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ASX ANNOUNCEMENT

24 February 2022

INVESTOR PRESENTATION

Further to the Company's announcement to the market today on its results for the year ended 31 December 2021, please find attached the presentation to be delivered to investors and analysts this morning.

Authorised for release by the Board of Appen Limited.

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Powering the



AI
life
cycle

Appen Limited

2021 Full Year Results Presentation

24th February 2022

Important information



The forward-looking statements included in these materials involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Appen Limited. In particular, they speak only as of the date of these materials, they are based on particular events, conditions or circumstances stated in the materials, they assume the success of Appen Limited's business strategies, and they are subject to significant regulatory, business, competitive, currency and economic uncertainties and risks.

Appen Limited disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in these materials to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. You should monitor any announcements by the company lodged with the ASX. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Appen Limited since the date of these materials. Organisation structure is subject to change.

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All amounts are in US\$ unless stated otherwise.

Appen Limited ACN 138 878 298 - 9 Help Street, Chatswood, NSW 2067, Australia

1. FY21 Highlights

2. Market Overview

3. Our business

4. Growth strategy

5. FY21 Financial performance

6. Outlook

7. Questions

FY21

Highlights

Our Company



Mission & Vision

**Make AI
work in the
real world**

**#1 Data for the AI
Lifecycle**

Products



Data
collection



Data
preparation



Model
evaluation

**Technology Platform
Expertise
Crowd**

Performance

\$447M Record revenue
in FY21

\$78.9M FY21 EBITDA
Before FX Impact

40% Annualised revenue
growth since 2016

32% Global Services
growth 2H21 on 1H21

422% Revenue growth
in China in FY21

Our customers include



Crowd

Impact sourcing

Creating opportunities for people in developing countries¹

17%

were long-term unemployed (>1 year) before joining Appen

16%

living under the global poverty line before joining Appen

63%

use their Appen earnings to support their household or to pay for education

People

38%

female representation amongst senior leadership

up from 30% in 2020

50%

female representation on our Board

up from 43% in 2020

2021 Employee Distribution



■ Asia Pacific ■ USA ■ Australia ■ UK / Europe

Environment

Scope 1 and 2

GHG emissions inventory completed

Net zero emissions

by 2030

100% renewable

Cloud supplier partner

1. Internal survey of our crowd workers conducted in November 2021 with ~7,000 responses.

Our Impact



**We are making AI work
in the real world, for
everyone**

We helped our customer
reduce bias in AI by testing
their language model with
a diverse crowd



Market overview

52%

of companies accelerated their AI adoption plans because of COVID²

86%

of companies say AI is becoming a “mainstream technology” for them²

72%

of business leaders are positive about the role AI will play³

AI will be a ubiquitous and omni-use technology¹

AI will help alleviate skills shortages by augmenting support activities⁴

If companies don't embrace AI, they will quite simply be left behind¹

1. Reimagining the Future of Business and Tech with Kai-Fu Lee <https://www.bcg.com/publications/2021/how-artificial-intelligence-will-reshape-the-future-of-business>
2. PwC
3. [The AI Journal](#)
4. [Harris Poll / Appen](#)

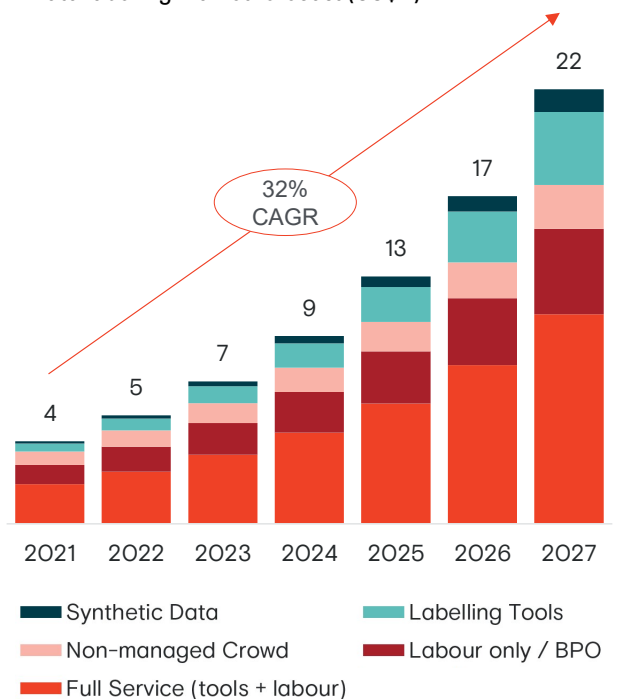
The AI training data market is growing rapidly

Large volumes of human-annotated data remain critical for AI success



Growing need for labelling

Data labelling market forecast (US\$B) ¹



1. Cognilytica Research Snapshot: Data Labelling Markets (December 2021)

What customers are saying

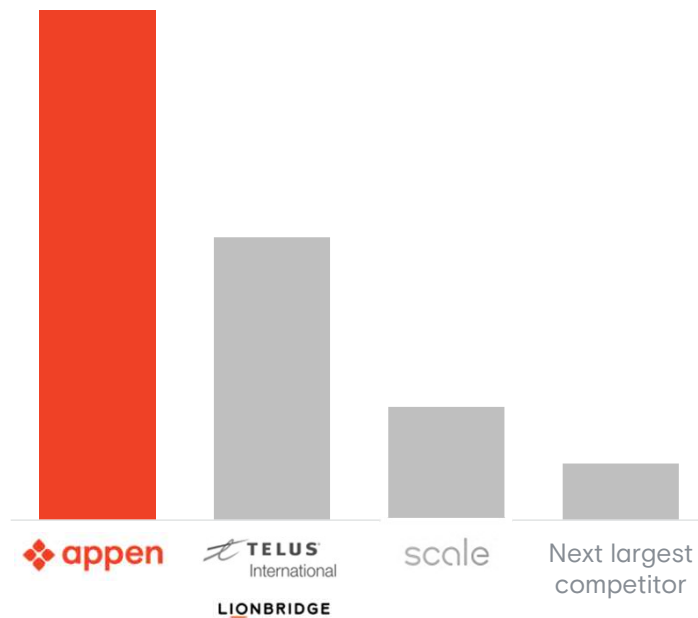
- Vast, high-quality data sets are required for AI models to work perfectly
- Humans will continue to play a significant role in the creation of unbiased AI training data
- Technology is essential for delivering large-volumes of high-quality labelling and sourcing tasks and integrating with model development pipelines
- Data trust and privacy are paramount
- AI is experimental, requires high agility and expertise to support new product development. Customers less likely to commit spend
- Synthetic data is early but will play a role

Appen is the market leader



Leading market share

AI data revenue by competitor ¹



1. Lionbridge revenue source from Telus International IPO and other statements, Scale AI revenue estimated from public announcements related to funding rounds

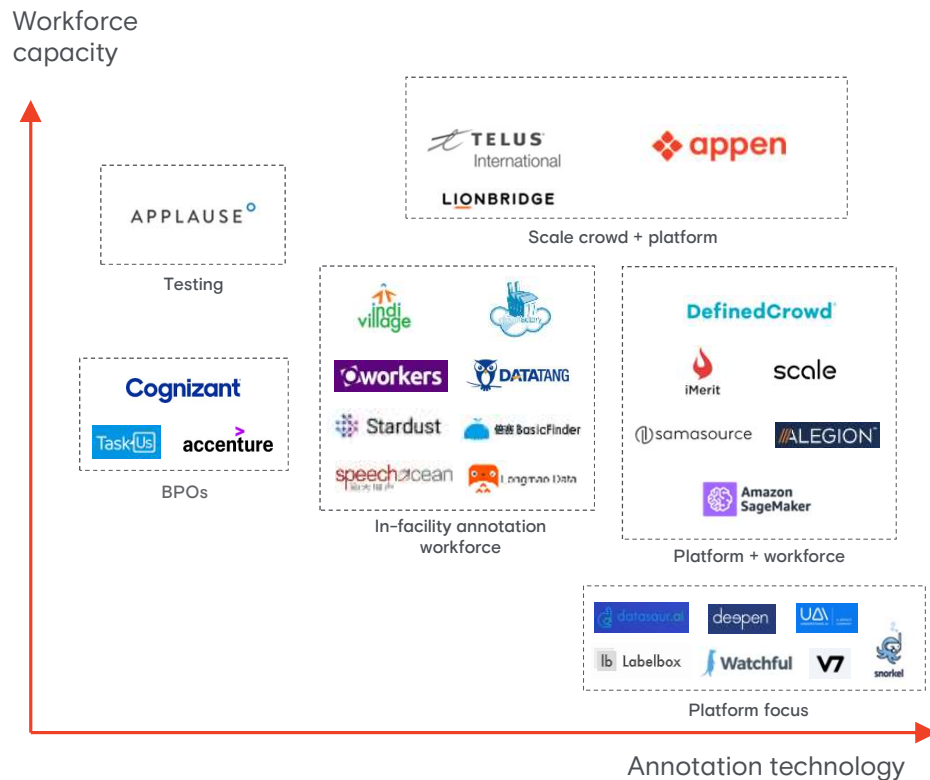
Why we win

Trust	Data privacy compliant, with platform option for secure, onsite data labelling
Quality	Platform quality controls ensure unbiased, low-error and globally representative results
Usability	Easy to integrate and use labelling platform
Scale	Breadth and depth of labelling technology that support large-scale data requirements
Speed	In-built labelling automation to deliver rapid results
Expertise	Deep domain expertise developed from over 25 years of experience

Appen is strongly positioned against competitors



Competitive landscape



Our differentiators

- Unique combination of **leading annotation technology** and **global crowd**
- **Trusted by global AI leaders** to support both in-deployment and emerging AI enabled products
- 25 years expertise working delivering **high quality AI training data**
- Appen's crowd supports **large-scale data requirements with high quality**
- **Full market coverage** with dedicated business units focusing on Global (big-tech), China, Government and Enterprise

Our business

Our vision: #1 Data for the AI Lifecycle



Who we are

#1 Data for the AI Lifecycle

Trust

Data privacy compliant, with option for secure, onsite data labelling

Quality

Unbiased, high-quality and globally representative data

Usability

Easy to use, with simple UX and API integrations

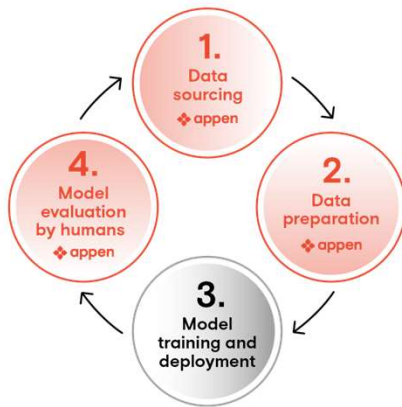
Scale

Breadth and depth of tools to enrich all data types and use cases

Speed

In-built automation that minimizes latency of results

Our products



1. Data Sourcing

- **Data Collection** - leverage our crowd of over 1m workers to collect high quality, unbiased AI training data
- **Prelabelled Datasets** - use prelabelled datasets to kickstart AI projects
- **Synthetic Data** ^(Beta) - artificially generate hard-to-find data to enhance model coverage and performance

2. Data Preparation

- **Data Annotation** - enrich data through ML-assisted labelling with automated quality checks of input and output data quality for bias and duplicates
- **Knowledge Graphs** - define taxonomy and relationship between data labels to organise and integrate sources

3. Model training and deployment

Partnerships including:



4. Model Evaluations by Humans

- **Model Testing (incl. Relevance)** - validate real-world model performance across a range of use cases with human judgements
- **Model Benchmarking** - compare model performance to competitors to ensure best-in-class results

Our Delivery

Technology platforms

Crowd

Expertise

Data Types

Text

Image

Audio

Video

LiDAR/3D

Multi-modal

Point-of-Interest

Growth strategy

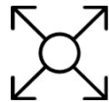
Our growth strategy



Vision

#1 Data for the AI Lifecycle

Core strategic pillars



Grow

revenue and diversify

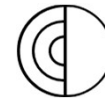
Drive growth in target customer segments



