A light gray, semi-transparent world map is centered in the background of the slide, showing the outlines of continents.

Appen Limited

FY2016 First Half Results Presentation

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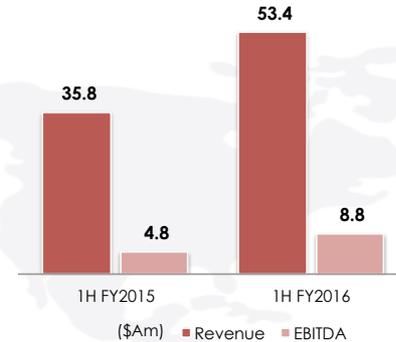
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Company snapshot

Appen (APX) is a global language technology company with operations in Australia, the US and the Philippines

Strong growth in 1H FY2016

>A\$300M market capitalisation



Customers include the world's leading technology companies, automakers and governments

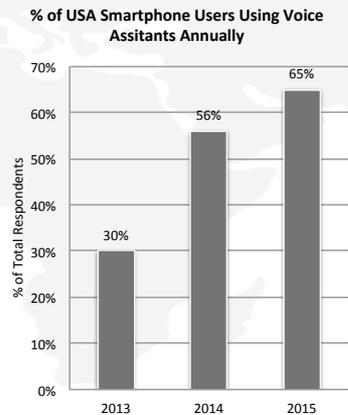
Data and services used in mobile devices, digital assistants, vehicles, security and surveillance, search, social media, ecommerce and consumer electronics

Covering over 130 countries and 180 languages

230 employees and over 400,000 on-demand global crowd

Positioned for growth

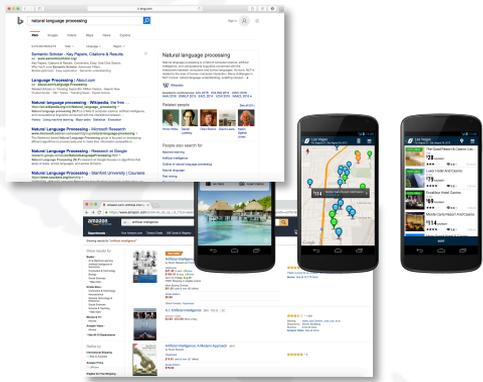
Speech is growing as the interface of choice: 'Conversational User Interface'



Appen is a leading provider of critical, multi-lingual, high quality speech data that enables speech interfaces

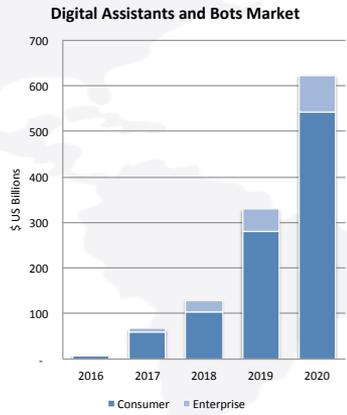
Source: Thrive Analytics, "Local Search Reports" 2013-2015

Search, social media and ecommerce using machine learning for more relevant and personal services



Appen fulfills ongoing need for training data for machine learning-based services

Rapid growth in digital assistants and bots relies on natural language processing



Appen well positioned for opportunities with language technology and crowd delivery

Source: William Meisel, "Specialized Digital Assistants and Bots", 2016

First half highlights (A\$m)

