



**ASX Release**  
25 February 2026

## Annual Report

Appen Limited (**Appen**) (ASX:APX) is pleased to release its Annual Report for the year ended 31 December 2025.

**Authorised for release by the Board of Appen Limited.**

**For further information, please contact:**

Investor Relations  
[investorrelations@appen.com](mailto:investorrelations@appen.com)  
+612 9468 6300

### 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 languages<sup>1</sup>, in over 200 countries<sup>2</sup>, 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.

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<sup>1</sup> Self-reported.

<sup>2</sup> Self-reported, includes territories.



# Appen

2025 Annual Report

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Appen Limited  
ABN 60 138 878 298

All amounts in this report are in United States (US) dollars unless otherwise stated.

# About this report

This Annual Report combines our financial and non-financial performance, linking environmental, social and governance matters to our strategy and business performance. In preparing our Annual Report, we have used the International Integrated Reporting Council (IIRC) Framework, the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) to guide our disclosures on how Appen creates value for shareholders and which topics are most material to our business. Underlying results are alternative measures to those recommended under International Financial Reporting Standards (IFRS) and are used by management to assess the underlying performance of the business. Underlying results have been derived from statutory measures contained in the financial statements but have not been subject to audit. A reconciliation between statutory and underlying results is detailed on [page 30](#) of this report.

## Sustainable Development goals

We support the United Nations' Sustainable Development Goals (SDGs), and by doing our part to contribute to the success of the SDGs we believe we can help contribute to a more sustainable future. On [page 123](#) we have identified five SDGs as priority SDGs where we believe we can best contribute.

## Reporting currency

Appen reports its financial results in United States (US) dollars.

## Forward-looking statements

This report contains forward-looking statements. These statements involve subjective judgement and analysis and are subject to significant uncertainties, risks, and contingencies, many of which are outside the control of Appen. In particular, they speak only as of the date of this report, they are based on particular events, conditions or circumstances stated in the materials, they assume the success of Appen's business strategies, and they are subject to significant regulatory, business, competitive, currency and economic uncertainties and risks. Except as required by applicable regulations or by law, Appen does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance.

## Material issues

A matter is considered material if senior management and the board believe it could significantly impact the value created and delivered in the short, medium, and long term. We identify and capture material issues through stakeholder engagement and our annual risk and materiality assessment. The outcome of these processes and our material issues are described on [page 122](#).

## Operating and Financial Review

The sections of this report from [pages 6 to 43](#) titled the Chair message, CEO message, How we create value, Identifying and managing risk and Our approach to governance, comprise our Operating and financial review (OFR), and form part of the Directors' report.



# Real world AI

transforming the lives of  
our customers and crowd

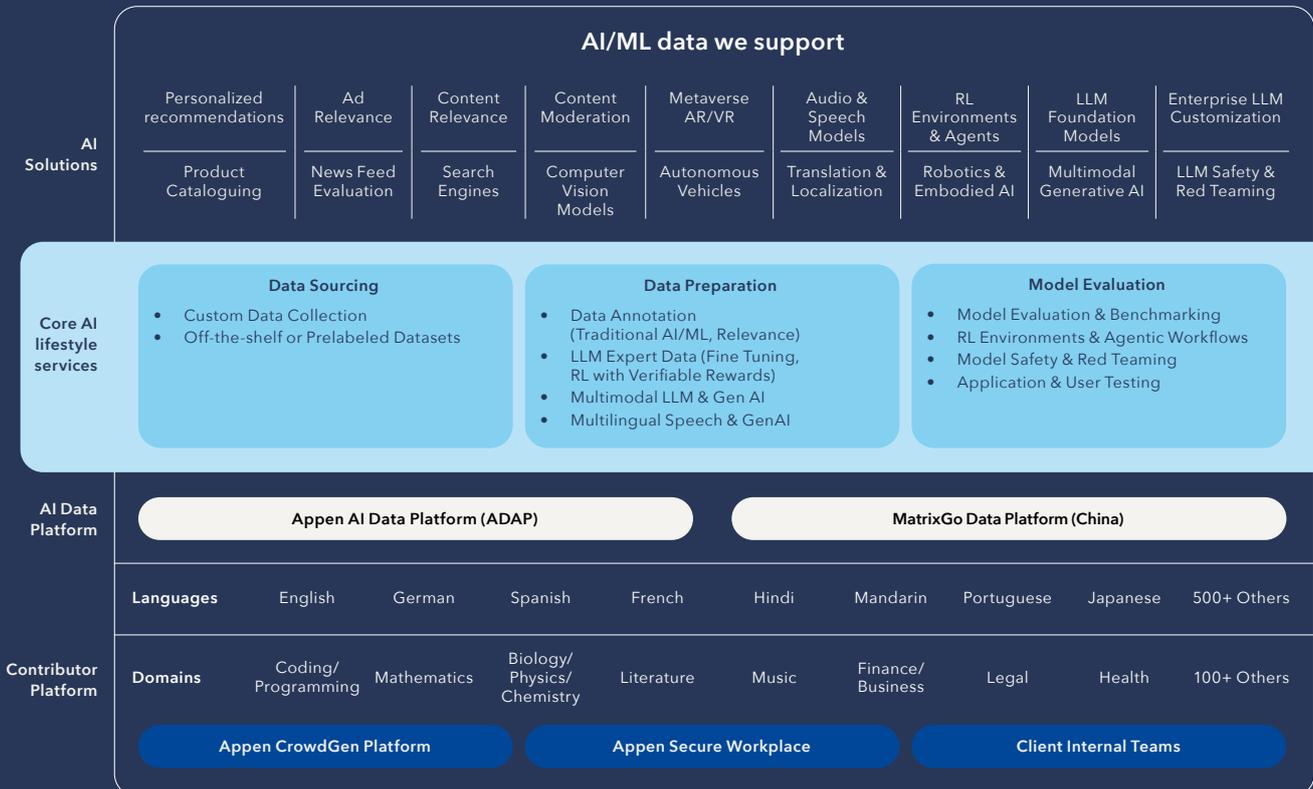
# About Appen

Appen is a global market leader in data solutions for the AI industry, powering cutting-edge frontier generative AI and deep learning models. With almost three decades of experience in data sourcing, data annotation, and model evaluation with human experts, Appen specialises in developing custom high-quality data for training, fine-tuning, and deploying world class AI models and applications.

Our expertise includes a team of AI data experts with deep experience in the AI industry who partner closely with customers to deliver data solutions. We are supported by a global crowd of more than 1 million experts in over 200 countries<sup>1</sup>, who speak over 500 languages<sup>2</sup>, and cover over 100 domain specialisations. Combined with our advanced AI-assisted data annotation platform, our products and services serve the world's leading LLM foundation model builders as well as leading technology companies and enterprises developing cutting-edge AI applications.

In 2025, Appen continued its focus on capturing growth in the Large Language Model (LLM) and generative AI space, successfully breaking into growing market segments, such as multimodal LLMs and agents. Additionally, with the increasing maturity of generative AI applications, Appen successfully leverages its long-standing capabilities in deep learning models to support new projects focused on AI productisation in global markets.

## Appen AI data solutions



1 Self-reported, includes territories.

2 Self-reported.

# Actions to Win

Appen's Actions to Win represent our core values and serve as our North Star in the ways we work, interact, and operate. Every team member is encouraged to embody these principles as we build, innovate and deliver together for our customers.



## Own the Outcome

We are swift, decisive, and accountable



## Take the Big Step

We boldly challenge limits and drive lasting change



## Think Like Our Customers

We envision the future through our customers' eyes



## Empower the Collective

"We" before "me" unlocks the full power of our shared potential



## Get Deep in the Problem

We dig past the surface to solve what truly matters



## Be the Expert

We master our craft, share our knowledge, and never stop learning

# 2025 at a glance

## Financial (US\$M)

Operating  
revenue

**\$230.8M**

↑ 4.5%<sup>1</sup> from \$220.9M in FY24

Underlying EBITDA  
before FX

**\$12.2M**

↑ 250.8% from \$3.5M in FY24

Underlying  
EBITDA

**\$12.6M**

↑ 60.8% from \$7.8M in FY24

Cash balance

**\$59.8M**

compared to \$54.8M at 31 Dec 24

Cash from  
operating activities

**\$23.0M**

compared to \$0.7M outflow in FY24

Underlying NPAT

**\$(10.3)M**

compared to \$(10.5)M in FY24

## Customers

 **68**

Customer NPS

↑ from 57 in FY24

 **33%**

Revenue from GenAI

↑ from 22% in FY24

 **75%**

Appen China revenue growth

↑ to \$102.9M from \$58.9M in FY24

<sup>1</sup> Excludes the FY24 impact of Google contract termination.

### People



**83%**

Employee engagement

↑ from 79% in FY24



**50%**

Female representation on our board



**54%**

Female representation amongst our senior leadership

### Our crowd, social & environment

**22**

Crowd NPS

↓ from 33 in FY24

**Ethical AI**

Through our crowd code of ethics

**Global**

Ethical & Modern Slavery Policy

**Net Zero**

by 2030

### Technology

**\$19.0M**

in product development

**99.9%**

uptime across all platforms

**Nil**

reported material data breaches

# Returning to profitable growth



**2025 was a pivotal year for Appen, driven by generative AI as a key growth engine. Disciplined cost management and sharpened focus on execution have resulted in improved growth and profitability throughout the year. With a positive market outlook and a strong foundation, Appen is ready to seize future opportunities and deliver long-term value for shareholders.**

## Improved financial performance

For the 2025 financial year, Appen announced operating revenue of \$230.8 million, 4.5% growth compared to the prior year<sup>1</sup> and underlying EBITDA (before fx) of \$12.2 million, an increase of 251%.

Pleasingly, Appen China annual revenue grew 75% to \$102.9 million, largely due to generative AI opportunities, and reported underlying EBITDA (before fx) of \$10.6 million, a 640% improvement on the prior year.

Due to a slower than expected start to the year, Appen Global revenue declined 21%<sup>1</sup> from 2024 to \$127.9 million. However, management action to control costs and improve gross margins resulted in a positive underlying EBITDA (before fx) of \$5.8 million for the division.

Appen experienced strong profitability in Q4 with underlying EBITDA (before fx) of \$13.3 million up 182% compared to Q4 2024.

At the end of the year, Appen had \$59.8 million (equivalent to A\$89.5 million<sup>2</sup>) in cash.

Once again, the Board made the decision not to declare an interim or final dividend in 2025 to ensure an appropriate allocation of capital.

## Strategy and growth

The Board's priority is to guide Appen through an ever-changing operating environment and assist management in implementing the company's strategy. We remained focused on maximising growth while managing costs. Revenue from generative AI grew considerably while we continued our cost discipline, enabled by AI which allowed the automation of many repeatable functions. We have also doubled down on prioritising impact for customers with key recruits that strengthened our delivery and go-to-market teams. This has all resulted in a stronger Appen.

<sup>1</sup> Excludes the FY24 impact of Google contract termination.

<sup>2</sup> Converted at 31 December 2025 exchange rate of 0.6681.



## Board governance

I am honoured to have been appointed chair of the board of Appen on 1 January 2026, having served on the board since 2020. I wish to thank Richard Freudenstein for his support during the transition and for his stewardship, leadership and significant contribution to the company over the last few years. Richard retired from his role as independent Director and Non-Executive Chair of Appen on 31 December 2025 to focus on his other board commitments. He was appointed Non-Executive Chair in 2021, during a period of significant change for the company amidst a challenging operating environment. In his tenure, he oversaw a period of strategic transformation, repositioning Appen to better capture the high-growth markets and establishing a stronger foundation for future growth. We wish Richard all the best in his future endeavours.

Mini Peiris also retired from the Board in 2025 due to increasing demands of her executive role in the United States, having joined the Appen board in 2023. I also thank Mini for her valuable contributions to the company and wish her well in the future.

## Executive remuneration

Appen's remuneration framework is designed to motivate our people to deliver and achieve annual business plans and long-term growth objectives and strategy. The goal is to ensure the level and composition of remuneration aligns with shareholder interests and allows Appen to compete in some of the tightest markets in the world.

I would encourage shareholders to read the remuneration report which includes the 2025 remuneration outcomes, commencing on [page 53](#).

## Sustainable operations

Our commitment to our stakeholders including our crowd, our customers and people remain as strong as ever.

The high ethical treatment of our crowd remains a key priority. We stand by our commitment to the crowd as defined in our Crowd Code of Conduct, and our Global Ethical Sourcing and Modern Slavery Policy.

Promoting a diverse and inclusive culture across all aspects of Appen's business has been a long-held priority. In 2025 Appen achieved 58% female representation among its employees. We maintained female representation of 50% among directors, and female representation among the senior leadership team was 54%.

## Outlook

We are pleased with the progress made throughout 2025, particularly with the strong end to the year. This reflects how hard our team has worked on focussed execution, and I wish to thank them for their dedication to our customers and crowd.

The opportunity ahead for Appen is significant, largely driven by the potential of generative AI opportunities and the increasing demand for high quality data to train, validate and localise models. I am confident that Appen is well placed to continue its growth trajectory.

We are committed to improving the company's performance and delivering long term value for shareholders. On behalf of the board, I sincerely thank shareholders for your ongoing support.

**VANESSA LIU**  
Non-Executive Chair

# Evolving Appen for a stronger future



**Appen continues as a major provider of high quality data for the world's leading AI models. In 2025 we saw durable improvements to the business, both in terms of new project wins in generative AI, operational efficiencies and revenue trajectory throughout the year. Appen is well positioned to continue to grow across both Appen China and Appen Global divisions.**

## **Market opportunity: The AI revolution**

Demand for Appen's services is being driven by several powerful AI megatrends that are accelerating simultaneously.

As consumer AI products globalise, particularly across digital advertising and recommendation ecosystems, models must operate effectively across languages, cultures and regulatory environments. This drives sustained demand for high-quality human data to localise, evaluate and align these systems at scale.

Enterprise AI adoption is expanding rapidly as organisations embed generative and predictive models into core workflows, unlocking trillions of dollars of potential economic value. This requires expert-human data to incorporate domain and enterprise context into AI models.

New AI form factors and applications, including humanoid and industrial robotics, are beginning to emerge, creating incremental demand for human data to train, test and validate models that interact with the physical world.

Across all of these trends, the common denominator is that data requirements scale with model deployment, reinforcing the long-term structural demand for Appen's human data as AI systems move from experimentation to global, real-world use.

## **2025: Focused execution**

2025 was about focused execution across Appen.

For Appen China, the focus was to continue capturing growth in the China AI market and improving profitability as we scale. This involved investment in the team and facility footprint as we expanded accounts and added new customers. We saw strong growth in domain-expert and multi-modal data requirements, along with supporting international expansion for Chinese tech customers. The team executed well to transition from more traditional data annotation projects like autonomous driving to the high-growth areas of Generative AI. Appen China maintained tight cost controls to capture operating leverage as revenue grew.

For Appen Global, we continue to reinvent the business to compete in a highly dynamic market. A major focus was to grow our talent to meet the increasingly technical requirements from our customers. We added over 20 new team members from the ecosystem to compliment our existing expertise, with focus on project delivery and go-to-market teams. We also focused strongly on tech-enabled operational efficiencies. We continued to strengthen operational discipline and optimise the cost base, taking \$10 million out of the Appen Global business in 2025 net of new talent additions. The disciplined execution led to major projects wins in generative AI along with supporting innovative new data approaches with frontier AI labs.

## 2025 financial outcomes

Full-year operating revenue for 2025 was \$230.8 million, reflecting a decline of 1.5% compared to 2024, inclusive of revenue from Google in 2024. However, when excluding Google, revenue grew 4.5% year-over-year.

Quarterly performance showed consistent improvement throughout the year, with Q4 being the highest quarterly underlying EBITDA result since 2021. Generative AI projects emerged as a key growth driver, contributing 44.1% of total revenue in Q4, up from 34.8% in the prior corresponding period. The greater mix of generative AI work has a positive impact on gross margins, with Q4 gross margin reaching 45%.

Cost optimisation was a strong focus in 2025. We successfully executed against a \$10 million cost reduction program, largely through technology enabled efficiencies. We also sharpened our customer focus which resulted in winding back investment in our Federal division, resulting in a further ~\$4 million annualised OPEX reduction.

The combination of revenue growth, increasing gross margins, and tight cost controls results in continued EBITDA growth. We improved underlying EBITDA (before fx) by 251% from \$3.5 million in 2024 to \$12.2 million in 2025. Q4 was a standout result, with \$13.3 million underlying EBITDA (before fx), equivalent to a 18.2% EBITDA margin.

At the divisional level, we saw improvement throughout the year for both Appen Global and Appen China. Appen China had another strong year of revenue growth, reaching \$102.9 million revenue, up 75% on 2024.

Revenue continued to grow throughout the year, with Q4 revenue reaching a record \$32.0 million. A combination of improving gross margins and scaling efficiencies led to increasing profitability. Underlying EBITDA (before fx) for the division reached \$10.6 million for 2025, up 640% on 2024. We continue as the largest AI data company in China, with run-rate revenue more than double that of our nearest competitor, and a primed for continued profitable growth in 2026.

Appen Global had a strong finish to 2025 following a soft start to the year. For the full year, revenue was \$127.9 million, down 21%<sup>1</sup> on 2024. Revenue improved in Q4 driven by new projects wins, including a large generative AI project that expanded quickly. We ended the year with a positive \$5.8 million underlying EBITDA (before FX) for the division. Due to Q4 growth in generative AI related projects and operational efficiencies, we delivered \$10.2 million underlying EBITDA (before FX) in Q4, equivalent to 24.6% EBITDA margin.

<sup>1</sup> Excludes the FY24 impact of Google contract termination.

<sup>2</sup> Converted at 31 December 2025 exchange rate of 0.6681.

## Balance sheet health

Appen continues to maintain a healthy balance sheet. Our year-end cash balance was \$59.8 million (equivalent to A\$89.5 million<sup>2</sup>), ensuring we are well-positioned to pursue growth opportunities and navigate market dynamics.

## Strategic focus for 2026

In 2026, our focus is centred on four tightly linked priorities that are designed to drive sustainable growth and improve the quality and resilience of our earnings.

First, we are maintaining a relentless emphasis on data quality as the north star for the business, embedding higher standards across our operations, technology platforms and talent base to ensure we deliver consistently trusted outcomes for customers.

Second, we are sharpening our go-to-market execution to prioritise customer growth in segments with the greatest long-term account potential, particularly hyperscalers and foundation model builders, where demand for high-quality human data is both deep and enduring.

Third, we are expanding into new data segments by working closely with customers to co-innovate across emerging data modalities and techniques, enabling us to participate earlier in the lifecycle of new AI use cases.

Finally, we are continuing to drive technology-led operational efficiency, leveraging automation and platform improvements to scale the business more effectively while improving margins and cash discipline.

## Looking ahead

Appen enters the next phase of growth from a position of strength. We have a deep and proven track record supporting the globalisation of consumer-facing AI models, an area where the next wave of large-scale data demand is emerging and where newer competitors often struggle to operate at global scale.

We hold a leading and differentiated position in China, the world's second-largest AI market, where we are the vendor of choice for many leading AI companies.

We are combining our 30-year legacy of human data expertise with modern, scalable technology platforms that are built to adapt as customer requirements evolve.

Together, these strengths give us confidence that Appen is well positioned to capture growth at a global scale as AI adoption deepens across consumer, enterprise and emerging applications.



**RYAN KOLLN**  
CEO and Managing Director

# How we create value

Value Driver	Principal risks	How we deliver value
 <p><b>Technology, processes systems</b></p>	<ul style="list-style-type: none"> <li>Investment in technology, innovation and transformation</li> <li>Compliance with security, privacy and other data regulations</li> </ul>	<ul style="list-style-type: none"> <li>Through our technology and innovative solutions, we look to streamline and automate processes so we can deliver high-quality AI training data at scale</li> <li>Our engineering, privacy, and cyber security teams work to ensure that data availability targets are met, and data is protected and secure</li> </ul>
 <p><b>Global crowd</b></p>	<ul style="list-style-type: none"> <li>Crowd conditions</li> <li>Crowd supply meets customer demand</li> </ul>	<ul style="list-style-type: none"> <li>We are committed to treating our crowd fairly in accordance with our Crowd Code of Ethics</li> <li><a href="#">Whistleblower and Speak Up Policy</a> is available to support crowd grievances</li> </ul>
 <p><b>Social and environment</b></p>	<ul style="list-style-type: none"> <li>Compliance with legal, statutory and ethical obligations</li> <li>Environmental, social and governance (ESG) risks and performance</li> </ul>	<ul style="list-style-type: none"> <li>We are taking steps to reduce the impact of our operations on the environment</li> <li>Our platform removes traditional barriers to work and increases global participation and representation in the development of emerging technologies</li> <li>We are committed to achieving fair AI and creating responsible AI standards</li> </ul>
 <p><b>Customer and brand</b></p>	<ul style="list-style-type: none"> <li>Changing customer strategy and needs</li> <li>Ability to execute on operational requirements</li> </ul>	<ul style="list-style-type: none"> <li>We deliver high-quality data at speed for our customers and provide a superior customer experience</li> <li>Our LLM capabilities provide solutions for customers across the core AI data lifecycle (data sourcing, data preparation, model evaluation)</li> <li>Constantly monitoring relevant market and customer trends to meet the evolving needs of customers</li> </ul>
 <p><b>Our people</b></p>	<ul style="list-style-type: none"> <li>Talent strategy and employee value proposition</li> <li>Managing a culture of growth through change</li> </ul>	<ul style="list-style-type: none"> <li>By focusing on making Appen a great place to work and creating a culture where our people can thrive, grow and feel valued</li> <li>Investing in our people and HR systems to build a workforce for the future and optimise the employee experience</li> <li>Embedding diversity principles across our business via our Diversity and Inclusion policy</li> </ul>
 <p><b>Financial</b></p>	<ul style="list-style-type: none"> <li>Strategic direction of the business</li> <li>Financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>We aim to grow the business and to deliver increased revenue and earnings to support returns for shareholders</li> <li>Capture the potential of generative AI</li> </ul>

To deliver on our focus to deliver great outcomes and experiences for our customers and promote responsible and ethical AI, we draw on our technology, scale and flexibility of our Crowd, and deep expertise. We offer our customers highly flexible offerings - from fully tailored solutions to pre-labelled datasets and LLM solutions. We have a strong track record of AI deployment across many data types and a proven ability to meet production needs that achieve high benchmarks for data quality. The outcomes delivered for each value driver determines our ability to create value for our stakeholders - including Our Crowd, Our customers, Our people, shareholders, and the community more broadly. Even though we conduct our work with an innovative mindset and embrace new ways of doing things, our decisions are always supported by a disciplined approach to governance and risk management. We support the United Nations' Sustainable Development Goals (SDGs). By doing our part to contribute to the success of these goals we believe we can help contribute to a more sustainable future and create value for our stakeholders. We have identified the following six core priority SDGs where we believe we can best contribute.

## Creating and measuring value

## SDGs

- Invested \$19.0 million in technology and systems, including enhancements to ADAP and CrowdGen to support LLM products, and better support our crowd and customers
- Further development of China MatrixGo platform releasing many new features enhancing the capabilities of annotation tools, and improved user experience and crowd management
- Met or exceeded 99.9% uptime across all our platforms
- Maintained certification for ISO 27001 and SOC 2



[Pages 12-14](#)

- We provided flexible, work-from-home opportunities to our global crowd of one million+ contractors
- We help make AI ethical and fair through our Crowd Code of Ethics
- Enhanced crowd experience with the continued improvement of CrowdGen a next-generation crowd management platform
- Prioritisation of health and wellbeing via wellness resources, counselling services, and flexible work options



[Pages 15-20](#)

- Continued disclosure of scopes 1,2 and 3 and commenced work on assuring the data
- Continued implementation of our Net Zero Roadmap and working towards net zero emissions across operations by 2030



[Pages 15-20](#)

- Improved customer satisfaction with a significant uplift in our Net Promoter Score
- Enhanced the customer experience through the launch of many new ADAP features



[Pages 21-23](#)

- We have a target of 30% female representation of women in senior management positions and on the board. We exceeded this target at board level
- Continue to respond to employee feedback to drive future engagement scores higher



[Pages 24-26](#)

- Improved EBITDA profitability in 2025 as a result of revenue growth and tight cost controls
- Decided not to declare a dividend to ensure an appropriate allocation of capital



[Pages 27-30](#)

# Technology processes and systems



**\$19.0M**

in product development

**99.9%**

uptime met or exceeded across all platforms

Priority SDG



Appen's technology processes and systems continue to deliver AI training data at global scale. We leverage advanced tools, workflows, and quality frameworks to source, prepare, and evaluate data across a wide range of AI use cases. Our platforms support both deep learning and large language model (LLM) development, enabling customers to fine-tune, evaluate, and deploy AI models with confidence.

During FY25, we continued to invest in platform stability, scalability, and automation to meet growing customer demand for complex generative AI and multimodal data programs. These investments strengthened our ability to deliver high-quality datasets efficiently while maintaining rigorous standards for security, privacy, and reliability.

Our technology ecosystem comprises three major platforms:

- **CrowdGen**, the interface for our global crowd workforce to discover work, apply and qualify for projects, and manage accounts and payments.
- **Mercury**, the backend system used to design projects, manage the crowd workforce, and automate operational workflows.
- **AI Data Platform (ADAP)**, which enables internal teams and external customers to design, manage, and execute human annotation and evaluation tasks.

Separately, Appen China's ecosystem includes:

- **MatrixGo**, the core platform supporting data collection and annotation services along with AI-assisted data processing, crowdsourcing and supplier management.
- **Elite AI**, the expert crowdsourcing platform enables expert recruitment, task publishing, and campaign referral expansion for user acquisition.
- **Customised platforms & applications** enable high-quality annotation and data collection (MediGo – medical LLM and image annotation, RoboGo – embodied intelligence, Appen Task – mobile data collection application).

Together, these platforms provide a flexible, scalable foundation to support evolving customer requirements across generative AI, deep learning, and traditional machine learning programs.



## Product development

Following the successful replatforming completed in FY24, FY25 focused on optimising, scaling, and extending Appen's core platforms. CrowdGen and Mercury are now fully embedded across the business, supporting improved operational efficiency, enhanced workforce engagement, and increased automation throughout the project lifecycle.

### CrowdGen and Mercury

In FY25, enhancements to CrowdGen and Mercury concentrated on improving workforce experience, increasing automation, and deepening operational insights. Key focus areas included:

- Expanded workflow automation to reduce manual project setup and management effort.
- Enhanced workforce profiling and segmentation to improve task matching and quality outcomes.
- Improved reporting and analytics to provide greater visibility into workforce performance and project execution.
- Continued optimisation of system performance and scalability to support fluctuations in demand.

These enhancements have contributed to improved delivery timelines, higher workforce engagement, and more consistent customer outcomes.

### AI Data Platform (ADAP)

ADAP remains central to Appen's managed service and technology offerings. In FY25, customer demand for generative AI-related projects continued to drive growth in ADAP utilisation, particularly for complex evaluation, ranking, and multi-turn conversational workflows.

Customers continued to select ADAP over internal annotation tools due to its flexibility, rapid configurability, and ability to support sophisticated generative AI use cases at scale.

Demand for generative AI data services remained strong in FY25, with customers increasingly adopting ADAP to support sophisticated large language model workflows. These programs included multi-turn conversational evaluation, preference ranking, and safety-related assessment, where high-quality human input remains critical. ADAP's configurability and scalability continued to differentiate the platform for enterprise customers seeking to operationalise generative AI at scale.

New and enhanced ADAP capabilities released in FY25 included:

- Expanded generative AI evaluation workflows, supporting more complex multi-turn and multimodal use cases.
- Additional automation and quality assurance capabilities to improve annotation efficiency, consistency, and cost optimisation.
- Enhanced support for audio, image, video, and text annotation workflows, including production-ready audio transcription tooling.
- Improved integration and extensibility through APIs and platform enhancements to support enterprise workflows.

## Appen China

During FY25, Appen China continued to enhance the MatrixGo platform, adding new data annotation capabilities and steadily enhancing the performance of pre-annotation algorithms and interactive annotation functions. In addition to MatrixGo enhancements, the following were delivered in FY25:

- Elite AI platform was released in response to the growing demand for expert annotation resources for LLMs. Core functions include AI interviewing and expert resource tag management.
- MediGo and RoboGo were released, two industry-customised data annotation platforms tailored for the healthcare and robotics sectors respectively.
- GUI Tracker, a data collection tool tailored for GUI Agent training data acquisition.

These developments reinforce Appen China's leadership in delivering high-quality, large-scale annotation services for the local market.

### Investment in product development

In FY25, investment in product development (excluding amortisation) was \$19.0 million, representing 8.2% of revenue. Investment levels reflected a shift from major replatforming activity to targeted enhancements, platform optimisation, and automation initiatives designed to improve operating leverage and long-term scalability.

### Managing and protecting data

Appen manages and protects large volumes of customer and workforce data in line with contractual, regulatory, and industry best-practice requirements. Maintaining customer trust through strong data security, privacy, and governance remains a core priority, particularly as generative AI workloads continue to increase in scale and complexity.

### System and data security

Appen's approach to data security integrates people, processes, and technology. We adhere to internationally recognised standards, including ISO and NIST frameworks, and continuously review and enhance our controls to address emerging threats.

Mandatory security awareness and privacy training is provided annually to all employees. Regular phishing simulations are conducted to reinforce awareness and measure the effectiveness of training programs.

Appen works closely with customers to ensure that data security requirements are met through a combination of platform controls, operational processes, and certified secure environments. Our technology solutions are designed to support a range of customer security expectations, including those with elevated data sensitivity or regulatory requirements.

Customers with elevated security requirements can utilise Appen's ISO 27001-certified secure facilities in the Philippines, the UK, and China.



## FY26 focus

Looking ahead, Appen remains focused on strengthening its technology platforms to support the next phase of AI development. A key priority for FY26 is the expanded use of generative AI and AI-driven capabilities across Appen's platforms to improve quality and speed of delivery, while continuing to enhance scalability and operational efficiency.

Appen will continue to invest in rapid application and use-case development, enabling teams to design, deploy, and iterate production-grade solutions efficiently in response to evolving customer requirements. This includes applying AI-assisted development techniques and standardised platform components to accelerate delivery while maintaining high standards for data quality, reliability, and security.

## Technology, processes and systems

### Data privacy

Data privacy remains embedded in Appen's platform design and operational practices. Engineering, security, and privacy teams collaborate to ensure compliance with applicable regulations, including GDPR, CCPA, and relevant regional privacy legislation.

Mandatory data privacy training is provided annually to all employees. In FY25, there were no material data privacy or security incidents.

### Platform availability, reliability and resilience

Platform availability, reliability, and resilience remain a key focus for Appen's engineering teams. Systems are designed to scale safely in response to changing demand and are operated against strict availability targets.

