

Market Announcement | 22 Feb 2022

FY21 Business Update

Freelancer Limited delivers all-time record Gross Payment Volume in FY21 of \$1,259.7 million (up 41.3% on pcp) or US\$943.9 million (up 52.6% on pcp):

- **Freelancer GMV \$134.5m down 5.2% on pcp (US\$101.1m, up 3.4%)**
- **Escrow all-time record GPV of \$1,079m, up 54.3% on pcp (US\$808.3m, up 66.3%)**

Revenue \$57.4m (down 2.3% on pcp) or US\$43.1m (up 6.4%):

- **Freelancer revenue \$46.1m down 8.8% on pcp (US\$34.6m, down 0.5%)**
- **Escrow all-time record revenue \$11.3m up 37.3% on pcp (US\$8.5m, up 48.6%)**

In Australian dollars, FX was a headwind of -8.9% in the year as the Australian dollar appreciated against the USD from an average of 0.6903 to an average of 0.7516.

Approximately 74% of group revenue is USD and 6% is AUD.

Group Operating EBITDA was (\$2.7m), NPAT (\$2.3m).

Escrow.com was profitable in FY21 with EBITDA of \$1.7m.

Operating cash flow for the year was \$2.6 million (FY20: \$7.9 million).

Cash & cash equivalents Dec 31 of \$30.3 million, down \$4m on 31 Dec 2020, of which \$4m was used for the Loadshift acquisition.

Escrow ended the quarter with off balance sheet cash of US\$47.0 million.

SYDNEY, 22 February 2022 - 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 financial results for the full year 2021.

The Freelancer Group primarily consists of Freelancer.com- 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 to large enterprises require as part of their everyday business.

Freelancer.com



Summary

Freelancer revenue was flat for the year at US\$34.6 million (down 0.5%). GMV was US\$101.1m, up 3.4%.

In brief:

- We started the year strong in 1Q21 with the best year on year growth in GMV since IPO (US\$25.9m, up 23.6% on pcp).
- FY21 saw significant improvements to the core product, with all of our efforts on merging codebases and overhauling our mobile experience paying off in the form of increased productivity and speed of shipping new product features.

However:

- Macroeconomically northern hemisphere seasonality was far more pronounced in 2H21 due to the abatement of lockdowns and other restrictions. This was benchmarked against 2H20 where there was no seasonal drop, due to lockdowns. Simply- people in the Northern hemisphere got out and enjoyed an extended summer holiday period for the first time in two years.
- More importantly, in 2Q21 we made significant alterations to our predictive ad targeting models to improve customer acquisition. These improvements improved the profitability but cut advertising spend more than forecast. Bringing the spend back up under the new, higher profitability targets took longer than expected. Coupled with pronounced seasonality this turned FY21 from the best start since IPO in 1Q21 to a flat year.

Seasonality & Covid

Seasonality for Freelancer is shown in Figure 1 for the four years prior to Covid. In 2H21, seasonality was more pronounced than usual as the northern hemisphere took advantage of their first lockdown free summer in two years. In 2H21 we experienced a return to the seasonal trend.



Figure 1: Seasonality in Gross Marketplace Volume for the 4 years prior to COVID

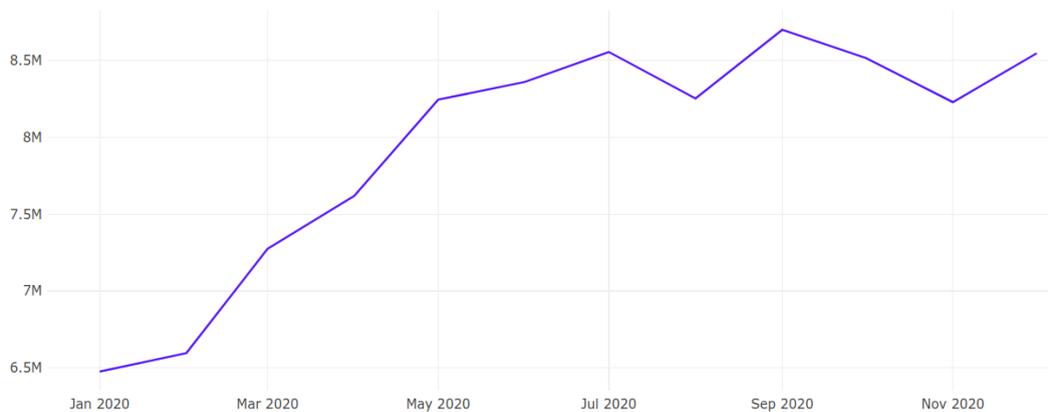


Figure 2: GMV in 2020 (note the lack of seasonality versus pre-COVID)

Predictive Ad Targeting

Advertising platforms typically give you 30 days to feed information back about the value of an acquired customer in order to direct their targeting. Unlike selling goods, where the profitability can typically be calculated and fed back instantly, services are typically performed over long time periods. To be accurate with directing the targeting of the

advertising platforms one needs to forecast revenue streams from a customer. This is achieved by developing a predictive model of a customer's future payments by observations over a short time window.

Our data science and customer acquisition teams built a more sophisticated predictive model for forecasting customer revenue which took the better part of a year. It is a reasonably complex problem to tackle¹.



Figure 3: Accurate predictive long term value modelling is the holy grail of online advertising

This model went into production mid 2Q21. As part of deploying, we expected that some less profitable spend would be cut, and that we would then both tune and extend the dimensionality of the advertising program which would ultimately lift the profitability, spend and volume of acquired customers. On deployment, the model worked a little too well- it dramatically lifted profitability, but as a byproduct cut total advertising spending 24% in 1H21 and 38% in 2H21 compared to pcp.

The cut in spend from the model directing the advertising platforms to hunt increased profitability was not the problem here. The *mea culpa* was that we didn't tune the model and expand the program fast enough.

Part of the issue here is that it typically takes an advertising platform at least 30 days to fully implement targeting changes, as in the background various machine learning algorithms retrain. So any changes take a while before the effect can be measured. The second problem is that modifying targeting is akin to moving the cyclic stick on a helicopter: nothing happens, nothing happens, *something happens*.

The low-point of volume from the advertising program was in 3Q21 as seen in Figure 3.

¹ <https://medium.com/@algotlift/pitfalls-of-modeling-ltv-and-how-to-overcome-them-d2dd4666a78>



Through the second half of 2021, we heavily focused on tuning and lifting the volume while retaining the new profitability constraints. This took quite a number of adjustments before we saw the desired effect.

We are pleased to report that as of the time of writing this report we have fully recovered our advertising volume (as measured by deposits from new advertising sourced customers). The 30-day deposit volume from paid search engine advertising is now positive on a monthly rolling pcp basis (up 6.1% year on year as of 17 Feb). We plan to continue expanding ad volume throughout FY22 within the new improved profitability targets.

Deposits from SEM clients within 30 days of their first payment

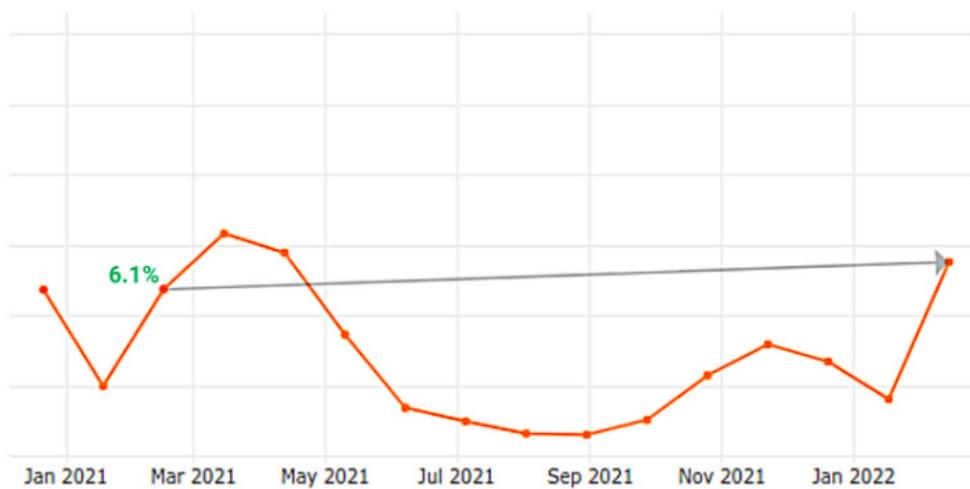


Figure 4: Deposits from clients from paid SEM

We also strengthened management of this effort in November 2021 by hiring Hector Perez-Nieto as Director of Marketing (formerly Head of Digital, Mobisuper). Hector is now in charge of all customer acquisition.

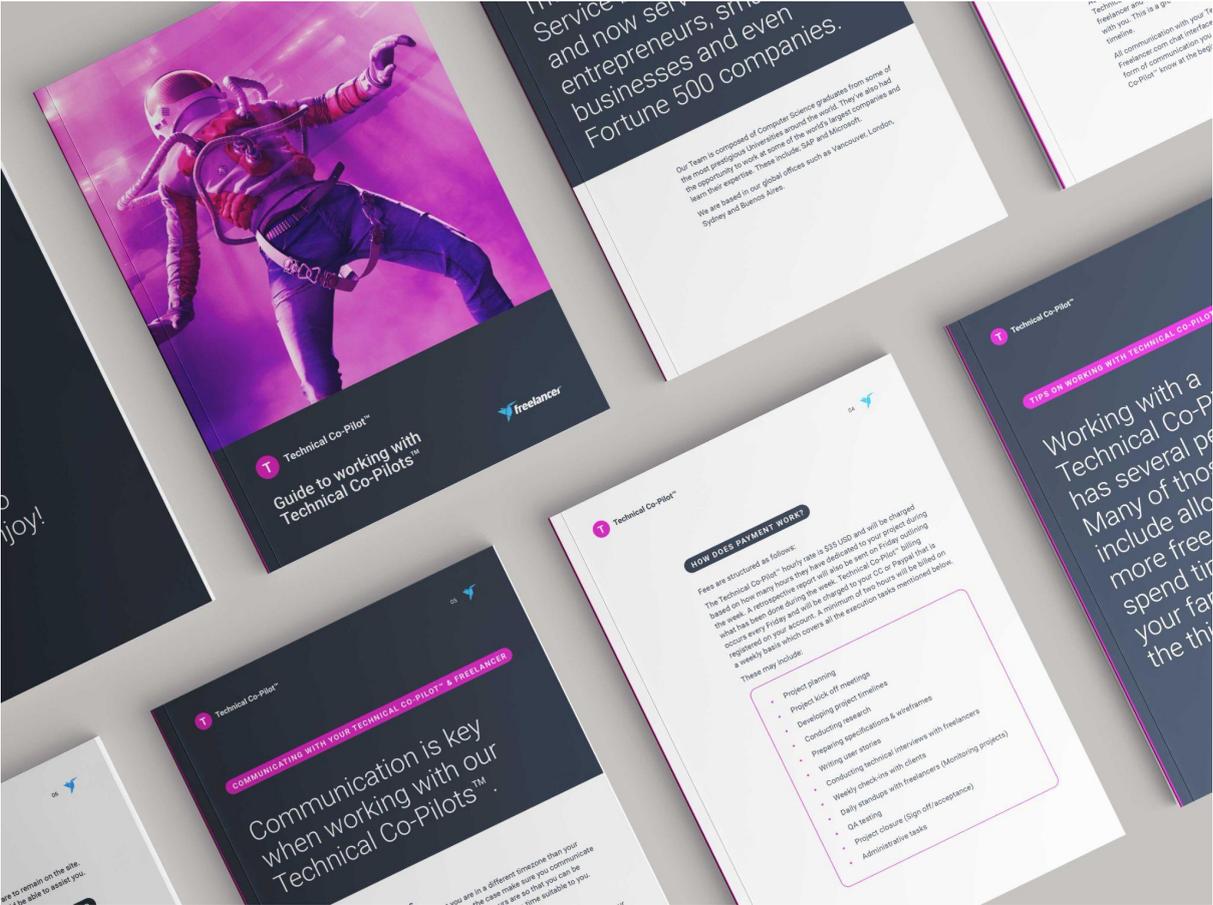


Figure 5: Improved visual design



Supply & Demand

On the supply side, the marketplace continues to grow strongly. In FY21 we added another 7.5 million users to the marketplace. Liquidity also improved, with the percentage of projects receiving their first bid in 30 seconds increasing from 28% to 38% over the course of FY21.

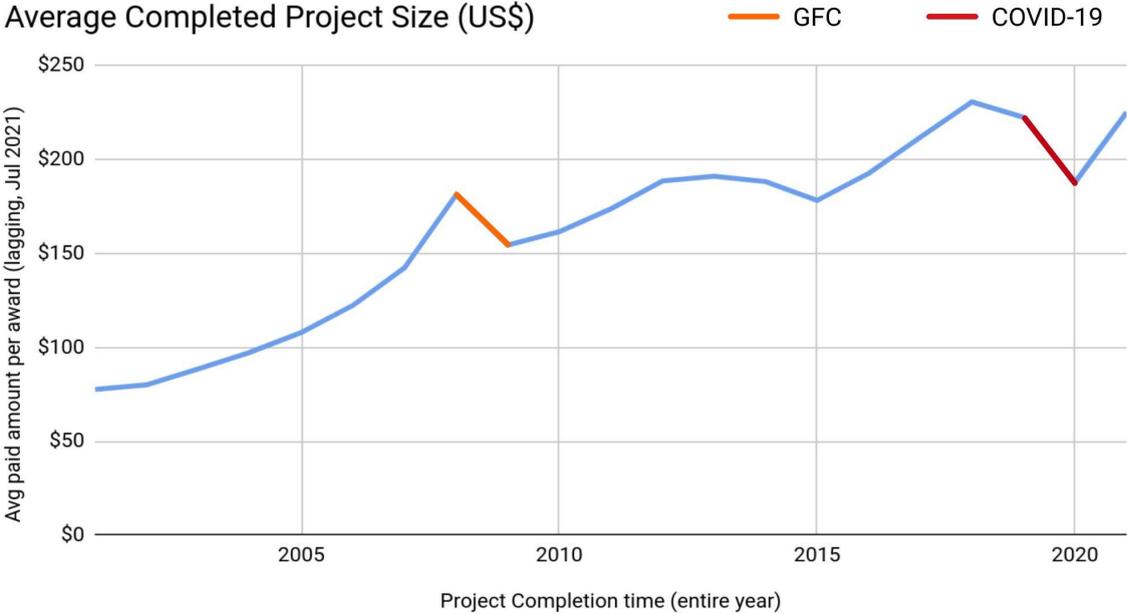


Figure 6: Average Completed Project Size

Average project size continues to rise, reaching US \$225 at the end of FY21. This was partially as a result of the improved acquisition targeting mentioned above and partially from the long term marketplace trend of increasing sophistication in skills and quality of work delivered by our talented freelance workforce.

