



ASX Announcement | 27 April 2017

Freelancer delivers cash receipts in Q1 2017 of \$12.5 million, up 20% on a rolling 12-month basis compared to the prior period, with strong positive operating cashflow of \$2.1 million for the quarter

Thursday, 27 April 2017 - Freelancer Limited (ASX: FLN), the world's largest freelancing and crowdsourcing marketplace by total number of users and jobs posted, today released its Quarterly Cash Flow Statement (Appendix 4C) for the quarter ending 31 March 2017 (Q1 2017).

Cash receipts were up 20% LTM on the prior corresponding period to A\$51.6 million

Freelancer experienced strong growth in key metrics in the core marketplace segment during Q1 2017, with continued weakness in the Escrow.com payments segment while the core infrastructure, systems and processes are overhauled.

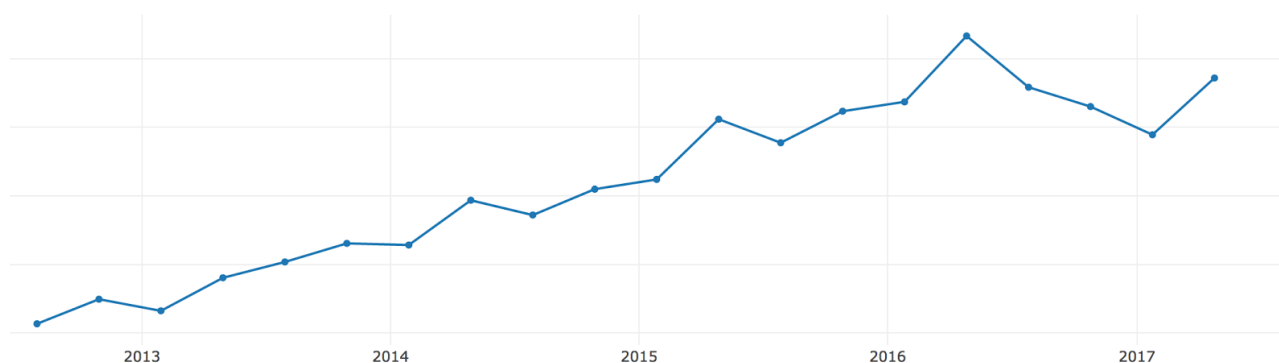
Strong positive operating cash flow

For the first three months of FY17, operating cash flow was positive A\$2.1 million. In the whole of FY16, the group generated A\$4.5m positive operating cash flow for the year.

Strong growth in accepted projects during Q1 2017

Accepted projects are those in the core Freelancer marketplace that have been awarded by employers and accepted by freelancers- at which point in time a project fee is levied. It is a down-funnel project metric that correlates closest to financial metrics such as revenue and GPV.

Q1 2017 saw a strong bounce in this metric, improving from the weakness experienced in 2H16, which resulted from issues in the core desktop project funnel that were corrected in mid-January 2017:



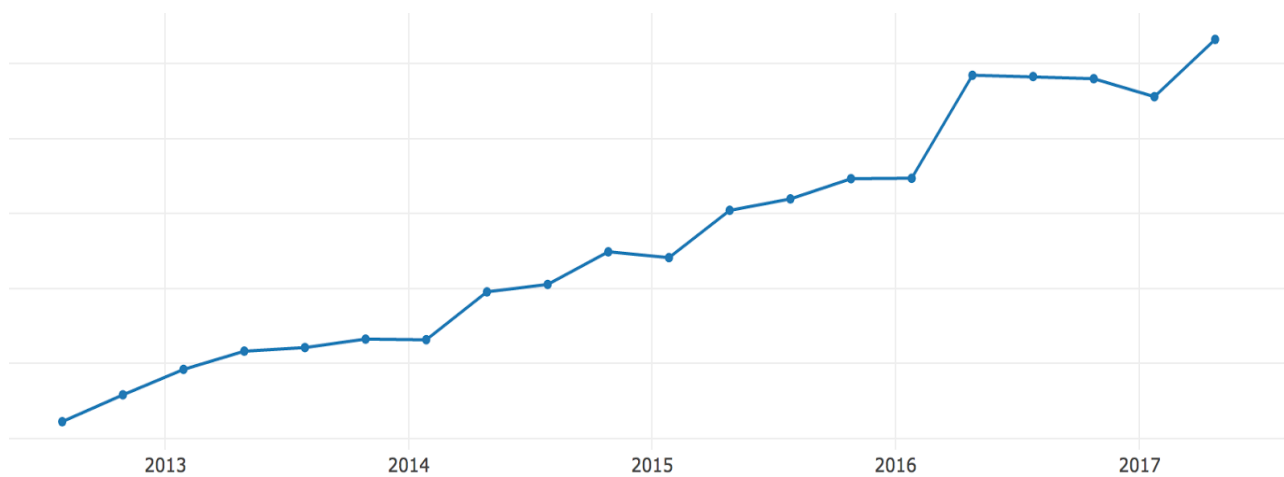


Overall it was a very strong quarter for accepted projects across the entire time period from when records started:



