

1. Company details

Name of entity:	Ai-Media Technologies Limited
ABN:	12 122 058 708
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	0.5% to	29,724,856
Profit before interest, tax, depreciation and amortisation ('EBITDA')	up	2992.4% to	1,351,445
Loss from ordinary activities after tax attributable to the owners of Ai-Media Technologies Limited	down	52.9% to	(1,119,164)
Loss for the half-year attributable to the owners of Ai-Media Technologies Limited	down	52.9% to	(1,119,164)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$1,119,164 (31 December 2021: \$2,376,916).

EBITDA for the Group was a profit of \$1,351,445 (31 December 2021: loss of \$46,724).

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 strengths of the technology and products introduced into the Group as part of the EEG acquisition has provided the main impetus for future growth. The legacy business continues to perform in the broadcast sector where tailored solutions and a high degree of accuracy is required.

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 2022 \$	31 Dec 2021 \$
Loss after income tax benefit	(1,119,164)	(2,376,916)
Add: Finance costs	380,098	683,506
Less: Income tax benefit	(303,347)	(566,178)
Less: Interest income	(10,557)	(5,232)
Earnings before interest and tax, ('EBIT')	(1,052,970)	(2,264,820)
Add: Depreciation and amortisation	2,404,415	2,218,096
EBITDA	<u>1,351,445</u>	<u>(46,724)</u>

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>9.06</u>	<u>10.29</u>

The net tangible assets calculation includes rights-of-use assets of \$498,571 (31 Dec 2021: \$320,839) and the corresponding lease liabilities of \$442,007 (31 Dec 2021: \$450,075).

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 2022 is attached.

12. Signed

As authorised by the Board of Directors.

Signed 

Date: 27 February 2023

Anthony Abrahams
Director and Chief Executive Officer

Ai-Media Technologies Limited

ABN 12 122 058 708

Interim Report - 31 December 2022

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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 2022.

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 \$1,119,164 (31 December 2021: \$2,376,916).

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

	31 Dec 2022 \$	31 Dec 2021 \$	Change \$	Change %
Revenue from operating activities	29,724,856	29,581,204	143,652	0.5%
Profit/(loss) before interest, taxation, depreciation and amortisation ('EBITDA')	1,351,445	(46,724)	1,398,169	(2992.4%)
Loss after tax from ordinary activities	(1,119,164)	(2,376,916)	1,257,752	(52.9%)

The strengths of the technology and products introduced into the Group as part of the EEG acquisition has provided the main impetus for EBITDA growth in H1 FY23. The legacy business continues to perform in the broadcast sector where tailored solutions and a high degree of accuracy is required. Comparatively, there has been a decline in legacy Live Enterprise and Recorded services, especially in the education sector, where free tools have gained market share particularly where tailored solutions and a high degree of accuracy are not required.

As at 31 December 2022, the consolidated statement of financial position reflects a net asset position of \$78,621,803 (30 June 2022: \$78,960,817). The EBITDA growth along with a strong balance sheet with minimal debt has the Group well positioned to pursue our growth agenda and take advantage of new opportunities as they arise.

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 2022	31 Dec 2021
	\$	\$
Loss after income tax benefit	(1,119,164)	(2,376,916)
Add: Finance costs	380,098	683,506
Less: Income tax benefit	(303,347)	(566,178)
Less: Interest income	(10,557)	(5,232)
Earnings before interest and tax, ('EBIT')	(1,052,970)	(2,264,820)
Add: Depreciation and amortisation	2,404,415	2,218,096
EBITDA	1,351,445	(46,724)

EBITDA for the Group was a profit of \$1,351,445 (31 December 2021: loss of \$46,724), showing progress in the Group's performance compared to the previous half-year.

