



Ainsworth Game Technology Ltd
ABN 37 068 516 665

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www.agtslots.com

19 May 2023

ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

ELECTRONIC LODGEMENT

2023 Annual General Meeting (AGM) Addresses to Shareholders and Presentation.

We attach a copy of the 2023 AGM Addresses to Shareholders (Chairman and Chief Executive Officer) and Presentation.

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Ludski', written over a light grey rectangular background.

Mark Ludski
Company Secretary

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ASX Release

ASX Code: AGI

**AINSWORTH GAME TECHNOLOGY LIMITED
2023 ANNUAL GENERAL MEETING ADDRESSES**

NON-EXECUTIVE CHAIRMAN

(Presented by Mr Danny Gladstone)

Ladies and Gentlemen,

I am pleased to present the review for the half year period ended 31 December 2022. As previously advised, this now completes the transition for our reporting period to a calendar year basis, effective 1 January 2023. This new reporting period will align the Company with our overseas operations and business cycles, as well as reducing duplication of processes and increasing efficiencies in reporting to our majority shareholder, Novomatic AG.

In the six-month period ended 31 December 2022, revenue increased to \$124.1 million, a 23% increase on the prior corresponding period (PCP) as we benefited from improved product performance across our markets and further recovery in Latin America. For the period AGT delivered a Profit before Tax, excluding currency impacts and one-off items, of \$18.8 million. This was an 88% increase on the adjusted Profit before Tax of \$10.0 million for the PCP and consistent to the second half of the 2022 calendar year which was more reflective of our trading performance.

Group underlying EBITDA (adjusted for currency and one-off items) reported for the six months ended 31 December 2022 was \$26.4 million, an increase of 28% on the \$20.7 million in the PCP. These results reflect the planned increase in Research and Development investment activities undertaken which represented 16% of total revenue, compared to 14% in the previous half year ended 30 June 2022. This investment is expected to enable the Group to maintain the revenue growth being achieved and secure positive market share gains in coming periods.

We continue to progress strategies to improve performance which are expected to result in positive momentum being maintained for the 2023 year. Trading conditions generally have improved across our markets with customer activity levels now showing positive recovery.

North America delivered good results for the six-month period ended 31 December 2022, primarily driven by strong performance and contributions from Ainsworth's leading Historical Horse Racing (HHR) products. Latin America also experienced a strong recovery in the period with revenue increasing 49% compared to the PCP. AGT's domestic performance improved as the year progressed however, we still do not consider that it reflects the full potential. We are continuing to invest in product



development to improve game performance in all our markets, which is expected to translate into market share gains and sustained success.

I'd like to highlight three other positive features of our business model and performance in the half year ended 31 December 2022. First, international revenues increased by 20% versus the PCP and now account for 81% of the group's total revenue. This demonstrates our effectiveness in delivering on our strategy to grow and build scale in North America. Second, recurring revenues, another key priority for AGT, increased by 42%. Units under operations at 31 December 2022 were 6,517 which generate annuity style recurring revenues.

And third, Ainsworth's cash flow and balance sheet are positive features of the Company's recently reported results. We closed the 2022 calendar year with a net cash position of \$36.5 million. We also have an undrawn credit facility of US\$32 million in place to ensure access to additional liquidity should it be required.

With the current economic uncertainties combined with supply chain challenges, an increased level of working capital, primarily inventory levels, were considered necessary to ensure continuity in production to fulfill expected sales volumes in calendar year 2023. Once these conditions stabilise and operational requirements can be reliably determined, the Board maintains its commitment to review the commencement of dividend payments to our shareholders.

Our priority remains to maintain a strong balance sheet to self-fund our growth strategies and product investments. We have implemented processes and recruited new talent to ensure improvements in outputs of our R&D initiatives which is expected to lift the competitiveness of our products. We are offering more value to our customers and have a new organisational structure and financial capability to support these strategies.

