

ASX Announcement

29 October 2026

Q3 FY26 Quarterly Activity Report and Appendix 4C

Appen Limited (Appen) (ASX: APX), a global market leader in data for the Artificial Intelligence (AI) lifecycle, provides this activity report and Appendix 4C for the quarter ended 30 September 2026 (Q3 FY26). Unless noted otherwise, all figures are presented in US\$. Figures for January to September 2026 are based on unaudited management accounts. They have been prepared in accordance with Appen's accounting policies and applicable accounting standards but remain subject to audit and may change.

Q3 FY26 Highlights:

- **Revenue of \$73.9 million, +34% vs prior corresponding period (pcp) and +13% vs Q2 FY26**
- **Underlying EBITDA¹ (before FX) of \$10.3 million, up \$9.3 million vs pcp and up \$6.0 million vs Q2 FY26**
- **Appen China continued to grow revenue and earnings vs pcp:**
 - Revenue of \$46.1 million, +61% vs pcp and +11% vs Q2 FY26;
 - Underlying EBITDA (before FX) of \$6.7 million, +101% vs pcp; and
 - Annualised revenue run-rate exceeding \$190 million in September
- **Appen Global returned to profit, with growth now more broadly based:**
 - Revenue of \$27.9 million, +17% vs Q2 FY26 and +5% vs pcp;
 - Outside of the largest client, Appen Global Q3 revenue grew 70% vs Q2;
 - Underlying EBITDA (before FX) of \$5.6 million, from a loss of \$(1.3) million in Q2 FY26; and
 - Two of the leading US-based frontier AI model builders added as customers, including a former major customer
- **FY26 guidance maintained²:**
 - Revenue of \$270–300 million;
 - Underlying EBITDA (before FX) margin of ~5–10%; and
 - Current visibility indicates revenue is likely to be in the lower half of the range and EBITDA margin in the upper half of the range

¹ Underlying EBITDA excludes restructure costs, and transaction costs.

² As provided at FY25 results on 25 February 2026 and reaffirmed at H1 FY26 results on 27 August 2026.

Commenting on the quarter, Appen’s CEO and Managing Director Ryan Kolln said:

“Model builders in the US and China are expanding AI capabilities that are driving the demand for high-quality data. Appen works with leading model builders in both markets, and that breadth is now showing in our results.”

“The Group grew revenue 34% on the prior corresponding period and delivered underlying EBITDA of \$10.3 million. Both divisions contributed to that result.”

“In China, revenue grew 61% on the prior corresponding period, and September revenue put Appen China on an annualised run-rate above \$190 million. Chinese technology companies are taking their models to international markets, and we are supporting that work.”

“Appen Global continues to expand its work with frontier AI model builders, and this is translating into revenue growth. Revenue outside our largest customer grew 70% on Q2. In the quarter we added two of the leading US-based frontier AI model builders as customers, including a former large customer. We now count seven of the eight largest US-based AI model builders as customers, and have projects in our pipeline with the eighth. Several of these relationships are at an early stage and the potential for growth is high. Our job now is to deliver well and earn more of their work.”

