



Mills Oakley advises Appen Limited on \$300m equity capital raising to fund acquisition of Figure Eight Technologies, Inc.

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Independent national law firm Mills Oakley has advised ASX-listed Appen Limited on its A\$300m equity capital raising.

Appen is a global leader in the development of high quality, human annotated datasets for machine learning and artificial intelligence. The capital raising will fund the upfront consideration for the acquisition of Figure Eight Technologies, a San Francisco-based technology company that provides a 'Human-in-the-Loop' machine learning platform for a variety of uses including autonomous vehicles, natural language processing and intelligent chatbots. Total consideration for the acquisition (subject to the outcome of an earn-out payment) could be up to US\$300m (~A\$425m).

The equity capital raising consisted of a A\$285m multi-jurisdictional placement to new and existing institutional investors which was fully underwritten by Citigroup Global Markets Australia Pty Limited and co-managed by Bell Potter Securities Limited, and a non-underwritten share purchase plan to raise a maximum of A\$15m. The placement settled on 15 March 2019 and the SPP opened on 20 March 2019 and will close on 4 April 2019.

The equity capital raising represents one of the largest secondary raisings on ASX this year.

The Mills Oakley team consisted of associate Renée Gilead, senior associate Emma Harnett, lawyer John Breen, and was led by corporate partner, Iain Laughland. The transaction involved a number of simultaneous parallel cross-border workstreams involving M&A, ECM and debt, with the Mills Oakley team supporting the Appen management team to deliver the equity capital raising in a short timeframe to coincide with the signing of the acquisition.

The transaction will assist Appen to achieve its strategic goals by allowing Appen to further capitalise on the high growth AI market and create a unique and valuable end-to-end training data solution.

Mills Oakley is assisting Appen with the closing of its acquisition of Figure Eight, which is expected to occur in late March / early April 2019.

Gilbert + Tobin acted as lead manager and underwriter's Australian counsel. Pacific Advisors LLC and Davis Wright Tremaine LLP acted as US acquisition counsel to Appen.

In the five years since its IPO on the ASX, Appen's market capitalisation has grown from A\$50 million to approximately A\$2.8bn today, reflecting Appen's ongoing leading role in a global AI market that is expected to be worth approximately US\$170-US\$190bn [1] by 2025.

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[1] Allied Market research and Markets and Markets: "Artificial Intelligence Market by Offering (Hardware, Software, Services), Technology (Machine Learning, Natural Language Processing, Context-Aware Computing, Computer Vision), End-User Industry, and Geography - Global Forecast to 2025"