Ainsworth Game Technology Limited
ABN 37 068 516 665

APPENDIX 4D

Half Year Report

Current Period: 6 months ended 30 June 2024

Previous Corresponding Period: 6 months ended 30 June 2023

Results for announcement to the market

	Up/Down	% Change		6 months ended 30/06/24 A$'000
Revenue from operating activities	Down	15%	to	121,405
Reported profit from ordinary activities after tax attributable to members	Up	611%	to	13,976
Net profit for the period attributable to the members	Up	611%	to	13,976

Dividend Information

Ainsworth Game Technology Limited has not paid, recommended, or declared any dividends for the half year ended 30 June 2024.

NTA backing	Current period	Previous half
Net tangible asset backing per ordinary security	$0.70	$0.65

Entities where control was gained or lost

Ainsworth Game Technology did not gain or lose control over any entities during the 6 months ended 30 June 2024.

Independent auditor's review report and other information required by Listing Rule 4.2A

This report is based on the financial reports that have been reviewed. Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the following pages.

Ainsworth Game Technology Limited

ABN: 37 068 516 665

INTERIM FINANCIAL REPORT
FOR THE 6 MONTHS ENDED
30 JUNE 2024

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DIRECTORS' REPORT

The directors of Ainsworth Game Technology Limited (the "Company") present their report together with the interim financial report of the Group comprising the Company and its subsidiaries for the six months ended 30 June 2024 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Name	Period of Directorship
Mr Daniel Gladstone *Chairperson and Independent Non-Executive Director*	Director since 2010 and Chairperson from 26 November 2019.
Mr Graeme Campbell *Independent Non-Executive Director*	Director since 2007, Chairperson from 2016 until 26 November 2019, Lead Independent Director from 26 November 2019 until 11 July 2022.
Mr Colin Henson *Independent Non-Executive Director*	Director since 2013.
Ms Heather Alice Scheibenstock *Independent Non-Executive Director*	Appointed Director on 11 July 2022.
Dr Haig Asenbauer *Non-Executive Director*	Appointed Director 22 March 2023.

REVIEW OF OPERATIONS

Business and Performance Summary

Ainsworth Game Technology Limited (ASX: AGI) ("Ainsworth") is an Australian publicly listed company, a global company with offices located in Australia, United States and Latin America. Ainsworth is committed to a vision of delivering excellence in gaming solutions and being a leading supplier in regions within North and Latin America, Asia Pacific and Europe. With a fully integrated operation including design, development, assembly testing, sales and field service, Ainsworth encompasses the entire product development cycles, from conception through to installation, service and support. Ainsworth designs and manufactures a range of gaming machines along with a range of entertaining standalone progressives and linked games.

The Group continues to invest in product, technological developments, and talent acquisition to further diversify and build business capabilities to drive share growth across all key markets. Throughout the reporting period, the Group has continued to maintain a strong balance sheet to allow the necessary investments to assist in further accelerating of growth objectives in future periods.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

In millions of AUD	6 months ended 30 Jun 2024 (Current period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior half)	Current period vs PCP	Current period vs prior half
Statutory results					
Total revenue	121.4	143.6	141.3	(22.2)	(19.9)
Profit / (loss) before tax	15.7	7.9	(5.3)	7.8	21.0
Profit / (loss) after tax	14.0	2.0	(8.5)	12.0	22.5
EBITDA	28.2	14.0	6.1	14.2	22.1
EBIT	14.6	3.6	(7.3)	11.0	21.9
Earnings per share (fully diluted)	4.1 cents	0.6 cents	(2.5 cents)	3.5 cents	6.6 cents
Underlying results [1]					
Profit before tax	14.3	23.3	18.2	(9.0)	(3.9)
Profit after tax	12.7	16.3	10.0	(3.6)	2.7
EBITDA	26.8	29.4	29.6	(2.6)	(2.8)
Balance sheet and cash flow					
Total assets	422.6	427.4	418.4	(4.8)	4.2
Net assets	333.9	325.7	315.6	8.2	18.3
Operating cashflow	(28.4)	12.1	15.8	(40.5)	(44.2)
Closing net (debt) / cash	(11.1)	24.6	19.4	(35.7)	(30.5)

[1] Underlying results excludes foreign currency impacts and one-off items that are outside the ordinary course of business. These items are outlined below:

Reconciliation of Underlying Profit before tax

In millions of AUD	6 months ended 30 Jun 2024 (Current period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior half)	Current period vs PCP	Current period vs prior half
Profit / (loss) before tax	15.7	7.9	(5.3)	7.8	21.0
Foreign currency (gains) / losses	(2.0)	4.4	17.1	(6.4)	(19.1)
Restructuring costs	0.6	-	-	0.6	0.6
GAN exclusivity revenue	-	(1.9)	-	1.9	-
Write-down of investment in financial assets	-	12.9	0.3	(12.9)	(0.3)
Impairment of non current assets	-	-	6.1	-	(6.1)
Adjusted for currency and one-off items	**14.3**	**23.3**	**18.2**	**(9.0)**	**(3.9)**

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Reconciliation of Underlying Profit after tax

In millions of AUD	6 months ended 30 Jun 2024 (Current period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior half)	Current period vs PCP	Current period vs prior half
Profit / (loss) after tax	14.0	2.0	(8.5)	12.0	22.5
Foreign currency (gains) / losses	(1.7)	2.9	13.1	(4.6)	(14.8)
Restructuring costs	0.4	-	-	0.4	0.4
GAN exclusivity revenue	-	(1.5)	-	1.5	-
Write-down of investment in financial assets	-	12.9	0.3	(12.9)	(0.3)
Impairment of non current assets	-	-	5.1	-	(5.1)
Adjusted for currency and one-off items	**12.7**	**16.3**	**10.0**	**(3.6)**	**2.7**

The information presented in this review of operations has not been reviewed in accordance with the Australian Auditing Standards.

Key earnings and performance highlights are outlined below:

- Revenue decrease in this period compared to the prior corresponding period ('pcp') was predominantly attributable to the decrease of sales in Latin America regions, mainly Argentina (due to challenging local conditions with high inflation and political instability) and Mexico (due to restrictions in importation imposed by the Mexican government) during the half;
- Improvement in statutory profit before tax compared to pcp and prior half due to no investment write-down and impairment expense of non-current assets recognised in pcp and prior half respectively;
- Despite the decline in Group's total revenue, participation and lease revenue of $33 million remained similar to PCP and contributed 27% of the Group's total revenue (pcp: 24%);
- Ainsworth's leading Historical Horse Racing ("HHR") products and system continues to incrementally contribute to the Group's results with recurring connection fees of $15.9 million reported in the current period, an increase from $12.4 million reported in the pcp;
- Net debt position of $11.1 million at 30 June 2024 compared to net cash position $19.4 million at 31 December 2023 due to the loan drawdown to settle the Mexican Tax Administrative matters ("SAT");
- Trade receivables decreased due to drop in sales;
- Foreign exchange gains of $2.0 million predominantly related to foreign currency gains arising from balance sheet translations from investments in the Americas;
- Underlying EBITDA margin for the period remained consistent at 22% compared to pcp.

DIRECTORS' REPORT

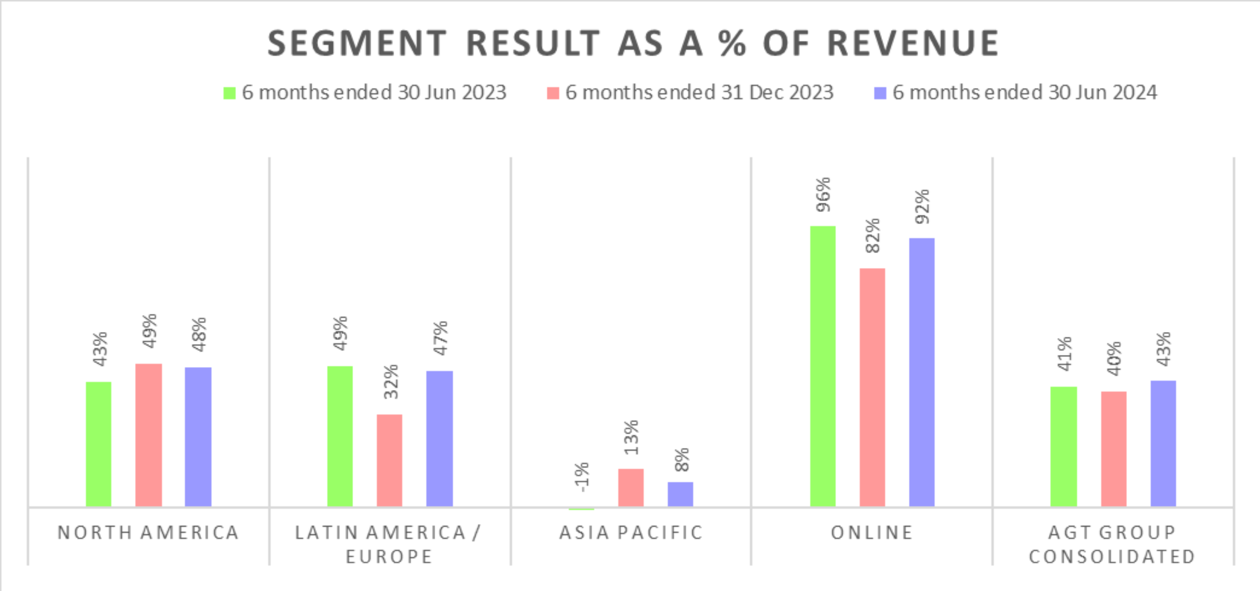
REVIEW OF PRINCIPAL BUSINESSES

Results in the current period and prior periods are summarised as follows:

