

1. Company details

Name of entity:	Ai-Media Technologies Limited
ABN:	12 122 058 708
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	10.1% to	32,726,807
Profit before interest, tax, depreciation and amortisation (EBITDA)	up	38.9% to	1,877,130
Loss from ordinary activities after tax attributable to the owners of Ai-Media Technologies Limited	up	8.1% to	(1,209,367)
Loss for the half-year attributable to the owners of Ai-Media Technologies Limited	up	8.1% to	(1,209,367)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

Revenue for the period was \$32,726,807, up 10.1% from the prior half-year (31 December 2022: \$29,724,856). Revenue share of technology sales (including hardware and SaaS) increased to 48% of total revenue, compared to 38% in the prior half-year.

EBITDA for the Group was a profit of \$1,877,130 up 38.9% from the prior half-year (31 December 2022: profit of \$1,351,445). EBITDA growth was driven by increase in higher margin technology sales.

EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents the profit under AASBs adjusted for specific items. The directors consider EBITDA to be one of the key financial measures of the Group.

The loss for the Group after providing for income tax amounted to \$1,209,367 an increase of 8.1% from last half-year (31 December 2022: loss of \$1,119,164).

Refer to the attached Directors' report section for further explanation.

The following table summarises key reconciling items between statutory loss after income tax and EBITDA:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue	32,726,807	29,724,856
Less: Direct employee costs	(9,569,247)	(10,122,668)
Less: Other direct costs including inventory expenses	(2,672,248)	(1,881,070)
Gross Profit*	20,485,312	17,721,118
Add: Other revenue	-	456,810
Less: Indirect costs or overheads	(21,014,988)	(19,600,439)
Less: Income tax	(679,691)	303,347
Loss after income tax expense/benefit	(1,209,367)	(1,119,164)
Add: Finance costs	295,659	380,098
Less: Income tax expense/(benefit)	679,691	(303,347)
Less: Interest income	(128,656)	(10,557)
Earnings before interest and tax (EBIT)	(362,673)	(1,052,970)
Add: Depreciation and amortisation	2,239,803	2,404,415
EBITDA	<u>1,877,130</u>	<u>1,351,445</u>

* Not all allocation of indirect costs or overheads to direct employee costs and other direct costs.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>8.58</u>	<u>9.06</u>

The net tangible assets calculation includes rights-of-use assets of \$653,008 (31 Dec 2022: \$498,571) and the corresponding lease liabilities of \$701,496 (31 Dec 2022: \$442,007).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Ai-Media Technologies Limited for the half-year ended 31 December 2023 is attached.

12. Signed

As authorised by the Board of Directors.

Signed  _____

Date: 26 February 2024

Anthony Abrahams
Director and Chief Executive Officer

Ai-Media Technologies Limited

ABN 12 122 058 708

Interim Report - 31 December 2023

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Ai-Media Technologies Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Ai-Media Technologies Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Deanne Weir
Anthony Abrahams
John Martin
Alison Loat
Cheryl Hayman

Principal activities

Ai-Media Technologies Limited (Ai-Media or Company) (ASX: AIM), is a global provider of technology-driven captioning, transcription and translation services.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,209,367 (31 December 2022: \$1,119,164).

A summary of the results for the half-year is as follows:

	31 Dec 2023	31 Dec 2022	Change	Change
	\$	\$	\$	%
Revenue from operating activities	32,726,807	29,724,856	3,001,951	10.1%
Profit before interest, taxation, depreciation and amortisation (EBITDA)	1,877,130	1,351,445	525,685	38.9%
Profit/(loss) after tax from ordinary activities	(1,209,367)	(1,119,164)	(90,203)	8.1%

EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents the profit under AASBs adjusted for specific items. The directors consider EBITDA to be one of the key financial measures of the Group.