I note that the reported results for 31 December 2022 incorporated an additional provision to reflect the ongoing position with the Mexican Tax Administration Service (SAT) where a provision was initially recorded at 30 June 2022. The timing of a final resolution continues to remain uncertain at the present time however we are pursuing discussions with SAT to come to a resolution of this matter. We will keep the market informed as and when any material developments arise.

In closing I would like to thank my fellow directors and our CEO Harald Neumann for their continued contributions and support. I also acknowledge the dedication and loyalty of our highly motivated executive team and employees at Ainsworth in ensuring improvement in financial results and delivering the necessary changes across all operational areas during difficult and challenging circumstances. I thank our shareholders, and as always, our loyal customers across our global markets.

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

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

Thank you, Danny.

Dear shareholders,

I am pleased to provide my report to shareholders for the recently reported six-month period ended 31 December 2022 and share with you the progress on strategies initiated for the 2023 calendar year and beyond.



Since I commenced as your CEO, we have encountered the challenges resulting from the pandemic and changes in economic conditions across global markets. The resultant supply chain shortages experienced for the componentry underpinning our technology was foreshadowed and strategies implemented to ensure minimal financial and production disruptions across our operations. As venues recovered across our major markets and customers' capital expenditure programs increased, we successfully mitigated this potential risk, ensuring the continuity of production and supply of AGT's top performing gaming products.

Ainsworth has a deep and well-respected history of developing innovative game themes and technologies, and it is this foundation that we have been able to build on to work towards achieving the full potential for the Company. The planned investment to improve technologies and fundamentally improve game performance has been the key priority undertaken to ensure sustained success and financial improvements.

It is the potential to leverage these growth drivers into sustained results and improved returns for shareholders that provide me with confidence about Ainsworth today. Along with the Board and my established management team, we are committed to deliver on our potential to be a larger and more profitable company in our major markets.

In the six months ended 31 December 2022 we delivered an adjusted Profit Before Tax (PBT), excluding currency impacts and one-off items, of \$18.8 million. This was a further improvement on the profit reported in the Prior Corresponding Period (PCP) of \$10.0 million and in line with the second half of the financial year ended 30 June 2022. The underlying Profit after Tax of \$15.5 million positively compares to the \$6.1 million reported in the PCP.

Underlying EBITDA reported for the six-month period was \$26.4 million, 28% improvement on the PCP. This result was achieved despite an increase of 18% in operating costs resulting from operations returning to pre-pandemic levels, inflationary cost pressures and the planned investment in development initiatives to increase the competitiveness of our product offerings.

Group revenue increased in the six-month period to \$124.1 million, up 23% on the \$100.7 million in the PCP. Revenue increases were achieved across the key regions in Australia and the Americas. This reflects the improvement in trading conditions offshore, with international revenue increasing 20% compared to the PCP, contributing 81% of the Group's total revenue.

The gross margin improved in the period to 67%, an increase on the 63% reported in the PCP and the second half of FY22. Strong Average Selling Prices (ASP) and increased revenue from units under gaming operation contributed to the improved margin.

Gross operating costs, in constant currency terms were \$101.9 million, 11% higher than the PCP. This rise was mainly due to inflationary cost pressures, increased variable selling costs and the investment in Research and Development (R&D), including the establishment of new game studios in North America. We continue to actively work on measures to mitigate inflationary cost pressures across all regions.

Strong product performance in North America supported our improved performance in this region. High denomination games continue to be strengths of AGT in the United States. The Company continues to regularly deliver five of the top 25 games in this segment.



North America continued to perform strongly in the reported six-month period with revenue of \$59.7 million, an increase of 9% on the PCP, representing 59% of total international revenue. High denomination games continue to be a strength of AGT in the United States with development initiatives initiated to provide greater market share within the low and mid denomination product groupings. Following the success of MTD games in South Dakota, the launch of the games in Louisiana have seen similar success with 400 units sold in Louisiana and South Dakota in the current period, compared to 100 units in South Dakota in PCP. Further opportunities for the MTD products are expected in Montana in late 2023 following the expiry of an exclusive distribution agreement within the state.

