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24 February 2020

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

ELECTRONIC LODGEMENT

Results for Half Year Ended 31 December 2019 – Investor Presentation

We attach a copy of the Investor Presentation in respect of Ainsworth Game Technology's half year results.

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 blue rectangular background.

Mark Ludski
Company Secretary



H1FY20 Results Announcement
Ainsworth Game Technology Limited



Disclaimer

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AGENDA

1. CEO's Address
2. Results Summary
3. Consolidated Results
4. Segment Performance
5. Gaming Products
6. Online
7. Outlook



CEO's Address

Strengthening AGT for improved results - transition underway

- Highly regarded and established recognition across all global markets
- Significant scale, footprint and excellent market reputation
- Key strategic priorities as previously outlined– making good progress
 - H1FY20 adjusted PBT – ahead of guidance
 - Refocused R&D
 - ✓ exciting, reworked, market-specific suite of new and legacy games already in production
 - ✓ new agreements with external game design experts to develop quality titles faster
 - Making AGT more profitable and efficient – streamlined management structure in Americas, lower headcount in Australia
 - Driving organic growth; new hardware launched, sharper sales focus – more units sold in AU in H1FY20 than the pc
 - On-going assessment of M&A strategies and opportunities to drive earnings growth
 - Leverage strategic partnership with Novomatic; share games, utilise joint manufacturing, enter new markets together
- FY20 transition year – moving to new hardware and game suite to improve competitiveness in challenging markets
- Expected return to profitability in H2FY20 and reaffirm profit for full year FY20

Results Summary

H1FY20 results down:

- Total sales revenue of \$107.3m, decrease of 9% on the pcip
- Loss before tax (excluding currency impacts) is -\$3.8m, 143% decrease on the pcip
- Loss before tax, excluding currency and one off items, -\$0.2m, ahead of -\$4m guidance
- EPS down to -1.2 cents (pcip: 3.6 cents)
- Reported EBITDA is \$14.6m. Underlying EBITDA is \$17.2m (pcip: \$23.9m)

Resilient contribution from international markets in competitive environment:

- International revenue \$87.8m, -11%, 82% of total
- North America revenues -6%, profit -1%
- Latin America revenues -8%, profit -33%

Slight decline in gaming operations. Recurring revenues account for 23% of group total:

- 6,604 units under gaming operations at 31 December 2019, 3% decrease on FY19

Strong balance sheet

- Repaid \$26.8m debt in H1FY20 with \$42.3m cash balance at 31 December 2019
- Net cash position of \$13.0m in H1FY20 compared to \$6.2m in FY19

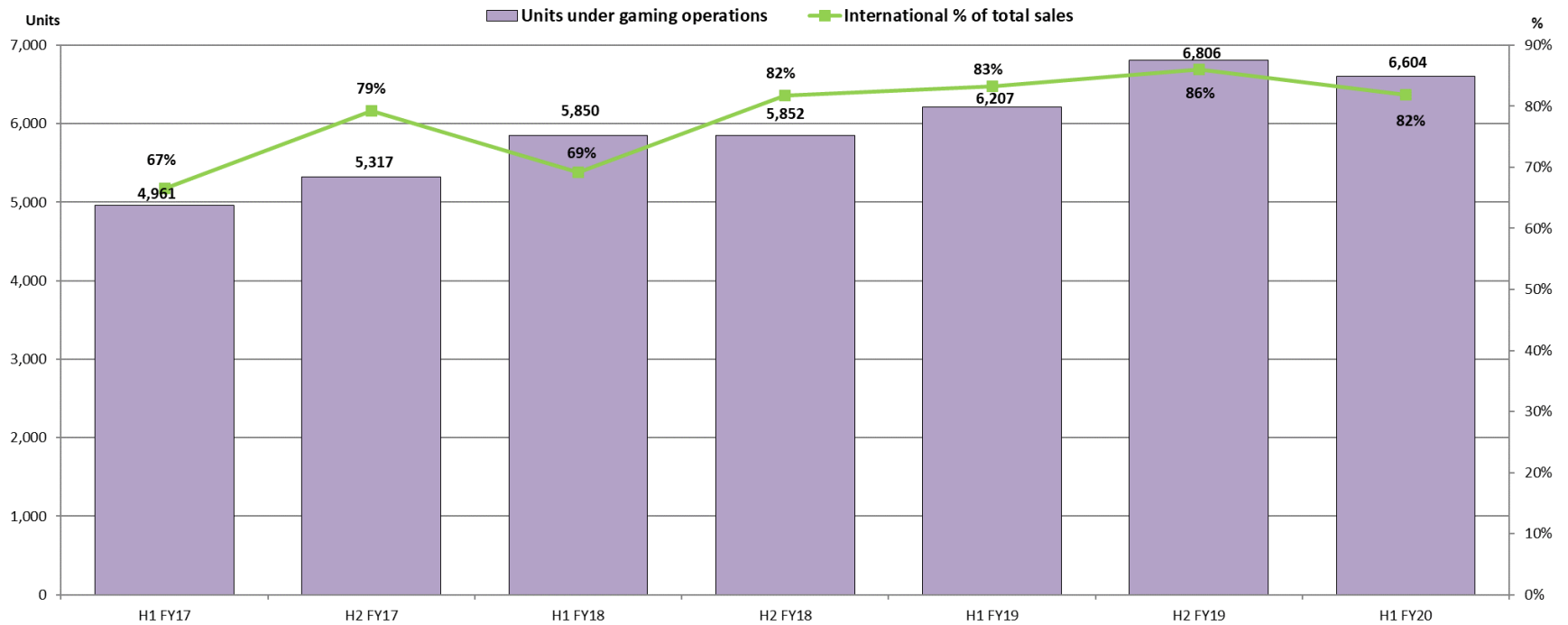
New hardware and product suite set to improve domestic and international game performance:

- Transition to new hardware and software expected to drive improved profitability in H2
- New A-Star cabinet in production and generating sales in all major markets

CONSOLIDATED RESULTS



Continued execution of a clear strategy: Grow international revenues and higher quality earnings



Profit & Loss summary

- Loss before tax (excluding currency impacts) is \$3.8m, 143% decrease on the pcg
- Loss before tax, excluding currency impacts and \$3.6m one off items relating to settlement of outstanding legal matters is \$0.2m – ahead of \$4m loss before tax guidance
- International sales decline 11% v pcg. International sales account for 82% of group revenues
- 1% decline in domestic revenue compared to the pcg
- Increased investment in R&D to increase future profitability: 20% on revenue, pcg 16%
- Adverse FX movement impact of \$6.1m contributed to the drop in EBITDA margin %

| A\$m | H1 FY20 Statutory | AASB 16 Leases | H1 FY20 Underlying | H1 FY19 Underlying | Change % |
|-----------------------------------|----------------------|-------------------|-----------------------|-----------------------|---------------|
| Domestic revenue | 19.5 | | 19.5 | 19.7 | (1%) |
| International revenue | 87.8 | | 87.8 | 98.3 | (11%) |
| Total revenue | 107.3 | | 107.3 | 118.0 | (9%) |
| Gross profit | 66.0 | | 66.0 | 71.4 | (8%) |
| EBITDA | 14.6 | (1.3) | 13.3 | 29.7 | (55%) |
| EBITDA Margin % | 14% | | 12% | 25% | (13%) |
| (Loss) / Profit before tax | (4.1) | 0.3 | (3.8) | 14.7 | (126%) |
| Income tax benefit / (expense) | 0.1 | (0.1) | - | (2.6) | (100%) |
| (Loss) / Profit after tax | (4.0) | 0.2 | (3.8) | 12.1 | (131%) |
| R&D (% of revenue) | 20% | | 20% | 16% | 4% |
| EPS (diluted) (A\$) | (0.01) | | (0.01) | 0.04 | (125%) |

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

Results adjusted for currency movement and out of ordinary items

| A\$m | H1 FY20 | H1 FY19 | Change % |
|--|--------------|------------|---------------|
| (Loss) / Profit Before Tax | (4.1) | 14.7 | (128%) |
| Currency losses / (gains) (before tax) | 0.3 | (5.8) | (105%) |
| Legal costs and settlement claims | 3.6 | | N/A |
| Underlying (Loss) / Profit Before Tax adjusted for currency | (0.2) | 8.9 | (102%) |

| A\$m | H1 FY20 | H1 FY19 | Change (%) |
|--|--------------|------------|---------------|
| (Loss) / Profit After Tax | (4.0) | 12.1 | (133%) |
| Currency losses / (gains) (after tax) ⁽¹⁾ | 0.2 | (4.9) | (104%) |
| Adjusted for currency (Loss) / Profit After Tax | (3.8) | 7.2 | (153%) |

⁽¹⁾ No tax effect on \$0.0m currency loss in H1 FY20 (H1 FY19: \$2.9m currency gain). Calculation of currency loss after tax: H1FY20: (\$0.0m - (\$0.3m x 0.7) = \$0.2m loss), H1 FY19: (\$2.9m + (\$2.9m x 0.7) = \$4.9m gain). These net currency (gains) / loss predominantly relate to balance sheet translation originated from investment in the Americas.

Reconciliation: (Loss) / Profit Before Tax to EBITDA

| A\$m | H1 FY20 Statutory | AASB 16 Leases | H1 FY20 Underlying | H1 FY19 Underlying | Change % |
|-----------------------------------|----------------------|-------------------|-----------------------|-----------------------|---------------|
| Reconciliation: | | | | | |
| (Loss) / Profit before tax | (4.1) | 0.3 | (3.8) | 14.7 | (126%) |
| Net interest | (0.5) | (0.4) | (0.9) | (1.6) | (44%) |
| Depreciation and amortisation | 19.2 | (1.2) | 18.0 | 16.6 | 8% |
| Reported EBITDA | 14.6 | (1.3) | 13.3 | 29.7 | (55%) |
| Foreign currency losses / (gains) | 0.3 | | 0.3 | (5.8) | (105%) |
| Legal costs and settlement claims | 3.6 | | 3.6 | - | N/A |
| Underlying EBITDA | 18.5 | (1.3) | 17.2 | 23.9 | (28%) |

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

Operating Costs

| A\$m | H1 FY20 constant currency basis | H1 FY20 | H1 FY19 | Change % |
|--------------------------------------|---------------------------------------|-------------|-------------|-------------|
| Sales, service and marketing ('SSM') | 31.8 | 33.3 | 32.3 | 3% |
| R&D | 20.9 | 21.4 | 19.1 | 12% |
| Administration | 11.3 | 11.6 | 12.8 | (9%) |
| Total Operating costs | 64.0 | 66.3 | 64.2 | 3% |

SSM Costs

- Increase due to depreciation recognised for leased assets and additional operating costs in relation to Mustang Money

R&D Costs

- Increase resulted from the increase in evaluation and testing expenses as well as an increase in amortisation costs due to of commercialisation of previously capitalised projects and investment in product offerings initiatives

Admin Costs

- Decrease resulting from cost rationalisation initiatives implemented

Staff Headcount

Australia and Rest of the World

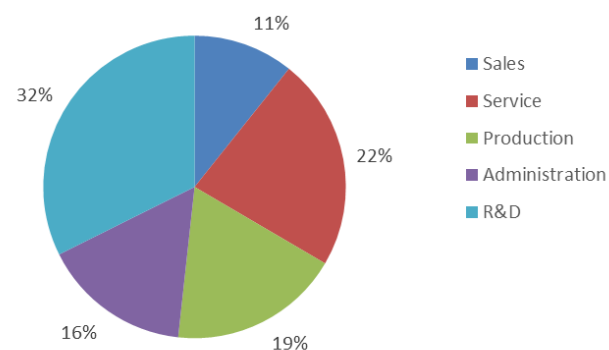
| # Staff | H1 FY20 | H1 FY19 |
|--|------------|------------|
| Sales | 32 | 34 |
| Service | 72 | 79 |
| Production | 32 | 33 |
| Administration | 37 | 40 |
| R&D | 132 | 136 |
| Total Staff Numbers - Australia & Rest of the World | 305 | 322 |

Americas

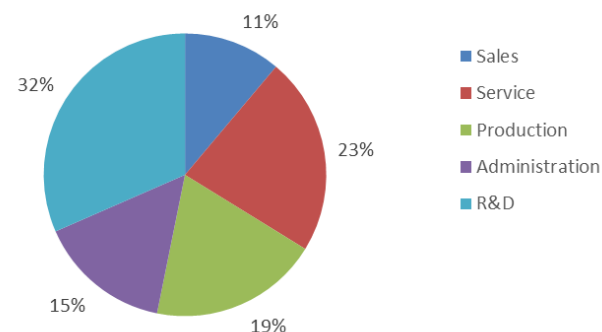
| # Staff | H1 FY20 | H1 FY19 |
|--|------------|------------|
| Sales | 28 | 31 |
| Service | 55 | 53 |
| Production | 76 | 80 |
| Administration | 52 | 49 |
| R&D | 49 | 48 |
| Total Staff Numbers - North and Latin America | 260 | 261 |

| | H1 FY20 | H1 FY19 |
|---|------------|------------|
| Total Staff Numbers Consolidated AGT | 565 | 583 |

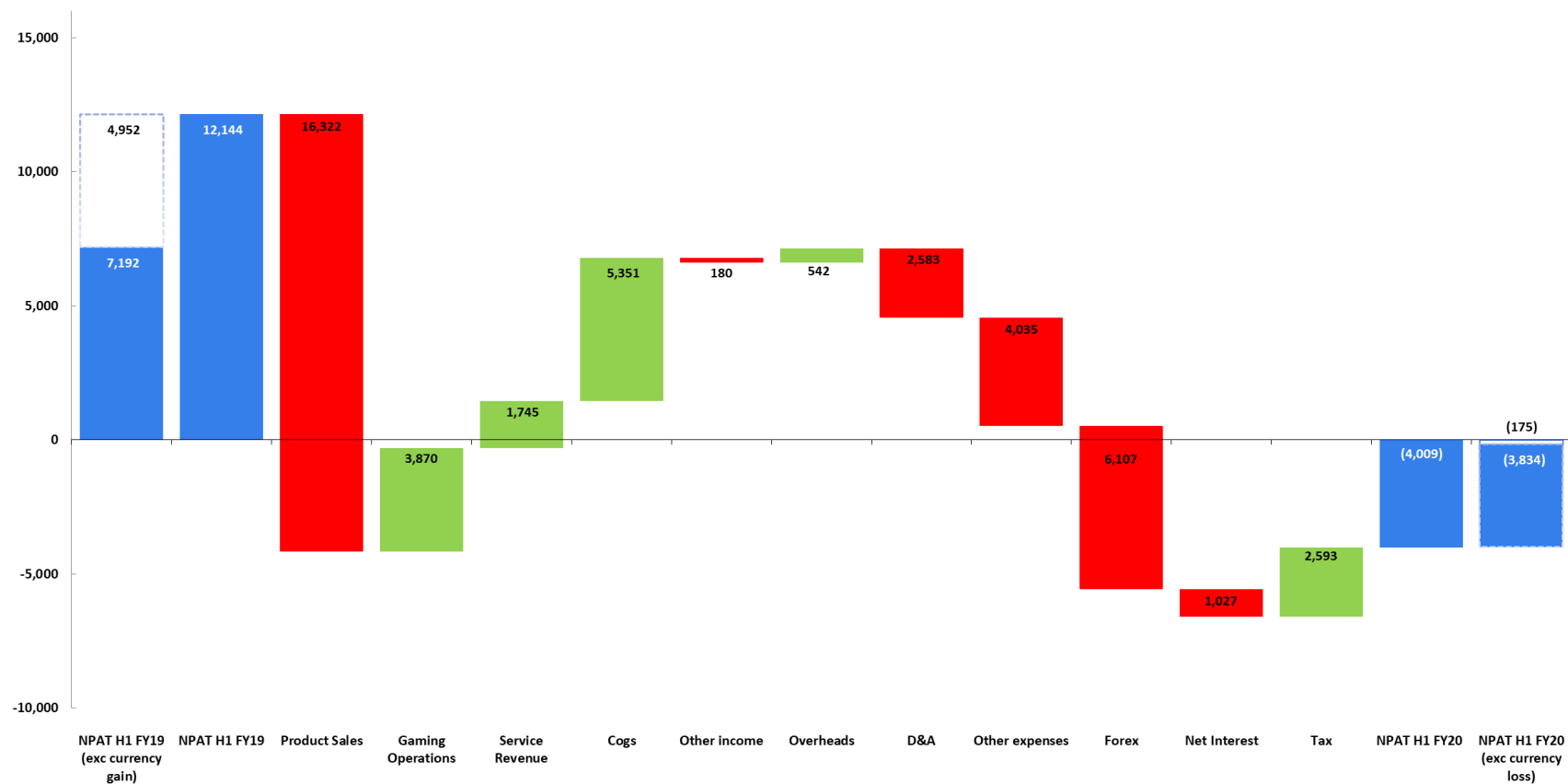
Total breakdown of workforce by role
H1 FY20



Total breakdown of workforce by role -
H1 FY19



Net Profit Bridge



- \$16.3m decrease in product sales due to reduction in unit sales from international markets
- \$5.4m decrease in cogs as a direct result of reduction in units sales
- \$3.8m currency adjusted loss after tax in H1 FY20 (versus \$7.2m PAT pcg), excludes \$0.2m after tax currency loss (versus \$4.9m currency gain pcg) ⁽¹⁾

⁽¹⁾ No tax effect on \$0.0m currency loss in H1 FY20 (H1 FY19: \$2.9m currency gain).

Calculation of currency loss after tax: H1 FY20: $(\$0.0m - (\$0.3m \times 0.7) = \$0.2m \text{ loss})$, H1 FY19: $(\$2.9m + (\$2.9m \times 0.7) = \$4.9m \text{ gain})$. These currency gains relate to balance sheet translation originated from investment in the Americas.

Balance Sheet

| A\$m | H1 FY20 Statutory | AASB 16 Leases | H1 FY20 Underlying | FY19 |
|--------------|----------------------|-------------------|-----------------------|-------|
| Total assets | 478.0 | (16.9) | 461.1 | 483.3 |
| Net assets | 389.9 | 0.3 | 390.2 | 393.5 |
| Total debt | 46.6 | (17.3) | 29.3 | 55.4 |

| Financial covenants ratios | H1 FY20 Statutory |
|--|----------------------|
| Interest ratio - (EBITDA/Interest Expense) | 19.2 |
| Gearing ratio - (Debt)/(Debt + Equity) | 6.99% |
| Leverage ratio - (Debt/EBITDA) | 0.88 |

| Debt Ratios | H1 FY20 Statutory | H1 FY20 Underlying | FY19 |
|---|----------------------|-----------------------|--------|
| Debt Ratio (Total Liabilities/Total Assets) | 18.42% | 15.36% | 18.56% |
| Debt to Equity Ratio (Total Liabilities/Total Equity) | 22.58% | 18.15% | 22.80% |
| Cash Flow to Debt ratio - (Cash Flow from Operations/Total Liabilities) | 20.33% | 23.46% | 68.22% |

- Strong balance sheet to self fund growth strategies
- Receivables closing balance of \$142.5m (30 June 19 : \$148.6m) – reduction of 4%
- Loan payment of \$26.8m in this period resulted in net cash of \$13.0m (excluding lease liabilities)

Cash Flow Statement

- Decrease in net cash operating activities resulting from reduction in profitability
- Increase cash used in investing activities as a result of the development work and tooling costs for A-Star
- Repaid \$26.8m loan during this half
- Net cash position of \$13.0m at Dec 19 compared to \$6.0m at June 19

| A\$m | H1 FY20 Statutory | AASB 16 Leases | H1 FY20 Underlying | H1 FY19 Underlying | Change |
|--|----------------------|-------------------|-----------------------|-----------------------|---------------|
| Net cash from operating activities* | 17.9 | (1.3) | 16.6 | 30.8 | (14.2) |
| Interest received * | 0.0 | | 0.0 | 2.7 | (2.7) |
| Proceeds from sale of PPE | 0.0 | | 0.0 | | 0.0 |
| Acquisitions of PPE | (5.8) | | (5.8) | (3.0) | (2.8) |
| Development expenditure | (3.3) | | (3.3) | (1.6) | (1.7) |
| Net cash used in investing activities | (9.1) | | (9.1) | (1.9) | (7.2) |
| Proceeds from borrowings | 0.5 | | 0.5 | | 0.5 |
| Borrowing costs paid | (1.0) | 0.4 | (0.6) | | (0.6) |
| Proceeds from finance leases | | | | 0.7 | (0.7) |
| Payment of finance lease liabilities | (0.9) | 0.9 | | (0.2) | 0.2 |
| Repayment of borrowings | (26.8) | | (26.8) | (11.3) | (15.5) |
| Dividend paid | | | | (3.6) | 3.6 |
| Net cash (used in) / from financing activities | (28.2) | 1.3 | (26.9) | (14.4) | (12.5) |
| Net (decrease) / increase in cash and cash equivalents | (19.4) | | (19.4) | 14.5 | (33.9) |
| Cash and cash equivalents at 1 Jul | 61.7 | | 61.7 | 35.7 | 26.0 |
| Effect of exchange rate fluctuations on cash held | 0.0 | | 0.0 | 1.5 | (1.5) |
| Cash and cash equivalents at 31 December | 42.3 | | 42.3 | 51.7 | (9.4) |

* Interest received from customers in H1 FY19 was classified in 'Net cash from Operating activities'.

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

SEGMENT PERFORMANCE



North America

- Consistent profit performance with segment profit of \$21.3m
- Despite drop in ASP, improvement in segment profit % was assisted by production efficiencies and margin expansion
- Game operations and fee per day relatively stable compared to the pcp
- Expanded our Historical Horse Racing install base and finalized contracts for additional growth in the second half
- Drop in ASP due to convert to sale from Game Operations while maintaining the same margin
- Change in North America management structure to ensure a more agile and customer facing focus

| A\$m | H1 FY20 | H1 FY19 | Change % |
|----------------------------------|-------------|-------------|-------------|
| Revenue | 50.7 | 53.8 | (6%) |
| Gross Profit | 35.4 | 35.4 | 0% |
| Segment EBITDA | 26.6 | 26.8 | (1%) |
| Segment Profit | 21.3 | 21.6 | (1%) |
| Segment Profit (%) | 42% | 40% | 2% |
| Unit Volume (no.) | 1,104 | 1,342 | (18%) |
| ASP (US\$'000's) * | 16.8 | 17.8 | (6%) |
| Game Operations – Installed Base | 2,336 | 2,303 | 1% |
| Ave per Day (US\$) | 25 | 26 | (4%) |

*Excludes distributor sales, reworks and on-charges.

Latin America

- Revenue, -8% and profitability, -33% due to lower unit volume and game operations fee per day
- Challenging economic conditions in Argentina, Peru, Columbia and Chile
- Reduction in segment profit due to increase in costs relating to Mustang Money and reduction in interest income
- Increased ASP despite competitive market conditions
- Increase in gaming operations units to 4,268 units, +9% from the pcp – generating recurring revenues

| A\$m | H1 FY20 | H1 FY19 | Change % |
|----------------------------------|------------|-------------|--------------|
| Revenue | 32.8 | 35.7 | (8%) |
| Gross Profit | 20.7 | 22.3 | (7%) |
| Segment EBITDA | 13.5 | 15.5 | (13%) |
| Segment Profit | 8.9 | 13.3 | (33%) |
| Segment Profit (%) | 27% | 37% | (10%) |
| Unit Volume (no.) | 1,205 | 1,391 | (13%) |
| ASP (US\$'000's)* | 16.7 | 16.3 | 2% |
| Game Operations – Installed Base | 4,268 | 3,904 | 9% |
| Ave per Day (US\$) | 10 | 12 | (17%) |

*Excludes distributor sales, reworks and on-charges.

Australia

- Delivered a resilient performance with revenue broadly consistent with the pcp
- Drop in ASP as a result of change in pricing strategy in this half as part of the transition to the new hardware
- Units increased to 556, +2% from the pcp with segment profit of \$1.4m
- New hardware launch, A-Star, is expected to drive sales growth in H2

| A\$m | H1 FY20 | H1 FY19 | Change % |
|-------------------------------|------------|------------|--------------|
| Revenue | 19.5 | 19.7 | (1%) |
| Gross Profit | 7.1 | 7.9 | (10%) |
| Segment EBITDA | 3.4 | 3.4 | 0% |
| Segment Profit | 1.4 | 2.0 | (30%) |
| Segment Profit (%) | 7% | 10% | (3%) |
| Unit Volume (no.) | 556 | 545 | 2% |
| ASP (ex rebuilds) (\$A'000's) | 19.4 | 22.8 | (15%) |
| Service Revenue | 3.5 | 4.4 | (20%) |

Rest Of World

- Disappointing results, revenue -51% with lower contribution from Europe and Asia
- Units fell sharply to 73 from 409 (includes 300 kits to Novomatic)
- Online revenue contributed \$2.5m of total revenue, -10% decrease from the pcp.
- Leveraging our strategic partnership with Novomatic to drive additional revenues in new markets within the region

| A\$m | H1 FY20 | H1 FY19 | Change % |
|-----------------------|------------|------------|--------------|
| Revenue | 4.3 | 8.8 | (51%) |
| Gross Profit | 2.8 | 5.8 | (52%) |
| Segment EBITDA | 2.4 | 5.2 | (54%) |
| Segment Profit | 2.2 | 5.0 | (56%) |
| Segment Profit (%) | 51% | 57% | (6%) |
| Unit Volume (no.)* | 73 | 409 | (82%) |

*Unit volume include kits sold to Europe (Novomatic).

GAMING PRODUCTS



Key Highlights

- AGT is well underway in transitioning to a new hardware and game technology suite – FY21 benefits
- Delivered a diverse range of new game brands from the portfolio to key markets
- North American expansion of the Quick Spin™ portfolio into link and persistence state game segments, with launch of Turbo Charged 7's and Super Lit Vegas with strong solid performance
- New approvals and roll out of Lucky Break™ brand
- Further approvals of Loaded with Loot™ and Electric Cash™ games series

The logo for 'Quick Spin' features the word 'QUICK' in a red, italicized, sans-serif font above the word 'SPIN' in a larger, red, italicized, sans-serif font. A yellow arrow with a red outline points upwards and to the right, passing through the text.The logo for 'Lucky Break' features the words 'LUCKY BREAK' in a bold, blue, sans-serif font with a yellow outline and a 3D effect. The text is set against a dark blue background with yellow starburst patterns.The logo for 'Electric Cash' features the words 'ELECTRIC CASH' in a stylized, purple, outlined font. The text is set against a background of purple and pink electric sparks and light effects.The logo for 'Super Lit Vegas' features the words 'Super Lit' in a cursive, pink font above the word 'VEGAS' in a bold, yellow, sans-serif font. The text is set against a background of pink and purple neon lights and a slot machine reel.The logo for 'Turbo Charged 7's' features the words 'TURBO CHARGED' in a blue, italicized, sans-serif font above the word '7's' in a large, red, italicized, sans-serif font. The text is set against a background of blue and red lightning bolts.The logo for 'Fortune OX Link' features the word 'Fortune' in a cursive, purple font above the words 'OX Link' in a bold, yellow, sans-serif font. The text is set against a background of yellow and orange slot machine reels.The logo for 'Loaded With Loot' features the words 'LOADED With' in a blue, italicized, sans-serif font above the word 'LOOT' in a large, yellow, italicized, sans-serif font. The text is set against a background of blue and yellow slot machine reels.

New market leading hardware



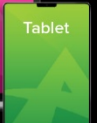
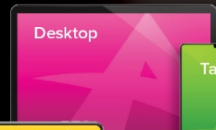
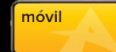
- Executing on our global game strategy with:
- Global launch of new AStar™ cabinet range
 - Incorporates the company's experience and extensive knowledge of the industry, into a new product for its customers with best-in-class reliability
 - Meticulously crafted cabinet, sleek modular design, spectacular new curved and dual-screen formats



- Release a broad range of new innovative Class III proprietary brands across the AStar™ cabinets including:
 - Rise Up / Money Up
 - Ultimate Upgrade
 - Fiesta Grande
 - Pan Chang
 - Cash Quest
 - Ca\$h Stacks
 - Path to Wealth
 - Vault of Riches
- Expansion of the Class II game portfolio to support growing demand
- Well advanced FY21 game roadmap in development

The logo for "Ultimate Upgrade" features the words "ULTIMATE" and "UPGRADE" in a bold, blue, sans-serif font. The letters are outlined in yellow and have a 3D effect. A large, stylized blue arrow points upwards from the bottom left of the word "UPGRADE".The logo for "Fiesta Grande" features the words "FIESTA" and "GRANDE" in a bold, multi-colored, sans-serif font. The letters are outlined in yellow and have a 3D effect. The colors of the letters are purple, green, blue, and yellow.The logo for "Ca\$h Stacks" features the words "Ca\$h" and "STACKS" in a bold, orange, sans-serif font. The letters are outlined in black and have a 3D effect. The word "Ca\$h" is written in a stylized font with a dollar sign.The logo for "Cash Quest" features the words "CASH" and "Quest" in a bold, orange, sans-serif font. The letters are outlined in black and have a 3D effect. The word "Quest" is written in a stylized font with a red outline.The logo for "Pan Chang" features the words "PAN" and "CHANG" in a bold, orange, sans-serif font. The letters are outlined in black and have a 3D effect. The word "CHANG" is written in a stylized font with a red outline.The logo for "Rise Up" features the words "RISE" and "UP" in a bold, orange, sans-serif font. The letters are outlined in black and have a 3D effect.The logo for "Money Up" features the words "MONEY" and "UP" in a bold, orange, sans-serif font. The letters are outlined in black and have a 3D effect.

ONLINE

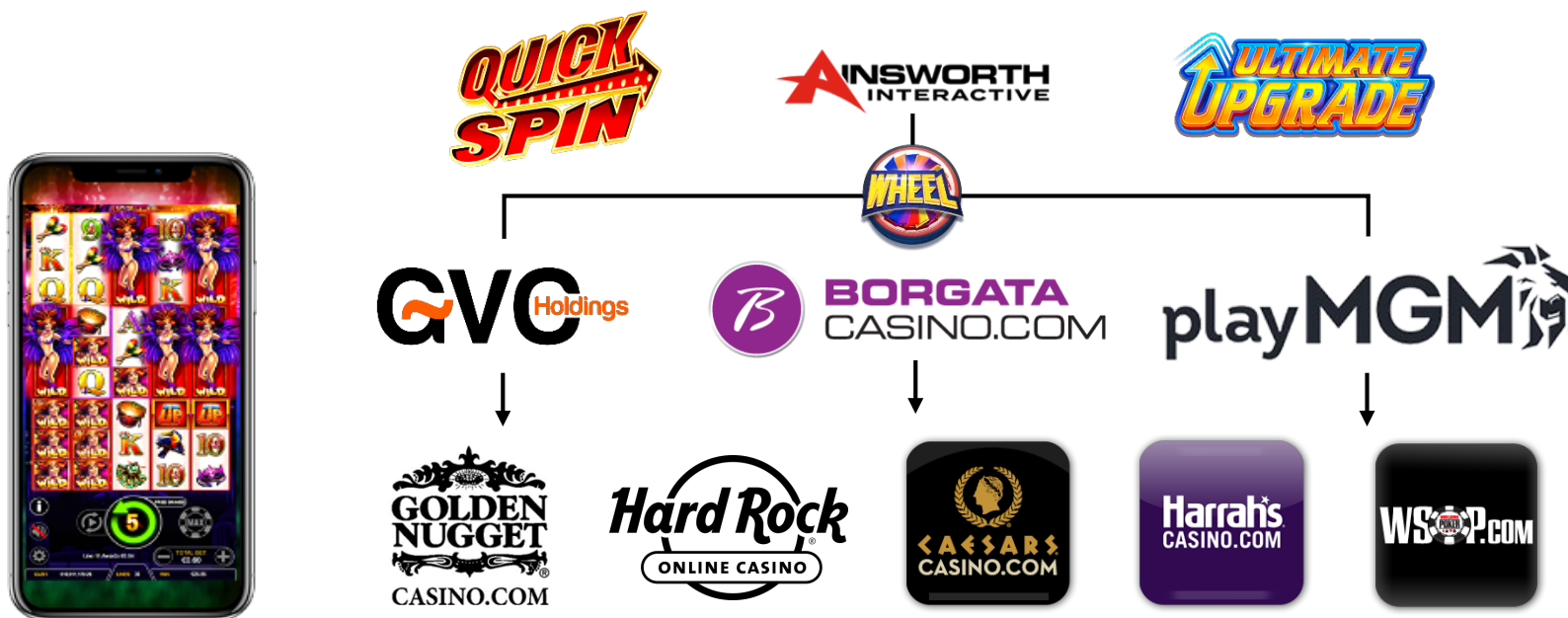


Interactive: B2B Online - USA

Ainsworth continues to expand our content distribution in the US, New Jersey online market via our Remote Gaming Server (RGS). We look to incorporate and launch the latest US land-based game titles online for the first time.

Our exclusive agreement in New Jersey with the sports betting and gaming group, GVC is expected to go live in Q3 in Borgata casino and Play MGM, subject to regulatory approvals.

The New Jersey online segment will establish a new RGS revenue business model in the US and we look to expand into Pennsylvania and Michigan with relevant corporate partners.



Interactive: B2C Online Casino - Mexico



- Mustang Money online casino continues to grow each month. In our tenth month of operation, we have a cumulative player database of 115,000 registered players
- Deposits continue to grow as well reaching 10x the amount of deposits in earlier months
- Competition remains strong with new operators entering the market. However, we continue to position ourselves with brand related social media and marketing campaigns for new users
- We also target new users using our sports related apps to support and grow the Mustang Money sportsbook vertical
- We continue to fine tune our processes to improve the player experience and to gain efficiencies wherever possible while investing in marketing initiatives that yield increased player acquisition and retention
- We are also distributing Ainsworth content to other online platforms in LATAM via our Mustang Money RGS starting Q3, 2020



Outlook

Strengthening AGT for improved results – transition well underway

- Highly regarded and established recognition across all global markets
- Significant scale, footprint and excellent market reputation
- Rationalisation of cost structures for greater efficiencies across the Group
- Key strategic priorities as previously outlined – making good progress
 - Refocused R&D
 - ✓ exciting, reworked, market-specific suite of new and legacy games already in production
 - ✓ new agreements with external game design experts to develop quality titles faster
 - Game development roadmap – revitalized and refocused team are reworking math models and game features with new suite of titles mapped for the next 15 months
 - Making AGT more profitable and efficient – streamlined management structure in Americas, lower headcount in Australia
 - Driving organic growth; new hardware launched, sharper sales focus – more units sold in AU in H1FY20 than the pcg
 - On-going assessment of M&A strategies and opportunities to drive earnings growth
 - Leverage strategic partnership with Novomatic; share games, utilise joint manufacturing, enter new markets together
- Expected return to profitability in H2FY20 and reaffirm profit for full year FY20



AINSWORTH GAME TECHNOLOGY

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