

ASX Announcement

29 July 2026

Q2 FY26 Quarterly Activity Report and Appendix 4C

Appen Limited (Appen) (ASX: APX), a global market leader in data for the Artificial Intelligence (AI) Lifecycle, is pleased to provide this activity report and Appendix 4C for the quarter ended 30 June 2026 (Q2 FY26). Unless noted otherwise, all figures are presented in US\$ and January 2026 to June 2026 are based on unaudited management accounts. They have been prepared in accordance with Appen's accounting policies and applicable accounting standards but remain subject to audit and may change.

Q2 FY26 Highlights:

- **Revenue of \$65.1 million, +26% vs prior corresponding period (pcp), +19% vs Q1 FY26**
 - H1 FY26 revenue of \$119.9 million, +17% vs pcp
- **Underlying EBITDA¹ (before FX) of \$4.4 million, a \$5.0 million improvement vs pcp**
 - H1 FY26 Underlying EBITDA (before FX) of \$5.3 million, a \$7.5 million improvement on H1 FY25
- **Ongoing strong performance achieved by Appen China, reflected by:**
 - Quarterly revenue of \$41.3 million, +75% vs pcp; and
 - Annualised revenue run-rate exceeding \$175 million in June
- **Appen Global performance improving with quarter-on-quarter growth and improved revenue mix**
 - Quarterly revenue of \$23.8 million, +20% vs Q1 FY26
 - Further positive outcomes delivered during the quarter, building on Q1 and providing a healthy foundation for the remainder of the year
- **Expanded use of AI in operations continues, opportunity to deliver cost-out before the end of FY26**
- **FY26 group guidance reaffirmed:**
 - Revenue of \$270 - \$300 million; and
 - Underlying EBITDA (before FX) margin of ~5-10%
- **Strong cash balance at 30 June 2026: \$44.7 million (A\$64.8 million²)**

¹ Underlying EBITDA excludes restructure costs, and transaction costs.

² Converted at 30 June 2026 exchange rate of 0.6894

Commenting on the performance for the quarter, Appen's CEO & Managing Director Ryan Kolln said, "The AI market continues to grow rapidly, the competition is intensifying across Western and Chinese AI model builders. Appen is one of the few AI data partners working across both frontiers of AI, enabling us to grow as the global AI market evolves. We are proud to be supporting many of the most innovative model releases in Q2 and are deeply engaged in the next wave of AI advancement."

"At the Group level, we delivered 26% revenue growth vs pcp, supported by expanding projects from existing accounts and exciting new customer wins."

"Appen China continues to be a major growth driver, with Q2 revenue up 19% on Q1. Appen China exited the quarter with an annualised revenue run-rate growing to over \$175 million, up from \$144 million at the end of Q1. The sustained growth demonstrates the strength of our relationship with Chinese model builders."

"Appen Global continues to also show solid progress. Q2 revenue reflects growth from expanding projects with leading AI labs. We are progressing well in our ambition to expand across frontier AI labs in the USA. At the same time, we continue to realise efficiencies as we adopt AI across our operations."

"With a strong balance sheet and a dedication to delivering quality data at speed we remain focused on revenue growth from the global growth in AI, and ongoing underlying EBITDA profitability."

