



## **Strong growth in technology revenue drives improvements in margin, EBITDA and cashflow in FY23**

**Melbourne, Australia, 30 August 2023:** Ai-Media Technologies Limited ('**AI-Media**' or the '**Company**') (**ASX: AIM**), a global technology provider of captioning, transcription and translation solutions, is pleased to present its financial results for the financial year ending 30 June 2023.

### **Highlights**

- **Revenue of \$61.8 million, up \$2.0 million on the prior corresponding period (pcp)**
- **33% growth in technology revenue, underpinned by 45% growth in flagship LEXI revenue**
- **Gross profit of \$36.9 million, up 12% on pcp, with 54% of gross profit derived from technology sales**
- **Total gross margin of 60%, up from 55% on pcp**
- **A 200% increase in EBITDA on pcp to \$3.3 million**
- **Cash balance of \$17.0 million as at 30 June 2023**
- **Launched LEXI 3.0, improved product that leverages latest advances in Artificial Intelligence (AI) to provide greater accuracy and wider adoption**

### **AI-Media Co-Founder and CEO Tony Abrahams said:**

"FY23 saw the continued execution of our business model transition from lower margin, high priced human services towards fully scalable technology revenue. This year we achieved an important milestone in the technology transition with over half of FY23 gross profit derived from technology sales.

"Our focus on profitable growth delivered a 200% increase in EBITDA to \$3.3 million which flowed through to an 84% improvement in operating cashflow of \$3.5 million. Having proven out the operating leverage potential of the business we are now looking towards the next high growth opportunities in adjacent markets and territories.

"This year we celebrated 20 years as a leading global captioning, transcription and translation provider. To mark the occasion, the Company launched a new brand and logo set reflecting our market-leading technology and our ability to scale to meet the growing global demand for accessible content."

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## **Financial and operating performance**

The Company grew total revenue by \$2.0 million to \$61.8 million, with total gross profit up by \$4.0 million to \$36.9 million.

AI-Media's flagship automated LEXI product suite drove this result with LEXI revenue growing 45% to \$7.8 million helping drive total technology revenue 33% higher to \$24.0 million. As a result, gross profit margins rose to 60% from 55% in FY22.

Monthly iCap network minutes grew to 9.1 million in June 2023, an increase of 21% on June 2022. Between June 2022 and June 2023, LEXI grew over twice as fast as iCap, validating future upsell opportunities of LEXI from iCap.

At 30 June 2023 closing cash was A\$17.0 million. In Q1 FY24 the final amounts of US\$5.25 million for previous acquisitions will be paid.

## **Marquee sales wins**

AI-Media's results were underpinned by new customer wins including Major League Soccer (MLS), NBCUniversal and a five-year contract renewal with major Australian broadcaster the Seven Network (Seven).

## **Product highlights**

AI-Media launched LEXI 3.0 in May 2023. LEXI 3.0 is a more advanced and accurate solution, with 35% less errors than the previous version, at a fraction of the cost of human services. The improvement in average quality has been driven by underlying AI advancements combined with the Company's proprietary captioning ecosystem.

AI-Media's leading end-to-end ecosystem begins with the Company's encoders (whether physical, virtual or cloud based) which have iCap pre-loaded and the ability to easily add LEXI. It is this end-to-end ecosystem which has positioned AI-Media to leverage continuing enhancements in AI, effectively future-proofing the technology ecosystem.

Additionally, the August 2023 launch of LEXI Toolkit seeks to tightly integrate additional functionality from captioning for applications including library search.

## **FY24 Outlook**

AI-Media's technology sales pipeline continues to strengthen. The Company's cash position provides flexibility for management to continue to execute on growth opportunities in new territories and adjacent markets with emerging demand for accurate captioning, transcription and translation solutions.

## **Webinar details**

**Event:** Ai-Media Technologies FY23 Results Webinar



**Presenters:** Tony Abrahams (CEO & Co-Founder) and John Bird (CFO)  
**Date / time:** 2:00pm (AEST), Wednesday, 30 August  
**Registration link:** [https://us02web.zoom.us/webinar/register/WN\\_C1Ms6h6JRAydu0qnsAbWsg](https://us02web.zoom.us/webinar/register/WN_C1Ms6h6JRAydu0qnsAbWsg)

Investors will be able to use the Q&A function on Zoom during the webinar, or can submit their questions ahead of the webinar to [melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au)

## **ENDS**

***This announcement together with the FY23 Results Presentation has been authorised for release by the Board of Directors.***

## **Further Information**

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## **About Ai-Media**

Founded in Australia in 2003, technology company AI-Media is a global leader in live and recorded captioning, transcription and translation solutions. The company helps the world's leading broadcasters, enterprises and government agencies ensure high accuracy, secure and cost-effective captioning via its AI-powered LEXI automatic captioning solution. LEXI captions are delivered to millions of screens worldwide via AI-Media's range of captioning encoders and its iCap Cloud Network – the world's largest, most secure caption delivery network. Globally, AI-Media delivers over 9 million minutes of live and recorded media monthly. AI-Media (ASX: AIM) commenced trading on the ASX on 15 September 2020.

