



ASX ANNOUNCEMENT

7 October 2022

INVESTOR WEBINAR PRESENTATION

Ai-Media Technologies Limited (ASX: AIM) provides a copy of the investor presentation to be delivered at the ShareCafe Small Cap "Hidden Gems" Webinar at 12:30pm AEDT / 9:30am AWST today.

To register to view the webinar via zoom click on the link or copy and paste the following address into your internet browser:

https://us02web.zoom.us/webinar/register/9016644342026/WN_lvU1pLbRS_CQXNm2wyx7_g

ENDS

Authorised for release by the Company Secretary.

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/>.



ShareCafe Webinar

7 October 2022 | Ai-Media Technologies Limited



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Making the world's content

accessible for everyone

Ai-Media is a global technology company delivering live and recorded captioning, transcription and translation

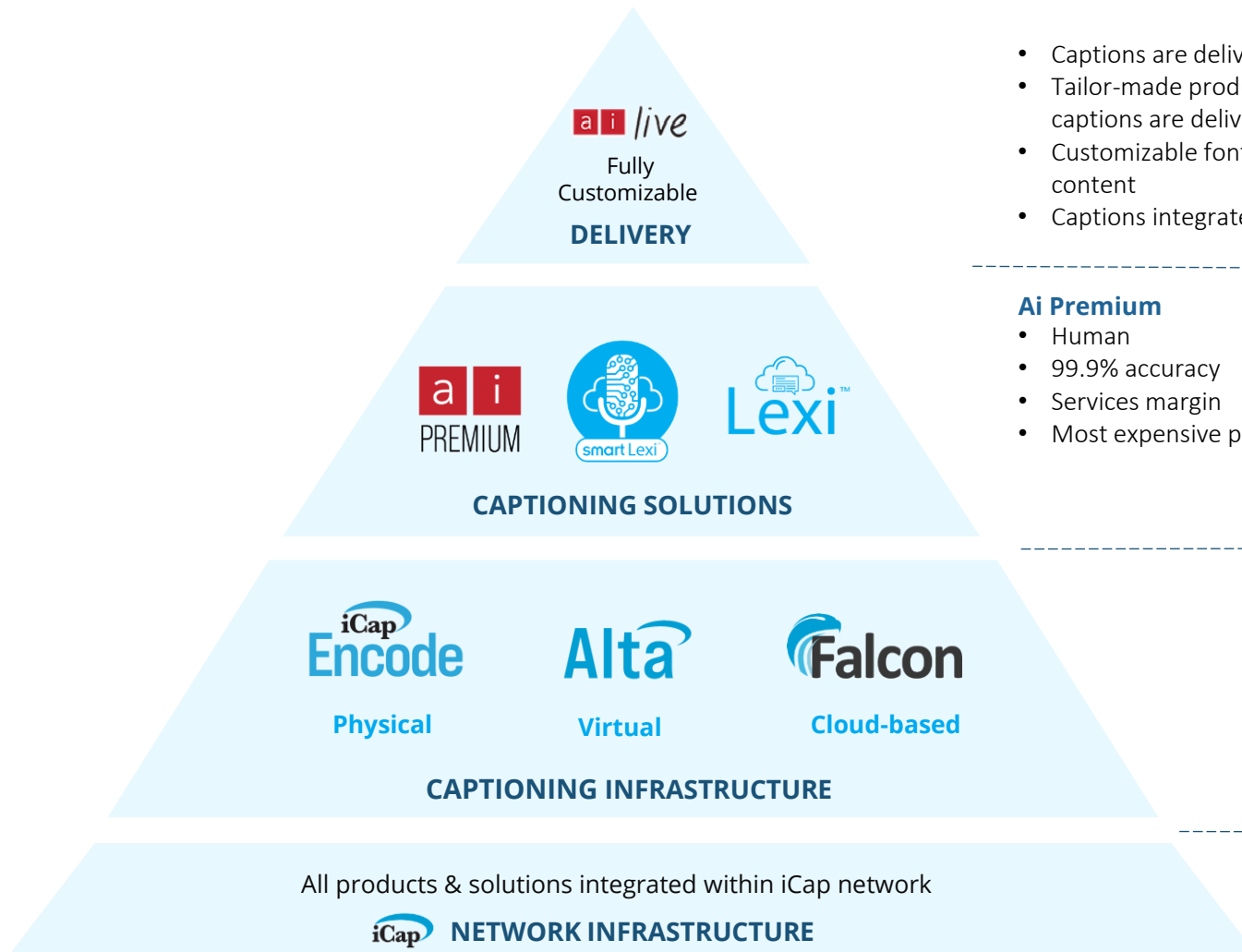


Tony Abrahams

Chief Executive Officer

A full product suite powered by Ai-Media's iCap network

With its private iCap Network, Ai-Media offers a one-stop shop solution monetizing both captioning infrastructure and solutions