In FY25, Appen maintained 99.9%<sup>1</sup> uptime across its core platforms, continuing to meet internal availability targets.

### Cyber security

Appen's cyber security risk management framework continues to align with the NIST Cybersecurity Framework, covering identification, protection, detection, response, and recovery.

During FY25:

- Annual third-party penetration testing was completed across key platforms.
- SOC 2 Type 2 attestation was maintained for ADAP and CrowdGen (Mercury).
- ISO 27001:2022 certifications for operational facilities were maintained.
- Regular incident response tabletop exercises were conducted.

Data encryption is applied to all product systems both at rest and in transit. Centralised access controls, including SSO and MFA, remain in place, and security logs are continuously monitored through a SIEM platform. Appen continues to maintain cyber security insurance coverage.

<sup>1</sup> Based on report from third-party website monitoring companies, StatusCake and New Relic.

# Crowd, social and environment



At Appen, our global crowd of more than 1 million skilled contractors who speak over 500 languages<sup>1</sup>, in over 200 countries<sup>2</sup>, combined with our advanced AI data platform are the cornerstone delivering high-quality datasets for our customers. In 2025, we continued to focus on supporting our global crowd as well as continuing to embed sustainability into our operations.

## Ethical AI

through our Crowd  
code of ethics

# 22

Crowd NPS

↓ from 33 in FY24

Priority SDG



### Governance

Our social and environmental frameworks remain underpinned by a steadfast commitment to high standards of corporate governance, ensuring transparency, accountability, and sustainability in all facets of our operations. The Board of Directors provides strategic oversight, while management ensures operational alignment with these principles.

#### Responsibilities of the Board of Directors:

- Evaluating the environmental and social impacts of our business activities and decisions.
- Setting and monitoring adherence to social and environmental standards that align with global best practices.
- Overseeing the management of risks and opportunities related to climate change, biodiversity, and environmental sustainability.
- Approving climate-related disclosures, ensuring transparency and alignment with emerging regulatory requirements.
- Tracking progress against defined goals and targets for climate, social, and governance-related issues.

#### Audit and Risk Management Committee:

- Integrating environmental, social, and governance (ESG) considerations into the company's broader risk framework.
- Reviewing quarterly risk reports to ensure effective management of climate-related and environmental risks.
- Supporting the identification and mitigation of emerging risks, such as supply chain vulnerabilities and compliance gaps in ESG areas.
- Providing recommendations to the Board for continuous improvement in governance and risk oversight.

1 Self-reported.

2 Self-reported, includes territories.

### Good business practice

Good business practice at Appen is defined by ethical leadership, integrity, and responsible decision-making. These principles guide how we interact with stakeholders, manage our workforce, and deliver services to customers.

#### Code of Conduct and ethical standards

- Our Code of Conduct outlines the minimum standards for ethical behaviour, emphasising fairness, respect, and accountability. It applies to all employees, contractors, and business partners.

#### Anti-corruption and anti-bribery

- Our Anti-Corruption and Anti-Bribery Policy reinforces a zero-tolerance approach to bribery and corruption.
- Strictly prohibits the use of corporate funds for political donations or advocacy unrelated to our core mission.
- Mandatory annual compliance training ensures employees are aware of their responsibilities. In FY25, 93% of employees completed this training, compared to 90% in FY24.

#### Human rights, labour, environment, and anti-corruption

We continued to embed a focus on human rights, labour, environment, and anti-corruption into our strategies and operations.

- Human Rights: Risk-based supplier reviews, focusing on compliance with our Global Ethical Sourcing and Modern Slavery Policy.
- Labour: Diversity targets, including 30% female representation in senior management roles.
- Environment: Maintained net-zero emissions roadmap.
- Anti-Corruption: Continued to support our whistleblower hotline that enables anonymous reporting.

#### Training and accountability

To drive accountability across all levels of the organisation:

- Short-term incentives for senior leadership are directly linked to compliance metrics, including training completion rates.
- Mandatory ethical sourcing training for key procurement and supply chain staff.

### Empowering contributors through economic opportunities

Human involvement is not just a stage in AI development – it is its foundation. Keeping humans in the loop ensures that AI systems remain aligned with human values, helping to minimise hallucinations, bias, and toxicity. By embedding diverse human perspectives at every stage of the AI lifecycle, we aim to create systems that augment human potential, solving complex challenges and unlocking opportunities for positive societal impact.

In 2025, we connected hundreds of thousands of contributors in many countries with projects spanning multiple domains, creating a truly borderless workforce. A significant portion of our contributor base resides in emerging markets, where access to remote work opportunities is critical.

### Crowd engagement

In FY25, our Crowd Net Promoter Score (NPS) decreased to 22 from 33, primarily due to project availability and earnings stability during certain periods of the year. This reflects the importance that contributors place on having a steady, reliable source of income. Even though the launch of CrowdGen, our new contributor platform, improved our project matching capabilities and streamlined project onboarding, there is still room to make improvements on managing contributor allocation to projects, particularly where customer requirements may require a high volume of data in a short period of time.

### Championing fair labor practices

The well-being and dignity of our contributors are at the forefront of our efforts to improve the gig economy. We maintain a minimum wage commitment to ensure that all contributors are paid at least the local minimum wage equivalent. This commitment reflects our dedication to promoting fair pay and reducing financial uncertainty.

### Modern slavery and respect for human rights

At Appen, we believe that any form of modern slavery and human rights abuse is unacceptable, and we are committed to playing a proactive role in eradicating these practices. Our commitment is detailed in our Global Ethical Sourcing and Modern Slavery Policy, which outlines our expectations for ethical behaviour across all levels of our supply chain.

This policy reinforces our zero-tolerance stance on forced labor and prioritises fair employment practices, safe working conditions, freedom of association, non-discrimination, and robust whistleblower protections.

### Prioritising contributor health and well-being

In recognition of the challenges that come with gig work, the mental, emotional, and physical health of our contributors remained a top priority by providing access to:

- Wellness programs, including monthly newsletters with tips on resilience, mental health, and stress management
- On-demand access to counselling and wellness services for contributors working on sensitive or high-risk projects, such as content moderation, to safeguard their mental health
- Flexible work options, empowering contributors to balance work with personal responsibilities through project structures that accommodate varying schedules.



## Environmental footprint

Our environmental and climate commitments are outlined in our Environment Position Statement (EPS). This statement reaffirms our dedication to engaging external stakeholders, such as suppliers, clients, and contractors, to reduce our environmental impact. It also ensures transparency in our progress and establishes a governance structure to oversee the management of environmental risks and compliance.

Given the relatively small environmental footprint of our direct operations, our focus remains on minimising the impact of our offices, facilities, travel, and data centre usage by:

- Reducing electricity consumption and increasing the use of renewable energy
- Optimising data centre requirements by collaborating with a cloud provider committed to 100% renewable energy
- Reducing water consumption and waste generation while increasing recycling and reprocessing of used technology equipment
- Minimising travel through enhanced digital collaboration tools
- Partnering with suppliers to pursue sustainable procurement solutions.

## Climate change

We acknowledge the significant risks posed by climate change and are committed to supporting the global transition to net-zero emissions. We have developed a Net Zero Emissions Roadmap to provide actionable pathways toward achieving our targets.

The roadmap, approved by management will be applied across the business, focusing on sustainable energy use, operational efficiency, and targeted supplier engagement.

## Strategy

Our Net Zero Carbon Roadmap outlines key strategic actions to achieve net-zero emissions by 2030 for our broader value chain.

These actions include:

- Operational efficiency for offices
- Better energy management and sourcing renewable energy
- Partner engagement to achieve shared net-zero goals
- Procuring carbon offsets aligned with our values.

Our offset strategy includes:

- Current and forecasted greenhouse gas emissions for Appen
- Scenario modelling and budget planning for offsets
- Criteria for selecting carbon offsets to align with our company.

## Progress

Given the relatively small environmental footprint of our direct operations, the immediate focus on the acceleration of growth for Appen China and the continuation of the turnaround of Appen Global, there was no significant advancements made in 2025. However, the following has been actioned:

### 1. Renewable energy

- Signed 'green' electricity contract for our corporate office in Australia

### 2. Energy efficiency

- Installation of LED lightings in our Philippines' offices

### 3. Sustainable office design

- Closed underutilised office spaces to reduce emissions

### 4. Carbon offsets

- Procured carbon offsets to offset our business travel emissions
- Discussions with customers on best offset strategies to align with their goals

## Outlook

While we are proud of the progress made in 2025, we know there is much more to be done. Our priorities for 2026 include:

### 1. Improving advocacy:

We will strengthen our efforts to amplify contributor voices, ensuring they have a say in shaping the future of the platform.

### 2. Supporting innovation:

By investing in new technologies and platform features, we will create a more seamless, rewarding experience for contributors and customers alike.

### 3. Expanding carbon offset strategy:

Finalising and implementing our offset strategy, ensuring carbon credits are sourced from projects that align with our company values and deliver social and economic benefits beyond emissions reductions.



## Risk management

We assess climate risks through our risk management framework, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Climate risks are incorporated into our Risk Appetite Statement and monitored across all levels of governance, including the Board.

We have conducted a scenario analysis of physical risks affecting our global offices to identify vulnerabilities and inform mitigation strategies. Further details can be found in the section 'TCFD-based Scenario Analysis.'

## Metrics and targets

Our 2025 GHG emissions inventory was completed in accordance with the GHG Protocol, categorising emissions into scopes 1, 2, and 3. While direct operations account for a portion of emissions, the majority stem from our supply chain, including contractors and suppliers.

Source	2025 tCO <sub>2</sub> e	2024 tCO <sub>2</sub> e
<b>Scope 1</b>		
Natural gas	12	283
<b>Scope 2</b>		
Electricity - Location-Based	2,647	1,945
<b>Scope 2</b>		
Electricity - Market-Based	2,622	1,990
<b>Scope 3</b>	11,929	12,509
<b>Total</b>		
<b>Scope 1, 2 &amp; 3 Emissions</b>	<b>14,588</b>	<b>14,737</b>

The reporting boundary for scope 1 and 2 includes all offices globally occupied by Appen employees. Office spaces leased exclusively for the delivery of specific projects on a short-term basis and offices that were operational for less than six months in the reporting period have been excluded from this boundary.

Further details of our GHG inventory, including category breakdown for scope 3 and emissions by geography can be found in Appendix [page 126](#) of the annual report.

## Analysis of risks and opportunities

Our analysis indicates significant opportunities and manageable risks associated with climate change impacts. While the dispersed nature of our operations, suppliers, and customers mitigates certain physical risks, emerging challenges such as evolving customer expectations and regulatory landscapes require ongoing attention.

		Potential Impact	Response
<b>Transition risks</b>	<b>Policy and legal</b>	Customers increasingly expect suppliers to demonstrate environmentally responsible practices and net-zero commitments within their supply chains.	We address these risks by further enhancing energy-efficient operations and reporting on our carbon footprint transparently. Additionally, we align with customer sustainability programs to mutually advance climate goals.
<b>Physical risks</b>	<b>Acute</b>	Offices in regions prone to extreme weather events, such as floods, heatwaves, and wildfires, are at risk of disruptions and damage.	Short-term disruptions are mitigated by leveraging remote working capabilities with minimal business impact.  Business continuity and disaster recovery plans are regularly updated, factoring in the increasing frequency and severity of weather events.
<b>Opportunities</b>	<b>Resource efficiency</b>	Transitioning to resource-efficient processes offers long-term cost reductions, employee satisfaction, and enhanced customer value.	We will expand energy and water efficiency programs across all sites and continuously reviewing operations to identify further efficiency gains.
	<b>Energy source</b>	Utilising lower-emission energy sources reduces exposure to fossil fuel price volatility, potential carbon pricing changes, and enhances reputation.	We will scale our use of renewable energy across operations, focusing on solar, wind, and hydroelectric sources to meet sustainability commitments.
	<b>Products and services</b>	AI innovations that reduce emissions and optimise resource allocation increase demand for high-quality training data.	We anticipate sustained demand for our AI data services, driven by the need for training models supporting climate focused technologies.



### TCFD-based scenario analysis

We have conducted a desktop scenario analysis of the potential physical risks associated with climate change across Appen's global offices. This analysis utilised two scenarios from the Intergovernmental Panel on Climate Change (IPCC):

- Low emissions scenario (RCP 4.5): Represents a 2°C warming scenario.
- High emissions scenario (RCP 8.5): Represents a 4°C warming scenario.

### Physical risks assessed

For each office location, the following risks were analysed under both scenarios:

- **Fires:** Risk of bushfires and wildfires driven by hotter and drier climates.
- **Heatwaves:** Increased frequency and severity of prolonged high temperatures.
- **Drought:** Reduced rainfall and water scarcity due to changing climate patterns.
- **Flooding:** Higher risk of floods from more intense storms and storm surges.
- **Inundation:** Rising sea levels threatening low lying areas.

### Business impacts identified

Key risks included:

- Property damage and potential safety concerns.
- Increased operational costs due to resource scarcity or infrastructure repair.
- Disruptions to supply chains and customer delivery commitments.

### Scenario analysis outcomes

Our analysis shows that heatwaves and drought pose the greatest risk to our global office network, particularly in a high emissions scenario (RCP 8.5).

### Mitigation and adaptation initiatives

In response, we have implemented the following measures:

- **Energy Efficiency:** Installation of LED lighting and efficient HVAC systems in high-risk locations.
- **Water Conservation:** Deployment of water-efficient plumbing fixtures to mitigate drought-related risks.
- **Renewable Energy:** Where possible, transitioned to renewable energy sources, such as solar and wind, for onsite and offsite energy requirements.
- **Disaster Preparedness:** Business continuity and disaster recovery plans to address site-specific risks, including flooding and heatwaves.

By incorporating scenario analysis into our risk management framework, we continue to align our operations with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and ensure resilience against evolving climate risks.

# Customer and brand



At Appen, our focus is to deliver great outcomes and experiences for our customers. As a global market leader and trusted partner, we provide high quality, human centric data to promote responsible and ethical AI.

## 68

Customer NPS

↑ 11 points from 57 in FY24

### Delivering value for customers

Since 1996, we have powered innovative AI applications for global brands including Microsoft, Amazon, Pinterest, Salesforce, Oracle, Adobe and BestBuy. Appen has cultivated trusted partnerships and earned a reputation based on our ability to provide unbiased, high quality, and globally representative data. As the demand for AI continues to grow, we remain committed to our core belief that humans are at the heart of its success.

Our focus is helping our customers improve the performance of their models to create stronger, smarter, and more efficient AI systems for our customers and to help shape a future where human intellect and machine learning seamlessly collaborate.

We believe that the success of our customers lies in their ability to leverage data effectively. Our high-quality human-annotated datasets are essential in training and validating AI algorithms, ultimately leading to more accurate and reliable results.

AI can be a powerful tool for positive change in the world. The work we do for our customers is impactful and we are committed to using our expertise and resources to support initiatives that use AI for social good. From partnering with organisations focused on environmental conservation to supporting projects that promote diversity and inclusion, we are dedicated to making a difference through AI. Our customers value our unwavering focus to promote responsible and ethical AI.

## 33%

Revenue from GenAI projects

### Net promoter score

Our key customer satisfaction measurement tool is Net Promoter Score (NPS). We seek feedback from our customers on a bi-annual basis and monitor NPS across our Global and China clients.

This year customer NPS was 68 up from 57 in FY24. This score was above target and reflected a high level of customer satisfaction with Appen’s service offerings and project delivery. Customers viewed Appen as a reliable, trusted partner, with consistent ability to deliver high-quality data. The improvement was driven by our continued focus on operational excellence with automated, streamlined processes, including benefits from technology innovation to enable higher quality project outcomes. As model iterations evolved rapidly, there was an increased level of partnership between Appen and our customers, and customers recognised our ability to adapt quickly to changing requirements as a strength.

### Priority SDG



## Customer and brand

### High-quality data for Large Language Models (LLMs) and Generative AI

In FY25, generative AI models continued to be a core driver of growth. Appen unlocked new opportunities through its focused LLM data solutions for foundation model builders, which included pre-training data, fine-tuning data to enhance model performance in post training, benchmarking and evaluation data to provide insights into model performance, and red teaming for safety assurance. Collectively, these help companies build more complex and high performing LLMs that provide helpful, harmless, and honest responses while reducing bias and toxicity. As model builders shifted towards multimodal-native models, Appen was able to leverage its breadth of data solutions to expand from text data into multimodal data such as audio and video.

In FY25 our projects included increasingly complex LLM projects, such as multi-step reasoning capabilities and tasks requiring deep domain expertise in programming, coding, STEM, and other domains. In addition, our customers expanded the multilingual capabilities of LLMs in 70+ languages with large programs of work with demographically diverse crowds to address challenges with language and cultural nuances. We also delivered projects involving multimodal data across text, image, documents, audio, and video.

As foundation models mature with high-performance, our customers are increasingly focused on AI productisation and application. In FY25, we extended programs of work from foundation model training data towards large application-centric programs, including B2C and B2B segments. For B2C applications, programs generally require high-volume, scalable crowd models that can ramp up data quickly, usually spanning multiple global markets that are aligned with our customers' end user base. For B2B applications, we manage curated expert crowds to complete more complex tasks, enabled through customisation on our robust ADAP tooling, allowing us to support emerging areas such as multi-turn scenario-based testing, hybrid synthetic data approaches, and agentic training environments.

### Growing and diversifying our customer base

Appen is truly a global business and supports companies that are at the forefront of AI. Our customers include global technology companies, software business that incorporate AI models into their core products, generative AI model builders and enterprise companies that are adopting AI in their products and operations.

1 Excludes Google FY24.

In FY25, our top five customers accounted for 74.3% of revenue, up from 67.3% in FY24.

This year, Appen delivered multiple projects related to generative AI model development and evaluation, for leading model builders, large tech and enterprise customers. These included expansions with existing customers. Generative AI projects included human feedback for general LLMs, specialised domain training data such as code annotation and generation, and multimodal training data for video generation.

Generative AI revenue increased in FY25, up 57%<sup>1</sup> and accounted for 33% of revenue in FY25 up from 22% in FY24. Many projects are delivered using Appen's AI Data Platform (ADAP).

### Taking the industry to new heights

Beyond contributing to the technical growth of the AI industry, Appen plays a significant role in ensuring responsible AI practices. Our dedication to ethical considerations is apparent in every aspect of our work, from strict adherence to privacy and security protocols to regular reviews and updates of our policies.

By instilling these ethical standards throughout the AI lifecycle, we help create a framework within the industry that prioritises responsible AI use. This commitment ensures that the AI technologies we enable are not only advanced but also respect user privacy and promote fairness. We remain dedicated to shaping a future towards positive and ethical progress of AI.

In addition to supporting customers directly, we contribute to AI research and development. Appen's research on red teaming multimodal large language models (MLLMs) was accepted to multiple AI conferences, including the 2026 Association for the Advancement of Artificial Intelligence Conference (AAAI) and the European chapter of the Neural Information Processing Systems Conference (EurIPS). This research underscored the need for expanded modality-aware safety benchmarks to evaluate model robustness in real-world scenarios. The research paper can be downloaded on arXiv: [Red Teaming Multimodal Language Models: Evaluating Harm Across Prompt Modalities and Models](#).

Another key area of research at Appen is multilingual and cultural nuance. Our research report "Be My Cheese?: Assessing Cultural Nuance in Multilingual LLM Translations" was accepted for presentation at the 2026 Linguistic Society of America Annual Meeting (LSA). This research explored how linguistic features and LLM training data influence translation quality across languages and where human oversight remained essential for delivering high-quality, culturally relevant translations. The report can be accessed on the web: [Multilingual LLM Translation: Evaluating Cultural Nuance in Generative AI](#).

## FY26 focus

In a dynamic and fast-paced AI market, new opportunities are endless. As AI adoption accelerates, Appen's role as a provider of high-quality, human-sourced data is more critical than ever. Appen will continue to leverage its position as a global leader in high-quality data to deliver great outcomes for its customers. In FY26, we will continue to build on our expertise in generative AI projects and evolve our offerings, including multilingual and domain-specific datasets, through advancements to our annotation platform and automating processes through AI-based initiatives to enhance quality and optimise productivity. From advancing multilingual AI and multimodal models, to supporting agentic systems and world models, Appen will continue to drive meaningful progress in the development of cutting-edge AI systems.



## Customer Case Study: Appen x Cohere: Scaling Preference-Based Fine-Tuning for Enterprise LLMs

### Introduction

Our customer Cohere is the leading security-first enterprise AI company. Their flagship generative LLM series, Command, is a series of cutting-edge AI models designed to solve real-world business problems. Leading enterprises in regulated industries trust Cohere with customer-facing and internal support use cases, making it critical for Command to produce helpful, safe, and brand-aligned responses across diverse domains from retail to banking.

### Challenge

Maintaining cutting-edge enterprise LLMs requires continual reinforcement learning and fine-tuning with reliable, domain-relevant human feedback. To address this, Cohere developed a program for preference data generation and reward signal development, known PANDA Plus (Preference Annotation Data Acquisition Plus Supervised Fine-Tuning) and partnered with Appen to develop and scale the program.

### Solution

Appen enabled scalable, high-quality data generation and real-time annotation. Appen sourced expert annotators and assembled a domain-qualified contributor pool tailored for PANDA Plus. Contributors were trained to evaluate across dimensions, such as usefulness, safety, tone, instruction adherence, and domain relevance. Tasks included A/B preference ranking, multi-turn chat continuation scoring, complex prompt and preamble writing, and completion re-writing for “perfect” supervised fine-tuning (SFT) inputs. The PANDA Plus workflow was delivered through a custom deployment of Appen’s AI Data Platform (ADAP) with direct integration with Command’s inference endpoint.

### Results

PANDA Plus data contributed directly to Cohere Command, with multiple fine-tuning runs leveraging human preference signals collected by Appen. Appen contributors logged over 2,400 expert hours in 12 weeks, enabling Command’s training loop to incorporate human feedback in near-real time. As frontier model builders look to scale human feedback efficiently and responsibly, PANDA Plus demonstrates how data partnerships can drive both model performance and alignment quality.

## Customer Case Study: Appen x Nearmap: Scaling AI Data Labeling for Aerial Imagery

### Introduction

Our customer Nearmap is a pioneer in the aerial imagery industry, providing consistently updated, high-resolution content that empowers industries such as insurance, construction, and government. As Nearmap’s technology solutions have evolved to become increasingly AI-driven, the requirement for precise, large-scale data annotation is critical for developing high-performing AI models to maintain a leadership position.

### Challenge

Nearmap needed a partner who could scale its AI and product initiatives, matching its pace of innovation with operational excellence and delivering annotation expertise at scale through dedicated, on-site teams. This involved delivering consistent, high-quality data on complex image and 3D annotation tasks, high-throughput annotation through a closely supervised team, and the ability to quickly ramp production up or down in response to business needs.

### Solution

Appen started with a small pilot team in 2019, annotating and validating structures in 3D. As a newly introduced product, Appen’s ability to provide a team that rapidly understood Nearmap’s challenges and the importance of the product set the foundation for long-term scaling. Appen steadily expanded the team to meet increasing volumes, growing from 5 to over 180 analysts from 2019-2025. With a 180,000-hour minimum annual commitment, Appen consistently exceeded production targets, flexibly adding overtime staffing during peak periods to meet growing demand without sacrificing quality. Throughout the engagement, Appen maintained close collaboration with internal Nearmap teams, aligning on quality metrics, adapting to changing requirements, and continuously optimising project delivery.

### Results

What began as a small pilot became a multi-year partnership delivering hundreds of thousands of annotation hours annually. With Appen’s flexible, expert annotation services, Nearmap rapidly piloted, validated, and scaled new data projects, accelerating time-to-market for AI-powered products and services. By combining Appen’s flexible, high-quality annotation solutions with Nearmap’s visionary approach to aerial imagery, the two companies created a powerful foundation for growth and leadership in a competitive market.

# Our people

Every day, our people strive to unlock the power of AI for Good to build a better world. Our aim is to support their ability to do so, by providing continuous learning, empowerment and autonomy and an inclusive work culture to allow them to perform at their best.



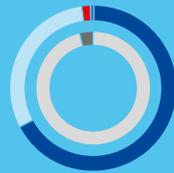
## Global and diverse work force

As of 31 December 2025, we had 798 full time equivalent employees<sup>1</sup> (FTE), 361 fixed term, 5 casual employees, and 21 interns. Full time employees total 1,142 and part time employees total 43, a total of 1,185 employees. This represents an increase from 1,171 employees as of 31 December 2024.

**1,185**

Employees

↑ from 1,171 in FY24



**1,185**  
employees

■ Permanent	798
■ Fixed term	361
■ Intern	21
■ Casual	5
■ Full time	1,142
■ Part time	43

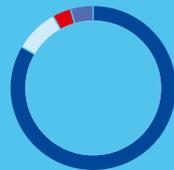
**83%**

Employee engagement

↑ from 79% in FY24

## 2025 employee distribution

Appen's people are based in North America, Asia Pacific, UK, Europe, and Australia.



**1,185**  
employees

■ Asia Pacific	988
■ North America	104
■ Australia/NZ	41
■ UK/Europe	52

## Priority SDG

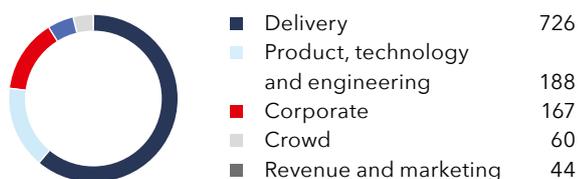


<sup>1</sup> Inclusive of 26 EORs (Employee of Records).



## Occupational profile

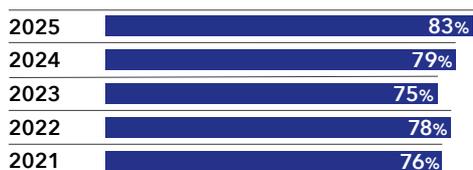
Our people have deep industry expertise, particularly in the areas of project delivery, crowd management and engineering. We have developed specialised industry capabilities which we embed into our products and processes. We also rely on deep domain expertise in the areas of large language models, linguistics, machine learning, data science and computer science. AI is fast paced and dynamic, and with the rise of generative AI we recognise that ongoing upskilling and reskilling is required to meet and exceed stakeholder expectations.



## Employee engagement<sup>1</sup>

We recognise that an engaged and high performing team is essential for the success of our business. To ensure we are listening and responding to our people, we conduct bi-annual engagement surveys followed up with action plans. We continue to receive good employee participation rates that allow us to leverage insights to drive further improvements.

In 2025 our average engagement score was 83%, up from 79% in the prior year. The increase reflects the focus on building a high-performance culture, establishing a consistent set of behavioural values, and employee communication, specifically clear, transparent and regular updates from Appen's senior leadership.



## Organisational change and the impact on our people

As Appen keeps pace with the ever-evolving AI industry, we've made a number of organisational changes that allowed for better agility, greater speed of innovation, and stronger customer centricity. Unfortunately, some of these changes impacted our valued people, with approximately 100 individuals exiting Appen during FY25.

1 Measures the likelihood of employees (including those in EORs) referring a friend or colleague to Appen based on their employee experience. The scale is a 5-point Likert resulting in 1-2 Detractor, 3 Passive and 4-5 Promoter. NPS is calculated by subtracting the % of total detractors from the % of total promoters. Survey results are provided by Workday Peakon.

2 Based on HR report for all employees (excluding casuals and interns) generated by Workday.

## Commitment to diversity and inclusion

At Appen, we strive to create a diverse and inclusive workforce that drives better performance and represents the communities we serve. We value the strength of a global team and celebrate the unique perspectives, experiences, and backgrounds our people bring. Our diversity and inclusion policy supports inclusive practices and focuses on increasing gender and ethnic diversity across our employees, senior management, and Board.

The Board has continued to set a target of 30% female representation at all senior leadership levels. Female representation on the executive team has decreased from the prior year and will be a focus in FY26 as we prioritise our efforts towards talent management and executive succession planning.

As of 31 December, women represented:

	% female <sup>2</sup>	
	2025	2024
Total workforce	58%	57%
Board Director	50%	50%
Executive team	18%	23%
Director	62%	48%
Manager	59%	56%



## Our people



### Training and development

In FY25, our employees averaged 1.43 hours of training per month via Appen University, with a total training time of 20,354 hours<sup>1</sup>. Our courses on Appen University focused on building knowledge about AI and large language models.

We continued to invest in building leadership and commercial capability across the organisation. Key initiatives included the introduction of Elevate, a leadership development programme aimed at strengthening core people-leadership skills, and targeted sales enablement programmes for the sales team and the newly established Client Partner role. Both initiatives were delivered with support from external consultants, bringing specialised expertise aligned to our business needs.

### Working ethically

Our people are required to complete mandatory annual training in critical areas such as data privacy, security awareness and sexual harassment. Our Business Ethics training which sets out employees' obligations to act honestly and ethically is also mandatory for all employees and contractors. In FY25, we achieved an 93% completion rate for our Business Ethics and Code of Conduct training<sup>1</sup>.

### Impact through inclusion and volunteering

This year, our teams participated in our annual Stepember activity, which encouraged physical activity while supporting disability-focused causes. Teams rallied behind the opportunity to improve their health, challenge and compete with their colleagues, and raise funds to support impactful medical research and treatment.

Diversity and inclusion remained at the heart of our initiatives, with celebrations like International Women's Day, Pride Month, and Juneteenth fostering awareness and belonging.

### Actions to Win

This year, Appen defined a set of principles called Actions to Win designed to help team members unite behind core, fundamental behaviours that serve as our guiding North Star for individual and collective success. These actions support our forward momentum and create an environment where everyone can thrive, add distinct value, and grow to their full potential.

#### Actions to Win:

- **Own the Outcome:** We are swift, decisive, and accountable
- **Take the Big Step:** We boldly challenge limits and drive lasting change
- **Think Like Our Customers:** We envision the future through our customers' eyes
- **Empower the Collective:** "We" before "me" unlocks the full power of our shared potential
- **Get Deep in the Problem:** We dig past the surface to solve what truly matters
- **Be the Expert:** We master our craft, share our knowledge, and never stop learning

## FY26 focus

We remain focused on creating an environment where our employees can thrive, grow, and contribute to Appen's success. In 2026, our emphasis will be on building a high-performance culture by investing in leadership development, strengthening continuous feedback loops, and enhancing our overall employee experience.

<sup>1</sup> Data from Appen University.

# Financial

Appen's financial results reflect accelerated growth for Appen China and the continuation of the turnaround for Appen Global. With a strong balance sheet, continued success in high growth generative AI related projects, and a relentless pursuit of high-quality data means Appen is well positioned for profitable growth.