The strong growth in technology sales and the ongoing transition from human based services has led to material EBITDA growth. The improved accuracy of LEXI has seen the successful transition of customers. This is particularly evident in the Broadcast sector where the adoption of LEXI has accelerated. The Group continues to grow its market share in this area and anticipates this will continue in current and new markets.

As at 31 December 2023, the consolidated statement of financial position reflects a net asset position of \$73,919,416 (30 June 2023: \$77,122,909). The EBITDA growth along with a strong balance sheet with minimal debt and a solid cash balance provides the Group the flexibility to execute on strategic initiatives.

The directors have assessed that based on the Group's position it is appropriate to prepare the financial report on a going concern basis. For further information, refer to note 2.

The following table summarises key reconciling items between statutory loss after income tax and EBITDA:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue	32,726,807	29,724,856
Less: Direct employee costs	(9,569,247)	(10,122,668)
Less: Other direct costs including inventory expenses	(2,672,248)	(1,881,070)
Gross Profit*	20,485,312	17,721,118
Add: Other revenue	-	456,810
Less: Indirect costs or overheads	(21,014,988)	(19,600,439)
Less: Income tax	(679,691)	303,347
Loss after income tax expense/benefit	(1,209,367)	(1,119,164)
Add: Finance costs	295,659	380,098
Less: Income tax expense/(benefit)	679,691	(303,347)
Less: Interest income	(128,656)	(10,557)
Earnings before interest and tax (EBIT)	(362,673)	(1,052,970)
Add: Depreciation and amortisation	2,239,803	2,404,415
EBITDA	<u>1,877,130</u>	<u>1,351,445</u>

* Not all allocation of indirect costs or overheads to direct employee costs and other direct costs.

EBITDA for the Group was a profit of \$1,877,130 up 38.9% from the prior half-year (31 December 2022: profit of \$1,351,445). EBITDA growth was driven by increase in higher margin technology sales.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Anthony Abrahams
 Director and Chief Executive Officer

26 February 2024

26 February 2024

The Board of Directors
Ai-Media Technologies Limited
Level 1, 103 Miller Street
North Sydney, NSW 2060

Dear Board Members

Auditor's Independence Declaration to Ai-Media Technologies Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ai-Media Technologies Limited and its subsidiaries.

As lead audit partner for the review of the financial statements of Ai-Media Technologies Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Harsh Shah
Partner
Chartered Accountants

