

**Start of Transcript**

Rohan Gallagher: Good morning and welcome to Aristocrat's Management Roundtable for March '22. My name's Rohan Gallagher, I'm the General Manager for Investor Relations, welcome. Of course we'd love to see as many of you live in person, but over the last couple of years it's been quite challenging. But we also recognise the value of corporate access.

With a global business we have got many people around the world, and to bring them together to share in the continued ongoing business updates for the Company, hopefully this is a nice way in which we can manage that. We will also be reporting our 31 March half year end results in May for further updates.

We're very fortunate today, we have got three members of our Executive Steering Committee here at Aristocrat. We have Mr Trevor Croker, our Chief Executive Officer and Managing Director, good morning Trevor. We have Mr Mike Lang, the Head of our Pixel United's business, based in London, good evening to you Mike. Of course I am very proud to have my friend and the new Chief Executive Officer of the Global Gaming business, Mr Hector Fernandez, good morning Hector, welcome.

Hector Fernandez: Good morning, thank you.

Rohan Gallagher: So what we're going to do, thank you very much for those people who have registered, and particularly those people who have provided questions in advance for today's meeting. What we're going to do is use those key questions as a sort of an infrastructure, or the basis, for today's call. Then we'll supplement that with any live questions that you may have throughout this call.

But first what I'd like to do is just introduce Trevor, to just give a quick update on how the business is performing. Trevor, good morning.

Trevor Croker: Yes, thanks Rohan, and thanks to all those on the line for their continued interest in Aristocrat. I'll just make a couple of opening comments before handing it over to the people who you really want to hear from, which is Mike and Hector.

The business continues to keep its strong momentum that we took out of 2021. The fundamentals that drove our performance in 2021, great game performance, great execution, into new markets, and into adjacent markets, and also in our digital and our gaming businesses continue to be strong hallmarks of Aristocrat's success. Recent industry surveys, you will have noticed, have had top performing cabinet games and number 1 and

number 2 positions for Social Casino or Squad RPG games in our portfolio. So the portfolio strength of Aristocrat remains strong.

As we advised at the Annual General Meeting, we remain committed to our outlook, and will continue to work with our customers and with our players through these difficult times to ensure that we have good solutions for them. We continue to invest strongly behind the ongoing growth of Aristocrat as a whole.

I remain extremely confident about where our business is placed, the momentum we are carrying, and the structure of the fundamentals of the organisation. Great product performance, great verticals in the diversification of the digital business now being a strong part of our growth engine, and the strong cash fundamentals which lead us to a very strong balance sheet as well.

So with that, I'll hand back to Rohan. We have released an announcement this morning on our position on the Ukraine and Russia. Mike will talk a little bit more to the detail on that when we talk about Pixel United. But with that, I'll hand it back to you Rohan.

Rohan Gallagher: Thanks Trevor. So well, ladies and gentlemen, 2022 was supposed to be a good year after '20 and '21. It hasn't started out so well. Floods here locally in Australia, and unfortunately the tragic circumstances over in Europe. Obviously with a global business that has implications for the likes of Aristocrat. Turning our attention to Europe, and in particular to Pixel United's business. It's been the source of many questions.

With that what I'd like to do is just open up to Mike, just to sort of set the scene and to our broader exposure and to Pixel United's exposure into the Ukraine/Russian region please. Thanks, Mike.

Mike Lang: Right, sure. Why don't I focus in particular on Ukraine and the significant efforts we have had in regards to our employees there in terms of getting them into safety and to get our business into a good situation.

First and foremost our business is focused on two areas. One is people first, and people's safety and welfare. Then second, the ongoing business continuity of the business itself. Our phase 1 of our efforts started many weeks before the invasion of Ukraine started where, one, we highly encouraged people to get to safety zones within the country, or to leave the country, because we did see what was coming. Two, was building a significant amount of content and live ops inventory that we would use on an ongoing basis then to protect us no matter what would happen.

Then when the invasion happened we really had to kick it into high gear. Our main area has been most recently to evacuate as many people as we could, either to safety in Poland, or again into the regions of the country that are safer at this moment to the west.

We created a Crisis Management Team that's literally been working 24/7 across the organisation. Supporting staff across the Ukraine with payments of advance payments, debit cards, supplies and direct aid for all of those people that are in the Ukraine.

Currently there are two buses daily that are leaving from an undisclosed location, that I would rather not speak of right now for their safety, within the Ukraine area that is taking people to Poland. Those buses are filled every day with our employees, family members, relatives, grandparents, and even pets, as we try to evacuate those people out of the country.

At the border crossing we are providing direct support as they arrive, getting them accommodations throughout Poland that they can live in and be safe. We are also providing relocation payments, ability for them to get visas, insurance, and counselling. There has also been telephone hotlines 24/7 run by the organisation, in order to be able to be in contact with these employees.

Rohan Gallagher: I think we may have just lost connection with Mike at the moment. He's going to be dialling back in. So he's out at the moment, from an audio perspective, but we will come back to Mike. So whilst we are looking at addressing Mike's audio, let's go to our friend, Hector Fernandez.

So I'm very proud to introduce Hector. Hector and I have come through the Finance Leadership Team together, and Hector succeeds Mitchell Bowen, who moves across, who will be running our Real Money Gaming efforts going forward. So Hector, first of all, welcome.

Hector Fernandez: Thank you.

Rohan Gallagher: Unfortunately many people haven't been able to get to Vegas to meet you personally and so on. So if I can indulge the call for a moment, could I trouble you just to talk a little bit about your background and how you got to Aristocrat?

Hector Fernandez: Sure, so I'll give you a little bit of a biography of where I'm from. I'm actually Guatemalan, I was born in Guatemala. My parents emigrated to the United States when I was about one year old. I think I didn't learn English until I was six, so Spanish is my first language. I am still proud to be bilingual.

One of the things I love about that history and background, when I think about our Company, is we have such strong Australian roots, just like I have very strong Guatemalan roots. While I'm a naturalised US citizen, I speak the language, I still eat the food. I think it's really important as we evolve our business, not to ever forget our roots or where we came from.

I went to college in the US. I worked at Deloitte out of undergrad. After business school I worked at Procter & Gamble, in Cincinnati, in a global role. Then I worked at Amgen, a large biotech, also in California. Prior to coming to Aristocrat I worked at Western Digital, where we made hard drives and flash storage devices.

I joined Aristocrat in November 2018 as the Chief Financial Officer of the Americas. I was very fortunate to learn the business very quickly. When you're the finance person you get access to a lot of information, a lot of numbers. I was part of building the strategy for growth from Connect and Unleash. Then for the last a little bit over two-and-a-half years, I have been the President of the Americas. So US, Canada, Latin America, and as of a year ago, EMEA as well.

So I am incredibly excited to take the torch from Mitch. Mitchell has done a phenomenal job of setting the foundation for our ability to grow. Our strategy doesn't change whatsoever, our strategy is how do we continue to build on the strength, this foundation, to grow the business at an even faster rate?

Rohan Gallagher: Yes, fantastic. We've got Mike back, and we're back live. That's the beauty of live recordings. But we'll stick with Hector, and we'll revert back to my good friend in London. Hector, the jewel in the crown is clearly our gaming operations business...

Hector Fernandez: Right.

Rohan Gallagher: ...and it's really commercialising the world's best games from an outstanding unwavering commitment to D&D. Can you just give us a snapshot in terms of the lie of the land in the US markets, in particular the gaming ops segment at the moment?

Hector Fernandez: Sure. So I think through the COVID period one of the things that we made a strategic choice not to cut any investment in D&D, as all of you know. So we continued our strong investment in D&D. The other thing that we did during COVID is we launched Aristocrat Assist. We went and listened to our customers, understood what their needs in the market were, and launched a program to help them get back up and running.

One of the things that you have seen as a result of some of those actions is that our business is stronger than ever. From a Gaming Ops perspective we continue to win a lot of different awards. One of the things I was very proud of, I was recently at the Eilers Award Ceremony, and we won the Most Improved Supplier – Premium, for the third year in a row, which is a great accomplishment when you think about the fact that we are already the number 1 premium gaming supplier.

We also won supplier of the year at the Eilers Award, which again it's an industry event, so it's all of the peers and customers nominating who wins some of these awards. So from a Gaming Ops perspective, given the investments we have made in D&D, given the portfolio that we have, given the cabinet mix - if you see some of the recent Eilers Reports, where we continue to perform incredibly well - we are very excited about the business.

The other thing I would tell, Rohan, too is, we have really transformed this business from a transactional, what do we need to do from a quarterly perspective, half perspective. We have really built a strategic partnership with our customers which has enabled us to sustain some of these shocks in the economy and pandemics and all of those things. So we continue to really believe there is strong momentum in the business, and we continue to see it every day.