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

27 February 2023

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

27 February 2023

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 2022, 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



Harsh Shah
Partner
Chartered Accountants

Ai-Media Technologies Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Revenue	4	29,724,856	29,581,204
Other income		456,810	-
Interest revenue calculated using the effective interest method		10,557	5,232
Expenses			
Cost of sales		(12,003,738)	(13,893,783)
Employee benefits expense		(10,920,736)	(10,246,876)
Depreciation and amortisation expense	5	(2,404,415)	(2,218,096)
Impairment of receivables		81,809	(149,965)
Professional and consulting costs		(1,790,584)	(1,868,858)
Business development costs		(961,921)	(487,808)
Networking and information technology costs		(1,703,827)	(1,559,769)
Other employment costs		(474,215)	(438,903)
Office expenses		(422,973)	(269,188)
Other expenses		(634,036)	(712,778)
Finance costs	5	(380,098)	(683,506)
Loss before income tax benefit		(1,422,511)	(2,943,094)
Income tax benefit		303,347	566,178
Loss after income tax benefit for the half-year attributable to the owners of Ai-Media Technologies Limited		(1,119,164)	(2,376,916)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		780,150	2,565,071
Other comprehensive income for the half-year, net of tax		780,150	2,565,071
Total comprehensive income for the half-year attributable to the owners of Ai-Media Technologies Limited		(339,014)	188,155
		Cents	Cents
Basic earnings per share	14	(0.54)	(1.14)
Diluted earnings per share	14	(0.54)	(1.14)

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

Ai-Media Technologies Limited
Statement of financial position
As at 31 December 2022



		Consolidated	
	Note	31 Dec 2022	30 Jun 2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		14,575,873	15,184,270
Trade and other receivables	6	11,146,023	13,605,464
Contract assets		394,272	247,403
Inventories		917,294	648,029
Term deposits		172,776	272,076
Total current assets		<u>27,206,238</u>	<u>29,957,242</u>
Non-current assets			
Property, plant and equipment		4,032,930	4,185,831
Right-of-use assets		498,571	634,918
Intangibles	7	59,764,511	60,332,590
Deferred tax assets		8,617,503	7,537,506
Total non-current assets		<u>72,913,515</u>	<u>72,690,845</u>
Total assets		<u>100,119,753</u>	<u>102,648,087</u>
Liabilities			
Current liabilities			
Trade and other payables		5,091,905	6,157,589
Contract liabilities		3,014,979	3,306,407
Borrowings	8	-	145,253
Lease liabilities		203,751	267,570
Income tax		425,425	22,114
Provisions	9	9,603,859	3,613,994
Total current liabilities		<u>18,339,919</u>	<u>13,512,927</u>
Non-current liabilities			
Lease liabilities		238,256	331,811
Deferred tax		2,529,197	2,361,141
Provisions	9	390,578	7,481,391
Total non-current liabilities		<u>3,158,031</u>	<u>10,174,343</u>
Total liabilities		<u>21,497,950</u>	<u>23,687,270</u>
Net assets		<u>78,621,803</u>	<u>78,960,817</u>
Equity			
Issued capital	10	110,098,328	109,968,446
Reserves	11	7,845,961	7,195,693
Accumulated losses		(39,322,486)	(38,203,322)
Total equity		<u>78,621,803</u>	<u>78,960,817</u>

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

Ai-Media Technologies Limited
Statement of changes in equity
For the half-year ended 31 December 2022



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	110,566,210	1,151,260	(32,720,404)	78,997,066
Loss after income tax benefit for the half-year	-	-	(2,376,916)	(2,376,916)
Other comprehensive income for the half-year, net of tax	-	2,565,071	-	2,565,071
Total comprehensive income for the half-year	-	2,565,071	(2,376,916)	188,155
<i>Transactions with owners in their capacity as owners:</i>				
Share buy-back	(517,403)	-	-	(517,403)
Transaction costs	(23,342)	-	-	(23,342)
Conversion of Restricted Share Units	79,247	(75,000)	-	4,247
Balance at 31 December 2021	<u>110,104,712</u>	<u>3,641,331</u>	<u>(35,097,320)</u>	<u>78,648,723</u>
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 (note 10), (note 11)	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>

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

Ai-Media Technologies Limited
Statement of cash flows
For the half-year ended 31 December 2022



	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	33,879,994	33,340,230
Payments to suppliers and employees (inclusive of GST)	(32,730,872)	(31,163,478)
Net cash from operating activities (inclusive of GST) before interest and income taxes payments	1,149,122	2,176,752
Interest received	10,557	5,232
Interest and other finance costs paid	(215,835)	(156,578)
Income taxes paid	(377,688)	(48,973)
Net cash from operating activities	566,156	1,976,433
Cash flows from investing activities		
Payment for expenses relating to acquisitions	(367,647)	(1,594,000)
Payments for property, plant and equipment	(180,662)	(285,525)
Payments for intangibles	(443,359)	(981,491)
Net cash used in investing activities	(991,668)	(2,861,016)
Cash flows from financing activities		
Share issue transaction costs	-	(23,342)
Payments for share buy-backs	-	(456,645)
Repayment of related party loans	-	(349,237)
Repayment of lease liabilities	(282,517)	(447,310)
Net cash used in financing activities	(282,517)	(1,276,534)
Net decrease in cash and cash equivalents	(708,029)	(2,161,117)
Cash and cash equivalents at the beginning of the financial half-year	15,184,270	17,864,220
Effects of exchange rate changes on cash and cash equivalents	99,632	172,363
Cash and cash equivalents at the end of the financial half-year	<u>14,575,873</u>	<u>15,875,466</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 27 February 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 principal 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 2022 and are not expected to have significant impact for the full financial year ending 30 June 2023.

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

Going concern

The financial report has 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 report.

The statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022 reflects a net loss after income tax of \$1,119,164 (31 December 2021: net loss after income tax of \$2,376,916) and the statement of cash flows reflects net cash inflows from operating activities of \$566,156 (31 December 2021: inflows of \$1,976,433). As at 31 December 2022, the statement of financial position reflects a net asset position of \$78,621,803 (30 June 2022: \$78,960,817) and a net current asset position of \$8,866,319 (30 June 2022: \$16,444,315). During the half-year period, the Group experienced a net loss, though noticeably lower compared to previous periods. The robust technology and product offerings, augmented by the EEG acquisition, have generated substantial momentum for sustained profitable growth.

Note 2. Significant accounting policies (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.

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 (which is 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 review revenue and 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.

Operating segment information

	ANZ \$	North America \$	ROW \$	Corporate \$	Total \$
Consolidated - 31 Dec 2022					
Revenue					
Sales to external customers	9,786,397	17,387,519	2,550,940	-	29,724,856
Total revenue	<u>9,786,397</u>	<u>17,387,519</u>	<u>2,550,940</u>	<u>-</u>	<u>29,724,856</u>
EBITDA	<u>3,699,176</u>	<u>7,045,776</u>	<u>(152,771)</u>	<u>(9,240,736)</u>	1,351,445
Depreciation and amortisation					(2,404,415)
Interest revenue					10,557
Finance costs					(380,098)
Loss before income tax benefit					<u>(1,422,511)</u>
Income tax benefit					303,347
Loss after income tax benefit					<u>(1,119,164)</u>
	ANZ \$	North America \$	ROW \$	Corporate \$	Total \$
Consolidated - 31 Dec 2021					
Revenue					
Sales to external customers	10,130,569	16,004,287	3,446,348	-	29,581,204
Total revenue	<u>10,130,569</u>	<u>16,004,287</u>	<u>3,446,348</u>	<u>-</u>	<u>29,581,204</u>
EBITDA	<u>3,285,098</u>	<u>4,752,110</u>	<u>395,866</u>	<u>(8,479,798)</u>	(46,724)
Depreciation and amortisation					(2,218,096)
Interest revenue					5,232
Finance costs					(683,506)
Loss before income tax benefit					<u>(2,943,094)</u>
Income tax benefit					566,178
Loss after income tax benefit					<u>(2,376,916)</u>

Note 4. Revenue

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
Revenue	<u>29,724,856</u>	<u>29,581,204</u>

Disaggregation of revenue

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

	Consolidated	Consolidated
	31 Dec 2022	31 Dec 2021
	\$	\$
<i>Major product lines</i>		
Broadcast*	14,901,030	12,941,901
Non-broadcast*	<u>14,823,826</u>	<u>16,639,303</u>
	<u>29,724,856</u>	<u>29,581,204</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred at a point in time	9,013,730	8,762,827
Services transferred over time	<u>20,711,126</u>	<u>20,818,377</u>
	<u>29,724,856</u>	<u>29,581,204</u>

- * Broadcast revenue includes services provided to broadcasters, including captioning live sporting events and recorded content. Non-broadcast revenue includes services provided to enterprise and convention (corporates, governments and universities) customers.

Note 5. Expenses

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Buildings	24,988	41,925
Leasehold improvements	88,208	158,472
Plant and equipment	255,766	274,461
Buildings - right-of-use	150,380	199,110
Plant and equipment - right-of-use	51,844	47,893
Total depreciation	<u>571,186</u>	<u>721,861</u>
<i>Amortisation</i>		
Development	796,601	815,203
Intellectual property	390,231	357,525
Customer contracts	386,785	69,005
Software	259,612	254,502
Total amortisation	<u>1,833,229</u>	<u>1,496,235</u>
Total depreciation and amortisation	<u>2,404,415</u>	<u>2,218,096</u>
<i>Finance costs</i>		
Interest and finance charges	204,651	128,049
Interest and finance charges paid/payable on lease liabilities	38,236	28,529
Interest on other payables from acquisitions	137,211	526,928
Finance costs expensed	<u>380,098</u>	<u>683,506</u>
<i>Leases</i>		
Short-term lease payments included in office expenses	<u>180,859</u>	<u>108,200</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>999,445</u>	<u>894,033</u>

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current assets</i>		
Trade receivables	9,723,656	11,599,814
Less: Allowance for expected credit losses	<u>(153,436)</u>	<u>(358,317)</u>
	<u>9,570,220</u>	<u>11,241,497</u>
Other receivables	225,555	988,673
Prepayments	1,203,435	1,289,927
Security deposits	146,813	85,367
	<u><u>11,146,023</u></u>	<u><u>13,605,464</u></u>

Note 7. Intangibles

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	43,952,711	43,278,754
Development - at cost	11,082,434	10,695,903
Less: Accumulated amortisation	(7,602,248)	(6,805,647)
	<u>3,480,186</u>	<u>3,890,256</u>
Intellectual property - at cost	8,361,976	8,234,159
Less: Accumulated amortisation	(1,648,437)	(1,247,326)
	<u>6,713,539</u>	<u>6,986,833</u>
Brand name and trademarks - at cost	280,443	275,802
Customer contracts - at cost	4,455,937	4,396,522
Less: Accumulated amortisation	(1,306,977)	(907,093)
	<u>3,148,960</u>	<u>3,489,429</u>
Software - at cost	4,196,396	4,155,433
Less: Accumulated amortisation	(2,007,724)	(1,743,917)
	<u>2,188,672</u>	<u>2,411,516</u>
	<u><u>59,764,511</u></u>	<u><u>60,332,590</u></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	Brands and	Customer	Software	Total
	\$	\$	property	trademarks	contracts	\$	\$
Consolidated			\$	\$	\$		
Balance at 1 July 2022	43,278,754	3,890,256	6,986,833	275,802	3,489,429	2,411,516	60,332,590
Additions	-	386,531	-	-	-	-	386,531
Exchange differences	673,957	-	116,937	4,641	46,316	36,768	878,619
Amortisation expense	-	(796,601)	(390,231)	-	(386,785)	(259,612)	(1,833,229)
Balance at 31 December 2022	<u><u>43,952,711</u></u>	<u><u>3,480,186</u></u>	<u><u>6,713,539</u></u>	<u><u>280,443</u></u>	<u><u>3,148,960</u></u>	<u><u>2,188,672</u></u>	<u><u>59,764,511</u></u>

Note 8. Borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Insurance premium funding loan	-	145,253
	<u><u>-</u></u>	<u><u>145,253</u></u>

Insurance premium funding loan

The premium funding loan had a term of 10 months and was fully repaid In November 2022.

