Ainsworth Game Technology Ltd
ABN 37 068 516 665

10 Holker Street,
Newington NSW 2127
Tel: +61 2 9739 8000

www.agtslots.com.au

28 April 2025

ASX Market Announcements Office

Exchange Centre

20 Bridge Street

Sydney NSW 2000

ELECTRONIC LODGEMENT

Annual Report for Year Ended 31 December 2024

We attach a copy of the Annual Report for Year Ended 31 December 2024.

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

Yours faithfully



Mark Ludski

Company Secretary

For personal use only

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2024



For personal use only


RAPTOR

Contents

Financial Highlights	2
Performance Overview	3
Product Overview	4
Game Studios	11
Sustainability Statement	12
Board of Directors and Executives	16
Chairperson's Report	18
Chief Executive Officer's Report	20
Shareholder Information	24
Directors' Report	26
Financial Statements	58
Notes to the Financial Statements	62
Consolidated Entity Disclosure Statement	121
Directors' Declaration	122
Independent Auditor's Report	123
Lead Auditor's Independence Declaration	127
Corporate Directory	128

Notice of Annual General Meeting

Ainsworth Game Technology Limited
ABN 37 068 516 665

Notice is hereby given that the 2025 Annual General Meeting of the members of Ainsworth Game Technology Limited will be held at the following time and location, as specified below:

Bankstown Sports Club

"Georges River Room"
L1, 8 Greenfield Parade
(Cnr Greenfield Parade and Mona Street),
Bankstown NSW 2200

On Wednesday 28th May 2025 at 10:00am AEST

RESULTS ANNOUNCEMENT FOR SIX MONTHS ENDING 30TH JUNE 2025:

Tuesday 26th August 2025
Date may be subject to change

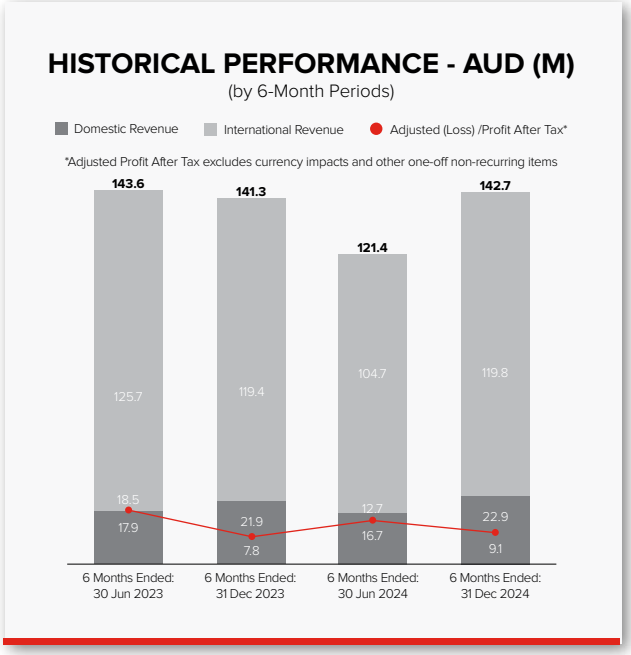
In accordance with ASX Listing Rule 4.10.3, Ainsworth Game Technology's Corporate Governance Statement can be found on its website at:

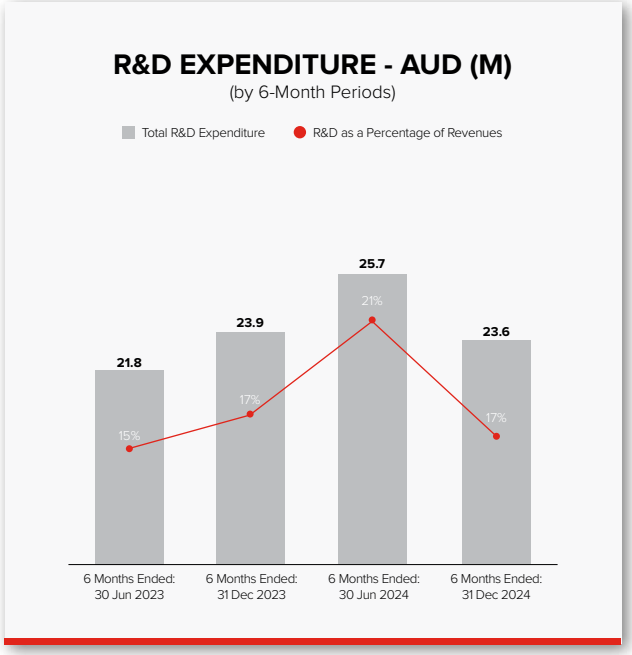
www.agtslots.com/investor/corporate-governance

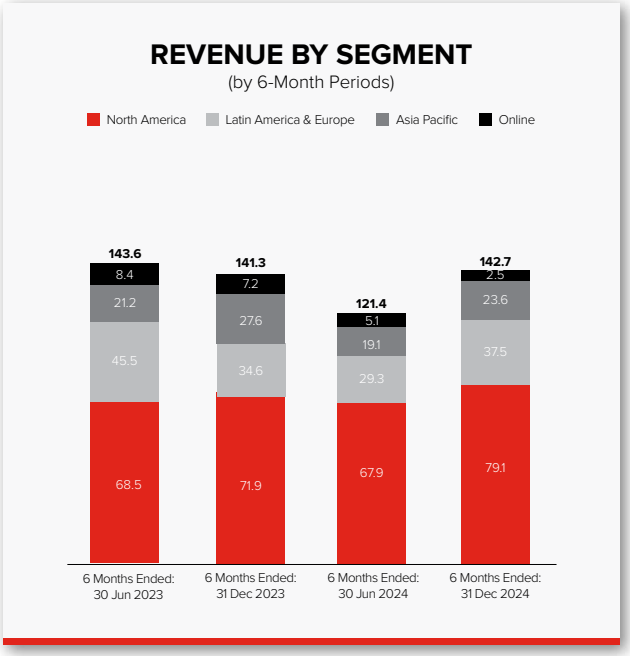
FINANCIAL HIGHLIGHTS

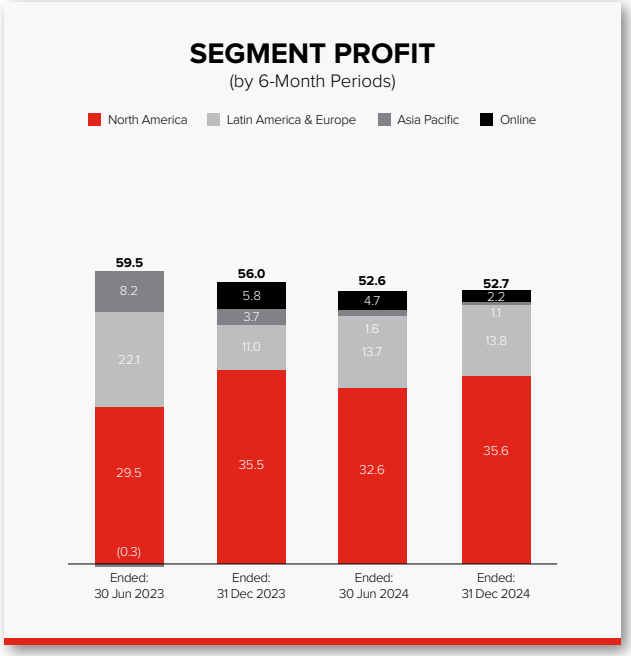
- Profit before Tax excluding currency and one-off items was $23.2m for the 12 months ended December 2024 (“current period”), representing a 44% decrease compared to the 12 months ended 31 December 2023 (“PCP”)
- Reduction in revenue in the current period compared to PCP across Asia Pacific, Latin America and Online regions, the decline in these regions were slightly offset by increase in North America revenue in the current period.
- The Mexican Tax Administration Service (“SAT”) matter relating to import duties and associated charges was finalised during the current period.
- The cash position net of borrowings represents $9.7 million at 31 December 2024 compared to $19.4 million at 31 December 2023. The cash position net of borrowings at 31 December 2024 includes a drawdown of $10.1 million from the Group’s secured loan facility.
- Strong balance sheet to enable further investment in product development, talent retention and to mitigate risks associated with continuing cost pressures.

For personal use only









For personal use only

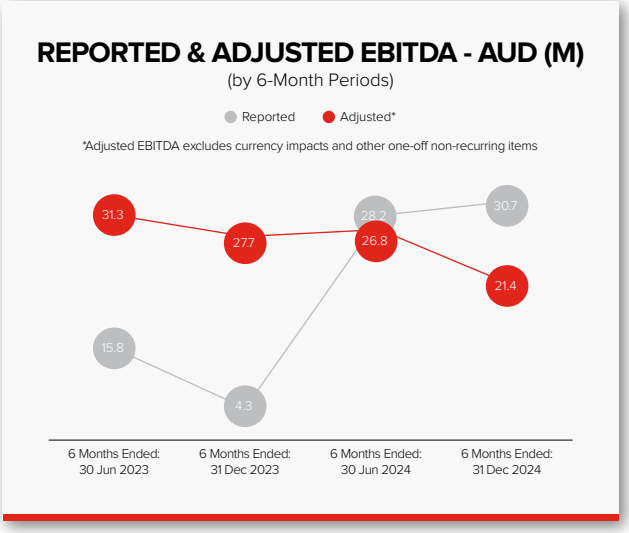
PERFORMANCE OVERVIEW

North America

- Strong revenue contribution of $147.0 million representing 56% of the Group's total revenue.
- Segment profit of $68.2 million, an increase of 5% compared to PCP.
- Increased in number of units connected to AGT's proprietary HHR system continue to contribute to the revenue growth in this segment.
- High Denom content continues to thrive, regularly having multiple games on industry Top 25 indexes (Eilers).
- The A-STAR Raptor™ was successfully launched across multiple jurisdiction in North America, with San Fa™ titles maintaining premium market performance for over six months. Sales volume for A-STAR Raptor™ is expected to increase as new game titles are progressively released.
- Expanding the A-STAR Raptor™ launch throughout the year with exclusive library content and flexibility to bring forward classic games for increased operator choice.
- New exclusive agreement with Golden Route Operations (acquired by J&J Ventures) for an upfront payment of US$6.8m in the current period.

Latin America & Europe

- Strong result despite the geopolitical challenges in the region. Decrease of 17% in both revenue and segment profit, compared to the PCP due to importation restrictions in Mexico and Argentina that began in Q4 2023.
- Gaming operations install base decreased by 7% compared to PCP due to convert to sales predominantly in Mexico to mitigate import restrictions.
- Demand continues to grow for the A-STAR™range of cabinets, in particular Xtension Link™ and San Fa™. Game themes such as Lucky Stars™, and Multi-Win™ range of games are amongst the region's top performers.
- AGT holds an 8% share of the 350,000-unit Class 3 market, with 27,000 units. Following a challenging year with halted imports in Mexico and minimal sales in Argentina, a conservative market share increase is expected in CY25, supported by strong product demand in Argentina, Mexico, and Peru.
- Europe presents significant opportunities, primarily focusing on brand awareness. AGT will prioritize Spain, France, and Ireland while gradually expanding into Switzerland, the UK, and Portugal later in the year.



Asia Pacific (Australia, NZ and Asia)

- Delivered revenue of $42.7 million, a decrease of $6.1 million compared to PCP.
- The low segment profit (%) for Asia Pacific of 6% in the current period was a result of ongoing fixed cost base with lower revenue contribution and weakening of AUD against USD adversely impacting costs of productions and gross profit which contributed to the drop in segment profit in the current period.
- The drop in unit sales mainly contributed from Asian sales due to competitive market conditions.
- Year of the Dragon™ has shown strong and consistent performance across all AU jurisdictions after 10+ months in the market.
- The successful runout of our obsolete hardware, the A-STAR 100™, is complete with the recent launch of the A-STAR Raptor™ hardware in February 2025 in this region. We completed this runout with no further stock on hand.

Online Gaming

- Delivered revenue of $7.6 million a decrease on the $15.6 million compared to PCP.
- The decrease in online revenue resulted from the termination of the previous 5-year exclusivity agreement with GAN at 31 March 2024. Higher revenue was also recorded in PCP due to the acceleration of revenue resulting from contract modification due to amendment on the GAN distribution agreement on 29th March 2023.
- The termination of the GAN contract enables us to directly work with casino operators, delivering our premium slot content to BetMGM, Caesars, DraftKings, Resorts, Rush Street to progressively return to similar revenue levels in coming periods.

PRODUCT OVERVIEW

APAC

In 2025 the APAC region is embarking on “A New Era”. Launching the new RAPTOR™ dual-screen cabinet with an exciting on-trend portfolio of games focusing on Stand Alone Progressives tailored to the Australian and APAC regions.

2025 PORTFOLIO

Ainsworth APAC’s game development approach for 2025 focuses on simplicity and trending mechanisms, including “Cash on Reels,” “Hold N Spin,” and “Credit Collection,” aimed at capturing market interest and aligning with player preferences. The product offerings are further diversified by emphasizing Stand-Alone Progressive (SAP) products to reduce reliance on single-game brands, enhancing portfolio resilience. The RAPTOR™ debuts alongside an impressive lineup of five new game families, led by Year of the Snake™, Eagle Riches™, and Nugget Hunter™, with Dragons Treasure™ and Fortune Bull™ launching soon after. With a strong roadmap of ten game family releases in 2025, the APAC region is poised to make a significant impact.







For personal use only

For personal use only



RAPTOR™ Dual Screen

Launched in February 2025 to the APAC region, the RAPTOR™ dual screen cabinet is designed to deliver an unparalleled gaming experience, combining ergonomic comfort, striking aesthetics, and exceptional audiovisual performance. Highlighted by a distinctive cylindrical display for player tracking and an above-monitor cylindrical speaker for immersive sound, the cabinet features market-leading triple 32-inch monitors, complemented by an 18.5-inch touchscreen button deck equipped with twin bash buttons. This innovative design enhances player engagement while meeting operators' requirements for durability and operational efficiency. The RAPTOR™ cabinet also includes an eye-catching LED lighting package and premium surround sound for a truly captivating gaming experience.

For personal use only



A-Star RAPTOR™

NORTH AMERICA

The RAPTOR™ cabinet was launched in the Americas in 2024, and over 2,500 units are now installed on casino floors across North America. Featuring a 49-inch J-Curve monitor and a 27-inch topper, alongside full high-definition graphics above an 18.5-inch touchscreen button deck equipped with twin smash buttons, This cabinet has been a standout on casino floors. Nominated for multiple awards, including Land-Based Product of the Year at the 2024 Global Gaming Awards hosted at G2E in Las Vegas, the RAPTOR™ cabinet showcases our commitment to player-focused innovation.

LATAM & EUROPE

The A-Star RAPTOR™ cabinet line, both Single and Triple screen configurations, has maintained strong momentum across multiple markets in the LATAM region. With successful installations that began in the Caribbean region and expanded to various markets, including Mexico, Peru, and Argentina, demand continues to grow. At the recent ICE Barcelona and SAGSE Argentina expositions in 2025, the RAPTOR™ series gained further traction, reinforcing its position as a premier cabinet in the region. Expansion is expected to continue throughout 2025, with new placements in LATAM and Europe.

For personal use only

PRODUCT OVERVIEW (CONT.)





San Fa

San Fa Pandas and San Fa Dragons continued to overperform in the US in 2024, with San Fa Pandas winning the EKG Slot Award for Top-Performing Omni Channel Slot Game of the year. The follow up games, San Fa Rabbits and San Fa Tigers, were released early in the year to heavy anticipation and continue to be high performers. The popular three-pot mechanic featured in these games, exclusive to the RAPTOR™ cabinet, is keeping players engaged across Class II, Class III, and Historical Horse Racing markets.

Triple Troves

Our RAPTOR™exclusive games are quickly becoming staples on casino floors across the US, and Triple Troves is no exception. A unique 3-pot game featuring two themes, Dragon's Delight and Reigning Rhino, the games include 1,024 ways to win, and two unique picking bonuses, where players pick for either cash jackpots or free games. Triple Troves recently made its debut on the Eilers & Krejcik Gaming Performance report, as the #18 and #21 Class III Top Indexing New Games, respectively.

Historical Horse Racing System

Ainsworth's Historical Horse Racing (HHR) system continues to flourish with more than 5,000 terminals in six markets – Kentucky, New Hampshire, Wyoming, Louisiana, Virginia, and Alabama. This year we released our first game designed specifically for the HHR market, Rocket Link, and held our first HHR Customer Advisory Board to elicit feedback directly from our customers to inform future game development and business decisions in this critical market segment.



PRODUCT OVERVIEW (CONT.)

LATAM - EUROPE

Game Portfolio

The Monterrey, Mexico studio has been pivotal in expanding the LATAM content portfolio. The latest game releases have demonstrated exceptional performance, catering to regional player preferences while driving engagement. The new titles are expected to play a critical role in the upcoming market expansion initiatives.

Europe Market Expansion

The European market has shown steady growth, with successful installations of A-Star™ Dual, Curve, and RAPTOR™ cabinets in Spain, France, and Germany. Following a positive reception at ICE, Ainsworth's footprint continues to expand with games such as Platinum Electric Nights, San Fa, Cash Stack Gold, and Grand Fortune. Additional installations are planned in European jurisdictions beyond 2025.

RGS AND DIGITAL SUCCESS:

The omnichannel focus remains a core driver of growth. The RGS business continues to bridge the gap between land-based and digital gaming, delivering seamless player experiences across platforms. San Fa has emerged as a standout performer in its online version, reinforcing the strategic approach to digital expansion.

The latest Eilers report recognition further highlights the success of the omnichannel strategy, solidifying our leadership in both land-based and online markets. Key metrics show sustained growth in Coin In and GGR, supported by strong-performing titles like Mustang Money and the Multi Win legacy series.
In 2025, the focus remains on delivering high-quality gaming experiences, expanding market presence, and driving continued success across LATAM, Europe, and digital channels.



For personal use only

PRODUCT OVERVIEW (CONT.)

ONLINE

In 2024, Ainsworth Interactive played a pivotal role in advancing the company's omni-channel game development strategy as the gaming industry continues to evolve in the digital segment. The online division has now integrated our development pipeline with all our global game studios to streamline production processes. This strategic alignment ensured that new game launches were synchronized with land-based releases, enhancing Ainsworth's integrated gaming experience.

With the expiration of the U.S. online exclusivity partnership, new opportunities to take direct control of the company's market presence is being seized. This strategic shift allows us to work directly with casino operators, delivering premium slot content to BetMGM, Caesars, DraftKings, Resorts, Rush Street to ensure greater flexibility and a more tailored gaming experience.

As casino operator partnerships strengthen, key collaborators will play a pivotal role in driving engagement by harnessing marketing strategies and dynamic promotional campaigns to spotlight Ainsworth's captivating slot content. Their proactive approach will ensure Ainsworth games reach new heights of visibility, captivating players with targeted, innovative campaigns that keep the excitement rolling.

The goal is to establish a seamless distribution network that not only reaches a wider audience that also includes our social casino partner, Zynga's Hit It Rich but also provides consistent, high-quality gaming experience regardless of the channel.

For personal use only









For personal use only

GAME STUDIOS



ATOMIC STUDIO
Location – South Carolina & Las Vegas, USA
Developers – 6

SIERRA STUDIO
Location – Reno, NV USA
Developers – 9

BIG LEAP STUDIO
Location – Austin, TX USA
Developers – 9

NEON GARAGE
Location - Las Vegas, NV USA
Developers – 30

STEEL ROLLING STUDIO
Location – Monterrey, Mexico
Developers – 13



BUZZ STUDIO
Location – Sydney, NSW Australia
Developers – 32

For personal use only

SUSTAINABILITY STATEMENT

The Company's Board and management are committed to sustainability as a critical enabler of the Company achieving its vision to be the supplier of the world best gaming machines and games to its customers.

This sustainability statement provides an overview of the Company's sustainability initiatives, and its key sustainability activities.

The Company is committed to implementing a range of initiatives that are directed towards making a positive contribution towards sustainable development.

ENVIRONMENT AND ENERGY

Mission:

We strive to lead by example in minimizing the environmental impact of our business activities. Our commitment to addressing climate change reflects our core values as an organization - integrity, accountability, and sustainability.

While we assess that climate change does not pose material risks to our operations, we firmly believe that adherence to best practices is not just a responsibility but an opportunity to contribute meaningfully to global environmental efforts.

Our approach to climate action centers on proactive strategies to reduce our carbon footprint and protect natural resources. These efforts are guided by innovation, collaboration, and a deep sense of stewardship toward the communities we serve.

Key Initiatives:

- Implementation of solar energy technologies and advanced energy-efficient lighting across all company facilities;
- Active recycling programs targeting paper, cardboard waste, and used metals, minimizing contributions to landfill;
- Reduction in hazardous substances within our product lines to promote eco-friendly manufacturing;
- Transition to paperless transactions and digital record-keeping solutions to further reduce paper consumption;
- Partnership with local environmental organizations to support broader sustainability goals.

Through these initiatives, we aim to foster an ethical and responsible workplace, empower our employees to champion sustainable practices, and uphold the trust placed in us by our stakeholders. Together, we embrace the challenges of climate change with determination and a vision for a greener future.





For personal use only

For personal use only

SUSTAINABILITY STATEMENT (CONT.)

OUR PEOPLE

Mission:

To develop an engaged, skilled, and responsible workforce guided by values that align with our strategy.

The Company promotes a safe and inclusive workplace through policies and employee training, fulfilling its positive duty to prevent sexual harassment and harassment based on sex or gender, as mandated by the Respect at Work Amendment Act. We also support flexible working arrangements to balance the needs of employees, customers, and stakeholders.

Key Initiatives:

- Incentivising employees to maintain a safe and enjoyable work environment.
- Providing training on bribery, unlawful discrimination, corrupt conduct, and money laundering, emphasizing the penalties associated with such behaviour.
- Regularly assessing workplace health and safety risks for all Ainsworth employees.

We uphold high behavioural standards across our organization, reflecting the critical role a culture of compliance plays within Australia's regulated gaming markets. To thrive in a dynamic economy, we empower our team to exercise sound judgment in uncertain situations. This commitment is reinforced through:

- ***Values:*** Clearly defined principles that guide decision-making and actions.
- ***Policies:*** Comprehensive frameworks that outline acceptable and unacceptable behaviours including Ainsworth's:
    - Code of Conduct
    - Whistleblower Policy;
    - Anti Money Laundering Policy;
    - Anti Modern Slavery Policy;
    - Anti Sexual Harassment Policy;
    - Securities Trading Policy; and
    - Anti-Bribery and Corruption Policy.
- ***Training:*** Mandatory annual online and or in person training ensures understanding of regulation and policy content and intent, with assessments included. We also support the renewal of professional memberships, gaming licenses and qualifications.

COMMITMENT TO RESPONSIBLE GAMBLING

Mission:

To support and promote responsible gambling.

As a regulated slot machine manufacturer in Australia, the Company is dedicated to supporting and promoting responsible gambling practices as a core principle of its operations.

We believe that gaming should be enjoyed responsibly, and we actively contribute to creating a safer and fairer gaming environment.

Examples of Initiatives:

- ***Compliance and Product Integrity:***
  Ensuring that the Company's gaming products not only meet but exceed regulatory requirements, operating with the highest standards of fairness and integrity. Our gaming machines are designed to facilitate responsible gaming machine play, incorporating features and functionality that encourage players to make informed choices.
- ***Industry Collaboration:***
  Through our full membership and active participation in the Gaming Technologies Association of Australia (GTA), we work collaboratively to promote responsible gaming practices. The GTA provides valuable resources to the public, empowering individuals to make informed decisions regarding their participation in gaming machine play.
- ***Education and Awareness:***
  Supporting initiatives aimed at increasing public awareness about responsible gambling. This includes providing educational materials and tools that inform players about the risks associated with gaming and the importance of maintaining control.
- ***Innovation in Responsible Gaming Technology:***
  Innovating and implementing cutting-edge technologies that enable enhanced responsible gambling features in our products, ensuring a safer and more transparent gaming experience.

For more details on our responsible gambling initiatives, visit the Gaming Technologies Association of Australia's website: www.gamingta.com

REGULATORY COMPLIANCE

Mission:

To ensure that we operate sustainably by integrating global compliance best practices across all markets while fostering ethical, transparent, and responsible business practices that contribute to long-term environmental, social, and economic well-being.

These initiatives include:

- ***Proactive Engagement:***
  Develop a proactive compliance culture by continuously educating, training, and engaging Company associates and employees on compliance and ethical standards. Implement regular training to enhance awareness and understanding of global compliance requirements.

- ***Sustainable Partnerships:***
  Conduct thorough due diligence and foster partnerships with customers and suppliers who share our commitment to sustainable and ethical practices. Prioritize collaborations with entities that demonstrate environmental stewardship and social responsibility.

- ***Continuous Improvement and Innovation:***
  Regularly evaluate and upgrade internal processes and systems to enhance efficiency and effectiveness in compliance management. Encourage innovation in technology and processes that support sustainable compliance practices.

- ***Transparent Reporting:***
  Maintain a transparent compliance reporting system that openly communicates progress, challenges, and achievements in sustainability and compliance. Publish regular sustainability and compliance reports to stakeholders.

- ***Compliance Audits:***
  Implement periodic independent audits of compliance and sustainability practices to ensure alignment with best practices and identify areas for improvement. Use audit findings to refine policies and approaches continually.

- ***Regulatory and Compliance Committee's Role:***
  Expand the role of the Company's Regulatory and Compliance Committee to also include sustainability oversight, ensuring that compliance efforts are in harmony with the Company's overall sustainability goals and objectives.

Through these initiatives, we are committed to maintaining our reputation as a trusted and responsible slot machine manufacturer while safeguarding the interests of all stakeholders, including regulators, customers, and the broader community.

ETHICAL SOURCING

As a regulated and licensed manufacturer of slot machines and gaming equipment in Australia and the USA, the Company is committed to upholding the highest ethical standards in its supply chain operations.

We recognize our responsibility to ensure that all individuals involved in the supply chain are treated with dignity and fairness, operate in safe and respectful environments, and conform to both local and international legal requirements. Our dedication to ethical sourcing reflects our core values and compliance obligations.

We operate under a Compliance Plan overseen by the Company Regulatory Compliance Committee, ensuring strict adherence to relevant regulations and industry standards. This includes complying with the Australian Modern Slavery Act 2018 and maintaining alignment with the Company's Anti-Modern Slavery Policy.

These frameworks guide our actions to combat modern slavery, promote transparency, and uphold human rights throughout our domestic and global supply chains.

Mission:

Our mission is to ensure that:

- Individuals within our supply chain are treated equitably and ethically.
- All environments in which our supply chain operates are safe, respectful, and supportive of worker well-being.
- All operations conform to legal and regulatory requirements across jurisdictions, fostering accountability and integrity.

Examples of Initiatives:

- ***Mitigating Risks of Modern Slavery:*** Through continuous evaluation and implementation of stringent measures outlined in the Company's Modern Slavery Statement, we actively work to minimize risks of modern slavery across our domestic and international supply chain. This statement, which is publicly available on the Company's website, underscores our commitment to fostering ethical practices globally.

For personal use only

SUSTAINABILITY STATEMENT (CONT.)

- ***Supplier Engagement:*** We prioritize working with suppliers who share our values, conducting thorough assessments to ensure compliance with ethical standards. This includes regular audits, certifications, and collaborative initiatives aimed at promoting responsible practices.

- ***Training and Awareness:*** To strengthen our efforts, we provide comprehensive training programs for employees and supply chain partners, emphasizing the importance of ethical sourcing and raising awareness about modern slavery risks.

This enhanced statement further emphasizes the Company's dedication to ethical sourcing and compliance while outlining its initiatives with greater detail and impact. Let me know if there are specific areas you'd like me to refine further.



For personal use only

BOARD OF DIRECTORS



Danny Gladstone

Chairperson and Independent Non-Executive Director

- Chairperson - Regulatory and Compliance Committee
- Member of the Audit and Risk Committee



Graeme Campbell OAM

Independent Non-Executive Director

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



Heather Scheibenstock GAICD, FGIA

Independent Non-Executive Director

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



Dr. Haig Asenbauer

Attorney at Law, Bar Association of Vienna

Non-Executive Director

- Subject to regulatory approval

EXECUTIVES



Harald Neumann *Chief Executive Officer*

Harald has extensive leadership experience in senior executive positions in a career spanning over 20 years mainly within technology companies. Former Regional Chief Executive Officer at Alcatel AG (now Alcatel –Lucent) a global tele-communications equipment company. Former Managing Director at Bundesrechenzentrum GmbH, the Austrian government's information technology service provider, until 2006. Mr Neumann then became CEO of G4S Security Services Austria AG, the Austrian subsidiary of one of the world's leading integrated security companies with over 700,000 employees and listing on the London Stock Exchange, before joining Novomatic in 2011.Former Chief Executive Officer and Chairperson of the Executive Board of Novomatic from 2014 until 29 February 2020.Graduate of the Vienna University of Economics and Business, Board Member of the American Chamber of Commerce, Member of the Rotary Club Klosterneuburg and Member of the Supervisory Board of Casinos Austria AG since March 2017. Appointed Non-Executive Director of Ainsworth Game Technology on 21 February 2017. Appointed Chief Executive Officer and Executive Director 1 October 2021. Resigned as Executive Director on 21 December 2021.



