



Overview Presentation

May 2021

Company Overview

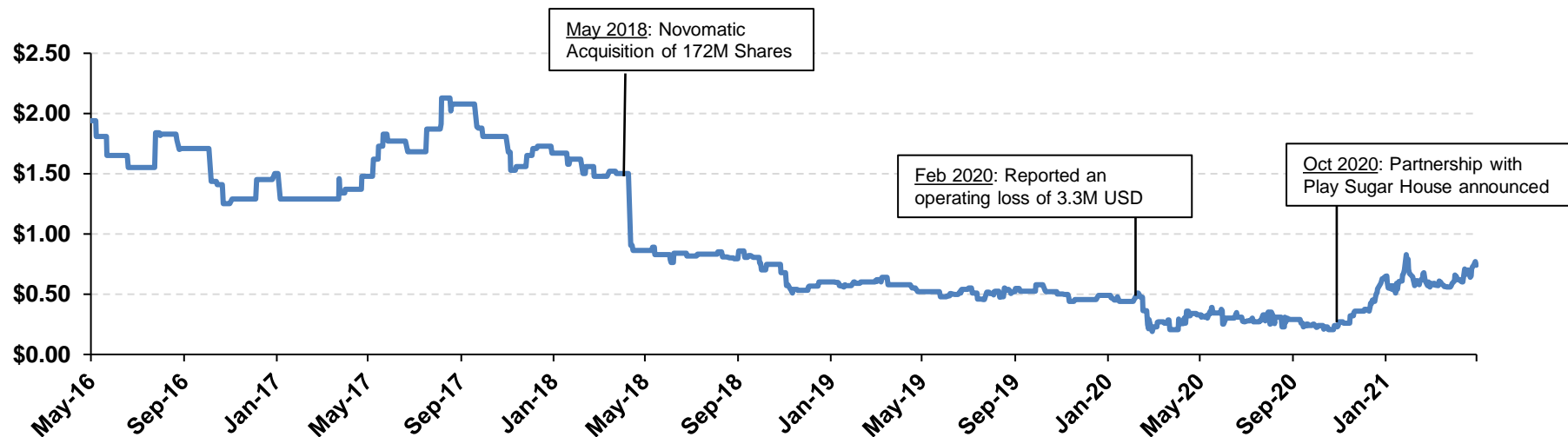
- ❖ **Founded in 1995, Ainsworth Game Technology Limited (“Ainsworth”) focuses on the design, development, production and sale of their own gaming machines and related equipment**
 - Operating out of Australia, Ainsworth competes in the markets of North America, Latin America, Australia and Asia
 - Currently 7,001 units are under gaming operation with a growth of 6% over the last 6 months
 - Completed the asset acquisition of MTD Gaming with an immediate and positive impact to EBITDA
 - Exclusive Montana Gold version being produced for Golden Entertainment
 - Class III launch in Southern California in March of 2021
- ❖ **Ainsworth’s Historic Horse Racing System (“HHR”) is a pari-mutuel wagering system that makes use of historic horse racing information to determine outcomes**
 - In areas where slot style games that make use of random number generation, HHR is able to operate by making use of legislation regarding horse racing, bingo, and lotteries
- ❖ **Subsidiary of Novomatic AG, an international gambling company**

Ainsworth Slot Machines



Share Price and Trading Analysis

Ainsworth Game Technology Ltd (OTCMKTS: AINSF) – Historical Stock Chart: Last 5 Years



Stock Information (as of 5/26/21)

Price:	\$0.74
Fully-Diluted Shares Outstanding:	336.79M
52 wk High/Low:	\$0.95/0.20
Public Float : (% of total shares)	16.13
Insider Holdings: (% of total shares)	57.54
Institutional Ownership: (% of total shares)	16.55

Capitalization (\$ in Millions)

Market Cap.	\$242.49
Less: Cash & Short Term	(18.47)
Plus: Total Debt	42.32
Plus: Pref. Equity	-
Plus: Total Minority Interest	-
Total Enterprise Value (TEV)	271.92
TEV/LTM Adj. EBITDA ⁽¹⁾	-11.6x
Total Debt/LTM Adj. EBITDA ⁽¹⁾	-1.8x

Stock Ownership Summary

Top Holders	% Own.
Novomatic AG	52.9
Votrant No. 1019 Pty Ltd	8.95
Citicorp Nominees Pty Ltd	6.72
HSBC Custody Nominees	6.22
J P Morgan Nominees Australia	3.65
Associated World Nominees	3.15
National Nominees Ltd	1.55

Historical Financial Summary

(\$ in Thousands)

