

3Q26 Freelancer Limited | 20 October 2026

Return to operating profit as costs fall 11.0%; Loadshift delivers all-time record quarter and Escrow.com GMV grows 18.6%

Freelancer Limited (ASX: FLN; OTCQX: FRLCY) today released its unaudited business update for the three months ended 30 September 2026 (3Q26).

The Group returned to operating profit in the quarter as its cost program delivered. Operating expenses decreased 11.0% to A\$8.9 million, A\$1.2 million lower than in the prior corresponding period (pcp), with employee expenses down 17.5% and hosting costs down 9.6%.

Group Gross Marketplace Value (GMV) increased 13.0% to A\$244.9 million (US\$172.9 million, up 21.9%), led by Escrow.com and Loadshift. Group revenue declined 17.2% to A\$11.1 million (US\$7.8 million, down 10.8%) and gross profit declined 16.1% to A\$9.6 million, with a weaker US dollar reducing reported Australian dollar results.

Lower costs offset more than half of the decline in gross profit. EBITDA was A\$0.7 million (3Q25: A\$1.4 million). The Group recorded an operating profit of A\$0.1 million, compared with an operating loss of A\$0.3 million in 1H26, and a positive net profit before tax. Cash was A\$16.5 million at 30 September 2026 and the Group remains debt-free.

Loadshift delivered its best quarter on record, and Escrow.com grew GMV 18.6% (28.0% in US dollar terms), with wholesale electronics contributing 12.8% of GMV. Freelancer revenue declined 26.3% as the three issues identified at 1H26 continued to weigh on activity: login friction from enhanced security measures, lower organic search traffic after AI scraping disrupted site stability, and reduced payment acceptance at some gateways.

Each has improved. Login friction for returning employers has been reduced; platform stability has improved markedly, Google is indexing about four times as many pages as at the start of the quarter and organic signups are 25% above their trough; and card acceptance has recovered. These improvements are expected to take time to flow through to financial results.

Key financials

- Operating expenses of **A\$8.9 million**, down 11.0%, with employee expenses down 17.5% and hosting down 9.6%
- Group GMV of **A\$244.9 million**, up 13.0% (US\$172.9 million, up 21.9%)
- Group revenue of **A\$11.1 million**, down 17.2% (US\$7.8 million, down 10.8%)
- EBITDA of **A\$0.7 million** (3Q25: A\$1.4 million)
- Operating profit of **A\$0.1 million** (3Q25: A\$0.5 million), returning to operating profit after an operating loss of A\$0.3 million in 1H26
- The Group achieved a **positive** net profit before tax for the quarter
- Cash and cash equivalents of **A\$16.5 million**; the Group remains debt-free

Strategic highlights

- **Loadshift** delivered record quarterly revenue and GMV, and set new monthly records for both in September.
- **Escrow.com** grew GMV 18.6% to A\$216.9 million (US\$153.1 million, up 28.0%), with wholesale electronics, now its fastest-growing vertical, contributing 12.8% of GMV.
- **Freelancer**: progress on all three issues identified at 1H26, with reduced login friction for returning employers, markedly improved platform stability, organic signups 25% above their trough and card acceptance recovered from the 1H26 dip. Work continues, and demand has not yet followed.
- **Product**: Freelancer moved to AI-first Tier-1 support, deployed Google Pay and began testing AI-powered bid search and language-matched bid ranking. Loadshift released PSTN calling, which lifted the call connection rate on Estimate Only loads to 93% from 21%, along with FindTruck and Quote Guidance.
- **Enterprise**: Freelancer secured a new engagement under NASA's NOIS3 program and continued delivery of innovation challenges for the US National Institutes of Health.
- **Cost base**: more than A\$4 million of annualised cost savings have been taken out of the business, returning the Group to operating profit.