Ryan Comstock *Chief Operating Officer*

Ryan P. Comstock is Chief Operating Officer and a Director of Ainsworth Game Technology Inc. Prior to joining Ainsworth in 2012, Ryan spent nearly a decade within Deloitte's audit and assurance practice where he served Gaming, Manufacturing, and Technology Companies. Since joining Ainsworth, Ryan has held various positions focused on finance and operations within the Americas and in 2018 was promoted to Chief Operating Officer. Ryan is a graduate of the University of Nevada, Reno where he attained degrees in Accounting and Computer Information Systems. He is a Certified Public Accountant, member of the Nevada State Board of Accountancy, member of the American Institute of CPAs, and Officer of the Association of Gaming Equipment Manufactures.



Lynn Mah *Chief Financial Officer*

Lynn was appointed to the Chief Financial Officer role in January 2023. She has a robust background in accounting, audit, tax, treasury and investor relations. Lynn partners with the CEO and the other global executives to guide the Group's financial performance, operations and strategic initiatives. Prior to her appointment as the Group's CFO, Lynn held the role of the Group Finance Manager and Assistant Company Secretary for AGT. Lynn was responsible for the Group's consolidation financial reporting and led the finance team in Australia. She also assisted in company secretarial matters with sound knowledge of ASX Corporate Governance Principles and Recommendations and ASX Listing rules. Lynn graduated from University of New South Wales, Sydney with a Bachelor of Commerce (majoring in Accounting and Business Law). She is a Certified Practicing Accountant (CPA). Lynn has completed a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and is a current fellow member of this institution.

For personal use only



For personal use only

CHAIRPERSON'S REPORT

Dear Shareholders,

I am pleased to present to our shareholders the Annual Report for the financial year ended 31 December 2024 (CY24).

For CY24, we delivered a Profit before Tax, excluding currency impacts and one-off items, of $23.2 million, compared to the $41.5 million in the Prior Corresponding Period (PCP) in 2023. This result was affected by challenging economic conditions prevailing in Latin America, an increased level of investment and the advent of rising cost pressures experienced. We have continued to progress investment in our people, technology, and product development areas to ensure our product offerings are more competitive in the market, which is expected to achieve improvements in our financial results in coming periods.

The current period was a period of transformation as the Company navigated the global economic climate whilst continuing to pursue and implement the previously identified strategies to progressively release a range of competitive products to lift product performance across the markets we operate in. This became evident by the stronger revenue achieved in the second half of CY24, compared to both the first half and an improved result on the market guidance provided, reflecting the positive momentum. New releases and additional product offerings are currently having the desired effect, with improved product performance being evident across our international and domestic markets. The investments made in our products, most notably the Raptor™ cabinet, are creating increased opportunities and confidence from our customers.

AGT achieved revenue of $264.1 million and underlying EBITDA of $48.2 million, compared to $284.9 million and $59.0 million respectively, in the PCP. 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 experienced in the first half of the year in Latin America as units were converted from operation to sale.

The key market of North America showed the strongest performance contributing revenue of $147.0 million, a 5% increase on the PCP, representing 65% of total international revenue. This region represented 56% of total revenue compared to 49% in the PCP. The successful launch of the A-star Raptor™ cabinet, which is currently ranked sixth on the Eilers Top Indexing Portrait Upright, combined with new game titles within multiple jurisdictions, is expected to maintain the momentum in the coming period within this region.

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.

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. We are encouraged with the changes we have initiated and the investments we have made to fundamentally upgrade and further improve game performance. The successful launch in February 2025 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 one-off profit lift from the acceleration of revenue in the PCP. The Company continues to pursue direct integration with global operators to progressively return to historical revenue levels.

Our priority remains to maintain a strong balance sheet and liquidity to support the necessary levels of working capital to satisfy customer demand and support R&D investments to strengthen AGT's product portfolios for sustained success. To ensure additional liquidity the previous loan facility

For personal use only

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.

The improvements and expansion of our R&D investments have lifted the competitiveness of our products. We are offering more value and entertainment to our customers and have an organisational structure and balance sheet to support these strategies. We have a strong capital base and are well financed to go forward to execute on strategies established. AGT expects returns on the investments in product development initiatives will positively influence financial results in coming periods, together with the changing economic outlook and regulatory environment within the Latin American/Europe segment.

The Board remains committed once circumstances allow, to recommence the declaration of dividends under its previously advised dividend policy of distributing 40% – 60% of after-tax profits to shareholders. This is dependent on ensuring our primary focus to explore growth opportunities and undertake the necessary investment in our people, technology, and product development primarily in the traditional Class III offerings which are expected to complement our strong performance achieved to date in Class II Historical Horse Racing (HHR) markets. Although we have now resolved all financial obligations on the Mexican matter, the Board has determined to maintain the suspension of dividends to shareholders at the present time to ensure the Company's priorities for commercialization of product initiatives and maintenance of a strong financial position. The Board is committed to re-evaluating the paying of dividends within CY25, depending on market conditions as well as the maintenance of the required product-related investments and the necessary working capital to support anticipated production requirements.

Changes to the global organizational structure previously implemented have ensured strong product leadership with clear lines of accountability. Management continues to pursue a range of 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. This is key to our long-term sustained success, and I look forward to these actions having the desired effect and improving our reported financial results in coming periods.

I would like to acknowledge and thank Mr Harald Neumann, our CEO, for his leadership and my fellow Board members for their wise counsel and contributions through the period.

I would like to close by thanking the highly capable executive team in Australia and the Americas, as well as our dedicated and loyal employees, my fellow shareholders and as always, our customers.

D. Gladstone

Danny Gladstone
Chairperson



For personal use only

CEO'S REPORT

Dear Shareholders,

Over the past year, Ainsworth has continued to maintain solid progress in all operational areas of the Company. We have achieved sustained profitability and a strong balance sheet which has allowed the progression of the necessary investment in Research and Development (R&D) activities. This strategy has culminated in the release of leading-edge hardware and the establishment of new game development studios which are expected to provide the continuous improvements in game performance of our products across all global markets.

We are now starting to see the initial positive signs from these investments in R&D undertaken through the recent products released, receiving positive feedback in the market and an increasing interest in AGT's latest range of gaming products. These implemented strategies are expected to progressively realise improvements in financial returns for the benefit of all shareholders.

The overall reported results for the financial year ended 31 December 2024 (CY24) were a Profit after Tax (PAT) of $30.3 million, with normalised Profit before Tax (PBT), excluding currency translations and one-off items, of $23.2 million on revenue of $264.1 million. PBT, excluding currency impacts and one-off items, resulted in a second half PBT of $8.9 million, in line with the market guidance outlined by the Company in November 2024.

I am encouraged that Ainsworth has maintained and delivered solid operational results with revenue of $264.1 million in the reported period, compared to the $284.9 million in the Prior Corresponding Period (PCP). This result, as we have highlighted, had been impacted by regulatory and import restrictions within the key markets of Argentina and Mexico within the Latin American/Europe region. As outlined in the Chair's report these geopolitical conditions are showing positive signs of stabilisation, and we expect this region to return to previously achieved historical revenue levels in CY25.

Despite the regulatory restrictions in Latin America, revenue in the second half of CY24 was $142.7 million, a 17.5% increase on the $121.4 million in the first half and was higher than the 12% growth noted in the market update announcement provided, reflecting the positive momentum.

Reflecting this momentum, offshore revenue in the key region of North America contributed total revenue of $147.0 million for CY24, reflecting a 16.5% increase on the $67.9 million in the first half and a 5% increase compared to the PCP. International revenue represented 85% of the Group's total revenue consistent with the 86% in the PCP.

The reported EBITDA was $58.9 million for the current period. After considering currency and one-off items, underlying EBITDA was $48.2 million, a reduction on the $59.0 million when compared to the PCP. This was primarily attributable to factors in Latin America as I have outlined and the reduced contributions from the digital segment following the termination of exclusivity agreements with Game Account Network (GAN) in March 2024.

Underlying EBITDA margins were 18.3% for CY24 compared to 20.7% in the PCP, reflecting the lower margins in the second half of the current period as I have noted. With progress on the initiatives undertaken it is expected that EBITDA margins will return to historical levels within CY25.

As we have previously reported, we have resolved all disputes with the Mexican tax authorities on import duties and associated charges, as previously reported and reflected in the interim financial report for the first half of CY24.

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

Operating costs were carefully controlled 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.

AGT's global headcount was 542 employees at the reporting date with 62% within the Americas. This represented a reduction compared to the same period in 2023, with reductions in Asia Pacific offsetting additional resources within the Americas. Research & Development (R&D) resources remained consistent with the PCP at 172, however 48% were located within the Americas

For personal use only

compared to 42% at the same period in 2023.

The global organisational structure provides new product leadership and clear lines of accountability to provide efficiencies and the on-going development of an exciting range of diverse and new product offerings. 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.

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.

Investment in development activities undertaken has resulted in the commercialization and release of the new and innovative A-Star Raptor™ cabinet in Australia in February 2025. This cabinet was initially released in North America in late 2024 and provided renewed interest from our customers across this region. This newly designed cabinet was ranked as the Top Performing Portrait in North America on the prestigious EKG Game Performance Report which is expected to provide increased opportunities. Along with the Board and the established Executive Team, we are committed to delivering new and exciting gaming products to deliver on our potential to be a larger and more profitable company across all our major markets.

The reported results included translational foreign currency gains in the current period of $9.6 million compared to losses of $21.5 million in the PCP. These gains were primarily as a result of the strengthening of the US dollar against the Australian dollar compared to the loss recorded in the PCP which was a result of the devaluation of investments held in Argentina and the strengthening of the Mexican Pesos against the US dollar.

Other one-off items outside normal operations included a net gain of $1.1 million, resulting from restructuring costs of $0.9 million undertaken in the period, a profit of $4.1 million resulting from the reversal of previously established provisions with Mexican authorities to reflect actual payments made and a non-cash impairment charge of $2.1 million within the Asian Pacific and Latin American regions.

I note that the non-cash impairment charge of $2.1 million was recorded in the current period, for the Latin America Cash Generating Unit (CGU). As in previous periods, this impairment charge to the carrying value of assets reflects the reassessment of discount rates, inflationary cost pressures and uncertainties inherent in validating expected revenue in future periods within these regions. These factors contributed to a reduction in the available headroom resulting in a lower recoverable amount for this CGU. This results from the timing nature of the current business model within this region where gaming machines are initially placed under operation which requires these assets to be assessed for impairment purposes, despite the generation of increased participation revenue prior to the potential conversion to sale.

It has been a key priority to ensure we maintain a strong balance sheet to protect the Company and allow liquidity to pursue planned development initiatives. Initiatives introduced to stabilise supply chain risk and manage working capital resulted in a reduction in inventory holdings of 6% compared to 31 December 2023. The Company had $361 million of net assets at the reporting date.

Operating cash flows in the period included payments of $28.5 million made to 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. We closed the current period with a net cash position of $9.7 million with undrawn facilities in place for US$43.7 million.

We have a strong capital base and are well financed to go forward to execute on strategies established.

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.

For personal use only

CEO'S REPORT (CONT.)

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%. It is expected that additional HHR opportunities will occur in the coming year following the passing of legislation for a new facility in Wichita, Kansas, more locations becoming available in Ontario, Canada, as well as expansions in New Hampshire, Wyoming and Kentucky.

Revenues of $66.8 million were achieved in Latin America/Europe in CY24, compared to $80.1 million in the PCP. As noted, 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 as we have noted, these regions have shown positive improvements in the latter part of CY24, and combining with new opportunities within Europe, we expect to achieve overall revenue increases in CY25.

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

Ainsworth enters CY25 with a solid foundation following good progress in the 2024 calendar year against identified strategies with positive momentum and an expectation of continued improvements in product performance and profitability.

The North American business continues to make progress in both Class II and Class III markets. Opportunities are continually being pursued for existing and new HHR markets. Despite more volatile market conditions in Latin America, the Group expects to return to at least historical levels as regulatory constraints are eased in this region.

Domestic markets are expected to benefit from the Raptor™ hardware released combined with further improvements in game performance following the release of new game titles. We look forward to improvements in Australia, where we will continue to leverage our key strengths of AGT's trusted brand and the Company's enduring commitment to develop superior game technologies.

With a strong balance sheet and commitment to product innovation, AGT is well placed to deliver improved financial performance.

For personal use only

As I have previously communicated, for us to ensure continued growth and to sustain our performance, measures were introduced and we are starting to see the benefits from these improvements in the output of our R&D investments, which is expected to lift the competitiveness of our product and provide growth opportunities.

The expanded capabilities within R&D in both the Sydney and Las Vegas studios as well as additional R&D studios are now operating to provide more creativity and diversity to our current product range. Quality initiatives are continually assessed to improve game designs, mathematics, and graphical arts to create a more diverse and targeted range of product offerings to our customers. The infrastructure to achieve our product road map is in place which we expect to translate into improved and sustainable long-term results across global markets.

We have been committed 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.

I would like to acknowledge and thank the Board, the Executive Team and all my colleagues at Ainsworth for their contributions to the progress made and their dedication to our customers. I am confident the necessary actions we have taken over the last year will enable the Company to benefit through progressive improvements in financial performance over coming periods.



Harald Neumann
Chief Executive Officer

For personal use only



Shareholder Information

For personal use only

INFORMATION ABOUT SHAREHOLDERS

Shareholder information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below:

SHARE HOLDINGS (AS AT 20 MARCH 2025)

Number of shareholders and shares on issue

The issued shares in the Company were 336,793,929 ordinary shares held by 2,713 shareholders.

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number of Ordinary Shares
Novomatic AG	178,150,817
Spheria Asset Management	27,837,738
Allan Gray Investment Management	22,881,877

Voting rights

Ordinary shares

The voting rights attaching to ordinary shares are that on a show of hands every member present in person or by proxy has one vote and upon a poll, each share shall have one vote.

Options and Performance Rights

Option and performance right holders have no voting rights.

Distribution of Equity Securities

	ORDINARY SHARES			PERFORMANCE RIGHTS		
Category	Securities	Number of Shareholders	% of Securities	Performance Rights	Number of Holders	% of Performance Rights
1 – 1,000	351,335	845	0.10	–	–	–
1,001 – 5,000	3,036,924	1,100	0.90	–	–	–
5,001 – 10,000	2,448,241	329	0.73	–	–	–
10,001 – 100,000	11,039,638	397	3.28	–	–	–
100,001 and over	319,917,791	42	94.99	7,750,000	15	100.00
Total	**336,793,929**	**2,713**	**100.00%**	**7,750,000**	**15**	**100.00%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 601 (134,240 ordinary shares).

On market buy-back

There is no current on market buy-back of ordinary shares.

Unquoted equity securities

At 20 March 2025 7,750,000 performance rights have been issued to 15 employees. These performance rights are unlisted, non-transferable and remain unexercised.

Regulatory considerations affecting shareholders

The Company is subject to a strict regulatory regime in regard to the gaming licences and operations within the gaming industry. It is necessary for the Company to regulate the holding of shares to protect the businesses of the Company in respect of which a gaming licence is held. By accepting shares, each potential investor acknowledges that having regard to the gaming laws, in order for the Company to maintain a gaming licence, the Company must ensure that certain persons do not become or remain a member of the Company. The Constitution of the Company contains provisions that may require shareholders to provide certain information to the Company and the Company has powers to require divesture of shares, suspend voting rights and suspend payments of certain amounts to shareholders.

Shareholder Information (continued)

For personal use only

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of total
NOVOMATIC AG	178,150,817	52.90
CITICORP NOMINEES PTY LIMITED	47,978,774	14.25
VOTRAINT NO 1019 PTY LIMITED <MCA PRIVATE INVESTMENT A/C>	15,066,904	4.47
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,642,435	4.05
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,394,469	3.98
BOND STREET CUSTODIANS LIMITED <CCRAWD - D95611 A/C>	10,616,580	3.15
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	9,865,540	2.93
CJHA PTY LIMITED <THE CJHA INVESTMENT A/C>	7,533,450	2.24
MR KJERULF DAVID HASTINGS AINSWORTH	6,501,028	1.93
BNP PARIBAS NOMS (NZ) LTD	3,254,081	0.97
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,919,445	0.57
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	1,579,965	0.47
THE PAVILION MOTOR INN WAGGA WAGGA PTY LTD	1,428,500	0.42
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	984,591	0.29
MR CHRISTIAN JOHN HASTINGS AINSWORTH	770,650	0.23
CASOLA HOLDINGS PTY LTD <NORDIV HOLDINGS S/FUND A/C>	770,517	0.23
MR SASHA ALEXANDER CAJKOVAC	693,772	0.21
MR RICHARD JAMES GOLDSACK + MS AMANDA JANE HAY <GOLDSACK & HAY FAMILY A/C>	546,273	0.16
UNDERWOOD CAPITAL LIMITED	500,000	0.15
GLOBAL MARKET TRADING PTY LTD	435,453	0.13
Total	**315,633,244**	**93.73**

Directors' Report

for the year ended 31 December 2024

The directors present their report together with the consolidated financial report of the Group comprising of Ainsworth Game Technology Limited (the Company) and its subsidiaries for the financial year ended 31 December 2024 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Name, Qualifications & Independence Status	Experience, Special Responsibilities & Other Directorships
CURRENT	
Mr Daniel Eric Gladstone Chairperson and Independent Non-Executive Director	— Danny has held senior positions within the gaming industry over a successful career spanning 50 years. — Former Chairperson of Gaming Technologies Association. — Inducted into the Club Managers Association Australia Hall of Fame in 2000. — Former member of Regulatory and Compliance Committee of the Company from 2010 until 2019. — Chief Executive Officer of the Company from 2007 (Executive Director since 2010) until 2019. — Non-Executive Director of the Company since 2019, appointed Chairperson of the Board of Directors on 26 November 2019. — Member of Audit & Risk Committee of the Company since 2021. — Chairperson of Regulatory and Compliance Committee of the Company since 1 October 2024.
Mr Graeme John Campbell OAM Independent Non-Executive Director	— Graeme has specialised in liquor and hospitality for over 30 years in corporate consultancy services with particular emphasis on hotels and registered clubs. — Independent Chairperson of Harness Racing Australia. — Former Chairperson of Nominations Committee of Parramatta Rugby League Football Club (Eels) from 2017 to 2023. — Former Chairperson of Harness Racing NSW, Former Director of Central Coast Stadium, Blue Pyrenees Wines and NSW Harness Racing Club. — Former Director and Chairperson of Lantern Hotels Group and TerraCom Limited. — Recipient of J.P. Stratton award and Ern Manea Gold Medal. Inducted into the Inter Dominion Hall of Fame in February 2014. Awarded Order of Australia medal in January 2018 for services to harness racing. — Director of Liquor Marketing Group Limited (Bottle Mart) since 2013. — Chairperson of Audit & Risk Committee of Illawarra Catholic Club Group. — Former member of the Regulatory and Compliance Committee of the Company until 2017. — Member of Audit & Risk Committee of the Company since 2017 until 2019 – Chairperson since 2019 and member of Remuneration and Nomination Committee since 2015. — Lead Independent Non-Executive Director of the Company since 2013 until appointed Chairperson in 2016 until 2019. Lead independent Non-Executive Director from 2019 until 11 July 2022.

For personal use only

Directors' Report (continued)

for the year ended 31 December 2024

For personal use only

Name, Qualifications & Independence Status	Experience, Special Responsibilities & Other Directorships
CURRENT	
Ms Heather Alice Scheibenstock FAICD, FGIA Independent Non-Executive Director	– Heather has extensive leadership experience within the gaming and hospitality industries specialising in strategic planning and offshore growth spanning over 35 years. – Currently Deputy Chair and Chair of the Quality and Outcomes Committee of Ability Options since 2017. – Previously Non-Executive Director SenSen Networks Ltd and Chair of Audit and Risk Committee at SenSen Networks Ltd 2018-2022. – Former Non-Executive Director of the Company from 2016 until 2019. – Graduate of Australian Institute of Company Directors and member of Women on Boards. – Fellow of Governance Institute of Australia and Australian Institute of Company Directors. – Non-Executive Director of the Company since 2022. – Member of the Remuneration and Nomination Committee of the Company since December 2022 and Chairperson from 1 October 2024. – Member of the Audit and Risk Committee since 1 October 2024.
Dr Haig Edwin Asenbauer Attorney at law, member of the Bar Association of Vienna, Austria Non-Executive Director – (not considered Independent due to role with Novomatic AG)	– Haig has had an extensive and lengthy career as a practicing legal attorney within Austria. – Qualified legal practitioner from Vienna University School of Law (Doctor iuris (J.S.D.) and Master iuris (J.D.) and admission to Bar Association of Vienna. – Graduate from New York University School of Law (Master of Laws in Corporation Law) and Danube University Krems, Austria (expert in European Law). – Former Chief Investment Officer/Member of the Group Executive Board at DO&CO Aktiengesellschaft, Vienna. – Partner of the Austrian Law firm square17 Rechtsanwaelte GmbH in Vienna, Austria. – Deputy Chairman of supervisory Board of Novomatic AG. – Current Board Member of: Novo Swiss AG, Switzerland, Ace Swiss AG, Switzerland, Gryphon Investment AG, Switzerland, supervisory Board of iSi Automotive Holding GmbH, Austria, Privatstiftung Lauda, Austria, Attila Dogudan Privatstiftung, Austria, FIPO Privatstiftung, Austria, Pochtler Privatstiftung, Austria, AUTKAP Privatstiftung, Austria, MeSoFa Privatstiftung, Austria; and THY DO&CO İkram Hizmetleri Anonim Şirketi, Turkey. – Non-Executive Director of the Company since 2023.
FORMER	
Mr Colin John Henson Dip-Law BAB; FCPA; FCG (CS, CGP) FAICD Independent Non-Executive Director	– Colin has had a lengthy career in senior corporate positions and as a director and Chairperson of private companies and publicly listed companies across a broad range of industries. – Fellow of the Australian Institute of Company Directors, Fellow of CPA (Certified Practising Accountants) Australia and Fellow of the Governance Institute of Australia. Colin is also a non-practising member of the Law Society of NSW. – Non-Executive Director of the Company from 2013 until 30 September 2024. – Member of Audit & Risk Committee of the Company since 2017 and Chairperson from 2017 until 2019. Member of Audit & Risk Committee from 2019 until 30 September 2024. – Chairperson of Remuneration and Nomination Committee of the Company from 2015 until 30 September 2024. – Member of Regulatory and Compliance Committee of the Company from 2019 and Chairperson from 2021 until 30 September 2024.

For personal use only

2. COMPANY SECRETARY

Mr Mark L Ludski has held the position of Company Secretary since 2000. Mr ML Ludski previously held the role of Chief Financial Officer until 31 December 2022 for a period of over twenty years and the role of Finance Manager with another listed public company for ten years. Prior to those, he held successive positions in two leading accounting firms where he had experience in providing audit, taxation and business advisory services.

Mr ML Ludski is a member of Australian Institute of Company Directors and a Chartered Accountant holding a Bachelor of Business degree, majoring in accounting and sub-majoring in economics.

Mr ML Ludski is currently a member of the Regulatory and Compliance Committee, a role held since 2021 and a member of the Remuneration and Nomination Committee effective 1 October 2024.

3. DIRECTORS MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings		Audit and Risk Committee Meetings		Remuneration & Nomination Committee Meetings		Regulatory & Compliance Committee Meetings	
Directors	A	B	A	B	A	B	A	B
DE Gladstone	10	10	5	5	–	–	1	1
GJ Campbell	10	10	5	5	5	5	–	–
CJ Henson	7	7	4	4	4	4	3	3
HA Scheibenstock	10	10	1	1	5	5	–	–
HE Asenbauer	10	10	–	–	–	–	–	–

A - Number of meetings attended.

B - Number of meetings held during the year (excluding approved leave of absence and meetings held whilst not a director/member).

4. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were design, development, manufacturing, sales and distribution of gaming content and platforms including electronic gaming machines, other related equipment and services and online social and real money games. The Group continues to execute strategies to expand and diversify its product offerings within both land-based and online gaming markets, including social gaming and licensed "Real Money" gambling markets.

There were no significant changes in the nature of the activities of the Group during the year.

4.1 Objectives

Ainsworth is committed to a vision of delivering excellence in gaming solutions and being a leading supplier in regions within North and Latin America, Asia Pacific and Europe.

The Group continues to invest in product, technological developments, and talent acquisition to further diversify and build business capabilities to drive share growth across all key markets and to secure sustainable profitability and growth for all stakeholders. Throughout the reporting period, the Group has continued to maintain a strong balance sheet to allow the necessary investments to assist in further accelerating of growth objectives in future periods.

The Group's objectives are to:

- produce games that are appealing to players utilising our broad range of talented skilled game designers along with collaborations with third party game developers;
- improve profitability within geographical markets that are expected to achieve the greatest contributions to the Group's financial results, and creation of growth;
- diversify and expand on contributions from recurring revenue through additional units under gaming operation;
- prudently invest in product research and development in order to provide quality market leading products that are innovative and entertaining, and result in increased player satisfaction and therefore greater venue profitability;
- further expand presence within online gaming markets, including social gaming and licensed "Real Money" gambling markets through collaborations with other major online platform providers;
- prudently manage levels of investment in working capital and further improve cash flow from operations to facilitate investment in growth opportunities; and
- provide an improved return on shareholder equity through profitability, payment of dividends and share price growth.

For personal use only

5. OPERATING & FINANCIAL REVIEW

5.1 Business Strategy and Investments for Future Performance

Business Strategy

Ainsworth's strategy has always been built around our mission which is to provide high quality innovative gaming solutions globally and to secure sustainable profitability and growth for all stakeholders.

The Group continues to focus on executing its key priority actions as outlined below:

- employ the best talent available to drive effective and efficient product development;
- grow the Group's footprint and operating activities in international markets, particularly North America;
- target investment in research and development to produce innovative products with leading edge technology;
- manage product and overhead costs through improved efficiencies in supply chain and inventory management; and
- pursue initiatives to continually improve and reduce investment in working capital.

The Group has shown resilience with a strong balance sheet that will allow the Group to continually invest in talent to develop innovative products and technological capabilities to accelerate growth objectives in future periods.

Investments for Future Performance

The Group continues to evaluate opportunities within domestic and international gaming markets during the period. The introduction of Raptor A-Star™ portrait screen in the North America market in late CY2023 has been well received by the market and currently ranked #6 on Eilers' list for Top Indexing Portrait Upright, with an index of 1.14x house and 1.08x zone.

Due to the success of the cabinet, the range of the Raptor A-Star™ has been extended as dual screen with launch in Europe and Asia Pacific in the first quarter of CY2025. Further investments in research and development have been pursued to ensure game developments continue to complement the Raptor A-Star™ hardware range. This investment is expected to assist the ongoing expansion and breadth of innovative, technically advanced and consistently high performing products.

During the year, the Group continued to execute previously identified strategies and plans across its global product development operations, which most notably includes game development, software and hardware activities. The Group has significantly bolstered its ability to develop highly competitive game content through the expansion of its internal studios with the continuing partnership with experienced game developers in Australia and North America.

Furthermore, the Group has in place agreements with third-party game development studios located in various parts of the world to further diversify the Group's game content and complement the innovation capabilities of the Group's internal studios.

The Group has now started to secure key regulatory approvals for a new EGM software platform that will power the Group's future range of games. This software platform provides a non-proprietary development environment that allows the Group to deliver a broader and more complex range of gaming content that benefits from the efficiencies provided by modern software development methodologies and tools. This has also enabled the Group to attract new software development talent from a larger pool of highly skilled software developers with experience working in this development environment.

Ainsworth's acquisition of MTD Gaming Inc. in 2020, a Montana-based game development company that specialises in video poker, video reel and keno multi-game products for Video Lottery markets in North America. This acquisition continues to positively contribute to the Group's financial results as the multi game content continues to be the market leader in South Dakota, Louisiana and Montana. Ainsworth has since rebranded these lines of products as Gambler's Gold which are now deployed in South Dakota, Nevada and California and continues to commercialise under the LanYap brand in Louisiana. Ainsworth designed content has now been deployed in these markets as well with positive results and ongoing development that will incorporate strong performing titles from our Class III development teams. In 2024, Ainsworth signed a new exclusivity agreement in Montana with Golden Route Operations (acquired by J&J Ventures) ("GRO"). This contract provides GRO the exclusive use and distribution of Ainsworth's products, the 'Montana Gold Multi-Game' in Montana for an additional 40-month period. The Bear Elite slant top cabinet as the next generation of cabinet to be utilised with the Gambler's Gold game suite that was commercialised in December 2024.

The Group's Class II Historical Horse Racing ("HHR") products continues to be placed into existing and new markets, with Ainsworth continuing to integrate products from other manufacturers such as Aristocrat, IGT, Light n Wonder and Konami. This niche product has been a top performer in its class since its initial launch and continues to outperform its competitors. Ainsworth continues to be a market leader in HHR with new installs occurred during the period in new or expanded properties in New Hampshire, Virginia, Alabama and Wyoming. We anticipate additional HHR opportunities with the passage of legislation for a new facility in Wichita, Kansas as well as HHR expansions in existing markets.

The agreement with Game Account Network ('GAN') to provide exclusive use of current and future Ainsworth real money online game assets within the U.S. terminated on 31st March 2024, affecting the online segment during the current period.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

During the year, Ainsworth commenced online game development for Greentube, a subsidiary of the Group's majority shareholder, Novomatic AG (NAG), whereby Ainsworth develops and hosts Novomatic games through Ainsworth's proprietary remote gaming server in the Online Real Money Gaming market within North America. Opportunities to cooperate for cabinet componentry purchases and content sharing are continually being pursued for both companies.

