Freelancer Limited (ASX: FLN)

Key market statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASX code</td>
<td>FLN</td>
</tr>
<tr>
<td>Listing price (15 November 2013)</td>
<td>A$0.50</td>
</tr>
<tr>
<td>Share price (29 July 2015)</td>
<td>A$1.32</td>
</tr>
<tr>
<td>Market capitalisation (29 July 2015)</td>
<td>A$592 million</td>
</tr>
</tbody>
</table>

Share Price Chart (2015 YTD)

Hire expert freelancers for your online job.

Millions of small businesses use Freelancer.com to turn their ideas into reality. Need to get work done? Click 'Hire' to get started!

**Hire**  **Work**

NASA Tournament Lab challenges starting from $50

8,168,489
Projects & Contests Posted

16,181,611
Registered Users

$2,558,748,000 USD
All time Projects & Contests Posted Value
Freelancer Limited

FINANCIAL RESULTS
Continued exceptional marketplace growth (demand)

Exceptional growth in registered users, and significant acceleration of growth in projects and contests posted

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**Total registered users**

As at 30 June 2015

>16 million

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**Total projects & contests posted**

As at 30 June 2015

>8 million

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1. Number of user accounts, and projects/contests posted in the Freelancer marketplace as at 30 June 2015. User, project and contest data includes all users and projects from acquired marketplaces. Prior to 2009, all data is from acquired marketplaces.
Financial highlights 1H15

Freelancer delivers another record result with accelerating revenue growth, GPV and positive operating cashflow

- Record Net Revenue of $16.8m in 1H15 (up 41% on pcp)
  - Acceleration from FY14 growth of 39% year on year
- Record Gross Payment Volume\(^1\) in 1H15 of $64.1m (up 30% on pcp)
  - Acceleration from FY14 growth of 23% year on year
- Continued improvement in take rate\(^2\) to 26.2% (1H14: 24.0%)
- Gross margin of 88%, in line with prior periods
- Operating\(^3\) NPAT of $(0.8)m and operating\(^3\) EBITDA of $(1.0)m
- Positive operating cashflow of $1.1m
- Successful capital raising of $10 million of new shares, priced at a premium to last close
- As at 30 June 2015, cash and cash equivalents of $31.1 million (up 54% on pcp)

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1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer revenue.
2. Take rate is calculated as Net Revenue divided by Gross Payment Volume.
3. Exclusive of 1H15 non-cash share based payments expense of $466k (1H14 $125k).
Record 1H15 net revenue of $16.8m, up 41% on prior corresponding period

- Record 1H15 Net Revenue of $16.8m, up +41% on 1H14
- Acceleration from +39% FY14 year on year
- Consistently high gross margin, 88% in 1H15, in line with 88% in 1H14
- Key revenue growth drivers
  - increased user, project & contest acquisition
  - increased marketplace efficiency and conversion rate optimisation
  - product development & increased take up of value-added services
  - increased take-up and optimisation of memberships
Record Gross Payment Volume\(^1\) (GPV) of $64.1m (up 30% on pcp) and continued improvement in take rate\(^2\) in 1H 2015

- **Record GPV of $64.1m up 30% on 1H14**
  - Acceleration from +23% FY14 year on year
- **Key GPV growth drivers**
  - user, project and contest acquisition
  - conversion rate optimisation
- **Continued take rate improvement to 26.2%**
  - efficiency in monetisation of marketplace (still with huge upside)
  - take up of value-added services
  - memberships, membership optimisation and project upgrades
  - other non-commission based revenue streams (including Warrior Forum)

<table>
<thead>
<tr>
<th>GPV (A$m)</th>
<th>13.3</th>
<th>16.8</th>
<th>22.8</th>
<th>38.1</th>
<th>49.5</th>
<th>64.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth on pcp</td>
<td>-</td>
<td>26.0%</td>
<td>35.5%</td>
<td>67.5%</td>
<td>29.9%</td>
<td>29.7%</td>
</tr>
<tr>
<td>Take rate(^2)</td>
<td>15.6%</td>
<td>18.6%</td>
<td>18.9%</td>
<td>22.2%</td>
<td>24.0%</td>
<td>26.2%</td>
</tr>
</tbody>
</table>

1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer users for products and services transacted through the Freelancer website plus total Freelancer Revenue.
2. Take rate is calculated as Net Revenue divided by Gross Payment Volume. GPV and take rate numbers are based on Freelancer’s unaudited management accounts which have not been subject to an auditors review.
Marketplace highlights 1H15

Freelancer continues to hit record milestones

- Passed key milestones of 16 million users and 8 million projects posted
  - added 1.8 million users in 1H15

- Passed US$2.5 billion of all time posted project value

- Significant acceleration in the growth of posted projects and contests
  - added 1.0 million project and contest listings, up 43% on 1H14
  - acceleration from 32% FY14 year on year

