

ASX Announcement

29 January 2026

Q4 FY25 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 31 December 2025 (Q4 FY25). Unless noted otherwise, all figures are presented in US\$ and January 2025 to December 2025 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.

Q4 FY25 Highlights:

- **Revenue of \$73.4 million, +10% vs prior corresponding period (pcp), +33% vs Q3 FY25**
- **Underlying EBITDA¹ (before FX) of \$13.3 million, +182% vs pcp, and a \$12.3 million improvement on prior quarter**
- **Ongoing pleasing performance achieved by Appen China, reflected by:**
 - Quarterly revenue of \$32.0 million, +81% vs pcp;
 - Annualised revenue run-rate exceeding \$135 million in December; and
 - Expansion of quarterly underlying EBITDA¹ to \$4.3 million, the seventh consecutive quarter of standalone positive underlying EBITDA¹
- **Strong quarter for Appen Global driven by expansion of generative AI related projects:**
 - Quarterly revenue of \$41.4 million, +56% vs Q3 FY25, -16% vs pcp; and
 - Quarterly underlying EBITDA of \$10.2, +80% vs pcp, reflecting expanded margins from increase in generative AI projects, and cost efficiencies
- **Successfully executed against ~\$10 million annualised cost efficiency target**
 - Achieved through execution of technology innovation and automation
- **Strong cash balance at 31 December 2025: \$59.8 million (A\$89.5 million²)**

Commenting on the performance for the quarter, Appen's CEO & Managing Director Ryan Kolln said, "Q4 was a strong finish to the year for both our China and Global businesses. Appen China exited the quarter with an annualised revenue run-rate growing to over \$135 million – a pleasing result, providing strong momentum heading into FY26. In addition to the significant revenue growth, our China business also

¹ Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.

² Converted at 31 December 2025 exchange rate of 0.6681.

expanded underlying EBITDA profitability on the previous quarter by \$1.0 million to \$4.3 million, reflecting gross margin expansion and operating leverage as the business continues to scale."

"The Appen Global division continues to improve as the business has executed against its turnaround strategy in a highly dynamic market. Q4 delivered a pleasing 56% revenue growth compared to the prior quarter and underlying EBITDA of \$10.2 million - a significant improvement on Q3 and pcp. Growth was driven by new project wins, including the previously announced \$10 million+ generative AI opportunity that has grown faster than expected and has continued into FY26."

"With the progress we continue to make, we are confident that Appen is well positioned to capture growth at a global scale as AI adoption deepens across consumer, enterprise and emerging applications.

"With a strong balance sheet and a dedication to delivering quality data at speed we are well positioned for sustained profitable growth. We maintain our focus on revenue growth and ongoing underlying EBITDA profitability."

Financial and Operating Performance³

Summary

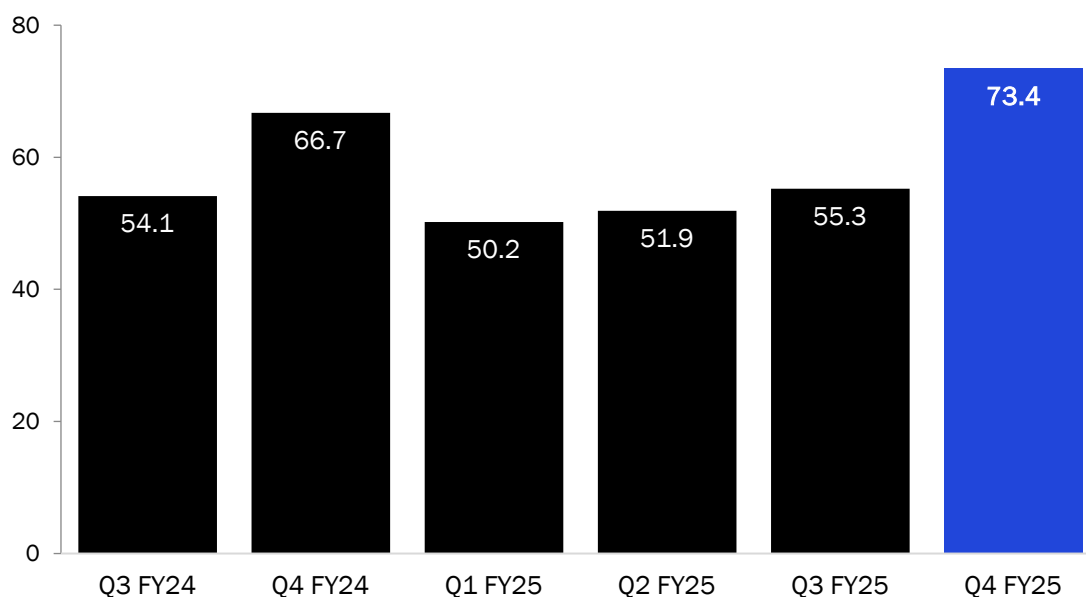
	Q4 FY25	Q4 FY24	YoY change	FY25	FY24	YoY change
Revenue adjusted ⁴	73.4	66.7	10.0%	230.8	220.9	4.5%
Revenue	73.4	66.7	10.0%	230.8	234.3	-1.5%
Gross Margin % ⁵	45.6%	40.3%	530 bps	40.3%	39.3%	100 bps
Underlying EBITDA (before FX)	13.3	4.7	182.4%	12.2	3.5	250.8%

