ASX Announcement | 27 February 2014

Freelancer revenue accelerates to $18.8m, up 77% year on year

- **Revenue of $18.8 million, up 77%**
- **Gross Payment Volume[1] of $84.4 million, up 66%**
- **Operating EBITDA[2] of $1.2 million, up 53%**
- **Operating net profit[2] of $1.1 million, up 46%**

Freelancer Limited (ASX:FLN) today announced its financial result for the year ended 31 December 2013 (FY13). Revenue for the Group was $18.8 million, a 77% increase on the prior year, with Gross Payment Volume[1] of $84.4 million (up 66% on the prior year), operating EBITDA[2] increased by 53% to $1.2 million and operating net profit[2] increased by 46% to $1.1 million.

Results overview[3]

31-Dec y/e	**FY12**	**FY13**	**Growth Y/Y**
Net Revenue	$10.6m	$18.8m	77%
Gross Payment Volume[1] (unaudited)	$50.8m	$84.4m	66%
Take rate[4] (%)	*20.9%*	*22.2%*	6%
Gross margin (%)	*87.4%*	*87.6%*	0.3%
Operating EBITDA[2]	$0.8m	$1.2m	53%
Operating EBIT[2]	$0.7m	$1.0m	46%
Operating NPAT[2]	$0.7m	$1.1m	46%
Cash balance as at 31-Dec	$9.7m	$24.4m	152%
New registered users (unaudited)	1.4m	2.9m	104%

Commenting on the result, Freelancer's CEO and Chairman Matt Barrie said, "Freelancer had a spectacular year in 2013 with revenue up 77% on the prior year. Over the last three years, we have had strong monotonic acceleration in both revenue and gross payment volume growth year on year, as well as continued improvement in take rate and gross margin- year on year."

"The result for FY13 has been driven by accelerated growth in our online marketplace, continued product development and site optimisation, and we are pleased to have exceeded our prospectus forecast. The Company has historically managed its operating cost base to be marginally profitable and cash flow positive with the aim of maximising re-investment in product development and top-line growth, and is pleased to have done so in FY13."

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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. Based on Freelancer's unaudited management accounts for the years ended 31 December 2010, 2011, 2012 and 2013.
[2] Exclusive of expensed IPO costs of $394k ($275k net of tax) and non-cash share based payments expense of $33k in FY13.
[3] Unless otherwise indicated, the numbers contained in this release are derived from the audited Freelancer Annual Financial Statements for the 12 months ended 31 December 2013.
[4] Take rate is calculated as Net Revenue divided by Gross Payment Volume.

Commenting on the state of the online outsourcing and crowdsourcing services industry, he added, "We are at the very beginning of a global revolution in the way that we do work. Over the decades to come, the rest of the world's population will be connecting- at an accelerating pace. More and more industries will be eaten by software, and more and more jobs will be performed with a computer and will head into the cloud. People on opposite sides of the world will increasingly work together, and through software it will be as seamless as if they were in the same room together."

"We believe, that in time, it is inevitable that a global marketplace for services will emerge, that will be of a similar size and scale as global marketplaces for products like eBay, Amazon and Alibaba," he said.

"Freelancer is uniquely positioned to be this marketplace, and we are proud to be doing so as an Australian company," he concluded.

Commenting on the year ahead for Freelancer, he added, "This coming year we will be focussed on improving scalability, strengthening the team, and our marketplace. We will continue to focus on innovative product development, and continue to expand across regional and multilingual markets, and across job categories."

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About Freelancer

Triple Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. Over 10.3 million registered users have posted 5.5 million projects and contests to date in over 600 areas as diverse as website development, logo design, marketing, copywriting, astrophysics, aerospace engineering and manufacturing. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN.