Completion of Escrow.com acquisition and business overview

Matt Barrie
Chief Executive Officer
Freelancer completes the acquisition of Escrow.com
The world’s #1 company for secure online payments

**Freelancer.com**
#1 Online Services Marketplace
Over **US$2.9 billion** in projects posted

**Escrow.com**
#1 for Secure Online Payments
Over **US$2.7 billion** in secured transactions
The opportunity in global non-cash payments is large
357.9 billion non-cash payment transactions in 2013 (+7.6%)
But while there is also a large amount of innovation in payments...
Most of it revolves around trying to buy a cup of coffee...
Rather than selling anything of real value, like a car.
You wouldn’t sell your car with PayPal

Car Purchase Scam

I have become suspicious about a buyer for our car we had for sale on eBay ‘Jodie Williams’ is the email name requesting that the sale only be undertaken through PayPal and that a courier would collect the car. They have asked no details about the car other than agreeing to pay the full price. Having become suspicious I searched the internet and found a few threads relating to this person ‘wjodie401’. I think it is part of the same scam others have mentioned, so please beware.

Everyone's Tags: we have also been subje... which is supermans mi... View All (2)
In fact, eBay doesn’t think so either:

“Important: Only use Escrow.com”
Escrow.com – the world’s #1 provider of secure online payments

SAFEGUARDING YOUR ONLINE TRANSACTIONS

More than US$2,700,000,000,000 of transactions protected
Escrow.com

The world’s #1 freelancing & crowdsourcing marketplace adds the world’s #1 provider of online secure payments

Financials
• Licensed, bonded & certified, processed over US$2.7 billion in secured transactions to date
• FY14 gross payment volume of US$320 million, net revenue US$5m and EBITDA of US$1.2m\textsuperscript{1,2}
• As at 18 November 2015, Escrow.com’s off-balance sheet trust accounts had balances >US$30 million

History
• Founded in 1999 by Fidelity National Financial, a Fortune 500 company and the United States’ largest provider of commercial and residential mortgage and diversified services
• From 1999 to 2000 received US$40m in investment from Softbank, The Chase Manhattan Group, Pacific Century Cyberworks (PCCW), VerticalNet, Inc., Micro General Corporation & Madison Securities
• In 2002, after the first dot-com crash, Fidelity exited the business, merging Escrow.com into iLumen
• In 2004, Escrow.com was purchased by a private investor
• In 2015, Freelancer.com acquired Escrow.com effective 1 November

Operating strategy
• Will continue to run as a stand alone business, aggressively reinvesting for growth
• Large synergies with Freelancer’s core offerings

\textsuperscript{1} Calendar year financial years, GPV defined as all cash inflows into Escrow.com bank accounts
\textsuperscript{2} After taking control, Freelancer has reviewed historical (unaudited) GPV volume and found that it was materially higher than the US$265m disclosed prior to acquisition (actual: US$320m). Revenue and EBITDA for FY14 are unchanged at US$5.0m and US$1.2m respectively.
Escrow.com historical financial performance

Freelancer will be building on a sixteen year track record of growth in Gross Payment Volume and Revenue

Revenue (US$ '000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3,269</td>
</tr>
<tr>
<td>2011</td>
<td>4,125</td>
</tr>
<tr>
<td>2012</td>
<td>4,646</td>
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<tr>
<td>2013</td>
<td>4,798</td>
</tr>
<tr>
<td>2014</td>
<td>5,048</td>
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5-year CAGR (2009-2014) 13.5%

Gross Payment Volume (GPV) (US$)

<table>
<thead>
<tr>
<th>Year</th>
<th>GPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
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</tr>
<tr>
<td>2001</td>
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</tr>
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<td>2002</td>
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<tr>
<td>2013</td>
<td>700,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>750,000,000</td>
</tr>
</tbody>
</table>

5-year CAGR (2009-2014) 17.8%

1 The 5-year CAGR for revenue was previously incorrectly reported as 9.1% (which was erroneously calculated over four years of growth)
Escrow.com historical user growth

Almost 1 million users with solid demographics from mostly high income OECD nations

- An exceptionally high quality user base of ~1 million users with high transaction value
**Escrow.com** is the only licensed, bonded & audited secure online solution that protects both the buyer and the seller with a simple, 5-step trust process:

1. **Buyer and seller agree to terms**
   - Both parties agree to terms of the transaction, which includes a description of the merchandise, sale price, number of days for the buyer's inspection, and any shipping information.