- Captions are delivered to any screen, on any platform, in any language
- Tailor-made products such as Ai-Live or iCap Viewer, integrations and streaming solutions ensure the captions are delivered based on customer requirements in any display
- Customizable font, size, placement and reading speed allows customers to personalize and brand their content
- Captions integrate with all major video distribution platforms

Ai Premium

- Human
- 99.9% accuracy
- Services margin
- Most expensive product

Smart Lexi

- Semi Automated
- Human custom dictionaries
- 98.5% accuracy
- SaaS margin
- Half the cost of Ai Premium

Lexi

- Automated
- Algorithm custom dictionaries
- 98.0% accuracy
- SaaS margin
- Quarter the cost of Ai Premium

+125% YoY Growth in collective Lexi & Smart Lexi SaaS Minutes

- Encoders are the technological infrastructure in the delivery of captions
- Encoders can be hardware or cloud based and can be used agnostically to deliver captioning solutions from any provider
- Continued to grow market share and revenue in our captioning infrastructure with:
 - **Hardware Encoders revenue growth over 30% YoY ***
 - **Virtual (Alta) and Cloud (Falcon and iCap fees) revenue growth over 40% YoY ***

OTT and IP Transition

Growth of online viewership and distribution has driven the shift towards OTT away from cable/FTA, bringing with it a huge variety of new content.

Regulations for live captioning in OTT platforms are moving in, and captioning all live content with human captioners would be prohibitively expensive. With an affordable SaaS solution plus scalable caption encoding infrastructure, content owners can provide captioning across all content.

Who: OTT players, content owners & traditional broadcasters transitioning towards IP

Market Fragmentation (Technology)

Our iCap network – the world's largest captioning delivery network – provides unmatched reliability, security and integration between Ai-Media's solutions and third-party captioners across the globe. Utilizing our iCap network, Ai-Media's solutions are future-proofed for our Lexi Preferred Partners and our customers, for any captioning requirement – applicable to any IP or SDI solution; covering all media connection architectures and standards; and supporting content all the way from source to screen.

Who: Captioning market, traditional competition, system integrators

Tailored Broadcast Solutions

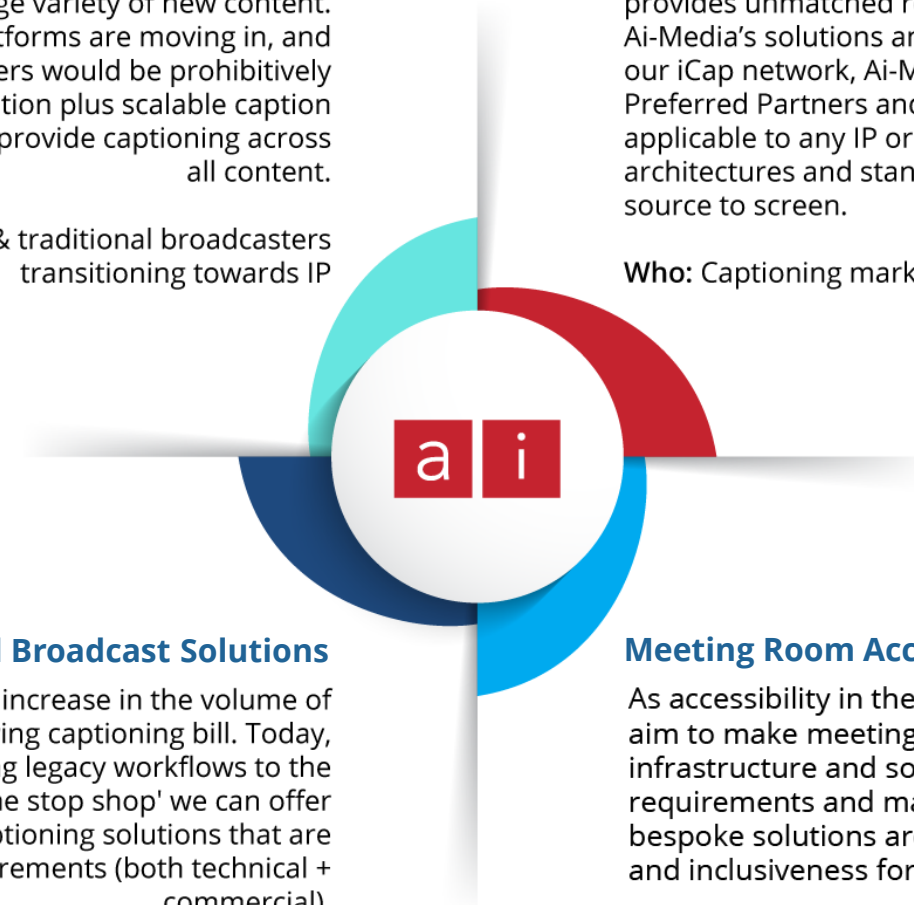
Caption quota growth, wage inflation, and the increase in the volume of content leaves broadcasters with a growing captioning bill. Today, broadcasters are chasing savings by shifting legacy workflows to the cloud and automating. With our 'one stop shop' we can offer infrastructure and a range of compliant captioning solutions that are hyper personalized towards customer requirements (both technical + commercial).

Who: Broadcast, content owners & distributors

Meeting Room Accessibility

As accessibility in the workplace becomes increasingly important, we aim to make meeting rooms accessible and inclusive through secure infrastructure and solutions. We take highly complex customer requirements and make it as simple as 'click to caption'. These bespoke solutions are for organizations looking to hero accessibility and inclusiveness for their employees.

Who: Global enterprise



	Case Study 1 Major League Baseball	Case Study 2 Google	Case Study 3 UK Parliament	Case Study 4 Sky News	Key
Business Challenge	MLB in previous years did not live caption any of the 150 Minor League Baseball games that were broadcast during the season. Live human captioning was too expensive	Google required a highly secure booking engine to support their ambition in providing all Google employees globally the ability to add live captioning to any meetings or events	UK Parliament required live captioning and a web-based platform to capture transcripts and captions files that could be edited, downloaded and searched	Sky News wanted to caption 100% of the channel. Human captioning costs were prohibitive, and they were only able to afford to caption the mandated 55% of the channel	SaaS
Solution Delivered	30,000 hours of Lexi Live, 70 Alta encoders. Support assistance during setup and dictionary creation	Ai-Media provided Google with our proprietary Booking Engine allowing Google employees globally to book live captioning for meetings and events	Live captioning plus SubSilo, which allows UKP to download, edit and search caption and transcript files. It also allows SSO and API functionality so UKP can make transcripts available to press agencies	Smart Lexi; per program human curated dictionaries via four HD492 encoders for 19 hours of live content per day. 98% quality SLA, 99.8% uptime	Services
Impact Created	Lexi Live allowed all 30,000 hours of Minor League games in the 2022 season to be live captioned and streamed across various distribution paths. Lexi's affordable hourly rate, plus scalable caption encoding infrastructure made captioning all games possible	A centralised and secure, real-time Booking Engine with English and Multi-Language captioning options 24/7 support with a dedicated customer success team	Centralized record of the proceedings in Parliament. This has improved efficiency and cost of producing the official Parliamentary records	Sky News now has 100% of content captioned on their main channel without increasing overall spend on captioning. They are rolling out the solution to their other channels	

