



ASX Announcement | 16 February 2015

Freelancer delivers another record full year result

Monday, 16th February 2015 - Freelancer Limited (ASX:FLN) (**Freelancer** or **the Company**), the world's largest freelancing and crowdsourcing marketplace by total number of users and posted projects, today announced its financial result for the full year ended 31 December 2014 (**FY14**).

In FY14 the Company delivered record financial results with a 39% increase in net revenue on the prior year to \$26.1 million. Gross Payment Volume¹ in FY14 grew strongly to \$103.7 million (up 23% on the prior year).

As at 31 December 2014, the Company held cash and equivalents of \$20.2 million.

In line with its strategy of re-investing for top-line growth, the Company expanded its international footprint and increased its investment in talent in FY14. As a result of the accelerated re-investment in future growth, the Company reported an operating NPAT of \$(1.5) million and operating EBITDA of \$(2.1) million². Despite the increase in expenditure on capital expenditure and investment in talent, the Company again managed to break even with operating cash flow of \$(0.1) million in FY14.

Results overview³

A\$m, Full year ended 31 December 2014	FY13	FY14	Growth Y/Y
Net Revenue	\$18.8m	\$26.1m	39%
Gross Payment Volume ¹ (unaudited)	\$84.4m	\$103.7m	23%
Take rate ⁴ (%)	22.2%	25.1%	13%
Gross margin (%)	87.6%	87.1%	n/m
Operating EBITDA ²	\$1.2m	\$(2.1)m	n/m
Operating EBIT ²	\$1.0m	\$(2.4)m	n/m
Operating NPAT ²	\$1.1m	\$(1.5)m	n/m
New registered users in year (unaudited)	2.9m	4.6m	60%
Total number of registered users (unaudited)	9.7m	14.3m	47%
New projects & contests posted in year (unaudited)	1.2m	1.6m	31%
Total number of projects & contests posted (unaudited)	5.3m	6.9m	32%
Cash and cash equivalents	\$24.4m	\$20.2m	

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 Operating earnings are exclusive of expensed IPO costs of \$394k (\$275k net of tax) and non-cash share based payments expense of \$33k in FY13 and \$388k in FY14.

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 2014.

⁴ Take rate is calculated as Net Revenue divided by Gross Payment Volume.



Commenting on the result, Freelancer's CEO and Chairman Matt Barrie said, "Freelancer is a high growth Internet company and reflects this consistently with high growth in net revenues each year driven by growth in marketplace volume, increased efficiency and quality of the marketplace and increased sales of value added services. We are proud of having achieved this track record of high revenue growth yet again.

In FY14 our focus was growth in project & contest volume, international growth in both countries and languages, growth in mobile usage and building out the Freelancer product set and features as well as user experience. We built better tools to communicate & collaborate, improved our internal algorithms including matchmaking. We improved the customer experience in multiple dimensions. We acquired Warrior Forum, the world's largest Internet marketing forum & marketplace with now over 900,000 Internet marketing experts, as well as Zlecenia.przez.net ("Work through the Net"), which was Poland's leading marketplace dedicated to a range of online categories of work."

Commenting on Freelancer's mission, Mr Barrie added, "Freelancer is a very rare and exceptional company. What we do actually makes a difference. We change lives. We help lift people out of poverty. We help people feed their families. We help entrepreneurs build businesses. We help people build products and services that change the world.

Freelancer makes a real difference in the world and changes lives.

Our long term mission is to beneficially change one billion people's lives on this planet by providing them with a job sourced through our platform. We are still in the very early days of this journey, but we've made a start. Today, over 7 million projects have been posted on Freelancer. It's a small step towards our goal, but a significant one.

Freelancer is not just driving a global revolution in the way we do work, it is also at the nexus of a series of global macroeconomic trends. The other 60% of the world's population- 4 billion people- are yet to connect to the Internet. 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. The world is becoming more and more flat as everything increasingly becomes hyper-connected. Finally, the structural imbalances and skills crunch between the aging western world workforce and once in a lifetime boom of people entering the workforce in the developing world.

Freelancer is the platform that aims to connect all of this together."

Commenting on the year ahead for Freelancer, Mr Barrie added, "We are continuing to focus on the product, user experience, scalability and expanding the features of the marketplace offering. We will also continue to focus on strengthening the team, and expanding the functionality and penetration of our platform across mobile devices, and will continue to expand across regional and multilingual markets, and across job categories."

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About Freelancer

Quadruple Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. Over 14 million registered users have posted over 7 million projects and contests to date in over 740 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.