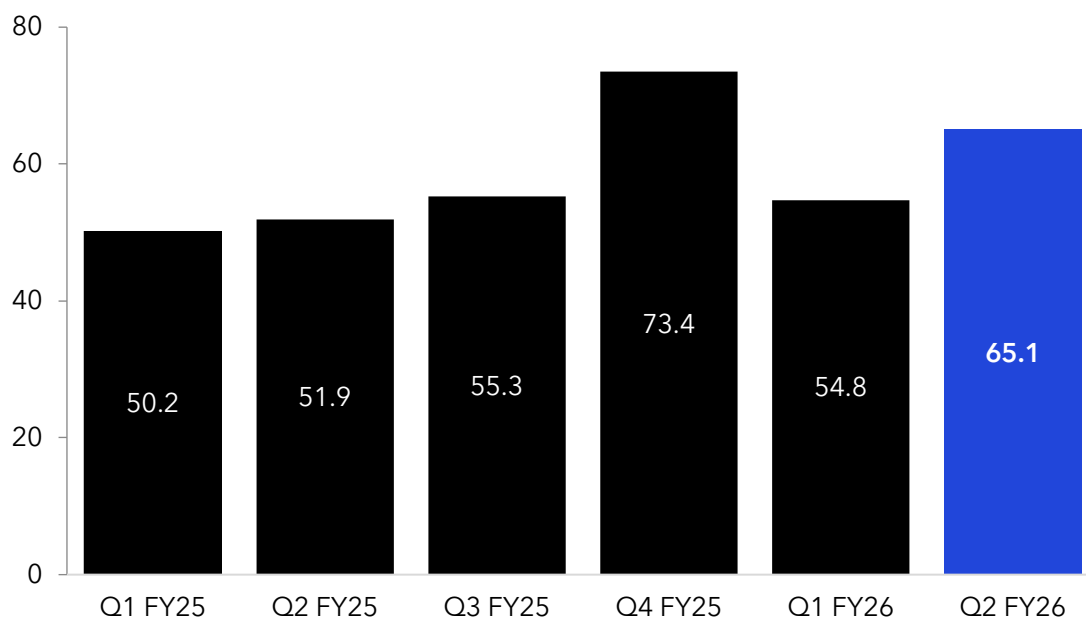
Financial and Operating Performance³

Summary

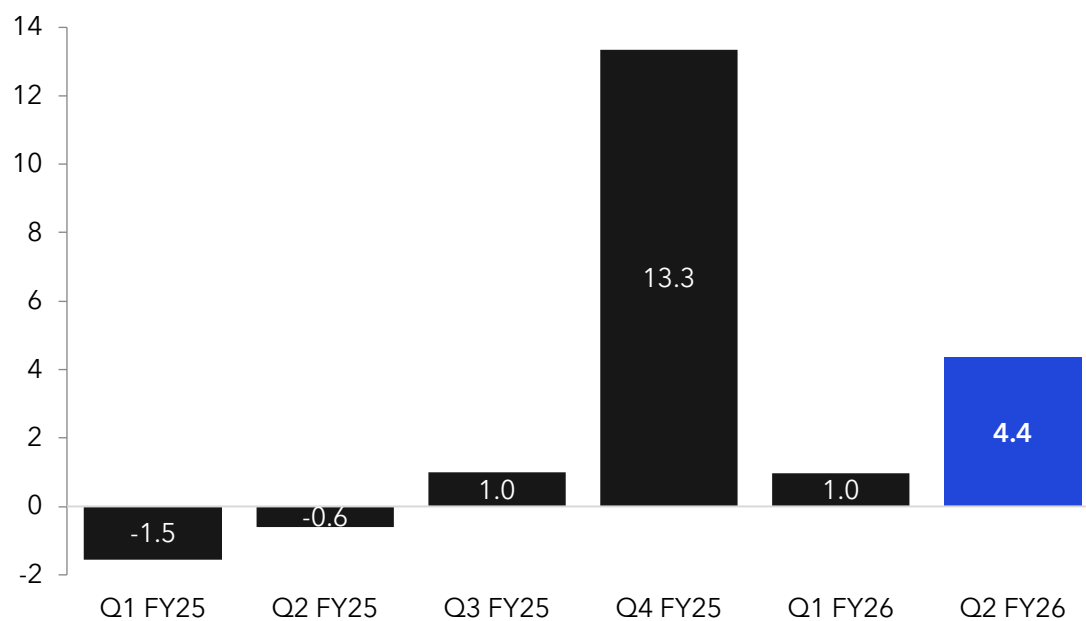
	Q2 FY26	Q2 FY25	% / bps / \$ change	H1 FY26	H1 FY25	% / bps / \$ change
Revenue	65.1	51.9	+26%	119.9	102.1	+17%
Gross Margin %	36.8%	36.6%	+20bps	36.7%	37.0%	-30bps
Underlying EBITDA (before FX)	4.4	-0.6	+5.0	5.3	-2.2	+7.5

³ Numbers presented may not add due to rounding. Percentages presented are actual and not calculated on rounded US\$ m. As noted above, FY26 financial information remains unaudited and subject to change.

