Refreshing Appen

Strategy refresh and capital raising presentation

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- This Presentation has been prepared in relation to:
  - a pro rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Appen (**New Shares**), to be made to:
    - eligible institutional and sophisticated shareholders of Appen (**Institutional Entitlement Offer**); and
    - eligible retail shareholders of Appen (**Retail Entitlement Offer**),

    (together, the **Entitlement Offer**) under section 708AA of the Corporations Act 2001 (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (the **Corporations Act**); and
  - an institutional placement of New Shares made to certain institutional and sophisticated investors (**Placement**, and together with the Entitlement Offer, the **Offer**).

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Executive summary

1	**Appen overview**	▪ Appen supports AI training data and model evaluation for the world's leading AI ▪ The new management team has undertaken an operational review and identified a number of opportunities to instil operational rigour and return Appen to profitability
2	**New growth strategy**	▪ Strategic refresh under new leadership ▪ Focus on revenue growth and diversification from enabling enterprise adoption of generative AI, supporting the development of large language models, increasing channels to market and driving operational efficiency
3	**Operational rigour initiatives**	▪ Total identified run-rate cost savings of ~\$46 million ▪ New pro-forma cost base estimated to be ~\$113 million[1] includes capitalised software development costs of approximately \$11 million and excludes non-cash share-based payment expenses of approximately \$7 million ▪ New dynamic approach to ensure costs will be managed in line with the revenue opportunity and market conditions
4	**The New Appen**	▪ An immediate focus on managing costs and delivering growth ▪ We are highly focused on the areas that are within our control and have taken the necessary steps to align our cost structure with current revenue expectations and expect to exit 2023 as a profitable business on an underlying EBITDA[2] and underlying cash EBITDA basis[3]
5	**Equity raising**	▪ Fully underwritten ~A\$60 million equity raising to provide balance sheet flexibility and general working capital requirements to support Appen's return to profitability; and one-off costs associated with the cost reduction program and transaction costs

Note: 1. Excludes impairment losses, crowd labelling services, share based payments, depreciation and amortisation, transaction, finance and restructure costs and the impact of foreign exchange losses; 2. Underlying results are a non-IFRS measure used by management to assess the performance of the business and are calculated from statutory measures. Non-IFRS measures are not subject to audit. Underlying EBITDA excludes impairment losses, restructure costs, transaction costs, inventory losses and acquisition-related share-based payments expenses; 3. Underlying cash EBITDA is underlying EBITDA less capitalised software development expenses plus non acquisition-related share-based payment expenses.

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01 Appen overview

Appen is an AI platform services business

We provide **AI platform services** to many of the world's advanced big tech companies

Fortune 500 clients **value** our **expertise** and consultative approach

Our **AI data platform** underpins our services

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We power the world's leading AI

Google amazon Microsoft salesforce

Adobe Bloomberg Pinterest nextdoor

LinkedIn SIEMENS ORACLE Dolby

BEST BUY THE HOME DEPOT BOEING AIRBUS

+ many more

8 out of 10

largest global tech companies by market capitalisation

184

new clients in 2022

+9 years

average tenure of our top 5 clients

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Key findings of the operational review…

Sales and marketing

Immediate need to level-up our sales and marketing, focus on hiring new marketing and sales operations leaders

New market growth

Investments in Enterprise and Federal BUs have not resulted in growth – significant cost restructure required

Operations

Growth opportunity in current business, requires operational improvements to maximise potential

Leadership and culture

Leadership and company culture refresh is required to deliver on next phase of growth

Transformation

Product, Engineering and Transformation investment have not delivered expected efficiencies

Revenue diversification

Excluding our largest customer, revenue has grown at a 10% CAGR[1] between 2018 to 2022

Structure

Some functions duplicated across business units – consolidation is a major opportunity for cost reduction

Cost controls

Cost controls have lagged revenue shifts – tighter financial controls to be established

Generative AI

Significant opportunity to support generative AI by leveraging existing tech and crowd capabilities

Note: 1. After adjusting for M&A. Past performance is not necessarily an indicator of future performance.

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Focus for first 4 months has been on resetting for growth

Operational rigour

- Establish business management systems
- Cost reallocation to growth vectors

Product velocity

- Launch products that capture new market growth
- Incorporate Generative AI labeling automation
- Drive internal productivity improvements

World class go-to-market

- Build consultative sales and go-to-market capabilities
- Elevate our brand with greater marketing awareness

Ecosystem partnerships

- Expand our partner ecosystem to reach more clients
- Focus on key industry verticals

#AIforGood

- Deliver trustworthy AI for our clients
- Responsibility by design
- Establish and chair AI for Good Committee
- One Appen

Completed In progress

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02 Refreshed growth strategy

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Appen's growth vision

Full set of AI data services for deep-learning and generative AI

Deep-learning AI

Generative AI

Appen AI models and services (future)

Data collection
- Point of interest
- Speech
- Custom collections
- Synthetic data

Data annotation
- Annotation
- Categorisation

Relevance
- Search relevance
- Content moderation
- Ad evaluation

Fine tuning
- Human feedback
- Instruction datasets NEW
- Model evaluation NEW
- AI feedback Coming soon

Assurance
- A/B testing NEW
- Benchmarking Coming soon
- Certification Coming soon
- Monitoring Coming soon

Appen Data Platform

Appen Crowd Marketplace

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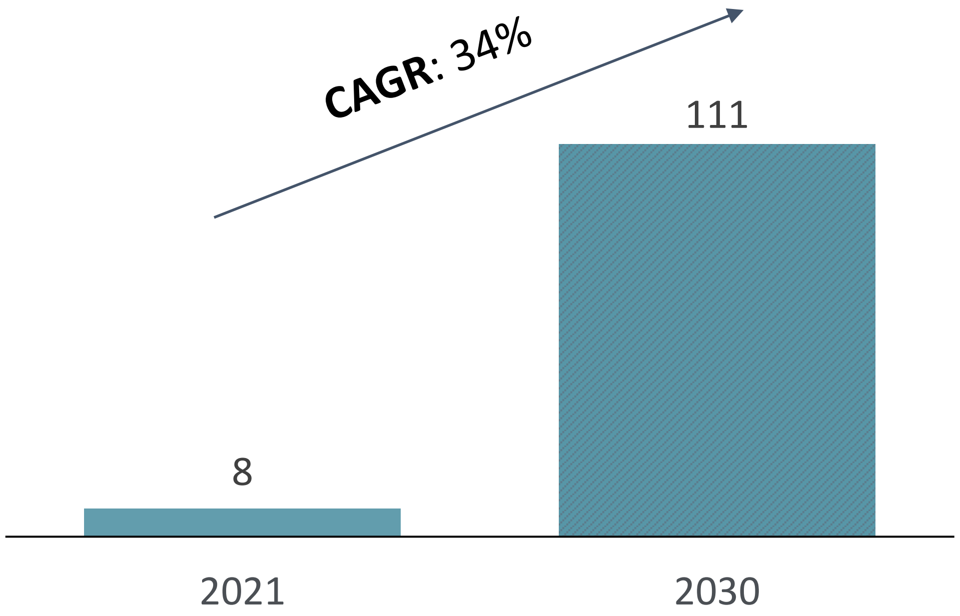
Generative AI market size estimated to reach >$110 billion by 2030

