

## ASX Announcement | 29 April 2019

**Freelancer Group delivers all-time record 1Q19 cash receipts of \$14.0 million (up 15.8% on pcp). 1Q19 Freelancer Group Gross Payment Volume all-time record of \$204.3m (up 25.6% on pcp). Freelancer segment 1Q19 all-time record Gross Payment Volume of \$45.9 million (up 14.2% on pcp, unaudited), Escrow segment 1Q19 GPV all-time record since acquisition of \$158 million (up 29.2% on pcp, unaudited)<sup>1</sup>. Ex-China, Escrow GPV had a large uplift to an all-time record of \$150 million (up 45.1% on pcp) or US\$107 million (up 31.8% on pcp). Positive operating cash flow 1Q19 of \$2.0 million, the group ended the quarter with cash and cash equivalents of \$35.1 million, up \$1.9 million on 4Q18.**

**SYDNEY, 29 April 2019** - 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 2019 (1Q19).

**Freelancer.com**



In 1Q19 Gross Payment Volume for the Freelancer.com segment hit an all-time record of \$45.9 million for the quarter (up 14.2% on pcp, unaudited).

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<sup>1</sup> Gross Marketplace Volume = All payments to freelancers ("all payments out of the system") ex-taxes ie. sales tax. Gross Payment Volume = All fees generated plus GMV ("all payments into the system"), again ex-taxes ie. sales tax.



In the first quarter, the major development work in deploying a new front-end technical stack continued. The goal of this work is to improve the user experience, velocity of product development and site speed. This is a substantial amount of work and has continued into 1Q19 with pages in the new stack starting to be shipped to the live website. This effort pays off a large amount of technical debt that has accrued over the years and will bring the front-end architecture to the state of the art, which should improve the user experience and retention. The goal of this work is to improve conversion and retention. Once this work is complete, the engineering team will be able to focus on growth initiatives of acquisition, funnel optimisation and retention. As mentioned previously, we have quite a lot of work still to do to improve the core marketplace. We are looking forward to seeing the results of the new stack once fully deployed across the main funnels.