May
2018

Business Update

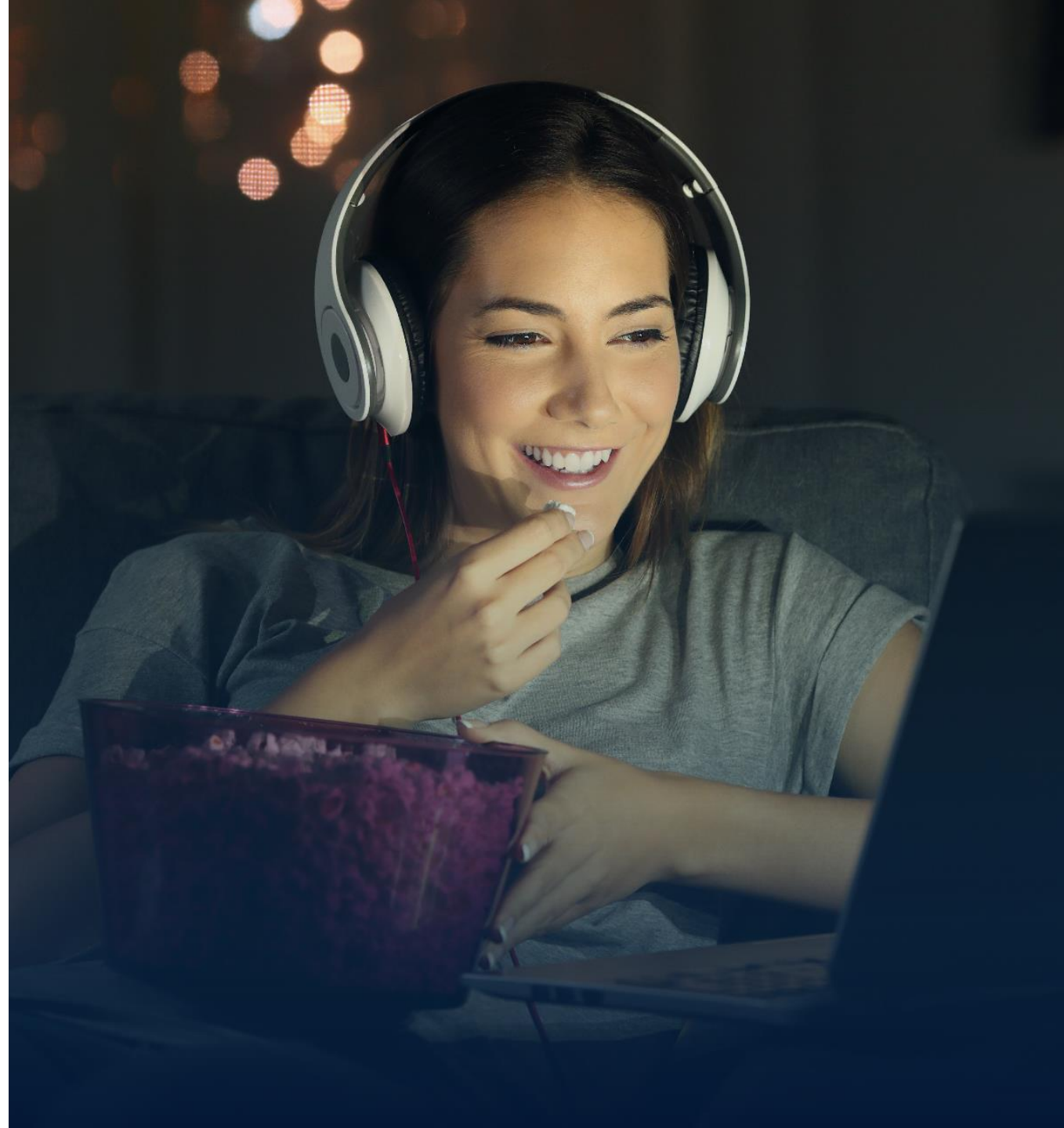
Cash Flow

	Projected	Actual	Variance
Total Income	5,700	5,500	-200
Total Expense	3,603	3,553	-50
Total Cash	2,097	1,947	-150

As you can see, our revenue increased st

Seven contract renewal

- Ai-Media wins a five-year contract renewal with strategic customer, Seven
- Seven will extend its use of Ai-Media's offerings from traditional premium Services to technology products iCap Encode, Lexi and Smart Lexi, and an enhanced use of SubSilo
- Seven will be the first free-to-air Australian broadcaster to transition to Ai-Media's iCap network, adopting the full suite of technology products, targeting a Q3 FY23 roll-out



“We have partnered with Ai-Media since 2016 and have ensured that our captioning is the best possible quality for all of our viewers who rely on this important service. Our focus is on tight technical integration between our systems, Ai-Media and our playout operations.

“This renewal, further enhances the ability to deploy accurate automated captions across more content as well as improved media search for Seven’s internal teams by utilising technology from Ai-Media’s recent EEG acquisition.”

Andrew Anderson Seven Network Director of Broadcast Operations





FY22 Highlights

Full year FY22 highlights

+22%

YoY Revenue Growth

\$60.1m Revenue in FY22, up from \$49.2m in FY21

+125%

YoY Growth in Lexi & Smart Lexi SaaS Minutes

21.9m minutes delivered in FY22 up from 9.7m in FY21

\$15.2m

Cash balance at 30 June 2022

Strong cash position to execute on growth strategy

>40%

YoY Revenue Growth for EEG

Driven by Ai-Media's global sales and marketing

+63%

YoY Gross Profit Growth

\$33.2m Gross Profit in FY22, up from \$20.4m in FY21

+\$9.8m

Improvement in EBITDA

\$1.1m EBITDA in FY22, up from (\$8.7m) in FY21

55%

Gross Margin

Compared to 41% in FY21 and FY22 Guidance >50%

Buy-back

Program of 2m shares successfully completed

Total consideration of \$1,164,005 paid

Turnaround in operating cashflow achieved

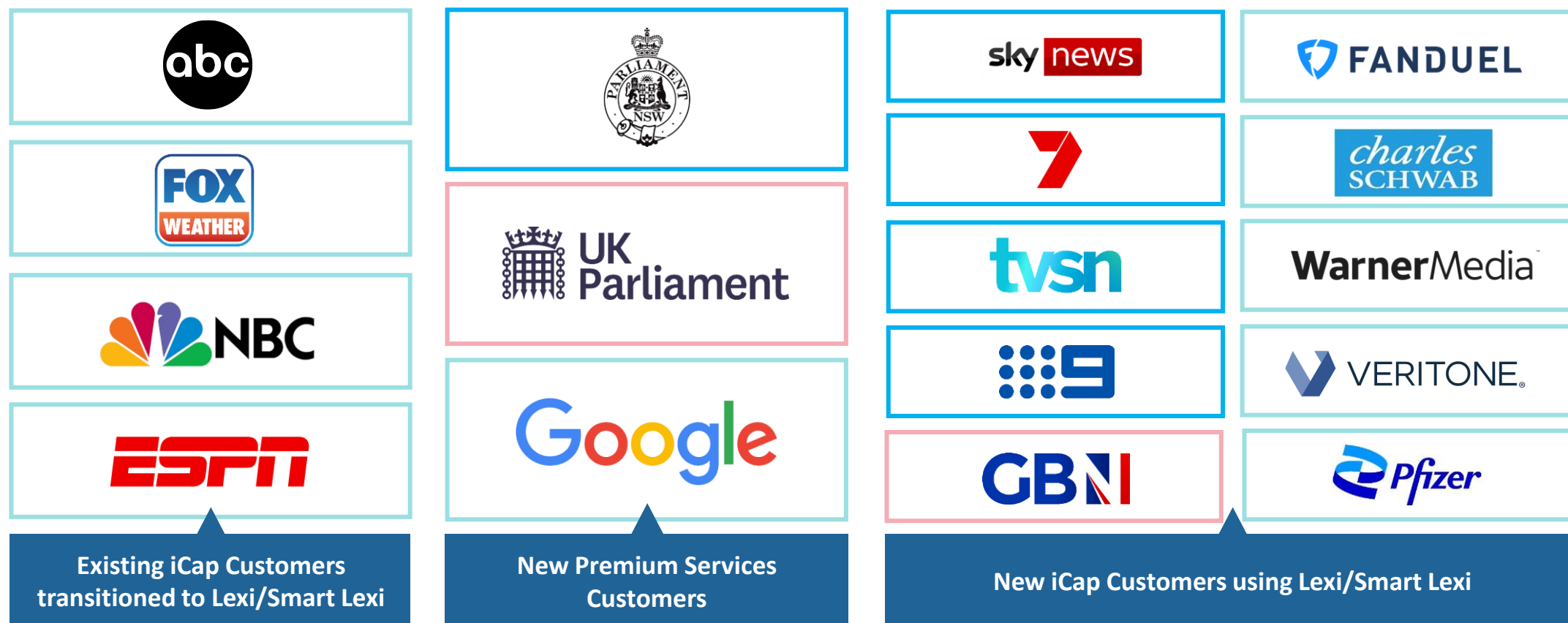
Cash flow from operating activities	30-Jun-22	30-Jun-21	Var
	\$'m	\$'m	\$m
Receipt from customers (inclusive of GST)	63.6	48.0	15.6 ▲
Payments to suppliers and employees (inclusive of GST)	(59.8)	(66.0)	6.2 ▲
Net cash from operating activities (inclusive of GST)	3.8	(18.0)	21.8 ▲
Non-recurring EEG associated acquisition costs	(1.6)	-	(1.6)
Interest received	0.02	0.02	0
Other revenue	0.02	0.50	(0.5) ▼
Interest and other finance costs paid	(0.3)	(0.5)	0.2 ▲
Net cash from/(used in) operating activities	1.9	(18.0)	19.9 ▲

Comments

- Receipts from customers up from \$48.0m in FY21 to \$63.6m in FY22
- Payments to suppliers down from \$66.0m in FY21 to \$59.8m in FY22
- **Improvement of \$21.8m in underlying net cash from operating activities between FY21 and FY22**
- Positive operating cashflow targeted in FY23

Key global sales wins

Accelerating SaaS revenue growth while growing Premium. Strong YoY growth in Lexi customers (including Smart Lexi), revenue, and volume of minutes, driven by wins with important customers in FY22, some of which are highlighted below



REGION KEY:

APAC

NA

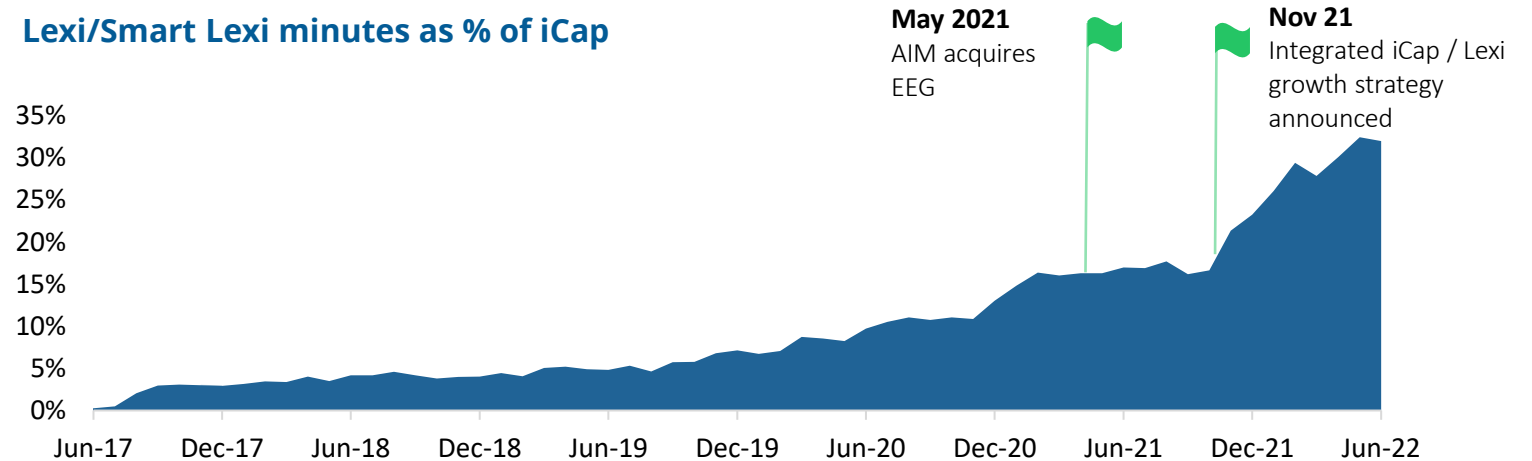
RoW

iCap growth = Lexi growth

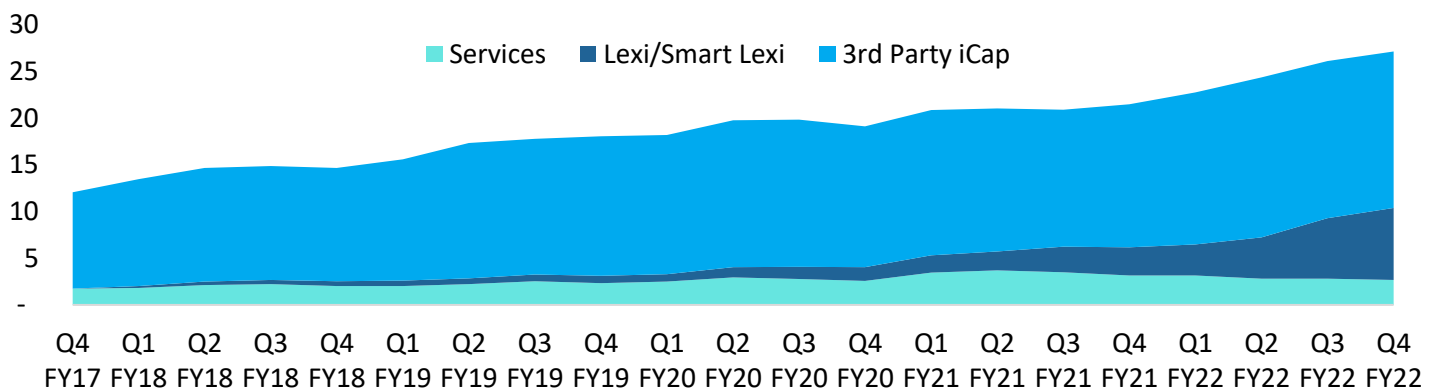
The global growth in iCap Network minutes drives even faster growth in Lexi/Smart Lexi minutes

- Lexi/Smart Lexi now used on >30% of total iCap Network minutes volume
- iCap Network minutes volume grew by 26% from FY21 to FY22
- Lexi/Smart Lexi minutes volume grew by 125% from FY21 to FY22
- The transition to SaaS revenue is accelerating and the iCap Network is growing
- Lexi/Smart Lexi volume growth 5x the growth in iCap, offsetting reductions in legacy service business

Lexi/Smart Lexi minutes as % of iCap

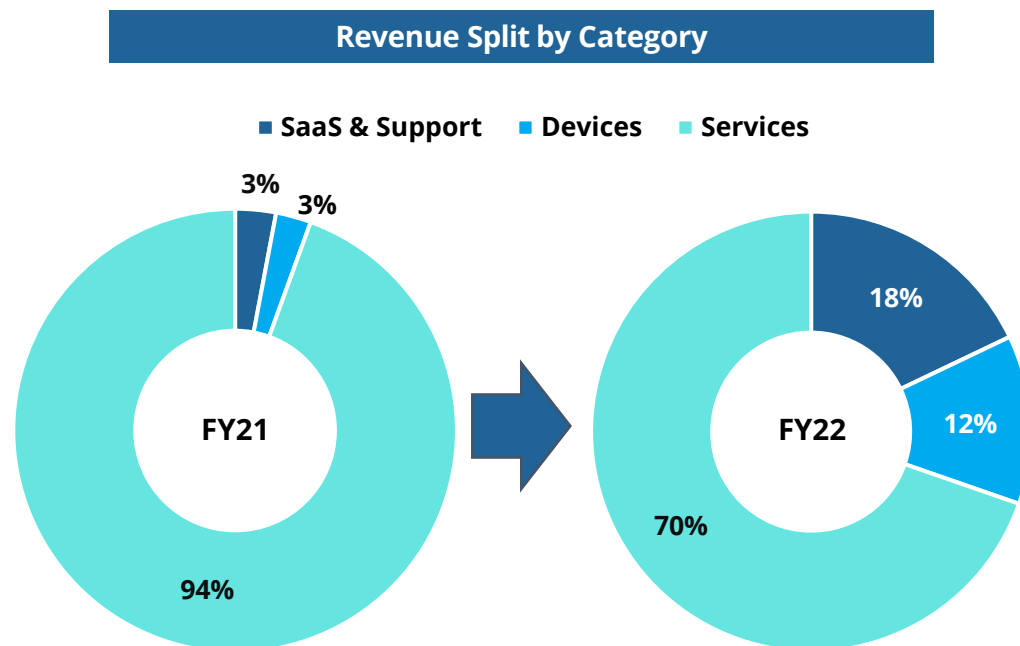


iCap Network growth (minutes in millions per quarter)



Continued growth of SaaS revenue

Growing share of SaaS revenue driven by global rollout of connected Devices and SaaS products



Comments

- SaaS and Devices revenue share increased from 6% in FY21 to 30% in FY22
- Shift towards a higher portion of SaaS revenue leads to higher gross margin and greater recurring revenue
- Shift in revenue split delivered increase in aggregate Gross Margin from 41% to 55% from FY21 to FY22