Estimated Generative AI market size ($ billion)



Source: Acumen Research (December 2022)

Challenges with adoption Appen can help address

Human feedback (RLHF) is required for base models to perform at levels comparable to humans and to minimize hallucinations, bias and toxicity

Many base models do not work out of the box for companies and in a domain context – fine tuning and evaluation is required, together with real customer interactions

New approaches for model evaluation is required, particularly when measuring against risk and compliance guidelines

Enterprises are unclear on deployment approach, including data privacy implications of on-premise vs. cloud-based models

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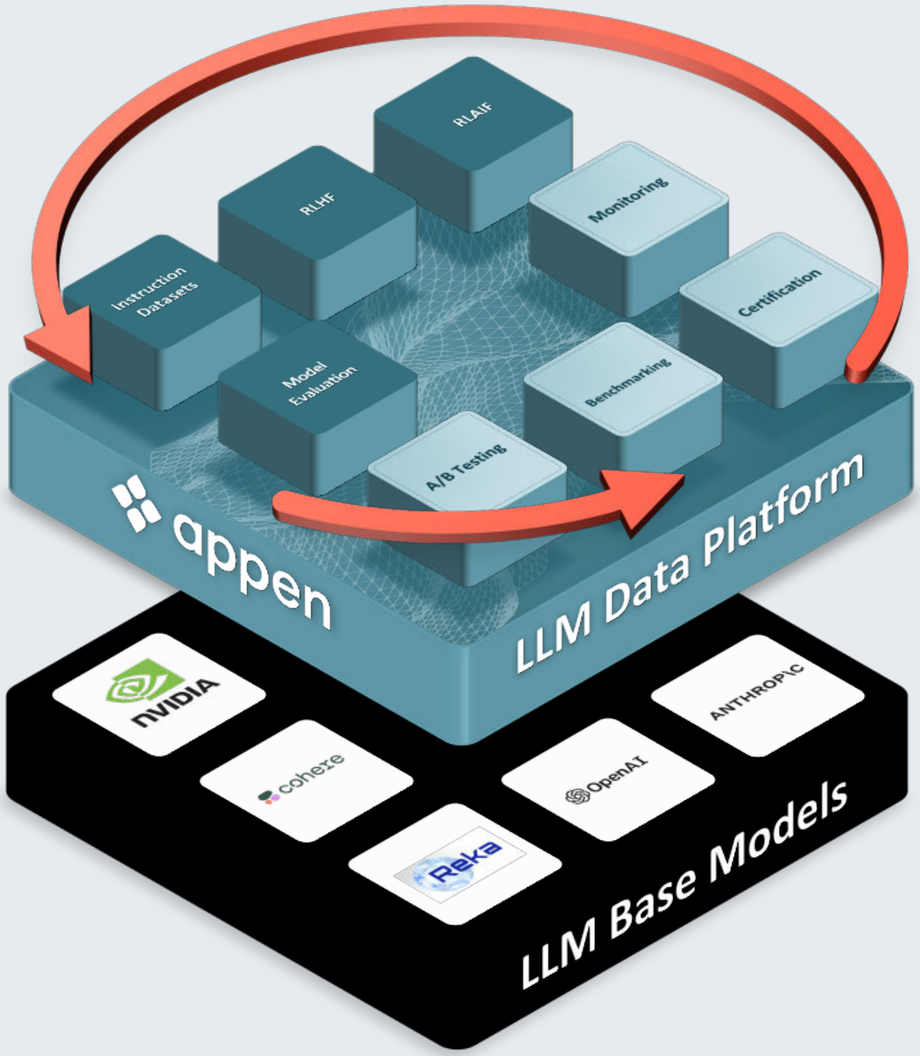
Appen's new set of LLM Data products

Enabling the development and fine tuning of generative AI models

Fine tuning products

Appen's fine tuning products enable enterprises to customise existing generative AI models from Nvidia, OpenAI, Cohere, Google, Anthropic, Reka and open-source channels.



Assurance products

Appen's assurance products ensure customers' model performance is accurately measured and monitored to avoid risks such as hallucination, bias, and toxicity.

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Extending our channels to market will allow us to scale

Enterprise Customer

Appen Enterprise Sales + **Ecosystem leaders**

Direct + **Sales Network**

Ecosystem relationships[1]

Model Builders	REKA[2]	Enterprise Customer
Compute	NVIDIA[3]	Enterprise Customer
Systems Integrators/ IT Consultants	*Professional services firms*	Enterprise Customer

Note: 1. Ecosystem relationships do not represent revenue generating customer agreements themselves, but are collaboration agreements under which the organisations agree to collaborate with a focus on serving new revenue generating customers; 2. Appen has signed a joint go-to-market collaboration agreement with Reka, with focus on promoting and delivering an end-to-end generative AI solution for enterprises; 3. Appen has signed a Master Data License and Custom Data Agreement with NVIDIA with a focus on new client acquisition.

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We are already gaining momentum

Large-tech model builder

Evaluated model performance of text to image generative AI models

Enterprise model builder

Recent pilot leads to $2 – 5 million opportunity for large scale creation of language model prompts

Enterprise model fine tuning

Active partnership with Reka drives opportunity to deliver operational efficiencies for a major financial services client

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Strategic refresh under new leadership

Deep-learning AI

Maximise the opportunity from our current data services

Improve our project delivery and crowd management practices to deliver greater volumes of current work with improved margins

Generative AI

Enable generative AI

Provide crowd-based services and products that enable the development and enterprise adoption of generative AI

Drive operational efficiency

Ensure strict focus on operational rigour, disciplined cost and investment management to drive profitability

Engage in disciplined capital management

Preserve cash to maintain flexibility and maximise shareholder value

Reset sales and go-to-market

New sales leadership and go-to-market strategy that leverages ecosystem partnerships to accelerate growth in target markets

Strategic refresh addresses key focus areas

Customer diversification
Generative AI expected to create material demand beyond large tech customers

