



**Ainsworth Game Technology Ltd**

ABN 37 068 516 665

10 Holker Street,  
Newington NSW 2127  
Tel: +61 2 9739 8000

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**ASX Release**

**ASX Code : AGI**

**Ainsworth Game Technology Limited (AGT or Company)  
TRADING AND STRATEGIC REVIEW UPDATE**

**TRADING UPDATE**

The Company advises, that based upon preliminary management forecasts, which are subject to period end closure and audit review procedures, it expects to report a Profit before Tax (excluding currency and one-off items) for the first half of the financial year ending 31 December 2024 (H1CY24) of \$13 million - \$15 million, a reduction on the \$18 million reported in the second half of CY23.

North America, the Company's largest market by revenue, continues to demonstrate positive indicators in H1CY24 compared to the prior corresponding period, specifically in participation and lease revenue (including Historical Horse Racing (HHR)) following new installations and the expansion in the number of jurisdictions with HHR products. Improved product performance of the new A-Star Raptor cabinet and the initial success of the San Bao family of games have been progressively released in approved jurisdictions within the first quarter of CY24, however the full benefit of the improved performance and success is not expected to be fully reflected in the financial results for H1CY24 due to timing delays in obtaining regulatory approval across various jurisdictions. It is expected that as additional approvals are received, and performance on these products can be maintained at current levels, an increase in outright sales is expected within the second half of CY24.

The Company noted that the continued economic and political instabilities within Latin America, specifically Argentina and Mexico, is expected to result in reduced revenue in this region in H1CY24 of approximately 13% compared to the second half of the previous 2023 year and 34% lower when compared to the prior corresponding period (H1CY23). The reduced revenue was partially offset by increased revenue from gaming operations, however the significant revenue contributions achieved within Argentina in CY23 related to import licenses secured will not be repeated in H1CY24.

The ongoing investment in research and development activities continues to be a key operational priority, with an increase in expense for the current period as compared to prior periods. The Company continually reviews its outputs from the established game studios, including capabilities, procedures, and practices to optimize the product and game development processes to ensure product releases are aligned with operator and player preferences. Planned product releases in coming periods are expected to include the contribution from the new game studios introduced during CY23, positioning the company favourably for market share gains across the Company's core markets.

AGT's Chief Executive Officer Mr. Harald Neumann, noted, "I am encouraged with the progress that has been made across North America with planned product introductions expected to provide benefits in the low denomination outright sales segment within the second half of CY24".

Mr Neumann added "The current economic conditions and political instability within Latin America has negatively impacted the Company's current results within this region. Prior periods benefited from large contributions in sales within Argentina, which have not been repeated in our current results. It is expected that once conditions stabilise in the region, financial results can return to past levels achieved".

## **STRATEGIC REVIEW UPDATE**

The Company wishes to advise that the Board, at the present time, has determined to implement a hold on the previously announced Strategic Review being undertaken by Macquarie Capital. By placing a hold on the Strategic Review, the Company will be able to focus on organic operations and ensure that the Strategic Review is not conducted during a period when the Company's financial results are not fully reflective of investments undertaken and the potential growth expected in coming periods.

AGT's Chairperson Mr. Danny Gladstone, commented "The Board has decided that given the current market conditions in Latin America, coupled with the short-term timing delays of product releases, the Strategic Review should be placed on hold at the present time to optimize the Company's financial results and performance".

Mr. Gladstone added "We have pursued significant development initiatives in preceding periods which are not fully reflective in our current financial results. As we progress through the ongoing product development cycle in coming periods, it is expected that prior investments will translate into improved financial results and provide greater opportunities to maximise shareholder value once achieved".

For the purposes of ASX Listing Rule 15.5, this document is authorised for lodgement with the ASX by the Board.

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For further information, please contact:

Ainsworth Game Technology Ltd

Mark Ludski

Company Secretary

Email: [Company.Secretary@agtslots.com](mailto:Company.Secretary@agtslots.com)

Ph: +61 2 9739 8021