

Ai-Media Technologies Limited (AIM)

ASX Small and Mid-Cap Conference

September 2021

Important notice and disclaimer



This presentation (**Presentation**) contains summary information about Ai-Media Technologies Limited and its subsidiaries (the **Company** or **Ai-Media**) which is current as at 25 August 2021. 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. 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, **particularly in the current economic climate and given the significant volatility, uncertainty and disruption caused by the COVID-19 pandemic**. 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 2021 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.

Making the world's content accessible for everyone



Tony Abrahams
Co-founder & CEO

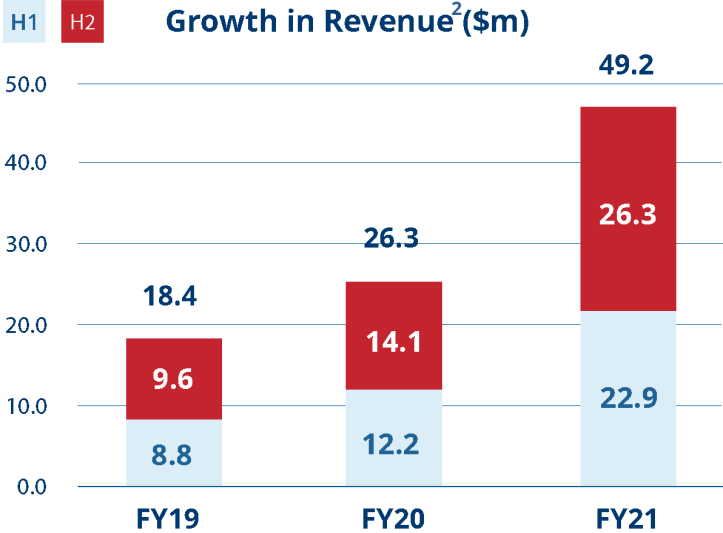
Ai-Media is a one-stop shop for live and recorded captioning, transcription and translation solutions - globally

Ai-Media at a glance



LIVE BROADCAST
LIVE ENTERPRISE
RECORDED MEDIA

SELECTED KEY CUSTOMERS:



2003
established

\$50m

R&D investment in Ai-Media's technology platform¹

\$48m

invested in three acquisitions since Sept 2020

2,200

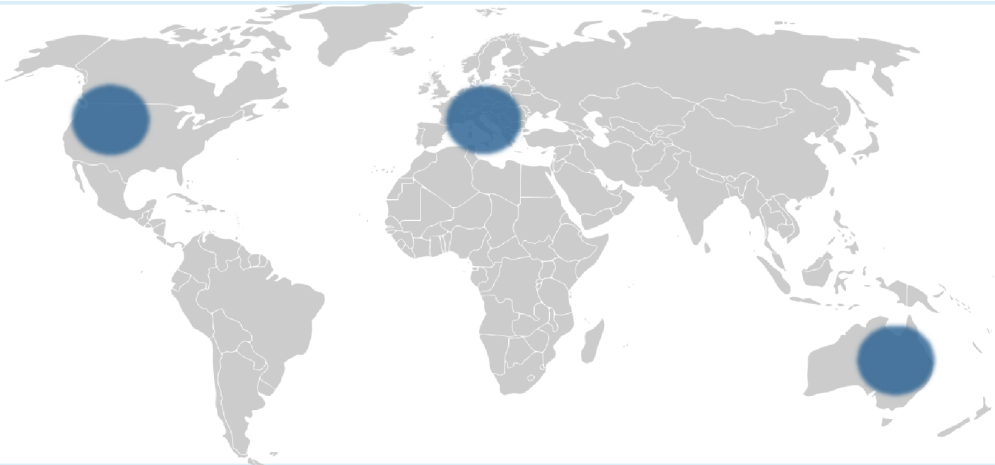
global customers, diversified revenue by customer and region

3,000+

skilled contractors

Operations in three key regions; APAC, North America, and EMEA

Executing domestic and international growth initiatives supported by regulatory requirements



(1) Investment since 2009 (2) Revenue - includes other revenue per the financial report

Ai-Media is a one-stop shop in a growing US\$20B market ¹

Captions



From any language, to
any language



Streamed in any
format to any device



Live



Recorded

Tiers

Premium

Live human curation = Ai-Live Premium
+ bundles, including recorded



Smart Lexi

Semi-automated = Smart Lexi



Lexi

Automated = Lexi



1. Source: Frost & Sullivan, EEG

Key highlights in FY21

- 1 Exceeded prospectus forecasts, with three US-based acquisitions contributing further part-year upside
- 2 Increased gross margin throughout FY21 and achieved positive operating cash flow and profitability in Q4 FY21
- 3 Launched breakthrough fully automated (Lexi™) and semi-automated (Smart Lexi™) SaaS products to complement premium Ai-Live; acquired EEG's scalable SaaS live streaming product range, Alta / Falcon, and iCap cloud platform and network
- 4 Successfully delivered captions for the Tokyo Olympics on NBC's Peacock platform using Smart Lexi™ and premium live captions on Channel 7 in Australia
- 5 Secured a three-year contract with Sky News Australia for 24/7 captioning of news programming using Ai-Media's new Smart Lexi™ product
- 6 Broadened the strategic customer base with significant new contracts secured during the year including Al Jazeera Media Network, UK Parliament and others
- 7 In September 2020, Ai-Media completed an IPO raising \$65.5m (including a \$35.5m sell-down), and in April 2021 raised \$40.0m to fund the transformative acquisition of EEG Enterprises (EEG)

FY21 highlights

\$49.2m

Revenue¹ (\$5.4m ahead of Prospectus forecast of \$43.8m²)

up 87% on PCP

16.8m²

Captioned Minutes

175% increase on PCP

3

Successful Acquisitions in FY21

CaptionAccess & Caption IT (Jan 2021),
EEG (May 2021)