Margin improvement
Greater reliance on technology to improve gross margins

Revenue visibility
New products to have a greater proportion of recurring revenue

Strong ROI
Generative AI investments will leverage existing technology investments

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03 Operational rigour initiatives

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Operational rigour improvements delivered

New product and engineering measurements to drive delivery and business impact

Cost review completed across all business areas

Target Operating Model for delivery functions to drive efficiency and automation

Generative AI automation in our annotation processes

Business Management System for financial and operational metrics

Weekly, Monthly, Quarterly business unit review cycle across revenue generating business units

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Taking action to reduce cost base

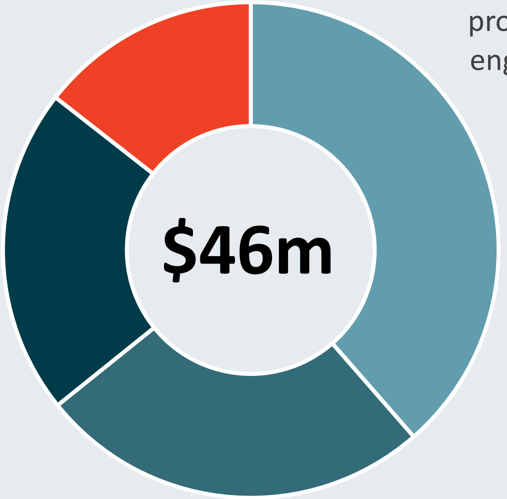
Reduce cost base for the future, ensuring Appen is appropriately resourced to execute on its strategy

- Total annualised cost savings of $46 million relating to measures announced in 2023
- Cost savings to be implemented over the course of FY23 with first full year impact from FY24
- Appen expects to exit FY23 with an annualised run-rate cash operating cost base of ~$113 million[1] (includes capitalised software development costs of ~$11 million and excludes non-cash share-based payment expenses of ~$7 million)
- Going forward, costs will be managed in line with the revenue opportunity and market conditions. This dynamic approach will better place Appen to adapt to ongoing changes in market demand
- These cost savings were identified as part of a strategic review and Appen does not anticipate any material impact on its ability to service customers or generate revenue from these measures
- One-off costs associated with implementing the cost reduction are $4 – 5 million relating to severance that will be reported as a non-recurring expense and excluded from underlying EBITDA[2] for FY23. Additional cash payments include leave entitlements of $1.5 – 2 million that have been previously provided for

Zero-based budgeting

Bottom up approach to costs

Incremental reduction in annualised operating costs



Source: Management estimates.
Note: 1. Excludes impairment losses, crowd labelling services, share based payments, depreciation and amortisation, transaction, finance and restructure costs and the impact of foreign exchange losses;
2. Underlying results are a non-IFRS measure used by management to assess the performance of the business and are calculated from statutory measures. Non-IFRS measures are not subject to audit.
Underlying EBITDA excludes impairment losses, restructure costs, transaction costs, inventory losses and acquisition-related share-based payments expenses.

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04 The New Appen

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Management to deliver next phase of growth

Armughan Ahmad
Chief Executive Officer
Joined in 2023

Corporate

Helen Johnson
Chief Financial Officer
Joined in 2023

Andrea Clayton
Chief People & Purpose Officer

Ryan Kolln
SVP, Strategy & Innovation

Sujatha Sagiraju
Chief Product Officer

Saty Bahadur
Chief Technology Officer
Joined in 2023

Carl Middlehurst
VP, General Counsel

Sales and delivery

Brian Haskett
GM Delivery Operations (Interim)

CMO
Starting Q2

Roc Tian
GM China

CRO
Starting Q2

#CultureCode

PURPOSE

We unlock the power of #AIforgood to build a better world.

PERSPECTIVE

We are a learn-it-all culture and embrace that comfort and growth do not coexist.

PROSPERITY

Four **values** unite us

- Customer obsessed
- Courage to innovate
- Action oriented
- Winning together

Turnaround scorecard for next 6 months

Operational rigour

Execute cost saving initiatives

Target operating model deployed

Streamlined crowd onboarding process

Product velocity

LLM benchmarking product launched

Model monitoring solutions launched

Synthetic instructive datasets launched

World class go-to-market

New sales leaders and structure in place

Sales ops function established

New CMO in place to amplify brand value

Ecosystem partnerships

Expanded set of ecosystem partners

Joint go-to-market approach in place

#AIforGood

Focus on conversion to renewable energy

Active recruitment of Impact Sourced Crowd

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2023 outlook

- Taking into account headwinds from the broader technology market slowdown, historical fourth quarter seasonal trends, regular dialogue with customers and our pipeline of project work across all clients, we expect an improvement in 2H FY23 revenue relative to revenue achieved in 1H FY23
- Should current conditions persist throughout the year, we believe that the cost reduction initiatives that we have announced will result in Appen exiting FY23 with a return to underlying EBITDA[1] and underlying cash EBITDA[2] profitability on an annualised, run-rate basis
- Longer term, we expect to deliver greater diversification of revenue and profitability through execution of our growth strategy refresh and efficiency initiatives outlined previously

Note: 1. Underlying results are a non-IFRS measure used by management to assess the performance of the business and are calculated from statutory measures. Non-IFRS measures are not subject to audit. Underlying EBITDA excludes impairment losses, restructure costs, transaction costs, inventory losses and acquisition-related share-based payments expenses; 2. Underlying cash EBITDA is underlying EBITDA less capitalised software development expenses plus non acquisition-related share-based payment expenses.

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Wrap up

Five key take aways

1 **AI is changing the world**. Generative AI is creating new experiences like we have not seen before. The future is with us

2 **The new strategy positions Appen well to capture growth in the deep learning and generative AI markets**. Our growth vision is to move beyond AI data into industry vertical AI solutions and expand our addressable market

3 **Establishing operational rigour** is a key priority to right-size our cost base, increase revenue visibility and fund new growth

4 **Management is committed to its vision for the New Appen** and the initiatives presented today are already underway

5 **We believe the Equity Raising** will provide the necessary flexibility to support the company in returning to profitability

05 Equity raising

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Sources and uses of funds

Sources of funds (A$ million)	
Entitlement Offer	38.3
Placement	21.2
Total sources of funds	**59.5**

Uses of funds (A$ million)	
Balance sheet flexibility and general working capital requirements to support Appen's return to profitability	47.0
One-off costs associated with the cost reduction program and transaction costs[1]	12.5
Total uses of funds	**59.5**

- Appen's lender, Westpac, has granted a waiver of financial covenants in relation to the June testing date for its Credit Facility, conditional on completion of the equity raising[2]
- The facility is currently undrawn

Note: 1. Includes one-off costs of $4 – 5 million relating to severance that will be reported as a non-recurring expense and excluded from underlying EBITDA for FY23; as well as to fund previously provided for leave entitlements of $1.5 – 2 million (assumed exchange rate of USD/AUD 0.67); 2. Conditional upon Appen raising equity of A$45m by 28 June 2023, Westpac has granted a waiver of financial covenants that would have otherwise applied and been tested as at 30 June 2023. Upon completion of the Capital Raising, the condition will be satisfied and the Credit Facility will remain available for Appen to access, subject to compliance with other terms and conditions.

