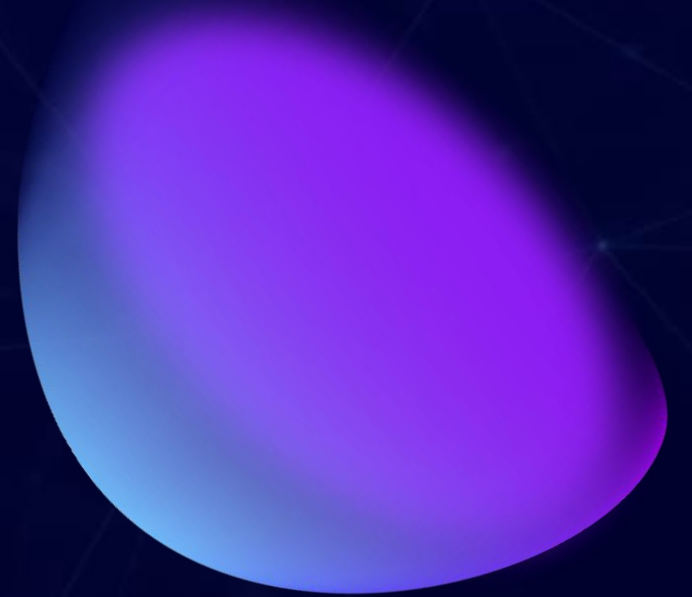


# FY23 Results

30 AUGUST 2023

AI-Media Technologies Limited (ASX: AIM)



**AI MEDIA**

“

AI-Media has successfully deployed the latest AI technologies to solidify ourselves as leaders in the live captioning industry. As the only vertically integrated player, we are uniquely positioned to lead and scale the global captioning market

FY23 has seen several key milestones for the business. We are particularly delighted to announce substantial growth in technology revenues, margin expansion as a result and a 200% increase in EBITDA.

- Tony Abrahams, Co-Founder, CEO

”



**Tony  
Abrahams**

---

**Co-founder, CEO &  
Shareholder (~15%)**



**John  
Bird**

---

**Chief Financial Officer**

# AI-Media at a glance



AI-Media is the leading captioning, transcription and translation provider globally, with over 9 million minutes a month<sup>1</sup> captured on its iCap platform



Best-in-class technology, providing the only end-to-end captioning solution in market, from encrypting source data to encoding, captioning, transcription and translation



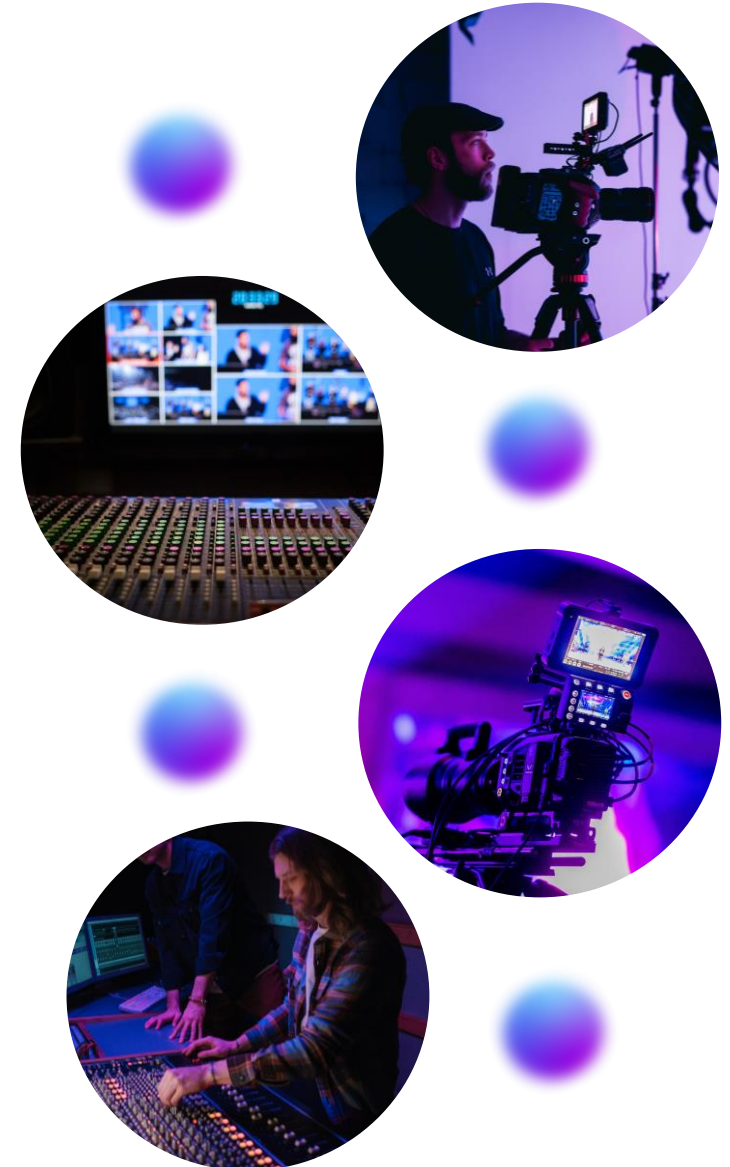
Continued focus on business model transition towards high margin technology revenue (GPM: >80%), overall uplift in FY23 gross profit margin to 60% (FY22: 55%) and 54% of FY23 gross profit now derived from technology



Achieved >200% growth in FY23 EBITDA to \$3.3m, driven by 33% growth in high margin tech revenue (\$24.0m), representing 39% of total FY23 revenue (\$61.8m)



Executing on growth priorities, including growing the iCap network, and driving technology revenue underpinned by enhanced solutions (LEXI 3.0) and scaling global presence





# FY23 Key highlights

Total revenue<sup>1</sup>

**\$61.8m**

up \$2.0m  
(FY22: \$59.8m)

Tech revenue<sup>2</sup>

**\$24.0m**

up 33%  
(FY22: \$18.0m)

LEXI revenue

**\$7.8m**

up 45%  
(FY22: \$5.4m)

Monthly LEXI minutes<sup>3</sup>

**>3.4m**

up 44%  
(FY22: 2.4m)

Total GPM

**60%**

up from 55%  
(FY23 GP: \$36.9m)

Tech gross profit

**\$20.2m**

up 30%  
(FY22: \$15.5m)

Total EBITDA

**\$3.3m**

up >200%  
(FY22: \$1.1m)

Cash balance<sup>4</sup>

**\$17.0m**

up \$1.8m  
(FY23 Op. CF: \$3.5m)

# Celebrating 20 years leading and scaling the global captioning market

Our refreshed branding captures our passion for **innovation**, our commitment to pushing the boundaries of **technology**, and our unwavering focus on creating **value** for our customers.