- Strengthening marketplace dynamics
  - the widest range at the lowest cost – seeing the continued benefits of a reduced minimum project size implemented in late 2013
  - average project size of US$159 (down 13% from 1H14) driving greater project volumes

- Significant increase in the number of users on membership plans

- Strategic focus remains on increasing revenue growth through conversion optimisation & marketplace efficiency
Acquisition of a strong cornerstone for entering the payments space, and development of key products

- Acquisition of Escrow.com
  - the leading provider of secure online payments on the Internet
  - 2014 gross payment volume of US$265 million, net revenue of US$5 million, US$1.2 million in EBITDA and over US$2.2 billion in transactions to date

- Local jobs launched
  - over 100 categories of location specific work
  - expanding Freelancer’s total addressable market from $122 billion in GPV to several hundred billion dollars per annum

- Showcase website & app launched
  - a cross-platform design gallery of millions of easily browsable portfolio items

- Webby Awards
  - won four awards including Best Employment Website, Best Professional Services Website and the People’s Voice in both categories

- Continued focus on the development of Freelancer’s mobile apps
Operational highlights 1H15

Successful capital raising priced at a premium, bolt-on acquisitions and key new hires

- Placement
  - $10 million placement of new ordinary shares completed in April
  - priced at a premium to the last traded price

- Smaller bolt-on acquisitions of DoNanza and Projectlinkr marketplaces

- Key new hires include:
  - Deputy Chief Financial Officer (ex UBS Investment Bank, Macquarie Bank)
## Summary profit & loss statement

Continued focus on re-investment in product development, user experience, user/project acquisition and customer service

<table>
<thead>
<tr>
<th>(A$m)</th>
<th>1H 2014 Actual</th>
<th>1H 2015 Actual</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>11.9</td>
<td>16.8</td>
<td>40.8</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>10.5</td>
<td>14.7</td>
<td>40.0</td>
</tr>
<tr>
<td>margin (%)</td>
<td>88.3%</td>
<td>87.8%</td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>(6.7)</td>
<td>(8.3)</td>
<td>24.0</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(2.3)</td>
<td>(3.6)</td>
<td>59.0</td>
</tr>
<tr>
<td>Marketing related expenses</td>
<td>(1.4)</td>
<td>(2.4)</td>
<td>77.7</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>(0.8)</td>
<td>(1.3)</td>
<td>51.9</td>
</tr>
<tr>
<td>FX gains / (losses)</td>
<td>(0.1)</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td>Share based payments expense</td>
<td>(0.1)</td>
<td>(0.5)</td>
<td>nm</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(0.9)</td>
<td>(1.5)</td>
<td>nm</td>
</tr>
<tr>
<td>EBIT</td>
<td>(1.1)</td>
<td>(1.7)</td>
<td>nm</td>
</tr>
<tr>
<td>NPAT</td>
<td>(0.7)</td>
<td>(1.3)</td>
<td>nm</td>
</tr>
</tbody>
</table>

Excluding share based payments expenses\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>1H 2014 Actual</th>
<th>1H 2015 Actual</th>
<th>nm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EBITDA</td>
<td>(0.8)</td>
<td>(1.0)</td>
<td></td>
</tr>
<tr>
<td>Operating EBIT</td>
<td>(0.9)</td>
<td>(1.2)</td>
<td></td>
</tr>
<tr>
<td>Operating NPAT</td>
<td>(0.6)</td>
<td>(0.8)</td>
<td></td>
</tr>
</tbody>
</table>

- Record 1H15 net revenue of $16.8m
  - up 41% on 1H14
- Gross margins in line with prior period
- Continued investment in talent: product development, engineering & customer service
- Increased marketing expense as a percentage of net revenue to c.15% (1H14: c.12%)
- FX gains/(losses) includes unrealised changes in AUD value of cash and user obligations
- Includes c.$250k of costs relating to the acquisition of Escrow.com which were expensed in 1H15
- Non-cash share based payments expense of $466k (1H14: $125k)

\(^1\) Exclusive of 1H15 non-cash share based payments expense of $466k (1H14 $125k).
Summary balance sheet

Strong balance sheet and no net debt

- Total cash at period end of $31.1m
  - no net debt
- $10 million of capital raised in April 2015 through an issue of new shares
  - issued at a premium to last traded price at the time
- Acquisition of Escrow.com expected to reach financial close in 2H 2015
- Trade and other receivables inclusive of receivables from various payment gateways
  - gateway receivables have increased due to transaction volume increases