Machines under operation in North America at the reporting date were 2,827, an increase of 10% from 30 June 2022, primarily through expansion within New Hampshire and Texas where new placement opportunities occurred in the period. Machines placed under participation and lease (including connection fees), which generate recurring revenue, contributed 59% of segment revenues. Historical Horse Racing ("HHR") products continue to perform with 5,510 units connected to AGT's HHR system at 31 December 2022 and this growth is evident for the first half of 2023 as new installations occur in Kentucky and Alabama. Strong ASP's and increased recurring revenues, along with disciplined cost controls resulted in a rise in segment profit to \$30.9 million versus \$23.1 million in the PCP, up 34%.

The Latin American region continued to exhibit signs of positive momentum during the six month period ended 31 December 2022, driving improved performance. With venue re-openings, revenue increased by 49% to \$33.1 million, compared to the PCP. Customer activity increased and growing demand is evident for the A-STAR range of cabinets and top performing game themes such as Pan Chang, Fiesta Grande, Rio Grande Los Toritos, and Multi-Win Games. The region achieved a segment profit of \$10.4 million, compared to \$10.0 million in the PCP.

At the end of 2022, we had 3,690 units under operation in this region generating \$10.6 million in recurring revenue. This represented 32% of total revenue and increased 41% on the PCP and 14% on the second half of FY22 as active units became fully operational. The yield achieved on these units improved slightly to USD12 per day which assisted to offset the net overall reduction in units under operation as regulatory changes in Mexico were introduced.

At 31 December 2022 a non-cash impairment charge of \$3.9 million was recorded, primarily from the Latin American region. This non-cash cost reflects inflationary cost increases and was due to the timing nature of the current business model within the region. Gaming machines are typically first placed on operation which results in assets requiring assessment for impairment purposes despite the generation of participation revenue prior to the potential conversion to sale in future periods.

In addition to this impairment and as outlined by Danny we recorded an additional provision at 31 December 2022 against potential import duties and other associated charges in Mexico. The resolution of this matter remains heavily dependent on the outcome and acceptance of the Company's submission to establish interdependency of software with its hardware.

Our domestic performance in the six-month period ended 31 December 2022 was consistent to the second half of the financial year ended 30 June 2022, with 792 machines sold however represented an increase of 34% on the 591 units in the pandemic impacted PCP. This result was primarily achieved from the key market in New South Wales which contributed over 54% of the regions segment revenue in the period compared to 39% in the PCP. The successful performance of the recently released titles Treasure Spirits and Grand Fortunes are showing positive results.



I would note that despite a strong ASP being maintained, competitive market conditions continue with overall gross and segment profits being impacted by inflationary pressures and the weakening of the Australian dollar against the US dollar which adversely impacted costs of production in the period.

The Rest of the World segment reported an improvement in revenue to \$8.1 million with online revenues now contributing 79% of this segment's total revenue. Higher margin online revenues enabled segment profit to increase by 43% to \$5.7 million.

The amended agreement with GAN Limited, as detailed in our release to the market, will effectively change this relationship to a non-exclusive basis from 1 April 2024. From this date AGT will retain all Real Money Gaming revenues from direct integrations with operators, in addition to revenues from aggregation platforms, including GAN. This is expected to provide an initial uplift in 2023 and the first quarter of 2024 from the exclusivity fee of US\$5.0 million previously received and going forward is expected to allow greater flexibility to service our US customers, aligning future digital and land-based strategies.

Ainsworth's capital strength, cash flow and balance sheet are key priorities of the Company. The Company has \$320.2 million of net assets and effectively no debt. Net cash at the end of 2022 was \$36.5 million, compared to \$32.2 million at the same period in 2021. The receivables closing balance of \$115.5 million was consistent to the \$112.7 million at 30 June 2022 with good cash collections as customers in Latam America recommencing payments following their operations re-opening in the period. Inventory increased to \$90.1 million, an increase of 32% from 30 June 2022. As I have highlighted and to ensure no supply chain disruptions to projected customer demand, we purposefully built-up inventory to ensure mitigation of potential supply chain risks and fulfill customer demand within the 2023 year. Strategies are underway to diversify our supply chains to ensure we can continue to source critical components for machine assembly and ensure no disruption is experienced. AGT continues to invest in product development through people and technology whilst supporting required levels of working capital to satisfy customer demand.

