27 February 2018

Freelancer Limited
FY17 Full Year Results Presentation

Video presentation of these results available at http://frln.cr/DdwLJe

Matt Barrie
Chief Executive Officer

investor@freelancer.com
FREELANCER.COM

#1 Online Services Marketplace
Over US$3 billion in jobs posted

ESCROW.COM

#1 for Secure Online Payments
Over US$3.5 billion in transactions
FY17 completed with 27 million users and 13 million jobs

4.3 million registered users and 2.4 million jobs were added to the marketplace in 2017

1. Number of user accounts, and jobs (projects/contests posted) in the Freelancer marketplace as at 31 December 2017. User, project and contest data includes all users and projects from acquired marketplaces. Prior to 2009, all data is from acquired marketplaces. Jobs Posted (Filtered) is defined as the sum of Total Posted Projects and Total Posted Contests, filtered for spam, advertising, test projects, unawardable or otherwise projects that are deemed bad and unable to be fulfilled. Includes Escrow.com unique users.
Freelancer FY17 Results

- GPV $588m (down 11.8% on pcp)
- Net Revenue $50.3m (down 4.7% on pcp)
- Gross Profit $44m (down 4.2% on pcp)
- Gross margin 87.5%
- Operating Cash Flow ($0.6m)
- Operating EBITDA ($3.7m)
- Operating NPAT ($3.8m)
- Cash & equivalents at 31 December $32m (down 8%)
Freelancer.com

Freelancer GMV returning to growth over the last 7 months, 1Q18 so far up 14% on pcp and climbing*

* Gross Marketplace Volume (GMV is a measure of total payments out of the system, i.e. to freelancers)
* Comparing between '2018-01-01' to '2018-02-23' and '2017-01-01' to '2017-02-23'
Freelancer.com

Freelancer volume issues have been constrained to fixed-price desktop web projects which has been resolved

Hourly, recruiter and mobile projects continue to grow well

- **Hourly projects** - paid tracked hours up 26% 4Q17/3Q17 and 54% 4Q17/4Q16
- **Recruiter projects** - up 19% 4Q17/3Q17 and 30% 4Q17/4Q16
- **Mobile projects** - up 10% 4Q17/3Q17 and 56% 4Q17/4Q16
Freelancer.com revenue has been impacted by quality initiatives to improve customer feedback and retention

- **Membership fees** - were lowered as we deliberately tightened up the subscription funnels to ensure that only customers that would achieve tangible value from memberships subscribe.

- Additionally we cut back on the primary plan that we promoted from Professional (~$44 per month) to Plus (~$11 a month plan) to lift bid quality by cutting back on the number of spammy bids from freelancers (particularly through the trial period), and we focused on promoting monthly plans over annual plans to reduce chargeback ratios.

- **Upgrades** - we cut back on the promotion for upgrades in certain parts of the funnel to improve the user experience.

- These two items were approximately a 5% drag in revenue in FY17.

- **Refund Policy** - we improved the refund policy to increase the ease and scope for refunds to customers with the goal of lifting retention and user experience.

- All up, these changes have dropped the monetisation rate for Freelancer.com from 28.3% in FY16 to 27.5% in FY17 (note we erroneously reported this as 26.3% in 4Q17 4C).

- These quality improvements have seen our Trustpilot score rise to 8.7 and ticket NPS to 63.

- **FX impact** was drag of 3% for revenue in FY17
Escrow.com

Escrow GPV affected by China domain name bubble (now passed) and rollout of enhanced AML program 4Q16
While improved KYC/AML churned volume, >70% of Tier 2 KYC submissions approved in 15 minutes, 90% in 1 hour
Freelancer.com is changing the global dynamics in the marketplace for people
In a trillion dollar market

The future of work is 5 billion customers looking for a good job
We help entrepreneurs build the future.

We help small businesses, startups and entrepreneurs turn that spark of an idea into reality.
We continue to redefine the future of work.

“Coming from a third-world country and the smallest in West Africa where opportunities are very limited, Freelancer.com has helped me expand globally by helping me make a living from something that I really have a passion for, design.”

Sulayman Sanyang
Video & Motion Graphics
Banjul, Gambia

4.9/5.0 rating, 16 reviews
Your idea brought to life in stunning visuals.

Small businesses and startups use our amazing freelancers to rapidly prototype products and build new businesses.

