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AINSWORTH GAME TECHNOLOGY LIMITED

("Ainsworth" or "the Company" or "AGT")

2025 ANNUAL GENERAL MEETING ADDRESSES

NON-EXECUTIVE CHAIRPERSON
(Presented by Mr Danny Gladstone)

Ladies and Gentlemen,

I would firstly like to present a review for the financial year ended 31 December 2024. I will concentrate my address on the headline numbers and Harald Neumann, the Company's Chief Executive Officer (CEO), will provide further details and an outline on our key operating segments.

In the financial year ended 31 December 2024 (the 2024 year), we reported revenue of $264 million and underlying EBITDA of $48 million, a reduction on the $285 million and $59 million respectively, in the prior corresponding period (PCP). I would like to highlight that despite revenue declining 7% compared to the PCP, the second half of the 2024 year recorded revenue of $143 million and an increase of 18% on the $121 million in the first half of the 2024 year.

AGT delivered an underlying profit before tax in the 2024 year, excluding currency impacts and one-off items, of $23.2 million, a reduction on the $41.5 million for the PCP. The second half profitability in the 2024 year was adversely impacted by lower margins experienced, including product mix of products sold in Latin America, continued competitive market conditions and the under recovery of production variances expensed in the period. International revenue contributed 85% of total revenue consistent with the PCP.

These results include an increase of 8% in research and development (R&D) expenses compared to the PCP, which is critical to ensure our products are competitive within our global markets. R&D investment activities undertaken, excluding capitalized expenditure, represented 19% of total revenue, compared to 16% in the PCP. This necessary investment is required to assist the Group to secure experienced resources and continually develop technology for our product offerings to maintain and achieve market share gains in the increasingly competitive markets we operate within.

As we have outlined in the recent trading update on 12 May 2024, total revenue for the first six-month period ending 30 June 2025 (half one of the 2025 year) is expected to increase approximately 6% on the $143 million recorded for the prior half period (half two of the 2024 year). This increase was primarily attributable to improvements in domestic revenue following the launch of the Raptor™ cabinet in February 2025. International revenues within North America are expected to be broadly consistent to half two of the 2024 year on a constant currency basis.

The continued challenging conditions in Latin America, including import restrictions in Mexico, have resulted in revenue expected to be lower by approximately 14% in half one of the 2025 year compared to the $38 million in the preceding half in the 2024 year.

The key market of North America showed the strongest performance in the 2024 year contributing revenue of $147.0 million, a 5% increase on the PCP, representing 65% of total international revenue. This region represented 56% of total revenue, compared to 49% in the PCP. The previous launch of the A-star Raptor™ cabinet, combined with additional game titles within multiple jurisdictions, is expected to stabilise the previous momentum achieved in coming periods within this region.

I'd like to highlight some positive features of our business model and performance in the 2024 year. Development initiatives previously initiated have progressively been commercialized with the on-going release of the A-Star Raptor™ in selected markets during the period. This, combined with the release of new game combinations, have been well accepted by our customers based on feedback received and are expected to provide opportunities for market share gains as they are approved across all our markets.

Recurring revenues (including Historical Horse Racing connection fees), a strong feature of AGT's business model was $95.5 million in the 2024 year, consistent to the $96.5 million in the PCP. Total machines under gaming operation at 31 December 2024 were 6,871, a slight increase on the 6,790 units at 30 June 2024, following the reduction in the first half of the year in Latin America as units were converted from operation to sale.

To ensure additional liquidity and fund working capital requirements the previous loan facility established with Western Alliance Bancorporation was amended on 30 December 2024 resulting in an increased facility amount of US$50 million with a new 5-year term (expiring on 30 December 2029). All other terms remained similar to the previous facility established.

As we have noted, the declaration of dividends to shareholders continues to be suspended at the present time, to maintain a strong balance sheet to self-fund product investments. Processes to ensure improvements in the output of our R&D initiatives have lifted the competitiveness of our products to our customers and we continually review necessary organisational structure changes and financial capability to support these strategies.

