Freelancer Limited

Q3 2015 Update

Matt Barrie
Executive Chairman, Chief Executive Officer
Freelancer Limited (ASX: FLN)

Key market statistics

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</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 (14 October 2015)</td>
<td>A$1.58</td>
</tr>
<tr>
<td>Market capitalisation (14 October 2015)</td>
<td>A$691 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

8,679,783 Projects & Contests Posted
16,911,880 Registered Users
$3,968,420,687 AUD All time Projects & Contests Posted Value
Q3 2015 another exceptional quarter with record cash receipts

Record cash receipts for the quarter of $9.7 million, up 42%

- In Q3 2015, the Company booked record cash receipts of $9.7 million
- Up 42% over the prior corresponding period

Strong balance sheet

- As at 30 September 2015, the Company held cash and equivalents of $42.6 million

Year to date positive operating cashflow

- For 2015 YTD, the Company has had positive operating cashflow of $1.1 million

Exceptional growth in operating metrics to 16.8 million users and 8.6 million posted projects & contests

- Added over 850,000 users and 450,000 projects & contests
- A 39% YoY increase in users who post projects or contests with a 9% QoQ increase (41% annualised)
- All-time posted project value now AUD$3.97 billion

Expects to deliver acceleration of revenue growth in FY15 over FY14
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.

Design of a digital counting wristband for $220
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
Continued exceptional marketplace growth (demand)

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

Total registered users\(^1\)

As at 30 June 2015

>16 million

Total projects & contests posted\(^1\)

As at 30 June 2015

>8 million

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.
Outstanding growth in marketplace liquidity (supply)

Number of bids on projects

Number of entries in contests

Actual completed projects

Actual contest entries

3D House Render
beehive3dworks
$200.00

3D HUD design
akj71
$500.00

Best 3D Massage Chair
FaddeevSL
$124.00

Design a Mobile Application
tkanolin
$500.00

Lion roaring in water colour
sunedaryl
$200.00

Create Print and Packaging Designs for Vegetable Juices
chubbycr1337
£100.00
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.
Freelancer’s **Online Economy** in 2015

*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

- United States: 29%
- United Kingdom: 40%
- Australia: 5%
- Canada: 6%
- India: 10%
- Other: 15%

Top completed project categories by volume 1H15

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

- 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

Average Completed Project Value (US$)

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.
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>European Union</td>
<td>New Zealand</td>
</tr>
<tr>
<td>Jamaica</td>
<td>France</td>
<td>Hong Kong</td>
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<tr>
<td></td>
<td>Germany</td>
<td>Bangladesh</td>
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<td></td>
<td>Greece</td>
<td>India</td>
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<td>Portugal</td>
<td>Indonesia</td>
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<td></td>
<td>Spain</td>
<td>Japan</td>
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<td></td>
<td>Czech Republic</td>
<td>Malaysia</td>
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<td></td>
<td>Sweden</td>
<td>Pakistan</td>
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<td></td>
<td>Iceland</td>
<td>Philippines</td>
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<td></td>
<td>Italy</td>
<td>P.R. China</td>
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<tr>
<td></td>
<td>Netherlands</td>
<td>Singapore</td>
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<tr>
<td></td>
<td>Turkey</td>
<td>Thailand</td>
</tr>
<tr>
<td></td>
<td>Poland</td>
<td>South Korea</td>
</tr>
</tbody>
</table>

### 34 Supported Languages

**Languages**
- Afrikaans
- Bahasa Indonesia
- Bahasa Malaysia
- català
- Čeština
- Dansk
- Deutsch
- ελληνικά
- English
- Español
- Suomi
- Filipino
- Français
- हिन्दी
- Magyar
- Italiano
- 日本語
- 한국어
- norsk-bokmål
- Nederlands
- Polska
- Português
- Română
- русский язык
- Shqip
- Slovene
- Svenska
- Kiswahili
- Thai
- Türkçe
- Tiếng Việt
- українська мова
- 中文(简体)

### 20 Supported Currencies

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

24x7x365 Multilingual Support Team
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.
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%)

**Internet Users by Development Level 2005-2014E**

**Worldwide Internet Growth 2000-14\(^2\)**

- North America: 310 million users, 87.7% penetration
- Europe: 582 million users, 70.5% penetration
- Asia: 1.386b (of 3.996m), 34.7% penetration
- Latin America: 320m (of 612m), 52.3% penetration
- Africa: 298m (of 1.125m), 26.5% penetration

*latest data

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 an hour+

86% of users of top 10 US sites are already foreign\(^1\)

Twice as many Chinese on the Internet as Americans\(^2\)

1. Source: comScore Global, 8/11.
NEED AN AWESOME DESIGN? HIRE ME.

Crame Velasquez

Setting your brand on fire!

I'm first and foremost a follower of Jesus, a son, a husband, a father, and a graphic designer.

I've been providing services here in Freelancer since 2010 and it was here that I met great clients who kept on getting back to me. Some of them even hired me to be a regular employee even though we are not living in the same side of the world. I guess they love my work.

If you need an awesome design for your logo, website, mobile and web app, infographic, brochure, flyer, business cards, etc., I'm more than happy to work with you.