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue	4	32,726,807	29,724,856
Other income		-	456,810
Interest revenue calculated using the effective interest method		128,656	10,557
Expenses			
Cost of inventories consumed		(998,600)	(710,707)
Employee benefits expense		(21,166,365)	(19,225,295)
Outsourcing and contractor expenses		(2,257,936)	(2,452,216)
Information technology related expenses		(2,580,990)	(2,314,691)
Depreciation and amortisation expense	5	(2,239,803)	(2,404,415)
Professional and consulting expenses		(1,843,259)	(1,917,407)
Business development expenses		(490,678)	(651,149)
Occupancy expenses		(314,435)	(373,753)
Impairment/recovery of receivables		(35,645)	81,809
Other expenses		(1,161,769)	(1,266,812)
Finance costs	5	(295,659)	(380,098)
Loss before income tax (expense)/benefit		(529,676)	(1,422,511)
Income tax (expense)/benefit		(679,691)	303,347
Loss after income tax (expense)/benefit for the half-year attributable to the owners of Ai-Media Technologies Limited		(1,209,367)	(1,119,164)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,993,560)	780,150
Other comprehensive income for the half-year, net of tax		(1,993,560)	780,150
Total comprehensive income for the half-year attributable to the owners of Ai-Media Technologies Limited		(3,202,927)	(339,014)
		Cents	Cents
Basic earnings per share	13	(0.58)	(0.54)
Diluted earnings per share	13	(0.58)	(0.54)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		11,667,615	16,982,857
Trade and other receivables	6	9,471,578	11,951,203
Contract assets		738,159	504,250
Inventories		1,679,413	892,246
Term deposits		165,623	165,623
Income tax receivable		-	466,091
Total current assets		<u>23,722,388</u>	<u>30,962,270</u>
Non-current assets			
Property, plant and equipment		4,032,702	4,209,116
Right-of-use assets		653,008	318,220
Intangibles	7	56,009,922	59,278,446
Deferred tax assets		5,804,309	6,029,335
Total non-current assets		<u>66,499,941</u>	<u>69,835,117</u>
Total assets		<u>90,222,329</u>	<u>100,797,387</u>
Liabilities			
Current liabilities			
Trade and other payables		6,458,963	6,207,504
Contract liabilities		4,004,629	3,916,839
Lease liabilities		303,521	193,114
Income tax		206,279	82,500
Provisions	8	2,520,313	10,166,786
Total current liabilities		<u>13,493,705</u>	<u>20,566,743</u>
Non-current liabilities			
Lease liabilities		397,975	152,599
Deferred tax		2,226,015	2,564,558
Provisions	8	185,218	390,578
Total non-current liabilities		<u>2,809,208</u>	<u>3,107,735</u>
Total liabilities		<u>16,302,913</u>	<u>23,674,478</u>
Net assets		<u>73,919,416</u>	<u>77,122,909</u>
Equity			
Issued capital	9	110,247,853	110,098,328
Reserves	10	7,101,316	9,244,967
Accumulated losses		<u>(43,429,753)</u>	<u>(42,220,386)</u>
Total equity		<u>73,919,416</u>	<u>77,122,909</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	109,968,446	7,195,693	(38,203,322)	78,960,817
Loss after income tax benefit for the half-year	-	-	(1,119,164)	(1,119,164)
Other comprehensive income for the half-year, net of tax	-	780,150	-	780,150
Total comprehensive income for the half-year	-	780,150	(1,119,164)	(339,014)
<i>Transactions with owners in their capacity as owners:</i>				
Conversion of Restricted Share Units	129,882	(129,882)	-	-
Balance at 31 December 2022	<u>110,098,328</u>	<u>7,845,961</u>	<u>(39,322,486)</u>	<u>78,621,803</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	110,098,328	9,244,967	(42,220,386)	77,122,909
Loss after income tax expense for the half-year	-	-	(1,209,367)	(1,209,367)
Other comprehensive income for the half-year, net of tax	-	(1,993,560)	-	(1,993,560)
Total comprehensive income for the half-year	-	(1,993,560)	(1,209,367)	(3,202,927)
<i>Transactions with owners in their capacity as owners:</i>				
Conversion of Restricted Share Units (note 9), (note 10)	149,525	(150,091)	-	(566)
Balance at 31 December 2023	<u>110,247,853</u>	<u>7,101,316</u>	<u>(43,429,753)</u>	<u>73,919,416</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	38,537,668	33,879,994
Payments to suppliers and employees (inclusive of GST)	(34,530,780)	(32,730,872)
Net cash from operating activities (inclusive of GST) before interest and income taxes payments	4,006,888	1,149,122
Interest received	128,656	10,557
Interest and other finance costs paid	(286,641)	(215,835)
Income taxes paid	(187,746)	(377,688)
Net cash from operating activities	<u>3,661,157</u>	<u>566,156</u>
Cash flows from investing activities		
Payment relating to acquisitions	(8,129,670)	(367,647)
Payments for property, plant and equipment	(323,865)	(180,662)
Payments for intangibles	(248,587)	(443,359)
Net cash used in investing activities	<u>(8,702,122)</u>	<u>(991,668)</u>
Cash flows from financing activities		
Repayment of lease liabilities	(99,532)	(282,517)
Net cash used in financing activities	<u>(99,532)</u>	<u>(282,517)</u>
Net decrease in cash and cash equivalents	(5,140,497)	(708,029)
Cash and cash equivalents at the beginning of the financial half-year	16,982,857	15,184,270
Effects of exchange rate changes on cash and cash equivalents	(174,745)	99,632
Cash and cash equivalents at the end of the financial half-year	<u><u>11,667,615</u></u>	<u><u>14,575,873</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Ai-Media Technologies Limited as a group consisting of Ai-Media Technologies Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Ai-Media Technologies Limited's functional and presentation currency.