³ Numbers presented may not add due to rounding. Percentages presented are actual and not calculated on rounded US\$ m. As noted above, FY25 financial information remains unaudited and subject to change.

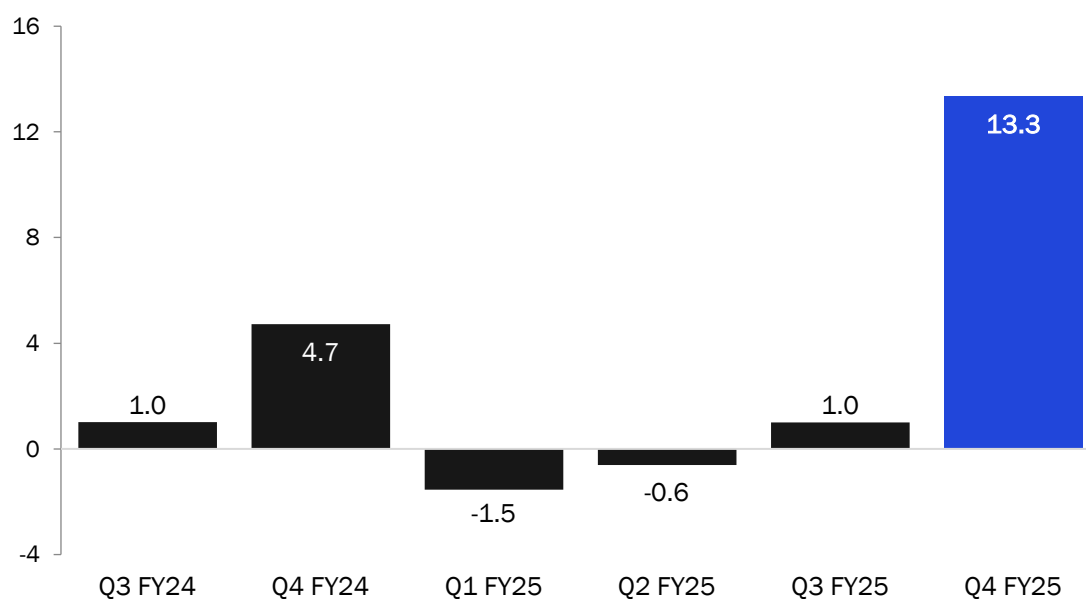
⁴ Excludes the FY24 impact of Google contract termination.

⁵ Gross margin refers to revenue less crowd expenses.