USD M	FY25	FY24	Change
Operating revenue adjusted <sup>1</sup>	230.8	220.9	4.5%
Gross margin <sup>2</sup> %	40.3%	39.3%	1.0pp
Underlying EBITDA <sup>3</sup> before FX	12.2	3.5	250.8%

USD M	FY25	FY24	Change
Group revenue and other income	233.4	235.7	-1.0%
Operating revenue	230.8	234.3	-1.5%
Underlying EBITDA <sup>3</sup>	12.6	7.8	60.8%
Underlying NPAT	(10.3)	(10.5)	nm%
Statutory NPAT	(21.8)	(20.0)	nm%
Dividend cents per share	Nil	Nil	

## Priority SDG



- 1 Excludes the FY24 impact of Google contract termination.
- 2 Gross margin refers to revenue less crowd expenses.
- 3 Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.

### Financial performance summary

A summary of Appen's financial performance for FY25 is as follows:

- **Operating revenue**<sup>1</sup> grew 4.5% to \$230.8 million. Including the impact of the Google contract termination in FY24, operating revenue decreased 1.5%.
- **Appen Global revenue**<sup>1</sup> down 21.1% to \$127.9 million, impacted by the dynamic nature of the US AI market. Strong finish to the year with Q4 revenue of \$41.1 million. Foundation set for FY26 and beyond.
- **Appen China revenue** grew 74.8% to \$102.9 million. Finished the year strongly with Q4 revenue of \$32.0 million representing a quarterly record and quarter on quarter growth across all four quarters.
- **Underlying EBITDA** (before the impact of foreign exchange losses) increased 250.8% to \$12.2 million due to revenue growth, improved gross margin %, operating leverage in the Appen China division, and cost efficiencies achieved through technology innovation and automation.
- **Underlying EBITDA** (including the impact of foreign exchange gains) increased 60.8% to \$12.6 million.
- **Underlying net loss after tax** decreased by \$0.2 million to \$10.3 million. The improvement was minimal despite the EBITDA result due to increased amortisation and depreciation.
- **Statutory net loss after tax** increased \$1.8 million to \$21.8 million. FY25 includes acceleration of non-cash amortisation of \$5.0 in relation to acquired platforms.
- **Cash balance** of \$59.8 million at 31 December 2025 and no debt.
- **Product development investment (excluding amortisation)** decreased 3% to \$19.0 million and represented 8.2% of revenue.
- **No dividend** was paid to ensure appropriate allocation of capital.

### Operating revenue

Group operating revenue<sup>1</sup> increased 4.5% to \$230.8 million, reflecting strong growth for Appen China that was offset by timing and volumes of large LLM projects for the Appen Global division. Including the impact of Google, operating revenue minimally decreased by 1.5%.

In FY25, generative AI revenue continued to grow. Generative AI related work represented 33% of group revenue in FY25, compared to 22% in FY24.

**Appen Global** revenue<sup>1</sup> decreased 21.1% to \$127.9 million (FY24: \$162.0 million). FY25 was impacted by the dynamic nature of the US AI market, impacting the timing and volumes of large LLM projects.

Pleasingly, Q4 FY25 was strong finish to the year with \$41.1 million in revenue being significantly higher than the other three quarters, reflecting the successful delivery of large LLM related projects. The foundation laid throughout the year with ongoing delivery of high-quality data at speed led to a much-improved Q4 FY25 and sets up Appen Global for further profitable growth.

**Appen China** revenue increased 74.8% to \$102.9 million (FY24: \$58.9 million). FY25 was a milestone year for Appen China, achieving growth each quarter and breaking through the \$100 million revenue milestone. Q4 FY25 was a strong finish to the year with revenue of \$32.0 million.

The growth drivers for Appen China include expansion within existing large technology companies as well as new customer wins. Expansion includes China customers expanding internationally. Generative AI related projects continue to drive growth.

Appen China remained focused on growth and maintaining its strong market position.

### Product development

Technology continues to play a critical role in Appen's business and underpins our ability to deliver large scale data requirements for our customers. Investment in product development in FY25 (excluding amortisation) decreased 3% to \$19.0 million and represented 8.2% of revenue (FY24: \$19.6 million or 8.4% of revenue).

We remain committed to the development of industry-leading products and tools. For more information on these initiatives see the Technology processes and systems value driver on [page 12](#).

Amortisation of product development was \$13.7 million up from \$11.8 million in FY24. The increase is due to lower FY24 amortisation due to prior year impairment of platform development resulting in reduced FY24 amortisation.

### Underlying financial performance

Excluding the impact of foreign exchange gains, underlying earnings before interest, tax, depreciation, and amortisation (EBITDA) grew 250.8% to \$12.2 million (FY24: \$3.5 million). Including the impact of foreign exchange gains, underlying EBITDA was \$12.6 million, a 60.8% improvement (FY24: \$7.8 million). The improvement was due to revenue growth, improved gross margin percentage, operating leverage in the Appen China division, and cost efficiencies achieved through technology innovation and automation.

Crowd expenses were down as a percentage of revenue at 59.7% compared to 60.7% for FY24. This is primarily due to a change in customer and project mix, resulting in improved gross margin<sup>3</sup> (FY25: 40.3%, FY24: 39.3%).

1 Excludes the FY24 impact of Google contract termination.

2 Self-assessed. Based on publicly available information.

3 Gross margin refers to revenue less crowd expenses.

Employee expenses<sup>1</sup>, excluding direct project workers (included in crowd expense) decreased 8.8% to \$50.2 million from \$55.1 million in FY24. All other expenses<sup>2</sup> for FY25 decreased 3.2% to \$29.3 million compared to \$30.3 million in FY24. The decrease in employee and other expenses reflects the benefit of the cost efficiencies achieved by the Appen Global division through technology innovation and automation. This was partially offset by additional expense from the Appen China division to enable the delivery of strong revenue growth.

The Appen Global segment reported EBITDA of \$5.8 million down 36.5% from \$9.2 million in FY24. Pleasingly, Q4 FY25 was strong finish to the year with EBITDA of \$10.2 million reflecting the successful delivery of large LLM related projects as well as the realisation of cost efficiencies achieved through technology innovation and automation.

EBITDA for the Appen China segment improved by 640% to \$10.6 million (FY24: \$1.4 million). The substantial improvement reflects revenue growth, improved overall gross margin percentage, and operating leverage as project volumes increase.

Underlying net loss after tax decreased by \$0.2 million to \$10.3 million (FY24: \$10.5 million). The loss improvement was minimal despite improved EBITDA due to increased amortisation and depreciation.

Statutory net loss after tax increased \$1.8 million to \$21.8 million. FY25 includes acceleration of non-cash amortisation of \$5.0 in relation to acquired platforms.

### Cost efficiencies achieved

The Group announced and delivered a \$10.0 million<sup>3</sup> cost efficiency program that was achieved through technology innovation and automation. Impacting the Appen Global segment, approximately 70% was executed by Q3 FY25, with the remainder executed in Q4 FY25.

In addition to the cost efficiencies achieved, a decision was made to wind back investment in the US Government business. This resulted in additional annualised cost savings of approximately \$4.0 million<sup>3</sup>. The majority of this cost-out was executed in Q3 FY25, with the remainder executed in Q4 FY25.

### Balance sheet

Cash balance increased by \$5.0 million to \$59.8 million at 31 December 2025 from \$54.8 million at 31 December 2024. The increase in cash reflects strong cash flow from operating activities of \$23.0 million (FY24: (\$0.7) million), offset by outflows relating to platform development, property plant and equipment, and lease payments.

Trade and other receivables combined with contract assets were \$12.0 million lower at 31 December 2025 compared to 31 December 2024 due to the timing of customer receipts.

Current liabilities were \$3.5 million higher at 31 December 2025 compared to 31 December 2024. The increase was mainly due to increase in contract liabilities aligned to the growth of the Appen China segment and payment timing of trade and other payables.

Net assets at 31 December 2025 were \$94.6 million (31 December 2024: \$114.3 million). The decrease reflects FY25 trading, movements in working capital, as well as non-cash amortisation of intangible assets. Amortisation includes \$5.0 million accelerated amortisation in relation to acquired platform assets.

### Growth strategy and FY26 priorities

Appen plays a key role in powering both deep learning applications and generative AI. As AI adoption accelerates, Appen's role as a provider of high-quality, human-sourced data is more critical than ever. Appen will continue to leverage its position as a global leader in high-quality data to deliver great outcomes for its customers. In FY26, Appen is focused on the following to support its customers and deliver profitable growth.

- Data Quality:** A relentless pursuit of high data quality, the north star for all areas of our operations, technology and talent.
- Customer Growth:** An intense go-to-market focus on market segments with highest account potential, predominantly hyper-scalers and foundation model builders.
- New data segments:** Expand into data modalities and techniques through co-innovation with our customers.
- Operational efficiency:** Continued technology-led efficiencies across our operations.

1 Employee expenses per management reporting. Excludes direct project workers included in gross margin calculation (i.e. crowd expenses).

2 All other expenses excludes non-cash share based payment expense but all other expenses included in underlying EBITDA before FX.

3 \$10 million annualised cash opex savings (comparing December 2025 vs January 2025 planned opex). Cash opex refers to opex included in underlying EBITDA calculation, adding platform development capitalised from the profit and loss, less non-cash share-based payments expense.

## Financial

The following table summarises the Group's financial results for the current and prior year and provides a reconciliation between our statutory and underlying results.

	Year ended 31 December 2025 \$ 000	Year ended 31 December 2024 \$ 000	Change
Appen Global revenue	127,874	175,407	(27.1%)
Appen China revenue	102,900	58,883	74.8%
Other income	2,673	1,420	
Total sales revenue and other income from principal activities	233,447	235,705	(1.0%)
Underlying net loss after tax (NPAT) <sup>1</sup>	(10,328)	(10,546)	nm%
<i>(Less)/add underlying adjustments (net of tax)</i>			
Amortisation of acquisition-related identifiable Intangible assets	(9,130)	(6,140)	
Restructure costs	(2,314)	(2,273)	
Transaction costs	(46)	(166)	
Acquisition-related and one-time share-based payments	-	(884)	
Statutory NPAT	(21,818)	(20,009)	nm%
Add: tax benefit	38	16	
Add/(less): net interest (income)/expense	(74)	335	
EBIT <sup>2</sup>	(21,854)	(19,658)	nm%
Add: depreciation and amortisation	31,330	23,320	
Statutory EBITDA <sup>3</sup>	9,476	3,662	nm%
Add: underlying adjustments			
Restructure costs	3,035	3,039	
Transaction costs	66	234	
Acquisition-related and one-time share-based payments	-	884	
Underlying EBITDA <sup>1</sup>	12,577	7,819	60.8%
Net foreign exchange gain	416	4,345	
Underlying EBITDA excluding FX <sup>1</sup>	12,161	3,474	250.8%
Statutory diluted earnings per share (cents)	(8.25)	(8.74)	
Underlying diluted earnings per share (cents)	(3.91)	(4.61)	
% Statutory EBITDA/revenue	4.1%	1.6%	
% Underlying EBITDA/revenue	5.4%	3.3%	

1 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, and acquisition-related and one-time share-based payment expense.

2 EBIT is defined as earnings before interest and tax.

3 EBITDA is EBIT before depreciation and amortisation.

# Identifying and managing risks

We embed robust risk management practices as a strategic cornerstone, balancing risk and reward in the dynamic, high-growth market we operate in. By integrating risk practices company wide, we align innovation and business growth with rigorous evaluation and mitigation, driving sustainable value creation and safeguarding our long-term operational resilience.

## Risk appetite

Our defined risk appetite is designed to enable agile, informed decision-making while supporting innovation and sustainable growth. This framework is reviewed annually and approved by the Board, ensuring it remains consistent with our evolving goals and external market dynamics.

## Risk culture

Risk management is embedded in strategy and operations, fostering transparency, accountability, and proactive decisions. Guided by our values, Code of Conduct, and policies, we empower teams through training and practical controls to act within risk appetite, driving operational excellence and long-term resilience.

## Key changes in our principal risks

Each year, we reassess our principal risks as part of the strategic planning process to ensure alignment with our strategic priorities and value drivers. This process was undertaken alongside our materiality assessment to ensure alignment with stakeholder expectations. Principal risks are evaluated for year-on-year movement, capturing shifts driven by internal changes or external market forces. This year's reassessment highlighted a continued focus on risks related to generative AI, contributor wellbeing, and geopolitical and economic uncertainty, reflecting the broader operating environment.

## Emerging risks

Emerging risks represent uncertainties that are not yet fully understood but could significantly impact our business in the future. Through horizon scanning and annual strategic reviews, we monitor these risks and assess their potential implications. External sources, such as the World Economic Forum Global Risk Report, provide valuable context to inform our understanding. Once these risks are better defined, they are integrated into our principal risk reporting to ensure they are addressed within our broader risk management framework. Examples include the ethical and operational implications of generative AI and the evolving regulatory landscape for data privacy and security.

## Governance

Risk management is integral to our governance framework, enabling informed, accountable decisions. By embedding risk assessment into strategic planning and continuously refining governance practices, we balance innovation with oversight, ensuring resilience and integrity in a dynamic operating environment.

### Ultimate responsibility

#### Board through the Audit & Risk Management Committee

- Provides oversight of risk management and culture which contributes to the ability to achieve strategic objectives.
- Approve the risk management framework.
- Approve the risk appetite statement and subsequent addressing of escalated risk appetite triggers.
- Have oversight of strategic and related ESG risks (including climate related risks and impacts).

### Oversight

#### Executive and Senior Leadership Team

- Responsible for the implementation of the risk management framework and risk aware culture within their teams.
- Assess, manage and monitor risk profiles for identified strategic risks.
- Identify where risk appetite statement triggers may be met and further escalation is required.
- Promote a positive and appropriate attitude towards risk management and ensure employees are aware of their responsibilities.
- Attest that key risks in their area have been identified and managed through controls and mitigants on a bi-annual basis.

### Ownership

#### Operational management

- Identify, prioritise, assess and monitor risks which may arise in the business operations.
- Implement and comply with all controls, policies and procedures within their area of responsibility, including devising and implementing controls to address identified operational risks.

### Monitoring and partnering

#### Risk management function

- Defines the risk management process to be followed by the business (including risk appetite).
- Reviews and challenges the strategic and operational risks ensuring controls identified are operating, and tracks closure of items.
- Facilitates risk process, collating risk registers and consolidating the strategic risk register.



## A summary of our principal risks, and how these have changed during the year, mitigation strategies and related trends are detailed in the following tables.

This reflects the risks identified by the Board for the year ended 31 December 2025. The risk landscape is continually evolving and we regularly monitor and identify risks on a proactive basis. This means the risk register and associated strategies are not exhaustive and are reflective of efforts at a set point in time.

Key: ↑ Increase   ↓ Decrease   = Stable

Principal risk	Mitigation	Value Driver
<b>Business model</b>		
<p><b>Strategic direction of business</b></p> <p>The AI market continues to evolve at a rapid pace, with client needs increasingly driven by the fast-moving development of generative AI technologies and the growing demand for domain-specific AI solutions. These shifts, together with regulatory changes, competitive intensity and global economic and geopolitical conditions, continue to shape service demand and strategic priorities.</p> <p><b>Incorporated emerging risk:</b> Geoeconomic confrontations</p> <p><b>= Change</b></p> <p>This risk is unchanged from last year. While external environment and internal transformation remains to be a challenge, significant steps have been taken to reposition the business and invest in new capabilities. This also reflects the operationalisation of our revised strategy under new leadership and ongoing alignment with market needs.</p>	<ul style="list-style-type: none"> <li>We maintain a dedicated strategy team tasked with monitoring AI and technology markets, insights which are then actively used to inform our technology roadmap and go-to-market strategies, ensuring relevance and competitiveness.</li> <li>We continuously assess opportunities for market expansion and technological diversification to enhance our existing offerings and mitigate risks from over reliance on specific segments.</li> <li>Macroeconomic and geopolitical risks are integrated into our strategic planning processes, with scenario analyses conducted to address potential political or economic uncertainties in key markets and geographies.</li> </ul>	<p> Customer and brand</p> <p> Global crowd</p> <p> Technology, processes, systems</p> <p> Financial</p>

Principal risk	Mitigation	Value Driver
<p><b>Market demand and competition</b></p> <p>In an increasingly competitive landscape, some areas of our business face pressure from emerging start-ups as well as niche and low-cost providers offering specialised services. The profile of customer projects continues to evolve, with growing emphasis on generative AI and complex data solutions, requiring us to adapt quickly to stay competitive and relevant.</p>	<ul style="list-style-type: none"> <li>We continue to monitor new entrants and investments in the data annotation and AI sectors to stay ahead of emerging competitors. This includes assessing the strategies and offerings of niche providers and low-cost operators to identify potential threats and opportunities.</li> <li>Through targeted investments in account management, we aim to deepen relationships with existing customers, fostering long-term partnerships that prioritise collaboration and shared success.</li> <li>Commercial focus has been increased on large foundational model builders to prioritize high-growth segments, accelerate deal conversion, and drive more predictable revenue realization.</li> <li>We are increasing investments in automation, AI-driven annotation tools, and advanced quality assurance capabilities to differentiate our offerings. These advancements enable us to meet the growing demand for high-quality, scalable data services in generative AI. It also enabled us to revise our pricing strategy to ensure it is highly competitive places us in a strong position to be a vendor of choice.</li> </ul>	 <p><b>Customer and brand</b></p>  <p><b>Technology, processes, systems</b></p>  <p><b>Financial</b></p>
<p><b>= Change</b></p> <p>The risk associated with market demand and competition is unchanged compared to the prior year. Despite increased competitive pressure from new entrants in the generative AI space, we have successfully positioned ourselves to capitalise on sector growth and sustain our competitive standing.</p>		
<p><b>Changing customer strategy and needs</b></p> <p>A significant portion of revenue continues to come from a few large global technology companies, whose AI training data requirements represent a substantial percentage of our business. These customers can rapidly shift their spending priorities, which creates unpredictability in our revenue streams. This dynamic requires us to remain highly adaptive and aligned with their evolving strategies.</p>	<ul style="list-style-type: none"> <li>We maintain proactive communication and collaboration with our largest customers, enabling us to anticipate shifts in their strategies and respond effectively to changing priorities.</li> <li>Dedicated, customer-aligned pods are embedded within key AI data clients to strengthen relationships, improve responsiveness, and support delivery of complex, evolving project requirements.</li> <li>Our continued investment in product development ensures we can adapt to evolving customer requirements. This includes enhancing solutions for generative AI applications and offering scalable, high-quality data services.</li> </ul>	 <p><b>Customer and brand</b></p>  <p><b>Technology, processes, systems</b></p>
<p><b>↑ Change</b></p> <p>This risk has increased due to continued shift in client needs, greater demand for specialised services, and heightening competitive pressure. This risk remains to be a priority for strategic focus. However, our efforts to diversify our client base, deepen relationships with key customers, and develop tailored product offerings enables us to mitigate the immediate impacts.</p>		

Key: ↑ Increase   ↓ Decrease   = Stable

Principal risk	Mitigation	Value Driver
<p><b>Ability to execute on operational requirements</b></p> <p>The dynamic nature of the AI industry requires us to maintain agility and operational excellence to meet client expectations. Customers expect seamless delivery of increasingly complex projects, often with rapid turnaround times, while relying on our ability to adapt to their evolving requirements.</p> <div data-bbox="150 696 676 981" style="background-color: #1a3d54; color: white; padding: 10px;"> <p><b>↓ Change</b></p> <p>This risk has decreased compared to last year, primarily due to the successful implementation of our key delivery platform, Mercury, and other process improvement initiatives. These enhancements have improved efficiency, visibility, and scalability.</p> </div>	<ul style="list-style-type: none"> <li>• Dedicated quick response teams remain in place for major clients, ensuring we can address their rapidly evolving needs with minimal disruption. These teams are trained to operate in high-pressure scenarios, maintaining service quality and delivery timelines.</li> <li>• Strengthening of technical and domain capabilities within delivery teams enables execution of more complex AI solutions while supporting expansion into new, higher-value service areas, reducing reliance on legacy service models and improving long-term operational sustainability.</li> <li>• Our customer NPS program provides clear insights. These insights are used to inform process adjustments, resource allocation, and client-focused initiatives.</li> <li>• Continued investments in workflow automation and AI-driven project management tools have enabled us to handle complex client projects more efficiently while maintaining delivery standards.</li> <li>• Client feedback is incorporated into operational reviews to ensure continuous improvement and alignment with customer requirements. This approach strengthens execution capabilities while maintaining high satisfaction levels.</li> </ul>	<div data-bbox="1257 387 1385 533">   <b>Technology, processes, systems</b> </div> <div data-bbox="1257 566 1385 678">   <b>Customer and brand</b> </div> <div data-bbox="1257 712 1385 801">   <b>Global crowd</b> </div>
<p><b>Resilient operational model</b></p> <p>The loss of critical data, physical facilities, or key employees could significantly disrupt operations, impact customer deliverables, and damage our revenue and reputation. As our reliance on internal tools and proprietary systems grows, the potential consequences of system failures or security breaches become more significant, amplifying the importance of operational resilience.</p> <div data-bbox="150 1709 676 2107" style="background-color: #1a3d54; color: white; padding: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. While significant progress has been made through technology advancements, process standardisation, and enhanced business continuity planning, external factors including geopolitical uncertainty and evolving client requirements continue to present challenges. Appen is actively mitigating these risks through automation and robust contingency planning to strengthen resilience.</p> </div>	<ul style="list-style-type: none"> <li>• We store critical data on enterprise-grade, cloud-based servers with duplication and redundancy measures to ensure minimal disruption in the event of a system failure.</li> <li>• Our engineering team prioritises resilience in the development and maintenance of internal tools, ensuring systems are robust and capable of withstanding disruptions.</li> <li>• We continue to strengthen our business continuity and disaster recovery plans to address risks related to physical sites and critical systems. These plans are regularly updated to reflect operational dependencies on internal tools.</li> <li>• Our flexible work-from-home model for data annotators continues to provide operational resilience by mitigating risks related to physical site disruptions.</li> </ul>	<div data-bbox="1257 1375 1385 1487">   <b>Customer and brand</b> </div> <div data-bbox="1257 1520 1385 1666">   <b>Technology, processes, systems</b> </div> <div data-bbox="1257 1700 1385 1823">   <b>Social and environment</b> </div>

Principal risk	Mitigation	Value Driver
<b>People</b>		
<p><b>Talent strategy and employee value proposition</b></p> <p>Our business depends on a highly skilled workforce to drive growth and innovation. The ability to attract, develop, and retain top talent with specialised skills remains critical to achieving our business objectives. Maintaining a compelling employee value proposition is essential in a competitive talent market.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>↓ Change</b></p> <p>This has decreased compared to the previous year, driven by enhancements to our talent acquisition strategy, the introduction and embedding of the Actions to Win behaviours, and a measurable uplift in leadership capability.</p> </div>	<ul style="list-style-type: none"> <li>• Our Human Resources team continues to collaborate closely with the business to build a workforce with deeper technical capability and strong industry expertise, ensuring skills and capabilities are aligned to our strategic objectives. This is supported by an ongoing focus on strengthening our goal setting and performance management processes.</li> <li>• The introduction and embedding of our Actions to Win behaviours is reinforcing consistent expectations around performance, accountability and ways of working across the organisation.</li> <li>• Leadership capability has been strengthened through improved organisational stability and the implementation of the Elevate leadership program, providing clearer direction, building leadership depth and supporting sustained employee engagement.</li> </ul>	<div style="text-align: center;">  <p><b>Appen employees</b></p>  <p><b>Social and environment</b></p> </div>
<p><b>Managing a culture of growth through change</b></p> <p>Our business's future resilience depends on successfully embedding restructure programs from time to time. Employee buy-in and alignment with the organisation's direction are critical for fostering engagement and sustaining a culture of innovation, adaptability, and performance through ongoing change.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>↓ Change</b></p> <p>This risk has decreased due to greater stability achieved following the restructuring efforts in prior years. An increased focus in clear communication has contributed to higher levels of trust and engagement among the workforce.</p> </div>	<ul style="list-style-type: none"> <li>• Transparent and consistent communication remains central to our approach, providing employees with clarity on the organisation's direction and the rationale for change. This is supported through town halls, regular updates and structured feedback forums that maintain an open and ongoing dialogue.</li> <li>• We conduct bi-annual engagement surveys to identify key pain points, define targeted actions, and proactively address concerns, ensuring employees feel supported and valued throughout periods of change.</li> <li>• Additional support, such as access to wellness resources and confidential assistance programs, is available to help employees navigate change both professionally and personally.</li> </ul>	<div style="text-align: center;">  <p><b>Appen employees</b></p>  <p><b>Technology, processes, systems</b></p> </div>

Key: ↑ Increase   ↓ Decrease   = Stable

Principal risk	Mitigation	Value Driver
<b>Technology and innovation</b>		
<p><b>Investment in technology, innovation and transformation</b></p> <p>As customer expectations evolve, the ability to deliver high-quality, scalable solutions is critical. The recent release of Mercury and CrowdGen and the organisation’s increasing reliance on proprietary technology have elevated the importance of ensuring sustained investment and strategic oversight.</p> <div style="background-color: #1a3d4d; color: white; padding: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. While significant progress has been made, the pace of market evolution and competitive pressures require ongoing investment and transformation. Appen continues to mitigate this risk through targeted technology investments and governance frameworks to ensure alignment with long-term objectives.</p> </div>	<ul style="list-style-type: none"> <li>Agile delivery practices are applied across engineering to ensure clear prioritisation, effective capacity allocation, and alignment of investments to strategic objectives, supported by defined governance, CI/CD automation, and performance reporting.</li> <li>Risk management is embedded throughout the development lifecycle via continuous risk assessments, architecture reviews, and development, security, and operations (DevSecOps) controls.</li> <li>Customer insights are systematically incorporated into roadmap and investment decisions through structured feedback mechanisms, product telemetry, and controlled experimentation to ensure alignment with client needs and measurable outcomes.</li> <li>Emerging technologies, including generative AI, are continuously evaluated and adopted under defined governance and vendor risk management, with model evaluation and human oversight as appropriate, to address security, privacy, intellectual property, and quality requirements and maintain market leadership.</li> </ul>	<div style="text-align: center;">   <b>Technology, processes, systems</b> </div> <div style="text-align: center; margin-top: 20px;">   <b>Customer and brand</b> </div>
<p><b>Protection of intellectual property</b></p> <p>IP protection measures help safeguard our competitive advantage, maintain customer trust, and secure long-term value from our technology investments.</p> <div style="background-color: #1a3d4d; color: white; padding: 10px;"> <p><b>↓ Change</b></p> <p>This risk has decreased compared to prior year, reflecting recent technology and product development strategies.</p> </div>	<ul style="list-style-type: none"> <li>We have appropriate protection mechanisms such as patents, copyrights, trade secrets, and defensive publications to secure innovations effectively.</li> <li>Core technologies are segmented geographically, limiting access to sensitive IP based on location and role.</li> <li>Efforts to protect our brands in relevant markets continue, ensuring trademarks are registered and upheld in key regions to maintain our market presence.</li> </ul>	<div style="text-align: center;">   <b>Technology, processes, systems</b> </div>

Principal risk	Mitigation	Value Driver
<b>Crowd</b>		
<p><b>Crowd conditions</b></p> <p>Independent contractors form the backbone of our operations, contributing directly to our competitive advantage and customer value proposition. The ability to attract and retain skilled contributors is critical to delivering high-quality outcomes for customers. However, the evolving nature of work requests, combined with regional legislative changes and shifts in contractor expectations, has added complexity to maintaining consistent conditions.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This risk has remained unchanged from last year. The evolving nature of the work, combined with regional legislative changes and shifts in contractor expectations, remains a challenge. However, we have implemented various measures to ensure contributor wellbeing and improve contributor engagement and retention.</p> </div>	<ul style="list-style-type: none"> <li>• Our Crowd Code of Ethics establishes clear standards for working conditions, going beyond legal minimums to ensure ethical and fair treatment of all contractors. This code is regularly reviewed to reflect evolving expectations and best practices.</li> <li>• Including crowd NPS targets in executive short-term incentive (STI) plans ensures that contractor satisfaction remains a strategic priority at the highest levels of the organisation.</li> <li>• Additional wellness programs and resources have been introduced to support contractors working on more sensitive or challenging projects, helping to mitigate the impact of potentially harmful content.</li> </ul>	<div style="text-align: center;">   <b>Global crowd</b> </div> <div style="text-align: center; margin-top: 10px;">   <b>Customer and brand</b> </div>
<p><b>Crowd supply meets customer demand</b></p> <p>Our business model is dependent on providing customers with access to a diverse and skilled global crowd. As project complexity continues to increase, maintaining a reliable supply of contributors with the required expertise across various regions and industries is essential for fulfilling customer needs and delivering high-quality outcomes.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. Appen has successfully maintained a stable balance between contributor availability and client requirements through effective mitigations such as talent upskilling, engagement programs, and flexible sourcing models. These measures continue to ensure resilience and reliability in delivering projects.</p> </div>	<ul style="list-style-type: none"> <li>• We invest in targeted sourcing and upskilling of specialised talent, including experts with generative AI and complex data solution experience, enabling rapid capability development, differentiation from low-cost niche providers, and faster adaptation to evolving customer project requirements.</li> <li>• New strategies have been introduced to address contractor integrity, ensuring that customers have access to a pool of reliable and high-quality contributors. This includes verification measures and performance monitoring.</li> <li>• Investments in platform scalability and usability support an improved experience for contractors, encouraging sustained participation and accessibility to more specialised contributors.</li> </ul>	<div style="text-align: center;">   <b>Global crowd</b> </div> <div style="text-align: center; margin-top: 10px;">   <b>Customer and brand</b> </div>