This Architectural Design cost $1613
# Key financial highlights FY17

GPV $588m (down 12%), Net Revenue $50m (down 5%), Operating Cash Flow breakeven ($0.6m)

<table>
<thead>
<tr>
<th>A$m, 31 December year end</th>
<th>FY17</th>
<th>FY16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Payment Volume(^1,2)</td>
<td>$587.5m</td>
<td>$666.2m</td>
<td>-11.8%</td>
</tr>
<tr>
<td>Net Revenue(^1)</td>
<td>$50.3</td>
<td>$52.7m</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$44.1</td>
<td>$45.6m</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Gross margin (%)(^3)</td>
<td>87.5%</td>
<td>86%</td>
<td>nm</td>
</tr>
<tr>
<td>Operating EBITDA(^4)</td>
<td>$(3.7)m</td>
<td>$0.5m</td>
<td>nm</td>
</tr>
<tr>
<td>Operating EBIT(^4)</td>
<td>$(4.4)m</td>
<td>$(1.5)m</td>
<td>nm</td>
</tr>
<tr>
<td>Operating NPAT(^4)</td>
<td>$(3.8)m</td>
<td>$0.1m</td>
<td>nm</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$(0.6)m</td>
<td>$4.5m</td>
<td>nm</td>
</tr>
<tr>
<td>Cash balance</td>
<td>$31.9m</td>
<td>$34.8m</td>
<td>-8.3%</td>
</tr>
</tbody>
</table>

1. Net Revenue excluding Escrow.com for FY17 was $43.9m (down 3% on pcp). GPV excluding Escrow.com for FY17 was $159.4m (down 5% on pcp).
2. 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.
3. Gross margin % calculation excludes $0.3m of proceeds from working capital adjustment on acquisition of Escrow.com, which is included in Net Revenue.
4. Operating earnings are exclusive of non-cash share based payments expense of $986k in FY17 and $1,252k in FY16.
Net Revenue

FY17 net revenue of $50.3m (down 5% on pcp)

Net revenue of $50.3m, down 4.7% on FY16
- Freelancer revenue $43.9m (pcp $45.2m)
- Escrow revenue was $6.1m (pcp $7.6m)
- Includes $0.3m of proceeds from working capital adjustment on acquisition of escrow.com

Revenue growth adversely impacted by:
- Drop in core desktop funnel driven by introduction of “1-click” funnel
- Initiatives to improve quality and NPS at expense of short term revenue impacts
- Drop in China volume for domain purchases in escrow
- Introduction of rigorous AML & KYC program in escrow resulted in increased friction and churn in volume
- FX drag of 3.0%

- Consistently high gross margins, ~87% since FY11

<table>
<thead>
<tr>
<th>Revenue (A$m)</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth pcp</td>
<td>-</td>
<td>37%</td>
<td>64%</td>
<td>77%</td>
<td>39%</td>
<td>48%</td>
<td>37%</td>
<td>-5%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>82.6%</td>
<td>86.7%</td>
<td>87.4%</td>
<td>87.6%</td>
<td>87.1%</td>
<td>86.7%</td>
<td>86.4%</td>
<td>87.5%</td>
</tr>
</tbody>
</table>

1. Average AUDUSD of 0.7674 (FY16: 0.7434)
### Gross Payment Volume (GPV)

#### Gross Payment Volume\(^1\) of $587.5m (down 12% on pcp)

- **GPV of $587.5m in FY17, down 12% on pcp**
  - $159.4m from Freelancer.com (27.5% M/R)
  - $428.2m from Escrow.com (1.4% M/R)

- **GPV adversely impacted by:**
  - Drop in core desktop funnel driven by introduction of “1-click” funnel
  - Initiatives to improve quality and NPS at expense of short term revenue impacts
  - Drop in China volume for domain purchases in Escrow
  - Introduction of rigorous AML & KYC program in Escrow resulted in increased friction and churn in volume
  - FX drag of 3.0%

- **Marketplace take rate remains at 13%**
  - Commissions (3% for employers and 10% for freelancers) have remained unchanged

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1. Gross Payment Volume (GPV) is calculated as the total payments to Freelancer or Escrow users for products and services transacted through the Freelancer or Escrow websites plus net Revenue. Based on Freelancer's unaudited management accounts which have not been subject to an auditors review.
2. Take rate for the Marketplace segment is 3% employer commission and 10% freelancer commission, which has not changed since 2010.
3. Core Freelancer GPV of A$159.4m. Escrow FY17 GPV of US$329m, average AUDUSD FX of 0.7674= A$428.2m
Total cash at period end of $31.9m (down 8% on pcp)

Operating cash flow includes $1.7m of legal and regulatory outgoings, of which approximately $0.7m are one off

Other comprises increase in reserves to payment gateways

-$1.2m downward revaluation in cash balances due to ~8% appreciation in AUD/USD fx rate from Dec 16

Small contributions arising from repayment of ESP loans
Summary profit & loss statement FY17

Operating EBITDA and NPAT impacted by one off compliance and legal costs associated with financial licenses