Automate

crowd and labelling processes

Leverage AI and ML in our labelling operations to improve the productivity of our crowd



Expand

our product offering

Expand our TAM by adding new products and capabilities – e.g. Quadrant and synthetic data



Evolve

how we do business

Improve the scalability and productivity of our GTM and project delivery

Enablers

New customer-aligned organisation structure

Increased investment in Product and Engineering (up to 10% of revenue)

Dedicated team of data scientists to build and deploy ML models to pre-label training data

Quadrant acquisition unlocks broader Point of Interest market

~\$5m annual investment for dedicated transformation team, starting in FY22

Delivering financial outcomes in FY26

At least double FY21 revenue

More than one third of revenue from non-Global¹ customers





EBITDA margin target 20%

1. Non-Global includes customers from China, Enterprise, Government and Quadrant

Delivering against our strategy



High-level roadmap

	FY21	FY22 and beyond
 Grow	<ul style="list-style-type: none"> ✓ New and expanded delivery centres in Dalian and Wuxi, China ✓ New leadership team for Enterprise ✓ Hired Chief Product Officer 	<ul style="list-style-type: none"> ▪ Maintain growth through customer and project diversification ▪ Leverage China success into Japan and Korea ▪ Greater use of equity compensation to attract and retain expert people
 Automate	<ul style="list-style-type: none"> ✓ Built team and base capabilities for ML-based automation ✓ Developed and launched automation that doubles audio annotation productivity 	<ul style="list-style-type: none"> ▪ Apply automation to additional data modalities ▪ Expand data science team ▪ Ongoing investments in product and engineering
 Expand	<ul style="list-style-type: none"> ✓ Quadrant acquisition unlocks POI market and increases TAM ✓ Launched China AV tools 	<ul style="list-style-type: none"> ▪ Embed and unlock value from investments and partnerships ▪ Maintain investment in new product development to support AI lifecycles
 Evolve	<ul style="list-style-type: none"> ✓ Transformation program established ✓ Hired Chief Transformation Officer 	<ul style="list-style-type: none"> ▪ Deliver revenue and margin benefits of transformation program. Net EBITDA positive from FY23 ▪ Investing ~\$5m annually in transformation team

Delivering outcomes by FY26

At least double FY21 revenue

More than one third of revenue from non-Global customers

- Targeting >35% CAGR in non-Global customers

EBITDA margin target 20%

- We are investing for growth which may impact margin in the near term

Automate: Improving crowd productivity



Full service requires a mix of human-based and automated services

	Data Sourcing			Data Preparation		Model Evaluation	
	Data Collection	Prelabelled Datasets	Synthetic Data	Data Annotation	Knowledge Graphs	Model Testing (incl. Relevance)	Model Benchmarking
<i>Human involvement</i>	High	Low	Low	Med	Low	High	Med
<i>Automation potential</i>	Low	High	High	Med	Low	Low	High

80% of Appen's revenue in FY21

Our large-scale crowd forms a competitive moat for tasks with high human involvement

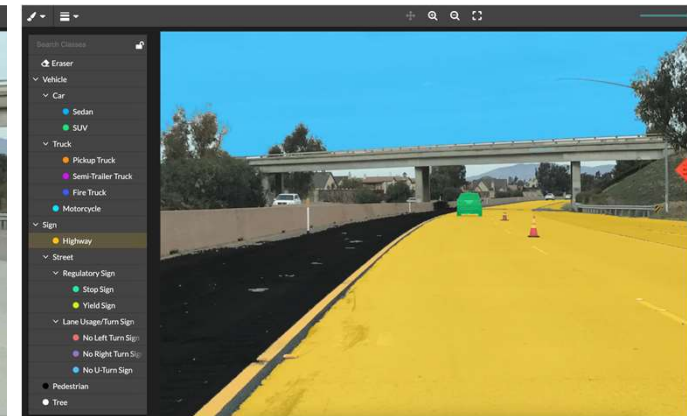
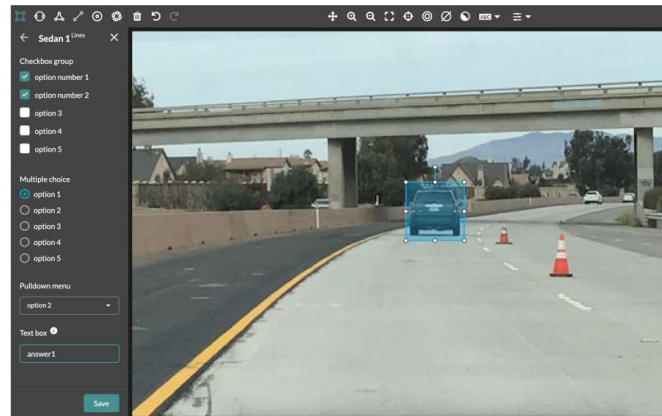
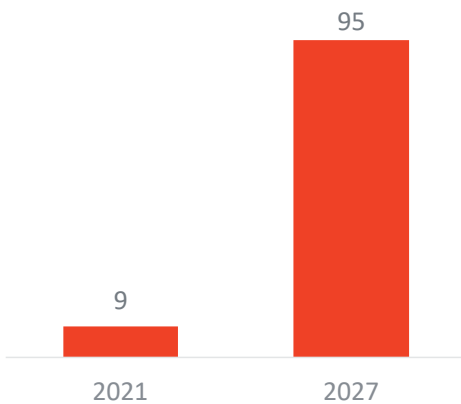
Our tech improves the productivity of our crowd in areas with automation potential

Expand: Impact of new products

China autonomous vehicles annotation product



AI in Computer Vision Market (US\$B)¹



- Autonomous vehicles (AV) requires vast amounts of training data
- Multiple modalities
 - image, video, LiDAR, speech
- High data quality and security requirements

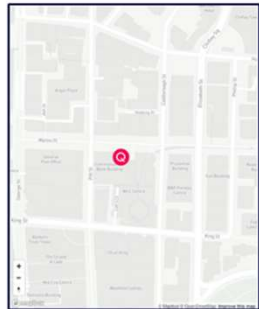
- Successfully developed and deployed AV data annotation technology
- Built skilled and scalable specialist labelling and QA workforce