In millions of AUD	6 months ended 30 Jun 2024 (Current Period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior Half)	Current period vs pcp	Current period vs prior half
Segment revenue					
Asia Pacific	19.1	21.2	27.6	(2.1)	(8.5)
North America	67.9	68.5	71.9	(0.6)	(4.0)
Latin America & Europe	29.3	45.5	34.6	(16.2)	(5.3)
Online Gaming	5.1	8.4	7.2	(3.3)	(2.1)
Total segment revenue	**121.4**	**143.6**	**141.3**	**(22.2)**	**(19.9)**
Segment result					
Asia Pacific	1.6	(0.2)	3.6	1.8	(2.0)
North America	32.6	29.5	35.5	3.1	(2.9)
Latin America & Europe	13.7	22.1	11.0	(8.4)	2.7
Online Gaming	4.7	8.1	5.9	(3.4)	(1.2)
Total segment result	**52.6**	**59.5**	**56.0**	**(6.9)**	**(3.4)**
Unallocated expenses					
Net foreign currency gains / (losses)	2.0	(4.4)	(17.1)	6.4	19.1
Research and development expenses	(25.7)	(21.8)	(23.9)	(3.9)	(1.8)
Administrative expenses	(12.7)	(14.0)	(14.3)	1.3	1.6
Write-down of investment in financial assets	-	(12.9)	(0.3)	12.9	0.3
Impairment of non-current assets	-	-	(6.1)	-	6.1
Other expenses	(0.3)	(1.4)	(0.1)	1.1	(0.2)
Total unallocated expenses	**(36.7)**	**(54.5)**	**(61.8)**	**17.8**	**25.1**
Less : interest included in segment result	(1.3)	(1.4)	(1.5)	0.1	0.2
EBIT	**14.6**	**3.6**	**(7.3)**	**11.0**	**21.9**
Net interest income	1.1	4.3	2.0	(3.2)	(0.9)
Profit / (loss) before tax	**15.7**	**7.9**	**(5.3)**	**7.8**	**21.0**
Income tax expense	(1.7)	(5.9)	(3.2)	4.2	1.5
Profit / (loss) after tax	**14.0**	**2.0**	**(8.5)**	**12.0**	**22.5**

The earnings performance in the Americas (North America, Latin America & Europe) now represents 88% ($46.3 million) of the total segment result compared to 83% ($46.5 million) in the prior half and 87% ($51.6 million) in the pcp. The achievement of 43% segment margin is driven by the higher proportion of recurring revenue within the Americas compared to total revenue, contributing higher margins.

REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)



Segment result as a percentage of revenue on a consolidated level was at consistent levels for the 6 months ended 30 June 2024, 31 December 2023 and 30 June 2023.

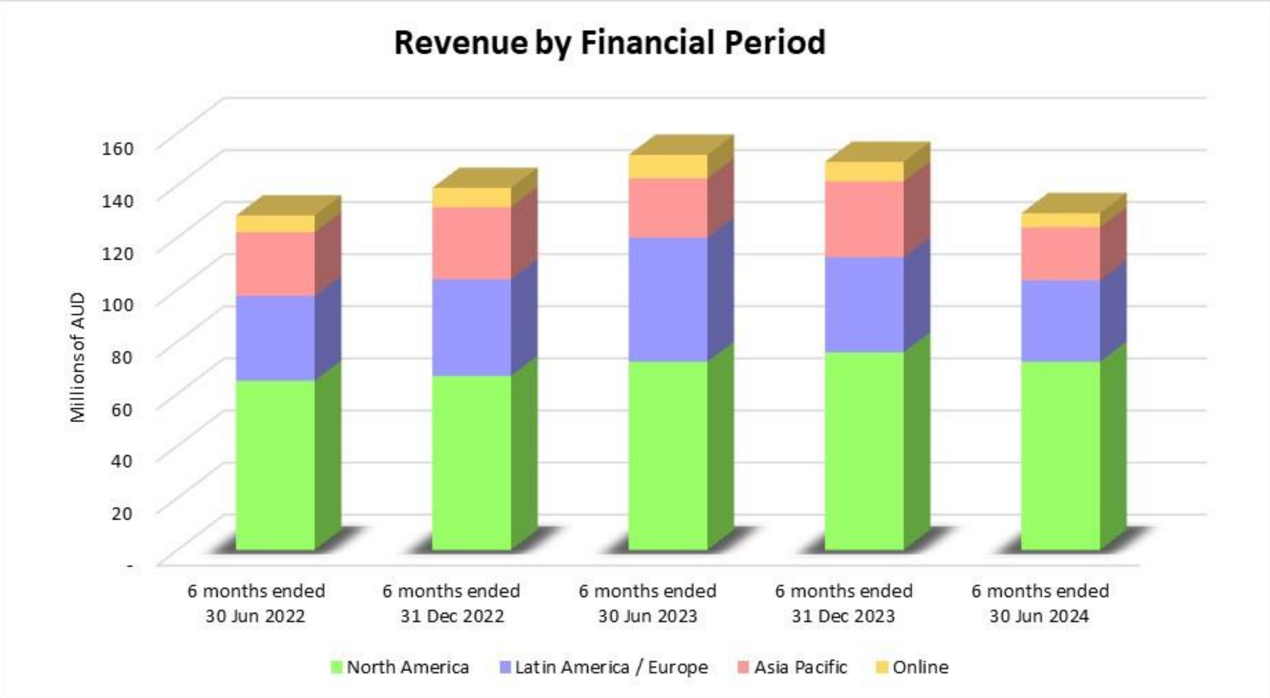
DIRECTORS' REPORT

REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)

Financial performance in the current period, the prior half, and the pcp is summarised as follows:

In millions of AUD	6 months ended 30 Jun 2024 (Current Period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior Half)	Current period vs pcp	Current period vs prior half
Domestic revenue	16.7	17.9	21.9	(1.2)	(5.2)
International revenue	104.7	125.7	119.4	(21.0)	(14.7)
Total revenue	**121.4**	**143.6**	**141.3**	**(22.2)**	**(19.9)**
Cost of sales	(40.5)	(56.7)	(52.9)	16.2	12.4
Gross profit	**80.9**	**86.9**	**88.4**	**(6.0)**	**(7.5)**
Gross profit margin %	67%	61%	63%	6%	4%
Other income	0.5	0.6	0.5	(0.1)	-
Sales, service & marketing expenses	(30.2)	(30.3)	(34.2)	0.1	4.0
Research and development expenses	(25.7)	(21.8)	(23.9)	(3.9)	(1.8)
Administrative expenses	(12.7)	(14.0)	(14.3)	1.3	1.6
Writeback / (impairment) of trade receivables	0.2	0.9	(0.1)	(0.7)	0.3
Write-down of investment in financial assets	-	(12.9)	(0.3)	12.9	0.3
Impairment of non-current assets	-	-	(6.1)	-	6.1
Other expenses	(0.4)	(1.4)	(0.2)	1.0	(0.2)
Net foreign currency gains / (losses)	2.0	(4.4)	(17.1)	6.4	19.1
Net interest income	1.1	4.3	2.0	(3.2)	(0.9)
Profit / (loss) before tax	**15.7**	**7.9**	**(5.3)**	**7.8**	**21.0**
Income tax expense	(1.7)	(5.9)	(3.2)	4.2	1.5
Profit / (loss) after tax	**14.0**	**2.0**	**(8.5)**	**12.0**	**22.5**

Revenue



REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)

Ainsworth's key market, North America, continues to show strong revenue performance contributing $67.9 million which represented 56% of the Group's total revenue. Historical Horse Racing ("HHR") high performing products continue to positively contribute to revenues within this segment. As at 30 June 2024, a total of 8,543 HHR units were connected to Ainsworth's HHR system generating recurring revenue, an increase from the 8,118 units at 31 December 23. Gambler Gold's products (keno and poker based games) have continued to positively contribute to the North America segment profit.

Latin America revenue in the current period has dropped due to challenging local operating environment, mainly in Argentina (due to challenging local conditions with high inflation and political instability) and Mexico (due to restrictions in importation imposed by the Mexican government). The significant drop compared to pcp due to the $9 million one off sale from the accelerated deliveries to Argentina prior to importation restrictions in the first half of 2023. Despite the drop in unit sales, participation and lease revenue increased to $12.2 million compared to $11.3 million in the pcp and the prior half.

Asia Pacific achieved a lower revenue in the current period compared to the prior half as well as the pcp. This was due to lower unit sales in Australia during the current period across all states with minimal corporate sales contribution and competitive market conditions. Asia and New Zealand sales also declined in the current period. It is expected that with the release of new game titles in the second half of CY2024, revenue improvement will be achieved in this region.

The exclusivity agreement with GameAccount Network ('GAN') which terminated on 31st March 2024 affected the performance of the Online segment in the current period compared to pcp and prior half.

Cost of sales and operating costs

Gross margin of 67% was achieved in this period compared to 63% in the prior half, an increase of 4%. The increase in margin is mainly attributable to a higher proportion of high margin recurring revenue in current period compared to prior periods.

Operating costs, excluding cost of sales, other expenses, (writeback) / impairment of trade receivables, and financing costs for the current period were $68.6 million compared to $72.4 million in the prior half and $66.1 million in the pcp. These operating costs over total revenue reported were 57%, an increase from 51% in the prior half due to the lower revenue achieved during the current period and an overall increase in R&D expenses. The Group continues to evaluate opportunities to streamline the business to ensure operating costs are controlled.

