



2024

ANNUAL GENERAL MEETING

29 MAY 2024



AINSWORTH GAME TECHNOLOGY LIMITED

AGENDA

1. Welcome
2. Introduction of Board of Directors
3. Chairperson's Address
4. Chief Executive Officer's Address
5. Formal Business
6. Other Business



Board of Directors

Danny Gladstone

Chairperson and Independent Non-Executive Director

- Member of the Audit and Risk Committee



Graeme Campbell OAM

Independent Non-Executive Director

- Chairperson of the Audit and Risk Committee
- Member of the Remuneration and Nomination Committee



Heather Scheibenstock GAICD, FGIA

Independent Non-Executive Director

- Member of the Remuneration and Nomination Committee



Colin Henson

Dip-Law BAB, FCPA, FCG (CS, CGP) FAICD

Independent Non-Executive Director

- Chairperson of the Remuneration and Nomination Committee
- Chairperson of the Regulatory and Compliance Committee
- Member of the Audit and Risk Committee



Dr. Haig Asenbauer

Attorney at Law, Bar Association of Vienna

Non-Executive Director

Subject to regulatory approval



CHAIRPERSON'S ADDRESS

Presentation by
DANNY GLADSTONE



Results Summary

- Profit before Tax excluding currency and one-off items, of \$41.5m for the 12 months ended December 2023 (“Current period”), an improvement of 10% compared to the 12 months ended 31 December 2022 (“PCP”).
- North America continues to be the strongest segment performer, contributing 49% of total revenue, similar to PCP.

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Revenue	284.9	243.6	41.3	124.1
Underlying EBITDA	59.0	55.8	3.2	26.4
Argentinian investment writedown	(13.2)	-	(13.2)	-
GAN exclusivity revenue	1.9	-	1.9	-
Impairment of non-current assets	(6.1)	(9.1)	3.0	(3.9)
Provision for Mexican duties and other charges	-	(22.0)	22.0	(5.5)
Profit before tax excluding currency and one-off items	41.5	37.6	3.9	18.8
Reported (loss) / profit after tax	(6.5)	10.2	(16.7)	2.7

The increase in provision for Mexican duties and other charges recognised in this reporting period relates to CPI and other adjustments and therefore has not been considered as a one-off item.

Game Development Investments

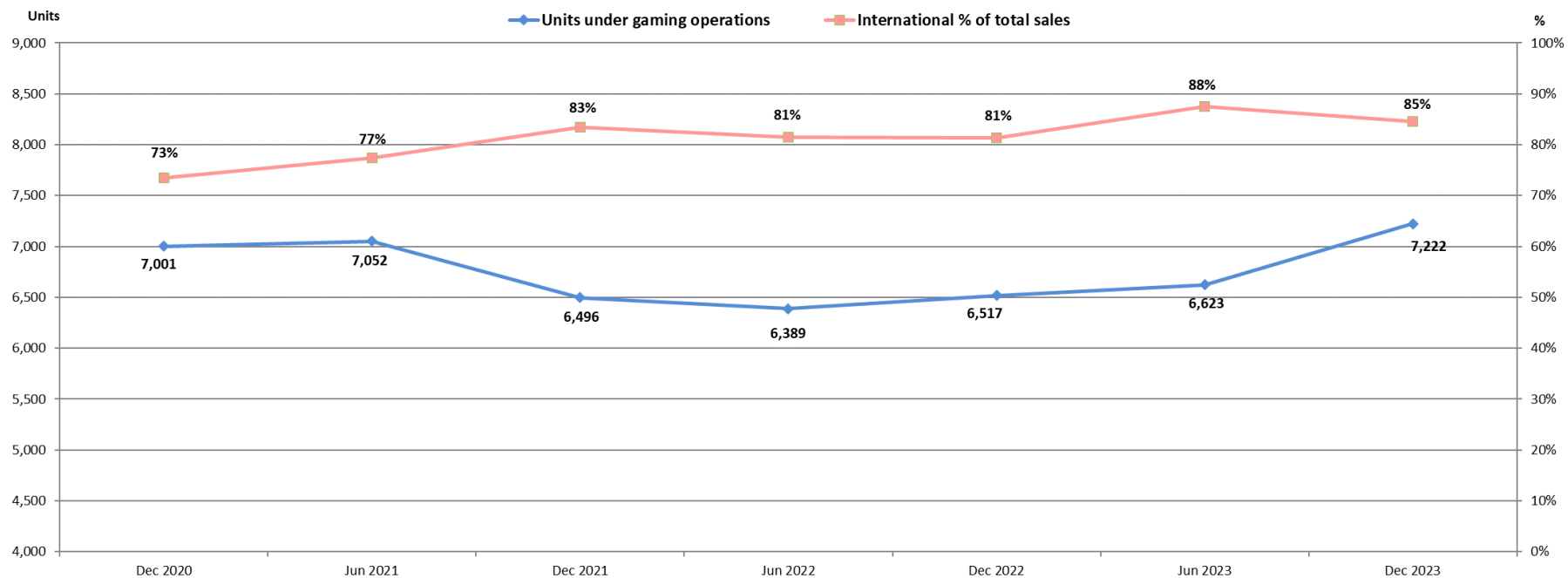
Clear Product Strategy

- Expanding the A-STAR Raptor™ launch throughout the year with exclusive library content and flexibility to bring forward classic games for increased operator choice.
- Continue on globalisation utilising key tentpole products – San Bao™, Grand Fortune™, and Jackpot Kingdom™.
- Improving market response titles for key market gaming segments including collection pot, hold and spin, and emerging mechanics.
- Focus on leveraging High Denom content with new concepts and utilising key brands – Thunder Cash Classic™, and Dollar Streak Classic™.
- Continue rolling out new product branding, visuals, audio to global gaming lines.
- Maintaining global product delivery and quality on product release.



Game Operations

with recurring revenues and steady international sales contribution



Balance Sheet

Debt Ratios	31-Dec-23	31-Dec-22
Debt ratio (Total liabilities / Total assets)	25%	25%
Debt to equity ratio (Total liabilities / Total equity)	33%	33%
Cash flow to debt ratio - (Cash flow from operating activities / Total liabilities)	27%	15%
<i>In millions of AUD</i>	31-Dec-23	31-Dec-22
Total assets	418.4	427.3
Net assets	315.6	321.9
Total debt	0.4	0.6
Net cash	19.4	29.3

- Despite the increase in receivables closing balance of \$119.4m as at 31 December 23 (31 December 22: \$115.5m), the receivable turnover ratio improved compared to PCP due to higher revenue achieved during the current period.
- Inventory closing balance of \$72.6m (31 December 22: \$90.1m). Higher sales achieved during the year and stabilisation of supply chain risk resulted in reduced inventory closing balance.

CHIEF EXECUTIVE OFFICER'S (CEO) ADDRESS

Presentation by
HARALD NEUMANN



Game Development Investments

Growth in R&D Pipelines

- Launching of new Unity engine into Class III and Class II markets in North America and LATAM
- Continuing investments on Next-Gen math builder, improved support for new rapid prototyping, game features, analytics and profiling.
- Focused investment on hardware and cabinet design with attention on global markets and trends.

Future Investments

- Internal upgrades underway for better design tools and improved Sight, Sound and Action.
- Talent development initiatives and competitive recruitment to expand core strengths.

Profit & Loss Summary

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Domestic revenue	39.8	45.4	(5.6)	23.2
International revenue	245.1	198.2	46.9	100.9
Total revenue	284.9	243.6	41.3	124.1
Gross profit	175.3	150.9	24.4	79.7
EBITDA	20.1	27.4	(7.3)	14.9
EBITDA Margin %	7%	11%	(4%)	12%
Profit Before Tax	2.6	9.2	(6.6)	7.3
Income tax expense	(9.1)	1.0	(10.1)	(4.6)
(Loss) / profit After Tax	(6.5)	10.2	(16.7)	2.7
R&D (% of revenue)	16%	15%	1%	16%
EPS (diluted) (A\$)	(1.9 cents)	3.0 cents	(4.9 cents)	0.8 cents

- Increased revenue in the current period compared to prior year due to higher sales in Argentina within LATAM market and North America. Sales in Argentina during this period are expected to be limited due to restrictions in importation permits.
- Normalised PBT for currency impact, one-off items was a profit of \$41.5m in the current period compared to \$37.6m in PCP.
- EBITDA of \$20.1m includes \$21.5m currency translation losses, compared to \$2.6m currency translation gains in PCP.

Reconciliation: Profit Before Tax to EBITDA & Underlying EBITDA

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Reconciliation:				
Profit Before Tax	2.6	9.2	(6.6)	7.3
Net interest income	(6.3)	(4.1)	(2.2)	(3.3)
Depreciation and amortisation	23.8	22.3	1.5	10.9
Reported EBITDA	20.1	27.4	(7.3)	14.9
Foreign currency losses / (gains)	21.5	(2.6)	24.1	2.1
GAN exclusivity revenue	(1.9)	-	(1.9)	-
Argentinian investment writedown	13.2	-	13.2	-
Impairment of non-current assets	6.1	9.1	(3.0)	3.9
Provision for Mexican duties and other charges	-	22.0	(22.0)	5.5
Rent concessions	-	(0.1)	0.1	-
Underlying EBITDA	59.0	55.8	3.2	26.4

- The GAN exclusivity revenue relates to the acceleration of revenue as a result of the GAN contract amendment on 29th March 2023.
- Investment write-down relates to the recoverability on the investments made in Argentina due to uncertainty in local macro conditions.
- Impairment of non-current assets relates to non-cash impairment charges resulting from cash generating unit's impairment testing.

Results Adjusted for Currency Movement and One-off Items

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Profit Before Tax	2.6	9.2	(6.6)	7.3
Foreign currency losses / (gains)	21.5	(2.6)	24.1	2.1
GAN exclusivity revenue	(1.9)	-	(1.9)	-
Argentinian investment writedown	13.2	-	13.2	-
Impairment of non-current assets	6.1	9.1	(3.0)	3.9
Rent concessions	-	(0.1)	0.1	-
Provision for Mexican duties and other charges	-	22.0	(22.0)	5.5
Adjusted For Currency and One-off Items Profit Before Tax	41.5	37.6	3.9	18.8

Operating Costs

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)	12 months to 31 Dec 2023 at CY22 currency basis
COGS	109.6	92.7	16.9	44.4	106.4
Sales, service and marketing ('SSM')	64.5	58.1	6.4	31.1	62.1
R&D	45.7	36.7	9.0	19.4	44.6
Administration	28.3	23.0	5.3	12.9	27.5
Total Operating costs	248.1	210.5	37.6	107.8	240.6
Gross profit	175.3	150.9	24.4	79.7	168.5

COGS

- Increased in costs attributable to increased sales compared to PCP.
- Favourable translation impact of \$3.2m at CY22 currency basis.

SSM Costs

- SSM costs over total revenue was 23%, compared to 24% at PCP. Increase compared to PCP is directly attributable to increased variable selling costs, personal costs and marketing costs.
- Favourable translation impact of \$2.4m at CY22 currency basis.

R&D Costs

- Increase in costs compared to PCP were attributable to an increase in evaluation and testing expenses, personnel costs, consultancy fees and software impairment charges.
- Favourable translation impacts of \$1.1m at CY22 currency basis.

Administration Costs

- Increase in costs compared to PCP as a result of increase in personnel costs, IT expenses and professional fees.
- Favourable translation impact of \$0.8m at CY22 currency basis.

Staff Headcount

# Staff	31-Dec-23	30-Jun-23	31-Dec-22
Australia and Rest of the World			
Sales	32	31	31
Service	56	56	51
Production	31	30	26
Administration	21	22	22
R&D	98	96	97
Total Staff Numbers - Australia & Rest of the World	238	235	227
Americas			
Sales	30	27	31
Service	64	63	61
Production	58	58	53
Administration	92	87	77
R&D	73	76	50
Total Staff Numbers - North and Latin America	317	311	272
Total Staff Numbers - Consolidated AGT	555	546	499

North America

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Revenue	140.4	120.2	20.2	59.7
Gross Profit	94.8	82.2	12.6	43.4
Segment EBITDA	78.5	70.5	8.0	36.7
Segment Profit	65.0	59.3	5.7	30.9
Segment Profit (%)	46%	49%	(3%)	52%
Unit Volume (no.)	2,047	2,044	3	922
ASP (US\$'000's)*	20.5	18.8	1.7	19.4
Game Operations – Class II Installed Base (Including HHR)	2,272	1,979	293	1,979
Game Operations – Class III Installed Base	818	848	(30)	848
Average Fee per Day (US\$)	31	34	(3)	33

*Excludes distributor sales, reworks and on-charges

- Revenue of \$140.4m in the current period, an increase of 17% compared to the \$120.2m revenue in PCP.
- Participation & lease revenue of \$47.1m and contributing 34% of the current period's segment revenue, a decrease of 2% compared to PCP. The increase in Class II installed base predominantly occurred in Alabama.
- HHR connection fees now contributes 19% of this segment total revenue, an increase on the 17% in PCP. We currently have 8,118 units (+2,608 units compared to 31 December 2022) connected to our HHR system, generating recurring revenue.
- Continued strong performance in game operations in Class II continues to drive this segment's performance. New installs occurred in additional properties in Kentucky, Alabama and Texas. 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.

Key Market Highlights

NORTH AMERICA

- A-STAR Raptor™ Cabinet launched in US in late December 2023. Current metrics from Eilers Report show it is the #1 Performing New Upright Cabinet in the market with performance above 2.5x. Cabinets released in select markets only with full release in Q1-Q2 2024.

San Bao Pandas and San Bao Dragons debuted on Raptor in Class III markets with performance of above 2x House Average in every installation. Games continue to be proliferated in additional markets. On the A-STAR Curve and XL cabinets the titles continue to be top performers in Class II and HHR properties. Two new titles to be added to the series.

- Grand Fortune™ series initially released on XL and Curve cabinets and showing performance in the 1.3x range. Games to be utilised on Raptor cabinets as next released titles.

HHR System Connected to 90 Percent of game at new Churchill Downs Derby City Gaming Downtown property.

- Placed 60 games and HHR System at Sandy's Racing and Gaming in Kentucky.

Showcased Legacy to Create branding; Raptor cabinet; and more than 40 unique titles at G2E 2023 in October.

- High Denom content continues to thrive, regularly having multiple games on industry Top 25 indexes (Eilers and ReelMetrics).



Latin America & Europe

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Revenue	80.1	63.4	16.7	33.1
Gross Profit	50.0	40.2	9.8	21.8
Segment EBITDA	32.3	19.7	12.6	9.7
Segment Profit	33.1	21.1	12.0	10.4
Segment Profit (%)	41%	33%	8%	31%
Unit Volume (no.)	2,264	1,918	346	911
ASP (US\$'000's)*	18.3	18.3	-	18.4
Game Operations – Installed Base	4,132	3,690	442	3,690
Average Fee per Day (US\$)	12	11	1	12

- Delivered higher than expected revenue and profit due to incremental sales levels on strong performance results, reflecting an increase of 26% in revenue and an increase of 57% in segment profit, compared to the PCP. Approximately \$9.0m in sales revenue this period is a result of accelerated deliveries to Argentina which is expected not to repeat in next period due to importation restrictions.
- Of the 2,264 machines AGT sold in the period, 17% were reconditioned units, compared to 26% in PCP.
- Game operations install base increased 12% compared to PCP. Increase in installation base occurred primarily in Mexico and Peru.
- Demand continues to grow for the A-STAR™ range of cabinets, in particular Xtension Link™. Game themes such as Pan Chang™, and Multi-Win™ range of games are amongst the region's top performers.

Key Market Highlights



LATIN AMERICA

- A-STAR™ Series cabinet has over 2,000 recurring revenue units in market performing on average 1.31x in route.
- Xtension Link in our link library still one of top performing products in market.
- Newly released Eilers LATAM market report, Ainsworth held the #1 and #2 spots in the multi-game segment with our Legacy multi games.
- Highly anticipated titles releasing into market in FY24 on the A-STAR Raptor cabinet include San Bao™, Grand Fortune™, and Jackpot Kingdom™. Additional titles for classic A-STAR cabinet include Lucky Stars Deluxe™, and Strike it Gold™.



Asia Pacific (Australia, NZ and Asia)

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Revenue	48.8	47.7	1.1	24.9
Gross Profit	14.9	15.5	(0.6)	8.0
Segment EBITDA	4.1	6.6	(2.5)	3.1
Segment Profit	3.4	5.1	(1.7)	2.3
Segment Profit (%)	7%	11%	(4%)	9%
Unit Volume (no.)	1,545	1,625	(80)	830
AU ASP (ex rebuilds) (\$A'000's)	25.3	23.2	2.1	23.6

*Excludes distributor sales, reworks and on-charges

- Minimal corporate sales and competitive market conditions in this period compared to PCP.
- Segment profit decreased due to higher fixed costs in CY23 despite a higher revenue achieved this year.
- Improved ASP despite competitive market conditions, however overall reduction in Gross Profit % with continuing inflationary pressures and weakening of AUD against USD, adversely impacting costs of production.
- The drop in units sales for this period mainly contributed from Australia sales. The showcase of A100 in AGE 2023 was positive and is expected to lift sales in CY2024. This cabinet almost exclusively contributed to Q4 revenues.
- Increase in unit sales related to Asia with market recovery post pandemic. Change in sales distributor and new venue openings specifically in Philippines is expected to drive revenue in this market in future periods.

Key Market Highlights

Asia Pacific

- Grand Fortune™ continues to show solid and consistent performance across NSW and QLD with over 1,200 installs and above floor performance after 12 months. The brand now consists of six games and will shortly be released in the Philippines
- The new A-STAR 100™ cabinet has now been released with four brands across AU and will soon roll out in NZ. The cabinet is showing improved performance in comparison to the A-Star cabinet
- Oriental Gongs™ saw the approval of the SAP and Link brands within a two-month period which is a marked improvement from previous brands. The same has been achieved for Jackpot Kingdom which will allow for a national release within Q1CY24



Online

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Revenue	15.6	12.3	3.3	6.4
Gross Profit	15.6	12.3	3.3	6.4
Segment EBITDA	14.0	10.8	3.2	5.5
Segment Profit	14.0	10.8	3.2	5.5
Segment Profit (%)	90%	88%	2%	86%

- The increase in online revenue predominantly resulted from the acceleration of GAN revenue and 1,250,000 GAN shares issued to AGT based on the GAN contract amendment executed on 29th March, 2023. As part of the amendment, GAN's exclusivity will terminate on 31st March 2024. Upon termination of this contract, AGT will directly integrate with USA operators.
- Despite the revenue increase of 28%, the Group during the period invested in more talent to remain competitive in the online industry, resulting in a similar segment profit margin.



B2B Real Money Gaming (RMG)

Ainsworth Interactive delivered on its 2023 online game development commitments with our US exclusive partner GAN.

This partnership has driven Ainsworth's growth in the US iGaming segment by expanding distribution of our global omni-channel product portfolio with online casino operators in New Jersey, Michigan and Pennsylvania.

In addition, we have established Ainsworth as a leading online gaming supplier in Latin America and are continuing our growth in Canada via our partnership with Loto-Québec and look to launch into Ontario via partnerships with Light and Wonder and Pariplay.

In 2024, Ainsworth Interactive will be distributing our latest games to US online casino operators directly via localised remote gaming servers and supported by a newly formed Americas online operations team.



Cash Flow Statement

- Cash balance as at 31 December 2023 was affected by payments for investments in Argentina to hedge the rapid devaluation of Pesos against USD.
- Improvement in operating activities cash flow driven by discipline working capital management.

<i>In millions of AUD</i>	12 months ended 31 Dec 2023 (CY23)	12 months ended 31 Dec 2022 (CY22)	CY23 vs CY22	6 months ended 31 Dec 2022 (H2 CY22)
Net cash from / (used) in operating activities	27.9	15.4	12.5	(5.3)
Proceeds from sale of property, plant and equipment	0.1	0.1	-	0.1
Proceeds from investment	3.1	-	3.1	-
Interest received		0.1	(0.1)	-
Acquisitions of property, plant and equipment	(11.2)	(2.9)	(8.3)	(2.0)
Development expenditure	(4.9)	(3.3)	(1.6)	(1.9)
Payments for investments	(16.8)	(9.8)	(7.0)	(4.9)
Net cash used in investing activities	(29.7)	(15.8)	(13.9)	(8.7)
Borrowing costs paid	(0.9)	(1.4)	0.5	(0.6)
Proceeds from borrowings	0.4	0.6	(0.2)	0.4
Repayment of borrowings	(0.6)	(15.0)	14.4	(0.4)
Proceeds from finance lease	-	0.8	(0.8)	0.7
Payment of lease liabilities	(1.7)	(2.1)	0.4	(1.1)
Net cash used in financing activities	(2.8)	(17.1)	14.3	(1.0)
Net change in cash and cash equivalents	(4.6)	(17.5)	12.9	(15.0)
Opening cash and cash equivalents	29.9	46.3	(16.4)	45.8
Effect of exchange rate fluctuations on cash held	(5.5)	1.1	(6.6)	(0.9)
Cash and cash equivalents at reporting date	19.8	29.9	(10.1)	29.9

CONCLUSION



Conclusion

- Good momentum and expected PBT (excluding currency and one-off items) for the six months ending 30 June 2024 within the range of \$13 million - \$15 million.
- Earnings uplift expected across key markets in the second half of FY24 compared to the first half.
- AGT's North American business continues to make progress in Class II and HHR markets. Opportunities are continually being pursued in existing and new HHR markets, in particular Kentucky, New Hampshire and Wyoming.
- Continued focus in R&D investment with clear product strategy to drive sustained, long-term growth. Broadening of R&D team and third-party developers to deliver high quality innovative games and diversity in product offerings.



FORMAL
BUSINESS



Financial Statements and Reports

To receive and consider the Annual Financial Report, including the Director's and Auditor's Reports in respect of the financial year ended 31 December 2023.

In attendance is Mr David Sartorio from Deloitte Touche Tohmatsu Limited, the Company's auditor who is available to answer any questions on the Annual Financial Report relating to:

- The conduct of their audit;
- Preparation and content of their Auditor's Report;
- Accounting policies adopted by the Company in the preparation of the Annual Financial Report; and
- Independence of the auditor in relation to the conduct of their audit.

Resolution 1

Re-election of Mr. Daniel Eric Gladstone, as Director



To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr. Daniel Eric Gladstone, who retires in accordance with Rule 7.1(f) of the Company Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a non-executive director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	226,382,140	82.9%
AGAINST	46,802,105	17.1%

Included above are 176,033 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 2

Election of Dr. Colin John Henson, as Director



To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Colin John Henson, who retires in accordance with Rule 7.1(f) of the Company Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be re-elected as a non-executive director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	243,715,281	89.2%
AGAINST	29,468,964	10.8%

Included above are 176,033 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 3

Approval of Remuneration Report

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the Company required by section 250R(2) of the *Corporations Act 2001 (Cth)*, which is included in the Directors’ Report in respect for the year ended 31 December 2023, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	246,078,902	90.3%
AGAINST	26,386,501	9.7%

Included above are 176,033 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

OTHER
BUSINESS





AINSWORTH GAME TECHNOLOGY Limited

10 Holker St, Newington NSW

www.agtslots.com