



Growth strategy on track Early European broadcast market success New LEXI Toolkit products – LEXI Voice and LEXI Brew

Sydney, Australia, 27 February 2025: AI-Media Technologies Limited ('AI-Media' or the 'Company') (ASX: AIM), a global leader in AI-powered live and recorded captioning, transcription, and translation solutions, is pleased to present its financial results for the half year ending 31 December 2024 (1H25).

Highlights

- Revenue of \$31.8 million, a 3% decline on the prior corresponding period (pcp), reflecting AIM's strategic acceleration of the Services transition to SaaS:
 - Statutory Technology revenue grew 12% to \$17.5 million (55% of total revenue) with:
 - LEXI invoiced sales up 45%
 - Deferred revenue up 67%
 - Services revenue declined 17% to \$14.3 million, aligning with AIM's goal to achieve 80% Technology revenue by December 2025
- Gross profit of \$21.4 million, up 5% on the pcp, with gross margin improving to 67% from 63% in 1H24
- 1H25 EBITDA of \$0.7 million, reflecting AIM's investment in growth initiatives including:
 - Development of new LEXI Products (LEXI Voice and LEXI Brew)
 - Increased sales and marketing to support global expansion
 - Restructuring of Services business and transition to SaaS model
- FY25 investment has been front-loaded, with AIM on track to:
 - Expand sales into new countries
 - Introduce more AI-powered LEXI products
 - Lower its overhead costs
- Strong cash balance of \$14.2 million, up \$3.3 million during 1H25 with cash expected to increase further in 2H25
- FY25 EBITDA expected to be similar to FY24

AI-Media Co-Founder & CEO Tony Abrahams said:

“AIM’s top strategic priority remains achieving our 5-year aspirational EBITDA target of \$60 million in FY29.

“In the three years following the EEG acquisition, our focus was on driving SaaS adoption within EEG’s home US Broadcast market, while preparing the LEXI platform to work globally. This year, we set our sights on broadening our Broadcast capabilities into greenfield European live captioning markets.

“At the start of FY25, we defined success by the number of new encoders deployed in Europe. I am thrilled to report that in the first half of the year we entered into a record 12 new European countries, increasing Tech sales by 300% pcp.

“More importantly, we remain on track and committed to our strategic goals by:

- **Completing our transition** from a Services-based model to a Tech-driven SaaS business
- **Scaling Tech sales** by 35% annually at 80%+ gross margin while keeping operating expenses contained
- **Growing LEXI volume and revenue** by over 40% per annum through customer expansion and the AI-powered LEXI Toolkit
- **Replicating the success of iCap** in the US Broadcast market across Europe and APAC
- **Expanding our product suite** beyond Broadcast into Enterprise and Government markets worldwide
- **Extending our global presence**, now operating in 25 countries – with 14 new markets added in 1H25 alone

“Our strong first-half performance affirms that our growth initiatives remain on track. As we move into the second half of the year, we are excited to accelerate this momentum with first revenues anticipated from:

- **LEXI Voice** – delivering live and automated AI-powered voice translation for global audiences
- **LEXI Brew** – offering a groundbreaking, private and confidential Generative AI solution with real-time LEXI updates from global news sources

“These innovations mark a new era for AIM—where AI-powered captioning, translation, and secure generative AI solutions redefine accessibility, intelligence, and media workflows worldwide, harnessing the power of the live data flowing through the iCap network.

“We will shortly announce specific milestone incentives to align with our 5-year goals, designed to reward key talent for achieving targeted growth milestones.”

Financial performance

For 1H25, total revenue declined 3% year-over-year to \$31.8 million, reflecting a 17% decrease in Services revenue, offset by a 12% growth in Tech revenue, which reached \$17.5 million. This shift underscores AIM’s continued transition toward higher-margin, faster, and more accurate AI-powered solutions.

Hardware revenue grew 21% to \$6.8 million, with total encoder deployments reaching 5,685, a 19% increase on the pcp. Each encoder currently carries an estimated lifetime value of ~US\$50,000 including LEXI SaaS sales over 5 years.

Total gross profit rose 5% to \$21.4 million, with gross margins improving to 67% from 63% on the pcg, driven by the increasing share of higher-margin Tech revenue.

1H25 EBITDA declined 63% on the pcg to \$0.7 million, while operating cash flow was relatively flat at \$3.4 million, reflecting timing changes on revenue recognition with the switch to SaaS billing.

AIM's cash balance increased by \$3.3 million in the half to \$14.2 million, ensuring continued financial flexibility to drive long-term growth and investment.

Global Expansion & SaaS Growth

In line with AIM's 5-year strategy to expand its global footprint, the Company has more than doubled the number of countries in which it operates over the past six months—adding 14 new markets in 1H25 alone, bringing the total to 25 countries.

AIM's European Broadcast expansion was the key driver of this growth, supported by strategic agreements with the UK's largest broadcaster, ITV, and Central European Media Enterprise (CME), which operates across 6 new countries.