## Milestone achievements

- ✓ Delivered more captioning in 1 month than in the first 5 years of trading
- ✓ Successfully integrated 4 strategic acquisitions, diversifying our offerings and strengthening our market position
- ✓ Transitioned into a competitive technology platform, growing product suite and entering new industries / regions



*An integrated product suite*





# Agenda

---

1 AI-Media  
update

2 FY23  
financials

3 Strategy &  
outlook

4 Additional  
information

# AI-Media update

---



# AI-Media ecosystem

Market-leading captioning platform, providing customers with the only end-to-end solution



1

Video Input



2

Encrypted Encoding



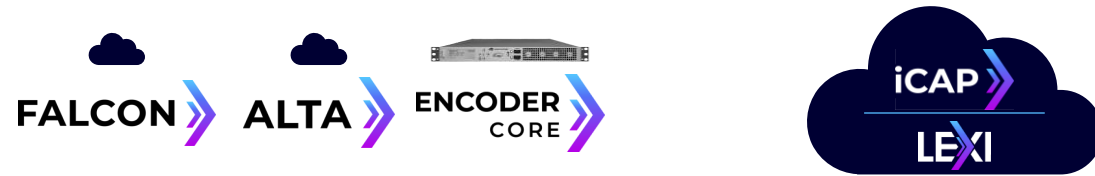
3

Real-time Captioning



4

Captioned Video Output



Encoders and iCap network used by both customers and competitors



Live or recorded video source via broadcasts, events or over-the-top (OTT) content

Cloud, virtual, or physical encoders convert audio into digital data that is sent to iCap network

Matches captions to video sources and provides encrypted remote access to customer data improving contextual accuracy

LEXI converts spoken language into written text to present live captions on any screen or platform, in any language



# Blue chip customers and new wins

Trusted by global leaders in broadcasting, government and other sectors, with upside potential in existing customer base

## Select global customers



**\$7.8 million**

in LEXI sales, including from:



Snap Inc.

