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23 September 2020

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

ELECTRONIC LODGEMENT

Results for Full Year Ended 30 June 2020 – Annual Results Presentation

We attach a copy of the Annual Results Presentation in respect of Ainsworth Game Technology's full 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 stamp.

Mark Ludski
Company Secretary



FY20 ANNUAL RESULTS PRESENTATION

Ainsworth Game Technology Limited



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AGENDA

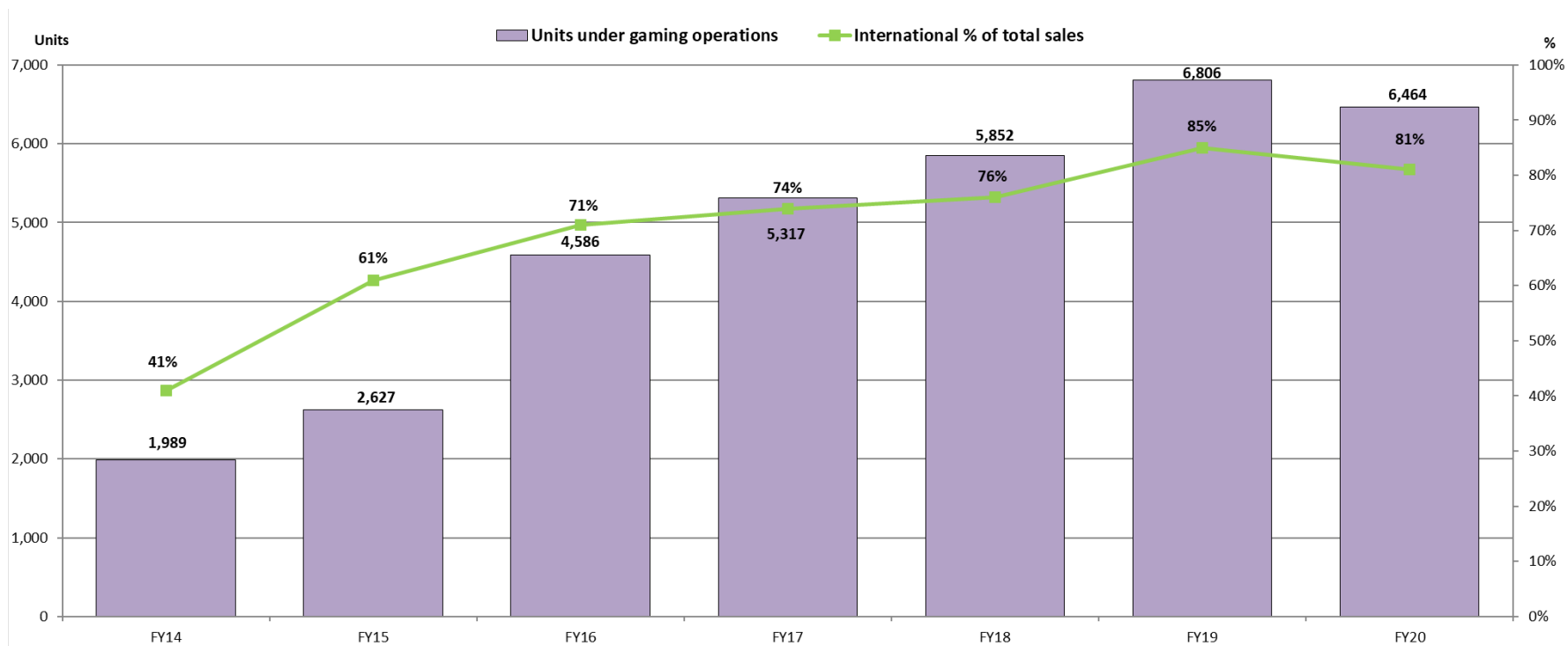
1. Results Summary
2. Consolidated Results
3. Segment Performance
4. Gaming Products
5. Online
6. Outlook



Results Summary

- FY20 revenue down 36%, \$149.4m compared to \$234.3m vs pcp.
 - Outright and gaming operation revenue adversely impacted by closure of customers' venues in H2.
 - H2 revenue of \$42.1m compared to \$116.3m in pcp, -64%.
 - Online revenue up by 10% .
- Full year positive underlying EBITDA of \$5.8m (H1 \$18.5m / H2 -\$12.7m) and cash balance of \$26.5m as at 30 June 2020.
- FY20 results heavily affected by COVID-19 and includes a non-cash impairment charge.
 - Statutory loss after tax of \$43.4m, includes \$12.0m impairment charge recognised for LATAM Cash Generating Unit ("CGU").
 - Loss before tax, excluding currency and one off items, \$34.8m.
 - EPS down to -13.0 cents (pcp: 3.0 cents).
 - Reported EBITDA is -\$9.0m. Underlying EBITDA is \$5.8m (pcp: \$43.0m).
- Slight decline in gaming operations. Recurring revenues account for 26% of group total:
 - 6,464 units under gaming operations at 30 June 2020, 5% decrease on FY19.
- No final dividend for FY2020 as previously announced to ensure the Group is well placed should a protracted downturn eventuate.
- Net debt of \$17.5m as at 30 June 2020 with closing cash of \$26.5m. Revised facility terms in place with ANZ.
- The Group is proactively responding to the impact of COVID-19 with the following actions in place:
 - Prioritise the health and well being of our employees – provide flexibility for our staff to continue working safely and remotely.
 - Maintain continuity of operations.
 - Implemented cost saving measures and liquidity.

Gaming Operations and International Sales Contribution



CONSOLIDATED RESULTS



Profit & Loss Summary

- Revenue drop predominately impacted by COVID-19 that adversely hit our markets in Q4.
- Loss before tax (excluding currency impact) is \$50.0m, compared to profit before tax of \$8.7m in pcp.
- EBITDA, excluding one off non cash impairment charge, \$3.0m.
- International sales decline 39% v pcp. International sales account for 81% of group revenues.
- R&D/Revenue at 28% reflects continuation of R&D initiatives despite the lower revenue recorded due to impacts of COVID-19.
- Adverse forex movement impact of \$4.8m compared to pcp contributed to the drop in EBITDA.

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

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

Results adjusted for currency movement

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
(Loss) / Profit before tax	(48.8)	14.7	(432%)
Currency gains before tax	(1.2)	(6.0)	(80%)
Adjusted For Currency (Loss) / Profit Before Tax	(50.0)	8.7	(675%)

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
(Loss) / Profit after tax	(43.4)	10.9	(498%)
Currency gains after tax ⁽¹⁾	(0.8)	(4.4)	(82%)
Adjusted for currency (Loss) / Profit After Tax	(44.2)	6.5	(780%)

⁽¹⁾ No tax effect on \$0.2m currency loss in FY20 (FY19: \$0.5m currency gain).

Calculation of currency gain after tax: FY20: $(-\$0.2m + (\$1.4m \times 0.7) = \$0.8m \text{ gain})$, FY19: $(\$0.5m + (\$5.5m \times 0.7) = \$4.4m \text{ gain})$. These net currency gains predominantly relate to balance sheet translation originated from investment in the Americas.

Reconciliation: (Loss) / Profit Before Tax to EBITDA & Underlying EBITDA

A\$m	12 months to 30-Jun-2020 Statutory	AASB 16 Leases	12 months to 30-Jun-2020 Underlying	12 months to 30-Jun-2019	Change %
Reconciliation:					
(Loss) / Profit Before Tax	(48.8)	0.6	(48.2)	14.7	(428%)
Net interest	(0.2)	(0.9)	(1.1)	(3.3)	(67%)
Depreciation and amortisation	40.0	(2.4)	37.6	33.4	13%
Reported EBITDA	(9.0)	(2.7)	(11.7)	44.8	(126%)
Foreign currency gains	(1.2)	-	(1.2)	(6.0)	(80%)
Impairment losses (LATAM CGU)	12.0	-	12.0	-	N/A
Impairment losses (616 Digital LLC)	0.7	-	0.7	1.9	(63%)
Impairment losses (Receivables)	3.4	-	3.4	0.9	278%
Impairment losses (NSW Service Goodwill)	-	-	-	2.4	N/A
Bad debt recoveries	(0.2)	-	(0.2)	(1.0)	(80%)
Legal costs and settlement claims	2.7	-	2.7	-	N/A
Redundancy costs	1.2	-	1.2	-	N/A
JobKeeper subsidies	(2.8)	-	(2.8)	-	N/A
US Payroll tax refund	(0.5)	-	(0.5)	-	N/A
Rent concessions	(0.5)	0.5	-	-	N/A
Underlying EBITDA	5.8	(2.2)	3.6	43.0	(92%)

Note : Statutory reports have been adjusted to reverse the impact of AASB 16 *Leases* applied from 1 July 2019 onwards.

Operating Costs

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

SSM Costs

- Decrease in costs associated with lower sales and COVID-19 restrictions e.g. warranty expenses, commissions, travel expenses and trade shows expenses.
- Adverse forex translation impact -\$3.1m.

R&D Costs

- Higher amortisation costs due to commercialisation of previously capitalised projects as well as an increase in third party contractors and license fees.
- Adverse forex translation impact -\$1.1m.

Admin Costs

- Decrease in personnel costs as a result of Job Keeper subsidies and reduced working hours due to the COVID-19 pandemic.
- Adverse forex translation impact -\$0.7m.

Staff Headcount

Australia and Rest of the World

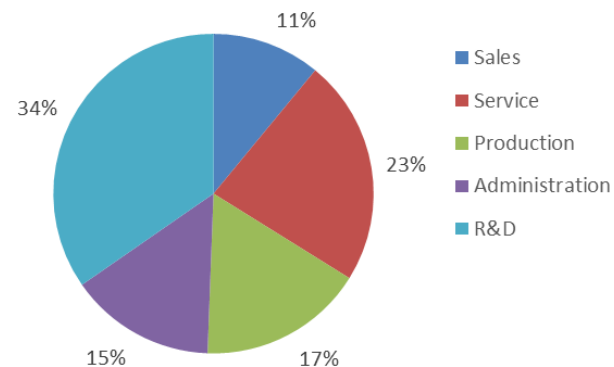
# Staff	FY20	FY19
Sales	32	35
Service	67	76
Production	28	31
Administration	34	38
R&D	127	135
Total Staff Numbers - Australia & Rest of the World	288	315

Americas

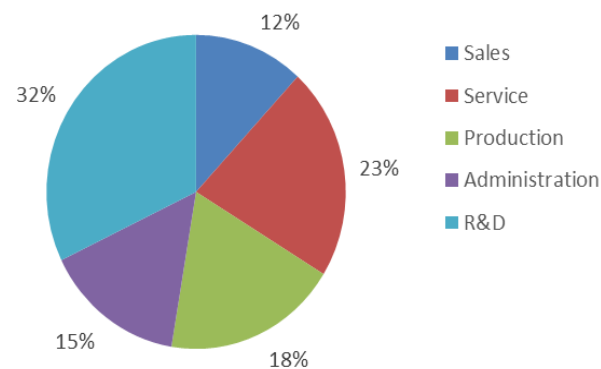
# Staff	FY20	FY19
Sales	23	33
Service	48	55
Production	61	77
Administration	40	49
R&D	47	49
Total Staff Numbers - North and Latin America	219	263

	FY20	FY19
Total Staff Numbers Consolidated AGT	507	578

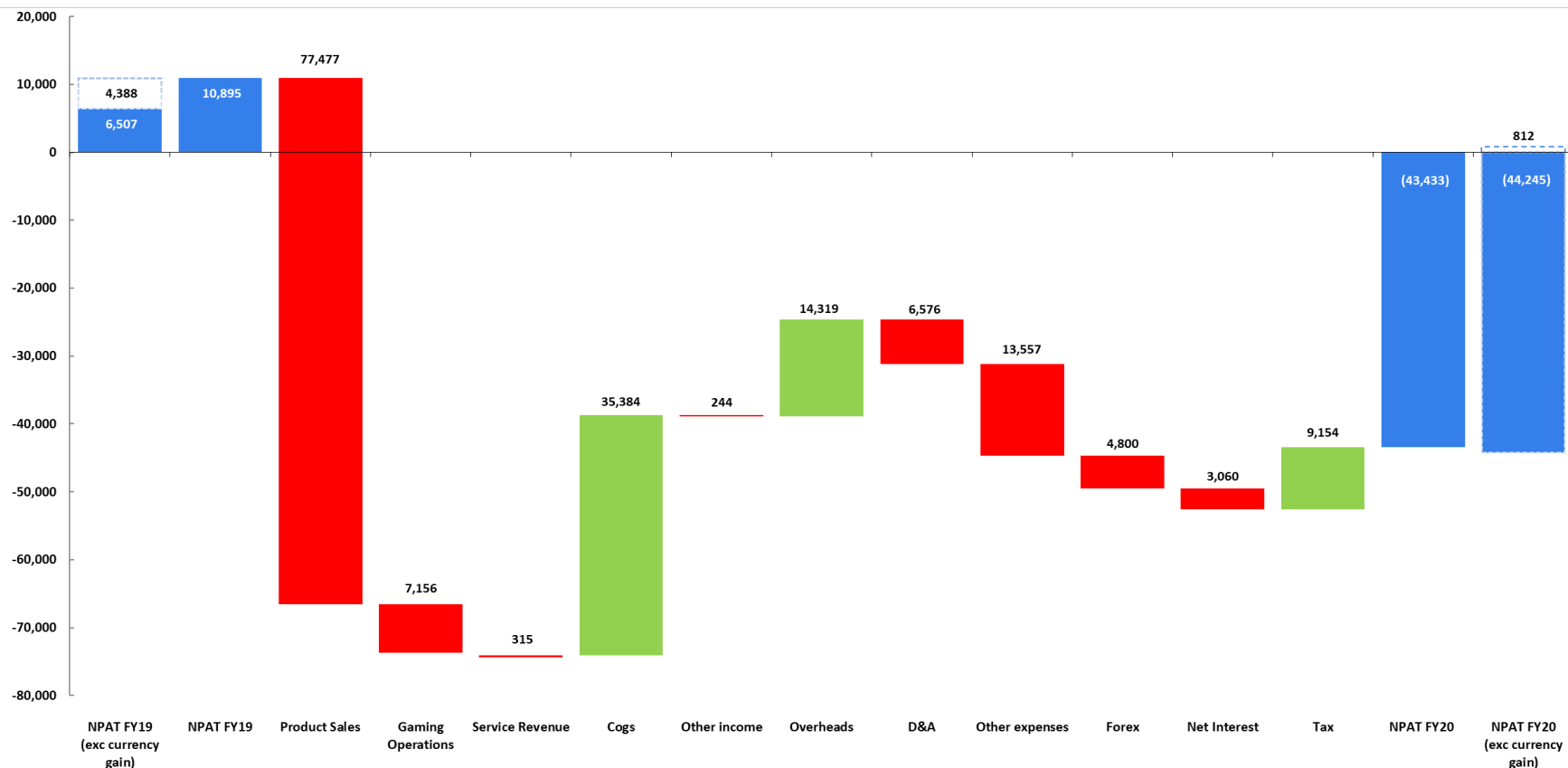
Total breakdown of workforce by role
FY20



Total breakdown of workforce by role
FY19



Net Profit Bridge



- Revenue decrease due to closures of gaming venues in H2 with Q4 typically representing our largest opportunity for revenue realisation.
- \$35.4m and \$14.3m decrease in cogs and overheads respectively as a direct result of lower sales and overhead reduction initiatives.
- Included in 'Other expenses' is \$12.0m relating to non-cash impairment charge.
- \$44.2m currency adjusted loss after tax in FY20 (versus \$6.5m PAT pcp), excludes \$0.8m after tax currency gain (versus \$4.4m currency gain pcp)⁽¹⁾.

⁽¹⁾ No tax effect on \$0.2m currency loss in FY20 (FY19: \$0.5m currency gain).

Calculation of currency gain after tax: FY20: $(-\$0.2m + (\$1.4m \times 0.7) = \$0.8m \text{ gain})$, FY19: $(\$0.5m + (\$5.5m \times 0.7) = \$4.4m \text{ gain})$. These net currency gains predominantly relate to balance sheet translation originated from investment in the Americas.

Balance Sheet

A\$m	12 months to 30-Jun-2020 Statutory	AASB 16 Leases	12 months to 30-Jun-2020 Underlying	12 months to 30-Jun-2019
Total assets	465.5	(15.8)	449.7	483.3
Net assets	354.6	0.6	355.2	393.5
Total debt	60.4	(16.4)	44.0	55.4

Debt Ratios	12 months to 30-Jun-2020 Statutory	12 months to 30-Jun-2020 Underlying (excludes AASB 16 impacts)	12 months to 30-Jun-2019
Debt Ratio (Total Liabilities/Total Assets)	23.82%	21.01%	18.58%
Debt to Equity Ratio (Total Liabilities/Total Equity)	31.27%	26.60%	22.82%
Cash Flow to Debt ratio - (Cash Flow from Operations/Total Liabilities)	15.06%	15.34%	68.15%

- Revised debt facility in August 2020 provided strong capital base to go forward.
- Receivables closing balance of \$113.9m (30 June 19 : \$148.6m) – reduction of 23% due to lower sales in FY20.
- Inventory closing balance of \$91.4m (30 June 19 : \$66.9m) due to anticipated sales in Q4FY20 which did not eventuate due to COVID-19.
- Net loan repayment of \$11.1m during the year resulting in lower adjusted total debt (\$27.3m repayment and \$16.2m drawdown to fund MTD acquisition).

Cash Flow Statement

- Decrease in net cash operating activities resulting from reduction in profitability and suspension on payments to support customers.
- \$27.9m cash used in investing activities to fund the acquisition of MTD Gaming.
- Repaid \$26.8m loan in H1FY20.

A\$m	12 months to 30-Jun- 2020 Statutory	AASB 16 Leases	12 months to 30-Jun- 2020 Underlying	12 months to 30-Jun- 2019	Change
Net cash from operating activities	16.7	(2.2)	14.5	61.2	(46.7)
Proceeds from sale of PPE	0.1		-	-	0.1
Interest received	0.1		0.1	-	0.1
Acquisitions of PPE	(6.4)		(6.4)	(6.5)	0.1
Payment for business acquisition	(27.9)		(27.9)	-	(27.9)
Development expenditure	(4.4)		(4.4)	(3.3)	(1.1)
Net cash used in investing activities	(38.5)	-	(38.5)	(9.8)	(28.7)
Borrowing costs paid	(2.0)	0.7	(1.3)	(1.9)	0.6
Proceeds from borrowings	16.2		16.2	-	16.2
Repayment of borrowings	(27.3)		(27.3)	(20.7)	(6.6)
Payment of lease liabilities	(1.5)	1.5	-	(0.9)	0.9
Dividend paid	-		-	(3.6)	3.6
Net cash (used in) / from financing activities	(14.6)	2.2	(12.4)	(27.1)	14.7
Net (decrease) / increase in cash and cash equivalents	(36.4)		(36.4)	24.3	(60.7)
Cash and cash equivalents at 1 Jul	61.7		61.7	35.7	26.0
Effect of exchange rate fluctuations on cash held	1.2		1.2	1.7	(0.5)
Cash and cash equivalents at 30 June	26.5	-	26.5	61.7	(35.2)

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

SEGMENT PERFORMANCE



North America

- 35% profit margin despite significant impact of casino closures in the fourth quarter.
- Maintained strong ASP throughout the period.
- Growth in Game Operations throughout the period while maintaining win per day.
- Expanded our Historical Horse Racing install base:
 - 200 units installed at Red Mile.
 - 100 units installed at Ellis Park.
 - Additional contracts in place for further installations in H1FY21.
- Well positioned to launch A-Star™ Curve cabinet in FY21.
- Reduced operating costs as a result of the pandemic.

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
Revenue	72.1	114.0	(37%)
Gross Profit	50.0	74.7	(33%)
Segment EBITDA	36.8	57.4	(36%)
Segment Profit	25.3	47.1	(46%)
Segment Profit (%)	35%	41%	(6%)
Unit Volume (no.)	1,430	2,952	(52%)
ASP (US\$'000's) *	17.1	17.2	(1%)
Game Operations – Installed Base	2,327	2,190	6%
Ave per Day (US\$)	26	26	0%

*Excludes distributor sales, reworks and on-charges.

MTD Gaming Acquisition

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



Latin America

- Maintained segment profitability despite impact of COVID-19.
- Reduced operating costs as a result of the pandemic.
- Increased ASP under competitive market conditions.
- Maintained win per day on Game Operations.
- Well positioned to launch A-Star™ Curve and Dual Screen cabinets in FY21 with a series of innovative games.
- Negotiated placement of the new Fiesta Grande Linked Progressive on A-Star™ Curve in key venues throughout Mexico.

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
Revenue	42.0	72.7	(42%)
Gross Profit	25.8	43.7	(41%)
Segment EBITDA	23.8	29.1	(18%)
Segment Profit	2.3	24.0	(90%)
Segment Profit (%)	5%	33%	(28%)
Unit Volume (no.)	1,404	2,931	(52%)
ASP (US\$'000's) *	17.0	16.0	6%
Game Operations – Installed Base	4,137	4,616	(10%)
Ave per Day (US\$)	10	10	0%

*Excludes distributor sales, reworks and on-charges.

Australia

- COVID-19 contributed to revenue decline:
 - Temporary closures of hotels and clubs from 23 March 2020 with national reopening in June (except Victoria) under social distancing measures in place.
 - Suspended all game and service support fees during shut down to support customers.
- Additional revenue opportunities expected in FY21 due to :
 - Market reopening and progressive recovery.
 - Newly released hardware, A-Star™.
 - Re-focus game development to deliver improved game library for AU market.

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
Revenue	28.3	36.1	(22%)
Gross Profit	9.4	14.0	(33%)
Segment EBITDA	4.7	5.4	(13%)
Segment Profit	0.4	2.8	(86%)
Segment Profit (%)	1%	8%	(7%)
Unit Volume (no.)	713	978	(27%)
ASP (ex rebuilds) (\$A'000's)	22.0	22.8	(4%)
Service Revenue	6.2	8.1	(23%)

Rest Of World

- Challenging times within this region with revenue -39% with lower contribution from Europe and Asia.
- Asia market has been adversely impacted by COVID-19 with some venue closures and travel restrictions still in place.
- Units fell sharply to 87 from 438 (included 300 kits to Novomatic in FY19).
- Online revenue contributed \$4.6m of total revenue, increase of 10% from the pcp.
- Establishment of new distribution agreements within Asia and Europe. These will increase further revenue opportunities and product portfolio.
- New revenue streams as AGT will act as a sales and service unit for NOVOMATIC products in the Asia Pacific region, including Australia and New Zealand.

A\$m	12 months to 30-Jun-2020	12 months to 30-Jun-2019	Change (%)
Revenue	7.0	11.5	(39%)
Gross Profit	5.2	7.5	(31%)
Segment EBITDA	3.2	7.1	(55%)
Segment Profit	2.8	6.8	(59%)
Segment Profit (%)	40%	59%	(19%)
Unit Volume (no.) *	87	438	(80%)

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

GAMING PRODUCTS



Key Highlights

- Ainsworth game development and approval continued throughout COVID-19 interruptions – providing strong future portfolio pipeline.
- Successful launch and deployment of new A-Star™ dual cabinet with Pan Chang™ game series in Australian markets prior to COVID-19 interruptions.
- A-Star™ dual and curve cabinet approvals across multiple global markets enabling a high-quality platform for future growth.



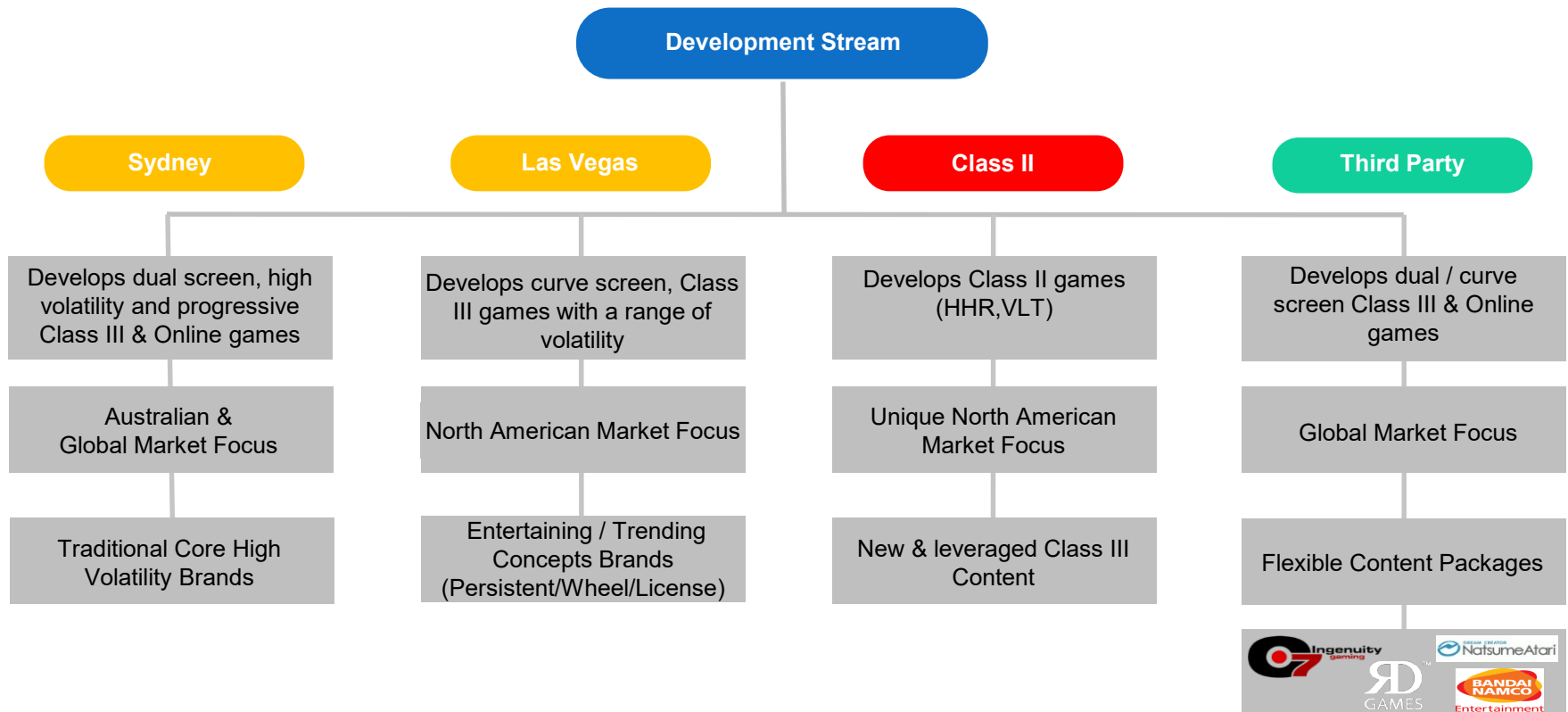
Key Highlights

- Launch of new A-Star™ Curve cabinet in major North American markets with a series of innovative new titles.
- North American continued success of the high denomination segment with introduction of the Quick Spin™ portfolio, showing excellent performance of Super Charged 7's Classic™.
- First Rising Digital™ Third Party content deployed.
- Executed expansion of North American Class II segment with increases in game content.
- Expansion of our Class II HHR products with additional opportunities successfully negotiated.
- LATAM's strong Multi Game performance continues in the new A-Star Dual cabinet.



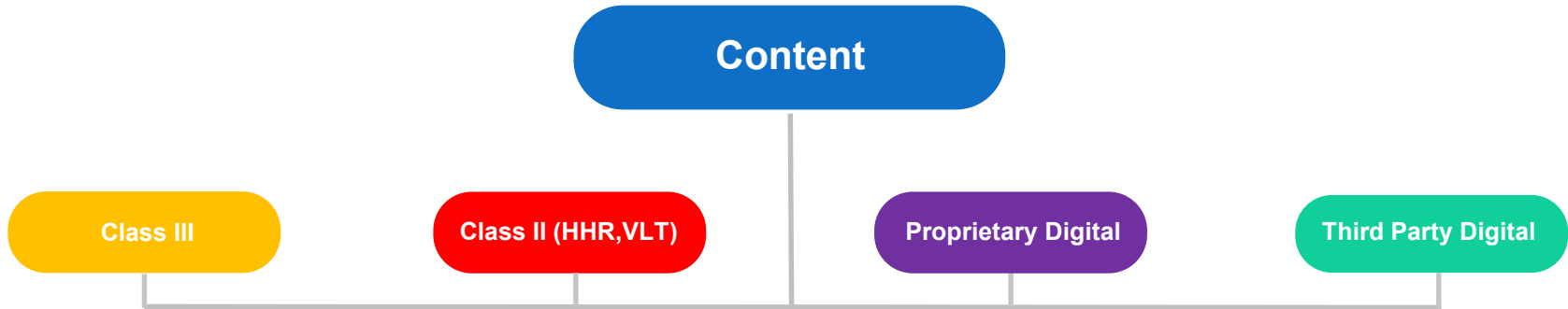
Development

- Refocused internal game development and design to produce class leading product solutions, ranging from strong legacy content to innovative new ideas that will refresh our portfolio and provide a competitive point of difference.
- Working with several external content providers to increase product diversity to provide localised game solutions to meet our stakeholders needs.
- Well positioned to strengthen portfolio content across Class III, Class II and online segments as well as implementation of offshore collaboration (with Ingenuity Gaming) to produce additional game titles to support installations in global markets.



FY21 Global Pipeline

- Well positioned with strengthening of portfolio content across Class III, Class II and online segments.
- Multi-channel approach for content commercialisation to maximise synergies.



- An innovative range of games using new and legacy proprietary brands including:



MTD Gaming

- North American integration of MTD gaming providing portfolio expansion in Poker and Keno player segments.
- Top performing Gambler's Gold Multi-game pack on Apollo cabinet rollout to continue to major Class III markets.
- GLI Certification nearing completion for Nevada and California markets.



ONLINE



B2B Real Money Gaming (RMG)

- Ainsworth Interactive developed and certified 20 new online games for RMG European operators and certified 40 online games in New Jersey for the US RMG market in FY20.
- Ainsworth launched our US based remote gaming server (RGS) which was approved by the New Jersey Division of Gaming Enforcement (DGE) in April 2020 and went live on Golden Nugget casino.
- With the global RMG business expanding into the North American market, Ainsworth Interactive is well positioned for revenue growth as more US states regulate and adopt digitalization of the casino industry in FY21.

LICENSED GAMING JURISDICTIONS



EUROPEAN B2B PARTNERS



NEW JERSEY USA CASINO PARTNERS



B2B Social Casino Business

- Ainsworth has licensed land-based slot content to 2 of the top 10 performing social casino apps in the world:
 1. Zynga's Hit It Rich.
 2. Playstudio's MyVegas.com.
- Ainsworth and Zynga have extended our partnership an additional 4 years with 6 new exclusive titles per year.
- Ainsworth has developed and launched 40 slot games on the Greentube Pro social casino gaming platform targeting Australian and US casino customers.
- Online Social Casino revenues have increased 35% year on year from FY19 to FY20.

HIT IT RICH SOCIAL CASINO



MYVEGAS MGM SOCIAL CASINO



SOCIAL CASINO PARTNERS



B2C Online Casino Operator - Mexico



- Mustang Money has been operating now for seventeen months and focused on driving marketing campaigns targeting:
 1. New player acquisition.
 2. Player retention.
 3. Recurring deposits and driving increased gameplay.
- Currently Mustang Money offers over 600 unique games, 75 Ainsworth games and a diverse variety of gaming options such as Slots, Bingo, Live Casino Tables, Virtual Sports and Slot Jackpots.
- Mustang Money also offers a wide variety of sports betting options including NFL, NBA, MLB, NHL, MLS, Liga MX, English Premiere League, La Liga, Bundesliga and Serie A.



Visit us at: www.MustangMoney.mx

OUTLOOK



Outlook / Conclusion

Focus has inevitably been on the Group's liquidity and preserving shareholders' funds.

- The full magnitude and adverse impact of the pandemic and Government response remains flexible, but the following steps are undertaken to ensure that the Group could endure a protracted downturn if necessary:
 - Suspension of non-critical operating and capital expenditure.
 - Implemented a leaner company structure without affecting deliverables.
 - Continually progressing with our development plans with a more targeted and innovative approach.
- Continue to build on the success of our HHR products to provide important additional revenue streams.
- Commercialisation of the new A-Star™ cabinet globally.
- Expansion of MTD products following acquisition to established and new markets.
- Upbeat outlook for new improved and expanded game library, focusing on AGT's strengths and innovation.



AINSWORTH GAME TECHNOLOGY

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