Revenue up 49%

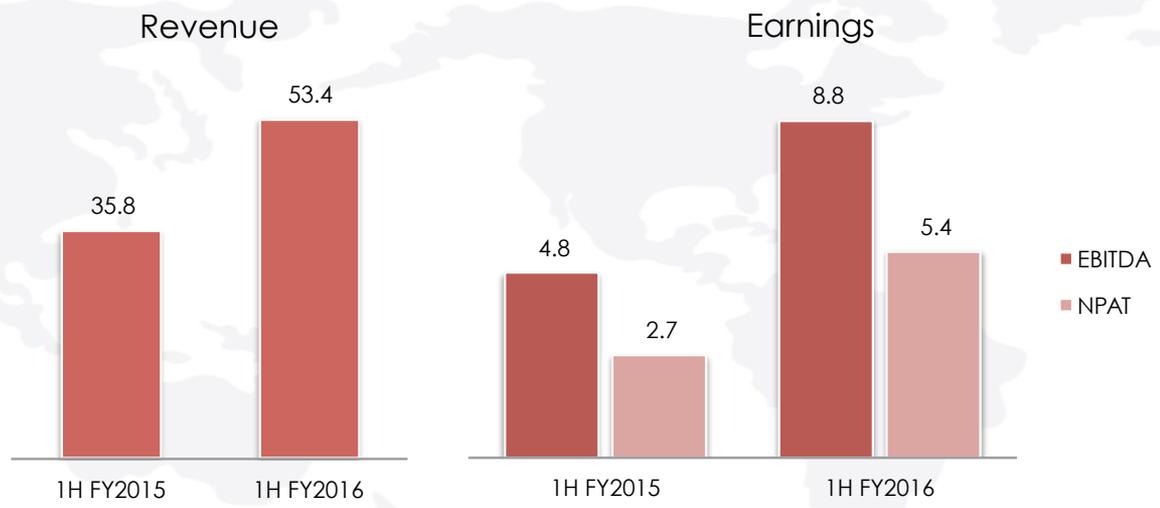
EBITDA up 83%

NPAT up 102%

Strong execution of customer work won in FY2015

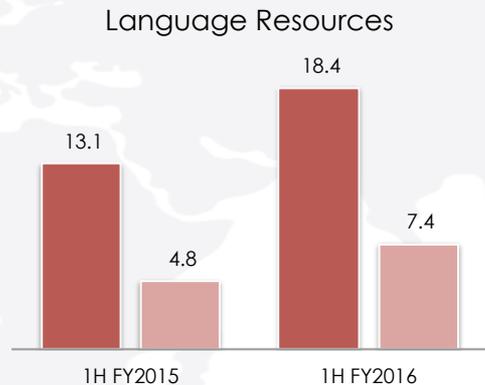
Increasing demand for language data and services

Deep relationships with the world's largest technology companies



Increasing demand for language data (A\$m)

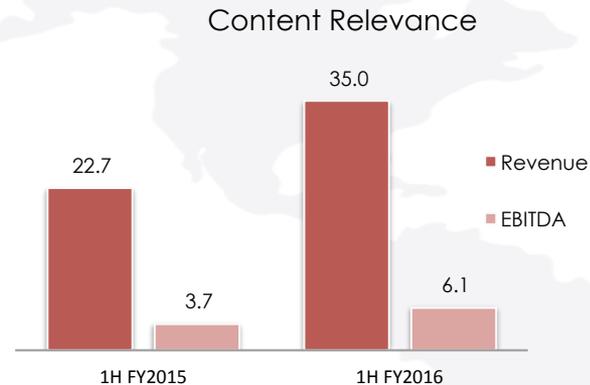
Language Resources revenue up 41%



Provision of high quality speech data to global technology companies

Demand driven by growth in speech as an interface.
Need for multiple languages and accents.

Content Relevance revenue up 54%



Ongoing delivery of training data for machine learning-based search and social media services

Demand fueled by need for more personal and relevant online services

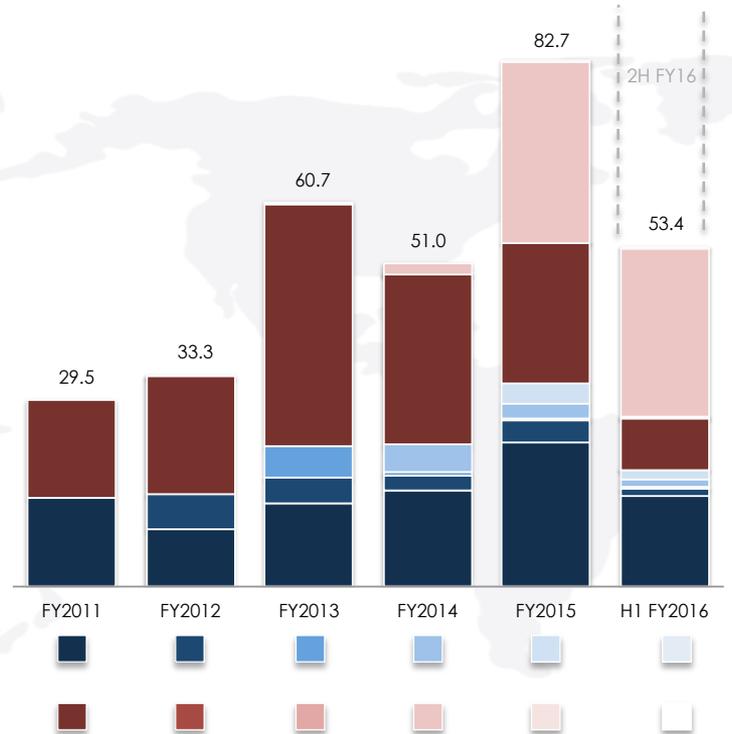
Volume discounts will impact margins

Deep relationships with global companies

Appen's customers include the world's largest technology companies, automakers and governments

Ever increasing need for language data and services

Quality of Appen's data and services drives growing and repeat revenue





Scalable technology and operations

Appen is well positioned to support growth in digital assistants and bots

Quality of data and service underpinned by proprietary technology

Operational scalability enabled by over 400,000 on-demand crowd-based contractors

230 innovative staff worldwide

High employee engagement, low turnover



High Growth (A\$m)

	1H FY2016	1H FY2015	% change	% change constant currency
Statutory Results				
Language Resources	18.4	13.1	41%	
Content Relevance	35.0	22.7	54%	
Total Revenue	53.4	35.8	49%	41%
EBITDA	8.8	4.8	83%	59%
EBITDA Margin	17%	14%		
NPAT	5.4	2.7	102%	63%
Pro Forma Results*				
EBITDA	8.8	5.1	75%	52%
NPAT	5.4	2.8	87%	51%

Revenue up 49% on 1H FY2015

Revenue growth from strong execution of customer work won in FY2015

EBITDA up 83%

Margin improvement due to operational scalability underpinned by offshoring and technology

NPAT up 102%

*1H FY2015 Pro Forma results exclude one-off expenses associated with the IPO and other non-recurring items

Strong Balance Sheet (A\$m)

	Jun 2016	Dec 2015
Cash	13.1	12.7
Receivables	18.5	17.3
Current Assets	0.3	0.3
Non-Current Assets	11.2	11.7
Total Assets	43.1	42.0
Current Liabilities	9.4	11.4
Non-Current Liabilities	2.4	1.9
Total Liabilities	11.9	13.3
Net Assets	31.3	28.7
Total Equity	31.3	28.7

Strong balance sheet. No debt.

Increase in cash reserves and receivables related to increase in revenue volumes

Interim dividend of 2.0 cents per share fully franked, up from 1.2 cents per share in 1H FY2015.

Solid Cash Flow (A\$m)

	1H FY2016	FY2015	1H FY2015
Receipts	50.7	72.5	27.4
Payments and other	(44.0)	(67.6)	(30.6)
Cash flow from Operations before interest and tax	6.7	4.9	(3.2)
Taxes	(3.2)	(0.9)	(0.8)
Total Cash flow from Operations	3.5	4.0	(4.0)
Cash flows - Investment Activities	(0.4)	(0.6)	(0.2)
Cash flows - Financing Activities	(2.5)	(0.5)	0.6
Net Cash flow for the period	0.6	2.9	(3.6)
Opening cash balances	12.7	8.6	8.6
FX Impact	(0.3)	1.2	0.2
Closing cash balances	13.1	12.7	5.2

Cash balance increased by \$7.9m over 1H FY2015

Cash flow from operations improved due to improvements in timing of customer receipts

Cash flow is sensitive to working capital and other requirements that are necessary to fund and support sustainable growth

Strong cash flow conversion(\$m):