	Year ended June 30,			
	2017	2018	2019	2020
Revenues:				
Australia and Other	\$ 78,669	\$ 62,489	\$ 36,633	\$ 27,199
Latin America	60,448	60,608	55,981	32,367
North America	78,085	81,403	87,832	55,469
Net Revenues	\$ 217,202	\$ 204,500	\$ 180,445	\$ 115,035
<i>% Growth</i>	-1.19%	-5.85%	-11.76%	-36.25%
Operating Expenses:				
Changes in Raw Materials	\$ 79,750	\$ 75,920	\$ 59,808	\$ 35,321
Employee Benefits		47,818		45,057
Evaluation and Testing	7,627	5,075	5,914	5,855
Impairment of equity-accounted investee	0	0	1,446	0
Impairment of intangibles	0	0	1,876	0
Impairment of property, plant and equipment	3,977	3,977	0	9,208
Impairment of trade receivables	0	0	674	2,626
Legal Expenses	223	617	782	950
Marketing Expenses	3,567	4,051	4,404	3,828
Operating Lease Expenses	1,753	1,726	1,795	9
Other Expenses	10,634	17,425	24,581	20,791
Other Income	(554)	(2,255)	(946)	(758)
Total Operating Expenses	\$ 106,977	\$ 154,353	\$ 100,335	\$ 122,886
EBITDA	\$ 110,225	\$ 50,146	\$ 80,110	\$ (7,851)
EBITDA Adjustments	0	0	0	0
Adj. EBITDA	\$ 110,225	\$ 50,146	\$ 80,110	\$ (7,851)
<i>% Growth</i>	59.24%	-54.51%	59.75%	-109.80%
<i>% Margin</i>	50.75%	24.52%	44.40%	-6.82%

Online Presence

- ❖ **Ainsworth produces interactive online games for a variety of iGaming sites**
 - Customers currently include BETMGM, BORGATA, Golden Nugget, Mohegan Sun, Party Casino, Play Sugar House, Resorts AC
 - Majority of games are being licensed by all customers
 - Currently supports a library of 20 online game titles with an emphasis on slot style games
- ❖ **Ainsworth has recently partnered with multiple companies in order to distribute online games to various markets**
 - Partnership with GAN Limited to provide distribution of Ainsworth real money online games in the North American market segment
 - Exclusive partnership announced May 2021, allowing GAN Limited to be the sole distributor in North America
 - Partnership with Slotegrator, an iGaming aggregator, to enter the Eastern European market segment
 - Slotegrator allows for websites to access iGaming titles from any of its partners through its APIgrator solution

Ainsworth iGaming experience



Executive Leadership Team

Lawrence Levy

Chief Executive Officer

- Mr. Lawrence Levy has been the Chief Executive Officer since July 2019
- Mr. Levy is a member of the Regulatory and Compliance Committee for Ainsworth
- Previous to his appointment, Mr. Levy was the Vice President Global Sales for Novomatic AG Austria, a gaming technology company
- His career began as a casino dealer in London, working through Casino Operations, Sales, and Management throughout various countries in Europe, North and East Africa and Latin America

Danny Gladstone

Chairman & Non-Executive Director

- Mr. Danny Gladstone was appointed Chairman & Non-Executive Director in November of 2019
- Mr. Gladstone served as Chief Executive Officer for Ainsworth for 12 years, being appointed in 2007
- He was inducted into the Club Managers Association Australia (“CMAA”) Hall of Fame in 2000
- His experience in the gaming industry spans 45 years, with an emphasis on the development and design of gaming slot machines
- Since 2010 Mr. Gladstone had served as an Executive Director on the Board

Graeme Campbell

Lead Independent Non-Executive Director

- Mr. Graeme Campbell has been a Lead Independent Non-Executive Director since September 2007
- Mr. Campbell serves as a Chairman of the Audit Committee and Member on the Remuneration and Nomination Committee
- He has worked in the corporate consultancy services for over 30 years, specializing in liquor and hospitality with an emphasis on hotels and clubs
- He is a regular speaker at gaming conferences and is retained as an advisor to a number of industry groups

Harald Neumann

Non-Executive Director

- Mr. Harald Neumann has been a Non-Executive Director since February 2017
- Mr. Neumann has a strong career background in senior executive positions within technology companies
- He was previously the Regional Chief Executive Officer at a global tele-communications company, Alcatel AG
- Prior, he was Chief Executive Officer and Chairman of the Executive Board of Novomatic AG

Pictures of Products

A-STAR Curve



EVO



A640



A600



A600ST



Opinion of Company's Current Valuation

- ❖ My opinion is that the stock price is over valued given current information
- ❖ Ainsworth is performing poorly from a financial standpoint
 - Negative EBIDTA
 - Continuous negative growth in revenue over the last 4 years
- ❖ The HHR system previously mentioned provides potential for future success
 - Won the award for top 20 most innovative gaming products in 2019
 - Recently contracted for an additional 850 HHR gaming machines in North America
- ❖ Not enough time has passed for the new CEO to show his potential
 - Given proper leadership I believe Ainsworth has the potential to succeed due to Ainsworth's strong background in gaming
- ❖ With current EPS estimates of $-\$0.09$, and stock pricing $\$0.08$ above the 60 day moving average, I believe that Ainsworth should be trading at a lower price.
- ❖ Global semiconductor shortage does not bode well for the current manufacturing efforts