- Eleven auto AV customers
- >20 other tech customers developing autonomous mobility products (e.g., robotics)
- Leveraging capability to expand share in the US and Europe

1. The Insight Partners:AI in Computer Vision Market Forecast to 2027

Expand: Impact of new products

Geo-locational data



paradiso CAFE
Restaurant, Cafe

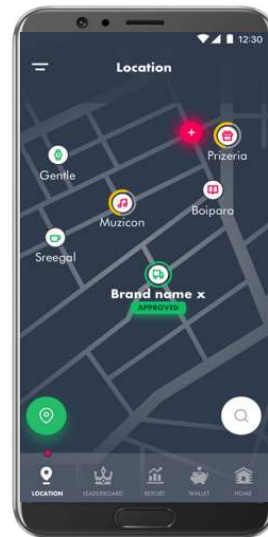
Phone:
(02) 9876 5432

Address:
13 Martin Pl, Sydney
NSW 2000, Australia

Lat / Lon:
-33.8686 / 151.2090

Offers Takeaway:
No

Opening Hours:
Permanently Closed



- Quadrant Geolancer: efficient, crowd-sourced, in-field point-of-interest (POI) data collection and verification



- Location data will converge with augmented and virtual reality (AR/VR)
- AR/VR users will enjoy localised AI and richer real-world experience

- Accurate location data is essential for maps, ecommerce, ride-sharing, real estate, delivery...
- Rich location data requires accurate collection, multiple data points and regular update – especially post-COVID

FY21

Financial performance

Two reporting segments, five customer-facing business units



Global Services	New Markets				
<p>Services provided to leading US tech companies utilising their platform</p> <p>Includes large relevance programs</p>	<p>New Markets reflects progress against our Product Led strategy</p> <p>Includes Global Product (Global customer revenue through Appen products), Enterprise, Govt, China and Quadrant</p> <p>All project types and data modalities</p>				
Global	Enterprise	Govt	China	Quadrant	
<p>Leading US tech companies, including Google, Amazon and Microsoft</p>	<p>Covering North America, EMEA and SEA</p>	<p>Federal agencies</p>	<p>China, Japan and Korea</p>	<p>Provider of location data</p>	

Financial highlights



US\$	FY21	vs FY20
Group revenue	\$447.3M	+8%
Global Services ¹	\$344.7M	+5%
New Markets ²	\$102.5M	+21%
Underlying EBITDA ³ (before FX)	\$78.9M	+12%
Underlying EBITDA margin (before FX)	17.6%	vs 17.1%
Underlying EBITDA (after FX)	\$77.7M	+3%
Underlying EBITDA margin (after FX)	17.4%	vs 18.3%
Dividend per share (A cents)	10.0c	Flat

1. Revenue from major US technology customers (Global customers) through their platforms
2. Revenue from Global Product (Global customers using the Appen platform and tools) and Enterprise, China, Government and Quadrant customers
3. Underlying EBITDA excludes restructure costs, transaction costs, cloud computing costs and acquisition-related share-based payment expenses, and for FY20, the earnout adjustment relating to the Figure Eight acquisition

Record full year revenue performance driven by strong 2H Global Services contribution and uplift in New Markets

- **Global services revenue** reflects second half revenue growth of 32% on the first half of FY21
- **New markets revenue** driven by 422% increase in revenue in China

Underlying EBITDA before FX up 12%, driven by revenue growth and gross margin expansion in 2H

Strong balance sheet – \$48M in cash and no debt as at 31 December 2021

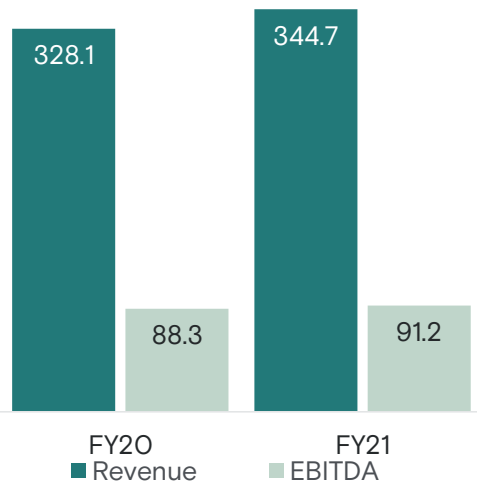
Final dividend A\$ 5.5 cents per share, flat on FY20

Global Services



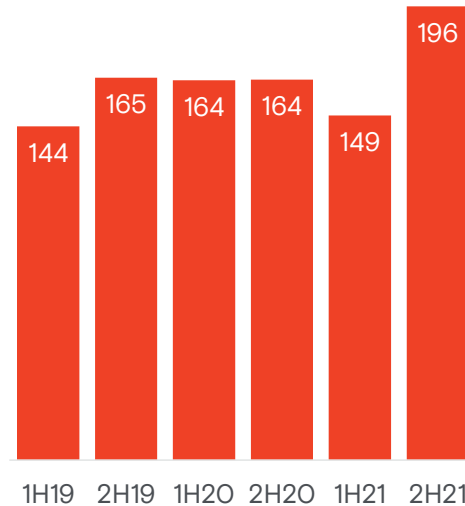
Record full year revenue driven by strong second half

Revenue and EBITDA (US\$M)



- Full year Global Services revenue of \$344.7M, up 5.0%
- EBITDA of \$91.2M, up 3.3%

Revenue by half (US\$M)