<table>
<thead>
<tr>
<th>(A$M)</th>
<th>FY17 Actual</th>
<th>FY16 Actual</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>50.3</td>
<td>52.7</td>
<td>-5%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>44.1</td>
<td>45.6</td>
<td>-3%</td>
</tr>
<tr>
<td>Gross margin (%)</td>
<td>87.5%</td>
<td>86.4%</td>
<td>nm</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>(22.0)</td>
<td>(21.8)</td>
<td>1%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(12.4)</td>
<td>(10.0)</td>
<td>24%</td>
</tr>
<tr>
<td>Marketing related expenses</td>
<td>(9.8)</td>
<td>(9.4)</td>
<td>4%</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>(2.8)</td>
<td>(2.9)</td>
<td>-5%</td>
</tr>
<tr>
<td>FX gains / (losses)</td>
<td>(0.8)</td>
<td>(0.9)</td>
<td>nm</td>
</tr>
<tr>
<td>Share based payments expense</td>
<td>(1.0)</td>
<td>(1.2)</td>
<td>nm</td>
</tr>
<tr>
<td>EBITDA²</td>
<td>(4.7)</td>
<td>(0.7)</td>
<td>nm</td>
</tr>
<tr>
<td>EBIT</td>
<td>(5.4)</td>
<td>(1.5)</td>
<td>nm</td>
</tr>
<tr>
<td>NPAT</td>
<td>(4.8)</td>
<td>(1.2)</td>
<td>nm</td>
</tr>
</tbody>
</table>

Excluding share based payments expense¹

<table>
<thead>
<tr>
<th>(A$M)</th>
<th>FY17 Actual</th>
<th>FY16 Actual</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA²</td>
<td>(3.7)</td>
<td>0.5</td>
<td>nm</td>
</tr>
<tr>
<td>EBIT</td>
<td>(4.4)</td>
<td>(0.3)</td>
<td>nm</td>
</tr>
<tr>
<td>NPAT</td>
<td>(3.8)</td>
<td>0.1</td>
<td>nm</td>
</tr>
</tbody>
</table>

- Decline in revenue of 5% on pcp
- Improved gross margins
- Cost control on all major expense lines has kept expenses flat with FY16, will provide operating leverage with rising revenue
- Administrative expenses up 24% on pcp principally due to regulatory, legal and compliance costs associated with money transmission and escrow licence applications, including one -offs
  - Regulatory, legal and compliance costs were $2.7 million vs $0.8 million in FY16
  - One-off regulatory penalties of $1.1m (inclusive of $0.9m in provisions) cleaning up historical Escrow operations prior to licensing
- 474 FTEs at year end (down 6% on FY16)
- Cost optimisation drove expenses in Q4 for product, advertising

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1. Operating earnings are exclusive of non-cash share based payments expense of $986k in FY17 and $1,252k in FY16.
2. Depreciation and amortisation expense of $701k in FY17 and $769k in FY16.
3. Gross margin % calculation excludes $0.3m of proceeds from working capital adjustment on acquisition of Escrow.com, which is included in Net Revenue.
### Summary balance sheet FY17

**Strong balance sheet, no net debt**

<table>
<thead>
<tr>
<th>(A$m)</th>
<th>FY17 Actual</th>
<th>FY16 Actual</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec y/e</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>31.9</td>
<td>34.8</td>
<td>-8%</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3.9</td>
<td>4.4</td>
<td>-10%</td>
</tr>
<tr>
<td>Other assets</td>
<td>1.5</td>
<td>1.6</td>
<td>nm</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>0.9</td>
<td>1.3</td>
<td>nm</td>
</tr>
<tr>
<td>Intangibles</td>
<td>26.4</td>
<td>25.7</td>
<td>3%</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4.0</td>
<td>3.3</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>68.6</strong></td>
<td><strong>71.1</strong></td>
<td><strong>-3%</strong></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>33.0</td>
<td>32.7</td>
<td>1%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3.7</td>
<td>3.0</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>36.7</strong></td>
<td><strong>35.7</strong></td>
<td><strong>3%</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>31.9</strong></td>
<td><strong>35.4</strong></td>
<td><strong>-10%</strong></td>
</tr>
<tr>
<td>Contributed equity</td>
<td>38.0</td>
<td>37.8</td>
<td>nm</td>
</tr>
<tr>
<td>Reserves</td>
<td>3.4</td>
<td>2.4</td>
<td>nm</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>(9.5)</td>
<td>(4.8)</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td><strong>31.9</strong></td>
<td><strong>35.4</strong></td>
<td><strong>-10%</strong></td>
</tr>
</tbody>
</table>

