

## ASX ANNOUNCEMENT

### **Ai-Media achieves 38.6% revenue growth in FY20**

**Sydney, Australia, 30th September 2020:** Access Innovation Holdings Limited (**Ai-Media** or **Company**) (**ASX: AIM**), a global provider of technology-driven live and recorded captioning, transcription and translation services, today releases its audited Annual Report for the 12 months to 30 June 2020 (**FY20**). The audit was completed after the finalisation of the Company's Initial Public Offering Prospectus dated 10 August 2020 (**the Prospectus**), which contained forecast numbers for FY20.

Ai-Media reported total statutory revenue of \$25.4 million for the 12-month period, up 38.6 per cent on FY19. FY20 statutory Services revenue was \$0.8 million ahead of Prospectus forecast, due to outperformance in North America and Asia.

On a pro forma<sup>1</sup> basis, Services revenue was up 18.2 per cent compared to pro forma FY19 reflecting growth across the business globally, particularly in North America and Asia.

The Company delivered a statutory gross profit in FY20 of \$11.8 million with a statutory EBITDA loss of \$10.0 million – both slightly better than Prospectus forecasts. Ai-Media reported a statutory net loss after tax of \$12.7 million for the period, in line with Prospectus forecasts.

Tony Abrahams, Ai-Media Co-founder and Chief Executive Officer, said: "We had a very strong finish to FY20 – particularly in our North American and Asian growth markets. The additional growth was driven by an increase in Zoom captioning in North America, and more multilingual recorded work from over-the-top broadcasters in Asia.

"We have continued to see strong demand for captioning services during the early part of FY21, with an accelerated shift towards virtual events and education associated with COVID-19 restrictions underpinning our revenue growth in this financial year."

Additional commentary on the FY20 financial results is provided in the attached documents.

Authorised for release by the Ai-Media Board.

## Further Information

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<sup>1</sup> Pro forma reflects statutory financial information adjusted for transactions of the type set out in the Prospectus Section 4.5 and includes adjustments to reflect the financial contribution of Alternative Communication Services (ACS) should the acquisition have been completed on 1 July 2018. The actual date of the acquisition was 1 May 2020 and therefore the statutory results reflect a two-month contribution from ACS.

**About Ai-Media**

Founded in Australia in 2003, technology company Ai-Media has become a global leader in the provision of high-quality live and recorded captioning, transcription and translation services. Its technology platform combines artificial intelligence and human expertise to deliver speech-to-text accuracy. The company is the biggest captioning provider in the Australian market, with clients including major free-to-air and pay television networks, and has a growing international footprint, with offices in Australia, the US, UK, Canada and Singapore. Globally, it provides captioning for nearly 1 million minutes of live and recorded media content, and online events and web streams every month. Ai-Media (ASX:AIM) commenced trading on the ASX on 15 September 2020.

For more information on Ai-Media please visit <https://www.ai-media.tv/>

# **Access Innovation Holdings Limited - FY20 Results**

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This document contains summary information about Access Innovation Holdings Limited and its subsidiaries (collectively, the "Company") which is current as at 30 September 2020. This document and any oral presentation accompanying it has been prepared in good faith, however no express or implied representation or warranty is given as to the accuracy or completeness of the information in this document, in any accompanying presentation or in any other written or oral communication transmitted or made available to any investor or potential investor (collectively, the "Other Materials").

This document contains historical financial information based on the Company's results for the period ending 30 June 2020 (FY2020). This information is disclosed in the Company's Annual Report for FY2020, which was lodged with ASX on 30 September 2020 and is available on [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.ai-media.tv](http://www.ai-media.tv).

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All amounts disclosed in this document are presented in Australian dollars unless otherwise noted.



# Background

- Ai-Media (ASX: AIM) is a global provider of technology-driven live and recorded captioning, transcription and translation services
- On 10 August 2020 AIM released a Prospectus supporting its Initial Public Offering which led to the commencement of trading on the ASX on 15 September 2020
- The Prospectus contained forecast numbers for the year ended 30 June 2020 (FY20). The FY20 audit has now been completed and AIM is today releasing its audited FY20 results
- This presentation summarises the FY20 results and variations from the Prospectus

# Highlights

- AIM reported total statutory revenue of \$25.4 million for the 12-month period, up 38.6% on FY19
- Statutory Services revenue was \$0.8 million higher than Prospectus forecast due to overperformance in North America and Asia
- Pro forma FY20 Services revenue was 18.2% higher than pro forma FY19
- Pro forma FY20 total revenue was 21.6% higher than pro forma FY19