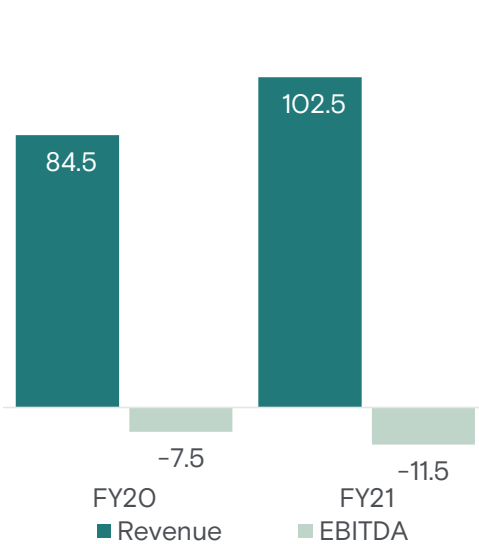
- Strong 2H FY21
- Delivered into projected 2H skew, 32% growth on 1H
- Growth underpinned by multiple new product developments to offset ad dependencies

New Markets

Maintains strong growth

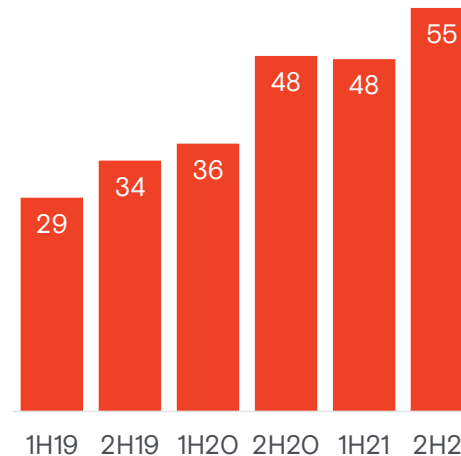


Revenue and EBITDA (US\$M)



- FY21 revenue of \$102.5M, up 21%
- Growth supported by strong performance in China
- EBITDA loss of \$11.5M due to investing in growth
- 2H loss down 48% on 1H

Revenue by half (US\$M)



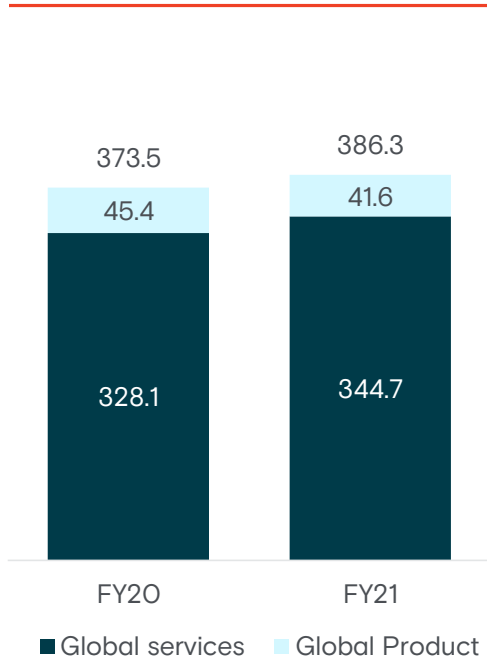
- Strong growth half on half, up 15%
- Record half for New Markets in 2H

Global Customers

Record 2H revenue – solid annual growth

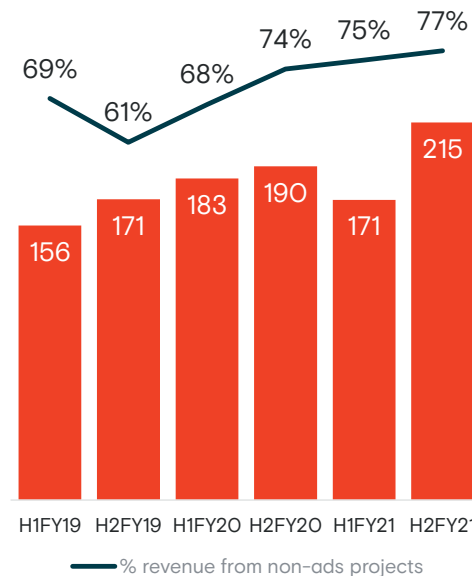


Annual revenue (US\$M)



- Full year 2021 revenue of \$386.3M, up 3.4% on FY21
- Growth underpinned by existing programs and new product developments
- Global Product revenue down 8.2% on FY20 due to end of a single large project

Revenue by half and project type (US\$M)



- Record 2H revenue, returns Global to growth trajectory
- Growth driven by non-ad projects (up 28%) as customers invest in new products and applications
- Percentage of non-ad projects increasing, 77% in 2H FY21
- Ad-related revenue returned to growth in 2H FY21 (up 18% on 1H21)

Note: numbers are subject to rounding

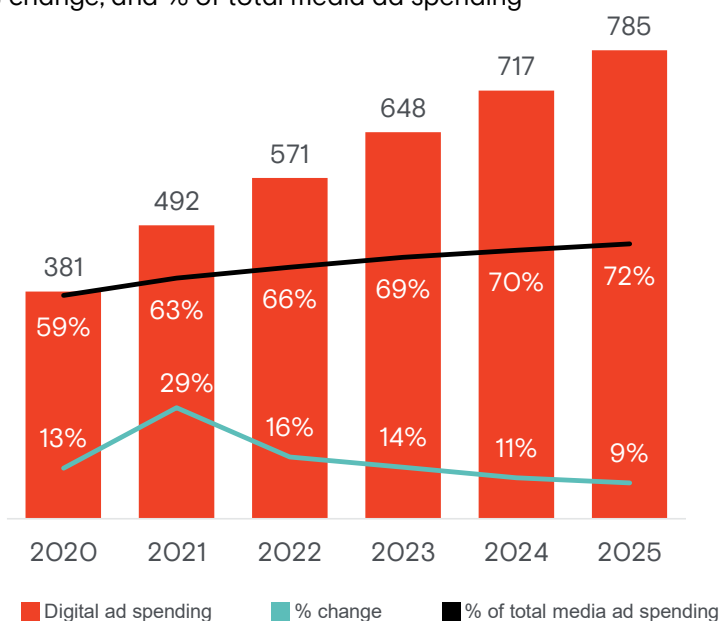
Digital advertising market trends

Appen continues to support existing companies and new entrants



Digital ad spending worldwide (2020-2025)

Billions, % change, and % of total media ad spending



Note: includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other internet-connected devices, and includes all the various formats of advertising on those platforms; excludes SMS, MMS, and P2P messaging-based advertising
Source: eMarketer, October 2021

