

ASX Release

16 May 2025

2025 Annual General Meeting - Chair's address

Appen Limited (ASX: APX) provides the attached Chair's address to be delivered at today's Annual General Meeting commencing at 10.00am AEST.

Authorised for release by the Chair of Appen Limited.

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About Appen

Appen is a global market leader in data for the AI Lifecycle. With over 28 years of experience in data sourcing, data annotation, and model evaluation by humans, we enable organisations to launch the world's most innovative artificial intelligence systems.

Our expertise includes a global crowd of more than 1 million skilled contractors who speak over 500 languages¹, in over 200 countries², as well as our advanced AI data platform. Our products and services give leaders in technology, automotive, financial services, retail, healthcare, and governments the confidence to launch world-class AI products.

Founded in 1996, Appen has customers and offices globally.

¹ Self-reported.

² Self-reported, includes territories.

Chair Address 2025 Annual General Meeting 16 May 2025

Opening

Good morning everyone, and thank you for joining us for Appen's 2025 Annual General Meeting.

Before I invite Ryan to speak in more detail about the performance of the business, our strategy, and the outlook, I would like to reflect on Appen's progress over the past year and the key areas the Board has focused on. I will then provide commentary on the items of business we are asking shareholders to vote on today.

Note that values referred to are US dollars unless stated otherwise.

FY24 Financial Performance

In 2024, Appen recorded a statutory loss of \$20.0 million, a significant improvement of \$98.1 million on the prior year. We returned to positive underlying EBITDA (before FX) of \$3.5 million, compared to a loss of \$20.4 million in 2023.

Total operating revenue declined by 14.2% to \$234.3 million, largely driven by the conclusion of our contract with Google in Q1. However, non-Google revenue grew 16% for the full year and was up 36.1% in the second half compared to the same period in 2023.

There were strong contributions from key growth areas. Revenue in China rose 70.7% to \$58.9 million, driven by demand for generative AI. Our Global Product business also grew significantly, with revenue increasing 221.9% to \$31.3 million as customers adopted our ADAP platform.

To support working capital and maintain balance sheet flexibility, we raised A\$65 million through an institutional placement and share purchase plan. At year-end, Appen held \$54.8 million in cash, equivalent to A\$88.3 million. The Board once again made the decision not to declare an interim or final dividend, to ensure capital is allocated appropriately during this period of transformation.

Business Reset and Operational Progress

Throughout 2024, we continued our reset of the business. Following Google's exit, we reduced our cost base by a further \$13.5 million, building on the \$60 million cost reduction program implemented in 2023. These initiatives, along with operational

improvements to project delivery and crowd management, were instrumental in returning the business to profitability.

We remain committed to managing our cost base in line with the revenue opportunity.

Leadership and Management

A key milestone during the year was the appointment of Ryan Kolln as Chief Executive Officer and Managing Director, effective 5 February 2024. Ryan has led Appen through this critical phase with strong operational discipline and a clear focus on growth in generative AI. His leadership has contributed directly to our improved financial performance, and the Board remains confident in his ability to lead Appen into its next chapter.

While Ryan's appointment was the most visible change, our broader executive team has also been instrumental in the company's transformation, and I want to thank them for their continued efforts.

Non-Financial Metrics

Appen remains committed to delivering strong social, governance, and sustainability outcomes. In 2024, we completed a major digital upgrade of our crowd management platform. This, as well as greater earning opportunities for contributors as project volumes increased contributed to improved Crowd Net Promoter Score (NPS), which rose to 33 from 27 . At the same time, we continued to uphold the principles outlined in our Crowd Code of Conduct and our Global Ethical Sourcing and Modern Slavery Policy. Customer satisfaction also improved, with customer NPS rising to 57, up from 35 in the prior year. Employee engagement also increased to 79%, up from 75%.

Diversity also continues to remain a priority. Women represented 57% of our total workforce, and female representation among our senior leadership team increased to 23%. We remain committed to our target of achieving 30% female representation in senior leadership roles. At the Board level, female representation among non-executive directors remained at 50% for 2024.

Governance

Appen announced today the resignation of Mini Peiris as a Non-Executive Director, with Mini citing the increasing demands of her executive role in the US as a factor. I would like to thank Mini for her contributions over the last two and a half years and wish her success in her future endeavours. Mini's insights into the dynamic digital marketplace - particularly within Appen's key market in the US - have been valuable.

The Company will not be seeking to replace Mini's position and is comfortable with the current size and composition of the Board. The People and Culture Committee, chaired by Steve Hasker, will continue to carefully consider the skills required to drive the Company's future growth in global markets.

At last year's AGM, Vanessa Liu and Robin Low were re-elected by shareholders. This year, I am standing for re-election alongside Stuart Davis in accordance with the Constitution and ASX Listing Rules. Both Stuart and I will address shareholders on our candidacy later in the meeting.

We remain committed to maintaining a well-balanced, high-performing Board with the right mix of skills, experience, and diversity. Our governance practices continue to align with the ASX Corporate Governance Principles and Recommendations.

Remuneration

The 2024 short-term incentive (STI) framework was weighted 80% to financial performance and 20% to non-financial metrics. The weighting for financial measures increased to 80% from 70%, reflecting the focus on resetting the business to achieve profitability. The final STI outcome was 85.9% of the maximum, reflecting strong results across both financial and operational measures.

Today, under item 5 of the agenda, we are seeking shareholder approval to grant 1,026,000 performance rights to Ryan under the FY25 Long Term Incentive Plan. The number of performance rights is calculated using the December 2024 VWAP of A\$2.31. These rights are subject to vesting conditions based on Total Shareholder Return and Revenue CAGR, measured over a three-year period. Ryan's total remuneration includes a fixed component of \$600,000, an STI opportunity of \$600,000 (with a maximum of 150% of fixed pay), and the proposed LTI grant valued at \$1.5 million.

The Board believes this structure is appropriately rigorous, competitive for the global technology sector, and aligned with shareholder interests.

Later in the meeting, Steve Hasker, Chair of the Board's People and Culture Committee, will speak to the Remuneration Report in more detail.

Other Items of Business

In addition to the remuneration resolutions and director re-elections, shareholders are also being asked to consider item 6 on today's agenda – the renewal of the Company's proportional takeover provisions.

Under the Corporations Act, these provisions must be renewed every three years or they will cease to have effect. The Board considers this an important governance mechanism and gives Shareholders a say in determining whether a proportional takeover bid should proceed. The Board recommends approval of the resolution.

Closing Comments

In closing, I am pleased with the progress Appen made in 2024. We delivered a significantly improved financial result, reset the business operationally, strengthened our customer base beyond Google, and positioned the company to participate further in the generative AI market.

There is more to do, but the foundations are now in place.

On behalf of the Board, I would like to thank our shareholders for your continued support. I also thank our executive team and Appen employees around the world for their commitment and contributions during what has been a transformative year.

I now welcome Ryan Kolln to give his CEO address.