



Company	Appen
Code	APX
Meeting	AGM
Date	31 May 2020
Venue	Online
Monitor	Mary Curran assisted by Estelle Renard

Number attendees at meeting	124 total attendees
Number of holdings represented by ASA	37
Value of proxies	\$1,728,389 (@\$30.75 per share)
Number of shares represented by ASA	56,533
Market capitalisation	\$3,740 million
Were proxies voted?	Yes, on a poll
Pre AGM Telecons/Emails	Yes, with William Pulver, Non-executive director

Reasons to be Positive

Despite COVID-19 and the AGM being online, the Chairman, Chris Vonwiller, noted there are reasons to be positive. The company has world leading tools, maintains a leadership position and with the acquisition during the year of Figure 8 has diversified revenue. He noted AI was growing annually at approximately 28% and that Appen is truly a global company. The 'Appen crowd' operates in 130 countries and 180 languages.

The CEO, Mark Bryant, echoed the positive news noting strong organic growth, that Figure 8 (acquired during the FY) was now a fundamental part of the business. He explained the repeatability of revenue, healthy cash balance and low capital needs. Business growth initiatives included Government with a new office in Washington DC, and the sales/marketing area was being beefed up and that AI is a vast market. With respect to China, China data remains in China and the company is mindful to keep this very separate.

The customers are 'data hungry' and with model decay more data is always needed but you still need humans to label and check the data, hence the need for the Appen crowd. The company itself is using AI to facilitate and speed up new hires.

In general, despite the pandemic, the bigger players are resilient and they want to outsource this business. The company is looking at growing the business both within the Fortune 500 and also companies with AI specific requirements. In general, the pandemic has had a negligible impact and there is an order book of \$350 m as at May. Guidance was unchanged.

The company has adopted a conservative approach with cash in the bank. Re the 'crowd' the company ensures it always pays more than the minimum wage no matter in which jurisdiction it operates and that the workers have flexibility as they work from home.

The Chairman acknowledged ASA's request re fairness in capital raisings (i.e. scale backs) and took time to answer a variety of on line questions, which included: no dividend reinvestment plan and a variety of questions re the business model, security, data privacy etc.

NED, Chair of the Remuneration Committee, Bill Pulver gave an overview of the remuneration report and noted the ASA request to have a separate column for the actual CEO pay. Vote passed 91%. He noted there had been negative feedback on the retesting of the CEO rights (item 5). This became evident with the voting as there was a 30% against vote, which on email follow up was attributed to two proxy advisors.

New hire, Vanessa Liu, in New York spoke to her election and was well received with a 99% for vote. Chris Vonwiller also spoke to his re-election, which passed 97%.