Market observations and implications

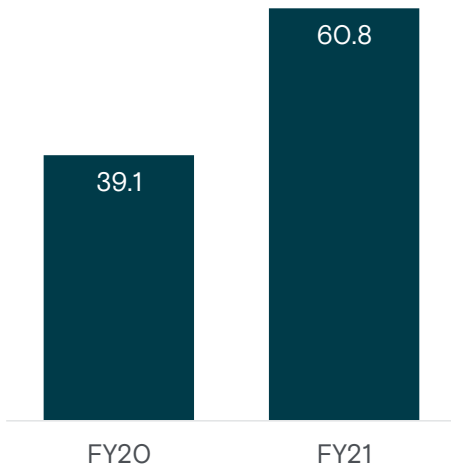
- Digital Ad Market continues to grow
- Market dynamics include
 - Emergence of new social media companies winning global share
 - Participants investing to address technical developments (e.g., iOS changes)
- Major search and social media companies continue to invest
 - Ongoing ad-related products to win share
 - New products to diversity revenue streams
- Appen is working with search and social media companies globally, including US and China, to support development of ad and non-ad products

Enterprise, China, Government, Quadrant

Growth continues

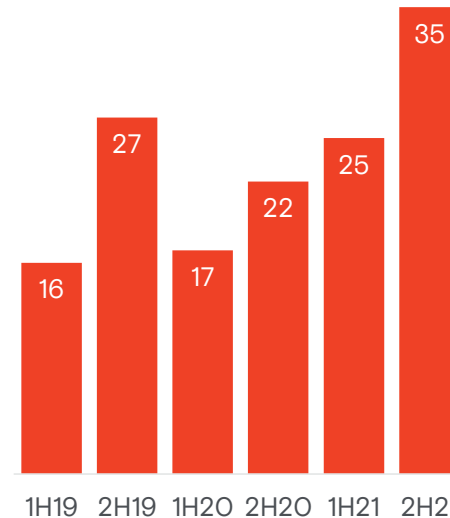


Annual revenue (US\$M)



- FY21 revenue of \$60.8M, up 55.4% on FY20
- Growth supported by strong performance in China
- Enterprise, China, Govt and Quadrant now 14% of group revenue, up from 9% in FY20

Revenue by half (US\$M)



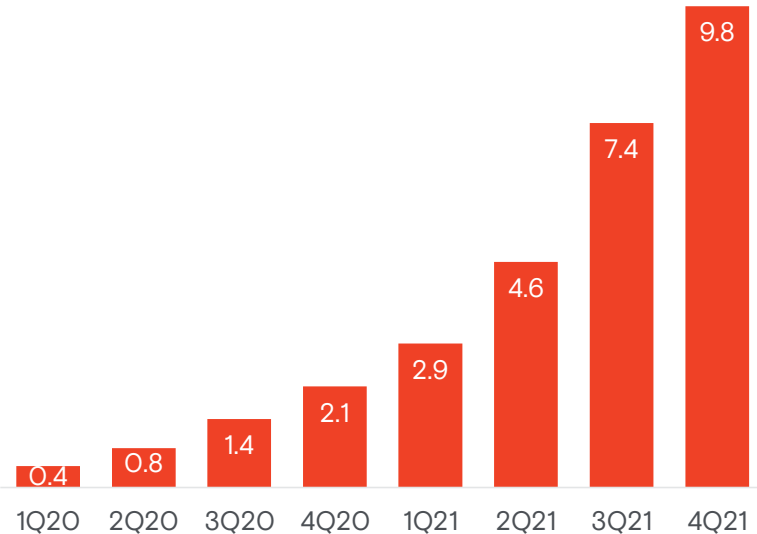
- Record revenue in 2H FY21
- 2H FY21 up 59% on PCP

China

Breakout growth in FY21



China revenue by quarter (US\$M)



Summary of performance

- FY21 revenue of \$24.7M, 422% up on FY20
- Customers include tech giants, social media, mobile providers and autonomous vehicle (AV) companies
- 11 leading auto AV companies as customers
- >20 other tech customers developing autonomous mobility products (e.g., robotics)
- Highly focused on growth – including new customer and share from incumbents
- On track to be market leader in China
- Gross margin continues to improve

Enterprise, Government and Quadrant

Building for high-growth



Growing Enterprise customer base

- Wins with Salesforce, Boeing, Adobe, Bloomberg
- Multiple data modalities
- New leadership team focused on accelerating growth



Ongoing opportunities with Government

- Selected in a partnership for the Joint Artificial Intelligence Center (JAIC) BPA to support technology capabilities acceleration¹
- Continue to deliver into existing programs
- Adding new pilot projects
- Building essential partner ecosystem

Quadrant delivering early wins

- Quadrant well received by Appen customers
- Multiple projects underway across both Global and Enterprise customers
- Back-office integration largely complete



1. BPA: blanket purchase agreement up to \$249M to be allocated across multiple vendors over multiple years

Revenue, EBITDA and NPAT summary



US\$M	FY21	FY20	% change
Global Services ¹	344.7	328.1	5.0%
New Markets ²	102.5	84.5	21.3%
Other income	0.1	0.4	
Total revenue	447.3	413.0	8.3%
Statutory EBITDA	72.9	74.8	(2.4%)
Underlying EBITDA ³	77.7	75.4	3.0%
Underlying EBITDA margin	17.4%	18.3%	
Underlying EBITDA ³ before FX	78.9	70.7	11.6%
Underlying EBITDA margin	17.6%	17.1%	
Statutory NPAT	28.5	35.6	(19.9%)
Underlying NPAT ⁴	40.6	45.3	(10.4%)
Underlying basic eps (cents)	33.0	37.2	(11.3%)

Note: numbers are subject to rounding

1. Revenue from major US technology customers (Global customers) through their platforms
2. Revenue from Global Product, Enterprise, China, Government and Quadrant customers
3. Underlying EBITDA excludes restructure costs, transaction costs, cloud computing costs and acquisition-related share-based payment expenses, and for FY20, the earnout adjustment relating to the Figure Eight acquisition
4. Underlying NPAT excludes after tax impact of items relating to restructure, cloud computing and acquisition related costs, including acquisition related intangibles, share-based payments, deemed interest on earn out liability and transaction costs, and for FY20, consideration adjustments relating to the Figure Eight acquisition

