

# Share Purchase Plan Offer Booklet



**Appen Limited**

ACN 138 878 298

**The SPP Offer closes at 5.00 pm (Sydney time) on Thursday, 4 April 2019**

This is an important document and should be read in its entirety.

This document has been prepared by Appen Limited ACN 138 878 298. The SPP Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase New Shares at a discount without brokerage and transaction costs.

This SPP Offer does not take into account the individual investment objective, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the SPP Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other form of disclosure document under the Corporations Act.

**THIS BOOKLET IS NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

# Key information on Share Purchase Plan Offer

## Introduction

Appen Limited ACN 138 878 298 (**Appen**) is pleased to provide Eligible Shareholders the opportunity to subscribe for up to \$15,000 of new fully paid ordinary shares in Appen (**New Shares**) under a share purchase plan (**SPP**) on the terms and conditions set out in this document (**SPP Offer**). Participation in the SPP Offer will not incur brokerage and transaction costs. This document has been issued by Appen and explains the features, and terms and conditions, of the SPP Offer.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the Appen Offer Information Line on 1 300 306 276 (from within Australia) or +61 1300 306 276 (from outside Australia), or consult your financial or other professional adviser. The Appen Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, Eligible Shareholders can access information about the SPP Offer online at [www.appen.com](http://www.appen.com).

## SPP - Key Dates\*

<b>Record Date</b> (the time that eligibility to participate in the SPP was determined)	7.00 pm (Sydney time) Friday 8 March 2019
<b>SPP Opening Date</b>	Wednesday, 20 March 2019
<b>SPP Closing Date</b>	5.00 pm (Sydney time) on Thursday, 4 April 2019
<b>Completion announcement date (and notice of scale back, if any)</b>	Monday, 8 April 2019
<b>Allotment Date for New Shares</b>	Wednesday, 10 April 2019
<b>New Shares commence trading on ASX</b>	Thursday, 11 April 2019
<b>Despatch of holding statements for New Shares</b>	Thursday, 11 April 2019

\* This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and Appen may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (**ASX**). All times referred to in this Booklet are Sydney, Australia time.

## Important Notice

This share purchase plan offer booklet (**Booklet**) contains important information. You should read it carefully and in its entirety. The offer of New Shares under the SPP is made in accordance with Australian Securities and Investments Commission (**ASIC**) Class Order [CO 09/425] (**ASIC Class Order 09/425**), which grants relief from the requirement to issue a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the SPP. Accordingly, this Booklet is not a prospectus or other form of disclosure document for the purposes of the Corporations Act.

The offer contained in this Booklet is not a recommendation to purchase New Shares. If you are in any doubt about the SPP Offer, you should consult your financial or other professional adviser.

If you apply to participate in the SPP Offer you are accepting the risk that the market price of Appen fully paid ordinary shares (**Shares**) may change between the date of your acceptance of the SPP Offer and the Allotment Date for New Shares.

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Issue Price. If the market price of Shares is lower than the Issue Price (as defined in clause 5.1 of the attached SPP Terms and Conditions) after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

This Booklet does not constitute or provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP Offer, you should seek advice from your financial or other professional adviser before participating.

Participation in the SPP Offer is restricted to Eligible Shareholders (as defined in clause 2 of the attached SPP Terms and Conditions), principally being existing shareholders of Appen whose address on Appen's share register is in Australia or New Zealand on the Record Date.

Participation in the SPP Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction, or an offer to sell, or a solicitation of an offer to buy, securities to, or for the account or benefit of, any person in the United States. Any securities described in this Booklet have not been, and will not be, registered under

the US Securities Act of 1933, as amended (**US Securities Act**), and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The securities to be offered and sold in the SPP will only be offered and sold to eligible shareholders in Australia and New Zealand who are (i) not in the United States and (ii) are not acting for the account or benefit of any person in the United States in offshore transactions in reliance on Regulation S under the US Securities Act. This Booklet and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of, a person in the United States.

## **THIS BOOKLET IS NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

### **Shareholders resident in New Zealand**

The New Shares under the SPP are not being offered or sold to the public in New Zealand other than to existing shareholders of Appen with registered addresses in New Zealand on the Record Date to whom the offer of New Shares under the SPP can be made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

### **Distribution by Nominees and Custodians**

Nominees and custodians may not distribute any part of this Booklet, and may not permit any beneficial shareholders to participate in the SPP, in any country outside Australia and New Zealand except, with the consent of Appen, to beneficial shareholders resident in any other country where Appen may determine it is lawful and practical to offer participation in the SPP.

### **Market price of Appen Shares and further information**

Appen recommends that prior to investing you monitor its announcements and the price of its Shares, which can be found on its website at [www.appen.com](http://www.appen.com) and on the ASX website at [www.asx.com.au](http://www.asx.com.au) (ASX code: APX).

# Letter from the Chairman



20 March 2019

Dear Shareholder,

## Appen Limited – Share Purchase Plan Offer

On behalf of the Directors of Appen Limited, I am pleased to offer you the opportunity to participate in this Share Purchase Plan. The SPP allows Eligible Shareholders to purchase up to \$15,000 worth of new fully paid ordinary shares in Appen, without incurring brokerage or transaction costs. The SPP aims to raise up to a maximum of \$15 million and is not underwritten.

## Capital Raising

On 11 March 2019, Appen announced its intention to raise approximately \$300 million by way of:

- a fully underwritten private placement of New Shares to certain existing and new institutional investors (**Placement**) to raise \$285 million; and
- a share purchase plan (**SPP**) of New Shares to existing shareholders to raise up to \$15 million, (together, the **Capital Raising**).

## Purpose of the Capital Raising and use of proceeds

Appen has executed a binding agreement to acquire 100% of the issued share capital of Figure Eight Technologies, Inc. (**Figure Eight**) for total upfront consideration of US\$175 million (~\$250 million<sup>1</sup>), subject to certain purchase price adjustments at completion (including for working capital) (**Acquisition**).

Appen also agreed to pay the vendors earn-out consideration capped at US\$125 million (~\$178 million<sup>1</sup>) payable in March 2020, based on Figure Eight's achievement of incremental FY19 subscription revenue targets.

Figure Eight's 'Human-in-the-Loop' machine learning platform transforms unstructured text, image, audio, and video data into customised high-quality training data for a variety of use cases including autonomous vehicles, consumer product identification, natural language processing, search relevance, and intelligent chatbots.

Founded in San Francisco in 2007, Figure Eight (previously known as Crowdflower) plays a critical role in the AI ecosystem, having delivered 325 million human judgments in 2018 alone. Figure Eight has a variety of innovative capabilities to enhance its platform – including machine-learning assisted data labelling and video object tracking – that can create high-quality training datasets up to 50 times faster than human labelling.

Figure Eight has a diverse customer base across a wide variety of industries including technology, government, retail and financial services. Figure Eight's customer base has minimal overlap with Appen's current customer base.

The proceeds of the Capital Raising will be used to pay the upfront consideration for the Acquisition and to repay some of Appen's existing debt facilities.

Separately Appen has entered into a commitment with a syndicate of leading global and Australian banks for up to US\$125 million (\$178 million<sup>1</sup>) of new debt facilities that are expected to be drawn down in March 2020 to fund the earn-out payment under the Acquisition.

<sup>1</sup> Based on a AUD:USD exchange rate of A\$1.00:US\$0.70 as at 7 March 2019.

## Placement

On 12 March 2019, Appen announced the completion of the Placement of new ordinary shares to institutional and professional investors. The Placement raised a total of \$285 million before costs.