Group Revenue



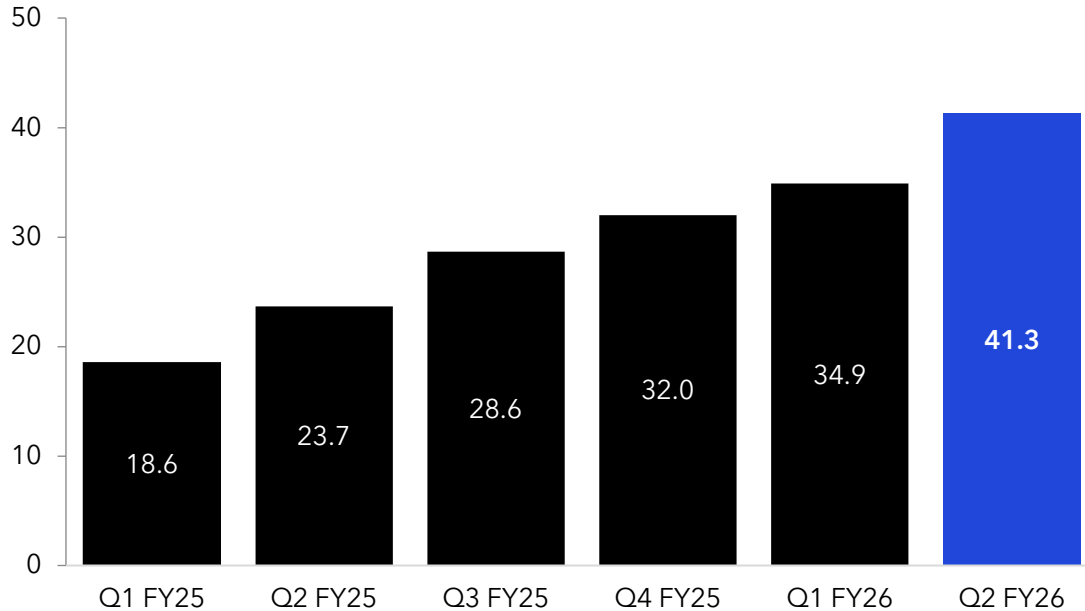
Group Underlying EBITDA (before FX)



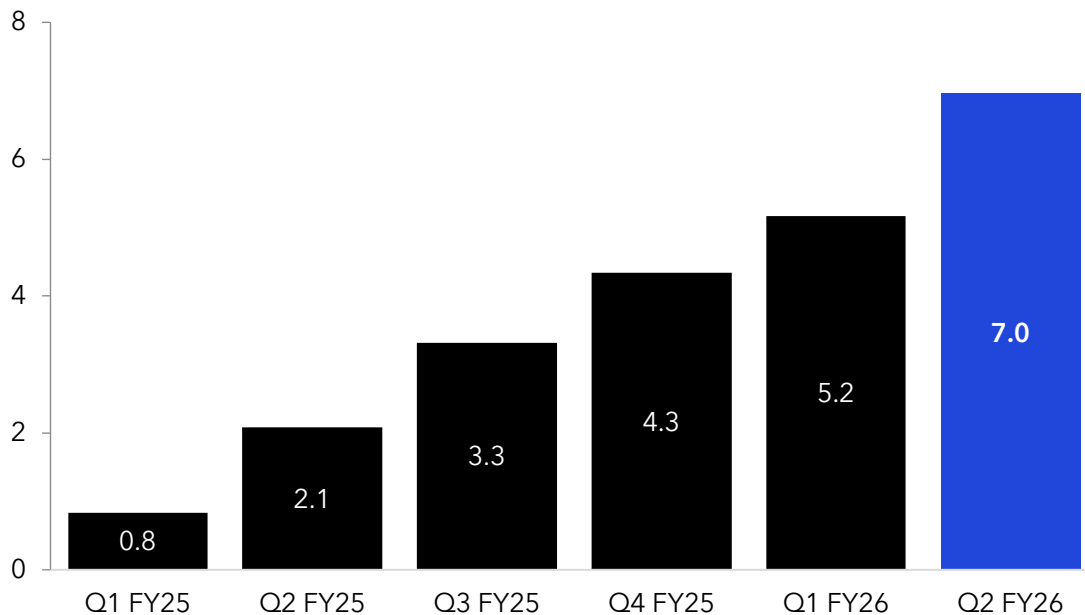
Notes related to financial and operating performance

Appen China

Appen China Revenue



Appen China Underlying EBITDA (before FX)