### Gross Payment Volume (GMV + net revenue)

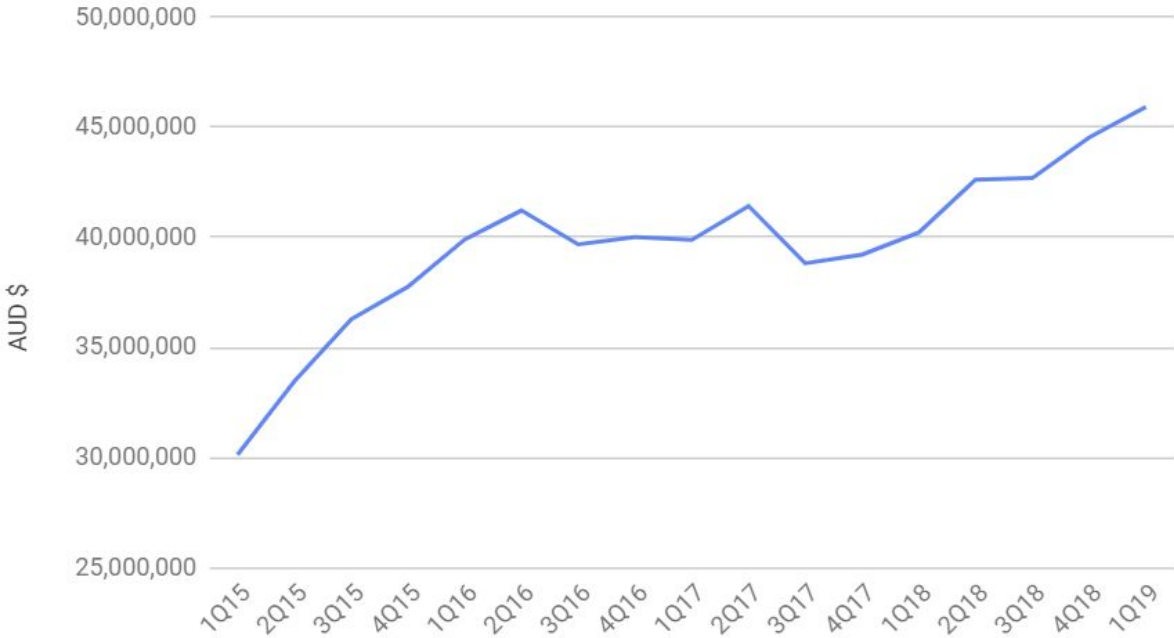
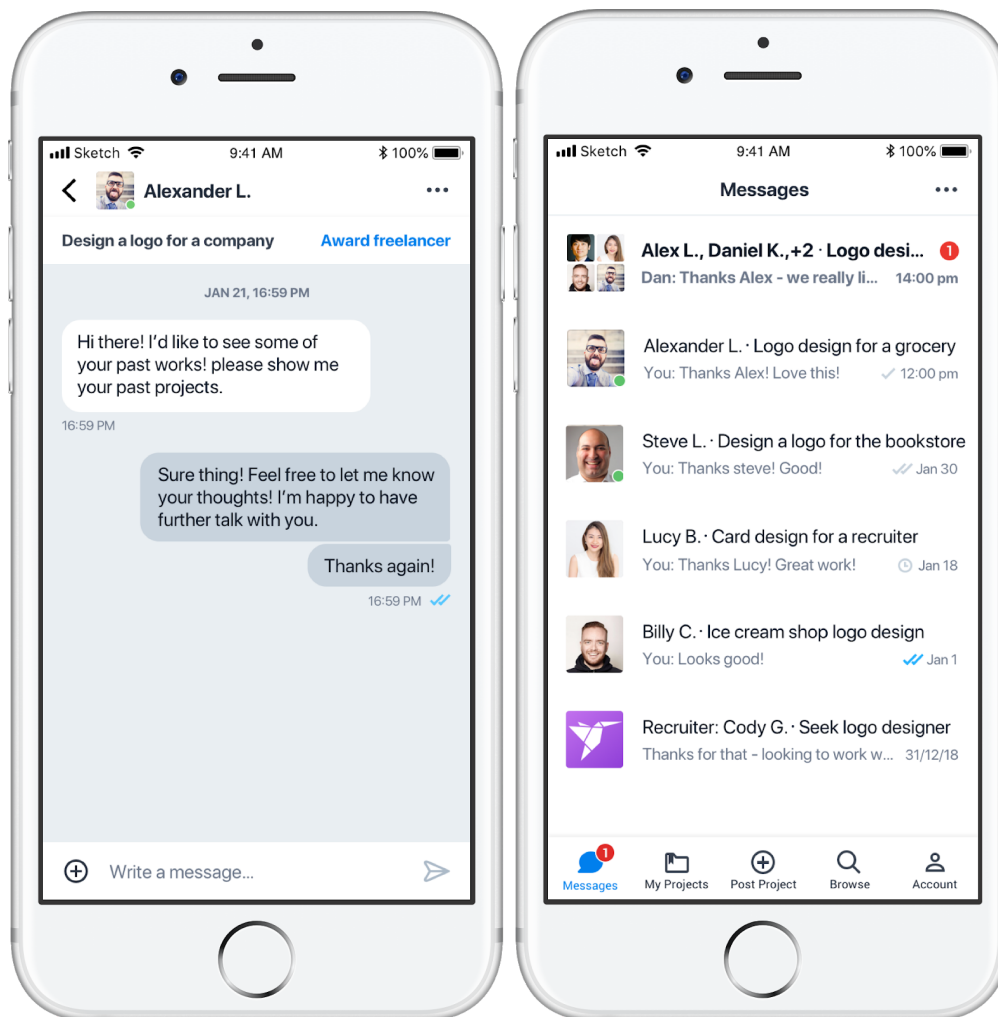


Figure 1: Gross Payment Volume, Freelancer.com segment by quarter (AUD)

In the quarter we made a major release for our iOS app to bring our standard of design for messaging up to par with many of the popular messaging apps used around the world. It was very well received which was shown in a rating of 4.9 out of 5 in the App Store for the latest release.