During 1H25, AIM focused on:

- **Scaling SaaS adoption** within its core US Broadcast market
- **Expanding its presence in the Government sector** across the Americas region
- **Accelerating its transition out of Services** within the APAC Broadcast market, reinforcing its commitment to a Tech-first, SaaS-driven business model

LEXI's growth remained a key driver of AIM's success, with:

- **LEXI revenue increasing 45%** year-over-year to \$7.3 million
- **LEXI volume surging 48%** to 33.8 million minutes
- **LEXI's share of total iCap rising to 54%**, up from 40% in 1H24

These results underscore AIM's rapid transition to AI-powered solutions, reinforcing its position as the global leader in AI-driven captioning, transcription, and translation technology.

FY25 Product Launches

During 1H25 AIM made significant product investments in two new groundbreaking LEXI product lines—**LEXI Voice** and **LEXI Brew**—as part of its commitment to advancing AI-powered media solutions beyond live captioning.

LEXI Voice

LEXI Voice has already generated strong demand among AIM's existing customers, as confirmed during the AIM Annual Summit in Palm Springs (20–22 February 2025).

LEXI Voice product features include:

- ✓ Takes a single voice stream and splits it into multiple languages in real-time
- ✓ Replicates not only words but sentiments and emotions of original content
- ✓ Low latency ensures real-time delivery, keeping audiences engaged

- ✓ Same workflow to deliver an entirely new software-based solution
- ✓ From live sports to news, LEXI Voice adapts to any broadcast need

Customer value is expanding global markets especially for live news and sport content:

- ✓ Revenue growth opportunities with international expansion in different language markets
- ✓ Cost savings on human interpretation services by using AI to automate the process
- ✓ Monetization of archived content using old shows, films, and series in new regions
- ✓ Digital delivery maximizes AdTech effectiveness

LEXI Voice is slated to launch for AIM's top three LEXI broadcast workflows at the National Association of Broadcasters (NAB) Show on 7 April 2025.

LEXI Brew

Developed through a global, non-exclusive joint venture with BrewAI, LEXI Brew extends the trusted workflow integration and data security of LEXI into Generative AI applications. This solution combines the best features of leading public GenAI models, such as ChatGPT, with AIM customers' proprietary, high-value data—its core intellectual property—securely hosted within a private Large Language Model (LLM) behind customer firewalls.

Uniquely, LEXI Brew will integrate real-time updates via the LEXI global feeds in future releases, ensuring continuous data accuracy and relevance.

"We've been working toward this innovation for a long time. The technical success of LEXI DR—achieving seamless handover between cloud and on-prem—and feature parity across secure on-prem and cloud implementations laid the essential groundwork for LEXI Brew."

– Tony Abrahams, Co-founder & CEO, AI-Media

LEXI Brew enables companies to unlock and leverage their internally generated IP and resources, which would otherwise remain untapped and underutilized in their archives. Additionally, LEXI Brew is expected to serve as a lead magnet to attract new customer segments outside AIM's traditional Broadcast market, expanding its reach into Enterprise, Government, and other high-value industries.

Outlook

In 2H25, AIM will focus on further expanding its Broadcast segment, with a strategic emphasis on growing encoder sales in the European Broadcast market while scaling APAC operations through index customers in key new markets.

Additionally, AIM will continue expanding its presence in underpenetrated sectors, particularly Government and Enterprise, leveraging its AI-powered LEXI solutions to drive adoption and long-term revenue growth.

AIM remains committed to completing its transition from Services to higher-margin SaaS revenue, with continued market expansion and increased encoder penetration fueling the growth of the iCap network and LEXI revenue. These strategic initiatives position AIM for sustained global leadership in AI-powered captioning, transcription, and translation over the next 5 years.

Webinar details

Event: Ai-Media Technologies 1H25 Results Webinar
Presenters: Tony Abrahams (CEO & Co-Founder) & Jason Singh (CFO)
Date / time: 11:00am (AEDT), Thursday 27 February 2025
Registration link: https://us02web.zoom.us/webinar/register/WN_-WcmkYnIQ9iDezaxplGhug

Investors will be able to use the Q&A function during the webinar, or can submit their questions ahead of the webinar to melanie@nwrcommunications.com.au

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Authorised for release by AI-Media's Board of Directors.

Further Information

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About AI-Media

Founded in Australia in 2003, AI-Media (ASX: AIM) is a global leader in AI-powered live and recorded captioning, transcription, and translation solutions. Trusted by the world's leading broadcasters, enterprises, and government agencies, AIM ensures high accuracy, security, and cost-effectiveness through its cutting-edge LEXI technology, seamlessly integrated with iCap infrastructure.

LEXI products are delivered to millions of screens worldwide via AIM's industry-leading encoders and the iCap network, which powers over 10 million minutes of live content each month.

Since commencing trading on the ASX on 15 September 2020, AIM has significantly expanded its global footprint and continues to drive innovation in AI-powered media solutions. With the growing LEXI Toolkit, AIM extends beyond core captioning into new frontiers with LEXI DR, LEXI Local, LEXI Voice, and LEXI Brew, enhancing accessibility, security, and efficiency for customers across multiple markets.