Market Release
27 February 2015

Appen announces 2014 results

Appen Limited ("Appen") (ASX:APX) today announced its full year 2014 audited results for the period ended 31 December 2014. APX's financial year is a calendar year.

FY 2014 Financial Results - Summary

	FY 14 Actual $'000	Prospectus*			FY 2013		
		FY 14 $'000	Variance $'000	Variance %	Actual $'000	Variance $'000	Variance %
REVENUE							
Speech and Data Collection	22,777	21,905	872	4.0%	22,752	25	0.1%
Content Relevance	28,229	27,146	1,084	4.0%	37,953	(9,724)	-25.6%
Total Revenue	**51,006**	**49,050**	**1,956**	**4.0%**	**60,705**	**(9,699)**	**-16.0%**
PROFORMA RESULTS							
Proforma EBITDA	6,674	5,792	883	15.2%	6,999	(324)	-4.6%
% Revenue	13.1%	11.8%			11.5%		
Proforma NPAT	3,631	3,446	185	5.4%	3,455	176	5.1%
% Revenue	7.1%	7.0%			5.7%		
STATUTORY RESULTS							
Statutory EBITDA	4,790	3,148	1,642	52.1%	5,277	(487)	-9.2%
% Revenue	9.4%	6.4%			8.7%		
Statutory NPAT	1,615	781	835	106.9%	1,585	30	1.9%
% Revenue	3.2%	1.6%			2.6%		

*public company costs of $400k which was included in the prospectus for purposes of historical comparison
have been excluded from proforma results given no costs were incurred in 2014 due to listing on 7th January 2015.

APX has exceeded its prospectus forecasts on a pro forma basis after adjusting for expenses associated with the listing on the ASX and excluding the change in fair value of contingent consideration (that was subsequently paid out of the IPO proceeds to the Butler Hill vendor):

- Revenue $51.0m up 4% vs prospectus forecast of $49.1m
- EBITDA $6.7m up 15% vs prospectus forecast of $5.8m
- NPAT $3.6m up 5% vs prospectus forecast of $3.4m
- Cash holdings of $8.6m up vs $2.4m pro forma net cash in the prospectus

There is no final dividend recommended for 2014.

Appen reaffirms its 2015 prospectus forecasts of $6.8m EBITDA on $53.6m revenue proforma (excluding IPO costs) on the basis of this result, management's assessment of the current operating results, pipeline and orders for 2015 and the movement in the USD/AUD exchange rate since setting the prospectus assumption of 90c.

Appen's Chairman, Chris Vonwiller, said: "We're pleased to be announcing our first results to the market ahead of expectations. Our clients continue to value Appen's especial linguistic technology offering. It's encouraging to see so many of the world's leading technology companies and agencies deepening their relationships with Appen. We are also very grateful for our existing and new shareholders' support for our growth plans."

Managing Director Lisa Braden-Harder has signalled that she will transition to a Non-Executive Director role later in the year. She said: "I have had a leadership role with the business for more than 20 years and there is huge potential for the company ahead. With Appen in a strong position, this is a good time to start planning for my transition to a non-executive role." Appen's Chairman, Chris Vonwiller, paid tribute to Lisa's leadership in creating such a strong platform for future growth and said: "The Board is looking forward to her ongoing involvement as she transitions from an

executive to a Non-Executive Director. We are well advanced in planning for her succession and expect to make some more positive announcements later in the year".

Please contact for more information:

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Conference Call

Chris Vonwiller (Chair), Lisa Braden-Harder (Managing Director) and Mark Byrne (CFO) will host an investor briefing call today at 11:30am AEDT.

Analysts, investors and media who wish to join the briefing call should dial 1800 200 232 and when prompted input Guest Access Code 7369389#.

About Appen: *Appen is a language technology and data solutions provider that has a services capability in more than 140 languages and dialects for global technology companies and government agencies. Appen offers large scale training data, linguistic models and consulting services to assist leading technology companies and government agencies in the development of internet and mobile connected products including*

- *Content Relevance (eg search relevance optimisation);*
- *Speech and Data Collection (e.g. speech recognition or speech synthesisers, security and intelligence)*

Components of language technology can increasingly be found in modern society including smartphones, social media content analytics software, e-commerce platforms, automobiles and government security and intelligence. Demand for language technology is growing with the development of mobile communications (phones, tablets, laptops), consumer electronics (game and TV consoles), cloud services, search technology and social media that enable communication and intelligent information retrieval across platforms and languages.