In 2023, as we have previously announced, we have completed the necessary formalities to change our financial year end to 31 December. This change will be take effect on 1 January 2023 and assist to better align our business to industry cycles as well as ensuring efficiencies of our year end processes and audit.

We have entered the first half of the 2023 calendar year with good momentum. The new year has started well, and we will continue to execute to plan. Based on current forecasts and as announced we expect to achieve approximately \$20.0 million in PBT, pre-currency and one-offs, for the six months ending 30 June 2023. I expect that further market share gains and financial improvements can be realised as the outputs from the development initiatives currently implemented are commercialised.

We are seeing continued growth in North America with an increase in the number of machines on participation and sales in new and existing venues. Most notable is the recent placement of 400 units under participation at VictoryLand in Alabama and the success of the Gamblers Gold multigame series in South Dakota and Louisiana. We continue to pursue opportunities across North America, including existing and new Historical Horse Racing markets.

We look forward to further recovery especially in Australia where we continue to pursue our commitment to develop superior game technologies for our customers.



As I have noted for us to ensure continued growth and to sustain our performance, we needed to improve the outputs of our R&D investments. We expect that these initiatives will lift the competitiveness of our product and offer more value to our customers.

An established product road map and strategies to upgrade game performance is in place to achieve sustainable long-term results across global markets. The ability to quickly deliver new products to market that can provide better results for our customers is critical to our long-term success.

We have expanded our capabilities and talent within R&D in both the Sydney and Las Vegas studios. In addition, the two new studios have been established and are now operating in North America. These new studios are led by industry veterans with significant experience and are expected to provide more creativity and diversity to our current product offerings.

Quality initiatives have already started to improve game designs, mathematics, and graphical arts to create a more diverse and targeted range of product offerings to our customers. I look forward to updating you on these improvements as we progress.

In closing I would like to acknowledge the directors, my global executive team, all the loyal and dedicated staff at AGT, our shareholders and our customers. Your support, contribution and trust are the strongest foundations on which we will build on the positive improvements achieved and sustained success.

Ends

For further information, please contact:

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2023

ANNUAL GENERAL MEETING

19 MAY 2023

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AGENDA

1. Welcome
2. Introduction to Board of Directors
3. Chairperson's Address
4. Chief Executive Officer's Address
5. Conclusion
6. Formal Business
7. Other Business



Board of Directors

DANNY GLADSTONE

*Chairperson and Independent
Non-Executive Director*

Member of the Audit and
Risk Committee



GRAEME CAMPBELL DMM

*Independent Non-Executive
Director*

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



COLIN HENSON Dip Law BBA, FCPA, FCG (CS, CGP) 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



HEATHER SCHEIBENSTOCK GNCO, FGA

*Independent Non-Executive
Director*

Member of the Remuneration and
Nomination Committee



DR HAIG ASENBAUER

Non-Executive Director

(Subject to regulatory approval)



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CHAIR PERSON'S ADDRESS

Presentation by
DANNY GLADSTONE



Results Summary

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Revenue	124.1	100.7	119.5	220.2	23.4	4.6
Underlying EBITDA	26.4	20.7	29.4	50.1	5.7	(3.0)
Provision for Mexican duties and other charges	5.5	-	16.5	16.5	5.5	(11.0)
Impairment losses – LATAM and Australia and Other CGU	3.9	-	5.2	5.2	3.9	(1.3)
Profit before tax excluding currency and one-off items	18.8	10.0	18.8	28.8	8.8	-
Reported Profit after tax	5.9	9.1	2.7	11.8	(3.2)	3.2