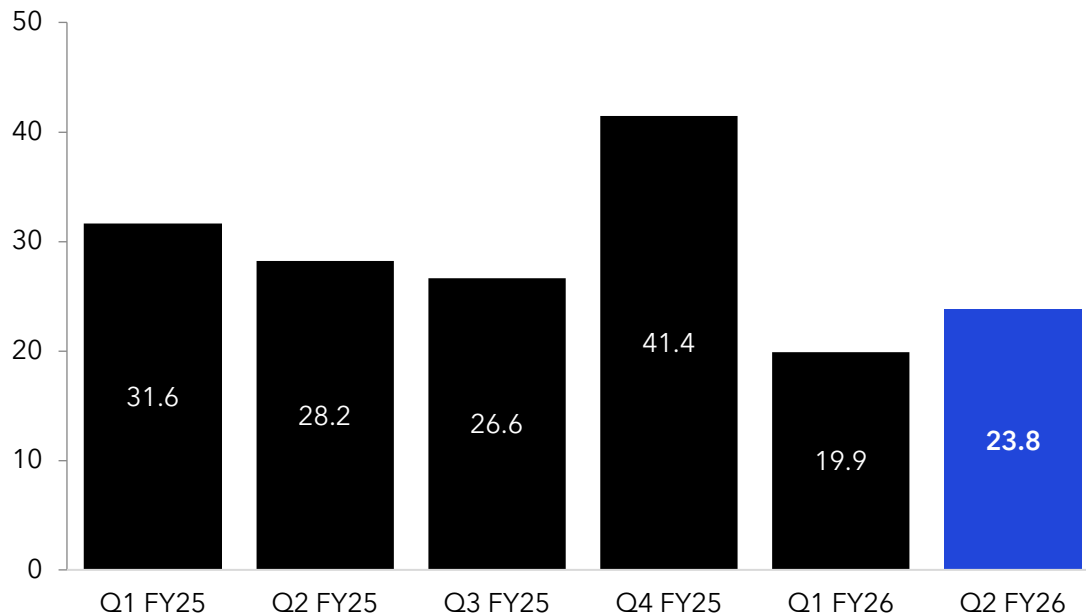


Appen China continued to perform well during the June quarter, delivering strong revenue growth (+75% vs pc). The China business exited the quarter with an annualised run-rate for June exceeding \$175 million. Additionally, it achieved underlying EBITDA of \$7.0 million in Q2 (+\$4.9 million or +234% vs pc), reflecting 16.8% quarterly EBITDA margin.

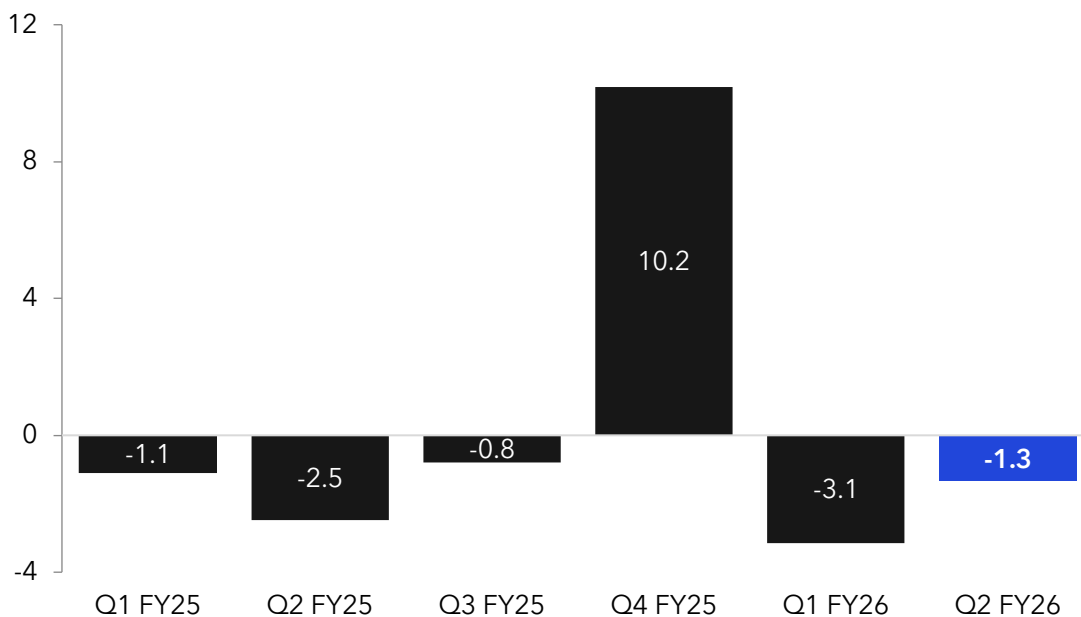
Revenue growth for Appen China continues to be driven by generative AI related projects, including supporting international expansion for Chinese technology companies. EBITDA margin improvement has also been driven by a greater mix of higher-margin generative AI projects and increased revenue from high-margin prebuilt datasets. In addition, a focus on opex as revenue expands is positively contributing to segment performance.