Note: Statutory P&L includes 12 months of Ai-Media and 2 months (May and June 2020) of ACS. Pro forma P&L includes 12 months of Ai-Media and 12 months of ACS results (FY20 pro forma P&L unaudited)

# Statutory P&L - FY19 v FY20

	FY19 Actual (\$m)	FY20 Actual (\$m)	Variance (\$m)	Variance (%)
Services revenue	18.3	25.4	7.1	38.6%
Other revenue	0.1	0.9	0.8	
<b>Total Revenue</b>	<b>18.4</b>	<b>26.3</b>	<b>7.9</b>	<b>42.9%</b>
Cost of sales	(9.4)	(14.6)	(5.2)	
<b>Gross profit</b>	<b>9.0</b>	<b>11.8</b>	<b>2.8</b>	<b>30.5%</b>
Operating expenses	(11.5)	(21.8)	(10.3)	-89.3%
<b>EBITDA</b>	<b>(2.5)</b>	<b>(10.0)</b>	<b>(7.5)</b>	<b>-301.6%</b>
Depreciation and amortisation	(1.8)	(2.3)	(0.5)	
<b>EBIT</b>	<b>(4.3)</b>	<b>(12.3)</b>	<b>(8.1)</b>	
Net interest expense	(0.3)	(3.8)	(3.5)	
<b>Profit/(loss) before tax</b>	<b>(4.5)</b>	<b>(16.1)</b>	<b>(11.6)</b>	
Income tax benefit / (expense)	0.7	3.4	2.8	
<b>Net profit/(loss) after tax</b>	<b>(3.9)</b>	<b>(12.7)</b>	<b>(8.8)</b>	
 <b>GP% (ex other income)</b>	 <b>48.7%</b>	 <b>42.7%</b>		

## Highlights:

- FY20 statutory Services revenue 38.6% higher than FY19
- Growth was achieved from Enterprise customers across all regions as well as over-the-top (OTT) broadcast customers in Asia

Note: Statutory P&L includes 12 months of Ai-Media and 2 months (May and June 2020) of ACS

# Pro Forma P&L – FY19 v FY20

	FY19 Actual (\$m)	FY20 Actual (\$m)	Variance (\$m)	Variance (%)
Services revenue	31.5	37.2	5.7	18.2%
Other revenue	0.1	1.2	1.1	
<b>Total Revenue</b>	<b>31.6</b>	<b>38.4</b>	<b>6.8</b>	<b>21.6%</b>
Cost of sales	(19.2)	(23.2)	(4.0)	
<b>Gross profit</b>	<b>12.4</b>	<b>15.2</b>	<b>2.8</b>	<b>22.8%</b>
Operating expenses	(15.1)	(23.9)	(8.8)	-58.2%
<b>EBITDA</b>	<b>(2.7)</b>	<b>(8.7)</b>	<b>(6.0)</b>	<b>-221.1%</b>
Depreciation and amortisation	(2.0)	(2.4)	(0.4)	
<b>EBIT</b>	<b>(4.6)</b>	<b>(11.1)</b>	<b>(6.5)</b>	
Net interest expense	(0.4)	(0.6)	(0.2)	
<b>Profit/(loss) before tax</b>	<b>(5.0)</b>	<b>(11.6)</b>	<b>(6.6)</b>	
Income tax benefit / (expense)	1.4	2.7	1.3	
<b>Net profit/(loss) after tax</b>	<b>(3.6)</b>	<b>(9.0)</b>	<b>(5.4)</b>	
 <b>GP% (ex other income)</b>	 <b>39.0%</b>	 <b>37.6%</b>		

## Highlights:

### Revenue:

- FY20 pro forma service revenue 18.2% higher than pro forma FY19 (see breakdown on following page)
- FY20 total revenue 21.6% higher than pro forma FY19 (due to the above and the increase in other income)

### Opex:

- Growth in opex as a result of international expansion
- Growth in employment expenses and other expenses (e.g. consultants)

Pro forma reflects statutory financial information adjusted for transactions of the type set out in the Prospectus Section 4.5 and includes adjustments to reflect the financial contribution of Alternative Communication Services (ACS) should the acquisition have been completed on 1 July 2018. The actual date of the acquisition was 1 May 2020 and therefore the statutory results reflect a two-month contribution from ACS.