- Profit before tax normalised for currency and one-off items of \$18.8m for the 6 months ended December 2022 (“Current period”), improvement of 88% compared to pandemic-impacted 6 months ended 31 December 2021 (“pcp”) with government restrictions in place in LATAM and Australia during that period.
- Delivered similar results for the 6 months ended 30 June 2022 (“prior half”) despite continued rising costs pressures in the current period.
- North America segment contributed 48% of total revenue, similar to prior half.
- Net cash position of \$36.5m, compared to the net cash position of \$32.2m at 31 December 2021, and net cash position of \$50.3m at 30 June 2022. Reduction in net cash balance compared to 30 June 2022, resulted from further investments in working capital (inventories in particular) to navigate global supply chain challenges.
- Dividend continues to be suspended to provide strong liquidity to allow the Company to continue to invest in R&D to deliver competitive products and to navigate the uncertainties in global supply chain shortages and continuing inflationary cost pressures.

Reconciliation: Profit Before Tax to EBITDA & Underlying EBITDA

In millions of AUD

	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Reconciliation:						
Profit Before Tax	7.3	13.9	1.9	15.8	(6.6)	5.4
Net interest income	(3.3)	(0.1)	(0.8)	(0.9)	(3.2)	(2.5)
Depreciation and amortisation	10.9	10.8	11.4	22.2	0.1	(0.5)
Reported EBITDA	14.9	24.6	12.5	37.1	(9.7)	2.4
Foreign currency losses / (gains)	2.1	(3.5)	(4.7)	(8.2)	5.6	6.8
Rent concessions	-	(0.4)	(0.1)	(0.5)	0.4	0.1
Provision for Mexican duties and other charges	5.5	-	16.5	16.5	5.5	(11.0)
Impairment losses – LATAM and Australia and Other CGU	3.9	-	5.2	5.2	3.9	(1.3)
Underlying EBITDA	26.4	20.7	29.4	50.1	5.7	(3.0)

The \$3.9m impairment charge recognised in the six-month period ended 31 Dec 22 predominately relates to reduction in available headroom in the LATAM CGU due to a lower recoverable amount for this CGU. This non-cash impairment resulted from the timing nature of the current business model within LATAM where gaming machines are initially placed under operation which results in assets requiring assessment for impairment purposes despite the generation of increased participation revenue prior to the potential conversion to sale. Increasing inflationary cost pressures also impacted the recoverable amount for this CGU.

Balance Sheet

<i>In millions of AUD</i>	31-Dec-22	31-Dec-21	30-Jun-22
Total assets	425.7	381.4	406.5
Net assets	320.2	301.7	311.3
Total debt	0.6	14.1	-
Net cash	36.5	32.2	50.3

Debt Ratios	31-Dec-22	31-Dec-21	30-Jun-22
Debt ratio (Total liabilities / Total assets)	25%	21%	23%
Debt to equity ratio (Total liabilities / Total equity)	33%	26%	31%
Six-month cash flow to debt ratio - (Cash flow from operating activities / Total liabilities)	(8%)	39%	21%

- Receivables closing balance of \$115.5m as at 31 Dec 22 (31 Dec 21: \$103.5m, 30 June 22: \$112.7m) resulted in an improved receivable turnover ratio compared to 31 Dec 21, a pandemic affected period.

- Inventory closing balance of \$90.1m (31 Dec 21: \$55.7m, 30 June 22: \$68.3m). Increase in inventory holding at balance date to mitigate supply chain challenges.

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CHIEF EXECUTIVE OFFICER'S ADDRESS

Presentation by
HARALD NEUMANN



Profit & Loss summary

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Domestic revenue	23.2	16.7	22.2	38.9	6.5	1.0
International revenue	100.9	84.0	97.3	181.3	16.9	3.6
Total revenue	124.1	100.7	119.5	220.2	23.4	4.6
Gross profit	83.6	63.0	75.0	138.0	20.6	8.6
EBITDA	14.9	24.6	12.5	37.1	(9.7)	2.4
EBITDA Margin %	12%	24%	10%	17%	(12%)	2%
Profit Before Tax	7.3	13.9	1.9	15.8	(6.6)	5.4
Income tax (expense) / benefit	(1.4)	(4.8)	0.8	(4.0)	3.4	(2.2)
Profit After Tax	5.9	9.1	2.7	11.8	(3.2)	3.2
R&D (% of revenue)	16%	18%	14%	16%	(2%)	2%
EPS (diluted) (A\$)	1.8 cents	2.7 cents	0.7 cents	3.4 cents	(0.9 cents)	1.1 cents