Appen Global

Appen Global Revenue



Appen Global Underlying EBITDA (before FX)



Appen Global quarterly revenue was \$23.8 million (+20% vs Q1, -16% vs pcq) with an underlying EBITDA loss of \$1.3 million, reflecting an improvement of \$1.8 million vs Q1 and an improvement of \$1.1 million vs pcq.

Appen Global continues to make strong progress to capture growth in the generative AI market and to diversify revenue. Outside of our largest client, Q2 revenue grew 65% on Q1, reflecting growth from projects that were directly related to some of the most innovative AI releases in Q2. The new projects the Company is winning cover areas that Appen has long standing strengths (including speech and relevance). Appen is also winning new work in domains including coding, STEM, finance, and robotics.

Cost efficiencies remain a key focus for Appen Global, and the Company continues to identify and swiftly realise benefits. Appen expects this trend to continue throughout the end of the year with increased adoption of AI across its operations.

FY26 Outlook & Guidance

The Company remains confident on the AI data market, and the potential for Appen to meaningfully contribute to the development of leading foundation models.

The Company continues to see positive signals on LLM related growth including from Appen Global and Appen China customers.

Tight cost controls remain in place, in keeping with the Company's focus on managing costs in line with the revenue opportunity.

As in previous years, Appen Global revenue continues to be mostly derived from project-based work and seasonality skews revenue to H2.

Considering this, Appen reaffirms the following FY26 group guidance:

- Revenue of \$270 - \$300 million; and
- Underlying EBITDA (before FX) margin of ~5-10%

Notes related to cash balance

Cash on hand as at 30 June 2026 was \$44.7 million, down \$14.3 million from \$59.0 million at 31 March 2026.

Net cash used in operating activities was \$7.9 million for the quarter, compared to \$3.8 million from operating activities in Q1 FY26. The decrease reflects timing of customer receipts, annual outflows within the quarter, as well as income tax paid for a China jurisdiction.

Staff costs includes employed direct project workers (crowd expenses). This amount was \$11.3 million for the quarter, up from \$10.3 million in Q1 FY26. The increase aligns with revenue growth for projects requiring employed project workers.

Net cash used in investing activities was \$5.1 million for the quarter, a \$1.0 million increase compared to Q1 FY26. The increase is due to expansion of facilities for Appen China as well as investment in off-the-shelf data sets to be sold. \$3.9 million outflow in relation to intellectual property refers to capitalised investment in product development.

Appendix 4C item 6.1 includes \$0.3 million aggregate payments to the CEO and Managing Director and Independent Directors. All amounts paid were in their capacity as Executive and Independent Directors.

Authorised by a duly appointed sub-committee of the Board of Appen Limited.

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About Appen

Appen is a global market leader in data for the AI Lifecycle. With 30 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 languages⁴, in over 200 countries⁵, 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.

⁴ Self-reported.

⁵ Self-reported, includes territories.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Appen Limited

ABN

60 138 878 298

Quarter ended ("current quarter")

30 June 2026

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	49,358	107,266
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(26,228)	(54,303)
(c) advertising and marketing	(416)	(546)
(d) leased assets	-	-
(e) staff costs	(24,284)	(47,076)
(f) administration and corporate costs	(5,220)	(8,065)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	142	281
1.5 Interest and other costs of finance paid	(2)	(4)
1.6 Income taxes (paid) / received	(1,285)	(1,699)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(7,935)	(4,146)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,142)	(2,099)
(d) investments	-	-
(e) intellectual property	(3,935)	(7,121)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	4	4
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – transaction costs	-	-
2.6	Net cash from / (used in) investing activities	(5,073)	(9,216)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – leases	(1,399)	(2,678)
3.10	Net cash from / (used in) financing activities	(1,399)	(2,678)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	58,972	59,824
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,935)	(4,146)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,073)	(9,216)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,399)	(2,678)
4.5	Effect of movement in exchange rates on cash held	140	921
4.6	Cash and cash equivalents at end of period	44,705	44,705

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	44,365	42,628
5.2	Call deposits	340	16,344
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	44,705	58,972

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors' remuneration	302
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(7,935)
8.2	Cash and cash equivalents at quarter end (item 4.6)	44,705
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	44,705
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.6
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2026

Authorised by a duly appointed sub-committee of the Board of Appen Limited.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.