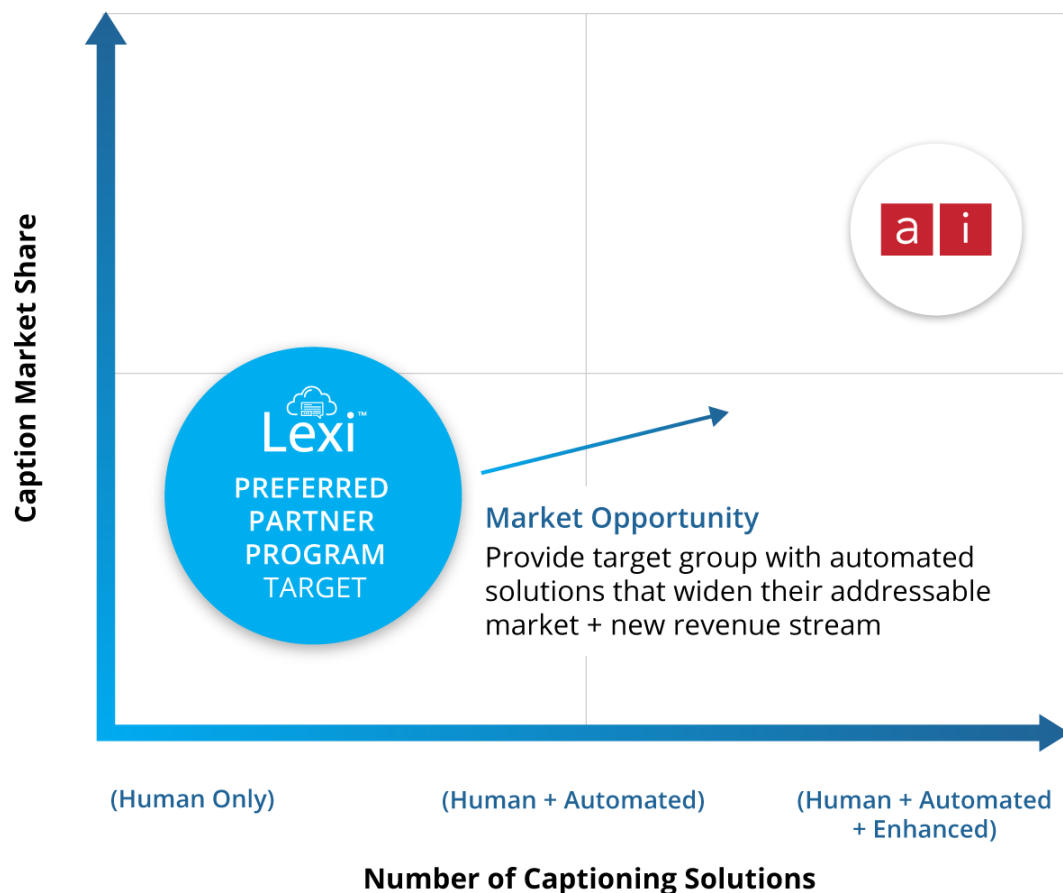
Competitor analysis

	ai media	verbit ^Y	RED BEE	3PlayMedia	@rev	ENCO	everlz
Live Human Captions	✓	✓	✓	✓	✗	✗	✗
Pre-recorded Captions	✓	✓	✓	✓	✓	✓	✗
Live Automated Captions	✓	✓	✓	✗	✓	✓	✗
Human Curated Dictionaries (ASR)	✓	✗	✓	✗	✗	✗	✗
Live Human Translation	✓	✓	✓	✓	✗	✗	✗
Live Automated Translation	✓	✓	✓	✗	✓	✓	✗
Captioning Network Provider	✓ (iCap Network)	✗ (Using iCap Network)	✗ (Using iCap Network)	✗ (Using iCap Network)	✗	✗	✓
Captioning Infrastructure Provider	✓ (EEG Hardware)	✗ (Using EEG Hardware)	✗ (Using EEG Hardware)	✗ (Using EEG Hardware)	✗	✓ (limited)	✓

- Ai-Media remains as the only player selling captioning infrastructure, increasing upselling opportunities
- Verbit, Red Bee and 3Play Media are all using the iCap Network and infrastructure to deliver their captioning solutions, without paying significant fees to Ai-Media
- A historically fragmented captioning market continues to consolidate with high levels of recent M&A activity
- Ai-Media acquired EEG, Caption IT & Caption Access | Verbit acquired Vitac, Take 1 & Automatic Sync, Take Note, US Captioning | 3Play Media acquires CaptionMax & National Captioning Canada

Partnerships driving Lexi growth

The Lexi Preferred Partner Program positively impacts the growth and adoption of Ai-Media's automated tools by incentivising iCap human captioning partners to resell Lexi – without any need for technical integration



Lexi Preferred Partner Target Audience

- Captioning companies only offering human solutions
- High iCap usage and volumes
- Companies conducting their business in the small to medium segment of the market
- Captioning for broadcast, education, enterprise and government
- Competition looking to upgrade ASR offering and receive enhanced iCap integration/features
- Also looking for select number of large global systems integrators

Lexi Preferred Partner Program Focussed on Creating Mutual Value

Partnership Components

- Licensed reseller of Lexi at an exclusive discount on market pricing
- Multi-year partnership
- Input into iCap and Lexi R&D
- Sales team training, onboarding and marketing collateral
- Personalised insights report with metrics, data and usage
- Exclusive co-marketing initiatives
- Options to resell iCap Translate and Support
- Flexible billing terms

Key Commercial Drivers and Benefits for Partners

- Opens new revenue streams and widens their addressable market
- Decrease churn & increases the stickiness of their core business (price point optionality)
- Ability to switch seamlessly over to Lexi backup in event of failover
- No upfront investment or risk in launching ASR business
- Generates sustainable growth and future proofs their business

Key Commercial Drivers and Benefits for Ai-Media

- The Preferred Partner Program opens up a new sales channels for iCap and Lexi
- Drives the growth of the SaaS business
- Increases the volume and usage of iCap
- Supports the broader education of ASR towards the market
- Allows us to penetrate harder to reach segments and customers
- Reduces Opex as less sales resources are required

Strategy



Ai-Media aims to continue to grow its iCap Network presence globally and accelerate its transition towards a higher portion of SaaS and devices revenue, leading to higher margins and greater recurring revenue

Establish iCap Network as Global Standard	Grow and Diversify Customer Base	Increase SaaS and Devices Revenue Share	Enhance Product Suite and Technology
<ul style="list-style-type: none">• Become the go-to live captioning provider across the industry and around the globe• Focus on growing presence in the US, APAC, EMEA• Continue to grow the infrastructure business in order to actively spin up new iCap users and grow volume• Continue to invest in R&D to innovate, enhance security and data capabilities	<ul style="list-style-type: none">• Capitalise on increasing demand for live captioning across new segments and territories• Employ bundling economics to drive growth in new or underpenetrated segments• Increase market share within Government and Enterprise categories by tailor made products (SubSilo + meeting room accessibility)• Lexi Preferred Partner program	<ul style="list-style-type: none">• Accelerate growth in Lexi/Smart Lexi minutes volume via existing and new customers• Deliver the number one automated (ASR) captioning solution in the market. Grow agnostic ASR engine selection base and further investment into the ASR global evaluation lab• Transition more of the human-captioned broadcast market by meeting requirements through bundled solutions• Create a global ecosystem of Lexi resellers via the Lexi Preferred Partner Program	<ul style="list-style-type: none">• Invest to improve and increase automation, especially in the services business• Continue to capitalise on the EEG/Ai-Media technological synergies• Leverage partnership approach instead of building/spending in isolation• Acquire new technologies and or companies that support strategic advancement of key priorities

Q&A

For further information

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