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Ainsworth Game Technology Limited (AGT or the Company) Financial Results for the Twelve Months ended 31 December 2024 (CY24)

AGT reports Profit Before Tax (PBT), excluding currency impacts and one-off items (normalised), of \$23.2 million for CY24, a reduction on the \$41.5 million reported in the previous corresponding period ended 31 December 2023 (PCP). The second half of CY24 contributed normalised PBT of \$8.9 million, in line with the market guidance provided, indicating normalised PBT in the range of \$8 - 10 million.

Improved product performance on released products and development undertaken across global markets in the current period have ensured sustainable profitability and are expected to contribute to revenue increases across all key regions in CY25.

AGT's Chairman Mr Danny Gladstone, commented "I am confident that the previously implemented actions undertaken, and the investments made has placed us in a position to ensure improvements in the Group's financial results in the coming year".

Below is a summary of the key financials for the current period:

A\$m	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Revenue	264.1	284.9	(20.8)
Earning before interest, tax, depreciation and amortisation	58.9	20.1	38.8
Underlying EBITDA⁽¹⁾	48.2	59.0	(10.8)
Profit before tax (PBT)	33.9	2.6	31.3
Underlying PBT⁽¹⁾	23.2	41.5	(18.3)
(Loss) / Profit after tax (PAT)	30.3	(6.5)	36.8
Underlying PAT⁽¹⁾	21.8	26.3	(4.5)
Total Assets	438.1	418.4	19.7
Net Assets	360.6	315.6	45.0

⁽¹⁾ Underlying EBITDA, PBT and PAT adjusted for currency impacts and significant one-off items outside ordinary business activities.



AGT achieved revenue of \$264.1 million, down 7% on the \$284.9 million in the PCP. Underlying EBITDA was \$48.2 million, compared to \$59.0 million in the PCP. Profit Before Tax, excluding currency effects and one-off items, was \$23.2 million.

The key market of North America showed the strongest performance contributing revenue of \$147.0 million, a 5% increase on the PCP. This region represented 56% of total revenue compared to 49% in the PCP. The successful launch of the A-star Raptor™ cabinet and new game titles within multiple jurisdictions is expected to maintain positive momentum within this region in the coming period.

The reduced revenue in the period was attributable to lower sales within Latin America, primarily from the challenging economic conditions in Argentina and import restrictions within Mexico in the current period. Encouragingly these regions have shown positive improvements in the latter part of CY24, and combining with new opportunities within Europe, we expect to achieve revenue increases in CY25 to at least historical levels. 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.

International revenues accounted for 85% of the Group's total revenue consistent with the PCP. Recurring revenues (including Historical Horse Racing (HHR) connection fees), a strong feature of AGT's business model was \$95.5 million in CY24, 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.

North America revenue in the current period 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.

Machines under operation in North America at the reporting date were maintained at 3,015 consistent with the PCP, primarily through expansion within Kentucky and Alabama where new placement opportunities occurred in the current period. Machines placed under participation and lease (including connection fees), which generate recurring revenue, contributed 64% of segment revenues. 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 of \$66.8 million were achieved in Latin America/Europe in CY24, compared to \$80.1 million in the PCP. As noted, the reduction in revenue resulted from the acceleration of deliveries to Argentina in the PCP to utilize import licenses prior to the introduction of import restrictions. 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 was lower in the period 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 successful launch of the Raptor™ cabinet within domestic markets has received positive feedback from our customers similar to other markets where this product has been released. It is expected that revenue increases will be achieved in coming periods as we commercialise a strong portfolio of products developed on this new hardware.

The Online segment reported revenue of \$7.6 million, a reduction on the \$15.6 million in the PCP. This segment was impacted by changes to the exclusivity arrangements with Game Account Network (GAN), including the acceleration of revenue in the PCP.

Operating costs were carefully controlled in the current period, 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 CY24 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 competitive products. R&D expenses as a percentage of total revenue were 19% in the current period, an increase on the 16% in the PCP. This commitment to investment in R&D is expected to ensure the Company's products remain competitive in the industry.

Management continues to implement measures focusing on technology, development, and culture to improve product performance, lift staff retention rates and enhance AGT's ability to attract world class development talent.

Operating cash flows in the period included payments of \$28.5 million made to the Mexican Tax Administration Service (SAT) in the current period. 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.

To ensure additional liquidity 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.

Mr Harald Neumann, AGT's Chief Executive Officer commented, "I am pleased with progress to date as we continue to capitalize on opportunities and establish Ainsworth as a leading provider within the gaming industry sector. The investments we have made have enabled us to upgrade our technology, hardware and continue to improve game performance which are expected to ensure our long term sustained success."

This announcement was authorised for lodgement by the Board of Directors.

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