Group Revenue



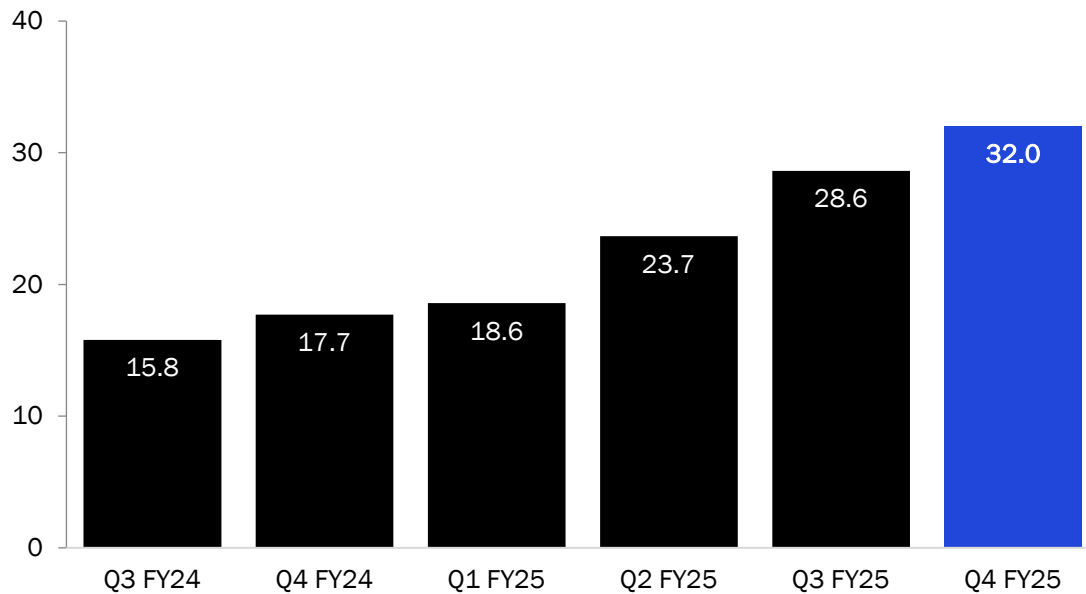
Group Underlying EBITDA (before FX)



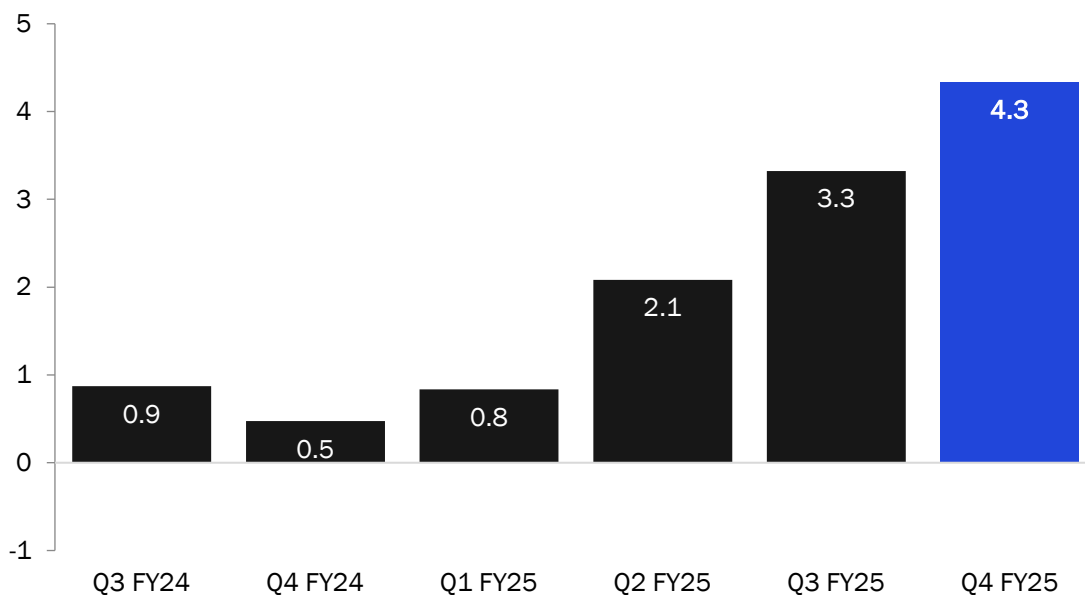
Notes related to financial and operating performance

Appen China

Appen China Revenue



Appen China Underlying EBITDA (before FX)