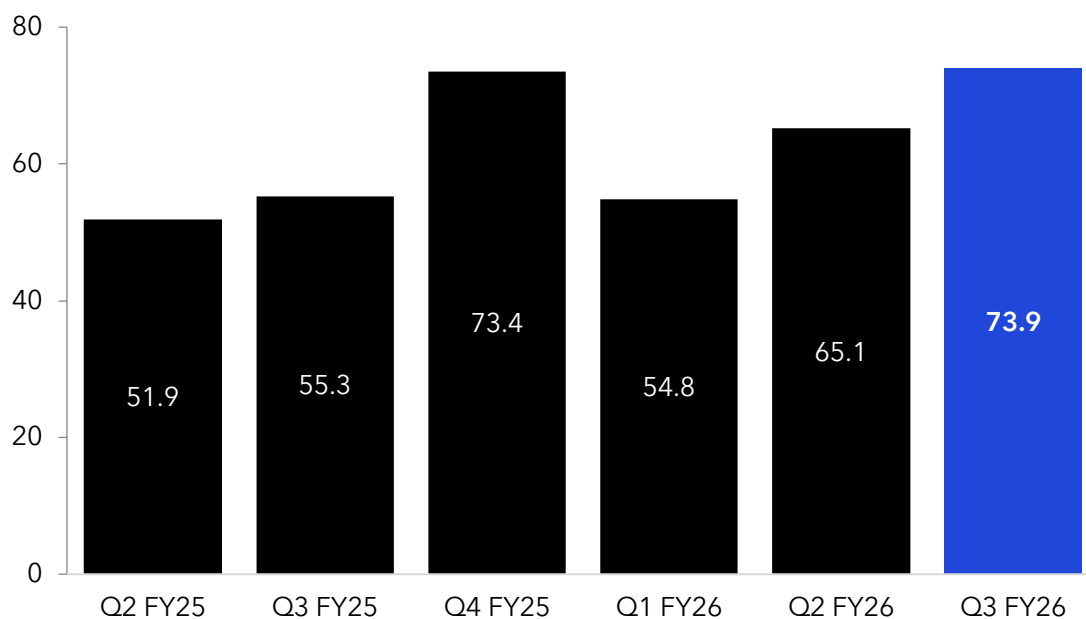
Financial and Operating Performance³

Summary

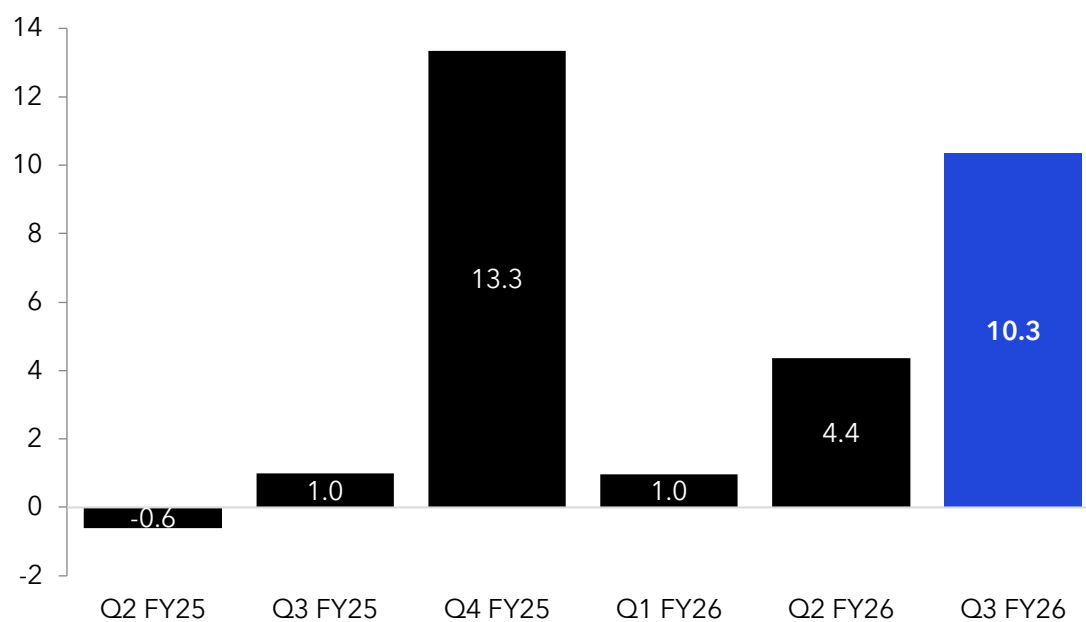
	Q3 FY26	Q3 FY25	% / bps / \$ change	YTD FY26	YTD FY25	% / bps / \$ change
Revenue	73.9	55.3	+34%	193.8	157.3	+23%
Gross Margin %	43.3%	39.2%	+410 bps	39.2%	37.8%	+140 bps
Underlying EBITDA (before FX)	10.3	1.0	+9.3	15.7	(1.2)	+16.9

³ Numbers presented may not add due to rounding. Percentages presented are actual and not calculated on rounded US\$ m. As noted above, FY26 financial information remains unaudited and subject to change.

