



Recurring Revenue Scaling Rapidly

Sydney, Australia, 26 February 2026: AI-Media Technologies Limited ('AI-Media', 'AIM' or the 'Company') (ASX: AIM), a global provider of AI-driven captioning, transcription and translation infrastructure, presents its financial results for the half year ending 31 December 2025 (1H26).

Highlights

- **Annual Recurring Revenue (ARR*) increased 80% on the prior corresponding period (pcp) to \$30.0M (pcp: \$16.7M)**
- **ARR gross margin was 84%**
- **FY26 ARR growth guidance upgraded to >50% (previously 35%)**
- **Withdrawal of FY29 CEO aspirational EBITDA and revenue targets**
- **Total revenue of \$29.8M (down 6% pcp), reflecting business model transformation including:**
 - **Transition of legacy Services operations**
 - **Launch of next-generation AI encoders under Hardware-as-a-Service (HaaS) model from April 2026**
- **Group gross margin increased to 70% (pcp: 67%)**
- **EBITDA of (\$1.7M), reflecting continued product investment, including \$1.3M non-cash share-based payments and \$2.6M of pre-revenue R&D and product investment**
- **Cash balance of \$16.7M at 31 December 2025**

Financial and Operating Performance

Total revenue for 1H26 was \$29.8 million, a 6% decrease on the pcp. The reduction primarily reflects the short-term impact of two strategic initiatives expected to strengthen the Company's earnings profile over time:

1. **Transition from legacy Services to technology**, consistent with the Company's transition toward a recurring revenue model.
2. **Lower capital sales of end-of-life encoder hardware ahead of next-generation releases**, scheduled for launch at the NAB Show in April 2026.

ARR increased 80% to a \$30.0M run-rate at December 2025, driven by continued global adoption of the LEXI automated captioning platform across broadcast, government and enterprise markets.

Group gross margin increased to 70%, driven by revenue mix shift toward higher-margin recurring revenue. The continued shift toward recurring revenue is improving revenue visibility and earnings durability.

Cash G&A expenditure decreased by 12% (\$1.1M). Sales and Marketing expenses increased by 3% with a 38% increase in Product and R&D, of which \$2.6M was invested in pre-revenue next-generation encoder and AI-driven LEXI products and was fully expensed.

EBITDA of (\$1.7M), reflecting continued product investment, including \$1.3M non-cash share-based payments and \$2.6M of pre-revenue R&D and product investment

Cash balance as at 31 December 2025 was \$16.7M.

Next-generation AI-native encoder launch (HaaS model)

From April 2026, AIM will deploy its next-generation AI-native encoders under a Hardware-as-a-Service model. This is the first major hardware release upgrade in a decade, with a similar lifespan expected for these new models.

The HaaS model aligns hardware monetisation with the Company's recurring revenue architecture, increasing revenue visibility and lifetime value per deployment. AIM's strong balance sheet and absence of debt support this transition.

AIM's existing SaaS model is delivered through LEXI subscriptions. The HaaS initiative converts encoder hardware revenue from an upfront transactional model into recurring subscription revenue aligned with LEXI usage, and encouraging a faster replacement cycle.

Under the HaaS model:

- Encoder revenue will increasingly be recognised over subscription terms
- ARR per deployment is expected to increase
- Revenue volatility from transactional hardware sales will reduce
- Customer capital outlay is lowered, supporting faster and broader adoption of the new models, including replacement of old units
- AIM has 8,000 encoders in the field with 5,000 over 3 years old

The two encoders will focus on LEXI Text and LEXI Voice applications respectively. Over time, the Company expects HaaS to increase the proportion of recurring revenue and expand lifetime value per customer deployment.

Withdrawal of FY29 CEO aspirational targets – focus on ARR guidance

In February 2024, the Company outlined aspirational FY29 revenue and EBITDA targets based on the business model and revenue mix prevailing at that time, including transactional hardware sales and legacy Services operations.

Since then, AIM has:

- Transitioned its legacy Services business
- Accelerated growth of its LEXI SaaS platform
- Repositioned encoder monetisation to a HaaS subscription model

These initiatives materially alter the timing and composition of revenue recognition, increase recurring revenue intensity, and change the primary drivers of long-term value creation.