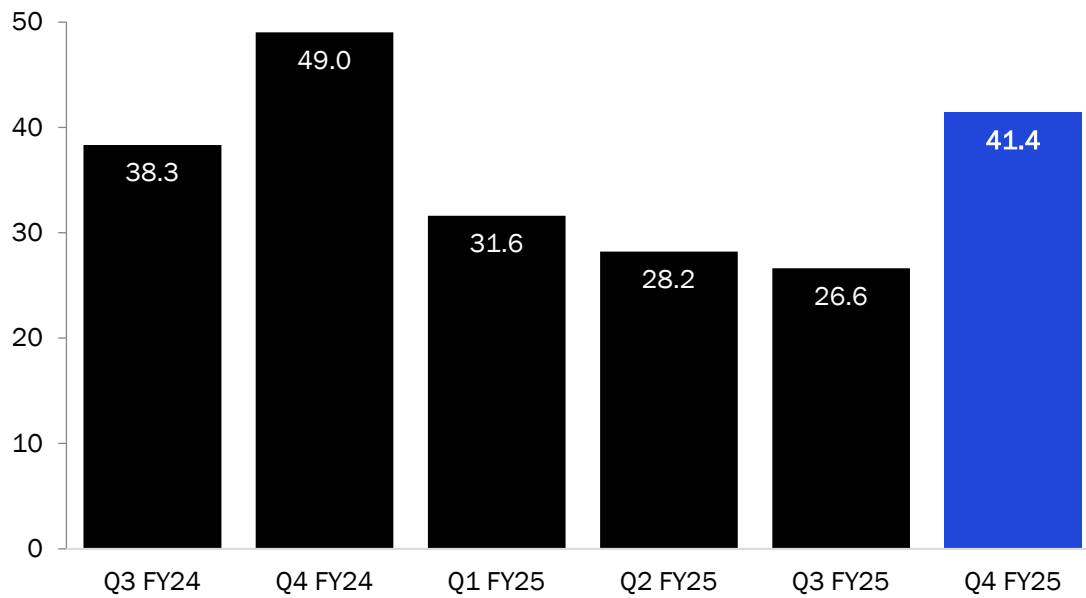


Appen China continued to perform well during the December quarter, delivering strong revenue growth (+ 81% vs pc). The China business exited the quarter with an annualised run-rate for December exceeding \$135 million. Additionally, it achieved underlying EBITDA of \$4.3 million in Q4 (+ 817% vs pc), reflecting 13.5% quarterly EBITDA margin. This quarter also marked the seventh consecutive quarter of positive EBITDA in the China business, and a \$1 million improvement on the prior quarter.

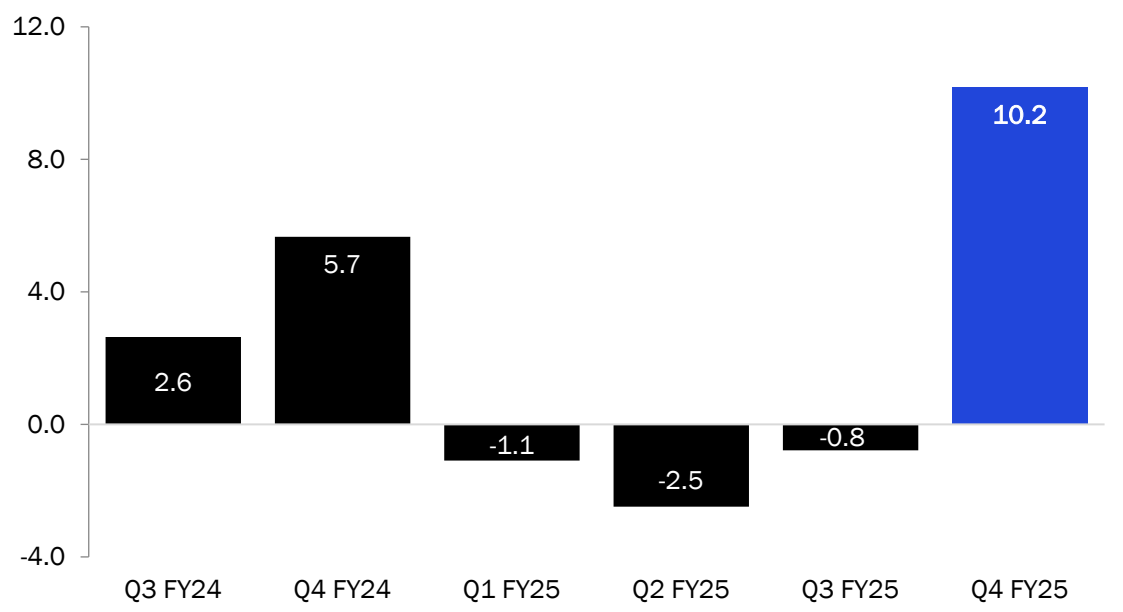
Revenue growth for Appen China continues to be driven by generative AI related projects, including supporting international expansion for Chinese technology companies. EBITDA margin improvement is driven by a greater mix of higher-margin generative AI projects and increased revenue from high-margin prebuilt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