Key: ↑ Increase   ↓ Decrease   = Stable

Principal risk	Mitigation	Value Driver
<b>Data management</b>		
<p><b>Compliance with security, privacy and other data regulations</b></p> <p>As part of our operations, we manage significant volumes of sensitive data, including personal information, which necessitates robust security and privacy measures. With regulatory landscapes evolving rapidly and the increasing sophistication of cyber threats, ensuring compliance with global data regulations remains critical to safeguarding our operations and reputation.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. While the complexity of managing large, sensitive datasets across multiple jurisdictions and evolving regulatory requirements means this risk continues to require close monitoring, significant progress has been made through enhanced governance frameworks, security investments, and compliance initiatives.</p> </div>	<ul style="list-style-type: none"> <li>• We continue to embed security and privacy requirements into our systems and product offerings, ensuring collaboration between security and privacy teams to address regulatory and operational risks proactively.</li> <li>• Our information security team monitors emerging risks and collaborates with external advisors to stay ahead of new threats. This includes horizon scanning for new cyberattack vectors and assessing the implications of regulatory updates.</li> <li>• We have maintained ISO 27001 and SOC 2 certifications and expanded compliance with the China business achieving ISO 27701. These certifications reinforce our commitment to adhering to global security standards.</li> <li>• Comprehensive training programs ensure employees are well-versed in their privacy and security obligations. Policies and procedures are regularly reviewed and updated to reflect emerging risks and regulatory changes.</li> <li>• Privacy and data security remain standing agenda items for our Audit and Risk Management Committee, ensuring continuous oversight at the highest levels.</li> </ul>	<div style="text-align: center;">  <p><b>Technology, processes, systems</b></p>  <p><b>Customer and brand</b></p> </div>
<p><b>Emerging cyber security issues</b></p> <p>As custodians of sensitive customer and contributor information, we continually face a growing threat landscape characterised by increasingly sophisticated cyberattacks. These threats heighten the risk of data breaches or service disruptions, which could negatively impact customers and damage our reputation. Staying ahead of emerging risks requires continuous vigilance and the adoption of advanced protective measures.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This remains unchanged from last year. While the evolving threat landscape and high potential impact of a breach require continued vigilance, we have not experienced any significant cybersecurity incidents. We actively mitigate this risk through robust security frameworks, regular audits, employee training, and comprehensive incident response plans.</p> </div>	<ul style="list-style-type: none"> <li>• Our cybersecurity risk management framework is implemented across the organisation, deploying a multi-layered approach to identify, protect, detect, and respond to cybersecurity risks. This includes maintaining ISO 27001 and SOC 2 certifications as a testament to our robust security practices.</li> <li>• Regular audits, penetration testing, and simulated incident exercises ensure the strength of our control environment. Independent security experts conduct maturity assessments and provide prioritised recommendations, which are implemented to address vulnerabilities effectively.</li> <li>• Employees undergo annual training on cybersecurity responsibilities and threats, complemented by regular phishing simulations to enhance awareness and reduce susceptibility to attacks.</li> <li>• We are progressing toward implementing a zero-trust architecture to strengthen access controls, ensuring that users and systems are verified at every interaction.</li> </ul>	<div style="text-align: center;">  <p><b>Technology, processes, systems</b></p>  <p><b>Customer and brand</b></p> </div>

## Identifying and managing risks

Principal risk	Mitigation	Value Driver
<b>Support</b>		
<p><b>Financial sustainability</b></p> <p>Operating in a global market exposes us to financial risks, including foreign exchange fluctuations, debt market changes, and evolving tax obligations. As a publicly listed entity, we are committed to protecting shareholder capital and ensuring sustainable earnings to maintain stakeholder confidence.</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. While external factors such as market volatility, pricing pressure, and economic uncertainty continue to influence financial performance, significant progress has been made through cost optimisation and technology investments. Appen actively mitigates this risk through revenue diversification, operational efficiencies, and robust financial governance.</p> </div>	<ul style="list-style-type: none"> <li>• Our operational model naturally hedges foreign exchange risk by matching revenue currencies with associated service costs, reducing exposure to currency fluctuations.</li> <li>• Regular scenario planning and external landscape monitoring enable us to respond proactively to changes, such as shifts in tax rates or other regulatory requirements, ensuring compliance and adaptability.</li> <li>• Investments in operational efficiencies, including automation and process improvements, ensure profitability and cost containment while supporting sustainable earnings.</li> </ul>	<div style="text-align: center;">   <b>Financial</b> </div> <div style="text-align: center; margin-top: 10px;">   <b>Appen employees</b> </div>
<p><b>Compliance with legal, statutory and ethical obligations</b></p> <p>We are committed to meeting our legal and statutory obligations while fostering trust and transparency through the dissemination and embedding of responsible AI practices. As the regulatory landscape evolves, compliance remains critical to maintaining operational integrity and supporting ethical standards across our business and partnerships.</p> <p><b>Incorporated emerging risk:</b> Responsible AI</p> <div style="background-color: #1a3d54; color: white; padding: 10px; margin-top: 10px;"> <p><b>= Change</b></p> <p>This risk remains unchanged from last year. While the dynamic regulatory environment and complexity of operating across multiple jurisdictions require ongoing vigilance, we have experienced no significant compliance breaches and continues to strengthen our governance frameworks. Appen actively mitigates this risk through robust policies, regular audits, training programs, and continuous monitoring of regulatory changes.</p> </div>	<ul style="list-style-type: none"> <li>• We conduct regular reviews of our material obligations to maintain controls, governance, and oversight mechanisms remain robust and adapt to new legal and ethical requirements.</li> <li>• Collaborations are ongoing with industry organisations to support the development and implementation of responsible AI standards, reinforcing trust and value in AI for businesses and the broader community.</li> <li>• Regular compliance audits, supplemented by independent reviews, ensure adherence to statutory and ethical obligations while identifying areas for improvement.</li> <li>• Engagement with customers, partners, and regulators helps to align expectations, foster transparency, and ensure that compliance efforts reflect broader stakeholder priorities.</li> </ul>	<div style="text-align: center;">   <b>Social and environment</b> </div> <div style="text-align: center; margin-top: 10px;">   <b>Financial</b> </div> <div style="text-align: center; margin-top: 10px;">   <b>Appen employees</b> </div>

Key: ↑ Increase   ↓ Decrease   = Stable

Principal risk	Mitigation	Value Driver
<p><b>Environmental, social and governance (ESG) risks and performance</b></p> <p>The increasing emphasis on sustainability and corporate responsibility from investors, regulators, and customers makes effective ESG performance a critical priority. Meeting evolving stakeholder expectations and regulatory requirements, while ensuring alignment with global sustainability standards, is vital to preserving trust, enhancing market competitiveness, and mitigating potential reputational and financial risks.</p> <p><b>Incorporated emerging risk:</b> Climate change</p> <div style="background-color: #1a3d54; color: white; padding: 10px;"> <p><b>= Change</b></p> <p>This risk remains stable as our existing commitments and initiatives, including our Net Zero Roadmap provide a solid foundation.</p> </div>	<ul style="list-style-type: none"> <li>As a signatory to the United Nations Global Compact, we are committed to embedding its ten principles related to human rights, labour, environment, and anti-corruption into our business practices, reinforcing our alignment with global sustainability standards.</li> <li>We have developed and implemented an initial Net Zero Roadmap, with a commitment to achieve net zero by 2030. This roadmap includes actionable plans to reduce emissions, improve energy efficiency, and explore renewable energy solutions.</li> <li>Our reporting in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations demonstrate our commitment to measurable, science-based approaches to climate action and transparency in climate-related risks and opportunities.</li> </ul>	<div style="text-align: center;">  <p><b>Social and environment</b></p> </div>

# Our approach to governance

Appen's governance policies and practices are consistent with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Corporate Governance Principles) throughout the year.

## Governance framework

Our governance framework ensures accountability, both of the Board and senior management. To clarify the roles and responsibilities of directors and management and to assist the Board in discharging its responsibilities, the Board operates under a formal Charter which sets out the functions reserved to the Board and provides for the delegation of functions to Board Committees and to senior management.

The Board is responsible for demonstrating leadership, defining the company's purpose, establishing strategic objectives, approving our values and the Code of Conduct, and oversight of the management of the company.

The Board has established two standing Committees which assist with the execution of its responsibilities. The Audit and Risk Management Committee and the People and Culture Committee.

## 2025 areas of governance focus

Key areas of governance focus and activities undertaken by the Board, its Committees and management during 2025 included:

### Strategic and financial performance

- conducted a Board and executive strategy review to focus Appen's options for future growth considering the external operating and technology environment.

### Our people

- reviewed our organisational structures within each business unit and functional areas with a focus on improved operational efficiency and customer experience.
- strengthened Appen's executive team.

### Oversight of financial and capital management

- to ensure an appropriate allocation of capital, the Board determined not to pay any dividends.

### Compliance and risk management

- internal audit program - reviewed and assessed processes across key operational areas, including a review of our cyber security maturity.
- reviewed the risk management framework, revised the risk appetite statement, and updated strategic risks to align with strategy.

## Ethics and responsible decision making

- continued focus on upholding Appen's Modern Slavery Statement, outlining the steps taken to mitigate risks of forced labor and exploitation within the supply chain.

## Global crowd

- continued focus on upholding the Crowd Code of Ethics, reinforcing fairness, integrity, and responsible practices in our partnerships with the global crowd.
- delivered further enhancements to our platform, including new user experiences tailored to feedback from contributors to better support their engagement and performance.

## Social and environment

- continued disclosure of greenhouse gas emissions scopes 1, 2 and 3 and achieved limited assurance of the data.
- continued implementation of Net Zero Roadmap and working towards net zero across operations by 2030.

Skill	Description	Skill level
Strategy	Experience in defining strategic objectives, assessing business plans and driving execution. Ability to think strategically and identify and critically assess opportunities and threats and develop effective strategies in the context of changing market conditions.	
Finance	Understanding the financial drivers of the business, experience in financial accounting and reporting, tax, corporate finance and internal financial controls.	
Risk	Experience in the identification, monitoring and management of material financial and non-financial risks, the oversight of compliance frameworks and controls, and the ability to identify and oversee mitigation strategies for emerging risk and compliance issues in the organisation.	
Industry experience	Experience and broad understanding of the application of language technology, machine learning, artificial intelligence and specifically AI, including market drivers, risks and trends and encompassing policies, competitors, end users, regulatory policy and frameworks.	
Customer/client	Experience developing customer/client strategy and delivering customer/client outcomes.	
Capital markets and corporate transactions	Expertise in considering and implementing efficient capital management including alternative capital sources and distributions, yields and markets.	
	Experience in assessing and completing complex business transactions, including mergers, acquisitions, divestments, capital management, major projects and business integration.	
People and culture management	Board Committee or senior executive equivalent experience relating to people management and human resources, corporate culture, diversity and inclusion, and remuneration issues of a global organisation.	
Governance	Knowledge and experience in best practice governance structures, policies and processes.	
Technology and innovation	Experience and expertise in identifying, assessing, implementing and leveraging digital technologies and other innovations.	
Data and security	Understanding the use of data and the risks associated with data security, cyber and privacy.	
International business experience	Experience in international business, trade and/or investment at a senior executive level and exposure to global markets and a range of different political, regulatory, and business environments.	
ESG	Expertise in the areas of environment, social and governance (ESG), and the ability to advise the Company of required policies, actions and disclosures on these matters.	

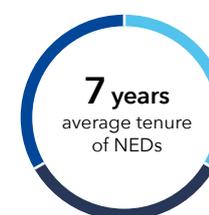
■ High competency and experience    
 ■ Medium competency and experience

### Board diversity



■ Male 50.0%  
■ Female 50.0%

### Non-Executive Director tenure



■ 0-1 year 0.0%  
■ 1-3 years 33.0%  
■ 3-5 years 33.0%  
■ 5+ years 33.0%

### International business experience



■ High 83%  
■ Medium 17%

### Director independence



■ Independent 83%  
■ CEO 17%

# Board of Directors



**Vanessa Liu**

*AB Psychology (magna cum laude with highest honors); JD (cum laude)*

**Non-Executive Chair**

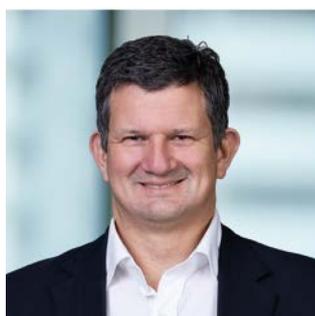
**Appointed:**

27 March 2020

**Board Committee:**

Member of the Audit and Risk Management Committee, People and Culture Committee

Vanessa has deep expertise of emerging technology trends and enterprise uptake of artificial intelligence, especially in the U.S. market. She is the Founder and CEO of SaaS AI technology company Sugarwork and is a Non-Executive Director of Goodman Group (ASX: GMG). Most recently she was the Vice President of SAP.iO, the early-stage venture arm of SAP. Prior, Vanessa was the Chief Operating Officer at Trigger Media Group, a digital media incubator. Before that, Vanessa was Associate Partner at McKinsey & Company's Media and Entertainment Practice, where she served clients in media and high-tech sectors on issues of strategy, growth and innovation. Vanessa graduated magna cum laude with an AB in Psychology from Harvard University and cum laude with a JD from Harvard Law School. She serves as a member of the Board of Overseers of Harvard University.



**Steve Hasker**

*BCom, MBA, MIA, ACAA*

**Independent**

**Non-Executive Director**

**Appointed:**

7 April 2015

**Board Committee:**

Chair of the People and Culture Committee

Steve assumed his role of President and Chief Executive Officer and a director of Thomson Reuters effective March 15, 2020. He leads a company included in the NASDAQ100 index with over 25,000 people who operate in more than 75 countries around the world providing its customers with content driven technology. The Company's products primarily serve professionals in the legal, tax, corporate and media markets.

Previously, Steve served as senior advisor to TPG Capital, a private equity firm, Chief Executive Officer of CAA Global, a TPG Capital portfolio company, and global president and chief operating officer of Nielsen, an information, data and measurement firm. He spent more than a decade with McKinsey as a partner in the global media, information and technology practice.

Before joining McKinsey, Steve worked in several financial roles in the United States, Russia and Australia. He started his career with PwC, where he qualified as a chartered accountant.

He received an MBA and master's degree in international affairs from Columbia University.



**Robin Low**  
*BCom, FCA, FAICD*  
**Independent  
Non-Executive Director**

**Appointed:**  
30 October 2014

**Board Committee:**  
Chair of the Audit  
and Risk Management  
Committee

Robin has extensive finance, risk and business experience from her 28-year career at PricewaterhouseCoopers, where she was a partner specialising in assurance and risk, mainly in financial services. She was previously deputy chair of the Auditing and Assurance Standards Board. Robin is an experienced Non-Executive Director and is currently on the board of Articore Limited (ASX: ATG) and HCF (The Hospitals Contribution Fund of Australia Limited). Her previous ASX board roles include AUB Group Limited (ASX:AUB), CSG Limited (ASX: CSV), IPH Limited (ASX:IPH) and Marley Spoon SE (ASX: MMM). Robin is also a director of the Guide Dogs NSW/ACT, the Sax Institute, Yalari, a member of Anacacia's Business Advisory Council and she is a member of the Audit Committee for the University of NSW. Robin has a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.



**Stuart Davis**  
*LLB*  
**Independent  
Non-Executive Director**

**Appointed:**  
30 March 2022

**Board Committee:**  
Member of the Audit  
and Risk Management  
Committee

Stuart is a director of NEXTDC Limited (ASX: NXT). In 2025, he retired as Chair of the Remuneration Committee, a Non-Executive Director of Bank of South Pacific Limited and PayPal Australia Ltd where he served as Chair of the Risk Committee at both companies. He has more than 30 years' experience as an international banker with the HSBC Group where he was CEO, HSBC India (2009-2012), CEO and Executive Director for HSBC Bank Australia Limited (2002-2009) and CEO HSBC Taiwan (1999-2002). He was a member of the Australian Bankers Association from 2002-2009 and Deputy Chair from 2006-2009. Stuart holds a LLB from Adelaide University and is a Graduate of the Australian Institute of Company Directors.



**Lynn Mickleburgh**  
*BSc (Hons) in  
Mathematics, MBA*  
**Independent  
Non-Executive Director**

**Appointed:**  
29 July 2022

**Board Committee:**  
Member of the People  
and Culture Committee

Lynn has experience as an ASX Non-Executive Director, a board advisor and transformational leader of both Fortune 500 companies and high-growth SaaS companies. Lynn is a former Non-Executive Director of ASX listed Altium Limited (ASX: ALU), where she chaired the HR Committee and served on the Audit and Risk Committee. Previously, she was Head of Business Optimisation at Atlassian Inc, VP Finance at Citrix Systems and held various global and operational roles at Adobe Systems and Apple Computer. She holds a Bachelor of Science in Mathematics and an MBA in Business Management.

# Executive team

## Corporate Services

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**Ryan Kolln**  
CEO & Managing Director

**Joined: October 2018**

*MBA, B.Eng (Electrical)*

Ryan brings over 20 years of global experience in technology and telecommunications, along with a deep understanding of Appen's business and the AI industry. His professional career began as an engineer, with a focus on mobile network data engineering in Australia, Asia and North America.

On completion of an MBA from New York University, Ryan joined The Boston Consulting Group (BCG) in 2011 as a strategy consultant. During his time at BCG he specialised in technology and telecommunications and gained deep strategy expertise across a variety of growth and operational topics.

Joining Appen AI in 2018 as VP of Corporate Development, he led strategic acquisitions like Figure Eight and Quadrant, and supported the establishment of the China and Federal divisions. Successive promotions culminated in his appointment as CEO & Managing Director in February 2024.



**Justin Miles**  
Chief Financial Officer

**Joined: March 2016**

*GradDipCA (Chartered Accounting)*

*B. Bus (Accounting)*

Justin is responsible for the finance and corporate functions of the company. He brings over 20 years of experience, including extensive exposure to listed companies within the technology and services sectors. He has a passion for supporting fast paced organisations through periods of growth and change.

Joining Appen in 2016 he has a deep understanding of Appen's business. With over 5 years as Vice President Finance, he established the finance structure, systems, and processes that scaled, supported exceptional growth, and successfully executed several finance integrations.

Justin was promoted to Interim Chief Financial Officer in August 2023 and was officially appointed Chief Financial Officer in February 2024. Prior to joining Appen, Justin was Group Financial Controller at Rubicor Group Ltd (ASX: RUB) one of the largest networks of specialist recruitment businesses in Australia. Justin holds a Bachelor of Business (Accounting) and is a member of Chartered Accountants Australia and New Zealand.

## Corporate Services (continued)

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**Helen Attia**  
Chief People Officer

**Joined: November 2024**  
*MCom (Human Resources), BAsC*

Helen joined Appen in November 2024 and is focused on creating a people strategy that supports Appen's strategic objectives and creating an environment where our people can be their best. Helen brings over 20 years of Human Resources experience from global organisations primarily in the technology and software sector. With a passion for Talent Management and Organisational Development, Helen enjoys supporting organisations through periods of growth and change. Helen holds a Master of Commerce from the University of NSW and an Applied Science degree from the University of Sydney.



**Kim Stagg**  
Chief Product and Technology Officer

**Joined: August 2022**  
*PhD (Hydrogeology and Computer Science)*

Kim Stagg is the Chief Product and Technology Officer at Appen, bringing over 20 years of experience in AI-first strategies, B2B/B2C SaaS, and product leadership across a variety of industries. With deep expertise in product innovation, execution, and operational efficiencies, Kim has successfully led large-scale product transformations that have driven global business growth. Prior to Appen, Kim held senior leadership positions including Vice President of Product at Appen, Chief Technology Officer at Antea Group, and Chief Product Officer at iEHS.

Kim holds a PhD in Hydrogeology and Computer Science from the University of Birmingham.



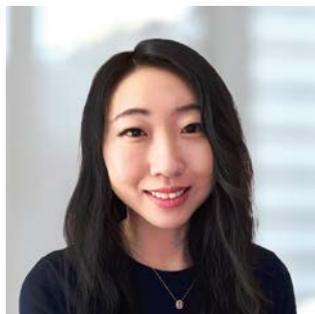
**Francisco Rivera**  
VP, Crowd Operations

**Joined: August 2025**  
*MBA, BSc (Industrial Engineering)*

Francisco is the VP of Crowd Operations at Appen, bringing more than 20 years of experience leading operations, strategy, and growth teams across a diverse set of industries and markets. Prior to joining Appen, he spent more than 10 years driving operational excellence in leading digital marketplaces, such as Uber and Angi. Francisco holds a Bachelor of Science degree in Industrial Engineering from the University of Lima (Peru), as well as an MBA from Yale University.

## Corporate Services (continued)

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**Si Chen**  
VP, Strategy & Marketing

**Joined: April 2023**  
*BCom (Actuarial Studies/Finance)*

Si is the VP, Strategy & Marketing at Appen. Si brings extensive experience in technology leadership roles and her areas of expertise include traditional AI/ML models, generative AI, multimodal AI systems, intelligent robotics, and AI industry solutions. Prior to joining Appen, Si held leadership positions as Head of Strategy, Partnerships & Operations at Tencent AI & Robotics Lab, and Head of Strategy & Business Development at AWS China. Si holds a Bachelor of Commerce from the University of New South Wales.



**Jaime Frasca**  
General Counsel and Company Secretary

**Joined: January 2026**  
*B. Media, LLB (Hons), BA (Hons), GAICD*

Jaime is the General Counsel at Appen and oversees the company's legal, governance and risk functions. She brings over 20 years of experience advising global organisations across technology, consumer and media sectors, with deep expertise in regulatory and compliance matters.

Prior to joining Appen, Jaime served as Senior Legal Director and Company Secretary (ANZ) at Dell Technologies. She began her career in private practice at leading Australian law firms before moving in-house to senior legal roles at Penguin Books UK and KFC South Pacific. She is admitted as a Solicitor of the Supreme Court of New South Wales and is a Graduate of the Australian Institute of Company Directors.

## Delivery and Sales

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**Robert Page**  
VP Client delivery, strategic accounts

**Joined: April 2012**  
*BA (Hons)*

Robert leads the delivery team for our largest client and is responsible for the overall account strategy and operations. Robert is an industry expert with more than a decade of experience in driving Appen teams to delivery excellence. During this time, he has overseen the delivery of hundreds of successful, diverse projects for Appen's customers. He has a deep understanding of the evolving needs of clients and flawless project execution. He has a track record of scaling opportunities and driving meaningful cost efficiencies, while navigating the constantly changing landscape of the technology industry.



**Sergio Bruccoleri**  
VP, Delivery

**Joined: February 2025**  
*PD (Information Technology & Telecom)*

Sergio Bruccoleri is the VP of Delivery at Appen, bringing deep expertise in AI data operations, large-scale delivery, and technical execution across global programs. With more than a decade leading teams in the AI and digital transformation space, he has built and managed complex delivery ecosystems that support enterprise-grade AI development.

Prior to Appen, he held senior leadership roles at Centific and Pactera, where he oversaw solution delivery, technical architecture, and global operations for high-impact AI data, localization, and platform modernization initiatives.

## Delivery and Sales (continued)

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**Brian Jenkins**  
VP, Sales

**Joined: December 2024**  
MBA, BA (Marketing)

With over 15 years of strategic selling experience, Brian Jenkins serves as VP of Sales across NA, LATAM and EMEA. Prior to stepping into his current leadership role, Brian held key sales and growth positions at Scale AI and Snorkel, where he developed deep domain expertise in the data labeling and AI enablement space. Earlier, Brian spent approximately 8 years at Salesforce, contributing to the company's expansion across a multitude of verticals.

Brian holds a Bachelors in Marketing from Clemson University along with a dual MBA from Coastal Carolina University and a FH-Mainz, University of Applied Sciences in Germany.

## China Group Operations

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**Roc Tian**  
SVP and General Manager, China, Japan and Korea

**Joined: August 2019**  
PhD (Computer Software), MA  
(Computer Applications)

Roc comes to Appen with more than 20 years of sales, consulting, and management experience from Fortune 100 companies. He is responsible for Appen's business strategy, sales, marketing, delivery, operations and government relationships in China, Japan and Korea.

Most recently, Roc was senior partner of IBM GBS where he led the client services, public sector and enterprise application service lines across the mainland China, Hong Kong and Taiwan markets with remarkable business performance and achievements. Before that, Roc was also a core leader responsible for the growth of IBM's global delivery centre in China from 4,000 to more than 10,000 people.

Prior to IBM, Roc was a business quality director for HP's global delivery centre in China and a key leader responsible for helping HP grow from a start-up to more than 3,000 people across China. Roc was also the founder and CTO of a technology start-up that grew to more than 100 people.

# Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group" or "Appen") consisting of Appen Limited (referred to hereafter as the "Company" or "parent entity") and the entities it controlled at the end of, or during, the year ended 31 December 2025.

## Directors

The following persons were Directors of Appen Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Richard Freudenstein - Chair (retired from the Board effective 31 December 2025)  
Vanessa Liu - Chair (appointed as Chair upon Richard Freudenstein's retirement on 31 December 2025)  
Ryan Kolln - Chief Executive Officer (CEO) and Managing Director  
Stuart Davis  
Steve Hasker  
Robin Low  
Lynn Mickleburgh  
Mini Peiris (resigned on 16 May 2025)

## Directors' meetings

Details of Board and Committee meetings held during the year and individual directors' attendance at these meetings is summarised as follows:

	Board		Audit and Risk Management Committee		People and Culture Committee	
	A	B	A	B	A	B
Richard Freudenstein	8	8	-	-	3	3
Ryan Kolln	8	8	-	-	-	-
Stuart Davis	8	8	5	5	-	-
Steve Hasker	8	7	-	-	3	3
Vanessa Liu	8	8	5	5	-	-
Robin Low	8	8	5	5	-	-
Lynn Mickleburgh	8	8	-	-	3	3
Mini Peiris	3	3	-	-	1	1

A: Meetings eligible to attend.

B: Meetings attended.

## Company Secretary

Carl Middlehurst resigned as Company Secretary effective 27 January 2026. Jaime Frasca and Leanne Ralph were appointed as joint Company Secretaries on 27 January 2026.

## Appointment of new Chair

Richard Freudenstein retired as Non-Executive Chair, effective 31 December 2025. The Chair was succeeded by current Non-Executive Director, Vanessa Liu, following a 3-month transition period.

Vanessa Liu joined the Board as Non-Executive Director in 2020, bringing more than 25 years' experience leading and scaling global technology businesses.

## Principal activities

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 languages<sup>1</sup>, in over 200 countries<sup>2</sup>, as well as our 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.

Appen has revised its operating and reporting segments in 2025 to reflect how business performance is currently assessed and how decisions are made by the Group. The revised operating segments are:

- **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.

## Significant changes in state of affairs

Other than those outlined in the Directors' report, there was no other significant change in the state of affairs of the Group during the year.

## Matters subsequent to the end of the year

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

## Likely developments and expected results of operations

The Group continues to focus on profitability and remains committed to sizing its cost base in line with the revenue opportunity. Appen's strategy and priorities can be found in the financial value driver on [page 27](#).

## Environmental regulations

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State Law.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Group during the period covered by this report.

## Indemnity and insurance of officers

The Company has indemnified the current and former directors and executives of the Company and its controlled entities for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the current and former directors and executives of the Company and its controlled entities against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability covered and the amount of the premium.

Executives include all the key management personnel as defined in the remuneration report as well as their direct reports.

## Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditors of the Company or any related entity against a liability incurred by the auditor.

During the year, the Company did not pay a premium in respect of a contract to insure the auditor of the Company or any related entity.

1 Self-reported.

2 Self-reported, includes territories.

# Directors' report

for the year ended 31 December 2025

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Auditor's independence declaration and non-audit services

The Directors have received the auditor's independence declaration, as included on [page 70](#) of the report.

During the year, KPMG China performed certain non-audit services in relation to Appen China subsidiaries' domestic transfer pricing and other advisory service. Remunerations paid or payable to KPMG services are outlined in Note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year by the auditor (or another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporation Act 2001*.

## Verification and assurance

In recognition of the important role that corporate reporting plays in communicating with our investors and other stakeholders, the Board has formalised process to verify the integrity of our periodic corporate reports, which includes the Directors' report.

The approach adopted, to ensure that the report is materially accurate, balanced and provide our investors with appropriate information, are as follows:

- Information about How we create value, Identifying and managing risk, Our approach to governance, and the Remuneration report were prepared by management in consultation with the Board. The content of this report is guided by regulatory requirements and our interactions with investors and other stakeholders throughout the year, which helps us to understand what matters most to our investors and what information should be included in the Directors' report.
- The information in the report has been derived from the Group's internal records and has been through an internal verification process.

## Rounding off amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand US dollars, or in certain cases, to the nearest US dollar.

# Remuneration report

## Dear Shareholder

On behalf of Appen's People and Culture Committee, I am pleased to present our audited Remuneration Report for the year ended 31 December 2025.

### 2025 performance

In FY25 we saw substantial improvements in performance, with new project wins in generative AI, achievement of operational efficiencies, and improved revenue trajectory throughout the year.

Operating revenue grew 4.5%<sup>1</sup> to \$230.8 million primarily due to new projects and expansions in generative AI related projects.

Underlying EBITDA (excluding foreign exchange) increased 250.8% to \$12.2 million due to revenue growth, expansion of gross margin, operating leverage in the Appen China division, and cost efficiencies achieved through technology innovation and automation.

In addition to improved profitability, Appen's balance sheet remains strong. With cash on hand as at 31 December 2025 of \$59.8 million (AUD 89.5 million<sup>2</sup>) and no debt.

Notwithstanding the progress made, Appen did not meet its financial performance targets for Revenue and EBITDA in 2025.

### 2025 remuneration outcomes

A summary of remuneration outcomes for FY25 is as follows:

#### Short-term incentive (STI) outcomes

An assessment of the FY25 STI scorecard resulted in KMPs achieving 10% of target:

- Both financial measures, being revenue (30% weighting) and EBITDA (50% weighting) were below the minimum payout thresholds.
- For non-financial measures, customer NPS (10% weighting) exceeded target at 119% of target, however crowd NPS (10% weighting) was below the minimum payout threshold.

The 10% STI achievement in relation to customer NPS reflects a high level of customer satisfaction with Appen's service offerings and project delivery. Customers viewed Appen as a reliable, trusted partner, with consistent ability to deliver high-quality data.

#### Long-term incentive (LTI) outcomes

Legacy grants awarded with respect to previous roles held by current KMP were tested during FY25.

With respect to 2022 annual awards (tranche 4) the relevant performance condition of 20% UBEPS growth has not been met in FY25.

With respect to 2022 annual awards (tranche 3) and 2023 annual awards (tranche 2), the relevant service conditions were met in FY25.

Further details of these outcomes can be found on [page 59](#).

#### Non-Executive Director fees

Non-Executive Director fees remained unchanged in FY25, and no change is proposed for FY26.

#### Looking ahead

Appen remains firmly focused on its long-term growth strategy and we believe our remuneration framework remains fit for purpose. Our aim is to continue to align our remuneration structure, framework, and outcomes with sustainable shareholder value creation, while attracting and retaining talent in the highly competitive North American and Australian technology markets.

The Board is committed to an ongoing review of executive remuneration arrangements and strategic direction of the Company. To facilitate this ongoing review, we will engage with proxy advisors, shareholders, and their representatives on matters related to remuneration and welcome feedback on all aspects of our approach.

Yours sincerely

**Steve Hasker**

Chair of the People and Culture Committee

<sup>1</sup> Excludes the FY24 impact of Google contract termination.

<sup>2</sup> Converted at 31 December 2025 exchange rate of 0.6681.

# Remuneration report

for the year ended 31 December 2025

## Key management personnel

Key Management Personnel (KMP) are defined as persons having authority and responsibility for planning, directing, and controlling the activities of the Company and the Group. KMP comprise the directors of the Company and executives of the Company and the Group.

The current names and titles of KMP are set out below.