\$20.4m

Gross Profit

\$2.3m ahead of Prospectus
forecast of \$18.1m²

42%²

Gross Profit Margin up from
39% on FY20 pro forma

Further gross margin improvements
as AIM continues to scale

\$17.9m³

Cash Balance

Strong balance sheet capacity to
pursue further growth opportunities

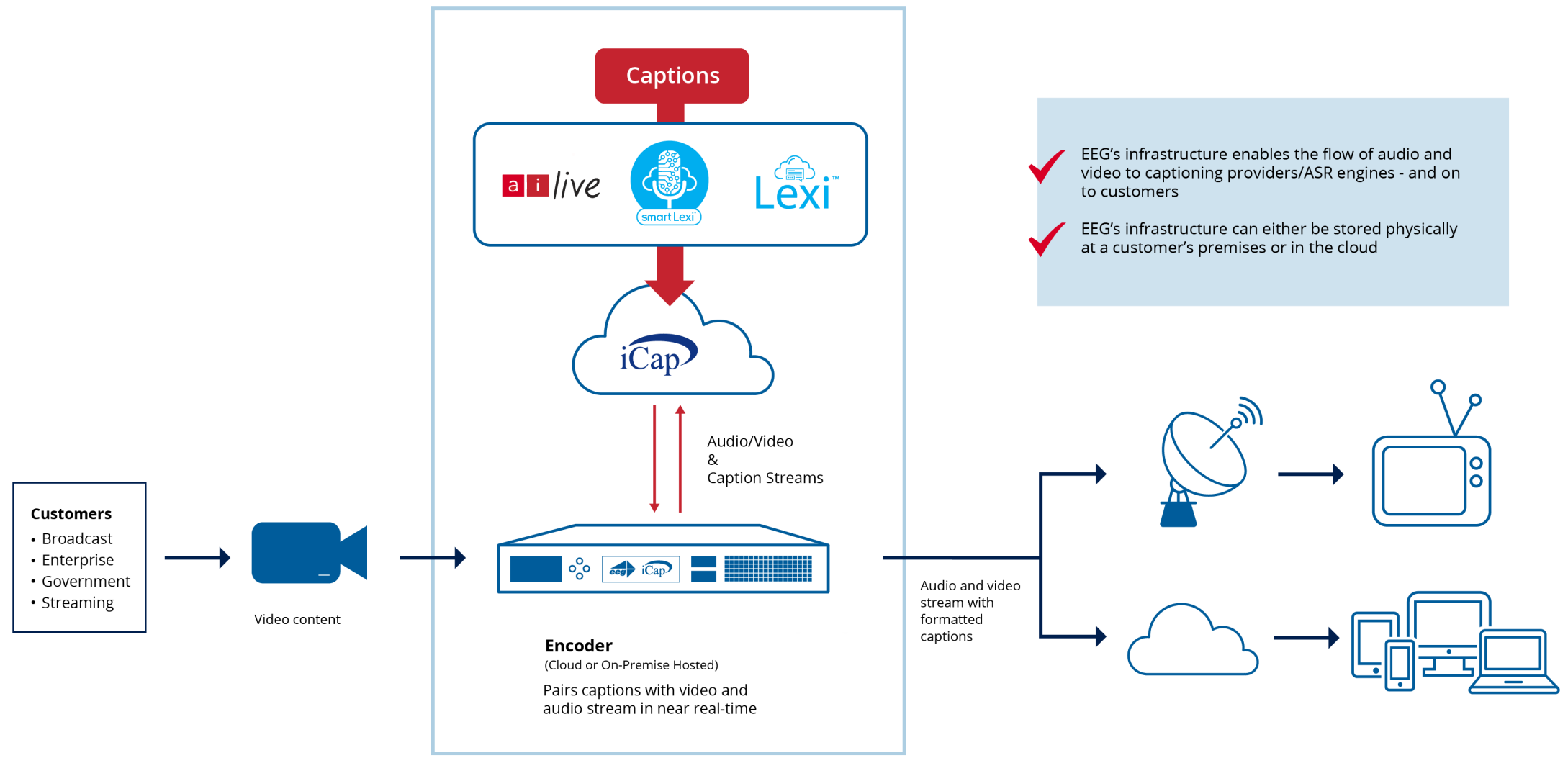
1. Revenue - includes other revenue per the financial report
2. Includes 6 months of 2x acquisitions and 2 months of EEG
3. \$17.9m cash includes \$5.3m earnout to EEG vendors held on Ai-Media accounts

Pivotal acquisition of EEG in May 2021



In May 2021, Ai-Media completed its global one-stop shop product suite with a US\$34 million acquisition of market-leading video and captioning technology company EEG