- Increased revenue in the current period compared to pcp due to strong recovery of the LATAM market. Slight improvement of revenue compared to prior half, predominately from LATAM, Australia and ROW region.
- Profit before tax (excluding currency impact) is \$9.4m, compared to \$10.4m in pcp, and (\$2.8m) loss in prior half.
- Normalised PBT for currency impact, one-off items was a profit of \$18.8m in the current period compared to \$10.0m in pcp and \$18.8 in the prior half.
- EBITDA of \$14.9m includes \$2.1m currency translation losses.
- Increased international revenue of \$16.9m compared to pcp, and \$3.6m from the prior half. International revenue accounted for 81% of group revenues in this period.

Segment Result Summary – North America

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Revenue	59.7	54.6	60.5	115.1	5.1	(0.8)
Gross Profit	47.1	36.8	42.1	78.9	10.3	5.0
Segment EBITDA	36.7	28.4	33.8	62.2	8.3	2.9
Segment Profit	30.9	23.1	28.4	51.5	7.8	2.5
Segment Profit (%)	52%	42%	47%	45%	10%	5%
Unit Volume (no.)	922	1,175	1,122	2,297	(253)	(200)
ASP (US\$'000's)*	19.4	18.0	17.2	17.6	1.4	2.2
Game Operations – Class II Installed Base (Including HHR)	1,979	1,453	1,679	1,679	526	300
Game Operations – Class III Installed Base	848	952	892	892	(104)	(44)
Average Fee per Day (US\$)	33	32	34	33	1	(1)

*Excludes distributor sales, reworks and on-charges

- Revenue of \$59.7m in the current period, an increase of 9% compared to the \$54.6m revenue in the pcp. Current period revenue decreased by 1% compared to the prior half.
- Participation & lease revenue of \$23.7m and contributing 40% of the current period's segment revenue, increase of 45% over pcp and 20% over prior half. No improvement in Class III installed base due to game performance, however, continued strong performance in Class II products continues to drive total participation and lease revenue upwards.
- HHR connection fees now contributes 19% of this segment total revenue, an increase of 4% compared to pcp and 3% compared to prior half. We have now 5,510 units (+1,316 units compared to 30 June 2022) connected to our HHR system, generating recurring revenue.
- Continued strong performance in game operations in Class II continues to drive this segment's performance. New installs occurred in additional properties in Kentucky and New Hampshire and the newly approved jurisdiction in Texas. These locations are driving win per day at up to double the rate of previous Class III and Class II installations. We anticipate continued momentum in this area as new installations occur in Kentucky, Alabama, New Hampshire and Wyoming.

Segment Result Summary – Latin America

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Revenue	33.1	22.2	30.0	52.2	10.9	3.1
Gross Profit	22.2	15.0	19.4	34.4	7.2	2.8
Segment EBITDA	9.7	9.3	10.0	19.3	0.4	(0.3)
Segment Profit	10.4	10.0	10.8	20.8	0.4	(0.4)
Segment Profit (%)	31%	45%	36%	40%	(14%)	(5%)
Unit Volume (no.)	908	889	991	1,880	19	(83)
ASP (US\$'000's)*	18.4	14.3	18.2	16.5	4.1	0.2
Game Operations – Installed Base	3,690	4,091	3,818	3,818	(401)	(128)
Average Fee per Day (US\$)	12	11	11	11	1	1

*Excludes distributor sales, reworks and on-charges

- Revenue increase of 49% compared to pcp, current period revenue increased 10% compared to the prior half.
- Segment profit increase of 4% in current period compared to pcp and decrease 4% compared to the prior half.
- Of the 908 machines AGT sold in the period, 20% were reconditioned units, compared to 39% in pcp and 33% in prior half, contributing higher revenue.
- Drop in game operations installed base, predominantly from Mexico, resulting from introduction of smoking ban in gaming venues and gaming tax law, limiting operators' capabilities to operate at full capacity.
- Demand continues to grow for the A-STAR™ range of cabinets. Game themes such as Pan Chang™, Fiesta Grande™, Rio Grande Los Toritos™, and Multi-Win™ games are amongst the regions' top performers.

