

# **Ai-Media Technologies Limited**

## **2021 Annual General Meeting (AGM)**

Good morning to our Shareholders and guests, and welcome to the 2021 Annual General Meeting of Ai-Media Technologies Limited.

My name is Deanne Weir, Non-Executive Director and Chair of your Company.

The Company Secretary has informed me that a quorum is present, so I now declare our 2021 AGM **open**.

### **Acknowledgement of Country**

I would like to begin by acknowledging the Traditional Custodians of the lands that I am speaking from today, the Gadigal People of the Eora Nation. I pay my respects to their Elders past, present and emerging and recognise their ongoing culture and connections to the lands, waters and community. I extend that respect to any Aboriginal and Torres Strait Islander peoples joining us online today, and the Traditional Custodians of the lands from which all participants are joining us.

### **Introduction to Board & Attendees**

I would now like to introduce the Ai-Media Board of Directors to you, and outline how they and the other attendees are participating in today's meeting.

- Alison Loat, Non-Executive Director, and Chair of our Remuneration & Nomination Committee, participating from Canada
- John Martin, Non-Executive Director, and Chair of our Audit & Risk Committee
- Tony Abrahams, Ai-Media's Co-Founder and CEO
- John Bird, Chief Financial Officer, and
- Sue Sanossian, Company Secretary, who will be Moderator for the Q&A sections.

Also present is the company's lead audit partner from Deloitte, Joshua Tanchel.

We also have representatives of our share registry provider, Computershare, and members of Ai-Media's Executive Team joining us.

### **Procedural Matters**

I will now outline the technology and procedural matters for the meeting:

1. Today's meeting is being held online via the Lumi platform. This allows Shareholders, Proxies and Guest to attend the meeting virtually. All attendees can watch a live webcast of the meeting. In addition, shareholders and proxies will be able to ask questions and submit votes.

2. In case you have any difficulty viewing the presentation slides during the AGM, I confirm we lodged the materials for today's meeting on the ASX platform earlier this morning.
3. If you experience any difficulty participating via the online platform, please contact the helpline shown on the screen.
4. Attendees can be submit questions at any time. To ask a question, select the messaging tab at the top of the online platform. Within that tab there is a section for you to type your question. Once you have finished typing please hit the arrow symbol to send.
5. Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or, if we receive multiple questions on one topic, be amalgamated together.
6. For those shareholders who wish to ask a verbal question, an audio questions facility is available during this meeting. To use this service, please pause the broadcast on the online platform and then click on the link under "Asking audio questions". A new page will open where you will be prompted to enter your name and the topic of your question before being connected. You will listen to the meeting on this page while waiting to ask your question. If you have any issues using this system, please return to the online platform.
7. Finally, due to time constraints, we may not get to answer all of your questions. If this happens, we will answer them in due course via email/posting responses on our website.
8. Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open voting for all resolutions.
9. At that time, if you are eligible to vote at this meeting, a new voting tab will appear. Selecting this tab will bring up a list of resolutions and present you with voting options. To cast your vote simply select one of the options. There is no need to hit a submit or enter button as the vote is automatically recorded.
10. The voting tab will soon appear, please submit your votes at any time. I will give you a warning before I move to close voting.

An additional "Home" icon takes you back to the home/landing page which shows meeting information.

- a. You may vote at any time during the meeting once the poll has been opened.
- b. You can also change your vote at any point up until the time the poll is declared closed.
- c. This will occur just prior to the end of the meeting, and I will give you a warning before the poll is closed.
- d. I confirm that, where undirected proxies have been given in favour of the Chair, I will vote in favour of all resolutions to the extent permitted.
- e. During the meeting, after we discuss each resolution, we will display in the presentation slides the number of direct and proxy votes received on each resolution prior to the meeting.

- f. Votes cast during the meeting will be counted by personnel from our share registry provider, Computershare, after the meeting closes.
- g. The results of the poll will be released as soon as available today on the ASX, and will also be displayed on the Investor section of our Company's website, under the Annual General Meetings within the Investor Services tab.

### Poll Open

- 11. I now **declare VOTING OPEN** on all items of business.
- 12. The Voting icon should now appear on your screens if you are a shareholder who registered to participate in the AGM via the online platform.
- 13. We invite you to start submitting your votes from this point on. I will give you a warning before the poll closes at the end of the meeting.

### Chair's Address

Before we move to the business of this year's meeting, I would like to take a few minutes to reflect on some events that have shaped the year for Ai-Media.