Financial Performance (A\$m)	3Q26	3Q25	Change	Change (US\$)
Group GMV	244.9	216.8	13.0%	21.9%
Group revenue	11.1	13.4	(17.2%)	(10.8%)
Gross profit	9.6	11.5	(16.1%)	nm
Employee expenses	4.4	5.4	(17.5%)	nm
Hosting	1.5	1.7	(9.6%)	nm
Marketing	1.5	1.6	(8.7%)	nm
Administration	1.5	1.4	8.8%	nm
Operating Expenses	8.9	10.1	(11.0%)	nm
EBITDA*	0.7	1.4	nm	nm
Operating profit**	0.1	0.5	nm	nm

*EBITDA is calculated as earnings before interest expense, income tax, depreciation and amortisation. It includes interest income earned on cash and receivables but excludes sublease income, foreign exchange gains and losses, and share-based payments expenses.

**Operating profit is calculated as EBITDA, less depreciation of right-of-use assets, depreciation of fixed assets and interest expense on lease liabilities, plus sublease income.

Operating Drivers (A\$m)	3Q26	3Q25	Change	Change (US\$)
Gross Marketplace Value (GMV)				
Freelancer	19.1	26.4	(27.6%)	(21.7%)
Loadshift	8.9	7.6	16.9%	nm
Escrow.com	216.9	182.8	18.6%	28.0%
Total	244.9	216.8	13.0%	21.9%
Gross revenue				
Freelancer	6.8	9.2	(26.3%)	(20.5%)
Loadshift*	1.1	0.9	18.0%	nm
Escrow.com	3.1	3.2	(2.4%)	5.3%
Other**	0.1	0.1	nm	nm
Total	11.1	13.4	(17.2%)	(10.8%)

* Loadshift transacts only in Australian dollars.

**Other includes interest income earned on cash and receivables and excludes sublease

Chief Executive, Matt Barrie, commented on the results:

"We said at the half that we would take costs out of the business, and we have. Operating expenses are down 11% on a year ago, employee costs are down by almost a fifth, and the Group is back in operating profit and remains debt-free.

"Loadshift had the best quarter in its history. Escrow.com grew GMV 28% in US dollar terms, and wholesale electronics, a category it entered this year, is already 12.8% of its GMV.

"At Freelancer, we have made progress on all three problems we identified at the half. Login friction for returning employers is down, the site is stable and Google is indexing four times as many of our pages, and card acceptance has recovered. Customers have not come back yet. It will take time for this work to show up in revenue, and we are not going to pretend otherwise.

"The rest of the year is about keeping costs down, keeping Escrow.com and Loadshift growing, and getting Freelancer growing again."

Group financial performance

The Group's cost program delivered in 3Q26. Operating expenses decreased 11.0% to A\$8.9 million, A\$1.2 million lower than in 3Q25, with more than A\$4 million of annualised cost savings now taken out of the business.

Employee expenses decreased 17.5% to A\$4.4 million, reflecting lower headcount, and hosting costs decreased 9.6% to A\$1.5 million. Marketing expenses decreased 8.7% to A\$1.5 million as acquisition spend was concentrated on verticals with targeted return-on-investment economics. Administration expenses were the only cost line to increase, up 8.8% to A\$1.5 million, reflecting investment in AI tooling to support productivity gains and marketplace improvements, together with additional compliance costs at Escrow.com.

Group revenue declined 17.2% to A\$11.1 million and gross profit declined 16.1% to A\$9.6 million. In US dollar terms, revenue declined 10.8%, with the weaker US dollar reducing reported Australian dollar results. The underlying decline came from Freelancer, where revenue declined 26.3%, partly offset by growth at Loadshift (up 18.0%) and at Escrow.com in US dollar terms (up 5.3%).

EBITDA was A\$0.7 million (3Q25: A\$1.4 million). The Group recorded an operating profit of A\$0.1 million (3Q25: A\$0.5 million), returning to operating profit after an operating loss of A\$0.3 million in 1H26, and a positive net profit before tax. The operating result includes the net impact of the Group's lease liabilities and sublease income, and adjustments for rent capitalised under AASB 16.

Cash and cash equivalents were A\$16.5 million at 30 September 2026, compared with A\$17.9 million at 30 June 2026. The A\$1.4 million decrease reflected lower user obligations as a result of lower net deposits. The Group remains debt-free.

Freelancer: remediation progressing across all three issues

Freelancer GMV declined 27.6% to A\$19.1 million (US\$13.5 million, down 21.7%). Revenue declined 26.3% to A\$6.8 million (US\$4.8 million, down 20.5%), compared with a decline of 23.2% in 1H26.

At the 1H26 result, the Group identified three operational factors behind the decline in Freelancer. Each improved during 3Q26.

- Platform integrity controls. Two-factor authentication settings were further refined during the quarter, reducing login friction for returning employers while retaining stronger fraud controls.
- Platform stability and organic search. Platform stability has improved markedly following the AI scraping remediation measures, and search engines have re-indexed the site. Google is indexing about 5 million pages, up from about 1.2 million at the start of the quarter. Organic search signups from Google averaged 37,000 a week, 25% above the November–December 2025 trough but 16% below 3Q25. The first three vertical landing pages launched from August, with early project-post rates at or above generic skill pages, and a further 13 are in production.
- Payment acceptance. As flagged at 1H26, card volume was migrated away from underperforming gateways, with routing changes completed in June and July. Card payment acceptance has recovered from the dip earlier in the year and is stable year on year, and new-card success was back at early-2026 levels by September. Google Pay was deployed as a payment option late in the quarter, and native payment methods for India are in the process of being commissioned.

These are lead indicators and have not yet translated into revenue, with the decline in Freelancer revenue widening to 26.3% from 23.2% in 1H26. As noted at the half year, these improvements are expected to take time to flow through to financial results. New employers, projects and paying employers were down around 33% on 3Q25.

Marketplace quality continued to improve. Average project size increased 25% to US\$498 and projects received 63 bids on average (3Q25: 58). AI-related work grew to 7.7% of project GMV (3Q25: 5.7%), with AI GMV up 7% in US dollar terms. Employers rated freelancers 4.83 out of 5 (3Q25: 4.78), and Freelancer is rated 4.5 on Trustpilot from more than 20,000 reviews.

In enterprise, Freelancer secured a new engagement under NASA's NOIS3 program to source a robotics specialist supporting digital twin simulations of multi-agent robotic systems, with applications for lunar and Martian exploration. For the US National Institutes of Health, genome editing reagents were shipped for the TARGETED Genome Editor Delivery Challenge, with four of five reagent tests complete and final testing scheduled for later in 2026. The S-index Innovation Event was held in July, with four winners announced. The Boom Trajectory

Unknown Challenge and a UNDP challenge to find and mark underwater explosive ordnance were also completed.

In field services, a field sales pilot for a global payments provider began in July. Meetings delivered grew over 10x from July to August on the same headcount, and in September the client expanded the engagement to include onboarding merchants directly. In the US, a services agreement was signed with a global post-sales service provider to medical device and technology manufacturers, and a first statement of work for on-site work in hospitals was countersigned in September. Since quarter end, the Group has launched Flock, its own platform for dispatching and managing field workers, and Goldie, which is built on Flock and runs the field sales team for that pilot.

The enterprise team delivered user research and video production projects for a global e-commerce and technology company, including in the UK and Indonesia, alongside ongoing content strategy work. It also built an approved pool of around 500 assessed freelancers for an AI data company and started an audio annotation pilot for a BPO using US-based freelancers.

Escrow.com: wholesale electronics emerging as a growth vertical

Escrow.com GMV increased 18.6% to A\$216.9 million (US\$153.1 million, up 28.0%). Revenue declined 2.4% to A\$3.1 million (US\$2.2 million, up 5.3%).

Revenue was held back by a slowdown in domain market activity during the northern hemisphere summer.

Wholesale electronics, a new market for FY26, contributed 12.8% of GMV in the quarter and is now Escrow.com's fastest-growing vertical. The business held more than 25 meetings with server and hardware resellers during the quarter, has since onboarded a number of partners onto live transactions and is hiring to expand pipeline generation. A dedicated workflow for electronics transactions is planned for 4Q26. Escrow.com is also actively exploring other high-potential verticals.

On product, Escrow.com migrated its website front end to a new platform, activated domestic US dollar payment processing through JPMorgan Chase and began rolling out international US dollar processing.

Wholesale electronics and domain names are expected to be the main drivers of growth in 4Q26. In November, Escrow.com will attend NamesCon 2026, its largest annual domain industry conference.

Loadshift: record quarter

Loadshift delivered its best quarter on record. Revenue increased 18.0% to A\$1.1 million and GMV increased 16.9% to A\$8.9 million. September was the business's strongest month to date, with revenue of A\$0.38 million (up 13.7%) and GMV of A\$3.1 million (up 9.0%).

Growth was driven by higher marketplace activity and conversion. Loads awarded increased 14.8% to 4,032, and the award rate improved to 29.9% from 28.3%.

Product releases during the quarter targeted conversion. PSTN calling, released in July, lifted the call connection rate on Estimate Only loads to 93% from 21%, and the award rate on those loads rose to 22.3% from 18.2%. Loadshift also released FindTruck, which lets carriers publish trips and empty-truck capacity for shippers to find, and Quote Guidance, which prompts carriers to price each load individually.

Monetisation continued to improve. Paid memberships increased 58% to 560 at 30 September 2026, and 40 accounts moved onto enterprise membership during the quarter. Enterprise GMV increased around 15% to A\$1.8 million.

In late September, Loadshift awarded the largest single load in its history, valued at A\$0.3 million. The load was awaiting completion at quarter end and is not reflected in 3Q26 results.

Loadshift attended the Queensland Mining Expo, Diggers & Dealers and the Australian Freight Industry Awards during the quarter. The Group continues to assess opportunities to improve monetisation, strengthen enterprise workflows and expand Loadshift into additional jurisdictions, including Canada.

Outlook

For the remainder of FY26, the Group remains focused on the priorities set at the half year:

- returning Freelancer to growth by continuing work on platform integrity, platform stability and organic search, and payment acceptance, and by lifting conversion of new and returning employers through AI-powered search and matching;
- growing Escrow.com in wholesale electronics, and developing other high-potential verticals;
- growing Loadshift revenue and improving monetisation through new membership plans, enterprise accounts and higher conversion of loads into jobs;
- increasing customer lifetime value across the Group; and
- maintaining cost discipline and extending AI-led productivity initiatives across the business.

Subject to implementation timing, management expects the benefits of these initiatives to continue to flow through as the Group exits FY26 and enters FY27.

ENDS

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About Freelancer

Fourteen-time Webby Award-winning Freelancer is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. More than 90 million registered users have posted over 25 million projects and contests to date in over 4,000 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 more than US\$8.3 billion in transactions secured. Freelancer also owns Loadshift, Australia's largest heavy haulage freight marketplace with over 1 billion kilometres of freight posted since inception. Freelancer Limited is listed on the Australian Securities Exchange (ASX: FLN) and quoted on the OTCQX Best Market in the United States (OTCQX: FRLCY).

Forward-looking statements

This business update contains forward-looking statements, including statements about Freelancer's outlook, plans and strategies and the development of its markets. Words such as "expect", "anticipate", "believe", "intend", "plan", "target", "outlook", "likely", "may" and similar expressions identify forward-looking statements. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond Freelancer's control, that may cause actual results to differ materially. They speak only as at the date of this announcement, and Freelancer assumes no obligation to update them. The release, publication or distribution of this business update outside Australia may be restricted by law, and failure to comply with those restrictions may breach applicable securities laws.

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