NAME	POSITION	TERM AS KMP
<b>Non-Executive KMP:</b>		
Richard Freudenstein <sup>1</sup>	Independent Director and Non-Executive Chair	Full year
Stuart Davis	Independent Non-Executive Director	Full year
Steve Hasker	Independent Non-Executive Director	Full year
Vanessa Liu	Independent Non-Executive Director	Full year
Robin Low	Independent Non-Executive Director	Full year
Lynn Mickleburgh	Independent Non-Executive Director	Full year
Mini Peiris	Independent Non-Executive Director	Resigned 16 May 2025
<b>Executive KMP:</b>		
Ryan Kolln (United States)	Chief Executive Officer (CEO) and Managing Director	Full year
Justin Miles (Australia)	Chief Financial Officer (CFO)	Full year

<sup>1</sup> Richard Freudenstein resigned effective 31 December 2025. Vanessa Liu was appointed Non-Executive Chair effective 1 January 2026.

# Remuneration report

for the year ended 31 December 2025

## Remuneration snapshot

Our remuneration framework has been designed to motivate our people to deliver and achieve the company's annual business plans and long-term growth objectives and strategy.

Our goal is to ensure that the level and composition of remuneration aligns with shareholder interests and allows Appen to compete in some of the tightest markets in the world and attract and retain high-performing talent in the highly competitive technology sector.

### Remuneration principles



#### Heavy weighting to performance-based pay

Align the KMP remuneration outcomes to our short and long-term strategy, which is underpinned by, and dependent upon, strong financial and non-financial success.



#### Alignment to creation of long-term shareholder value

Ensure employees think and act like long-term owners through performance-based pay, challenging targets, and equity.



#### Fair and competitive to attract and retain top talent globally

Independently benchmarked against industry peers to ensure that remuneration is appropriate in each of the global markets in which Appen operates and competes with for talent.



#### Reinforce responsible business practices

Formalised policy providing for Board discretion in relation to malus and clawback of both STI and LTI.



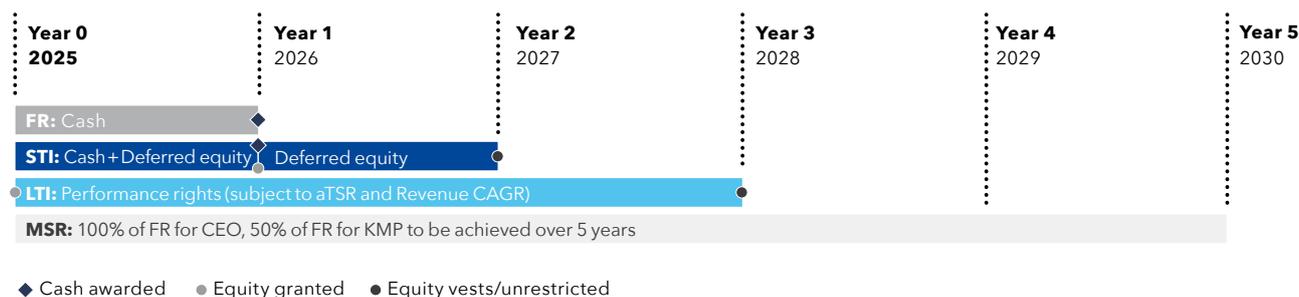
#### Simple and clear

Transparency on metrics, targets, assessment, and outcomes.

### Executive remuneration structure

The diagram below shows the vesting timeline for all remuneration payable to CEO and CFO. Noting only the CEO receives STI deferred equity.

#### Vesting timeline



# Remuneration report

for the year ended 31 December 2025

## Overview of remuneration elements

### Total fixed remuneration (FR)

---

#### Objective

Provide market competitive base salary and benefits commensurate with skills and experience to attract the best people around the world to design to lead the delivery of our growth strategy.

#### Alignment to strategy

Fixed remuneration reflects:

- the scope of the executive's role;
- the executive's skills, experience and qualifications; and
- individual performance.

#### Current year approach

Cash salary, superannuation, and additional benefits. Additional benefits are in the form insurance benefits provided to US based executives.

### Short-term incentive (STI)

---

#### Objective

STI are performance-based incentives designed to reward executives (and employees) to deliver and outperform key financial and non-financial metrics to lead to sustainable, superior returns for shareholders.

#### Current year approach

STI is delivered in the form of an annual cash bonus payment to all eligible employees, other than the CEO where 25% of any STI earned will be deferred into equity with a holding lock of one year.

Target and maximum opportunities are as follows:

- CEO: 100% of base salary, 150% of base salary
- CFO: 75% of base salary, 112.5% of base salary

The Group STI scorecard which is assessed over a 12-month period, comprises of the following measures:

- Revenue (30%);
- EBITDA (50%);
- Customer net promoter score (NPS) (10%); and
- Crowd NPS (10%).

#### Alignment to strategy

The Group scorecard measures directly align to our long-term growth strategy by focusing on revenue and earnings growth, delighted customers and crowd workers. Each of these components, both financial and non-financial, are essential for Appen to deliver sustainable growth and superior returns for shareholders.

### Long-term incentive (LTI)

---

#### Objective

LTI incentivises the achievement of long-term sustainable growth in earnings and shareholder value, designed to strongly align with long-term shareholder wealth creation, and supports the attraction and retention of high performing executives.

#### Current year approach

LTI is a form of equity-based compensation that is awarded in the form of performance rights.

Individual opportunities are as follows:

- CEO: 250% of base salary
- CFO: 150% of base salary

50% of LTI is subject to Absolute Total Shareholder Return (aTSR) targets and 50% is subject to revenue growth targets (Revenue CAGR). Both aTSR and Revenue CAGR are tested over a three-year performance period.

#### Alignment to strategy

The aTSR metric focuses directly on delivering shareholder return and growth in value to shareholders, aligning executives' interests with shareholders' and ensuring a focus on sustained value creation. Further, aTSR provides a comprehensive and transparent gauge of our overall financial performance, encouraging executives to prioritise strategic decisions that contribute to the company's long term success.

Revenue CAGR is set to reward sustainable, top-line growth, aligning executives' focus on expanding the business, increasing market share, and driving fundamental, long-term performance.

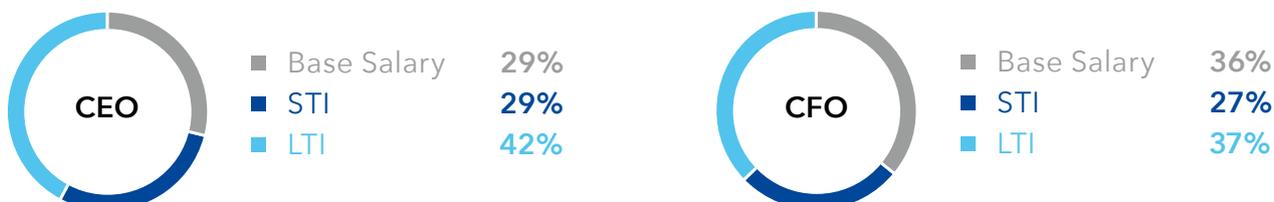


# Remuneration report

for the year ended 31 December 2025

## Remuneration mix

Target remuneration mix presented below for each executive comprises of total fixed remuneration, target STI opportunity and total LTI opportunity.



## FY25 performance and remuneration outcomes

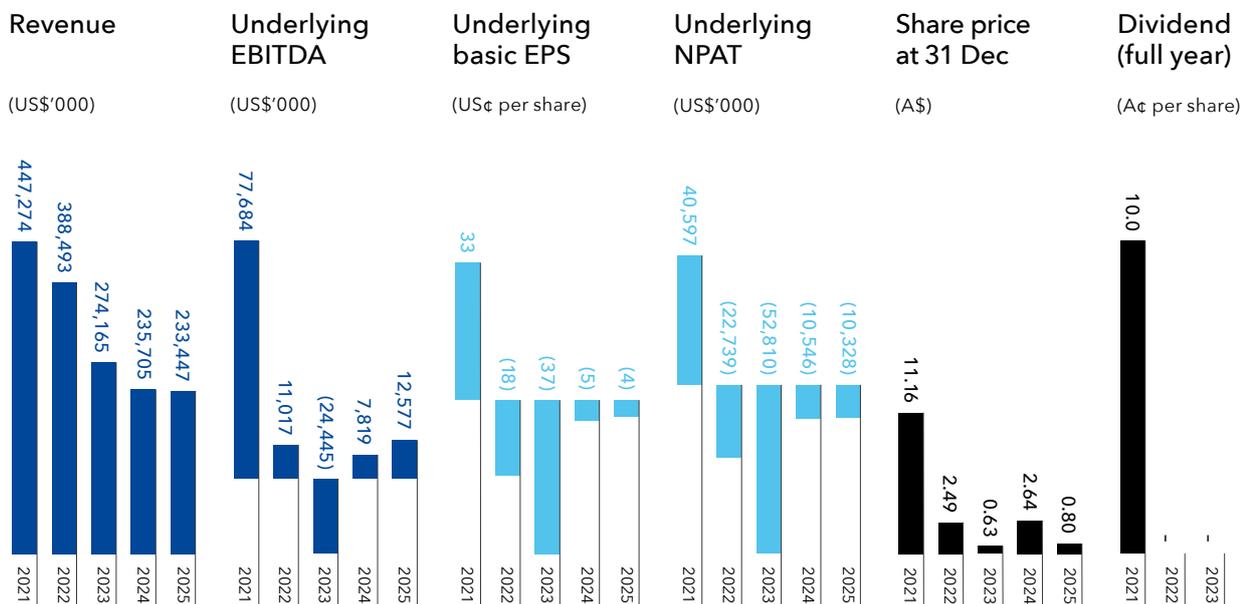
### Appen's five-year performance

One of the key principles of the Company's remuneration framework is to align executive remuneration outcomes with the Company's performance and shareholder returns.

#### Short-term incentive measures

#### Long-term incentive measures

#### Shareholder returns



# Remuneration report

for the year ended 31 December 2025

## FY25 STI Group scorecard and assessment

The below table provides an overview of the performance of executive KMP against pre-defined threshold, target and stretch performance hurdles associated with each financial and non-financial STI scorecard metric.

Metric and weighting	Performance vs. target	% of target opportunity achieved	Commentary
<b>Financial</b>			
<b>EBITDA</b> (50%)	<p>Threshold 90% Target 100% Stretch 132%</p>	0%	<p>Group underlying EBITDA, excluding FX was up 250.8% to \$12.2 million compared to \$3.5 million in FY24.</p> <p>Although substantial growth was achieved, minimum achievement threshold was set at 90% compared to 40% in FY24 and FY25 threshold was not met.</p>
<b>Revenue</b> (30%)	<p>Threshold 90% Target 100% Stretch 141%</p>	0%	<p>Group operating revenue was up 4.5%<sup>1</sup> to \$230.8 million compared to \$220.9 million<sup>1</sup> in FY24.</p> <p>Minimum achievement threshold was set at 90% compared to 94% in FY24. FY25 threshold was not met.</p>
<b>Non financial</b>			
<b>Customer NPS</b> (10%)	<p>Threshold 90% Target 100%</p>	10%	<p>Customer NPS was 119% of target and reflected a high level of customer satisfaction with Appen's service offerings and project delivery. Customers viewed Appen as a reliable, trusted partner, with consistent ability to deliver high-quality data.</p> <p>Non-financial measures capped at 100%.</p>
<b>Crowd NPS</b> (10%)	<p>Threshold 90% Target 100%</p>	0%	<p>Crowd NPS was below target and primarily reflected project availability and earnings stability during certain periods of FY25.</p> <p>Non-financial measures capped at 100%.</p>
<b>Final scorecard outcome</b>		<b>10%</b>	

<sup>1</sup> Excludes the FY24 impact of Google contract termination.

# Remuneration report

for the year ended 31 December 2025

## STI outcomes

The STI amounts earned and associated achievement and payout percentages are disclosed in the table below:

Executive KMP	Year	Currency	Fixed remuneration	STI target % of fixed remuneration	STI target	STI earned as a % of target	STI earned as a % of maximum	Total STI earned	Total STI deferred
Ryan	2025	USD	600,000	100%	600,000	10.0%	6.7%	60,000	15,000
Kolln	2024	USD	583,036	100%	566,411	85.9%	57.3%	486,612	121,653
Justin	2025	AUD	529,966	75%	397,475	10.0%	6.7%	39,747	-
Miles	2024	AUD	528,510	75%	396,383	85.9%	57.3%	340,493	-

## LTI outcomes

### Annual LTI grant

Legacy annual grants awarded with respect to previous roles held by current KMP were tested during FY25.

Plan	Tranche	Performance measurement	Vesting date	Vesting condition achieved?	# of rights <sup>1</sup>	# Vested	# Forfeited	% Forfeited
<b>Ryan Kolln</b>								
2022 LTI	3	Service only	1 Jan 25	Yes	4,134	4,134	-	0%
2022 LTI	4	20% UBEPS	1 Jan 25	No	12,404	-	12,404	100%
2023 Exec <sup>2</sup>	2	Service only	25 Feb 25	Yes	31,269	31,269	-	0%
2023 Exec <sup>2</sup>	2	Service only	1 Jan 25	Yes	33,895	33,895	-	0%
<b>Justin Miles</b>								
2022 LTI	3	Service only	1 Jan 25	Yes	3,425	3,425	-	0%
2022 LTI	4	20% UBEPS	1 Jan 25	No	10,277	-	10,277	100%
2023 Exec	2	Service only	1 Jan 25	Yes	21,887	21,887	-	0%

1 Number of rights unvested and held at the beginning of the year.

2 Multiple grants to Ryan Kolln for 2023 reflecting his promotion to Chief Operating Officer during the year.

### Other Awards

Legacy retention and one-time grants awarded with respect to previous roles held by current KMP were tested during FY25.

Plan	Tranche	Performance measurement	Vesting date	Vesting condition achieved?	# of rights <sup>1</sup>	# Vested	# Forfeited	% Forfeited
<b>Ryan Kolln</b>								
2023								
One-time	2	Service only	1 Jan 25	Yes	101,686	101,686	-	0%
<b>Justin Miles</b>								
2023								
Retention	2	Service only	1 Jan 25	Yes	121,669	121,669	-	0%

1 Number of rights unvested and held at the beginning of the year.

# Remuneration report

for the year ended 31 December 2025

## 2025 LTI grant

The grant of performance rights to the CEO was approved by shareholders at the Annual General Meeting on 16 May 2025. Vesting is 50% weighted to absolute TSR and 50% revenue CAGR, to be tested on 31 December 2027. The CFO award is aligned to the CEO, with the same performance measures applied. Further details of this plan are provided on [page 63](#).

Grant date	Performance measurement	Performance target	Performance target measurement date	Target achieved	Vesting condition	Vesting date	# of rights granted	Value per right at grant date (AUD)	Fair value at grant date (AUD)
<b>Ryan Kolln</b>									
15 May 25	aTSR	95% (50%) 120% (100%)	31 Dec 27	Pending	Employed at 1 Jan 2028	Release of 27 results	513,000	1.23	630,990
15 May 25	Revenue CAGR	19% (50%) 26% (100%)	31 Dec 27	Pending	Employed at 1 Jan 2028	Release of 27 results	513,000	1.23	630,990
<b>Justin Miles</b>									
2 May 25	aTSR	95% (50%) 120% (100%)	31 Dec 27	Pending	Employed at 1 Jan 2028	Release of 27 results	162,338	0.77	125,000
2 May 25	Revenue CAGR	19% (50%) 26% (100%)	31 Dec 27	Pending	Employed at 1 Jan 2028	Release of 27 results	162,338	0.77	125,000

## Actual remuneration for executive KMP

The table below details the actual remuneration that was received by current KMP for FY25 and FY24.

The remuneration is disclosed in the currency each KMP receives their remuneration. This table differs to the statutory remuneration table on [page 67](#) which is prepared in accordance with accounting standards. The STI amount (if any) is the amount earned in recognition of performance for that year, including any relevant deferred portion. The LTI value at vesting date is the value of shares issued during the year as a result of the vesting of performance rights issued in prior years.

Executive KMP	Year	Currency	Fixed			Variable		Total value \$	LTI value at grant date \$
			Cash salary \$	Super-annuation <sup>1</sup> \$	Termination payments \$	STI \$	LTI value at vesting date \$		
Ryan Kolln <sup>2</sup>	2025	USD	600,000	-	-	60,000	143,880	803,880	813,742
	2024	USD	594,771	-	-	486,612	66,779	1,148,162	1,255,872
Justin Miles <sup>3</sup>	2025	AUD	500,000	29,966	-	39,747	191,810	761,523	250,000
	2024	AUD	499,845	28,665	-	340,493	87,168	956,171	681,818

1 Superannuation contributions for Australian executive KMP.

2 Commenced in role on 5 February 2024, having previously been the Chief Operating Officer from 2023. STI includes 25% deferral into equity with a holding lock of 1 year. 2025: \$15,000, 2024: \$121,653.

3 Commenced in the role on 27 February 2024, having previously been the Interim CFO from 1 August 2023.

# Remuneration report

for the year ended 31 December 2025

## Actual remuneration for executive KMP

### Total fixed remuneration (FR)

Fixed remuneration is benchmarked against North American technology companies, and similarly sized ASX-listed companies on an annual basis. Fixed remuneration is intended to be positioned below the median of peers, with greater emphasis on at-risk pay-for performance. There is no guarantee of an annual increase in fixed remuneration.

### FY25 short-term incentive (STI) key terms

STI plan overview	
Description	Appen's STI plan is a performance-based incentive designed for executives (and eligible employees) to deliver and outperform against key financial and non-financial metrics to lead to sustainable, superior returns for shareholders.
Eligibility	The CEO and CFO, and certain other employees at the invitation of the CEO are eligible to participate in the STI plan on annual basis.
Performance period	1 January 2025 to 31 December 2025.
Opportunity	<p><b>Target:</b></p> <ul style="list-style-type: none"> <li>CEO: 100% of base salary</li> <li>CFO: 75% of base salary</li> </ul> <p><b>Maximum:</b></p> <ul style="list-style-type: none"> <li>CEO: 150% of base salary</li> <li>CFO: 112.5% of base salary</li> </ul>
Delivery	STI is delivered in the form of an annual cash bonus payment to all employees, other than the CEO where 25% of any STI earned will be deferred into equity with a holding lock of one year.
Performance measures	<p>Performance is assessed against targets determined under our STI Group Scorecard which comprises of 80% financial measures and 20% non-financial measures.</p> <p>For the 2025 STI, the Group Scorecard measures were as follows:</p> <ul style="list-style-type: none"> <li>EBITDA (50%);</li> <li>Revenue (30%);</li> <li>Customer net promoter score (NPS) (10%); and</li> <li>Crowd NPS (10%).</li> </ul> <p>Each of these components, both financial and non-financial, are essential for Appen to deliver sustainable growth and superior returns for shareholders.</p> <p>In addition, eligible employees are expected to fulfil fundamental leadership responsibilities in their roles (Good Citizen Requirements). These fundamental leadership responsibilities include setting goals (OKRs), providing feedback, measuring performance and ensure completion of compliance training and not just for themselves, but also for those who they manage.</p>

# Remuneration report

for the year ended 31 December 2025

<b>STI plan overview (continued)</b>																											
Vesting schedule	<p><b>Payment for financial measures</b></p> <p>Achievement thresholds for financial measures were adjusted to ensure a focus on both revenue growth and returning to EBITDA profitability.</p> <p><b>EBITDA (50% of STI)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Achievement - % against target</th> <th style="text-align: left; padding: 2px;">Actual award - % of target payout</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Below 90%</td> <td style="padding: 2px;">Nil</td> </tr> <tr> <td style="padding: 2px;">90%</td> <td style="padding: 2px;">50%</td> </tr> <tr> <td style="padding: 2px;">100%</td> <td style="padding: 2px;">100%</td> </tr> <tr> <td style="padding: 2px;">132% or more</td> <td style="padding: 2px;">162.5%</td> </tr> </tbody> </table> <hr/> <p><b>Revenue (30% of STI)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Achievement - % against target</th> <th style="text-align: left; padding: 2px;">Actual award - % of target payout</th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;">Below 90%</td> <td style="padding: 2px;">Nil</td> </tr> <tr> <td style="padding: 2px;">90%</td> <td style="padding: 2px;">50%</td> </tr> <tr> <td style="padding: 2px;">100%</td> <td style="padding: 2px;">100%</td> </tr> <tr> <td style="padding: 2px;">141% or more</td> <td style="padding: 2px;">162.5%</td> </tr> </tbody> </table> <hr/> <p><b>Non-financial measures (20% of STI)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="padding: 2px;">Below 90%</td> <td style="padding: 2px;">Nil</td> </tr> <tr> <td style="padding: 2px;">90%</td> <td style="padding: 2px;">50%</td> </tr> <tr> <td style="padding: 2px;">100% or more</td> <td style="padding: 2px;">100%</td> </tr> </tbody> </table>	Achievement - % against target	Actual award - % of target payout	Below 90%	Nil	90%	50%	100%	100%	132% or more	162.5%	Achievement - % against target	Actual award - % of target payout	Below 90%	Nil	90%	50%	100%	100%	141% or more	162.5%	Below 90%	Nil	90%	50%	100% or more	100%
Achievement - % against target	Actual award - % of target payout																										
Below 90%	Nil																										
90%	50%																										
100%	100%																										
132% or more	162.5%																										
Achievement - % against target	Actual award - % of target payout																										
Below 90%	Nil																										
90%	50%																										
100%	100%																										
141% or more	162.5%																										
Below 90%	Nil																										
90%	50%																										
100% or more	100%																										
Assessment of outcomes	<p>Fixed remuneration x target incentive x Group scorecard = STI outcome</p> <p>With the exception of his own performance, performance assessments are undertaken by the CEO who retains the discretion to pay or not pay any part of the STI. Performance assessment and payment for the CEO is subject to Board approval.</p> <p>Employees under a formal performance improvement plan or any formal disciplinary procedure will have discretion applied and receive zero STI award.</p> <p>Any non-compliance with the Good Citizen Requirements will delay payment until they are fulfilled. Any delay in excess of 90 days past the performance period end date will result in the forfeiture of any STI payment.</p>																										
Board discretion	<p>The Board has discretion to adjust the level of STI (to zero) to prevent any inappropriate outcome, for example, relative to the shareholder experience.</p>																										

# Remuneration report

for the year ended 31 December 2025

## FY25 long-term incentive (LTI) key terms

LTI plan overview																					
Description	Appen's LTI plan is a form of equity-based compensation awarded in the form of performance rights. The LTI plan is designed to incentivise and challenge senior management to achieve long term sustainable growth in earnings and shareholder value. It also supports the retention of high performing executives.																				
Eligibility	The CEO and CFO, and select other executives are eligible to participate in the LTI plan on annual basis.																				
LTI opportunity	<ul style="list-style-type: none"> <li>CEO: 250% of base salary</li> <li>CFO: 150% of base salary</li> </ul>																				
Vesting Conditions	<p>Vesting of performance-based rights is subject to two performance conditions are satisfied over the performance period, as described below. In addition, vesting is subject to continued employment with the Company.</p> <ul style="list-style-type: none"> <li><b>Absolute TSR (50% weighting)</b></li> </ul> <p>TSR measures the growth in the price of shares (modified to account for capital adjustments where appropriate) together with the value of the dividends of the performance period, assuming that all those dividends are re-invested into new shares.</p> <p>Vesting (if any) of rights subject to the Absolute TSR Condition will be determined with reference to the Company's TSR performance over the performance period as follows:</p> <table border="1"> <thead> <tr> <th>Absolute TSR over the performance period</th> <th>% of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>TSR is below 95%</td> <td>0%</td> </tr> <tr> <td>TSR is 95%</td> <td>50%</td> </tr> <tr> <td>TSR is between 95% and 120%</td> <td>Pro-rata straight line vesting between 50% and 100%</td> </tr> <tr> <td>TSR is greater than or equal to 120%</td> <td>100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li><b>Revenue CAGR (50% weighting)</b></li> </ul> <p>Revenue growth is measured at Compound Annual Growth Rate (CAGR) and vesting (if any) of Performance Rights will be determined with reference to the Company's compound annual growth rate (CAGR) for revenue over the performance period as follows:</p> <table border="1"> <thead> <tr> <th>Revenue CAGR over the performance period</th> <th>% of Performance Rights that vest</th> </tr> </thead> <tbody> <tr> <td>Revenue CAGR is below 19%</td> <td>0%</td> </tr> <tr> <td>Revenue CAGR is 19%</td> <td>50%</td> </tr> <tr> <td>Revenue CAGR is between 19% and 26%</td> <td>Pro-rata straight line vesting between 50% and 100%</td> </tr> <tr> <td>Revenue CAGR is greater than or equal to 26%</td> <td>100%</td> </tr> </tbody> </table> <p>Note: select non-KMP executives are currently on a different LTI plan which may include alternative performance conditions and timelines.</p>	Absolute TSR over the performance period	% of Performance Rights that vest	TSR is below 95%	0%	TSR is 95%	50%	TSR is between 95% and 120%	Pro-rata straight line vesting between 50% and 100%	TSR is greater than or equal to 120%	100%	Revenue CAGR over the performance period	% of Performance Rights that vest	Revenue CAGR is below 19%	0%	Revenue CAGR is 19%	50%	Revenue CAGR is between 19% and 26%	Pro-rata straight line vesting between 50% and 100%	Revenue CAGR is greater than or equal to 26%	100%
Absolute TSR over the performance period	% of Performance Rights that vest																				
TSR is below 95%	0%																				
TSR is 95%	50%																				
TSR is between 95% and 120%	Pro-rata straight line vesting between 50% and 100%																				
TSR is greater than or equal to 120%	100%																				
Revenue CAGR over the performance period	% of Performance Rights that vest																				
Revenue CAGR is below 19%	0%																				
Revenue CAGR is 19%	50%																				
Revenue CAGR is between 19% and 26%	Pro-rata straight line vesting between 50% and 100%																				
Revenue CAGR is greater than or equal to 26%	100%																				
Performance period	Performance rights may vest at the end of the three-year vesting period subject to the achievement of the performance and continuing employment hurdle specified above.																				

# Remuneration report

for the year ended 31 December 2025

## LTI plan overview (continued)

Board discretion	<p>The Board maintains absolute discretion to adjust LTI and all performance-based remuneration that has not been realised or vested if the Board considers that such remuneration would be unfair or inappropriate benefit to an executive.</p> <p>The Board has absolute discretion to reduce, cancel, or clawback the performance-based remuneration to an executive. For example, this can include such circumstances as:</p> <ul style="list-style-type: none"><li>• making a material misstatement or omission in the group financial statements</li><li>• if the employee acts fraudulently or engages in misconduct, or</li><li>• any other circumstance that the Board determines in good faith to have resulted in an unfair inappropriate benefit to the Executive.</li></ul> <p>The Board also has discretion to ensure that the targets are achieved in the right way, and factors like acquisitions may be adjusted for if it unjustly boosts one or more of the financial metrics associated with the STI or LTI.</p>
Leaver provisions	<p>Unless the Board determines otherwise, where an employee leaves due to voluntary resignation, mutual separation or termination for cause (including gross misconduct), all unvested rights will automatically lapse on cessation.</p> <p>Subject to Board approval, where employment leaves for any other reason (including redundancy, disability, retirement or death) a pro-rata number of unvested rights will remain 'on-foot' and vest on the original vesting date (with the service condition deemed to be met).</p>

## Remuneration governance

The People and Culture Committee is responsible for developing, monitoring and assessing the remuneration strategy, policies and practices, with a focus on our strategic human resources objectives, including the well-being of our employees and culture.

The number of Committee meetings and attendance by members during the reporting period is set out in the Meetings of directors' section on [page 50](#).

The following diagram shows Appen's remuneration decision making process.

### Corporate Governance Statement



#### Corporate Governance Statement

Further information about the People and Culture Committee is set out in the Corporate Governance Statement. The Statement is available at: [appen.com/investors/corporate-governance/](https://appen.com/investors/corporate-governance/)

### Securities trading policy



KMP (both Executive and Non-Executive Directors) must not enter into transactions in associated products that operate to limit the economic risk of security holdings in the Company. A copy of the Company's Securities Dealing Policy is available at [appen.com/investors/corporate-governance/](https://appen.com/investors/corporate-governance/)

# Remuneration report

for the year ended 31 December 2025

## Independent remuneration advisors

Periodically, the Board and the People and Culture Committee seeks input from external and independent remuneration advisors who can provide industry benchmarks, peer comparison information and specific local knowledge of country-specific remuneration practices.

External advice is used as a guide only and is not a substitute for the Board and People and Culture Committee's thorough consideration of the relevant remuneration matter.



### Board

Approves and has oversight of Appen's remuneration policy.  
Final approval of performance targets and remuneration outcomes for the CEO.

### People and Culture Committee

Oversees the application of the remuneration framework and policies, with a focus on Appen's human resource strategy.

Make remuneration recommendations for KMP to the Board.

### Audit Committee

Advises the People and Culture Committee of material risk issues, behaviours and/or compliance breaches.

### Executive team

Proposes executive appointments, succession plans, policies, remuneration structures and outcomes to the People and Culture Committee for review and approval, or recommendation to the Board as required.

### Independent external advisors

Insights and information is sought from independent external advisors as required to ensure the People and Culture Committee is appropriately informed.

## Minimum shareholding requirement (MSR)

The Board has adopted a Minimum Shareholding Policy to assist in aligning the interests of all Directors and executive KMP with our shareholders. The MSR requirements for KMP are as follows:

KMP	MSR	Period as KMP	Compliance
Non-Executive Directors	100% of annual pre-tax base fees	3 years	All Board members are compliant
CEO	100% of fixed remuneration	5 years	To be assessed Feb 2029
Other Executives	50% of fixed remuneration	5 years	To be assessed Aug 2028

The value of such shares is based on their price at the time of acquisition. Any deferred STI for the CEO counts towards the achievement of MSR. Once the requirement has been met, Directors are considered compliant even if there are subsequent changes in the share price.

Directors and executive KMP are compliant where Appen securities are held either by them personally or by a related party. Refer to [page 69](#) for further details regarding current securities held by KMP.

# Remuneration report

for the year ended 31 December 2025

## Service contracts

Remuneration and other terms of employment for KMP are formalised in service contracts. All executive KMP service contracts provide for immediate termination in the event of serious misconduct. There are no guaranteed base pay increases in any executive service contracts.

Details of the other key terms are as follows:

Executive KMP	Role	Contract term	Annual salary review	Notice period by either party
Ryan Kolln	CEO and Managing Director	No fixed term	1 March	12 months
Justin Miles	CFO	No fixed term	1 March	6 months

## Non-Executive Director fees

Non-Executive Director remuneration reflects the Company's desire to attract, motivate, and retain experienced directors and to ensure their active participation in advocating for the interests of shareholders, in areas such as strategy, corporate governance, remuneration, compliance, risk, and ESG. The size of the remuneration pool that can be paid to Non-Executive Directors is governed by resolutions passed at the Annual General Meeting of shareholders.

The total Non-Executive Director remuneration pool in 2025 was A\$1,400,000 per annum, unchanged from 2022 when the Board last approved an uplift.

The Company aims to provide a level of remuneration for Non-Executive Directors comparable with its general industry peer group. Non-Executive Directors receive a fee for Board membership and for service as Chair of Board Committees.