Sales, service and marketing (SSM) expenses in the current period were $30.2 million compared to $34.2 million in the prior half and $30.3 million in the pcp. The decrease in SSM expenses is directly attributable to reduced variable selling costs, personnel costs and marketing costs in the current period.

Research and development (R&D) expenses in the current period were $25.7 million compared to $23.9 million in the prior half and $21.8 million in the pcp. Increase in R&D expenses were mainly attributable to personnel costs and evaluation and testing expenses. The Group's strategic investment in R&D talent remains to be the Group's top priority to ensure Ainsworth remains competitive in the industry, delivering high quality products.

REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)

Administration costs were $12.7 million in the current period compared to $14.3 million in the prior half and $14.0 million in the pcp. This decrease was primarily due to a reduction in personnel costs and professional fees. Cost control initiatives are continually being implemented to ensure that administration costs remain relevant to the Group's overall profitability.

Financing income

Net financing income was $1.1 million in the current period, compared to $2.0 million income in the prior half and $4.3 million income in the pcp.

Interest income was $1.9 million in the current period compared to $2.4 million in the prior half and $4.8 million in the pcp. The interest income during the current period includes $0.5 million at market rate and was received in the Group's bank account from short-term deposits held within a financial institution in Argentina ($1.1 million in the prior half and $3.3 million in the pcp) and $1.4 million received from customers predominately relating to the Latin America region which is similar to prior periods.

Interest expense was $0.8 million in the current period compared to $0.4 million in the prior half and $0.5 million in the pcp. The increase is mainly attributable to the loan drawdown that took place in the current period.

Segment review

- **North America**

In millions of AUD	**6 months ended 30 Jun 2024 (Current period)**	**6 months ended 30 Jun 2023 (PCP)**	**6 months ended 31 Dec 2023 (Prior half)**	**Current period vs PCP**	**Current period vs Prior half**
Revenue	67.9	68.5	71.9	(0.6)	(4.0)
Gross Profit	48.6	43.8	51.0	4.8	(2.4)
Segment EBITDA	39.5	35.5	43.0	4.0	(3.5)
Segment Profit	**32.6**	**29.5**	**35.5**	**3.1**	**(2.9)**
Segment Profit (%)	48%	43%	49%	5%	(1%)

North America segment profit decreased by 8% to $32.6 million compared to the prior half, which was mainly due to the reduction in revenue in the current period. Overall segment profit % remained consistent with the prior half despite high proportion of fixed cost over revenue as it was offset by the higher proportion of high margin sales during the period. The current period segment profit improved by $3.1 million compared to pcp due to higher gross profit % achieved during the period. The A-STAR Raptor launched late last year in multiple jurisdictions across North America with initial San Fa™ titles performed at a premium in the marketplace. Increased sales volume of the A-STAR Raptor is expected as we secure more jurisdictional approvals along with additional game titles.

DIRECTORS' REPORT

REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)

Participation and lease revenue was $20.8 million in the current period, a decrease on the $23.6 million revenue in the prior half and $23.5 million in the pcp due to a drop in overall installed base. The average fee per day comprising of participation and fixed lease of Class II, III and HHR machines was US$29, consistent with the prior half. Despite a drop in performance in Class III installed base, the continuing performance of the Class II products has allowed this segment to maintain the average fee per day of US$29.

Despite the drop in the total gaming operation units placed under Class II machines at 30 June 2024 (2,175 units) compared to 31 December 2023 (2,272 units), key game titles from the high denomination game suites, particularly the Super Charged 7's Classic™ and Thunder Cash™, continue to drive sales momentum.

High performing HHR products continue to contribute to the revenue growth in this segment. As at 30 June 2024, a total of 8,543 units (31 December 2023: 8,118 units) were installed in various markets on the Group's HHR system, generating recurring connection fees. New installs occurred in additional properties in Kentucky and Alabama. These locations are driving win per day at up to double the rate of previous Class III and Class II installations. We anticipate additional opportunities in new jurisdictions following the passing of new legislation in Kansas and Texas as well as HHR expansions in New Hampshire, Wyoming, and Kentucky.

Ainsworth's Gambler's Gold™ products (poker, keno and video reel content for use in Multi Game and Video Lottery Terminal (VLT) markets) continue to positively contribute to the North America market segment. The game set released in South Dakota and Louisiana continues to perform in this market and contributed to the majority of the revenue achieved in the current period. Next generation of Gambler's Gold™ will incorporate successful San Fa™ slot content and additional Keno options.

- **Latin America / Europe**

In millions of AUD	6 months ended 30 Jun 2024 (Current period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior half)	Current period vs PCP	Current period vs Prior half
Revenue	29.3	45.5	34.6	(16.2)	(5.3)
Gross Profit	20.8	29.5	20.5	(8.7)	0.3
Segment EBITDA	14.7	21.3	11.0	(6.6)	3.7
Segment Profit	**13.7**	**22.1**	**11.0**	**(8.4)**	**2.7**
Segment Profit (%)	47%	49%	32%	(2%)	15%

Due to the challenging macro-economic conditions in Argentina and importations restrictions within Mexico, lower sales revenue was achieved which has affected the profitability within this region. During the current period, a total of 747 units were sold compared to 987 units in the prior half and 1,277 units in pcp. Also affecting this region was the delay in the launch of the A-STAR Raptor cabinet in the major markets until September 2024 due to the import restrictions.

As at 30 June 2024, 3,760 game operations units were installed compared to 4,132 in the prior half and 3,550 in the pcp. The decrease in machines placed under participation and lease were driven by machines converted to sale during the period. Despite the drop in installed base, participation and lease revenue in the current period increased to $12.2 million, compared to $11.3 million in both the prior half and the pcp. This is because the majority of the incremental in game operations units for the prior half occurred in last quarter of CY23 and some of these units were then converted to sale in the current period.

DIRECTORS' REPORT

REVIEW OF PRINCIPAL BUSINESSES (CONTINUED)

- **Asia Pacific**

In millions of AUD	**6 months ended 30 Jun 2024 (Current period)**	**6 months ended 30 Jun 2023 (PCP)**	**6 months ended 31 Dec 2023 (Prior half)**	**Current period vs PCP**	**Current period vs Prior half**
Revenue	19.1	21.2	27.6	(2.1)	(8.5)
Gross Profit	6.3	5.1	9.8	1.2	(3.5)
Segment EBITDA	2.2	0.1	4.0	2.1	(1.8)
Segment Profit	**1.6**	**(0.2)**	**3.6**	**1.8**	**(2.0)**
Segment Profit (%)	8%	(1%)	13%	9%	(5%)

This segment delivered revenue of $19.1 million in the current period, a decrease of 31% compared to the prior half and 10% compared to the pcp revenue. Competitive market conditions and local regulatory changes with the introduction of new gaming regulations in NSW and Victoria have continued to impact revenue this period. The segment profit % for Asia Pacific was 8% in the current period, compared to a profit % of 13% in the prior half and a loss of 1% in the pcp. Despite competitive market conditions, higher average selling price of A$25,900 was achieved during the period, offsetting lower unit sales and continuing cost pressures and allowing this segment to be profitable even with lower revenue number when compared to pcp.

- **Online**

In millions of AUD	**6 months ended 30 Jun 2024 (Current period)**	**6 months ended 30 Jun 2023 (PCP)**	**6 months ended 31 Dec 2023 (Prior half)**	**Current period vs PCP**	**Current period vs Prior half**
Revenue	5.1	8.4	7.2	(3.3)	(2.1)
Gross Profit	5.1	8.4	7.2	(3.3)	(2.1)
Segment EBITDA	4.7	8.1	5.9	(3.4)	(1.2)
Segment Profit	**4.7**	**8.1**	**5.9**	**(3.4)**	**(1.2)**
Segment Profit (%)	92%	96%	82%	(4%)	10%

Online revenue decreased during the current period to $5.1 million compared to $7.2 million in the prior half and $8.4 million in the pcp. This decrease is due to the termination of the 5-year exclusivity agreement with GAN at 31 March 2024. Higher revenue was also recorded in prior periods due to the acceleration of revenue resulting from contract modification due to amendment on the GAN distribution agreement on 29th March 2023 as disclosed in the Annual Report for 12 months ended 31 December 2023.

REVIEW OF FINANCIAL CONDITION

Capital structure and treasury policy

The Company currently has on issue 336,793,929 ordinary shares. The Board continues to ensure a strong capital base is maintained to enable investment in the development of the business. Group performance is monitored to oversee an acceptable return on capital is achieved and dividends are able to be provided to ordinary shareholders as and when considered appropriate. There were no changes in the Group's approach to capital management.

The Group is exposed to translational foreign currency risks that are denominated in currencies other than AUD. The Group continually monitors and reviews the financial impact of currency variations to minimise the volatility of changes and adverse financial effects in foreign currency exchange rates.

