Ainsworth Game Technology Ltd
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30 August 2022

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

ELECTRONIC LODGEMENT

Results for Full Year Ended 30 June 2022 – Appendix 4E and Preliminary Final Report (Unaudited)

We attach a copy of the Appendix 4E and Preliminary Final Report (unaudited) in respect of Ainsworth Game Technology's full year results.

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

Yours faithfully

Mark Ludski
Company Secretary

Ainsworth Game Technology Limited

ABN 37 068 516 665

APPENDIX 4E

Preliminary Final Report

Year Ended: 30 June 2022

Previous corresponding period: 30 June 2021

Results for announcement to the market

	Up / Down	% Change		Year ended 30/06/22 A$'000
Revenue from operating activities	Up	38%	to	220,157
Reported profit from ordinary activities after tax attributable to members	Up	N/A	to	11,753
Net profit for the period attributable to the members	Up	N/A	to	11,753

Dividend Information

Ainsworth Game Technology Limited has not paid, recommended, or declared any dividends for the year ended 30 June 2022.

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$0.63	$0.56

Financial Information

This report is prepared based on accounts which are in the process of being audited. Ainsworth Game Technology Limited will be releasing its audited accounts in September 2022. The Company will immediately make a further announcement to the market after the lodgment of its unaudited accounts if there is a material difference between the unaudited accounts and the audited accounts.

Entities where control was gained or lost

During the year, Bull Club Services Pty Limited, one of Ainsworth Game Technology Limited's wholly owned subsidiary, was deregistered.

Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the following pages.

Commentary on the results for the year

During the reporting period, the Group continues to navigate through the volatility in the global operating environment as a result of the COVID-19 pandemic. In the six months ended 31 December 2021 ("H1FY22"), lockdowns and restrictions were still in place for some of the Group's major markets, Australia and Latin America regions, which impacted the Group's customer's operations. As vaccination rates increased, lockdowns and restrictions were progressively lifted or relaxed in the six months ended 30 June 2022 ("H2FY22"), further challenges brought about from the pandemic became more prevalent during the reporting period, such as supply chain disruptions, talent recruitment and increasing inflationary cost pressures.

Notwithstanding the continuing operational challenges, the Group delivered an improved result and recorded a statutory net profit after tax of $11.8 million in the twelve months ended 30 June 2022 ("FY22"), compared to the ($53.4) million loss recorded in the twelve months ended 30 June 2021 ("FY21"). The profit after tax, excluding the effect of net foreign currency movement was $5.3 million, an improvement on the ($44.2) million loss in FY21. The current year profit before tax result, excluding the effect of net foreign currency gains was $7.6 million.

Earnings and performance summary

The following table summarises the results for the year:

In millions of AUD	**6 months to 31 Dec 2021**	**6 months to 30 Jun 2022**	**12 months to 30 Jun 2022**	**12 months to 30 Jun 2021**	**Variance**
Reported Results					
Total Revenue	100.7	119.5	220.2	159.5	60.7
Profit / (loss) before tax	13.9	1.9	15.8	(59.2)	75.0
Profit / (loss) after tax	9.1	2.7	11.8	(53.4)	65.2
EBITDA	24.6	12.5	37.1	(26.6)	63.7
EBIT	13.8	1.1	14.9	(57.9)	72.8
Earnings per share (fully diluted)	2.7 cents	0.7 cents	3.4 cents	(15.9 cents)	19.3 cents
Underlying Results (1)					
Profit / (loss) before tax	10.0	17.3	27.3	(17.1)	44.4
Profit / (loss) after tax	6.1	16.9	23.0	(17.6)	40.6
EBITDA	20.7	27.9	48.6	15.5	33.1
Balance sheet and cash flow					
Total assets	381.4	406.5	406.5	393.1	13.4
Net assets	301.7	311.3	311.3	287.9	23.4
Operating cashflow	31.0	20.3	51.3	22.2	29.1
Closing net cash	32.2	50.3	50.3	5.1	45.2

(1) Underlying results exclude foreign currency impacts and one-off items. These items are outlined in the following page - 'A reconciliation of the reported EBITDA to the underlying EBITDA'.

A reconciliation of the reported EBITDA to the underlying EBITDA is shown in the following table:

In millions of AUD	6 months to 31 Dec 2021	6 months to 30 Jun 2022	12 months to 30 Jun 2022	12 months to 30 Jun 2021	Variance
Reconciliation:					
Profit / (loss) before tax	**13.9**	**1.9**	**15.8**	**(59.2)**	**75.0**
Net interest (income) / expense	(0.1)	(0.8)	(0.9)	1.3	(2.2)
Depreciation and amortisation	10.8	11.4	22.2	31.3	(9.1)
Reported EBITDA	**24.6**	**12.5**	**37.1**	**(26.6)**	**63.7**
Foreign currency (gains) / losses	(3.5)	(4.7)	(8.2)	11.5	(19.7)
(Writeback) / Impairment on trade receivables	-	(1.5)	(1.5)	9.0	(10.5)
Rent concessions	(0.4)	(0.1)	(0.5)	(0.5)	-
Provision for Mexican duties and other charges	-	16.5	16.5	-	16.5
Impairment losses - LATAM and Australia and Other CGU	-	5.2	5.2	32.7	(27.5)
COVID-19 related government subsidies	-	-	-	(7.3)	7.3
Gain on LV parcel of land sale	-	-	-	(3.3)	3.3
Underlying EBITDA	**20.7**	**27.9**	**48.6**	**15.5**	**33.1**

Key earnings and performance highlights are outlined below:

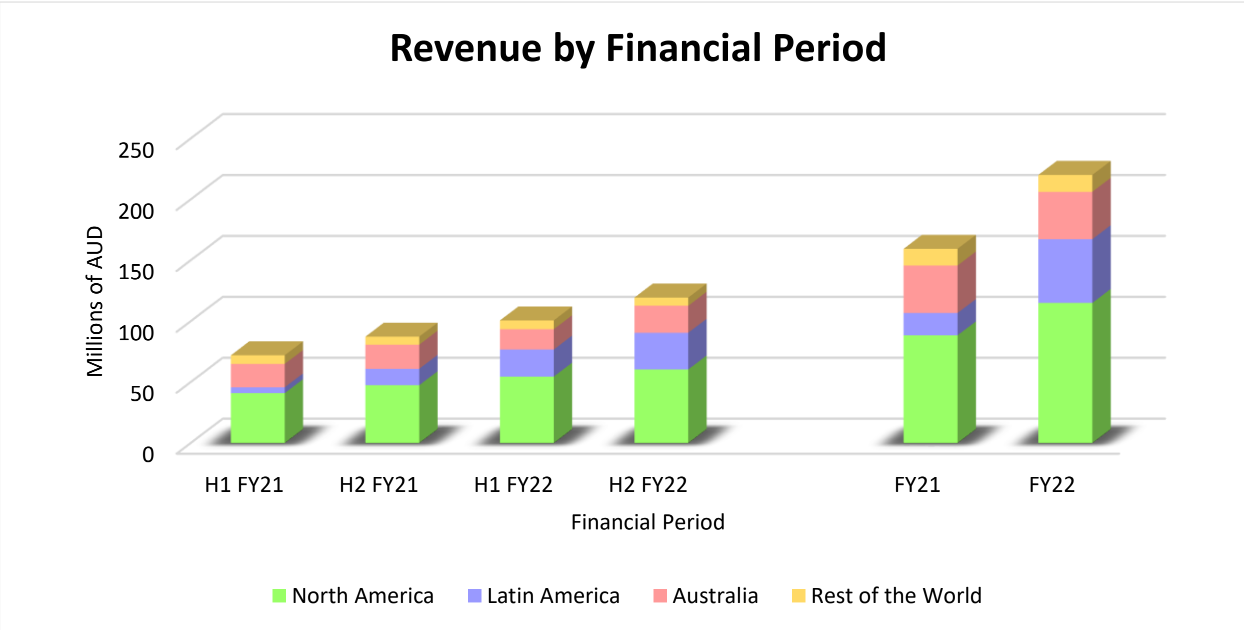
- Reported revenue improvement in FY22 compared to FY21, predominantly attributable to the Americas region - North America and Latin America;
- Participation and lease revenue contributed to 24% of the Group's total revenue;
- Ainsworth's leading Historical Horse Racing ("HHR") products and system continues to incrementally contribute to the Group's results with recurring connection fee of $15.2 million reported in the current period;
- One-off sales of 400 HHR units to Kentucky Downs in July 2021;
- Outright sales momentum continued across all major markets;
- Net cash position of $50.3 million at 30 June 2022 compared to $5.1 million at 30 June 2021. Strong cash flows allowed bank facility loan repayment of $38.6 million (US$28.0 million) in FY22;
- Lower trade receivables balances over total revenue as customers recommence payments as their operations reopen and resume to more normalised levels, contributing to improvement in cash from operating activities;
- Foreign exchange positively contributed to the results by $19.7 million as a result of strengthening of the US Dollar against the Australian Dollar at reporting date; and
- Underlying EBITDA for the period improved by 214%.

Review of financial performance

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

In millions of AUD	6 months to 31 Dec 2021	6 months to 30 Jun 2022	12 months to 30 Jun 2022	12 months to 30 Jun 2021	Variance
Domestic revenue	16.7	22.2	38.9	39.0	(0.1)
International revenue	84.0	97.3	181.3	120.5	60.8
Total revenue	**100.7**	**119.5**	**220.2**	**159.5**	**60.7**
Cost of sales	(37.7)	(44.5)	(82.2)	(69.9)	(12.3)
Gross profit	**63.0**	**75.0**	**138.0**	**89.6**	**48.4**
Gross profit margin %	63%	63%	63%	56%	7%
Other income	1.2	(0.2)	1.0	4.1	(3.1)
Sales, service & marketing expenses	(25.0)	(30.8)	(55.8)	(46.2)	(9.6)
Research and development expenses	(18.0)	(17.3)	(35.3)	(33.4)	(1.9)
Administrative expenses	(10.9)	(10.1)	(21.0)	(18.8)	(2.2)
Writeback / (impairment) of trade receivables	-	1.5	1.5	(9.0)	10.5
Other expenses	-	(21.7)	(21.7)	(32.7)	11.0
Net finance income / (costs)	3.6	5.5	9.1	(12.8)	21.9
Profit / (Loss) Before Tax	**13.9**	**1.9**	**15.8**	**(59.2)**	**75.0**
Income tax (expense) / benefit	(4.8)	0.8	(4.0)	5.8	(9.8)
Profit / (Loss) After Tax	**9.1**	**2.7**	**11.8**	**(53.4)**	**65.2**

Revenue



As outlined in the graph above, improvements in revenue since the pandemic have been achieved across all financial periods as the market continues to recovery with improved product performance and increased customer confidence to invest in capital expenditure in their venues.

Ainsworth's key market, North America, continues to show strong revenue contributing $115.1 million in revenue representing 52% of the Group's total revenue. HHR high performing products continue to positively contribute to revenues within this segment. In H1 FY22 400 HHR units which were previously operating on a participation basis in Kentucky Downs were converted to sale. As at 30 June 2022, 4,245

HHR units were connected to Ainsworth's HHR system generating recurring revenue. MTD has continued to positively contribute to the North America segment profit and provides future growth in premium performing Poker, Keno and Video Reel content. MTD's latest game set combines the best-in-class games from both Ainsworth and MTD and this game set has been a leading product within South Dakota in the current period.

The Latin America segment in FY21 was adversely impacted by the COVID-19 pandemic where there were restrictions placed on our customers operations. However, as the Latin America market reopens and progressively recovers from the effects of COVID-19, this segment has shown positive signs with revenue increasing in FY22 compared to FY21. This segment generated $52.2 million of revenue, an increase of 185% on the $18.3 million in FY21. It is expected that as the regions within this segment continue to recover and the group releases new game themes which are under development, revenue and segment profit will increase in future periods.

Australia achieved similar revenue in FY22 compared to FY21 due to the spread of Delta strain of COVID-19 that prompted lockdowns and restrictions during the first half of FY22. The government impacted restrictions affected customer operations and capital spent predominately in NSW, however, revenue improved in H2 once restrictions were lifted.

Rest of the World revenue remained fairly consistent compared to FY21. All the land-based markets within the Rest of the World segment, i.e. New Zealand, Asia and Europe have reductions in revenue compared to FY21 due to the pandemic as lockdowns and travel restrictions were still in place for some of the regions within these markets during the year. Included in the Rest of the World revenue is online revenue of $9.6 million compared to the $5.9 million in FY21, which assisted in offsetting the reduction in the land-based markets within this segment. The increase in online revenue is attributable to the execution of a 5-year integration and distribution agreement with GAN Limited ("GAN") on 1 July 2021. This contractual agreement is expected to generate at least US$30.0 million over a 5-year period and will further strengthen Ainsworth's brand presence in USA through GAN's distribution network. The online division continues to partner with Zynga in providing Ainsworth's established and high performing game titles in the social online gaming market.

Cost of sales and operating costs

Gross margin of 63% was achieved in this period compared to 56% in FY21, an increase of 7%. The improvement in margin is mainly from the improvement in fixed production overhead recovery as more units were produced and sold during this period and an increase in recurring revenue with high margin contribution.

Operating costs, excluding cost of sales, other expenses, (writeback) / impairment of trade receivables, and financing costs for FY22 were $112.1 million compared to $98.4 million in FY21, an increase of 14%. These operating costs over total revenue reported 51% compared to 62% in FY21. The revenue recovery and implementation of cost minimisation measures initiated from prior periods have been maintained to ensure profitability is sustainable.

Sales, service and marketing (SSM) expenses in FY22 were $55.8 million compared to $46.2 million in FY21. The increase in SSM expenses is directly attributable to increased variable selling costs, increase in personnel costs, no government subsidies recognised in this period and recommencement of trade shows. As the Group's major markets, North America, Latin America and Australia, reopened and continued to recover from COVID-19, better leverage of fixed costs within SSM has been achieved, contributing to an overall improvement in segment profit.

Research and development (R&D) expenses in FY22 were $35.3 million compared to $33.4 million in FY21, an increase of 6%. Increase in R&D expenses were mainly attributable to an increase in personnel costs as no government assistance such as JobKeeper subsidies in Australia were received. 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 $21.0 million in FY22, an increase of 12% compared to the $18.8 million in FY21. This increase was mainly because no COVID-19 related government subsidies were received during this period. Cost control initiatives are continually being implemented to ensure that administration costs remain relevant to the Group's overall profitability.

Segment review

North America

In millions of AUD	**6 months to 31 Dec 2021**	**6 months to 30 Jun 2022**	**12 months to 30 Jun 2022**	**12 months to 30 Jun 2021**	**Variance**
Revenue	54.6	60.5	115.1	88.5	26.6
Gross Profit	36.8	42.1	78.9	60.1	18.8
Segment EBITDA	28.4	33.8	62.2	50.8	11.4
Segment Profit	**23.1**	**28.4**	**51.5**	**39.1**	**12.4**
Segment Profit (%)	42%	47%	45%	44%	1%

North America segment profit increased by 32% to $51.5 million compared to FY21, driven by higher outright unit sales (2,297 units compared to 1,703 units) achieved during this period which included the 400 HHR units sales to Kentucky Downs. The segment profit in FY21 also included a one-off gain on sale of land of $3.3 million. Excluding this gain, the segment profit in FY22 improved by 44% compared to FY21. Participation and lease revenue was $36.2 million, a decrease of 6% compared to FY21. The decrease was driven by the drop in the total gaming operation units for Class II machines during the period, predominantly resulting from the 400 HHR unit sales to Kentucky Downs that was converted to sales from a participation arrangement in July 2021. As the year progressed, this segment was able to replace the 400 units that came off participation arrangement with 1,679 units of Class II units placed at 30 June 2022 compared to 1,731 units at 30 June 2021. Key game titles from the high denomination game suites, particularly the Super Charged 7's classic and Thunder Cash, continue to drive sales momentum.

High performing HHR products continue to contribute to the revenue growth in this segment. At 30 June 2022, a total of 4,245 units were installed in various markets on the Group's HHR system, generating recurring connection fees. Newly approved HHR legislation in New Hampshire, Kansas, and Louisiana will provide additional placement opportunities in this high-quality market segment.

The average fee per day was US$33, a drop from the US$37 for year ended 30 June 2021. This resulted from the reduction in the number of Class II machines in the installed base which contributed a higher average fee per day compared to Class III machines.

MTD continues to positively contribute within this particular market segment. The most recent new game set released in South Dakota and Louisiana has been the leading performing product in this market and contributed to the majority of the revenue achieved in the current period for MTD products. Ainsworth successfully secured approval to sell MTD products in Nevada and is investing in improving game functionality for this market which is currently in progress. It is expected that this investment should increase Ainsworth's footprint in this new jurisdiction.