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Equity raising details

Offer structure and size	• Fully underwritten ~A$60 million Equity Raising comprised of:
	  • A 1 for 6 pro rata accelerated non-renounceable entitlement offer (“**Entitlement Offer**”) to existing eligible shareholders to raise ~A$38 million; and
	  • An institutional placement (“**Placement**”) to raise ~A$21 million
	• 32.2 million fully paid ordinary shares (“**New Shares**”) to be issued, representing ~26% of the existing shares on issue

Offer price	• A$1.85 per new share (“**Equity Raising Price**”), represents:
	  • a 16.2% discount to the theoretical ex-rights price of A$2.21 (“**TERP**”)[1]
	  • a 19.6% discount to Appen’s last closing price of A$2.30 on Monday, 15 May 2023

Institutional Offer and Placement	• The institutional component of the Entitlement Offer and the Placement will be conducted on Tuesday, 16 May 2023 • Entitlements not taken up and those of ineligible shareholders will be placed into an institutional shortfall bookbuild and sold at the Equity Raising Price
Retail Entitlement Offer	• The Retail Entitlement Offer is expected to open on Tuesday, 23 May 2023 and close on Tuesday, 6 June 2023 • Retail shareholders residing in Australia and New Zealand on the Record Date may participate in the Retail Entitlement Offer
Ranking	• The New Shares will rank equally with existing fully paid ordinary shares on issue
Settlement	• Settlement of New Shares issued under the Placement and Institutional Entitlement is expected to be on Thursday, 25 May 2023 • Settlement of New Shares issued under the Retail Entitlement Offer is expected to be on Tuesday, 13 June 2023
Underwriting	• The Equity Raising is fully underwritten by Barrenjoey Markets Pty Limited
Participation	• All directors who are existing shareholders on the Record Date have committed to take up their pro-rata entitlement under the Entitlement Offer

Note: 1. TERP is the theoretical ex-rights price including the Placement shares. TERP is calculated by reference to APX’s closing price of A$2.30 on 15 May 2023, being the last trading day prior to the announcement of the Equity Raising. TERP is a theoretical calculation only and the actual price at which APX shares trade immediately after the ex-date of the Equity Raising will depend on many factors and may not be equal to TERP.

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Equity raising timetable

Events	Dates
Announcement of the Equity Raising	Tuesday, 16 May
Placement and Institutional Entitlement Offer bookbuild	Tuesday, 16 May
Announcement of results of the Placement and Institutional Entitlement Offer	Wednesday, 17 May
Appen shares recommence trading (on an ex-entitlement basis)	Wednesday, 17 May
Entitlement Offer Record Date (7.00pm Sydney time)	Thursday, 18 May
Retail Entitlement Offer opens (Retail Information Booklets made available to eligible retail shareholders)	Tuesday, 23 May
Settlement of New Shares issued under the Placement and Institutional Entitlement Offer	Thursday, 25 May
Allotment and trading of New Shares issued under the Placement and Institutional Entitlement Offer	Friday, 26 May
Retail Entitlement Offer closes (5.00pm Sydney time)	Tuesday, 6 June
Appen announces results of the Retail Entitlement Offer	Friday, 9 June
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 13 June
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 14 June
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Thursday, 15 June

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Pro forma balance sheet

$ million	31 Dec 2022 Actual	31 Dec 2022 Pro forma[1]
Cash and cash equivalents	23	61[2]
Trade and other receivables	64	64
Contract assets	30	30
Intangibles	110	110
Property, plant and equipment	4	4
Other assets	23	23
Total assets	**255**	**293**
Trade and other payables	40	40
Contract liabilities	19	19
Borrowings	0	0
Lease liabilities	10	10
Earn-out liability	19	19
Other liabilities	19	19
Total liabilities	**107**	**107**
Net assets	**148**	**186**

Note: 1. The 31 Dec 2022 pro forma balance sheet illustrates the impact of the capital raising on the actual 31 Dec 2022 balance sheet as if the capital raising had occurred on that date; 2. Net of transaction costs of approximately A$3.1 million (assumed exchange rate of USD/AUD 0.67). A deferred tax asset resulting from the transaction costs is expected to be recognised on the balance sheet as part of the equity raising.

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Key risks

This section discusses some of the key risks associated with an investment in shares in Appen. These risks may affect the future operating and financial performance of the Appen Group and the value of Appen shares.

The risks set out below are not necessarily listed in order of importance and do not necessarily constitute an exhaustive list of all risks involved with an investment in Appen.

Before investing in Appen, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on the Appen Group (such as that available on the websites of Appen and ASX), carefully consider their personal circumstances (including the possibility that they may lose all or a portion of their investment) and consult their professional advisers before making an investment decision. Additional risks and uncertainties that Appen is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the Appen Group's operating and financial performance. Nothing in this Presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

You should note that the occurrence or consequences of many of the risks described in this section are partially or completely outside the control of Appen, its directors and management. Further, you should note that this section focuses on the potentially key risks and does not purport to list every risk that the Appen Group may have now or in the future. It is also important to note that there can be no guarantee that the Appen Group will achieve its stated objectives or that any forward-looking statements or forecasts contained in this Presentation will be realised or otherwise eventuate. All potential investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described in this section, and have regard to their own investment objectives, financial circumstances and taxation position.

Cooling off rights do not apply to the acquisition of New Shares.