<table>
<thead>
<tr>
<th>(A$m)</th>
<th>Half-year to 30 Jun</th>
<th>1H 2014 Actual</th>
<th>1H 2015 Actual</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>19.7</td>
<td>31.1</td>
<td>58.1</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2.5</td>
<td>3.8</td>
<td>50.8</td>
<td></td>
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<tr>
<td>Other assets</td>
<td>1.2</td>
<td>1.9</td>
<td>65.2</td>
<td></td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>1.0</td>
<td>1.3</td>
<td>18.7</td>
<td></td>
</tr>
<tr>
<td>Intangibles</td>
<td>12.8</td>
<td>13.0</td>
<td>1.1</td>
<td></td>
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<tr>
<td>Deferred tax assets</td>
<td>1.2</td>
<td>2.3</td>
<td>100.3</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>38.4</strong></td>
<td><strong>53.4</strong></td>
<td><strong>39.0</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>19.8</td>
<td>25.7</td>
<td>29.7</td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>0.9</td>
<td>1.8</td>
<td>nm</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>20.7</strong></td>
<td><strong>27.5</strong></td>
<td><strong>32.7</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>17.7</strong></td>
<td><strong>25.9</strong></td>
<td><strong>46.3</strong></td>
<td></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>17.5</td>
<td>27.4</td>
<td>56.8</td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>(0.1)</td>
<td>0.6</td>
<td>nm</td>
<td></td>
</tr>
<tr>
<td>Retained earnings</td>
<td>0.3</td>
<td>(2.1)</td>
<td>nm</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>17.7</strong></td>
<td><strong>25.9</strong></td>
<td><strong>46.3</strong></td>
<td></td>
</tr>
</tbody>
</table>
Outlook statement

Exceptional growth is expected to continue. Escrow.com in 2H15 expected to be an inflection point for the business.

- Freelancer continues its exceptional growth, with record net revenue, registered users and posted projects
- We expect that this exceptional growth will continue for the full 2015 financial year as it has each year for the last six years since the company was founded
- The acquisition of Escrow.com is expected to contribute to 2H15 results
- This acquisition will be a strategic and operational inflection point for Freelancer
Outstanding growth in marketplace liquidity (supply)

Number of bids on projects

Number of entries in contests

Actual completed projects

3D House Render by bee hive 3dworks - $200.00
3D HUD design by aki71 - $500.00
Best 3D Massage Chair by Fadeeeg1 - $124.00
Design 1 Sci-Fi Character Art by simjian91 - $50.00
Design an App Mockup for social app by JarsaChen - $97.00
Create Print and Packaging Designs for Vegetable Juices by chubbycreations - £100.00

Actual contest entries


1.5e+06 | 1.6e+06 | 1.7e+06 | 1.8e+06 | 1.9e+06 | 2.0e+06 | 2.1e+06 | 2.2e+06

Oct 14 | Jan 15 | Apr 15 | Jul 15 | Oct 15 | Jan 16 | Apr 16

120000 | 140000 | 160000 | 180000 | 200000 | 220000 | 240000 | 260000 | 280000

Global, and growing

### 44 Regional Websites

<table>
<thead>
<tr>
<th>North America</th>
<th>Europe</th>
<th>Asia Pacific</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>United Kingdom</td>
<td>Australia</td>
</tr>
<tr>
<td>Canada</td>
<td>Europe Union</td>
<td>New Zealand</td>
</tr>
<tr>
<td>Jamaica</td>
<td>France</td>
<td>Hong Kong</td>
</tr>
<tr>
<td>Brazil</td>
<td>Germany</td>
<td>Bangladesh</td>
</tr>
<tr>
<td>Chile</td>
<td>Greece</td>
<td>India</td>
</tr>
<tr>
<td>Colombia</td>
<td>Portugal</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Spain</td>
<td>Japan</td>
</tr>
<tr>
<td>Mexico</td>
<td>Czech Republic</td>
<td>Malaysia</td>
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<td>Peru</td>
<td>Sweden</td>
<td>Pakistan</td>
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<tr>
<td>Uruguay</td>
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<td>Philippines</td>
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<td>Argentina</td>
<td>Italy</td>
<td>P.R. China</td>
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<td>Brazil</td>
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<td>Mexico</td>
<td>Turkey</td>
<td>Thailand</td>
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<td>Peru</td>
<td>Poland</td>
<td>South Korea</td>
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<td>Uruguay</td>
<td>Romania</td>
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<tr>
<td>Africa</td>
<td>Russia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ukraine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Norway</td>
<td></td>
</tr>
</tbody>
</table>