Segment Result Summary – Australia

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Revenue	23.2	16.7	22.2	38.9	6.5	1.0
Gross Profit	7.3	6.6	7.4	14.0	0.7	(0.1)
Segment EBITDA	2.7	3.8	3.6	7.4	(1.1)	(0.9)
Segment Profit	2.1	3.3	2.9	6.2	(1.2)	(0.8)
Segment Profit (%)	9%	20%	13%	16%	(11%)	(4%)
Unit Volume (no.)	792	591	781	1,372	201	11
ASP (ex rebuilds) (\$A'000's)	23.6	21.7	22.9	22.3	1.9	0.7

- Improvement in segment revenue of \$23.2m in the current period compared to pandemic-affected pcp of \$16.7m.
- Segment profit decreased by 36% compared to the pcp and 28% compared to prior half, driven by increasing pressures on costs of production.
- Improved ASP despite competitive market conditions, however overall reduction in Gross Profit % with continuing inflationary pressures and weakening of AUD against USD, adversely impacting costs of production.
- Total unit volume increased to 792 units from 591 units in pcp and from 781 from the prior half.
- Treasure Spirits™ continued to outperform in NSW, resulting in improvement in the current period compared to pcp and prior half. NSW contributed over 50% of the Australian segment revenue.
- Steady performance in Queensland in the current period.

Segment Result Summary – Rest of the World (ROW)

<i>In millions of AUD</i>	6 months ended 31 Dec 2022 (Current period)	6 months ended 31 Dec 2021 (PCP)	6 months ended 30 Jun 2022 (Prior half)	12 months ended 30 Jun 2022	Current period vs PCP	Current period vs Prior half
Revenue	8.1	7.2	6.8	14.0	0.9	1.3
Gross Profit	7.0	4.7	6.0	10.7	2.3	1.0
Segment EBITDA	5.8	4.1	5.2	9.3	1.7	0.6
Segment Profit	5.7	4.0	5.1	9.1	1.7	0.6
Segment Profit (%)	70%	56%	75%	65%	14%	(5%)
Unit Volume (no.)	41	63	30	93	(22)	11
Online Revenue	6.4	3.7	5.9	9.6	2.7	0.5

- The online revenue contributed \$6.4m in the current period and continues to account for the majority of total revenue from this segment. New Zealand and Asia also contributed to the revenue achieved in the current period.
- Minimal unit sales related to New Zealand. Recent change in operational structure in the land based markets within Rest of the World expects to improve segment profit in the coming periods.
- EBITDA and segment profit improved as online revenue with high margin contributed to 79% of the segment's total revenue. Online revenue previously contributed 51% of total revenue in pcp.

Key Market Highlights

NORTH AMERICA

- Treasure Spirits™ off to strong start with test banks performing well in extremely competitive environments.
- HHR product live in multiple New Hampshire locations on reoccurring revenue model.
- Cash Stacks Gold™ and Ultra Shot™ series expected to be commercially available in Q2-2023.
- GOU Route stable in HHR and Class II with release of key new products.
- High Denom™ content continues to thrive, regularly having 5+ games appear on industry performance indexes (ReelMetrics and Eilers).
- Continued Game Development growth to be showcased at annual Indian Gaming Association Show in March with debut of Grand Fortune games.
- Placed 200 games in route at Speaking Rock in Texas.
- Now live in 6 locations in New Hampshire, all reoccurring revenue units.