- Total cash at period end of $31.9m, no net debt
- Escrow.com additionally holds approximately $32 million in cash, in trust, off balance sheet
- Trade and other receivables includes receivables from various payment gateways in relation to partially completed transactions
- Trade and other payables includes user obligations (user balances and milestone payments held on balance sheet)
- Increase in intangibles predominantly relates to domain names acquired
Freelancer’s **Online Economy** in 2017

*Note: Sample of projects awarded in 2017. 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 2017 – USA

Note: Sample of projects awarded in 2017. 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 2017 – Europe

*Note: Sample of projects awarded in 2017. 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 2017 – Australia

Note: Sample of projects awarded in 2017. 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 2017 – India

*Note: Sample of projects awarded in 2017. 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.*
Regional Websites

Supported Languages

Supported Currencies

North America
- US (International)
- Canada
- Jamaica

Europe
- United Kingdom
- European Union
- France
- Germany
- Greece
- Portugal
- Spain
- Czech Republic
- Sweden
- Iceland
- Ireland
- Italy
- Netherlands
- Turkey
- Poland
- Romania
- Russia
- Ukraine
- Norway
- Hungary
- Finland
- Denmark
- Albania
- Slovenia

Asia Pacific
- Australia
- New Zealand
- Hong Kong
- Bangladesh
- India
- Indonesia
- Korea, Republic of
- Malaysia
- Philippines
- PR China
- Singapore
- Thailand
- Vietnam

Latin America
- Argentina
- Brazil
- Chile
- Colombia
- Ecuador
- Mexico
- Peru
- Uruguay

Languages
- Afrikaans
- Bahasa Indonesia
- Bahasa Malaysia
- বাংলা
- Català
- Čeština
- Dansk
- Deutsch
- ελληνικά
- English
- Español
- Suomi
- Filipino
- Français
- हिन्दी
- Magyar
- Italiano
- 日本語
- 한국어
- Norsk-Bokmål
- Nederlands
- Polski
- Português
- Română
- русский язы́к
- Shqip
- Slovene
- Svenska
- Kiswahili
- Thai
- Türkçe
- Tiếng Việt
- українська мова
- 中文 (简体)

Currencies
- USD
- NZD
- AUD
- GBP
- HKD
- SGD
- PHP
- EUR
- CAD
- INR
- JMD
- CLP
- MXN
- IDR
- JPY
- PLN
- BRL
- CNY
- DKK
- VND
- AED
- ARS
- BDT
- COP
- PKR
- CHF
- HUF
- ILS
- KRW
- NOK
- QAR
- RON
- RUB
- SAR
- THB
- TRY
Marketplace dynamics FY17

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

- Over 1,000 job categories as diverse as Aerospace Engineering, Biotechnology, Sales, Manufacturing, Mechanical Engineering
- Complexity & sophistication growing each year
- Average completed project US$193 in FY17

Top countries by completed projects in FY17 (%)

- Germany 23.5%
- Canada 4.7%
- India 7.2%
- United Kingdom 8.9%
- Australia 10.2%
- United States 27.3%
- Other 39.3%

Top categories by completed projects FY17 (%)

- Websites, IT & Software 33%
- Design, Media & Architecture 30%
- Writing & Content 13%
- Data Entry & Admin 6%
- Sales & Marketing 5%
- Engineering & Science 4%
- Mobile Phones & Computing 3%
- Translation & Languages 3%

Average Completed Project Size (US$)

1. Based on the number of completed projects that were posted in FY17.
2. Based on the value of project payments for projects that were posted in FY17.
3. Average amount paid per awarded project
Revenue Model

Freelancer’s revenue is driven by users posting jobs – as a project or a contest

- For employers it’s free to post a project, free to review bids, free to talk and review samples
  - **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
  - **10%** project commissions paid by freelancers when a project is awarded and accepted
- Membership plans range from US$0.99 to US$59.95 a month, and provide additional features and benefits including increased bid limits, eligibility for preferred freelancer and high value project bidding.

  ![Membership Plans](image)

- Other value added services include project upgrades, crowdsourcing contests and upgrades, bid upgrades, transaction fees, certification fees and advertising
AN 8x4 office, needs 3D design with rendering.

**Skills:** 3D Modelling, 3D Rendering, Building Architecture, Interior Design

**See more:** interior design, 3D rendering, service company, rendering interior design, rendering for interior design, rendering companies, rendering cheap, rendering cape town, rendering buildings, rendering architecture, rendering architecture malaysia, rendering animation design, rendering and animation services, plans for office design, modelling design, concept, modelling content, modelling architecture, modelling and autocad, modelling and animation, 3D rendering 3ds max design, 3D mechanical modelling, 3D max modelling, jewellery modelling, event modelling service, do.