Latin America

In millions of AUD	6 months to 31 Dec 2021	6 months to 30 Jun 2022	12 months to 30 Jun 2022	12 months to 30 Jun 2021	Variance
Revenue	22.2	30.0	52.2	18.3	33.9
Gross Profit	15.0	19.4	34.4	11.1	23.3
Segment EBITDA	9.3	10.0	19.3	(4.3)	23.6
Segment Profit / (Loss)	**10.0**	**10.8**	**20.8**	**(8.6)**	**29.4**
Segment Profit / (Loss) (%)	45%	36%	40%	(47%)	87%

The significant uplift in the Latin America segment revenue and profit is driven by the market re-opening within the last quarter of calendar year 2021. During FY22, a total of 1,880 units were sold compared to 625 units in FY21. Revenue increased by 185% compared to FY21 and delivered an improved segment profit of $20.8 million compared to the ($8.6) million loss in FY21.

At 30 June 2022, 3,554 of the 3,818 game operations installed based were operating compared to 2,713 units at 30 June 2021 and 3,241 units at 31 December 2021. As the markets continue to recover, additional units are expected to return to operation further increasing revenue under participation and lease. The progressive increase in number of machines operating reflects the incremental contribution of participation and lease revenue reported compared to preceding periods. Machines under gaming operation contributed revenue of $16.8 million in FY22 compared to $6.8 million in FY21. Demand continues to grow for the A-STAR™ range of cabinets, coupled with improvement in performing game titles such as Pan Chang, Fiesta Grande, Rio Grande Los Toritos, and Multi Win Games.

Australia

In millions of AUD	6 months to 31 Dec 2021	6 months to 30 Jun 2022	12 months to 30 Jun 2022	12 months to 30 Jun 2021	Variance
Revenue	16.7	22.2	38.9	39.0	(0.1)
Gross Profit	6.6	7.4	14.0	10.6	3.4
Segment EBITDA	3.8	3.6	7.4	5.4	2.0
Segment Profit	**3.3**	**2.9**	**6.2**	**2.4**	**3.8**
Segment Profit (%)	20%	13%	16%	6%	10%

Operational challenges and extended lock downs in New South Wales impacted Australia's revenue in H1 FY22 offset by improved revenue contribution in Queensland and Victoria, resulting in revenue consistent with FY21. Servicing revenues, which are primarily derived from maintenance contracts in NSW were also impacted by government restrictions and venue closures during the first quarter of FY22. Queensland's revenue contribution increased by 36% following the success of the Cash Stacks Link in this state. Increase in corporate sales within Victoria in FY22 resulted in an increase of revenue by 38% compared to FY21.

An improvement in segment profit was achieved due to reduced depreciation expenses relating to assets that were fully written down at 30 June 2021. Gross profit of 36% also contributed to an improved segment result as no significant write down of inventories carrying value was recognized in this period.

Rest of the World ("ROW")

In millions of AUD	6 months to 31 Dec 2021	6 months to 30 Jun 2022	12 months to 30 Jun 2022	12 months to 30 Jun 2021	Variance
Revenue	7.2	6.8	14.0	13.7	0.3
Gross Profit	4.7	6.0	10.7	7.8	2.9
Segment EBITDA	4.1	5.2	9.3	7.1	2.2
Segment Profit	**4.0**	**5.1**	**9.1**	**6.6**	**2.5**
Segment Profit (%)	56%	75%	65%	48%	17%

The slight revenue increase from this segment is predominantly from the online division, contributing 69% of total revenue, and assisting to offset the underperformance from other regions within Rest of the World, encompassing New Zealand, Europe and Asia. The Asia market remains challenging as this region was impacted by border closures and travel restrictions throughout most the year. New Zealand was in lockdown between August to December 2021 which further impacted this region's revenue contribution for this period.

Similar to the Australian segment, the improved segment profit of 65% compared to FY21 resulted from no significant write-down of inventories carrying value recognised in this period.

The online revenue of $9.6 million (FY21: $5.9 million), an increase of $3.7 million from FY21 reflects revenue contribution from GAN following the execution of GAN agreement with Ainsworth on 1 July 2021. The GAN agreement is expected to contribute at least US$30 million over a 5-year period which commenced on 1 July 2021.

Review of financial condition

Cash flows and funding

At 30 June 2022, the Group reported a cash of $50.3 million, up from the $42.4 million reported at 30 June 2021. The net increase in cash predominantly resulted from an increase in net cash from operating activities, mainly attributable to the increase in debtors' collections as a result of higher sales during the current period and recommencement of payments from Latin America customers. The improvement in operating cash flow has allowed the Group to repay all of its secured bank loan during the year amounting to $38.6 million (US$28.0 million). This strong cash flow will allow the Group to further invest in product development and assist in minimising risks associated with the volatility of the current economic conditions.

The Company through its US-based operating subsidiary, Ainsworth Game Technology Inc, has a secured bank facility 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 total leverage and fixed charge coverage ratios measured on a quarterly and annual basis. During the year, all imposed financial convents were met. At inception of the facility on 18th February 2021, the facility limit was at US$35 million. As part of the terms and conditions of the facility, the available limit is to reduce by US$0.5 million at each quarter end. As at 30 June 2022, the facility limit was at US$32.5 million with no drawdowns utilised.

INDEX TO NOTES TO THE FINANCIAL STATEMENTS | PAGE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

In thousands of AUD

	Note	30-Jun-22	30-Jun-21
Assets			
Cash and cash equivalents	*14*	50,318	42,393
Receivables and other assets	*13*	83,871	82,501
Current tax assets		3,210	1,874
Inventories	*12*	68,301	56,116
Prepayments		6,159	8,873
Total current assets		**211,859**	**191,757**
Receivables and other assets	*13*	28,873	33,944
Deferred tax assets		11,868	12,246
Property, plant and equipment	*9*	67,132	66,735
Right-of-use assets	*21*	8,250	9,475
Intangible assets	*10*	78,553	78,989
Total non-current assets		**194,676**	**201,389**
Total assets		**406,535**	**393,146**
Liabilites			
Trade and other payables	*19*	36,253	34,757
Loans and borrowings	*16*	52	52
Lease liabilities	*21*	2,035	1,824
Employee benefits	*17*	9,338	8,406
Deferred income	*11*	9,446	844
Current tax liability		2,995	-
Provisions	*20*	18,352	833
Total current liabilities		**78,471**	**46,716**
Trade and other payables	*19*	3,702	6,472
Loans and borrowings	*16*	-	37,240
Lease liabilities	*21*	11,905	13,532
Employee benefits	*17*	464	493
Deferred income	*11*	665	-
Deferred tax liabilities		-	760
Total non-current liabilities		**16,736**	**58,497**
Total liabilities		**95,207**	**105,213**
Net assets		**311,328**	**287,933**
Equity			
Share capital		207,709	207,709
Reserves		131,575	119,933
Accumulated losses		(27,956)	(39,709)
Total equity		**311,328**	**287,933**

The notes on pages 14 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2022

In thousands of AUD

	Note	30-Jun-22	30-Jun-21
Revenue	*5*	220,157	159,520
Cost of sales		(82,139)	(69,957)
Gross profit		**138,018**	**89,563**
Other income		1,004	4,154
Sales, service and marketing expenses		(55,818)	(46,244)
Research and development expenses		(35,286)	(33,358)
Administrative expenses		(20,952)	(18,771)
Writeback / (impairment) of trade receivables		1,541	(8,993)
Other expenses		(21,781)	(32,720)
Results from operating activities		**6,726**	**(46,369)**
Finance income	*8*	11,044	1,056
Finance costs	*8*	(1,965)	(13,857)
Net finance income / (costs)		**9,079**	**(12,801)**
Profit / (loss) before tax		**15,805**	**(59,170)**
Income tax (expense) / benefit		(4,052)	5,761
Profit / (loss) for the year		**11,753**	**(53,409)**
Other comprehensive income / (loss)			
Items that may be reclassified to profit and loss:			
Foreign operations - foreign currency translation differences		11,515	(13,638)
Total other comprehensive income / (loss)		**11,515**	**(13,638)**
Total comprehensive income / (loss) for the year		**23,268**	**(67,047)**
Profit / (loss) attributable to owners of the Company		**11,753**	**(53,409)**
Total comprehensive profit / (loss) attributable to the owners of the Company		**23,268**	**(67,047)**
Earnings per share:			
Basic earnings per share (AUD)	*15*	$ 0.03	$ (0.16)
Diluted earnings per share (AUD)	*15*	$ 0.03	$ (0.16)