Engineering Focus

FY21 was a transformative year for the product and engineering teams. In the first half of the year, we leveraged our substantial investment into our webapp technology to completely overhaul the mobile user experience, whilst in the second half of the year we focused primarily on new product development and UX improvements.

The overhaul of our mobile experience represents the culmination of years of investment, and brings a number of significant benefits:

- The merging of four codebases into one, dramatically improving development time of new features, maintainability, and automated testing.
- A significant improvement in mobile responsiveness of the primary product, resulting in increases in client deposits and revenue.
- The introduction of a design system to improve the products visual design & UI/UX.



With the paying down of significant technical debt, our product teams have shifted focus to new product development. This is primarily focused in three major areas for FY22:

- 1. Visual design, responsiveness & UI/UX
- 2. Enhancements to payments, enterprise features, matchmaking and collaboration
- 3. Trust and safety

All new product will be delivered mobile first and across all of our platforms simultaneously - a key benefit of our new stack.

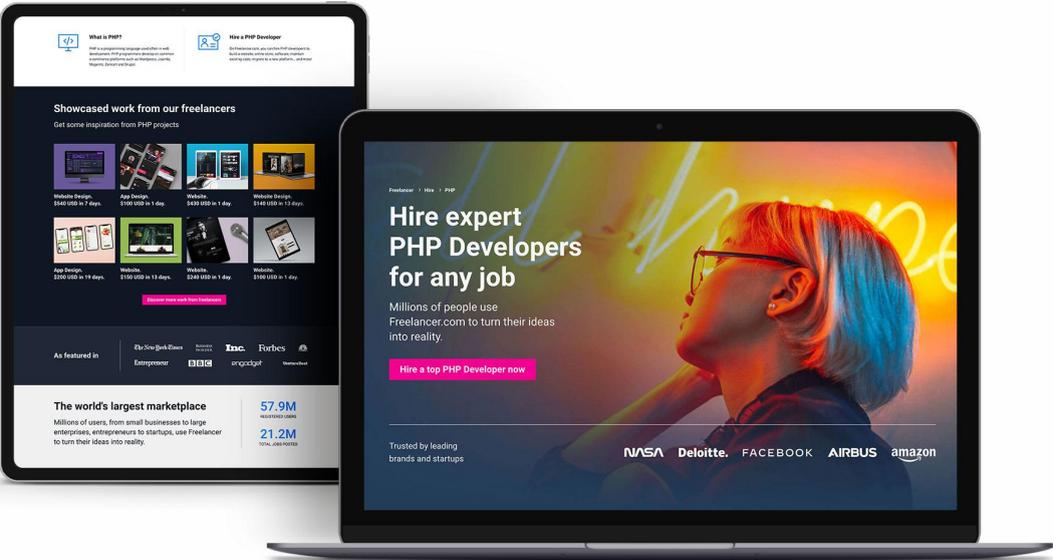


Figure 7: Improvements to the visual design

Product

A number of enhancements to the core product were shipped in FY21, including, but not limited to a new Showcase for freelancer’s work, a new client onboarding flow, a modernised messaging interface and the first step towards enterprise-grade invoicing.

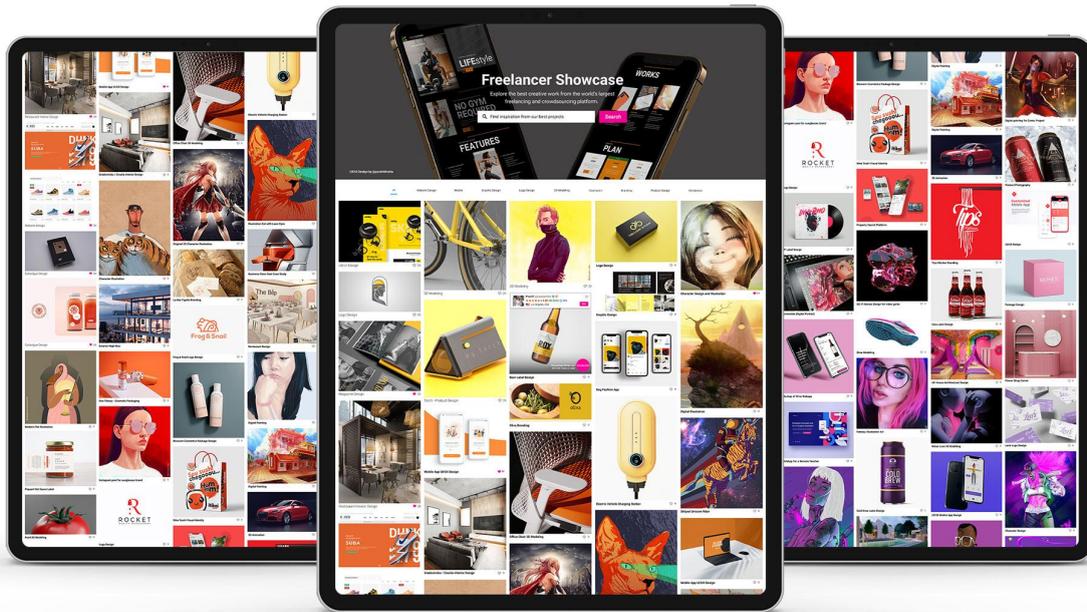


Figure 8: New Showcase of Freelancers' work

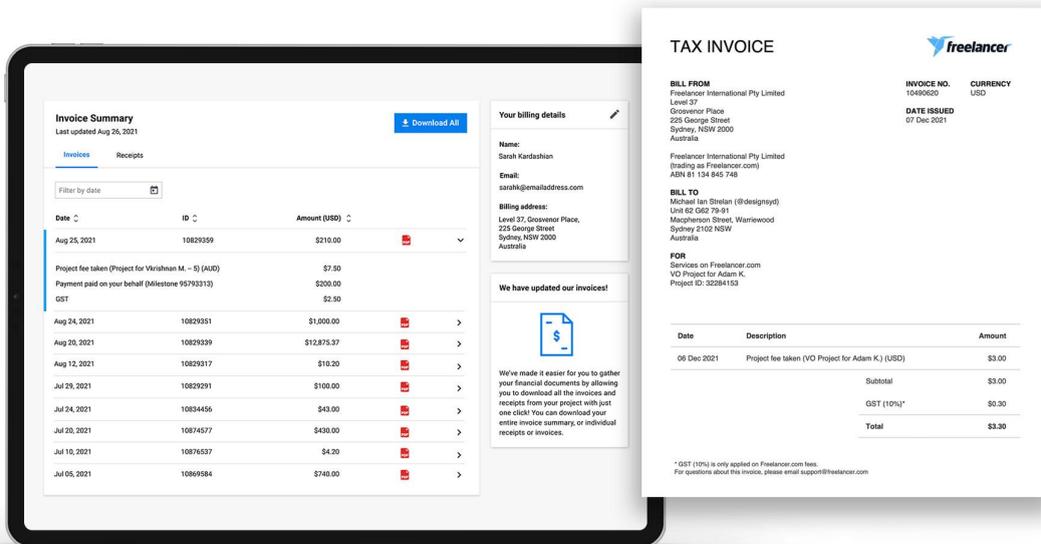


Figure 9: Improvements to invoicing

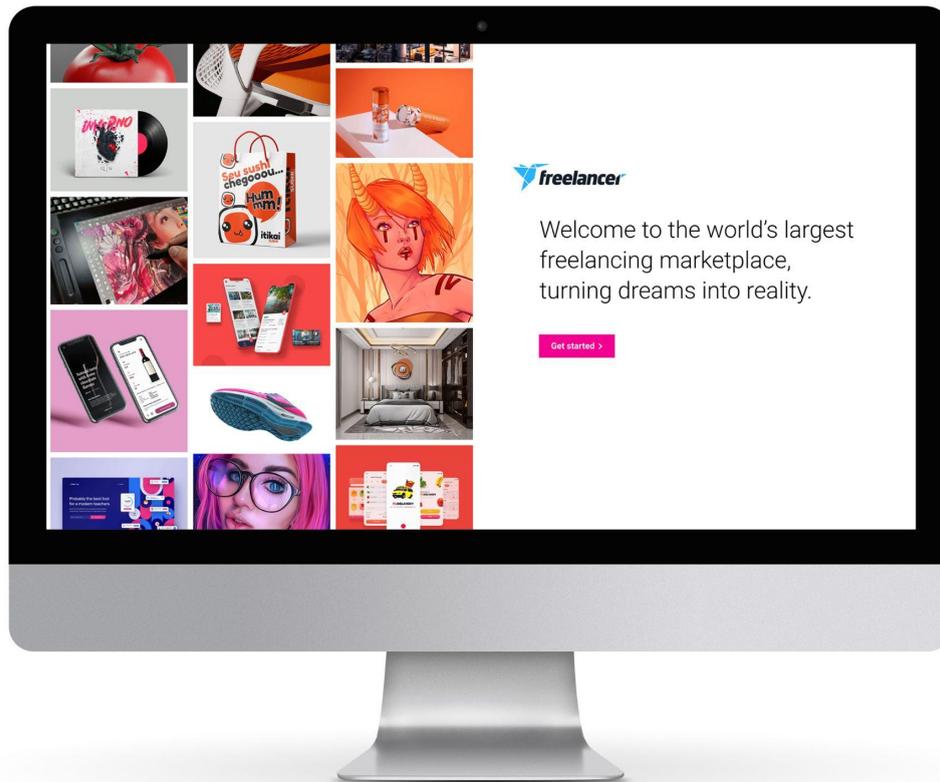


Figure 10: New client onboarding flow

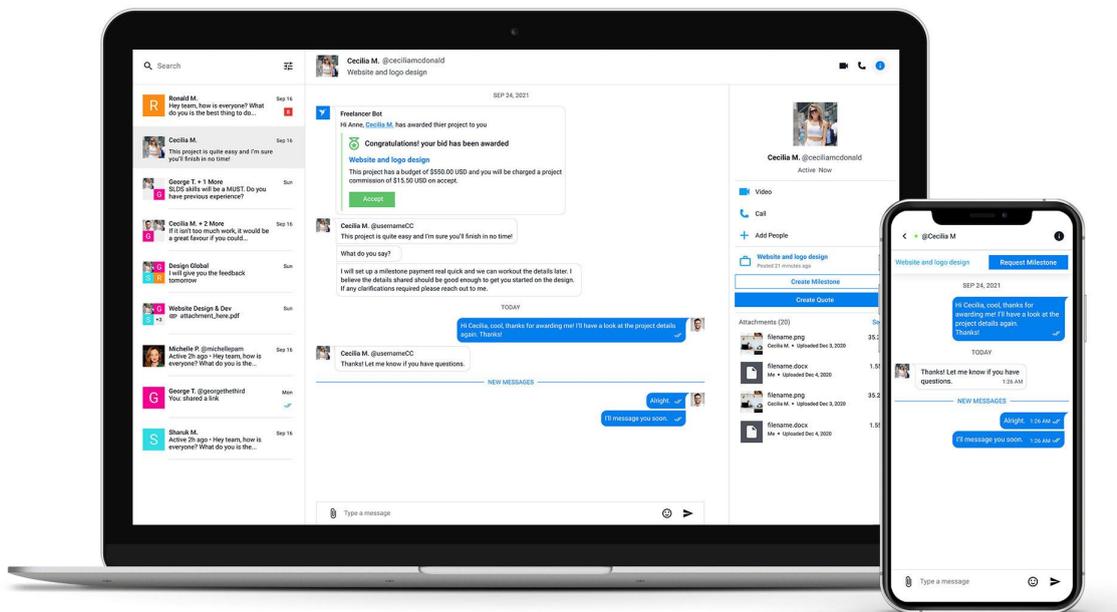


Figure 11: New messaging interface

Mobile

At the start of 3Q21 we finalised the rollout of the new Android app, marking the completion of our mobile transformation and merging the codebases of desktop, mobile web, iOS and Android. This release also marked the beginning of the end of our “webapp” transition - all the major technical work is now complete, and the vast majority of web pages and flows are also migrated. Whilst there are sporadic pages left that are not migrated, these will be migrated in the course of business as usual and will no longer require a significant amount of effort from our product and engineering teams.

The full features of Freelancer are now available at the same time, on every platform.

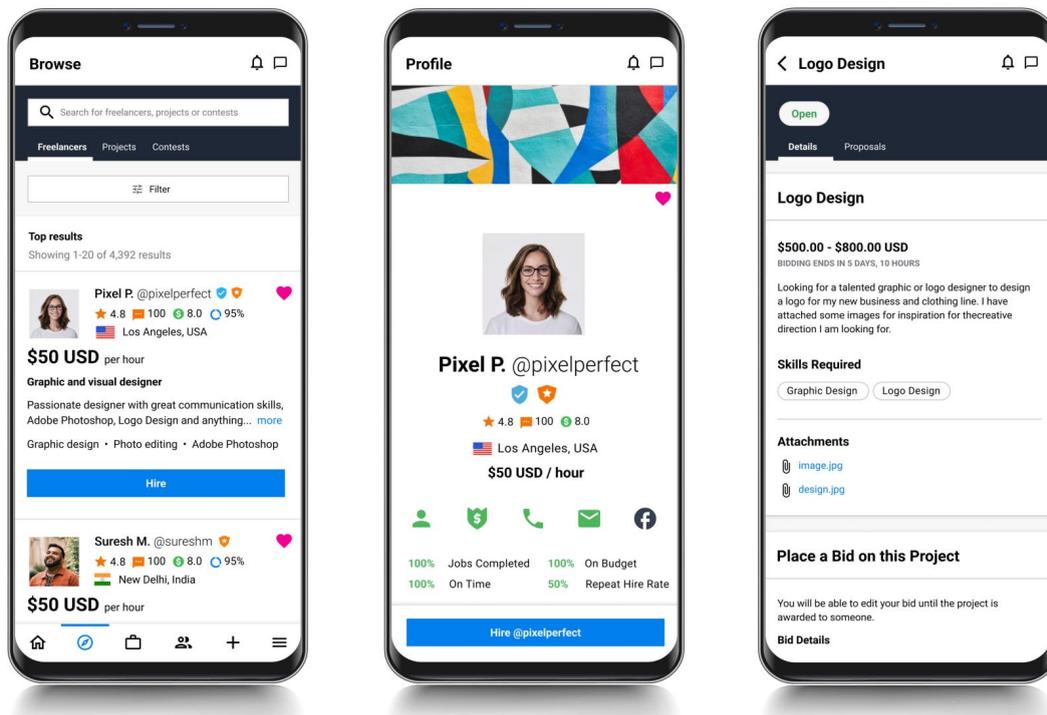


Figure 12: New fully-featured Android app

Visual Design, UI & UX

A major focus of the business in 4Q21 and FY22 is around the design and UX of the platform. With the introduction of our design system and consolidation of our web and mobile app codebases, this transformation will be highly visible.