Ai-Media Technologies Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 20
15 William Street
Melbourne VIC 3000

Principal place of business

Level 1
103 Miller Street
North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2023 and are not expected to have significant impact for the full financial year ending 30 June 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and assumes the Group will have sufficient cash resources to pay their debts as and when they become due and payable for at least 12 months from the date of signing the financial statements.

The consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023 reflects a net loss after income tax of \$1,209,367 (31 December 2022: net loss after income tax of \$1,119,164) and the statement of cash flows reflects net cash inflows from operating activities of \$3,661,157 (31 December 2022: inflows of \$566,156). As at 31 December 2023, the statement of financial position reflects a net asset position of \$73,919,416 (30 June 2023: \$77,122,909) and a net current asset position of \$10,228,683 (30 June 2023: \$10,395,527). While the Group continues to experience losses it is taking the necessary action to grow revenue sustainably and ensure that it will become profitable in the near future.

Note 2. Material accounting policy information (continued)

Based upon the growth of the business achieved to date, positive operating cash inflows, sufficient cash reserves at the reporting date and after reviewing forecasts and projections prepared for the business, the directors are confident that it is appropriate to prepare the financial statements on the going concern basis.

Comparative information

Statement of profit or loss and other comprehensive income comparatives have been realigned to the current half-year presentation. The summary of reclassifications follow:

	2022 Reported \$	Adjustment \$	2022 Reclassified \$
Expenses			
Cost of sales	12,003,738	(12,003,738)	-
Cost of inventories consumed	-	711,156	711,156
Employee benefits expense	10,920,736	8,304,559	19,225,295
Outsourcing and contractor expenses	-	2,451,767	2,451,767
Information technology expenses	-	2,314,691	2,314,691
Professional and consulting costs	1,790,584	126,823	1,917,407
Business development costs	961,921	(310,772)	651,149
Networking and information technology costs	1,703,827	(1,703,827)	-
Other employment costs	474,215	(474,215)	-
Office expenses / Occupancy expenses	422,973	(49,220)	373,753
Other expenses	634,036	632,776	1,266,812
Finance costs	380,098	-	380,098
Total expenses	<u>29,292,128</u>	<u>-</u>	<u>29,292,128</u>

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into 3 operating segments based on geographical locations: Australia and New Zealand (ANZ), North America (which includes Canada and United States of America), and Rest of the world (ROW) (which includes United Kingdom, Singapore and Malaysia). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The CODM does not regularly review segment assets and segment liabilities. Refer to the statement of financial position for the assets and liabilities of the Group.

Note 3. Operating segments (continued)

Operating segment information

	ANZ \$	North America \$	ROW \$	Corporate \$	Total \$
Consolidated - 31 Dec 2023					
Revenue					
Sales to external customers	9,143,320	20,714,240	2,869,247	-	32,726,807
Total revenue	9,143,320	20,714,240	2,869,247	-	32,726,807
EBITDA					
Depreciation and amortisation	2,703,228	6,833,675	(539,229)	(7,120,544)	1,877,130
Interest revenue					(2,239,803)
Finance costs					128,656
Loss before income tax expense					(295,659)
Income tax expense					(529,676)
Loss after income tax expense					(679,691)
					(1,209,367)
Consolidated - 31 Dec 2022					
Revenue					
Sales to external customers	9,786,397	17,387,519	2,550,940	-	29,724,856
Total revenue	9,786,397	17,387,519	2,550,940	-	29,724,856
EBITDA					
Depreciation and amortisation	3,699,176	7,045,776	(152,771)	(9,240,736)	1,351,445
Interest revenue					(2,404,415)
Finance costs					10,557
Loss before income tax benefit					(380,098)
Income tax benefit					(1,422,511)
Loss after income tax benefit					303,347
					(1,119,164)