I would now like to address the recent announcement on 28 April 2025 detailing Ainsworth's execution of a binding Scheme Implementation Deed (SID) with Novomatic AG (Novomatic).

I do highlight that an initial, unsolicited, non-binding indictive offer from Novomatic was received at which time the Company established an Independent Board Committee (IBC) to oversee the assessment of the initial offer and all discussions with Novomatic. The IBC members include the independent non-executive directors being myself, Mr Graeme Campbell and Mrs Heather Scheibenstock.

Following a period of engagement an improved non-binding indicative offer was received, at which time a short period of negotiation on the SID was undertaken.

Novomatic's offer will be to pay shareholders cash consideration of A$1.00 per share, which represents a significant premium to Ainsworth's recent and longer-term trading price prior to the announcement of the SID, including:

- a 35% to Ainsworth's close price on 24 April 2025, the last trading day prior to the SID;
- a 27% premium to the 1-month volume-weighted average price (VWAP) up to 24 April 2025;
- a 28% premium to the 6-month VWAP up to 24 April 2025; and
- above the highest trading price for the stock over the past 12 months

This implies an earnings multiple of approximately 7.0X Enterprise Value over the 2024 year actual EBITDA.

The SID allows for the payment of a fully franked dividend on or before the implementation date of the Scheme, if declared by the Board of AGT. Should this occur certain shareholders could potentially obtain additional value by way of release of franking credits (noting the Scheme Consideration would be reduced by the value of any such Permitted Dividend).

The IBC carefully evaluated the proposed offer against the Company's medium and long-term growth prospects and the alternative opportunities available, and unanimously decided to support and recommend that shareholders vote in favor of the offer for Novomatic to acquire all the relevant outstanding shares that they do not have a relevant interest, in the absence of a superior proposal, and subject to the independent expert concluding (and continuing to conclude) that it is in the best interests of shareholders.

I also note that the offer has limited customary conditionality, as outlined in the SID. Importantly, Novomatic has informed the IBC that they have already received approval of the Australian Foreign Investment Review Board in respect of the transaction, that they have the requisite financing available, and that they do not require any due diligence or other regulatory approvals.

The next step in relation to the scheme is for the company to prepare a disclosure document to shareholders, called a Scheme Booklet. The Scheme Booklet will also be reviewed by ASIC and the Court. You as Shareholders will have the opportunity to consider the Novomatic offer if and when the Court approves the distribution of the Scheme Booklet in the coming months, following which you will have the chance to vote at a Scheme Meeting which will be held later this year.

The Scheme Booklet will include details of the reasons for the IBC's recommendation and a report from an independent expert (Independent Expert's Report), which is expected to be sent to shareholders in July 2025 with a Scheme meeting to be held thereafter for shareholders (excluding Novomatic) to vote on the proposal. The Independent Expert's Report will assess the Novomatic offer. Shareholders are not required to take any action at this time.

If the Scheme is approved by shareholders and other conditions precedent are satisfied or waived, the Scheme will be submitted for final Court approval in August 2025 and if approved would be implemented shortly after the scheme meeting.

I know that many of you will have questions in relation to the Scheme. There are however strict rules in relation to how we are allowed to communicate with Shareholders during this process. Our expectation is that many (if not all) of these questions will be answered by the contents of the Scheme Booklet. We appreciate your patience whilst we finalise the Scheme Booklet.

In closing I thank my fellow directors for their continued contributions and support. I also acknowledge the dedication of our highly motivated executive team led by our CEO, Mr Harald Neumann and the many employees at Ainsworth who have embraced the changes we have needed to make across all operational areas during difficult and challenging circumstances. As always, I thank our shareholders, and our loyal customers across our global markets.

I will now hand over to Harald to provide his CEO address.