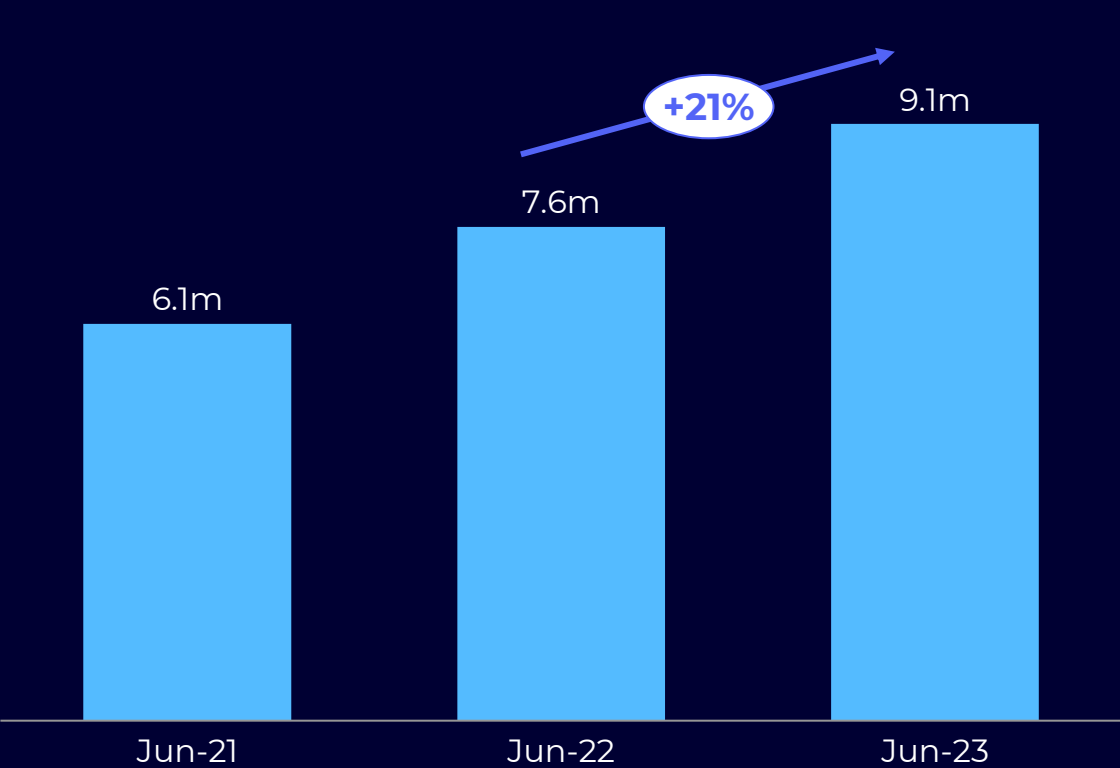




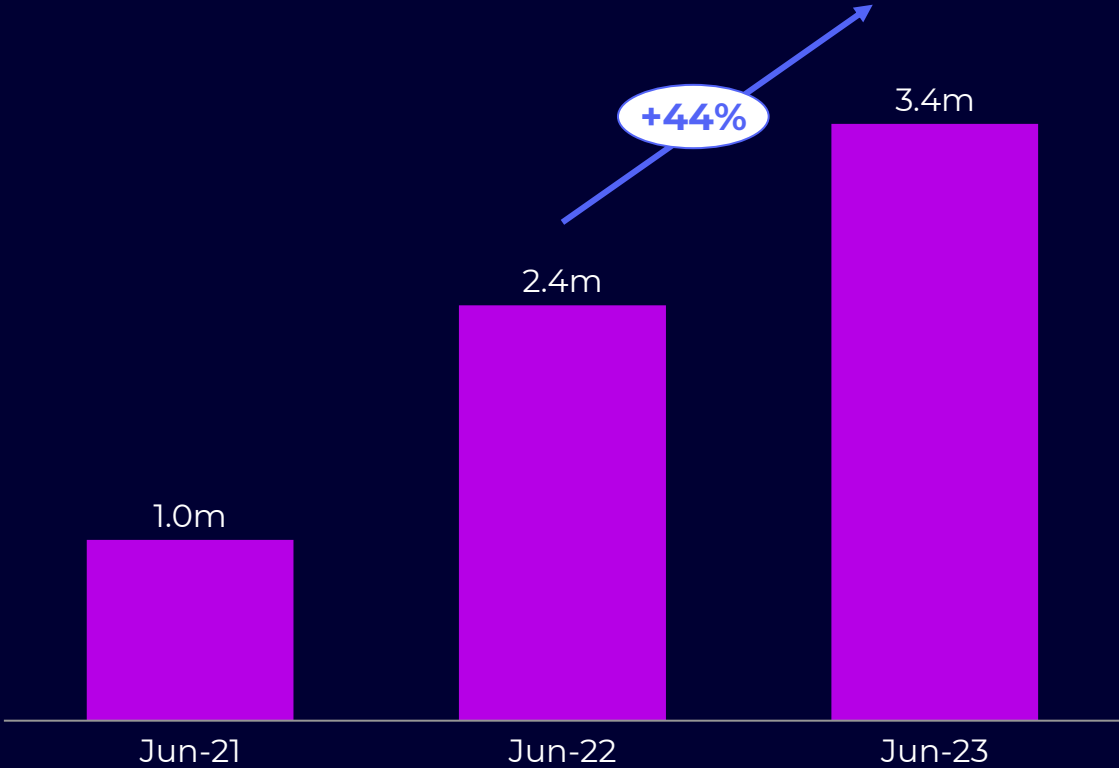
# Network traffic and LEXI growing strongly

Increasing iCap usage (minutes) underpinning conversion opportunity to higher margin LEXI solutions

iCap network usage (monthly minutes)



LEXI usage (monthly minutes)



# Technology update

Strengthening our defensive moat by incorporating the latest advancements in AI and other emerging technologies

Improved management and processing of ancillary data



Agnostic AI compatibility



UX/UI EEG cloud update



Upgraded encryption & Multi-factor authentication



Enhanced software development kit for 3rd Party partners



Increased accuracy



Advanced scheduling



Integrated LEXI product suite



Smart repositioning to avoid on-screen interference



**Encoding enhancements**

**iCap enhancements**

**LEXI enhancements**

# FY23 financials

---





# Summary FY23 financials

Technology focus underpins GP growth and margin expansion driving 200% increase in EBITDA and strong operating cashflow

A\$m	FY23	FY22	Variance	Growth %
Services revenue	37.8	41.8	(4.0)	(10%)
Tech revenue	24.0	18.0	6.0	33%
<b>Total revenue</b>	<b>61.8</b>	<b>59.8</b>	<b>2.0</b>	<b>3%</b>
Services gross profit	16.7	17.4	(0.7)	(4%)
Tech gross profit	20.2	15.5	4.7	30%
<b>Gross Profit</b>	<b>36.9</b>	<b>32.9</b>	<b>4.0</b>	<b>12%</b>
<i>GP margin %</i>	60%	55%	-	-
Other Income	0.5	0.3	0.1	-
Operating expenses	34.0	32.1	1.9	6%
<b>EBITDA</b>	<b>3.3</b>	<b>1.1</b>	<b>2.2</b>	<b>201%</b>
<i>EBITDA margin %</i>	5%	2%	-	-
<b>Operating cashflow</b>	<b>3.5</b>	<b>1.9</b>	<b>1.6</b>	<b>84%</b>
<b>Cash and cash equivalents at Y/E</b>	<b>17.0</b>	<b>15.2</b>	<b>1.8</b>	<b>12%</b>

Double-digit growth in technology revenue of 33%, underpinned by scaling of LEXI solutions.

>54% of Gross Profit now coming from technology  
Gross Margin expansion to 60% achieved in FY23

Improving operating leverage as technology comprises more of total revenue  
EBITDA increase of >200% to \$3.3m in FY23

Cash on hand of \$17m as at 30 June 2023, enabling Balance Sheet flexibility to execute on growth