**About the Employer:**

5/5 stars (1 review)  🇸🇦 Saudi Arabia  🔄  📩  ☎  📱

**Project ID:** #12663042

**Looking to make some money?**

- Set your budget and timeframe
- Outline your proposal
- Get paid for your work
- It's free to sign up and bid on jobs

**Awarded to:**

**rajdesigner7031**


- $88 USD in 4 days
- 4.9/5 stars (40 Reviews)

**77 freelancers are bidding on average $163 for this job**

**dreams3ds**

Hello, We have reviewed your project brief and are interested in working with you. This project is

- $250 USD in 3 days
- 8.9/5 stars (342 Reviews)
Chocolate package (front) design

A winner has been chosen!

With 54 entries from 26 freelancers, this employer had the work done for €100 in 5 days.

Post a Contest like this

54 Total Entries
This Packaging Design cost €100
This Logo Design cost €10
BEARDS of BARAKAH

This Label Design cost £10
This Mobile App Design cost $30.
This Website Design cost $114
This 3D Model cost $100.
This 3D Model cost £100
This 3D Model cost £108
This Branding cost $500
This Poster Design cost $10.
This Menu Poster cost €35
This Packaging Design cost €240.
This Architectural Design cost $1613.
NASA Challenge: Develop 3D Models for Robonaut S...
NASA got this 3D CAD Model for $50
We push the boundaries of human innovation

The NASA Tournament Lab and Freelancer have teamed up to help crowdsource solutions to the most complex problems being faced by astronauts on the cutting edge of space exploration.
pufutama
Illustrator | 2D Animator | Concept Artist

Passionate award-winning Director and Animator, with strong ability to translate from written descriptions or early concepts into more refined illustrations, 2D Animations, as well as App and Game Assets.

My specialties include, but are not limited to, the following:

- 2D & 2.5D Animation & Motion Graphics
- Background Design
- Character Design
- Concept Design
- Cartoon
- Drawing
- Illustration
- Storyboard
- Portrait Painting
- Photo Editing & Manipulation
- Pre-production & Post Production

@pufutama
Bandung, Indonesia Barn
Member since January 6, 2014
9 Recommendations

Hire Me
$25 USD/hr
4.8 ★★★★★
59 reviews
89% Jobs Completed
100% On Budget
91% On Time
23% Repeat Hire Rate

Portfolio

Freelancer ➔ Freelancers in Indonesia ➔ Illustrators ➔ pufutama

48
Get the perfect design by crowdsourcing your ideas

- 90 entries per contest on average
- 62% of contests receive an entry in an hour
- Easily buy all your favorite entries at once
Mobile
Stay productive on the go with Freelancer in your pocket

119% growth YoY milestones posted from mobile

Android application translated into Chinese and published in the Huawei app store

20% of good projects on average are now from mobile
Local Jobs

Find people in your area to help you

Find a freelancer with a skill and a location, anywhere in the world.

Average time to first bid reduced to 15 minutes. Globally.

Local jobs on average receive 5 bids. Globally.
Building better tools for employers and freelancers to work together

We built a more intuitive hourly billing system

Hours paid through automatic billing grew 54% YoY

70% of hourly projects set up automatic billing
Introducing Recruiter
The best way to find the top talent on Freelancer

Speak With Your Recruiter Now

Hi Sam,

We noticed that on your recent visit to Freelancer.com you didn’t select a freelancer for build a website for my business.

Build a website for my business

Welcome to your Recruiter project

1. Chat
Your Recruiter will read your brief and ask you more about the project

2. Review
Your Recruiter will review their shortlist of suitable freelancers

3. Accept
Once you’ve decided on your freelancers

Bids will appear shortly
Your Freelancer is gathering the best talent to bid on your project

My name is Ramona and I will be your Recruiter to help you find the best freelancer for your project. Can I start by getting your name?

Hello Ramona, nice to e-meet you and looking forward to working with you! My name is Jane.

Hope you’ve been having an excellent day Jane! Can you tell me more about the business you want the website designed for?

Source the top 1% of Freelancers easily

The fastest way to find top talent on Freelancer.com

71% 2H17 growth in Recruiter project volume
Connecting through the power of rich messaging

New inbox interface makes messaging immersive and easy.

36% of freelancers respond to chat within 5 minutes. 65% <1 hour. Globally.