### 33 Supported Languages

<table>
<thead>
<tr>
<th>Languages</th>
<th>Languages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrikaans</td>
<td>한국어</td>
</tr>
<tr>
<td>뤼나</td>
<td>Bahasa Malaysia</td>
</tr>
<tr>
<td>Català</td>
<td>Norsk-Bokmål</td>
</tr>
<tr>
<td>Čeština</td>
<td>Nederlands</td>
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<tr>
<td>Dansk</td>
<td>Polska</td>
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<tr>
<td>Deutsch</td>
<td>Português</td>
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<tr>
<td>eλληνικά</td>
<td>Română</td>
</tr>
<tr>
<td>English</td>
<td>русский язык</td>
</tr>
<tr>
<td>Español</td>
<td>Shqip</td>
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<tr>
<td>Suomi</td>
<td>Svenska</td>
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<tr>
<td>Filipino</td>
<td>Kiswahili</td>
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<td>Thai</td>
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<tr>
<td>हिन्दी</td>
<td>Türkçe</td>
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<tr>
<td>Magyar</td>
<td>Tiếng Việt</td>
</tr>
<tr>
<td>Bahasa Indonesia</td>
<td>украинська мова</td>
</tr>
<tr>
<td>Italiano</td>
<td>中文(简体)</td>
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</table>

### 19 Supported Currencies

<table>
<thead>
<tr>
<th>Currencies</th>
<th>Currencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>INR</td>
</tr>
<tr>
<td>AUD</td>
<td>SEK</td>
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<tr>
<td>CAD</td>
<td>CLP</td>
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<td>JMD</td>
<td>JPY</td>
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<td>EUR</td>
<td>IDR</td>
</tr>
<tr>
<td>NZD</td>
<td>MYR</td>
</tr>
<tr>
<td>GBP</td>
<td>MXN</td>
</tr>
<tr>
<td>PHP</td>
<td>SGD</td>
</tr>
</tbody>
</table>

### 24x7x365 Multilingual Support Team

![Image of a multilingual support team]
NASA partners with Freelancer

Crowdsourcing solutions to complex problems faced by the astronauts on the International Space Station

The NASA Tournament Lab Challenges
The NASA Tournament Lab, in partnership with Freelancer.com will be seeking out the help of the Freelancer community to help further the goal of crowdsourcing some of NASA’s complex real world challenges. Get involved today and help NASA as they push the boundaries of space exploration!

View The Contests
3D model of flashlight for NASA: $50
To be used by robotic astronaut on the International Space Station
Continued developments in Mobile

Beautiful apps across Android and iOS
Freelancer & Showcase apps
Launch of Local Jobs

Expands total addressable market to several hundred billion dollars per annum
Launch of Freelancer Showcase

A place for freelancers to exhibit their work and get hired, and for employers to browse and be inspired
Launch of Video Chat
Helping entrepreneurs connect and collaborate with freelancers worldwide
ACQUISITION OF ESCROW.COM

Freelancer Limited
Escrow.com

The leading provider of secure online payments for consumers and businesses on the Internet

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**Escrow.com**

- Escrow.com is the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet
- 2014 gross payment volume US$265 million, net revenue US$5 million, and EBITDA $1.2 million
- Over US$2.2 billion in secured transactions to date
- 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
- Headquartered in California
- Licensed, bonded & certified
- Definitive acquisition agreement signed in April 2015
- Final regulatory approval to close in 2H 2015 (only one state remaining to approve)

**Operating Strategy**

- Run as a stand alone business
- Large opportunity for growth and synergies with Freelancer’s core offerings

**Strategic Rationale**

- All major global marketplaces have captive payment systems
- Escrow.com is the world’s #1 company for secure online payments
- Exceptional network effects with the Freelancer group
- Enhances ability to capture more of the value chain and provide value-added services
Escrow.com

A track record of revenue growth and a diversified revenue base

- Provides online escrow services that facilitate and accelerate e-commerce by assuring secure settlement
- Escrow.com is the world’s #1 company for secure online payments

Revenue Growth from 2010-2014 (USD,000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (USD,000)</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>
</tr>
<tr>
<td>2013</td>
<td>4,798</td>
</tr>
<tr>
<td>2014</td>
<td>5,048</td>
</tr>
</tbody>
</table>

9.1% CAGR

Revenue Mix

- Mixed: 19%
- USA: 40%
- International: 41%

Note: calendar year financial years

Note: ‘mixed’ revenue is where one side of a transaction is in the USA
**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 transactions types:

- Domains
- Antiques
- Computer Equipment
- Jewelry
- Motorcycles
- Consultants
- Boats
- Classic Cars
- Contractors
- Refurbished Equipment
- Websites
- Heavy Equipment
- IT Services
- Copyrights
- Electronics
- Legal Services
- RVs
- Wholesale Goods
- Musical Instruments
- Auction Items
Notable Partners

Escrow.com has become the recommended transaction settlement service of many of the top names in eCommerce

Ebay Inc.  FedEx.com  Cars.com  GoDaddy  Auto Trader

Flippa  UShip.com  Trucker.com  Reverb.com  RV Search.com

and over 60+ High Volume Partners
“Important: Only use Escrow.com”

ebay.com

Using escrow services for eBay Motors vehicle purchases

Use caution when considering an escrow service
Adding escrow to a vehicle listing
The escrow process
International escrow services approved by eBay

Important: Only use Escrow.com.