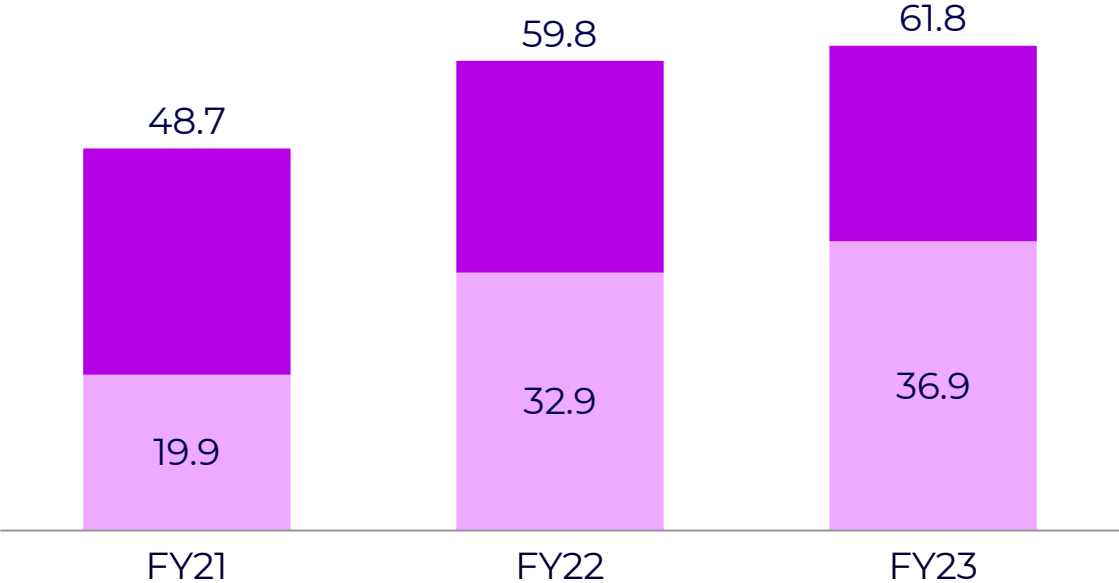


# Gross profit composition and margin growth

FY23 gross profit margin increasing from 55% in FY22 to 60% in FY23

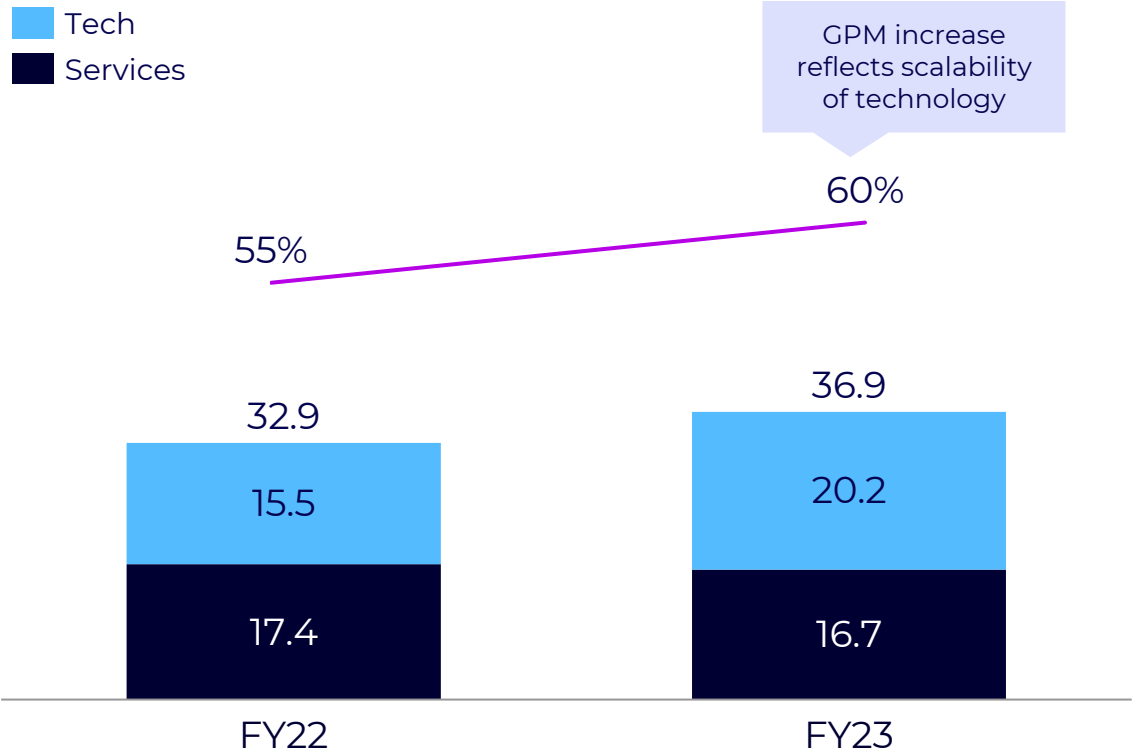
## Revenue and Gross Profit (\$m)

