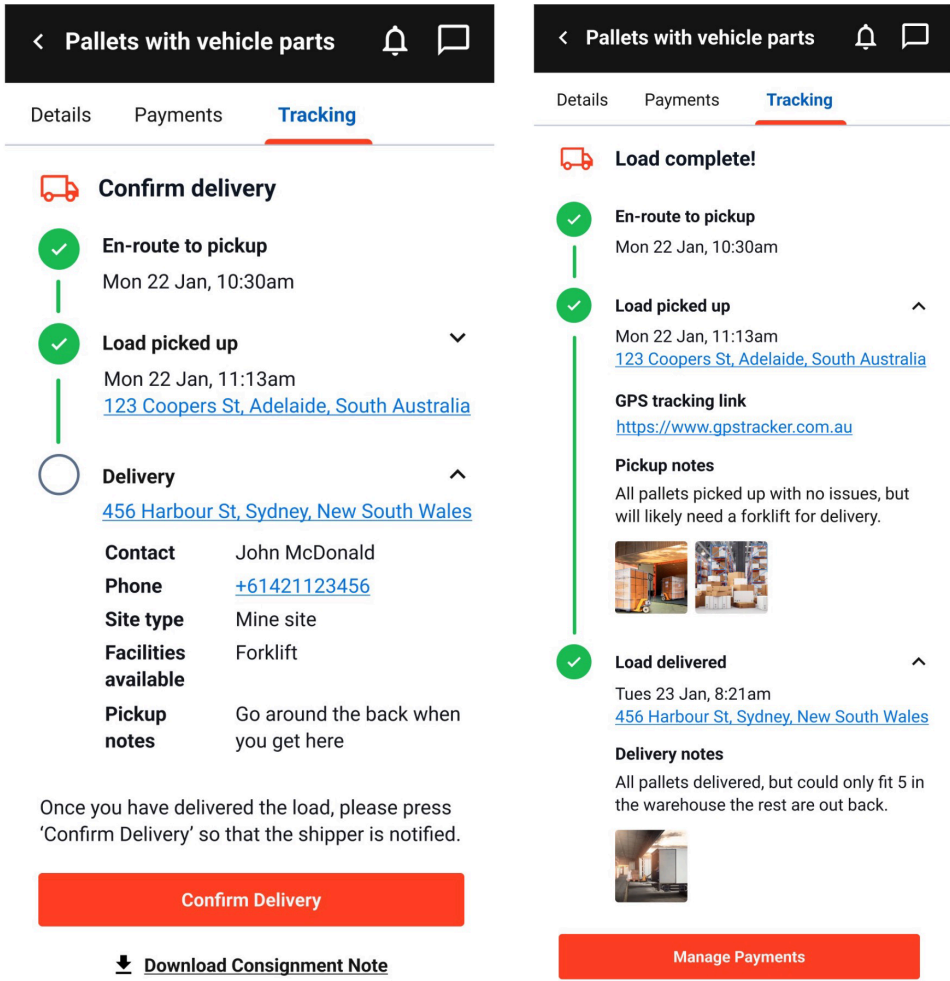


Figure 16: Recently launched Load Tracking feature

Conclusion

The group had positive operating cash flow of \$2.2 million for 3Q24 (3Q23: \$1.0 million), and was \$4.4 million year-to-date, up 88% on pcp.

Additionally, the group achieved positive NPAT in 3Q24.

The group ended with cash & equivalents of \$21.7 million, up 2.7% on 1H24.

For more information please contact:

Neil Katz
Chief Financial Officer
Freelancer Limited
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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 75 million registered users have posted over 24 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\$8 billion in transactions secured. Freelancer also owns Loadshift, Australia's largest heavy haulage freight marketplace with over 800 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.