Cash flows

The movement in cash is set out as below:

In millions of AUD	6 months ended 30 June 2024 (Current period)	6 months ended 30 Jun 2023 (PCP)	6 months ended 31 Dec 2023 (Prior half)	Current period vs PCP	Current period vs prior half
Net cash (used in) / generated from operating activities	**(28.4)**	**12.1**	**15.8**	**(40.5)**	**(44.2)**
Proceeds from sale of property, plant and equipment	0.1	0.1	-	-	0.1
Proceeds from investments	3.1	1.1	2.0	2.0	1.1
Acquisitions of property, plant and equipment	(1.3)	(3.1)	(8.1)	1.8	6.8
Development expenditure	(1.7)	(3.4)	(1.5)	1.7	(0.2)
Payments for investments	-	(10.0)	(6.8)	10.0	6.8
Cash flows generated from / (used in) investing activities	**0.2**	**(15.3)**	**(14.4)**	**15.5**	**14.6**
Borrowing costs paid	(0.5)	(0.2)	-	(0.3)	(0.5)
Interest paid on leases	(0.3)	(0.3)	(0.4)	-	0.1
Proceeds from borrowings	24.2	-	0.4	24.2	23.8
Repayment of borrowings	(0.3)	(0.6)	-	0.3	(0.3)
Payment for leases	(0.7)	(0.9)	(0.8)	0.2	0.1
Net cash flows generated from / (used in) financing activities	**22.4**	**(2.0)**	**(0.8)**	**24.4**	**23.2**
Net change in cash	**(5.8)**	**(5.2)**	**0.6**	**(0.6)**	**(6.4)**

The Group's net cash outflows from operations for the current period were $28.4 million, compared to net cash inflows of $12.1 million in the pcp. This was mainly attributable to the lower sales made and payments made to SAT in this reporting period compared to prior half. The proceeds from borrowings represent US$15.9 million drawdown from the loan facility to facilitate the payment for SAT.

Liquidity and funding

AGT had cash balances at 30 June 2024 of $13.0 million, compared to $19.8 million at 31 December 2023. Net debt at 30 June 2024 was $11.1 million, compared to net cash of $19.4 million at 31 December 2023.

The Group maintained strong overall liquidity and balance sheet in the reporting period. The Group also has a secured bank loan facility of US$32.0 million with Western Alliance Bancorporation (WAB). In this facility, the Company's US-based operating subsidiary, Ainsworth Game Technology Inc., is established as the borrower and party to the relevant credit agreements while its parent entities within the AGT Group of companies, AGT Pty Ltd and Ainsworth Game Technology Limited, serve as guarantors. During the 6 months ended 30 June 2024, the Group has drawn down US$15.9 million from this facility leaving US$16.1 million available to be drawn as at 30 June 2024. All financial covenants under the WAB facility were met during this reporting period and prior reporting periods.

IMPACT OF LEGISLATION AND OTHER EXTERNAL REQUIREMENTS

The Group continues to work with regulatory authorities to ensure that the necessary product approvals to support its operations within global markets are granted on a timely and cost-effective basis. The granting of such licenses will allow the Group to expand its operations. The Group aims to conduct its business worldwide in jurisdictions where gaming is legal and commercially viable. Accordingly, the Group is subject to licensing and other regulatory requirements of those jurisdictions.

The Group's ability to operate in existing and new jurisdictions could be adversely impacted by new or changing laws or regulations and delays or difficulties in obtaining or maintaining approvals and licenses.

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 44 and forms part of the directors' report for the six months ended 30 June 2024.

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Report) Instrument 2016/191 and in accordance with that instrument, amounts in the interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

D. Gladstone

Danny Gladstone
Chairman

Dated at Sydney this 27th day of August 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2024

In thousands of AUD	***Note***	**30 June 2024**	**31 December 2023**
Assets			
Cash and cash equivalents	17	12,977	19,834
Receivables and other assets	12	92,944	103,837
Current tax assets		3,238	3,055
Inventories	7	92,093	72,604
Prepayments		6,755	7,077
Investment in financial assets		360	3,818
Total current assets		**208,367**	**210,225**
Receivables and other assets	12	17,098	15,547
Deferred tax assets		23,871	21,558
Property, plant and equipment	10	97,964	95,116
Right-of-use assets		5,905	5,931
Intangible assets	11	69,404	70,071
Total non-current assets		**214,242**	**208,223**
Total assets		**422,609**	**418,448**
Liabilities			
Trade and other payables	12	30,190	34,855
Loans and borrowings	13	32	357
Lease liabilities		1,440	996
Employee benefits		10,721	13,176
Deferred income		2,411	5,079
Current tax liability		5,633	6,357
Provisions	14	5,681	32,898
Total current liabilities		**56,108**	**93,718**
Trade and other payables	12	-	79
Loans and borrowings	13	24,071	-
Lease liabilities		8,222	8,747
Employee benefits		285	330
Total non-current liabilities		**32,578**	**9,156**
Total liabilities		**88,686**	**102,874**
Net assets		**333,923**	**315,574**
Equity			
Share capital		207,709	207,709
Reserves		139,101	134,784
Accumulated losses		(12,887)	(26,919)
Total equity		**333,923**	**315,574**

The notes on pages 19 to 40 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024

In thousands of AUD

	Note	6 months ended 30 June 2024	6 months ended 30 June 2023 Restated*
Revenue	*6*	121,405	143,611
Cost of sales	*5*	(40,540)	(56,732)
Gross profit		**80,865**	**86,879**
Other income		469	555
Sales, service and marketing expenses	*5*	(30,197)	(30,296)
Research and development expenses	*5*	(25,690)	(21,832)
Administrative expenses	*5*	(12,658)	(13,978)
Writeback of loss allowance on trade receivables	*8*	201	925
Write-down of investments in financial assets	*5*	-	(12,937)
Other expenses		(425)	(1,404)
Results from operating activities		**12,565**	**7,912**
Finance income		1,896	4,782
Finance costs		(817)	(434)
Net finance income		**1,079**	**4,348**
Foreign exchange gains / (losses)	*5*	2,039	(4,411)
Profit before tax		**15,683**	**7,849**
Income tax expense	*9*	(1,707)	(5,883)
Profit for the year		**13,976**	**1,966**
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Foreign operations - foreign currency translation differences		4,083	2,879
Total other comprehensive income		**4,083**	**2,879**
Total comprehensive income for the period		**18,059**	**4,845**
Profit attributable to owners of the Company		**13,976**	**1,966**
Total comprehensive income attributable to the owners of the Company		**18,059**	**4,845**
Earnings per share:			
Basic earnings per share (AUD)		$ 0.04	$ 0.01
Diluted earnings per share (AUD)		$ 0.04	$ 0.01

Refer to note 2 for further information on the restatements.

The notes on pages 19 to 40 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024

In thousands of AUD	Attributable to owners of the Company						
	Issued Capital	**Equity compensation reserve**	**Fair value reserve**	**Translation reserve**	**Profit reserve**	**Retained Earnings / (Accumulated losses)**	**Total Equity**
Balance at 1 January 2023 previously reported	**207,709**	**6,092**	**9,684**	**23,350**	**95,438**	**(22,031)**	**320,242**
Restatement of prior period balances	-					1,654	1,654
Balance as at 1 January 2023 (Restated)	**207,709**	**6,092**	**9,684**	**23,350**	**95,438**	**(20,377)**	**321,896**
Profit (Restated)	-	-	-	-	-	1,966	1,966
Other comprehensive income							-
Foreign currency translation reserve	-	-	-	2,879	-	-	2,879
Total other comprehensive income	-	-	-	2,879	-	-	2,879
Total comprehensive income for the period (Restated)	-	-	-	2,879	-	1,966	4,845
Transactions with owners, recorded directly in equity							
Share-based payment expense	-	608	-	-	-	-	608
Total transactions with owners	-	608	-	-	-	-	608
Balance at 30 June 2023 (Restated)	**207,709**	**6,700**	**9,684**	**26,229**	**95,438**	**(18,411)**	**327,349**
Balance at 1 January 2024	**207,709**	**7,334**	**9,684**	**22,328**	**95,438**	**(26,919)**	**315,574**
Profit	-	-	-	-	-	13,976	13,976
Transfer between reserves	-	-	-	(54)	(2)	56	-
Other comprehensive income							
Foreign currency translation reserve	-	-	-	4,083	-	-	4,083
Total other comprehensive income	-	-	-	4,083	-	-	4,083
Total comprehensive income for the period	-	-	-	4,029	(2)	14,032	18,059
Transactions with owners, recorded directly in equity							
Share-based payment expense	-	290	-	-	-	-	290
Total transactions with owners	-	290	-	-	-	-	290
Balance at 30 June 2024	**207,709**	**7,624**	**9,684**	**26,357**	**95,436**	**(12,887)**	**333,923**

The notes on pages 19 to 40 are an integral part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2024

	6 months ended 30 June 2024	6 months ended 30 June 2023
Cash flows (used in) / generated from operating activities		
Cash receipts from customers	129,563	164,928
Cash paid to suppliers and employees	(126,358)	(152,851)
Cash generated from from operations	**3,205**	**12,077**
Payments made to Mexican Tax Adminstration Service "SAT"	(29,147)	-
Interest received	1,896	4,782
Income taxes paid	(4,339)	(4,795)
Net cash (used in) / generated from operating activities	**(28,385)**	**12,064**
Cash flows generated from / (used in) investing activities		
Proceeds from sale of property, plant and equipment	84	68
Proceeds from investments	3,116	1,166
Acquisitions of property, plant and equipment	(1,255)	(3,078)
Development expenditure	(1,734)	(3,396)
Payments for investments	-	(10,039)
Cash flows generated from / (used in) investing activities	**211**	**(15,279)**
Cash flows generated from / (used in) financing activities		
Borrowing costs paid	(501)	(154)
Interest paid on leases	(317)	(317)
Proceeds from borrowings	24,206	19
Repayment of borrowings	(329)	(578)
Repayment of principal portion of lease liabilities	(721)	(951)
Net cash flows generated from / (used in) financing activities	**22,338**	**(1,981)**
Net decrease in cash and cash equivalents	(5,836)	(5,196)
Cash and cash equivalents at start of period	19,834	29,861
Effect of exchange rate fluctuations on cash held	(1,021)	(73)
Cash and cash equivalents at end of period	**12,977**	**24,592**

The notes on pages 19 to 40 are an integral part of this interim financial report. statements.