- Total revenue
- Gross profit



## Gross Profit (\$m) and GP margin (%)

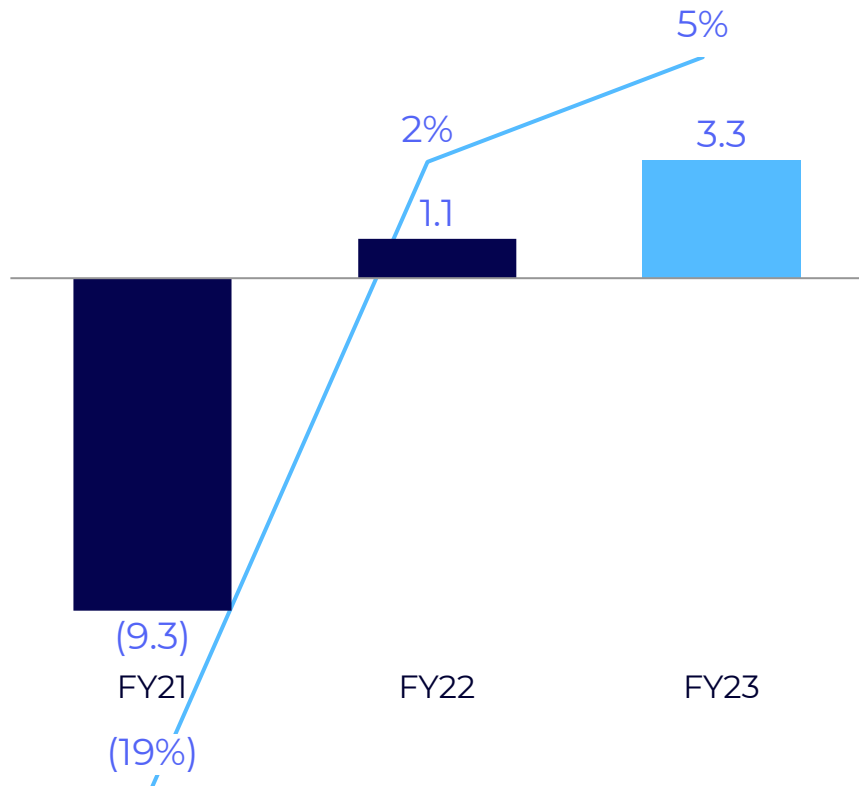
- Tech
- Services



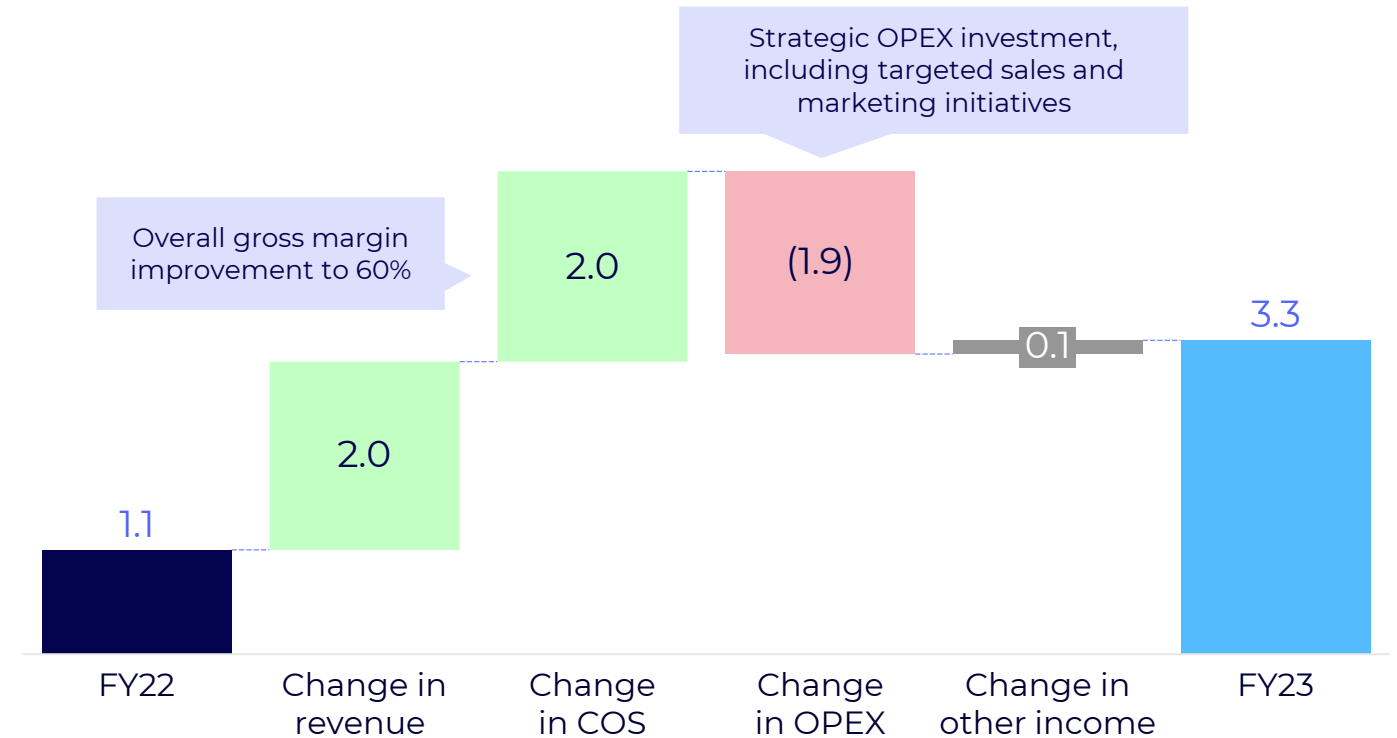
# EBITDA performance up 200%

>200% growth in EBITDA to \$3.3m reflecting higher margin technology revenue and strategic OPEX investment

EBITDA (\$m) and EBITDA margin<sup>1</sup> (%)



FY22 to FY23 EBITDA bridge (\$m)



1. FY21 EBITDA excludes revenue contribution made from EEG acquisition between May 2021 and June 2021

# Strategy & outlook

---



# FY24 growth priorities

Continued focus on enhancing technology solutions to drive a sustainable and scalable business model



Leverage recent product releases (LEXI 3.0 and LEXI Toolkit) to drive growth. Accelerate conversion of 3<sup>rd</sup> party iCap users to LEXI & upsell base



Prioritise iCap and encoding technology development to broaden revenue opportunity and drive customer stickiness