Appen Global

Appen Global Revenue



Appen Global Underlying EBITDA (before FX)



Appen Global's December quarter was strong, delivering revenue of \$41.4 million, being 56% growth compared to the prior quarter (- 16% vs pcp). Revenue growth on the prior quarter was driven by new project wins, including the previously announced \$10 million+ generative AI opportunity that has grown faster than expected and has continued into FY26.

Underlying EBITDA of \$10.2 million grew 80% vs pcp (EBITDA margin: 24.6%). EBITDA margin improvement was driven by an increase in higher margin generative AI projects and partial benefits in relation to the execution of the previously announced ~\$10 million annualised cost efficiencies. The cost efficiencies were achieved through execution of the technology innovation and automation strategy. Importantly, these efficiencies are net of talent upgrades required to increase technical expertise. In addition to these cost efficiencies, the remainder of the previously announced ~\$4 million annualised cost out in relation to investment in the US Government division, was completed in Q4 FY25.

Operating and reporting segments

Appen has updated its operating segments for the year ended 31 December 2025 and is reflected in the financial information above.

- **Appen Global:** this segment represents all operations outside of the China Group. Corporate unallocated costs are not included in this segment.
- **Appen China:** this segment represents the China Group operations and includes Japan and Korea.

Notes related to cash balance

Cash on hand as at 31 December 2025 was \$59.8 million, up \$8.9 million from \$50.9 million at 30 September 2025.

Net cash from operating activities was \$14.7 million for the quarter, compared to \$4.9 million used in operating activities in Q3 FY25. Improvement driven by customer receipts as well as Q3 including large supplier payments for annual contracts. FY25 cash from operating activities was \$23.0 million.

Staff costs includes employed direct project workers (crowd expenses). This amount was \$8.8 million for the quarter, up from \$7.7 million in Q3 FY25. The increase aligns with revenue growth for projects requiring employed project workers.

Net cash used in investing activities was \$4.9 million for the quarter, a small increase compared to Q3 FY25 driven by expansion of facilities for Appen China. \$3.2 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.

For further information, please contact:

Ryan Kolln
CEO

Justin Miles
CFO

Sam Wells
NWR Communications

investorrelations@appen.com

+612 9468 6300

sam@nwrcommunications.com.au

+61 427 630 152

About Appen

Appen is a global market leader in data for the AI Lifecycle. With over 29 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 languages⁶, in over 200 countries⁷, 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.

⁶ Self-reported.

⁷ 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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	73,359	246,672
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(29,868)	(112,775)
(c) advertising and marketing	(309)	(1,349)
(d) leased assets	-	-
(e) staff costs	(20,836)	(84,360)
(f) administration and corporate costs	(6,031)	(25,988)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	130	773
1.5 Interest and other costs of finance paid	(2)	(9)
1.6 Income taxes (paid) / received	(1,744)	3
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	14,699	22,967
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,721)	(4,029)
(d) investments	-	-
(e) intellectual property	(3,221)	(12,608)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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	(4,942)	(16,637)

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	(1,332)	(4,848)
3.10	Net cash from / (used in) financing activities	(1,332)	(4,848)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	50,912	54,809
4.2	Net cash from operating activities (item 1.9 above)	14,699	22,967
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,942)	(16,637)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,332)	(4,848)
4.5	Effect of movement in exchange rates on cash held	487	3,534
4.6	Cash and cash equivalents at end of period	59,824	59,825

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	45,387	34,558
5.2	Call deposits	14,437	16,354
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)	59,824	50,912

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	295
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)	14,699
8.2	Cash and cash equivalents at quarter end (item 4.6)	59,824
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	59,824
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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 January 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.