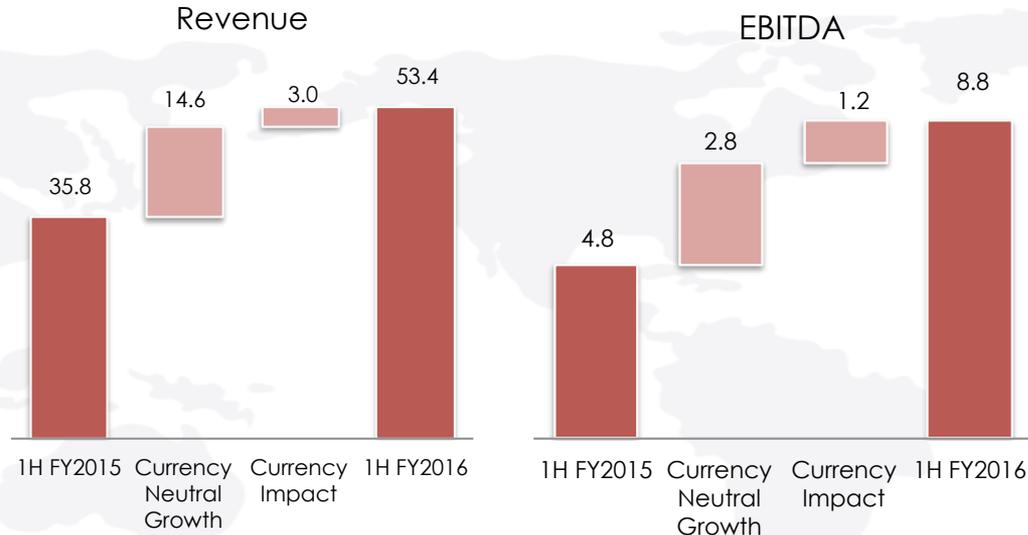
EBITDA	8.8
Working capital	(2.5)
Other	0.4
Cash flow from operations before interest and tax	6.7

Review and upgrade of IT systems in 2H FY2016 and FY2017 to improve scalability and support future growth

Currency impact (A\$m)

Almost all revenue derived offshore, most in USD

Substantial growth on top of currency benefit

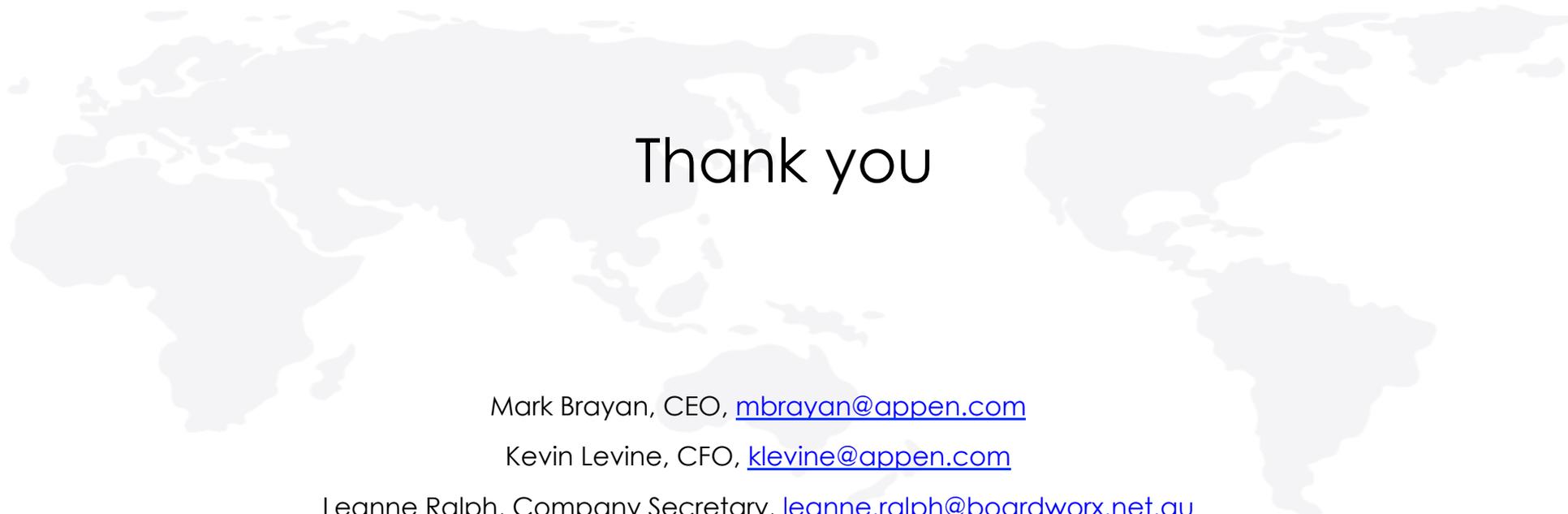


Pipeline continues to build, fuelled by demand for high quality language data and services

1H FY2016 revenue plus orders in hand for delivery in FY2016 ~\$100m as of August 2016

Full year outlook for earnings growth now on target to exceed 20%

Outlook susceptible to upside or downside from factors including timing of work from major customers and Australian dollar fluctuations (outlook at 76c)

A light gray, semi-transparent world map is centered in the background of the slide, showing the outlines of continents and major landmasses.

Thank you

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