5.2 Review of Financial Condition

Capital structure and treasury policy

The Company currently has on issue 336,793,929 ordinary shares. The Board continues to ensure a strong capital base is maintained to enable investment in the development of the business. The Group's performance is monitored to oversee an acceptable return on capital is achieved and dividends can be provided to ordinary shareholders in future periods. There were no changes in the Group's approach to capital management.

The Group is exposed to translational foreign currency risks that are denominated in currencies other than AUD. The Group continually monitors and reviews the financial impact of currency variations to minimise the volatility of changes and adverse financial effects in foreign currency exchange rates. During the year and at reporting date, the Group has operations in Argentina which was subject to challenging macro-economic conditions including hyperinflation economy and restrictions on the transfer of monies held in this region. Throughout the year, these restrictions were relaxed and the Argentinian ("ARG") Pesos against the US Dollar were stabilised, resulting in a more consistent collection patterns from customers and enabling monies transferred out from this region. The Group continually monitors the situation in this region and regularly reviews strategies to minimise currency losses.

Cash flows

The movement in cash is set out as below:

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Profit before tax	**33.9**	**2.6**	**31.3**
Net interest income	(1.9)	(6.3)	4.4
Depreciation and amortisation	26.9	23.8	3.1
Change in working capital	(20.6)	(20.0)	(0.6)
Subtotal	**38.3**	**0.1**	**38.2**
SAT payment	(28.5)	–	(28.5)
Interest and tax paid	(0.8)	(4.1)	3.3
Other cash and non-cash movements	(12.0)	31.9	(43.9)
Net cash (used in) / generated from operating activities	**(3.0)**	**27.9**	**(30.9)**

For personal use only

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Net cash (used in) / generated from operating activities	**(3.0)**	**27.9**	**(30.9)**
Proceeds from sale of property, plant and equipment	0.1	0.1	–
Proceeds from investments	3.6	3.1	0.5
Acquisitions of property, plant and equipment	(2.7)	(11.2)	8.5
Development expenditure	(2.5)	(4.9)	2.4
Investment in financial assets	–	(16.8)	16.8
Net cash used in investing activities	**(1.5)**	**(29.7)**	**28.2**
Borrowing costs paid	(1.4)	(0.9)	(0.5)
Interest paid on leases	(0.7)	(0.7)	–
Proceeds from borrowings	24.9	0.4	24.5
Repayment of borrowings	(15.5)	(0.6)	(14.9)
Repayment of principal of lease liabilities	(1.3)	(1.0)	(0.3)
Net cash generated from / (used in) financing activities	**6.0**	**(2.8)**	**8.8**
Net change in cash	**1.5**	**(4.6)**	**6.1**

The net decrease in cash from operating activities predominantly relates to payments made to SAT in this reporting period amounting to $28.5 million. The proceeds from borrowings represent US$16.3 million drawdown from the loan facility to facilitate the payment for SAT. The cash generated from operations (excluding payments made to SAT) of $25.5 million enabled the Group to repay US$10.0 million of the loan drawdown during the reporting period.

The decrease in the net cash used in investing activities was due to investments in financial assets made in CY23 (predominantly in Argentina) which did not occur in this reporting period. Acquisitions of property, plant and equipment in the current period declined compared to prior period as there was no significant CAPEX that was incurred in current period for tooling development and leasehold improvements. The CAPEX incurred in this reporting period mainly relate to routine assets replacement such as motor vehicles.

Liquidity and funding

At 31 December 2024, the Group held cash of $19.8 million, consistent with the $19.8 million reported at 31 December 2023. Net cash generated during the period was $1.5 million which was offset by loss on exchange rate fluctuations of $1.5 million for the year ended 31 December 2024. The Group maintained strong overall liquidity and balance sheet over the reporting period.

The Group also has a secured bank loan facility of US$50.0 million with Western Alliance Bancorporation (WAB). In this facility, the Company's US-based operating subsidiary, Ainsworth Game Technology Inc., is established as the borrower and party to the relevant credit agreements while its parent entities within the AGT Group of companies, AGT Pty Ltd and Ainsworth Game Technology Limited, serve as guarantors. The Group has drawn down US$6.3 million (AU$10.1 million) from this facility leaving US$43.7 million (AU$70.3 million) available to be drawn as at 31 December 2024. During this reporting period, all financial covenants were met.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

5.3 Earnings and Performance Summary

The Group delivered a statutory net profit after tax of $30.3 million in the twelve months ended 31 December 2024 ("CY24"), compared to the net loss after tax of $6.5 million recorded in the 12 months ended 31 December 2023 ("CY23"). The current year results improved predominately due to the foreign currency gain of $9.6 million recorded in CY24, compared to $21.5 million loss in CY23. The current year profit before tax, excluding the effect of net foreign currency movement was $24.3 million, an increase of $0.2 million compared to CY23.

The following table summarises the results for the year:

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Reported results			
Total revenue	264.1	284.9	(20.8)
Profit before tax	33.9	2.6	31.3
Profit / (loss) after tax	30.3	(6.5)	36.8
EBITDA	58.9	20.1	38.8
EBIT	32.0	(3.7)	35.7
Earnings per share (fully diluted)	9.0 cents	(1.9 cents)	10.9 cents
Underlying results[1]			
Profit before tax	23.2	41.5	(18.3)
Profit after tax	21.8	26.3	(4.5)
EBITDA	48.2	59.0	(10.8)
Balance sheet and cash flow			
Total assets	438.1	418.4	19.7
Net assets	360.6	315.6	45.0
Operating cashflow (including SAT payment)	(3.0)	27.9	(30.9)
Closing cash net of borrowings	9.7	19.4	(9.7)

(1) Underlying results excludes foreign currency impacts and one-off items that are outside the ordinary course of business. These items are outlined as follows.

For personal use only

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Foreign currency gains / (losses)	9.6	(21.5)	31.1
Restructuring costs	(0.9)	–	(0.9)
Impairment of non current assets	(2.1)	(6.1)	4.0
Reversal of provision for Mexican duty and other charges	4.1	–	4.1
GAN exclusivity revenue	–	1.9	(1.9)
Write-down of investments in financial assets	–	(13.2)	13.2
Total currency and one-off items	**10.7**	**(38.9)**	**49.6**

Reconciliation of Underlying Profit after tax

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Profit / (loss) after tax	30.3	(6.5)	36.8
Foreign currency (gains) / losses	(6.5)	16.0	(22.5)
Restructuring costs	0.6	–	0.6
Impairment of non current assets	1.5	5.1	(3.6)
Reversal of provision for Mexican duty and other charges	(4.1)	–	(4.1)
GAN exclusivity revenue	–	(1.5)	1.5
Write-down of investments in financial assets	–	13.2	(13.2)
Profit after tax adjusted for currency and one-off items	**21.8**	**26.3**	**(4.5)**

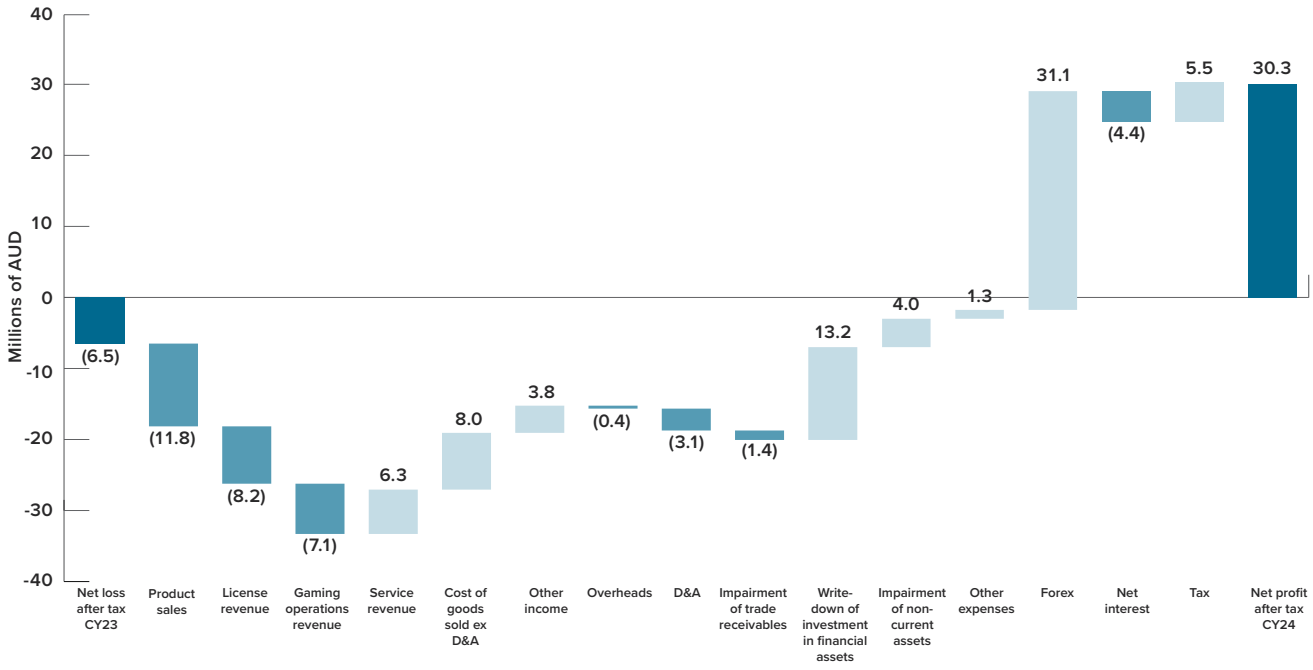
Key earnings and performance highlights are outlined below:

- Reported revenue decreased in CY24 compared to CY23 across Asia Pacific, Latin America and Online regions, the decline in these regions were slightly offset by increase in North America revenue in CY24;
- Rental and participation revenue contributed to 24% of the Group's total revenue;
- Ainsworth's leading Historical Horse Racing ("HHR") products and system continues to incrementally contribute to the Group's results with recurring connection fee of $32.9 million reported in this period;
- The cash position net of borrowings represents $9.7 million at 31 December 2024 compared to $19.4 million at 31 December 2023. The cash position net of borrowings at 31 December 2024 includes a drawdown of $10.1 million from the Group's secured loan facility (nil at 31 December 2023);
- Favourable foreign exchange rate predominately due to the strengthening of USD against the AUD compared to the loss recorded in CY23 relating to the devaluation of investments held in Argentina and strengthening of the Mexican Pesos against USD relating to Mexican Tax Authority ("SAT") provision; and
- Decrease in underlying profit before tax and EBITDA, driven by decrease in revenue and gross margin predominately in Latin America due to the lower sales volume and decrease in online revenue attributable to the expiration of the GAN exclusivity contract in March 2024.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

Net Profit After Tax movement CY23 to CY24 (A$ million)



The Group reported a profit after tax of $30.3 million compared to $6.5 million loss after tax, driven by favourable foreign currency gain and no write-down of investment in financial assets recorded during the current period. Notable movements from NPAT in this period when compared to pcp are set below:

- Decrease in Class III product sales in Latin America and APAC regions;
- Reduction in license revenue for the year due to the termination of exclusivity agreement with GAN in March 2024;
- Reduction in gaming operations revenue contribution from North America for the year due to lower win per day;
- Lower cost of goods sold driven directly by lower revenue for the current period. Gross margin of 61% in CY24 similar to the 62% reported for CY23;
- Favourable profit movement in 2024 due to no write-down recorded for investments in financial assets and a lower impairment of non-current assets recorded in comparison to pcp;
- Favourable foreign exchange rate predominately due to the strengthening of USD against the AUD compared to the loss recorded in CY23 relating to the devaluation of investments held in Argentina and strengthening of the Mexican Pesos against USD relating to Mexican Tax Authority ("SAT") provision; and
- Tax expense of $3.6 million recorded for the current period, reduction on the $9.1 million recognised in pcp.

For personal use only

$'000	2024	2023	2022	2021	2020
Revenue	$264,064	$284,862	$220,157	$159,520	$149,396
Profit / (loss) attributable to owners of the Company	30,319	($6,542)	$16,690	($53,409)	($43,433)
Dividends paid	–	–	–	–	–
Change in share price ($A)	($0.45)	$0.23	($0.28)	$0.83	($0.26)

Profit / (loss) amount for all years as shown above have been calculated in accordance with Australian Accounting Standards Board (AASB). 2024 to 2023 represents the twelve months ended 31 December results, and 2022 to 2020 represents the twelve months ended 30 June financial results (prior to change of financial results). Any restatements outlined in this financial report have been incorporated in the numbers above.

5.4 Review of Principal Businesses

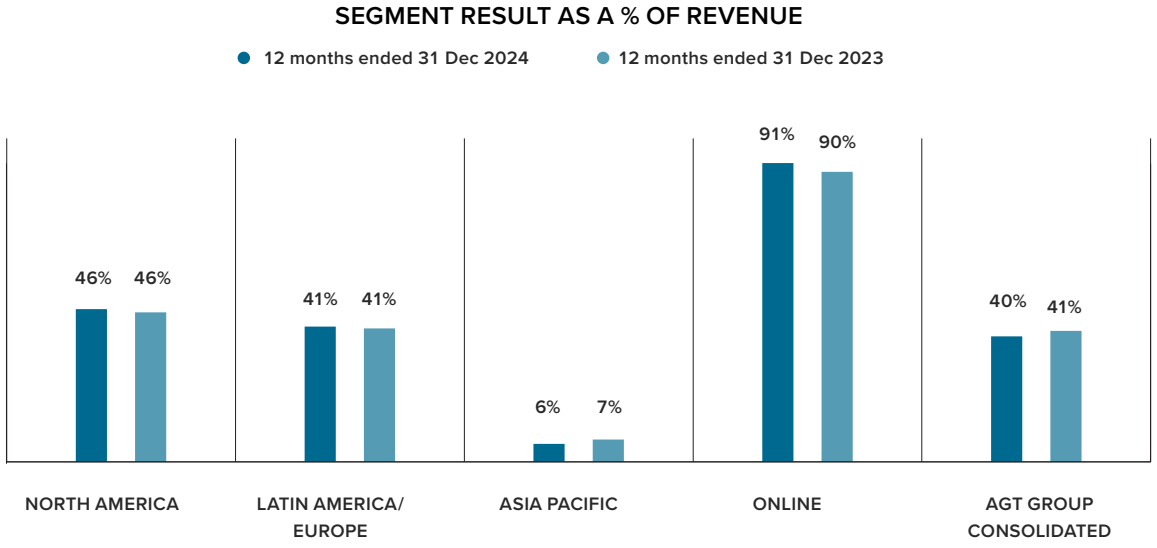
Results in the current period and prior corresponding period are summarised as follows:

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Segment revenue			
Asia Pacific	42.7	48.8	(6.1)
North America	147.0	140.4	6.6
Latin America & Europe	66.8	80.1	(13.3)
Online Gaming	7.6	15.6	(8.0)
Total segment revenue	**264.1**	**284.9**	**(20.8)**
Segment result			
Asia Pacific	2.7	3.4	(0.7)
North America	68.2	65.0	3.2
Latin America & Europe	27.5	33.1	(5.6)
Online Gaming	6.9	14.0	(7.1)
Total segment result	**105.3**	**115.5**	**(10.2)**
Unallocated expenses			
Net foreign currency gains / (losses)	9.6	(21.5)	31.1
Research and development expenses	(49.3)	(45.7)	(3.6)
Administrative expenses	(28.4)	(28.3)	(0.1)
Write-down of investment in financial assets	–	(13.2)	13.2
Impairment of non-current assets	(2.1)	(6.1)	4.0
Other expenses	–	(1.5)	1.5
Total unallocated expenses	**(70.2)**	**(116.3)**	**46.1**
Less : interest included in segment result	(3.1)	(2.9)	(0.2)
EBIT	**32.0**	**(3.7)**	**35.7**
Net interest income	1.9	6.3	(4.4)
Profit before tax	**33.9**	**2.6**	**31.3**
Income tax expense	(3.6)	(9.1)	5.5
Profit / (loss) after tax	**30.3**	**(6.5)**	**36.8**

Note – segment results represent Gross Profit less Sales, Service and Marketing expenses.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)



The Group's consolidated segment result has remained fairly consistent around 40%. The earnings performance in the Americas now represents 91% ($95.7 million) of the total segment result compared to 85% ($98.1 million) in CY23. The uplift in the Americas contribution to the total segment result was a result of North America segment result increasing by $3.2 million and the lower segment contribution from Online Gaming, following the termination of the GAN contract in March 2024. The decrease in Latin America/Europe segment result is due to decrease in sales in Argentina in CY24 compared to CY23 as the Group cautiously navigates through the change in the country's President that occurred in late CY23 and the implementation of new fiscal policies, although improvements have been seen throughout the year, especially in the second half of CY24.

For personal use only

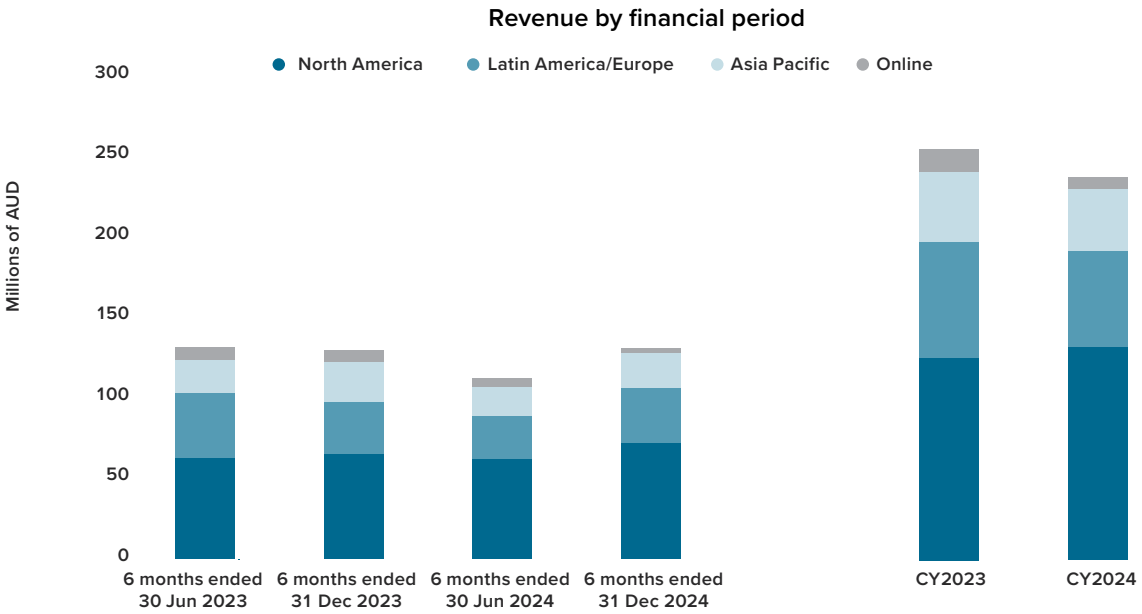
Financial performance in the current period and prior corresponding period is summarised as follows:

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Domestic revenue	39.6	39.8	(0.2)
International revenue	224.5	245.1	(20.6)
Total revenue	**264.1**	**284.9**	**(20.8)**
Cost of sales	(103.8)	(109.6)	5.8
Gross profit	**160.3**	**175.3**	**(15.0)**
Gross profit margin %	61%	62%	(1%)
Other income	4.9	1.1	3.8
Sales, service & marketing expenses	(62.1)	(64.5)	2.4
Research and development expenses	(49.3)	(45.7)	(3.6)
Administrative expenses	(28.4)	(28.3)	(0.1)
(Impairment) / writeback of trade receivables	(0.6)	0.8	(1.4)
Write-down of investment in financial assets	–	(13.2)	13.2
Impairment of non-current assets	(2.1)	(6.1)	4.0
Other expenses	(0.3)	(1.6)	1.3
Net foreign currency gains / (losses)	9.6	(21.5)	31.1
Net interest income	1.9	6.3	(4.4)
Profit before tax	**33.9**	**2.6**	**31.3**
Income tax expense	(3.6)	(9.1)	5.5
Profit / (loss) after tax	**30.3**	**(6.5)**	**36.8**

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

Revenue



Ainsworth's key market, North America, continues to show strong revenue growth contributing $147.0 million which represented 56% of the Group's total revenue, an increase compared to CY23. Historical Horse Racing ("HHR") high performing products continue to positively contribute to revenues within this segment. As at 31 December 2024, a total of 8,898 HHR units were connected to Ainsworth's HHR system generating recurring revenue (31 December 2023: 8,118 units). This increase was predominantly from new openings and expansions in New Hampshire, Virginia, Alabama and Wyoming. Gambler's Gold products (keno and poker-based games) through acquisition of MTD Gaming Inc. in March 2020, have continued to positively contribute to the North America segment profit. During the year, the Group also extended its contract with Golden Route Operations (acquired by J&J Ventures) for exclusive distribution in Montana up to 31 December 2027.

Challenging operating environments in Latin America especially in Mexico (with importation restrictions) and Argentina (challenging economic conditions although improving), impacted this segment's performance in the current year. Revenue from game operations of $22.6 million remained consistent compared to CY23.

Asia Pacific's revenue in the current period dropped compared to CY23. This was mainly driven by the lower sales unit volume within Asia and New Zealand regions due to competitive market conditions. Increased revenue within Australia was seen in H2CY24 compared to H1CY24 due to the successful runout of the A-Star™ 100 cabinet in 2024 in anticipation of the launch of our new Raptor A-Star™ hardware in February 2025.

The termination of the GAN contract in March 2024 impacted the revenue for Online segment with a total reduction of $8.0 million compared to pcp. Revenue from GAN accounts for 31% of the total Online revenue during the current period (pcp: 69%).

Cost of sales and operating costs

Gross profit margin of 61% was maintained in this period compared to CY23 despite decrease in the Group's overall revenue.

Operating costs, excluding cost of sales, other expenses, impairment of trade receivables, and financing costs for the current period were $139.8 million compared to $138.5 million in CY23. These operating costs over total revenue reported were 53%, an increase compared to CY23 driven by higher proportion of fixed cost compared to revenue and increased development costs. The Group continues to implement cost control measures to ensure maximum return on expenditure.

Sales, service and marketing (SSM) expenses in the current period were $62.1 million compared to $64.5 million in CY23. The reduction in SSM expenses is directly attributable to lower variable selling costs predominately warranty expenses, personnel costs which was partly offset by increased royalty expenses during the year.

For personal use only

Research and development (R&D) expenses in the current period were $49.3 million compared to $45.7 million in CY23. Increase in R&D expenses were mainly attributable to personnel costs due to full 12 months expenses reflected in the current year for all studios that were established in late CY2023 and higher external development expenses. The Group's strategic investment in R&D talent remains to be the Group's top priority to ensure Ainsworth remains competitive in the industry, delivering high quality products.

Administration costs were consistent at $28.4 million in the current period compared to $28.3 million in CY23. However, overall reduction in personnel cost within 2024 which was offset by an increase in building costs, IT expenses and professional fees. Cost control initiatives are continually being implemented to ensure that administration costs remain relevant to the Group's overall profitability.

Interest income and expenses

Net interest income was $1.9 million in the current period, compared to $6.3 million in CY23. The interest income in the current period predominantly attributable from interest income received from Latin America customers. The interest income in pcp includes interest income derived from investments held in Argentina which did not occur in the current year.

Interest expenses were $2.1 million in the current period compared to $0.9 million in CY23. The increase in interest expense was driven by the drawdown from debt facility throughout CY24.

Segment review

North America

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Revenue	147.0	140.4	6.6
Gross Profit	100.5	94.8	5.7
Segment EBITDA	81.6	77.3	4.3
Segment Profit	**68.2**	**65.0**	**3.2**
Segment Profit (%)	46%	46%	–

North America segment profit percentage is consistent with CY23, despite an increase in revenue of 5%.

Participation and lease revenue was $40.0 million in the current period compared to $47.1 million in CY23, a 15% decrease. The average fee per day comprising of participation and fixed lease of Class II, III and HHR machines was US$28, a reduction from the US$31 previously reported for twelve months ended 31 December 2023. The drop in performance in Class III installed base affected this fee per day.

There has been a decrease in the total gaming operation units placed under Class II machines at 31 December 2024 (2,116 units) compared to 31 December 2023 (2,272 units), resulted from gaming operation units converted to sale.

High performing HHR products continue to contribute to the revenue growth in this segment. As at 31 December 2024, a total of 8,898 units (31 December 2023: 8,118 units) were installed in various markets on the Group's HHR system, generating recurring connection fees. Additional placements in new and existing New Hampshire, Alabama, Virginia and Wyoming contributed to these additional 780 placements opportunities in this highly profitable market segment.

Ainsworth's Gambler's Gold™ products (poker, keno and video reel content for use in Multi Game and Video Lottery Terminal (VLT) markets) continue to positively contribute to the North America market segment during the year.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

Latin America / Europe

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Revenue	66.8	80.1	(13.3)
Gross Profit	39.3	50.0	(10.7)
Segment EBITDA	29.2	32.3	(3.1)
Segment Profit	**27.5**	**33.1**	**(5.6)**
Segment Profit (%)	41%	41%	–

Due to the challenging macro-economic conditions in Argentina and importations restrictions within Mexico, lower sales revenue was achieved which has affected the profitability within this region. During the current period, a total of 1,752 units were sold compared to 2,264 units in pcp. Also affecting this region was the delay in the launch of the Raptor A-Star™ cabinet in the major markets until September 2024 due to the import restrictions.

Segment profit (%) remained consistent with pcp, despite a reduction of revenue in the current period. Cost control initiatives within sales, service and marketing assisted in maintaining the 41% segment profit.

As at 31 December 2024, 3,856 game operations units were installed compared to 4,132 units at 31 December 2023. The decrease in machines placed under participation and lease were driven by machines converted to sale during the current period. The demand continues to grow for the A-Star™ range of cabinets, coupled with high performing game titles such as San Fa™, Xtension Link™ and Multi-Win™ Games.

Asia Pacific

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Revenue	42.7	48.8	(6.1)
Gross Profit	12.9	14.9	(2.0)
Segment EBITDA	3.2	4.1	(0.9)
Segment Profit	**2.7**	**3.4**	**(0.7)**
Segment Profit (%)	6%	7%	(1%)

This segment delivered revenue of $42.7 million in the current period, a $6.1 million decrease from CY23 of $48.8 million. Limited and poor product performance and competitive performance from other manufacturers affected this segment's profit.

The low segment profit (%) for Asia Pacific of 6% in the current period was a result of ongoing fixed cost base with lower revenue contribution and weakening of AUD against USD adversely impacting costs of productions and gross profit which contributed to the drop in segment profit in the current period.

For personal use only

Online

In millions of AUD	12 months ended 31 Dec 2024 (Current period)	12 months ended 31 Dec 2023 (PCP)	Current period vs PCP
Revenue	7.6	15.6	(8.0)
Gross Profit	7.6	15.6	(8.0)
Segment EBITDA	6.9	14.0	(7.1)
Segment Profit	**6.9**	**14.0**	**(7.1)**
Segment Profit (%)	91%	90%	1%

Online revenue decreased during the current period to $7.6 million compared to $15.6 million in the pcp. This decrease is due to the termination of the 5-year exclusivity agreement with GAN at 31 March 2024. Higher revenue was also recorded in pcp due to the acceleration of revenue resulting from contract modification due to amendment on the GAN distribution agreement on 29th March 2023 as disclosed in the Annual Report for 12 months ended 31 December 2023.

5.5 Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial year.

5.6 Environmental Regulation

The Company assembles gaming machines and systems in Australia, North America, and Latin America. The Company uses limited amounts of harmful chemicals in its assembly process. The Company is not subject to any particular or significant environmental legislation under the laws of the Commonwealth, State or Territory of Australia or in any of the other jurisdictions that the Group operates in. While the Company is not required to register and report under the National Greenhouse and Energy Reporting Act 2007 (Cth) (NGER Act), it continues to receive reports and monitors its position to ensure compliance with the NGER Act.

In addition, Ainsworth Game Technology is committed to being compliant with all applicable environmental laws and regulatory obligations relevant to its operations and has policies and procedures in place that are designed to ensure that those obligations are identified and appropriately addressed. Ainsworth is committed to regularly reviewing and assessing any potential exposures to environmental regulations and ensuring meaningful contributions towards sustainable developments are being maximised and addressed accordingly.

During this financial year, the Company has not been prosecuted, is not subject to any proceedings, and has not been convicted of any significant breaches of environmental regulations. The Directors are not aware of any breaches of any environmental legislation or any significant environmental incidents during the financial year.

5.7 Risk management and material risks

The Group encounters a range of risks that may threaten its ability to meet its objectives.

To address these risks the Group has in place a detailed risk management procedures that detail the objectives and actions required to deliver a best practice approach to integrating risk management into the Group's leadership, business planning, staff culture and day-to-day operations.

Key responsibility for ensuring the Group adheres to its risk management procedure rests with the Board and the Group's Audit and Risk Committee.

The Audit and Risk Committee reviews the risks identified and assessed by management. The key risks identified during this process of review are provided to the Board.