Note 4. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue	<u>32,726,807</u>	<u>29,724,856</u>

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 Dec 2023	31 Dec 2022
	\$	\$
<i>Major product lines</i>		
Broadcast*	19,345,425	14,901,030
Non-broadcast*	13,381,382	14,823,826
	<u>32,726,807</u>	<u>29,724,856</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	9,330,492	9,013,730
Services transferred over time	23,396,315	20,711,126
	<u>32,726,807</u>	<u>29,724,856</u>

* Broadcast revenue encompasses services rendered to broadcasters, encompassing live captioning of sports events and recorded content. Non-broadcast revenue entails services provided to enterprise and convention clients, including corporate, government, and university entities.

Note 5. Expenses

	Consolidated 31 Dec 2023	31 Dec 2022
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	33,711	32,811
Leasehold improvements	30,274	88,504
Plant and equipment	268,191	299,491
Buildings - right-of-use	111,303	150,380
Total depreciation	<u>443,479</u>	<u>571,186</u>
<i>Amortisation</i>		
Development	752,360	796,601
Intellectual property	400,935	390,231
Customer contracts	421,104	386,785
Software	221,925	259,612
Total amortisation	<u>1,796,324</u>	<u>1,833,229</u>
Total depreciation and amortisation	<u>2,239,803</u>	<u>2,404,415</u>

Note 5. Expenses (continued)

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Finance costs</i>		
Interest and finance charges	145,667	204,651
Interest and finance charges paid/payable on lease liabilities	9,017	38,236
Interest on other payables from acquisitions	140,975	137,211
	<u>295,659</u>	<u>380,098</u>
<i>Leases</i>		
Short-term lease payments included in office expenses	176,139	180,859
<i>Superannuation expense</i>		
Defined contribution superannuation expense	977,559	999,445

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Trade receivables	8,227,269	10,610,379
Less: Allowance for expected credit losses	(118,584)	(124,554)
	<u>8,108,685</u>	<u>10,485,825</u>
Other receivables	100,437	102,257
Prepayments	1,113,445	1,206,945
Security deposits	149,011	156,176
	<u>9,471,578</u>	<u>11,951,203</u>

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Carrying amount		Allowance for expected credit losses	
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	\$	\$	\$	\$
Not overdue	5,044,795	6,097,799	14,703	18,335
0 to 3 months overdue	2,830,445	4,327,908	74,043	92,637
Over 3 months overdue	352,029	184,672	29,838	13,582
	<u>8,227,269</u>	<u>10,610,379</u>	<u>118,584</u>	<u>124,554</u>

Note 7. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	43,621,498	45,023,937
Development - at cost	11,621,533	11,393,380
Less: Accumulated amortisation	<u>(9,235,562)</u>	<u>(8,485,822)</u>
	2,385,971	2,907,558
Intellectual property - at cost	8,289,507	8,540,631
Less: Accumulated amortisation	<u>(2,401,262)</u>	<u>(2,071,237)</u>
	5,888,245	6,469,394
Brand name and trademarks - at cost	277,778	286,576
Customer contracts - at cost	3,895,623	4,019,015
Less: Accumulated amortisation	<u>(1,828,952)</u>	<u>(1,472,387)</u>
	2,066,671	2,546,628
Software - at cost	3,039,047	3,118,037
Less: Accumulated amortisation	<u>(1,269,288)</u>	<u>(1,073,684)</u>
	1,769,759	2,044,353
	<u>56,009,922</u>	<u>59,278,446</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Development	Intellectual property	Brands and trademarks	Customer contracts	Software	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated							
Balance at 1 July 2023	45,023,937	2,907,558	6,469,394	286,576	2,546,628	2,044,353	59,278,446
Additions	-	248,587	-	-	-	-	248,587
Exchange differences	(1,402,439)	(17,814)	(180,214)	(8,798)	(58,853)	(52,669)	(1,720,787)
Amortisation expense	-	(752,360)	(400,935)	-	(421,104)	(221,925)	(1,796,324)
Balance at 31 December 2023	<u>43,621,498</u>	<u>2,385,971</u>	<u>5,888,245</u>	<u>277,778</u>	<u>2,066,671</u>	<u>1,769,759</u>	<u>56,009,922</u>

Note 8. Provisions

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,329,666	1,394,071
Long service leave	609,204	405,002
Other payables from acquisitions	-	7,776,772
Other provisions	581,443	590,941
	<u>2,520,313</u>	<u>10,166,786</u>
<i>Non-current liabilities</i>		
Long service leave	160,823	366,183
Lease make good	24,395	24,395
	<u>185,218</u>	<u>390,578</u>
	<u>2,705,531</u>	<u>10,557,364</u>

Other payables from acquisitions

A USD 4,968,000 earn-out payment for the purchase of EEG that was due on 29 September 2023 and a deferred liability of USD 280,000 have been paid during the half-year period.

Movements in provisions

Movements in each class of provision during the current financial half-year, other than employee benefits, are set out below:

	Lease make good \$	Other provisions \$	Other payables from acquisitions \$	Annual leave \$	Long service leave \$
Consolidated - 31 Dec 2023					
Carrying amount at the start of the half-year	24,395	590,941	7,776,772	1,394,071	771,185
Additional provisions recognised	-	-	-	785,342	85,710
Amounts utilised	-	(9,498)	-	(719,975)	(17,593)
Payments	-	-	(7,776,772)	(129,772)	(69,275)
Carrying amount at the end of the half-year	<u>24,395</u>	<u>581,443</u>	<u>-</u>	<u>1,329,666</u>	<u>770,027</u>

Note 9. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>208,814,047</u>	<u>208,249,132</u>	<u>110,247,853</u>	<u>110,098,328</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	208,249,132		110,098,328
Conversion of Restricted Share Units	9 September 2023	293,916	\$0.26	75,000
Conversion of Restricted Share Units	9 September 2023	270,999	\$0.27	74,525
Balance	31 December 2023	<u>208,814,047</u>		<u>110,247,853</u>

Note 10. Reserves

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Foreign currency translation reserve	7,101,316	9,094,876
Employee share option reserve	-	150,091
	<u>7,101,316</u>	<u>9,244,967</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency translation reserve \$	Employee share option reserve \$	Total \$
Balance at 1 July 2023	9,094,876	150,091	9,244,967
Foreign currency translation	(1,993,560)	-	(1,993,560)
Conversion of Restricted Share Units	-	(150,091)	(150,091)
Balance at 31 December 2023	<u>7,101,316</u>	<u>-</u>	<u>7,101,316</u>

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Contingent liabilities

The Group has given bank guarantees as at 31 December 2023 of \$165,663 (30 June 2023: \$165,663) to various landlords.

Note 13. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax attributable to the owners of Ai-Media Technologies Limited	<u>(1,209,367)</u>	<u>(1,119,164)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>208,599,133</u>	<u>208,027,789</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>208,599,133</u>	<u>208,027,789</u>
	Cents	Cents
Basic earnings per share	(0.58)	(0.54)
Diluted earnings per share	(0.58)	(0.54)

Note 14. Events after the reporting period

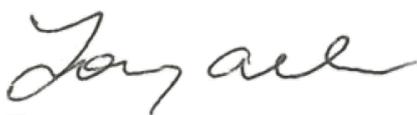
No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Tony", written over a horizontal line.

Anthony Abrahams
Director and Chief Executive Officer

26 February 2024

Independent Auditor's Review Report to the members of Ai-Media Technologies Limited

Conclusion

We have reviewed the half-year financial report of Ai-Media Technologies Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 5 to 17.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Harsh Shah
Partner
Chartered Accountants
Sydney, 26 February 2024