The notes on pages 14 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

In thousands of AUD

	Attributable to owners of the Company						
	Issued Capital	Equity compensation reserve	Fair value reserve	Translation reserve	Profit reserve	Retained Earnings / (Accumulated losses)	Total Equity
Balance at 1 July 2020	**207,709**	**4,879**	**9,684**	**23,145**	**122,760**	**(13,622)**	**354,555**
Total comprehensive loss for the period							
Loss	-	-	-	-	-	(53,409)	(53,409)
Transfer between reserves	-	-	-	-	(27,322)	27,322	-
Other comprehensive loss							
Foreign currency translation reserve	-	-	-	(13,638)	-	-	(13,638)
Total other comprehensive loss	-	-	-	(13,638)	-	-	(13,638)
Total comprehensive loss for the period	-	-	-	(13,638)	(27,322)	(26,087)	(67,047)
Transactions with owners, recorded directly in equity							
Share-based payment amortisation	-	425	-	-	-	-	425
Total transactions with owners	-	425	-	-	-	-	425
Balance at 30 June 2021	**207,709**	**5,304**	**9,684**	**9,507**	**95,438**	**(39,709)**	**287,933**
Balance at 1 July 2021	**207,709**	**5,304**	**9,684**	**9,507**	**95,438**	**(39,709)**	**287,933**
Total comprehensive income for the period							
Profit	-	-	-	-	-	11,753	11,753
Transfer between reserves	-	-	-	-	-	-	-
Other comprehensive income							
Foreign currency translation reserve	-	-	-	11,515	-	-	11,515
Total other comprehensive income	-	-	-	11,515	-	-	11,515
Total comprehensive income for the period	-	-	-	11,515	-	11,753	23,268
Transactions with owners, recorded directly in equity							
Share-based payment amortisation	-	127	-	-	-	-	127
Total transactions with owners	-	127	-	-	-	-	127
Balance at 30 June 2022	**207,709**	**5,431**	**9,684**	**21,022**	**95,438**	**(27,956)**	**311,328**

The notes on pages 14 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022
In thousands of AUD

	Note	30-Jun-22	30-Jun-21
Cash flows from operating activities			
Cash receipts from customers		231,854	142,838
Cash paid to suppliers and employees		(181,780)	(123,010)
Cash generated from operations		**50,074**	**19,828**
Interest received		2,809	1,052
Income taxes (paid) / received		(1,548)	1,367
Net cash from operating activities	*14a*	**51,335**	**22,247**
Cash flows (used in) / from investing activities			
Proceeds from sale of property, plant and equipment		77	5,474
Interest received		11	4
Acquisitions of property, plant and equipment	*9*	(1,703)	(2,220)
Development expenditure	*10*	(3,836)	(2,328)
Net cash (used in) / from investing activities		**(5,451)**	**930**
Cash flows used in financing activities			
Borrowing costs paid		(1,808)	(2,205)
Proceeds from borrowings		498	36,618
Repayment of borrowings		(39,068)	(39,237)
Proceeds from finance lease		513	1,103
Payment of lease liabilities		(1,643)	(1,798)
Net cash used in financing activities		**(41,508)**	**(5,519)**
Net increase in cash and cash equivalents		4,376	17,658
Cash and cash equivalents at 1 July		42,393	26,543
Effect of exchange rate fluctuations on cash held		3,549	(1,808)
Cash and cash equivalents at 30 June		**50,318**	**42,393**

The notes on pages 14 to 41 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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 statements of the Company as at and for the year ended 30 June 2022 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.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The financial report is based on accounts which are in the process of being audited and has been prepared in accordance with ASX Listing Rule 4.3A. As such, this preliminary report does not include all the notes that are included in an annual financial report which will be released before 30 September 2022.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for loans and borrowings from a related entity, which were measured initially at fair value and then subsequently carried at amortised cost.

(c) Functional and presentation currency

The financial information of each of the Group's entities and foreign branches is measured using the currency of the primary economic environment in which it operates (the functional currency).

These consolidated financial statements are presented in Australian dollars, which is the Company's primary functional currency.

The Company is of a kind referred to in ASIC Corporations *(Rounding in Financial/Directors Reports) Instrument 2016/191* and in accordance with that instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with the International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ to these estimates.

2. BASIS OF PREPARATION (CONTINUED)

The Group continues to navigate through the volatility in the global environment as a result of the COVID-19 pandemic, in particular changes in macroeconomic conditions related to inflationary cost pressures and supply chain disruptions which have led to additional estimates and judgements which involves assumptions when preparing these financial statements. Key judgements which includes incorporating best available information and past performance, have been exercised in considering the impacts of these conditions which may impact the future performance of the Group and the industry it operates. These estimates and judgements require ongoing assessment, which have inherent uncertainty at the time of preparation of these financial statements.

The following were the key areas, but not limited to, that required additional judgements as a result of the pandemic:

- the recoverability of receivables;
- the appropriateness of stock obsolescence provisions;
- impairment testing on non-financial assets; and
- the recoverability of deferred tax assets.

Should actual performance differ significantly from the assumptions used for the estimates and judgements mentioned above, it is likely that there may be material changes to the carrying value of the assets and liabilities listed above in future reporting periods.

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the Group's provision for income taxes. 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. Where the final 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.

(e) Comparative figures

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021.

4. 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. Information reported to the Group's Chief Executive Officer (CEO) as the chief operating decision maker for the purposes of resource allocation and assessment of performance is focused on the geographical location of customers of gaming machines. As such, the Group's reportable segments are as follows:

- Australia and other ('other' consists of Asia, New Zealand, South Africa, Europe and Online);
- North America; and
- Latin America.

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 includes segment revenues and expenses that are directly attributable to the segment, which management believes is the most relevant approach in evaluating segment performance. The revenue from external parties reported to the CEO is measured in a manner consistent within the statement of profit or loss and other comprehensive income.

The Group has a large and dispersed customer base. The Group's largest customer accounts for only 6% of the total reportable revenue.

NOTES TO THE FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (CONTINUED)

A reconciliation of segment result to net profit after tax is also included as follows:

Information about reportable segments

In presenting information on the basis of reportable segments, segment revenue is based on the geographical location of customers and relates to sales, service and distribution of gaming content and platforms.

For the year ended 30 June 2022

In thousands of AUD	Australia and other										
	NSW	QLD/NT	VIC/TAS	South Australia	Asia	New Zealand	Europe / Other	Total Australia and Other	North America	Latin America	Total
Reportable segment revenue	17,305	12,167	6,262	3,140	674	2,010	11,303	52,861	115,101	52,195	220,157
Result											
Segment result	1,534	2,336	1,451	904	(44)	449	8,705	15,335	51,464	20,755	87,554
Interest revenue not allocated to segments											10
Interest expense											(1,965)
Foreign currency gain											8,225
R & D expenses											(35,286)
Corporate and administrative expenses											(20,952)
Other expenses not allocated to segments											(21,781)
Profit before tax											15,805
Income tax expense											(4,052)
Net profit after tax											11,753

Non-current assets, other than financial instruments and deferred tax assets, located in the entity's county of domicile (Australia) as at 30 June 2022 are $28,535 thousand (2021: $32,427 thousand). Non-current assets, other than financial instruments and deferred tax assets, located in foreign countries as at 30 June 2022 total $125,400 thousand (2021: $122,772 thousand), of which $125,400 thousand (2021: $122,772 thousand), are in North America.

Impairment expenses relating to write down of Latin America CGU assets of $4,792 thousand and write down of Australia and Other CGU assets of $458 thousand is recorded in 'other expenses not allocated to segments'. Also included in 'other expenses not allocated to segments' is $16,531 thousand of provision for Mexican duties and other charges.

NOTES TO THE FINANCIAL STATEMENTS

4. OPERATING SEGMENTS (CONTINUED)

In presenting information on the basis of reportable segments, segment revenue is based on the geographical location of customers and relates to sales, service and distribution of gaming content and platforms.

For the year ended 30 June 2021											
	---------- Australia and other ----------							Total			
In thousands of AUD	**NSW**	**QLD/NT**	**VIC/TAS**	**South Australia**	**Asia**	**New Zealand**	**Europe / Other**	**Australia and Other**	**North America**	**Latin America**	**Total**
Reportable segment revenue	20,432	8,898	5,183	4,508	777	4,472	8,475	52,745	88,490	18,285	159,520
Result											
Segment result	(284)	123	1,373	1,209	70	818	5,731	9,040	39,076	(8,584)	39,532
Interest revenue not allocated to segments											4
Interest expense											(2,401)
Foreign currency loss											(11,456)
R & D expenses											(33,358)
Corporate and administrative expenses											(18,771)
Other expenses not allocated to segments											(32,720)
Loss before tax											(59,170)
Income tax benefit											5,761
Net loss after tax											(53,409)

Non-current assets, other than financial instruments and deferred tax assets, located in the entity's county of domicile (Australia) as at 30 June 2021 are $32,427 thousand (2020: $50,693 thousand). Non-current assets, other than financial instruments and deferred tax assets, located in foreign countries as at 30 June 2021 total $122,772 thousand (2020: $165,229 thousand), of which $122,772 thousand (2020: $143,649 thousand), are in North America.