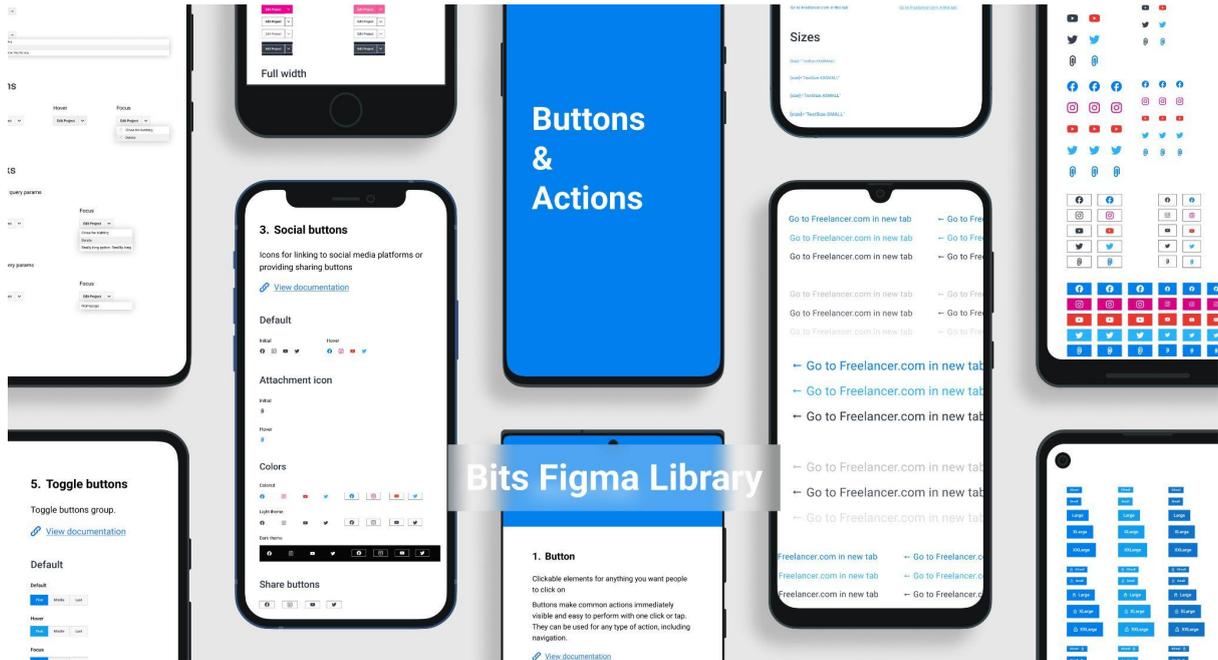


Figure 13: Freelancer's BITS design system

In 4Q21 we overhauled the UI of our messaging system, which we have been progressively rolling out since November.

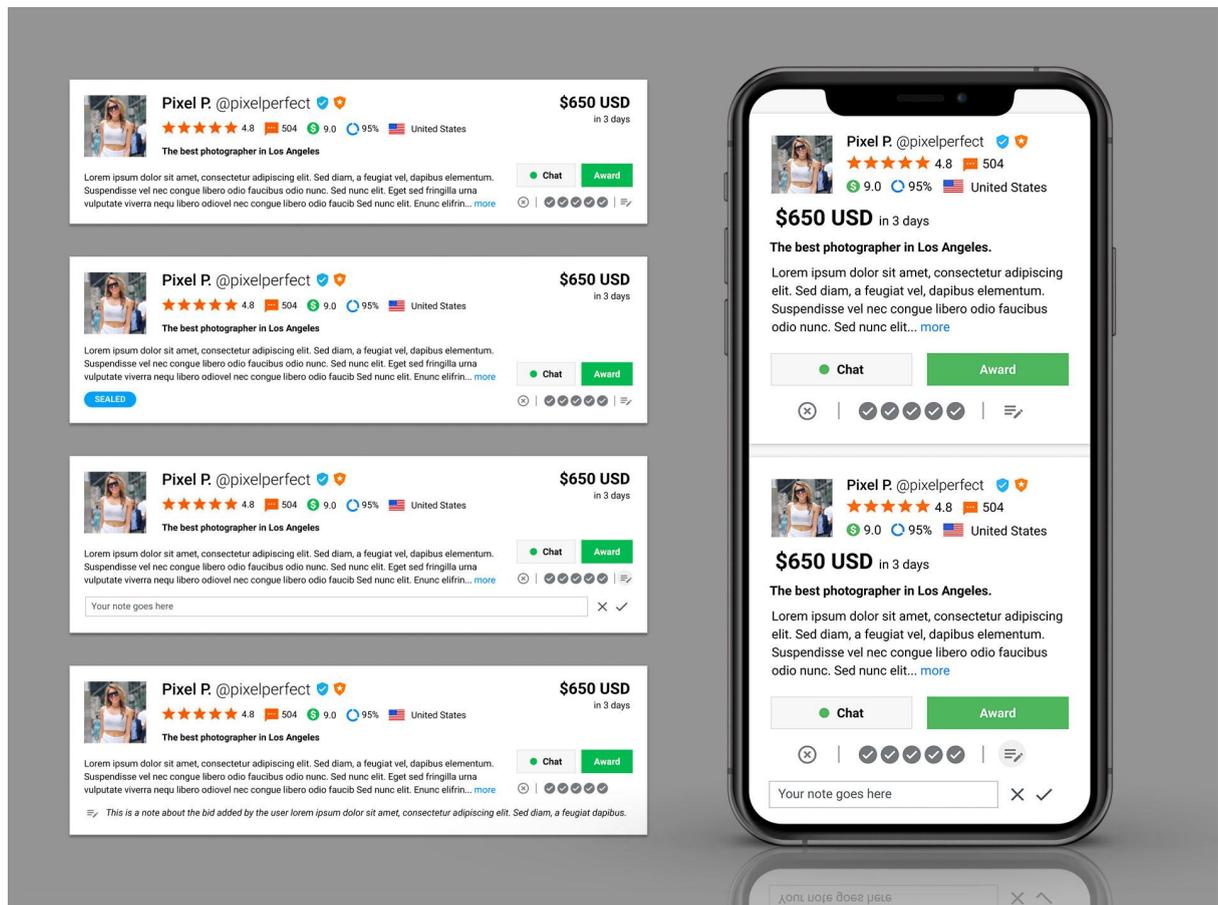


Figure 14: Example of UX improvements with the user cards

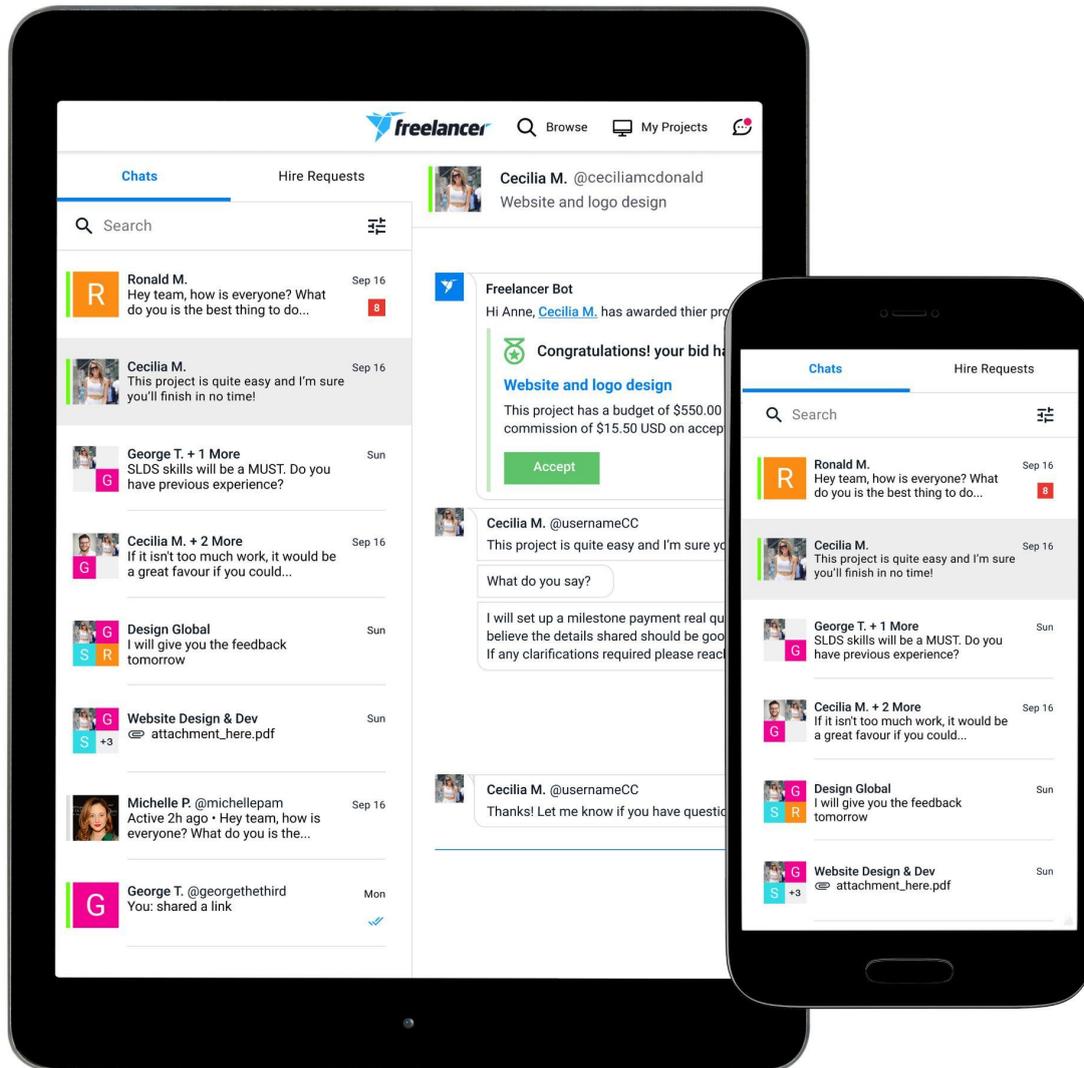


Figure 15: Improved messaging UI

In FY22, we will undergo a more fundamental UX and UI evolution, including but not limited to key elements such as site navigation and structure, alongside a broader effort to overhaul our visual styling and branding.

New Product Enhancements

Whilst many of the products under development are not yet ready to announce, some early releases in 2H21 include features in payments, enterprise, matchmaking & collaboration e.g.

- *My Lists*, an engagement-focused feature aimed at significantly reducing the barriers to rehiring existing freelancers
- Advanced search functionality for users and projects
- An overhaul of our invoicing functionality
- Showcase 2.0

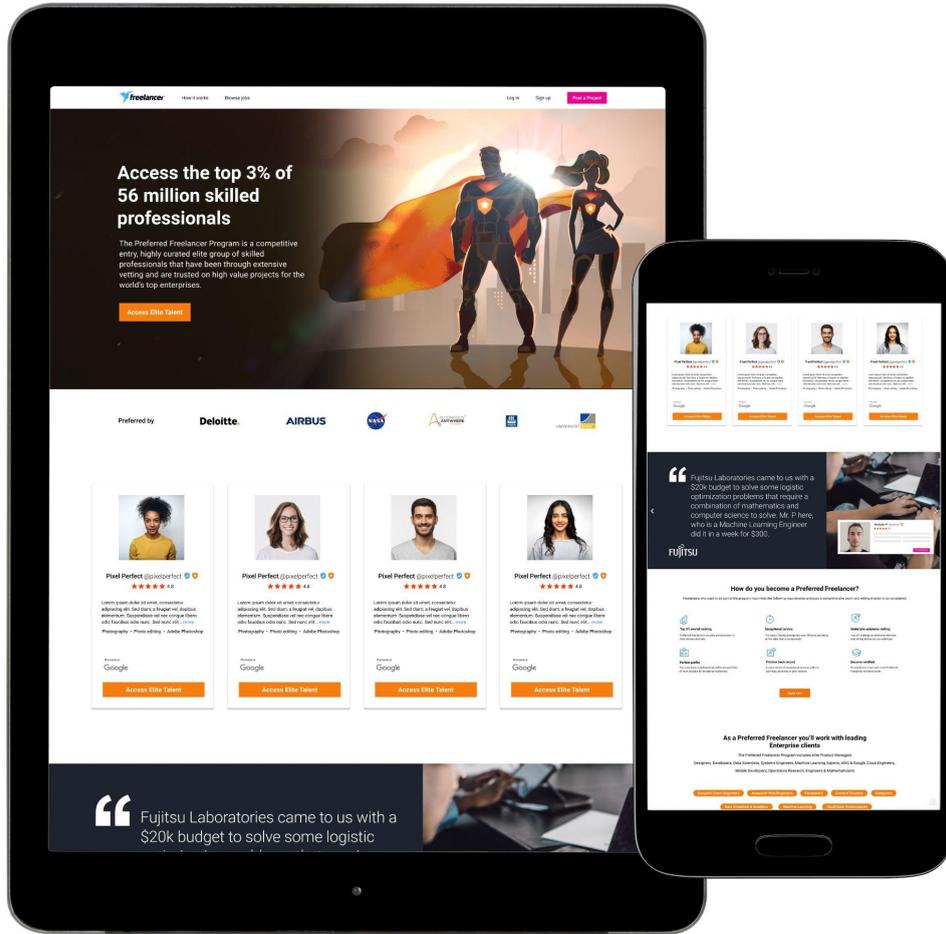


Figure 16: Improvements in visual branding, Preferred Freelancer Program

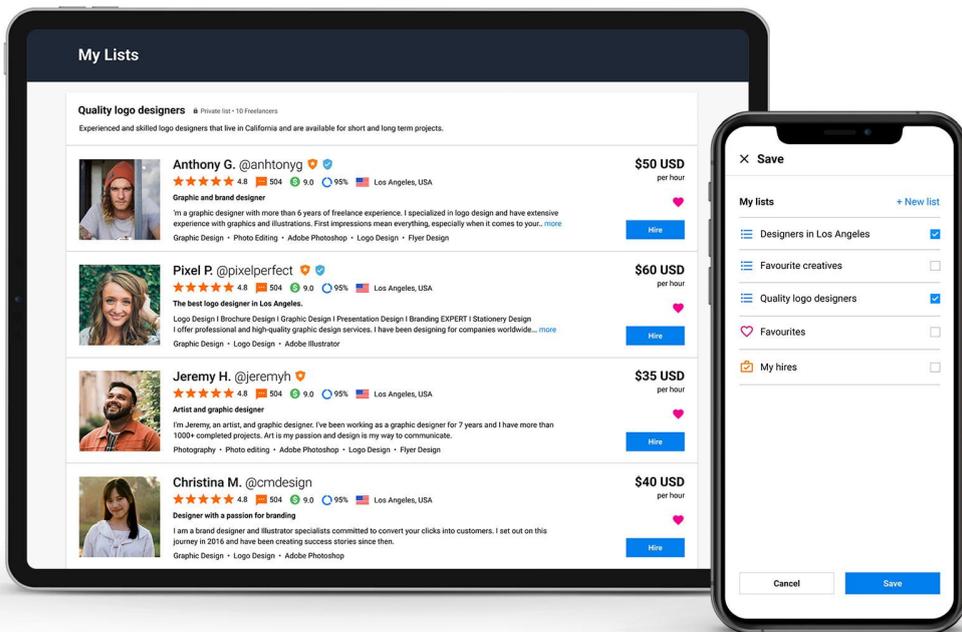


Figure 17: Introducing My Lists



Trust & Safety

Trust and Safety is key to the long term success of any marketplace product. Over the past six months, we have been seeing an increase in spam activity within the marketplace, and towards the end of FY21 and throughout FY22, the product teams have embarked on a concerted effort to eliminate spammers and other bad actors from the marketplace.