**Figure 2:** The new iOS messaging user experience

## Freelancer Enterprise

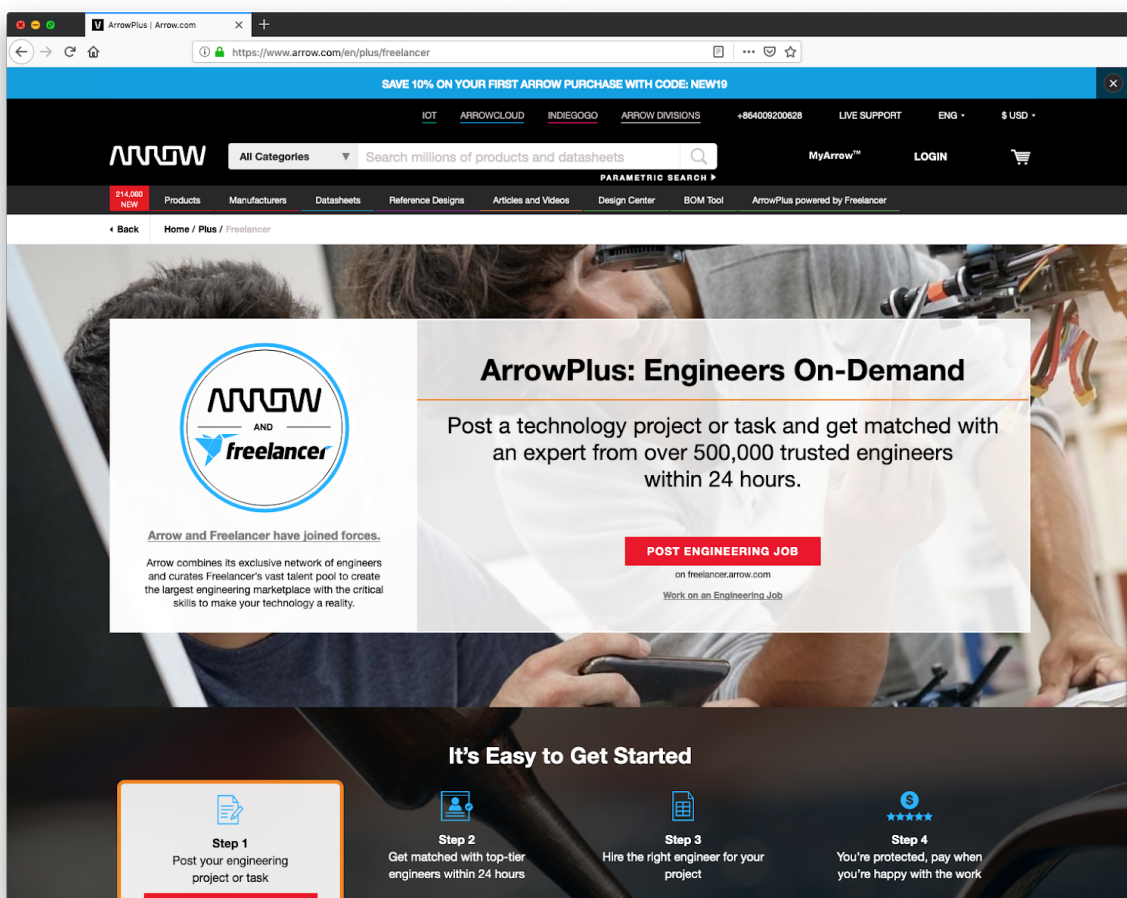
In the quarter we announced Arrow Electronics as the first commercial enterprise customer from Freelancer Enterprise.

The new platform allows Fortune 500 companies and innovative technology creators to design and build hardware products through access to over half a million skilled electronic and electrical engineers. ArrowPlus powered by Freelancer will transform the way products are designed, manufactured and delivered to market. Now next year's "new products" for CES Las Vegas are just a click away.

Arrow Electronics guides innovation for over 200,000 leading technology manufacturers and service providers. With 2018 sales of \$30 billion ranking #113 in the 2018 Fortune 500, Arrow brings to the collaboration a large volume of high quality, high value projects, from established companies with a real demand for innovation and talent. Arrow has built a proprietary Certified Engineering network which has been a key differentiator in helping its

customers win with technology. This new platform is designed to solve sophisticated technology problems spanning consumer electronics, transportation, healthcare, industrial, Internet of Things (IoT), telecommunications, biomedical, cloud security, firmware, hardware, and connected products in every industry.

Freelancer.com brings to the collaboration both the platform and the world's best expertise in running global online services marketplaces, allowing Arrow to transform its services business into a dynamic, connected talent cloud. Together, the exclusive strategic alliance between Arrow Electronics and Freelancer.com is a category definer for how hardware products are designed and electronics & electrical engineering services are delivered.



**Figure 3:** Arrow Plus powered by Freelancer

Our customer pipeline includes Fortune 500 customers in the areas of aerospace, electronics, telecommunications, technology, pharmaceuticals, professional services and consumer goods. Our pipeline also spans North America, Europe, Asia-Pacific and Latin America.

The problems being solved with enterprise are complex. For example, we just launched a contest with Airbus for the design of an application for smart devices to perform asset tracking in their aerospace manufacturing facilities<sup>2</sup>.

