

For personal use only

Freelancer Limited

Half-Year Report 2023



Appendix 4D

For the half year ended 30 June 2023

Freelancer Limited

ACN 141 959 042

Results for announcement to the market

For the half year ended 30 June 2023 ("current period")

| | Half year ended 30 June 2023 \$000 | Half year ended 30 June 2022 \$000 | Change % |
|--|---|---|----------|
| Revenues from ordinary activities | 27,116 | 29,245 | -7.3% |
| Loss from ordinary activities after tax attributable to shareholders | (349) | (3,144) | +88.9% |
| Net loss for the period attributable to shareholders | (349) | (3,144) | +88.9% |

No dividends have been declared for the reporting period.

| | 30 June 2023 (Cents) | 30 June 2022 (Cents) |
|----------------------------------|-------------------------|-------------------------|
| Net tangible assets per security | (3.54) | (2.81) |

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half year ended 30 June 2023. Information should be read in conjunction with Freelancer Limited's 2022 Annual Report and the attached Interim Financial Report.

This report is based on the consolidated interim Financial Report for the half year ended 30 June 2023 which has been reviewed by Hall Chadwick with the Independent Auditor's Review Report included in the Interim Report.

For personal use only

Contents

| | Page |
|---|-------------|
| Directors' Report..... | 3 |
| Auditor's Independence Declaration | 4 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 5 |
| Consolidated Statement of Financial Position..... | 6 |
| Consolidated Statement of Changes in Equity..... | 7 |
| Consolidated Statement of Cash Flows | 8 |
| Notes to the financial statements | 9 |
| Directors' Declaration..... | 16 |
| Independent Auditor's Report | 17 |
| Corporate Directory..... | 19 |

For personal use only

Freelancer Limited Directors' Report

The Directors present their report together with the financial statements of the consolidated entity (the Group), consisting of Freelancer Limited (the Company) and its controlled entities for the half-year ended 30 June 2023 and the Independent Auditor's Review Report thereon.

Directors

The names of the Directors of Freelancer Limited during the half-year and up to the date of this report are as follows:

| | |
|-----------------|--------------------------------------|
| Matt Barrie | Chairman and Chief Executive Officer |
| Darren Williams | Non-Executive Director |
| Simon Clausen | Non-Executive Director |

Review of operations

During the half-year ended 30 June 2023, the Group generated net revenue of \$27.1 million, down 7.3% on 1H22. Gross Payment Volume¹ (unaudited) was \$577 million, down 11.5% on 1H22.

The online marketplace segment generated net revenue of \$22.4 million, down 4.9% on 1H22. The online payment services segment generated net revenue of \$4.8 million, down 17.2% on 1H22.

Gross profit for the half-year ended 30 June 2023 was \$22.8 million, down 8.8% on the prior corresponding period (1H22: \$24.9 million) due to lower revenue and reduced gross margin of 84.0%(1H22: 85.5%).

Total operating expenses were \$24.3 million, down 19.6% on the prior corresponding period (1H22: \$30.3 million). These significantly lower costs were mainly attributable to reduced payroll related costs of 22.8% and lower marketing related costs of 40.2% on the prior corresponding period.

The Group reported an operating net loss after tax of \$(0.3) million (1H22: \$(3.1) million). Operating cash flow was positive \$1.3 million (1H22: \$2.3 million).

Dividends paid or recommended

In respect of the half-year ended 30 June 2023, there have been no dividends paid or provided for (1H21: nil).

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Rounding off of amounts

The Company is a company of the kind referred to in Australian Securities and Investments Commission Instrument 2016/191. Amounts in the Directors' Report and the accompanying financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.

Matt Barrie

Matt Barrie
Chairman
25 July 2023

¹ Gross Payment Volume (GPV) is calculated as the total payments to Freelancer and Escrow users for products and services transacted through the Freelancer and Escrow websites plus total Freelancer and Escrow revenue.

Auditor's Independence Declaration

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

**FREELANCER LIMITED
ABN 66 141 959 042
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
FREELANCER LIMITED**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

In accordance with S307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Freelancer Limited. As the lead audit partner for the review of the financial report of Freelancer Limited for the half-year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- (b) any applicable code of professional conduct in relation to the review

Hall Chadwick (NSW)

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney, NSW 2000

Stewart Thompson

Stewart Thompson
Partner
Dated: 25 July 2023

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

 **PrimeGlobal**

For personal use only

Freelancer Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2023

| | Note | 30 Jun 2023 \$000 | 30 Jun 2022 \$000 |
|--|------|----------------------|----------------------|
| Revenue | 3 | 27,116 | 29,245 |
| Cost of sales | | (4,346) | (4,267) |
| Gross profit | | 22,770 | 24,978 |
| Other Income | 3 | 968 | 973 |
| Employee expenses | | (11,275) | (14,604) |
| Administrative expenses | | (5,760) | (6,067) |
| Marketing related expenses | | (3,008) | (5,027) |
| Occupancy expenses | | (294) | (284) |
| Foreign exchange losses | | (584) | (986) |
| Depreciation and amortisation expenses | | (2,350) | (2,330) |
| Share based payments expense | | (60) | (93) |
| Finance costs | | (1,003) | (880) |
| Loss before income tax | | (596) | (4,320) |
| Income tax benefit | | 247 | 1,176 |
| Loss after tax | | (349) | (3,144) |
| Other comprehensive income | | | |
| Items that may be reclassified to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | 211 | 274 |
| Total comprehensive loss for the half-year | | (138) | (2,870) |
| Loss is attributable to: | | | |
| Owners of Freelancer Limited | | (349) | (3,144) |
| Non-controlling interests | | - | - |
| Loss is attributable to: | | (349) | (3,144) |
| Total comprehensive income for the year is attributable to: | | | |
| Owners of Freelancer Limited | | (138) | (2,870) |
| Non-controlling interests | | - | - |
| Loss is attributable to: | | (138) | (2,870) |
| Earnings per share | | Cents | Cents |
| Basic earnings per share | 6 | (0.08) | (0.70) |
| Diluted earnings per share | 6 | (0.08) | (0.70) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Freelancer Limited
Consolidated Statement of Financial Position
As at 30 June 2023

| | Note | 30 Jun 2023 \$000 | 31 Dec 2022 \$000 |
|--------------------------------------|------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 23,092 | 23,358 |
| Trade and other receivables | | 4,648 | 4,825 |
| Other assets | | 2,707 | 2,614 |
| Total current assets | | 30,447 | 30,797 |
| Non-current assets | | | |
| Trade and other receivables | | 842 | 794 |
| Plant and equipment | | 380 | 491 |
| Intangible assets | | 34,120 | 34,120 |
| Right of use assets | | 15,835 | 17,832 |
| Other assets | | 448 | 491 |
| Deferred tax assets | | 12,160 | 12,520 |
| Total non-current assets | | 63,785 | 66,248 |
| Total assets | | 94,232 | 97,045 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 39,573 | 39,647 |
| Lease liabilities | | 4,562 | 5,562 |
| Borrowings | | 121 | 121 |
| Current tax liabilities | | 11 | 18 |
| Provisions | | 2,647 | 2,798 |
| Contract liabilities | | 653 | 685 |
| Total current liabilities | | 47,567 | 48,831 |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 3,917 | 4,622 |
| Lease liabilities | | 14,679 | 15,519 |
| Provisions | | 1,014 | 960 |
| Contract liabilities | | 668 | 648 |
| Total non-current liabilities | | 20,278 | 21,749 |
| Total liabilities | | 67,845 | 70,580 |
| Net assets | | 26,387 | 26,465 |
| Equity | | | |
| Contributed equity | 4 | 38,918 | 38,918 |
| Reserves | 5 | 1,396 | 1,288 |
| Accumulated losses | | (17,601) | (17,415) |
| Non-controlling interests | | 3,674 | 3,674 |
| Total equity | | 26,387 | 26,465 |

The above statement of financial position should be read in conjunction with the accompanying notes.

Freelancer Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2023

| | Attributable to owners of Freelancer Limited | | | | | | Total Equity \$000 |
|--|---|----------------------------|---|-------------------------|----------------------------------|--------------|--------------------------|
| | Contributed Equity | Share Based Payments | Foreign currency translation reserve | (Accumulated losses) | Non- controlling interests | | |
| | Note | \$000 | \$000 | \$000 | \$000 | \$000 | |
| Balance at 1 January 2022 | | 38,779 | 5,059 | (295) | (15,887) | 3,674 | 31,330 |
| Loss for the year | | - | - | - | (5,413) | - | (5,413) |
| Exchange differences on translation of foreign operations | | - | - | 250 | - | - | 250 |
| Total comprehensive loss for the period | | - | - | 250 | (5,413) | - | (5,163) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Shares issued during the year | | 139 | - | - | - | - | 139 |
| Share based payments reserve no longer required | | - | (3,885) | - | 3,885 | - | - |
| Share based payments | | - | 159 | - | - | - | 159 |
| Balance at 31 December 2022 | | 38,918 | 1,333 | (45) | (17,415) | 3,674 | 26,465 |

| | Attributable to owners of Freelancer Limited | | | | | | Total Equity \$000 |
|--|---|----------------------------|---|-------------------------|----------------------------------|--------------|--------------------------|
| | Contributed Equity | Share Based Payments | Foreign currency translation reserve | (Accumulated losses) | Non- controlling interests | | |
| | Note | \$000 | \$000 | \$000 | \$000 | \$000 | |
| Balance at 1 January 2023 | | 38,918 | 1,333 | (45) | (17,415) | 3,674 | 26,465 |
| Loss for the half-year | | - | - | - | (349) | - | (349) |
| Exchange differences on translation of foreign operations | | - | - | 211 | - | - | 211 |
| Total comprehensive loss for the period | | - | - | 211 | (349) | - | (138) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Share based payments reserve no longer required | | - | (163) | - | 163 | - | - |
| Share based payments | | - | 60 | - | - | - | 60 |
| Balance at 30 June 2023 | | 38,918 | 1,230 | 166 | (17,601) | 3,674 | 26,387 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

Freelancer Limited
Consolidated Statement of Cash Flows
For the half year ended 30 June 2023

| Note | 30 Jun 2023 \$000 | 30 Jun 2022 \$000 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 28,404 | 30,780 |
| Payments to suppliers and employees | (26,026) | (27,513) |
| Interest received | 27 | 32 |
| Interest paid | (1,003) | (879) |
| Income taxes paid | (79) | (90) |
| Net cash inflow from operating activities | 1,323 | 2,330 |
| Cash flows from investing activities | | |
| Payments for plant and equipment | (28) | (115) |
| Net cash (outflow) from investing activities | (28) | (115) |
| Cash flows from financing activities | | |
| Repayment of lease liabilities | (2,067) | (1,870) |
| Proceeds from loans | 2 | - |
| Net cash (outflow) from financing activities | (2,065) | (1,870) |
| Net (decrease) / increase in cash and cash equivalents | (770) | 345 |
| Cash and cash equivalents at beginning of the financial year | 23,358 | 30,315 |
| Effects of exchange rate changes on cash and cash equivalents | 504 | 1,005 |
| Cash and cash equivalents at end of the half-year | 23,092 | 31,665 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

Contents of the notes to the consolidated financial statements

| Note | Contents | |
|-------------|---|----|
| 1. | Basis of preparation | 10 |
| 2. | Segment information | 10 |
| 3. | Revenue | 12 |
| 4. | Contributed equity | 12 |
| 5. | Equity – reserves | 13 |
| 6. | Earnings per share (EPS) | 13 |
| 7. | Contingent liabilities | 14 |
| 8. | Commitments for expenditure | 14 |
| 9. | Fair value measurements | 15 |
| 10. | Events occurring after the reporting date | 15 |

For personal use only

Freelancer Limited

Notes to the financial statements

For the half year ended 30 June 2023

1. Basis of preparation

This interim report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Freelancer Limited is a for-profit entity for the purpose of preparing the interim financial statements. The financial statements are for the consolidated entity consisting of Freelancer Limited and its subsidiaries.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by Freelancer Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These interim financial statements were authorised for issue on 25 July 2023.

The Directors believe that there are reasonable grounds that the company is able to pay its debts as and when they fall due. Despite the group having a working capital deficiency and lower revenues for the half year, the Group has significantly reduced its operating costs and has projected positive cash flow and a profitable 2H23. This is based on a lower cost basis and modest revenue growth. The Group also has a significant cash balances at 30 June 2023

(a) Accounting policies

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 31 December 2022.

(b) Rounding of amounts

The Company has applied the relief available to it under ASIC Instrument 2016/191. Accordingly, amounts in the financial statements and Directors' Report have been rounded off to the nearest \$1,000.

2. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors are identified as the CODM.

Identification of reportable operating segments

The Group is organised into two operating segments: namely an online marketplace and online payment services. These segments are based on the internal reports that are reviewed and used by the CODM in assessing performance and in determining the allocation of resources (AASB 8 para. 5(b)).

The CODM assesses the performance of the operating segments based on a measure of revenue and operating EBITDA (earnings before share based payments, interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group operates in Australia and has staff and operations in Philippines, United Kingdom, Argentina, United States and Canada in addition to Australia. These geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment. The information reported to the CODM is at least on a monthly basis.

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

| Half-year end 30 June 2023 | Online Marketplace | Online payment services | Total |
|--|--------------------|-------------------------|-----------------|
| Segment revenue | | | |
| Segment revenue | 22,364 | 4,752 | 27,116 |
| Total segment revenue | 22,364 | 4,752 | 27,116 |
| Segment result | | | |
| Segment profit | 2,292 | 525 | 2,817 |
| Share based payments | (60) | - | (60) |
| Depreciation and amortisation expenses | (2,208) | (142) | (2,350) |
| Interest paid | (984) | (19) | (1,003) |
| (Loss) / Profit before income tax | (960) | 364 | (596) |
| Income tax benefit | - | - | 247 |
| Loss for half-year | | | (349) |
| Segment Assets At 30 Jun 2023 | | | |
| | Online Marketplace | Online Payments | Total |
| Segment assets | 44,558 | 6,700 | 51,258 |
| Intergroup eliminations | (1,906) | - | (1,906) |
| Deferred tax assets | | | 12,160 |
| Intangibles | | | 32,720 |
| Total assets | 42,652 | 6,700 | 94,232 |
| Segment liabilities At 30 June 2023 | | | |
| Segment liabilities | (61,833) | (4,001) | (65,834) |
| Intergroup eliminations | - | 1,906 | 1,906 |
| Deferred tax liabilities | | | (3,917) |
| Total liabilities | (61,833) | (2,095) | (67,845) |
| Half-year end 30 June 2022 | | | |
| | Online Marketplace | Online payment services | Total |
| Segment revenue | | | |
| Segment revenue | 23,505 | 5,740 | 29,245 |
| Total segment revenue | 23,505 | 5,740 | 29,245 |
| Segment result | | | |
| Segment (loss) / profit | (1,830) | 813 | (1,017) |
| Share based payments | (93) | - | (93) |
| Depreciation and amortisation expenses | (2,187) | (143) | (2,330) |
| Interest paid | (860) | (20) | (880) |
| (Loss) / Profit before income tax | (4,970) | 650 | (4,320) |
| Income tax benefit | - | - | 1,176 |
| Loss for half-year | | | (3,144) |

For personal use only

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

| Segment Assets At 31 December 2022 | Online Marketplace | Online Payments | Total |
|---|-------------------------------|----------------------------|----------------|
| Segment assets | 46,760 | 6,542 | 53,302 |
| Intergroup eliminations | (1,497) | - | (1,497) |
| Deferred tax assets | - | - | 12,520 |
| Intangibles | - | - | 32,720 |
| Total assets | 45,263 | 6,542 | 97,045 |

| Segment liabilities At 31 December 2022 | | | |
|--|-----------------|----------------|-----------------|
| Segment liabilities | (63,225) | (4,231) | (67,456) |
| Intergroup eliminations | - | 1,497 | 1,497 |
| Deferred tax liabilities | - | - | (4,621) |
| Total liabilities | (63,225) | (2,734) | (70,580) |

3. Revenue

| | 30 Jun 2023 \$000 | 30 Jun 2022 \$000 |
|----------------------|------------------------------|------------------------------|
| Sales revenue | | |
| Marketplace services | 20,579 | 21,382 |
| Payment services | 4,752 | 5,740 |
| Enterprise services | 1,785 | 2,123 |
| | 27,116 | 29,245 |
| Other revenue | | |
| Interest income | 27 | 32 |
| Sublease rent | 917 | 917 |
| Other | 24 | 24 |
| | 968 | 973 |
| Total revenue | 28,084 | 30,218 |

4. Contributed equity

(a) Share capital

| | Note | 30 Jun 2023 Number | 31 Dec 2022 Number | 30 Jun 2023 \$000 | 31 Dec 2022 \$000 |
|----------------------------|-------------|-------------------------------|-------------------------------|------------------------------|------------------------------|
| Ordinary shares | | | | | |
| Fully paid | 4(b) | 451,724,410 | 452,331,636 | 38,918 | 38,918 |
| Total share capital | | 451,724,410 | 452,331,636 | 38,918 | 38,918 |

For personal use only

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

(b) Movements in ordinary share capital

| Reconciliation to 31 December 2022 | Number of shares | Average price | \$000 |
|---|-------------------------|----------------------|---------------|
| Balance at 1 January 2022 | 452,516,636 | | 38,779 |
| Issue / (cancellation) of ordinary shares: | | | |
| Issue of ordinary shares | 315,000 | \$0.44 | 139 |
| Buy-back and cancellation of ESP shares | (500,000) | \$0.67 | - |
| Balance at 31 December 2022 | 452,331,636 | | 38,918 |

| Reconciliation to 30 June 2023 | Number of shares | Average price | \$000 |
|---|-------------------------|----------------------|---------------|
| Balance at 31 December 2022 | 452,331,636 | | 38,918 |
| Buy-back and cancellation of ESP shares | (607,226) | \$0.64 | - |
| Balance at 30 June 2023 | 451,724,410 | | 38,918 |

5. Equity – reserves

| a) Movements | 30 Jun 2023 | 31 Dec 2022 |
|---|--------------------|--------------------|
| | \$000 | \$000 |
| Share based payment reserve movements | | |
| Balance at the beginning of the half-year | 1,333 | 5,059 |
| Share based payment expense | 60 | 159 |
| Unutilised reserve transferred to accumulated losses | (163) | (3,885) |
| Balance at the end of the half-year | 1,230 | 1,333 |
| Foreign currency translation reserve movements | | |
| Balance at the beginning of the half-year | (45) | (295) |
| Currency translation differences arising during the half-year | 211 | 250 |
| Balance at the end of the half-year | 166 | (45) |
| Total reserves | 1,396 | 1,288 |

6. Earnings per share (EPS)

| | 30 Jun 2023 | 30 Jun 2022 |
|---|--------------------|--------------------|
| | Cents | Cents |
| (a) Basic earnings per share | | |
| From operations attributable to the ordinary equity of the Company | (0.08) | (0.70) |
| Total basic earnings per share attributable to the ordinary equity holders of the Company | (0.08) | (0.70) |
| (b) Diluted earnings per share | | |
| From operations attributable to the ordinary equity of the Company | (0.08) | (0.70) |
| Total basic earnings per share attributable to the ordinary equity holders of the Company | (0.08) | (0.70) |

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

| | | |
|--|--------------|--------------|
| (c) Reconciliation of earnings used in calculating earnings per share | \$000 | \$000 |
| Basic earnings per share: | | |
| Loss from continuing operations | (349) | (3,144) |
| Diluted earnings per share: | | |
| Loss attributable to the ordinary equity holders of the Company | (349) | (3,144) |

| | 30 Jun 2023 | 30 Jun 2022 |
|---|--------------------|--------------------|
| | Shares | Shares |
| (d) Weighted average number of shares used as the denominator | | |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 450,914,882 | 450,615,545 |
| Adjustments for calculation of ordinary shares used in calculating diluted earnings per share: | | |
| ESP shares | 1,316,109 | 1,916,754 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 452,230,991 | 452,532,299 |

7. Contingent liabilities

Except for the items listed below, there are no other material contingent liabilities as at 30 June 2023:

- a collateral amount of USD300,000 (31 December 2022: USD300,000) is in place in one of the Group's PayPal accounts in favour of PayPal Australia Pty Ltd;
- term deposits of \$80,034 (31 December 2022: \$78,870) are secured for corporate credit card facilities in place;
- deposits of \$840,064 (31 December 2022: \$788,509) are held by various credit card processing providers, as security for any contractual compensation arising under these agreements;
- included in cash is an amount of \$2,651,679 on term deposits (31 December 2022: \$2,651,679), which is secured against bank guarantees that have been provided to lessors in respect of premises occupied by the Company in Sydney.
- Included in cash is an amount of USD187,000 (31 December 2022: USD187,000), which is held as a reserve to satisfy escrow regulatory requirements in respect of credit card transactions.

8. Commitments for expenditure

Non-cancellable operating services

The Group has entered into a commercial agreement for web hosting services with an annual fee commitment for 2 years commencing on 1 February 2022. Fees paid under this agreement are charged to the income statement on a usage basis over the period of the agreement. This commitment is fixed in USD. The future minimum fee commitment under this agreement has been calculated using the spot exchange rate at 30 June 2023 and may be subject to variation due to changes in exchange rates. The amounts are as follows:

| | 30 Jun 2023 | 31 Dec 2022 |
|--|--------------------|--------------------|
| | \$000 | \$000 |
| Less than one year | 3,064 | 5,107 |
| Between one and five years | - | - |
| More than five years | - | - |
| Total operating lease commitments | 3,064 | 5,107 |

(a) Other capital commitments

There were no capital commitments as at 30 June 2023.

Freelancer Limited
Notes to the financial statements
For the half year ended 30 June 2023

9. Fair value measurements

All assets and liabilities are recorded at their fair value.

10. Events occurring after the reporting date

There are no other matters or circumstances that have arisen since 30 June 2023 that have significantly affected, or may significantly affect:

- the aggregated entity's operations in the future financial years, or the results of those operations in future financial years, or
- the aggregated entity's state of affairs in the future financial affairs.

For personal use only

Freelancer Limited

Directors' Declaration

In the Directors' opinion:

- (a) the Financial Statements and notes of the consolidated entity set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year period ended on that date; and
 - (ii) comply with Accounting Standard 134 "Interim Financial Reporting";
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Directors.

On behalf of the directors



Matt Barrie
Chairman

25 July 2023

For personal use only

Independent Auditor's Report

HALL CHADWICK  **(NSW)**
Chartered Accountants and Business Advisers

FREELANCER LIMITED
ABN 66 141 959 042
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FREELANCER LIMITED

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the half-year financial report of Freelancer Limited, which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Freelancer Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Freelancer Limited's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company.

Directors' Responsibility for the Half-Year Financial Report

The directors of Freelancer Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A Member of PrimeGlobal
An Association of Independent
Accounting Firms



For personal use only

FREELANCER LIMITED
ABN 66 141 959 042
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
FREELANCER LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick (NSW)

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Stewart Thompson

Stewart Thompson
Partner
Dated: 25 July 2023

For personal use only

Freelancer Limited

Corporate Directory

Company Directors

Mr Robert Matthew Barrie

Mr Darren Nicholas John Williams

Mr Simon Alvin Clausen

Chairman and Chief Executive Officer

Non Executive Director

Non-Executive Director

Company Secretary

Mr Neil Leonard Katz

Registered Office

Level 37

Grosvenor Place

225 George Street

Sydney NSW 2000

Telephone: +61 (02) 8599 2700

Share Registry

Boardroom Limited

Level 8

210 George Street

Sydney NSW 2000

External Auditors

Hall Chadwick

Level 40

2 Park Street

Sydney NSW 2000

Securities exchange listing

Freelancer Limited shares are listed on the Australian Securities Exchange (Listing code: FLN)

For personal use only

For personal use only