2. **Buyer pays Escrow.com**
   - The buyer submits funds via available payment options. Escrow.com verifies the payment. Processing time varies by payment method.

3. **Seller ships merchandise**
   - Upon payment verification, the seller is authorized to ship merchandise to the buyer and submit tracking information. Escrow.com verifies that the buyer receives the shipment.

4. **Buyer accepts the merchandise**
   - The buyer has set a number of days for merchandise inspection and the option to accept or reject the merchandise.

5. **Escrow.com pays the seller**
   - Upon buyer’s approval of merchandise or expiration of inspection period, Escrow.com pays the seller by the method selected by the seller. The transaction is then complete.
Escrow.com is used to secure a wide range of transaction types:

- Domains
- Antiques
- Computer Equipment
- Jewellery
- Motorcycles
- Consultants
- Boats
- Classic Cars
- Contractors
- Refurbished Equipment
- Websites
- Heavy Equipment
- IT Services
- Copyrights
- Electronics
- Legal Services
- RVs
- Wholesale Goods
- Musical Instruments
- Auction Items
Escrow.com is easy to use

How to Protect High-Cost eBay Transactions with Escrow.com

Escrow.com, eBay’s official escrow service, makes it more comfortable for an eBay buyer to proceed with transactions over $2000, which is the upper limit for PayPal buyer protection. Buyers gain peace of mind by using escrow because they know the transaction will be completed securely and easily.

As a new user, you or your buyer must register to use the service. When you...
Escrow.com secures transactions from $100 to $10,000,000+

Transact in US Dollars or Euros
Escrow.com makes import / export simple

No more expensive & complicated letters of credit
Industrial & heavy equipment sold through Escrow.com

2014 FANUC Industrial Robot

2006 Caterpillar D5N Dozer
Where the Internet is Bought and Sold

Some domain names and businesses sold through Escrow.com
Escrow.com protects the sale of jewellery and fine art including the purchase of Andy Warhol’s Queen Elizabeth Suite.
Service contracts such as holiday rentals and repairing a roof are also facilitated by Escrow.com
Escrow.com has become the recommended transaction settlement service of many of the top names in eCommerce and many other high volume partners across a range of industries.
Escrow.com protects all domain names auctioned on GoDaddy worth over $5,000.

Payment transactions depend on the domain name's selling price and the company (registrar) where the domain name is currently registered. If the domain name sells for less than $5,000 we process the transaction in-house through Transaction Assurance. We process domain names selling for $5,000 or greater through Escrow.com, an escrow service that subtracts processing fees from the seller’s proceeds.

- Escrow.com — The buyer completes a $0 transaction on GoDaddy Auctions, and then Escrow.com emails the buyer and seller with instructions. After the buyer makes payment, Escrow.com verifies and holds the funds in a non-interest-bearing account. The verification timeframe depends on the payment method. After verification, the account status displays as Buyer’s funds secured by Escrow.com.

Next, the buyer contacts the seller. The seller initiates an account change (from one GoDaddy account to another) or the buyer initiates a domain name transfer (between
Escrow.com protects automotive transactions on Motorcycle.com
Escrow.com is a strategic partner of U.S. Commercial Service and export.gov in support of President Obama’s National Export Initiative, designed to significantly grow US export volume.
All major global marketplaces have captive payments businesses

A strong cornerstone for entering the payments space
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