Below is a table that summarises the key risks that have been identified by the Group, along with a summary of the required actions to reduce the likelihood or the consequences for the business should any of these risks eventuate.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

Risk	Description	Mitigation Measures
Breach of laws, regulations, and license conditions	Any material breach or failure to meet gaming compliance requirements and the requirements of any other applicable laws may have an adverse impact on the financial performance and operating position of the Group.	The Group maintains regulatory compliance oversight across all business functions so the Group's dealings with government, regulatory bodies, customers and suppliers are conducted lawfully and with integrity and respect for relevant stakeholders. Internal auditor periodically reviews and provides independent assessments regarding the adequacy of controls and processes for managing risk and compliance obligations. Employees and managers are provided with training and support to enable them to effectively manage their risk and compliance obligations. The Group periodically reviews its policies and procedures to ensure they support the objective of ongoing compliance with all applicable laws. A recent review of these policies and procedures identified a requirement for greater oversight of the Group's activities in higher risk jurisdictions. The outcome of this review is on-going to ensure actions to mitigate identifiable risks have been addressed.
The introduction of new laws, regulations or requirements that result in adverse outcomes	Changing community attitudes towards gaming risk, the occurrence of adverse government or regulatory action against the Group or the gaming industry.	Proactive support by the Group for measures supported by evidence as to their effectiveness that promote responsible game play. Engagement through the manufacturer peak body, the Gaming Technologies Association Limited, with governments, regulators and academics/ researchers in the development of evidence-based policy outcomes.
Attraction and retention of talented employees	The Group has experienced heightened competition for talent in all areas of operation. This has been exacerbated by inflationary impacts and evolving employee requirements, placing the Group at risk of losing employees particularly those employees that hold strategically important functions that are difficult to replace.	The Group continually conducts employee salary and incentive benchmarking across all core functions. The Group allows adoption of flexible work policies. Adopting a mix of employee rewards and incentives that are directed towards long-term employee retention. There is also increased investment in employee training and leadership development.
Global supply chain disruption	Global supply chain challenges have the potential to impact the Group's operations in all major markets and cause customer order fulfillment delays.	The Group is continually identifying and where feasible the use of domestically based suppliers, or identifying alternate or additional suppliers of the same or similar components. Ongoing engagement with key suppliers to strengthen relationships and ensure delivery commitments are met. Enhancement of business resilience measures.

For personal use only

Risk	Description	Mitigation Measures
Cyber security breach resulting in business disruption and financial loss	The Group's businesses rely on the successful operation of its technology infrastructure. This infrastructure may be adversely affected by various factors including malicious attacks on technology systems or a significant hardware, software, or digital failure.	The Group has policies, procedures, practices, frameworks, and resources in place to manage data security risks. The Group has disaster recovery plans and business continuity plans in place to manage major technology failures. The Group has implemented a global cyber security protection roadmap. It continues to rollout best practice global cybersecurity tools and data breach identification and protection measures. All employees are required to undertake an ongoing global information security training program to minimise the risk of human error (the main cause of cyber security attacks).
Loss of IP rights	Inability to protect the Group's intellectual property rights (IPR) may prevent the Group from effectively differentiating its product lines from those of its competitors, resulting in a loss of competitive advantage.	Proactive monitoring of competitor activities via product monitoring and the "watching" of competitor IP registrations in core markets. Targeted enforcement of IPR breaches where identified. Ongoing investment in the skills and capabilities of the Group's IPR specialist employees.
Litigation risks	From time to time the Group may become involved in litigation and disputes with third parties.	The Group maintains on staff specialist legal compliance and regulatory personnel and implements risk, compliance and contract management processes.
Foreign currency exposure	The Group is exposed to foreign currency exchange rates due to the economic and political uncertainties in the LATAM region where the group operates in.	The Group proactively monitors the foreign currency fluctuation and implements hedging strategies to mitigate this risk.
Market disruption and competition	A failure to adequately respond to market disruption and rising competition in any or all core markets will impact the Group's market share and revenues.	The Group has recruited leading industry talent as part of its increased investment in its global and regional design and development function. The Group undertakes regular and ongoing reviews of customer requirements, technology changes and competitor activities. The Group has established management KPIs and incentives that support the development of innovative and differentiated product lines in all global markets.

While the above key risks represent those risks that may have a significant impact on the Group's performance or reputation, there are also emerging risks that have been identified driven by changes in external macro environment and may be rapidly developing, difficult to quantify or still too uncertain to consider as a risk to the Group as of today, but may have a major impact on our business in future. These emerging risks include:

- Political pressures and uncertainty such as introduction of tariffs and importation restrictions;
- Regulatory changes, uncertainty and scrutiny across the core markets the Group operates;
- Macro-economic pressures including fiscal and monetary policies;
- Competitive landscape such as further industry consolidation;
- Changing customer and societal expectations, trends and demographics;
- Environmental changes including climate change and natural or human caused disasters; and
- Technological change, particularly the pace of creation and adoption of new technologies.

For personal use only

5. OPERATING & FINANCIAL REVIEW (continued)

5.8 Impact of Legislation and other external requirements

The Group continues to work with regulatory authorities to ensure that the necessary product approvals to support its operations within global markets are granted on a timely and cost-effective basis. The granting of such licenses will allow the Group to expand its operations. The Group aims to conduct its business worldwide in jurisdictions where gaming is legal and commercially viable.

Accordingly, the Group is subject to licensing and other regulatory requirements of those jurisdictions.

The Group's ability to operate in existing and new jurisdictions could be adversely impacted by new or changing laws or regulations and delays or difficulties in obtaining or maintaining approvals and licenses.

6. DIVIDENDS

No dividends were declared and paid by the Company for the year ended 31 December 2024 (31 December 2023: nil)

7. EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the situation of the Group, in future financial years.

8. LIKELY DEVELOPMENTS

The Group continues to navigate through the volatile global operating environments including challenging economic conditions and political instability. Development initiatives previously implemented have been progressed to ensure the necessary product approvals, helping to achieve improved product performance and financial improvement in future periods as markets recover.

Further execution of strategies in online gaming markets with extensions of partnerships with top performing social game providers and the launch of our US based remote gaming server in North America are expected to provide complementary revenue gains within online social and "Real Money" gaming segments in future periods. This strategy is aimed at achieving increased market share in selected geographical business sectors to positively contribute to Group results in future financial years.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

9. DIRECTORS' INTERESTS

The relevant interest of each director in the shares and rights over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the Australian Stock Exchange ("ASX") in accordance with S205G (1) of the *Corporations Act 2001*, at the date of this report is as follows:

	Ainsworth Game Technology Limited	
	Ordinary Shares	Share Options/ Performance Rights over Ordinary Shares
Current		
Mr DE Gladstone	174,765	–
Mr GJ Campbell	389,241	–
Ms HA Scheibenstock	15,344	–
Dr HE Asenbauer	–	–
Former		
Mr CJ Henson	135,189	–

For personal use only

10. PERFORMANCE RIGHTS

10.1 Unissued Shares under Performance Rights

As at 31 December 2024, unissued ordinary shares of the Group under performance rights were:

Expiry Date	Instrument	Exercise Price	Number of Shares
24 June 2027	Performance Rights	$nil	7,700,000
01 March 2028	Performance Rights	$nil	250,000
Total			**7,950,000**

There are no other shares of the Group under share options/performance rights and holders of these instruments are not entitled to participate in the same rights as ordinary shareholders unless the instruments vest and are exercised.

Further details about share-based payments to directors and Key Management Personnel ("KMPs") are included in the Remuneration Report in Section 15.

10.2 Shares issued on Exercise of Options/Performance Rights

During or since the end of the financial year, no ordinary shares of the Company have been issued as a result of the exercise of options or performance rights.

11. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

11.1 Indemnification

The Group has agreed to indemnify current and former directors of the Group against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Neither the Group nor Company have indemnified the auditor in relation to the conduct of the audit.

11.2 Insurance Premiums

Since the end of the previous financial year, the Company has paid insurance premiums in respect of directors' and officers' liability and legal expenses' insurance contracts, for current and former directors and officers, including senior executive officers of the Company and directors, senior executives, and secretaries of its controlled entities.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses contracts, as such disclosure is prohibited under the terms of the contract.

12. NON-AUDIT SERVICES

During the year Deloitte Touche Tohmatsu, the Group's auditor, has performed certain other services in addition to the audit and review of the financial report.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit and risk committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the audit and risk committee to ensure they do not impact the integrity and objectivity of the audit; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

For personal use only

12. NON-AUDIT SERVICES (continued)

Details of the amounts paid to the auditor of the Group, Deloitte Touche Tohmatsu, and its network firms for audit and non-audit services provided during the year are set out below:

	2024 $
Services Other than Audit and Review of Financial Report:	
Deloitte Touche Tohmatsu related practices	
In relation to taxation and other services	520,161
Deloitte Touche Tohmatsu Australia	
Audit and Review of Financial Report	745,000
Total paid/payable to Deloitte Touche Tohmatsu	**1,265,161**

13. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 127 and forms part of the directors' report for the financial year ended 31 December 2024.

14. ROUNDING OFF

The Group is of a kind referred to in *ASIC Corporations (Rounding in financial/directors' report) Instrument 2016/191* and in accordance with that Instrument, amounts in the consolidated financial reports and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

15. REMUNERATION REPORT

Message from the Chairperson of the Remuneration and Nomination Committee

On behalf of the Remuneration and Nomination Committee (RNC) and with the authority of the Board of Directors, I provide the Remuneration Report for the twelve months ended 31 December 2024 ("current period"). I have been a member of the RNC since December 2022 and was pleased to assume the role as Chairperson, effective 1 October 2024, following the departure of the former chair, Mr Colin Henson.

Our overall headcount as at 31 December 2024 remained relatively consistent at 542 employees (31 December 2023: 555 employees), with an overall increase in those domiciled in the Americas to 62% and a compensating reduction to 38% for those within Australia. This change reflects the respective revenue contributions and growth opportunities within these markets. During the current period we have continued to undertake a focused approach to recruitment practices to enable the Company to attract and secure new talent and ensure retention of executives in key critical positions, primarily within operational and product development areas.

The 2024 Annual General Meeting (AGM) held on 29 May 2024, for the previous twelve months ended 31 December 2023, resulted in the approval of the Remuneration Report with 9.68% of shareholders voting against the adoption of the resolution. The Company and RNC continues to pro-actively engage with its shareholders and investors to discuss any concerns, ensuring feedback can maintain a robust remuneration framework to achieve the objectives established by the Company. This includes measures to ensure the recruitment of new employees and the motivation, retention, and reward for personnel are in alignment with Company financial targets and established objectives. The RNC has available, the services of independent remuneration consultants when considered appropriate, to provide comparative benchmarking and industry practices against remuneration assessments as well as the consideration of available proxy service reports on remuneration structures to ensure alignment with shareholder interests.

The primary objective of the RNC to ensure remuneration structures including Fixed Remuneration (FR), Short-Term Incentives (STI) and Long-Term Incentives (LTI) are aligned to appropriate financial objectives and increasing shareholder wealth.

The Committee's approach to remuneration structures monitors and focuses on the following:

- to align executive remuneration with the Group's business strategy;
- to support, retain and motivate our people by providing competitive rewards; and
- to retain and recruit new employees and promote the appropriate environment to increase the technical and innovative capabilities across the Group.

For personal use only

The remuneration of key executives is fully aligned to our key business objectives listed in section 15.2 which underpin our remuneration structures, including STI and LTI compensation programs.

The following measures undertaken by the RNC in the current period (as approved by the Board of Directors) included:

- Review of non-executive directors' fees and associated Board committee fees was undertaken in the current period. These fees were last reviewed and adjusted in 2014 and it was considered appropriate given current fees of comparable companies and the onerous regulatory requirements Company directors were required to comply with under the numerous global gaming licenses maintained. The review resulted in fees (base and committee) being increased by 5.0% effective 1 July 2024 and are provided in section 15.4. Non-executive directors' fees for the current period were $767,752 a reduction of 2% on the prior corresponding period primarily due to the reduction in Board members from 5 to 4 for a portion of the year despite the increase provided in the current period;
- The on-going review of Key Management Personnel (KMP) executive remuneration compared to market comparison benchmark levels was performed in the current period. This review resulted in a 10% salary increase being awarded to the Chief Executive Officer (CEO) effective 1 January 2024 and took into consideration that no increase had occurred since his initial appointment on 1 October 2021. No increases were awarded to other executive KMP's in the current period following the organisational structure changes and related increases which previously occurred, including the relocation of the Chief Financial Officer (CFO) role to Las Vegas. In addition to base salary and benefits the CFO also received a temporary allowance to assist with relocation for the first twelve-month period of residence in Las Vegas which expired in the current period;
- The RNC confirmed that for the current period salary increases of approximately 3.0% were provided to employees effective 1 February 2024 across the Group under specific eligibility criteria, which included performance related assessments. This increase excluded all KMP's (including the Board Directors who were reviewed separately as detailed above) and senior executives who participated in STI and LTI plans, to ensure retention and assist employees with inflationary effects experienced in cost-of-living pressures;
- The STI plan for senior executives established for the 2024 calendar year was aligned and dependant on the achievement of minimum financial targets approved by the Board of Directors. These financial targets were not achieved in the current period, and it was determined that no STI amounts were awarded to participants as detailed in the enclosed Remuneration Report for KMP's;
- The RNC continually undertakes a comprehensive review of KMP's compensation arrangements, including the structure and terms of any further grants under LTI plans to ensure retention and that current remuneration levels compared to comparable companies are reflective of current industry and market conditions; and
- The LTI grants either in place or changes during the current period are summarised below:
  - The LTI grant during FY22 and on 1 March 2023 whereby performance rights were granted under the Rights Share Trust (RST) to eligible executive KMP's and senior executives were tested on both the first (30 June 2024) and second vesting dates (31 December 2024). It was determined that the performance conditions were not met at these respective vesting dates and as such any entitlement would be subject to re-testing on the final vesting date of 30 June 2025. Under the LTI conditions should the higher performance hurdle be achieved when re-tested on the final vesting date of 30 June 2025 previous tranches will also vest accordingly. These performance rights were granted with a nil exercise price however are dependent on service conditions, vesting conditions and share price hurdles at each vesting date.

  The vesting and share price hurdles on the above current LTI grant are detailed in Section 15.1 (e).

Remuneration strategies will be continually reviewed to ensure they align with Board objectives over the coming 2025 year.



HA Scheibenstock
Chairperson, Remuneration and Nomination Committee

Directors' Report (continued)

for the year ended 31 December 2024

For personal use only

Contents

15.1	Remuneration Framework	49
	(a) Fixed Compensation	49
	(b) Performance Linked Compensation	49
	(c) Short-term Incentive Bonus	50
	(d) Non-Financial KPI's	50
	(e) Long-term Incentive	50
	(f) Short-term and Long-term Incentive Structure	50
	(g) Other Benefits	51
15.2	Linking the Remuneration Framework to Business Outcomes	51
	(a) Consequences of Performance on Shareholder Wealth	51
15.3	Service Contracts	51
15.4	Non-Executive Directors	52
15.5	Services from Remuneration Consultants	52
15.6	Directors' and Executive Officers' Remuneration	53
15.7	Analysis of Bonuses included in Remuneration	55
15.8	Equity Instruments	55
	(a) Rights over equity instruments granted as compensation	55
	(b) Modification of terms of equity-settled share-based payment transactions	55
	(c) Exercise of rights granted as compensation	55
	(d) Details of equity incentives affecting current and future remuneration	55
	(e) Analysis of movements in equity instruments	56
	(f) Rights over equity instruments	56
	(g) Movements in shares	57

For personal use only

15.1 Remuneration Framework

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, strategic directing and controlling the activities of the Group, directly or indirectly, including directors of the Company and other executives. Key management personnel comprise of the directors of the Company and senior executives for the Group that are named in this report.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The RNC regularly reviews market conditions and surveys on the appropriateness of compensation packages of the Group given trends in comparative companies both locally and internationally, and the objectives of the Group's compensation strategy. In addition, independent remuneration consultants are used when considered appropriate to assist the RNC to determine and advise on compensation levels given changes in market conditions.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures consider:

- the capability and experience of the key management personnel;
- the key management personnel's performance against Key Performance Indicators (KPIs) and individual contributions to the Group's performance; and
- the Group's performance including:
  - revenue and earnings;
  - growth in share price and delivering returns on shareholder wealth; and
  - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation and short-term and long-term performance-based incentives.

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel and contributes to post-employment defined contribution superannuation plans on their behalf.

(a) Fixed Compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any Fringe Benefits Tax (FBT) charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the RNC through a process that considers individual, segment and overall performance of the Group. In addition, market surveys are obtained to provide further analysis to ensure the directors' and senior executives' compensation is competitive in the marketplace. A senior executive's compensation is also reviewed on promotion and performance under the overall financial performance of the Group.

This review determined that the CEO, Mr HK Neumann had not received an increase since his initial appointment to the role on 1 October 2001 and given a comparison to comparable companies an increase of 10% was appropriate. The increase was effective from 1 January 2024 and has been reflected in disclosures within section 15.6. Given organisational structure changes and increased global responsibilities previously implemented in the prior corresponding period no other increases were awarded to executive key management personnel in the current period.

The review in CY24 undertaken by the RNC of fixed compensation levels assisted to determine an appropriate mix between fixed and performance linked compensation for senior executives of the Group. This confirmed that no increases, apart from significant changes to roles and responsibilities, would be provided to either executive KMP's or senior executives, apart from the CEO as noted above, who were recipients under the previous grant of performance rights on 24 June 2022 and 1 March 2023 under LTI Plans.

(b) Performance Linked Compensation

Performance linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The STI is an 'at risk' bonus provided in the form of cash, while the LTI is provided as performance rights or share options over ordinary shares of the Company under the rules of the Employee Share Plans.

A review was undertaken by the RNC to determine and assess current performance linked compensation arrangements - STI and LTI plans. This review was evaluated by the Board to determine appropriate remuneration levels taking into consideration the Group's growth objectives, industry specific and market considerations, and related retention of key employees.

The appropriate mix between fixed and performance linked compensation determined by the RNC and the Board as an objective, which is taken into consideration in establishing incentive plans (STI and LTI), is to achieve 60% fixed and 40% performance linked. The current period for executive KMP's (excluding directors) reflected 62% fixed and 38% performance linked after incorporation of potential STI entitlements should the performance criteria be achieved and any temporary benefits for relocation which the CFO received.

For personal use only

15. REMUNERATION REPORT (continued)

15.1 Remuneration Framework (continued)

(c) Short-term Incentive Bonus

Each year the RNC determines the objectives and KPIs of the executive key management personnel. The KPIs generally include measures relating to the Group, the relevant segment, and the individual, and include financial, people, customer, compliance, strategy, and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

The performance targets for CY24 were reviewed against established financial targets and the RNC determined that no STI awards were to be provided for executive key management personnel or senior executives based on the non-achievement of the established financial targets. These financial targets were set for the current period based on the Board approved budgeted "Profit before Tax", excluding currency movements, and identified one-off items which included non-cash impairments on the Group's Cash Generating Units.

(d) Non-Financial KPI's

The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety measures, and compliance with established regulatory processes, customer satisfaction and staff development. These non-financial objectives are evaluated under the Group's performance management process to determine the award of STI amounts for exceptional performance for Group employees, excluding KMP's and senior executives where STI awards are solely on achievement of financial targets.

(e) Long-term Incentive

The plans currently in place are identified below:

Performance Rights

In CY22 and on 1 March 2023, the Group granted to eligible employees and executives the opportunity to participate in the grant of performance rights over ordinary shares in Ainsworth Game Technology Limited, under the Ainsworth Game Technology Limited Rights Share Trust (RST). These grants were under the same conditions, including vesting dates and share price hurdles despite being granted on separate dates. The performance rights were granted at nil consideration or exercise price however are dependent on service conditions, vesting conditions and share price performance hurdles. The performance rights convert to ordinary shares of the Company on a one-for-one basis with no voting or dividend rights until this conversion.

The performance hurdles and vesting conditions for this plan are as follows:

	Performance Hurdles	Vesting Conditions
Tranche 1	The VWAP for 20 consecutive trading days preceding to 30 June 2024 is equal or greater than A$2.00.	25% will vest if performance hurdle is met on 30 June 2024.
Tranche 2	The VWAP for 20 consecutive trading days preceding to 31 December 2024 is equal or greater than A$2.40.	25% will vest if performance hurdle is met on 31 December 2024.
Tranche 3	The VWAP for 20 consecutive trading days preceding to 30 June 2025 is equal or greater than A$2.76.	50% will vest if performance hurdle is met on 30 June 2025.

The performance rights granted are cumulative whereby should the performance hurdles not be met at the respective vesting dates, the grant relating to these tranches will be re-tested at the next applicable performance vesting date, subject to the achievement of the higher performance conditions. If the higher performance conditions at the end of the next applicable performance period are satisfied, then the performance rights for the current performance period and any non-vested share options from prior periods will vest. The final vesting date of 30 June 2025 requires the achievement of the performance hurdle at this vesting date for the vesting of the earlier Tranches 1 and 2 and if not achieved all performance rights under the LTI grant will lapse. The measurement of Tranches 1 and 2 resulted in the performance hurdle not being met and no performance rights vested. As noted above, the final vesting date of 30 June 2025 will be tested to determine any entitlement of performance rights under the LTI grant.

Upon cessation of employment prior to any applicable vesting dates, these performance rights will be forfeited and lapse. The performance rights do not entitle the holder to dividends that are declared during the vesting period.

(f) Short-term and Long-term Incentive Structure

Given the highly competitive nature of the gaming industry and to ensure retention of key employees, the RNC has and continues to consider performance linked remuneration is appropriate.

The short-term and long-term incentive plans are ongoing to ensure an appropriate mix of performance-based compensation which are aligned to Board and shareholder interests.

For personal use only

(g) Other Benefits

Key management personnel receive additional benefits such as reimbursements and non-monetary benefits, as part of the terms and conditions of their appointment. These benefits typically include payment of relocation allowances and provision of motor vehicle benefits, including the applicable fringe benefits tax on these benefits.

15.2 Linking the Remuneration Framework to Business Outcomes

In the RNC Chairperson's introduction to the Remuneration Report, we indicated that the key business objectives will underpin future remuneration structures. The objectives are:

- invest in product development to create a diverse and creative product offering to increase market share in global markets;
- improve the Group's performance through revenue and earnings growth in domestic and international markets;
- improve cash flows through reduction in working capital investment and maintain a strong balance sheet to support growth and deliver value; and
- maintain a strong focus on best practice compliance throughout the Group in adherence to gaming laws and regulations.

The following remuneration structures are considered by the RNC to achieve these business objectives:

- short-term incentives that measure and reward increased market share in selected global markets, adherent to the Good Governance and Compliance with Gaming Laws and Regulations;
- long-term incentives that measure and reward revenue and earnings growth in domestic and international markets, as well as the strengthening of the Balance Sheet and using Capital Investment Targets; and
- the objective of these incentive programs is to increase shareholder value for investors and key management stakeholders.

(a) Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the RNC have regard to the following indices in respect of the current financial year and the previous four financial years. Profit Before tax (PBT) and Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) on a global and regional basis are considered as financial performance targets in setting the short-term incentive bonus. Profit / (loss) amounts for 2020 to 2024 have been calculated in accordance with Australian Accounting Standards.

$'000	2024	2023	2022	2021	2020
Revenue	$264,064	$284,862	$220,157	$159,520	$149,396
Profit/(loss) attributable to owners of the Company	$30,318	($6,542)	$16,690	($53,409)	($43,433)
Dividends paid	–	–	–	–	–
Change in share price ($A)	**($0.45)**	**$0.23**	**($0.28)**	**$0.83**	**($0.26)**

2024 to 2023 represents the twelve months ended 31 December financial results and 2022 to 2020 represents the twelve months ended 30 June financial results which were impacted by the pandemic.

15.3 Service Contracts

It is the Group's policy that service contracts for KMP's and key employees have no fixed term but capable of termination by either party on periods 3 to 6 months' notice and that the Group retains the right to terminate the contracts immediately, by making payment equal to the notice period. However, in the event of removal for misconduct as specified in their service contract, KMP's have no entitlement to a termination payment.

The Group has service contracts with each key management personnel that provide for the payment of benefits where the contract is terminated by the Group. The key management personnel are also entitled to receive on termination of employment any applicable medical benefits and statutory entitlements, if applicable, of accrued annual and long service leave, together with any accrued superannuation.

The service contracts outline the components of remuneration paid to the key management personnel but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to consider market conditions, cost-of-living changes, any change in the scope of the role performed by the senior executive, retention of key personnel and any changes required to meet the principles of the remuneration policy.

Mr Harald Neumann was appointed as Chief Executive Officer (CEO) on 1 October 2021 and his contract specifies the duties and obligations to be fulfilled by the CEO and provides that the Board and CEO will agree on Group's objectives for achievement for each relevant period.

For personal use only

15. REMUNERATION REPORT (continued)

15.3 Service Contracts (continued)

Other key provisions of the service agreements relating to KMP's are outlined as below:

Executives	Notice to be given by Executive	Notice to be given by the Group	Termination Payment	Post-employment restraint
Mr H Neumann	6 Months	6 Months	6 Months (fixed remuneration)	6 Months
Ms L Mah	6 Months	6 Months	6 Months (fixed remuneration)	6 Months
Mr R Comstock	6 Months	6 Months	6 Months (fixed remuneration)	6 Months

15.4 Non-Executive Directors

Total compensation for all non-executive directors, last voted upon by shareholders at the 2012 Annual General Meeting, is not to exceed $850,000 per annum, with effect from 1 July 2012. Following the review undertaken, non-executive director's fees were last assessed in 2014 and based on current market levels for comparable companies, demands and responsibilities associated with their roles and the global nature of the Group's operations within a highly regulated environment to ensure the Board is appropriately compensated. Other independent non-executive directors who also chair or are a member of a sub-committee receive a supplementary fee in addition to their annual remuneration.

Directors' base fees are presently $126,000 per annum (excluding superannuation) and was increased by 5% effective 1 July 2024 following a review undertaken. The fees paid to non-executive directors reflect the demands and responsibilities associated with their roles and the global nature of the operations within the highly regulated environment within which the Group operates. Fees incorporate an allowance for the onerous probity requirements placed on non-executive directors by regulators of the jurisdictions in which the Group operates or proposes to operate in. In addition to these fees the cost of reasonable expenses is reimbursed as incurred.

There was an increase in non-executive compensation in the current period as outlined above, including Board and Committee fees as well as changes to statutory superannuation contribution rates.

Non-executive directors do not participate in performance related compensation and are not provided with retirement benefits apart from statutory superannuation.

The CEO and Company Secretary do not receive any additional fees for undertaking Board or Committee responsibilities.

POSITION	$ (per annum)
Base Fees	
Chair of Board	262,500
Australian Resident Non-executive Director	126,000
Additional Fees	
Chair of Audit and Risk Committee	21,000
Chair of Regulatory and Compliance Committee	25,200
Chair of Remuneration and Nomination Committee	12,600
Member of Audit and Risk Committee	12,600
Member of Regulatory and Compliance Committee	15,750
Member of Remuneration and Nomination Committee	8,400

15.5 Services from Remuneration Consultants

The RNC utilises as necessary the services of an independent remuneration consultant, to assist the RNC review and evaluate remuneration practices of the Group. No amounts were provided or paid in the current period to remuneration consultants.

For personal use only

Directors' Report (continued)

for the year ended 31 December 2024

15.6 Directors' and Executive Officers' Remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company, and other key management personnel of the consolidated entity are:

		Short-term				Post-Employment	Other Long-term Benefits		Share-based payments			
In AUD		Salary & fees $	STI cash bonus (A) $	Reimbursements and non-monetary benefits $	Total $	Super-annuation benefits $	(C) $	Termination benefits $	Rights (B) $	Total $	Proportion of remuneration performance related-STI %	Proportion of remuneration performance related share based payments %
Non-executive Directors												
Current												
Mr GJ Campbell	Current Period	151,700	–	–	151,700	17,111	–	–	–	168,811	–	–
	31/12/2023	148,000	–	–	148,000	15,910	–	–	–	163,910	–	–
Mr DE Gladstone	Current Period	274,850	–	–	274,850	30,968	–	–	–	305,818	–	–
	31/12/2023	262,000	–	–	262,000	28,165			–	290,165	–	–
Ms HA Scheibenstock	Current Period	135,400	–	–	135,400	15,251	–	–	–	150,651	–	–
	31/12/2023	128,000	–	–	128,000	13,760	–	–	–	141,760	–	–
Dr HE Asenbauer[1] (Appointed on 22 March 2023)	Current Period	–	–	–	–	–	–	–	–	–	–	–
	31/12/2023	–	–	–	–	–	–	–	–	–	–	–
Former												
Mr CJ Henson (Resigned effective 30 September 2024)	Current Period	128,100	–	–	128,100	14,372	–	–	–	142,472	–	–
	31/12/2023	168,000	–	–	168,000	18,060	–	–	–	186,060	–	–
Sub-total Non-executive Directors' Remuneration	Current Period	690,050	–	–	690,050	77,702	–	–	–	767,752	–	–
	31/12/2023	706,000	–	–	706,000	75,895	–	–	–	781,895	–	–

[1] Dr Haig Asenbauer does not receive any compensation.

For personal use only

Directors' Report (continued)

for the year ended 31 December 2024

15. REMUNERATION REPORT (continued)

15.6 Directors' and Executive Officers' Remuneration (continued)

		Short-term				Post-Employment	Other Long-term Benefits		Share-based payments			
In AUD		Salary & fees $	STI cash bonus (A) $	Reimbursements and non-monetary benefits $	Total $	Superannuation benefits $	(C) $	Termination benefits $	Rights (B) $	Total $	Proportion of remuneration performance related-STI %	Proportion of remuneration performance related share based payments %
Executives												
Current												
Mr HK Neumann *Chief Executive Officer (CEO)*	Current Period	999,394	–	10,979	1,010,373	–	–	–	306,763	1,317,136	–	23%
	31/12/2023	902,527	276,000	10,907	1,189,434	–	28,816	–	370,706	1,588,956	17%	23%
Mr R Comstock *Chief Operating Officer (COO)*	Current Period	529,982	–	25,465	555,447	26,266	–	–	76,691	658,404	–	12%
	31/12/2023	526,474	138,000	28,343	692,817	25,465	18,337	–	93,948	830,567	17%	11%
Ms L Mah *Chief Financial Officer (CFO)*	Current Period	529,982	–	151,407	681,389	73,699	8,833	–	21,912	785,833	–	3%
	31/12/2023	393,860	138,000	26,825	558,685	48,851	31,210	–	27,496	666,242	21%	4%
Executives												
Former												
Mr D Bollesen *Chief Technology Officer (CTO)*	Current Period	163,016	–	–	163,016	30,032	12,540	210,000	29,816	445,404	–	7%
	31/12/2023	340,000	207,000	–	547,000	59,320	26,154	–	79,437	711,911	29%	11%
Total Executive's Remuneration	Current Period	2,222,374	–	187,851	2,410,225	129,997	21,373	210,000	435,182	3,206,777	–	14%
	31/12/2023	2,162,861	759,000	66,075	2,987,936	133,636	104,517	–	571,587	3,797,676	20%	15%
Total Director's & Executive Officers Remuneration	Current Period	2,912,424	–	187,851	3,100,275	207,699	21,373	210,000	435,182	3,974,529	–	11%
	31/12/2023	2,868,861	759,000	66,075	3,693,936	209,531	104,517	–	571,587	4,579,571	17%	12%

For personal use only

Notes in Relation to the Table of Directors and Executive Officer– Remuneration

A. No STI's were awarded for the 12-month period ended 31 December 2024 financial year, (refer 15.7 below) as the financial targets established were not achieved.

B. The fair value of performance rights granted is calculated at the date of grant using the Monte Carlo expected valuation method. The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period.

C. In accordance with AASB 119 *Employee Benefits*, annual leave and long service leave (where relevant) are classified as other long-term employee benefit.

Details of Performance Relate– Remuneration

Details of the Group's policy in relation to the proportion of remuneration that is performance related is discussed in section 15.1 of this Remuneration Report. STI bonuses have been provided to the extent that these are payable as of 31 December 2024.

15.7 Analysis of Bonuses included in Remuneration

Details of the vesting profile of the STI cash bonuses included as remuneration to each director of the Company, and other key management personnel for CY24 are detailed below:

	STI cash bonus			
Executives	STI Entitlement $ (A)	Included in Remuneration $ (A)	% Vested in Year (B)	%Forfeited in Year (C)
Mr HK Neumann	530,000	–	-%	100%
Mr R Comstock	205,000	–	-%	100%
Ms L Mah	205,000	–	-%	100%

A. STI entitlements included in remuneration for the 2024 financial year relate to achievement of financial targets established and approved by the RNC and Board.

B. The amount vested in the 2024 year represented all current and previous STI amounts awarded in the current period. There is no further STI amounts outstanding at 31 December 2024.

C. The amounts forfeited are due to the performance criteria (minimum profit before tax) not being met in relation to the current financial year.

15.8 Equity Instruments

All performance rights refer to rights over ordinary shares of Ainsworth Game Technology Limited, unless otherwise stated, which are exercisable on a one-for-one basis under the RST plan.

(a) Rights over equity instruments granted as compensation

Performance rights were previously issued to executive KMP's in June 2022.

(b) Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including performance rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior period.

(c) Exercise of rights granted as compensation

During the reporting period no shares (2023: nil shares) were issued on the exercise of rights previously granted as compensation.

(d) Details of equity incentives affecting current and future remuneration

Details of vesting profiles of rights held by each key management person of the Group are detailed below:

Executives	Instrument	Number	Maximum value in future years $	Grant date	% Vested in year	% Forfeited in a year (A)	Financial years in which grant vests (B)
Current							
Mr H Neumann	Rights	2,800,000	72,110	24 June 2022	–%	–%	2025
Mr R Comstock	Rights	700,000	18,028	24 June 2022	–%	–%	2025
Ms L Mah	Rights	200,000	5,150	24 June 2022	–%	–%	2025

A. The % forfeited in the year represents the reduction from the maximum number of rights available to vest at the beginning of the year.

B. Financial years refer to 31 December balance dates.

For personal use only

15. REMUNERATION REPORT (continued)

15.8 Equity Instruments (continued)

(e) Analysis of movements in equity instruments

The movement during the reporting period, by value, of rights over ordinary shares in the Company held by each key management person of the Group is detailed below:

	Instrument	Total value $	Granted in year $	Amount paid on exercise $	Value of rights exercised in year $(A)	Forfeited in year $
Current						
Mr H Neumann	Rights	942,550	306,763	–	–	–
Mr R Comstock	Rights	235,638	76,691	–	–	–
Ms L Mah	Rights	67,325	21,912	–	–	–
Former						
Mr D Bollesen	Rights	201,975	29,816	–	–	150,604

A. No rights were exercised during the year.

(f) Rights over equity instruments

The movement during the reporting period, by number of rights over ordinary shares in Ainsworth Game Technology Limited held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

	Held at 31 December 2023	Granted as compensation	Exercised	Other changes*	Held at 31 December 2024	Vested during the year	Vested & exercisable at 31 December 2024
Current							
Mr H Neumann	2,800,000	–	–	–	2,800,000	–	–
Mr R Comstock	700,000	–	–	–	700,000	–	–
Ms L Mah	200,000	–	–	–	200,000	–	–
Former							
Mr D Bollesen	600,000	–	–	(600,000)	–	–	–

* Other changes represent rights that were forfeited during the year.

Rights held by key management personnel that are vested and exercisable at 31 December 2024 were nil (2023: nil). No rights were held by related parties of key management personnel.

For personal use only

(g) Movements in shares

The movement during the reporting period in the number of ordinary shares in Ainsworth Game Technology Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Held at 31 December 2023	Purchases	Sales	Dividend Re-Investment Plan (DRP) allotment	Held at 31 December 2024
Current					
Mr GJ Campbell	389,241	–	–	–	389,241
Ms HA Scheibenstock	15,344	–	–	–	15,344
Mr DE Gladstone	177,146	–	–	–	177,146
Ms L Mah	19,407	–	–	–	19,407
Former					
Mr CJ Henson	135,189	–	–	–	135,189

No shares were acquired by or granted as compensation to key management personnel during the reporting period in 2024 or 2023.

There were no loans made to key management personnel or their related parties at any time in the current or prior reporting period.

There were no other changes in key management personnel in the period after the reporting date and prior to the date when the Financial Report was authorised for issue.

This directors' report is made out in accordance with a resolution of the directors.



D.E Gladstone
Chairperson
Dated at Sydney this 25 day of February 2025

Consolidated Statement of Financial Position

as at 31 December 2024

In thousands of AUD	*Note*	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents	19	19,775	19,834
Receivables and other assets	18	110,631	103,837
Current tax assets		3,654	3,055
Inventories	17	68,397	72,604
Prepayments		6,573	7,077
Investment in financial assets	31	–	3,818
Total current assets		**209,030**	**210,225**
Receivables and other assets	18	22,324	15,547
Deferred tax assets	16	25,423	21,558
Property, plant and equipment	13	107,009	95,116
Right-of-use assets	28	5,334	5,931
Intangible assets	14	69,002	70,071
Total non-current assets		**229,092**	**208,223**
Total assets		**438,122**	**418,448**
Liabilities			
Trade and other payables	25	28,136	34,855
Loans and borrowings	22	1	357
Lease liabilities	28	1,855	996
Employee benefits	23	8,777	13,176
Deferred income	15	11,049	5,079
Current tax liability		8,678	6,357
Provisions	26	1,129	32,898
Total current liabilities		**59,625**	**93,718**
Trade and other payables	25	–	79
Loans and borrowings	22	10,106	–
Lease liabilities	28	7,530	8,747
Employee benefits	23	298	330
Total non-current liabilities		**17,934**	**9,156**
Total liabilities		**77,559**	**102,874**
Net assets		**360,563**	**315,574**
Equity			
Share capital		207,709	207,709
Reserves		149,399	134,784
Retained Earnings / (Accumulated losses)		3,455	(26,919)
Total equity		**360,563**	**315,574**

The notes on pages 62 to 120 are an integral part of these consolidated financial report.

For personal use only

Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

for the year ended 31 December 2024

For personal use only

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Revenue	7	264,064	284,862
Cost of sales	6	(103,812)	(109,617)
Gross profit		**160,252**	**175,245**
Other income	8	4,899	1,072
Sales, service and marketing expenses	6	(62,027)	(64,340)
Research and development expenses	6	(49,351)	(45,712)
Administrative expenses	6	(28,420)	(28,285)
(Impairment) / writeback of loss allowance on trade receivables	9	(612)	757
Write-down of investments in financial assets	6	–	(13,179)
Impairment of non-current assets	6	(2,074)	(6,104)
Other expenses	10	(284)	(1,590)
Results from operating activities		**22,383**	**17,864**
Finance income	12	4,050	7,185
Finance costs	12	(2,115)	(892)
Net finance income		**1,935**	**6,293**
Foreign exchange gains / (losses)	6	9,642	(21,517)
Profit before tax		**33,960**	**2,640**
Income tax expense	16	(3,641)	(9,182)
Profit / (loss) for the year		**30,319**	**(6,542)**
Other comprehensive income / (loss)			
Items that may be reclassified to profit and loss:			
Foreign operations - foreign currency translation differences		14,066	(1,022)
Total other comprehensive income / (loss)		**14,066**	**(1,022)**
Total comprehensive income / (loss) for the period		**44,385**	**(7,564)**
Profit / (loss) attributable to owners of the Company		**30,319**	**(6,542)**
Total comprehensive income / (loss) attributable to the owners of the Company		**44,385**	**(7,564)**
Earnings per share:			
Basic earnings per share (AUD)	21	$0.09	$(0.02)
Diluted earnings per share (AUD)	21	$0.09	$(0.02)

The notes on pages 62 to 120 are an integral part of these consolidated financial report.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

For personal use only

		Attributable to owners of the Company						
In thousands of AUD	*Note*	Issued Capital	Equity compensation reserve	Fair value reserve	Translation reserve	Profit reserve	Retained Earnings / (Accumulated losses)	Total Equity
Balance at 1 January 2023		**207,709**	**6,092**	**9,684**	**23,350**	**95,438**	**(20,377)**	**321,896**
Profit		–	–	–	–	–	(6,542)	(6,542)
Other comprehensive income								
Foreign currency translation reserve		–	–	–	(1,022)	–	–	(1,022)
Total other comprehensive income		–	–	–	(1,022)	–	–	(1,022)
Total comprehensive income for the period		–	–	–	(1,022)	–	(6,542)	(7,564)
Transactions with owners, recorded directly in equity								
Share-based payment expense	11	–	1,242	–	–	–	–	1,242
Total transactions with owners		–	1,242	–	–	–	–	1,242
Balance at 31 December 2023		**207,709**	**7,334**	**9,684**	**22,328**	**95,438**	**(26,919)**	**315,574**
Balance at 1 January 2024		**207,709**	**7,334**	**9,684**	**22,328**	**95,438**	**(26,919)**	**315,574**
Profit		–	–	–	–	–	30,319	30,319
Transfer between reserves		–	1	–	(54)	(2)	55	**–**
Other comprehensive income								
Foreign currency translation reserve		–	–	–	14,066	–	–	14,066
Total other comprehensive income		–	–	–	14,066	–	–	14,066
Total comprehensive income for the period		–	1	–	14,012	(2)	30,374	44,385
Transactions with owners, recorded directly in equity								
Share-based payment expense	11	–	604	–	–	–	–	604
Total transactions with owners		–	604	–	–	–	–	604
Balance at 31 December 2024		**207,709**	**7,939**	**9,684**	**36,340**	**95,436**	**3,455**	**360,563**

The notes on pages 62 to 120 are an integral part of these consolidated financial report.

Consolidated Statement of Cash Flows

for the year ended 31 December 2024

For personal use only

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Cash flows (used in) / generated from operating activities			
Cash receipts from customers		306,938	285,946
Cash paid to suppliers and employees		(280,522)	(253,962)
Cash generated from operations		**26,416**	**31,984**
SAT payment		(28,555)	–
Interest received		4,050	7,185
Income taxes paid		(4,862)	(11,239)
Net cash (used in) / generated from operating activities		**(2,951)**	**27,930**
Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment		105	68
Proceeds from investments		3,562	3,140
Acquisitions of property, plant and equipment	13	(2,695)	(11,209)
Development expenditure	14	(2,526)	(4,895)
Investment in financial assets	31	–	(16,845)
Net cash used in investing activities		**(1,554)**	**(29,741)**
Cash flows generated from / (used in) financing activities			
Borrowing costs paid		(1,431)	(892)
Interest paid on leases		(683)	(653)
Proceeds from borrowings		24,897	382
Repayment of borrowings		(15,500)	(626)
Repayment of principal of lease liabilities		(1,289)	(1,022)
Net cash generated from / (used in) financing activities		**5,994**	**(2,811)**
Net increase / (decrease) in cash and cash equivalents		1,489	(4,622)
Cash and cash equivalents at start of period		19,834	29,861
Effect of exchange rate fluctuations on cash held		(1,548)	(5,405)
Cash and cash equivalents at end of period		**19,775**	**19,834**

The notes on pages 62 to 120 are an integral part of these consolidated financial report.

Index to Notes to the Financial Statements and Significant Accounting Policies

for the year ended 31 December 2024

1.	REPORTING ENTITY	63
2.	BASIS OF PREPARATION	63
3.	MATERIAL ACCOUNTING POLICY INFORMATION	64
4.	DETERMINATION OF FAIR VALUES	74
5.	FINANCIAL RISK MANAGEMENT	75
6.	OPERATING SEGMENTS	75
7.	REVENUE	78
8.	OTHER INCOME	79
9.	EXPENSES BY NATURE	80
10.	OTHER EXPENSES	81
11.	EMPLOYEE BENEFIT EXPENSES	81
12.	FINANCE INCOME AND FINANCE COSTS	81
13.	PROPERTY, PLANT AND EQUIPMENT	82
14.	INTANGIBLE ASSETS	83
15.	DEFERRED INCOME	87
16.	TAXES	88
17.	INVENTORIES	90
18.	RECEIVABLES AND OTHER ASSETS	91
19.	CASH AND CASH EQUIVALENTS	92
19A.	RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES	93
20.	CAPITAL & RESERVES	94
21.	EARNINGS PER SHARE	95
22.	LOANS & BORROWINGS	96
23.	EMPLOYEE BENEFITS	97
24.	SHARE-BASED PAYMENTS	98
25.	TRADE AND OTHER PAYABLES	100
26.	PROVISIONS	101
27.	FINANCIAL INSTRUMENTS	101
28.	LEASES	111
29.	CAPITAL AND OTHER COMMITMENTS	114
30.	RELATED PARTIES	114
31.	INVESTMENTS IN FINANCIAL ASSETS	116
32.	GROUP ENTITIES	117
33.	DEED OF CROSS-GUARANTEE	118
34.	SUBSEQUENT EVENTS	119
35.	REMUNERATION OF AUDITORS	120
36.	PARENT ENTITY DISCLOSURES	120

For personal use only

Notes to the Financial Statements

for the year ended 31 December 2024

For personal use only

1. REPORTING ENTITY

Ainsworth Game Technology Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 10 Holker Street, Newington, NSW, 2127. The consolidated financial report of the Company as at and for the year ended 31 December 2024 comprised of the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities'). The Group is a for-profit entity and primarily is involved in the design, development, manufacturing, sales and distribution of gaming content and platforms including electronic gaming machines, other related equipment and services and online social and real money games.

The consolidated financial report of the Group as at and for the 12 months ended 31 December 2024 is available upon request from the Company's registered office at 10 Holker Street, Newington, NSW, 2127 or at www.agtslots.com.

As of 31 December 2024, the immediate parent entity of the Group is Novomatic AG (31 December 2023: Novomatic AG)

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report comprises of the consolidated financial reports of the Group. For the purposes of preparing the consolidated financial report, the Company is a for-profit entity.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The preparation of the consolidated financial report is in conformity with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

Compliance with Australian Accounting Standards ensures that the financial report and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB.

The consolidated financial report was authorised for issue by the Board of Directors on 25 February 2025.

(b) Going Concern

The directors have, at the time of approving the financial report, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the current financial report.

(c) Basis of measurement

The consolidated financial report has been prepared on the historical cost basis except where stated in 'Note 3 – Material accounting policy information'.

(d) Presentation currency and rounding

This financial report is presented in Australian Dollars ($). Foreign operations are included in accordance with the policies set out in Note 3.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Report) Instrument 2016/191 and in accordance with the legislative Instrument, amounts in the annual financial report have been rounded off to the nearest thousand dollars, unless otherwise stated. The financial report has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and service.

(e) Judgements and Estimates

The preparation of this financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

For the 12 months ended 31 December 2024, the changes to the Group's key sources of estimation uncertainty, were the following:

i. Functional currency determination

The Group has a subsidiary which operates in Argentina. Historically this subsidiary has had a United States Dollar ("USD") functional currency as key commercial arrangements are priced and denominated in USD. In recent years, Argentina has faced an economic crisis marked by high inflation and currency devaluation the government imposed strict foreign exchange regulations which limited the amount of foreign currency within the country and therefore, sales to customers were being settled in Argentinian pesos. Beginning in December 2023, the administration under the newly elected President Javier Milei initiated a stabilisation program aimed at achieving fiscal balance, eliminating monetary issues and stabilising the Argentinian peso. In addition, relaxation of foreign currency movements within the country has enabled flexibility for the Group's customers to settle in US Dollars and transfer funds out of Argentina. The Group will continue to monitor the conditions and other factors in Argentina to ensure that the functional currency remains appropriate. Should the functional currency change depending on inflationary conditions at the time of any such change to the Argentinian peso in the future, the Group may need to adopt AASB *129 Financial Reporting in Hyperinflationary Economies*.

For personal use only

2. BASIS OF PREPARATION (continued)

ii. Impairment Testing of Non-current Assets

In accordance with AASB 136 *Impairment of Assets*, the Group is required to perform an annual impairment assessment to estimate the recoverable amount of goodwill, intangible assets under development and indefinite life intangible assets or when indicators of impairment are present in the identified cash generating units ("CGUs") within the Group. As a result, all 4 CGUs were assessed for impairment as at 31 December 2024 (noting that the recoverable amount of assets in Argentina were tested separately first – refer Note 14).

The value in use was determined as the recoverable amount for each CGU. When the impairment assessment was performed at the reporting date, it was identified that the Asia Pacific and Latin America/Europe CGUs had a recoverable amount which was lower than the carrying value of $24,496 thousand. In allocating the impairment loss pertaining to this deficiency, the Group has exercised significant judgement and has not reduced the carrying amount of an asset below the higher of: (a) its fair value less costs of disposal (if measurable); (b) its value in use (if determinable); and (c) zero. This has resulted in $2,074 thousand being recorded as an impairment loss in the current year related to the non-current assets within the Asia Pacific and Latin America/Europe CGUs. Should the fair value of these assets change in the future, the Group will need to reperform an impairment assessment and recognise an impairment loss against those assets respectively.

iii. Recoverability of trade receivables

The Group reviews at each reporting date whether trade receivables are recoverable, including assessing the expected payments to be received from customers and any refinancing arrangements in place. This process involves estimates and assumptions that are based on current expectations of customers' ability to pay amounts due, including consideration of specific credit arrangements with customers and the economic circumstances in which those customers operate.

iv. Carrying value of inventory

The Group performs an assessment at each reporting date whether inventory is recorded at the lower of cost and net realisable value, including assessing the expected sales of slow-moving inventories. These assessments involve estimates and assumptions that are based on current expectations of demand and market conditions, including opportunities to sell new products into markets and supply chain disruptions.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in this consolidated financial report and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. The financial reports of subsidiaries are included in the consolidated financial report from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial report in accordance with Australian Accounting Standards.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets & liabilities that are measured at fair value in a foreign currency are translated into the functional currency at exchange rate when the fair value was determined.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at the average exchange rates for the period.

Foreign currency differences are recognised in other comprehensive income and presented in the translation reserve in equity. When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is transferred to the profit or loss, as part of gain or loss on disposal.

When the Group disposes of only a part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant portion of cumulative amounts is re-attributed to non-controlling interest.

For personal use only

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation, are recognised in other comprehensive income and are presented in the translation reserve in equity.

(c) Financial instruments

(i) Non-derivative financial assets

Non-derivative financial assets comprise trade and other receivables, investments in financial assets (investments in non-bank financial institution and investments in shares – refer to Note 31 for more details on the nature of the investment) and cash and cash equivalents. Investments in non-bank financial institution refers to investments made in financial entity that offers loans and financing to consumers.

Recognition and initial measurement

Trade and other receivables are financial assets with a contractual right to receive cash from another entities. Trade and other receivables are recognised initially at fair value on the date that they are originated adjusted for directly attributable transaction costs. After initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets at amortised cost are subsequently carried at amortised cost using the effective interest method.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured by the following:

- Fair Value Through Profit and Loss (Mandatorily measured);
- Amortised Cost.

The determination of current and non-current receivables involves reviewing the contractual term and how it compares to the current payment trend. When the current payment trend is not in line with actual contractual terms, then the Group will base the current and non-current split on payment trend.

A financial asset is measured at fair value through profit or loss when the financial asset is held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset is transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(ii) Non-derivative financial liabilities

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables.

Recognition and initial measurement

Financial liabilities are initially recognised on the date that they are originated at which the Group becomes a party to the contractual provisions of the instrument.

Loans and borrowings and trade and other payables are recognised initially at fair value plus any directly attributable transaction costs.

For personal use only

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Classification and subsequent measurement
Financial liabilities are classified as measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Share capital

Ordinary shares
Ordinary shares are classified as equity incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(d) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Machines previously held as inventory are transferred to property, plant and equipment when a rental or participation agreement is entered into. When the rental or participation agreements cease and the machines become held for sale, they are transferred to inventory at their carrying amount. Proceeds are reflected in revenue while value disposed are recognised as cost of sale. These are treated as an operating cash flow.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within "other income" or "other expenses" in profit and loss.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative periods are as follows:

— buildings	40 years
— leasehold improvements	10 years or remaining lease period, whichever is less
— plant and equipment	2.5 - 20 years

The useful lives of capitalised machines leased under rental or participation agreements are included in the plant and equipment useful lives.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted where appropriate.

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3(a)(v). Goodwill is subsequently carried at cost less accumulated impairment losses (refer Note 3(h)).

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design to produce new or substantially improved products and processes. Development expenditure is capitalised only if development

For personal use only

costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Generally, other development expenditure and discontinued projects that are expected to have no further economic benefit are recognised in profit or loss when incurred. However, Project Team Meetings and Project Management Activities relating to the development phase are capitalised. Tracking of such activities are performed by employees signing off timesheets, allocated by project. These are signed off by the respective managers handling the projects.

Research and development costs cease to be capitalised when the project is completed and ready for use after which the capitalised costs are transferred to the appropriate class of intangible assets and amortisation based on its useful life commences. The project is determined to be completed when the project is readily available to be sold or subject to regulatory approval date.

(iii) Other intangible assets

Other intangible assets, which include intellectual property, technology and software assets, customer relationships, tradenames and trademarks, and service contracts, that are acquired by the Group through business combinations, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

(v) Amortisation

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefit embodied in the asset. The estimated useful lives are as follows:

– intellectual property	3 - 10 years
– technology and software	5 - 10 years
– customer relationships and contracts acquired	3 - 10 years
– tradenames and trademarks	3 years
– service contracts	3 years
– goodwill	N/A – not amortised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Impairment

(i) Non-derivative financial assets

The Group recognises expected credit losses ("ECLs") on financial assets, such as trade receivables and investments in financial assets, measured at amortised cost using the simplified method. The Group measures expected credit losses at an amount equal to the lifetime ECLs. The provision matrix contains the Group's receivables grouped by geographical region as customers in the same locations have similar credit characteristics. Historical default rates (or loss rates) for each geographical region are based on aging profile, past due analysis and historical write off data. The loss rates are adjusted for forward looking assumptions and then applied to receivables to compute the general lifetime ECL for these different geographical region customers. At every reporting date, the Group assesses the credit risk when estimating the ECL and in making the assessment considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment based on external economic conditions and any available forward-looking information such as inflation and GDP.

In addition, the Group also performs regular reviews of past due receivables at an individual customer level and recognises additional specific loss allowances for individual customers where credit risk is deemed significant.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

For personal use only

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- a breach of contract such as a default or shortfall of agreed payment plans; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

During the year, the Group recognised credit impairment for receivables and other assets and investments in financial assets – Refer to Note 18 and Note 31 for further details.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual and corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Indicators include amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments. The Group expects no significant recovery from amounts written off. However, financial assets that are written off could still be subject to enforcement activities in accordance with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories (refer Note 3 (f)) and deferred tax assets (refer Note 3 (n)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its related cash generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets (the "CGU"). The goodwill acquired in a business combination for the purpose of impairment testing, is allocated to CGU that is expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis. In allocating an impairment loss to a CGU to which goodwill or corporate assets have been allocated the Group does not reduce the carrying value of an asset below the higher of its fair value, value in use (if determinable) or zero.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(i) Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution superannuation funds are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

For personal use only

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield rate at the reporting date on corporate bonds that have maturity dates approximating the terms of the Group's obligations.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and long service leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers remuneration insurance and payroll tax. Non-accumulating non-monetary benefits, such as cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(v) Equity-settled share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. Where such adjustments result in a reversal of previous expenses these are recognised as a credit to profit or loss in the period that it is assessed that certain vesting conditions will not be met.

(i) Provisions

A provision is recognised if, because of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The unwinding of the discount is recognised as a finance cost.

(j) Warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

For personal use only

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) Revenue

Recognised under AASB15 Revenue from contracts with customers

Type of product/ service	Revenue recognition methods and timing of payments	Description of revenue recognition
Machine and part sales	Point in time recognition. Timing of payments vary and are dependent on negotiations with customers.	Revenue is recognised when customers obtain control of machines. This is typically when the goods are physically delivered, and the customer has accepted the goods. At this point the customer has the significant risks and rewards of ownership and the Group has an entitlement to payment of the goods. For machine sales in which the Group is also responsible for fulfilling performance obligations related to installation of the machines sold, under AASB 15 the installation is considered as a separate performance obligation. This is because the promise to install is implicit in the contract based on established business practices and creates a valid expectation that the Group will provide the service to the customer. Revenue is only recognised when this performance obligation is met. The transaction price for each contract is allocated to separate performance obligations based on the standalone selling price for each performance obligation.
Multi element arrangements	Point in time and over time recognition, depending on the various performance obligations. Payments are received monthly.	Multi-element arrangements could consist of the sale of any combination of machine hardware, software (including an initial game), installation and the option to convert the game. The option to convert the game represents a material right provided to the customer and is treated as deferred revenue. The deferred revenue is recognised when the material right is exercised or when the option lapses at the end of the contract. These arrangements are similar to machine and part sales however payment terms on multi-elements are monthly over the term of the contract. Machine hardware, software, installation and game conversions are recognised at a point in time. The transaction price for each contract is allocated to separate performance obligations based on the standalone selling price for each performance obligation. Any discounts are allocated proportionally to all performance obligations in a contract. Payment terms which extend beyond 12 months, include a significant financing component and the interest income is recognised over the term of the contract.
Rendering of services	Point in time and over time recognition. Payments are received monthly.	Revenue from services rendered include provision of servicing and preventative maintenance which are recognised over the period of the service agreement. Revenue is recognised based on a fixed daily fee per machine serviced.

For personal use only

Type of product/ service	Revenue recognition methods and timing of payments	Description of revenue recognition
License income	Point in time and over time recognition. Payments are received either upfront or on a periodical basis.	The timing of the recognition of license income is dependent on the type of performance obligations to be delivered to the customers. For license income that is recognised at a point in time, the performance obligations relate to the integration of another manufacturers machines into AGT's proprietary HHR system. For license income that is recognised over time, the performance obligations relate to provision of hosting services of remote gaming servers in the online market (this mainly relates to GAN exclusivity agreement) and recurring connection fees from other manufacturers utilising AGT's proprietary HHR system. For license income that are recognised over time, any contract liabilities relating to advance consideration received from customers are recognised and assessed at every reporting date. The contract liability is recognised as revenue as and when the performance obligations are carried out.

Recognised under AASB16 Leases

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

Type of product/ service	Revenue recognition methods and timing of payments	Description of revenue recognition
Rental and Participation	Rental and Participation are classified as operating leases and not finance leases when the Group does not transfer the significant risks and rewards of ownership of the machines to the customer. Revenue is generated based on share of turnover of net wins of the participation machines. Payments are received monthly for both products.	Operating lease rental revenue is recognised on a straight-line basis over the term of the lease contract. Rental revenue is calculated by multiplying the daily fee by the total number of days the machine has been operating on the venue floor. Participation revenue represents variable lease payments based on a share of turnover of net win of the participation machine. The variable lease payments are recognised in the profit & loss as participation revenue as incurred. Participation revenue amounted to $62,580 thousand for the year (12 months ended 31 December 2023: $69,697 thousand).
Finance leases	Finance leases are classified as finance leases and not operating leases when the Group transfers the significant risk and rewards of ownership of the machines to the customer. Timing of payments vary and are dependent on negotiations with customers.	At commencement date, revenue is recognised at an amount being the lower of the fair value of the machines or the present value of lease payments discounted using a market interest rate. Finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate.

For personal use only

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

Refer to Note 3(k)

(m) Finance income and finance costs

Finance income comprises of interest income from customers, investment and bank term deposits. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Finance costs comprise interest expense on lease liabilities and insurance premium funding.

(n) Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

For personal use only

Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets. Deferred tax assets and liabilities are only netted off within the same tax authorities.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, see Note 16.

(o) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the adjusted profit or loss attributable to ordinary shareholders of the Company, and the weighted average number of ordinary shares outstanding, both for the effects of all dilutive potential ordinary shares, which comprise of performance rights and share options granted to employees.

(p) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(q) Adoption of new and revised Australian Accounting Standards

(i) New and amended Australian Accounting Standards that are effective for the current year

Several new standards and amendments to standards are effective for annual periods beginning after 1 January 2024. The following new standards and interpretations are considered by the Group:

– AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

This amendment requires a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains.

The Group does not currently have sale and leaseback arrangements. The Group will apply the amendments if such arrangements are entered into in the future.

– AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

This amendment clarifies when liabilities should be presented as current or non-current in the statement of financial position, including the impact of covenants on that classification. Requires additional disclosures about the risk that non-current liabilities could become payable within twelve months after the reporting period because of the difficulties with complying with the covenants. The amendments did not impact the classification of the Group's financial liabilities. Disclosures about covenants the Group is required to comply with are provided in Note 22 Loans and Borrowings

– AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

This amendment requires the disclosure of information about the Group's supplier finance arrangements and its effects on the Group's liabilities and cash flows.

The Group does not currently have supplier finance arrangements. The Group will apply the amendments if such arrangements are entered into in the future.

– AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.

The Australian Government registered the Taxation Multinational Global and Domestic Minimum Tax Rules (the Rules) on 23 December 2024. This follows the enactment of the primary legislation, which received Royal Assent on 10 December 2024. This finalises the implementation of the Organisation for Economic Co-operation and Development's (OECD's) Pillar Two global minimum tax solution in Australia. The Pillar Two rules apply to multinational enterprise groups (MNE Groups) with consolidated annual revenue of EUR

For personal use only

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

$750 million or more in at least two of the four fiscal years immediately preceding the test year, which is in line with the OECD Model Rules.

As of 31 December 2024, the Group has updated Pillar Two Effective Tax Rate calculation as legislation being substantially enacted in operating jurisdictions of the Group. The jurisdictional top-up tax is expected to be immaterial.

(ii) New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (as amended), effective for annual reporting periods beginning or after 1 January 2025.

These amendments limit the recognition of gain or loss arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture to the extent of the unrelated investors' interest in that associate or joint venture. Similar limitations apply to remeasurements of retained interests in former subsidiaries.

These amendments will not cause any impact to the Group's consolidated financial statements.

- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability, effective for annual reporting periods beginning or after 1 January 2025.

These amendments specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

These amendments are not expected to have a material impact on the Group's consolidated financial statements.

- AASB 18 Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning or after 1 January 2027.

AASB 18 replaces AASB 101 Presentation of Financial Statements. It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.

- AASB 2024-2 Amendments to Australian Accounting Standards - Classification and measurement of financial instruments, effective for annual reporting periods beginning or after 1 January 2026.

This standard amends AASB 9 Financial Instruments to introduce an option to derecognise financial liabilities settled through electronic transfer before the settlement date, clarifies how contractual cash flows should be assessed for financial assets with environmental, social and governance (ESG) and similar features, includes additional guidance in respect of non-recourse features and contractually linked instruments and amends specific disclosure requirements.

The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined.

Apart from the new standards and interpretations outlined above, there are currently no new standards, amendments to standards or accounting interpretations that are expected to affect the Group's consolidated financial report in future periods.

4. DETERMINATION OF FAIR VALUES

Several of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in measuring fair values is included in the following notes:

- Note 14: Intangible assets;
- Note 24: Share-based payments;
- Note 27: Financial instruments; and
- Note 31 Investment in financial assets.

(a) Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Financial Instruments are recognised at fair value based on quoted prices in active markets for identical assets or liabilities. For finance leases the market rate of interest is determined by reference to similar lease agreements. For loans and borrowings, fair value is calculated based on the amortised cost. The fair value of Investment in shares is based on the listed closing price on the stock exchange at the reporting date.

(b) Equity-settled share-based payment transactions

The fair value as defined under AASB 2 of employee performance rights are measured using the Monte Carlo expected valuation method or Monte Carlo binomial valuation method. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

For personal use only

Service and non-market performance conditions attached to the transactions are not considered in determining fair value.

(c) Non-current assets

Fair value measurements for non-current financial assets including property, plant and equipment, intangible assets and right-of-use assets may be determined for the purpose of testing impairment as set out in Note 14. These fair values are primarily market-based fair values for underlying assets in a CGU such as gaming machines and buildings and have been determined using recent transaction values adjusted for market specific conditions. Refer to Note 14 for further information.

5. FINANCIAL RISK MANAGEMENT

Risk management framework

The Board of Directors have an overall responsibility for the establishment and oversight of the risk management framework. The Board has established processes through the Group's Audit and Risk Committee ("ARC"), which is responsible for developing and monitoring risk management policies. The ARC reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's ARC oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, the results of which are reported to the ARC.

Further information about the Group's exposure to each of the above risks, its objectives, policies, and processes for measuring and managing risk, and the management of capital quantitative disclosures are included throughout this financial report and the Group's exposure to these risks are further elaborated in Note 27.

Guarantees

The Group's policy is to provide financial guarantees only for wholly owned subsidiaries. At 31 December 2024, no guarantees were outstanding (twelve months ended 31 December 2023: none).

Capital management

The Board's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain future development of the business. The Board continues to monitor group performance to ensure sufficient flexibility to fund operation demands of the business, to support any strategic opportunities and that dividends can be provided to ordinary shareholders.

The Board continues to review alternatives to ensure present employees will hold equity in the Company's ordinary shares. This is expected to be an ongoing process establishing long-term incentive plans to further align shareholders and employees' interests.

The Group has managed its capital through debt ratio and debt to equity ratio and attempts to decrease these ratios to maintain a strong capital base. These ratios for 12 months ended 31 December 2024 were impacted by payment made to the Mexican Tax Authorities in relation to tax litigation matter amounted to $28,555 thousand.

Debt Ratios	31-Dec-24	31-Dec-23
Debt Ratio (Total Liabilities / Total Assets)	17.70%	24.58%
Debt to Equity Ratio (Total Liabilities / Total Equity)	21.51%	32.60%
Cash Flow to Debt to Ratio (Cash flow from operating activities/ Total Liabilities)	(3.80%)	27.15%

6. OPERATING SEGMENTS

The activities of the entities within the Group are predominantly within a single business which is the design, development, manufacture, sale and service of gaming machines and other related equipment and services.

Performance of each reportable segment is based on segment revenue and segment result as included in internal management reports that are reviewed by the Group's CEO. Segment results include segment revenues and expenses that are directly attributable to the segment, which management believes is the most relevant approach in evaluating segment performance. Items that are not part of the ordinary course of business or one-off items do not form part of the segment results. The revenue from external parties reported to the CEO is measured in a manner consistent within the condensed consolidated statement of profit or loss and other comprehensive income or loss.

For personal use only

6. OPERATING SEGMENTS (continued)

	For the 12 months ended 31 December 2024				
In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Reportable segment revenue	42,672	147,023	66,793	7,576	264,064
Cost of goods sold	(29,771)	(46,523)	(27,518)	–	(103,812)
Gross Margin	12,901	100,500	39,275	7,576	160,252
Sales service and marketing expenses	(10,258)	(31,968)	(19,152)	(649)	(62,027)
Other items allocated to segment	74	(313)	7,355	–	7,116
Segment result	2,717	68,219	27,478	6,927	105,341
Segment result (%)	6%	46%	41%	91%	40%
D&A within segment result	504	13,572	4,682	–	18,758
Interest revenue within segment result	–	(202)	(2,912)	–	(3,114)
Segment EBITDA	3,221	81,589	29,248	6,927	120,985
Interest revenue not allocated to segments					937
Interest expense					(2,115)
Foreign currency gain					9,642
R & D expenses					(49,351)
Corporate and administrative expenses					(28,420)
Impairment of non-current assets					(2,074)
Profit before tax					33,960
Income tax expense					(3,641)
Net profit after tax					30,319

For personal use only

Reversal of provision for Mexican duty and other charges have been recognised in "Other items allocated to segment". Please refer to Note 8 for more information.

	For the 12 months ended 31 December 2023				
In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Reportable segment revenue	48,780	140,347	80,099	15,636	284,862
Cost of goods sold	(33,920)	(45,597)	(30,095)	(5)	(109,617)
Gross Margin	14,860	94,750	50,004	15,631	175,245
Sales service and marketing expenses	(11,826)	(30,107)	(21,475)	(932)	(64,340)
Other items allocated to segment	354	391	4,602	(752)	4,595
Segment result	3,388	65,034	33,131	13,947	115,500
Segment result (%)	7%	46%	41%	89%	41%
D&A within segment result	744	12,498	1,798	–	15,040
Interest revenue within segment result	–	(197)	(2,595)		(2,792)
Segment EBITDA	4,132	77,335	32,334	13,947	127,748
Interest revenue not allocated to segments					4,394
Interest expense					(892)
Foreign currency loss					(21,517)
R & D expenses					(45,712)
Corporate and administrative expenses					(28,285)
Write-down of investment in financial assets					(13,179)
Impairment of non-current assets					(6,104)
Other expenses not allocated to segments					(1,565)
Profit before tax					2,640
Income tax expense					(9,182)
Net loss after tax					(6,542)

Provision for Mexican duty and other charges have been recognised in "Other expenses not allocated to segments". Please refer to Note 10 for more information.

For personal use only

7. REVENUE

The Group's operations and main revenue streams remained consistent with those described in the financial report for the twelve months ended 31 December 2023. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

	For the 12 months ended 31 December 2024				
In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Major products/service lines					
Recognised under AASB15: Revenue					
Machine and part sales	27,035	64,261	33,376	–	124,672
Multi element arrangements	10,404	–	–	–	10,404
Rendering of services	5,233	32,865	8	–	38,106
License income	–	7,527	441	7,576	15,544
Total revenue recognised under AASB15: Revenue	42,672	104,653	33,825	7,576	188,726
Recognised under AASB16: Leases on straight line basis					
Rental and participation	–	39,962	22,618	–	62,580
Finance leases	–	2,408	10,350	–	12,758
Total revenue recognised under AASB16: Leases on straight line basis	–	42,370	32,968	–	75,338
	42,672	**147,023**	**66,793**	**7,576**	**264,064**
Timing of revenue recognition					
Products and services transferred at a point in time	37,354	69,815	43,740	–	150,909
Products and services transferred over time	5,318	77,208	23,053	7,576	113,155
	42,672	**147,023**	**66,793**	**7,576**	**264,064**

For personal use only

	For the 12 months ended 31 December 2023				
In thousands of AUD	Asia Pacific	North America	Latin America / Europe	Online	Total
Major products/service lines					
Recognised under AASB15: Revenue					
Machine and part sales	35,012	57,307	37,663	–	129,982
Multi element arrangements	8,844	–	–	–	8,844
Rendering of services	4,923	26,837	5	–	31,765
License income	–	6,925	1,144	15,636	23,705
Total revenue recognised under AASB15: Revenue	48,779	91,069	38,812	15,636	194,296
Recognised under AASB16: Leases on straight line basis					
Rental and participation	1	47,081	22,615	–	69,697
Finance leases	–	2,197	18,672	–	20,869
Total revenue recognised under AASB16: Leases on straight line basis	1	49,278	41,287	–	90,566
	48,780	**140,347**	**80,099**	**15,636**	**284,862**
Timing of revenue recognition					
Products and services transferred at a point in time	43,781	61,918	56,826	–	162,525
Products and services transferred over time	4,999	78,429	23,273	15,636	122,337
	48,780	**140,347**	**80,099**	**15,636**	**284,862**

8. OTHER INCOME

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Reversal of Provision for Mexican Duty and other charges[1]	26	4,089	–
Bad Debts Recovered		411	–
Rent received		301	328
Other income		98	744
		4,899	1,072

(1) During the reporting period, all payments have been made to the Mexican Tax Administration Service ("SAT") reflecting settlements for years subject to audit and associated adjustments to the provision have been made to reflect actual payments made. Refer to Note 26.

For personal use only

9. EXPENSES BY NATURE

In thousands of AUD	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Cost of goods sold*		87,137	92,429
Employee benefits expense	11	78,693	77,421
Depreciation and amortisation expense	13,14,28	26,870	23,749
Write-down of investment in financial assets		–	13,179
Sales commission expense		5,695	8,196
Evaluation and testing expenses		7,650	7,619
Travel and entertainment expenses		5,170	5,535
Property related expenses		4,520	5,445
Marketing expenses		4,812	4,663
Computer and communications expenses		3,915	4,130
License fees		4,277	3,672
Warranty expenses		2,230	3,530
Impairment of intangibles	14	1,295	3,149
Impairment of property, plant and equipment	13	621	2,778
Legal expenses		1,798	1,883
Duty charges		1,777	1,801
Provision for Mexican duty and other charges	10	–	1,565
Impairment of ROU Assets	28	158	177
Impairment / (writeback) of trade receivables	27	612	(757)
Other expenses not listed above		9,350	7,906
		246,580	268,070

* Cost of goods sold in the table above includes direct production and assembly costs relating to machines and parts as well as production and inventory variances.

* Indirect costs such as employee benefits expense and depreciation and amortisation expenses relating to cost of goods sold have been shown separately in the table above.

For personal use only

10. OTHER EXPENSES

In thousands of AUD	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Provision for Mexican duty and other charges[1]	26	–	1,565
Loss on sale of property plant and equipment		284	25
		284	1,590

(1) During the reporting period, all payments have been made to SAT reflecting settlements for years subject to audit and associated adjustments to the provision have been made to reflect actual payments made. Refer to Note 26.

11. EMPLOYEE BENEFIT EXPENSES

In thousands of AUD	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Wages and salaries		72,846	68,229
Short-term incentives		269	3,467
Contributions to defined contribution superannuation funds		4,168	3,877
Decrease in liability for annual leave	23	(126)	(9)
(Decrease) / increase in liability for long service leave	23	(193)	368
Termination benefits		1,125	247
Equity settled share-based payment transactions		604	1,242
		78,693	77,421

12. FINANCE INCOME AND FINANCE COSTS

In thousands of AUD	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Interest income from customers, investments and bank term deposits		4,050	7,185
Finance income		4,050	7,185
Interest expense on financial liabilities – lease liabilities and insurance premium funding		(2,115)	(892)
Finance costs		(2,115)	(892)
Net finance income recognised in profit or loss		1,935	6,293

For personal use only

13. PROPERTY, PLANT AND EQUIPMENT

In thousands of AUD	*Note*	Land & buildings	Plant & equipment	Leasehold improvements	Total
Cost					
Balance at 1 January 2023		62,556	150,074	4,365	216,995
Classification of inventory to plant and equipment		–	32,766	–	32,766
Re-classification of plant and equipment back to inventory		–	(16,605)	–	(16,605)
Additions		290	10,919	–	11,209
Disposals		–	(1,074)	–	(1,074)
Effect of movements in foreign exchange		(594)	(1,161)	(5)	(1,760)
Balance at 31 December 2023		62,252	174,919	4,360	241,531
Balance at 1 January 2024		62,252	174,919	4,360	241,531
Classification of inventory to plant and equipment		–	27,235	–	27,235
Re-classification of plant and equipment back to inventory		–	(22,793)	–	(22,793)
Additions		160	2,412	123	2,695
Disposals		–	(1,103)	(6)	(1,109)
Reclassification		–	(2,248)	2,248	–
Effect of movements in foreign change		6,238	14,383	43	20,664
Balance at 31 December 2024		68,650	192,805	6,768	268,223
Depreciation and Impairment Losses					
Balance at 1 January 2023		18,630	124,663	3,513	146,806
Depreciation charge		1,394	12,550	132	14,076
Impairment Loss	14	–	2,242	536	2,778
Re-classification of plant and equipment back to inventory		–	(14,651)	–	(14,651)
Disposals		–	(1,056)	–	(1,056)
Effect of movements in foreign exchange		(216)	(1,317)	(5)	(1,538)
Balance at 31 December 2023		19,808	122,431	4,176	146,415
Balance at 1 January 2024		19,808	122,431	4,176	146,415
Depreciation charge		1,310	16,123	439	17,872
Impairment Loss	14	–	530	91	621
Re-classification of plant and equipment back to inventory		–	(15,420)	–	(15,420)
Disposals		–	(934)	(6)	(940)
Reclassification		–	(6)	6	–
Effect of movements in foreign exchange		2,066	10,558	42	12,666
Balance at 31 December 2024		23,184	133,282	4,748	161,214
Carrying Amounts					
As at 1 January 2023		43,926	25,411	852	70,189
As at 31 December 2023		42,444	52,488	184	95,116
As at 31 December 2024		45,466	59,523	2,020	107,009

Machines previously held as inventory are transferred to property, plant and equipment when a rental or participation agreement is entered into. When the rental or participation agreements cease and the machines are returned to the company, they are transferred back to inventory at their carrying amount.

For personal use only

The carrying amount of plant and equipment on participation and fixed rental leases is $47,879 thousand as at 31 December 2024 (31 December 2023: $39,625 thousand).

Impairment loss of $621 thousand (12 months ended 31 December 2023: $2,778 thousand) recognised during the year relates to the recoverability of the carrying value of assets within the 'Asia Pacific' and 'Latin America/Europe' cash generating units. See 'Note 14 – Intangible assets' for further details.

As of 31 December 2024, Las Vegas building with net book value of US $28,266 thousand (31 December 2023: US $29,031 thousand) was secured against loan facility (Refer to Note 21).

14. INTANGIBLE ASSETS

In thousands of AUD	*Note*	Goodwill	Development costs	Nevada licence costs	Technology & software	Customer relationships	Tradenames & trademarks	Total
Cost								
Balance at 1 January 2023		44,616	4,926	1,583	43,776	17,132	1,151	113,184
Additions		–	4,895	–	–	–	–	4,895
Transfers		–	(8,197)	–	8,197	–	–	–
Effects of movements in foreign currency		(401)	(1)	–	(104)	(163)	(11)	(680)
Balance at 31 December 2023		44,215	1,623	1,583	51,869	16,969	1,140	117,399
Balance at 1 January 2024		44,215	1,623	1,583	51,869	16,969	1,140	117,399
Additions		–	2,526	–	–	–	–	2,526
Transfers		–	(1,198)	–	1,198	–	–	–
Effects of movements in foreign currency		4,187	–	–	1,111	1,700	115	7,113
Balance at 31 December 2024		48,402	2,951	1,583	54,178	18,669	1,255	127,038
Amortisation and impairment losses								
Balance at 1 January 2023		2,436	–	–	22,599	10,253	649	35,937
Amortisation for the year		–	–	–	6,583	1,644	235	8,462
Impairment losses		–	362	–	2,787	–	–	3,149
Effects of movement in foreign currency		–	–	–	(62)	(144)	(14)	(220)
Balance at 31 December 2023		2,436	362	–	31,907	11,753	870	47,328

For personal use only

Notes to the Financial Statements (continued)

for the year ended 31 December 2024

14. INTANGIBLE ASSETS (continued)

In thousands of AUD	*Note*	Goodwill	Development costs	Nevada licence costs	Technology & software	Customer relationships	Tradenames & trademarks	Total
Balance at 1 January 2024		2,436	362	–	31,907	11,753	870	47,328
Amortisation for the year		–	–	–	5,670	1,634	236	7,540
Impairment losses		–	461	–	834	–	–	1,295
Transfers		–	(73)	–	73	–	–	–
Effects of movement in foreign currency		–	–	–	493	1,278	102	1,873
Balance at 31 December 2024		2,436	750	–	38,977	14,665	1,208	58,036
Carrying amounts								
At 1 January 2023		42,180	4,926	1,583	21,177	6,879	502	77,247
At 31 December 2023		41,779	1,261	1,583	19,962	5,216	270	70,071
At 31 December 2024		45,966	2,201	1,583	15,201	4,004	46	69,002

For personal use only

Impairment testing

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a cash generating unit ("CGU") or group of CGUs exceeds the recoverable amount as at 31 December 2024 due to the presence of impairment indicators at reporting date. As of 31 December 2024, the Group's market capitalisation was below net assets therefore an impairment assessment was undertaken.

The determination of CGUs for the purposes of testing goodwill and other intangible assets for impairment remains consistent since the last reporting period. The Group's CGUs are as follows:

- Asia Pacific (comprised of Australia, New-Zealand, and Asia);
- North America;
- Latin America/Europe; and
- Online.

The allocation method of corporate costs, other corporate assets, other assets (consisting of intangible assets and Property, Plant and Equipment allocated to the individual CGUs to which they relate), goodwill and intangible assets is consistent with the last reporting period.

The goodwill arising from the acquisition of Nova Technologies in 2016 and MTD Gaming Inc. in 2020 have been allocated to the North America CGU (and were similarly allocated to the North America CGU in prior years as well). There has been no movement in the carrying value of goodwill compared to 31 December 2023 other than foreign currency translation differences at reporting date.

The allocation of goodwill, indefinite useful life intangible assets and other assets to the Group's identified CGUs, including allocation of corporate assets, before impairment charge recognition, are as follows:

	12 months ended 31 December 2024							
CGUs	Goodwill '$000	Development, Technology and Software Costs '$000	Other Indefinite life intangible assets '$000	Other assets '$000	Total Carrying Value of CGU '$000 (A)	Working Capital '$000 (B)	Total CGU Assets (A+B)	Impairment Recognised '$000[1]
North America	45,966	19,354	1,583	89,631	156,534	63,517	220,051	–
Latin America / Europe	–	–	–	20,605	20,605	79,781	100,386	(394)
Asia Pacific	–	1,295	–	2,596	3,891	13,206	17,097	(1,680)
Online	–	2,098	–	299	2,397	234	2,631	–

1 The impairment has been recorded against property, plant and equipment including corporate assets ($621 thousand), Right of Use assets ($158 thousand) and corporate assets mainly relating to Development Costs and Technology Software ($1,295 thousand).

	12 months ended 31 December 2023							
CGUs	Goodwill '$000	Development, Technology and Software Costs '$000	Other Indefinite life intangible assets '$000	Other assets '$000	Total Carrying Value of CGU '$000 (A)	Working Capital '$000 (B)	Total CGU Assets (A+B)	Impairment Recognised '$000[1]
North America	41,779	16,895	1,583	78,639	138,896	70,675	209,571	–
Latin America / Europe	–	3,149	–	26,000	29,149	67,469	96,618	(6,104)
Asia Pacific	–	2,230	–	3,608	5,838	13,036	18,874	–
Online	–	2,098	–	1,182	3,280	(1,587)	1,693	–

1 The impairment has been recorded against property, plant and equipment including corporate assets ($2,778 thousand), Right of Use assets ($178 thousand) and corporate assets mainly relating to Development Costs and Technology Software ($3,149 thousand).

For personal use only

14. INTANGIBLE ASSETS (continued)

– Impairment testing for Asia Pacific CGU

In addition to the market capitalisation deficiency, the underperformance of the Asia Pacific CGU along with the highly competitive market landscape within the Australian region resulted in this CGU not meeting its CY2024 budget. The Group considered that there were indicators of impairment. The individual assets of the CGU were tested for impairment by reference to their fair value less cost of disposal. It was determined that certain assets within this CGU had a recoverable amount (fair values less costs of disposal) that is lower than their carrying amount, and as such an impairment loss for those assets was recorded in this period. These assets mainly comprised of capitalised development costs and technology software ($1,295 thousand) that were attributable to this CGU. No impairment charge was recorded for assets (predominantly gaming machines and motor vehicles included in property, plant and equipment) where the fair value less costs of disposal exceeded their carrying amount.

– Impairment testing for Latin America/Europe

Although improvements were seen in the macro-economic conditions in Argentina during CY2024 under the new government administration established in December 2023, the economic conditions continue to evolve and there are still inherent risks associated with operating within this country. In Mexico uncertainty surrounding the introduction of or changes to tariffs between the US and Mexico under the new US President Trump administration may impact operations in addition to the market capitalisation deficiency for the reasons outlined above, the Group considered that there were indicators of impairment, the individual assets of the CGU were tested for impairment by reference to their fair value less cost of disposal.

Impairment amounting to $394 thousand was recorded as the recoverable amount (fair values less costs of disposal) of the underlying assets (inclusive of corporate allocations) is less than its carrying amount.

Further, as noted above, the Group also determined the fair value less costs of disposal for individual assets where potential impairment was identified. The fair value less costs of disposal for machines under participation contracts was determined with reference to current sales prices of such machines, and comparable sales / rental information was considered in determining the fair value less cost of disposal for the building in Las Vegas and the right of use asset in Australia.

Key assumptions used in determining the recoverable amount of North America and Online CGUs

The recoverable amount of each CGU was estimated based on its value in use ("VIU"). VIU for each individual CGU was determined by discounting the future cash flows generated from continuing operations of that CGU over a five-year period. The key assumptions used when assessing the recoverable amount of each CGU is outlined as follows:

	31 December 2024		
CGUs	Pre-tax discount rate	Average annual revenue growth rate[1]	Terminal Year growth rate
North America	14.4%	13.3%	2.1%
Online	14.3%	11.7%	2.1%

(1) The 5 years forecast average annual revenue growth rates (CY25 to CY29) has been calculated based on CY24 revenue as the base year.

	31 December 2023		
CGUs	Pre-tax discount rate	Average annual revenue growth rate[1]	Terminal Year growth rate
North America	14.8%	18.9%	2.1%
Online	14.5%	4.2%	2.1%

(1) The 5 years forecast average annual revenue growth rates (CY24 to CY28) has been calculated based on CY23 revenue as the base year.

The impact of possible changes in key assumptions

North America and Online CGUs

As at 31 December 2024, these CGUs have significant headroom, therefore the Group does not believe that a reasonable possible change in key assumptions will result in a material impairment charge due to the headroom in forecasted recoverable amount when compared to its carrying amount.

In addition, whilst the achievement of forecast revenue growth rates is dependent on the success of current strategic initiatives, market conditions, new legislations and improved product performance, management, based on historical experience and industry specific factors, has reviewed and assessed that forecast revenue growth rates are expected to be achieved.

For personal use only

Latin America / Europe CGU
The continuing challenging operating conditions in the Latin America region, in particular Argentina and Mexico, provides uncertainty on the future recoverable amount of the Latin America/Europe CGU. Any adverse change to the fair value of the cabinets which are the predominant assets of the CGU will result in further impairment charges.

Asia Pacific CGU
Any adverse change to the fair value of the cabinets which are the predominant assets of the CGU will result in further impairment charges

15. DEFERRED INCOME

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Opening balance	5,079	8,281
Additional deferred income recognised	11,844	10,961
Amortisation of deferred income	(7,122)	(14,185)
Effects of movements in foreign exchange	1,248	22
Closing balance	11,049	5,079

The carrying value of deferred income in the consolidated statement of financial position predominantly relates to contracts with customers that have prepaid for performance obligations that are yet to be met by the Group. It is expected that as payments are received, these payments are recognised as deferred income and revenue will be recognised over the life of the contract, subject to meeting the Group's performance obligations and revenue recognition policies.

One of the contracts relate to the execution of an exclusivity contract with Golden Route Operations – Montana, LLC (owned by J&J Ventures Gaming, LLC) during the year for rights to distribute Ainsworth's products in Montana and this exclusivity will expire on 31st December 2027. As of 31 December 2024, of the $11,049 thousand carrying value recognised in deferred income, $9,844 thousand relates to this contract. Further details of this contract are outlined below:

Golden Route Operations – Montana, LLC ("GRO") Contract
On 23rd August 2024, a new exclusivity contract with GRO was executed to distribute Ainsworth's products in Montana. Upon execution of this contract, the Group had an existing exclusivity contract with GRO which expired on 30 October 2024. This contract contains multiple performance obligations and revenue will be recognised in accordance with the Group's performance obligations and revenue recognition policies.

The following are the key terms and conditions of the contract:

1) One-time lump-sum amount of US$6,800,000 for the exclusive use and distribution of the Ainsworth's products, the 'Montana Gold Game' in Montana for a period of three (3) years and four (4) months and payable within 30 days following the execution of the contract;
2) Capital commitment from GRO to purchase the minimum agreed quantity of hardware from the Group in Year 1 of the contract;
3) Annual minimum purchases of Montana Gold Game Kits Software by GRO throughout the term of the contract; and
4) Ainsworth agrees not to sell or distribute the Montana Gold Game, directly or indirectly, to any other party for use within the State of Montana.

During the year, the Group received the US$6,800,000 exclusivity fees and these payments were recognised as deferred income and revenue will be recognised over the life of the contract. In determining the transaction price for this exclusivity component within the contract, the Group adjusted the promised amount of consideration for the effects of the time value of money as the timing of payments agreed to by both parties to the contract contains a significant financing component. In adjusting the promised amount of consideration for a significant financing component, the Group recognised revenue at an amount that reflects the price that the customer would have paid for the promised goods if the customer had paid cash for those goods as they are transferred to the customer (i.e. the cash selling price) and present the effects of financing using an appropriate discount rate. This financing component is recognised separately from revenue from contracts with customers and presented as 'finance costs' within the Consolidated Statement of Profit and Loss and Other Comprehensive Income or Loss.

For personal use only

16. TAXES

Current tax expense

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Tax recognised in profit or loss		
Current tax expense		
Current year	(8,046)	(12,504)
Prior year adjustments	(571)	(341)
Recognition of R&D tax credits	1,111	910
	(7,506)	(11,935)
Deferred tax benefit		
Origination and movement of timing differences	3,865	2,753
Total income tax expense	(3,641)	(9,182)

Reconciliation of effective tax rate

In thousands of AUD	12 months ended 31 December 2024		12 months ended 31 December 2023	
Profit before income tax		33,959		2,640
Income tax expense using the Company's domestic tax rate	(30.00%)	(10,187)	(30.00%)	(793)
Effective tax rates in foreign jurisdictions	6.23%	2,116	(9.58%)	(253)
Non-deductible expenses	(19.75%)	(6,707)	(469.70%)	(12,409)
Non-assessable income and concessions	25.74%	8,743	154.69%	4,087
Prior year tax credit carried forward	1.83%	621	23.50%	621
Prior year adjustments	5.22%	1,773	(16.5%)	(436)
	(10.73%)	(3,641)	(347.54%)	(9,182)

For personal use only

Deferred Tax Assets (In thousands of AUD)	12 months ended 31 December 2024	12 months ended 31 December 2023
Gross deferred tax assets		
Employee benefits	3,393	3,789
Provisions	5,893	6,210
Property, plant and equipment	1,067	269
Tax loss carry-forwards	2,181	2,185
Research and development	18,310	10,936
Imputed interest	6,269	3,979
Foreign tax credits	7,266	5,292
Deferred revenue	–	217
Inventory capitalisation	1,637	1,450
Other	1,833	2,216
Gross deferred tax assets	47,849	36,543
Movements:		
Opening balance at 1 January 2024	36,543	32,316
Recognised in the income statement (profit or loss)	11,306	4,227
Balance at 31 December 2024	47,849	36,543

Deferred Tax Liabilities (In thousands of AUD)	12 months ended 31 December 2024	12 months ended 31 December 2023
Gross deferred tax liabilities		
Property, plant and equipment	(7,667)	(6,129)
Unrealised foreign exchange (gain) / loss	(3,178)	332
Foreign withholding taxes	(4,776)	(3,053)
Research and development	(1,732)	(3,078)
Intangibles	(2,877)	(2,113)
Other	(2,196)	(944)
Gross deferred tax liabilities	(22,426)	(14,985)
Movements:		
Opening balance at 1 January 2024	(14,985)	(13,513)
Recognised in the income statement (profit or loss)	(7,441)	(1,472)
Balance at 31 December 2024	(22,426)	(14,985)

For personal use only

16. TAXES (continued)

Net movement of Deferred Tax (In thousands of AUD)	12 months ended 31 December 2024	12 months ended 31 December 2023
Movements		
Balance at the start of the year	21,558	18,803
Credited to profit or loss	3,865	2,755
Balance at the end of the year	25,423	21,558

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required in determining the Group's provision for income taxes and carrying value of deferred tax assets. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate determination is uncertain. The Group estimates its tax liabilities based on the Group's understanding of relevant tax laws. The deductible temporary differences and tax losses do not expire under current tax legislation. R&D non-refundable tax offset credits are available to be applied against income tax payable in future years and do not expire under current tax legislation.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A reassessment of the carrying amount of all deferred tax assets is performed at each reporting period. Management has assessed that the carrying amount of the deferred tax assets of $25,423 thousand should be recognised as management considers that it is probable that future taxable profits would be available against which they can be utilised based on current estimates on the Group's future trading performance and the change in global macroeconomic conditions such as rising inflation rates and interest rates on future near-term profitability.

No deferred tax assets of $45,915 thousand (31 December 2023: $45,884 thousand) are recognised in the Latin America entities due to the uncertainty in the political and economic conditions in these regions.

Where the outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Management has assessed that the carrying amount of deferred tax assets of $25,423 thousand (twelve months ended 31 December 2023: $21,558 thousand) can be recognised as management considers it probable that future taxable profits would be available against which they can be utilised.

Pillar Two Model rules

The Group is part of the Novomatic MNE Group for the purposes of Pillar Two Model Rules. The Group is within the scope of the OECD Pillar Two model rules, and it applies the AASB 112 Income taxes exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. Pillar Two legislation has been enacted or substantively enacted in one of the jurisdictions (i.e. Australia) in which the Group operates, effective for the financial year beginning 1 January 2024.

Based on the information available at the date of the accounts, the Group does not meet the Transitional CbCR Safe Harbour exemption in Australia and has prepared a detailed Pillar Two Effective Tax Rate calculation under which the jurisdictional top-up tax is expected to be immaterial.

17. INVENTORIES

In thousands of AUD	31 December 2024	31 December 2023
Raw materials and consumables	38,416	44,120
Finished goods	28,610	24,283
Stock in transit	1,371	4,201
Inventories stated at the lower of cost and net realisable value	68,397	72,604

During the year ended 31 December 2024 raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $89,138 thousand (twelve months ended 31 December 2023: $89,422 thousand).

For personal use only

A re-classification from inventory to property, plant and equipment of $27,235 thousand (twelve months ended 31 December 2023: $32,766 thousand) was recorded to reflect gaming products for which rental and participation agreements were entered into during the year. Subsequently, a re-classification from property, plant and equipment to inventory of $22,793 thousand (twelve months ended 31 December 2023: $16,605 thousand) was recorded when the rental or participation agreement ceases, and the machines become held for sale.

During the year ended 31 December 2024, the group recorded a reversal of write down of inventories to net realisable value amounting to $392 thousand (twelve months ended 31 December 2023: write down of $5,918 thousand). Write-downs of inventory are included in cost of sales in the consolidated statement of profit or loss and other comprehensive income or loss.

18. RECEIVABLES AND OTHER ASSETS

In thousands of AUD	*Note*	31 December 2024	31 December 2023
Current			
Trade receivables		118,716	111,066
Less: loss allowance	27	(10,253)	(9,335)
		108,463	101,731
Other assets		2,123	1,921
Amount receivable from shareholder-controlled entities	30	45	185
		110,631	103,837
Non-current			
Trade receivables		23,082	16,121
Less: loss allowance	27	(758)	(574)
		22,324	15,547

The Group measures expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. A provision matrix is then determined based on the historic credit loss rate for each group, adjusted for forward looking information including economic risks on factors affecting the ability of the customers to settle trade receivables.

The Group's loss allowance for trade receivables was $11,011 thousand as at 31 December 2024 compared to $9,909 thousand as at 31 December 2023. The increase in the loss allowance related to specific provision for trade receivables in Asia and Americas.

The Group continues to reassess its expected credit loss at each reporting period taking into account new information that has arisen during the period.

Information about the Group's exposure to credit and market risks and impairment losses for trade and other receivables is included in Note 27.

Operating lease receivables

Included in trade receivables are receivables from gaming machines that are on rental and participation arrangement. The lease payments receivable under these contracts is as follows:

In thousands of AUD	31 December 2024	31 December 2023
Lease payments under rental and participation are receivable as follows:		
Less than one year	4,812	5,817
	4,812	5,817

For personal use only

18. RECEIVABLES AND OTHER ASSETS (continued)

Finance leases arrangements

Included in trade receivables are receivables from gaming machines that have been sold under finance lease arrangement. The lease payments receivable under these contracts is as follows:

In thousands of AUD	31 December 2024	31 December 2023
Minimum lease payments under finance leases are receivable as follows:		
Less than one year	17,173	13,129
One to two years	5,744	4,875
Two to three years	579	–
	23,496	18,004
Unearned finance income as follows:		
Less than one year	367	69
One to two years	277	47
Two to three years	37	–
	681	116
The present value of minimum lease payments and lease receivables classification is as follows:		
Less than one year	16,806	13,060
One to two years	5,467	4,828
Two to three years	542	–
	22,815	17,888

19. CASH AND CASH EQUIVALENTS

In thousands of AUD	31 December 2024	31 December 2023
Bank balances	19,775	17,642
Cash Deposits	–	–
	19,775	17,642
Restricted Cash:		
Bank Balances	–	427
Cash Deposits	–	1,765
	–	2,192
Cash and cash equivalents in the statement of cash flows	19,775	19,834

As at 31 December 2024, cash balances in Argentina were not considered restricted due to the relaxation of the government policy on foreign exchange regulations (31 December 2023: $2,192 thousand).

The Group's exposure to interest rate risk, currency risk, and a sensitivity analysis for financial assets and liabilities are disclosed in Note 27.

For personal use only

19A. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Cash flows from operating activities			
Profit/(loss) for the period		30,319	(6,542)
Adjustments for:			
Equity-settled share-based payment transactions	11	604	1,242
Net finance income	12	(1,935)	(6,293)
Depreciation	13,28	19,330	15,287
Accrual / (writeback) for loss allowance on trade receivables		612	(757)
(Reversal) / provision for stock obsolescence		(1,271)	5,918
Write-down of investment in financial assts	31	–	13,179
Amortisation of intangible assets	14	7,540	8,462
Impairment of non-current assets	14	2,074	6,104
(Reversal)/provision for Mexican duty and other charges		(4,089)	1,565
(Loss) / gain on sale of property, plant and equipment		(21)	25
Unrealised currency translation movements		(13,497)	4,651
Income tax expense	16	3,641	9,182
Operating profit before changes in working capital & provisions		**43,307**	**52,023**
Change in trade and other receivables		(4,297)	(3,848)
Change in inventories		10,787	17,520
Net transfers between inventory and leased assets		(19,026)	(32,766)
Change in other assets		438	(2,489)
Change in trade and other payables		(4,806)	(7,821)
Change in deferred income		5,495	(3,202)
Change in provisions and employee benefits		(5,484)	12,567
Cash generated from / (used in) operations		26,414	31,984
SAT payment		(28,555)	–
Interest received		4,050	7,185
Income taxes paid		(4,860)	(11,239)
Net cash generated (used in) / from operating activities		**(2,951)**	**27,930**

For personal use only

20. CAPITAL & RESERVES

(a) Share capital

In thousands of shares	Ordinary shares 12 months ended 31 December 2024	Ordinary shares 12 months ended 31 December 2023
In issue at 1 January	336,794	336,794
Shares issued during the year	–	–
In issue at 31 December – fully paid	336,794	336,794

(i) Ordinary Shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

During the year, no ordinary shares were issued.

(b) Nature and purpose of reserve

(i) Equity compensation reserve

The equity compensation reserve represents the expensed cost of share options issued to employees.

(ii) Fair value reserve

The fair value reserve comprises the difference in fair value of historical related party loans and borrowings where interest was charged at below market rates at the inception date.

(iii) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial report of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

(iv) Profits reserve

This reserve is comprised wholly of the profits generated by the Australian entity which would be eligible for distribution as a frankable dividend.

(c) Dividends

No dividends were paid by the Company during the year (twelve months ended 31 December 2023: nil).

The amount of franking credits available to shareholders for subsequent financial years is $28,017 thousand (twelve months ended 31 December 2023: $28,017 thousand). The ability to utilise the franking credits is dependent upon the ability to declare dividends.

For personal use only

21. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share for the 12 months ended 31 December 2024 was based on the profit attributable to ordinary shareholders of $30,319 thousand (twelve months ended 31 December 2023: loss of $6,542 thousand) and a weighted average number of ordinary shares outstanding as at 31 December 2024 of 336,794 thousand (31 December 2023: 336,794 thousand) calculated as follows:

Profit / (loss) attributable to ordinary shareholders

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Profit / (loss) for the period		30,319	(6,542)
Profit / (loss) attributable to ordinary shareholders		30,319	(6,542)

Weighted average number of ordinary shares

In thousands of shares	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Issued ordinary shares at 1 Jan	20	336,794	336,794
Weighted average number of ordinary shares at 31 December		336,794	336,794
Total basic earnings per share attributable to the ordinary equity holders of the Company		$0.09	($0.02)

Diluted earnings per share

As at 31 December 2024, nil rights (31 December 2023: 9,261 rights) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

The calculation of diluted earnings per share for the 12 months ended 31 December 2024 was based on the profit attributable to ordinary shareholders of $30,923 thousand (twelve months ended 31 December 2023: loss of $6,542 thousand) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 344,744 thousand as at 31 December 2024 (31 December 2023: 336,794 thousand), calculated as follows:

Profit / (loss) attributable to ordinary shareholders (diluted)

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Profit / (loss) attributable to ordinary shareholders		30,319	(6,542)
Profit / (loss) attributable to ordinary shareholders (diluted)		30,923	(6,542)

For personal use only

21. EARNINGS PER SHARE (continued)

Weighted average number of ordinary shares (diluted)

In thousands of shares	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Weighted average number of ordinary shares at 31 December	20	336,794	336,794
Effect of rights and options on issue		7,950	–
Weighted average number of ordinary shares (diluted) at 31 December		344,744	336,794
Total diluted earnings per share attributable to the ordinary equity holders of the Company		$0.09	($0.02)

22. LOANS & BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency, and liquidity risk, see Note 27.

In thousands of AUD	31 December 2024	31 December 2023
Current		
Insurance premium funding	–	357
Secured bank loan (WAB)	1	–
	1	357
Non-Current		
Secured bank loan (WAB)	10,106	–
	10,106	–

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

			31 December 2024		31 December 2023	
In thousands of AUD	Nominal interest rate	Year of maturity	Face value	Carrying Amount	Face value	Carrying Amount
Insurance premium funding	5.29%	2024	–	–	362	357
Secured bank loan (WAB)	SOFR + 2.75%	2029	10,107	10,107	–	–
Total interest-bearing liabilities			10,107	10,107	362	357

For personal use only

Terms of Group's secured facility

On 30th December 2024, the Group's secured bank loan with Western Alliance Bancorporation (WAB) was amended and executed with new terms. This facility replaces the facility that was established on 17 February 2021 with expiry date of 17 February 2026. The Company's US-based operating subsidiary, Ainsworth Game Technology Inc., remains to be the borrower and party to the relevant credit agreements while its parent entities within the AGT Group of companies, AGT Pty Ltd and Ainsworth Game Technology Limited, serve as guarantors.

Other key points regarding this amended facility:

- Term of facility: 5 years commencing 30 December 2024 with Maturity Date of 30 December 2029.
- Facility limit: US$50.0 million (AU$80.4 million) with option to request for additional facility increase for up to US$25.0 million, subject to terms and conditions.
- Secured assets: The loan is secured against the Las Vegas building.
- Interest rate: Adjusted Term Secured Overnight Financing Rate ("Adjusted Term SOFR") plus Applicable Margin of 2.75% per annum. The Applicable Margin can increase by 50 basis points per annum if certain condition is not met.
- Financial covenants: Total leverage ratio, fixed charges coverage ratio and minimum liquidity requirements (the minimum liquidity requirement is no longer required if certain conditions are met).
- Non-usage fees: 0.375% per annum.

The Group has drawn down US$6.3 million (AU$10.1 million) from this facility, leaving US$43.7 million (AU$70.3 million) available to be drawn as at 31 December 2024. All financial covenants under the WAB facility were met during this reporting period and at 31 December 2024. As such, this secured loan is classified as non-current. Based on the current financial projections for Ainsworth Game Technology Inc. it is expected that the Group will meet the financial covenants over the next 12 months and that no repayment of the facility will be called upon.

23. EMPLOYEE BENEFITS

In thousands of AUD	31 December 2024	31 December 2023
Current		
Accrual for salaries and wages	273	1,265
Accrual for short-term incentive plan	201	3,321
Liability for annual leave	4,237	4,363
Liability for long service leave	4,066	4,227
	8,777	13,176
Non-Current		
Liability for long service leave	298	330

For personal use only

24. SHARE-BASED PAYMENTS

On 31 December 2024, the Group had the following share-based payment arrangements:

(a) 24 June 2022 Performance Rights

(i) Description of programme

On 24 June 2022, the Group granted to eligible employees and executives the opportunity to participate in the grant of performance rights over ordinary shares in Ainsworth Game Technology Limited, under the Ainsworth Game Technology Limited Rights Share Trust (RST). To be eligible to participate in the RST, the employees were selected by the directors and reviewed by the Remuneration and Nomination Committee. The performance rights were granted at $nil consideration or exercise price however are dependent on service conditions, vesting conditions and share price performance hurdles. The performance rights convert to ordinary shares of the Company on a one-for-one basis with no voting or dividend rights until this conversion. The total issued performance rights under this programme were 8,900,000 units. As at 31 December 2024, 1,200,000 performance rights lapsed due to cessation of employment resulting in 7,700,000 performance rights still outstanding.

The key terms and conditions related to the grants under the programme are as follows, with all rights to be settled by the physical delivery of shares.

Employee entitled	Number of instruments issued at grant date	Vesting conditions	Contractual life of rights
Rights granted to key management personnel	4,300,000	Service conditions and performance hurdles from grant date as per RST below	5 years
Rights granted to senior and other employees	4,600,000	Service conditions and performance hurdles from grant date as per RST below	5 years
Total performance rights granted	**8,900,000**		

Performance hurdles

- Tranche 1 - 25% will vest if the VWAP for 20 consecutive trading days preceding to 30 June 2024 is equal or greater than A$2.00.
- Tranche 2 - 25% will vest if the VWAP for 20 consecutive trading days preceding to 31 December 2024 is equal or greater than A$2.40.
- Tranche 3 - 50% will vest if the VWAP for 20 consecutive trading days preceding to 30 June 2025 is equal or greater than A$2.76.

The Rights granted are cumulative whereby should the performance hurdles not be met at the respective vesting dates, the grant relating to these tranches will be re-tested at the next applicable performance vesting date subject to higher performance conditions. If the performance conditions at the end of the next applicable performance period are satisfied, then the Rights for the current performance period and any non-vested Rights from prior performance periods will vest. The last date whereby all tranches can be re-tested is on the final vesting date, being 30 June 2025, at which time any unvested Rights will lapse.

(ii) Measurement of fair value

The fair value of the Rights granted on 24 June 2022 under the RST are as follows:

Fair value determined at grant date	Fair Value per right
Tranche 1 - Vesting date 30 June 2024	$0.3717
Tranche 2 - Vesting date 31 December 2024	$0.3476
Tranche 3 - Vesting date 30 June 2025	$0.3136

For personal use only

The fair value of the Rights has been measured using the Monte Carlo expected valuation method. The inputs used in the measure of the fair value at grant date of the equity settlement shared based payment plan under the RST were as follows:

	RST plan
Share price at grant date	$0.995
Exercise price	Nil
Expected volatility	62.4%
Expected life	5 years
Expected dividend yield	Nil
Risk-free interest rate (based on Treasury Bonds)	2.92%

The volatility rate has been determined using historical data from the three years immediately prior to the grant date. This has been based on an evaluation of the historical volatility of the Company's compounded share price returns.

(b) 1 March 2023 Performance Rights

(i) Description of programme

On 1 March 2023, the Group granted to eligible executives, the opportunity to participate in the grant of performance rights over ordinary shares in Ainsworth Game Technology Limited, under the Ainsworth Game Technology Limited Rights Share Trust (RST). To be eligible to participate in the RST, the employees were selected by the directors and reviewed by the Remuneration and Nomination Committee. The performance rights were granted at $nil consideration or exercise price however are dependent on service conditions, vesting conditions and share price performance hurdles. The performance rights convert to ordinary shares of the Company on a one-for-one basis with no voting or dividend rights until this conversion. The total issued performance rights under this programme were 550,000 units. As at 31 December 2023, 300,000 performance rights lapsed due to cessation of employment resulting in 250,000 performance rights still outstanding.

The key terms and conditions related to the grants under the programme are as follows, with all rights to be settled by the physical delivery of shares.

Employee entitled	Number of instruments issued at grant date	Vesting conditions	Contractual life of rights
Rights granted to senior and other employees	550,000	Service conditions and performance hurdles from grant date as per RST below	5 years
Total performance rights granted	**550,000**		

The performance hurdles and vesting dates of this performance rights is the same as the 24 June 2022 performance rights.

Performance hurdles

- Tranche 1 - 25% will vest if the VWAP for 20 consecutive trading days preceding to 30 June 2024 is equal or greater than A$2.00.
- Tranche 2 - 25% will vest if the VWAP for 20 consecutive trading days preceding to 31 December 2024 is equal or greater than A$2.40.
- Tranche 3 - 50% will vest if the VWAP for 20 consecutive trading days preceding to 30 June 2025 is equal or greater than A$2.76.

The Rights granted are cumulative whereby should the performance hurdles not be met at the respective vesting dates, the grant relating to these tranches will be re-tested at the next applicable performance vesting date subject to higher performance conditions. If the performance conditions at the end of the next applicable performance period are satisfied, then the Rights for the current performance period and any non-vested Rights from prior performance periods will vest. The last date whereby all tranches can be re-tested is on the final vesting date, being 30 June 2025, at which time any unvested Rights will lapse.

For personal use only

24. SHARE-BASED PAYMENTS (continued)

(ii) Measurement of fair value

The fair value of the Rights granted on 1 March 2023 under the RST are as follows:

Fair value determined at grant date	Fair Value per right
Tranche 1 - Vesting date 30 June 2024	$0.3896
Tranche 2 - Vesting date 31 December 2024	$0.3511
Tranche 3 - Vesting date 30 June 2025	$0.3388

The fair value of the Rights has been measured using the Monte Carlo binomial valuation method. The inputs used in the measure of the fair value at grant date of the equity settlement shared based payment plan under the RST were as follows:

	RST plan
Share price at grant date	$1.06
Exercise price	Nil
Expected volatility	66.7%
Expected life	5 years
Expected dividend yield	Nil
Risk-free interest rate (based on Treasury Bonds)	3.007%

The volatility rate has been determined using historical data from the three years immediately prior to the grant date. This has been based on an evaluation of the historical volatility of the Company's compounded share price returns.

25. TRADE AND OTHER PAYABLES

In thousands of AUD	*Note*	31 December 2024	31 December 2023
Current			
Trade payables		15,710	15,801
Other payables and accrued expenses		10,844	13,685
Deferred consideration on MTD Gaming Inc acquisition		–	3,883
Amount payable to shareholder-controlled entities	30	1,582	1,486
		28,136	34,855
Non-Current			
Trade Payables		–	79

For personal use only

26. PROVISIONS

In thousands of AUD	Service/ warranties	Legal	Mexican Tax Administration Service ("SAT")	Total
Balance as at 1 January 2023	972	163	23,186	24,321
Provisions made during the year	3,530	2,067	3,997	9,594
Provisions used during the year	(3,426)	(2,137)	–	(5,563)
Foreign exchange movement	9	(3)	4,540	4,546
Balance as at 31 December 2023	1,085	90	31,723	32,898

In thousands of AUD	Service/ warranties	Legal	Mexican Tax Administration Service ("SAT")	Total
Balance at 1 January 2024	1,085	90	31,723	32,898
Provisions made during the year	2,229	2,042	315	4,586
Provisions used during the year	(2,461)	(2,205)	(28,555)	(33,221)
Provision adjustment - reversal	–	–	(4,801)	(4,801)
Foreign exchange movement	246	103	1,318	1,667
Balance at 31 December 2024	1,099	30	–	1,129

The Mexican Tax Administration Service ("SAT") provision is a result of audits being carried out by SAT on the Group's subsidiary, AGT Pty Mexico S. de. R.L. de C.V., on import duties and other associated charges for prior periods. During the reporting period, all payments have been made to SAT reflecting settlements for years subject to audit and associated adjustments to the provision have been made to reflect actual payments made.

27. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks from their use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer, including the default risk of the industry and country in which customers operate. The Group's concentration of credit risk is disclosed below.

Each new customer is assessed by the compliance division as to suitability and analysed for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes investigations, external ratings when available and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Board. Customers that fail to meet the Group's creditworthiness criteria may only transact with the Group within established limits unless Board approval is received or otherwise only on a prepayment basis.

For personal use only

27. FINANCIAL INSTRUMENTS (continued)

In monitoring the customer credit risk, customers are reviewed by grouped geographic region and at an individual level in computing general lifetime ECL allowances and specific loss allowances respectively. Further information is detailed in 3(g) above. Customers in certain regions are considered to have 'high-risk' profiles due to historical dealings, political instability in the region of operation and challenging economic conditions. For such customers, the company requires future sales to be made on a prepayment basis within sales limits approved by the Chief Executive Officer and Chief Financial Officer, and thereafter only with Board approval.

Goods are sold subject to retention of title clauses, so that in the event of non-payment, the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables.

The Group has established an allowance for impairment that represents its estimate of incurred and expected credit losses in respect of trade and other receivables. The main component of this allowance is a general loss component that relates to overall gross receivable exposure.

(i) Exposure to credit risk

The Group's gross maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

In thousands of AUD	31 December 2024	31 December 2023
Asia Pacific / Online	19,424	21,803
North America	49,444	40,052
Latin America	72,976	65,517
	141,844	127,372

The Group's concentration of credit risk arises from its two most significant receivable amounts represented by two individual customers in Latin America and North America. They account for $12,142 thousand (31 December 2023: $14,952 thousand) and $9,439 thousand (31 December 2023: $1,825 thousand) of the trade receivables carrying amount as at 31 December 2024 respectively.

Cash and cash equivalents

The Group held cash of $19,775 thousand as at 31 December 2024 (December 2023: $19,834 thousand), which represents its maximum credit exposure on these assets. As at 31 December 2024, cash balances in Argentina were not considered restricted due to the relaxation of the government policy on foreign exchange regulations (31 December 2023: $2,192 thousand).

Impairment loss allowance on trade receivables

Latin American region customers continue to have the highest concentrated risk by geographic region for the Group as at 31 December 2024 due to the nature of credit term offerings which typically entails extended payment terms and unstable economic conditions. The Group recognised net impairment expense of $612 thousand (twelve months ended 31 December 2023: $757 thousand impairment writeback) for trade receivables predominately relating to the Latin America region due to factors outlined above.

In thousands of AUD

	31 December 2024		
Geographical region	Loss rate	Trade receivables	Impairment loss allowance under AASB 9
Asia Pacific / Online	10.0%	19,424	1,951
North America	2.0%	49,444	978
Latin America	11.1%	72,976	8,082
		141,844	11,011

For personal use only

In thousands of AUD

	31 December 2023		
Geographical region	Loss rate	Trade receivables	Impairment loss allowance under AASB 9
Asia Pacific / Online	7.2%	21,803	1,571
North America	1.4%	40,052	568
Latin America	11.9%	65,517	7,770
		127,372	9,909

The Group notes that average receivable days in Latin America for 12 months ended 31 December 2024 represent approximately 341 days (for 12 months ended 31 December 2023: 266 days). Interest is payable by customers taking advantage of extended credit terms. The increase in the average receivables days was driven by renegotiation of credit terms with customers during the year coupled with majority of sales occurring within the 4th quarter of 2024.

The movement in the loss allowance in respect of trade receivables during the financial periods was as follows:

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Balance as at 1 January	9,909	10,882
Impairment loss written off	(66)	(139)
Provision during the year	612	3,783
Reversal of provision	(411)	(4,540)
Effect of exchange rate fluctuations	967	(77)
Balance as at 31 December	11,011	9,909

Based on historic default rates and current repayment plans in place, the Group believes that apart from the above, no further impairment is necessary in respect of trade receivables not past due or on amounts past due as these relate to known circumstances that are not considered to impact collectability.

The allowance for impairment losses in respect of receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

For personal use only

27. FINANCIAL INSTRUMENTS (continued)

Further details of the Group's credit risk is presented as follows:

	31 December 2024		
In thousands of AUD	Total	Not past due	Past due
Gross receivables			
Asia Pacific / Online	19,424	11,900	7,524
North America	49,444	46,334	3,110
Latin America	72,976	60,766	12,210
	141,844	119,000	22,844
Loss allowance on receivables			
Asia Pacific / Online	(1,951)	(7)	(1,944)
North America	(978)	(637)	(341)
Latin America	(8,082)	(2,964)	(5,118)
	(11,011)	(3,608)	(7,403)
Net receivables			
Asia Pacific / Online	17,473	11,893	5,580
North America	48,466	45,697	2,769
Latin America	64,894	57,802	7,092
	130,833	115,392	15,441

	31 December 2023		
In thousands of AUD	Total	Not past due	Past due
Gross receivables			
Asia Pacific / Online	21,803	12,685	9,118
North America	40,052	30,226	9,826
Latin America	65,517	52,745	12,772
	127,372	95,656	31,716
Loss allowance on receivables			
Asia Pacific / Online	(1,571)	(7)	(1,564)
North America	(568)	(568)	–
Latin America	(7,770)	(3,269)	(4,501)
	(9,909)	(3,844)	(6,065)
Net receivables			
Asia Pacific / Online	20,232	12,678	7,554
North America	39,484	29,658	9,826
Latin America	57,747	49,476	8,271
	117,463	91,812	25,651

For personal use only

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has access to sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters and pandemics. The Group has completed a cashflow projection which supports this 60-day assumption.

The Company through its US-based operating subsidiary, Ainsworth Game Technology Inc, has a secured bank facility of US$50 million with Western Alliance Bancorporation (WAB). Ainsworth Game Technology Inc. acts as the borrower and party to the relevant credit agreements while its parent entities within the AGT Group of companies, AGT Pty Ltd and Ainsworth Game Technology Limited, serve as guarantors. This facility imposes certain customary financial covenants which includes minimum liquidity and fixed charge coverage ratios measured on a quarterly and annual basis. The Group has a drawdown of US$6.3 million (AU$10.1 million) from this facility leaving US$43.7 million (AU$70.3 million) available to be drawn as at 31 December 2024. All financial covenants under the WAB facility were met during this reporting period and prior reporting periods.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

31 December 2024

In thousands of AUD	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-5 years	5 years or above
Non-derivative financial liabilities						
Insurance premium funding	–	–	–	–	–	–
Lease liabilities	9,385	(10,801)	(1,006)	(1,289)	(8,506)	–
Secured bank loan	10,107	(10,107)	(1)	–	(10,106)	–
Trade and other payables	28,136	(28,136)	(28,136)	–	–	–
	47,628	(49,044)	(29,143)	(1,289)	(18,612)	

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

31 December 2023

In thousands of AUD	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-5 years	5 years or above
Non-derivative financial liabilities						
Insurance premium funding	357	(362)	(326)	(36)	–	–
Lease liabilities	9,743	(11,930)	(848)	(792)	(9,161)	(1,129)
Secured bank loan	–	–	–	–	–	–
Trade and other payables	34,934	(34,934)	(34,855)	–	(79)	–
	45,034	(47,226)	(36,029)	(828)	(9,240)	(1,129)

For personal use only

27. FINANCIAL INSTRUMENTS (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and financial instruments share price at reporting date, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

The Group's financial assets and financial liabilities are subject to interest rates. The Group has a drawdown of US$6.3 million (AU$10.1 million) from its bank facilities as at 31 December 2024. However, a change in the interest rate is not expected to have a material impact on the Group's profit and loss.

(ii) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the Group entities. The functional currencies of Group entities are primarily the Australian dollar (AUD) and the US dollar (USD). The currencies in which these transactions are primarily denominated are AUD, USD, Euro, New Zealand Dollar (NZD), Argentinian Peso (ARS), Columbian Peso (COP) and Mexican Peso MXN).

The Group continually monitors and reviews the financial impact of currency variations to determine strategies to minimise the volatility of changes and adverse financial effects in foreign currency exchange rates. The Group measures its currency risk exposure using sensitivity analysis and cash flow forecast. No hedging arrangements were utilised during the reporting period.

Exposure to currency risk

The Group's significant exposures to foreign currency risk at balance date were as follows, based on notional amounts:

	31 December 2024						31 December 2023					
In thousands of AUD	USD	Euro	NZD	ARS	COP	MXN	USD	Euro	NZD	ARS	COP	MXN
Cash and cash equivalents	12,120	162	19	1,662	207	2,882	12,229	239	231	2,192	–	2,274
Trade and other receivables	113,538	934	–	–	–	–	99,130	513	212	–	–	–
Investment in financial assets	–	–	–	–	–	–	–	–	–	3,439	379	–
Secured bank loan	(10,107)	–	–	–	–	–	–	–	–	–	–	–
Trade and other payables	(23,055)	(2)	–	181	–	(274)	(26,025)	(10)	–	(344)	–	(287)
Provisions	(593)	–	–	(12)	(11)	(444)	(621)	–	–	(11)	(5)	(32,216)
Net exposure in statement of financial position	91,903	1,094	19	1,831	196	2,164	84,713	742	443	5,276	374	(30,229)

The Group has limited exposure to currency risk in Latin America as sales prices are determined and denominated in USD.

For personal use only

The following significant exchange rates applied during the financial periods:

	Average rate		Reporting date spot rate	
	12 months ended 31 December 2024	12 months ended 31 December 2023	31-Dec-24	31-Dec-23
USD	0.6604	0.6648	0.6217	0.6840
Euro	0.6101	0.6144	0.5974	0.6181
MXN	12.0858	11.7883	12.9074	11.5626
ARS	603.7216	196.1580	637.6513	552.3185
NZD	1.0908	1.0821	1.1045	1.0768

Sensitivity analysis

In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term however, permanent changes in foreign exchange will have an impact on profit or (loss).

The tables below represent AUD exposure for different types of currencies of which the Group operates in.

A 10 percent strengthening of the Australian dollar against the following currencies as at 31 December 2024 would have decreased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

Effect In thousands of AUD	Equity	Profit & Loss
31 December 2024		
USD	(27,043)	(13,849)
Euro	(85)	(85)
NZD	–	–
31 December 2023		
USD	(22,952)	(12,725)
Euro	(46)	(46)
NZD	(19)	(19)

For personal use only

27. FINANCIAL INSTRUMENTS (continued)

A 10 percent weakening of the Australian dollar against the following currencies as at 31 December 2024 would have increased equity and profit or loss by the amounts shown as follows. This analysis assumes that all other variables remain constant. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

Effect In thousands of AUD	Equity	Profit & Loss
31-Dec-24		
USD	38,118	16,928
Euro	104	104
NZD	–	–
31-Dec-23		
USD	32,806	15,553
Euro	56	56
NZD	24	24

The Group also has operations in Argentina, which is experiencing significant economic uncertainty, including hyperinflation and significant movement in foreign exchange. During the year, the Argentinian peso devalued by 21% against the USD (CY2023: 78%). The Group is closely monitoring developments in that country and will take appropriate measures to optimise returns, as necessary.

(d) Fair values

(i) Estimates of fair values

The methods used in determining the fair values of financial instruments are discussed in Note 4.

(ii) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, where applicable, are based on the government yield curve as at 31 December 2024 plus an adequate constant credit spread and are as follows:

	31 December 2024	31 December 2023
Receivables	6.00% - 8.69%	6.00% - 8.69%
Secured bank loan (WAB)	SOFR + 2.75%	SOFR + 3.00%
Insurance premium funding	–	5.29%
Finance leases	7.35%	7.35%
Trade and other payables	6.00%	6.00%

For personal use only

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

In thousands of AUD	Carrying Amounts 31-Dec-24	Fair Value 31-Dec-24
Investments in financial assets	–	–
Receivables and other assets	132,955	132,955
Trade and other payables	28,136	28,136
Loans and borrowings	10,107	10,107

In thousands of AUD	Carrying Amounts 31-Dec-23	Fair Value 31-Dec-23
Investments in financial assets	3,818	3,818
Receivables and other assets	119,384	119,384
Trade and other payables	34,934	34,934
Loans and borrowings	357	357

Apart from the assets that outlined above, all other financials assets and liabilities have carrying values that approximates to their fair values.

Classification of financial instruments

Ainsworth classifies its financial instruments into categories in accordance with AASB 9 Financial instruments depending on the purpose for which the financial instruments were acquired, which is determined at initial recognition based on the business model. They are valued in the following categories.

1. Fair Value Through Profit and Loss (Mandatorily measured);
2. Amortised Cost

The following table presents the Group's financial instruments including the classifications that are not recognised at cost.

As at 31 December 2024

	Financial Assets		Financial Liabilities
In thousands of AUD	FVTPL - mandatorily measured	Amortised Cost	Amortised Cost
Receivables and other assets	–	132,955	–
Investments in Financial Assets	–	–	–
Trade and other payables	–	–	28,136
Loans and borrowings	–	–	10,107

For personal use only

27. FINANCIAL INSTRUMENTS (continued)

As at 31 December 2023

	Financial Assets		Financial Liabilities
In thousands of AUD	FVTPL - mandatorily measured	Amortised Cost	Amortised Cost
Receivables and other assets	–	119,384	–
Investments in Financial Assets	3,818	–	–
Trade and other payables	–	–	34,934
Loans and borrowings	–	–	357

Fair value hierarchy

The following section explains the judgements and estimates made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial report. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments and non-financial assets into the three levels prescribed under the Accounting Standards. An explanation of each level is as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and,
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured and recognised at their fair value are as follows:

As at 31 December 2024

	Carrying Value		
In thousands of AUD	Level 1	Level 2	Level 3
Investment in Financial Asset	–	–	–

As at 31 December 2023

	Carrying Value		
In thousands of AUD	Level 1	Level 2	Level 3
Investment in Financial Asset	3,818	–	–

There were no transfers between level 1 and 2 or 3 investments for any fair value measurements during the financial year.

For personal use only

28. LEASES

(a) Leases as lessee

The Group leases several warehouses and office facilities. The leases run for a period of 1-10 years, with an option to renew the lease after that date. Lease payments are increased every year either by annual increases of 2-4%, or by market rental reviews at stipulated dates. None of the leases include contingent rentals.

The warehouse and office facilities were entered into many years ago as combined leases of land and buildings.

The Group leases other IT equipment with contract terms of one to three years. These leases are short-term and/or of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented as follows.

(i) Right-of-use assets

In thousands of AUD	*Note*	Land & Buildings	Plant and Equipment	Total
Written down value				
Balance at 1 January 2023		7,564	67	7,631
Additions to right-of-use assets		166	571	737
Disposals to right-of-use assets		–	(39)	(39)
Modification to Right-of-use assets		(1,011)	–	(1,011)
Depreciation charge for the year		(1,132)	(79)	(1,211)
Impairment loss for the year		(64)	(113)	(177)
Effect of movements in foreign exchange		4	(3)	1
Balance at 31 December 2023		5,527	404	5,931

In thousands of AUD	*Note*	Land & Buildings	Plant and Equipment	Total
Balance at 1 January 2024		5,527	404	5,931
Additions to right-of-use assets		993	54	1,047
Disposals to right-of-use assets		(13)	3	(10)
Modification to Right-of-use assets		–	–	–
Depreciation charge for the year		(1,364)	(94)	(1,458)
Impairment loss for the year		(110)	(48)	(158)
Effect of movements in foreign exchange		(36)	18	(18)
Balance at 31 December 2024		4,997	337	5,334

For personal use only

28. LEASES (continued)

(ii) Lease Liabilities

In thousands of AUD	*Note*	Land & Buildings	Plant and Equipment	Total
Outstanding Liabilities				
Balance at 1 January 2023		(13,036)	(567)	(13,603)
Additions of lease liabilities		(166)	(571)	(737)
Disposals of lease liabilities		–	61	61
Modification to lease liabilities		*3,011*	–	*3,011*
Payments made		1,887	268	2,155
Interest expense		(606)	(29)	(635)
Effects of movements in foreign exchange		5	–	5
Balance at 31 December 2023		(8,905)	(838)	(9,743)

In thousands of AUD	*Note*	Land & Buildings	Plant and Equipment	Total
Balance at 1 January 2024		(8,905)	(838)	(9,743)
Additions of lease liabilities		(1,014)	(51)	(1,065)
Disposals of lease liabilities		186	4	190
Modification to lease liabilities		–	–	–
Payments made		1,680	294	1,974
Interest expense		(659)	(26)	(685)
Effects of movements in foreign exchange		(56)	–	(56)
Balance at 31 December 2024		(8,768)	(617)	(9,385)

Maturity analysis – contractual undiscounted cash flows
The table below presents the contractual undiscounted cash flows associated with the Group's lease liabilities, representing principal and interest. The figures will not necessarily reconcile with the amount disclosed in the consolidated statement of financial position.

In thousands of AUD	31 December 2024	31 December 2023
Less than one year	1,006	1,639
One to five years	1,289	9,161
More than five years	8,506	1,129
Total undiscounted lease liabilities at 31 December 2024	10,801	11,929

For personal use only

The Group's split between Current and Non-Current split for lease liabilities is shown below:

In thousands of AUD	31 December 2024	31 December 2023
Current	1,855	996
Non-current	7,530	8,747
Lease liabilities included in the consolidated statement of financial position	9,385	9,743

(iii) Amounts recognised in profit or loss

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Interest on lease liabilities	(685)	(653)
Depreciation charge for the year	(1,458)	(1,211)
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	–	(91)

We have recognised $152 thousand in ROU Impairment through profit and loss (for the 12 months ended 31 December 2024).

(iv) Amounts recognised in statement of cash flows

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Payments for finance leases	(1,974)	(2,155)

(v) Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. Management can only be reasonably certain on leases that will critically affect business operations and will require longer period of planning shall a change in lease location be considered. The most material lease for the Group relates to the Group's facility in Sydney, Australia and it was determined that it is reasonably certain that the lease will be extended for a further five years upon expiry of its initial term on 30 June 2024. On 1 May 2023, the Group extended its lease facility in Sydney, Australia, resulting in a lease modification for an additional 5 years, with the lease now set to end in June 2029. As a result, there was a modification to the lease liability and the right-of-use assets for this lease, resulting in a derecognition and re-recognition with an updated discount rate.

For personal use only

29. CAPITAL AND OTHER COMMITMENTS

In thousands of AUD	31 December 2024	31 December 2023
Plant and equipment		
Contracted but not yet provided for and payable:		
Within one year	662	1,152
Development Costs		
Contracted but not yet provided for and payable:		
Within one year	89	135
Employee compensation commitments		
Key management personnel		
Commitments under non-cancellable employment contracts not provided for in the financial report and payable:	1,128	878
Within one year	1,128	878

30. RELATED PARTIES

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive Directors
Current

Mr DE Gladstone

Mr GJ Campbell

Ms H Scheibenstock

Dr HE Asenbauer

Executives
Current

Mr HK Neumann (Chief Executive Officer (CEO), Ainsworth Game Technology Limited)

Ms L Mah (Chief Financial Officer (CFO), Ainsworth Game Technology Limited)

Mr R Comstock (Chief Operating Officer (COO), Ainsworth Game Technology Limited)

Non-executive Directors
Former

Mr CJ Henson (resigned on 30 September 2024)

Executives
Former

Mr D Bollesen (Chief Technology Officer (CTO), Ainsworth Game Technology Limited) – resigned on 16 May 2024

For personal use only

(a) Key management personnel compensation

The key management personnel compensation included in 'employee benefit expenses' (see Note 11) is as follows:

In AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Short-term employee benefits	3,100,275	3,693,936
Post-employment benefits	207,699	209,531
Share based payments	435,182	571,587
Other long-term benefits	21,373	104,517
Termination benefits	210,000	–
	3,974,529	4,579,571

(b) Individual Directors and Executives Compensation disclosures

Information regarding individual directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

Apart from the details disclosed in this note, no director has entered a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

(c) Related party transactions and outstanding balances

The aggregate value of transactions and outstanding balances relating to related parties were as follows:

		Transactions value		Balance receivable/ (payable) as at 31 Dec	
In AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023	31 December 2024	31 December 2023
Transaction					
Sales to Novomatic and its related entities	(i)	843,449	40,798	18,527	15,904
Purchases from Novomatic and its related entities	(i)	1,503,643	3,058,757	(1,295,641)	(1,307,693)
Other charges made on behalf of Novomatic	(i)	168,244	435,604	26,000	169,105
Purchases and other charges made on behalf of the Group	(i)	675,546	173,119	(285,582)	(177,965)

(i) Transactions with Novomatic AG and its related entities are considered related party transactions as Novomatic AG holds a controlling interest in the Group.

For personal use only

30. RELATED PARTIES (continued)

Amounts receivable from and payable to related parties at reporting date arising from these transactions were as follows:

In AUD	31 December 2024	31 December 2023
Assets and liabilities arising from the above transactions		
Current receivables and other assets		
Amount receivable from shareholder-controlled entities	44,527	185,009
Current trade and other payables		
Amount payable to shareholder-controlled entities	1,581,223	1,485,658

(d) Transactions with key management personnel

Payments of $131,100 (31 December 2023: $126,667) were paid to Innovation of Business Pty Ltd on behalf of Ms HA Scheibenstock for services as a non-executive director. The amount payable to Innovation of Business Pty Ltd as at 31 December 2024 is $6,300 (31 December 2023: $2,000).

31. INVESTMENTS IN FINANCIAL ASSETS

In thousands of AUD	31 December 2024	31 December 2023
Term deposit held in Colombia	–	379
Investment in shares listed in Buenos Aires stock exchange in Argentina	–	3,439
	–	3,818

Investment in shares listed in Buenos Aires stock exchange in Argentina

During the twelve months ended 31 December 2024, the Group held and sold investments in shares listed in Buenos Aires stock exchange in Argentina. The shares were measured at Fair Value Through Profit and Loss ("FVTPL") and the movement of this investment during this period is as follows:

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Opening balance	3,439	–
Investment made	–	6,427
Disposal of investment	(3,183)	–
Gain made on share price movement	48	1,149
Effects of movements in foreign exchange	(304)	(4,137)
Closing balance	–	3,439

Notes to the Financial Statements (continued)

for the year ended 31 December 2024

For personal use only

32. GROUP ENTITIES

	Country of incorporation	Ownership Interest 2024	Ownership Interest 2023	Part of Closed Group	Part of Tax Consolidated Group
Parent entity					
Ainsworth Game Technology Limited	Australia	100%	100%	Yes	No
Subsidiaries					
AGT Pty Ltd	Australia	100%	100%	No	No
– AGT Pty Mexico S. de R.L. de C.V.	Mexico	100%	100%	No	No
– AGT Pty Peru S.R.L.	Peru	100%	100%	No	No
– AGT Pty Argentina S.R.L.	Argentina	100%	100%	No	No
– AGT Pty Colombia SAS	Colombia	100%	100%	No	No
– AGT Alderney Limited	Alderney	100%	100%	No	No
– Ainsworth Game Technology Inc	USA	100%	100%	No	No
– Nova Technologies LLC	USA	100%	100%	No	No
– AGT Brasil - Technologia LTDA.	Brasil	100%	100%	No	No
AGT Service Pty Ltd	Australia	100%	100%	Yes	No
– AGT Service (NSW) Pty Ltd	Australia	100%	100%	Yes	No
– J & A Machines Pty Ltd	Australia	100%	100%	No	No

AGT Interactive S. de R.L de C.V. was disposed during the year.

For personal use only

33. DEED OF CROSS-GUARANTEE

Some of the Group and subsidiaries included in the table per Note 32 have entered a Deed of Cross Guarantee under which each of the companies guarantees the debts of the other and are relieved from the requirement to prepare financial statements under ASIC Class Order No. 2016/785. They are collectively known as the Closed Group (refer Note 32).

It is a condition of the Instrument that the Company and each of the participating subsidiaries enter a Deed of Cross Guarantee (Deed). The effect of the Deed, dated 28 August 2019, is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the participating subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable if after six months, any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

The Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position for the Deed of Cross Guarantee is presented as follows.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OR LOSS

In thousands of AUD	*Note*	12 months ended 31 December 2024	12 months ended 31 December 2023
Revenue		7,863	7,354
Cost of sales		(6,867)	(6,493)
Gross profit		**996**	**861**
Other income		198	60
Sales, service and marketing expenses		(1,171)	(1,051)
Writeback of trade receivables		–	2
Other expenses		(71)	–
Results from operating activities		**(48)**	**(128)**
Finance costs		(17)	(16)
Net finance costs		**(17)**	**(16)**
Loss before tax		**(65)**	**(144)**
Income tax expense		–	–
Loss for the year		**(65)**	**(144)**

For personal use only

STATEMENT OF FINANCIAL POSITION

In thousands of AUD	*Note*	31 December 2024	31 December 2023
Assets			
Cash and cash equivalents		506	384
Receivables and other assets		986	969
Inventories		937	1,557
Prepayments		69	70
Total current assets		**2,498**	**2,980**
Deferred tax assets		537	537
Property, plant and equipment		460	319
Right-of-use assets		114	21
Total non-current assets		**1,111**	**877**
Total assets		**3,609**	**3,857**
Liabilities			
Trade and other payables		292	210
Loans and borrowings		–	82
Lease liabilities		131	167
Employee benefits		1,137	1,094
Total current liabilities		**1,560**	**1,553**
Trade and other payables		6,380	6,463
Lease liabilities		75	187
Employee benefits		50	46
Total non-current liabilities		**6,505**	**6,696**
Total liabilities		**8,065**	**8,249**
Net assets		**(4,456)**	**(4,392)**
Equity			
Accumulated losses		(4,456)	(4,392)
Total equity		**(4,456)**	**(4,392)**

34. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

For personal use only

35. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company.

In AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Deloitte Touche Tohmatsu Australia		
Audit and review of financial report	745,000	645,000
Total Deloitte Touche Tohmatsu Australia	745,000	645,000
Deloitte Touche Tohmatsu related practices		
Taxation and other services	520,161	729,436
Total Deloitte Touche Tohmatsu related practices	520,161	729,436
Total Remuneration of auditors	**1,265,161**	**1,374,436**

36. PARENT ENTITY DISCLOSURES

As at and throughout the financial year ended 31 December 2024 the parent entity of the Group was Ainsworth Game Technology Limited.

In thousands of AUD	12 months ended 31 December 2024	12 months ended 31 December 2023
Result of parent entity		
Profit for the year	8,409	2,850
Total comprehensive income for the year	12,312	3,120
Financial position of parent entity at year end		
Current assets	25,298	34,052
Non-current assets	340,352	309,208
Total assets	365,650	343,260
Current liabilities	12,613	19,384
Non-current liabilities	8,842	10,043
Total liabilities	21,455	29,427
Total equity of parent entity comprising of:		
Share capital	207,709	207,709
Equity compensation reserve	7,938	7,333
Translation reserve	12,513	8,877
Fair value reserve	9,684	9,684
Profit reserves	95,436	95,438
Accumulated losses	10,915	(15,208)
Total equity	**344,195**	**313,833**

Consolidated Entity Disclosure Statement

for the year ended 31 December 2024

For personal use only

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with subsection 295(3A)(a) of the *Corporations Act 2001*. The entities listed in the statement are Ainsworth Game Technology Limited and all the entities it controls in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295(3A) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the *Income Tax Assessment Act 1997* are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, Ainsworth has applied the following interpretations:

- Australian tax residency: Ainsworth has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: Where necessary, Ainsworth has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis, so there is no need for a general residence test. Some provisions treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Below is the Group consolidated entity disclosure statement as required by section 295(3A) of the Corporations Act.

	Entity name	Entity type	Country of incorporation	% of share capital held	Australian or foreign	Foreign jurisdiction
1	Ainsworth Game Technology Limited	Body Corporate	Australia	–	Australia	N/A
2	AGT Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
3	AGT Service Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
4	AGT Service (NSW) Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
5	J&A Machines Pty Ltd	Body Corporate	Australia	100%	Australia	N/A
6	Ainsworth Game Technology Inc	Body Corporate	US	100%	Foreign	US
7	Nova Technologies LLC	Body Corporate	US	100%	Foreign	US
8	AGT Alderney Limited	Body Corporate	Alderney	100%	Foreign	Alderney
9	AGT Pty Mexico S. de R.L. de C.V.	Body Corporate	Mexico	100%	Foreign	Mexico
10	AGT Pty Peru S.R.L.	Body Corporate	Peru	100%	Foreign	Peru
11	AGT Pty Argentina S.R.L.	Body Corporate	Argentina	100%	Foreign	Argentina
12	AGT Pty Colombia SAS	Body Corporate	Columbia	100%	Foreign	Columbia
13	AGT Brasil - Technologia LTDA.	Body Corporate	Brazil	100%	Foreign	Brazil

Directors' Declaration

for the year ended 31 December 2024

1. In the opinion of the directors of Ainsworth Game Technology Limited (the 'Company'):
   (a) the consolidated financial reports and notes that are set out on pages 58 to 120 and the Remuneration report in sections 15.1 to 15.8 in the Directors' report, are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
   (c) the attached Consolidated Entity Disclosure Statement is true and correct, in accordance with subsection 295(3A) of the *Corporations Act 2001*.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2024.
3. The directors draw attention to Note 2(a) to the consolidated financial report, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.



Danny Gladstone
Chairperson
Dated at Sydney this 25 day of February 2025

For personal use only

Independent Auditor's Report

for the year ended 31 December 2024

Deloitte.

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Quay Quarter Tower
50 Bridge St
Sydney NSW 2000
Australia

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

For personal use only

Independent Auditor's Report to the members of Ainsworth Game Technology Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ainsworth Game Technology Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Deloitte.

For personal use only

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of non-current assets including goodwill, capitalised development costs and intangible assets for the North America CGU As noted in Note 14, as at 31 December 2024, North America CGU has goodwill, capitalized development costs and intangible assets with indefinite useful lives amounting to $69m (31 December 2023: $70m). As required by AASB 136, Impairment of Assets and in accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of the North America cash generating unit ("CGU") exceeds its recoverable amount as at 31 December 2024. The Group applied significant judgement in determining the recoverable value of the CGU, including the following: • determining the revenue and cash flow forecasts of the CGU for the 5-year forecast period; • determining the terminal growth rates applied to the CGU's future cash flows; and • determining the discount rate to be applied when determining the value in use of the CGU.	Our procedures included but were not limited to: • obtaining an understanding of the process flows and key controls associated with the value in use model prepared by management and approved by the Board used to estimate the recoverable amount of the CGU; • evaluating management's methodologies and the basis for key assumptions utilised in the discounted cash flow valuation models, which are disclosed in Note 14; • assessing the adequacy of the disclosures in Note 14 to the financial statements using our understanding obtained from our testing against the requirements of the accounting standards. Working with our valuation specialists, our procedures included: • analysing key assumptions in the value in use model in relation to the North America cash-generating unit; • assessing the integrity of the value in use model used, including the accuracy of the underlying formulas; • agreeing the inputs used in the model to Board approved forecasts; • assessing the accuracy of previous forecasts to inform our evaluation of forecasts incorporated in the model and applying increased scepticism to assumptions in areas where previous forecasts were not achieved; • challenging the forecast cash flow and growth rate assumptions by applying our knowledge of the CGU, its past performance, and our industry knowledge; • assessing the reasonability of the discount rate applied by comparing to our independent estimate, third party evidence and broker consensus data; and • considering the sensitivity of the value in use model to changes in the assumptions and the resulting outcomes by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates within a reasonably possible range.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Deloitte.

For personal use only

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group**,** and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

For personal use only

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 46 to 57 of the Directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Ainsworth Game Technology Limited, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 25 February 2025

Lead Auditor's Independent Declaration

for the year ended 31 December 2024

Deloitte Touche Tohmatsu
A.C.N. 74 490 121 060

Quay Quarter Tower
50 Bridge St
Sydney NSW 2000
Australia

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

For personal use only

25 February 2025

The Board of Directors
Ainsworth Game Technology Limited
10 Holker Street
Newington NSW 2127

Dear Board Members

Auditor's Independence Declaration to Ainsworth Game Technology Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Ainsworth Game Technology Limited.

As lead audit partner for the audit of the financial report of Ainsworth Game Technology Limited for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Corporate Directory

For personal use only

CORPORATE DIRECTORY

Independent Non-Executive Directors
Mr DE Gladstone - Chairperson
Mr GJ Campbell
Ms HA Scheibenstock

Non-Executive Director
Dr H Asenbauer

Chief Executive Officer
Mr HK Neumann

Chief Financial Officer
Ms L Mah

Company Secretary
Mr ML Ludski

Securities Exchange Listing
The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.
CODE: AGI

Website
www.agtslots.com

Share Registry
Computershare Investor Services Pty Ltd
6 Hope Street, Ermington
NSW 2115 Australia
Tel: 1300 850 505 (within Aust)
+61 3 9415 4000 (outside Aust)
Fax: +61 3 9473 2500

Auditor
Deloitte Touché Tohmatsu
Quay Quarter Tower
50 Bridge Street
Sydney NSW Australia 2000
Tel: +61 2 9322 7000
Fax: +61 2 9322 7001

Other Information
Ainsworth Game Technology Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

OFFICES

AUSTRALIA

Corporate and Head Office
10 Holker Street,
Newington NSW Australia 2127
Tel: +61 2 9739 8000
Fax: +61 2 9648 4327
Email: enquiries@agtslots.com

Queensland
Mr Glen Coleman
State Manager QLD/ NT
Unit 5 / 3916 Pacific Highway,
Loganholme QLD Australia 4129
Tel: +61 7 3209 6210
Fax: +61 7 3209 6510
Email: gcoleman@agtslots.com

South Australia
Mrs Kelly Frackowski
Snr Sales Executive
Unit 4, 188 Richmond Road
Marleston SA 5033
Tel: +61 409 171 616
Email: kfrackowski@agtslots.com

THE AMERICAS

Nevada
5800 Rafael Rivera Way,
Las Vegas, NV 89118
Tel: +1 (702) 954 3000
Fax: +1 (702) 954 3001
Email: enquiries@agtslots.com

Florida
1011 SW 30th Avenue,
Deerfield Beach, FL 33442
Tel: +1 (954) 944 3800
Fax: +1 (954) 317 5555
Email: enquiries@agtslots.com

ASIA PACIFIC

Mr Troy Primmer
President Asia Pacific
Tel: +61 2 9739 8172
Tel: +61 414 290 968
Email: tprimmer@agtslots.com

EUROPE

Mr Miguel Cuadros
President LATAM & Europe
Tel: +1 (954) 944 3801
Tel: +1 (561) 445 0501
Email: mcuadros@agtslots.com

For personal use only



Ainsworth Game Technology Limited
ABN: 37 068 516 665

10 Holker Street, Newington
New South Wales, Australia 2127
T: +61 2 9739 8000
F: +61 2 9648 4327

www.agtslots.com