Rohan Gallagher: Yes, thanks. That customer centricity is a key cultural attribute here at Aristocrat, and we'll unpack that further. With Gaming Ops, you've seen - a shout-out to Todd Eilers who is on the call - and Eilers, their surveys are suggesting we continue to take share. But in addition to just the install base, your Fee Per Day is superior to industry. So from a wallet-share I suppose you could phrase it, the share is even higher.

Do you find that, is there a natural limit? Is there a ceiling to that market share on the way forward?

Hector Fernandez: Yes, I actually, we talk a lot about this, and we actually don't believe there is a ceiling because we've built these strategic partnerships. Whereas before I think people would say, okay, what's the natural share that I don't want to go beyond? I think our customers today, because we're so close to them, because we interact with them so much, they're really looking at return on investment and value.

When you look at that metric, I really don't think that there is a natural ceiling to our Gaming Operations business. If you look at the top performing games, per the Eilers Report, we are 18 and 19 of the top 25 in premium. We are top five of the seven cabinets.

So from a performance standpoint we really don't see a ceiling, as long as we continue to put out great content and invest behind D&D.

Rohan Gallagher: Okay, thanks. Hector, Rhett Kessler from Pengana, and Matt Ryan from Barrenjoey, have been asking around the general player activity. You are seeing GGR was exceptional as the markets reopened, and it's sort of trending back and moderating back towards those pre-COVID 2019 levels. For somebody on the ground, how are you seeing the general market and the outlook? Particularly, and we'll touch on it next, is around inflationary pressures.

Hector Fernandez: Sure, so GGR continues to have really strong momentum. I think there was a couple of states a couple of days ago that released some of the GGR numbers. Very healthy growth rates, even year-over-year, even as we get to a difficult compare period.

The other phenomenon we see, and particularly in the US, is that our player base has really skewed a little bit on the younger side. So about five years younger than our average pre-COVID, if you will. The good news about that is that that player base remains going to casinos. I think they discovered what a casino can offer, obviously the amenities, the entertainment aspect, and they continue to go to a casino every single day.

The other phenomenon we have seen is some of the older population, 65 and over, that have been very careful because of COVID. Some of those haven't come back quite yet which actually tells you how impressive GGR actually is because our core consumer or core player, some of them are still sitting out on the sidelines and coin-in is incredibly strong.

As the pandemic, as we slowly progress to potentially putting it behind us and is becoming an endemic, we are very confident that those players will come back and carry the momentum forward.

Rohan Gallagher: In light of that, you've got that on the positive in terms of margin and safety, but on the negative, we are seeing energy prices going up. In Australia here we are seeing \$2 a litre on fuel, in the US we are seeing over \$4 a gallon. This is foreign to many of us. Will that have an impact as we turn our attention into the second half of our financial year and then into 2023?

Hector Fernandez: Yes. We remain very cautious. Obviously, inflation can have a tampering impact on our business as consumers, players, look at their overall spend, overall wallet if you will and then make decisions on how they allocate that. We remain cautiously optimistic relative to some of those inflationary pressures. I will tell you,

though, in the month of January/February, we haven't actually seen a significant slowdown.

Clearly inflation is starting to catch up, oil prices are starting to rise and so we will continue to keep a close eye on that every single day and ensure that the fundamentals of the business don't really change. We continue to invest in the best cabinets, the best content and so even as inflation puts potential pressure on the business, we feel very confident that we will still be the product of choice and the partner of choice.

Rohan Gallagher: Yes, it's great you've got the margins to start with in regards to that of course, but of course we're creating significant value. So, if we turn our attention now to the customers and customers are a very important aspect to the Aristocrat business. What are their capital expenditure intentions? Are they now starting to step up the plate to reinvest as the economy opens in the US? How are you seeing it?

Hector Fernandez: Sure. One of the phenomena we actually saw through COVID was the willingness to shift to participation or revenue share. Obviously from our fiscal year results you saw that in the strong numbers that we were able to deliver. I think a lot of our operators, specifically in the US, got more comfortable with this concept of the sharing of revenue because now the interest and the risks are aligned between a supplier, or we'd like to say a partner, a strategic partner of choice and so that was a really interesting phenomenon that we continue to see.

The other thing, we are starting to see capital budgets have more clarity or visibility. About nine or 10 months ago some customers would tell us that they would get their capital allocation on a quarterly basis where normally they would get it on a yearly basis. We're starting to hear now that customers are starting to go back to getting yearly capital allocations and feeling comfortable with investments.