### **Freelancer.com wins 12th Webby Award**

Just after the end of the quarter we won our 12th Webby for the People's Voice for Best Website: Employment in the 23rd Annual Webby Awards. The Webby Awards are "The Internet's Highest Honor" according to the New York Times as the leading international award honouring excellence on the Internet, similar to the Grammy, Oscar and Emmy Awards for music, film and television. Presented by the International Academy of Digital Arts and Sciences— a 2000+ member judging body of leading web experts, business figures, luminaries, visionaries and creative celebrities.

We also won two Gold Stevie Awards for Innovative Management in Technology Industries (for more than 100 Employees), Innovation in Technology Management, Planning & Implementation (for Other Service Industries) and two Bronze Stevie Awards for Excellence in Innovation in Technology Industries (for more than 100 Employees) and Most Innovative Communications Team of the Year in the 2019 Asia-Pacific Stevie Awards.

### **Clean up the World Challenge**

During the quarter, we ran a "Clean up the World Challenge" which encouraged freelancers to clean up their local environment using the standard contest platform. As of the 23rd April, over three hundred teams have entered,



<sup>2</sup> <https://www.freelancer.com/contest/Mockup-an-aerospace-app-for-Airbus-1490351>



**Figure 4:** The Freelancer.com Clean up the World Challenge



**Figure 5:** Team WonderClean from Gambia, West Africa led of team of 40 people cleaning up two tonnes of landfill in a football field



**Figure 6:** Merajul organised a team to clean up an animal hospital in Bangladesh which had become neglected

### Escrow.com



Gross Payment Volume for 1Q19 was an all-time record since acquisition of \$158 million (up 29.2% on pcp, unaudited). In USD, it was the third highest on record at US\$113 million (up 17.4% on pcp, unaudited). Ex-China, Escrow GPV had a large uplift to an all-time record of \$150 million (up 45.1% on pcp) or US\$107 million (up 31.8% on pcp).

Escrow.com quarterly GPV (US\$)

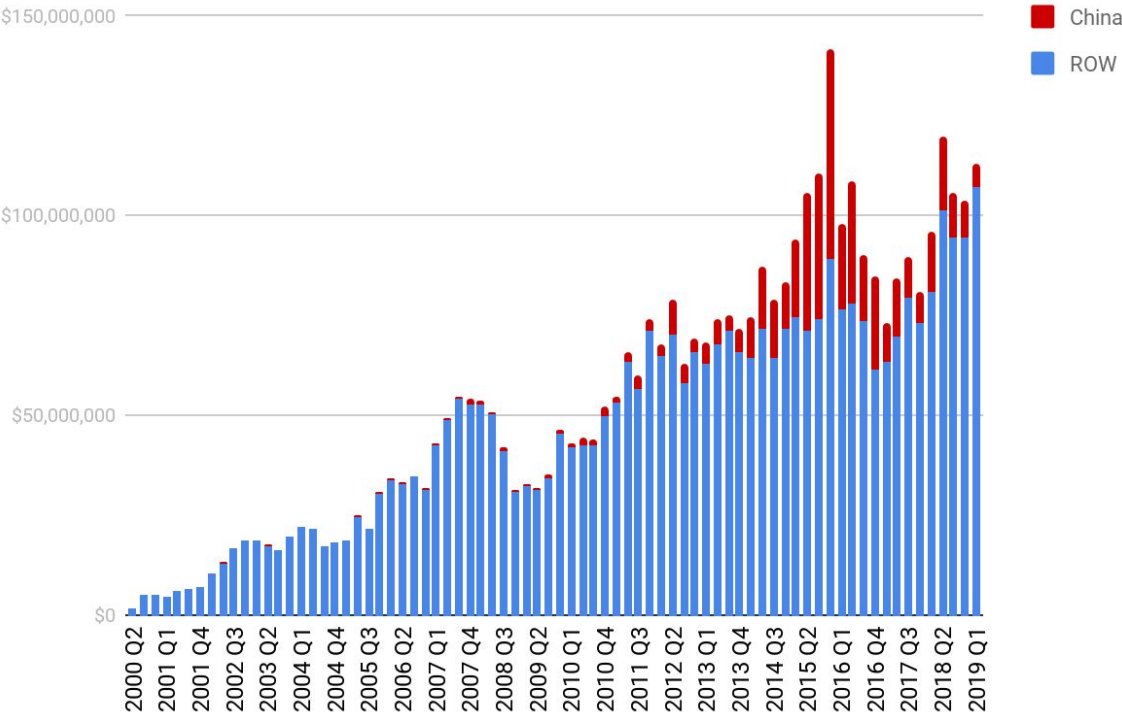


Figure 7: Escrow Gross Payment Volume (USD) by Quarter (China and Rest of World)