No additional payment is made for being a member of Board Committees. All fees are inclusive of superannuation if applicable.

Role	Fee 2025 A\$
Board Chair	\$240,000
Non-Executive Director	\$120,000
Audit and Risk Management Committee Chair	\$20,000
People and Culture Committee Chair	\$20,000

All Non-Executive Directors are remunerated by way of Board and Committee fees. These fees reflect the workload associated with a complex global business and the governance oversight required to implement our long-term growth objective and key strategic pillars and to oversee the business transformation process. Non-Executive Directors do not receive any short-term or long-term incentive.



# Remuneration report

for the year ended 31 December 2025

## Statutory disclosures

### Statutory remuneration for KMP

The tables below detail the statutory accounting expense of all remuneration-related items for executive KMP and Non-Executive Directors. All figures are presented in US dollars, which is Appen's presentational currency. The 12-month average AUD/USD exchange rates used were 0.6448 for 2025 and 0.6598 for 2024.

The values for equity-settled LTI remuneration were measured at grant date in accordance with AASB2 *Share-based Payments* and represent the current year amortisation of the fair value of the rights over the vesting period. Certain statutory LTI figures could be negative due to the true-up adjustment of share-based payments expense in relation share rights that did not vest or are not expected to vest.

Executive KPM		Fixed				Variable		Total value
		Cash salary	Super-annuation	Leave entitlements <sup>1</sup>	Termination payments	STI	LTI	
		\$	\$	\$	\$	\$	\$	\$
	<b>2025</b>	<b>600,000</b>	-	-	-	<b>60,000</b>	<b>308,127</b>	<b>968,127</b>
Ryan Kolln	2024	594,771	-	-	-	486,612	422,037	1,503,420
	<b>2025</b>	<b>322,407</b>	<b>19,322</b>	<b>17,261</b>	-	<b>25,629</b>	<b>54,952</b>	<b>439,571</b>
Justin Miles	2024	329,799	18,914	18,189	-	224,657	158,955	750,514

1 Leave entitlements include annual and long-service leave entitlements accrued but not taken during the year.

Director	2025			2024		
	Fees	Super-annuation	Total	Fees	Super-annuation	Total
	\$	\$	\$	\$	\$	\$
Richard Freudenstein	154,755	-	154,755	158,352	-	158,352
Stuart Davis	77,378	-	77,378	79,176	-	79,176
Steve Hasker	90,274	-	90,274	92,372	-	92,372
Vanessa Liu	77,378	-	77,378	79,176	-	79,176
Robin Low	83,110	7,164	90,274	92,372	-	92,372
Lynn Mickleburgh	77,378	-	77,378	79,176	-	79,176
Mini Peiris <sup>1</sup>	48,708	-	48,708	79,176	-	79,176
	<b>608,981</b>	<b>7,164</b>	<b>616,145</b>	<b>659,800</b>	-	<b>659,800</b>

1 Mini Peiris resigned effective 16 May 2025.

Except for Mini Peiris, all other Non-Executive Directors provided services for the full year in both 2025 and 2024. Certain variances year-on-year are due to FX translation from Australian dollars to US dollars.

### Securities holdings of executive KMP

The number of securities holdings by executive KMP during the performance period is listed below:

Executive KMP	Number of performance rights held	Number of ordinary shares held (direct and indirect)
Ryan Kolln	8,336,326	194,201
Justin Miles	1,922,578	188,502

# Remuneration report

for the year ended 31 December 2025

## Performance rights holdings of executive KMP

The movement during the reporting period of performance rights held by executive KMP is as follows:

Name	Plan	Held at 1 January 2025	Granted during the year	Exercised during the year	Forfeited	Forfeited %	Held at 31 December 2025	Vested during the year
Ryan Kolln	2022	16,538	-	(4,134)	(12,404)	75%	-	(4,134)
	2023	427,509	-	(166,850)	-	-	260,659	(166,850)
	2024	7,049,667	-	-	-	-	7,049,667	-
	<b>2025</b>	<b>-</b>	<b>1,026,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,026,000</b>	<b>-</b>
		<b>7,493,714</b>	<b>1,026,000</b>	<b>(170,984)</b>	<b>(12,404)</b>		<b>8,336,326</b>	<b>(170,984)</b>
Justin Miles	2022	13,702	-	-	(10,277)	75%	3,425	(3,425)
	2023	230,841	-	-	-	-	230,841	(143,556)
	2024	1,363,636	-	-	-	-	1,363,636	-
	<b>2025</b>	<b>-</b>	<b>324,676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,676</b>	<b>-</b>
		<b>1,608,179</b>	<b>324,676</b>	<b>-</b>	<b>(10,277)</b>		<b>1,922,578</b>	<b>(146,981)</b>

## Performance rights vesting table

The performance details relating to the rights exercised during the year, are shown in the table below:

Grant date	Tranche	Measurement	Target	Measurement date	Condition	Vesting date
<b>Ryan Kolln</b>						
22 Mar 22	3	Service only	N/A	N/A	Employed at 1 Jan 23	1 Jan 25
1 Mar 23	2	Service only	N/A	N/A	Employed at 1 Jan 24	1 Jan 25
24 May 23	2	Service only	N/A	N/A	Employed at 1 Jan 24	1 Jan 25
24 May 23	2	Service only	N/A	N/A	Employed at 1 Jan 24	1 Jan 25
<b>Justin Miles</b>						
22 Mar 22	3	Service only	N/A	N/A	Employed at 1 Jan 23	1 Jan 25
26 Sep 23	2	Service only	N/A	N/A	Employed at 1 Jan 24	1 Jan 25
26 Sep 23	2	Service only	N/A	N/A	Employed at 1 Jan 24	1 Jan 25

## Performance rights exercised during the year by executive KMP

The rights exercised during the year relate to vesting of the relevant plans as detailed above, upon the successful achievement of the relevant performance and employment hurdles.

Executive KMP	Number of rights exercised	Value of rights at grant date (US\$)	Value of rights at exercise date (US\$)
Ryan Kolln	170,984	\$240,323	\$143,880
Justin Miles	-	-	-

## Unvested performance rights held by executive KMP

The number of unvested performance rights held by executive KMP at 31 December 2025 are:

Plan	Ryan Kolln	Justin Miles
2023	260,659	87,285
2024	7,049,667	1,363,636
<b>2025</b>	<b>1,026,000</b>	<b>324,676</b>
	<b>8,336,326</b>	<b>1,775,597</b>



# Remuneration report

for the year ended 31 December 2025

## KMP shareholdings

KMP	1 January 2025	Purchased/ exercised during the year	Sold during the year	Ceased to be KMP	31 December 2025
<b>Non-Executive KMP</b>					
Richard Freudenstein	66,847	-	-	-	66,847
Stuart Davis	88,455	-	-	-	88,455
Steve Hasker	58,333	-	-	-	58,333
Vanessa Liu	25,200	-	-	-	25,200
Robin Low	272,676	-	-	-	272,676
Lynn Mickleburgh <sup>1</sup>	300,000	-	-	-	300,000
Mini Peiris <sup>2</sup>	-	-	-	-	-
<b>Executive KMP</b>					
Ryan Kolln	194,201	-	-	-	194,201
Justin Miles	188,502	-	-	-	188,502

1 Holdings in form of ADRs.

2 Mini Peiris resigned effective 16 May 2025.

**Vanessa Liu**

Non-Executive Chair

25 February 2026

# Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

to the directors of Appen Limited



I declare that, to the best of my knowledge and belief, in relation to the audit of Appen Limited for the financial year ended 31 December 2025 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Julie Cleary'.

KPMG

A handwritten signature in black ink, appearing to read 'Julie Cleary'.

Julie Cleary  
Partner

Sydney

25 February 2026

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# Financial report

# Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2025

	Note	2025 \$ 000	2024 \$ 000
<b>Revenue</b>			
Revenue from contract with customers	4	230,774	234,285
Other income		1,900	938
Interest income		773	482
<b>Expenses</b>			
Crowd service costs		(108,214)	(126,933)
Project employee expenses <sup>1</sup>	5	(29,559)	(15,355)
Employee expenses <sup>1</sup>	5	(50,212)	(55,072)
Recruitment costs		(2,667)	(2,045)
Professional fees		(5,205)	(5,676)
Information technology costs		(12,372)	(12,882)
Communication and travel expenses		(2,122)	(1,904)
Other expenses		(8,841)	(8,689)
Depreciation and amortisation	5	(31,330)	(23,320)
Share-based payments expense	5	(1,299)	(4,077)
Net foreign exchange gain/(loss)		394	4,345
Transaction costs	5	(66)	(234)
Restructure costs		(3,035)	(3,039)
Finance costs	5	(699)	(817)
<b>Loss before income tax</b>		<b>(21,780)</b>	<b>(19,993)</b>
Income tax expense	7	(38)	(16)
<b>Loss after income tax for the year attributable to the owners of the Group</b>		<b>(21,818)</b>	<b>(20,009)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Unrealised loss on fair valued investment		(932)	-
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation		1,739	(8,828)
Other comprehensive income for the period, net of tax		807	(8,828)
<b>Total comprehensive loss for the period attributable to the owners of the Group</b>		<b>(21,011)</b>	<b>(28,837)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	6	(8.25)	(8.74)
Diluted earnings per share	6	(8.25)	(8.74)

1 The prior period information has been reclassified to conform with the current period presentation and enable comparability.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.



# Consolidated statement of financial position

as at 31 December 2025

	Note	2025 \$ 000	2024 \$ 000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	59,824	54,809
Trade and other receivables	10	36,533	46,719
Contract assets	11	17,898	19,717
Inventory		599	672
Prepayments and other assets		5,098	4,864
Income tax receivables		2,742	2,394
<b>Total current assets</b>		<b>122,694</b>	129,175
<b>Non-current assets</b>			
Prepayments and other assets		843	1,220
Investments	18	500	1,432
Intangible assets	12	15,808	30,175
Property, plant and equipment	13	4,840	2,190
Right of use assets	14	5,286	4,090
Deferred tax assets	7	2,494	2,309
<b>Total non-current assets</b>		<b>29,771</b>	41,416
<b>Total assets</b>		<b>152,465</b>	170,591
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	29,100	28,194
Provisions	16	1,824	1,797
Contract liabilities	17	12,306	10,287
Lease liabilities	14	4,154	3,583
<b>Total current liabilities</b>		<b>47,384</b>	43,861
<b>Non-current liabilities</b>			
Trade and other payables	15	62	-
Provisions	16	273	320
Lease liabilities	14	5,249	7,457
Deferred tax liabilities	7	4,893	4,637
<b>Total non-current liabilities</b>		<b>10,477</b>	12,414
<b>Total liabilities</b>		<b>57,861</b>	56,275
<b>Net assets</b>		<b>94,604</b>	114,316
<b>Equity</b>			
Issued capital	20	366,714	366,714
Reserves	20	130,881	128,775
Accumulated losses	20	(402,991)	(381,173)
<b>Total equity</b>		<b>94,604</b>	114,316

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

# Consolidated statement of changes in equity

for the year ended 31 December 2025

	Equity attributable to owners of the Group			
	Issued capital \$ 000	Reserves \$ 000	Accumulated losses \$ 000	Total equity \$ 000
<b>Balance at 1 January 2025</b>	<b>366,714</b>	<b>128,775</b>	<b>(381,173)</b>	<b>114,316</b>
Loss after income tax for the period	-	-	(21,818)	(21,818)
Other comprehensive expense, net of tax	-	807	-	807
Total comprehensive loss for the period	-	807	(21,818)	(21,011)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,299	-	1,299
<b>Balance at 31 December 2025</b>	<b>366,714</b>	<b>130,881</b>	<b>(402,991)</b>	<b>94,604</b>
<b>Balance at 1 January 2024</b>	<b>320,435</b>	<b>133,526</b>	<b>(361,164)</b>	<b>92,797</b>
Loss after income tax for the period	-	-	(20,009)	(20,009)
Other comprehensive expense, net of tax	-	(8,828)	-	(8,828)
Total comprehensive loss for the period	-	(8,828)	(20,009)	(28,837)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares, net of transaction costs	46,279	-	-	46,279
Share-based payments	-	4,077	-	4,077
<b>Balance at 31 December 2024</b>	<b>366,714</b>	<b>128,775</b>	<b>(381,173)</b>	<b>114,316</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.



# Consolidated statement of cash flows

for the year ended 31 December 2025

	Note	2025 \$ 000	2024 \$ 000
<b>Cash flows from operating activities</b>			
Receipts from customers (GST inclusive)		246,460	231,475
Payments to suppliers and employees (GST inclusive)		(224,036)	(232,538)
Interest received		773	482
Interest and other finance costs paid		(9)	(15)
Income tax paid		(222)	(68)
<b>Net cash from/(used) in operating activities</b>	8	<b>22,966</b>	(664)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	13	(4,029)	(1,790)
Payments for intangibles	12	(12,608)	(11,057)
Transaction costs		-	(234)
<b>Net cash used in investing activities</b>		<b>(16,637)</b>	(13,081)
<b>Cash flows from financing activities</b>			
Lease payments	14	(4,848)	(4,398)
Net proceeds from issuance of shares		-	42,137
<b>Net cash from/(used) in financing activities</b>		<b>(4,848)</b>	37,739
Net increase in cash and cash equivalents		1,481	23,994
Cash and cash equivalents at the beginning of the year		54,809	32,152
Effect of foreign exchange rate changes		3,534	(1,337)
<b>Cash and cash equivalents at the end of the year</b>	9	<b>59,824</b>	54,809

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## About this report

### Note 1. General information

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The financial statements cover Appen Limited as a Group consisting of Appen Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in United States (US) dollars, which is the Group's presentation currency.

Appen Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6  
9 Help Street  
Chatswood NSW 2067

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2026.

### Note 2. Basis of preparation

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#### Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

#### Basis of consolidation

The financial statements include the assets and liabilities of all subsidiaries in the Group as at 31 December 2025 and the results for all subsidiaries for the year ended 31 December 2025. Inter-entity transactions, with, or between subsidiaries have been eliminated in full on consolidation.

The consolidated financial statements provide comparative information in respect of the previous period.

#### Basis of measurement

The financial statements have been prepared on an accruals basis and are based on the historical cost convention, except for, derivative financial instruments, investments, earn-out contingent consideration and share-based payments which are measured at fair value.

#### Going concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group incurred a loss after tax for the year ended 31 December 2025 of \$21,818,000 (31 December 2024: \$20,009,000). The Group has net assets of \$94,604,000 (31 December 2024: \$114,316,000) and net current assets of \$75,310,000 (31 December 2024: \$85,314,000).

Cash and cash equivalents at 31 December 2025 were \$59,824,000 (31 December 2024: \$54,809,000). Operating cash for the year was an inflow of \$22,966,000 (31 December 2024 outflow \$664,000). Investing cash outflow (including product development costs) for the year was \$16,637,000 (31 December 2024 outflow \$13,081,000). Financing cash outflow for the year was \$4,848,000 (31 December 2024 inflow \$37,739,000).

There are no debt facilities in place.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 2. Basis of preparation (continued)

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The going concern basis presumes that the Group will continue to fulfill all obligations as and when they fall due for the foreseeable future and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

Management have prepared a 24-month cashflow forecast underpinning the basis of preparation as a going concern.

Based on the cashflow forecasts and the available liquidity, the directors of Appen consider that the Group will continue to fulfill all obligations as and when they fall due for the foreseeable future and accordingly consider that the Group's financial statements should be prepared on a going concern basis

### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where the assumptions and estimates are significant to the financial statements are disclosed in the relevant note.

- Note 7. Income tax
- Note 10. Trade and other receivables
- Note 12. Intangible assets

### Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 23.

### Change in accounting policies

Material accounting policies adopted in the preparation of these financial statements are disclosed in the relevant notes. The accounting policies adopted are consistent with those of the previous years.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or it does not have the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

### New, revised or amended Accounting Standards

The Group has assessed and determined that there are no new or amended accounting standards applicable for the first time for the 31 December 2025 financial report, that materially affects the Group's accounting policies or any of the amounts recognised in the financial statements.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Group performance

### Note 3. Segment information

#### Identification of operating and reportable operating segments

Appen's operating and reportable operating segments are aligned to market opportunities and customer needs. Appen has revised its operating and reporting segments to reflect how business performance is currently assessed and how decisions are made by the Group. The revised operating segments are:

- **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.

These operating segments are based on the internal reports that are provided to the CEO in his capacity as the Chief Operating Decision Maker (CODM) of the Appen Group, in order to assess performance and growth of the business and to determine where to allocate resources. The CODM reviews a set of financial reports which covers EBITDA (earnings before interest, tax, depreciation and amortisation), underlying EBITDA, revenue and operating segment reports on a monthly basis.

The accounting policies adopted for internal reporting to the CEO/CODM are consistent with those adopted in this financial report.

The prior period segment results have been restated to conform with this presentation and enable comparability.

#### Major customers

During the year ended 31 December 2025, approximately 74.3% (2024: 67.3%) of the Group's revenue was derived from sales to the top five customers.

#### Segment results

The following tables show revenue and EBITDA for the reportable segments for the year ended 31 December 2025 and 31 December 2024.

	Appen Global	Appen China	Corporate unallocated	Total
For the year ended 31 December 2025	\$ 000	\$ 000	\$ 000	\$ 000
Revenue	127,874	102,900	-	230,774
Other income	-	1,201	699	1,900
Interest	-	13	760	773
<b>Total revenue and other income</b>	<b>127,874</b>	<b>104,114</b>	<b>1,459</b>	<b>233,447</b>
<b>Segment EBITDA</b>	<b>5,822</b>	<b>10,577</b>	<b>(2,939)</b>	<b>13,460</b>
Share-based payment - employees				(1,299)
Foreign exchange gains				413
<b>Group underlying EBITDA</b>				<b>12,577</b>
Depreciation and amortisation				(31,330)
Net interest income				74
Restructure costs				(3,035)
Transaction costs				(66)
<b>Loss before income tax</b>				<b>(21,780)</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 3. Segment information (continued)

For the year ended 31 December 2024	Appen Global \$ 000	Appen China \$ 000	Corporate (unallocated) \$ 000	Total \$ 000
Revenue	175,402	58,883	-	234,285
Other income	-	554	384	938
Interest	-	-	482	482
<b>Total revenue and other income</b>	<b>175,402</b>	<b>59,437</b>	<b>866</b>	<b>235,705</b>
<b>Segment EBITDA</b>	<b>9,167</b>	<b>1,429</b>	<b>(3,948)</b>	<b>6,648</b>
Share-based payment - employees				(3,193)
Foreign exchange gains				4,364
<b>Group underlying EBITDA</b>				<b>7,819</b>
Depreciation and amortisation				(23,320)
Net interest expense				(335)
Restructure costs				(3,039)
Acquisition-related and one-time share-based payments				(884)
Transaction costs				(234)
<b>Loss before income tax</b>				<b>(19,993)</b>

## Geographical information

	Revenue		Non-current assets	
	2025 \$ 000	2024 \$ 000	2025 \$ 000	2024 \$ 000
United States of America	113,222	146,485	10,582	21,452
China	102,215	58,878	10,730	7,021
Australia	8,400	19,512	3,847	7,352
Other	6,937	9,410	4,612	5,591
<b>Total</b>	<b>230,774</b>	<b>234,285</b>	<b>29,771</b>	<b>41,416</b>

Geographical information is represented based on the location of the legal entities who possess the ownership of the assets and the customer contracts.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 4. Revenue

Revenue is disaggregated by the operating segments from which revenue is derived.

	Appen Global	Appen China	Corporate unallocated	Total
	\$ 000	\$ 000	\$ 000	\$ 000
<b>31 December 2025</b>				
Revenue	127,874	102,900	-	230,774
<b>Total revenue</b>	<b>127,874</b>	<b>102,900</b>	<b>-</b>	<b>230,774</b>
<b>31 December 2024</b>				
Revenue	175,402	58,883	-	234,285
<b>Total revenue</b>	<b>175,402</b>	<b>58,883</b>	<b>-</b>	<b>234,285</b>

The prior period results have been restated to conform with the new segment presentation and enable comparability.

### Accounting policy

#### Revenue from contracts with customers

Revenue is recognised when control of the goods or services is transferred to the customer and the contract performance obligation is satisfied.

Appen derives most of its revenue from two distinct performance obligations, being:

- providing platform and tools for subscription customers for a specified period of time; and
- delivering collected, annotated and evaluated data.

Revenue is recognised over time as the customer receives and uses the services, and as the required data is delivered and accepted by the customer. Stage of completion method is applied where transactions involving the rendering of services is determined by reference to the services performed to date as a percentage of total services to be performed.

The amount of revenue recognised is based on the sales prices specified in the contract net of discounts, rebates and refunds, which are variable consideration involving a degree of estimation. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. There is no significant financing component and the credit terms are primarily between 30 to 60 days.

#### Contact assets and liabilities

The Group recognises unbilled revenue as contract assets as disclosed in Note 11 and deferred revenue as contract liabilities as disclosed in Note 17.

#### Other income

Other income primarily relates to China business obtained government subsidies and is recognised at the time of completion or over period when service is provided and satisfies the performance obligation.

#### Interest income

Interest income is recognised on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the assets' net carrying value.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 5. Expenses

Loss before income tax includes the following specific expenses:

	2025 \$ 000	2024 \$ 000
<b>Depreciation and amortisation</b>		
<i>Depreciation</i>		
Leasehold improvements	517	391
Fixtures and fittings	81	35
Computer and audio equipment	837	619
Right of use assets	2,417	1,848
Depreciation subtotal	3,852	2,893
<i>Amortisation</i>		
Systems and software	488	113
Capitalised product development	13,696	11,846
Other intangibles	301	257
Amortisation subtotal	14,485	12,216
Amortisation - acquisition-related		
Capitalised product development	12,897	8,118
Brand	96	93
Amortisation - acquisition-related subtotal	12,993	8,211
<b>Total depreciation and amortisation</b>	<b>31,330</b>	<b>23,320</b>
<b>Finance costs</b>		
Interest and finance charges paid/payable on borrowings	9	15
Interest and finance charges paid/payable on lease liabilities	690	802
<b>Total finance costs</b>	<b>699</b>	<b>817</b>
<b>Share-based payments expense</b>		
Share-based payment in respect of Appen performance rights	1,299	3,193
Share-based payment in respect of the Quadrant acquisition and one-time sign-on arrangement	-	884
<b>Total share-based payments expense</b>	<b>1,299</b>	<b>4,077</b>
<b>Transaction costs</b>		
Non-capitalised equity raising costs	66	41
Other transaction costs	-	193
<b>Total transaction costs</b>	<b>66</b>	<b>234</b>
<b>Project employee expenses</b>		
Project employee expenses <sup>1</sup>	29,559	15,355
<b>Total project employee expenses</b>	<b>29,559</b>	<b>15,355</b>
<b>Employee expenses</b>		
Defined contribution superannuation expense	6,656	5,621
Employee expenses <sup>1</sup>	43,556	49,451
<b>Total employee expenses</b>	<b>50,212</b>	<b>55,072</b>

1 The prior period information has been reclassified to conform with the current period presentation and enable comparability.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 5. Expenses (continued)

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### Accounting policy

#### Depreciation expense

Depreciation is calculated on a straight-line basis to write-off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

#### Amortisation expense

Amortisation is calculated to write-off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised.

#### Finance costs

All finance costs are expensed in the period in which they are incurred.

#### Share-based payments expense

All share-based payments are expensed over the relevant vesting period. The share-based payments expense is based on expected targets and hurdles.

#### Employee expenses

Includes all short-term employee benefits (wages, paid leave and any non-monetary benefits), post-employment benefits and other long-term or termination employee benefits.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 6. Earnings per share and dividends

	2025 \$ 000	2024 \$ 000
Loss after income tax	(21,818)	(20,009)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	264,352,103	228,916,641
Adjustments for calculation of diluted earnings per share:		
Rights over ordinary shares	- <sup>1</sup>	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	264,352,103	228,916,641
	Cent	Cent
Basic earnings per share	(8.25)	(8.74)
Diluted earnings per share	(8.25)	(8.74)

1 Whilst there are unvested performance rights at 31 December 2025, potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. The calculation of diluted earnings per share does not assume exercise of the performance rights, or issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

No dividends have been declared or paid during the year.

### Accounting policy

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Group excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive positive ordinary shares and the weighted average number of shares assumed to have been issued for consideration in relation to dilutive potential ordinary shares.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 7. Income tax

	2025 \$ 000	2024 \$ 000
<b>Income tax expense/(benefit)</b>		
Current tax benefit	(3)	(254)
Deferred tax expense	41	131
Adjustment recognised for prior periods - current tax	-	139
<b>Income tax expense</b>	<b>38</b>	<b>16</b>
Deferred tax included in income tax expense/(benefit) comprises:		
(Increase)/decrease in deferred tax assets	(7)	288
Increase/(decrease) in deferred tax liabilities	48	(158)
Deferred tax - origination and reversal of temporary differences	41	130
<b>Numerical reconciliation of income tax benefit and tax at the statutory rate</b>		
Loss before income tax expense	(21,780)	(19,993)
Tax at the statutory tax rate of 30%	(6,534)	(5,998)
Tax effect amounts which are not deductible/(taxable) in calculating taxable (loss)/income:		
Impairment loss	-	(81)
Deferred tax adjustments	6,014	5,901
Sundry items and exchange differences	(119)	(67)
Adjustment recognised for prior periods	-	139
Difference in overseas tax rates	677	122
<b>Income tax expense/(benefit)</b>	<b>38</b>	<b>16</b>
	2025 \$ 000	2024 \$ 000
<b>Deferred tax assets</b>		
Deferred tax assets comprise temporary differences attributable to:		
Amount recognised in profit or loss:		
Lease liabilities	72	129
Revenue received in advance	589	(641)
Employee benefits	334	591
Accrued expenses	88	76
Other expenses and exchange differences	1,411	2,154
<b>Deferred tax assets</b>	<b>2,494</b>	<b>2,309</b>
Movement:		
Opening balance	2,309	2,491
(Debited)/credited to profit or loss	7	(288)
Additions through capital raising	-	336
Foreign exchange differences	178	(230)
<b>Closing balance</b>	<b>2,494</b>	<b>2,309</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 7. Income tax (continued)

	2025 \$ 000	2024 \$ 000
<b>Deferred tax liabilities</b>		
Deferred tax liabilities comprise temporary differences attributable to:		
Amount recognised in profit or loss:		
Intangible assets	4,622	6,960
Property, plant and equipment	(816)	-
Right of use assets	36	32
Lease liabilities	649	(525)
Revenue received in advance	2,633	1,203
Employee benefits	(4,369)	(2,405)
Other expenses and exchange differences	2,138	(628)
<b>Deferred tax liabilities</b>	<b>4,893</b>	<b>4,637</b>
Movement:		
Opening balance	4,637	5,090
Debited to profit or loss	48	(158)
Foreign exchange differences	208	(295)
<b>Closing balance</b>	<b>4,893</b>	<b>4,637</b>

China tax losses to be applied in future periods amount to \$20 million, of which none have been recognised as a deferred tax asset. US tax losses to be applied in future periods amounts to \$104 million, of which none have been recognised as a deferred tax asset.

### Accounting policy

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Appen Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 7. Income tax (continued)

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### **Critical accounting judgements, estimates and assumptions - uncertain tax positions**

The Group is subject to tax in numerous jurisdictions. Significant judgement is required in determining the provision for income tax. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for any anticipated tax audit issues based on the Group's current understanding of the application of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact on the current and deferred tax positions in the period that such a determination is made.

### **Recoverability of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and net losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 8. Reconciliation of loss after income tax to net cash from operating activities

	Note	2025 \$ 000	2024 \$ 000
<b>Loss after income tax for the year</b>		<b>(21,818)</b>	(20,009)
<i>Add back/(deduct):</i>			
Income tax expense	7	<b>38</b>	16
Depreciation and amortisation	5	<b>31,330</b>	23,320
Interest expense	5	<b>699</b>	817
Interest income <sup>1</sup>		<b>(773)</b>	(482)
Share-based payments expense	5	<b>1,299</b>	4,077
Gain on disposal of non-financial assets		<b>(115)</b>	(222)
Transaction costs	5	<b>66</b>	234
Restructuring costs <sup>1</sup>		<b>3,035</b>	3,039
Effect of foreign exchange rate changes		<b>(394)</b>	(7,122)
<b>Change in operating assets and liabilities:</b>			
<i>(Increase)/decrease in:</i>			
Trade and other receivables and contract assets		<b>12,005</b>	(967)
Inventory		<b>73</b>	135
Prepayments and other assets		<b>143</b>	(137)
<i>Increase/(decrease) in:</i>			
Trade and other payables <sup>1</sup>		<b>(4,400)</b>	(1,844)
Provisions		<b>(20)</b>	(596)
Contract liabilities		<b>2,020</b>	(855)
Income tax received (net)		<b>(222)</b>	(68)
<b>Net cash from/(used) in operating activities</b>		<b>22,966</b>	(664)

1 The prior period information has been reclassified to conform with the current period presentation and enable comparability.

Cash flows are presented on a gross basis unless otherwise specified. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority are presented as operating cash flows.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Group core assets and liabilities

### Note 9. Cash and cash equivalents

	2025 \$ 000	2024 \$ 000
Cash on hand and at bank	59,824	54,809
<b>Total cash and cash equivalents</b>	<b>59,824</b>	<b>54,809</b>

#### Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Note 10. Trade and other receivables

	2025 \$ 000	2024 \$ 000
<b>Current assets</b>		
Trade receivables	37,509	46,817
Provision for expected credit loss	(2,704)	(1,453)
<b>Net trade receivables</b>	<b>34,805</b>	<b>45,364</b>
Other receivables	827	430
GST/VAT receivable	901	925
<b>Total trade and other receivables</b>	<b>36,533</b>	<b>46,719</b>

#### Ageing of trade receivables

\$ 000	Days past due				Total
	Current	< 3 months	3-6 months	> 6 months	
<b>As at 31 December 2025</b>					
Gross carrying amount	29,649	5,047	558	2,255	37,509
Provision for expected credit loss	-	-	(449)	(2,255)	(2,704)
<b>As at 31 December 2024</b>					
Gross carrying amount	32,999	10,618	758	2,442	46,817
Provision for expected credit loss	-	-	-	(1,453)	(1,453)

Movement in the provision for expected credit loss:

	2025 \$ 000	2024 \$ 000
Balance at the beginning of the period	1,453	152
Increase in provision	1,619	1,325
Charged to profit or loss	(368)	(24)
<b>Balance at the end of the period</b>	<b>2,704</b>	<b>1,453</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 10. Trade and other receivables (continued)

### Accounting policy

Trade receivables are initially recognised at fair value. Trade receivables are generally due for settlement within 30-60 days. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms.

Management is of the view that past models and historical experience may not represent current expectations, and greater reliance is placed on up-to-date information about the circumstances about each debtor.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Other receivables are recognised at amortised cost, less any provision for impairment.