Impairment expenses relating to write down of Latin America CGU assets of $24,725 thousand and write down of Australia and Other CGU assets of $7,995 thousand is recorded in 'other expenses not allocated to segments'.

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. 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 year ended 30 June 2022

	Australia and other										
In thousands of AUD	NSW	QLD/NT	VIC/TAS	South Australia	Asia	New Zealand	Europe / Other	Total Australia and Other	North America	Latin America	Total
Major products/service lines											
Machine and part sales	11,815	9,724	5,040	2,227	674	2,010	7,801	39,291	55,708	20,326	115,325
Multi element arrangements	1,560	2,443	1,222	913	-	-	-	6,138	-	-	6,138
Sale type leases	-	-	-	-	-	-	-	-	799	14,393	15,192
Rendering of services	3,930	-	-	-	-	-	3	3,933	17,706	14	21,653
License income	-	-	-	-	-	-	3,499	3,499	4,659	668	8,826
Rental and participation	-	-	-	-	-	-	-	-	36,229	16,794	53,023
	17,305	**12,167**	**6,262**	**3,140**	**674**	**2,010**	**11,303**	**52,861**	**115,101**	**52,195**	**220,157**
Timing of revenue recognition											
Products and services transferred at a point in time	13,357	12,155	6,235	3,140	674	2,010	7,801	45,372	59,306	34,672	139,350
Products and services transferred over time	3,948	12	27	-	-	-	3,502	7,489	55,795	17,523	80,807
	17,305	**12,167**	**6,262**	**3,140**	**674**	**2,010**	**11,303**	**52,861**	**115,101**	**52,195**	**220,157**

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE (CONTINUED)

For the year ended 30 June 2021

In thousands of AUD	NSW	QLD/NT	VIC/TAS	South Australia	Asia	New Zealand	Europe / Other	Total Australia and Other	North America	Latin America	Total
	Australia and other										
Major products/service lines											
Machine and part sales	13,299	6,580	4,158	3,349	777	4,472	2,614	35,249	32,406	9,849	77,504
Multi element arrangements	2,262	2,318	1,025	1,159	-	-	-	6,764	-	-	6,764
Sale type leases	-	-	-	-	-	-	-	-	2,015	-	2,015
Rendering of services	4,871	-	-	-	-	-	-	4,871	9,535	2	14,408
License income	-	-	-	-	-	-	5,861	5,861	5,899	1,620	13,380
Rental and participation	-	-	-	-	-	-	-	-	38,635	6,814	45,449
	20,432	**8,898**	**5,183**	**4,508**	**777**	**4,472**	**8,475**	**52,745**	**88,490**	**18,285**	**159,520**
Timing of revenue recognition											
Products and services transferred at a point in time	15,521	8,878	5,108	4,507	777	4,472	2,614	41,877	38,919	9,812	90,608
Products and services transferred over time	4,911	20	75	1	-	-	5,861	10,868	49,571	8,473	68,912
	20,432	**8,898**	**5,183**	**4,508**	**777**	**4,472**	**8,475**	**52,745**	**88,490**	**18,285**	**159,520**

NOTES TO THE FINANCIAL STATEMENTS

6. EXPENSES BY NATURE

In thousands of AUD	Note	2022	2021
Employee benefits expense	7	57,802	45,067
Depreciation and amortisation expense	9,10,21	22,158	31,284
Impairment of property, plant and equipment	9	4,938	28,564
Changes in raw material and consumables, finished goods and work in progress		65,165	45,095
Legal expenses		1,331	632
Evaluation and testing expenses		5,645	5,387
Marketing expenses		3,615	2,264
Provision for Mexican duties and other charges	20	16,531	-
(Writeback) / impairment of trade receivables		(1,541)	8,993
Operating lease expenses	21	63	70
Impairment of right of use assets	21	312	4,156
Other expenses		38,416	38,531
		214,435	210,043

7. EMPLOYEE BENEFIT EXPENSES

In thousands of AUD	Note	2022	2021
Wages and salaries		53,140	41,293
Short-term incentives		1,128	354
Contributions to defined contribution superannuation funds		3,146	3,015
Decrease in liability for annual leave	17	(116)	(93)
Increase / (decrease) in liability for long service leave	17	280	(170)
Termination benefits		97	243
Equity settled share-based payment transactions		127	425
		57,802	45,067

In FY22 there were $nil JobKeeper subsidies received by the Australian companies within the Group (2021: $4,164 thousand) and $nil employment retention tax credits received by the US companies within the Group (2021: $3,137 thousand).

8. FINANCE INCOME AND FINANCE COSTS

In thousands of AUD	Note	2022	2021
Interest income		2,819	1,056
Net foreign exchange gain		8,225	-
Finance income		11,044	1,056
Interest expense on financial liabilities		(1,965)	(2,401)
Net foreign exchange loss		-	(11,456)
Finance costs		(1,965)	(13,857)
Net finance income / (costs) recognised in profit or loss		9,079	(12,801)

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT

In thousands of AUD	Note	Land & buildings	Plant & equipment	Leasehold improvements	Total
Cost					
Balance at 1 July 2020		63,958	136,148	4,244	204,350
Re-classification of inventory to plant and equipment		-	17,209	-	17,209
Re-classification of PPE Category		-	(45)	45	-
Additions		5	2,215	-	2,220
Disposals		(2,362)	(9,314)	-	(11,676)
Effect of movements in foreign exchange		(5,572)	(9,658)	(33)	(15,263)
Balance at 30 June 2021		56,029	136,555	4,256	196,840
Balance at 1 July 2021		56,029	136,555	4,256	196,840
Re-classification of inventory to plant and equipment		-	15,330	-	15,330
Additions		79	1,555	69	1,703
Disposals		-	(18,860)	-	(18,860)
Effect of movements in foreign exchange		5,116	10,040	36	15,192
Balance at 30 June 2022		61,224	144,620	4,361	210,205

In thousands of AUD	Note	Land & buildings	Plant & equipment	Leasehold improvements	Total
Depreciation and Impairment Losses					
Balance at 1 July 2020		8,951	85,825	2,140	96,916
Depreciation charge for the year	6	1,794	16,522	373	18,689
Impairment Loss	6	4,565	23,448	551	28,564
Re-classification of PPE Category		-	(42)	42	-
Disposals		-	(6,857)	-	(6,857)
Effect of movements in foreign exchange		(824)	(6,360)	(23)	(7,207)
Balance at 30 June 2021		14,486	112,536	3,083	130,105
Balance at 1 July 2021		14,486	112,536	3,083	130,105
Depreciation charge for the year	6	1,583	9,700	259	11,542
Impairment Loss	6	-	4,920	18	4,938
Disposals		-	(13,787)	-	(13,787)
Effect of movements in foreign exchange		1,410	8,830	35	10,275
Balance at 30 June 2022		17,479	122,199	3,395	143,073

NOTES TO THE FINANCIAL STATEMENTS

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In thousands of AUD	Note	Land & buildings	Plant & equipment	Leasehold improvements	Total
Carrying Amounts					
At 1 July 2020		55,007	50,323	2,104	107,434
At 30 June 2021		41,543	24,019	1,173	66,735
At 30 June 2022		43,745	22,421	966	67,132

Disposals in the table above includes sale of gaming machines previously under participation or rental agreements of $4,980 thousand (2021: $2,309 thousand) at net book value.

The carrying amount of plant and equipment on participation and fixed rental leases is $17,788 thousand (2021: $18,047 thousand).

Impairment loss of ($4,938) thousand recognised during the year relates to the recoverability of the carrying value of assets within the 'Latin America' and 'Australia and Other' cash generating units. See 'Note 10 – Intangible assets' for further details.