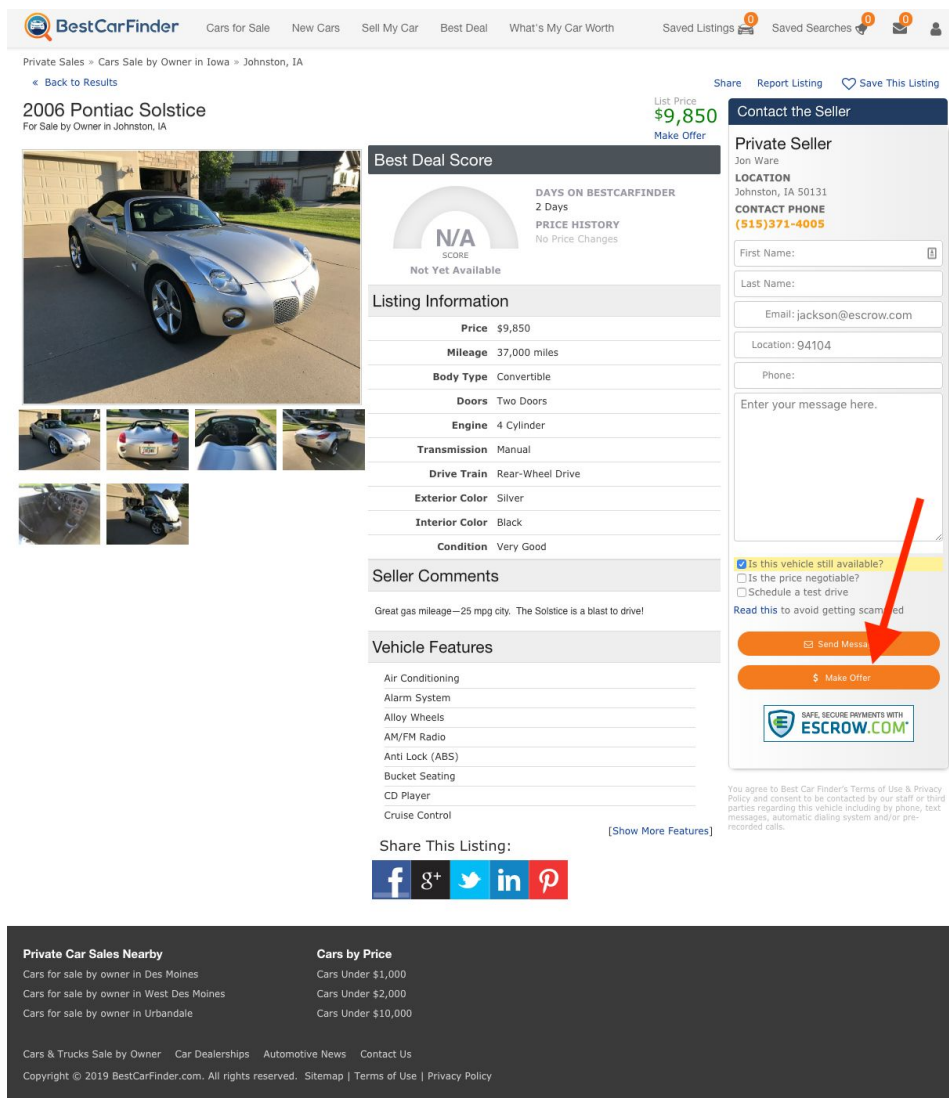
In 1Q19 our total licensed coverage of the U.S. States increased from 44 to 46. With 34 money transmission licenses, 8 escrow licenses and four states not requiring licensing. An additional two money transmission licenses we expect to be granted in 2Q19. We have an additional three money transmission licenses that have already been applied for pending licensure. We also need to re-submit our applications in Hawaii and Nevada, and this will



complete our US licensing program, with the exception of the territories for which volume is de minimis.