Note 9. Provisions

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,204,749	1,376,817
Long service leave	441,196	421,912
Other payables from acquisitions	7,338,745	362,897
Lease make good	-	99,300
Other provisions	619,169	1,353,068
	<u>9,603,859</u>	<u>3,613,994</u>
<i>Non-current liabilities</i>		
Long service leave	366,183	373,239
Other payables from acquisitions	-	7,083,757
Lease make good	24,395	24,395
	<u>390,578</u>	<u>7,481,391</u>
	<u><u>9,994,437</u></u>	<u><u>11,095,385</u></u>

Other payables from acquisitions

A USD 4,968,000 earn-out payment for the purchase of EEG is due on 29 September 2023 and a deferred liability of USD 280,000 will be settled in cash instead of the FY23 Restricted Stock Unit plan as part of the ACS acquisition. The other payables from acquisitions is considered as a contractual liability and is measured at amortised cost using the effective interest method.

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
	\$	\$	
Consolidated - 31 Dec 2022			
Carrying amount at the start of the half-year	123,695	1,353,068	7,446,654
Amounts used	(99,300)	(215,115)	(369,004)
Exchange differences	-	-	125,302
Interest	-	-	135,793
Unused amounts reversed *	-	(518,784)	-
	<u>24,395</u>	<u>619,169</u>	<u>7,338,745</u>

* This relates to the unused portion of the sales tax provision relating to sales generated prior to the purchase of EEG.

Note 10. Issued capital

	31 Dec 2022	30 Jun 2022	Consolidated	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$	
Ordinary shares - fully paid	<u>208,249,132</u>	<u>207,925,773</u>	<u>110,098,328</u>	<u>109,968,446</u>	

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	207,925,773		109,968,446
Conversion of Restricted Share Units	1 July 2022	57,830	\$0.86	50,000
Conversion of Restricted Share Units	1 July 2022	12,561	\$0.59	7,397
Conversion of Restricted Share Units	9 December 2022	<u>252,968</u>	<u>\$0.29</u>	<u>72,485</u>
Balance	31 December 2022	<u>208,249,132</u>		<u>110,098,328</u>

Note 11. Reserves

	31 Dec 2022	30 Jun 2022
	\$	\$
Foreign currency translation reserve	7,821,673	7,041,523
Employee share option reserve	<u>24,288</u>	<u>154,170</u>
	<u>7,845,961</u>	<u>7,195,693</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 2022	7,041,523	154,170	7,195,693
Foreign currency translation	780,150	-	780,150
Conversion of Restricted Share Units	<u>-</u>	<u>(129,882)</u>	<u>(129,882)</u>
Balance at 31 December 2022	<u>7,821,673</u>	<u>24,288</u>	<u>7,845,961</u>

Note 12. Dividends

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

Note 13. Contingent liabilities

The Group has given bank guarantees as at 31 December 2022 of \$165,663 (30 June 2022: \$368,360) to various landlords.

Note 14. Earnings per share

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Loss after income tax attributable to the owners of Ai-Media Technologies Limited	<u>(1,119,164)</u>	<u>(2,376,916)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>208,027,789</u>	<u>209,414,282</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>208,027,789</u>	<u>209,414,282</u>
	Cents	Cents
Basic earnings per share	(0.54)	(1.14)
Diluted earnings per share	(0.54)	(1.14)

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 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 2022 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



Anthony Abrahams
Director and Chief Executive Officer

27 February 2023

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 2022, and 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 2022 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 2022 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*.

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



Harsh Shah
Partner
Chartered Accountants
Sydney, 27 February 2023