NOTES TO THE FINANCIAL STATEMENTS

10. INTANGIBLE ASSETS

In thousands of AUD	Note	Goodwill	Development Costs	Nevada Licence Costs	Technology & Software	Customer Relationships & Workforce	Tradenames & Trademarks	Total
Cost								
Balance at 1 July 2020		44,075	46,875	1,583	20,382	16,912	1,136	130,963
Additions		-	2,328	-	-	-	-	2,328
Intangible assets fully amortised and written off		-	(14,563)	-	-	-	-	(14,563)
Effects of movements in foreign currency		(3,628)	-	-	(940)	(1,473)	(98)	(6,139)
Balance at 30 June 2021		40,447	34,640	1,583	19,442	15,439	1,038	112,589
Balance at 1 July 2021		40,447	34,640	1,583	19,442	15,439	1,038	112,589
Additions		-	3,836	-	-	-	-	3,836
Intangible assets fully amortised and written off		-	(4,936)	-	-	-	-	(4,936)
Effects of movements in foreign currency		3,471	-	-	899	1,409	95	5,874
Balance at 30 June 2022		43,918	33,540	1,583	20,341	16,848	1,133	117,363

NOTES TO THE FINANCIAL STATEMENTS

10. INTANGIBLE ASSETS (CONTINUED)

In thousands of AUD	Note	Goodwill	Development Costs	Nevada Licence Costs	Technology & Software	Customer Relationships & Workforce	Tradenames & Trademarks	Total
Amortisation and impairment losses								
Balance at 1 July 2020		2,436	23,660	-	5,925	6,134	70	38,225
Amortisation for the year	6	-	6,860	-	1,984	1,469	211	10,524
Intangible assets fully amortised and written off		-	(14,563)	-	-	-	-	(14,563)
Effects of movements in foreign currency		-	-	-	(35)	(544)	(7)	(586)
Balance at 30 June 2021		2,436	15,957	-	7,874	7,059	274	33,600
Balance at 1 July 2021		2,436	15,957	-	7,874	7,059	274	33,600
Amortisation for the year	6	-	5,805	-	1,685	1,506	215	9,211
Intangible assets fully amortised and written off		-	(4,936)	-	-	-	-	(4,936)
Effects of movements in foreign currency		-	-	-	174	725	36	935
Balance at 30 June 2022		2,436	16,826	-	9,733	9,290	525	38,810
Carrying amounts								
At 1 July 2020		41,639	23,215	1,583	14,457	10,778	1,066	92,738
At 30 June 2021		38,011	18,683	1,583	11,568	8,380	764	78,989
At 30 June 2022		41,482	16,714	1,583	10,608	7,558	608	78,553

10. INTANGIBLE ASSETS (CONTINUED)

Impairment testing for development costs

In accordance with the Group's accounting policies, the Group has evaluated whether the carrying amount of a CGU or group of CGUs exceeds the recoverable amount as at 30 June 2022 due to the presence of impairment indicators at reporting date.

The four main CGUs or group of CGUs are: Development, Australia and other (comprised of Asia, New Zealand, South Africa and Europe), North America and Latin America. The determination of CGUs for the purposes of testing development costs for impairment is consistent with last financial year.

The Group has maintained that the most reasonable and consistent basis upon which to allocate development costs is to have the Group's research and development function ('Development CGU') recharge product development costs to the Group's other CGUs, which are in line with the Group's geographic operating segments.

The carrying amount of the Group's development costs amounts to $16,714 thousand (June 2021: $18,683 thousand), comprising of $14,293 thousand in development costs relating to product development and $2,421 thousand in development costs relating to online development activities.

Development costs include costs relating to products and online gaming that are not yet available for sale and as such their recoverable amount is assessed at the end of each reporting period.

Product development costs are recharged from the Development CGU to individual CGUs, based on the forecasted sales revenue of each individual CGU. Other assets, consisting of intangible assets and property, plant and equipment, are allocated to the individual CGUs to which they relate.

The Group has allocated goodwill and intangible assets on a consistent basis with last financial year. This includes allocation of goodwill arising from the acquisition of Nova Technologies in 2016 and MTD Gaming Inc. in 2020 which have been allocated to the North America CGU. There has been no movement in the carrying value of goodwill compared to 30 June 2021 other than foreign currency translation differences at reporting date.

The Group's corporate assets largely comprises of building facilities, IT infrastructure and manufacturing equipment. The allocation of the corporate assets was based on the usage pattern by each CGU.

The allocation of goodwill, indefinite useful life intangible assets and other assets to the Group's identified CGUs are as follows:

30 June 2022						
CGUs	Goodwill '$000	Indefinite life intangible assets '$000	Capitalised development costs '$000	Other assets '$000	Recoverable amount '$000	Headroom '$000
Development	-	-	16,714	37,459	66,752	12,579
North America	41,482	1,583	-	56,704	256,156	156,387

10. INTANGIBLE ASSETS (CONTINUED)

As at 30 June 2022, all assets within the Latin America CGU and Australia and other CGU have been fully impaired as a result of recoverable amount being lower than the carrying value. Details are outlined on the following page.

30 June 2021						
CGUs	**Goodwill '$000**	**Indefinite life intangible assets '$000**	**Capitalised development costs '$000**	**Other assets '$000**	**Recoverable amount '$000**	**Headroom '$000**
Development	-	-	18,683	38,039	64,717	7,995
North America	38,011	1,583	-	58,883	201,732	103,255

Key assumptions used in determining the recoverable amount

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:

	30 June 2022		30 June 2021	
CGUs	**Pre-tax Discount rate**	**Average annual revenue growth rate**[1]	**Pre-tax Discount rate**	**Average annual revenue growth rate**
Development	14.9%	9.2%[2]	14.7%	16.9%
Australia and other	13.4%	13.3%	14.3%	13.5%
North America	14.2%	10.6%	13.7%	12.1%
Latin America	20.4%	10.2%[3]	20.4%	31.9%

1) *The 5-year forecast average annual revenue growth rates (FY23 to FY27) have been calculated based on FY22 revenue as the base year. When estimating the revenue growth rates, management has considered and incorporated the effects of the pandemic and the market conditions for each CGU.*

2) *The notable change in average annual revenue growth rate by 770 basis points for the Development CGU compared to 30 June 2021 is based on a higher base year (FY22 revenue) used in determining the average annual revenue growth rate following from the first period recognition of the US exclusivity agreement with GAN Limited. It is expected that this agreement will generate minimum guarantee of US$30.0 million over a five-year period which commenced in FY22.*

3) *The notable change in average annual revenue growth rate by 2,170 basis points for the Latin America CGU compared to 30 June 2021 is a result of a higher FY22 revenue of $52,195 thousand compared to FY21 revenue of $18,285 thousand used as the base year when determining the average annual revenue growth rate. The improvement in the revenue in FY22 compared to FY21 is showing signs of recovery in this CGU from the adverse impact of the second wave of COVID-19 that occurred during FY21.*

10. INTANGIBLE ASSETS (CONTINUED)

Impairment charges recognised during the year

Latin America CGU

Since the onset of the pandemic in 2020, the Latin America CGU has been severely impacted as a large proportion of customers operating within Latin America, primarily Mexico, Argentina and Peru, were either closed or imposed with new restrictions for a prolonged period. Capital expenditure commitments in these Latin American jurisdictions were deferred in terms of both hardware and technology purchasing decisions due to the prolonged closure. In addition, the inflationary costs pressures resulting from global resources and supply chain shortages have also affected this CGU's recoverable amount.

Although the Group has seen significant recoveries in FY22 in the Latin America CGU with an improvement on revenue to $52,195 thousand in the current period compared to $18,285 thousand in FY21, the Group has considered the current inflationary challenges on the business and the ability to recover these from customers taking a longer term to value. The longer-term effects of COVID-19 on the Latin America economic conditions will impact on the timing of when cost inflation can be passed onto our customers, we have taken this into account in our assessment of the recoverability of this CGU. Incorporating the most recent available information and increasing costs pressures, the group recorded an impairment charge of $4,792 thousand against the Latin America CGU leased assets, property, plant and equipment and right-of-use assets. This impairment charge has been recognised in the income statement under 'Other expenses'.

It is the Group's view that this CGU will continue to recover post pandemic and the Group will continue to re-assess the recoverable value of this CGU in particular the terminal year cashflow (which contributes significantly to the recoverable amount calculation) and when and if the recoverable value exceeds the carrying value, the Group will reverse any previous impairment recorded.

Australia and other CGU

The emergence and subsequent rapid spread of the Delta strain in June 2021 in Australia triggered various lockdowns across all states and territories, in particular Victoria and New South Wales which endured the longest and harshest restrictions. Targets for vaccination rates set across states and territories with the incentive of easing restrictions and ending lockdowns were met at the end of December 2021, resulting in re-opening of state borders and easing of trading restrictions, despite a new variant, Omicron, was confirmed in Australia in November 2021. This relaxation in restrictions contributed to an improved revenue for the Australian market in H2FY22 compared to H1FY22. However inflationary cost pressures resulting from COVID-19, geopolitical instability and global supply chain challenges have affected this CGU's recoverable amount.