1. REPORTING ENTITY

Ainsworth Game Technology Limited (the "Company") is a company domiciled in Australia. The address of the Company's registered office is 10 Holker Street, Newington, NSW, 2127. The condensed consolidated interim financial report as at and for the 6 months ended 30 June 2024 comprised of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is a for-profit entity and primarily is involved in the design, development, manufacture, sale and servicing of gaming machines and other related equipment and services.

The consolidated financial report of the Group as at and for the year ended 31 December 2023 is available upon request from the Company's registered office at 10 Holker Street, Newington, NSW, 2127 or at www.agtslots.com.

2. BASIS OF PREPARATION

Statement of Compliance

This interim financial report is a general purpose financial statements prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting* and the *Corporations Act 2001*, and with the International Accounting Standards (IAS) 34 *Interim Financial Reporting*.

This interim financial report does not include all the information required for a complete set of financial statements and should be read in conjunction with the consolidated financial report of the Group as at and for the 12 months ended 31 December 2023.

This interim financial report was approved by the Board of Directors on 27 August 2024.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Report) Instrument 2016/191 and in accordance with the legislative Instrument, amounts in the interim financial report have been rounded off to the nearest thousand dollars, unless otherwise stated. The interim financial report has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

Going Concern

The directors have at the time of approving the interim financial report, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the current interim financial report.

Judgements and Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

(i) Recoverability of trade receivables

The Group reviews at each reporting date whether trade receivables are recoverable, including assessing the expected payments to be received from customers and any refinancing arrangements in place. This process involves estimates and assumptions that are based on current expectations of customers' ability to pay amounts due (Note 8).

2. BASIS OF PREPARATION (CONTINUED)

(ii) Carrying value of inventory

The Group performs an assessment at each reporting date whether inventory is recorded at the lower of cost and net realisable value, including assessing the expected sales of slow moving inventories. These assessments involve estimates and assumptions that are based on current expectations of demand and market conditions, including opportunities to sell new products into markets and supply chain disruptions (Note 7).

Apart from listed above, the significant judgements made by the Group in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the 12 months ended 31 December 2023.

Re-statements of prior reporting period (i.e. 30 June 2023 financial report)

i. Restatement of deferred tax assets as at 30 June 2023

As set out in Note 2 to the Financial Statements in the Annual Report, certain restatements in respect of deferred tax assets and liabilities were required in respect of prior periods. As a consequence, restatement is also required of the 30 June 2023 income tax expense. No restatement is required in respect of the 31 December 2023 balance sheet.

The errors identified related to the non-recognition of deferred tax assets on Research and Development ('R&D') tax offsets and the adjustments to deferred tax liabilities on written down values of capitalised development costs that have been subject to R&D claims. This restatement reflects the utilisation of the recognised deferred tax assets on the R&D offsets and the movement on deferred tax liabilities on written down values of capitalised development costs.

This restatement resulted in reduction of net deferred tax assets of $2,225 thousand as at 30 June 2023 and an increase in income tax expense of $2,225 thousand for the six months ended 30 June 2023.

Following the requirements of paragraph 42 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Group has restated the income tax expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss for the six months ended 30 June 2023 comparative period. This restatement has also resulted in adjustments to accumulated losses in the Consolidated Statement of Changes in Equity at 30 June 2023.

NOTES TO THE INTERIM FINANCIAL REPORT

2. BASIS OF PREPARATION (CONTINUED)

The relevant changes made in the financial report are outlined as below:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS			
For the six months ended 30 June 2023			
In thousands of AUD	**As previously stated**	**Adjustments**	**As restated**
Income tax expense	(3,658)	(2,225)	(5,883)
Profit after tax for the year	**4,191**	**(2,225)**	**1,966**
Total comprehensive income for the period	**7,070**	**(2,225)**	**4,845**
Profit attributable to owners of the Company	**4,191**	**(2,225)**	**1,966**
Total comprehensive income attributable to the owners of the Company	**7,070**	**(2,225)**	**4,845**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY							
For the six months ended 30 June 2023 *In thousands of AUD*	**Attributable to owners of the Company**						
	Issued Capital	**Equity compensation reserve**	**Fair value reserve**	**Translation reserve**	**Profit reserve**	**Earnings / (Accumulated losses)**	**Total Equity**
Balance at 1 January 2023 previously reported	**207,709**	**6,092**	**9,684**	**23,350**	**95,438**	**(22,031)**	**320,242**
Restatement of prior period balances	-	-	-	-	-	1,654	1,654
Balance as at 1 January 2023 (Restated)	**207,709**	**6,092**	**9,684**	**23,350**	**95,438**	**(20,377)**	**321,896**
Profit after tax for the period	-	-	-	-	-	4,191	4,191
Restatement of income tax expense	-	-	-	-	-	(2,225)	(2,225)
Restated total comprehensive income for the period	**-**	**-**	**-**	**2,879**	**-**	**1,966**	**4,845**
Restated balance at 30 June 2023	**207,709**	**6,700**	**9,684**	**26,229**	**95,438**	**(18,411)**	**327,349**

3. CHANGES IN NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Several new standards and amendments to standards are effective for annual periods beginning after 1 January 2024. The following new standards and interpretations are applicable to the Group:

- AASB 2022-5 *Amendments to Australian Accounting Standards* – Lease Liability in a Sale and Leaseback
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements and AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures

3. CHANGES IN NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

The directors of the Company do not anticipate that the above amendments will have a material impact on the Group but may change the disclosure of accounting policy information included in the interim financial report.

- AASB 2023-2 *Amendments to Australian Accounting Standards* – International Tax Reform – Pillar two Model Rules

The Pillar Two Model Rules will apply for Multinational Enterprises ("MNEs") Groups that have a consolidated accounting revenue of EUR 750 million. The Novomatic Group is an MNEs Group whose Ultimate Parent Entity ("UPE") is an Austrian entity that prepares consolidated financial statements for the Novomatic Group.

The Austrian and Australian governments have decided to implement the Pillar Two rules with effect from 1 January 2024. At the time of issuance of these financial statements, Austria has substantially enacted the legislation while Australia has not.

Management has applied the mandatory exception to the recognition and disclosure of deferred taxes arising from Pillar Two income taxes. The Group has disclosed any known or reasonably estimable information that helps users of financial statements understand the Group's exposure to Pillar Two income taxes arising from Pillar Two legislation that is substantively enacted in Austria as a result of its inclusion in the Novomatic MNE Group. Further information is outlined in Note 9.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current* and AASB 2022-6 Amendments to Australian Accounting Standards – Non-Current Liabilities with covenants

The Standard clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. As at 30 June 2024, the Group has a secured facility in place which is subject to financial covenants. The determination on the classification for this secured loan as current or non-current is outlined in Note 13.

- AASB 18 - *Presentation and Disclosure in Financial Statements*

This new standard replaces IAS 1 *Presentation of Financial Statements*, introducing enhanced requirements for the presentation of financial statements, including:

- In the statement of profit or loss, introducing new required categories (operating, investing and financing) and subtotals ('operating profit' and 'profit before financing and income taxes')

- Disclosures about management-defined performance measures (MPMs), limited to subtotals of income and expenses and requiring:
    - A reconciliation of the MPM to an AASB-defined subtotal
    - An explanation of why the MPM is reported
    - An explanation of how the MPM is calculated
    - An explanation of any changes to the MPM

3. CHANGES IN NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONTINUED)

- Enhanced guidance on grouping of information (aggregation and disaggregation), including guidance on whether information should be presented in the primary financial statements or disclosed the notes.

This standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted from 30 June 2024. The Group has determined not to adopt this standard early.

Apart from the new standards and interpretations outlined above, there are currently no new standards, amendments to standards or accounting interpretations that are expected to affect the Group's consolidated financial statements in future periods.

4. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for twelve months ended 31 December 2023.

5. OPERATING SEGMENTS

The activities of the entities within the Group are predominantly within a single business which is the design, development, manufacture, sale and service of gaming machines and other related equipment and services.

Performance of each reportable segment is based on segment revenue and segment result as included in internal management reports that are reviewed by the Group's CEO. Segment results include segment revenues and expenses that are directly attributable to the segment, which management believes is the most relevant approach in evaluating segment performance. Items that are not part of the ordinary course of business or one-off items do not form part of the segment results. The revenue from external parties reported to the CEO is measured in a manner consistent within the condensed consolidated statement of profit or loss and other comprehensive income or loss.