Given the structural evolution of the business model and the accelerating pace of change in AI-driven markets, the Board has determined to formally withdraw the previously stated FY29 aspirational revenue and EBITDA targets.

The Company's strategic ambition to scale revenue and expand EBITDA over the medium term remains unchanged.

Going forward, the Company will focus on the following key metrics when disclosing historical financial performance::

- Annual Recurring Revenue (ARR) growth
- ARR gross margin
- Recurring revenue mix
- Sustainable EBITDA expansion

Consistent with its approach when announcing its FY25 results and FY26 ARR growth guidance, the Board intends to provide guidance with respect to expected ARR growth for a financial year when announcing the results of the prior financial year. The Board does not intend to disclose aspirational targets in relation to any metrics.

ARR is considered the most relevant leading indicator of long-term earnings durability under the Company's subscription-led model. Lifetime value per deployment is increasing as revenue is recognised over longer periods. As recurring revenue increases and the installed base scales, fixed platform costs are leveraged across a larger contracted revenue base, supporting expanding operating margins over time.

Strategic Priorities

AIM's growth continues to be driven by:

1. **Product Expansion** – Increased penetration within existing customers and monetisation of new offerings, including LEXI Encoders, LEXI Voice, LEXI AI and LEXI Recorded

2. **Geographic Expansion** – Scaling North American success into Europe and Asia, supported by accessibility regulation and multilingual demand.
3. **Segment Expansion** – Continued growth across Enterprise, Education and Government sectors, including parliamentary and congressional institutions.

FY26 Outlook

Following the strong 1H26 performance, AIM is upgrading FY26 ARR growth guidance from 35% to >50%.

AIM Co-Founder and CEO Tony Abrahams said:

“ARR growth of 80% reflects continued adoption of the LEXI platform globally.

With the launch of Hardware-as-a-Service, we are increasing recurring revenue intensity within our existing SaaS model and further aligning encoder deployment with long-term subscription revenue.

Our focus remains on scaling ARR, expanding margins, and converting platform adoption into durable long-term earnings growth”

Webinar details

Event: AI-Media Technologies 1H26 Results Webinar
Presenters: Tony Abrahams (CEO & Co-Founder) and Jason Singh (CFO)
Date / time: 10:00am (AEDST), Thursday, 26 February 2026
Registration link: <https://investorrelations.ai-media.tv/webinars/8r6nor-ai-media-asx-aim-1hfy26-results-webinar>

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

A replay will be available on the [AIM Investor Centre](#).

This announcement has been approved for release by the Board.

Further Information

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About AI-Media

AI-Media (ASX: AIM) is a global leader in AI-powered voice translation, captioning, and language orchestration infrastructure. The LEXI Suite and global encoder network deliver real-time multilingual intelligence—trusted worldwide to modernize workflows, enhance communication, and scale the shift from text to spoken AI.

For more information visit the [AI-Media website](#).

**ARR = contracted recurring subscription revenue, annualised at period end and excludes transactional one-off revenue*

ARR guidance and forward-looking statements

The stated ARR guidance in this announcement is based on AI-Media's expected performance over the stated period and on assumptions regarding global and domestic economic conditions. It is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from this guidance.

Investors are cautioned not to place undue reliance on this guidance. In particular, AI-Media does not guarantee any specific financial outcome or performance.

A number of key variables that may have a significant impact on this guidance have been identified, including but not limited to:

Key variables include:

- customer adoption rates of LEXI products and services*
- the timing and scale of installed base conversion to Hardware-as-a-Service (Haas)*
- the pace of new customer acquisition and expansion within existing accounts*
- pricing, contract duration and renewal rates across subscription offerings*
- product development timelines and successful deployment of next-generation encoders*
- general economic conditions, foreign exchange movements and market demand for accessibility and language services*

This announcement contains forward-looking statements, including statements regarding forecasts, estimates, assumptions, expectations and the future performance of AI-Media.

Words such as "likely", "expect", "aim", "should", "could", "may", "anticipate", "predict", "believe", "plan" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements, opinions and estimates are based on the Board's good-faith assumptions regarding future financial, market, operational and other relevant conditions affecting AI-Media's business. There can be no assurance that these assumptions will prove to be correct.

Forward-looking statements are subject to change without notice. Statements regarding market and industry trends are based on current conditions and may change over time.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of AI-Media to differ materially from those expressed or implied.