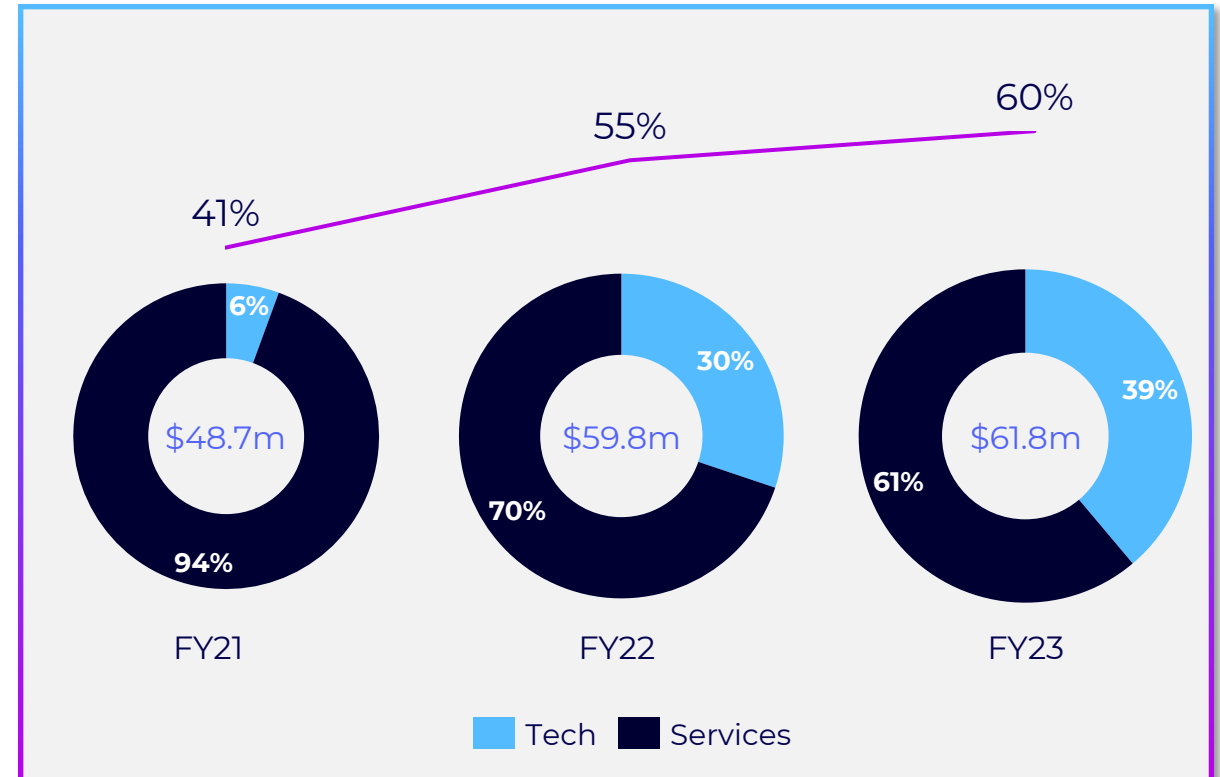


Scale global presence through new strategic partnerships and leveraging successful track record



Execute on growth opportunities in new territories and adjacent markets

## Transition of revenue composition and GP margin



# Launching AI-powered LEXI Toolkit

Enhancement of automatic captioning solutions to accelerate growth in technology revenue



## Commercialisation benefits

- ✓ **Larger addressable market**  
Diversified and enhanced product offering expanding the customer base and creating new opportunities for growth
- ✓ **Superior value proposition**  
Enhanced functionality and increased number of solutions maximises end-user experience, increasing customer retention
- ✓ **Forefront of market trends**  
LEXI enhancements indicate AI-Media at the centre of new technology age, fostering culture of innovation and adaptability
- ✓ **AI advancements**  
Leveraging ML and AI automations maintaining competitive edge over peers



# Upgrading and investing in iCap

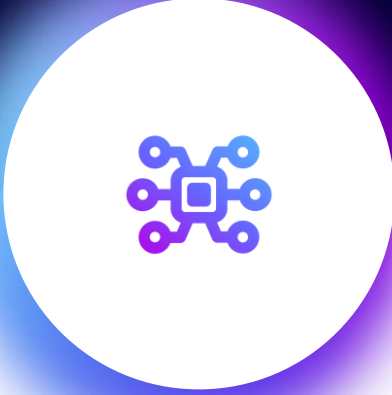
iCap development to facilitate (minutes) growth with customer value front of mind

## Targeted improvements in iCap



### Enhanced reliability at scale

Customer uptime results of 99.99%



### Stronger privacy & security

Encrypt connections and enable Multi-factor authentication requirements



### Increased accuracy

Deliver higher bandwidth audio for increased clarity and higher word accuracy









### More automation

Robust logging & monitoring with configurable alerts for access and advanced notice of downtime

# Industry landscape

Unique position as the only vertically integrated player in market – creating a compelling long-term value proposition

	Core business in captioning services				Media & broadcast services		
Company	AI MEDIA 	 verbit	 3PLAYMEDIA	@ rev	 RED BEE	 ENCO	 evertz
Pre-recorded Captions	✓	✓	✓	✓	✓	✓	✗
Live Automated Captions	✓	✓	✓	✓	✓	✓	✗
Human Curated Dictionaries (ASR)	✓	✓	✓	✗	✓	✓	✗
Live Automated Translation	✓	✓	✓	✓	✓	✓	✗
Captioning Network Provider	✓	✗ (Uses AIM iCap)	✗ (Uses AIM iCap)	✗	✗ (Uses AIM iCap)	✗	✓
Captioning Infrastructure Provider	✓	✗ (Uses AIM encoders)	✗ (Uses AIM encoders)	✗	✗ (Uses AIM encoders)	✓	✓

Market-leading captioning network and best-in-class encoding technology driving long-term sustainability, deeply embedded across the industry

# Q&A

# Additional information

---



# Profit & loss statement

For the full year ended 30 June 2023

	30-Jun-23 (\$m)	30-Jun-22 (\$m)	Var (\$m)
<b>Revenue</b>	<b>61.8</b>	<b>59.8</b>	<b>2.0</b>
Cost of sales	(24.9)	(26.9)	2.0
<b>Gross Profit</b>	<b>36.9</b>	<b>32.9</b>	<b>4.0</b>
Other income	0.5	0.3	0.1
Operating expenses	(34.0)	(32.1)	(1.9)
<b>EBITDA</b>	<b>3.3</b>	<b>1.1</b>	<b>2.2</b>
Depreciation and amortisation	(4.9)	(4.5)	(0.4)
<b>EBIT</b>	<b>(1.6)</b>	<b>(3.4)</b>	<b>1.8</b>
Net interest expense	(0.7)	(1.3)	0.5
<b>Profit/(loss) before tax</b>	<b>(2.3)</b>	<b>(4.7)</b>	<b>2.3</b>
Income tax expense	(1.7)	(0.2)	(1.5)
<b>Net profit/(loss) after tax</b>	<b>(4.0)</b>	<b>(4.9)</b>	<b>0.8</b>
GP Margin %	60%	55%	-

Note: Totals may not add up precisely due to rounding



# Balance sheet

For the full year ended 30 June 2023

	30-Jun-23 (\$m)	30-Jun-22 (\$m)	Var (\$m)
Cash and cash equivalent	17.0	15.2	1.8
Trade receivables	10.5	11.2	(0.7)
Other current assets	3.4	3.5	(0.1)
<b>Total current assets</b>	<b>31.0</b>	<b>30.0</b>	<b>1.0</b>
Property, plant and equipment	4.5	4.8	(0.3)
Intangibles	59.3	60.3	(1.0)
Other non-current assets	6.0	7.5	(1.5)
<b>Total non-current assets</b>	<b>69.8</b>	<b>72.7</b>	<b>(2.9)</b>
<b>Total assets</b>	<b>100.8</b>	<b>102.6</b>	<b>(1.8)</b>
Trade payables	0.9	1.8	(0.9)
Borrowings	0.2	0.4	(0.2)
Other current liabilities <sup>1</sup>	19.3	11.3	8.0
<b>Total current liabilities</b>	<b>20.6</b>	<b>13.5</b>	<b>7.1</b>
Borrowings	0.2	0.3	(0.2)
Other non-current liabilities <sup>1</sup>	3.0	9.8	(6.8)
<b>Total non-current liabilities</b>	<b>3.1</b>	<b>10.2</b>	<b>(7.0)</b>
<b>Total liabilities</b>	<b>23.7</b>	<b>23.7</b>	<b>0.0</b>
<b>Net assets</b>	<b>77.1</b>	<b>79.0</b>	<b>(1.9)</b>
<b>Equity</b>	<b>77.1</b>	<b>79.0</b>	<b>(1.9)</b>

