

2021 ANNUAL GENERAL MEETING



AINSWORTH GAME TECHNOLOGY LIMITED

25 November 2021



Questions and comments by shareholders at the AGM

❑ In accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Meeting to ask questions or make comments. Shareholders will similarly be provided a reasonable opportunity to ask questions of the Company's external auditor, KPMG.

❑ During the meeting, you may ask questions or make comments through the webcast or the telephone conference call.

1. To ask a question via webcast – located on the right-hand side of the webcast screen as shown below.

The screenshot displays the Ainsworth webcast interface. At the top left is the Ainsworth logo. Below it, the navigation menu includes 'Presentation' (selected) and 'Speakers'. The main content area is a presentation slide for the '2021 ANNUAL GENERAL MEETING' held on 25 November 2021. The slide features two slot machines: 'CASH EXPRESS' and 'CASH STACKS'. The 'CASH STACKS' machine shows a 'GRAND \$7,500.00' win. To the right of the presentation is a control panel with a muted audio icon, a play button, and an 'Ask a Question' section. The 'Ask a Question' section contains a text input field with the placeholder 'Enter your questions or provide feedback' and a 'Submit' button. At the bottom right of the interface, there is a small link: 'User Guide | © 2021 Ainsworth Game Technology Ltd'.

Questions and comments by shareholders at the AGM (continued)

2. To ask a question via telephone conference call :

- Dial the designated phone number and advise you wish to join the “Ainsworth AGM”.
- Provide operator with your name and shareholder number.
- Once joined to conference, press *1 on your phone to register your question.
- You will be announced into conference to ask your question at the designated time.

Voting process during the AGM

❑ Voting using the Lumi Platform during the Meeting:

- Step 1: Visit <https://web.lumiagm.com/392853039>
- Step 2: Enter username (SRN or HIN) and password (postcode or country code).
- Step 3: When the poll is open, the vote icon will be accessible by selecting the voting icon at the top of the screen – see below.

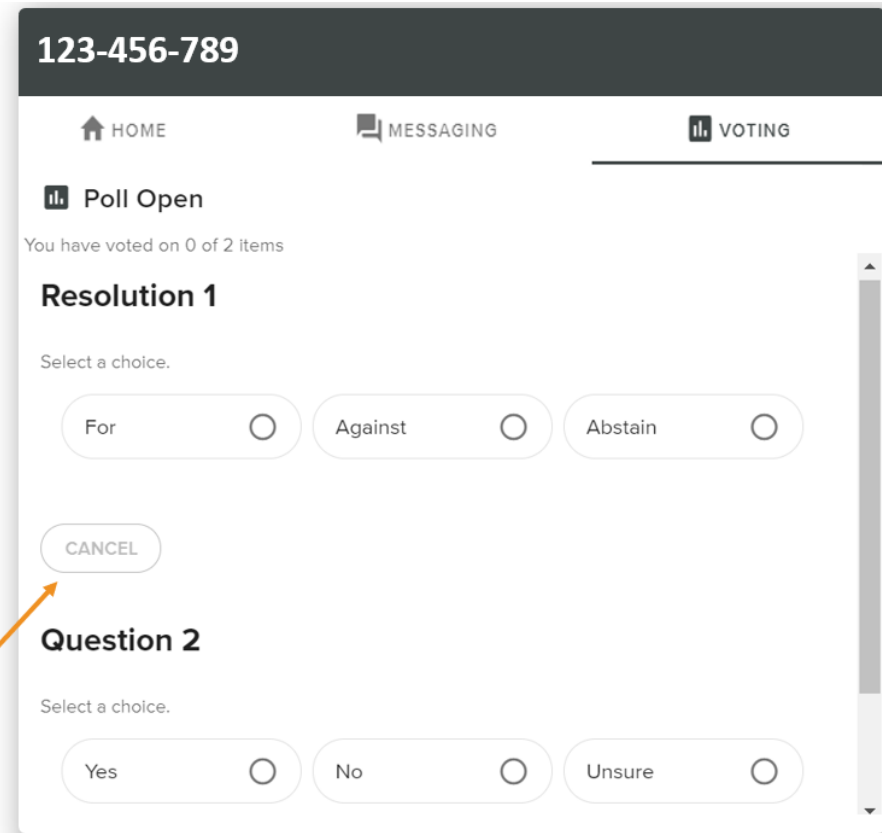
When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For Against Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



123-456-789

HOME MESSAGING VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For Against Abstain

CANCEL

Question 2

Select a choice.

Yes No Unsure

AGENDA

1. Welcome
2. Introduction to 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
Non-Executive Director*

*Member of the Audit and
Risk Committee*

*Appointed Non-Executive
Director 1 July 2019*

*Chairperson since
26 November 2019*



Harald Neumann

*Chief Executive Officer and
Executive Director*

*Former Chief Executive Officer of
Novomatic AG*

Appointed 21 February 2017

*Chief Executive Officer since
1 October 2021 (Subject to
regulatory approval)*



Graeme Campbell

OAM

*Lead Independent
Non-Executive Director*

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

Appointed 18 September 2007



Colin Henson

Dip-Law BAB, FCPA, FCC (CS, CCG) 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*

Appointed 3 April 2013





Chairperson's Address

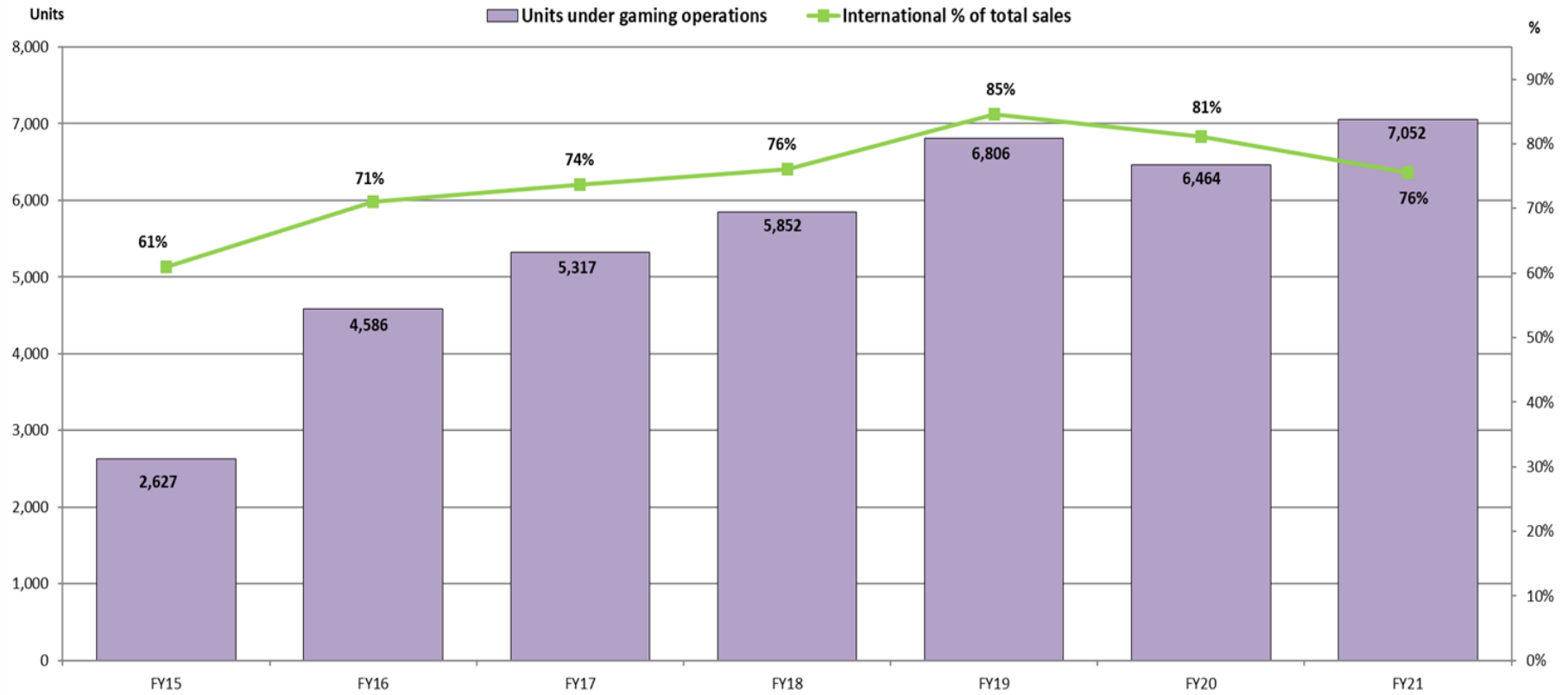
**Presentation by
Danny Gladstone**

Results Summary

A\$m	6 months to 30 Dec 2020	6 months to 30 Jun 2021	12 months to 30 Jun 2021	12 months to 30 Jun 2020
Revenue	72.1	87.4	159.5	149.4
Adjusted EBITDA	1.1	14.4	15.5	5.8
Impairment losses (before tax)	29.2	12.5	41.7	16.1
Loss before tax excluding currency and one-off costs	(18.7)	1.6	(17.1)	(34.0)
Reported Loss after tax	(50.1)	(3.3)	(53.4)	(43.4)

- The effects of COVID-19 impacted FY21 financials which included one-off non-cash impairment charges of the Latin America and Australia and other CGU's and receivables.
- Net cash of \$5.1m with closing cash balance of \$42.4m, an improvement on the net debt position of \$17.5m at pcip.
- North America segment contributed 55% of total revenue. HHR products continue to perform.
- Debt refinancing – The Group, through its US subsidiary, AGT Inc, refinanced its A\$50.0m loan facility with a US-based bank, Western Alliance Bancorporation (“WAB”) on 18 February 2021. This new facility is for US\$35.0m, with an option, subject to WAB conditions to increase to US\$50.0m and has a term of 5 years. This refinancing provides greater certainty and cash flow flexibility to the Group.
- Dividend continues to be suspended to ensure strong liquidity is maintained while markets progressively recover from the effects of COVID-19.

Gaming Operations and International Sales Contribution



Operating Costs

A\$m	12 months to 30 Jun 2021 constant currency basis	12 months to 30 Jun 2021	12 months to 30 Jun 2020	Change (%)
COGS	74.0	70.0	59.0	(19%)
Sales, service and marketing ('SSM')	50.2	46.2	59.3	22%
R&D	34.8	33.4	41.2	19%
Administration	19.9	18.8	22.2	15%
Total Operating costs	178.9	168.4	181.7	7%

COGS

- Increase in costs associated with further write down of older style cabinets, higher production overhead costs resulting from lower production units.
- Favourable translation impact \$4.0m.

SSM Costs

- Decrease in costs associated with reduced depreciation expenses on impaired assets, and cost optimisation initiatives e.g. reduced working hours, and trade shows expenses.
- Favourable translation impact \$4.0m.

R&D Costs

- Decrease in personnel costs as a result of JobKeeper subsidies and reduced working hours due to the COVID-19 pandemic as well as a decrease in evaluation and testing expenses.
- Favourable translation impact \$1.4m.

Administration Costs

- Decrease in personnel costs as a result of JobKeeper subsidies and reduction in salaries and working hours.
- Favourable translation impact \$1.1m.

LAND BASED GAMING PRODUCTS



Key Market Highlights

Americas

- HHR Growth - More than 1,000 units placed in Kentucky, Virginia and Alabama.
- MTD Acquisition led to 150 additional Gambler's Gold™ units placed in the US in South Dakota; Class III product live in California.
- A-STAR™ Curve has more than 20 titles available in the portfolio.
- High Denom and new Three-Reel QuickSpin™ games continue to perform strongly on industry scoreboards.
- LATAM markets - strong performance of PAN CHANG™ LINK in both A-STAR™ Dual and Curve Cabinets.



Australasia

- Strong installs of Player's Paradise Grand in major markets of New South Wales and Queensland
- New Zealand installs for Cash Quest™ and Cash Stacks™ new brands.
- Long term performance of Rise of the Dragon™ provided 81% increase in Electric Cash™ installs.



Balance Sheet

A\$m	As at 30 Jun 2021	As at 30 Jun 2020	Debt Ratios	As at 30 Jun 2021	As at 30 Jun 2020
Total assets	393.1	465.5	Debt Ratio (Total Liabilities/Total Assets)	26.76%	23.82%
Net assets	287.9	354.6	Debt to Equity Ratio (Total Liabilities/Total Equity)	36.54%	31.27%
Total debt	37.3	44.0	Cash Flow to Debt ratio - (Cash Flow from Operating Activities/Total Liabilities)	21.14%	15.06%
Net cash / (debt)	5.1	(17.5)			

- Receivables closing balance of \$116.4m (30 June 20: \$113.9m) – slight increase due to higher sales in quarter 4 of FY21.
- Inventory closing balance of \$56.1m (30 June 20: \$91.4m) – reduction of 39% due to realisation of inventory purchased pre-COVID-19 and write-downs of inventories related to older style cabinets.
- Reduction in closing balance of assets primarily due to the write down of property, plant and equipment and leased assets in Australia and Other, and Latin America CGUs driven by risk adjustments to future cash flow projections due to the uncertainties resulting from the pandemic.
- Refinanced US\$30m for US\$35.0m with WAB on 18 February 2021 with an option to increase to US\$50.0m subject to various conditions with term of 5 years. US\$28.0m from this new facility was drawn down to retire all previous domestic debt obligations.

Cash Flow Statement

- Strong cash flows, along with effective management of operational expenses, resulted in an increase of 60% cash held at the reporting date of \$42.4m compared to the pcp.
- The cash balance excludes any contribution from the previously announced exclusive agreement with GAN Limited, where an initial US\$5.0m was received in early July 2021.
- Proceeds and repayments of borrowings reflect the change of the refinance of the ANZ facility with WAB. US\$2.0m was repaid when the refinance took place, resulting in US\$28.0m loan drawn down from the US\$35.0m facility.

A\$m	As at 30 Jun 2021	As at 30 Jun 2020	Change
Net cash from operating activities	22.2	16.7	5.5
Proceeds from sale of property, plant and equipment	5.5	0.1	5.4
Interest received	-	0.1	(0.1)
Acquisitions of property, plant and equipment	(2.2)	(6.4)	4.2
Payment for business acquisition	-	(27.9)	27.9
Development expenditure	(2.3)	(4.4)	2.1
Net cash from / (used) in investing activities	1.0	(38.5)	39.5
Borrowing costs paid	(2.2)	(2.0)	(0.2)
Proceeds from borrowings	36.6	16.2	20.4
Repayment of borrowings	(39.2)	(27.3)	(11.9)
Proceeds from finance lease	1.1	-	1.1
Payment of lease liabilities	(1.8)	(1.5)	(0.3)
Net cash used in financing activities	(5.5)	(14.6)	9.1
Net increase / (decrease) in cash and cash equivalents	17.7	(36.4)	54.1
Cash and cash equivalents at 1 July	26.5	61.7	(35.2)
Effect of exchange rate fluctuations on cash held	(1.8)	1.2	(3.0)
Cash and cash equivalents at 30 June	42.4	26.5	15.9



Chief Executive Officer's Address

Presentation by Harald Neumann

Reconciliation: Loss Before Tax to EBITDA & Underlying EBITDA

A\$m	6 months to 30 Dec 2020	6 months to 30 Jun 2021	12 months to 30 Jun 2021	12 months to 30 Jun 2020	Change %
Reconciliation:					
Loss Before Tax	(56.6)	(2.6)	(59.2)	(48.8)	(21%)
Net expense / (income)	0.7	0.6	1.3	(0.2)	(750%)
Depreciation and amortisation	19.1	12.2	31.3	40.0	22%
Reported EBITDA	(36.8)	10.2	(26.6)	(9.0)	(196%)
Foreign currency losses / (gains)	13.4	(1.9)	11.5	(1.2)	(1,058%)
Impairment losses (LATAM CGU)	23.2	1.5	24.7	12.0	(106%)
Impairment losses (Australia and Other CGU)	-	8.0	8.0	-	-
Impairment losses (616 Digital LLC)	-	-	-	0.7	-
Impairment losses (Receivables)	6.0	3.0	9.0	3.4	(165%)
Legal costs and settlement claims	-	-	-	2.7	-
JobKeeper subsidies	(4.2)	-	(4.2)	(2.8)	50%
Gain on LV parcel of land sale	-	(3.3)	(3.3)	-	-
Redundancy costs	-	-	-	1.2	-
US payroll tax refund	-	-	-	(0.5)	-
US employment retention tax credit (ERTC)	-	(3.1)	(3.1)	-	-
Rent concessions	(0.5)	-	(0.5)	(0.5)	-
Bad debt recoveries	-	-	-	(0.2)	-
Underlying EBITDA	1.1	14.4	15.5	5.8	167%

⁽¹⁾ In FY21, the Group recognised impairment losses of \$9.0m (FY20: \$3.4m) predominantly relating to the recognition of expected credit losses in trade receivables. The increase in impairment losses of trade receivables was a result of increase credit risk due to the re-evaluation of adverse effects of COVID-19 in certain regions where the Group's trade receivables operate, especially in Latin America. Operators in this region were severely impacted by the subsequent waves of COVID-19.

⁽²⁾ In addition, impairment losses related to property, plant and equipment and leased assets of \$32.7m was recognised in FY21 (FY20: \$12.7m). This was based on an impairment analysis of the Group's CGUs at 30 June 2021. It was considered to be prudent to further risk adjust the forecast cashflows for the Australian and Other, and Latin America CGUs due to the detrimental impact that the Delta variant of COVID-19 is having on society and the consequential restrictions governments are imposing on our customers.

Segment Result Summary – North America

North America		H1FY21	H2FY21	FY21	FY20	Change (%)
Revenue	A\$m	41.0	47.5	88.5	72.1	23%
Segment EBITDA	A\$m	18.6	32.2	50.8	36.8	38%
Segment profit	A\$m	12.3	26.8	39.1	25.3	55%
Sales volume	units	876	827	1,703	1,430	19%
Game Operations – Installed Base	units	2,722	2,712	2,712	2,327	17%

- Increased profit margin by 9% as market recovers from pandemic and delivered an improved revenue and effective cost control management in place.
- Improved participation & lease revenue of \$38.6m, increase of 66% on \$23.3m revenue in pcp, and contributing 44% of the current period's segment revenue. \$22.4m of H2 FY21 revenue increased 38% from \$16.2m in H1 FY21.
- Increase of 42% in average yield on units under Gaming Operation during the period.
- Additional opportunities are being pursued for AGT's leading Historical Horse Racing (HHR) products in current established markets and new jurisdictions:
 - ✓ Legislation for HHR products has recently been passed for New Hampshire, and Louisiana.
 - ✓ AGT's HHR system was approved in Wyoming.
 - ✓ A cash sale to Kentucky Down of 400 HHR units completed in July 2021. The sale represents a mixture of hardware configurations including a portion of the newly released A-STAR™ Curve cabinets.
 - ✓ The agreement provides for AGT to receive connection fees in FY22 and beyond.

Segment Result Summary – Australia

Australia		H1FY21	H2FY21	FY21	FY20	Change (%)
Revenue	A\$m	19.2	19.8	39.0	28.3	38%
Segment EBITDA	A\$m	3.3	2.1	5.4	4.7	15%
Segment profit	A\$m	1.6	0.8	2.4	0.4	500%
Sales volume	units	568	597	1,165	713	63%

- Improved performance from new hardware and recently released game titles resulted in increased revenue compared to the pcp.
 - ✓ \$19.8m revenue in H2 FY21 increased 3% compared to H1 FY21 revenue of \$19.2m, and increased 125% compared to \$8.8m in H2 FY20.
 - ✓ H2 FY21 decreased to \$2.1m EBITDA compared to \$3.3m EBITDA in the prior half.
- Further extended lockdowns across New South Wales and other states within Australia have created an element of uncertainty and risk associated with the timing of when operations across domestic markets will resume, resulting in write-down of assets of \$8.0m.
- The \$8.0m one-off non-cash impairment charges in this segment's CGU recognised during the year is not included in the segment result. This impairment is included in 'other expenses' in the consolidated statement of profit or loss and other comprehensive income or loss.
- Maintained high ASP despite challenging market conditions.

Segment Result Summary – Latin America

Latin America		H1FY21	H2FY21	FY21	FY20	Change (%)
Revenue	A\$m	4.8	13.5	18.3	42.0	(56%)
Segment EBITDA	A\$m	(5.4)	1.1	(4.3)	23.8	(118%)
Segment profit	A\$m	(10.2)	1.6	(8.6)	2.3	(474%)
Sales volume	units	111	514	625	1,404	(55%)
Game Operations – Installed Base	units	4,279	4,340	4,340	4,137	5%

- Revenue reduction of 56% compared to pcp due to severe impacts of high COVID-19 transmission rates resulting in further government mandated closures and access restrictions to customers' venues in Mexico, Argentina and Peru during the period.
- Results in H2 FY21 saw some recovery with revenues of \$13.5 million compared to \$4.8 million reported in H1 FY21.
- Of the 625 machines AGT sold in the year, 514 were in H2 FY21 of which 59% were reconditioned units. As these markets increase vaccination rates, it is expected that Government restrictions will be further eased within FY22 and further revenue opportunities can be expected as previously deferred purchasing decisions are progressed across the region.
- Recorded \$24.7m one-off non-cash impairment charges of the segment's CGUs during the year, not included in the segment result. This impairment is included in 'other expenses' in the consolidated statement of profit or loss and other comprehensive income or loss.
- Reduced operating costs as a result of the pandemic.
- At 30 June 2021, 2,713 units from Game Operations were operating.

Segment Result Summary – Rest of the World (ROW)

ROW		H1FY21	H2FY21	FY21	FY20	Change (%)
Revenue	A\$m	7.1	6.6	13.7	7.0	96%
Segment EBITDA	A\$m	3.5	3.6	7.1	3.2	122%
Segment profit	A\$m	3.2	3.4	6.6	2.8	136%
Sales volume	units	165	159	324	87	272%

- Increased revenue, EBITDA, and gross profit compared to pcp due to higher units sale of A-STAR™ and refurbished machines.
- Continuous challenging times within the Asian region due to COVID-19 and border closures.
- Increased unit sale volume primarily in Europe and New Zealand via our well-established distributor network.
- Online revenue \$5.9m contributed 43% of the segment's revenue, an increase of 28% from the pcp of \$4.6m. This increase is primarily from the launch of Real Money Gaming in New Jersey in April 2020 and progressively going live with AGT content with seven major operators.

Profit & Loss summary

- Increased revenue due to recovery in North America and Australia and Rest of the World.
- Increased domestic revenue compared to pcp.
 - ✓ Increased sales in NSW, QLD, NT & SA; and
 - ✓ Improved product performance on new A-STAR™ hardware and suite of innovative games.
- While North America and Rest of the World revenue increased in this period compared to pcp, total international revenue similar to pcp is due to the decline in revenue contribution from Latin America.
- Loss before tax (excluding currency impact) is \$47.7m, compared to loss before tax of \$50.0m in pcp.
- EBITDA of \$(26.6m) includes \$11.5m currency translation losses, \$41.7m one-off non-cash impairment charges predominantly relating to the Australian and Other and Latin America business units and \$7.8m COVID-19 benefits received.
- Maintained international revenue of \$120.5m compared to pcp. International revenue accounted for 76% of group revenues in this period.
- R&D/Revenue at 21% reflects continuation of R&D initiatives.

A\$m	12 months to 30 Jun 2021	12 months to 30 Jun 2020	Change (%)
Domestic revenue	39.0	28.3	38%
International revenue	120.5	121.1	-
Total revenue	159.5	149.4	7%
Gross profit	89.6	90.4	(1%)
EBITDA	(26.6)	(9.0)	(196%)
EBITDA Margin %	(17%)	(6%)	(11%)
Loss Before Tax	(59.2)	(48.8)	(21%)
Income tax benefit	5.8	5.4	7%
Loss After Tax	(53.4)	(43.4)	(23%)
R&D (% of revenue)	21%	28%	(7%)
EPS (diluted) (A\$)	(0.16)	(0.13)	

OUTLOOK



Outlook / Conclusion

- AGT's momentum in the second half of the last financial year has continued into FY22.
- Revenue for H1FY22, is expected to be ahead both the prior corresponding period and the previous six months. AGT expects to deliver a profit before tax, excluding currency impacts and one-off items, for H1FY22 of around A\$10 million.
- While domestic markets have been adversely impacted by extended lockdowns, our North American and Latin American operations are delivering growth and improved earnings. AGT's online activities are also contributing positively following the exclusive distribution partnership announced with GAN Limited.
- North America performing strongly. Continue to build on the success of our HHR products to provide important additional revenue streams.
- Expansion of MTD products following acquisition to established and new markets.
- Continuing strong cashflows have enabled the Company to further reduce borrowings.
- Well placed for further recovery and long-term growth.
- Commencement of industry experienced Chief Product Officer, David Bollesen, in October 2021 is expected to further assist global development and creation of a greater range of diverse, innovative and attractive games.

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 30 June 2021.



Julie Cleary
Partner-in-charge



In attendance is Julie Cleary from KPMG, the Company's auditor who is available to answer any questions on the 2021 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 2021 Annual Financial Report; and
- Independence of the auditor in relation to the conduct of their audit.

Resolution 1

Re-election of Mr. 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	266,244,336	99.5%
AGAINST	1,298,190	0.5%

Included above are 31,009 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 2

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 30 June 2021, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	266,243,679	99.8%
AGAINST	582,787	0.2%

Included above are 31,009 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

OTHER BUSINESS



AINSWORTH GAME TECHNOLOGY

10 Holker St, Newington NSW

www.agtslots.com