Whilst we cannot discuss much of our activity in this area for operational reasons, this effort occupied a considerable amount of our resources in mid to late FY21 and will continue throughout FY22. We believe that these efforts will pay considerable long term dividends, and underpin long term sustainable growth.

Revenue lines

As mentioned in previous quarter reports, two revenue lines that have been a drag on revenue have been memberships and contests. In FY21, the product teams put in a major effort to reverse these trends, and we were successful in returning both of these revenue lines to growth.

Memberships

As discussed in previous quarterly updates, membership revenue has been through 2020 and 1H21 a substantial drag on revenue. As previously reported, this revenue drop was a by-product, among other things, of our effort to improve bid quality in the marketplace by aggressively cracking down on poor bidding.



Figure 18: Membership revenue

Contests

In 4Q21, contest revenue grew 12.1% on pcp. Revenue per contest increased to US\$24 at the end of 4Q21 (compared to \$19.50 at the end of 3Q21). There is no other contest platform that is as liquid as Freelancer with over 14 million entries per year. We ended FY21 with an average of around 240 entries per completed contest.

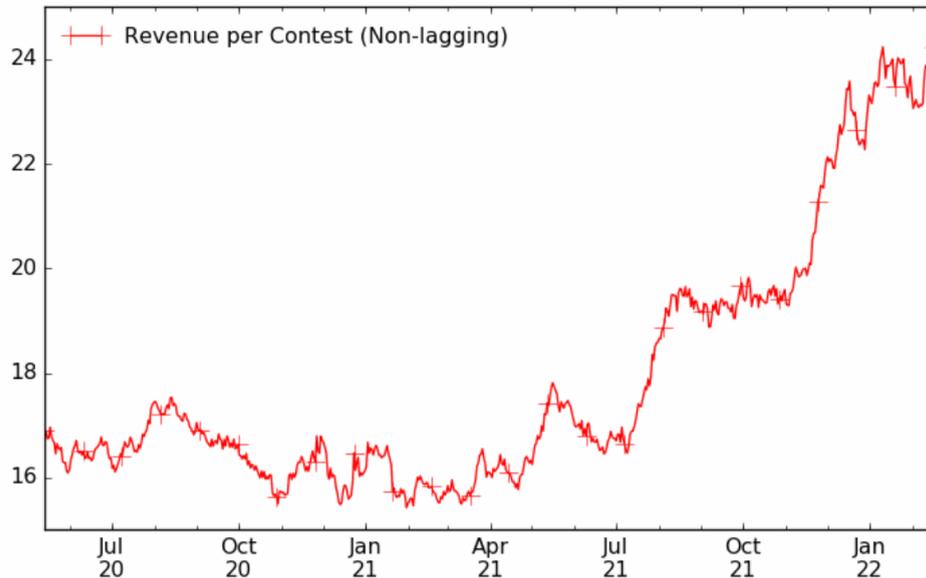


Figure 19: Paid contest fees and revenue per contest in FY21

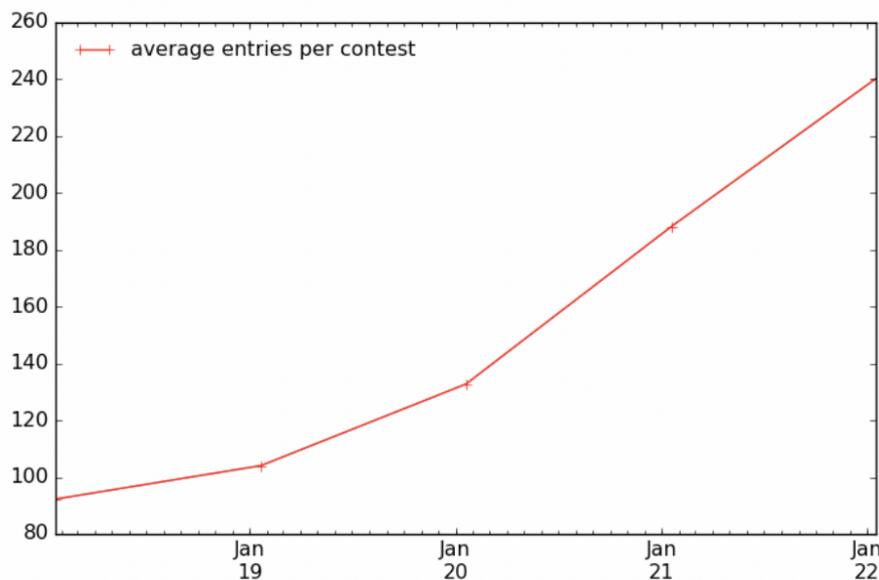


Figure 20: Average number of entries per contest (rolling 365 days)

In FY22 we will continue to iterate and improve upon the Contests product, starting with the introduction of new logged out contest pages, through which we aim to improve the SEO and overall visibility of contests.

Enterprise



The Freelancer Enterprise division finished the year strongly with growth in GMV and revenue quarter on quarter. In 2H21 top line revenue grew by 188% vs 1H21 including 369% quarter on quarter growth in Q4 on Q3. Enterprise GMV grew 164% year on year with 2H21 up 96% compared to 1H21.

The division experienced growth across our key accounts in professional services, technology, business process outsourcing, chemicals, government, education and retail sectors, with a strong pipeline leading into FY22.



Figure 21: Freelancer Enterprise & IBM

Shaun McMeeken joined Freelancer in mid-2021 to take over leadership of the division. Formerly the VP Sales at Groupon ANZ, Shaun has played an integral role in establishing key sales processes that has positioned Enterprise for growth in FY22. The team also effectively and efficiently scaled output to handle the increased customer demand through the deployment of freelancers from the main marketplace platform.

In November Adam Swertz joined the division to spearhead North American enterprise sales. Previously Adam was a technology strategist on the Accenture Bid Team where he

maintained a >75% win rate and was co-lead on three of the largest service deals at Accenture in Canada (>C\$150m).

The Enterprise Talent Success teams and capabilities grew across our global markets, providing bespoke end-to-end program management capability for clients. The teams have enhanced capabilities to serve the enterprise with background checks, talent curation for the unique needs of each client and comprehensive talent vetting with customised interviews, testing and verification.

Deloitte MyGigs

Deloitte US and Freelancer Enterprise commenced its final phase of deployment for the MyGigs platform in 2H21, which will connect the internal platform to the external Freelancer marketplace. Upon completion (targeted May '22 due to expanded scope with the SAP Fieldglass integration), Deloitte consultants will be able to hire freelancers, manage projects, and process payments at scale. Over 30,000 Deloitte consultants have been onboarded to the platform already.

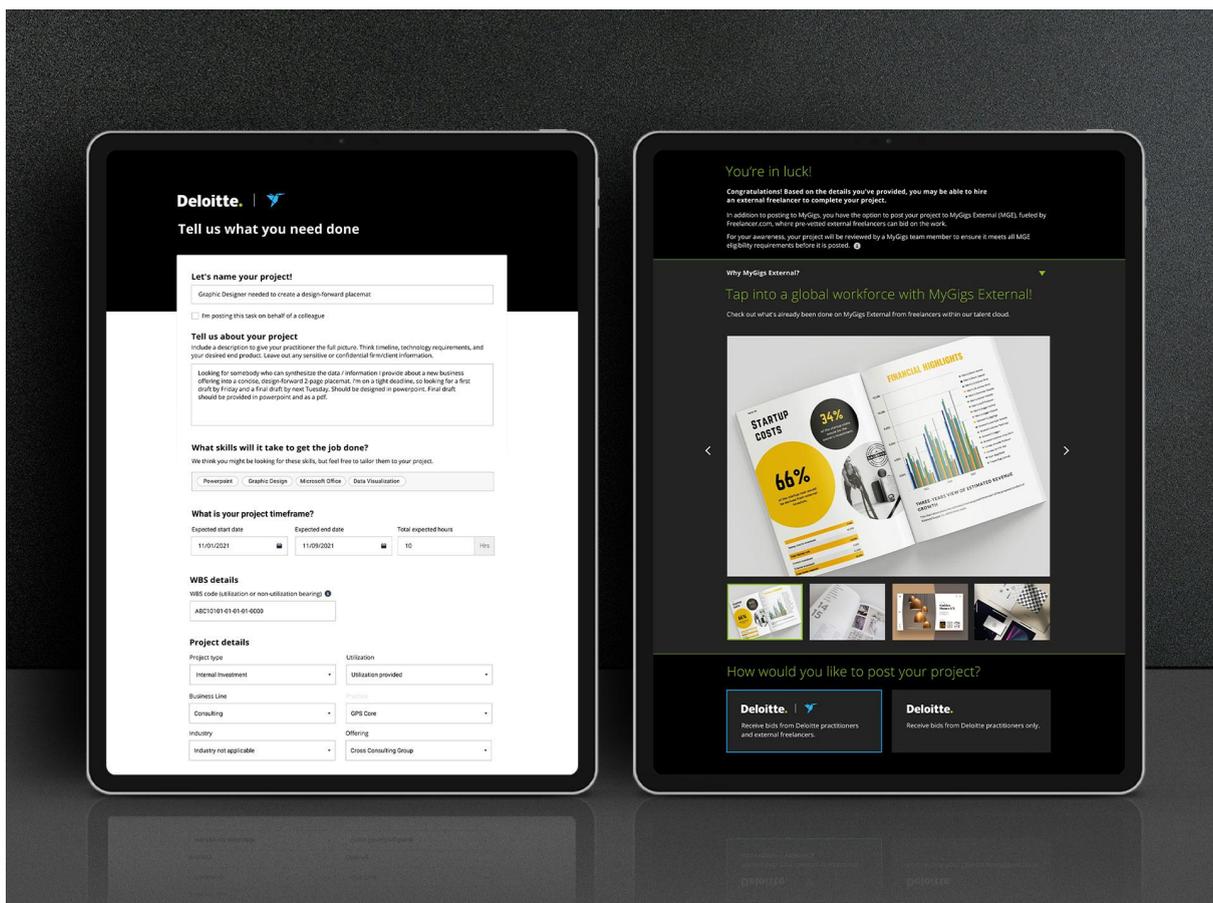


Figure 22: Posting a project on MyGigs

InSource

The MyGigs platform will form a flagship deployment of Freelancer Enterprise’s InSource product solution, commercially available towards the end of 2Q22. InSource empowers workforce efficiency connecting internal demand for skills with both internal talent and the Freelancer cloud workforce, on-demand. As an end-to-end solution, InSource enables staff to access freelancers at scale, manage projects, process payments and ensure compliance at scale whilst removing the cost structures inherent in incumbent talent engagement models.

The InSource product will be a key competitive differentiator for the Fortune 500, providing the enterprise with both an internal gig platform and an elastic cloud workforce, enable rapid scale in human capital and capability, enable staff retention and access to global opportunities, accelerate time to market by augmenting talent on-demand, maximise workforce utilisation and provide an on-ramp towards a full cloud-based gig model transformation.

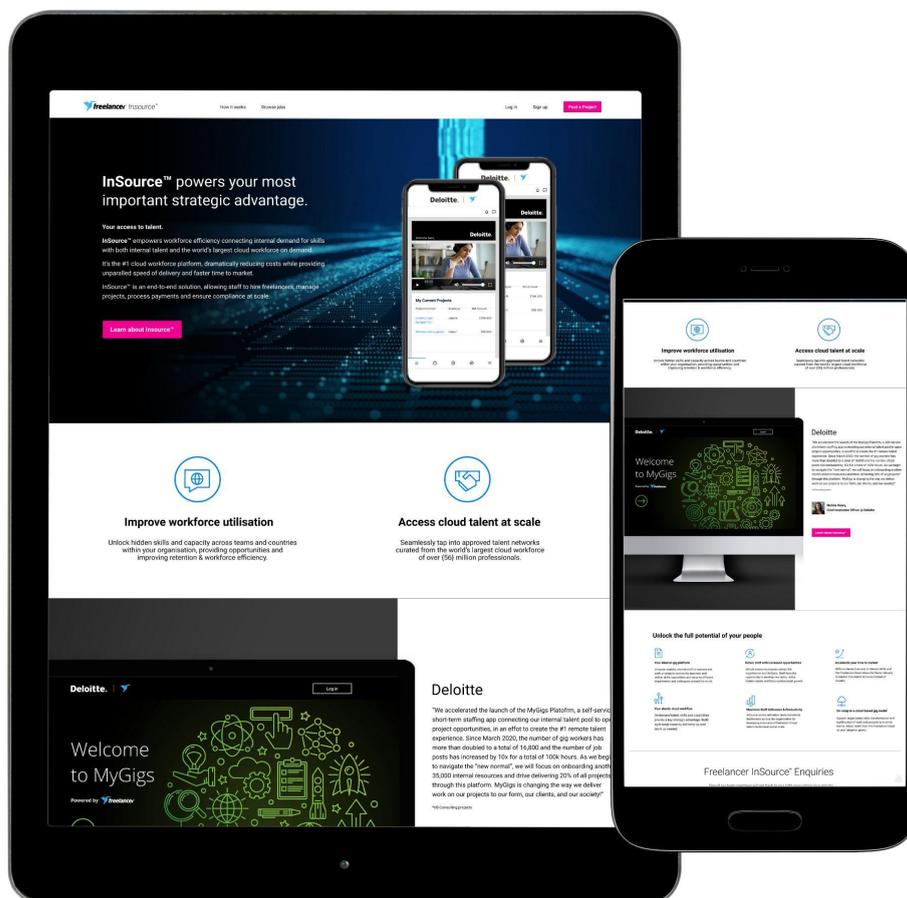


Figure 23: Freelancer InSource™

Global Fleet / Field Services

Our major engagement with a global technology leader in computer & printer technology to build a disruptive and elastic global workforce powered by freelancers continued to expand across several countries. In FY21, Mas Mohammad, formerly Performance Manager & Operations Implementation Lead at NBN, and Operations Change Manager, Telstra, joined the team responsible for scaling the operational infrastructure required to expand globally. Based on our operational strength, continued performance, growth, and cost savings to our partner, we renewed the Asia-Pacific Statement of Work for an additional year to further expand across the region.

In FY21, we entered into three strategic additional cities in India, completing the Phase I expansion for a total of 7 cities. Total volume for India alone is 660,000 projects per year, and the aim of the activity in India is to win a majority of that volume. Project volumes increased 178% in 4Q21 compared to 3Q21. An instrumental component of the continued growth is the implementation and dynamic part delivery framework across all operational cities that enables wider geographical coverage, all leveraging freelancers. The continued success of this engagement supports the disruption of traditional supply chains and positions freelancers as a key agile business solution.

Beyond India, global expansion continued with the launch of two regional cities in Victoria, Australia in 4Q21. The engagement is ahead of forecasts based on project volumes and quality scores, with expected growth in 1H22 into two additional cities. In FY22, the expansion of Phase II will continue into 14 additional cities within India with a significant increase to the overall project volumes handled by our freelancers. Our disruptive engagement and business model is also running in Indonesia (Jakarta) with a current goal of continual expansion across key markets in Asia and Europe.

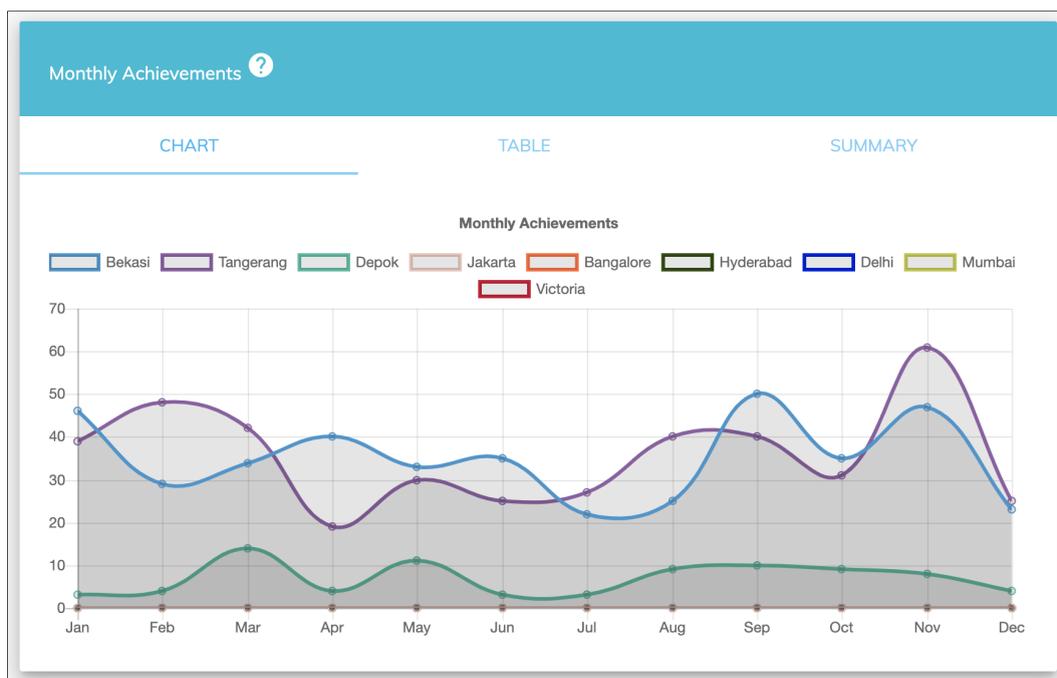


Figure 24: Global Fleet dashboard for field services engagement

We are now in discussions with the partner for a deeper technology integration to be performed by our engineering services team which will allow volumes to grow substantially.

NASA and U.S. Government

The NASA Open Innovation Series 2 tender is a program whereby NASA effectively acts as a centre of excellence for crowdsourcing for the U.S. Government. Freelancer is one of 19 joint winners in the bidding for this contract. In 4Q21 the funding for the program was increased 600%, from US\$25 million to \$175 million.

Freelancer won six task order contracts in FY21 with U.S. government agencies and we expect the rate of wins to increase in FY22. This is a direct result of investment into the team's bid management and operational excellence capabilities over the course of the year, with majority of the wins occurring in 2H21. A seventh order was won for a six digit value in FY21 but unfortunately a partner jointly working on the bid pulled out after the award.

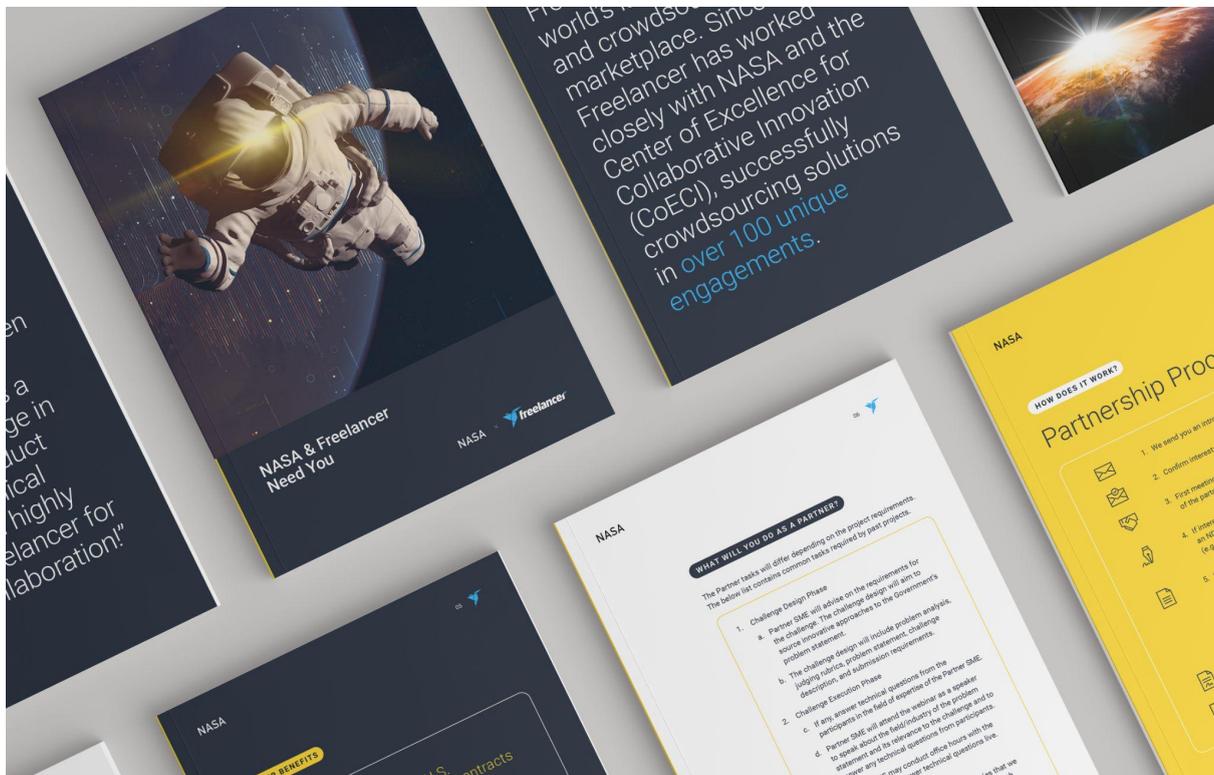


Figure 25: Freelancer NASA Program

Freelancer now has task orders or engagements with NASA, the U.S. Centers for Disease Control and Prevention, the National Institutes of Health, the U.S. Department of Commerce, the U.S. Department of Energy, and the U.S. Bureau of Reclamation.

This work is across a number of high technology areas including computational fluid dynamics, electrical engineering, physics, data science, machine learning, physics, mechanical engineering, graphic design, UI/UX design, software engineering, network



science, advanced manufacturing, software development, transcription and information security.

Freelancer powers U.S. Government
Success with NOIS2 saw funding increase 600% to US\$175 million in November 2021

Freelancer is working with U.S. Government in the fields of:

- Computational fluid dynamics
- Electrical engineering
- Physics
- Data science
- Machine learning
- Physics
- Mechanical engineering
- Graphic design
- UI/UX design
- Software engineering
- Network science
- Advanced manufacturing
- Software development
- Transcription
- Information security

Logos: NASA, CDC, BUREAU OF RECLAMATION, NIST, NIH, U.S. DEPARTMENT OF ENERGY, and another agency.

Figure 26: US Government Agencies powered by Freelancer Enterprise

Two of the six contracts were won in partnership with LMI, a government-focused consultancy with 60 years of experience delivering digital and analytic solutions, logistics, and management advisory services. LMI’s well-established relationship with government agencies and years of expertise in navigating the industry makes them a key strategic channel partner for us in FY22 and beyond.

The full list of task orders won to date since the beginning of the contract term is summarised in the table below:

ID	Sponsor	Skills	Value (AUD)	Task Order Purpose
NOIS2-068	NASA Aeronautics Research Mission Directorate	Graphic Design	\$48,100	Seek freelance graphic illustration and facilitation expertise.
NOIS2-069	NASA Aeronautics Research Mission Directorate	English Transcription Services	\$12,090	Transcribe interview recordings.

NOIS2-031	NASA Langley Research Centre	Physics, Mechanical Engineering	\$130,000	Develop novel shock propagation prediction techniques, helping them advance shock propagation prediction past the current 50 year-old empirical methods.
NOIS2-030	Centers for Disease Control & Prevention	Network Science	\$273,000	Explore how recent advances in network science can be used to more quickly and accurately identify emerging health threats, such as suicide and drug overdose.
NOIS2-038	NASA Game Changing Development Program	Machine Learning, Artificial Intelligence	\$130,000	Use machine learning and artificial intelligence to identify potential risks on active projects by using historical data and information available.
NOIS2-039	Department of Commerce - International Trade Administration	UI/UX Design, Software Development	\$1,071,200	Promote cross-border data flows through the creation of a data privacy certification software program.
NOIS2-043	Bureau of Reclamation	Computational Fluid Dynamics	\$663,000	Optimise and speed up the sparse matrix linear equations solver for computational fluid dynamics models.
NOIS2-017	National Institute of Child Health & Human Development	Data Science	\$624,431.60	Identify factors and interventions that impact maternal morbidity and severe maternal morbidity.
NOIS2-006	Bureau of Reclamation	Electrical Engineering	\$474,500	Improve the reliability of hydropower plant generation. by automating safety equipment testing and reducing plant downtime.

Towards the end of FY21, the first winners for NOIS2 task orders started to be announced.

NICHD Decoding Maternal Morbidity Data Challenge

On December 7th, the winners of the National Institutes of Health's Decoding Maternal Morbidity Data Challenge powered by Freelancer.com were announced at the White House's Inaugural Maternal Health Day of Action with United States Vice President Kamala Harris.

Twelve prizes totaling US\$400,000 were awarded to seven teams who proposed innovative solutions to identify risk factors in first-time pregnancies.

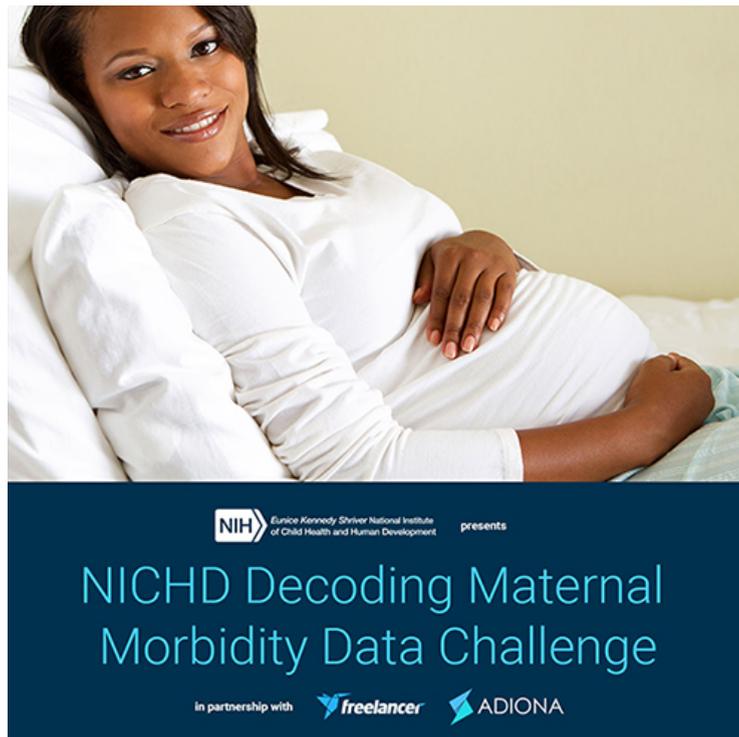


Figure 27: NICHD Decoding Maternal Morbidity Data Challenge

The NICHD Decoding Maternal Morbidity Data Challenge was run for the NIH's *Eunice Kennedy Shriver* National Institute of Child Health and Human Development (NICHD). Using computational analysis, data mining, artificial intelligence and other methods, winning entrants devised ways for analysing the vast store of participant data from the Nulliparous Pregnancy Outcomes Study: Monitoring Mothers-to-Be (nuMoM2b), a racially, ethnically and geographically diverse sample of people beginning in the sixth week of pregnancy and continuing through delivery. NuMoM2b was established in 2010 and has compiled data on more than 10,000 pregnant women. The data were collected from interviews, questionnaires, clinical measurements, patient charts and biological specimens. NuMoM2b aims to identify pregnancy risks for women who have not given birth previously.

“Any maternal death is one too many,” said Diana W. Bianchi, M.D., director of NIH's *Eunice Kennedy Shriver* National Institute of Child Health and Human Development (NICHD), which administered the challenge. “A healthy pregnancy and childbirth should be a given, but sadly, it's not. Understanding and reducing pregnancy-related complications and deaths—our maternal morbidity and mortality—is a high priority for NIH.”

Seven prizes of \$50,000 were awarded for innovation, and an additional five prizes of \$10,000 were awarded for health disparities. The following are winning teams/entities /individuals; asterisks denote winners of both prize categories:

Columbia University and Hunter College, New York City

On Predicting and Understanding Preeclampsia: a Machine Learning Approach

Ansaf Salleb-Aouissi, Ph.D., Team Lead (Columbia)

Delfina, San Francisco*

Random Forests for Accurate Prediction of the Risk of Hypertensive Disorders of Pregnancy at Term

Ali Ebrahim, Ph.D., Team Lead

Emory University, Atlanta*

Social Determinants of Health Phenotype Predicts Unplanned Cesarean Birth in the Path to Maternal Morbidity Among Healthy Participants of the NuMoM2be Study

Nicole Carlson, Ph.D., Team Lead

Feng Ya, LLC, Watkinsville, Georgia

A Fair Diagnosis Proposal of Maternal Morbidity with a Demonstrative Example in Predicting Stillbirths

Yaping Li, Team Lead

IBM Data Science and AI Elite, San Francisco*

Outcomes Among Nulliparous Women

Ainesh Pandey, Team Lead

Johnston and Company, LLC, Salt Lake City*

The Relationship Between Marginalizing Behaviors and Postpartum Complications for Nulliparous Women Receiving an Undesired C-section

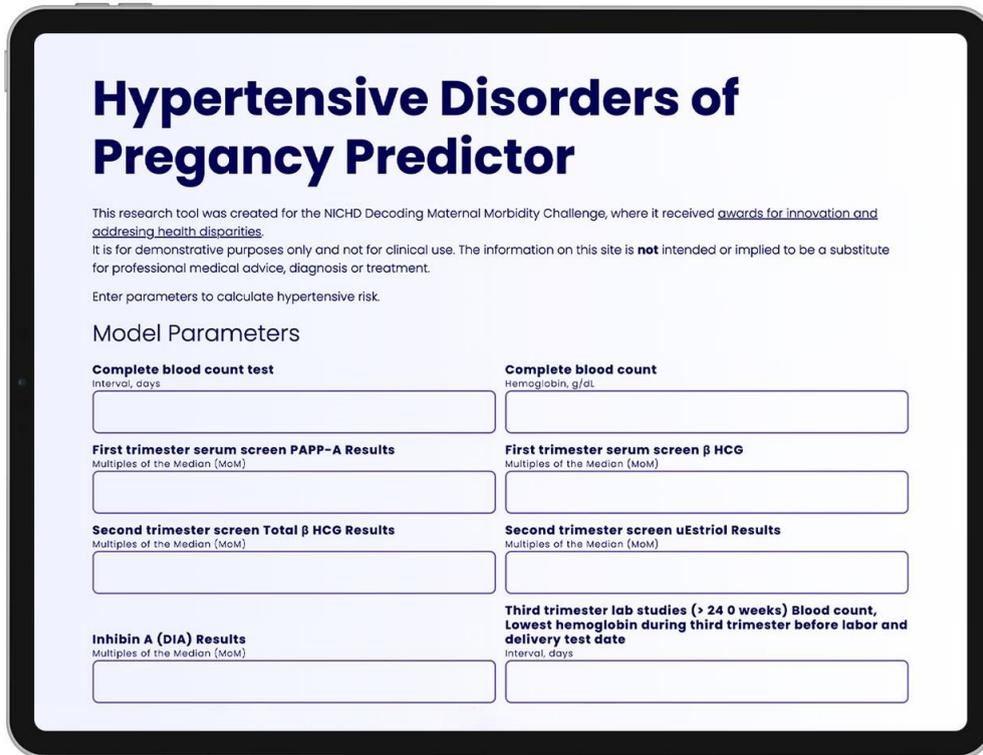
Britnee Johnston

University of Washington, Seattle*

Structural Equation Model Identifies Causal Pathways Between Social Determinants of Maternal Health, Biomarkers of Allostatic Load, and Hypertensive Disorders of Pregnancy among U.S. Racial Groups

Monica Keith, Ph.D., Team Lead

Freelancer.com is proud to have partnered with NICHD and Adiona to run this challenge on our platform.



Hypertensive Disorders of Pregnancy Predictor

This research tool was created for the NICHD Decoding Maternal Morbidity Challenge, where it received [awards for innovation and addressing health disparities](#). It is for demonstrative purposes only and not for clinical use. The information on this site is **not** intended or implied to be a substitute for professional medical advice, diagnosis or treatment.

Enter parameters to calculate hypertensive risk.

Model Parameters

Complete blood count test Interval, days	<input type="text"/>	Complete blood count Hemoglobin, g/dL	<input type="text"/>
First trimester serum screen PAPP-A Results Multiples of the Median (MoM)	<input type="text"/>	First trimester serum screen β HCG Multiples of the Median (MoM)	<input type="text"/>
Second trimester screen Total β HCG Results Multiples of the Median (MoM)	<input type="text"/>	Second trimester screen uEstril Results Multiples of the Median (MoM)	<input type="text"/>
Inhibin A (DIA) Results Multiples of the Median (MoM)	<input type="text"/>	Third trimester lab studies (> 24 0 weeks) Blood count, Lowest hemoglobin during third trimester before labor and delivery test date Interval, days	<input type="text"/>

Figure 28: Demonstration of the Delfina model at hypertension.delfina.com

Automated Maintenance of Protection Systems (AMPS) Challenge

The AMPS Challenge seeks to automate protection systems testing, eliminate outages necessary to accomplish the testing, and improve hydropower plant reliability. The AMPS Challenge has two phases - a white paper and a prototype phase.



Figure 29: AMPS Challenge for the U.S. Bureau of Reclamation

In the first phase the field was narrowed to twenty six high quality white papers including detailed designs in some circumstances up to eighty pages long from electrical engineers around the world. In 4Q21, the winners of the first phase were awarded US\$10,000 each:

Matthew Wolter (Booz Allen Hamilton) and Matthew Paul (Amazon).

Edge-Processing Observability Platform for Continuous Hydroelectric Plant Protection

Brett Wilson (UTS) and Professor Jian Guo Zhu (University of Sydney)

A Revolutionary Technique for Automating Hydroelectric Relay Protection Using Artificial Intelligence

Seyed Mohammadhadi Rahavi (Team Lead, Innofoods, Inc.), A. Forotan, A. Mozaffarinia (SAPCO), S. Saffar, A. Sarami, H. Ghodsi (University of Buffalo)

Intelligent Self-Testing System (ISTS) for Protective Relays

and

Automatic Relay Testing Software (ARTS) for Protective Relays

José Andrés Quintanilla (European Spallation Source, ESS AB)

Controller for Automated Maintenance of Protection Systems (CAMPS)

MultiSequence Inc.

AMPS Submission

Mike Gemmer

A Reliable, Flexible System for Protective Relay Monitoring and Automation

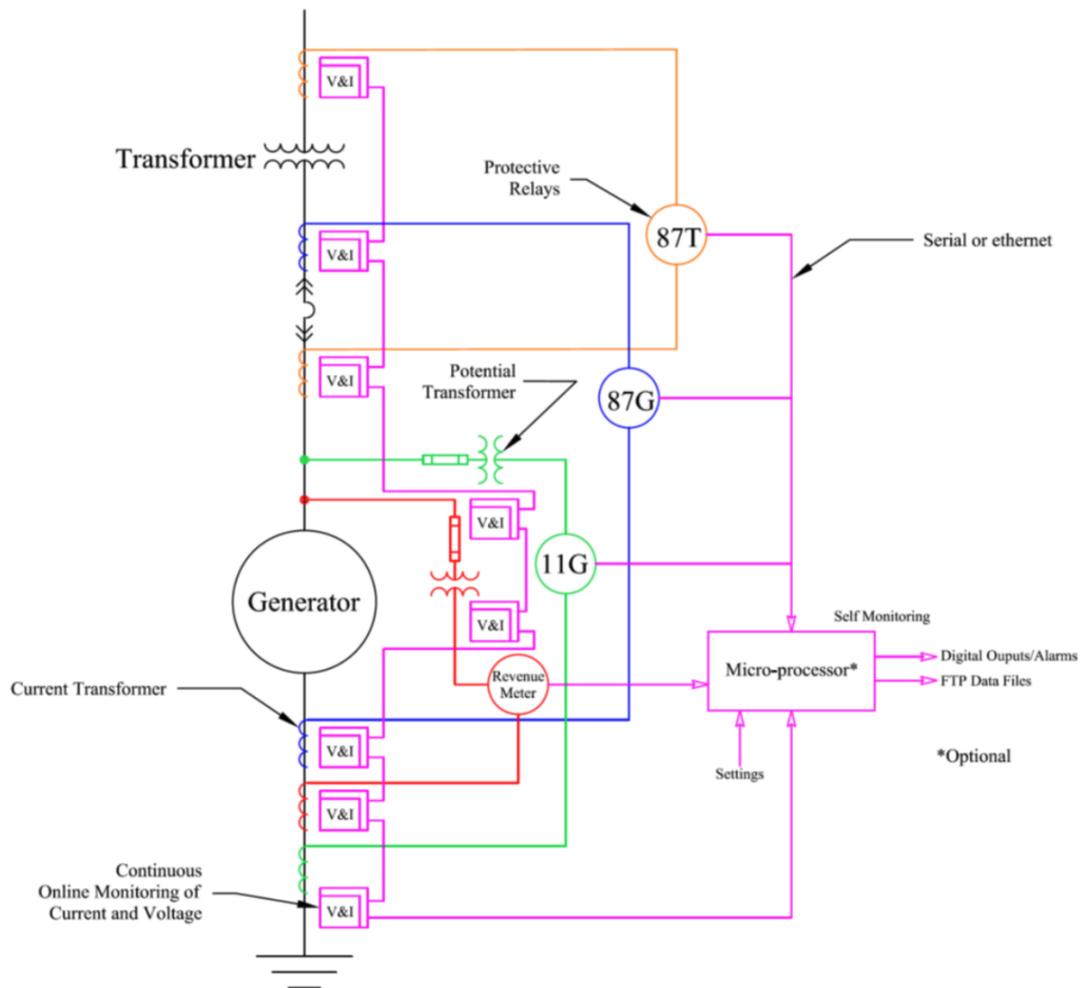


Figure 30: AMPS Conceptual design

These finalists now have five months to create a prototype. Each winner will be asked to submit both written and video submission components. From there, up to five will be selected to ship their prototypes to Colorado where the U.S. Bureau of Reclamation will test and judge the prototypes and pick the final winner for up to US\$100,000.

Government

Freelancer Enterprise is engaged in strategic partnerships with the governments of Saudi Arabia and Egypt. These strategic initiatives include job creation through the cloud, the building of talent pools of skilled professionals, training (including in partnership with Udacity), job placement programs, as well as professional training and opportunities working with global corporations. Funding for these initiatives is being provided by both governments which is generating network effects of demand and uptake from enterprise companies globally. The Enterprise division is also working with the governments of Australia and Malaysia.



Figure 31: Freelancer & Bahr (Saudi Arabia)

Other Enterprise Activity

In FY21, the Enterprise division has seen a number of wins. Some highlights include:

- Signing five MSAs with global technology & professional services business process outsourcing firms. These firms are major players in the traditional skilled outsourcing industry, where all are facing challenges in scaling the provision of talent on demand.
- Expanding a global chemicals company's usage over 400% from Singapore to India, China, Norway, and Germany. Freelancer Technical Co-Pilot is also embedded with this client as part of this partnership.
- Bidding on a formal, rigorous RFP for a global leader with one of the world's most valuable brands in the FMCG space for their US-based contingent worker program. We have since won this in FY22 with formal paperwork completed by Feb 2022.
- At the same time, we bid on another formal, rigorous RFP for a trillion dollar market capitalisation technology company to create an agile, elastic business model using freelancers. We have since completed the first step of the onboarding process and



are moving to completing contractual requirements ahead of a formal expected award.

- We completed vendor onboarding with one of the world's largest creative & marketing software companies to engage specialist freelancers to augment a key business unit.
- Freelancer Enterprise was awarded the 'Best Comprehensive Solution' in the 2021 HR Tech Awards by Lighthouse Research & Advisory.

Examples of the diversity of applications of our platform in FY21 included, but were not limited to:

- Sourcing experts in computational fluid dynamics for the modelling of river sediment for the U.S. government hydroelectric power authority.
- Supplying freelancer hires in over 90 regions around the world performing location based mystery shopping tasks.
- Building a supply chain for parts used in technical field services using freelancers disintermediating traditional supply chain models.
- Leveraging our global talent success capabilities to source and fill for projects requiring data engineers, user researchers, automation engineers, project managers and performance testers for a key enterprise client in the global chemicals sector.
- End-to-end project management for a global campaign of translation projects into multiple languages, product guide writing and blog writing projects for a global ecommerce company through Technical Co-Pilot.
- Accessing a pool of freelance video creators to produce high quality video content that matches pre-supplied audio files and scripts, at faster speed and lower cost to increase volume of direct SMB commercial radio advertising in the media industry.

Photo Anywhere™

Photo Anywhere is an app for ordering photos from anywhere in the world on demand. Available in the Apple App Store and the Google Play Store, users may use the app to place an order by entering the location they wish to get photographed, instructions for the photographer, and their payment details. Using the Freelancer API, the app handles posting a project, selecting a photographer, syncing photographs, proxying messaging and processing payments. With over 50 million freelancers one can quickly source visual insight from around the world.

In addition to releasing an update in 1H22 expanding the functionality to other service areas, the Photo Anywhere team is primarily focused working with the enterprise sales team on an engagement with a global technology company which is working towards producing an RFP for the team to respond to.