Note: Totals may not add up precisely due to rounding

1. USD 4,968,000 (AUD 7,493,213) earn-out payment for the purchase of EEG is due on 29 September 2023

# Cash flows

For the full year ended 30 June 2023

	30-Jun-23 (\$m)	30-Jun-22 (\$m)	Var (\$m)
Receipts from customers (incl. of GST)	67.0	63.6	3.4
Payments to suppliers and employees (incl. of GST)	(63.6)	(59.8)	(3.8)
EEG associated acq. costs	-	(1.6)	1.6
Interest received	0.1	0.0	0.0
Other revenue	0.5	0.0	0.4
Interest and other finance costs paid	(0.4)	(0.3)	(0.1)
<b>Net cash from operating activities</b>	<b>3.5</b>	<b>1.9</b>	<b>1.6</b>
Payments for expenses relating to acquisitions	(0.4)	(0.2)	(0.1)
Payments for property, plant and equipment	(0.6)	(0.5)	(0.1)
Payment for intangibles	(0.7)	(2.0)	1.3
<b>Net cash used in investing activities</b>	<b>(1.6)</b>	<b>(2.7)</b>	<b>1.1</b>
Share issue transaction costs	-	(0.0)	0.0
Payments for share buy-backs	-	(1.2)	1.2
Repayments of related party loans	-	(0.3)	0.3
Repayment of lease liabilities	(0.3)	(0.8)	0.5
<b>Net cash used in financing activities</b>	<b>(0.3)</b>	<b>(2.3)</b>	<b>2.0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.5</b>	<b>(3.2)</b>	<b>4.7</b>

Note: Totals may not add up precisely due to rounding

# Management

Strong and qualified management team to drive product development and commercialisation strategy



## TONY ABRAHAMS

Co-Founder and CEO

- Tony co-founded AI-Media in 2003. He served as a Director of Northcott Disability Services.
- Worked to establish the Oxford Internet Institute in 2001, while attending the University of Oxford as a Rhodes Scholar.



## DONNA REID

Chief Operating Officer

- Donna joined AI-Media in March 2021 after five years as the Director of Content Service Operations for Foxtel Media.
- Has more than 20 years' experience in Human Resources and Operations.



## JAMES WARD

Chief Sales Officer

- James joined AI-Media in 2013, leading the company's expansion across the APAC region
- Has led the Company's successful entry into EMEA, achieving growth in access services and multi-language localisation



## BILL MCLAUGHLIN

Chief Product Officer

- Bill was CTO at EEG and now Chief Product Officer globally at AI-Media.
- Since 2007, Bill has been with EEG architecting the company's leading software solutions including iCap, Falcon, LEXI, and Alta.



## JOHN BIRD

Chief Financial Officer

- John recently held the role of CFO and COO of Regeneus, an ASX-listed biotechnology company.
- Previously provided financial and strategic management services to ASX-listed companies.

# Board

Highly skilled and experienced senior leadership team with decades of experience



**DEANNE WEIR**

Non-Executive Chair

- Deanne has served as a director of AI-Media since 2010 and became Chair in August 2013.
- Previously spent 10 years at ASX listed company Austar United Communications as a senior executive.



**TONY ABRAHAMS**

Co-Founder and CEO

- Tony co-founded AI-Media in 2003. He served as a Director of Northcott Disability Services.
- Worked to establish the Oxford Internet Institute in 2001, while attending the University of Oxford as a Rhodes Scholar.



**ALISON LOAT**

Non-Executive Director

- Alison joined the Board in 2018.
- Managing Director, Sustainable Investing and Innovation at OPTrust, a Canadian public pension plan, with \$23 billion CAD in globally diversified investments.



**JOHN MARTIN**

Non-Executive Director

- John joined the board in 2010 and served as the company's first Chairman until 2013.
- Served as CEO and director of ASX-listed Babcock & Brown Communities, Primelife and Regeneus.



**CHERYL HAYMAN**

Non-Executive Director

- Cheryl joined the board in March 2022
- Held several non-executive director roles of ASX-listed companies over the last 15 years. Previously held CMO roles at George Weston Foods, Yum Restaurants International & Unilever.

# Leveraging AI advancements

Technology solutions bolstered by advancements in AI



Refining LEXI through upgraded GPT and language processing models enhancing accuracy and improving customer experience



Automatic captioning lowers manual transcription costs, providing quicker captioning turnaround and broader efficiency



Rising corporate awareness of AI and urgent adoption trends driving steady growth in LEXI usage



Enhancing AV experiences through LEXI vision by repositioning captions from broadcast imagery, avoiding on-screen disruptions for an immersive UX



Expanding use cases for ASR solutions with the proliferation of free captioning provided by big tech (Google, Microsoft)



# Leading capability

Globally embedded iCap network and AI-underpinned product suite uniquely positions for growth



World leading captioning network, infrastructure and solutions

**FALCON**  **ENCODER CORE**  **ALTA** 

- ✓ Offered as cloud software or hardware
- ✓ Pairs captions to video sources
- ✓ Low latency, enabling near-real-time captioning
- ✓ Compatible with multiple resolutions

**iCAP** 

- ✓ Scalable cloud-based network
- ✓ Encrypted connection ensuring data security
- ✓ Global standard, servicing majority of US broadcasters
- ✓ Integrated with AIM and leading 3<sup>rd</sup> party products & solutions