It has been an exciting and transformational 12 months for our company as we cement our position as the leading global provider of technology-driven live and recorded captioning, transcription, and translation solutions. Since our beginnings in 2003, our primary goal has always been to make content accessible for all, particularly those with hearing loss. Our mission to deliver social inclusion for all is becoming increasingly relevant with consideration of social impacts becoming more important to investors and companies across the globe. What has also been particularly exciting about the last couple of years is that the use of live captioning and translation have become mainstream across the globe, as the use of video moves beyond entertainment and becomes an essential communications tool for business and education, often consumed on mobile devices.

With that context, it gives me great pleasure to reflect on our achievements in FY21, a year that featured several pivotal milestones for Ai-Media. While the global pandemic created certain challenges, it has also highlighted the importance of video content, and by extension captioning and translation, for an increasing range of uses, and accelerated its adoption as a business tool. With the strength and breadth of our product suite and our extensive network of customers, we are well positioned to capitalise on industry tailwinds to continue driving growth and value for our shareholders, as we deliver profit with purpose.

Our ASX listing in September 2020 followed our successful \$65.5 million Initial Public Offering (IPO). The IPO was the culmination of several years of work as we saw the opportunity to scale our business to meet growing demand for video as a core communication tool for business and education. Completing our IPO and ASX listing was an exciting step for our company and will allow us to continue our rapid growth, particularly outside of Australia. It is also enabling Ai-Media to deliver

further innovation to our technology platform and provide a broadening range of products and services to our valued customers.

The captioning, transcription and translation industry is a highly fragmented sector experiencing rapid growth and technology-driven consolidation which presents exciting opportunities in the US\$20 billion+ market. The industry is consolidating rapidly, as seen by our own acquisitions, and other examples such as the acquisition of closed-captioning provider VITAC by US based live captioning and transcription technology company Verbit, the RWS acquisition of FTSE-listed SDL, and Iyuno's purchase of BTI and SDI. Ai-Media is well positioned with a strong balance sheet and the required capabilities to eagerly compete within this rapid sector growth. We will take advantage of industry tailwinds and pursue sensible acquisition opportunities if and when they arise.

Last year we acquired US captioning companies Alternative Communications Services, along with captioning, transcription and translation providers Caption IT and CaptionAccess. In April, we launched our Smart ASR product, a breakthrough innovation in automatic captioning. ASR - or automatic speech recognition - addresses a significant market gap, targeting customers who want a more affordable captioning service, but for whom standard 'out-of-the-box' ASR services do not provide sufficiently high accuracy and confidence.

Smart ASR is our first high quality live product that does not require real-time human curation and its launch followed several years of in-house product development. By layering our proprietary technology on existing ASR engines, Smart ASR delivers a significant improvement over the performance of competing products in market. It combines the best of our automation technologies, the knowledge and skill of our expert captioning team and the benefits of our 18 years of industry experience and proprietary dataset to deliver the first ASR solution deployed in the Australian broadcast market.

Continuing on our growth trajectory, in May this year we acquired US-based technology company EEG Enterprises. This transformational deal was well supported by our shareholders who backed our \$40 million capital raise to fund the acquisition, including my own contribution of \$2 million: so as you can see, I am a believer! This strategic purchase provides us with a ready-made customer base of US broadcasters and a valuable engineering capability that has already allowed us to deliver strategic customer wins in the first quarter post-acquisition.

With the addition of EEG's flagship Lexi product to our technology suite, we combined the best of Lexi with Smart ASR and created Smart Lexi, tested successfully on the most watched television event in history, NBC's broadcast of the Tokyo Olympics and Paralympics. We now have three clear price tiers for captions, transcription and translation. Lexi, which is fully automated, Smart Lexi, which is semi-automated and our premium Ai-Live service.

The acquisition of EEG as a profitable business at a time when the underlying Ai-Media business had achieved first profits set strong foundations for our future growth. Most of the EEG revenue is derived

via high margin Software-as-a-Service, and Infrastructure-as-a-Service business models. These revenue streams are ongoing and repeatable, derived from customer subscriptions. Add to this our booming hardware sales and rentals, and we have a strong business model on which we can deliver further growth – especially in markets outside the US.

Our company has been at the forefront of the highest-quality live captioning for nearly 20 years. We have more than 2,200 customers globally, including Disney, Fox Corporation, HBO, the 9Network, Seven Network, Sky News Australia, Al Jazeera and the World Economic Forum. In addition, our captioning services are offered under Australia's National Disability Insurance Scheme, and we also work with universities and colleges around the globe to provide captioning for all students in multiple languages.