The other thing quite frankly that has driven some of that is as GGR has been elevated as players come into a casino, they're demanding the latest and greatest product and so that is driving some of the underlying demand in capital allocation that our customers are doing. For us, as we have invested in the product portfolio, a disproportionate part of that capital now comes to our business.

Rohan Gallagher: Yes. This is actually a great segue because David Fabris from Macquarie was asking about the key titles and franchisees. How are they performing? Are there any games to call out? Which we could actually go for about 20 minutes just on that question



alone given our portfolio, but from your perspective, where are the key highlights and what are the trends going forward?

Hector Fernandez: Yes, I mean it's a tough question. I almost have to have my notes out to try to read all of the top performing games, but obviously we have had tremendous success with Buffalo Link in the US as we have rolled out that product. Just to remind everyone, that is a combination of Buffalo math and Lightning Link. It was the fastest scaling product we have ever launched at the Company, doing very, very well in the market and we continue to be very excited about that product.

Dragon Link. If you look at some of the Eilers performance numbers it's actually been a post-COVID or during-COVID world doing four to five times house average, which is unheard of over the long history of this industry. Cash Express Luxury Line continues to do incredibly well in the US. We launched a new game, Dune, which timed exactly with the release of the movie in the theatres which was also an industry first. I could go on and on for forever on all these amazing games and content that we have, but it's our dedication to investment that has really driven this business.

Rohan Gallagher: Yes and the cabinets have really made an impact. Trevor, anything else?

Trevor Croker: I'm just going to get him to talk about the for-sale portfolio which were digital-first games but now land-based and they're successful games as well.

Hector Fernandez: Yes, so if you look at it from a core portfolio and again referencing that Eilers Report, we are nine or 10 of the top 25 now. As Trevor mentioned, we had the strategy of releasing some games digitally and then getting player feedback, real time feedback and as we got that feedback, like Cashman Bingo is a good example of that, we made changes to the game and then we launched it in the land-based environment.

What we have seen is those games that we did digitally first and then learned and made changes, they've actually been number one or number two in the Eilers Report and that's really exciting to see. If you talked about capital allocation, we're now a huge participant now of that for-sale capital allocation because of some of those investments.

Rohan Gallagher: Yes and of course our focus is on our customers but we do get a lot of interest because of the other public listed competitors. Can you just touch on the competitive landscape? Some of the guys have gone through a lot of change. They've had to change their business models. Some have even changed their names. How are you seeing the competitive landscape in the US which is usually generally very competitive anyway?



Hector Fernandez: Yes, a very competitive market obviously but I keep coming back to those core decisions that we made around D&D investment, around Aristocrat Assist, about being a strategic partner of choice for the long-term. While we do keep a close eye on our competitors and remain very humble and a bit paranoid, right, making sure that they don't actually pass us at any point in time, we're much more focused on our customer and their needs.

We spend quite a bit, I personally, spend quite a bit of time travelling to see our customers and listening directly from them and try and understand the things that their business needs. The other thing I will tell you too through COVID is we have actually interacted a lot more with c-level executives of our customers, so actually listening to the CEO, the CFO, the COO, to truly understand what are some of those business measures that they're looking for.

Through those relationships we have been able to offer solutions in a long-term setting that drive value for both of us. We feel very confident that as we have evolved those relationships. We keep a close eye on our competitors but we don't spend too much time worrying about them.

Rohan Gallagher: An observation I have seen in the last three to four years has been Aristocrat has moved from a transaction style selling boxes to a partnership supplier of choice. How do you see it coming into the business and is that trend something that is sustainable?

Hector Fernandez: Yes, so we actually learned a lot through our Oklahoma business that tends to have longer term deals and we took that model across the US and actually outside of the US as well to understand what are the value needs that a customer needs? Then putting together a deal, an offer, a contract that is a win-win. I think a lot of times in business some people think that it has to be a win-lose, someone wins and someone loses. One of the things we have learnt and have been very successful at is creating these win-win situations with our customers.

It's less about, we need to hit a quarterly number or we need to hit a half number, but it's more about how do we build your business for a long-term that also protects and builds our business as well. The other thing I will tell you is as the business grows and our commitment to 11% to 12% of D&D spend of revenue, that creates a further moat around our business because as we get bigger the absolute dollar investments that go into D&D grows as well which then continues the cycle and protects the business in the long-term.

Rohan Gallagher: Awesome, awesome. Okay, well it's great to have you here in Australia. I know you are learning the Australian business. There are many volunteers that are taking you to the pubs and clubs. Tough job, somebody has got to do it.