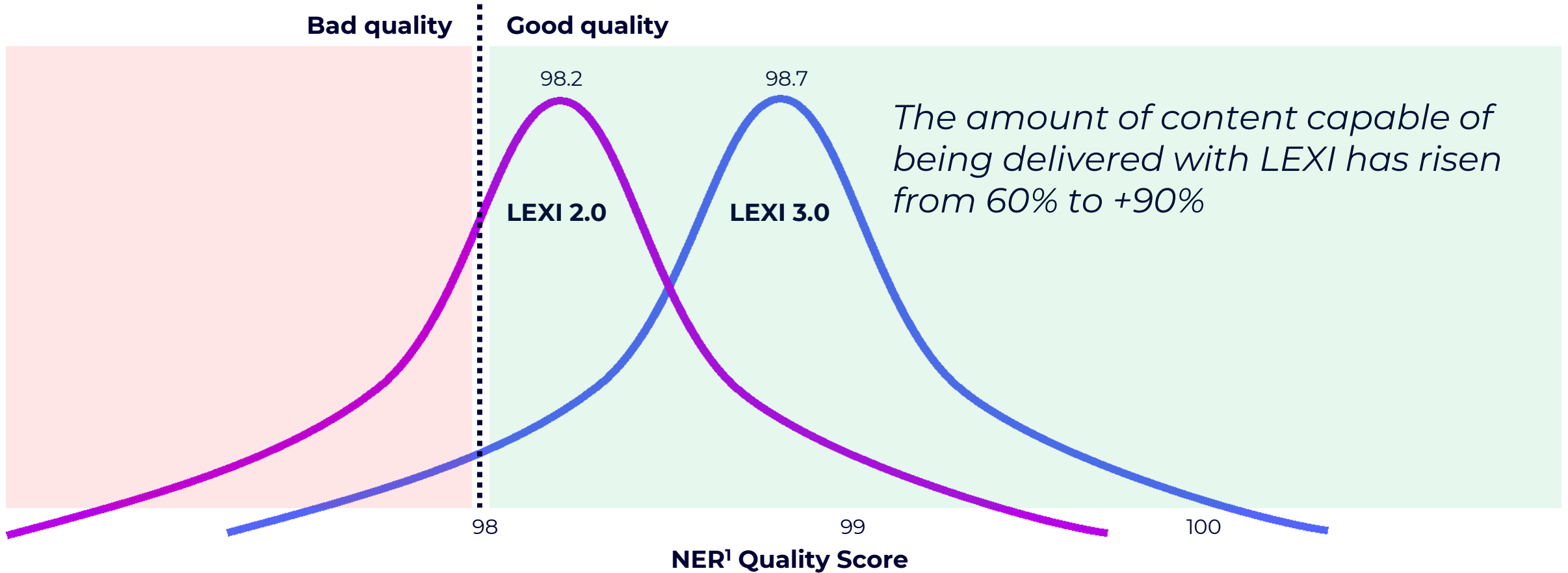
**LEXI** 

- ✓ Proprietary speech recognition solution
- ✓ Enterprise-grade accuracy of 98.7%
- ✓ Delivers coherent captions using advanced ML and NLP algorithms
- ✓ Captions multiple languages



# Rapid increases in automatic captioning quality

Massive improvements in AI has delivered the fastest improvement in captioning quality to date



# Disclaimer

This presentation (**Presentation**) contains summary information about AI-Media Technologies Limited and its subsidiaries (the **Company** or **AI-Media**) based on information as at 28 August 2023. By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

**Summary information:** This Presentation has been prepared for information purposes only and is a summary only. It should be read in conjunction with AI-Media's most recent financial report and other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at [www.asx.com.au](http://www.asx.com.au). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, the Company does not have any obligation to correct or update the content of this Presentation.

**Not financial product advice:** This Presentation does not, and does not purport to, contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice) and must not be relied upon as such. This Presentation does not take into account the investment objectives, financial situation or needs of any particular investor. Investors are encouraged to seek independent professional advice when deciding if an investment in the Company is appropriate. The Company is not licensed to provide financial product advice in respect of its own securities. This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (or any other law). It is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

**Investment risk and past performance:** An investment in AI-Media shares is subject to known and unknown risks, some of which are beyond the control of the Company and its directors. The Company does not guarantee any particular rate of return or the performance of AI-Media. Past performance is not, and should not be relied on as being, indicative of future performance.

**Future performance and forward-looking statements:** This Presentation includes forward looking statements, which can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "outlook", "forecast" and "guidance", or other similar words. They may include, without limitation, statements regarding plans, strategies and objectives and anticipated business developments. Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause AI-Media's

actual results, performance and achievements to differ materially from statements in this Presentation. Forward-looking statements are based on the Company's good faith assumptions as to the financial, market, regulatory and other relevant environments that will exist and affect AI-Media's business and operations in the future. The Company does not give any assurance that the assumptions will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and may events are beyond the reasonable control of the Company. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this Presentation are only made as at the date of this Presentation and the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in assumptions on which any such statement is based.

**Industry data and third party information:** Industry data and third party information used in this Presentation may have been obtained from research, surveys, reports or studies conducted by third parties, including industry or general publications. Neither AI-Media nor its representatives have independently verified any such market or industry data.

**Financial information:** This Presentation contains historical financial information based on the Company's results for the 12 month period ending 30 June 2023 and prior comparative periods. All financial information disclosed in this Presentation is presented in Australian dollars unless otherwise noted. Any discrepancies between totals and sums of components in tables and figures contained in this Presentation are due to rounding.

**Disclaimer:** To the maximum extent permitted by law, AI-Media and its officers, directors, employees, agents and advisers: (1) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (2) disclaim any obligation or undertaking to release any update or revision to the information in this Presentation to reflect any change in expectations or assumptions; and (3) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about AI-Media or that a prospectus investor or purchaser may require in evaluating a possible investment in AI-Media or acquisition of shares, or the likelihood of fulfilment of any forward-looking statement.



**Further Information:**

**AI-Media Technologies**

Lisa Jones  
Company Secretary  
[investorrelations@AI-Media.tv](mailto:investorrelations@AI-Media.tv)

**NWR Communications**

Melanie Singh  
Investor Relations  
[melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au)