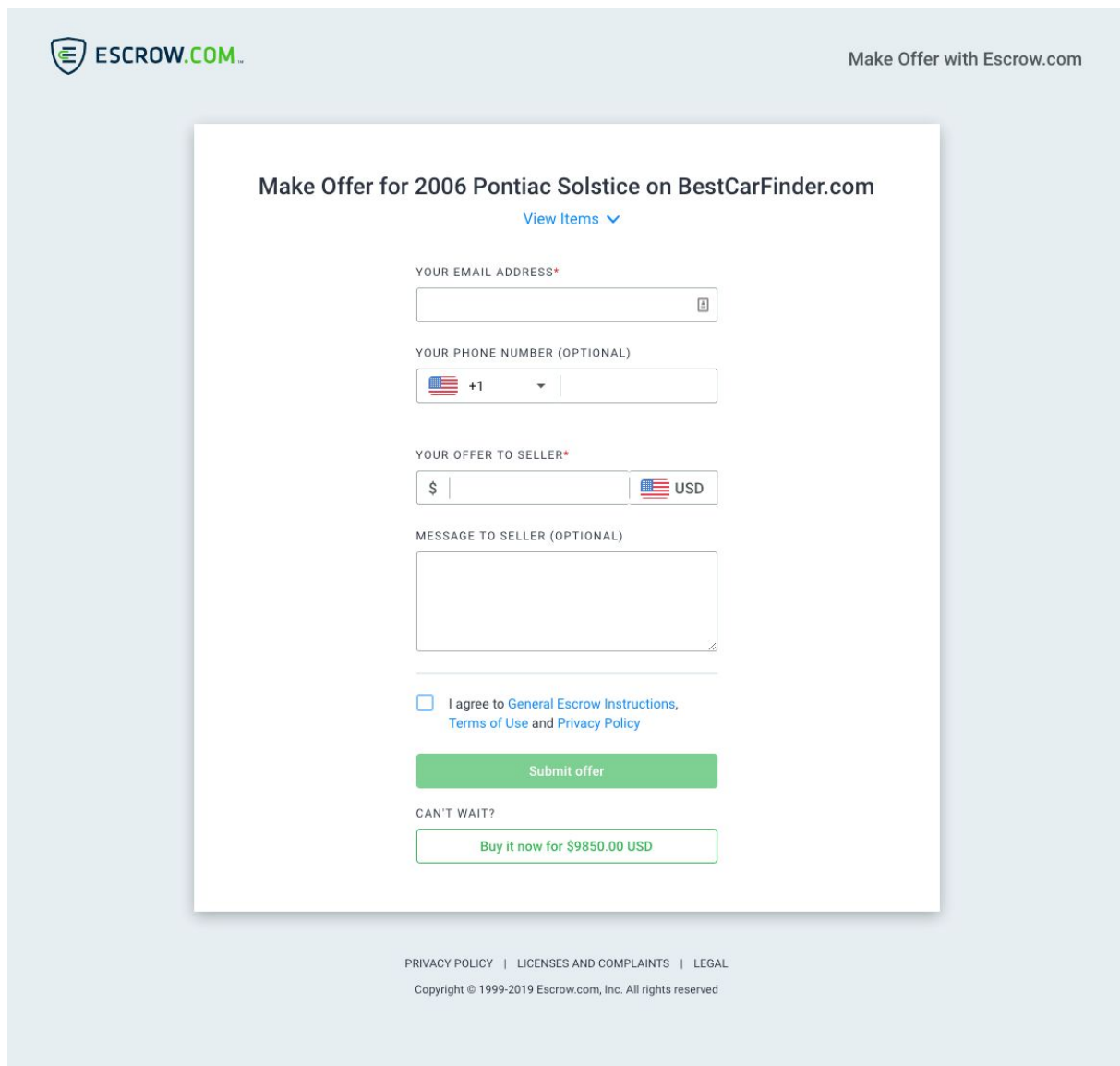
The license application for the United Kingdom is under internal review and we expect to lodge in 2Q19. As previously reported we are also currently working to launch in Canada.

We continued to integrate customers with Escrow through the API, Escrow Pay™ and now Escrow Offer™. Just after the end of the quarter Escrow Offer™ went live on BestCarFinder in the United States, making BestCarFinder the first car marketplace in the world to accept payments on all listings, with no limit on the value of the payment amount. Marketplaces such as Ebay Motors take payments however above a value limit the cars are shown as classified listings as no payment method is able to be accepted. As of the date of this report, Escrow.com is live on over 13,000 listings on BestCarFinder. We anticipate closing another car marketplace in North America 2Q19.



**Figure 8:** BestCarFinder launched with Escrow.com just after the end of the quarter





ESCROW.COM


Make Offer with Escrow.com

### Make Offer for 2006 Pontiac Solstice on BestCarFinder.com


[View Items](#) ▾

YOUR EMAIL ADDRESS\*

YOUR PHONE NUMBER (OPTIONAL)

 +1 ▾

YOUR OFFER TO SELLER\*

\$   USD

MESSAGE TO SELLER (OPTIONAL)

I agree to [General Escrow Instructions](#),  
[Terms of Use](#) and [Privacy Policy](#)

[Submit offer](#)

CAN'T WAIT?