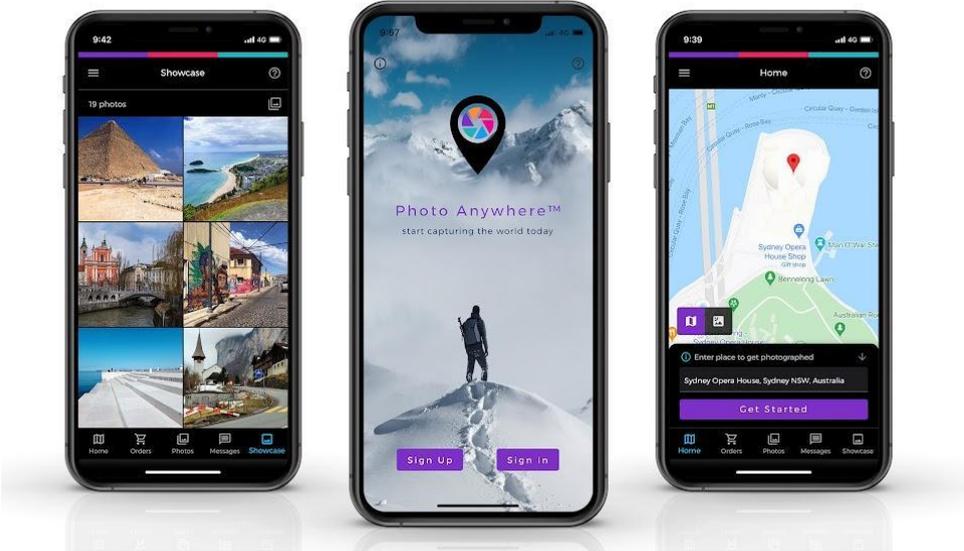


Figure 32: Photo Anywhere™



Escrow.com



Escrow.com has closed an all-time record year with an all-time record quarter. Gross Payment Volume (GPV) in 4Q21 was \$365.2 million, up 70.9% on pcp (US\$266.33m, up 70.0% on pcp), on par with the payment volume generated in the entire of the first half (1H21: US\$366 million).

This closed the financial year with an all-time record GPV of \$1.079 billion up 54.3% (US\$808.3m up 65.3% on pcp).

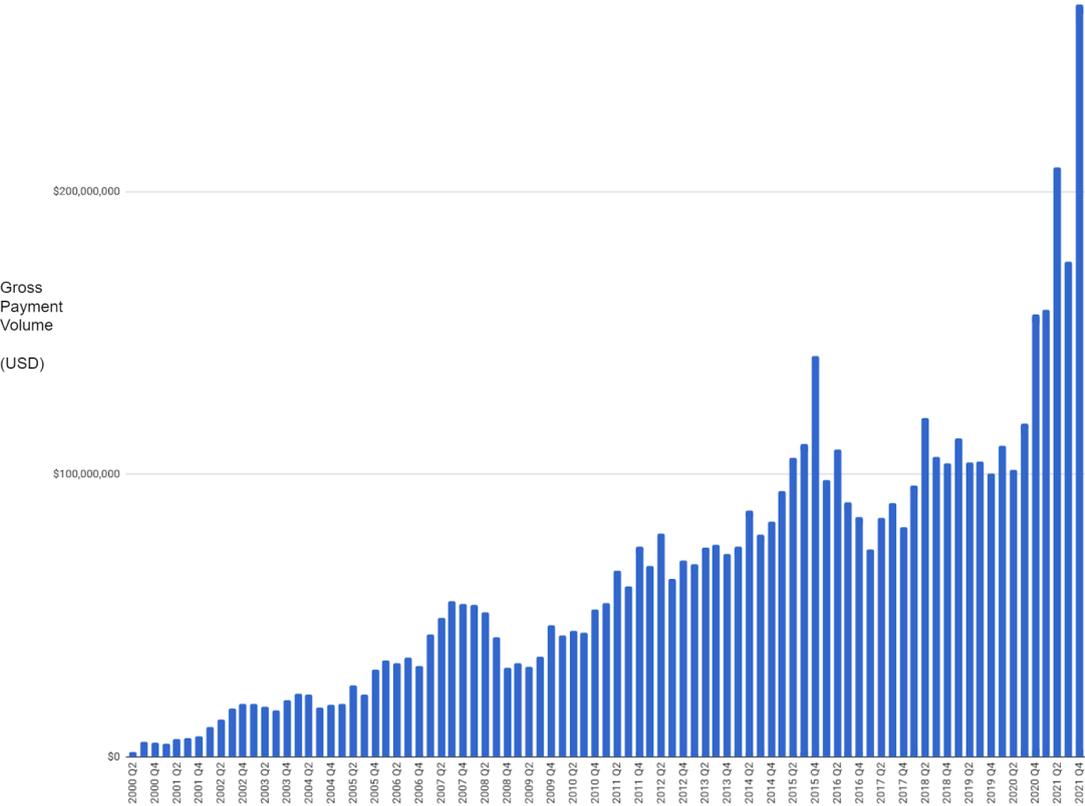


Figure 33: Escrow Gross Payment Volume (USD) by quarter since inception

Revenue for the full year 2021 was \$11.3 million, up 37.3% on pcp (US\$8.5 million, up 48.5% on pcp).

Escrow.com was profitable in FY21 with EBITDA of \$1.7 million.



Account Management

A focus of the fourth quarter was expanding account management, improving the customer experience for high value transactions by adding a dedicated relationship manager with expert knowledge in the assets being transacted. This proactive allocation of expert support staff contributed improvement in the funding rate of high value transactions and to hitting an all-time record monthly GPV of \$156.9 million, up 150.8% in November 2021 (US\$114.9 million, up 152.6% on pcp).

Customer Growth in New Verticals

In FY21 Escrow.com enabled for the first time fully online transactions for oil, gas and mineral rights in partnership with Energy Domain. This transformed a century old business into the modern online age. Since the launch of this category, Escrow.com has rapidly grown its presence in the space with additional marketplace integrations completing a total of 627 net royalty acres of mineral rights in 2021. We anticipate further growth in this sector as integrations currently underway advance to production.

We additionally signed our first private jet charter marketplace. A number of developments are happening in the automotive space, and we also expanded into more watch sellers. We also continue to closely work with eBay to expand the categories that we power.

UX improvements

Escrow.com's design team has streamlined the transaction creation on the Escrow.com website to allow our UX to facilitate faster expansion into more industry verticals.

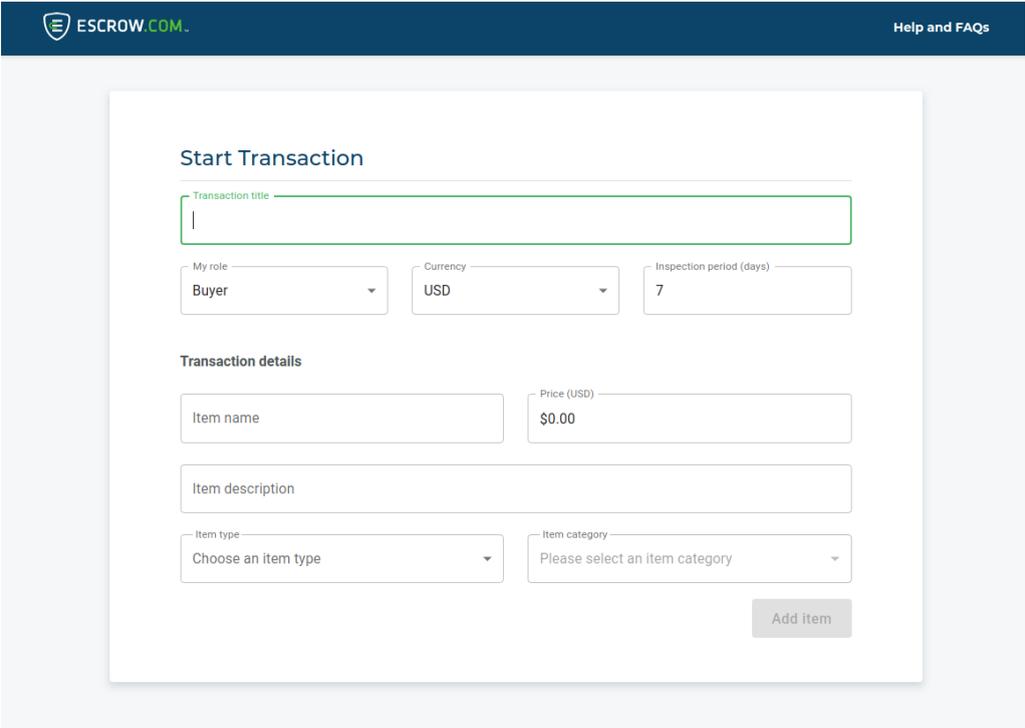


Figure 34: Improved Transaction UX

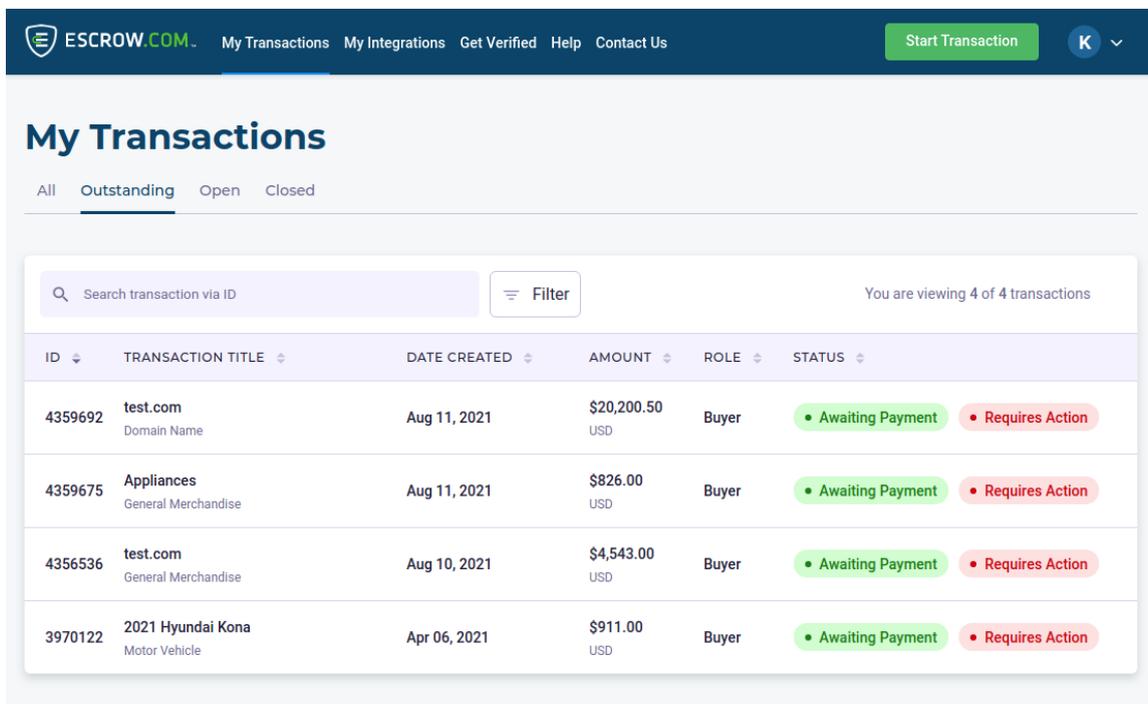
If a seller does not have a buyer at the time of transaction creation, we added a QR code and link that can now be shared, providing quick access to the Escrow Pay checkout flow.

In 4Q21, we also integrated live chat, which allows customers to instantly contact our customer experience team from their mobile device and continue the conversation while away from their desk.

These changes build on our new technology stack which will enable us to continue optimising the user experience. So far, we have seen an improvement in transaction agreed rate through this funnel across all transaction types.

My Transactions

The most visited page, while logged in, got a refresh this quarter. This has improved the site performance and the platform experience.



ID	TRANSACTION TITLE	DATE CREATED	AMOUNT	ROLE	STATUS
4359692	test.com Domain Name	Aug 11, 2021	\$20,200.50 USD	Buyer	● Awaiting Payment ● Requires Action
4359675	Appliances General Merchandise	Aug 11, 2021	\$826.00 USD	Buyer	● Awaiting Payment ● Requires Action
4356536	test.com General Merchandise	Aug 10, 2021	\$4,543.00 USD	Buyer	● Awaiting Payment ● Requires Action
3970122	2021 Hyundai Kona Motor Vehicle	Apr 06, 2021	\$911.00 USD	Buyer	● Awaiting Payment ● Requires Action

Figure 35: My Transactions

Two factor authentication

In 4Q21, Escrow.com expanded account security with a choice of 2 factor authentication (2FA) for all new and existing users, allowing users to use an authenticator app or mobile device to prevent unauthorised access.

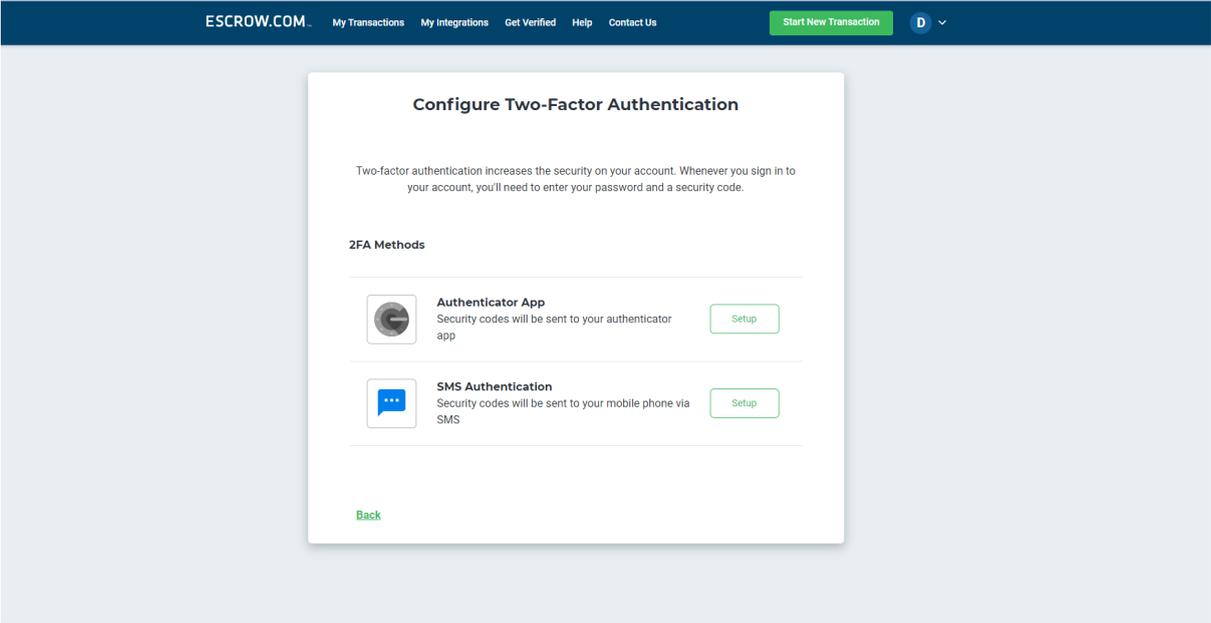


Figure 36: 2FA configuration page

Licensing & Compliance

This year we secured our escrow licence in the state of New York, giving us a total of 53 financial services licences granted or in-application (Hawaii and the territories are the only US licences remaining to file). Four U.S. states do not require Escrow.com to hold licences (Indiana, Massachusetts, Tennessee, Wisconsin). Additionally Escrow.com holds an Australian Financial Services Licence #501215 and is licensed as a MSB in Quebec, Canada #904468. A UK Payments Institution licence is in-application with the Financial Crimes Authority. In the fourth quarter we passed an important milestone with the management of the company passing the vetting by Her Majesty’s Royal Customs Service.