Group Revenue



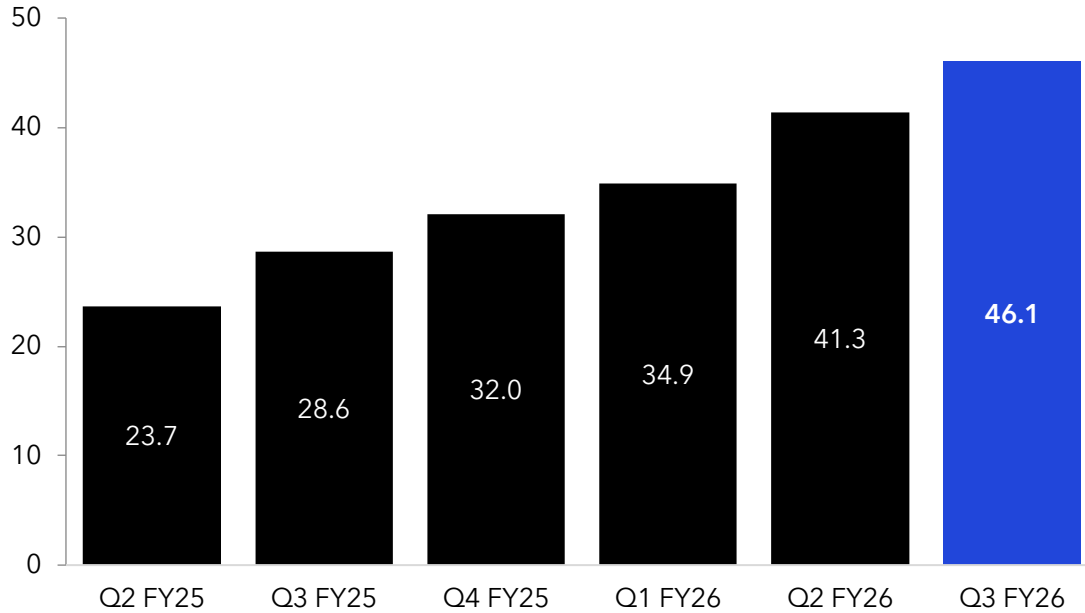
Group Underlying EBITDA (before FX)



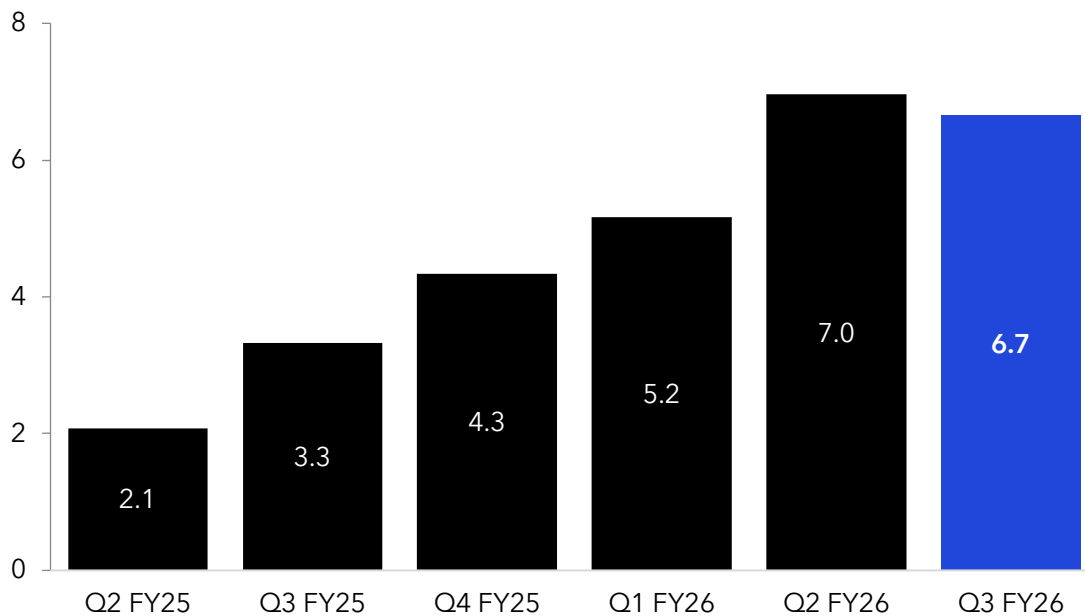
Notes related to financial and operating performance

Appen China

Appen China Revenue



Appen China Underlying EBITDA (before FX)



Appen China revenue was \$46.1 million in Q3, up 61% on pcip and 11% on Q2 FY26. The annualised revenue run-rate in September⁴ exceeded \$190 million, up from over \$175 million at the end of Q2. Underlying EBITDA (before FX) was \$6.7 million, up \$3.3 million or 101% on pcip, a margin of 14.5% (pcip: 11.6%).

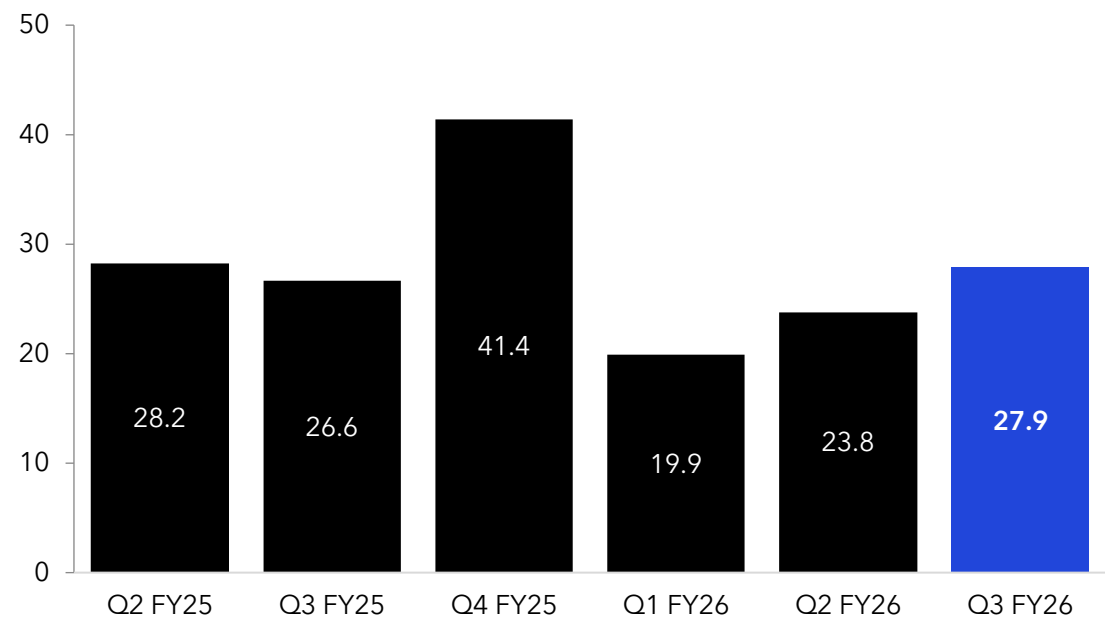
⁴ September month revenue x 12

Revenue growth continues to be driven by generative AI projects, including work supporting the international expansion of Chinese technology companies. The year-on-year margin improvement reflects a higher mix of generative AI projects and revenue from higher-margin prebuilt datasets.

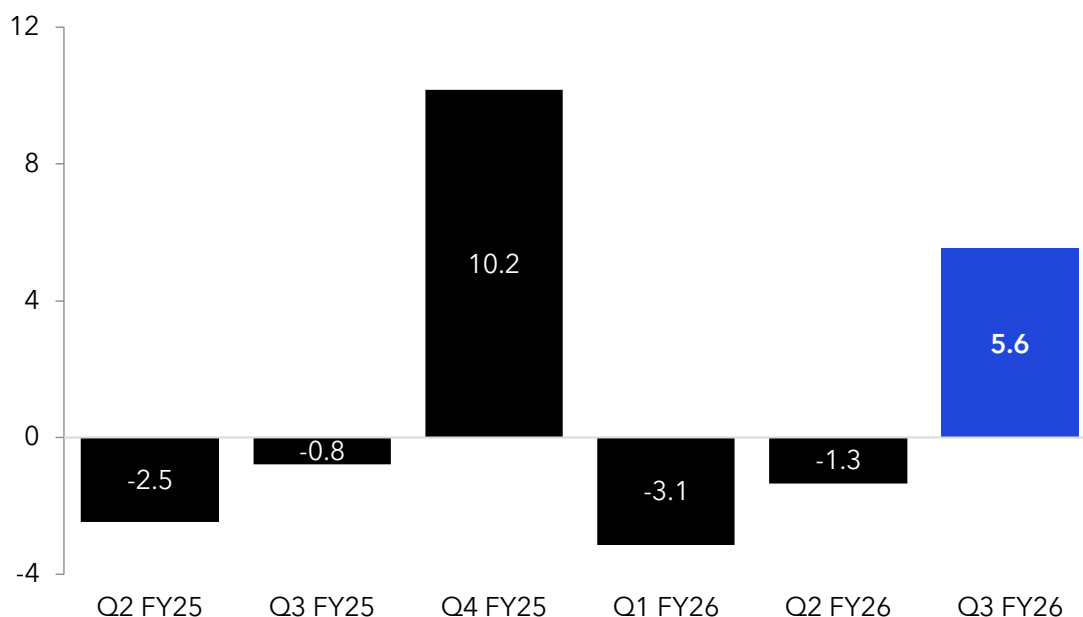
Underlying EBITDA for Q3 was slightly lower than Q2 FY26, mostly reflecting higher operating expenses compared to the prior quarter. The increase was due to lower utilisation as a result of the Mid-Autumn Festival holiday, government rebates received in Q2 and not Q3 (generally received in Q2 and Q4 only), and slightly higher operating costs in the quarter due to some investment to drive growth opportunities.

Appen Global

Appen Global Revenue



Appen Global Underlying EBITDA (before FX)



Appen Global revenue was \$27.9 million in Q3, up 17% on Q2 FY26 and 5% on pcp. Underlying EBITDA (before FX) was \$5.6 million, compared with losses of \$(1.3) million in Q2 FY26 and \$(0.8) million in pcp.