[Buy it now for \\$9850.00 USD](#)

[PRIVACY POLICY](#) | [LICENSES AND COMPLAINTS](#) | [LEGAL](#)

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**Figure 9:** Escrow Offer™ integrated with BestCarFinder

In the quarter we also closed Hillco Streambank's IPv4 Global Brokerage, which is the largest IP address space broker in the world. Hillco Streambank's IPv4.Global has transacted over \$300 million in volume to date and will now be powered by Escrow Offer.

← → ↻ https://auctions.ipv4.global/prior-sales

IPv4AUCTIONS.COM is now IPv4.GLOBAL. Same company, new and improved platform. You can access the auction site directly at auctions.ipv4.global

IPv4.GLOBAL  
Powered by Hilco Streambank

BROWSE AUCTIONS PRIOR SALES SALES PROCESS SELL IPV4 REGISTER SIGN IN

Prior Sales 2019

DATE	BLOCK	RIR	FINAL PRICE	PRICE/ADDRESS
03/26/2019	/24	ARIN	\$5,504.00	\$21.50
03/22/2019	/22	RIPE	\$20,480.00	\$20.00
03/22/2019	/24	ARIN	\$5,376.00	\$21.00
03/20/2019	/20	ARIN	\$81,920.00	\$20.00
03/19/2019	/24	RIPE	\$5,632.00	\$22.00
03/16/2019	/24	APNIC	\$5,120.00	\$20.00
03/15/2019	/20	ARIN	\$81,920.00	\$20.00
03/14/2019	/24	RIPE	\$5,504.00	\$21.50
03/13/2019	/21	ARIN	\$44,032.00	\$21.50
03/13/2019	/22	RIPE	\$20,480.00	\$20.00

Figure 10: Escrow Offer™ integrated with Hillco Streambank IPv4 Global

← → ↻ https://www.watchpayer.com

WatchPayer About How it works Security Testimonials Reviews FAQ Blog Get An Offer

The safest and easiest way to sell your luxury watch online

We deposit your money before you send us your watch.

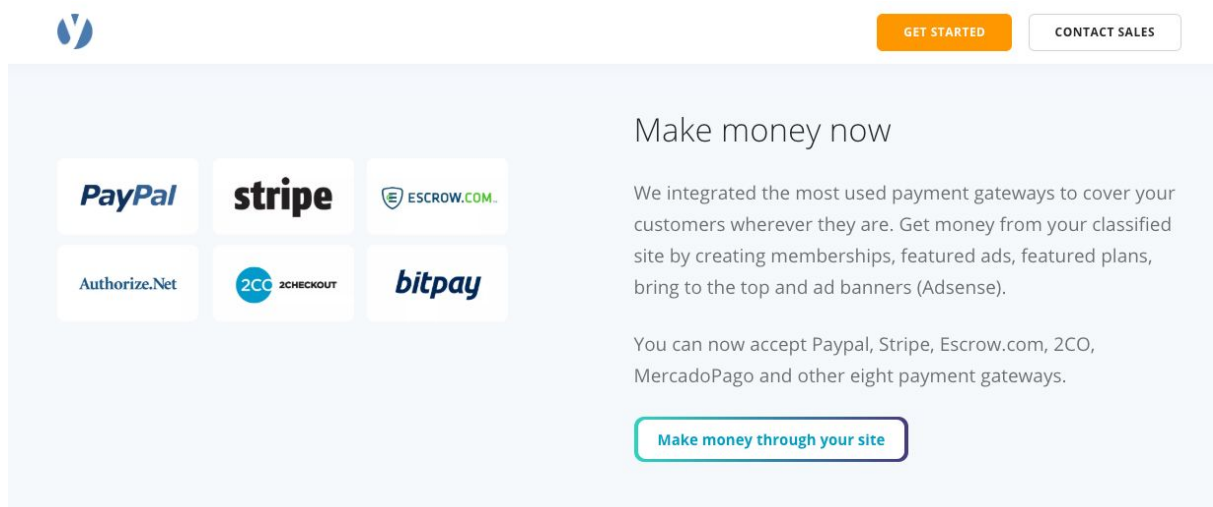
I'm selling my:  Get An Offer

12,000+ Customers Trust WatchPayer \$18,000,000+ USD Processed 17 Countries Supported

All transactions secured by: ESCROW.COM [Learn more >](#)

Figure 11: Escrow integrated with WatchPayer

Other examples of integrations included WatchPayer, a watch purchasing website and YClas, a marketplace as a service platform.



**Figure 12:** Escrow integrated with YClas

Post the end of quarter but prior to the date of this release, Escrow.com closed one of the largest car marketplaces in North America to process payments for vehicles whereby Escrow.com will be the sole purchase option for all private party listings. There is no minimum volume commitment and private party listings are a subset of all listings (excludes dealers).

## Freightlancer



In 1Q19, Freightlancer Inc. was licensed to operate in the United States as a Freight Broker (marketplace).

Also in the quarter we integrated Freightlancer into Escrow.com so that freight options are provided via checkout on direct transactions created from Escrow.com

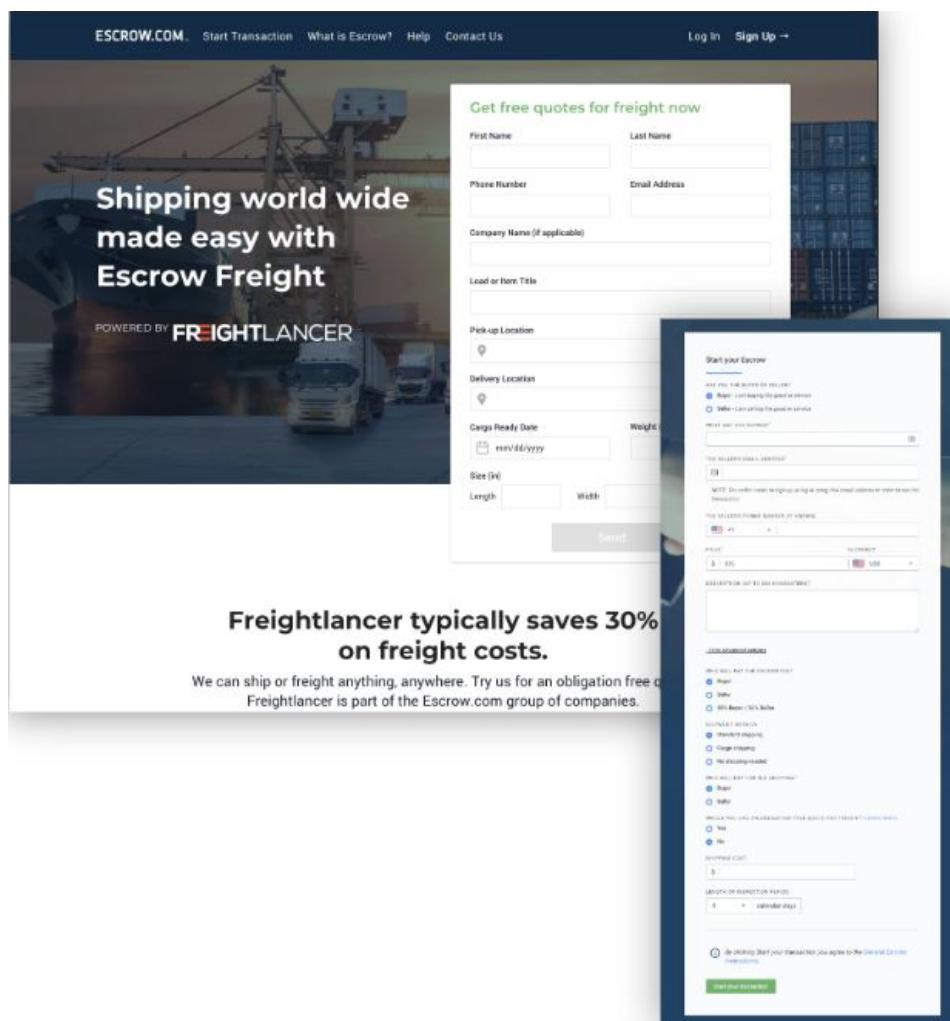


Figure 13: Freightlancer integrated with Escrow.com in 1Q19



## **Conclusion**

The Group had positive operating cash flow of \$2.0m in the quarter.

Cash and cash equivalents for the Group in the quarter rose to \$35.1 million as at 31 March 2019, up \$1.9 million on 4Q18.

## **For more information please contact:**

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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 FY19 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**

Twelve-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 32 million registered users have posted over 15 million projects and contests to date in over 1,350 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 with over US\$4 billion in transactions secured. Freelancer also owns Freightlancer, a global enterprise freight marketplace. Freelancer Limited is listed on the Australian Securities Exchange under the ticker ASX:FLN.

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