Freightlancer / Loadshift



The freight division experienced a large expansion this year with Freightlancer's May 2021 acquisition of Loadshift, Australia's largest heavy haulage freight marketplace. Freightlancer received a \$3.7 million investment from Wes Maas, CEO and founder of Maas Group Holdings (ASX: MGH, market capitalisation \$1.3 billion), a diversified industrials group, Tom Cavanagh, CEO & founder of EMS Group (now a division of ASX:MGH), a specialist in machinery hire, sales, repairs and rebuilds to support underground mining and tunnelling, and others. Startive Ventures, a venture fund focused on global technology and internet startup opportunities, also participated in the round.

In the last quarter of 2021, Mark McGinley was appointed as CEO of the freight division. For the last six years Mark was the CEO of CouriersPlease, an award winning last-mile e-commerce logistics company. With over 18 years in CouriersPlease, Mark has brought with him a wealth of knowledge and expertise.

The combined entity solidified its position as Australia's largest online freight marketplace, closing with all-time records quarter on quarter. Collectively, over 83,290 requests for transport passed through the marketplace in CY2021 (up 18.6% on pcp) representing 118,660,830 km of freight (up 19.7% pcp), with a notional Gross Load Value of approximately \$326 million.

Several other milestones were achieved this year. An all-time record of freight kilometres posted in a day at 590,024 km was recorded on October 12, about 1.5x the distance from the Earth to the Moon, beating the previous record by 32,295 km. On the 13th of September 438 loads were posted which is an all-time record for daily jobs.

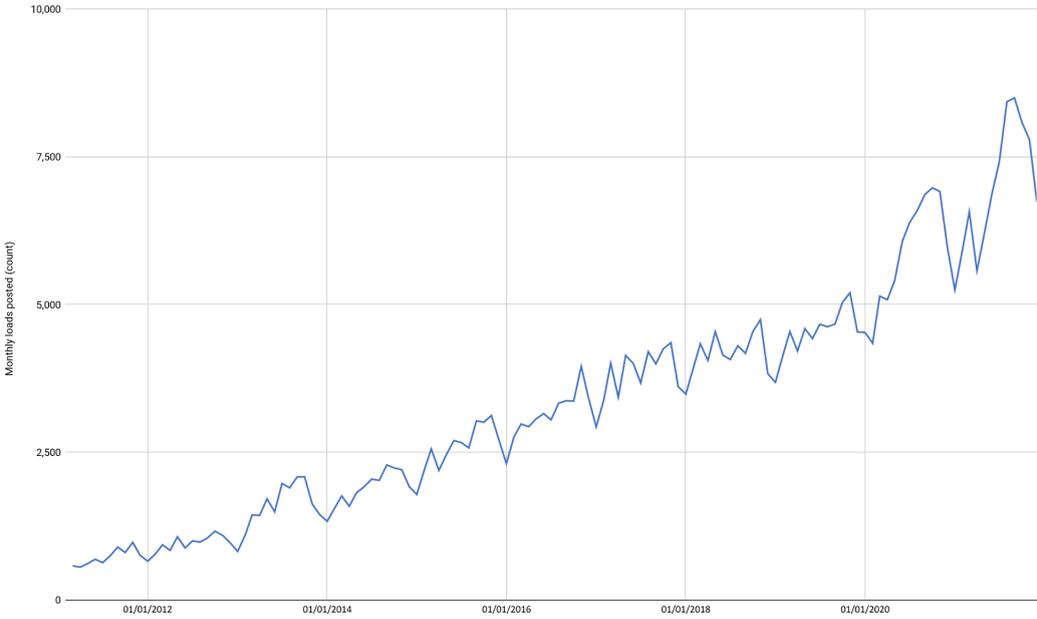


Figure 37: Group freight posted since inception (loads)

In terms of other key metrics for the year:

- Average load distance: 1,424km / load
- Average time to first bid: 18.14 minutes
- Average number of bids per job: 4.4
- Average freight charge: \$2.87 per kilometre
- Average load size: \$4,023.74

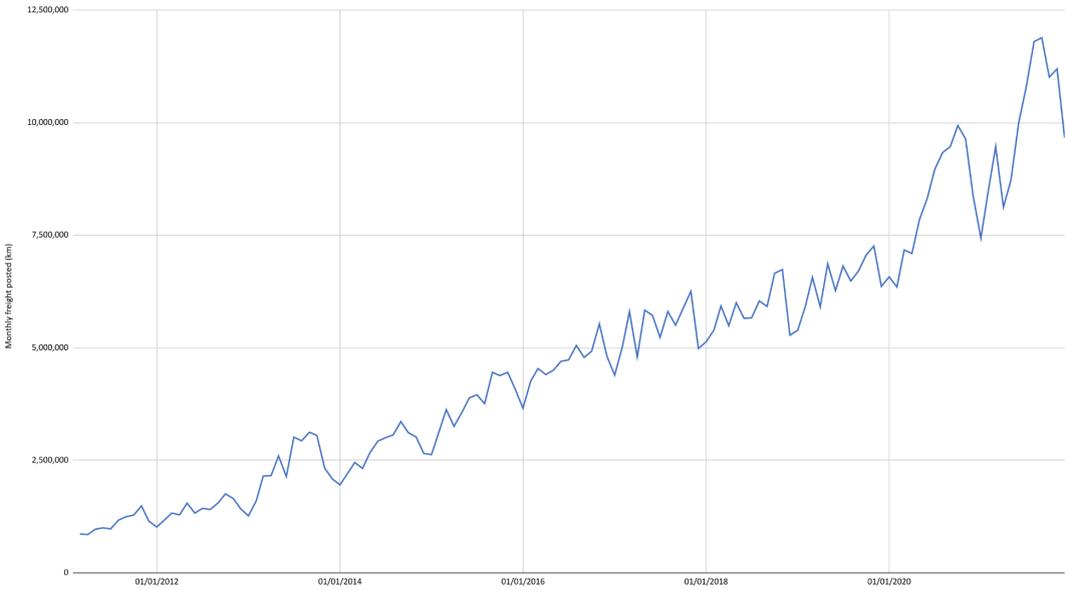


Figure 38: Group freight posted since inception (km)



Freight Categories

The freight moved by the group is diversified but primarily heavy machinery (20.3% mobile, 6.9% stationary) for the mining, construction and industrial sectors. This is followed by vehicles (cars 18.2%, trucks 9.4%, caravans 5.2%, trailers 6.3%, boats on trailers 2.9%, and motorcycles 2.2%).

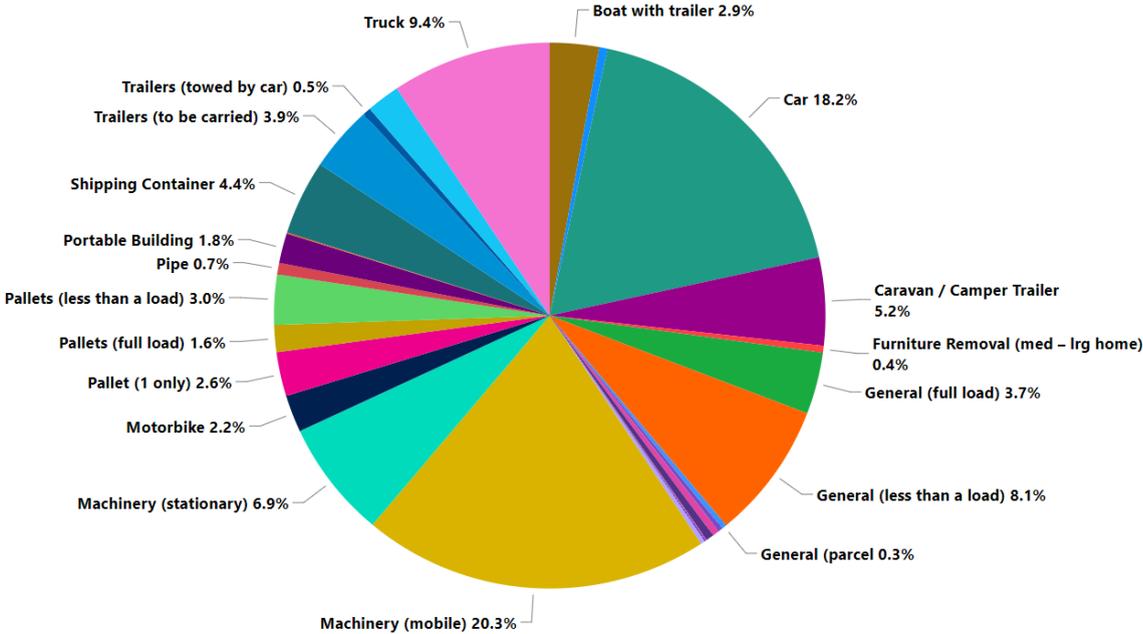


Figure 39: Freight categories by type (%)

Loadshift

The Loadshift acquisition was formalised in May 2021. The team spent 2Q21 taking over the operational, product, and engineering aspects of the business.

The focus in 3Q21 was squarely on payments. The entire payment infrastructure was upgraded to support recurring subscription payments, and a number of on-ramps for new subscribers - such as the free trial landing page - were added to the Loadshift website. An optimised update to the homepage was also deployed. The new design provided clear call to actions for both sides of the marketplace, contributing to a 52% increase in new carrier trials in 3Q21.

In the fourth quarter, we made each load on the loadboard available to logged out users, requiring the user to sign up or login to view the contact details (if they were not already logged in). This was a great improvement on the previous funnel whereby a visitor would be taken to the login screen if they clicked on a job.

Caterpillar 970F Wheel Loader Open

[Details](#) [Proposals](#) [Files](#) [Tasks](#) [Activity](#) [Share](#) ***

Job Details

General

Negotiable

LISTED QUOTE

Description

The caterpillar 970F wheel loader is available for pickup anytime 10th December 9am and we would like it to be moved as soon as possible. Pick up location will forklift on. Unloading will be required at drop off location (eg with tailgate as no forklift is available).

Quantity	Load Information	Single Item Dimensions			
1	<p>I would like to move a caterpillar 970F wheel loader from our warehouse in QLD to WA. See attached photo for details of the load</p>	Length	Width	Height	Weight
		8675 mm	3940 mm	2645 mm	6500 kg

Total Weight of All Items 6500 kg

Load Types

Machinery up to 25T

Required Vehicles

B Double B Triple

Pickup and Dropoff

○ Forrest Place, Perth WA, Australia, 6000
09 Dec 2021 09:00

● Brisbane Road, Arundel QLD, Australia, 4214

Approximate Distance

4366.424km

Figure 40: View Load

This technical adjustment means that high quality leads will be encouraged to sign up as they interact with our site. It also provides us an opportunity to market these jobs to potential customers through other means along with adding to our presence on various search engines.

Freightlancer

We released a revamped Freightlancer Platform at the end of the year. The updated site is built on top of the Freelancer enterprise stack which allows the Freightlancer business to leverage the functionality and tools built over the last decade on the Freelancer platform. We have cut down a huge amount of technical debt by migrating the platform out of the legacy infrastructure and modernised the site.

For the carriers, the site provides an easier and more intuitive way to search, quote and manage all of their loads and allows them to access the new and improved reviews feature



to build their reputation and secure loads for high quality clients. For shippers, the new site allows a similar intuitive experience to manage their loads on the platform.

Besides the value the migration provides to shippers and carriers, the migration also allows the Freightlancer stack to share the same codebase with Freelancer stack which will facilitate continuous improvement of both platforms, speed up new feature development and increase efficiency of engineering resources. We are excited about this launch and we plan to build on this momentum by releasing features such as new mobile apps and better matchmaking tools to seamlessly connect shippers and operators over the upcoming cycles.

FY22

The focus for FY22 will be to start to convert the forecast notional Gross Load Value (GLV) of Loadshift to a marketplace commission model on Freightlancer consistent with the current Freelancer commissions.

Conclusion

Operating cash flow for the year was \$2.6 million (FY20: \$7.9 million). The group ended with cash & cash equivalents of \$30.3 million, down \$1.5m or 4.7% on 30 June 2021. During the period \$4m of cash was used for the Loadshift acquisition.

Escrow ended the year with off balance sheet cash of US\$47.0 million.

Freelancer is in the final stages of obtaining Depository Trust Company ("DTC") eligibility for its ordinary shares on OTCQX Best Markets. We expect to announce that this has been approved any day now. DTC manages electronic clearing and settlement of publicly traded companies across the United States and in 131 other countries. Trading through DTC allows for cost-effective clearing and guaranteed settlement, simplifying and accelerating the settlement process of daily trades. U.S. investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcm Markets.com/stock/FLNCF/quote.

OTCQX trading will make it easier for our U.S. investors, employees and customers to invest in Freelancer by reducing the requirement of having an Australian share trading account. Once DTC eligibility is obtained, FLNCF will be automatically quoted on a number of US share trading platforms.



For more information please contact:

Neil Katz
Chief Financial Officer
Freelancer Limited
investor@freelancer.com

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 FY22 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.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. More than 57 million registered users have posted over 20 million projects and contests to date in over 2,000 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\$5 billion in transactions secured. Freelancer also owns Freightlancer & Loadshift, enterprise freight marketplaces with over 550 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 under the ticker FLNCF.

End



This logo design cost and took 9 days to make

\$30 USD



This label design cost and took 12 days to make

\$150 USD