Revenue is now more broadly based. Outside of the largest customer, Q3 revenue grew 70% on Q2 FY26 (Q2 FY26: +65% on Q1 FY26), reflecting continued growth from projects related to some of the most innovative AI releases.

New work spans areas of long-standing strength, including speech and search relevance, and newer domains including coding, STEM, finance and robotics. During the quarter, Appen Global added two of the leading US-based frontier AI model builders as customers, one of which is a large former customer. Initial projects have commenced, however revenue from these customers expected to be modest in FY26. Appen now counts seven of the eight largest US-based AI model builders as customers, and has pipeline with the eighth. The wins follow a deliberate effort to hire specialist technical talent and build relationships with frontier AI labs.

The EBITDA improvement reflects a higher-margin revenue mix from several high-margin projects and lower operating costs, with Appen Global operating expenses of \$10.8 million in Q3, down 19% on pcp.

Appen Global remains on track to deliver the ~\$12 million of incremental annualised cost efficiencies announced in the H1 FY26 results, with around 70% to be executed by the end of FY26 and the balance by the end of Q1 FY27. These efficiencies are being achieved through increased use of AI across operations, with no impact to date on the Company's ability to deliver quality data at speed.

FY26 Outlook & Guidance

Appen maintains its FY26 guidance of:

- Revenue of \$270–300 million; and
- Underlying EBITDA (before FX) margin of ~5–10%.

Current visibility indicates revenue is likely to be in the lower half of the revenue range and underlying EBITDA (before FX) margin in the upper half of the margin range. As new projects can commence at short notice and at scale, the Company is maintaining its guidance ranges.

Notes related to cash balance

Cash on hand at 30 September 2026 was \$42.6 million, down \$2.1 million from \$44.7 million at 30 June 2026.

Net cash from operating activities was \$4.0 million for the quarter, compared to \$7.9 million used in Q2 FY26. The increase reflects higher customer receipts during the quarter.

Staff costs include employed direct project workers (crowd expenses). This amount was \$14.0 million for the quarter, compared to \$11.3 million in Q2 FY26. The increase aligns with revenue growth for projects requiring employed project workers.

Net cash used in investing activities was \$5.1 million for the quarter, which is in line with Q2 FY26. The \$3.9 million outflow in relation to intellectual property reflects capitalised investment in product development.

Appendix 4C item 6.1 includes \$0.3 million of aggregate payments to the CEO and Managing Director and Independent Directors. All amounts paid were in their capacity as Executive and Independent Directors.

Authorised by a duly appointed sub-committee of the Board of Appen Limited.

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About Appen

Appen provides AI training data and human data for generative AI and frontier AI models. We work with leading large language model (LLM) builders in the United States and China, supporting reinforcement learning from human feedback (RLHF), supervised fine-tuning, reasoning, model evaluation and safety, as well as agentic AI, multimodal and speech AI, and physical AI for robotics.

We bring together subject-matter experts, a global contributor network working in more than 500 languages, and a proprietary software stack that ensures the highest quality data.

Appen was founded in 1996 and has worked through every major wave of AI since, from early speech recognition and search to today's large language models and AI agents.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Appen Limited

ABN

60 138 878 298

Quarter ended ("current quarter")

30 September 2026

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	64,363	171,629
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(28,236)	(82,539)
(c) advertising and marketing	(287)	(833)
(d) leased assets	-	-
(e) staff costs	(28,016)	(75,092)
(f) administration and corporate costs	(3,742)	(11,807)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	69	350
1.5 Interest and other costs of finance paid	(2)	(6)
1.6 Income taxes (paid) / received	(138)	(1,837)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	4,011	(135)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,294)	(3,393)
(d) investments	-	-
(e) intellectual property	(3,891)	(11,012)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	4
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – transaction costs	-	-
2.6	Net cash from / (used in) investing activities	(5,185)	(14,401)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – leases	(1,289)	(3,967)
3.10	Net cash from / (used in) financing activities	(1,289)	(3,967)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	44,705	59,824
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,011	(135)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,185)	(14,401)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,289)	(3,967)
4.5	Effect of movement in exchange rates on cash held	396	1,317
4.6	Cash and cash equivalents at end of period	42,638	42,638

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	42,296	44,365
5.2	Call deposits	342	340
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	42,638	44,705

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Directors' remuneration	305
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	4,011
8.2	Cash and cash equivalents at quarter end (item 4.6)	42,638
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	42,638
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2026

Authorised by a duly appointed sub-committee of the Board of Appen Limited.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.