Revenue growth of 8%, underpinned by strong half-on-half growth of 28%, following a 1H decline of 2% versus pcp

Major contributor was Global Services which delivered into the strong 2H revenue forecast, with a record 2H performance, up 19% on pcp and 32% on 1H FY21

Growth largely driven by continued increase in new non-ad Global projects, return to growth in Global ads projects and increases in market and customer share in China

Underlying EBITDA (before FX) and margins positively impacted by 2H revenue growth, gross margin expansion and moderate expense increase to support growth

Underlying NPAT impacted by increased amortisation associated with investment in product development

Effective tax rate constant at 20.5% due to tax effect of movements from expensing and vesting of employee performance shares. Normalised tax rate (excluding share-based payment related items) ~25%

Strong and resilient balance sheet



US\$M	Dec 2021	Dec 2020
Cash	47.9	60.5
Receivables	89.2	50.6
Contract assets	10.5	31.5
Other current assets	15.1	12.2
Non-current Assets	336.2	306.8
Total assets	498.9	461.6
Current liabilities	66.6	60.0
Non-current liabilities	40.4	27.9
Total liabilities	107.0	87.9
Net assets	391.9	373.7
Total equity	391.9	373.7

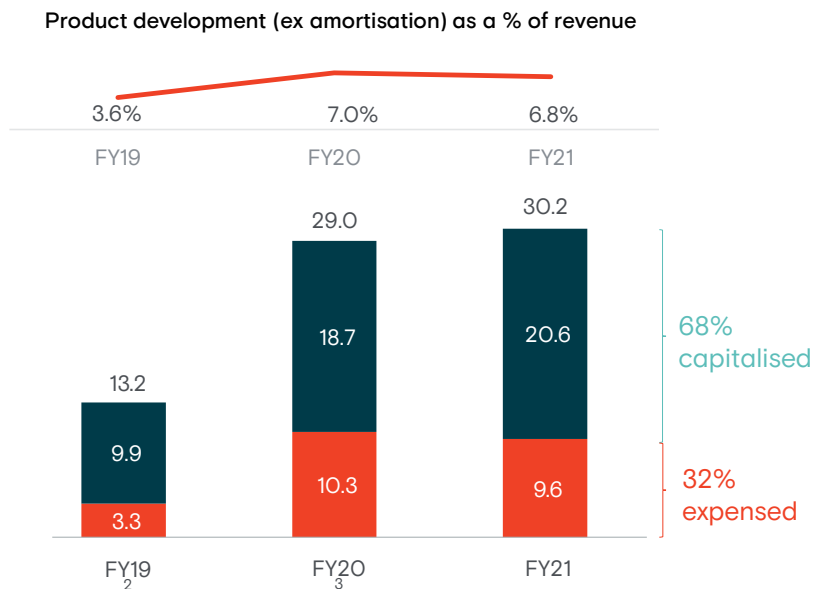
Note: numbers are subject to rounding

- Increase in receivables due to increased volumes around year end and includes invoices raised on 31 December 21, as time-based billing milestones satisfied, resulting in reduction in contract assets
- Non-current assets include Goodwill of \$247.7M and identifiable intangible assets (IIA) of \$67.1M Goodwill and IIA has been reviewed for impairment, with adequate headroom
- Goodwill of \$45.4M has been recorded in respect of the Quadrant acquisition. This will be further analysed as part of the purchase price adjustment in FY22.
- Non-current liabilities include an earn out liability of \$18.4M in respect of the Quadrant acquisition
- Final dividend of AU 5.5 cps. Final dividend 50% franked

Investment in product development



Investment in product development¹ (US\$M)



1. Product development relates to investment in engineering to ensure that the annotation platform and tools support our customers and their use cases, and drive efficiencies and scale. These amounts exclude amortization expense.
2. FY19 includes amounts capitalised related to the acquisition of Figure Eight
3. FY20 spend includes annualisation of Figure Eight engineering spend (acquisition completed April 2019).

- FY21 investment of \$30.2M reflects continuing focus on product development to drive customer wins, scalability, repeatability, quality data and margin expansion
- Significant increase in FY20 vs FY19 due to strategic focus on engineering following the acquisition of Figure Eight, with new engineering staff added to enhance existing products and develop new products
- Approximately 68% of product spend was capitalised in FY21 reflecting investment in platform development and new tools and products
- 6.8% of revenue was reinvested in product development in FY21
- Ongoing investment in product development up to 10% of revenue

Solid cash flow conversion



US\$M	FY21	FY20
Receipts	434.3	413.6
Payments and other	(374.2)	(335.6)
Cash flow from operations before interest and tax	60.1	78.0
Net interest	(0.6)	(1.2)
Taxes	(5.6)	(12.1)
Net cash from operations	53.9	64.7
Cash flows – investing activities	(50.8)	(48.8)
Cash flows – financing activities	(14.1)	(8.2)
Net cash flow for the period	(11.0)	7.7
Opening cash balance	60.5	52.8
FX impact	(1.6)	-
Closing cash balance	47.9	60.5

Note: numbers are subject to rounding

- Cash balance decreased by \$12.6M due to upfront payment for Quadrant of \$25.3M
- Cash balance and cash conversion impacted by timing issues - working capital cycle impact of higher volumes in November and December 21
- Working capital cycle impact, offset by lower tax payments, resulted in cash flow from operations decreasing by 13%
- Cash used to pay tax, dividends, capex and fund operations and planned investments to support future growth
- Cash conversion from EBITDA decreased from 103% to 77%

Cash flow reconciliation (US\$M)	FY21	FY20
Underlying EBITDA	77.7	75.4
Working capital	(17.6)	2.5
Cash flow from operations before interest and tax	60.1	78.0
Underlying EBITDA cash conversion	77%	103%