NOTES TO THE INTERIM FINANCIAL REPORT

5. OPERATING SEGMENTS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

In thousands of AUD	**Asia Pacific**	**North America**	**Latin America / Europe**	**Online**	**Total**
Reportable segment revenue	19,065	67,941	29,334	5,065	121,405
Cost of goods sold	(12,728)	(19,326)	(8,486)	-	(40,540)
Gross Margin	6,337	48,615	20,848	5,065	80,865
Sales service and marketing expenses	(4,915)	(15,793)	(9,115)	(374)	(30,197)
Other items allocated to segment	183	(193)	1,898	-	1,888
Segment result	1,605	32,629	13,631	4,691	52,556
Segment result (%)	8%	48%	46%	93%	43%
Segment EBITDA	2,204	39,453	14,669	4,691	61,017
Interest revenue not allocated to segments					542
Interest expense					(817)
Foreign currency gain					2,039
R & D expenses					(25,690)
Corporate and administrative expenses					(12,658)
Other expenses not allocated to segments					(289)
Profit before tax					15,683
Income tax expense					(1,707)
Net profit after tax					13,976

FOR THE SIX MONTHS ENDED 30 JUNE 2023

In thousands of AUD	**Asia Pacific**	**North America**	**Latin America / Europe**	**Online**	**Total**
Reportable segment revenue	21,195	68,494	45,543	8,379	143,611
Cost of goods sold	(16,049)	(24,670)	(16,013)	-	(56,732)
Gross Margin	5,146	43,824	29,530	8,379	86,879
Sales service and marketing expenses	(5,593)	(13,891)	(10,299)	(513)	(30,296)
Other items allocated to segment	199	(415)	2,859	296	2,939
Segment result	(248)	29,518	22,090	8,162	59,522
Segment result (%)	-1%	43%	49%	97%	41%
Segment EBITDA	105	36,652	21,271	8,162	66,190
Interest revenue not allocated to segments					3,323
Interest expense					(434)
Foreign currency loss					(4,411)
R & D expenses					(21,832)
Corporate and administrative expenses					(13,978)
Write-down of investment in financial assets					(12,937)
Other expenses not allocated to segments					(1,404)
Profit before tax					7,849
Income tax expense					(5,883)
Net profit after tax					1,966

NOTES TO THE INTERIM FINANCIAL REPORT

6. REVENUE

The Group's operations and main revenue streams are those described in the consolidated financial statements. The Group's revenues are derived from contracts with customers.

Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

FOR THE SIX MONTHS ENDED 30 JUNE 2024

In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Major products/service lines					
Recognised under AASB15					
Machine and part sales	12,083	27,691	16,052	-	55,826
Multi element arrangements	4,411	-	-	-	4,411
Rendering of services	2,571	15,872	3	-	18,446
License income	-	3,245	47	5,065	8,357
Total revenue recognised under AASB15	19,065	46,808	16,102	5,065	87,040
Recognised under AASB16					
Rental and participation	-	20,751	12,240	-	32,991
Finance leases	-	382	992	-	1,374
Total revenue recognised under AASB16	-	21,133	13,232	-	34,365
	19,065	**67,941**	**29,334**	**5,065**	**121,405**
Timing of revenue recognition					
Products and services transferred at a point in time	16,455	29,914	16,982	-	63,351
Products and services transferred over time	2,610	38,027	12,352	5,065	58,054
	19,065	**67,941**	**29,334**	**5,065**	**121,405**

6. REVENUE (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2023

In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Major products/service lines					
Recognised under AASB15					
Machine and part sales	14,892	28,846	17,653	-	61,391
Multi element arrangements	3,922	-	-	-	3,922
Rendering of services	2,380	12,690	(5)	-	15,065
License income	-	2,128	548	8,379	11,055
Total revenue recognised under AASB15	21,194	43,664	18,196	8,379	91,433
Recognised under AASB16					
Rental and participation	1	23,524	11,296	-	34,821
Finance leases	-	1,306	16,051	-	17,357
Total revenue recognised under AASB16	1	24,830	27,347	-	52,178
	21,195	**68,494**	**45,543**	**8,379**	**143,611**
Timing of revenue recognition					
Products and services transferred at a point in time	18,785	30,935	33,852	-	83,572
Products and services transferred over time	2,410	37,559	11,691	8,379	60,039
	21,195	**68,494**	**45,543**	**8,379**	**143,611**

7. INVENTORIES

In thousands of AUD	30 June 2024	31 December 2023
Raw materials and consumables	56,206	44,120
Finished goods	32,582	24,283
Stock in transit	3,305	4,201
Inventories stated at the lower of cost and net realisable value	92,093	72,604

During the six months ended 30 June 2024, raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $35,565 thousand (six months ended 30 June 2023: $46,957 thousand).

A re-classification from inventory to property, plant and equipment of $9,157 thousand (six months ended 30 June 2023: $11,810 thousand) was recorded to reflect gaming products for which rental and participation agreements were entered into during the year. Subsequently, a re-classification from property, plant and equipment to inventory of $14,488 thousand (six months ended 30 June 2023: $5,048 thousand) was recorded when the rental or participation agreement ceases, and the machines become held for sale.

During the six months ended 30 June 2024, no write down of inventories to net realisable value was recognised, compared to six months ended 30 June 2023 of $4,360 thousand of which write down of inventories on older cabinets to their net realisable value were recognised during that period.

Any write-downs of inventory are included in cost of sales in the consolidated statement of profit or loss and other comprehensive income or loss.

8. IMPAIRMENT OF TRADE RECEIVABLES

The Group measures expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for forward looking information including economic risks on factors affecting the ability of the customers to settle trade receivables.

The Group's expected credit losses for trade receivables was $9,695 thousand as at 30 June 2024 compared to $9,909 thousand as at 31 December 2023.

The Group continues to re-assess its expected credit loss at each reporting period taking into account new information that has arisen during the period.

9. INCOME TAXES

The Group's consolidated effective tax rate for the six months ended 30 June 2024 is 10.9% (six months ended 30 June 2023 restated: 74.9%). The effective tax rate of 10.9% is attributable to the recognition of deferred tax assets on the future R&D tax incentives claim offset against future taxable profits in the Group's parent entity, Ainsworth Game Technology Limited and true-up of CY2023 tax provision against actuals, mainly resulting from the lodgement of R&D Tax Incentive claim. The decrease in the consolidated effective rate from 74.9% at 30 June 2023 compared to 10.9% at 30 June 2024 is predominantly due to the non-deductible expenses relating to investments write-down recognised at 30 June 2023.

Pillar Two Model rules

As discussed in Note 3, the Group is part of the Novomatic MNE Group for the purposes of Pillar Two Model Rules. Pillar Two was enacted by Austria prior to 30 June 2024, with application from 1 January 2024. Australian legislation, when enacted, will have application from 1 January 2024, however, the Australian legislation was not substantially enacted by 30 June 2024.

The Group has assessed the potential exposure within the jurisdictions the Ainsworth Group operates in based on the latest financial statements and country-by country report available for the constituent entities within the Group. Based on this assessment, it is determined that the transitional safe harbour rules will not apply to Australia. The Group estimates the exposure to additional taxation under Pillar Two for the Ainsworth Group to be $0.5 million. This figure has been calculated using the 12-month period to December 2023 as it is not expected that any material changes will arise.

NOTES TO THE INTERIM FINANCIAL REPORT

10. PROPERTY, PLANT AND EQUIPMENT

In thousands of AUD	Note	Land & buildings	Plant & equipment	Leasehold improvements	Total
Cost					
Balance as at 1 January 2023		62,556	150,074	4,365	216,995
Classification of inventory to plant and equipment		-	32,766	-	32,766
Re-classification of plant and equipment back to inventory		-	(16,605)	-	(16,605)
Additions		290	10,919	-	11,209
Disposals		-	(1,074)	-	(1,074)
Effect of movements in foreign change		(594)	(1,161)	(5)	(1,760)
Balance as at 31 December 2023		62,252	174,919	4,360	241,531
Balance as at 1 January 2024		62,252	174,919	4,360	241,531
Classification of inventory to plant and equipment		-	10,929	-	10,929
Re-classification of plant and equipment back into inventory		-	(14,788)	-	(14,788)
Additions		151	1,032	70	1,253
Disposals		-	(582)	-	(582)
Reclassification		-	(2,248)	2,248	-
Effect of movements in foreign exchange		2,030	4,681	14	6,725
Balance as at 30 June 2024		64,433	173,943	6,692	245,068
Depreciation and Impairment Losses					
Balance at 1 January 2023		18,630	124,663	3,513	146,806
Depreciation charge		1,394	12,550	132	14,076
Impairment Loss		-	2,242	536	2,778
Re-classification of plant and equipment back to inventory		-	(14,651)	-	(14,651)
Disposals		-	(1,056)	-	(1,056)
Effect of movements in foreign exchange		(216)	(1,317)	(5)	(1,538)
Balance at 31 December 2023		19,808	122,431	4,176	146,415
Balance as at 1 January 2024		19,808	122,431	4,176	146,415
Depreciation charge		656	7,809	219	8,684
Re-classification of plant and equipment back to inventory		-	(11,210)	-	(11,210)
Disposals		-	(538)	-	(538)
Reclassification		-	(6)	6	-
Effect of movements in foreign exchange		642	3,097	14	3,753
Balance as at 30 June 2024		21,106	121,583	4,415	147,104

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In thousands of AUD	Note	Land & buildings	Plant & equipment	Leasehold improvements	Total
Carrying Amounts					
As at 1 January 2023		43,926	25,411	852	70,189
As at 31 December 2023		42,444	52,488	184	95,116
As at 30 June 2024		43,327	52,360	2,277	97,964

Machines previously held as inventory are transferred to property, plant and equipment when a rental or participation agreement is entered into. When the rental or participation agreements cease and the machines become held for sale, they are transferred back to inventory at their carrying amount.

The carrying amount of plant and equipment on participation and fixed rental leases is $40,719 thousand as at 30 June 2024 (31 December 2023: $39,625 thousand).