Further details of the Placement and the Acquisition, including a summary of some of the key risks associated with holding an investment in Appen, are set out in the announcement and investor presentation released to the ASX by Appen on Monday, 11 March 2019 (together, the **Investor Presentation**). A copy of the Investor Presentation is available for persons in Australia and New Zealand that are (i) not in the United States and (ii) are not acting for the account or benefit of any person in the United States at Appen's website – [www.appen.com/investors/](http://www.appen.com/investors/) and on the company announcements platform at the ASX website – [www.asx.com.au](http://www.asx.com.au) (ASX code: APX).

## SPP Offer

This Booklet relates to the SPP Offer. The Board considered it important that its existing loyal shareholder base should be able to participate in some way with Appen's need to raise new capital, including being given the opportunity to acquire shares at a discount to the market price. Since the predominant use of the funds being raised is to fund the acquisition of Figure Eight, it was necessary for the Board to engage on a quick and certain funding route, hence the fully underwritten Placement which will provide Appen with sufficient funds to pay the up front consideration for Figure Eight by the end of March 2019. The Board was unable to rely on funds being raised through the SPP (or a separate pro rata offer) to pay for the acquisition due to the longer offer period, the voluntary nature of the participation and the increased risk in obtaining underwriting for such an offer (the SPP is not underwritten). While the Board could have increased the amount to be raised under the SPP, the reality is that the Company does not need more funding than it is seeking to raise under the SPP, and to raise more would be detrimental to both the Company and all of its shareholders. Notwithstanding this, the Company hopes that many Eligible Shareholders see the merits in participating fully or partially in the SPP.

## Issue Price

The SPP Offer provides Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) with the opportunity to purchase New Shares at an Issue Price which is the lesser of:

- \$21.50 per New Share, being the price at which the Placement Shares were issued under the Placement, representing an 11.8% discount to the closing price of Shares on Friday, 8 March 2019, the last trading day before the announcement of the Placement; and
- the price that is a 2% discount to the volume weighted average price of ordinary shares in Appen (**Shares**) traded on the ASX over the 5 trading days up to, and including, the day on which the SPP closes (being Thursday, 4 April 2019) (rounded down to the nearest cent).

Eligible Shareholders may apply for a parcel of New Shares with a minimum value of \$1,000 up to a maximum value of \$15,000 in \$1,000 increments. The SPP is capped at a maximum raising of \$15 million. The SPP is not underwritten. Applications that exceed that amount will be scaled back.

New Shares will rank equally with existing Shares on issue, except that the New Shares will not be entitled to the FY18 final dividend declared by the Company which had a record date of 1 March 2019 and is to be paid on 25 March 2019.

## Participation

Participation in the SPP is optional and is open to Eligible Shareholders who, at 7.00 pm (Sydney time) on Friday, 8 March 2019, were entered in Appen's share register as a holder of Shares and whose address on Appen's share register is in Australia or New Zealand, and who are not in the United States or acting for the account or benefit of persons in the United States.

Eligible Shareholders who are Custodians holding Shares on behalf of Eligible Beneficiaries are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

## How to apply

**The SPP opens on Wednesday, 20 March 2019 and closes at 5.00 pm on Thursday, 4 April 2019.**

Eligible Shareholders may apply for New Shares under the SPP by:

- making payment in Australian currency directly by BPAY® (you do not need to return an Application Form under this option);
- applying through the offer site at [www.appen.com](http://www.appen.com), and making payment in Australian currency by BPAY® or by cheque made payable to “Appen SPP” sent to the address set out below; or
- completing the application form accompanying this Booklet and sending it together with your payment by cheque made payable to “Appen SPP” and drawn in Australian currency for the correct amount to the Company’s share registry, Link Market Services Limited, (**Registry**) at the following address by no later than 5.00 pm (Sydney time) on the closing date of Thursday, 4 April 2019:

**Mailing Address**

Appen Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

**Hand Delivery**

Appen Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138

*(Please do not use this address for mailing purposes)*

This Booklet contains further information about the SPP, including the terms and conditions of the SPP. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules relating to applications for New Shares under the SPP. The Board recommends you read this Booklet and the Investor Presentation (in particular the key risks facing Appen’s business and the key risks of investing in Shares set out in the Investor Presentation) before deciding whether to participate in the SPP.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the Appen Offer Information Line on 1 300 306 276 (from within Australia) or +61 1300 306 276 (from outside Australia), or consult your financial or other professional adviser. The Appen Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, Eligible Shareholders can access information about the SPP Offer online at [www.appen.com](http://www.appen.com).

On behalf of the Board, I thank you for your continued support of Appen.

Sincerely



**Chris Vonwiller**

Chairman  
Appen Limited

# SPP Terms and Conditions

## Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the opening of the SPP Offer and the date when New Shares are issued to you under the SPP (**Issue Date**). As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP. The Board encourages you to consider seeking professional financial and taxation advice regarding your participation in the SPP Offer.

This Booklet may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any shares in the United States or any other jurisdiction in which such an offer would be illegal, or an offer to sell, or a solicitation of an offer to buy, securities to any person in the United States or to any person acting for the account or benefit of persons in the United States. The New Shares to be offered and sold in the SPP have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and will only be offered and sold to eligible shareholders in Australia and New Zealand who are (i) not in the United States and (ii) are not acting for the account or benefit of any person in the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the US Securities Act.

By participating in the SPP, you will be deemed to have accepted, and will be bound by, these terms and conditions.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet. Clause references are to clauses in this Booklet unless otherwise stated.

## 1 Offer

- 1.1 Appen Limited ACN 138 878 298 (**Appen**) offers each Eligible Shareholder (as defined in clause 2.1 below) the opportunity to purchase a minimum of \$1,000 and in \$1,000 increments up to a maximum of \$15,000 worth of new fully paid ordinary shares in Appen (**New Shares**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).
- 1.2 The SPP Offer opens on Wednesday, 20 March 2019 (**Opening Date**) and closes at 5.00 pm (Sydney time) on Thursday, 4 April 2019 (or such other date as Appen determines in its absolute discretion) (**Closing Date**).
- 1.3 The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to any third party.
- 1.4 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.5 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

## 2 Eligible Shareholders

- 2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:
  - (1) were a holder of Appen fully paid ordinary shares (**Shares**) on Appen’s share register at 7.00 pm (Sydney time) on Friday, 8 March 2019 (**Record Date**);
  - (2) have an address on Appen’s share register in either Australia or New Zealand; and
  - (3) are not in the United States and are not acting for the account or benefit of a person in the United States.
- 2.2 Eligible Shareholders who are “custodians” (as defined in paragraph 14 of ASIC Class Order 09/425) (**Custodians**) may participate in the SPP Offer in accordance with clauses 3.2 and 4.5.
- 2.3 The SPP Offer is not made to holders of Shares with an address on Appen’s share register outside of Australia and New Zealand, or that are in the United States or are acting for the account or benefit of a person in the United States, and accordingly those shareholders may not participate.

### 3 Joint holders and Custodians

- 3.1 If two or more persons are registered on Appen's share register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.
- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf they hold Shares.
- 3.3 An **Eligible Beneficiary** is a person:
- (1) on whose behalf a Custodian holds Shares as at the Record Date;
  - (2) who has an address on Appen's share register in either Australia or New Zealand; and
  - (3) who is not in the United States and is not acting for the account or benefit of a person in the United States.

### 4 Applications for New Shares

- 4.1 Eligible Shareholders must apply for New Shares in \$1,000 increments. Applications must be for a minimum of \$1,000 worth of New Shares and a maximum of \$15,000 worth of New Shares.
- 4.2 You may apply for New Shares under the SPP by doing one of the following:
- (1) Making a payment for the appropriate amount via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY® unless they have an Australian bank account). Please ensure that your payment is received by the Registry before 5.00 pm (Sydney time) on Thursday, 4 April 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received in time. You do not need to return an Application Form under this option.
  - (2) Applying for New Shares by completing your details on the offer site at [www.appen.com](http://www.appen.com) and making your payment by BPAY® or sending your payment by cheque made payable to "Appen SPP" to the Registry at the address set out below.
  - (3) Completing the application form accompanying this Booklet (**Application Form**) and sending it together with your payment by cheque made payable to "Appen SPP" and drawn in Australian currency for the correct amount to the Registry at the following address by no later than 5.00 pm (Sydney time) on Thursday, 4 April 2019:

<b>Mailing Address</b>	or	<b>Hand Delivery</b>
Appen Limited		Appen Limited
C/- Link Market Services Limited		C/- Link Market Services Limited
GPO Box 3560		1A Homebush Bay Drive
Sydney NSW 2001		Rhodes NSW 2138
		<i>(Please do not use this address for mailing purposes)</i>

- 4.3 Do not forward cash. Receipts for payment will not be issued.
- 4.4 Eligible Shareholders who receive more than one offer under the SPP (for example, because the Eligible Shareholder holds Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$15,000.
- 4.5 If an Eligible Shareholder wishes to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, they must also complete and submit a certificate that complies with paragraph 9 of ASIC Class Order 09/425 (**Custodian Certificate**) before their application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

- 4.6 Appen and its officers and agents may accept or reject your application for New Shares in whole or in part at their discretion including, without limitation, if:
- (1) your application does not comply with these terms and conditions;
  - (2) it appears you are not an Eligible Shareholder;
  - (3) your BPAY® payment or Application Form and payment by cheque is not received by the Registry by 5.00 pm (Sydney time) on Thursday, 4 April 2019;
  - (4) paying by cheque, your Application Form is incomplete, incorrectly completed or is otherwise determined by Appen to be invalid;
  - (5) your details submitted through the offer site at [www.appen.com](http://www.appen.com) are incomplete, or incorrectly completed or are otherwise determined by Appen to be invalid;
  - (6) paying by cheque, your cheque is dishonoured or has been incorrectly completed;
  - (7) the amount of your cheque or BPAY® payment is not equal to the amount of your application, in which event Appen will:
    - (a) refund in full your application monies and not allot any New Shares to you; or
    - (b) allot to you the number of New Shares that would have been allotted to you had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
  - (8) Appen believes that you are applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement);
  - (9) your application is for less than \$1,000 worth of New Shares or not for an amount in a \$1,000 increment; or
  - (10) payment of the application monies is not submitted in Australian currency.
- 4.7 You cannot withdraw or revoke your application once you have paid via BPAY® or submitted an Application Form and payment by cheque.

## 5 Issue Price

- 5.1 The issue price per New Share (**Issue Price**) will be the lower of:
- (1) \$21.50 per New Share, being the price at which the Placement Shares were issued under the Placement, representing an 11.8% discount to the closing price of Shares on Friday, 8 March 2019, the last trading day before the announcement of the Placement; and
  - (2) the price that is a 2% discount to the volume weighted average price of Shares traded on the ASX over the 5 trading days up to, and including, the Closing Date (rounded down to the nearest cent).
- 5.2 The current price of Shares can be obtained from the ASX – [www.asx.com.au](http://www.asx.com.au), and may be listed in major financial newspapers circulating in Australia.
- 5.3 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

## 6 Calculation and issue of New Shares

- 6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, Appen will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If the calculation in clause 6.1 produces a fractional number, the number of New Shares issued to you will be rounded up to the nearest whole New Share.
- 6.3 New Shares will be issued to applicants on Wednesday, 10 April 2019 (**Issue Date**).
- 6.4 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.
- 6.5 Appen will apply to the ASX for quotation of the New Shares. It is anticipated that the New Shares will be quoted on the ASX immediately after their issue.
- 6.6 The Registry is expected to send holding statements in respect of the New Shares issued under the SPP on or around the Issue Date.

## 7 Effect of applying to participate

- 7.1 By making a payment via BPAY®, or by submitting an Application Form or applying through the offer site at [www.appen.com](http://www.appen.com) and paying by BPAY® or by cheque (on your own behalf and on behalf of each person for whose account you are acting, if applicable), you:
  - (1) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and on the offer site at [www.appen.com](http://www.appen.com) and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
  - (2) warrant that all details and statements in your application are true and complete and not misleading (including by omission);
  - (3) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
  - (4) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and if applicable direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
  - (5) acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
  - (6) acknowledge that Appen and its officers and agents are not liable for any consequences of the exercise or non-exercise of discretions referred to in these terms and conditions;
  - (7) agree to pay the Issue Price per New Share up to the maximum of:
    - (a) the maximum value of your BPAY® payment or payment by cheque; or
    - (b) the value you have selected on the Application Form or on the offer site at [www.appen.com](http://www.appen.com),  
(as determined by Appen in its absolute discretion);
  - (8) warrant, acknowledge and agree that:
    - (a) you are not in the United States;
    - (b) you are not acting for the account or benefit of a person in the United States;
    - (c) the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the **US Securities Act**), or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;

- (d) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent and will not send this Booklet, or any materials relating to the SPP to any person outside of Australia and New Zealand;
  - (e) you have not, and will not, send, release or distribute any materials relating to the SPP in the United States or to any person in the United States or to any person acting for the account or benefit of a person in the United States; and
  - (f) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in standard (regular way) brokered transactions on the ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or the purchaser is, a person in the United States;
- (9) if you are applying for New Shares on your own behalf (and not as Custodian), acknowledge and agree that:
- (a) you are not applying for New Shares with an aggregate application price of more than \$15,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
  - (b) the aggregate application price for the following does not exceed \$15,000:
    - (i) the New Shares the subject of the application;
    - (ii) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
    - (iii) any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
    - (iv) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (10) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (a) you are a Custodian (as that term is defined in paragraph 14 of ASIC Class Order 09/425);
  - (b) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Booklet before giving such instruction;
  - (c) you are not applying for New Shares on behalf of any Eligible Beneficiary with an aggregate application price of more than \$15,000 under the SPP; and
  - (d) the information in the Custodian Certificate submitted with your:
    - (i) Application Form; or
    - (ii) application through the offer site at [www.appen.com](http://www.appen.com),is true, correct and not misleading;
- (11) accept the risks associated with any refund that may be issued to you by direct credit or bank transfer;
- (12) are responsible for any dishonour fees or other costs Appen may incur in presenting a cheque for payment which is dishonoured;
- (13) agree to be bound by the constitution of Appen (as it may be amended from time to time in the future);
- (14) represent that you are in compliance with all relevant laws and regulations;
- (15) acknowledge that Appen may vary the timetable set out in this Booklet at its discretion by lodging a revised timetable with the ASX, including extending the SPP Offer, closing the SPP Offer early or withdrawing the SPP Offer completely;
- (16) acknowledge that the market price of Shares may rise or fall between the date of the opening of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;

- (17) acknowledge that there are risks associated with acquiring and holding Shares, including those key risks described in the Investor Presentation;
- (18) acknowledge that none of Appen or its subsidiaries or their respective directors, officers, employees, agents or advisers has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (19) authorise Appen and its officers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
- (20) acknowledge that Appen may at any time and in its absolute discretion determine that your application is valid, in accordance with the terms and conditions of the SPP, even if your Application Form or details submitted through the offer site at [www.appen.com](http://www.appen.com) are incomplete, contains errors or is otherwise defective;
- (21) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer; and
- (22) authorise Appen and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form or details submitted through the offer site at [www.appen.com](http://www.appen.com), and to complete the Application Form or details submitted through the offer site at [www.appen.com](http://www.appen.com) by the insertion of any missing or minor detail.

## **8 Scale back**

- 8.1 Appen may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including by taking into account, among other factors, the size of your shareholding as at the Record Date, or if, for example, the application for New Shares would exceed the overall maximum raising amount of \$15 million). Any scale back may not be pro rata.
- 8.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.
- 8.3 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
- 8.4 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.

## **9 Dispute resolution**

- 9.1 Appen may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 9.2 The powers of Appen under these terms and conditions may be exercised by the directors of Appen or any delegate or representative of them.

## 10 Variation and termination

- 10.1 Appen reserves the right at any time to:
- (1) amend or vary these terms and conditions;
  - (2) waive strict compliance with any provision of these terms and conditions;
  - (3) withdraw the SPP Offer or suspend or terminate the SPP;
  - (4) vary the timetable for the SPP, including the Closing Date;
  - (5) not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries); and
  - (6) undertake a scale back in accordance with clause 8.
- 10.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders even where Appen does not notify you of that event.
- 10.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

## 11 Privacy policy

- 11.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 11.2 Appen and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in Appen's share register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 11.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of Appen and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 11.4 Link Market Services Limited's privacy policy is available on their website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

## 12 Costs of participation

- 12.1 Appen will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

## 13 No underwriting

- 13.1 The SPP is not underwritten meaning that there is no guaranteed minimum amount that will be raised under the SPP. The amount to be raised under the SPP is capped at a maximum of \$15 million.

## 14 Governing law

- 14.1 These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of Appen.
- 14.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

### **Enquiries:**

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the Appen Offer Information Line on 1 300 306 276 (from within Australia) or +61 1300 306 276 (from outside Australia), or consult your financial or other professional adviser. The Appen Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, Eligible Shareholders can access information about the SPP Offer online at [www.appen.com](http://www.appen.com).

### **About Appen Limited**

Appen is a global leader in the development of high-quality, human annotated datasets for machine learning and artificial intelligence. Appen brings over 20 years of experience collecting and enriching a wide variety of data types including speech, text, image and video. With deep expertise in more than 180 languages and access to a global crowd of over 1,000,000 skilled contractors, Appen partners with leading technology, automotive and eCommerce companies – as well as governments worldwide – to help them develop, enhance and use products that rely on natural languages and machine learning.

Further information about Appen can be found at [www.appen.com](http://www.appen.com).

### **Not for release in the United States or to US wire services**

*This document has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction in the United States. Accordingly, New Shares may not be offered or sold, directly or indirectly, in the United States or to persons acting for the account or benefit of persons in the United States unless they have been registered under the US Securities Act (which Appen has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. The New Shares to be offered and sold under the SPP Offer will only be sold to persons (i) outside the United States and (ii) who are not acting for the account or benefit of persons in the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.*



Level 6  
9 Help Street  
Chatswood NSW 2067

Tel: 02 9468 6300

[www.appen.com](http://www.appen.com)





ACN 138 878 298

All Registry communications to:  
 Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia  
 Telephone: 1300 306 276  
 From outside Australia: +61 1300 306 276  
 ASX Code: APX  
 Website: www.linkmarketservices.com.au

**SRN/HIN:**  
**Entitlement Number:**  
**Record Date**  
**7:00pm (Sydney time): Friday, 8 March 2019**  
**Offer Opens: Wednesday, 20 March 2019**

**Offer Closes**  
**5.00 p.m. (Sydney time): Thursday, 4 April 2019**

**APPEN LIMITED SHARE PURCHASE PLAN ("SPP") APPLICATION FORM**

**How do I apply for New Shares under this offer?**

- Carefully read the SPP Offer Booklet prepared by Appen Limited ("Appen") accompanying this Application Form.
- Decide on the amount you wish to apply for.
- Either:
  - (a) apply on the offer site at www.appen.com (in which case you do not need to return the Acceptance Slip); or
  - (b) apply by following the instructions on this Application Form.
- Pay for the New Shares (as defined in the SPP Offer Booklet) ("Application Payment") in accordance with the instructions outlined in the SPP Offer Booklet and further important instructions on the reverse of this Application Form.
  - Option 1: Paying by BPAY®.
  - Option 2: Paying by Cheque.
- Payments must be in Australian dollars.