Business risks

Strategic direction of the business	The AI market is dynamic, with changes in client needs and end-user expectations. The strategic direction of the Appen Group's business can rapidly change. Demand for services, technological developments within market segments, geoeconomic confrontations (including global conflicts) and regulatory developments can all impact Appen Group's business model. Changes to these factors may result in downturns or extended periods of uncertainty or volatility which may influence spending by Appen Group clients and affect the Appen's Group's financial and operating performance, Appen's share price and Appen's ability to pay dividends.
Concentration of customers	Appen and its subsidiaries' existing customer base consists of, amongst others, a number of large global multi-national technology companies. Currently five large global technology companies are the major buyers of AI training data and relevance work. The projects awarded by these companies, or the ongoing services which Appen may provide to these companies, can generate large amounts of revenue from that one client. This revenue model leads to a high concentration of revenues with one or more customers. Such customer concentration is not unusual in the industry in which Appen operates. Due to significant disruption in the technology sector and rapid strategic changes that customers have implemented in response to changes in the global economic environment, this risk has increased. The financial performance of the Appen Group is susceptible to the loss of one or more of these customers if that were to occur.
Revenue model and customer contracts	A substantial part of the Appen Group's existing revenue is generated from individual case by case projects rather than long-term contracts. Appen cannot be assured that a customer will reengage the Appen Group on future projects or services once the project is completed or that the customer will not unilaterally reduce the scope of, or terminate, existing projects on short-term notice (generally 30 days, but sometimes less). The absence of guaranteed long-term revenue makes it difficult to predict the future revenues of the Appen Group and investors should consider this factor in the context of considering any investment. The Appen Group's revenue model is, and will be, predominantly driven by project demands of customers and can be unpredictable throughout any financial year due to the timing of projects, length of sales cycles and the product-release cycles of the Appen Group's clients. Revenues may be impacted from quarter to quarter, and year to year, depending on the customer demand factors or on the completion rate of projects. If a customer, particularly a key customer, reduces its expenditure on either projects or services, it may adversely impact the revenue, earnings and cash flow of the Appen Group.

Key risks (cont.)

Business risks

Appen management personnel	Appen depends on the talent and experience of its existing management personnel. However, despite incentives offered to key personnel, there can be no assurance that Appen will be able to retain all of its key personnel. The loss of any key management or other personnel with specialist skills, or a significant number of personnel generally, may have an adverse impact on the Appen Group. It may be difficult to replace those personnel, or to do so in a timely manner, or at comparable expense. The loss of key management personnel could cause material disruption to the Appen Group's activities in the short to medium term.
Recruitment and crowdsourcing	The Appen Group's operating model requires an ability to mobilise a large number of independent contractors on a project-by-project basis to fulfil customer needs and project requirements. If the Appen Group fails to find independent contractors of a suitable quality, and/or suitable number, and/or jurisdictions restrict flexible independent contractor relationships, this may lead to project delays or lower revenues being generated in relation to the project. These difficulties may be more prevalent during times when national economies are strong or getting stronger due to the reduced number of persons looking for work. Some of the Appen Group's search relevance and data analytics services are crowdsourced to, and often performed by, independent contractors. The independent contractors performing these services are retained pursuant to written agreements with a member of the Appen Group that commonly specify the individual's status as an independent contractor, confirm the individuals are not employees of the employing company, and require the individuals to indemnify the employing company in the event the individual incorrectly represented their status to the employing company. Notwithstanding the foregoing express contractual language, from time to time, individuals retained by a member of the Appen Group as independent contractors may file claims for unemployment with the applicable state unemployment agencies claiming employee status with a member of the Appen Group and seeking unemployment benefits. Unemployment benefits are, from time to time, awarded by state unemployment agencies, which may result in nominal charges or increases to the employer's unemployment tax accounts with the various states in which these individuals perform services and in which the member of the Appen Group does not have existing employees. The Appen Group is also subject to the usual risks posed to businesses that employ crowdsourcing, including claims relating to employee classification, claims to benefits, wage and hour claims and other employment claims.
Investments by Appen may not be successful	A member of the Appen Group may acquire businesses from time to time. While Appen will take every effort to ensure that any acquisition is successfully integrated and benefits realised, there can be no assurance that Appen will be successful in realising the anticipated benefits and synergies of any businesses that it acquires. The ability to realise these benefits will depend in part on whether Appen can efficiently integrate acquired businesses with its existing operations. The challenges of integrating and operating acquired businesses may be greater if the Appen Group acquires businesses that provide services outside the Appen Group's current geographic offering, particularly if it is unable to retain the acquired company's management. In addition, there is a risk that Appen will overestimate the value of acquired businesses and therefore overpay. These factors may adversely impact the Appen Group's financial performance. As the Appen Group's business expands, the complexity of its business will increase. If Appen is unable to adapt to address different market dynamics, the Appen Group's operational and financial performance may be adversely affected.
Competition risk	If the actions of competitors or potential competitors of the Appen Group become more effective, Appen may be unable to compete successfully. For example, competitors of the Appen Group might adopt more aggressive strategies to capture market share, or alternatively, customers may choose to do some data automation tasks in house, change the profile of their projects or use their scale to seek better terms on pricing. Such occurrences may negatively affect the Appen Group's future profitability, planned growth and market share. The sectors in which the members of the Appen Group operate are subject to vigorous competition, based on factors including price, service, innovation and the ability to provide the customer with the appropriate services in a timely manner. In some parts of Appen's business there is also competition from niche or low-cost providers. A member of the Appen Group's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors, or a failure by a member of the Appen Group to continue to position itself successfully to meet changing market conditions, customer demands and technology. Any changes in a member of the Appen Group's competitive position or the competitive landscape may result in a decline in sales revenue and margins, which may have a material adverse effect on its future financial performance and position.
Technology failure	The Appen Group relies on a variety of IT systems in order to manage and deliver services and communicate with its customers. Any failure of an IT system could cause disruption to a member of the Appen Group's ability to offer services and lead to a loss of customers or revenue, reputational damage and a weakening of the Appen Group's competitive position and financial performance. Due to the increase in cyber attacks this risk has increased.
Technology	Technology in the relevant market is changing rapidly and certain changes may impact the demand for Appen's services, change the market opportunity or business models of Appen customers and/or result in the disintermediation of Appen or its customers. Large language models, generalised artificial intelligence, quantum computing, VR/AR, blockchain/cryptocurrency and other developments may prove highly disruptive. Increased pressure to regulate artificial intelligence may also pose a risk to Appen and its customers. AI systems can have bias, hallucinate or otherwise produce harmful results. Implementing systems that are trustworthy and embrace AI for Good principles is not well defined currently and the failure to do so may impact societal trust and limit the deployment of new technologies.
Development and commercialisation of intellectual property	The Appen Group relies on its ability to develop and commercialise its products and services and keep pace with advances in the fast-growing AI market.. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and may adversely impact on the operating results and financial position of the Appen Group. The investment required to develop and commercialise intellectual property is expensive and may involve an extended timeframe to achieve returns. There are no assurances that the Appen Group will be able to achieve the necessary development and commercialisation of its intellectual property or have the financial resources available to underpin that development. The allocation of resources to development and commericalisation of intellectual property that ultimately fail to be commercially viable could impact the Appen Group's financial performance and reputation.

Key risks (cont.)