### Critical accounting judgements, estimates and assumptions - expected credit losses

The provision for expected credit losses assessment requires a degree of estimation and judgement, based on review and circumstances of each amount overdue including recent sales experience and historical collection rates and forward-looking information that is available.

## Note 11. Contract assets

	2025 \$ 000	2024 \$ 000
<b>Current assets</b>		
<b>Contract assets</b>	<b>17,898</b>	19,717
Movement during the period:		
<b>Balance at the beginning of the period</b>	<b>19,717</b>	15,536
Contract asset recognised	<b>117,316</b>	84,452
Subsequent release to billing and receivables for the year	<b>(119,834)</b>	(79,998)
Foreign currency translation	<b>699</b>	(273)
<b>Balance at the end of the period</b>	<b>17,898</b>	19,717

### Accounting policy

Revenue is recognised at the amount to which the Group has the right to invoice based on the contract price and completed performance obligations. Where revenue recognised is in advance of billings (due to timing differences in the Group reporting period and customer billing cycle), a contract asset is recognised; and where cash received or billing issued are in advance of revenue recognition, a contract liability is recognised.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 12. Intangible assets

	System and software \$ 000	Capitalised product development \$ 000	Brand and customer relationship \$ 000	Other intangibles \$ 000	Total \$ 000
<b>Balance at 1 January 2025</b>					
Cost	2,783	161,311	1,045	2,184	167,323
Accumulated depreciation and impairment	(2,306)	(132,765)	(897)	(1,180)	(137,148)
<b>Net carrying value at 1 January 2025</b>	<b>477</b>	<b>28,546</b>	<b>148</b>	<b>1,004</b>	<b>30,175</b>
Additions	171	11,502	-	935	12,608
Amortisation	(488)	(26,593)	(96)	(301)	(27,478)
Foreign exchange translation	3	447	11	42	503
<b>Balance at 31 December 2025</b>					
Cost	2,949	173,756	1,078	3,211	180,994
Accumulated amortisation and impairment	(2,786)	(159,854)	(1,015)	(1,531)	(165,186)
<b>Net carrying value at 31 December 2025</b>	<b>163</b>	<b>13,902</b>	<b>63</b>	<b>1,680</b>	<b>15,808</b>
<b>Balance at 1 January 2024</b>					
<b>Net carrying value</b>	<b>579</b>	<b>37,699</b>	<b>264</b>	<b>1,328</b>	<b>39,870</b>
Additions	579	37,699	264	1,328	39,870
Amortisation	11	11,309	-	-	11,320
Foreign exchange translation	(113)	(19,964)	(93)	(257)	(20,427)
<b>Balance at 1 December 2024</b>	<b>-</b>	<b>(498)</b>	<b>(23)</b>	<b>(67)</b>	<b>(588)</b>
<b>Net carrying value</b>	<b>477</b>	<b>28,546</b>	<b>148</b>	<b>1,004</b>	<b>30,175</b>

### Management's impairment assessment

At each reporting period, an assessment of the carrying value of non-current assets is performed. AASB 136: *Impairment of Assets*, requires an entity to perform a detailed recoverable amount assessment for an asset when any of the following impairment indicators are present:

- There are observable indications that an asset's value has declined during the period more than that which would be expected as a result of the passage of time or normal use;
- Technological, market, economic, or legal environment in which the entity operates has changed or will change with adverse impact on the entity;
- Market interest rates or other market rates of return on investments have increased during the period and are likely to have an impact on discount rates;
- Carrying amount of the net assets of the entity is more than its market capitalisation;
- Evidence that assets are obsolete or physically damaged;
- Significant changes with an adverse impact on the entity have taken place during the period impacting the manner or extent to which an asset is used or expected to be used (restructure etc); or
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 12. Intangible assets (continued)

In addition to the above, Goodwill and indefinite life intangible assets (whether in-use or not ready for-use) must be tested, at least annually, for impairment.

For the year ended 31 December 2025, management assessed that the Group currently has 2 Cash Generating Units (CGUs), Appen Global and Appen China, on the basis of:

- How cashflows are identified and measured; and
- How resources are allocated and performance are measured, consistent with Appen's long-term strategy of revenue and customer diversification.

For the year ended 31 December 2025, management has not identified any indicators of impairment.

### Critical accounting judgements, estimates and assumptions

#### Capitalisation of product development costs

The Group uses a degree of judgement in order to determine if product development costs satisfy the recognition and measurement criteria to be capitalised as an asset in accordance with AASB 138 Intangible Assets. This includes the use of Appen's project management system to tag each project undertaken by the engineering team, as either new feature development or maintenance.

#### Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets for each cash-generating unit at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 12. Intangible assets (continued)

### Accounting policy

#### Systems and software

Significant costs on systems implementation are deferred and amortised on a straight-line basis over the period of their expected useful life, being the finite life of 7 years. Configuration costs associated with the implementation of cloud-based ERP systems are expensed as incurred.

Acquired software or software on perpetual license are capitalised and amortised on a straight-line basis over its useful life.

#### Product development

Expenditure on research activities is recognised as an expense when incurred.

Product development costs are capitalised at the direct costs incurred and amortised on a straight-line basis over the period of their expected useful life being 3 to 7 years. Amortisation starts at the time that the technology is activated and is used either internally or externally. The capitalised costs include directly attributable costs relating to product development, and costs relating to employment of the engineering team, product hosting services, external consultants and IT software and hardware.

Development costs are capitalised when the Group can demonstrate all of the followings:

- the technical feasibility of completing the asset so that it is available for use or sale;
- the intention to complete the asset and use or sell it;
- the ability to use or sell it;
- how the asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the asset during its development.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

#### Brand

Brand names acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit. This includes the acquisition of the Quadrant brand name which has been estimated to have a finite life of 5 years.

#### Other intangibles

Other intangible assets primarily consist of licenses and databases. Costs in relation to other intangibles are capitalised as an asset and amortised on a straight-line basis over the period of their expected useful life being 3 to 7 years.

Off-the-shelf databases are internally generated intangibles and are capitalised only if they meet all of the criteria stated in the accounting policy section with respect to the accounting policy associated with development costs. Costs are capitalised at the direct costs incurred and amortised on a straight-line basis over the period of their expected useful life of 7 years. Amortisation starts at the time that the database is available for use or sale to external customers.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 13. Property, plant and equipment

	Leasehold improvements \$ 000	Fixtures and fittings \$ 000	Computer and Audio equipment \$ 000	Motor vehicles \$ 000	Total \$ 000
<b>Balance at 1 January 2025</b>					
Cost	4,833	1,042	9,053	48	14,976
Accumulated depreciation	(3,950)	(757)	(8,031)	(48)	(12,786)
<b>Net carrying value at 1 January 2025</b>	<b>883</b>	<b>285</b>	<b>1,022</b>	<b>-</b>	<b>2,190</b>
Additions	1,352	362	2,315	-	4,029
Disposals	-	-	-	-	-
Depreciation	(517)	(81)	(837)	-	(1,435)
Foreign exchange translation	16	1	39	-	56
<b>Balance at 31 December 2025</b>					
Cost	6,041	1,279	11,096	48	18,464
Accumulated depreciation and impairment	(4,307)	(712)	(8,557)	(48)	(13,624)
<b>Net carrying value at 31 December 2025</b>	<b>1,734</b>	<b>567</b>	<b>2,539</b>	<b>-</b>	<b>4,840</b>
<b>Balance at 1 January 2024</b>					
<b>Net carrying value</b>	<b>485</b>	<b>116</b>	<b>874</b>	<b>-</b>	<b>1,475</b>
Additions	791	206	793	-	1,790
Disposals	-	-	(1)	-	(1)
Depreciation	(391)	(35)	(619)	-	(1,045)
Foreign exchange translation	(2)	(2)	(25)	-	(29)
<b>Balance at 31 December 2024</b>					
<b>Net carrying value</b>	<b>883</b>	<b>285</b>	<b>1,022</b>	<b>-</b>	<b>2,190</b>

### Accounting policy

Each class of property, plant and equipment is carried at cost or fair value, less any accumulated depreciation or impairment losses. The assets' depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The depreciation rates used for each class of depreciable assets are:

Leasehold improvements	Over the lease term up to 10 years
Fixture and fittings	3-13 years
Computer and audio equipment	1-4 years
Motor vehicles	3-5 years

Any gain or loss on disposal of an item of plant and equipment is recognised in the consolidated statement of profit or loss.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 14. Right of use assets and lease liabilities

	2025 \$ 000	2024 \$ 000
<b>Right of use assets</b>		
<b>Balance at the beginning of the period</b>	<b>4,090</b>	3,095
Additions	3,379	2,960
Depreciation	(2,417)	(1,848)
Remeasurement	184	-
Foreign exchange translation	50	(117)
<b>Balance at the end of the period</b>	<b>5,286</b>	4,090
<b>Lease liabilities</b>		
<b>Balance at the beginning of the period</b>	<b>11,040</b>	12,434
Additions	3,379	2,960
Accretion of interest	690	802
Payment of interest	(690)	(802)
Payment of principal	(4,158)	(3,596)
Disposals	(1,007)	-
Remeasurement	73	(239)
Foreign exchange translation	76	(519)
<b>Balance at the end of the period</b>	<b>9,403</b>	11,040
Current lease liabilities	4,154	3,583
Non-current lease liabilities	5,249	7,457

The undiscounted lease liabilities' maturity is analysed in Note 21. Financial risk management.

### Accounting policy

The Group's leases primarily comprise commercial offices and car park facilities, where the Group is the lessee and has right to control the use of the identified lease assets. A right-of-use asset is recognised at the commencement date of a lease and is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received. Depreciation is charged on a straight-line basis over the term of the lease and recorded in profit or loss.

Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. Options to extend leases are assessed for reasonable certainty in assessing the term of the lease to charge the depreciation expense.

Short-term leases are those with a lease term of 12 months or less. The Group has elected to take exemptions under AASB 16 and has not recognised the right of use assets or lease liabilities for these leases. Lease payments for these exempted leases are expensed in profit or loss, on a straight-line basis over the lease term.

Lease liabilities are recognised at the lease commencement date and are initially measured at the present value of future lease payments using incremental borrowing rate or borrowing rate relevant for the jurisdiction of the lease, at the commencement date. Interest accretion on lease liabilities are recorded in the profit or loss. Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period incurred.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 15. Trade and other payables

	2025 \$ 000	2024 \$ 000
<b>Current liabilities</b>		
Trade payables	12,929	14,083
Other payables and accrued expenses	16,171	14,111
<b>Total current trade and other payables</b>	<b>29,100</b>	28,194
<b>Non-current liabilities</b>		
Other payables and accrued expenses	62	-
<b>Total non-current trade and other payables</b>	<b>62</b>	-
<b>Total trade and other payables</b>	<b>29,162</b>	28,194

Maturity analysis of trade and other payables are disclosed in Note 21. Financial risk management.

### Accounting policy

Trade and other payable represent liabilities in relation to goods and services rendered to the Group but not yet paid by the balance sheet date. They are measured at amortised cost and undiscounted due to their short-term nature. The amounts are unsecured and usually paid within agreed payment terms.

## Note 16. Provisions

	2025 \$ 000	2024 \$ 000
<b>Current liabilities</b>		
Employee benefits	1,824	1,797
<b>Total current provisions</b>	<b>1,824</b>	1,797
<b>Non-current liabilities</b>		
Employee benefits	206	258
Other provisions	67	62
<b>Total non-current provisions</b>	<b>273</b>	320
<b>Total provisions</b>	<b>2,097</b>	2,117

Employee benefits primarily comprise accrued annual leave and long service leave.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 16. Provisions (continued)

### Accounting policy

#### Short-term employee benefits

These are expected to be settled wholly within 12 months after the employees render the related service and include wages, salaries and sick leave. These are measured at the undiscounted amounts expected to be paid when the obligation is settled.

#### Long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. When such benefits not expected to be settled within 12 months after balance date it is presented as non-current.

Expected future payments incorporate anticipated future wage and salary levels, duration of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for long-term employee benefits are recognised in profit or loss in the periods for which the changes occur.

#### Other provision

This relates to office lease makegood provision. The amount recognised as a provision is the best estimate of the consideration required to settle.

## Note 17. Contract liabilities

	2025 \$ 000	2024 \$ 000
<b>Current liabilities</b>		
Invoices issued/deposits received in advance	12,306	10,287
Contract liabilities are expected to be recognised as revenue in future periods as follows:		
	2025 \$ 000	2024 \$ 000
Within 3 months	6,262	4,276
Over 3 months	6,044	6,011
<b>Total</b>	<b>12,306</b>	<b>10,287</b>

### Accounting policy

Contract liabilities represent the Group's obligations to render services to a customer and reflects the value of advance payments made by customers who have been invoiced for services that will be provided in the future and are recognised when the customer pays consideration or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the services to a customer.

The Group does not disclose further qualitative information related to remaining performance obligations, as they are either part of a contract that has an original expected duration of one year or less; or the associated revenue is recognised in the amount of which the Group has a right to invoice.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Investment, capital and risk management

### Note 18. Investments

The Group continued to hold its minority interests in the following investments:

- Reka AI, Inc. ("Reka"), an AI model start-up specialising in the development of customised and powerful AI models for enterprise customers.

These investments are carried at fair value as at 31 December.

Investments	Country of incorporation	Elected accounting method	2025 \$ 000	2024 \$ 000
Mindtech	UK	FVOCI	-	932
Reka	USA	FVOCI	500	500
<b>Total</b>			<b>500</b>	<b>1,432</b>

During the year, Mindtech was placed into administration with a low probability of cash recovery. Accordingly, the fair value of this investment is nil.

#### Accounting policy

AASB 9 *Financial Instruments* allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Management has applied this election with respect to both investments. Any future dividends in respect of this investment that are a return on investment will be recognised in profit or loss and there is no impairment on disposal of the investment.

### Note 19. Fair value measurement

The following tables outlined the Group's assets and liabilities, measured and disclosed at fair value, using the three-level hierarchy based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs are unobservable inputs for the asset or liability.

There were no transfers between categories for recurring fair value measurements during the year.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 19. Fair value measurement (continued)

	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Total \$ 000
<b>31 December 2025</b>				
<b>Assets</b>				
Investments	-	-	500	500
<b>Total assets</b>	-	-	500	500
<b>31 December 2024</b>				
<b>Assets</b>				
Investments	-	-	1,432	1,432
<b>Total assets</b>	-	-	1,432	1,432

### Accounting policy

When an asset or liability is measured at fair value, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and assumes the transaction will take place either in a principal or advantageous market. Assets and liabilities measured at fair value are classified into the three levels discussed above. External valuers may be used for recurring and non-recurring fair value measurements when internal expertise is not available or the amount is material.

## Note 20. Equity

### Issued capital

	2025		2024	
	# of shares	\$ 000	# of shares	\$ 000
<b>Balance as at 31 December</b>				
<b>Ordinary shares - fully paid</b>	<b>265,610,639</b>	<b>366,714</b>	260,735,154	366,714

Movement in ordinary share capital:

Details	Date	# of shares	\$ 000
<b>Balance as at</b>	<b>31 December 2024</b>	<b>260,735,154</b>	<b>366,714</b>
Issue of shares - exercise of performance rights	11 February 2025	421,503	-
Issue of shares - exercise of performance rights	27 February 2025	3,094,318	-
Issue of shares - exercise of performance rights	14 May 2025	651,725	-
Issue of shares - exercise of performance rights	4 September 2025	707,939	-
<b>Balance as at</b>	<b>31 December 2025</b>	<b>265,610,639</b>	<b>366,714</b>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 20. Equity (continued)

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

Capital is regarded as total equity, as recognised in the statement of financial position. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, as well as to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to improve liquidity.

The capital risk management policy remains unchanged from the prior year.

### Accounting policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

### Reserves

	2025 \$ 000	2024 \$ 000
Common control reserve	(1,307)	(1,307)
Foreign currency translation reserve	(13,827)	(15,566)
Share-based payments reserve	40,278	38,979
Profit reserve	103,735	104,667
Other reserves	2,002	2,002
<b>Total reserves</b>	<b>130,881</b>	<b>128,775</b>

Movement in each category of reserves are as follows:

	Common control reserve \$ 000	Foreign currency translation reserve \$ 000	Share-based payments reserve \$ 000	Profits reserve \$ 000	Other reserves \$ 000	Total \$ 000
<b>Balance at 1 January 2025</b>	<b>(1,307)</b>	<b>(15,566)</b>	<b>38,979</b>	<b>104,667</b>	<b>2,002</b>	<b>128,775</b>
Foreign currency translation	-	1,739	-	-	-	1,739
Unrealised loss on investment	-	-	-	(932)	-	(932)
Share-based payments	-	-	1,299	-	-	1,299
<b>Balance at 31 December 2025</b>	<b>(1,307)</b>	<b>(13,827)</b>	<b>40,278</b>	<b>103,735</b>	<b>2,002</b>	<b>130,881</b>
<b>Balance at 1 January 2024</b>	<b>(1,307)</b>	<b>(6,738)</b>	<b>34,902</b>	<b>104,667</b>	<b>2,002</b>	<b>133,526</b>
Foreign currency translation	-	(8,828)	-	-	-	(8,828)
Share-based payments	-	-	4,077	-	-	4,077
<b>Balance at 31 December 2024</b>	<b>(1,307)</b>	<b>(15,566)</b>	<b>38,979</b>	<b>104,667</b>	<b>2,002</b>	<b>128,775</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 20. Equity (continued)

### Common control reserve

The reserve represents the difference between the consideration transferred by the Company for the acquisition of commonly controlled entities and the existing book value of those entities immediately prior to the acquisition.

### Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to US dollars.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees as part of their remuneration.

### Profits reserve

The Profits reserve represents current year profits transferred to a reserve to quarantine these profits from being appropriated against present or prior year losses. Any profits are available for the payment of future dividends.

### Other reserves

This reserve represents the equity settled portion of contingent consideration together with any capital raising expenses that are allocated to equity, in connection with the acquisition of Butler Hill.

## Accumulated losses

	2025 \$ 000	2024 \$ 000
Accumulated losses at the beginning of the period	(381,173)	(361,164)
Loss after income tax for the period	(21,818)	(20,009)
<b>Accumulated losses at the end of the period</b>	<b>(402,991)</b>	<b>(381,173)</b>

## Note 21. Financial risk management

The key financial risks faced by the Group are market risks (including foreign currency exchange risk, price risks and interest rate risk), credit risks and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group regularly reviews these risks and related policies to manage the use of financial instruments in mitigating the overall risk exposures to an acceptable level, as summarised below.

Risk	Exposure	Measurement	Management
Market risk – Foreign currency exchange	<ul style="list-style-type: none"><li>Non-USD payments to suppliers</li><li>Non-USD receipts from customers</li></ul>	Cash flow forecast and sensitivity analysis	<ul style="list-style-type: none"><li>Economic hedges</li><li>Treasury foreign exchange hedging policy</li></ul>
Credit risk	<ul style="list-style-type: none"><li>Cash at bank</li><li>Trade and other receivables</li><li>Derivative contracts</li></ul>	Ageing analysis and sensitivity analysis	<ul style="list-style-type: none"><li>Customer and supplier due diligence policies</li><li>Treasury policy over financial instrument counterpart's credit rating</li></ul>
Liquidity risk	<ul style="list-style-type: none"><li>Borrowings</li><li>Lease liabilities</li><li>Trade payables and other liabilities</li></ul>	Cash flow forecast and sensitivity analysis	<ul style="list-style-type: none"><li>Regular cash flow forecast</li><li>Cash and credit facility management</li><li>Maintain funding flexibility</li></ul>

The Chief Financial Officer retains overall responsibility for management of financial risks for the Group under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 21. Financial risk management (continued)

### Market risk

#### Foreign currency exchange

The Group's exposure is limited considering majority of the Group's revenue and assets are denominated in US dollars (USD), the same as its reporting currency. The Group still has certain transactions in foreign currencies, principally in relation to corporate head office costs and ASX listing associated costs in Australian Dollars (AUD).

Where appropriate, the Group utilises forward foreign exchange contract to mitigate such risks. Given the limited exposure remained, the Group has stopped extending its derivative contracts upon expiry in 2025.

The period-end average exchange rates and reporting date exchange rates applied were as follows:

Group applied foreign exchange rates	Average rate		Reporting date rate	
	2025	2024	2025	2024
<b>United States Dollars</b>				
Australian Dollars	1.5508	1.5156	1.4967	1.6120
United Kingdom Pound Sterling	0.7585	0.7824	0.7432	0.7978
European Economic and Monetary Union Euro	0.8851	0.9242	0.8518	0.9628
Hong Kong Dollars	7.7952	7.8025	7.7835	7.7660
Philippine Pesos	57.3515	57.2091	58.9692	58.1564
Chinese Yuan	7.1863	7.1855	6.9962	7.2995
Japanese Yen	149.5197	151.3088	156.6661	156.8135
Singapore Dollars	1.3063	1.3359	1.2857	1.3627
Korean Won	1,420.5	1,375.5	1,445.1	1,473.8
Indian Rupee	87.1030	83.6610	89.8876	85.6018
Canadian Dollars	1.3971	1.3695	1.3709	1.4373
Vietnamese Dong	25,974.1	25,125.6	26,315.8	25,481.6
Malaysian Ringgit	4.1773	N/A	4.0606	N/A

Foreign exchange risk recognises financial assets and financial liabilities denominated in a currency that is not the US dollar and the risk is measured using sensitivity analysis.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at reporting date were as follows, excluding intangible and fixed assets, intercompany and other non-monetary balances.

	Financial assets		Financial liabilities	
	2025 \$ 000	2024 \$ 000	2025 \$ 000	2024 \$ 000
Australian Dollars	11,249	15,802	346	704
United Kingdom Pound Sterling	775	1,008	168	106
European Economic and Monetary Union Euro	2,793	1,116	8	-
Hong Kong Dollars	-	-	14	13
Philippine Pesos	1,046	636	325	319
Chinese Yuan	29,053	16,276	11,010	5,866
Japanese Yen	1,533	1,504	265	123
Singapore Dollars	213	148	-	-
Korean Won	456	1,766	34	48
Indian Rupee	970	885	-	-
Canadian Dollars	521	651	-	-
Vietnamese Dong	526	188	177	14
Malaysian Ringgit	88	-	7	-
<b>Total</b>	<b>49,223</b>	<b>39,980</b>	<b>12,365</b>	<b>7,193</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 21. Financial risk management (continued)

Based on the above exposure, had the US dollar weakened by 10% or strengthened by 10% against these foreign currencies with all other variables held constant, the impact on the Group's profit/loss before tax for the year (excluding translation difference for consolidation purpose) and on the Group's equity would have been as follows:

	Change %	USD strengthened		USD weakened	
		Effect on profit before tax \$ 000	Equity \$ 000	Effect on profit before tax \$ 000	Equity \$ 000
<b>2025</b>					
Australian Dollars	10%	-	(1,090)	-	1,090
United Kingdom Pound Sterling	10%	(9)	(61)	9	61
European Economic Monetary Union Euro	10%	(221)	(278)	221	278
Hong Kong Dollars	10%	-	-	-	-
Philippine Pesos	10%	-	(72)	-	72
Chinese Yuan	10%	-	(1,804)	-	1,804
Japanese Yen	10%	-	(127)	-	127
Singapore Dollars	10%	(21)	(21)	21	21
Korean Won	10%	-	(42)	-	42
Indian Rupee	10%	-	(97)	-	97
Canadian Dollars	10%	-	(52)	-	52
Vietnamese Dong	10%	-	(13)	-	13
Malaysian Ringgit	10%	-	(7)	-	7
<b>Total</b>		<b>(251)</b>	<b>(3,664)</b>	<b>251</b>	<b>3,664</b>
<b>2024</b>					
Australian Dollars	10%	-	(1,510)	-	1,510
United Kingdom Pound Sterling	10%	(6)	(90)	6	90
European Economic Monetary Union Euro	10%	(62)	(112)	62	112
Hong Kong Dollars	10%	-	1	-	(1)
Philippine Pesos	10%	-	(32)	-	32
Chinese Yuan	10%	-	(1,041)	-	1,041
Japanese Yen	10%	(6)	(138)	6	138
Singapore Dollars	10%	(15)	(15)	15	15
Korean Won	10%	-	(157)	-	157
Indian Rupee	10%	-	(54)	-	54
Canadian Dollars	10%	-	(65)	-	65
Vietnamese Dong	10%	-	(17)	-	17
<b>Total</b>		<b>(89)</b>	<b>(3,230)</b>	<b>89</b>	<b>3,230</b>

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date.

### Price risk

The Group holds an insignificant amount of cryptocurrency assets which, prima facie, may be subject to price risk. Cryptocurrency was part of the acquired Quadrant's business operations, as it was used to pay geolancers and some suppliers, as it allowed real-time settlement and micropayments with no incremental fees.

Cryptocurrency assets are classified as inventory and valued in these financial statements at the lower of cost and net realisable value.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 21. Financial risk management (continued)

### Interest rate risk

The Group has limited interest rate risk exposure as it no longer holds any long-term borrowings.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Generally, trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan and a failure to make contractual payments for a period greater than one year.

### Liquidity risk

Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at 31 December 2025, the Group held cash and cash equivalents of \$59.8 million (2024: \$54.8 million).

Maturity of financial liabilities are summarised below, based on the contractual undiscounted cash flows. Balances due within 1 year equal their carrying values considering the discounting impact is insignificant.

2025 \$ 000	Contractual maturities				Total cash flows	Total carrying value
	< 1 year	1-2 years	2-5 years	> 5 years		
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	12,929	-	-	-	12,929	12,929
Other payables	16,171	-	62	-	16,233	16,233
<b>Interest-bearing - fixed rate</b>						
Lease liabilities <sup>1</sup>	4,313	3,112	2,564	-	9,989	9,403
<b>Total non-derivatives</b>	<b>33,413</b>	<b>3,112</b>	<b>2,626</b>	<b>-</b>	<b>39,151</b>	<b>38,565</b>

2024 \$ 000	Contractual maturities				Total cash flows	Total carrying value
	< 1 year	1-2 years	2-5 years	> 5 years		
<b>Non-derivatives</b>						
<b>Non-interest bearing</b>						
Trade payables	14,083	-	-	-	14,083	14,083
Other payables	14,111	-	-	-	14,111	14,111
<b>Interest-bearing - fixed rate</b>						
Lease liabilities <sup>1</sup>	3,794	3,147	4,748	-	11,689	11,040
<b>Total non-derivatives</b>	<b>31,988</b>	<b>3,147</b>	<b>4,748</b>	<b>-</b>	<b>39,883</b>	<b>39,234</b>

1 Includes interests, weighted average at 6.22% (2024: 5.87%).

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Other information

### Note 22. Contingent liabilities

The Group has provided security for bank guarantees regarding contractual obligations on commercial real estate leases. The total amount is A\$134,000 as at 31 December 2025 (2024: A\$134,000).

The Company is a party to the Deed of Cross Guarantee entered into with various Group entities. The operation of the Deed of Cross Guarantee has the effect of joining the Company as a guarantor to the Group's commitments and contingencies. Further details are disclosed in Note 25. Deed of cross guarantee.

From time to time, entities within the Group are party to legal actions, as well as inquiries from regulators and government bodies, arising in the ordinary course of business. Consideration has been given to such matters, and it has been determined that these matters are not at a stage that would support a reasonable evaluation of the likely outcome.

### Note 23. Parent entity information

The Group's parent entity is Appen Limited, and its supplementary information are as follows:

#### Statement of profit or loss

	2025 \$ 000	2024 \$ 000
<b>Loss after income tax</b>	<b>(43,680)</b>	<b>(24,523)</b>

#### Statement of financial position

	2025 \$ 000	2024 \$ 000
Total current assets	423	13,960
Total assets	94,180	114,544
Total current liabilities	283	230
Total liabilities	283	230
<b>Net assets</b>	<b>93,897</b>	<b>114,314</b>
<b>Equity</b>		
Issued capital	366,714	366,714
Translation reserve	(100,805)	(125,973)
Share-based payments reserve	40,278	38,979
Profits reserve	(42,863)	(39,659)
Other reserves	2,002	2,002
Accumulated losses	(171,429)	(127,749)
<b>Total equity</b>	<b>93,897</b>	<b>114,314</b>

The accounting policies of the parent entity are consistent with those of the Group, except for that investments in subsidiaries are measured at cost in the parent entity.

The parent entity had a deed of cross guarantee in relation to the debtors of its subsidiaries in the prior year and as at 31 December 2025. Further information are disclosed in Note 25. Deed of cross guarantee.

The parent entity had no contingent liabilities and no significant capital commitments as at 31 December 2025.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 24. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2. Basis of preparation.

Entity	Country of incorporation	Interest %	
		2025	2024
Appen AI Pty Ltd	Australia	100%	100%
Appen Financial Services Pty Ltd	Australia	100%	100%
Appen AI Inc <sup>1</sup>	United States of America	100%	100%
Crowdgen, Inc.	United States of America	100%	100%
RaterLabs Inc.	United States of America	100%	100%
Figure Eight Technologies Inc.	United States of America	100%	100%
Figure Eight Federal LLC	United States of America	100%	100%
Appen AI Europe Limited <sup>1</sup>	Ireland	100%	100%
Appen (UK) Limited <sup>1</sup>	United Kingdom	100%	100%
Mendip Media Group Limited	United Kingdom	100%	100%
Appen Data Technology (Shanghai) Co. Ltd	China	100%	100%
Beijing Appen Technology Co., Ltd	China	100%	100%
Appen Technology (Wuxi) Co. Ltd	China	100%	100%
Appen Data Technology (Chongqing) Co., Ltd	China	100%	100%
Appen Data Technology (Huainan) Co. Ltd	China	100%	100%
<b>Appen Data Technology (Chengdu) Co., Ltd</b> <sup>2</sup>	China	100%	N/A
Appen Butler Hill Limited <sup>1</sup>	Hong Kong	100%	100%
Appen Korea Co. Ltd <sup>1</sup>	Korea	100%	100%
Appen Japan K.K. <sup>1</sup>	Japan	100%	100%
Quadrant Global Pte Ltd <sup>1</sup>	Singapore	100%	100%
Quadrant Protocol Ltd	British Virgin Islands	100%	100%
Appen Canada Ltd <sup>1</sup>	Canada	100%	100%
Appen AI India Private Limited <sup>1</sup>	India	100%	100%
APPEN VIET NAM CO.,LTD <sup>1</sup>	Vietnam	100%	100%
<b>Appen AI SDN.BHD</b> <sup>1,2</sup>	Malaysia	100%	N/A

1 Wholly owned subsidiaries of Appen AI Pty Ltd.

2 Newly incorporated legal entities in 2025.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 24. Subsidiaries (continued)

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### Accounting policy

The consolidated financial report incorporates all of the assets, liabilities and results of Appen Limited and all of the subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date control is obtained by the Group. Acquisition of subsidiaries are accounted for using the acquisition method of accounting. A change in ownership interest without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised as directly attributable to the parent.

