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## APPEN COMPLETES THE ACQUISITION OF LEAPFORCE

07 December 2017

Appen Limited (ASX: APX) (**Appen**) is pleased to announce the completion of its acquisition of Leapforce Inc. and RaterLabs Inc. (**Leapforce**) previously announced to ASX on 29 November 2017 (**Acquisition**).

### **Acquisition**

The Acquisition adds scale and scope to Appen to enable greater market participation in the dynamic and high growth artificial intelligence world. The Acquisition will also establish Appen as the world's leading provider of search relevance services. The Acquisition is expected to be at least 35% EPS accretive on an underlying basis (before synergies, expensed transaction costs and share based payments).

In addition to existing cash reserves, to partially fund the Acquisition Appen has successfully completed a \$25m institutional placement on 30 November 2017 and has entered into a Syndicated Facility Agreement and working capital facility for a total aggregate amount of \$72.6m<sup>1</sup>. In addition, Appen has today issued 2,787,826 fully paid ordinary shares to the escrow agent on behalf of the vendors of Leapforce. The shares have been voluntarily escrowed and will be progressively released on the first anniversary (40%), second anniversary (40%) and third anniversary (20%) of completion of the Acquisition.

### **Share Purchase Plan**

Existing shareholders with a registered address in Australia and New Zealand at 7pm on 28 November 2017 (**Record Date**) are reminded that they may participate in a share purchase plan (**SPP**) which offers all eligible shareholders the opportunity to apply for up to \$15,000 of new Appen shares at the lower of (i) \$5.80 per share (being the price per share at which the institutional placement was completed), and (ii) the price that is a 2% discount to the VWAP of Appen shares on ASX over the 5 trading days up to, and including, the closing date of the share purchase plan offer (rounded down to the nearest cent).

The share purchase plan offer booklet (**SPP Offer Booklet**) was dispatched to eligible shareholders on 4 December 2017, including a personalised application form setting out details on how eligible shareholders can apply for shares through BPAY® (or for New Zealand residents unable to use BPAY® through an electronic funds transfer). The offer closes at **5pm on Friday, 15 December 2017**. Eligible shareholders who wish to participate in the SPP are recommended to apply as soon as possible and before the closing date. Eligible shareholders who wish to participate must read the SPP Offer Booklet carefully before applying, including the risks of investing in Appen and in Appen shares set out in the Investor Presentation released to ASX on 29 November 2017, and should consult their financial or other professional adviser if they are unsure of what action to take. Participation in the SPP is entirely voluntary.

If any eligible shareholder has any queries with respect to the SPP they should contact Appen's share registry, Link Market Services Limited, from 8.30 am to 7.30 pm (Sydney time) Monday

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<sup>1</sup> Assumes an exchange rate of A\$1.00 = US\$0.76

to Friday on 1300 975 518 (within Australia) or +61 1300 975 518 (outside Australia) during the offer period.

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**Please contact for more information:**

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