Business risks

Intellectual property rights	The Appen Group's success depends, in part, on its ability to maintain trade secret protection and operate without infringing the rights of third parties. If the Company's intellectual property rights have not been protected, have not been protected adequately or cannot be protected, competitors may use a member of the Appen Group's intellectual property to take market share from the Appen Group. The Appen Group relies on various methods, including copyright and trademark laws, confidentiality and non-disclosure agreements to protect its intellectual property. It is possible that these efforts may be inadequate, and a third party may use or appropriate Appen's intellectual property, damaging the business and leading to increased expenses and/or lost revenues.
Infringement of third-party intellectual property rights	No member of the Appen Group believes that it is currently infringing any third party's intellectual property rights. To date, no third party has asserted to a member of the Appen Group that this is the case. However, in the future a member of the Appen Group may be subjected to infringement claims or litigation arising out of patents and pending applications for patents involving competitors, or additional proceedings initiated by third parties, the United States Patent and Trademark Office or other intellectual property regulators to re-examine the patentability of licensed or owned patents. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming to pursue, and their outcome is uncertain. If a member of the Appen Group infringes the rights of third parties, a member of the Appen Group could be prevented from selling its products and be forced to defend litigation and pay damages. Further, there is always a risk of third parties claiming involvement in, or membership of, technological advances contained in a member of the Appen Group's products and, if any disputes arise, they could adversely affect the financial or operational position of the Appen Group. Training data used by large language models and generative AI has been the subject of scrutiny as has the ownership of the output produced by such models.
Trade secrets	In addition to its licensing activities, Appen also relies on protecting the Appen Group's trade secrets. The protective measures a member of the Appen Group employs may not always be sufficient to protect its trade secrets. If a member of the Appen Group's trade secrets become public, this could erode its competitive advantage. Appen also cannot be certain that others will not independently develop similar technologies on their own, or gain access to trade secrets, or have disclosed to them such technology, or that a member of the Appen Group will otherwise be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret. This could allow competitors to commercialise products and services competitive with a member of the Appen Group's products and services. Although Appen implements reasonable endeavours to protect the Appen Group's intellectual property, these measures may not always be sufficient.
Brand and reputation risk	The reputation and brand of the Appen Group and its businesses and individual products are important in attracting customers. Given the nature of the Appen Group's customer base, each member of the Appen group must act with the greatest integrity otherwise it will risk losing customers. Any reputation damage or negative publicity around the Appen Group or its businesses or products could adversely impact on the Appen Group's customer relationships, general business and ultimately its financial performance. The actions of the Appen Group's employees, including breaches of any regulations to which a member of the Appen Group is subject, or any negligence in the provision of data, may damage the Appen Group's brand. Appen has a commitment to providing fair pay for crowd workers and a failure to meet those commitments may result in financial liability and damage Appen's brand.
Government and industry regulation	There is risk that governments and regulators may seek to legislate or create regulations which reduce the utilisation or penetration of technologies that the Appen Group helps service in society. Public perception of machine learning, large language models and artificial intelligence may change and reduce the use, or the willingness of use, of such technologies by corporations and the general public. Compliance and ethical expectations in relation to artificial intelligence from stakeholders and broader community are increasing. These interventions could limit the scope of services offered by Appen Group or may result in additional licensing or approval requirements. In some cases, the Appen Group could be required to expend significant capital or other resources in order to comply with any such new requirements, modify existing products, or may not be able to meet such new requirements at all. Any combination of the foregoing may adversely affect the financial or operational position of the Appen Group. Regulatory pressures both on the Appen Group customers and on the group itself continue to evolve. Larger platform companies are facing increased scrutiny from an antitrust (competition law) perspective. There are risks associated with modern slavery which could impact Appen and/or its customers.
Protection of confidential customer information	Through the ordinary course of business, members of the Appen Group collect a range of personal and financial data from customers. Appen Group is subject to, and must comply with a range of strict data protection and privacy laws in jurisdictions where it operates. The Group has in place various compliance systems and procedures to meet its obligations under these laws and safeguard personal customer data. It is possible that the measures taken by a member of the Appen Group to protect customer data will not be sufficient to detect or prevent unauthorised access to, or a disclosure of, confidential information. Any successful cyber-attack or other breach of security could result in the loss of information integrity, or breaches of a member of the Appen Group's obligations under applicable laws or customer agreements, each of which could adversely impact the Appen Group's reputation, retention of customers, ability to attract new customers and financial performance. If privacy laws and/ or data protection laws were contravened, Appen Group could be exposed to liability, penalties, regulatory enforcement action, or litigation from adversely affected customers.
Breach of privacy laws	Privacy laws around the world continue to develop and impose greater burdens on businesses when dealing with personally identifiable information. The laws are designed to give greater protections to data owners, improve transparency and require businesses develop better privacy processes and security practices. Failure to do so can result in pecuniary penalties, negative publicity, damage to brand and a requirement to improve processes and controls. Appen manages sensitive customer information, increasing its exposure and susceptibility to cyber attacks. Cyber threats could lead to a loss of data or service interruption impacting customers and Appen's reputation.
Acts of terrorism or sabotage	The Appen Group currently operates in certain jurisdictions in the world that may from time to time be the subject of heightened terrorism or sabotage threat. Appen believes that the Appen Group's operations are not immune from being the target of terrorism or sabotage. Any such attack could have a detrimental effect on the Appen Group's businesses from an employee, reputational and financial point of view.

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Key risks (cont.)

Business risks

Geopolitical risks	Geopolitical tensions may impact global trade and have wide-ranging impacts to the global economy and markets. The world is currently experiencing a number of conflicts, including the war between Russia and the Ukraine, and the duration and path of those conflicts remains uncertain, and could continue to fuel, or exacerbate global tensions, energy and other commodity shortages, supply chain disruptions, inflationary pressures, weakening sentiment and growth prospects, market volatility, cyberattacks, and the proliferation of sanctions and trade measures. Tensions remain elevated between China and the U.S. over a number of issues, including trade, technology, human rights. Tensions continue between China and Taiwan. Other geopolitical tensions could also add to economic and market uncertainties. Global trade may be impacted.
Foreign exchange risk	The Appen Group's financial reports are prepared in United States dollars and a substantial proportion of the Appen Group's sales revenue, expenditures and cash flows are generated in, and assets and liabilities are denominated in, US dollars. However, the Appen Group is exposed to foreign exchange risk as some transactions are denominated in foreign currencies (including Australian dollars). Movements in foreign exchange rates could also impact the cost competitiveness of both the Appen Group and its competitors. Any adverse movement in foreign exchange rates against the Appen Group but to the benefit of its competitors could affect its ability to obtain business which could adversely impact the future financial performance of the Appen Group. Movements in the exchange rate may also effect the decision of potential clients to enter certain markets.
Litigation and disputes	A member of the Appen Group may be involved from time to time in disputes or claims and litigation with current or former customers, employees or independent contractors. These disputes may lead to legal and other proceedings, and may cause the member of the Appen Group to suffer additional costs. If future litigation, or threatened litigation, against a member of the Appen Group were to result in damages being awarded against that member, it could have an adverse impact on the financial performance, position and future prospects of Appen (and, therefore, its share price or liquidity of its shares). On behalf of the members of the Appen Group, Appen maintains professional indemnity and public liability insurance in respect of a range of events within coverage ranges determined in accordance with the Board's review and decision. However, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. As far as Appen is aware, there are no current material claims or material litigation in which a member of the Appen Group is involved.
Sell-down by existing shareholders	There is a risk that existing substantial shareholders (including directors) may seek to sell-down their shareholding in Appen. A significant sale of shares, or a perception that a selldown may occur, could adversely affect the price of Appen shares.
Risk of dividends not being paid	The payment of dividends is announced at the time of release of the Appen Group's half year and full year results as determined by the Board from time to time at its discretion, dependent on the profitability and cash flow of the Appen Group's businesses and requires compliance with Credit Facility terms and conditions. Historically, Appen Group had a stated dividend policy. The current financial performance of the company resulted in Appen Group not paying a dividend in 2022. Circumstances may continue where Appen is required to reduce or cease paying dividends for a period of time. Appen's focus to invest for growth may also impact its ability to pay future dividends.
Activity levels in key industry sectors may change	The Appen Group's customer base is spread across numerous industry sectors including automobile, information technology, and government. Further, demand for services in the artificial intelligence market can rapidly change depending on technological developments within market segments. Any adverse developments which impact these industry sectors have the potential to in turn impact the demand for the Appen Group's services, which could adversely impact the future financial performance of the Appen Group.
Climate/ESG risks	Climate-related risks may impact Appen and/or its customers. There are risks related to the transition to a lower-carbon economy and risks related to the physical impacts of climate change. Transition risks arise when transitioning to a lower-carbon economy and may entail extensive policy, legal, technology and market changes to address mitigation and adaption requirements related to climate change. Physical risks may arise from climate change and can be acute or chronic, both may be a risk to Appen and/or its customers. Acute physical risks are those that are event-driven, including increased severity of extreme weather events, such as cyclones or floods. Chronic physical risks are longer term changes to climate patterns that may cause natural disasters or other weather related impacts.
Taxation	Changes to the rate of taxes imposed on a member of the Appen Group (including overseas jurisdictions in which a member of the Appen Group operates now or in the future), or tax legislation generally, may affect the Appen Group and its shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs from Appen's interpretation may lead to an increase in Appen's (or a member of the Appen Group's) taxation liabilities and a reduction in shareholder returns.
Cost reduction program	Appen is undertaking a significant cost reduction program over FY23. Appen's earnings and cash flow may be adversely impacted if the cost reduction program took longer or was more costly to implement than expected, did not achieve the planned quantum of cost savings or if the associated reduction in roles impacted Appen's ability to generate revenue.
Credit Facility	Appen's ability to draw funds under its Credit Facility is subject to compliance with terms and conditions that include, among other items, financial covenants which are subject to Appen's financial performance. Although Appen has not currently drawn-down on the Credit Facility and has been granted a waiver in respect of satisfying certain financial covenants that would be tested at 30 June 2023, any future impediment to drawing down on its facility may adversely impact its ability to execute its business strategy.

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Key risks (cont.)

Business risks

Accounting standards may change	Australian Accounting Standards are set by the AASB and are outside the control of either Appen or its Directors and management. There is a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit and loss and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB, or changes to the commonly held views on the application of those standards, could materially adversely affect the financial performance and position reported in the Appen Group's consolidated financial statements.
Other risks	The above risks should not be taken as a complete list of the risks associated with an investment in the Appen Group or Appen shares. The risks outlined above, and other risks not specifically referred to may in the future materially adversely affect the value of Appen shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Appen in respect of Appen shares.

Offer risks

Underwriting risk	Appen has entered into an underwriting agreement with the underwriter pursuant to which the underwriter has agreed to fully underwrite the Entitlement Offer and the Placement (**Underwriting Agreement**), subject to those terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or if certain termination events occur, the underwriters may terminate the Underwriting Agreement. Those termination events are summarised in the "Summary of Underwriting Agreement" section of this Presentation. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer. Termination of the Underwriting Agreement could adversely affect Appen Group's business, cash flow, financial condition and results of operations.
Risks associated with an investment in Appen Group	There are general risks associated with investments in equity capital, such as Appen shares. The trading price of Appen shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Equity Raising Price. Generally applicable factors which may affect the market price of shares include: • general movements in Australian and international stock markets; • investor sentiment; • Australian and international economic conditions and outlook; • changes in interest rates and the rate of inflation; • changes in government legislation and policies, including taxation laws; • announcement of new technologies; • geopolitical instability, including international conflicts, and acts of terrorism (including in Ukraine); • epidemics and pandemics such as COVID-19; • demand for and supply of Appen shares; • announcements and results of competitors; and • analyst reports. No assurances can be given that the New Shares will trade at or above the Equity Raising Price. None of Appen Group, its directors or any other person guarantees the market performance of the New Shares. The financial position, performance or prospects of Appen Group and Appen's share price may be adversely affected by the worsening of general economic conditions in the United States or any other market in which Appen Group operates, as well as international market conditions and related factors. It is also possible new risks might emerge as a result of global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable.
Liquidity risk	There can be no guarantee of an active market in Appen shares or that the price of Appen shares will increase. There may be relatively few potential buyers or sellers of Appen shares on the ASX at any time. This may increase the volatility of the market price of Appen shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in Appen.
Dilution risk	Eligible shareholders who take up their entitlements under the Entitlement Offer in full are likely to have their percentage shareholding in Appen diluted as a result of the Placement. Eligible shareholders who do not participate in the Entitlement Offer, or do not take up their entitlements under the Entitlement Offer in full, will have their percentage shareholding in Appen further diluted and they will not be exposed to future increases or decreases in Appen's share price in respect of those New Shares which would have been issued to them had they taken up all of their entitlement. As the Entitlement Offer is non-renounceable, investors who do not take up all or part of their entitlement will not receive any value for the part not taken up.

Summary of Underwriting Agreement

Appen entered into an underwriting agreement with the underwriter in respect of the Offer on 16 May 2023 (**Underwriting Agreement**). The Underwriter's obligations under the Underwriting Agreement, including to underwrite the Placement and the Entitlement Offer of approximately A$60 million and to manage the Offer, are conditional on certain matters, including the timely delivery of certain due diligence materials or the delivery of certain certificates or other documents. If certain conditions are not satisfied, or certain events occur, the Underwriter may terminate its obligations under the Underwriting Agreement. The events which may trigger termination of the Underwriting Agreement include the following:

- a statement contained in the offer materials and public materials does not comply with the Corporations Act (including if a statement in any of the offer materials or public materials is or becomes misleading or deceptive or is likely to mislead or deceive, including by omission), or a matter required to be included under the Corporations Act or the ASX Listing Rules is omitted from those materials;
- a cleansing notice is or becomes defective or Appen gives or is required to give a corrective statement under the Corporations Act and, in each case, that defective cleansing notice or corrective statement is adverse from the point of view of an investor;
- the terms and conditions of any debt covenant waiver is or is reasonably likely to be breached, or a debt covenant waiver is or is reasonably likely to be withdrawn, rescinded, revoked (or become revocable, void or voidable), altered or amended without the prior written consent of the Underwriter (such consent not to be unreasonably withheld) or a condition precedent to which it is subject becomes unlikely or impossible to be satisfied;
- except as addressed by the debt covenant waivers, the existing debt facilities or any other debt facility or other financial accommodation is or is reasonably likely to be breached, terminated (or become terminable, void or voidable), rescinded or altered or amended without the prior written consent of the Underwriter (such consent not to be unreasonably withheld) or a condition precedent to which it is subject becomes unlikely or impossible to be satisfied or any event occurs which gives a lender or financier under the existing debt facilities or any other debt facility or other financial accommodation the right to accelerate or require repayment of the debt or financing thereunder;
- an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer materials, or ASIC commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act* 2001 (Cth) in relation to the Offer or the Offer materials and any such application, investigation or hearing, order or determination either becomes public or is not withdrawn within 2 business days after it is made or commenced (or prior to each settlement date, as the case may be);
- ASIC or any other governmental agency commences an investigation or hearing or announces or notifies of its intention to do so, or makes an order or determination which prevents or is likely to prevent Appen from proceeding with the Offer in accordance with Offer timetable;
- any material Appen Group member becomes insolvent, or there is an act or omission which is likely to result in a material Appen Group member becoming insolvent;
- Appen ceases to be admitted to the official list of ASX or the shares cease trading or are suspended from official quotation or cease to be quoted on ASX (other than where requested by Appen to facilitate the Offer);
- ASX makes any official statement to any person, or indicates to Appen or the Underwriter that it will not grant permission for the official quotation of Offer shares, or if permission for the official quotation of Offer shares is granted before the date of allotment and issue of those Offer shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;
- Appen withdraws the Offer or any of the Offer materials;
- Appen is or will be prevented from conducting or completing the Offer by or in accordance with the ASX Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or other governmental agency;
- The S&P/ASX 200 Index falls to or below a level that is 87.5% or less of the level of the index as at the close of trading on the day before the date of the Underwriting Agreement at any time on or before the institutional settlement date;
- any of the following occur:
  - a director of Appen or any member of senior management is charged with an indictable offence;
  - any governmental agency commences any public action against a Appen Group member or any of its respective directors or Appen senior management, in each case in their capacity as such, or announces that it intends to take action; or
  - subject to specified exceptions, any director of Appen or any member of senior management is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- Appen does not provide a certificate as and when required by the Underwriting Agreement;
- the trading halt for the Offer ends early without the prior written consent of the Underwriter; or
- any event specified in the Offer timetable is delayed:
  - in respect of events up to and including the institutional allotment date, for more than 1 business day; or
  - in respect of events up to and including the retail allotment date, for more than 2 business days,

  without the prior written consent of the Underwriter.

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Summary of Underwriting Agreement (cont.)

- any adverse change occurs, or there is a development involving a prospective adverse change, in the assets, liabilities, financial position or performance, profits, losses or prospects of the Appen Group from those respectively fully and fairly disclosed in any Offer materials or public materials or from those respectively disclosed to ASX by Appen prior to the date of the Underwriting Agreement;
- a change in the board or senior management of Appen is announced or occurs;
- a representation, warranty, undertaking or obligation contained in the Underwriting Agreement on the part of Appen is breached, becomes not true or correct or is not performed;
- Appen fails to perform or observe any of its obligations under the Underwriting Agreement;
- a statement in any certificate to be given under the Underwriting Agreement is misleading, inaccurate or untrue or incorrect;
- Appen alters its constitution without the prior written consent of the Underwriter;
- Appen reduces, reorganises or otherwise alters or restructures its capital structure, or agree to do any of those things, without the prior written consent of the Underwriter;
- the due diligence report or any other information supplied by or on behalf of Appen to the Underwriter in relation to the Appen Group or the Offer is, or becomes, misleading or deceptive, including by way of omission;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting agreement);
- hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) or a significant terrorist act is perpetrated, in each case involving any of Australia, the United Kingdom, the United States of America, any member of the European Union or a national emergency or a major escalation of a national emergency is declared by either of those countries; or
- any of the following occurs:
    - a general moratorium on commercial banking activities in Australia, the United Kingdom, Hong Kong, the People's Republic of China, the United States of America, Singapore or any member of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
    - trading in all securities quoted or listed on ASX, New York Stock Exchange, London Stock Exchange or Hong Kong Stock Exchange is suspended or limited for at least one day on which that exchange is open for trading; or
    - any other adverse change or disruption to the political or economic conditions or financial markets of Australia, the United Kingdom, the United States of America or Hong Kong.

The Underwriter may only terminate the Underwriting Agreement in respect of certain events only if it has reasonable grounds to believe that the event (a) could be reasonably expected to have a materially adverse effect on (i) the success, settlement or marketing of the Offer or on the ability of the Underwriter to market or promote or settle the Offer; or (ii) will, or is likely to, give rise to a liability of the Underwriter under, or a contravention by the Underwriter or its affiliates of, or the Underwriter or its affiliates being involved in a contravention of, any applicable law.

Termination by the Underwriter will discharge Appen's obligation to pay the Underwriter any fees, costs, charges or expenses which have not accrued as at termination.

For details of the fees payable to the Underwriter, see the Appendix 3B released to ASX on 16 May 2023.

Appen also gives certain representations, warranties and undertakings to the Underwriter and an indemnity to the Underwriter and its affiliates subject to certain carve-outs.

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International selling restrictions

International Offer Restrictions
This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

European Union
This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong
WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand
This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act

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International selling restrictions (cont.)

Norway
This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

Singapore
This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland
The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom
Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.