We process billions of messages per annum between our users.
High quality technical content written by our talented community

Articles continuously ranked on the first page of Google, with most of the readership from US

High quality technical content across a range of areas, written by 27m professionals

Over 2,500 articles shared on the platform, with 800 articles published in 2017 alone
Payments

Express withdrawal is available for China!
It’s the most convenient way to withdraw your money directly to your bank account

Pay in, pay out within the Freelancer.com platform

- Increased direct bank payout from 7 countries to 20+
- Now supports all major payment methods in China
- Local credit / debit card processing in Latin America
Memberships

Designed to increase freelancer success and earnings

Paytm support for Indian users purchasing memberships

100% YoY growth in Professional members earning

Freelancers can now pay for memberships on a discounted lock in annual contract
Customer Experience

Optimization of the Help Center allowed us to service 30% more users. Improvements are validated by the 8.7 TrustPilot rating and an NPS for support tickets at 63 (“excellent”).
Over 70% of Fortune 500 companies use Freelancer.com to get work done

Fast track workforce automation with a fully featured API
Private Freelancer Cloud and Project Success Managers ensure quality work delivery
No fees - employer commissions are waived for volume clients
Freelancer API

Make an API call to the cloud workforce from your website, app or software

Built by developers, for developers.  
freelancer.com/api

Automate your workforce at scale across the globe while cutting costs.

A perfect companion to Freelancer Enterprise customers.
Freelancer API
You are only limited by your imagination.

Charity done right
A perfect companion for Freelancer Enterprise customers, the Freelancer API is perfect for large organisations doing big things.

Button for everything
Using artificial intelligence, Freelancer’s reputation system automatically ranks the best freelancers for the job based upon sophisticated algorithms.

Food delivery
Why hire full time staff when you can simply make an API call to the cloud? You’ll never fire freelancers, because you only pay as you task them.

Services in an app
With existing SDKs for Python & Android, you can get started with the Freelancer API today. More SDKs and expanded support coming soon.
Over $3.5 billion of transactions protected through Escrow.com

The world’s most secure payment method from a counterparty risk perspective
Escrow.com is used to secure a wide range of transaction types
Announcing the Escrow.com API

With no minimum fee and priced as low as 0.89%, the Escrow.com Platform API is cheaper than credit cards and other online payment methods.

**Beautiful Docs**
Our step-by-step integration guides, code examples and centralized API reference make it simple to understand and easy to integrate so you can spend less time writing code.

**Real-time Insights**
Stay up to date on the progress of each of your transactions through our portal or use our webhooks to get real-time granular updates on the progress of each transaction.

**Versioning**
Time to take control of your roadmap – your integration will work the same as it does today as it will tomorrow.

**Developers First**
With a new developer portal, interactive documentation, and real-time dashboards, we are putting developers first. We can’t wait to see what your build!
Superphonica - example Escrow.com API integration

Tight integration of Escrow.com is highly promoted as a key feature of Superphonica.
Escrow plugin for WooCommerce

WooCommerce has 39 million downloads and powers 28% of all online stores *

Escrow.com Payments for WooCommerce
By Escrow.com

Description

Escrow.com provides a secure payment solution for your website, marketplace, classified site, shopping cart or mobile app with no chargebacks, ever.

Escrow.com is especially useful in situations where buyers and sellers do not know each other, do not trust each other, or where large sums of money are exchanging hands. Rates are as low as 0.89%.

This plugin allows you to add Escrow.com as a payment option on your checkout page in WooCommerce.

PRIVACY POLICY

Our privacy policy may be found at:

www.escrow.com/escrow-101/privacy-policy

To assist the customer service process around plugin usage, this plugin sends a notification to Escrow.com upon plugin activation and deactiva-

* According to www.woocommerce.com
Escrow.com highlights FY17

Significant investments in new acquisition technologies and improvements to website pain points

- **Launch of Escrow Platform API** - Payments for your website, marketplace, classified site, shopping cart or mobile app with no chargebacks, ever.

- **Launch of API based plugin** - released a plugin for Woocommerce, the most popular e-commerce platform for Wordpres, with 39 million downloads which powers 28% of all online stores.

- **Improved payments and account backend** - Rebuilt trust accounting from a legacy technical stack to state of the art payments architecture.

- **Introduction of automation in payments processing** - payments are now processed automatically through internal systems rather than manual processing.

- **Improvements to KYC** - introduced more rigorous Anti-money Laundering and KYC process and reduced the friction of verifying personal and company identities, with over 70% processed in less than 15 minutes and 90% in less than one hour.

- **Improvements to trust and safety** - creation of a new management system for all transaction and user based fraud and anti-money laundering rules.
The #1 Internet Marketing Forum Since 1997

1,321,355+ USERS
10,292,883+ POSTS
1,027,109+ DISCUSSIONS
Australia’s Largest Startup & Growth Conference

Exclusive International Speaker Lineup

4000 + PAX

60+ Keynotes & Workshops

120+ Technology Exhibitors

Sold out 8 years in a row | StartCon.com | Nov. 30 - Dec. 1, 2018
Awards in 2017

- **Gold Stevie for Communications Department of the Year**
  The 2017 International Business Awards

- **Gold Stevie for Freelancer.com iOS and Android App**
  The 2017 International Business Awards

- **Silver Stevie for Most Innovative Tech Company of the Year - Up to 2,500 Employees**
  The 2017 International Business Awards

- **Silver Stevie for Matt Barrie, Executive of the Year - Internet/ New Media**
  The 2017 International Business Awards

- **Silver Stevie for Sebastian Siceles, PR Executive of the Year**
  The 2017 International Business Awards

- **Silver Stevie for Business Services**
  The 2017 International Business Awards

- **Silver Stevie for Best User Experience**
  The 2017 International Business Awards

- **2017 SPI Global Technology Company of the Year**
  ASIA CEO Awards

- **Winner NSW Innovation in Export Award**
  Premiers NSW Export Awards 2017
Board of Directors

Technology focused entrepreneurial board with successful exits to major global corporations.

Matt Barrie
Chief Executive Officer & Chairman

Matt Barrie is an award winning technology entrepreneur. Matt was Adjunct Associate Professor at the Department of Electrical and Information Engineering at the University of Sydney where he taught Cryptography for fifteen years and, later, Technology Venture Creation. He is the co-author of over 20 US patent applications. Previously he founded and was CEO of Sensory Networks Inc., a vendor of high performance network security processors which sold to Intel Corporation (NASDAQ:INTC).

Darren Williams
Non-Executive Director

Darren transitioned from Executive Director and Chief Technology Officer of Freelancer to Non-Executive Director in late 2015. In his time as an executive he was responsible day-to-day for strategic leadership of the company’s operating and technical direction. Darren has experience in computer security, protocols, networking and software. Prior to joining Freelancer, Darren was a co-founder of Sensory Networks, where he held the roles of Chief Technology Officer and subsequently Chief Executive Officer. In 2013 Sensory Networks sold to Intel Corporation (NASDAQ:INTC).

Simon Clausen
Non-Executive Director

Simon is a founding investor of Freelancer. Simon has more than 17 years experience in high growth technology businesses in both Australia and the United States. His technical expertise includes proficiency in multiple software development languages, computer security and vulnerability analysis, and he is co-author and inventor of a number of technology patents. Simon founded and was CEO of PC Tools, which he grew to over $100 million in revenue, more than 250 employees and offices in 7 countries. PC Tools was acquired by Symantec Corporation (NASDAQ:SYMC) in October 2008 in one of Australia’s largest ever technology acquisitions.
Senior Management Team

Specialists in growth, finance, operations, infrastructure, international execution, compliance and engineering

Peter Phillips
Vice President, Engineering
BSc (Hons I) PhD (Computer Science)

Amir Massoudi
Director, Growth
S.Eng, MSc (Computer Science)

Greg Robinson
Vice President, Compliance
ACI, SA Fin

Sarah Tang
Global Operations
MSc (Wien) MA
BCom (Queens)

Adam Byrnes
Senior Director, International
BE (Electrical) (Hons I) / BSc (Adv) (Physics)

Sebastián Siseles
Director, International
JD (University of Buenos Aires) / MBA (University of Pittsburgh) / Marketing Diploma (FAECC, Argentina)

Neil Katz
Chief Financial Officer
B Com (Hons) ACA EPGC (Stanford)

Amir Massoudi is a Director of Growth at Freelancer. In this role, he is responsible for leading the global engineering teams and defining and executing the company’s operating and technical direction. Peter has extensive experience in software engineering, scalable infrastructure and IT management.

Sarah Tang is in charge of operations at Freelancer, across its global footprint. She leads a diverse range of teams across operations, support, talent and human resources. Sarah is a Millennium and Cansbridge Scholar with a double degree in Strategy & Innovation Management. Her thesis explored how face-reading software can be applied to user-driven product research by training it to measure human cognition, emotions and psychology.

Greg Robinson is the Vice President of Compliance at Freelancer. Greg oversees the overall compliance environment within the Company. In this role, Greg is responsible for the development and maintenance of the governance and compliance risk programs to support the business. Before joining Freelancer, Greg worked for PayPal Australia as Head of Compliance.

Adam Byrnes is responsible for creating, communicating, maintaining, and aligning the company’s international expansion strategy for long-term. An Argentine entrepreneur with an MBA from the University of Pittsburgh, Sebastián has a background in law specialising in corporate finance and M&A.

Neil Katz is the Chief Financial Officer at Freelancer and is responsible for the finance and administration functions of the Company. Neil has over 20 years experience in finance, accounting and general management. Neil has held CFO roles at a number of technology companies, including IPScape, Threatmetrix, Sensory Networks and Aptrix.