**PAYMENT OPTIONS**

**Option 1: Paying by BPAY®**

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5.00 p.m. (Sydney time) on Thursday, 4 April 2019. By paying by BPAY®, you will be deemed to have completed an Application Form for the value of New Shares the subject of your Application Payment.

Your Application Payment must be for a minimum of A\$1,000.00. If you make your Application Payment by BPAY® and Appen receives an amount which is not in an increment of A\$1,000 and between A\$1,000.00 and A\$15,000.00, Appen will round down the value of New Shares applied for to the nearest A\$1,000 increment.

<b>BPAY</b>	<b>Billers Code:</b> 63735
	<b>Ref:</b>

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

**Option 2: Paying by Cheque**

If paying by cheque, complete and return the Acceptance Slip attached to this Application Form with your Application Payment by 5.00 p.m. (Sydney time) on Thursday, 4 April 2019.

- Complete the value of New Shares you wish to apply for at a minimum of A\$1,000.00 and maximum of A\$15,000.00 (in increments of A\$1,000).
- Enter your cheque. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Appen SPP" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque for an amount that is not equal to your application amount Appen will round down the value of Shares that you are applying for equal to your payment. Your Application Payment must be for a minimum of A\$1,000.00 and maximum of A\$15,000.00 (in increments of A\$1,000).
- Enter your contact telephone number at which we may contact you regarding your application, if necessary.

**THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.**



ACN 138 878 298

*Please detach and enclose with payment*

**SRN/HIN:**  
**Entitlement Number:**



**A** I/We wish to purchase a parcel of New Shares to the value of

**A\$**  ( You may apply for a parcel of New Shares valued at any amount between \$1,000 and \$15,000 in increments of \$1,000)

**B** Make your cheque payable to "Appen SPP" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>A\$</b> <input type="text"/> <b>.00</b>

**C** Telephone Number – Business Hours      Telephone Number – After Hours      Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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## IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult your financial or other professional adviser.
2. If you do not wish to purchase New Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Offer Booklet and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is personal to the shareholder named on this Application Form. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be accepted. The Schedule can be obtained by contacting the Appen Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
  - the parcel of New Shares indicated on the Application Slip or BPAY® payment; and
  - any other New Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$15,000.
7. Appen reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Appen may scaleback applications in its discretion, particularly if applications received exceed the maximum amount to be raised under the SPP, being A\$15 million.
9. This Application Form does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such offer would be illegal. This Application Form may not be distributed or released in the United States. None of the New Shares offered under the SPP have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares to be offered and sold under the SPP may only be offered and sold to investors that are (i) not in the United States and (ii) are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act.
10. By making your payment you:
  - confirm that you have read and understood the SPP Offer Booklet dated 20 March 2019; and
  - are deemed to have made the declarations appearing in Section 7 of the SPP Offer Booklet and, in particular, you represent that you are (i) not in the United States and (ii) you are not acting for the account or benefit of a person in the United States, you have not sent any offering materials relating to the SPP offer to any person in the United States and you are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the SPP and under any applicable laws and regulations.

### How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

The Acceptance Slip and Application Payment must be received by Link Market Services Limited no later than **5.00 pm (Sydney time) on Thursday, 4 April 2019**. If paying by BPAY® you do not need to complete or return the Acceptance Slip. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by Link Market Services Limited by **5.00pm (Sydney time) on Thursday, 4 April 2019**.

#### Mailing Address

Appen Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

#### Hand Delivery

Appen Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5.00 p.m. (Sydney time) on Thursday, 4 April 2019. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Appen reserves the right not to process any Acceptance Slips or Application Payments received after 5.00 pm (Sydney time) on Thursday, 4 April 2019.

**If you require information on how to complete this Acceptance Slip please contact the Appen Offer Information Line on 1300 306 276 (if calling within Australia) or +61 1300 306 276 (if calling from outside of Australia).**