The consolidation of a subsidiary is discontinued from the date control ceases. When the Group loses control over a subsidiary, it de-recognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Intercompany transactions, balances and unrealised gains or losses on transactions between Group members/subsidiaries are fully eliminated on consolidation. Accounting policies of subsidiaries are regularly reviewed and adjusted where necessary to ensure uniformity of the accounting policies adopted by the Group.

## Note 25. Deed of Cross Guarantee

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The following subsidiaries together with the parent entity are parties to a Deed of Cross Guarantee under which each party has guaranteed to pay any deficiency in the event of the winding up of any of the members in the Closed Group. By entering into the Deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned companies) Instrument 2016/785.

- Appen AI Pty Ltd
- Appen Financial Services Pty Ltd

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 25. Deed of Cross Guarantee (continued)

The consolidated statement of profit or loss and financial positions of the entities that are members of the Closed Group is as follows:

### Statement of profit or loss and other comprehensive income

	2025 \$ 000	2024 \$ 000
<b>Revenue</b>	<b>22,543</b>	17,836
<b>Expenses</b>		
Crowd service costs	(2,129)	(1,520)
Project employee expenses <sup>1</sup>	(1,316)	(1,833)
Employee expenses <sup>1</sup>	(10,763)	(11,137)
Recruitment costs	(181)	(286)
Professional fees	(1,411)	(1,532)
Information technology costs	(2,283)	(1,301)
Communication and travel expenses	(772)	(693)
Other expenses	(5,273)	(5,382)
Depreciation and amortisation	(4,492)	(1,751)
Share-based payments expense	(343)	(1,094)
Net foreign exchange gain/(loss)	1,103	5,249
Transaction costs	(66)	(134)
Restructure costs	(818)	(207)
Finance costs	(220)	(255)
<b>Loss before income tax</b>	<b>(6,421)</b>	(4,040)
Income tax expense	-	(3)
<b>Loss after income tax</b>	<b>(6,421)</b>	(4,043)
<b>Other comprehensive income/(expense)</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation	11,981	(16,446)
<b>Other comprehensive income for the period, net of tax</b>	<b>11,981</b>	(16,446)
<b>Total comprehensive income/(loss) for the period</b>	<b>5,560</b>	(20,489)

<sup>1</sup> The prior period information has been reclassified to conform with the current period presentation and enable comparability.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 25. Deed of Cross Guarantee (continued)

### Statement of financial position

	2025 \$ 000	2024 \$ 000
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	28,328	44,475
Trade and other receivables	4,040	9,665
Contract assets	4,424	6,245
Inventory	1,069	1,069
Prepayments and other assets	2,945	2,013
Income tax receivables	2,449	2,153
<b>Total current assets</b>	<b>43,255</b>	<b>65,620</b>
<b>Non-current assets</b>		
Prepayments and other assets	271	232
Intangible assets	1,364	5,011
Plant and equipment	1,307	233
Lease right of use assets	523	-
Deferred tax assets	7,161	6,647
Investments	3,095	3,095
Intercompany transactions	152,283	121,798
<b>Total non-current assets</b>	<b>166,004</b>	<b>137,016</b>
<b>Total assets</b>	<b>209,259</b>	<b>202,636</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	2,689	3,520
Provisions	702	741
Contract liabilities	7,236	5,032
Lease liabilities	1,007	901
<b>Total current liabilities</b>	<b>11,634</b>	<b>10,194</b>
<b>Non-current liabilities</b>		
Trade and other payables	-	320
Provisions	273	-
Lease liabilities	1,663	2,201
Deferred tax liabilities	2,902	2,694
<b>Total non-current liabilities</b>	<b>4,838</b>	<b>5,215</b>
<b>Total liabilities</b>	<b>16,472</b>	<b>15,409</b>
<b>Net assets</b>	<b>192,787</b>	<b>187,227</b>
<b>Equity</b>		
Issued capital	366,714	366,714
Reserves and retained earnings	(173,927)	(179,487)
<b>Total equity</b>	<b>192,787</b>	<b>187,227</b>

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 26. Related party transactions

### Parent entities

Appen Limited is the parent entity. Supplementary information of the parent entity is disclosed in Note 23.

### Subsidiaries

Interests in subsidiaries are set out in Note 24.

### Key management personnel compensation

The aggregate remuneration received/receivable by the Directors and other key management personnel of the Group is as follows:

	2025 \$	2024 \$
Short-term benefits	2,201,531	2,390,705
Post-employment benefits	26,486	21,646
Termination payments	-	588,160
Long-term benefits	17,261	18,189
Share-based payments	363,079	414,954
<b>Total compensation</b>	<b>2,608,357</b>	<b>3,433,654</b>

### Loans to/from related parties

There were no formal loans to or from related parties during the year or the prior year.

## Note 27. Share-based payments

The Group provides benefits to employees (including key management personnel) of the Group through share-based incentives. Employees are paid for their services or incentivised for their performance in part through shares or rights over shares. These share-based payments are settled via equity and the expense arising from these transactions is recorded and disclosed in the consolidated statement of profit or loss.

### Performance rights - Long-term incentive plan

Appen has an established employee performance rights plan, designated to provide an incentive to senior managers and above (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted performance rights which only vest if certain performance conditions are met.

LTI for executive KMP is 100% performance and service hurdle-based which aligns with Australian market practice. 50% of LTI is subject to Absolute Total Shareholder Return (aTSR) targets and 50% is subject to revenue growth targets (Revenue CAGR). Both aTSR and Revenue CAGR are tested over a three-year performance period. Further details including vesting targets can be found in the remuneration report.

LTI for other executives is tailored to the North American market and the vesting is 50% time-based and 50% performance based over a two-year period.

LTI is also granted to Non-Executive employees on a discretionary basis and the vesting is dependent on continued employment with the Group.

The rights are granted on various dates in a year, based on a specified monetary value to each recipient and a share price at the time the offer is determined. There was no exercise price applicable and no expiry date applicable upon granting the rights.

The fair value of rights is deemed to be the function of the number of rights granted and the share price at grant date. The fair value is then recognised in consolidated statement of profit or loss over time, to match to each employee's vesting hurdles. Upon cessation of employment, unvested rights are forfeited and the expense recognised in prior periods in respect of forfeited rights is credited to the consolidated statement of profit or loss.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 27. Share-based payments (continued)

The following tables set out an overview of all performance rights granted under the existing plans:

Year ended 31 December 2025	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Plans and number of rights					
2019	723	-	(723)	-	-
2020	8,932	-	(1,129)	-	7,803
2021	27,527	-	(8,569)	(7,734)	11,224
2022	377,070	-	(91,136)	(226,826)	59,108
2023	4,938,781	-	(1,546,591)	(1,063,007)	2,329,183
2024	19,972,148	-	(2,689,277)	(2,219,144)	15,063,727
2025	-	4,678,996	-	(394,773)	4,284,223
	<b>25,325,181</b>	<b>4,678,996</b>	<b>(4,337,425)</b>	<b>(3,911,484)</b>	<b>21,755,268</b>

### Year ended 31 December 2024

Plans and number of rights	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
2019	723	-	-	-	723
2020	16,603	-	(2,816)	(4,855)	8,932
2021	403,188	-	(238,739)	(136,922)	27,527
2022	925,051	-	(355,473)	(192,508)	377,070
2023	11,919,817	2,598,175	(3,740,651)	(5,838,560)	4,938,781
2024	-	21,682,936	(336,839)	(1,373,949)	19,972,148
	<b>13,265,382</b>	<b>24,281,111</b>	<b>(4,674,518)</b>	<b>(7,546,794)</b>	<b>25,325,181</b>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.33 years (2024: 1.33 years).

The total share-based payment expense recognised in 2025 was \$1.3 million (2024: \$4.1 million).

### Accounting policy

The grant date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity - share-based payment reserve, over the vesting period of the awards.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the proportion of the awards that are expected to ultimately vest.

No expense is recognised for awards that do not ultimately vest due to a non-market performance condition not being met. The expense is recognised in full if the awards do not vest (or are not exercised) due to a market performance condition not being met.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and accrual outcomes.

# Notes to the consolidated financial statements

for the year ended 31 December 2025

## Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company, and its network firms:

	2025 \$	2024 \$
<b>Audit and review services</b>		
Audit or review of the financial statements - Group	293,983	295,622
Audit of the financial statements - controlled entities	27,457	26,600
<b>Total audit services</b>	<b>321,440</b>	322,222
<b>Other services</b>		
Tax compliance services - transfer pricing	23,118	28,231
Other advisory services	175,358	5,655
<b>Total non-audit services</b>	<b>198,476</b>	33,886
<b>Total audit and non-audit services</b>	<b>519,916</b>	356,108

## Note 29. Events after the reporting period

The Directors are not aware of any other matter or circumstance not otherwise dealt with in this report that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

# Consolidated entity disclosure statement

as at 31 December 2025

Entity	Body corporate, partnership or trust	Country of incorporation	% of capital held	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Appen Limited	Body Corporate	Australia	N/A	Australian	N/A
Appen AI Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Appen Financial Services Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Appen AI Inc	Body Corporate	USA	100%	Foreign	USA
Crowdgen, Inc	Body Corporate	USA	100%	Foreign	USA
RaterLabs Inc.	Body Corporate	USA	100%	Foreign	USA
Figure Eight Technologies Inc.	Body Corporate	USA	100%	Foreign	USA
Figure Eight Federal LLC	Body Corporate	USA	100%	Foreign	USA
Appen AI Europe Limited	Body Corporate	Ireland	100%	Foreign	Ireland
Appen (UK) Limited	Body Corporate	UK	100%	Foreign	UK
Mendip Media Group Limited	Body Corporate	UK	100%	Foreign	UK
Appen Data Technology (Shanghai) Co. Ltd	Body Corporate	China	100%	Foreign	China
Beijing Appen Technology Co., Ltd	Body Corporate	China	100%	Foreign	China
Appen Technology (Wuxi) Co. Ltd	Body Corporate	China	100%	Foreign	China
Appen Data Technology (Chongqing) Co., Ltd.	Body Corporate	China	100%	Foreign	China
Appen Data Technology (Huainan) Co. Ltd	Body Corporate	China	100%	Foreign	China
Appen Data Technology (Chengdu) Co., Ltd	Body Corporate	China	100%	Foreign	China
Appen Butler Hill Limited	Body Corporate	Hong Kong	100%	Foreign	Hong Kong
Appen Korea Co. Ltd	Body Corporate	Korea	100%	Foreign	Korea
Appen Japan Pty Ltd	Body Corporate	Japan	100%	Foreign	Japan
Quadrant Pte Ltd	Body Corporate	Singapore	100%	Foreign	Singapore
Quadrant Protocol Ltd	Body Corporate	BVI	100%	Foreign	British Virgin Islands
Appen Canada Limited	Body Corporate	Canada	100%	Foreign	Canada
Appen AI India Private Limited	Body Corporate	India	100%	Foreign	India
APPEN VIET NAM CO.,LTD	Body Corporate	Vietnam	100%	Foreign	Vietnam
APPEN AI SDN. BHD	Body Corporate	Malaysia	100%	Foreign	Malaysia

# Consolidated entity disclosure statement

as at 31 December 2025

## Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

## Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**  
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in *Tax Ruling TR 2018/5*.
- **Foreign tax residency**  
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

## Branches (permanent establishments)

Foreign branches of Australian subsidiaries are not separate level entities and therefore do not have a separate residency for Australian tax purposes. Generally, the Australian subsidiary that the branch is a part of will be the relevant tax resident, rather than the branch operations.

Additional disclosures on the tax status of Australian subsidiaries having a foreign branch with a taxable presence in that jurisdiction have been provided where relevant.

## Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial year ended on that date;
- the consolidated entity disclosure statement as at 31 December 2025 is true and correct;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 25 to the financial statements.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Vanessa Liu  
Director

25 February 2026

# Independent auditor's report

to the shareholders of Appen Limited



## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of Appen Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 31 December 2025 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with Australian Accounting Standards and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2025
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 31 December 2025
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and Ethical Standards Board Limited (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

# Independent auditor's report

to the shareholders of Appen Limited

## Recognition of revenue from contracts with customers (\$230.8m)

### Refer to Notes 4 and 11 to the Financial Report

#### The key audit matter

The Group derives the majority of its revenue from providing platform and tools to subscription customers for a specified period of time, and delivering collected, annotated and evaluated data.

The Group's policy is to recognise this revenue over time using the stage of completion method, as the customer receives and uses the services, and as the required data is delivered and accepted by the customer.

Recognition of revenue from contracts with customers is considered to be a key audit matter due to:

- The significance of revenue to the Group's financial statements; and
- The high volume of contracts spanning the year end requiring the Group to make manual adjustments to recognise revenue and related contract assets and liabilities.

This resulted in significant audit effort for us to assess the revenue recorded by the Group in its financial statements, and the basis for manual adjustments made, in particular to revenue and contract assets, which may be prone to a greater risk of error at the year end.

#### How the matter was addressed in our audit

Our procedures included:

- We assessed the appropriateness of the Group's accounting policies for revenue recognition against the requirements of the accounting standards and our understanding of the business.
- We obtained an understanding of and tested key internal controls related to the recognition of revenue, such as Management's review and approval of invoices and contracts and Management's review of stage of completion for revenue recognition.
- We tested a sample of revenue transactions recorded by the Group throughout the year.

We checked the:

- existence of the underlying arrangement to signed contracts with customers; and
- stage of completion and amount of revenue recognised to customer acknowledgements of the services provided and data delivered (customer acknowledgements).
- We tested a sample of revenue transactions recognised by the Group either side of the year end (including manual adjustments), to underlying records such as, customer acknowledgements to check revenue was recognised in the period when the service was provided and data accepted by the customer.
- We tested a sample of contract assets recorded by the Group at year end, including manual adjustments to recognise contract assets, to underlying records such as customer acknowledgements to check revenue was recognised in the period when the service as provided and data accepted by the customer.
- We evaluated the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

# Independent auditor's report

to the shareholders of Appen Limited

## Other Information

Other Information is financial and non-financial information in Appen Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.ausb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.ausb.gov.au/media/bwvjcgre/ar1_2024.pdf)

This description forms part of our Auditor's Report.

# Independent auditor's report

to the shareholders of Appen Limited

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Appen Limited for the year ended 31 December 2025 complies with Section 300A of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 53 to 69, of the Directors' report for the year ended 31 December 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with Section 300A of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.



KPMG



Julie Cleary  
Partner

Sydney  
25 February 2026

## Additional information

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. The information is current as at 30 January 2026.

### Distribution of shareholders

The distribution of issued capital is as follows:

Size of holding	Number of shareholders	Ordinary shares	% of issued capital
100,001 and over	290	157,165,122	59.17
10,001 to 100,000	2,413	68,672,097	25.85
5,001 to 10,000	1,968	14,906,351	5.61
1,001 to 5,000	7,464	18,260,656	6.87
1 to 1,000	21,828	6,606,413	2.48
<b>Total</b>	<b>33,963</b>	<b>265,610,639</b>	<b>100.00</b>

### Distribution of performance rights holders

The distribution of unquoted performance rights on issue is as follows:

Size of holding	Number of holders	Unquoted performance rights	% of total rights
100,001 and over	16	10,385,897	77.87
10,001 to 100,000	86	2,380,138	17.85
5,001 to 10,000	33	248,587	1.86
1,001 to 5,000	115	296,077	2.22
1 to 1,000	49	26,668	0.20
<b>Total</b>	<b>299</b>	<b>13,337,367</b>	<b>100.00</b>

The performance rights on issue are unquoted and have been issued under our employee incentive scheme.

### Less than marketable parcels of ordinary shares

There are 13,000 shareholders with unmarketable parcels, holding 1,354,084 shares.

## Additional information

### Twenty largest shareholders

The names of the twenty largest shareholders of quoted equity securities are as follows:

		Ordinary shares	
		Number held	% of issued capital
1	CITICORP NOMINEES PTY LIMITED	12,264,379	4.62
2	C & J VONWILLER PTY LTD	8,600,827	3.24
3	COMSEC NOMINEES PTY LIMITED	8,081,068	3.04
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,296,152	2.75
5	BNP PARIBAS NOMINEES PTY LTD	5,725,048	2.16
6	FINCLEAR SERVICES PTY LTD	5,282,828	1.99
7	PACIFIC CUSTODIANS PTY LIMITED	5,257,233	1.98
8	BNP PARIBAS NOMS PTY LTD	5,136,510	1.93
9	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,135,098	1.56
10	MATTHEW WONG INVESTMENTS (AUS) PTY LTD	3,890,473	1.46
11	CMC MARKETS STOCKBROKING NOMINEES PTY LIMITED	3,744,906	1.41
12	BNP PARIBAS NOMINEES PTY LTD	2,748,333	1.03
13	BNP PARIBAS NOMINEES PTY LTD <BARCLAYS>	2,119,834	0.80
14	PALM BEACH NOMINEES PTY LIMITED	2,027,417	0.76
15	ASB NOMINEES LIMITED	2,005,678	0.76
16	MR GUOXIN HU	1,830,000	0.69
17	MRS WENXI ZHANG	1,614,784	0.61
18	MS HUA LU	1,540,248	0.58
19	WARBONT NOMINEES PTY LTD	1,528,248	0.58
20	FINCLEAR SERVICES NOMINEES PTY LIMITED	1,523,796	0.57
		<b>86,352,860</b>	<b>32.52</b>
<b>Remaining quoted equity securities</b>		<b>179,257,779</b>	<b>67.48</b>
<b>Total quoted equity securities</b>		<b>265,610,639</b>	<b>100.00</b>

### Unquoted equity securities

The Company had the following unquoted securities on issue as at 30 January 2026:

	Number on issue	Number of holders
Performance rights	13,337,367	299

## Additional information

### Substantial shareholders

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There are no substantial shareholders disclosed in notices submitted to the ASX as at 30 January 2026.

### Restricted securities

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The Company had no restricted securities on issue as at 30 January 2026.

### Voting rights

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In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll.

Holders of performance rights have no voting rights.

### On-market buy-backs

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There is no current on-market buy-back in relation to the Company's securities.

# Materiality assessment

This year, our materiality assessment followed a robust three-step process to ensure alignment with strategic objectives and evolving business priorities.

<b>Identify</b>	<p>We identified material issues by examining Appen’s economic, operational, and societal impacts, alongside associated risks. This process incorporated:</p> <ol style="list-style-type: none"> <li>1 Emerging and existing strategic challenges: Including technology advancements like generative AI and evolving workforce dynamics.</li> <li>2 Market signals: Trends and developments in policy and other market factors impacting Appen’s operations and reputation.</li> <li>3 Risk landscape evolution: Assessment of key and emerging risks critical to sustaining business resilience.</li> <li>4 Stakeholder insights: Feedback from contributors, customers, investors, and internal teams captured through ongoing engagement.</li> </ol>
<b>Evaluate</b>	<p>We evaluate each material issue based on its importance to Appen’s business and to our stakeholders. We typically engage with each stakeholder group during the year through many forums such as face-to-face and virtual meetings, surveys and by responding to queries and concerns. Through this process we have identified 28 material issues on which we report. We have also identified and reported on other important issues and risks that are of interest to our stakeholders.</p>
<b>Review and report</b>	<p>Our risk, trust, and safety team, senior management, and the Board reviewed the material issues to ensure alignment with our business strategy and risk management framework. Material issues guide our reporting and are embedded into our operational measures, allowing us to track progress and drive results across our six value drivers. Additionally, identified risks are integrated into relevant risk registers, ensuring a proactive approach to both opportunity capture and risk mitigation.</p>

Value driver	2025 material issues	Associated risk	Page reference
<b>Technology, processes and systems</b>	<ul style="list-style-type: none"> <li>• Data security and governance</li> <li>• Cyber security</li> <li>• Technology innovation</li> <li>• Protection of intellectual property</li> <li>• Managing technology disruptions and business continuity</li> <li>• Platform availability</li> <li>• Ethical and responsible deployment of Generative AI</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in technology innovation and transformation</li> <li>• Compliance with security privacy and other regulations</li> </ul>	<a href="#">12-14</a>
<b>Our people</b>	<ul style="list-style-type: none"> <li>• Culture and engagement</li> <li>• Diversity, equity and inclusion</li> <li>• Talent attraction and retention</li> <li>• Wellbeing and safety</li> <li>• Workplace training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Talent strategy and employee value proposition</li> </ul>	<a href="#">24-26</a>
<b>Customer and brand</b>	<ul style="list-style-type: none"> <li>• Customer experience and satisfaction</li> <li>• Innovative customer solutions</li> <li>• Customer concentration</li> <li>• Crowd integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Changing customer strategy and needs</li> <li>• Ability to execute on operational requirements</li> <li>• Crowd supply meets customer demand</li> </ul>	<a href="#">21-23</a>
<b>Financial</b>	<ul style="list-style-type: none"> <li>• Sustainable earnings</li> <li>• Ongoing customer demand for data</li> <li>• Evolution of the AI market</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic direction of business                             <ul style="list-style-type: none"> <li>- Capture potential of generative AI</li> </ul> </li> </ul>	<a href="#">27-30</a>
<b>Crowd, social and environment</b>	<ul style="list-style-type: none"> <li>• Fair pay, treatment and wellbeing</li> <li>• Crowd diversity and inclusion</li> <li>• Responsible AI</li> <li>• Environmental impact and climate change</li> <li>• Corporate Governance</li> <li>• Corporate citizenship and reputation</li> <li>• Labour and Human rights</li> <li>• Supply chain management</li> <li>• Wellbeing of crowd workers on high-risk projects, including content moderation</li> </ul>	<ul style="list-style-type: none"> <li>• Crowd conditions</li> <li>• Compliance with legal, statutory and ethical obligations</li> <li>• Environmental, social and governance (ESG) risks and performance</li> </ul>	<a href="#">15-20</a>

# Prioritised United Nations Sustainable Development Goals

## Sustainable Development Goals (SDGs)

### Playing our part

#### 9 Industry innovation and infrastructure



Our services support technology development, research and innovation across the globe, many of which are used to increase access to technology in developing countries.

#### 8 Decent work and economic growth



Our work from anywhere model provides income generating opportunities for individuals whose personal circumstances make it difficult for them to access traditional employment. For many communities, the ability to access digital work through our platform has unlocked a new world of possibilities for economic development, skills training, and the ability to participate in the digital economy.

#### 10 Reduced inequalities



We believe in digital equality through responsible AI practices. By ensuring training data is representative of the real world this reduces the potential for technology to introduce further bias and discrimination to underrepresented and marginalised communities. Our diverse global crowd is fundamental to ensuring this and we continue to invest in research to ensure that our crowd reflects the real world.

#### 5 Gender equality



We believe in opportunities for all and embed this in our day-to-day practices as guided by our Diversity Policy. We have a 50% gender balance across our board and targeting an increase to female representation in our senior management team.

#### 13 Climate action



We believe we can help drive the global net zero agenda by playing our part and have committed to net zero across our operations and supply chain by 2030.

# Non-financial data metrics

## People

### Employee Engagement <sup>1</sup>

	2022	2023	2024	2025
Score (%)	78	75	79	83

<sup>1</sup> Measures the likelihood of full time permanent employees (including those in PEOs) referring a friend or colleague to Appen based on their employee experience. The scale is a 5 point Likert resulting in 1-2 Detractor, 3 Passive and 4-5 Promoter. NPS is calculated by subtracting the % of total detractors from the % of total promoters. Survey results are provided by Workday Peakon.

### Training hours <sup>1</sup>

	2022	2023	2024	2025
Total training hours	41,665	35,156	29,280	20,354

<sup>1</sup> Data from Appen University.

### Mandatory training completion rates <sup>1</sup>

	2022	2023	2024	2025
Compliance courses (%)	91	95	90	93

<sup>1</sup> Data from Appen University.

### Employee demographics - gender <sup>1</sup>

	2022	2023	2024	2025
<b>Female</b>				
Overall workforce (%)	57	55	57	58
Board director (%)	50	50	50	50
Executive Team (%)	30	18	23	18
Director (%)	44	41	48	62
Manager (%)	58	61	56	59
<b>Male</b>				
Overall workforce (%)	43	45	43	42
Board director (%)	50	50	50	50
Executive Team (%)	70	82	77	82
Director (%)	56	59	52	38
Manager (%)	42	39	44	41

<sup>1</sup> HR report for all employees generated from Workday. Refer to link [www.appen.com/about-us](http://www.appen.com/about-us) for Board of directors.



# Non-financial data metrics

## Employee demographics - ethnicity<sup>1</sup>

US Only

Breakdown	2024		2025	
	Share of total workforce (%)	Share in all mgmt. positions (%)	Share of total workforce (%)	Share in all mgmt. positions (%)
Asian	10.2	18.6	12.6	3.8
Black or African American	4.6	3.4	4.2	0.0
Hispanic or Latino	3.7	6.8	6.3	7.7
White	57.9	52.5	53.7	65.4
Indigenous or Native	0.5	0.0	0.0	0.0
Other	5.6	8.5	4.2	0.0
Not disclosed	17.6	10.2	18.9	23.1

All regions

Breakdown	2024		2025	
	Share of total workforce (%)	Share in all mgmt. positions (%)	Share of total workforce (%)	Share in all mgmt. positions (%)
Asian	36.7	39.1	36.7	30.8
Black or African American	1.2	0.7	0.5	0.7
Hispanic or Latino	1.3	1.3	0.9	0.9
White	20.7	15.8	11.5	13.1
Indigenous or Native	0.1	0.0	0.0	0.0
Other	2.2	2.6	0.5	0.0
Not disclosed	37.8	40.5	49.9	55.1

<sup>1</sup> HR report for all permanent employees generated from Workday.

## Crowd

Crowd NPS<sup>1</sup>

	2022	2023	2024	2025
Score (%)	31	27	33	22

<sup>1</sup> Measures the likelihood of crowd contractors to recommend Appen to a friend or colleague, according to a scale of 1-10 where 10 means extremely likely (0-6 Detractor, 7-8 Passive, 9-10 Promoter). NPS is calculated by subtracting the % of total detractors from the % of total promoters. Scores can range from -100 to +100. Source: Cascade Insights.

## Customer

Customer NPS<sup>1</sup>

	2022	2023	2024	2025
Score (%)	22	35	57	68

<sup>1</sup> Measures the likelihood of Customer to recommend Appen to a friend or colleague, according to a scale of 1-10 where 10 means extremely likely (0-6 Detractor, 7-8 Passive, 9-10 Promoter). NPS is calculated by subtracting the % of total detractors from the % of total promoters. Scores can range from -100 to +100. Source: ChurnZero.

# Non-financial data metrics

## Environment

### Geographic distribution of emissions (Scope 1 and 2)<sup>1,2</sup>

	Gas (MWh)	Electricity (MWh)	Electricity -renewable (MWh)	Scope 1 tCO <sub>2</sub> e	Scope 2 tCO <sub>2</sub> e	Scope 2 (location based) tCO <sub>2</sub> e
Australia	-	-	24.2	-	-	17.7
US and Canada	34.2	70.3	-	6.2	20.3	20.3
China, Japan and Vietnam	-	1950.5	-	-	1,724.7	1,724.7
UK	30.7	-	35.2	5.6	-	7.3
India	-	126.8	-	-	125.7	125.7
Philippines	-	1,181.6	-	-	751.5	751.5
<b>Total</b>	<b>1,562.3</b>	<b>3,329.2</b>	<b>59.4</b>	<b>11.8</b>	<b>2,622.2</b>	<b>2,647.1</b>

1 Greenhouse Gas (GHG) emissions for scope 1 and 2 are calculated based on the GHG Protocol.

2 Electricity and Gas consumptions are based on utility bills (if available) or estimation by leased floor area.

### Scope 3<sup>1</sup>

Category	Description	Emissions
Category 1 - Purchased goods and services <sup>2</sup>	Suppliers and Crowd contractors	9,979.0
Category 5 - Waste generated in operations <sup>3</sup>	Disposal and treatment of waste generated in the company's operations	69.7
Category 6 - Business travel <sup>4</sup>	Business flights and accommodation	502.9
Category 7 - Employee commuting <sup>5</sup>	Employees commuting between their homes and their worksites and employees working from home	293.0
Category 8 - Upstream leased assets <sup>6</sup>	Emissions associated with leases such as lifecycle emissions for construction of a leased building	1,064.4
Category 11 - Use of sold products <sup>7</sup>	End use of goods and services sold	20.0

1 Scope 3 categories and GHG emissions are calculated based on GHG Protocol Scope 3 value chain reporting.

2 Estimated emissions based on supplier spend data and crowd contractors' work hours in 2025.

3 Estimated waste generation based on employee attendance in 2025.

4 Based on business travel information retrieved from travel agency Egencia, Navan and credit card bookings. Estimated emissions are calculated using web-based calculators for flight (provided by International Civil Aviation Organisation (ICAO)) and hotel (provided by Greenview).

5 Based on employee attendance in 2025.

6 Life cycle lease emissions based on annual lease principle payment over the life of the leased assets.

7 Based on carbon footprint report from Amazon Web Service, our third-party cloud service provider.

## Technology

	2022	2023	2024	2025
Data privacy breaches (number) <sup>1</sup>	0	0	1	0
System availability <sup>2</sup> (%)	99.9	99.9	99.9	99.9

1 Based on report from Appen legal team. 2024, one non-material security incident involving and limited to Quadrant, a subsidiary of Appen.

2 Based on report from third-party website monitoring companies, StatusCake and New Relic.

## Governance

	2022 \$	2023 \$	2024 \$	2025 \$
Political donations <sup>1</sup>	0	0	0	0

1 Based on financial data from Workday.

## Social

### Philanthropic donations<sup>1</sup>

	2022 \$	2023 \$	2024 \$	2025 \$
Matched Contributions	25,953	9,393	442	4,596
Campaigns	18,628	8,093	442	2,512

1 Based on Employee Services Committee (ESC) donation report.



# Corporate directory

## Registered office

Level 6, 9 Help Street  
Chatswood NSW 2067  
+61 2 9468 6300  
[www.appen.com](http://www.appen.com)

## Company secretary

Jaime Frasca  
Leanne Ralph

## Investor relations

+61 2 9468 6300  
[investorrelations@appen.com](mailto:investorrelations@appen.com)  
[www.appen.com/investors](http://www.appen.com/investors)

## Shareholder enquiries

MUFG Corporate Markets  
Locked Bag A14  
Sydney South NSW 1235  
+61 1300 554 474  
[support@cm.mpms.mufg.com](mailto:support@cm.mpms.mufg.com)  
[au.investorcentre.mpms.mufg.com](http://au.investorcentre.mpms.mufg.com)

## Auditor

KPMG  
Tower Three  
International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000

## Stock exchange listing

Appen Limited shares are listed on the  
Australian Securities Exchange (ASX code: APX)

## Corporate Governance Statement

[www.appen.com/investors/corporate-governance](http://www.appen.com/investors/corporate-governance)

**Appen**