CHIEF EXECUTIVE OFFICER (CEO)
(Presented by Mr Harald Neumann)

Thank you, Danny.

Dear shareholders,

It is my pleasure to provide my report to shareholders on the financial results outlined in the Annual Report for the year ended 31 December 2024.

The 2024 financial year presented the Company with difficult and challenging economic conditions within the markets we operate, primarily within the Americas. The gaming industry continues to show resilience to these difficult economic conditions. Ainsworth delivered solid operational results during 2024 with revenue of $264 million in the period, a reduction of 7% on the prior corresponding period (PCP). This reduction was driven by lower sales in Latin America through import restrictions in Mexico. In addition, and as previously highlighted, the digital segment revenue was impacted by changes to the exclusivity arrangements with Game Account Network (GAN) in the period.

The overall reported results were a profit after tax (PAT) of $30.3 million, with normalised profit before tax (PBT), excluding currency translations and one-off items), of $23.2 million.

Underlying EBITDA for the period was $48.2 million, compared to $59 million in the PCP. PBT, excluding currency impacts and one-off items, resulted in a second half PBT on the same basis of $8.9 million and was in line with the market guidance outlined by the Company in November 2024.

As we have previously reported, all disputes with the Mexican tax authorities on import duties and associated charges have been completed, as reflected in the 2024 financial reports.

The gross margin achieved in the 2024 year was 61%, slightly below the 62% in the PCP. Margins were adversely impacted in the second half of the 2024 year by a range of factors, including the product mix of sales in Latin America, competitive market conditions, the planned run-out of previous generation cabinets prior to the launch of the Raptor™ across additional markets and the under-recovery of production variances expensed in the period.

Operating costs were carefully controlled during the 2024 year, rising by 1.0%. Group operating costs in constant currency terms were $139.0 million, consistent with the PCP. Operating costs reflected a reduction in variable selling costs on the lower revenue achieved during the period which assisted to offset the increase in development expenditure and the increase in overall headcount in the second half of the2024 year to ensure talent retention to support business growth.

Research & Development (R&D) expenses increased by 8% compared to the PCP, reflecting the Company's continued focus on product development investment to produce innovative products in an increasingly competitive market. This commitment to investment in R&D is at the cornerstone of our strategy to ensure we invest in development activities to continue to develop and commercialise new and innovative gaming products. The Raptor™ cabinet was initially released in North America in late 2023 in specific jurisdictions and has provided an increased level of interest from our customers across this region. This new cabinet has been ranked as the Top Performing Portrait in North America on the prestigious Elier's Game Performance Report across the key American markets. As we announced in our trading update the successful release of the Raptor™ cabinet in Australia in February 2025 has resulted in revenue growth in the first half of the 2025 financial year compared to the PCP which has assisted to offset lower contributions experienced in Latin America.

The planned investment to improve technologies and fundamentally improve game performance has been the key priority undertaken to ensure sustained success and profitability.

North America revenue reported in the 2024 year was $147.0 million, an increase of 5% on the PCP, representing 65% of total international revenue. The A-Star Raptor™ cabinet is currently ranked sixth on the Eilers Top Indexing Portrait Upright, with strong performance on the San Fa™ family of games, including San Fa Rabbits™ and Tigers™ released in the current period. New game releases of Triple Troves™, Reigning Rhinos™ and Dragon's Delight™ have initially performed strongly with Triple Troves™ reported on Eiler's Top 25 for New Core Video.

The Gambler's Gold™ products (keno and poker-based games) have continued to positively contribute to the North American segment. The exclusive distribution agreement within Montana was extended with Golden Route Operations (acquired by J&J Ventures) in October 2024 for an additional 40-month period (until 31 December 2027) for an upfront fee of US$6.8 million and on-going purchase commitments for products per year throughout the agreement term.

Historical Horse Racing ("HHR") products continue to perform with 8,898 units connected to AGT's HHR system at 31 December 2024 following new installations and expansions in Virginia, Alabama and Wyoming during the current period. Strong average selling prices and recurring revenues, along with disciplined cost controls, resulted in a rise in segment profit to $68.2 million versus $65.0 million in the PCP, up 5%.

Revenues in the 2024 year of $66.8 million were achieved in Latin America/Europe, compared to $80.1 million in the PCP. As noted, the reduced revenue was attributable to lower sales within Latin America, primarily from the challenging economic conditions in Argentina and import restrictions within Mexico in the period. Th expected improvement in these restrictions within these regions, together with new opportunities within Europe, is expected to provide revenue increases in the second half of the 2025 year.

Demand continues to grow for the A-STAR™ range of cabinets with Xtension Link™ being consistently one of the top performing products in the region. At 31 December 2024, a total of 3,856 units were under operation, generating $22.6 million in recurring revenue, similar to the PCP, with the average yield being maintained at US$12 per day.

AGT's Asia Pacific (Australia, New Zealand, and Asia) performance reported was lower in the 2024 year as competitive market conditions continued. Revenue was $42.7 million, a decrease on the $48.8 million in the PCP. The region achieved 1,406 unit sales in the period with Australia representing 1,308 of total units, a slight increase on the PCP. Average selling prices were $24.7 thousand, a slight decline on the PCP due to discounts to achieve runout of inventory of previous generation models prior to the launch of the A-Star Raptor™ cabinet in February 2025. Segment profit declined to $2.7 million, compared to $3.4 million in the PCP.

The Digital segment reported a revenue contribution of $7.6 million, compared to $15.6 million in the PCP, which included the one-off profit uplift of $1.9 million resulting from the Game Account Network (GAN) contract amendment. These high margin online revenues resulted in segment profit of $6.9 million. Following the termination of the GAN exclusivity contract in March 2024, the Group continues to directly explore further opportunities with global operators to progressively return to historical revenue levels.

Operating cash flows reported included payments of $28.5 million made to the Mexican Tax Administration Service (SAT) in the 2024 year. Borrowings on the established loan facility to facilitate payments to SAT were partially repaid in the period from strong operating cash flows.

Net cash held at the reporting date was $9.7 million, a decrease on the $19.4 million reported at 31 December 2023 following the payments to settle all disputes with SAT.

As noted by Danny in his address, the previous loan facility established with Western Alliance Bancorporation (WAB) was amended on 30 December 2024 resulting in an increased facility amount of US$50 million with a new 5-year term (expiring on 30 December 2029). All other terms remained similar to the previous facility established. This will provide the necessary liquidity to fund product development investments and working capital for expected production requirements.

In conclusion trading conditions in both domestic and international markets have shown their resilience despite the economic challenges encountered. AGT's North American business continues to progress in both Class II and Class III markets with opportunities pursued for existing and new HHR markets.

Despite the volatile regulatory and economic conditions within Latin American markets it is expected that as the relaxation of restrictions on the import of gaming products in both Mexico and Argentina occur, coupled with opportunities with established customers, improvements are expected in the second half of the 2025 year.

We expect to report, as announced, a PBT, pre-currency and one-offs, in the six months ending 30 June 2025 of approximately $14 million, consistent to the $14.3 million in the PCP. As we gain greater visibility on the expected financial results for the second half of the 2025 year, we will update the market accordingly.

As I have previously communicated, measures introduced are seeing improvements in the output of our R&D investments, lifting the competitiveness of our product. We continue to review our capabilities and talent within R&D in both the Australian and international studios. In addition, the benefits of the new R&D studios are providing more creativity and diversity to our current product offerings.

Before I close, I would like to finish by thanking all my colleagues at Ainsworth for their contributions to the progress made and their dedication to our customers. I acknowledge and commend and formally thank the way the dedicated team at AGT has taken on the challenges presented to them to ensure we are – and will continue to be - well placed to improve our financial performance.

Thank you and I now hand you back to Danny.

Ends

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