11. INTANGIBLE ASSETS

In thousands of AUD	Note	Goodwill	Development Costs	Nevada Licence Costs	Technology & Software	Customer Relationships	Tradenames & Trademarks	Total
Cost								
Balance at 1 January 2023		44,616	4,926	1,583	43,776	17,132	1,151	113,184
Additions		-	4,895	-	-	-	-	4,895
Transfers		-	(8,197)	-	8,197	-	-	-
Effects of movements in foreign currency		(401)	(1)	-	(104)	(163)	(11)	(680)
Balance at 31 December 2023		44,215	1,623	1,583	51,869	16,969	1,140	117,399
Balance at 1 January 2024		44,215	1,623	1,583	51,869	16,969	1,140	117,399
Additions		-	1,733	-	-	-	-	1,733
Transfers		-	(1,068)	-	1,068	-	-	-
Effects of movements in foreign currency		1,363	-	-	362	553	37	2,315
Balance at 30 June 2024		45,578	2,288	1,583	53,299	17,522	1,177	121,447

11. INTANGIBLE ASSETS (CONTINUED)

In thousands of AUD	Note	Goodwill	Development Costs	Nevada Licence Costs	Technology & Software	Customer Relationships	Tradenames & Trademarks	Total
Amortisation and impairment losses								
Balance at 1 January 2023		2,436	-	-	22,599	10,253	649	35,937
Amortisation for the year		-	-	-	6,583	1,644	235	8,462
Impairment losses		-	362	-	2,787	-	-	3,149
Effects of movement in foreign currency		-	-	-	(62)	(144)	(14)	(220)
Balance at 31 December 2023		2,436	362	-	31,907	11,753	870	47,328
Balance at 1 January 2024		2,436	362	-	31,907	11,753	870	47,328
Amortisation for the period		-	-	-	3,235	821	119	4,175
Transfers		-	(74)	-	74	-	-	-
Effects of movement in foreign currency		-	-	-	134	379	27	540
Balance at 30 June 2024		2,436	288	-	35,350	12,953	1,016	52,043
Carrying amounts								
At 1 January 2023		42,180	4,926	1,583	21,177	6,879	502	77,247
At 31 December 2023		41,779	1,261	1,583	19,962	5,216	270	70,071
At 30 June 2024		43,142	2,000	1,583	17,949	4,569	161	69,404

11. INTANGIBLE ASSETS (CONTINUED)

Impairment testing

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a cash generating units ("CGU") or group of CGUs exceeds the recoverable amount as at 30 June 2024 due to the presence of impairment indicators at reporting date. As of 30 June 2024, the Group's market capitalisation appeared to be below net assets therefore impairment assessment was undertaken.

The determination of CGUs for the purposes of testing goodwill and other intangible assets for impairment remains consistent since the last reporting period. The Group's CGUs are as follows:

- Asia Pacific (comprised of Australia, New-Zealand, and Asia);
- North America;
- Latin America/Europe; and
- Online.

The allocation method of corporate costs, other corporate assets, other assets (consisting of intangible assets and Property, Plant and Equipment allocated to the individual CGUs to which they relate), goodwill and intangible assets is consistent with the last reporting period.

The goodwill arising from the acquisition of Nova Technologies in 2016 and MTD Gaming Inc. in 2020 have been allocated to the North America CGU (and were similarly allocated to the North America CGU in prior years as well). There has been no movement in the carrying value of goodwill compared to 31 December 2023 other than foreign currency translation differences at reporting date.

The allocation of goodwill, indefinite useful life intangible assets and other assets to the Group's identified CGUs, including allocation of corporate assets, before impairment charge recognition, are as follows:

6 months ended 30 June 2024								
CGUs	Goodwill '$000	Development, Technology and Software Costs '$000	Other Indefinite life intangible assets '$000	Other assets '$000	Total Carrying Value of CGU '$000 (A)	Working Capital '$000 (B)	Total CGU Assets (A+B)	Impairment Recognised '$000
North America	43,142	16,096	1,583	80,276	141,097	80,434	221,531	-
Latin America / Europe	-	-	-	23,816	23,816	69,373	93,189	-
Asia Pacific	-	1,756	-	3,382	5,138	15,457	20,595	-
Online	-	2,098	-	1,125	3,223	123	3,346	-

NOTES TO THE INTERIM FINANCIAL REPORT

11. INTANGIBLE ASSETS (CONTINUED)

12 months ended 31 December 2023								
CGUs	Goodwill '$000	Development, Technology and Software Costs '$000	Other Indefinite life intangible assets '$000	Other assets '$000	Total Carrying Value of CGU '$000 (A)	Working Capital '$000 (B)	Total CGU Assets (A+B)	Impairment Recognised '$000 [1]
North America	41,779	16,895	1,583	78,639	138,896	70,675	209,571	-
Latin America / Europe	-	3,149	-	26,000	29,149	67,469	96,618	(6,104)
Asia Pacific	-	2,230	-	3,608	5,838	13,036	18,874	-
Online	-	2,098	-	1,182	3,280	(1,587)	1,693	-

[1] The impairment has been recorded against property, plant and equipment including corporate assets ($2,778 thousand), Right of Use assets ($178 thousand) and corporate assets mainly relating to Development Costs and Technology Software ($3,149 thousand).

As macro-economic conditions in Argentina (including political instability and high inflation) and Mexico (changing regulations impacting the gaming industry) continues to be present, the Group considered that there were indicators of impairment, and the CGUs were tested for impairment. The Group determined that it would be appropriate to first test the underlying CGUs of Argentina and Mexico for impairment before allocation of corporate assets, before testing the Latin America/Europe CGU as a whole. No impairment charge was recorded for Argentina and Mexico as individual CGUs as the fair value less costs of disposal of the predominant asset class being gaming machines included in property, plant and equipment exceeded their recoverable amount.

Corporate assets were then allocated to the Latin America/Europe CGU, being the lowest level that such assets could be allocated on a reasonable and consistent basis which was primarily done on a specific Latin America/Europe CGU basis supplemented by a usage basis. In testing the Latin America/Europe CGU inclusive of the allocation of corporate assets, no impairment was recorded as the carrying value of the underlying assets (inclusive of corporate allocations) did not exceed their fair value.

Key assumptions used in determining the recoverable amount

The recoverable amount of each CGU was estimated based on its value in use ("VIU"). VIU for each individual CGU was determined by discounting the future cash flows generated from continuing operations of that CGU over a five-year period. The key assumptions used when assessing the recoverable amount of each CGU is outlined as follows:

	30 June 2024		
CGUs	Pre-tax Discount rate	Average annual revenue growth rate[(1)]	Terminal Year growth rate
North America	14.9%	15.3%	2.1%
Latin America / Europe	23.0%	(0.7%)	4.0%
Asia Pacific	14.1%	10.1%	2.5%
Online	14.5%	0.3%	2.1%

[(1)] The 5 years forecast average annual revenue growth rates (CY24 to CY28) has been calculated based on CY23 revenue as the base year.

NOTES TO THE INTERIM FINANCIAL REPORT

11. INTANGIBLE ASSETS (CONTINUED)

	31 December 2023		
CGUs	Pre-tax Discount rate	Average annual revenue growth rate[1]	Terminal Year growth rate
North America	14.8%	18.9%	2.1%
Latin America / Europe	23.0%	1.1%	4.0%
Asia Pacific	14.0%	14.5%	2.5%
Online	14.5%	4.2%	2.1%

[1] The 5 years forecast average annual revenue growth rates (CY24 to CY28) has been calculated based on CY23 revenue as the base year.

Further, as noted above, the Group also determined the fair value less costs of disposal for individual assets where potential impairment was identified. The fair value less costs of disposal for machines under participation contracts was determined with reference to past sales history of such machines, and comparable sales / rental information was considered in determining the fair value less cost of disposal for the building in Las Vegas and the right of use asset in Australia.

The impact of possible changes in key assumptions

North America / Online CGUs
As at 30 June 2024, these CGUs have significant headroom, therefore the Group does not believe that a reasonable possible change in key assumptions will result in a material impairment charge due to the headroom in forecasted recoverable amount when compared to its carrying amount.

Latin America / Europe CGU
The continuing challenging operating conditions in the Latin America region, in particular Argentina and Mexico, provides uncertainty on the future recoverable amount of the Latin America/Europe CGU. Any adverse change to the fair value of the cabinets which are the predominant assets of the CGU will result in impairment charges.

Asia Pacific CGU
Given the minimal headroom in this CGU, any adverse change to the key assumptions when determining the recoverable amount, may result in impairment charges recognised in future periods.

Assumptions	Model Assumption	Sensitivity	Asia Pacific CGU Headroom Impact '$000	Triggers Impairment for Asia Pacific CGU
Change in average annual revenue growth rate	10.1%	+ 100 basis points	4,833	No
		- 100 basis points	(4,653)	Yes
Change in discount rate	11.1%	+ 100 basis points	(3,216)	Yes
		- 100 basis points	4,106	No
Change in terminal year growth rate	2.5%	+ 100 basis points	1,488	No
		- 100 basis points	(1,207)	Yes

11. INTANGIBLE ASSETS (CONTINUED)

In addition, for all CGUs, whilst the achievement of forecast revenue growth rates is dependent on the success of current strategic initiatives, market conditions and improved product performance, management, based on historical experience and industry specific factors, has reviewed and assessed that forecast revenue growth rates are expected to be achieved.

12. FINANCIAL INSTRUMENTS

The fair values of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated statement of financial position, are as follows:

In thousands of AUD	**Carrying Amounts** 30-Jun-24	**Fair Value** 30-Jun-24
Investments in financial assets	-	-
Receivables and other assets	110,042	110,042
Loans and borrowings	24,103	24,103

In thousands of AUD	**Carrying Amounts** 31-Dec-23	**Fair Value** 31-Dec-23
Investments in financial assets	3,439	3,439
Receivables and other assets	119,384	119,384
Loans and borrowings	357	357

Apart from the assets outlined above, all other financials assets and liabilities have carrying values that approximate their fair values.