@firethreedesigns

Villasis, Philippines - 1 pm
Member since October, 2010
1 Recommendations

4.9 ★★★★★
75 Reviews

81% Jobs Completed
100% On Budget
98% On Time
22% Repeat Hire Rate

$25 USD/hr
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
 Freelancer Limited

BEAUTIFUL PRODUCT
# Sliding Puzzle App Design for $40

<table>
<thead>
<tr>
<th>Bids</th>
<th>Avg Bid (AUD)</th>
<th>Project Budget (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>$95</td>
<td>$10 - $30</td>
</tr>
</tbody>
</table>

## 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 or 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](attachment:screen2.png) ![screen1.png](attachment:screen1.png)
Website for Fresh Futures for $200

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*12.75"H*3.25"D
- Medium: 13.75"W*9.75"H*3"D
- Small: 11"W*6.75"H*3"D
Handles: PP webbing, 2.5W*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

About the employer:
⭐⭐⭐⭐⭐ 5.0 (3 Reviews)  
VERIFIED  

Travel Pouch Design
By gane32810
US$166
Logo design for a consulting firm for $129

Winner: belenpoyo
- 4 Likes

dalvaleriano
- 2 Likes

dianafernan...
- 1 Like

lunaim
- 0 Likes

lunaim
- 0 Likes

pittuk
- 0 Likes

Ealarcon68
- 1 Like

dianafernan...
- 1 Like

Entries: 81
Prize (USD): $129
Ambient 3D Modelling of a Wardrobe for $90

Design a contemporary (Bauhaus style) home for $215

Floor plans & rendering for $215
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!
3D model of flashlight for NASA: $50
To be used by robotic astronaut on the International Space Station
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.
NASA Challenge: Astronaut Smartwatch App Interface Design

Winner: igcalvo

Top Participants:
- layaween
- mail2vki
- ingasandweg
- johnnyb128
- tommoran40
- mobicaux
- stenszky

Entries: 237
Prize (USD): $1500
START Architecture
A simple, predictable information architecture

Notification could display to any crewmember depending on their configuration. Only one link is shown for readability purposes.

At any moment, a crewmember can pinch the display. This common zoom gesture maps to a high-level Timelines Overview. From there, they can see what other crewmembers are doing now and in the near future.

All crewmembers and ISS mission roles are listed in the Overview. Each one is associated with their immediate events, making it easy to see what everybody is doing at a glance.

Tapping any role row will simply go back to the main Timeline view, loaded with the events of the selected role. Let's see what's in store for the MCC Coordinator today!

Scrolling events by dragging left allows the crewmember to peek further ahead if need be.
Local Jobs expands the total addressable market to several billion dollars per annum by making freelancers available in every neighbourhood.

We are seeing the platform being used for jobs as diverse as cleaning gutters to hiring a photographer to capture marriage proposal in front of the Eiffel Tower.
Mobile
Beautiful apps across Android and iOS
Freelancer & Showcase apps
Over 500,000 downloads and growing
Freelancer Limited

ACQUISITION OF ESCROW.COM
**Escrow.com**

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

| 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 |

| Escrow.com | • 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

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

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 buyers 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
- Rv’s
- Wholesale Goods
- Musical Instruments
- Auction Items

Warrior Forum was bought using Escrow.com
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  AMERICAN TRUCKER  Reverb  Campng World

and over 60+ High Volume Partners
"Important: Only use Escrow.com"
U.S. Commercial Service

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.
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).
Revenue growth

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

<table>
<thead>
<tr>
<th>Revenue (A$m)</th>
<th>2.1</th>
<th>3.1</th>
<th>4.3</th>
<th>8.5</th>
<th>11.9</th>
<th>16.8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth on pcp</td>
<td>-</td>
<td>50.4%</td>
<td>37.7%</td>
<td>96.3%</td>
<td>40.8%</td>
<td>40.8%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>82.6%</td>
<td>86.7%</td>
<td>87.4%</td>
<td>87.6%</td>
<td>88.3%</td>
<td>87.8%</td>
</tr>
</tbody>
</table>
Gross payment volume

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>1H 2010</th>
<th>1H 2011</th>
<th>1H 2012</th>
<th>1H 2013</th>
<th>1H 2014</th>
<th>1H 2015</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
Operational highlights 1H15

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
Summary profit & loss statement

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

- 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)

<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 expenses¹

<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>

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

Strong balance sheet and no net debt

<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>Cash and cash equivalents</td>
<td>19.7</td>
<td>31.1</td>
<td>58.1</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2.5</td>
<td>3.8</td>
<td>50.8</td>
</tr>
<tr>
<td>Other assets</td>
<td>1.2</td>
<td>1.9</td>
<td>65.2</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>1.0</td>
<td>1.3</td>
<td>18.7</td>
</tr>
<tr>
<td>Intangibles</td>
<td>12.8</td>
<td>13.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>1.2</td>
<td>2.3</td>
<td>100.3</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>
</tr>
<tr>
<td>Trade and other payables</td>
<td>19.8</td>
<td>25.7</td>
<td>29.7</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>0.9</td>
<td>1.8</td>
<td>nm</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>
</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>
</tr>
<tr>
<td>Contributed equity</td>
<td>17.5</td>
<td>27.4</td>
<td>56.8</td>
</tr>
<tr>
<td>Reserves</td>
<td>(0.1)</td>
<td>0.6</td>
<td>nm</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>0.3</td>
<td>(2.1)</td>
<td>nm</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>
</tr>
</tbody>
</table>

- 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
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
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