

2020 ANNUAL GENERAL MEETING



AINSWORTH GAME TECHNOLOGY LIMITED



AGENDA

1. Welcome
2. Chairman's Address
3. Chief Executive Officer's Address
4. Annual General Meeting



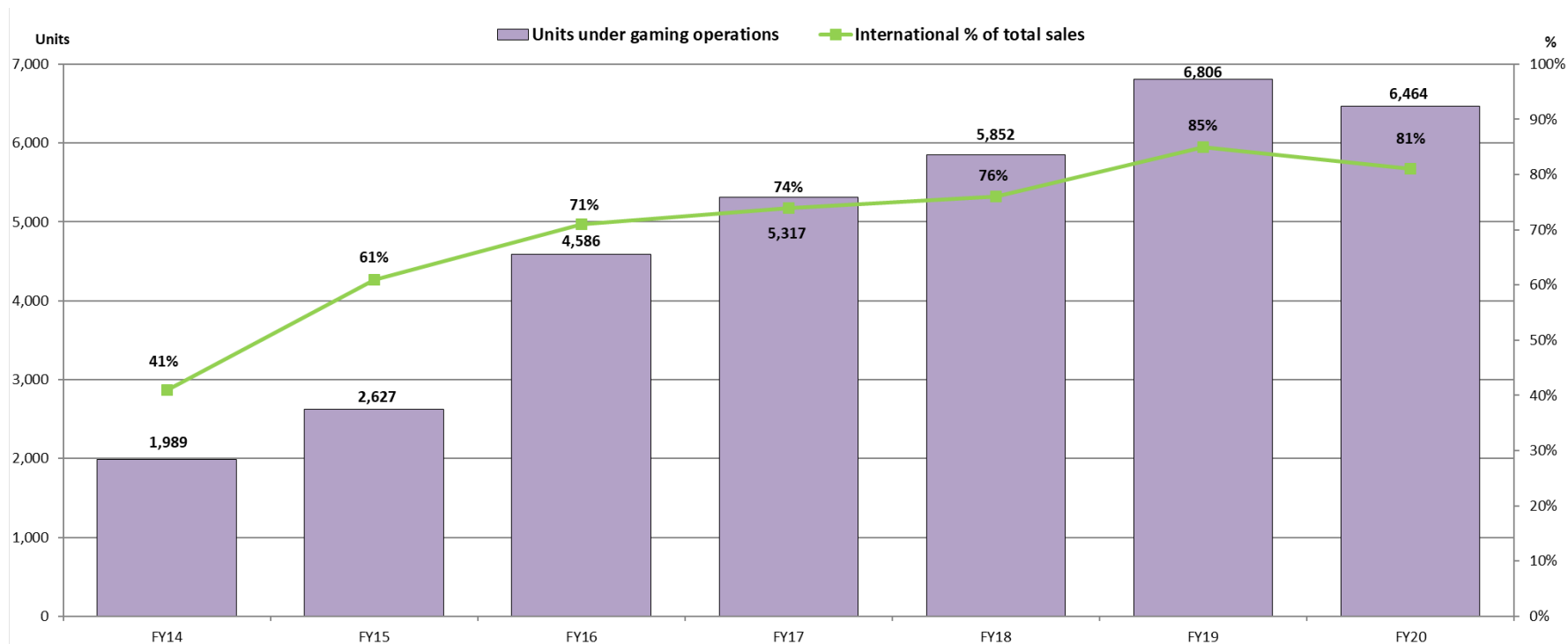
Chairman's Address

Presentation by
Danny Gladstone

Results Summary

- Sales revenue \$149.4m, down 36% on pcp.
- Loss after tax \$43.4m compared to profit after loss of \$10.9m in pcp.
- Full year positive underlying EBITDA of \$5.8m (H1 \$18.5m / H2 -\$12.7m).
- Slight decline in gaming operations. Recurring revenues account for 26% of group total:
 - 6,464 units under gaming operations at 30 June 2020, 5% decrease on FY19
- Cash balance 30th June 2020, \$26.5m. Net debt position of \$17.5m.
- No final dividend for FY2020 - to ensure the Group is well placed should a protracted downturn eventuate.
- The Group is proactively responding to the impact of COVID-19 with the following actions in place:
 - Prioritise the health and well being of our employees – provide flexibility for our staff to continue working safely and remotely.
 - Maintain continuity of operations.
 - Implemented cost saving measures and liquidity.

Gaming Operations and International Sales Contribution



Product Development

- Ainsworth game development and approval continued throughout COVID-19 interruptions – providing strong future portfolio pipeline.
- A-Star™ dual and curve cabinet approvals across multiple global markets enabling a high-quality platform for future growth.
- An innovative range of games using new and legacy proprietary brands including:



Chief Executive Officer's Address

Presentation by **Lawrence Levy**

Profit & Loss summary

- Revenue drop predominately impacted by COVID-19 that adversely hit our markets in Q4.
- Loss before tax (excluding currency impact) is \$50.0m, compared to profit before tax of \$8.7m in pcp.
- Adjusted EBITDA, excluding currency and one off items, positive \$5.8m.
- International sales decline 39% v pcp. International sales account for 81% of group revenues.
- R&D/Revenue at 28% reflects continuation of R&D initiatives despite the lower revenue recorded due to impacts of COVID-19.
- Adverse forex movement impact of \$4.8m compared to pcp contributed to the drop in EBITDA.

A\$m	12 months to 30-Jun-2020 Statutory	AASB 16 Leases	12 months to 30-Jun-2020 Underlying	12 months to 30-Jun- 2019	Change (%)
Domestic revenue	28.3		28.3	36.1	(22%)
International revenue	121.1		121.1	198.2	(39%)
Total revenue	149.4		149.4	234.3	(36%)
Gross profit	90.4		90.4	139.9	(35%)
EBITDA	(9.0)	(2.7)	(11.7)	44.8	(126%)
EBITDA Margin %	(6%)		(8%)	19%	(27%)
(Loss) / Profit Before Tax	(48.8)	0.6	(48.2)	14.7	(428%)
Income tax benefit / (expense)	5.4	(0.2)	5.2	(3.8)	(237%)
(Loss) / Profit After Tax	(43.4)	0.4	(43.0)	10.9	(495%)
R&D (% of revenue)	28%		28%	17%	11%
EPS (diluted) (A\$)	(0.13)		(0.13)	0.03	(533%)

Note : Statutory reports have been adjusted to reverse the impact of AASB 16 Leases.

MTD Gaming Acquisition

- Completed the asset acquisition of MTD Gaming in H2FY20 with an immediate and positive impact to EBITDA.
- Complementary product line with premium performing Poker, Keno, and Video Reel content.
- Provides access to Multi-Game and Video Lottery Terminal markets.
- Expands our hardware offering with the Apollo cabinet.
- Development is being finalized to launch this premium product into additional markets throughout FY21. Product certification is expected to occur in H1FY21.



Staff Headcount

Australia and Rest of the World			Americas		
# Staff	FY20	FY19	# Staff	FY20	FY19
Sales	32	35	Sales	23	33
Service	67	76	Service	48	55
Production	28	31	Production	61	77
Administration	34	38	Administration	40	49
R&D	127	135	R&D	47	49
Total Staff Numbers - Australia & Rest of the World	288	315	Total Staff Numbers - North and Latin America	219	263

	FY20	FY19
Total Staff Numbers Consolidated AGT	507	578

Operating Costs

A\$m	12 months to 30-Jun-20 constant currency basis	12 months to 30-Jun-20	12 months to 30-Jun-19	Change (%)
Sales, service and marketing ("SSM")	56.2	59.3	64.9	(9%)
R&D	40.1	41.2	40.4	2%
Administration	21.5	22.2	25.0	(11%)
Total Operating costs	117.8	122.7	130.3	(6%)

Segment Result Summary

North America		FY2020	FY2019	Change (%)
Revenue	A\$m	72.1	114.0	(37%)
Segment profit	A\$m	25.3	47.1	(46%)
Sales volume	units	1,430	2,952	(52%)
Game Operations – Installed Base	units	2,327	2,190	6%
Latin America				
Revenue	A\$m	42.0	72.7	(42%)
Segment profit	A\$m	2.3	24.0	(90%)
Sales volume	units	1,404	2,931	(52%)
Game Operations – Installed Base	units	4,137	4,616	(10%)
ROW				
Revenue	A\$m	7.0	11.5	(39%)
Segment profit	A\$m	2.8	6.8	(59%)
Sales volume	units	87	438	(80%)
Australia				
Revenue	A\$m	28.3	36.1	(22%)
Segment profit	A\$m	0.4	2.8	(86%)
Sales volume	units	713	978	(27%)

FY21 Execution Priorities

Summary of FY21 Execution Priorities:

1. Expand footprint in HHR products.
2. Continue to grow unit sales across all markets.
3. Increase gaming operations units – develop specific game content.
4. Focus on R&D to continually produce new, innovative and intuitive games.
5. Increase strategic cooperation with Novomatic.
6. Expand our online capabilities.
7. Maintain strong capital disciplines and cost controls.

Outlook

Focus on protecting AGT should a protracted downturn eventuate

- AGT cautiously expects the challenging market conditions experienced in 2HFY20 to continue through to 1HFY21.
- For 1HFY21 we expect to report a Loss Before Tax, excluding the impacts of foreign exchange and one-off items, of approximately \$15.0 million.
- We anticipate improved performance in North America, building on the success of our HHR products and MTD acquisition.
- In LATAM, trading performance in H1 to be impacted with progressive recovery in H2 due to the current widespread of COVI-19 infections being reported.
- Australia – encouraging initial market response to the new A-Star cabinet with ongoing commitment to game development and performance.

AGT, with its well-regarded reputation, sound financial position and ongoing commitment to innovation, is well placed to benefit from industry recovery as customers' venues reopen and capex spend increases.

Financial Statements and Reports

To receive and consider the Annual Financial Report including the Directors' and Auditor's Reports in respect of the financial year ended 30 June 2020.

Resolution 1

Re-election of Mr. Graeme John Campbell, as Director

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

“That Mr. Graeme John Campbell, 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	272,067,636	96.80%
AGAINST	8,987,511	3.20%

Included above are 304,012 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

Resolution 2

Re-election of Mr. Harald Michael Karl Neumann, as Director

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

“That Mr. Harald Michael Karl Neumann, 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	275,919,729	98.17%
AGAINST	5,135,419	1.83%

Included above are 304,012 proxies which were open and usable and the Chairman 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 30 June 2020, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	279,139,908	99.55%
AGAINST	1,252,851	0.45%

Included above are 1,266,795 proxies which were open and usable and the Chairman has elected to vote these in favour of the resolution.

OTHER BUSINESS



AINSWORTH GAME TECHNOLOGY

10 Holker St, Newington NSW

www.agtslots.com