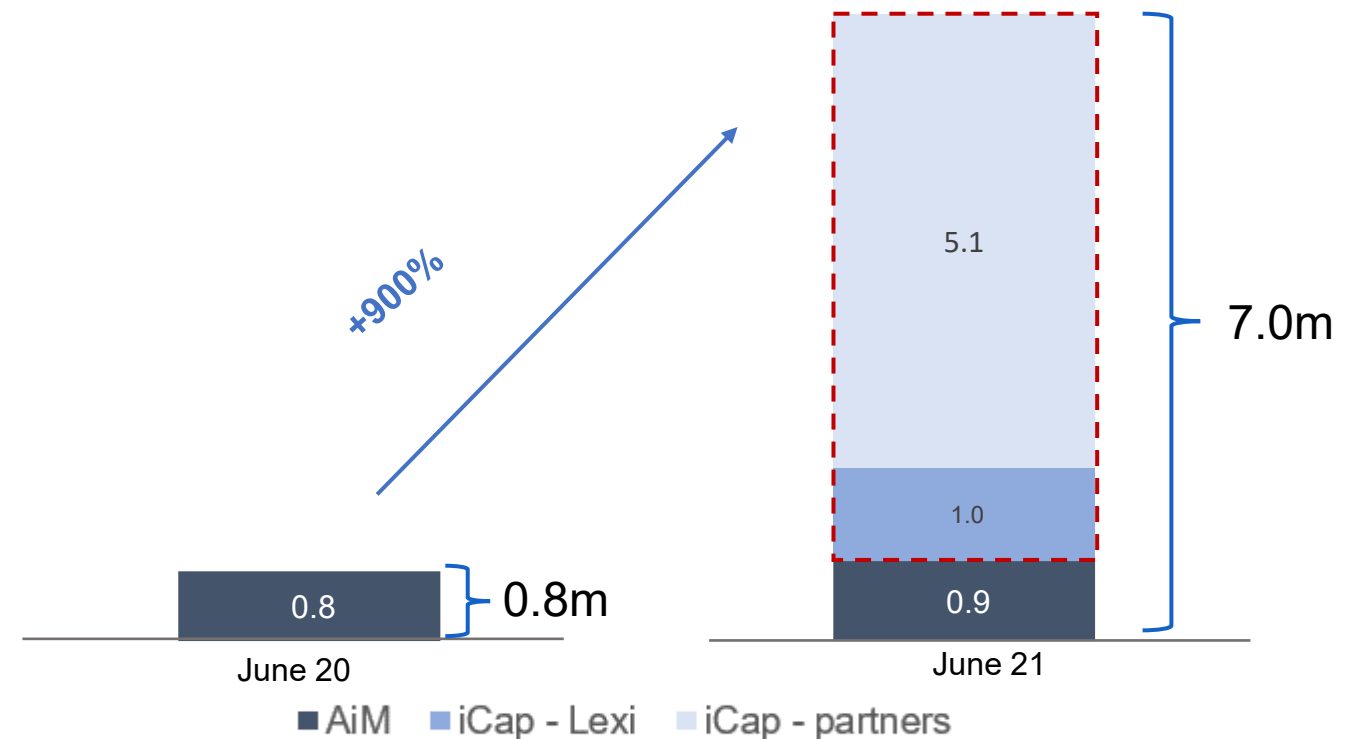
Ai-Media is now the trusted one-stop shop for live and recorded captioning, transcription and translation



With EEG acquisition, minutes delivered up 9x in FY21

- Total delivered minutes = minutes carried across the Ai-Media network
- EEG iCap network carries 6.1 million minutes per month
- Addition of EEG increases delivered minutes from 0.8 million in the month of June 2020 to 7.0 million in the month of June 2021
- Majority of minutes delivered through iCap are currently captioned by third party providers

Total delivered minutes include 0.9 million minutes premium, 1.0 million minutes Lexi and additional 5.1 million minutes across iCap network



Source: Management Information on pro forma basis

Key operating metrics

	FY21 Actuals	FY20 Pro Forma ²	FY21F Prospectus
Key operating metrics			
Total captioned minutes (millions)	16.8	10.8	13.8
Total captioned minutes (% increase YoY)	55%	19%	23%
Revenue per minute (\$/min)	2.9	3.6	3.2
Margin per minute (\$/min)	1.3	1.4	1.3
Total Full Time Headcount (period end)	225 ¹	162	174
SaaS Revenue (month of June)	8%	-	-
Gross margin %	42%	39%	41%

1. FY21 headcount includes EEG, CaptionAccess and Caption IT acquisitions

2. FY20 Pro Forma include 12 months of Ai-Media and ACS. Statutory captioned minutes is 6.1 million

Source: Management Information

- Delivered minutes increased by 55% in FY21 predominantly driven by Live Enterprise and minutes delivered through Lexi which comprised approximately 2 million minutes in May and June 2021
- Ai-Media's SaaS products, which include Lexi, Smart Lexi, Falcon, Alta and iCap, deliver lower revenue \$ per minute, lower margin \$ per minute, and a significantly higher gross margin %

Some key customer wins in FY21

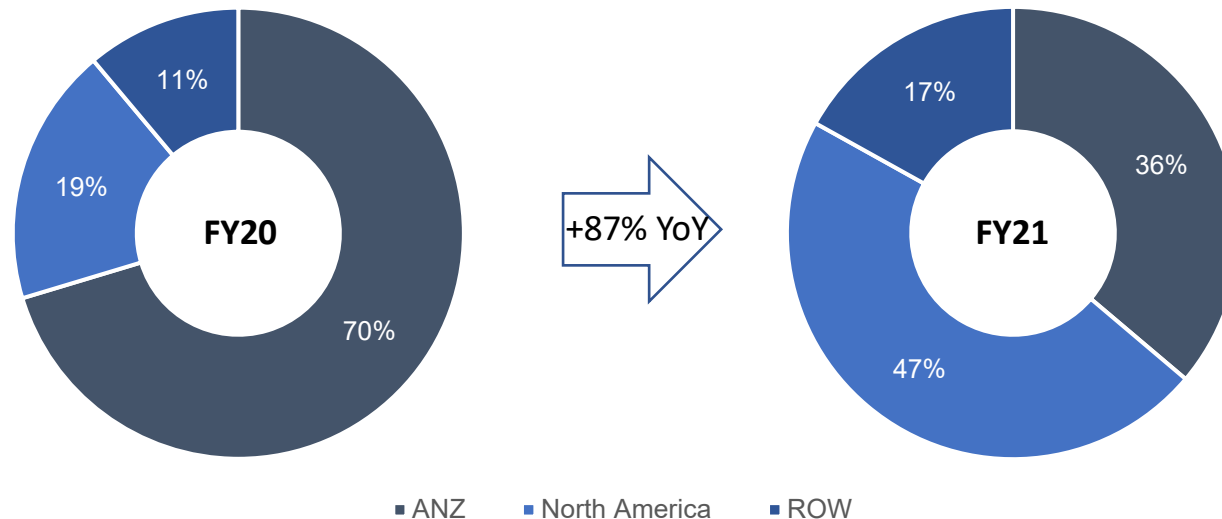


Strong growth in all offshore markets

	FY21	FY20	Var	Var
	\$m	\$m	\$m	%
ANZ	17.8	18.5	(0.7)	(4%)
North America	23.1	4.9	18.2	372%
ROW	8.3	2.9	5.4	185%
Total	49.2	26.3	22.8	87%

- ANZ live broadcast negatively affected by COVID-19 live event cancellations in FY21
- North America growth driven by new customer wins and via acquisitions
- ROW growth driven by new customer wins – EMEA the greatest contributor

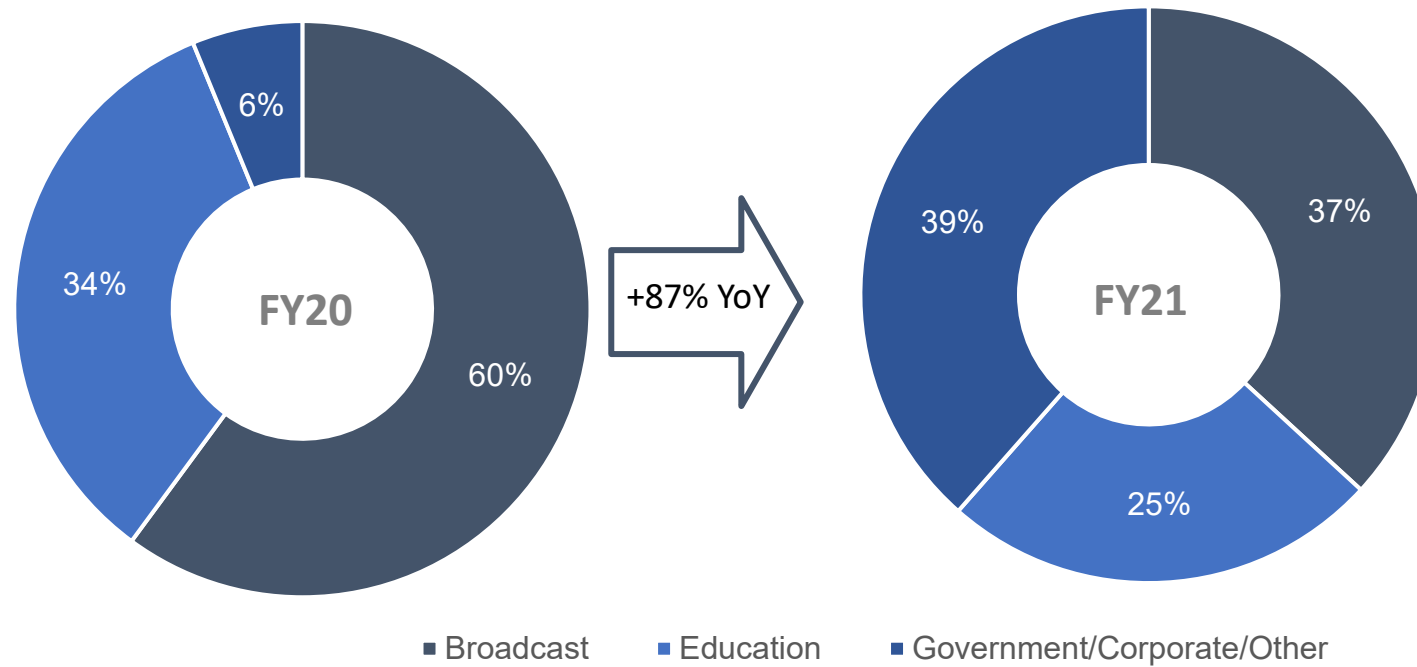
Revenue Geographic Mix %



Rest of World (ROW) includes EMEA and Asia

- Key growth drivers include:
 - Live multilingual
 - Lexi
 - Smart Lexi
 - Other SaaS products including Falcon, Alta and iCap
 - EEG hardware encoders outside the United States