Using Escrow.com can help keep buyers and sellers safe from fraud. When you use Escrow.com, they collect the money from the buyer and hold it until the buyer and seller agree that the terms of the sale have been met. Once both parties are satisfied, Escrow.com sends the payment to the seller. Escrow.com is licensed and regulated company, and the only escrow service that can be used for eBay transactions.

Escrow is available for any purchase, but typically is used for eBay Motors.
Escrow.com is a strategic partner with U.S. Commercial Service (USCS) in support of President Obama’s National Export Initiative designed to significantly grow US export volume. The USCS Strategic Partnership Program is an innovative public-private partnership that communicates to millions of U.S. businesses about global business opportunities via the 250 U.S. Commercial Service offices worldwide.
Freelancer Limited

COMPANY OVERVIEW
Freelancer.com is changing the global dynamics in the marketplace for people
“160 million jobs, or about 11% of the projected 1.46 billion services jobs worldwide, could in theory be carried out remotely, barring any constraints in supply” *

We help small businesses, startups and entrepreneurs turn that spark of an idea into reality.

Industrial design of a water kettle for $240
We are changing lives in the developing world by providing opportunity and income.

“After two years I’ve been doing really well on Freelancer.com. The earnings are very good and now I have a lot of respect among my friends and family members. Thanks Freelancer for everything!

Shahzaib S.
Graphic Designer
Karachi, Pakistan

4.9 / 5.0 rating, 67 reviews
Freelancer’s Online Economy in 2013

Note: Sample of projects awarded. The pink lines indicate where projects are being posted by employers, and the blue lines indicate where the projects are being performed by freelancers. Thicker lines indicate a higher volume of work. White dots indicate the location of Freelancer’s users. Edges are sampled data from awarded projects in the period indicated.
Freelancer’s **Online Economy** in 2014

*Note: Sample of projects awarded. The pink lines indicate where projects are being posted by employers, and the blue lines indicate where the projects are being performed by freelancers. Thicker lines indicate a higher volume of work. White dots indicate the location of Freelancer’s users. Edges are sampled data from awarded projects in the period indicated.*
Note: Sample of projects awarded. The pink lines indicate where projects are being posted by employers, and the blue lines indicate where the projects are being performed by freelancers. Thicker lines indicate a higher volume of work. White dots indicate the location of Freelancer’s users. Edges are sampled data from awarded projects in the period indicated.
Marketplace dynamics

“Every job, every country, every language, every currency, at any time”

Top country sources for completed projects in 1H15

- 29% United States
- 20% United Kingdom
- 10% Australia
- 10% Canada
- 6% India
- 5% Other
- 40% Other

Top completed project categories by volume 1H15

- 36% Websites, IT & Software
- 31% Design, Media & Architecture
- 15% Writing & Content
- 5% Data Entry & Admin
- 4% Sales & Marketing
- 3% Engineering & Science

- c.850 job categories as diverse as Aerospace Engineering, Biotechnology, Sales, Manufacturing, Mechanical Engineering, etc.
- c.100 categories of local jobs launched in 1H15
- Complexity & sophistication growing year by year
- Average completed project US$159 in 1H15

1. Based on the number of good projects posted (a subset of total projects posted) in the Freelancer Marketplace in 1H15.
2. Based on the value of project payments in the Freelancer Marketplace in 1H15.
3. Value is better described as “average completed budget value” as over payments are not included in this calculation and this figure is an under estimate of true average project value.
Revenue model

Freelancer’s revenue is generated from users posting jobs – as a project (outsourcing) or a contest (crowdsourcing)

- For employers it’s free to post a project, free to review bids, free to talk and review samples – 0-3% project commissions paid by employers when a project is awarded and accepted

- For freelancers it’s free to view projects posted, free to bid on projects, free to talk to employers and provide samples of work – 3-10% project commissions paid by freelancers when a project is awarded and accepted

- Membership plans range from US$0.99 to US$199.95 a month, and provide additional features and benefits in addition to varied commission rates

- Other value added services include project upgrades, crowdsourcing contests and upgrades, bid upgrades, transaction fees, certification fees and advertising
INDUSTRY DRIVERS
The other 60% of the world’s population are about to join the Internet.
It’s 2015

The other four billion are connecting at a tremendous pace

- World population\(^1\): 7,144,000,000
  Number on the Internet\(^2\): 3,035,749,340 (42.3%)

![Worldwide Internet Growth 2000-14\(^2\)](image)

1. Source: United Nations
2. Source: Internet World Stats (June 2014)
Developing world self-educating to raise socio-economic status

The wealth of human knowledge is available online

- The other 4 billion people live on $10 a day or less

- The first thing they are looking to do online is raise their socio-economic status

- But it’s never been easier to learn a trade
  - The wealth of human knowledge is available online
  - A revolution is also occurring in online education: Coursera, Udacity, Khan Academy, edX