Peter Phillips is Vice President of Engineering at Freelancer. In this role, he is responsible for leading the global engineering teams and defining and executing the company’s operating and technical direction. Peter has extensive experience in software engineering, scalable infrastructure and IT management.
Outlook Statement 2018

Freelancer has a firm foundation for revenue growth in FY18 and a clear path to profitability

- FY17 was a challenging year and already FY18 is looking brighter
  - For Freelancer.com, marketplace health is improving and growth is returning to trend. We are excited in particular about the build out of collaborative tools, usability improvements, mobile, performance, managed service, API and enterprise offerings.
  - For Escrow.com, China volume has returned to trend and while volume has churned due to a more rigorous AML/KYC program, we are highly optimistic about opportunities and growth with the new Escrow.com API and ecosystem we are developing around this API
- We will increase profitability to above breakeven in FY18
- Freelancer’s marketplace business is acyclical. The global financial crisis led to the original emergence of the online crowdsourcing and freelancing industries
  - Employers looked online to hire freelancers rather than full time staff
  - Workers looked to the Internet to find new sources of employment
- The potential for significant macroeconomic volatility provides further additional upside to Freelancer’s opportunities
Unique Investment Thematics

Freelancer Limited (ASX:FLN) is a unique exposure to:

- Massive market: $5 trillion TAM
- The on-demand and crowdsourced economy
- Increasing internet penetration of emerging markets
- Rising sophistication in emerging markets labour
- Software & mobile eating the world
- Structural imbalances in global labour markets
- Thrives in economic crises
- Incredibly deflationary
- Fintech & transition of global commerce to online (Escrow.com)
- Global Income (>95% of revenue is outside Australia: USD, GBP, EUR, CAD, etc.)
INDUSTRY DRIVERS
The other 50% of the world’s population are about to join the Internet.
It’s 2018

The other four billion are connecting to the Internet at a tremendous pace

- World population\(^1\): **7,634,757,932**
- Number on the Internet: **4,050,247,583** (51.8%)

North America
346 million users
95% penetration

Europe
700 million users
85% penetration

Asia
2.0 billion users
47% penetration

Latin America
425 million users
65% penetration

Africa
412 million users
32% penetration

1. Source: Internet World Stats (to 31 December 2017)
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”


- 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
Developing world self-educating to raise socio-economic status

The wealth of human knowledge is available online

- Five 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

- Twice as many Chinese on the Internet as Americans

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1. Source: comScore Global, 8/11.
The world is repeating itself 20 years later
HOW BIG IS THE MARKET?
“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”  

Estimated demand for Web Design services (mid-high OECD)

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- there is also potential upside from opening up of new demand from lower cost labour services
  - 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 mid-high income OECD SMEs

Global small business revenue opportunity estimated as $38 billion per annum (602 million projects, $135 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 4.97 projects in 2016\(^2\)
- Average project size in FY16 was US$167, generating revenue of $47 to Freelancer (28.3% monetisation rate)\(^2\)
  - Implies A$8.6 billion TAM (A$30.4 billion GPV, 140 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$29 billion TAM (A$104 billion GPV, 480 million projects)

- Estimated global TAM from MSME market of c.$38 billion (A$135 billion GPV, 620 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 US$167 in FY16. Monetisation rate = $45.2m / 160m = 28.25%.
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

Product marketplaces as proxy of consumer demand indicates TAM of US$106 billion (2b projects, US$390b GPV)

~400 million active consumers on average across eBay, Amazon and Alibaba

170 million active consumer buyers on eBay (sellers are SMEs)

Taking 170m buyers as consumer proxy

5 projects / user
US$193 / project
27.5% take rate

GPV of US$390 billion
Global Total Available Market (TAM)
US$106 billion (2b projects)

<table>
<thead>
<tr>
<th></th>
<th>eBay</th>
<th>Amazon.com</th>
<th>Alibaba.com</th>
<th>Freelancer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Revenue</td>
<td>US$9.6 billion¹</td>
<td>US$178 billion¹</td>
<td>US$158 billion³</td>
<td>A$49.9 million</td>
</tr>
<tr>
<td>2017 GMV/GPV</td>
<td>US$88.4 billion</td>
<td>US$300+ billion²</td>
<td>US$500+ billion⁴</td>
<td>A$159.4 million</td>
</tr>
<tr>
<td>2017 Users</td>
<td>170 million active buyers</td>
<td>300+ million active buyers</td>
<td>488 million active buyers</td>
<td>27 million total registered users</td>
</tr>
<tr>
<td>Geography</td>
<td>Global</td>
<td>Global</td>
<td>Predominantly China</td>
<td>Global</td>
</tr>
</tbody>
</table>

Source: Company reports, Bloomberg, Statistica, Nasdaq.
1 Actual year end 31 December 2017
2 Based on analyst estimates
3 Google Finance 31 December 2017
4 Trailing 12 months as at 30 June 2017, company disclosure
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
  
- 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

- 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

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

- 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 +

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 in the US

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 in 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

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