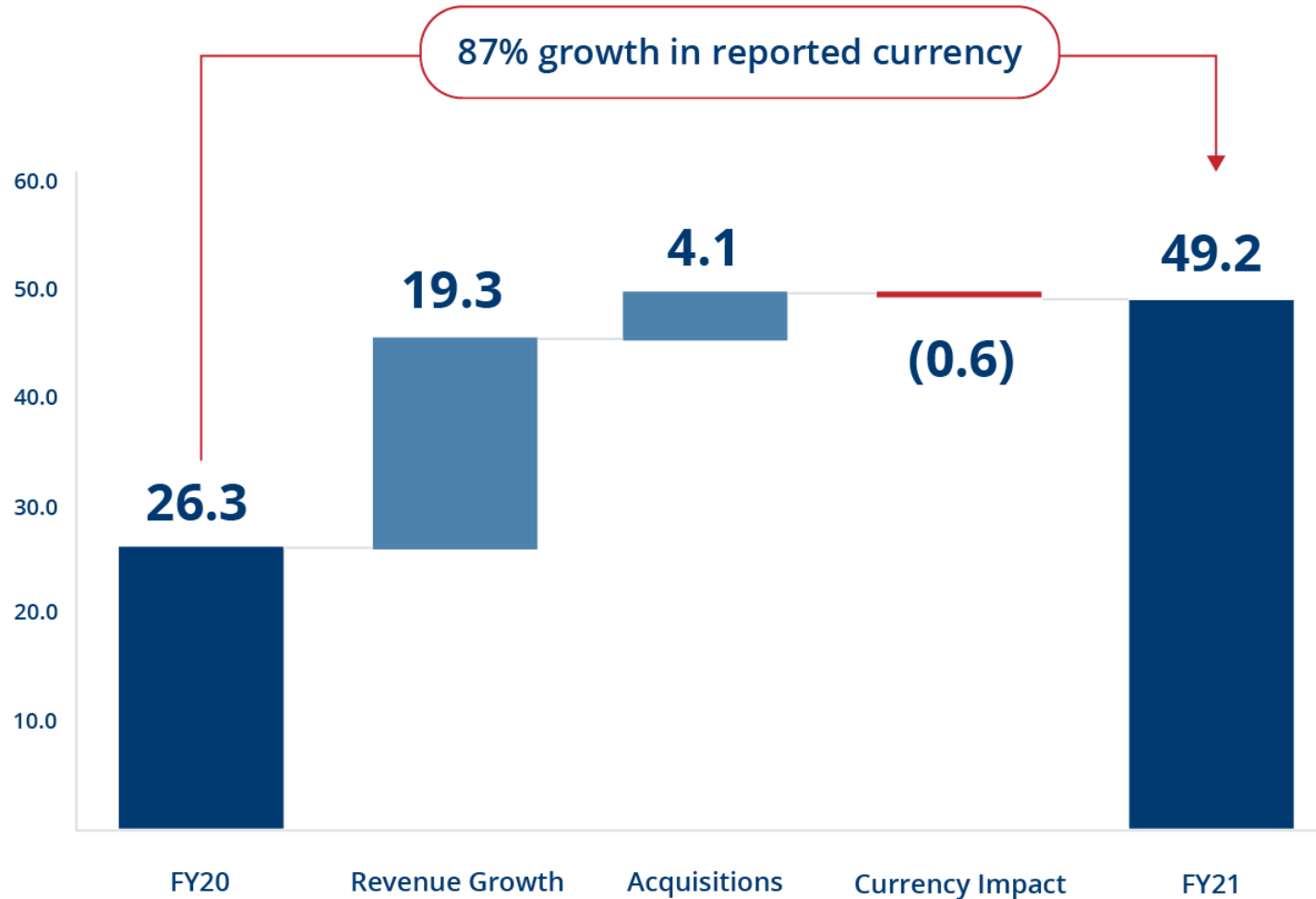
Customer mix analysis



- Continued diversification of customer base
- 95%+ strategic customer retention

FY21 Revenue growth

Revenue (A\$m)



- Revenue growth includes organic growth of 25% (constant currency), plus acquisitions plus 12 months of ACS (compared to 2 months in FY20)
- Acquisitions includes 6 months of CaptionAccess & Caption IT, and 2 months of EEG
- Appreciation of AUD against USD, GBP and SGD had negative impact on total revenue. USD/AUD (largest contributor) average exchange rate was ~0.67 in FY20 vs 0.75 in FY21

Revenue - includes other revenue per the financial report

Profit and Loss – exceeds Prospectus forecast

	FY21 \$m	Acquisitions (EEG 2 months) \$m	Acquisitions (CIT & CA 6 months) \$m	One-off adjustments \$m	FY21 Normalised \$m	FY21 Prospectus Forecast \$m	Variance \$m
Revenue	48.7	2.2	1.9		44.6	43.8	0.8
Other revenue	0.5	0.1	0.0		0.5	0.1	0.4
Total Revenue	49.2	2.3	1.9		45.1	43.9	1.2
Total expenses	(57.9)	(1.4)	(1.5)	(5.6)	(49.5)	(48.6)	(0.9)
EBITDA	(8.7)	0.9	0.4		(4.4)	(4.8)	0.4

- Ai-Media exceeded prospectus forecast on revenue and EBITDA, by \$1.2m and \$0.4m respectively, as normalised for acquisitions
- Additionally, 3 acquisitions added a further ~\$4.1m in Revenue and \$1.3m in EBITDA in FY21 in part-year contributions
- One-off expenses of \$5.6m include \$3.1m IPO costs, \$2.2m acquisition costs and \$0.4m restructuring costs

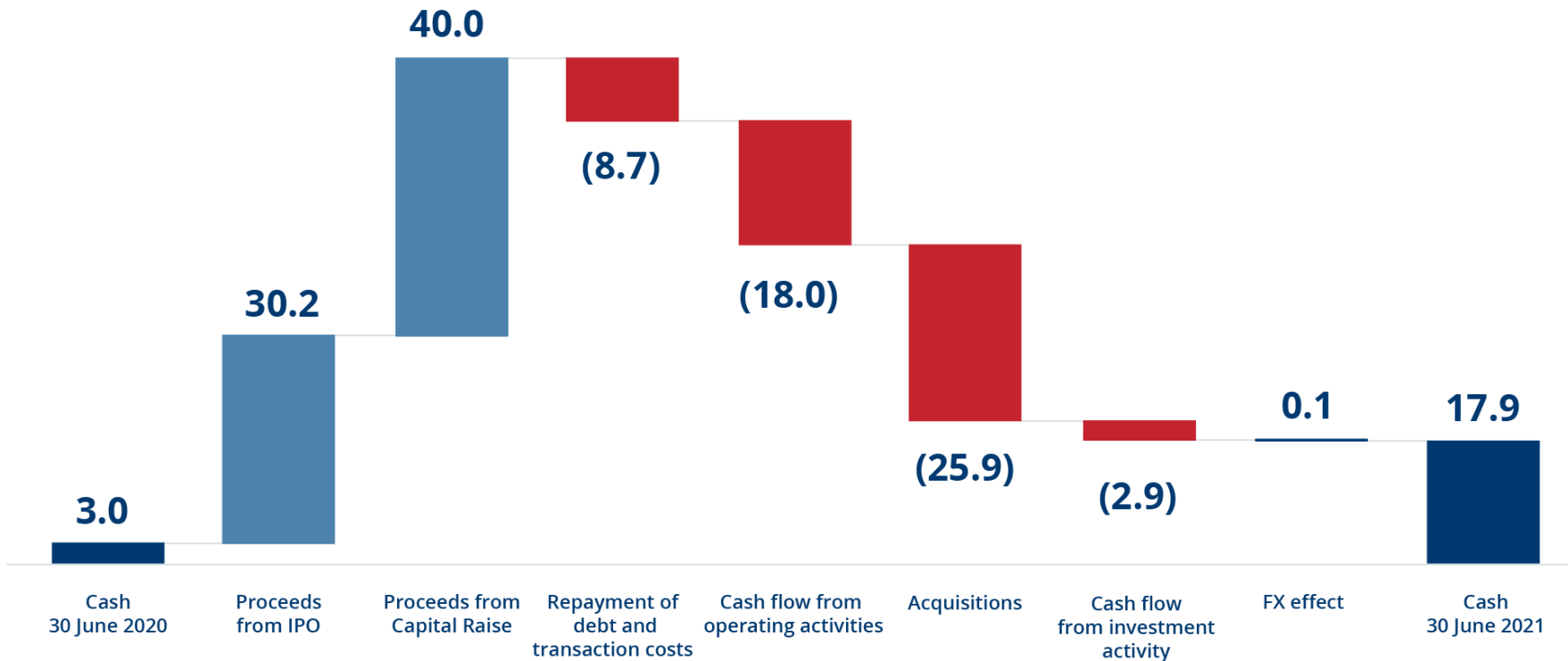
Balance sheet

	30-Jun-21	30-Jun-20	Var
	\$'m	\$'m	\$m
Cash and cash equivalent	17.9	3.0	14.9
Trade receivables	12.2	5.4	6.8
Other current assets	1.8	1.4	0.4
Total current assets	31.8	9.8	22.0
Property, plant and equipment	4.1	1.1	3.0
Intangibles	54.2	11.2	43.0
Other non-current assets	7.6	4.5	3.1
Total non-current assets	65.9	16.8	49.1
Total assets	97.7	26.6	71.2
Trade payables	1.1	1.6	(0.5)
Borrowings	0.9	16.9	(16.1)
Cash-settled share-based payments	-	3.0	(3.0)
Other current liabilities	9.7	11.6	(1.9)
Total current liabilities	11.7	33.1	(21.5)
Borrowings	0.3	1.5	(1.2)
Other non-current liabilities	6.8	0.7	6.1
Total non-current liabilities	7.1	2.2	4.8
Total liabilities	18.7	35.4	(16.6)
Net (liabilities)/assets	79.0	(8.8)	87.8
Equity	79.0	(8.8)	87.8

Comments:

- \$17.9m in cash and no company debt
 - strong capacity to fund future growth opportunities
 - includes \$5.3m for EEG earnout payment in August 2022
 - +\$5.0m operating cashflow in Q4 FY21
- Net current assets of \$20.1m at June 2021 up from deficiency of \$23.3m at June 2020
- Growth in trade receivables driven by increase in sales and consolidation of the 3 acquisitions in FY21
- Increase in PPE and intangibles as a result of the 3 acquisitions in FY21
 - Intangibles includes goodwill \$37m and other separately identifiable intangibles from the Purchase Price allocation done

FY21 Cash Flow



Comments:

1. Company achieved positive operating cash flow in Q4 FY21 and expects this trend to continue in FY22 and beyond
2. Cash outflows for the period included:
 - IPO related payments including ACS vendor loan and payments to close out Ai-Media's prior employee share schemes and associated tax payments
 - EEG payments to vendors and associated costs
3. Cash inflows from financing activity included:
 - Inflows from IPO
 - Inflows from capital raise for EEG acquisition



Outlook

Ai-Media's competitive advantages

- ✓ Fast, high-quality accurate and secure captioning and translation services with leading live capabilities, global reach, proprietary and leading technology, improving the accessibility of global content

PROPRIETARY TECHNOLOGY



- ✓ Proprietary technology delivering high quality and secure captioning with minimal lag
- ✓ Using industry standard speech recognition software combined with proprietary artificial intelligence & machine learning ensures Ai-Media's accuracy is ahead of regulatory standards

SECURITY



- ✓ Data protection processes in place to support each customer's compliance with local and international privacy laws and regulations

INTEGRATED SYSTEMS



- ✓ Custom, flexible, integrated systems for optimizing and automating end-to-end service delivery
- ✓ Consistent delivery of industry leading quality and accuracy greater than 99% as demonstrated through broadcaster annual audits

MULTILINGUAL



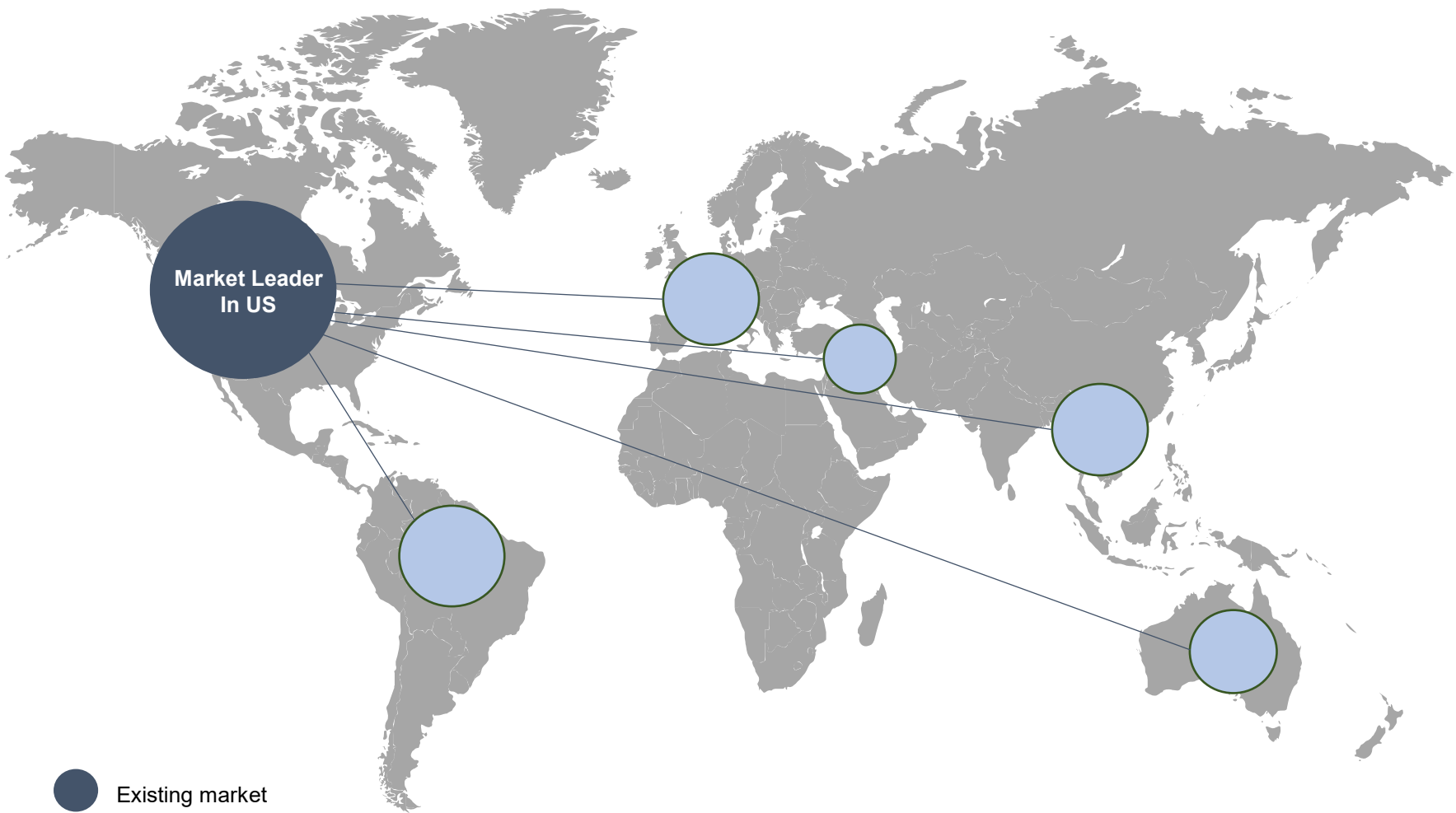
- ✓ Ability to provide live subtitles into over 120 languages with market leading accuracy and minimal lag
- ✓ Creating local content that can be distributed globally

GLOBAL FOOTPRINT



- ✓ Products across broad spectrum
- ✓ A global mindset with local presence in geographical locations across the APAC, EMEA and North America
- ✓ Delivery of uninterrupted 24/7 production and support

Taking Ai-Media's EEG product suite global



EEG is a dominant player in US live captioning market working with blue chip clients in broadcast, enterprise and government space



Significant opportunity to grow SaaS products in new markets



State-of-the-art technology and extensive Ai-Media network of clients will drive the business in FY22

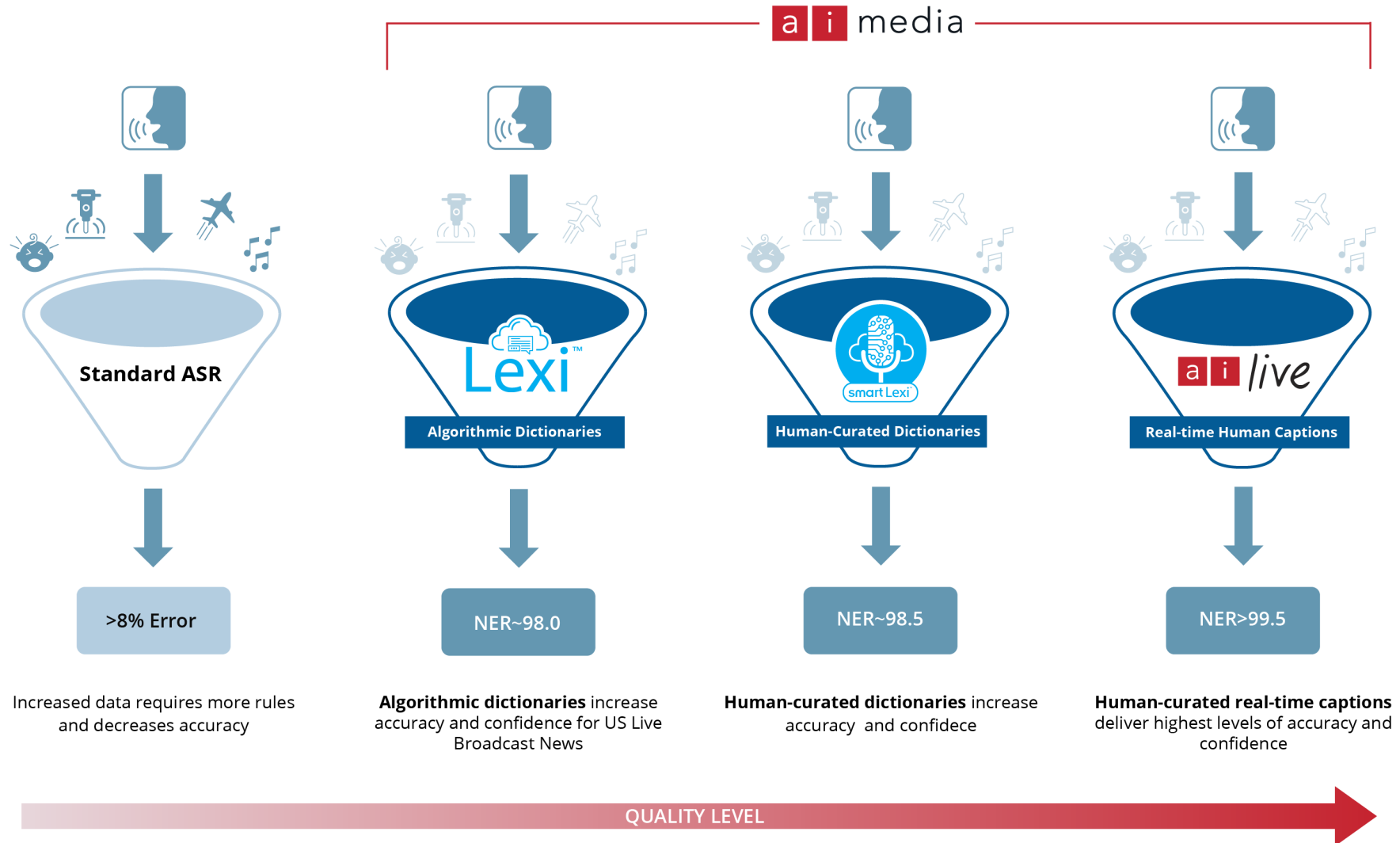


Existing market



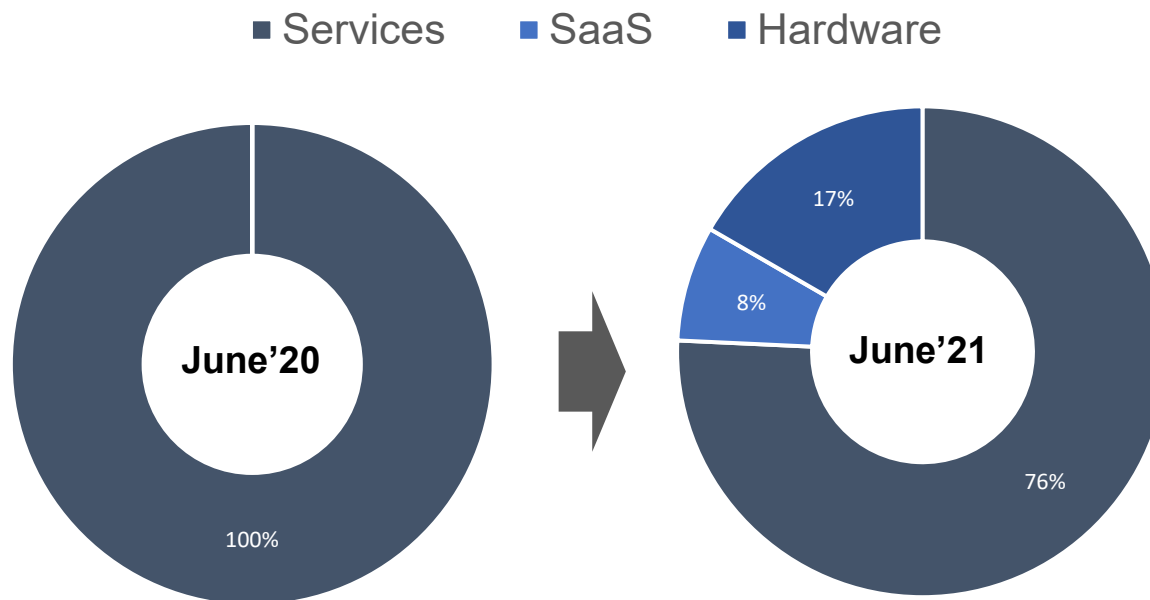
Untapped market/ partially serviced by small independent operations

Increasing share of SaaS revenue from Lexi and Smart Lexi



NER: International standard for measuring captioning quality

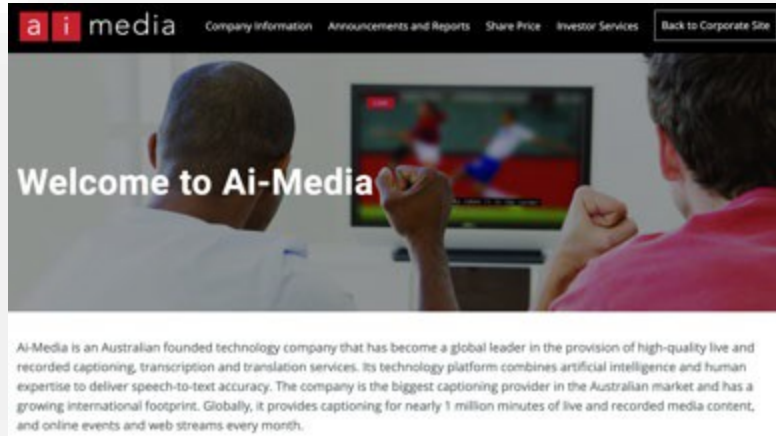
Ai-Media is aiming to increase SaaS revenue



- Services revenue share is projected <50% by the end of FY23
- Increasing share of SaaS revenue in sales mix driven by commercial rollout globally of new product lines
- Services revenue FY21 Margin >40%
SaaS revenue FY21 Margin >75%
Hardware revenue FY21 Margin >70%

- 1 Large and growing market supported by regulatory and commercial tailwinds
- 2 Established global presence with local sales teams, led by experienced board and founder
- 3 Industry leading platform providing a scalable business model
- 4 Large and increasingly diverse customer base with repeating revenue
- 5 Strong revenue growth, growing margins and EBITDA
- 6 Transformative SaaS product suite and one-stop shop driving growth at higher margins in FY22
- 7 Cash flow positive and well positioned for growth

For further information



Visit our investor relations website:

<https://investorrelations.ai-media.tv/Investor-Centre/>

Investors:

Sue Sanossian

Company Secretary

+61 2 8870 7711

investorrelations@ai-media.tv