



Ainsworth Game Technology Ltd

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30 November 2022

Ms Nicola Lombardi
Adviser, Listings Compliance (Sydney)
ASX
20 Bridge Street
Sydney NSW 2000

By email: ListingsComplianceSydney@asx.com.au

Dear Ms Lombardi,

Response to ASX Aware Letter

We refer to your letter dated 29 November 2022 (**ASX Aware Letter**) in relation to the announcement by Ainsworth Game Technology Limited (**ASX: AGI**) (**AGT**) entitled "AGI 2022 AGM Addresses to Shareholders and Presentation" lodged on the ASX Market Announcements Platform on Tuesday 29 November 2022 (**Announcement**). Unless defined below, terms defined in the ASX Aware Letter have the same meaning in this letter.

Ainsworth responds to each of the queries set out in the ASX Aware Letter as follows.

1. *Does AGI consider the Information, or any other part of the Announcement, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?*

No.

2. *If the answer to question 1 is "no", please advise the basis for that view.*

AGT does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of AGI's securities for the following reasons:

- a. AGT had not previously disclosed any earnings guidance in respect of the Profit Before Tax (**PBT**) expected for the 6 months ending 31 December 2022, including that it had not

indicated that it would be comparable to the six months ended 31 December 2021 (particularly given the impact of the Covid pandemic on that earlier period, as disclosed in relation to that period). As indicated in ASX Guidance Note 8 at paragraph 7.1, there is no obligation pursuant to Listing Rule 3.1 for such guidance to be given.

- b. AGI had disclosed in its investor presentation (in the conclusion) released to the market with the full year results on 30 August 2022 that:

“AGT enters the second half of calendar year 2022 with good momentum and expects to have continued growth in North America, further improvements in Latin America markets and steady performance from Australia.”

Those results released on 30 August 2022 also indicated that:

“AGT reported a recovery in Profit Before Tax, excluding currency impacts and one-off items, of \$27.3 million in the period, with H2 contributing \$17.3 million, an increase of 73% compared to the \$10.0 million in H1.”

That release additionally noted the improved product performance and improved market conditions in Latin America as pandemic restrictions eased further during the period.

- c. AGT therefore does not consider the forecast \$18.0 million referred to in the Information as price sensitive, given it is consistent with a level of growth and momentum building on the second half of FY2022 PBT of \$17.3 million.

3. *When did AGI first become aware of the Information?*

AGT did not finalise the forecast included in the Information until settling the Annual General Meeting (**AGM**) presentation for release to the market and AGM.

4. *If the answer to question 1 is “yes” and AGI first became aware of the Information before the relevant date, did AGI make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AGI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AGI took to ensure that the information was released promptly and without delay.*

Not applicable.

5. *Noting the significant price rise prior to the Announcement being released on MAP, does AGI have any other explanation for the increase in the price of AGI’s securities prior to the Announcement?*

AGT is not aware of any other reason that would explain the increase in the price of AGI’s securities. However, AGT does note the low volumes of trading in AGT securities that therefore leads to significant price volatility.

6. *Does AGI consider that the Announcement was consistent with paragraph 4.14 of Guidance Note 8? If so, please explain the basis for that view.*

Yes, for the reasons outlined at 2 above, AGT considers that it is compliant with paragraph 4.14 of ASX Guidance Note 8. AGT further notes that it has historically followed a practice of including such guidance as part of the AGM address, including a section clearly labelled as “Outlook”, but that any material deviation from any existing earnings guidance has been separately disclosed to the market where appropriate (as required by Listing Rule 3.1 and consistent with ASX Guidance Note 8).

7. *Please confirm that AGI is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

AGT confirms that it is in compliance with the ASX Listing Rules, including LR 3.1.

8. *Please confirm that AGI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AGI with delegated authority from the board to respond to ASX on disclosure matters.*

AGT confirms that the responses provided in this letter have been authorised and approved by the AGT board.

Please do not hesitate to contact me should you require any further information.

Yours sincerely



Mark Ludski
Company Secretary



29 November 2022

Mr Mark Ludski
Company Secretary
Ainsworth Game Technology Limited
54 Blackwell Point Road
Chiswick NSW 2046

By email: mark.ludski@ainsworth.com.au

Dear Mr Ludski

Ainsworth Game Technology Limited ('AGI'): Aware Query

ASX refers to the following:

- A. The increase in price of AGI's securities on 28 November 2022, from a previous close of \$0.935 to a close of \$1.105, reflecting an 18.2% increase. ASX further notes above average volumes traded on the day.
- B. AGI's announcement titled "AGI 2022 AGM Addresses to Shareholders and Presentation" lodged on the ASX Market Announcements Platform ('MAP') on 29 November 2022 (the '**Announcement**'), which disclosed (relevantly):

"Based on current forecasts, we expect to achieve approximately \$18.0m in PBT, pre currency and one offs, for the six months ending 31 December 2022." (the '**Information**').

ASX notes this compares favourably to approximately \$13.9m in PBT for the six months ended 31 December 2021.

- C. The further increase in the price of AGI's securities to intraday highs of \$1.205 (9%) after the Announcement was released on 29 November 2022.
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*

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- *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
- 3.1A.3 *A reasonable person would not expect the information to be disclosed.”*
- G. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:
- “Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*
- H. Paragraph 4.14 of Guidance Note 8, which states (relevantly):
- “ASX has experienced difficulties in the past with announcements that have been given a fairly innocuous header (such as “Chairman’s Address to AGM”) but have had market sensitive material embedded in them. ASX would ask entities to ensure that the header to such an announcement clearly identifies the fact that it contains market sensitive information (eg, “Chairman’s Address to AGM and Buyback Announcement”) or, better still, that market sensitive announcements are made on a stand-alone basis and not embedded in other announcements that may not be market sensitive.”*

Request for information

Having regard to the above, ASX asks AGI to respond separately to each of the following questions and requests for information:

1. Does AGI consider the Information, or any other part of the Announcement, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did AGI first become aware of the Information?
4. If the answer to question 1 is “yes” and AGI first became aware of the Information before the relevant date, did AGI make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe AGI was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps AGI took to ensure that the information was released promptly and without delay.
5. Noting the significant price rise prior to the Announcement being released on MAP, does AGI have any other explanation for the increase in the price of AGI’s securities prior to the Announcement?
6. Does AGI consider that the Announcement was consistent with paragraph 4.14 of Guidance Note 8 (refer paragraph H above)? If so, please explain the basis for that view.
7. Please confirm that AGI is complying with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that AGI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AGI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9 AM AEDT Wednesday, 30 November 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AGI's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require AGI to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in AGI's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AGI's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AGI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that AGI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Nicola Lombardi
Adviser, Listings Compliance (Sydney)