LATIN AMERICA

- Demand continues to grow for the new A-STAR™ cabinets.
- Pan Chang™, Cash Stacks™, Xtension Link™ and Multi-Win™ games remain top-performing products.
- Xtension Link™ performing very well and driving expanded placements in the region.

AUSTRALASIA

- Strong installs backed by solid performance of Cash Stacks™ in Qcom markets and continued rollout of Treasure Spirits™ in multiple markets with exceptional performance in NSW.
- Launch of new Ultra Shot™ Series. Strong performance maintained across all jurisdictions.
- Introduction of the new A-STAR™ Slant cabinet was well received, and installations have continued to increase as supply has increased.

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CONCLUSION



Conclusion

- Based on current forecasts and as announced we expect to report approximately \$20 million in PBT, pre-currency and one-offs for the first half of 2023.
- Revenue improvements across all major markets compared to pcp and fairly consistent revenue compared to prior half. AGT enters the calendar year 2023 with good momentum and expects to have continued growth in North America, further improvements in Latin America markets and steady performance from Australia.
- Risk mitigation strategies put in place to minimise inherent challenges brought about from COVID-19, primarily relating to global supply chain disruptions, talent recruitment and increasing inflationary cost pressures.
- AGT's North American business continues to make progress in Class II and HHR markets. Opportunities are continually being pursued in existing and new HHR markets, in particular New Hampshire, Louisiana, Alabama and Wyoming HHR markets and new locations within Kentucky.
- Continued focus in R&D investment with clear product strategy to drive sustained, long-term growth. Broadening of R&D team and third-party developers to deliver high quality innovative games and diversity in product offerings.

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FORMAL BUSINESS



Financial Statements and Reports

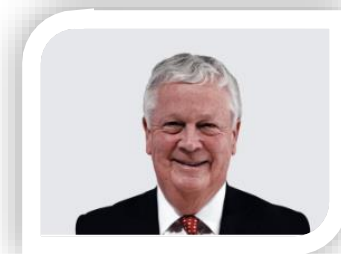
To receive and consider the Annual Financial Report, including the Director's and Auditor's Reports in respect of the six month period ended 31 December 2022.

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

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.”

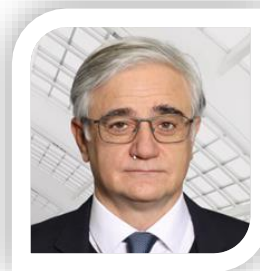
THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	242,744,299	88.43%
AGAINST	31,758,057	11.57%

Included above are 442,855 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 2

Election of Dr. Haig Asenbauer, as Director



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

“That Dr Haig Asenbauer, who was appointed as an additional director on 22 March 2023 in accordance with Rule 7.1(d) of the Company Constitution and retires in accordance with Rule 7.1(d) of the Company Constitution and ASX Listing Rule 14.4, and being eligible offers himself for election, be elected as a non-executive director of the Company.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	273,996,947	99.97%
AGAINST	85,429	0.03%

Included above are 447,395 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 3

Appointment of Auditor

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

“That, for the purposes of section 327B(1) of the Corporations Act 2001 (Cth) (**Corporations Act**) and for all other purposes, Deloitte Touche Tohmatsu (**Deloitte**), having been appointed as auditor of the Company until this annual general meeting under section 327C of the Corporations Act and having been duly nominated by a shareholder of the Company and having consented in writing to act, be appointed as auditor of the Company, with effect from the end of this AGM.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	274,059,025	99.99%
AGAINST	18,687	0.01%

Included above are 422,855 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

Resolution 4

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 31 December 2022, be adopted.”

THE PROXIES HELD ON THE ABOVE RESOLUTION ARE AS FOLLOWS:

FOR	272,717,251	99.61%
AGAINST	1,073,752	0.39%

Included above are 440,134 proxies which were open and usable and the Chairperson has elected to vote these in favour of the resolution.

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OTHER BUSINESS



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AINSWORTH GAME TECHNOLOGY

10 Holker St, Newington NSW

www.agtslots.com