During the September quarter we won several strategic customer accounts and we added further global technology companies to our customer mix, providing clear proof points of the strategic transformation of the Company, and tangible examples of what our future looks like. We also announced an on-market buy-back for up to 2 million AIM shares over the next 12 months. The Company will buy back shares whenever they are available at a meaningful discount from their intrinsic value and when there is surplus cash available until November 2022. Through this, we aim to deliver further value to our shareholders.

It has been a very busy year for Ai-Media and I am tremendously pleased with all we have been able to achieve. Tony and the entire Ai-Media team have done an incredible job, and I thank them all for their passion, commitment and innovation. I would also like to thank my fellow board members, John and Alison, and acknowledge our former board member Jonathan Pearce who retired after our full year results, having played a major role in supporting us through the IPO and delivery against our IPO forecasts. With our continued growth we are seeking to add two new independent directors over coming months.

I also thank our customers, from our longstanding broadcast and education clients who have been with us for many years through to our increasing number of new clients who have signed on for our services in the past year. We hope to continue to deliver to meet and exceed your expectations over the years to come.

We have set Ai-Media on solid foundations for the future and I am delighted to be leading our Board into this exciting period of growth.

I would now like to welcome Tony Abrahams, Ai-Media's Co-Founder and Chief Executive Officer, to address you.

**CEO Address – Tony Abrahams**

Thank you, Deanne. I would like to join with our Chair, in welcoming each of you to our 2021 AGM - our first as Ai-Media Technologies Limited.

This name change, 18 years since I co-founded Ai-Media, speaks to our scalable technology-driven future – significantly enhancing our ability to deliver on our unwavering mission of improving social inclusion by making the world's increasing amount of content accessible for all.

Following the transformational year that was FY21, the first quarter of FY22 demonstrates in a powerful way the step-change in our now vertically integrated business, with improvements in scalability, better quality revenue, new tiers of service, the introduction of new SaaS products, and enhanced global growth prospects in a growing US\$20 billion industry.

Our technology led growth strategy has super charged our social inclusion impact with a 7-fold increase in the number of minutes to 100 million minutes of content made accessible annually.

Central to this transformation to be technology led, is the more than \$50m of technology and product investments made over the last ten years at Ai-Media in our platform and then we combined our platform with EEG, which we acquired in May 2021 for \$45m.

Today, Ai-Media proudly owns and operates the world's leading live captioning, transcription and translation distribution platform (known as iCap), forming the core of an ever-expanding global ecosystem that already dominates the US broadcast industry.

Our iCap ecosystem enables seamless delivery and failover of our three tiers of live service – automated, semi-automated and premium, being Lexi, Smart Lexi and Ai-Live respectively.

FY21 was our first financial year as a listed company and we beat our Prospectus forecasts. Revenue of \$49.2m was \$5.4m ahead of forecast, with Gross Profit of \$20.4m being \$2.3m ahead of forecast. Our FY21 Gross Profit Margin rose from 39% to 42%. Importantly the core Ai-Media business (ex-EEG) achieved profitability three months ahead of forecast in March 2021, providing a great platform for growth into FY22.

Q1 FY22 saw us launch a brand-new product suite named SubSilo™ designed as a feature set to allow our customers to get more benefit more quickly and more easily from their live streams in downstream applications. Think Hansard for parliaments and Search for media companies.

We are proud that whilst we continue to invest in unifying the Ai-Media and EEG technology platforms, we could still deliver Q1 FY22 revenue growth of 35% on the PCP, with significant increase in gross margin from 39% to over 50%. This increase is driven by greater sales of our new higher margin products, and automation benefits gained through our traditional Services business.

Our flagship Lexi and Smart Lexi minutes grew by 75% year on year as we delivered 22.7 million minutes of captioning in the first quarter across the world. That is 50% more than we delivered in the entire year of FY21.

Our balance sheet remains strong with a cash balance of \$15.5 million and as we continue to be very optimistic of our future, we launched a share buyback for up to 2 million shares as part of our capital management program.

Ai-Media's global sales pipeline is strong. Recent wins include the Microsoft Teams platform integration, successful Smart Lexi delivery of NBC's Olympics and Paralympics broadcasts on Peacock, and the signing of contracts with TVSN Australia Shopping Network and the NSW Parliament, among others.

Our 3-year growth plan focuses squarely on extending the leadership of the iCap live ecosystem beyond US broadcast to take it truly global, while continuing to increase the quality of revenue with an ever-higher share of SaaS products and growing recurring revenue.

This first full year of EEG being part of our group is necessarily a transitional year for our business, with our focus on success being higher margin revenue streams and the winning of multi-year contracts with new customers in existing and new territories.

Our strong cash position and profitability means we are well positioned to invest in our global growth initiatives as we take advantage of global regulatory and ESG tailwinds, driven significantly by the global adoption of the UN Convention on the Rights of Persons with Disabilities, now ratified by 163 countries.

In a process similar to the global commitments to achieve "Net Zero by 2050" arising from the Glasgow Climate Summit, around the world, countries with no prior history or experience of live captioning, including India, have passed laws for the introduction of the service to meet their obligations under the international disability treaty.

With these emerging legislative frameworks in place, Ai-Media offers markets new to live captioning a tried and trusted plug-and-play technology platform, all (powered by iCap, as proven in the United States). The iCap network seamlessly inserts captions into any live broadcast stream and, once

enabled, becomes an integral component in our customers' video distribution platforms. Our aim and our investment thesis is that by 2025 the iCap standard is as ubiquitous around the world as it is today in the United States.

As a company, we firmly believe that as we continue to execute and grow, not only will we deliver strong shareholder returns, but our social inclusion impact in 2025 will be orders of magnitude greater than it is even today. We are extending our scalable product suite and technology to meet the needs of an ever larger and more diverse customer base, at higher margins. This will see us truly deliver our goal of profit with purpose – a mission that animates our entire team at Ai-Media.

Thank you to my Chair, Deanne Weir, and independent directors, John Martin and Alison Loat for your leadership and guidance.

I would like to conclude by thanking our diverse team of over 200 employees around the world, working across time-zones and cultures, to deliver this global mission of accessibility that unites us all.

I'll now hand back to our Chair. Thank you.

### **Chair's Overview of Items of Business**

Thank you, Tony.

We will now turn to the formal items of business for this meeting.

The **items of business** before the Company's AGM this morning are set out in the Notice of Meeting. The **3** resolutions to be voted on are all supported by your Board.

### **Item 1 (No Resolution) – Receipt of Financial Statements and Reports**

The first item of business is to receive and consider the Financial Report and the Reports of the Directors and of the External Auditor for the financial year ended 30 June 2021. There is no vote on this item.

A copy of these statements and reports was published in the 2021 Annual Report, and sent to those shareholders who requested copies. Shareholders have also had the opportunity to view the statements and reports on the Company's website.

The purpose of this item is to provide an opportunity for shareholders to ask questions and make comments about the Company's performance, operations, and management.



All questions to the auditor should in the first instance be addressed to me as Chair and, if appropriate, I will ask Deloitte Partner Joshua Tanchel, or our Chief Financial Officer John Bird to address the meeting.

For those who may want to say something on remuneration, please bear in mind that we have a separate item of business on the Remuneration Report.

### Questions

I now invite comments or questions on the financial statements and reports.

Shareholders who have not already done so, should enter their text questions on online, as shown on the screen now.

I will firstly deal with questions received in advance of the meeting, then written questions that have been submitted online during the meeting, after which I will move to Audio questions.

Sue, do we have any questions?

**Moderator (Sue Sanossian)** Thank you. At this time we have not received any questions.

**Chair** Thank you. I note that there have been no comments and questions in relation to the financial statements and the reports.

I confirm that the Financial Report and the Reports of the Directors and of the External Auditor for the year ended 30 June 2021, are now **received**.

Before we move on to the items of business that are subject to a shareholder vote, please let me remind you that we will conduct a poll for each resolution. Once the polls have been closed and the votes compiled, a report on the final results will be announced to the ASX and will be made available on Ai-Media's website.

I have received a report of the results of the direct and proxy voting instructions received for each item of business and I have accepted the recommended results. The direct votes and proxy votes that we have already received will be displayed on the screen as we deal with each Resolution.

### (Resolution 1) – Adoption of the Remuneration Report

The first Resolution at this year's AGM is to consider the Company's Remuneration Report for the financial year ended 30 June 2021. As set out in the Notice of this Meeting, the vote on this resolution is advisory only. However, the board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

The Remuneration Report is set out within the Company's 2021 Annual Report and provides disclosures relating to Director and Executive remuneration.

### Questions

I now invite questions on the Remuneration Report.

Shareholders who have not already done so, should enter their questions on the online platform, as shown on the screen now.

I will firstly deal with questions submitted in advance of the meeting, then written questions that have been submitted online during the meeting, after which I will move to Audio questions.

Sue, do we have any questions?

**Moderator (Sue Sanossian)** Thank you. At this time we have not received any questions.

**Chair** Thank you. I note that there have been no comments and questions in relation to Resolution 1. That concludes the discussion of Resolution 1.

The direct votes and proxies received for this resolution are now shown on the presentation slide on your screen.

I would like to remind shareholders who have not yet cast their votes on the resolution to do so now. Voting on this, and all other items, is open.

We will now move on to the next item of business.

As the next item relates to *Resolution 2 - Re-Election of Deanne Weir as a Director*, I will stand aside and hand the meeting over to **John Martin**.

#### **Chair (John Martin) Re-Election of Board endorsed Director**

The next item of business is the re-election of a Board endorsed Director.

For the Company to meet the requirements of the ASX Listing Rules and the Company's Constitution, one Director is retiring at this meeting by rotation and is offering herself for re-election.

#### **(Resolution 2) – Re-Election of Deanne Weir as a Director**

The next resolution is in respect of Deanne Weir. Deanne is retiring from the Board under the Company's Constitution and, being eligible, offers herself for re-election.

The Board, other than Deanne Weir who abstains from making a recommendation in the interests of good corporate governance, recommends that you vote in favour of Deanne Weir's re-election to the Board.

You would have seen a short bio of her in the notice of meeting and I hope you have had a chance to read it. I would like to say something – it has been my pleasure to have served under Deanne's leadership since 2013. She has guided the board through a transformational period with the added complexity of dealing with COVID during the IPO listing.

#### **Questions**

I now invite questions on Resolution 2, the re-election of Deanne Weir.

Shareholders who have not already done so, should enter their questions online, as shown on the screen now.

I will firstly deal with questions received in advance of the meeting then written questions that have been submitted online during the meeting, after which I will move to Audio questions. Sue, have there been any questions.

**Moderator (Sue Sanossian)** Thank you. At this time we have not received any questions.

**Chair (John Martin)** Noting that there have been no questions, this concludes the discussion of Resolution 2.

The direct votes and proxies received for this resolution are now shown on the presentation slide on your screen.

After the Chair closes the polls at the end of the meeting, votes cast today will be added to these votes and proxies and the final result will be lodged with the ASX later this afternoon.

I would like to remind shareholders who have not yet cast their votes on the resolution to do so now.

Voting on this, and all other items, is open.

We will now move on to the next item of business and I will hand over to Deanne to resume the role of Chair for this meeting.

**Chair (Deanne Weir)** Thank you John, and thank you Shareholders.

### **(Resolution 3) Approval of 10% placement Facility**

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility to provide the Company with additional flexibility to issue Equity Securities in appropriate circumstances. The Board recommends that you vote in favour of this Resolution.

I now invite discussion on this resolution.

### **Questions**

I now invite questions on Resolution 3.

Shareholders who have not already done so, should enter their questions on the online platform, as shown on the screen now.

I will firstly deal with questions submitted in advance of the meeting, then written questions that have been submitted online during the meeting, after which I will move to Audio questions.

Sue, have there been any questions received?

**Moderator (Sue Sanossian)** Thank you. At this time we have not received any questions.

**Chair** Thank you. Noting that no questions have been received, the discussion of Resolution 3 is now concluded.

The direct votes and proxies received for this resolution are now shown on the presentation slide on your screen.

### **POLL CLOSING REMINDER**

Please note that Polls are about to close on all items of business.

I would like to remind shareholders who have not yet cast their votes on all resolutions, to do so **now**.

There will be a pause for final voting after which I will declare Voting closed.

### **CLOSING AND COUNTING OF POLLS**

This now completes all items of business for the 2021 AGM, and as such I now **DECLARE** the **polls CLOSED**.

As I said earlier, the final result of the polls will be provided to the ASX today, and will be placed on the Company's website. A full transcript along with a webcast of the meeting will also be available on the Company's website.

I want to thank you so much for joining us online today for AI Media 2021 AGM. Thank you to our friends at Computershare and Deloitte, to the wonderful Ai-Media team for all of their support. Thank you, too, to Nick Golding, our external Corporate Counsel.

Thank you very much to our shareholders, your support is deeply appreciated.

We couldn't be more excited about the years ahead. We are honoured that you are coming on this journey with us. So, with that, I thank you very much once again and wish you a wonderful day.

[ENDS]