Strong growth in project fees (USD, unaudited)

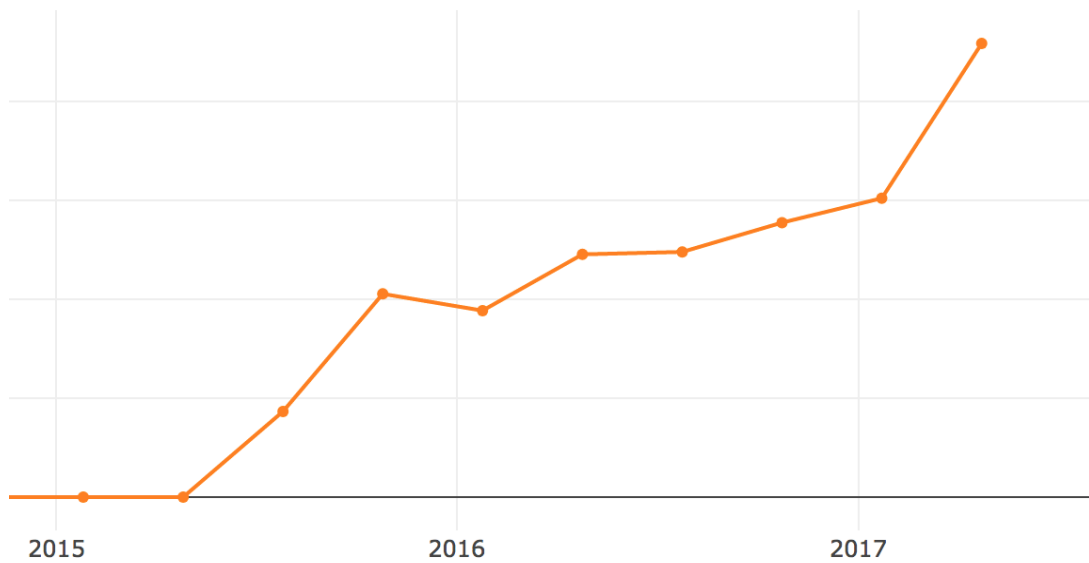
The strong growth in accepted projects is likewise reflected in project fees:





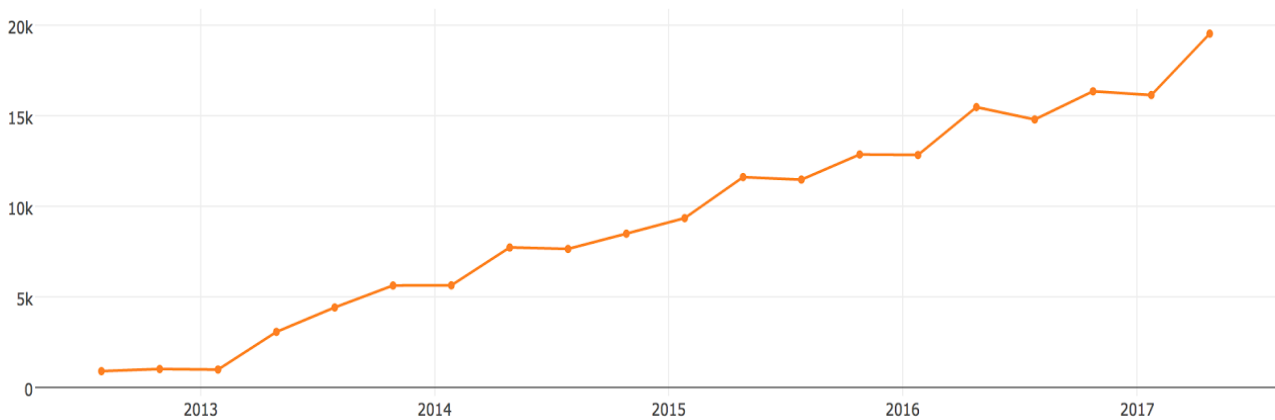
Exceptional growth in projects posted via mobile

Projects posted on mobile experienced exceptional growth, growing 79% in the quarter year on year:



Exceptional growth in contests posted

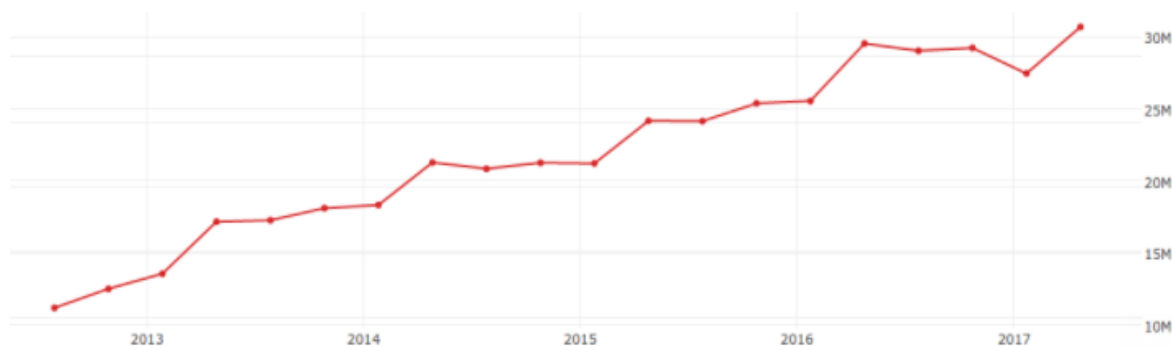
Contests posted saw exceptional growth in Q1 2017, growing at 23% in the quarter (Q1'17 on Q4'16):





Strong growth in deposits in core Freelancer marketplace (USD, unaudited)

Deposits (unaudited), is a key leading indicator of GPV and revenue in the core Freelancer marketplace segment. It has been strong in Q1 of 2017, growing approximately 6% in the quarter (USD, unaudited). Again, this is primarily a result of fixes and improvements to the core desktop project funnel:



Strong balance sheet with \$34.7 million cash & equivalents and no net debt

As at 31 March 2017, the Company held cash and equivalents of A\$34.7 million.

Escrow.com payments business

The key milestones that will be achieved in 2017 which are a necessary precursor to rapid growth are: (1) full automation of the payments backend (2) release of the new API (3) completion of the rollout of our revamped AML/KYC (Anti-money Laundering / Know Your Customer) programs and (4) completing regulatory licensing programs in key jurisdictions.

Significant progress has been made of the first three items and they are expected to be completed within the next two quarters. The US licensing programs is progressing very well with approvals for a number of US States having been achieved in Q1, and it is expected that the full program will be accomplished by the end of the financial year.

Freelancer's StartCon conference will take place on December 1st and 2nd at the Royal Randwick Racecourse in Sydney.

StartCon, Australia's largest startup and growth conference, recently announced dates for 2017. Over 4,000 entrepreneurs, startups, marketers and innovators are expected to attend this year. Last year has a record lineup of speakers from Silicon Valley including Uber, Pinterest, Zillow, SurveyMonkey, GrowthHackers & 500 Startups. Tickets are available at www.startcon.com.

Conclusion

Matt Barrie, Chief Executive, commented on the results, "Freelancer.com once again achieved excellent results in Q1 with strong operating cashflow. We expected to continue this track record of performance through calendar 2017."

ENDS



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Forward-looking statements

This document contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "outlook", "upside", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance, including Freelancer's FY17 outlook, are also forward-looking statements, as are statements regarding Freelancer's plans and strategies and the development of the market. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Freelancer, which may cause actual results to differ materially from those expressed or implied in such statements. Freelancer cannot give any assurance or guarantee that the assumptions upon which management based its forward-looking statements will prove to be correct or exhaustive beyond the date of its making, or that Freelancer's business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Such forward-looking statements only speak as at the date of this announcement and Freelancer assumes no obligation to update such information. The release, publication or distribution of this document in jurisdictions outside Australia may be restricted by law. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

About Freelancer

Ten-time Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. More than 23 million registered users have posted over 11 million projects and contests to date in over 1,000 areas as diverse as website development, logo design, marketing, copywriting, astrophysics, aerospace engineering and manufacturing. Freelancer owns Escrow.com, the leading provider of secure online payments and online transaction management for consumers and businesses on the Internet. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN.