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ASX Announcement | 5 August 2015

Freelancer completes capital raising and selldown to increase free float to approximately 23%

Wednesday, 5th August 2015 - Freelancer Limited (ASX:FLN) (**Freelancer** or **the Company**) today announced the successful completion of a $10 million placement of ordinary shares to global and domestic institutional investors (the **Placement**).

The Placement shares were issued at $1.40. This pricing is in line with the 5-day VWAP (until and including 31 July 2015). Proceeds will be invested in the business to take advantage of near term growth opportunities including, but not limited to, potential bolt-on acquisitions and acceleration of organic growth, and for general corporate purposes.

In response to strong demand, Freelancer's original venture capital investor Simon Clausen and Freelancer's founder and CEO Matt Barrie have also sold $23 million and $12 million respectively of existing Freelancer shares alongside the Placement to institutional investors at the same price of $1.40.

The sale of a total of $35 million shares (the **Share Sale**) represents approximately 10% of Mr Clausen's shareholding in Freelancer prior to the transaction and 4% of Mr Barrie's holding in Freelancer prior to the transaction. Post transaction Mr Clausen and Mr Barrie will hold 34% and 42% respectively of issued capital in Freelancer.

The Placement and Share Sale materially increases Freelancer's free float[1] to approximately 23% and introduces a number of new high quality institutional investors to the register. The Company welcomes these new shareholders and also thanks existing shareholders for their strong support for the transaction.

Freelancer.com founder and CEO Matt Barrie said, "I am thrilled that Freelancer is continuing to attract high quality institutions to its share register. As we continue to rapidly grow the Company, it is important that all shareholders benefit from increased market liquidity and a broadened share register. I remain absolutely committed to Freelancer as Chief Executive and a shareholder, but recognise the need to sell a small proportion of my shares to increase the company's free float and trading liquidity."

"The $10 million Placement proceeds received by the company will enable us to continue investing in the business to fuel its rapid growth. We are also pleased that Freelancer is now generating positive operating cash flows, another milestone in the Company's development. The acquisition of Escrow.com is progressing as expected, and we will provide an update to the market upon completion."

Simon Clausen, founding venture capital investor and company Director said, "I am happy to support the company's need to increase market liquidity and broaden its shareholder base. As a Director and shareholder I look forward to the next stage of growth."

UBS AG, Australia Branch and Canaccord Genuity were Joint Lead Managers to the Placement and Share Sale.

Settlement of the Placement and Share Sale is currently scheduled to take place on Monday 10 August 2015, with allotment and quotation of shares expected to occur on the ASX on Tuesday 11 August 2015.

ENDS

Note:
(1) Assuming free-float excludes the shareholdings of Simon Clausen (via an investment company), Matt Barrie and unquoted Employee Share Plan shares

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About Freelancer

Eight-time Webby award-winning Freelancer.com is the world's largest freelancing and crowdsourcing marketplace by total number of users and projects posted. 16 million registered users have posted 8 million projects and contests to date in over 850 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.