- The other 4 billion are rapidly self educating

- $10 per day to $10 per hour+

---

86% of users of top 10 US sites are already foreign

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2000-2012 Internet User Adds (Mls)</th>
<th>2012 Internet Users (Mls)</th>
<th>Y/Y Growth</th>
<th>Population Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>294</td>
<td>564</td>
<td>10%</td>
<td>42%</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>88</td>
<td>137</td>
<td>26</td>
<td>11</td>
</tr>
<tr>
<td>3</td>
<td>Indonesia</td>
<td>39</td>
<td>55</td>
<td>56</td>
<td>23</td>
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<tr>
<td>4</td>
<td>Iran</td>
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<td>48</td>
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<td>Philippines</td>
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<td>34</td>
<td>32</td>
<td>35</td>
</tr>
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<td>8</td>
<td>Brazil</td>
<td>27</td>
<td>88</td>
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<td>9</td>
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<td>USA</td>
<td>18</td>
<td>244</td>
<td>3</td>
<td>78</td>
</tr>
<tr>
<td>11</td>
<td>Argentina</td>
<td>17</td>
<td>28</td>
<td>57</td>
<td>66</td>
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<td>12</td>
<td>Egypt</td>
<td>17</td>
<td>30</td>
<td>11</td>
<td>38</td>
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<tr>
<td>13</td>
<td>Colombia</td>
<td>14</td>
<td>25</td>
<td>39</td>
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</tr>
<tr>
<td>14</td>
<td>Turkey</td>
<td>13</td>
<td>35</td>
<td>17</td>
<td>47</td>
</tr>
<tr>
<td>15</td>
<td>Vietnam</td>
<td>12</td>
<td>31</td>
<td>7</td>
<td>35</td>
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</tbody>
</table>

Top 15

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>2000-2012 Internet User Adds (Mls)</th>
<th>2012 Internet Users (Mls)</th>
<th>Y/Y Growth</th>
<th>Population Penetration</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>654</td>
<td>1,473</td>
<td>15%</td>
<td>34%</td>
<td></td>
</tr>
</tbody>
</table>

Source: comScore Global, 8/11.
Welcome to my profile.

My name is Maraz and I'm a full-time graphic designer. I act as a freelancer offering the highest quality in creative and effective design and marketing solutions. To assess the quality of the services I provide, please take a look through my portfolio. All my clients from were satisfied with the services I provided and recommended my services to others. I hope you or your company becomes the next 100% satisfied customer.
Software is eating the world

“We are in the middle of a dramatic and broad technological and economic shift in which software companies are poised to take over large swathes of the economy”1

- Every industry is being disrupted rapidly, and becoming dominated by software companies
- White collar job functions are all headed to software, and moving into the cloud

The world is repeating itself 20 years later

DEVELOPED WORLD

DEVELOPING WORLD

amazon.co.uk

ebay

PRODUCTS

SERVICES
Freelancer Limited

BEAUTIFUL PRODUCT
BEAUTIFUL PRODUCT
Sliding Puzzle App Design for $40

Project Description:

I have a simple iPhone puzzle app that I need to redesign. To start with, I am looking for a re-design for the main two scenes of the app.

The game is called 15 sliding puzzle, it is a simple puzzle where the player slide blocks until they finish the game. The two screens that need to be re-designed are attached.

- Deliverables should be in psd file format compatible with Photoshop CS5
- Resolution should be: 1080x1920 pixels.
- All screen ui components should be in separate layers, and easy to extract.
- Additional image resources can also be included separately (e.g. background image, etc.).
- Also all art work should be your of your own creation or you have the right to re-distribute them, otherwise I’ll not be able to accept it.
- Creative work will be rewarded.

Experience with photoshop and mobile apps design is required for this simple project. If you can provide evidence for previous similar experience that will be an advantage.

Skills required:

Graphic Design, Photoshop, User Experience Design, User Interface / IA

Additional Files: screen2.png, screen1.png
Website for Fresh Futures for $200

<table>
<thead>
<tr>
<th>Bids</th>
<th>Avg Bid (AUD)</th>
<th>Project Budget (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>$174</td>
<td>$30 - $250</td>
</tr>
</tbody>
</table>

**Project Description:**

Fresh Futures requires a website design of its existing page. We need only 3 - 5 pages to be created and designed. All colours and decisions have been made. You will be required to provide us with all files and photos at the end of the project and work with us until your images have been uploaded and design has finished.

**Skills required:**

Graphic Design, User Interface / IA, Website Design

Post a Project like this
Design of a Travel Pouch for $166

Project Description:

I need to have an existing product redesigned aesthetically. Some product details:

Material: Nylon diamond fabric + mesh
Size:
- Large: 17.5"W x 12.75"H x 3.25"D
- Medium: 13.75"W x 9.75"H x 3"D
- Small: 11"W x 6.75"H x 3"D
Handles: PP webbing, 2.5W x 20L CM
Closure: #5 nylon zipper with two pullers

See the attached photos for examples. Please include your experience as it relates to product design, CAD, and original pieces you've created.