Classification of financial instruments

Ainsworth classifies its financial instruments into categories in accordance with AASB 9 Financial instruments depending on the purpose for which the financial instruments were acquired, which is determined at initial recognition based on the business model. They are valued in the following categories.

1. Fair Value Through Profit and Loss;
2. Amortised Cost

The following table presents the Group's financial instruments including the classifications that are not recognized at cost.

As at 30 June 2024	Financial Assets		Financial Liabilities
In thousands of AUD	FVTPL - mandatorily measured	Amortised Cost	Amortised Cost
Trade and other receivables	-	110,042	-
Investment in financial assets	-	360	-
Trade and other payables	-	-	30,190
Loans and borrowings	-	-	24,103

NOTES TO THE INTERIM FINANCIAL REPORT

12. FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 December 2023	Financial Assets		Financial Liabilities
In thousands of AUD	FVTPL - mandatorily measured	Amortised Cost	Amortised Cost
Trade and other receivables	-	119,384	-
Investment in financial assets	3,439	379	-
Trade and other payables	-	-	34,934
Loans and borrowings	-	-	357

<u>Fair value hierarchy</u>

The following section explains the judgements and estimates made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the interim financial report. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments and non-financial assets into the three levels prescribed under the Accounting Standards. An explanation of each level is as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and,
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured and recognised at their fair value are as follows:

As at 30 June 2024	Carrying Value		
In thousands of AUD	Level 1	Level 2	Level 3
Investment in financial assets	-	-	-

As at 31 December 2023	Carrying Value		
In thousands of AUD	Level 1	Level 2	Level 3
Investment in financial assets	3,439	-	-

There were no transfers between level 1, 2 or 3 investments for any fair value measurements during the financial year.

13. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

In thousands of AUD	30 June 2024	31 December 2023
Current		
Insurance premium funding	32	357
	32	357
Non-Current		
Secured bank loan	24,071	-
	24,071	-

13. LOANS AND BORROWINGS (CONTINUED)

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

In thousands of AUD	Nominal interest rate	Year of maturity	30 June 2024 Face value	30 June 2024 Carrying Amount	31 December 2023 Face value	31 December 2023 Carrying Amount
Insurance premium funding	5.29%	2024	33	32	362	357
Secured bank loan (WAB)	SOFR + 3.00%	2026	24,071	24,071	-	-
Total interest-bearing liabilities			24,104	24,103	362	357

Terms of Group's secured facility

The Group's secured bank loan (WAB) relates to a US$32.0 million (AU$48.3 million) facility with Western Alliance Bancorporation (WAB). In this facility, the Company's US-based operating subsidiary, Ainsworth Game Technology Inc., is established as the borrower and party to the relevant credit agreements while its parent entities within the AGT Group of companies, AGT Pty Ltd and Ainsworth Game Technology Limited, serve as guarantors. During the 6 months ended 30 June 2024, the Group has drawn down US$15.9 million (AU$24.1 million) from this facility leaving US$16.1 million (AU$24.2 million) available to be drawn as at 30 June 2024. All financial covenants under the WAB facility were met during this reporting period and prior reporting periods. It is expected that the Group will meet the financial covenants based on the current financial projections for Ainsworth Game Technology Inc. over the next 12 months and no repayment of the facility will be called upon within the next 12 months, upon satisfying these covenants. As such, this secured loan is classified as non-current.

Other key points regarding this facility:

- Term of facility: 5 years commencing 17 February 2021.
- Interest rate: Secured Overnight Financing Rate ("SOFR") plus Applicable Margin of 3% per annum.
- Financial covenants: Total leverage ratio (no longer required after 4 quarters from commencement of facility, minimum liquidity and fixed charge coverage ratios).
- Non-usage fees: 0.50% per annum.

14. PROVISIONS

In thousands of AUD	Service/ warranties	Legal	Mexican Tax Administration Service ("SAT")	Total
Balance as at 1 January 2023	972	163	23,186	24,321
Provisions made during the year	3,530	2,067	3,997	9,594
Provisions used during the year	(3,426)	(2,137)	-	(5,563)
Foreign exchange movement	9	(3)	4,540	4,546
Balance as at 31 December 2023	1,085	90	31,723	32,898

NOTES TO THE INTERIM FINANCIAL REPORT

14. PROVISIONS (CONTINUED)

In thousands of AUD	Service/ warranties	Legal	Mexican Tax Administration Service ("SAT")	Total
Balance as at 1 January 2024	1,085	90	31,723	32,898
Provisions made during the current period	1,190	1,133	1,168	3,491
Provisions used during the current period	(1,191)	(1,214)	(29,147)	(31,552)
Foreign exchange movement	-	-	844	844
Balance as at 30 June 2024	1,084	9	4,588	5,681

The Mexican Tax Administration Service ("SAT") provision is a result of audits being carried out by SAT on the Group's subsidiary, AGT Pty Mexico S. de. R.L. de C.V., on import duties and other associated charges for prior periods. During the reporting period, payments have been made to SAT reflecting settlements for years that have been subjected to audits and adjustments have been made within the provision to reflect actual payments made. It is expected that the Group will finalise all remaining provisions in the next six months as assessments are completed and as such the remaining provision has been classified as current.

As required under AASB 137, the Group has re-assessed the provision at the reporting date. When determining the provision, the Group applied the 'expected value approach' as per AASB 137 which incorporates the best estimates of the probable outcomes and the associated exposure for these outcomes. Judgement was required to determine the probability of the outcome and to make a reasonable estimate of the potential obligation and the timing of the outflow that may arise.

15. RELATED PARTIES

Other Related Party Transactions

In AUD	Note	Transactions value for 6 months ended		Balance receivable/ (payable) as at	
Transaction		**30 June 2024**	**30 June 2023**	**30 June 2024**	**31 December 2023**
Sales to Novomatic and its related entities	*(i)*	262,097	27,201	150,712	15,904
Purchases from Novomatic and its related entities	*(i)*	240,625	1,567,062	(1,623,992)	(1,307,693)
Purchases and other charges made on behalf of Novomatic	*(i)*	143,455	416,467	134,151	169,105
Purchases and other charges made on behalf of the Group	*(i)*	173,119	-	(346,239)	(177,965)

(i) Transactions with Novomatic AG and its related entities are considered related party transactions as Novomatic AG holds a controlling interest in the Group.

NOTES TO THE INTERIM FINANCIAL REPORT

15. RELATED PARTIES (CONTINUED)

Amounts receivable from and payable to related parties at reporting date arising from these transactions were as follows:

In AUD	30 June 2024	31 December 2023
Assets and liabilities arising from the above transactions		
Current receivables and other assets		
Amount receivable from shareholder-controlled entities	284,863	185,009
Current trade and other payables		
Amount payable to shareholder-controlled entities	1,970,231	1,485,658

16. INVESTMENTS IN FINANCIAL ASSETS

In thousands of AUD	30 June 2024	31 December 2023
Term deposit held in Colombia	360	379
Investment in shares listed in Buenos Aires stock exchange in Argentina	-	3,439
	360	3,818

Investment in shares listed in Buenos Aires stock exchange in Argentina

During the six months ended 30 June 2024, the Group held and sold investments in shares listed in Buenos Aires stock exchange in Argentina. The shares were measured at Fair Value Through Profit and Loss ("FVTPL") and the movement of this investment during this period is as follows:

In thousands of AUD	6 months ended 30 June 2024	12 months ended 31 December 2023
Opening balance	3,439	-
Investment made	-	6,427
Disposal of investment	(3,183)	-
Gain made on share price movement	48	1,149
Effects of movements in foreign exchange	(304)	(4,137)
Closing balance	-	3,439

17. CASH AND CASH EQUIVALENTS

In thousands of AUD	30 June 2024	31 December 2023
Bank balances	12,977	17,642
Restricted Cash:		
Bank Balances	-	427
Cash Deposits	-	1,765
Total Restricted Cash	-	2,192
Cash and cash equivalents in the statement of cash flows	12,977	19,834

17. CASH AND CASH EQUIVALENTS (CONTINUED)

As at 30 June 2024, cash balances in Argentina of $1,492 thousand were no longer considered as restricted due to the relaxation of government policies regarding foreign exchange regulations during this reporting period, which allow the Group to purchase foreign currencies (i.e. USD) and transfer funds out of the country. The restricted cash balances in Argentina reported at 31 December 2023 were $2,192 thousand.

18. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

DIRECTORS DECLARATION

In the opinion of the directors of Ainsworth Game Technology Limited ("the Company"):

1. the interim financial report and notes set out on pages 15 to 40, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the six-month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2. 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 the directors:

D. Gladstone

Danny Gladstone
Chairman

Dated at Sydney this 27 day of August 2024

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Independent Auditor's Review Report to the members of Ainsworth Game Technology Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ainsworth Game Technology Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2024, and the condensed consolidated statement of profit or loss and other comprehensive income or loss, 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 to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of 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*.

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 auditor independence requirements of the *Corporations Act 2001* and 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 30 June 2024 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

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 27 August 2024

Deloitte.

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The Board of Directors
Ainsworth Game Technology Limited
10 Holker Street
Newington NSW 2127

27 August 2024

Dear Directors

Auditor's Independence Declaration to Ainsworth Game Technology 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 Ainsworth Game Technology Limited.

As lead audit partner for the review of the financial report of Ainsworth Game Technology Limited for the half-year ended 30 June 2024, 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 faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner