

AUDIENCE ANALYTICS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 202113626W)

ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2023
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM
SHAREHOLDERS

The board of directors (the “**Board**”) of Audience Analytics Limited (the “**Company**”) would like to thank all shareholders who submitted their questions in advance of the Annual General Meeting to be held virtually at 3.00 p.m. on 25 April 2023.

The deadline for shareholders to submit any questions was 12.00 noon on 18 April 2023 (the “**Deadline for Questions**”). As some of the questions received were overlapped, the Company will not be providing individual responses to every question.

Please refer to the Company’s responses to the substantial and relevant questions received from shareholders before the Deadline for Questions as set out in the Appendix to this announcement.

BY ORDER OF THE BOARD

NG YAN MENG
Chairman and Managing Director
20 April 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms. Leong Huey Miin, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

APPENDIX – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS

Questions	Responses
<p>One of the strategies/future plans stated during AA's IPO is the digitalisation of the existing business operations to tap new growth channels, e.g. fully digitise the B2B media products to help to grow the subscriber base. Has the business operations' digitalization been fully completed? If not, what is AA's timeframe to complete it?</p>	<p>As part of our continued push towards greater digitalisation in our business operations, we have digitised our B2B media products such as SME Magazine and HR Asia, and are transitioning into a paperless environment. We have also fully automated the survey for the HR Asia Best Companies to Work for in Asia Awards ("HR Asia Awards") in 2022. We recognise the importance of utilising technology to automate business processes and maximise our economies of scale.</p> <p>Please refer to the Company's sustainability report for FY2022 for further details on the Company's digitalisation efforts.</p> <p>As digitalisation is an on-going business requirement, we do not have a timeframe to 'complete' them.</p> <p>During the COVID-19 pandemic, the Group was able to adapt swiftly in moving most of its exhibitions and events which are customarily offered physically, to the virtual space, allowing for continued revenue and profit growth over the last few years.</p>
<p>Attractive dividends can help to attract investors and support the share valuation/price. Can AA please clarify what would be the dividend policy next FY and beyond?</p> <p>Should the shareholders continue to expect a 50% dividend payout ratio moving forward?</p>	<p>The Group does not have a fixed dividend policy. However, in respect of FY2021 and FY2022, the Group has been paying out at least 50% of its earnings as dividends, which is underpinned by the Group's strong net cash position and robust cash flow generation. The interests of the Company's management are also highly aligned with shareholders, as they hold more than 85% of the Group's shares outstanding.</p>
<p>Based on the existing business models of the various business segments of Audience Analytics (AA), what percentage of the revenue is recurring (if any)? If not, are there immediate plans to build a stable recurring stream of income?</p>	<p>The Group's main business is in the Business Impact Assessment and Recognition segment and the revenue from this segment amounted to S\$7.3 million, S\$9.3 million and S\$13.3 million, representing approximately 96%, 95% and 94% of the Group's revenue for the financial year ended 31 December 2020 ("FY2020"), 31 December 2021 ("FY2021") and 31 December 2022 ("FY2022"). While there is no assurance of a recurring stream of income, the</p>

Questions	Responses
	Group plans to continue to grow its revenue and income by leveraging on its track record and what it has built.
<p>AA also has the “Total Engagement Assessment Model” (TEAM) tool:</p> <p>Is it a source of recurring income, e.g. do companies pay a yearly subscription?</p> <p>What is the retention rate of companies using the tool?</p> <p>What is the growth rate of new company sign-up?</p> <p>How does the tool tie in with the BAR programs, e.g. does the tool apply only to “HR Asia” / certain categories of “HR Asia”?</p>	<p>We are currently improving and refining TEAM and no revenue was recorded for TEAM in FY2022. Given the growth potential of the Business Impact Assessment and Recognition segment, we are focusing our resources on this segment rather than on TEAM.</p> <p>TEAM is currently being used as part of our evaluation framework for the HR Asia Awards.</p>
<p>As we move towards an increasingly uncertain global environment, can AA please consider providing voluntary quarterly business updates through SGX company announcements and also organizing regular results briefings for shareholders? This will be very helpful and reassuring to shareholders and hopefully attract new investors to the company.</p>	<p>Due to the nature of the Group’s business, most of the events are held in the second half of the financial year. Accordingly, more than 80% of the Group’s full-year revenue is derived from the second half of the financial year in FY2020, FY2021 and FY2022. As such, it may not be meaningful for the Group to provide quarterly business updates. However, the Group has been actively engaging shareholders and the media over the last 2 years, to ensure our shareholders and the investment community is kept up to date on the Group’s latest developments. We will also provide regular updates on any major developments of the Company on the SGXNet when appropriate.</p>
<p>A Mainboard listing could help strengthen AA’s branding, enhance its profile/visibility in the capital markets and increase the potential to be included in indexes/mutual funds. Does the AA have a target time frame to achieve a Mainboard listing?</p>	<p>In order to transfer from a listing on the Catalist board to the Main board, the Group will have to fulfill the requirements by the Singapore Exchange (“SGX”) under Rule 408 of the Listing Manual Section B: Rules of Catalist(https://rulebook.sgx.com/rulebook/408).</p> <p>The Group recognises the benefits of a Mainboard listing and is working hard to build on the fundamentals of the Group in the meantime.</p>
<p>It is heartening that AA has been active in participating in media coverage as this helps to create more value for shareholders.</p>	<p>We have been and will continue to be in active engagement with investors and the media to improve the understanding and visibility of the Group.</p>

Questions	Responses
<p>Despite this, unfortunately, AA's shares are still relatively thinly traded. It would be good if AA can continue the media engagement and perhaps even consider working with its sponsor to try to reach out to more institutional investors/fund managers e.g. through investor roadshows.</p>	<p>The trading volume of the Company's shares is not within the Company's control. Our focus continues to be on strengthening our fundamentals and growing the business.</p>
<p>Referring to the Feb 2023 Corporate Presentation, AA's BAR programs include participation from Fortune 500 companies, and HR Asia, SME 100, Golden Bull and CXP are in 15, 5, 4 and 3 markets respectively:</p> <p>Is there a potential to replicate(introduce) all the other BAR programs(SME100, Golden Bull, CXP) to all the 15 markets which "HR Asia" is already in? If so, what would be a high-level realistic time frame?</p> <p>What is the success rate of AA introducing a new or existing BAR program into a new market? So far, has there been a BAR program that failed to take off and has to be withdrawn from a market?</p> <p>Based on AA's established track record, upon introducing an existing BAR program into a new market, typically how long does it take for it to gain traction and turn profitable?</p>	<p>Over the years, the Group has successfully expanded into 15 markets in the region. Details of each business impact assessment and recognition program held during the year can be found on their respective websites and in the Company's Annual Report for FY2022.</p> <p>As part of our growth strategies, we intend to replicate the success of HR Asia Awards across other programs through expansion into new markets. We are not able to provide a timeframe for the expansion as well as how long it takes for a new category to gain traction in new markets as this will depend on many factors including market conditions, the competitive landscape, and the availability of manpower.</p> <p>Our products are constantly being refined and improved to better suit our markets and the needs of our clients, and as such, we do not classify any of our products as having succeeded or otherwise, as it is a continuum.</p>
<p>Is it AA's priority to focus on getting participation from more Fortune 500 / prominent companies as this may further enhance the "prestige" of the BAR programs?</p> <p>By virtue of their company size, are the Fortune 500 companies only eligible for certain BAR programs e.g. HR Asia, CXP?</p>	<p>Depending on the vertical and type of business impact assessment and recognition program, the Group's programs target both small and medium sized enterprises as well as multinational companies in Asia.</p> <p>As long as companies (regardless of size) satisfy the qualifying criteria for the respective programs, they are eligible to participate in the business impact assessment and recognition programs.</p>

Questions	Responses
<p>In the Annual Report (AR) 2021, AA quoted the example of the new Indonesian capital, Nusantara, which it has a clear head start in capturing some of the strong growth. Can AA explain more, e.g. is it referring to creating new business recognition programs or new companies moving into the new capital which could potentially be interested in the awards programs or the business potential to set up exhibitions, etc?</p>	<p>Datuk William Ng was referring to the fact that the Company has been operating in the Indonesian market for more than a decade, and as the economy in Indonesia grows, the Company will be in a position to grow its business in Indonesia given that it is already operating in Indonesia, as compared to competitors or new players who are only recently entering the market.</p>
<p>What would management see as the major challenge/risk to executing its growth plans in the near future?</p>	<p>Due to the nature of our business, we depend on good employees to execute our business and strategies well. Hiring and retaining high performing individuals will be a challenge going forward as we expand, and forming the right teams will be a key focus of the Group in executing its growth plans in each market.</p>
<p>AA presented the figures for “Number of Award Programs Held” and “Trend in the average number of participants for each award program” from FY2018 to FY2022. With the world now gradually settling into a post-Covid environment, is there a potential for these 2 metrics to gain more traction, i.e. greater increase in “no. of award programs held”/”average no. of participants per award program” or are there inherent (e.g. operational) constraints regardless of the Covid environment?</p>	<p>As markets re-open and with the relaxing of COVID-19 measures globally, we see an increase in the number of participants in our award programs which has resulted in an increase in the Group’s revenue by 43% in FY2022.</p>
<p>How sticky are the participants for the BAR programs:</p> <p>What is the average retention rate of the individual BAR programs?</p> <p>Do the participants (companies) leave after winning an award for one/two years?</p> <p>How does AA seek to retain the participants to participate every year? What is the value proposition for companies to want to come back every year or do the companies “graduate” from the awards?</p>	<p>We have a robust process to retain our participants and have observed repeat participation in our various award programs over the years.</p> <p>For example, the Group has observed increased participation with a 10-24% growth in the average number of participants per award program since FY2018.</p> <p>We regularly survey and obtain feedback from participants on their motivation to participate in our programs and the follow-through effect of being part of our award programs, and are therefore aware of the benefits of our award programs to the participants’ businesses, as well as other feedback. However, we do not share these comments</p>

Questions	Responses
	publicly, as these information are shared with us in confidence.
<p>Other than “HR Asia”, do the other BAR programs’ business model enable a network effect(i.e. where the increased number of participants improve the value/effectiveness of a good/service):</p> <p>Do the participants(companies) benefit more if a greater no. of participants were to join in a particular BAR program or do the participants view it as more unwelcome competition(i.e. the more the participants, the more difficult to win)?</p> <p>If there is a network effect, does the positive effect extend across countries (i.e. network effect extends from participants of Country A to participants of Country B)?</p> <p>Do the same few participants (companies) always win the same awards (BAR programs)? Especially if BAR programs have a quota for winners, would that discourage new companies from participating (e.g. new participants feel their chance of outperforming the incumbents is low)?</p>	<p>Stronger participation in our programs implies an increased desirability of our programs among businesses as well as future and existing business partners of participants. It hence enhances the brand value of our programs and in the Group’s view, is beneficial to winners and participants of the award programs in the long run.</p> <p>We believe we are one of the few industry players of such scale and presence in Asia Pacific across multiple markets. As such, we believe this is valued by our participants, in particular those who have presence in multiple markets in the region, as winning in our award programs allow them to enjoy regional recognition in their markets.</p> <p>Our award programs utilise a range of research tools, surveys and verification methods to determine the recipients of our awards. We don’t believe that there is any aspect of our award programs which would discourage new companies from participating in our award programs. An incumbent does not enjoy any advantage over a new participant.</p>

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<p>Since the geographical area of some countries are huge, are there opportunities/does it fall under AA's business strategy to organize BAR programs at a granular level as a potential for AA's business growth, e.g. by different cities/provinces within a single country?</p> <p>Beyond the existing BAR programs which seem to focus on business rather than individuals, are there plans to create "individual" awards, e.g. aspiring female entrepreneur award, 30 under 30?</p> <p>Based on the "HR Asia" website, there are 3 categories. Given that "HR Asia" already covers most of Asia/key markets in Asia, what is the growth potential for "HR Asia" moving forward:</p> <p>Is there scope for introducing more categories in existing / new markets? If so, typically how long does it take for a new category to gain traction in an existing market?</p> <p>The name of the BAR program "HR Asia" gives the connotation that it is "Asia based". Does AA have plans to internationalize the program and expand it beyond Asia, e.g. to English-speaking countries(e.g. US, UK, Australia, etc) which do not require a substantial investment in language localization?</p> <p>For the "HR Asia" award, the scores are based on the employees' survey responses which add to the "objectivity" of the award and provide valuable (company as well as market/industry data) insights to companies. This is a very good competitive advantage. Is this model applicable to the other BAR programs or are there plans to introduce similar features in the other BAR programs?</p>	<p>We are constantly evaluating our product portfolio and geographical coverage to ensure our continued relevance, while taking into account the resources we have. We regularly review new ideas and value added offerings but are careful to ensure feasibility and alignment to our overall business strategies before we embark on any new initiative.</p> <p>We also aim to support our clients as best as we can, taking into account what we know of the aspirations and needs of our clients.</p> <p>We use different verification and evaluation frameworks for different programs, based on the market needs, industry practice, and our product positioning, among others. As such, what works with one program may not work with others.</p>

Questions	Responses
<p>In view of the growing popularity of the “work from home” trend, there could be more jobs that do not require a physical presence in the office. Does AA envision its future exhibitions/fairs going on a hybrid model where even aspiring job applicants from outside Malaysia can attend the career fairs virtually?</p> <p>Are there plans to incorporate “metaverse” elements?</p>	<p>During the COVID-19 pandemic when safe distancing measures were in place, the Group had successfully held career fairs virtually. As such, we have the experience to organise virtual and hybrid exhibitions, if the market so dictates.</p> <p>We are constantly studying the latest market development and technological trends (including the possibility of incorporating metaverse elements where appropriate) to improve the offerings of the Group.</p>
<p>Can the Board of Directors give some indication on the maximum percentage of Shares that may be allotted and issued yearly under the SPRINT and ESOS schemes? Can we have the assurance that it will not have an excessive adverse impact on the Group’s income or have an overly dilutive effect on the Group’s earnings per share?</p>	<p>The aggregate number of shares in the Company over which the options or awards are granted under the Company’s Shared Purpose and Prosperity Incentive Plan (“SPRINT”) and the Group Employee Share Option (“Group ESOS”) shall not exceed 15% of total number issued shares (excluding treasury shares and subsidiary holdings) on the day preceding the date of the grant. The SPRINT and Group ESOS shall continue to be in force for a period of 10 years commencing on the adoption date, being 28 June 2021.</p> <p>Group ESOS: The Company currently does not have plans to implement the Group ESOS.</p> <p>SPRINT: We will be implementing SPRINT this year.</p> <p>SPRINT: The Company is proposing to seek the approval of shareholders at the forthcoming AGM for: (a) the proposed participation by Datuk William Ng and Dato’ Ryan Ooi, each a controlling shareholder of the Company; and (b) the proposed grant of awards to Datuk William Ng and Dato’ Ryan Ooi, under SPRINT.</p> <p>For illustrative purposes only, had the 1.0 million shares in the Company (“Shares”) been issued to Datuk William Ng and Dato’ Ryan Ooi at S\$0.30 per Share pursuant to the grant of awards under SPRINT as set out in the Appendix to the Notice of AGM, in FY2022, and taking into account the estimated impact of the issuance of these Shares on the profit after tax of the Group, the dilutive effect on the Group’s earnings per Share for FY2022 would be approximately 5%.</p>

Questions	Responses
<p>The Group has enjoyed higher margins from holding events virtually in recent years. With the switch back to physical events, going forward should we expect gross margins to revert to the levels seen in FY2019?</p>	<p>Due to our asset-light and highly scalable business model, despite a transition back to mostly physical events, the Group has been able to maintain its gross profit margins in FY2022. In FY2022, the Group recorded a gross profit margin of 64.4% (vs 66.0% in FY2021) while hosting physical events in Thailand, Singapore and Taiwan (as compared to virtual events in FY2021).</p>
<p>How long were the EA Licences renewed and are the terms similar to those before?</p>	<p>The EA Licenses have been renewed for a period of 2 years from 1 April 2023 and there are no material changes to the terms in the renewed licenses as compared to the previous terms.</p>