Skills required:

CAD/CAM, Illustration, Photoshop, Product Design

Additional Files: [pc2.jpg] [pc1.jpg] [pc3.jpg] [pc4.jpg]
Logo design for a clothing chain for $50

Winner

ricardosan...

TahominaS...

Carlitacro

erinschnitt...

muratalawork

muratalawork

ralfgwapo

avtoringUK

Entries: 32
Prize (USD): $50
Ambient 3D Modelling of a Wardrobe for $90

Design a contemporary (Bauhaus style) home for $215

Floor plans & rendering for $215

- Entrance lobby: 15.35 m²
- Living room: 43.02 m²
- Kitchen + Dining room: 48.37 m²
- Staircase: 9.38 m²
- Housekeeping room: 2.95 m²
- Laundry and ironing room: 8.35 m²
- Guest toiletry: 1.96 m²
- Storage room: 4.48 m²
- Guest master bedroom: 20.65 m²
- Guest master bathroom: 11.95 m²
- Guest Walk-in closet: 5.30 m²
- Office room 1: 8.90 m²
- Office room 2: 8.90 m²
- Server room with a small kitchen: 15.56 m²
- WC: 3.10 m²
- Playroom/Party room: 23.24 m²
- Swimming pool: 32.50 m²
- Garage: 34.50 m²
- Garage 2: 30.60 m²
- Place for bicycles: 5.31 m² (area included in garage 2)
- Waste: 3.68 m²
- Place for the gardening furniture and gardening tools: 13.35 m²
- House connection room: 4.37 m²
- Covered porch: 40.38 m²
- Covered area for dry get in / get out of the car: 51.77 m² + 61.92 m²

Ground floor rooms total net area: 235.99 m²
Ground floor hallways: 14.02 m²
Ground floor total living area: 250.01 m²
Ground floor total living gross area: 288.22 m²
Ground floor total area (covered porch and covered area for cars not included): 402.13 m²
Industrial Design of a Water Kettle for $240

Winner: victorjoha...

Entries: 26
Prize (USD): $240
3D Model of a Handrail for an EVA Spacewalk for NASA for $50
Robonaut 2 delivered February 2011 to ISS.

Pictured here with Zero-G leg upgrade which will climb using external handrails.
HOW BIG IS THE MARKET?

Freelancer Limited
Estimated demand for Web Design services alone

Freelancer’s global web design revenue opportunity estimated as $2.7 billion per annum ($10.5b GPV)

- Freelancer’s estimated global web design revenue opportunity at c.$2.7 billion ($10.5b GPV)

- This is as a replacement of existing business only and there is potential upside from opening up of new demand from lower cost labour services globally
  - e.g. for the first time, a café can get a website for c.$100

- Indicative calculation:
  - web design in the US alone is US$20 billion + industry\(^1\)
  - wages constitute US$12 billion of this
  - more than 50% of software engineering jobs can be outsourced at 30% of US wages\(^2\)
  - US$1.74 billion in wages outsourced @ 26% take rate = c. A$620 million revenue opportunity for Freelancer in the US (Total Available Market)\(^4\)
  - there are 28 million small businesses in the US, but at least 96 million more in other mid-high income OECD countries\(^3\)
  - from this we estimate the global opportunity is \((96+28)/28 = c.4.4x\) larger than the US market

---

3. Based on 28m SMEs in the US, 96m MSMEs outside the US in mid-high income OECD countries.
4. Based on AUD/USD exchange rate of 0.73.
Estimated demand from Small Businesses

Global small business revenue opportunity estimated as $31.9 billion per annum (571 million projects, $122 billion GPV)

● There are about 28 million small businesses in the US
  – 22 million of these are informal non-employers (yet generate >$1 trillion per annum in revenue)\(^1\)

● US job posters who posted more than one project posted on average 3.13 projects in 2013\(^2\)
  – then this same cohort posted 4.6 projects in 2014

● Average project size in 1H15 was US$159 (A$217) generating revenue of A$56 to Freelancer (26% take rate)\(^2\)
  • Implies A$7.2 billion TAM (A$28 billion GPV, 129 million projects) from US SMEs

● But there are 420 – 510 million micro, small and medium enterprises (MSMEs) globally\(^3\)

● 96 million are formal employer MSMEs outside the US in mid-high income nations\(^4\)
  – Additional A$24.7 billion TAM (A$95 billion GPV, 442 million projects)

● Estimated global TAM from MSME market of c.$31.9 billion ($122 billion GPV, 571 million projects)

● This excludes another 100m+ informal (unregistered) MSMEs in high income nations globally including non-employer firms, sole proprietors and partnerships which could add materially to Freelancer’s revenue opportunities

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2. Based on Freelancer internal statistics. Average paid value of completed project was A$194 in 1H15 (based on AUD/USD exchange rate of 0.73 converted spot at 29 July 2015).
3. McKinsey Global Institute, “Two trillion and counting: Assessing the credit gap for micro, small, and medium-size enterprises in the developing world” (October, 2010).
Estimated demand from Consumers

Engaged active users on major product marketplaces are low hanging fruit for online services. Major product marketplaces as a proxy of consumer demand indicates TAM of c.$40 billion (700 million projects, $155 billion GPV)

- **242 million** active consumers on average across eBay, Amazon and Alibaba
- 155 million active consumer buyers on eBay (sellers are SMEs)
- Taking 155m buyers as consumer proxy
- 4.6 projects / user
  - A$217 / project
  - 26% take rate

<table>
<thead>
<tr>
<th></th>
<th>eBay</th>
<th>Amazon</th>
<th>Alibaba</th>
<th>Freelancer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014 Revenue</strong></td>
<td>US$8.8 billion&lt;sup&gt;1&lt;/sup&gt;</td>
<td>US$89 billion</td>
<td>c.US$22.7 billion</td>
<td>A$26.1 million</td>
</tr>
<tr>
<td><strong>2014 GMV/GPV</strong></td>
<td>US$83 billion</td>
<td>c.US$111 billion&lt;sup&gt;2&lt;/sup&gt;</td>
<td>c.US$248 billion</td>
<td>A$103.7 million</td>
</tr>
<tr>
<td></td>
<td>US$228 billion ECV (with Paypal)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2014 Users</strong></td>
<td>155 million active buyers</td>
<td>c.237 million active buyers</td>
<td>c.334 million active buyers</td>
<td>14.3 million total registered users</td>
</tr>
</tbody>
</table>

Source: Company reports.

1. Marketplaces revenue.
2. Based on analyst estimates.
Estimated supply of professional labour in the developing world

370 million people, or 10% of the 3.7 billion working age population in the developing world have a tertiary qualification

- 2010 global working age population: 3.7 billion, labour force: 2.9 billion

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Young Developing</th>
<th>Young Middle-Income</th>
<th>India</th>
<th>China</th>
<th>Young Advanced</th>
<th>Russia &amp; CEE</th>
<th>Southern Europe</th>
<th>Aging Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers Million</td>
<td>322</td>
<td>640</td>
<td>469</td>
<td>783</td>
<td>290</td>
<td>141</td>
<td>60</td>
<td>145</td>
</tr>
<tr>
<td>GDP per capita $</td>
<td>&lt;3,000</td>
<td>3,000–20,000</td>
<td>3,000</td>
<td>7,000</td>
<td>25,000–50,000</td>
<td>10,000–20,000</td>
<td>20,000–30,000</td>
<td>30,000–45,000</td>
</tr>
</tbody>
</table>

- 2030 predicted global labour force: 3.5 billion

- Of the 3.7 billion working age in the developing world in 2010:
  - 1.7 billion (46%) have a secondary education
  - 370 million (10%) have a tertiary education

- There are 220 million people with a tertiary degree between India, China, Brazil, Philippines, Malaysia, Indonesia, Egypt, Sri Lanka and Nigeria

- In the Philippines, tertiary education rose from 9% to 22% (13m) 1980-2010
  - Brazil, China, India @ 7 to 9%, yet produce c.5m STEM grads per annum

- c.5 billion people to join the Internet over next decade that earn <$10/day

- They have very little assets however are educated and can sell their services

- Freelancer.com is the first stop on the Internet for these people to raise their wages from $10/day to $10/hour +

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1. McKinsey Global Institute: The World at Work: Jobs, Pay and Skills for 3.5 Billion People (June 2012)
3. Accenture Institute for High Performance: Where will all the STEM talent come from? (May 2012)
Estimated demand from Local Jobs

Freelancer’s expansion into 100 categories of Local Jobs expands the total addressable market by up to $800 billion

- Online services is already a huge market, with enormous future potential
  - McKinsey Global Institute has estimated that “160 million jobs, or about 11% of the projected 1.46 billion services jobs worldwide, could in theory be carried out remotely, barring any constraints in supply”

- In the US alone, the temporary labour market is estimated to be on the order of $100 billion
  - MBO Partners also found that in 2013 in the US there were 17.7 million independent workers
  - these generated $1.2 trillion in total income per annum
  - Angie’s List estimates the home services industry, which includes electricians, plumbers, dog walkers and other manual labour, alone is worth $400 billion per annum
  - others put it at $800 billion per annum

5. http://www.thetimes.com/2015/04/13/technology/amazon-google-and-more-are-drawn-to-home-services-market.html?_r=0

72
c.A$72 billion
Potential Net Revenue from SMBs and consumers

1.3 billion
Potential projects / contests

$800 billion plus
Potential through Local Jobs
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