We are guiding to long-term shareholder value creation



FY26 financial targets

At least double FY21 revenue

We are highly focused on long-term revenue growth

Our revenue order book including year-to-date revenue plus orders in hand stands at ~\$190M at February 2022¹

FY22 half on half revenue skew expected to be similar to prior years (excluding FY20)

Improved customer mix with 1/3 of revenue from non- Global² customers

We will invest for growth in new products, sales and marketing, partnerships and explore M&A opportunities

Targeting >35% CAGR revenue growth from non-Global customers

EBITDA margin of 20%

Our long-term revenue focus may impact near-term EBITDA margins and future dividend payout ratios

Our long-term focus means we will no longer provide short-term quantitative EBITDA guidance

Higher costs in 1H22 include new transformation office, investment in product and technology, and share-based payment expenses

Earnings skew to 2H will be larger when compared to FY21

1. Consistent with prior year methodology. FY21 order book of -\$165.7 million (~A\$240 million).

2. Non-Global includes customers from China, Enterprise, Government and Quadrant.

Questions?

Appendix

Conservative approach to amortisation

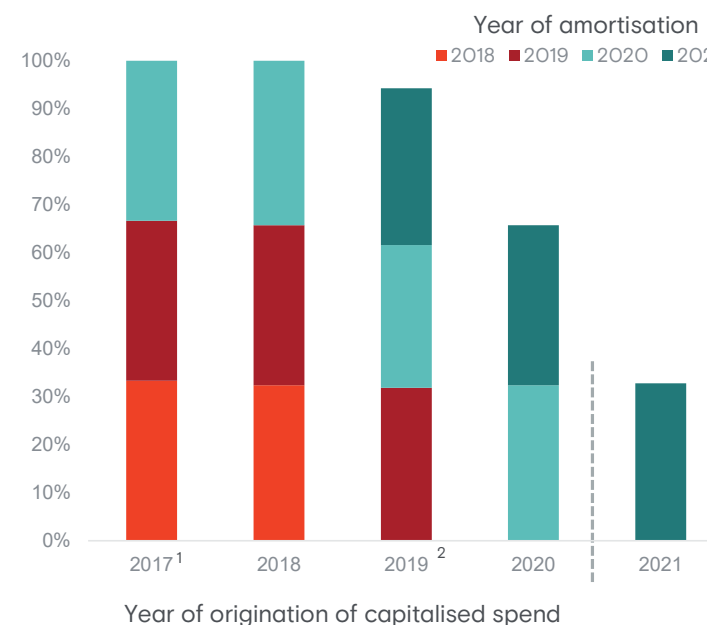


- Product development is amortised over 3 years
- Amortisation expense has increased due to the strategic focus on product development, which commenced in FY19. FY21 amortisation is based on spend in FY19, FY20 and FY21, with the nominal spend in FY18 being replaced with the much higher spend in FY21

Year of origination of capitalised spend	Amount capitalised	US\$'000			
		Amounts amortised			
		2018	2019	2020	2021
2017 ¹	288	96	96	96	-
2018	762	247	254	261	-
2019 ²	9,925	-	3,168	3,113	3,104
2020	18,712	-	-	6,063	6,063
2021	20,574	-	-	-	6,858
Total	50,261	343	3,518	9,533	16,025

Figures may vary from period to period due to the impact of foreign currency translation

1. Amortisation of 2017 capitalised spend commenced in 2018.
2. 2019 includes capitalised amounts relating to the acquisition of Figure Eight, which is amortised between 3 and 7 years.



Reconciliation between statutory and underlying results



	Year ended 31 December 2021 USD \$000	Restated Year ended 31 December 2020 USD \$000	Change
Underlying net profit after tax (NPAT) ¹ (Less)/add underlying adjustments (net of tax)	40,597	45,276	(10%)
Amortisation of acquisition-related identifiable intangible assets	(8,303)	(7,859)	
Restructure costs ²	(1,625)	-	
Transaction costs	(1,929)	(573)	
Deemed interest on earn-out liability ³	(461)	(615)	
Cloud payments	(17)	-	
Acquisition-related share-based payments ⁴	257	(2,441)	
Figure Eight earn-out adjustment	-	1,844	
Statutory NPAT	28,519	35,632	(20%)
Add: tax	7,356	8,907	
Add: net interest expense	1,362	1,435	
Add: deemed interest on earn-out liability ³	657	853	
EBIT ⁵	37,894	46,827	(19%)
Add: depreciation and amortisation	35,038	27,923	
Statutory EBITDA ⁶ Add/(less): underlying adjustments	72,932	74,750	(2%)
Restructure costs ²	2,256	-	
Transaction costs	2,729	807	
Acquisition-related share-based payments ⁴	(257)	2,441	
Cloud computing costs	24	-	
Figure Eight earn-out adjustment	-	(2,559)	
Underlying EBITDA ¹	77,684	75,439	3%
Statutory diluted earnings per share (cents)	22.85	28.81	
Underlying diluted earnings per share (cents)	32.53	36.61	
% Statutory EBITDA/sales revenue	16.3%	18.1%	
% Underlying EBITDA/sales revenue	17.4%	18.3%	

- Underlying results are a non-IFRS measure used by management to assess the performance of the business and have been calculated from statutory measures. Non-IFRS measures have not been subject to audit. Underlying EBITDA excludes restructure costs, transaction costs, acquisition-related share-based payments expenses, cloud computing costs and the earn-out (consideration) adjustment relating to the Figure Eight acquisition. Underlying NPAT for the year ended 31 December 2020 has been restated for a change in accounting policy associated with cloud computing implementation costs (refer to note 2(ii) for further information).
- Includes costs incurred in FY21 associated with the organisational restructure.
- Contingent liability with respect to the Quadrant acquisition which will settle no later than 29 February 2024, subject to Quadrant attaining revenue milestones. The prior year comparative relates to Figure Eight.
- Includes a true-up adjustment reducing the share-based payments expense in relation to specific (non market) hurdles of the 2020 and 2021 Long-Term Incentive Plans, based on management's assessment of achieving these hurdles.
- EBIT is defined as earnings before interest and tax.
- EBITDA is EBIT before depreciation and amortisation.



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