Note: FY20 pro forma P&L unaudited



# Pro Forma Segment Revenue – FY19 v FY20

Segment Revenue	Pro Forma Revenue			
	Actual FY19	Actual FY20	Variance (\$m)	Variance (%)
ANZ	16.1	17.2	1.1	6.7%
North America	13.9	16.6	2.7	19.7%
ROW	1.4	3.3	1.9	133.5%
Total	31.5	37.2	5.7	18.2%

- Strong growth across all markets
- Acceleration of Zoom captioning globally and more multilingual recorded work from over-the-top broadcasters in Asia
- Rest of World (ROW) includes EMEA and Asia

Pro forma reflects statutory financial information adjusted for transactions of the type set out in the Prospectus Section 4.5 and includes adjustments to reflect the financial contribution of Alternative Communication Services (ACS) should the acquisition have been completed on 1 July 2018. The actual date of the acquisition was 1 May 2020 and therefore the statutory results reflect a two-month contribution from ACS.

Note: FY20 pro forma P&L unaudited

# Statutory P&L – FY20 Actual v Prospectus Forecast

	Prospectus (\$m)	Actual (\$m)	Variance (\$m)	Variance (%)
Services revenue	24.6	25.4	0.8	3.1%
Other revenue	0.9	0.9	0.0	
<b>Total Revenue</b>	<b>25.6</b>	<b>26.3</b>	<b>0.8</b>	<b>3.0%</b>
Cost of sales	(14.0)	(14.6)	(0.6)	
<b>Gross profit</b>	<b>11.5</b>	<b>11.8</b>	<b>0.2</b>	<b>2.0%</b>
Operating expenses	(21.8)	(21.8)	(0.0)	0.1%
<b>EBITDA</b>	<b>(10.3)</b>	<b>(10.0)</b>	<b>0.2</b>	<b>2.0%</b>
Depreciation and amortisation	(2.3)	(2.3)	(0.0)	
<b>EBIT</b>	<b>(12.5)</b>	<b>(12.3)</b>	<b>0.2</b>	
Net interest expense	(3.6)	(3.8)	(0.2)	
<b>Profit/(loss) before tax</b>	<b>(16.1)</b>	<b>(16.1)</b>	<b>0.0</b>	
Income tax benefit / (expense)	3.3	3.4	0.1	
<b>Net profit/(loss) after tax</b>	<b>(12.8)</b>	<b>(12.7)</b>	<b>0.1</b>	
 <b>GP% (ex other income)</b>	 <b>43.1%</b>	 <b>42.7%</b>		
 <b>Statutory EBITDA</b>		<b>(\$m)</b> <b>(10.0)</b>		
IPO costs		0.4		
Acquisition Costs		0.8		
Restructuring costs		0.2		
<b>Normalised EBITDA</b>		<b>(8.6)</b>		

## Highlights:

- Actual Services revenue for FY20 was \$0.8 million higher than Prospectus forecast – higher revenue from North America and Asia
- Gross profit up due to higher sales
- Opex in line with forecast
- EBITDA marginally higher than forecast
- Minor differences in net interest expense and income tax benefit, resulted in NPAT being in line with Prospectus forecast

## Normalised EBITDA:

- Statutory EBITDA impacted by one-off costs associated with:
  - the Company's IPO
  - ACS acquisition costs
  - restructuring costs
- Normalised EBITDA includes significant investments in the establishment of international operations

Note: Statutory P&L includes 12 months of Ai-Media and 2 months (May and June 2020) of ACS

## Key Operating Metrics – FY19 v FY20

	Pro Forma FY19	Pro Forma FY20F	Pro Forma FY20A
<b>Key operating metrics</b>			
Total captioned minutes (millions)	9.1	11.2	10.8
Total captioned minutes (% increase YoY)	12.7%	23.2%	19.1%
Services revenue / captioned minute (\$/min)	3.46	3.26	3.43
Cost / captioned minute (\$/min)	2.11	2.01	2.14
Margin per minute (\$/min)	1.35	1.26	1.29
Total Headcount (period end)	122	162	162

- The group delivered a 19.1% increase in minutes in FY20, which is faster growth than the growth achieved in FY19 of 12.7%. FY20 minutes growth was achieved while maintaining services revenue / minute of \$3.43, being broadly in line with FY19
- While fewer captioned minutes than forecast were delivered, the product mix was skewed towards higher-quality minutes, resulting in a net increase in revenue, cost/minute and lower growth in captioned minutes
- Actual headcount as at June 2020 was in line with the Prospectus forecast

Note: FY20A pro forma metrics unaudited