Although the Group has seen improvement in the industry activity levels, the cost and supply shortage pressures has prompted revision to the assumptions on costs within this CGU in future forecasted cashflows which has resulted in an impairment charge of $458 thousand against property, plant and equipment and right-of-use assets. This impairment charge has been recognised in the income statement under 'Other expenses'.

10. INTANGIBLE ASSETS (CONTINUED)

Impairment testing on other CGU's

North America CGU

As the forecasted recoverable amount exceeding carrying amount ("headroom") of this CGU is $156,387 thousand, Management does not believe that a reasonable possible change in key assumptions will result in a material impairment charge.

Development CGU

As at 30 June 2022, the Development CGU has a headroom of $12,579 thousand. The recoverable amount of the Development CGU is significantly driven by the performance of the other CGUs' including the ability of other CGUs' being able to pay Development CGU for its development recharges. A change in key assumptions will impact both the geographical and the Development CGUs' recoverable amounts. As the revenue projections of the Australia and other, North America and Latin America CGUs are also dependent on the success of products supplied by the Development CGU, impairment could also potentially arise at the Development CGU level shall any of the other CGUs have deficiencies in their recoverable amounts compared to their carrying amounts.

11. DEFERRED INCOME

The carrying value of deferred income in the consolidated statement of financial position as at 30 June 2022 predominantly relates to the execution of a 5-year integration and distribution agreement with GAN Limited ("GAN") on 1 July 2021 whereby the Group provides GAN with the exclusive use of current and future Ainsworth real money online game assets within the U.S. for a minimum guaranteed consideration of US$30 million. It is expected that as payments are received, these payments are recognised as deferred income and will be amortised over the life of the contract, subject to meeting the Group's performance obligations and revenue recognition policies. As at 30 June 2022, of the $10,111 thousand (Current: $9,446 thousand / Non-current: $665 thousand) carrying value recognised in deferred income, $9,166 thousand (30 June 2021: $nil) relates to this GAN contract.

12. INVENTORIES

In thousands of AUD	2022	2021
Raw materials and consumables	37,623	29,820
Finished goods	25,673	25,049
Stock in transit	5,005	1,247
Inventories stated at the lower of cost and net realisable value	68,301	56,116

13. RECEIVABLES AND OTHER ASSETS

In thousands of AUD	Note	2022	2021
Current			
Trade receivables		90,465	91,538
Less impairment losses		(11,051)	(11,719)
		79,414	79,819
Other assets		3,675	122
Amount receivable from shareholder-controlled entities	22	782	2,560
		83,871	82,501
Non-current			
Trade receivables		28,873	33,944
		28,873	33,944

The Group's provision for doubtful debts was $11,051 thousand as at 30 June 2022 which is materially consistent with the prior corresponding period (30 June 2021: $11,719 thousand).

Latin American region customers remain to have the highest concentrated risk by geographic region for the Group as at 30 June 2022 due to the nature of credit term offerings and economic conditions coupled with pro-longed COVID-19 lockdowns and restrictions. However, as Latin America market reopens and most customers have been able to resume operations to more normalised levels and recommencing payments to the Group; Management reassessed its expected credit loss matrix provision to incorporate these changes. The remeasurement of expected credit losses resulted in a derecognition of net impairment losses for trade receivables $1,541 thousand particularly for Latin American and North American region receivables.

Leasing 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	2022	2021
Minimum lease payments under finance leases are receivable as follows:		
Within one year	8,162	3,608
Later than one year but not later than 5 years	7,318	1,168
	15,480	4,776
Unearned finance income as follows:		
Within one year	101	179
Later than one year but not later than 5 years	14	46
	115	225
The present value of minimum lease payments and lease receivables classification is as follows:		
Within one year	8,061	3,429
Later than one year but not later than 5 years	7,304	1,122
	15,365	4,551

NOTES TO THE FINANCIAL STATEMENTS

14. CASH AND CASH EQUIVALENTS

In thousands of AUD	2022	2021
Bank balances	42,787	40,610
Cash deposits	7,531	1,783
Cash and cash equivalents in the statement of cash flows	50,318	42,393

14A. Reconciliation of cash flows from operating activities

In thousands of AUD	Note	2022	2021
Cash flows from operating activities			
Profit / (Loss) for the period		11,753	(53,409)
Adjustments for:			
Rent concessions		(521)	(519)
Equity-settled share-based payment transactions	7	127	425
Net finance (income) / costs	8	(9,079)	12,801
Depreciation	9,21	12,947	20,760
Impairment losses on trade receivables and provision for obsolescence		3,669	15,510
Amortisation of intangible assets	10	9,211	10,524
Impairment on LATAM and Australia CGU	10	5,250	32,720
Provision for Mexican duties and other charges		16,531	-
Gain on sale of property, plant and equipment		(252)	(3,366)
Unrealised currency translation movements		(11,214)	6,658
Income tax expense / (benefit)		4,052	(5,761)
Operating profit before changes in working capital & provisions		42,474	36,343
Change in trade and other receivables		4,306	(18,863)
Change in inventories		(11,893)	22,181
Net transfers between inventory and leased assets		(7,724)	(14,884)
Change in other assets		1,876	(7,769)
Change in trade and other payables		3,428	4,132
Change in provisions and employee benefits		17,607	(1,312)
		50,074	19,828
Interest received		2,809	1,052
Income taxes (paid) / refunded		(1,548)	1,367
Net cash from operating activities		51,335	22,247

15. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2022 was based on the profit attributable to ordinary shareholders of $11,753 thousand (2021: ($53,409) thousand loss) and a weighted average number of ordinary shares outstanding as at 30 June 2022 of 336,794 thousand (2021: 336,794 thousand) calculated as follows:

Profit / (loss) attributable to ordinary shareholders

In thousands of AUD	Note	2022	2021
Profit / (loss) for the period		11,753	(53,409)
Profit / (loss) attributable to ordinary shareholders		11,753	(53,409)

Weighted average number of ordinary shares

In thousands of shares	Note	2022	2021
Issued ordinary shares at 1 July		336,794	336,794
Effect of shares issued		-	-
Weighted average number of ordinary shares at 30 June		336,794	336,794
Total basic earnings per share attributable to the ordinary equity holders of the Company		$0.03	($0.16)

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2022 was based on the profit attributable to ordinary shareholders of $11,880 thousand (2021: ($52,984) thousand loss) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 344,532 thousand (2021: 336,794 thousand), calculated as follows:

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

In thousands of AUD	Note	2022	2021
Profit / (loss) attributable to ordinary shareholders		11,753	(53,409)
Amortisation of share-based payment arrangement		127	425
Profit / (loss) attributable to ordinary shareholders (diluted)		11,880	(52,984)

Weighted average number of ordinary shares (diluted)

In thousands of shares	Note	2022	2021
Weighted average number of ordinary shares at 30 June		336,794	336,794
Effect of rights and options on issue		7,738	-
Weighted average number of ordinary shares (diluted) at 30 June		344,532	336,794
Total diluted earnings per share attributable to the ordinary equity holders of the Company		$0.03	($0.16)

As at 30 June 2022, nil options (2021: 9,004 thousand options) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

16. 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.

In thousands of AUD	2022	2021
Current		
Insurance premium funding	52	52
	52	52
Non-Current		
Secured bank loan	-	37,240
	-	37,240

Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

			2022		2021	
In thousands of AUD	Nominal interest rate	Year of maturity	Face value	Carrying Amount	Face value	Carrying Amount
Insurance premium funding	3.38%	2022	53	52	53	52
Secured bank loan	LIBOR + 3.00%	2026	-	-	37,240	37,240
Total interest-bearing liabilities			53	52	37,293	37,292

The Group's secured bank loan relates to a US$32.5 million facility with the Western Alliance Bancorporation (WAB) through the Company's US-based operating subsidiary, Ainsworth Game Technology Inc. During the year, the Group repaid $38.6 million (US$28.0 million) of the loan resulting in nil balance owing on the facility at 30 June 2022. All financial covenants were also met during the year.

17. EMPLOYEE BENEFITS

In thousands of AUD	2022	2021
Current		
Accrual for salaries and wages	786	590
Accrual for short-term incentive plan	890	347
Liability for annual leave	4,174	4,290
Liability for long service leave	3,488	3,179
	9,338	8,406
Non-Current		
Liability for long service leave	464	493
	464	493

18. SHARE-BASED PAYMENTS

At 30 June 2022, 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 of 30 June 2022, all of the total issued performance rights were 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	Vesting conditions	Contractual life of rights
Rights granted to key management personnel	5,100,000	Service conditions and performance hurdles from grant date as per RST below	5 years
Rights granted to senior and other employees	3,800,000	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 per right
Fair value determined at grant date	
Vesting date 30 June 2024	$0.3717
Vesting date 31 December 2024	$0.3476
Vesting date 30 June 2025	$0.3136

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) 30 August 2019 Share options

On 30 August 2019, the Group offered to eligible employees the opportunity to participate in a share option over ordinary shares in Ainsworth Game Technology Limited, under the Ainsworth Game Technology Limited Option Share Trust (OST). As at 30 June 2022, 7,567,321 share options were outstanding. Further details of this programme are outlined in the 30 June 2020 financial report.

Employee entitled	Number of instruments issued	Vesting conditions	Contractual life of options
Options granted to key management personnel	878,779	Four years' service and performance hurdles from grant date as per OST below	5 years
Options granted to senior and other employees	10,183,250	Four years' service and performance hurdles from grant date as per OST below	5 years
Total share options OST	**11,062,029**		

19. TRADE AND OTHER PAYABLES

In thousands of AUD	Note	2022	2021
Current			
Trade payables		15.867	15,932
Other payables and accrued expenses		16.435	15,274
Deferred consideration on MTD Gaming Inc acquisition		3,829	3,547
Amount payable to shareholder-controlled entities	22	122	848
		36,253	35,601
Non-Current			
Deferred consideration on MTD Gaming Inc acquisition		3,702	6,472
		3,702	6,472

20. PROVISIONS

In thousands of AUD	Service/ warranties	Legal	Mexican Tax Administration Service (“SAT”)	Total
Balance at 1 July 2021	802	31	-	833
Provisions made during the year	2,105	1,597	17,419	21,121
Provisions used during the year	(1,988)	(1,614)	-	(3,602)
Balance at 30 June 2022	919	14	17,419	18,352

The Mexican provision established is as a result of the current review by the Mexican Tax Administration Service (“SAT”) on import duties of Ainsworth Gaming Machines for calendar years 2015 to 2017. SAT claims that the Hardware and Software are not interdependent and have challenged the determination of USA origin on both Hardware and Software under the North American Free Trade Agreement (“NAFTA”). The outcome of the Company’s submission to prove interdependency of software with its hardware is in progress. Accordingly, the Company has recorded a provision of $17,419 thousand which includes estimated unpaid duty and other associated charges. The corresponding expense recorded for this provision has been recognised in the Statement of Profit or Loss and Other Comprehensive Income under ‘Other expenses’.

21. LEASES

Leases as lessee (AASB 16)

The Group leases a number of 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 plant and equipment. The leases typically run for a period of 5 years.

NOTES TO THE FINANCIAL STATEMENTS

21. LEASES (CONTINUED)

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
2021				
Balance as at 1 July 2020		15,454	296	15,750
Additions to right-of-use assets		329	-	329
Disposals to right-of-use assets		(356)	-	(356)
Depreciation charge for the year		(1,976)	(95)	(2,071)
Impairment loss for the year		(4,094)	(62)	(4,156)
Effect of movements in foreign exchange		(20)	(1)	(21)
Balance as at 30 June 2021		9,337	138	9,475
2022				
Balance as at 1 July 2021		9,337	138	9,475
Additions to right-of-use assets		513	-	513
Disposals to right-of-use assets		-	-	-
Depreciation charge for the year		(1,358)	(47)	(1,405)
Impairment loss for the year		(312)	-	(312)
Effect of movements in foreign exchange		(21)	-	(21)
Balance as at 30 June 2022		8,159	91	8,250

(ii) Lease Liabilities

In thousands of AUD	Note	Land & Buildings	Plant and Equipment	Total
2021				
Balance as at 1 July 2020		(16,117)	(297)	(16,414)
Additions of lease liabilities		(329)	(773)	(1,102)
Disposals of lease liabilities		369	(4)	365
Payments made		1,903	139	2,042
Interest expense		(773)	(18)	(791)
Rent concessions		476	43	519
Effects of movements in foreign exchange		25	-	25
Balance as at 30 June 2021		(14,446)	(910)	(15,356)

NOTES TO THE FINANCIAL STATEMENTS

21. LEASES (CONTINUED)

In thousands of AUD	Note	Land & Buildings	Plant and Equipment	Total
2022				
Balance as at 1 July 2021		(14,446)	(910)	(15,356)
Additions of lease liabilities		(513)	-	(513)
Disposals of lease liabilities		4	5	9
Payments made		1,914	253	2,167
Interest expense		(737)	(20)	(757)
Rent concessions		521	-	521
Effects of movements in foreign exchange		(11)	-	(11)
Balance as at 30 June 2022		(13,268)	(672)	(13,940)

Maturity analysis – contractual undiscounted cashflows

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	2022	2021
Less than one year	2,686	2,538
One to five years	9,552	9,181
More than five years	4,572	6,775
Total undiscounted lease liabilities at 30 June	16,810	18,494
Current	2,035	1,824
Non-current	11,905	13,532
Lease liabilities included in the consolidated statement of financial position	13,940	15,356

(iii) Amounts recognised in profit or loss

In thousands of AUD	2022	2021
Interest on lease liabilities	(757)	(784)
Rent concessions recognised in profit and loss	515	519
Depreciation charge for the year	(1,405)	(2,071)
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	(63)	(70)

(iv) Amounts recognised in statement of cash flows

In thousands of AUD	2022	2021
Total cash outflow for leases	(2,177)	(1,958)

21. LEASES (CONTINUED)

(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. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in lease liability of $7,507 thousand (2021: $6,542 thousand).

22. 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	Executives Current
Mr DE Gladstone	Mr HK Neumann (Chief Executive Officer, Ainsworth Game Technology Limited) – appointed in October 2021
Mr GJ Campbell	Mr ML Ludski (Chief Financial Officer and Company Secretary, Ainsworth Game Technology Limited)
Mr CJ Henson	Mr D Bollesen (Chief Technology Officer (CTO), Ainsworth Game Technology Limited) – commenced from October 2021 as Chief Product Officer, and appointed as CTO effective from 1 January 2022
Mr HK Neumann (Former – Non-executive Director from July 2021, till appointed as CEO in October 2021) – Resigned as director on 21 December 2021	Mr R Comstock (Chief Operating Officer, Ainsworth Game Technology Limited) – classified as KMP effective from 1 January 2022
	Mr V Bruzzese (General Manager Technical Services, Ainsworth Game Technology Limited) – ceased as KMP effective from 1 January 2022

(a) Key management personnel compensation

The key management personnel compensation included in 'employee benefit expenses' (see Note 7) is as follows:

In AUD	2022	2021
Short-term employee benefits	2,928,395	2,084,180
Post-employment benefits	235,145	179,678
Share based payments	(17,354)	59,650
Other long-term benefits	200,620	125,929
Termination benefit	477,167	-
	3,823,973	2,449,437

22. RELATED PARTIES (CONTINUED)

(b) Individual Directors and Executives Compensation disclosures

Apart from the details disclosed in this note, no director has entered into 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) Other key management personnel transactions

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of those entities transacted with the Group during the year. Other than as described below the terms and conditions of the transactions with key management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

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

In AUD	Note	Transactions value year ended 30 June		Balance receivable/ (payable) as at 30 June	
Transaction		**2022**	**2021**	**2022**	**2021**
Sales to Novomatic and its related entities	*(i)*	194,867	2,367,592	674,377	2,316,375
Purchases from Novomatic and its related entities	*(i)*	309,920	216,234	(121,898)	(648,633)
Other charges made on behalf of Novomatic	*(i)*	336,930	243,225	107,405	243,225
Purchases and other charges made on behalf of the Group	*(i)*	761,084	200,370	-	(199,010)

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

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

In AUD	2022	2021
Assets and liabilities arising from the above transactions		
Current receivables and other assets		
Amount receivable from shareholder-controlled entities	781,782	2,559,600
Current trade and other payables		
Amount payable to shareholder-controlled entities	121,898	847,643

23. 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.

24. AUDITOR'S REMUNERATION

In AUD	2022	2021
Audit and review services		
Auditors of the Company – KPMG		
Audit and review of financial statements	328,000	345,500
Other regulatory audit services	27,500	27,500
	355,500	373,000
Other services		
Auditors of the Company – KPMG		
In relation to taxation and other services	91,750	131,250