

ASX ANNOUNCEMENT

28 July 2022

Ai-Media delivers FY22 unaudited revenue of \$59.8m and positive cashflow after successful first year of EEG acquisition

Melbourne, Australia, 28 July 2022: Ai-Media Technologies Limited (**Ai-Media** or **Company**) (**ASX: AIM**), a global provider of technology-driven captioning, transcription and translation services, is pleased to provide the following highlights on its business activities and financial performance for the quarter ended 30 June 2022.

Highlights

- **FY22 unaudited revenue of \$59.8 million, compared to guidance range of \$60-\$62 million and up 22% on FY21**
- **Q4 FY22 revenue of \$15.7 million showing QoQ growth of 7.5% on Q3 FY22 revenue of \$14.6 million**
- **EEG delivered record revenue growth exceeding 40% YoY**
- **Cashflow from operating activities of \$1.1 million for Q4 FY22 and \$3.5 million for the full year FY22**
- **Strong cash balance at 30 June 2022 of \$15.2 million, compared to \$14.3 million in Q3 FY22**
- **Increased adoption of automated SaaS products Lexi and Smart Lexi with volumes up 155% on pcq and 19% on Q3 FY22**
- **Continued growth in iCap platform minutes, with volumes up 33% on pcq and 5% on Q3 FY22**

Ai-Media Co-Founder and CEO Tony Abrahams said:

“FY22 was a record year for Ai-Media in terms of revenue, volume and customers. We are particularly delighted with the successful first year of operations of our transformative EEG acquisition, which delivered breakout sales growth of over 40% and is driving adoption of our SaaS product suite.

“Ai-Media’s market-leading technology platform combined with tailwinds from the accelerated use of video and live streaming worldwide and our strong cash position mean we are well placed to continue our growth and transformation trajectory in FY23. Our cash position is further enhanced with the deferral of the EEG earn-out payment to FY24.”

Product suite update

Lexi and Smart Lexi

Adoption of Lexi and Smart Lexi continues to accelerate with volumes up 155% on the pcq and 19% quarter on quarter. This acceleration in SaaS revenue is driven by increasing customer confidence in the performance of Lexi and Smart Lexi and reflects increasing sales and marketing investments made since the start of 2022.

iCap

The iCap platform minutes continued to grow, with volumes up 33% on the pcq and up 5% on Q3 FY22. The growth in iCap in Q4 came mainly from new customers in EMEA and APAC who recognise the leading functionality of this secure private network providing connectivity, interoperability, and information security for the long term.

Multilingual offerings

Ai-Media continues to enhance its multilingual offerings, with the share of revenue derived from multilingual sales growing especially strongly in the EMEA region.

EEG acquisition update

During its first year of operations as part of Ai-Media, EEG delivered strong sales growth of more than 40% on the pcp, driven by Ai-Media's global sales and marketing teams. The sales strategy focussed on SaaS products Lexi and Smart Lexi, Alta and Falcon, and the iCap Encode product suite of devices. This early sales momentum validates the strategic rationale of the EEG acquisition.

Further, this strong sales growth resulted in the EEG vendor earning the maximum earn-out entitlement of \$US4.6 million which will be deferred by 12 months, at 8% simple interest, implying US\$4.97 million payable in September 2023. This capital is being retained in the business to consider near-term opportunities.

Financial and operational performance

Ai-Media delivered FY22 unaudited revenue of \$59.8 million, up 22% on FY21 on a statutory basis.

Cash receipts from customers were \$15.9 million in Q4 with a full-year total of \$63.6 million for FY22.

Q4 FY22 Revenue of \$15.7 million is up 7.5% on Q3 FY22 revenue of \$14.6 million, with SaaS products driving the growth.

Gross margins exceeded 50% for FY22 (pcp 42%) enhanced by the growth in the proportion of SaaS products and automation improvements across the legacy Services business.

Ai-Media operating cashflow for the June quarter at \$1.1 million is up \$1.0 million on the March quarter, driven by the operating performance and improvements in working capital. Full year operating cashflow was \$3.5 million.

Cash balance at 30 June 2022 of \$15.2 million, which is an increase of \$0.9 million on Q3 FY22 after payments of approximately \$0.2 million (total of \$1.2 million for FY22) for the share buy-back program.

On Market Buy-Back

From the commencement of the share buy-back in November 2021 to June 2022, 2 million shares were purchased which successfully completed the anticipated number of shares to be purchased part of the program. The total consideration paid was \$1,164,005 averaging \$0.58 per share (\$216,315 consideration for Q4 FY22, averaging \$0.40 per share).

FY22 Investor Webinar

Ai-Media will be hosting a webinar for the presentation of its full-year FY22 results which will be released on 30 August 2022. Click the below link to register:

Date/Time **Tuesday 30 August 2022 at 11:00am (AEST)**
Presenters Tony Abrahams, Co-Founder and CEO and John Bird, CFO
Link: https://us02web.zoom.us/webinar/register/WN_D_x3GXtpThuN82Msv8FZog

Participants are invited to submit questions to maude@nwrcommunications.com.au prior to the webinar or submit questions via the Q&A function within Zoom during the live webinar. A recording of the webinar will be available on the Company's website after the event.

ENDS

Authorised for release by the Ai-Media Board.

Further Information

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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 in three price points: automated (Lexi), semi-automated (Smart Lexi), and premium (Ai-Live). 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 and Canada. Globally, Ai-Media technology delivers 7 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/>.

Note Regarding Unaudited Results

The financial information in this activities report for the FY22 financial year is preliminary only. Ai-Media expects to release its full FY22 financial results on 30 August 2022. Accordingly, the FY22 financial information contained in this document is unaudited and the audit will not be completed until immediately prior to the release of the Company's FY22 financial statements. Whilst Ai-Media has taken care to have a high degree of confidence that the FY22 financial information in this document would not materially differ from the audited information in the FY22 financial statements, there is a risk that these numbers will differ as a result of the finalisation of the FY22 audit.

Legal Notices

This announcement may include forward-looking statements that relate to anticipated future events, financial performance, plans, strategies or business developments. Forward-looking statements 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 involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based on the Company's good-faith assumptions as to the financial, market, regulatory and other considerations that exist and affect the Company's business and operations in the future and there can be no assurance that any of 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 many events are beyond the reasonable control of the Company. Ai-Media's actual results, performance or achievements may be materially different from those which may be expressed or implied by such statements, and the differences may be adverse. Accordingly, you should not place undue reliance on these forward-looking statements. Any forward-looking statements in this announcement are only made as at the date of this announcement and, to the maximum extent permitted by law, Ai-Media disclaims any obligation or undertaking to update or revise any forward-looking statements or to advise of any change in assumptions on which any such statement is based.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Ai-Media Technologies Limited

ABN

12 122 058 708

Quarter ended (current quarter)

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15,888	63,591
1.2 Payments for		
(a) research and development	(0)	(515)
(b) product manufacturing and operating costs	(7,046)	(33,695)
(c) advertising and marketing	(741)	(1,451)
(d) leased assets	(276)	(529)
(e) staff costs	(6,032)	(21,816)
(f) administration and corporate costs	(477)	(1,595)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	(170)	(367)
1.6 Income taxes paid	-	(89)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,147	3,541

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	(1,845)
	(c) property, plant and equipment	(92)	(525)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(372)	(2,026)
	(g) distributions of equity related entitlements	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(465)	(4,397)

3.	Cash flows from financing activities		
3.1	Cash used in current shares buyback	(225)	(1,164)
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(60)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(304)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other including AASB16 lease liabilities *	(127)	(789)
3.10	Net cash from / (used in) financing activities	(364)	(2,316)

*Note: for the year-to-date lease liabilities, excepting the current period, these have been reallocated from operating expenses.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,326	17,844
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,147	3,541
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(465)	(4,397)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(364)	(2,316)
4.5	Effect of movement in exchange rates on cash held	541	512
4.6	Cash and cash equivalents at end of period	15,184	15,184

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,184	14,326
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,184	14,326

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	223
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

6.1	Included in section 6.1 are payments made to related parties of Ai-Media. These amounts primarily relate to executive and non-executive directors in payment of their directors' fees, salaries and benefits
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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end	-	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Facility	Facility limit \$A'000	Amount drawn \$A'000
	Interest rate	Secured	

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,147
8.2	Cash and cash equivalents at quarter end (item 4.6)	15,184
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	15,184
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1) <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	N/A
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

27 July 2022

Date:

The board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.