Hector Fernandez: Yes.

Rohan Gallagher: We look forward to catching up with you in May, so thanks for that...

Hector Fernandez: Thank you Rohan.

Rohan Gallagher: ...and welcome to the team.

Hector Fernandez: Appreciate it.

Rohan Gallagher: Now, let's turn back to London and our friend Mike. I believe we have fixed our audio issues. Mike, you were talking about Ukraine and given the importance of the Ukraine can you just probably take a step back and just go through our position in Ukraine at this particular point in time?

Mike Lang: Yes, so as I was saying and I apologise about the phone connection. We have been doing a lot to try to protect our employees and get them to a safe location. Through all the efforts that I was describing, now two thirds of our employee base within the Ukraine are either in safer locations within the Ukraine or out of the country, either in Poland or other markets. That in of itself has been a pretty monumental effort to do that.

Two things though to keep in mind. Number one, there's still a third of people that have decided not to leave their particular markets or are unable to leave because of what you are all seeing on the news. They are all in our thoughts and prayers, those people and we are going to consistently continue to work hard to make sure they are able to get to safe locations and leave the country eventually appropriately.

Then number two is now we are building to the future permanent relocation for those people. You may have - as we have mentioned, we have opened a new facility in Poland in Wroclaw, which is a great location east of Cracow. West of Cracow, excuse me, that we believe is a very strong technology hub that not only the people from the Ukraine are going to be excited about coming to, but will also be another recruiting location for us to continue to build that staff.

We are planning to build up another location in Poland as well. The reason in Poland is that we think it's better because it will be much easier for the people in Ukraine to get there, to immigrate there, as well as then be closer to people in Ukraine that do not leave.

Number two is, we were talking about COVID earlier, is our organisation has been working remotely for the last two and a half years, so the idea now that we have a disbursed organisation across both the Ukraine and Poland and other parts of the world working on the product, has been fairly seamless for us.

We have been incredibly surprised, if you look at the results of what we have seen so far, it's been stable with no impact as of yet. We are clearly looking at what will happen in the future and we're monitoring it, but number two is we have invested so much in content that is inventoried in many ways and that [audio cuts out].

Rohan Gallagher: I think we may have lost him again. Obviously, it's challenging times and who wants to be in the media with all this live television and so on. I will go to Trevor because I know Trevor has been close to Mike and working through it and hopefully, we can get Mike back on the call. Let's turn our attention - Mike was talking about Ukraine, Trevor. Let's talk about Russia. Peta Arnott from Touchstone, Paul Ainsworth, Rohan Sundram from Marque are looking at our Russian operations and in particular we have a studio in Krasnodar. Can you just help us out in terms of our position there and the way forward?

Trevor Croker: Yes, so while Mike is reconnecting I'll...

Mike Lang: I'm back on Trevor, I'm sorry. I don't understand it. I'll try one more time.

Trevor Croker: My opening comments would be, Mike, is that our team on the ground has worked tirelessly to focus on our people and to make sure that they're looked after, that there's structure behind it and the fact that we're putting people first. I am very proud of the efforts they've put in and the fact that that is what we do at Aristocrat, it's the way we address things, is people first. We look at customer centricity and then we look at business resilience and each one of those boxes are being addressed on a daily basis by our team and they're working extremely hard.

So, to Mike and the crew in that part of the world they've done an exceptional job and very proud of what our teams are doing. Obviously, there's a long way to go, but very proud of them.

Mike Lang: I appreciate that, Trevor.

Rohan Gallagher: We were just talking about Russia and there's obviously inquiries in terms of we have a studio in Russia. Can you touch on that please?

Mike Lang: Yes. As we have announced, we are suspending operations of our games in Russia and the reason is very clear, it's just not viable for us to operate a games business there. Not only because of the sanctions, but because of the broader support for our employees in Ukraine that are displaced and impacted by this territory, so as a result we are suspending those operations.

However, we do have a studio there of which we are very much reviewing our options as to what will be next to do there, to support our employees there, who of no fault of their own have been put in this position, but it's a complicated situation there given the sanctions which we all know are changing by the hour. We are going to do everything we can to give them an opportunity if we can, but we also have to make the decision to suspend our operations from a game standpoint there.

Realistically how the future will evolve there, we're not sure, but it's clear to us that it's most unlikely we will be able to operate long-term in Russia given the current situation. That being said, as we said in our announcement, it's not a material part of our business. It represents only 3% of our total revenue. We also have the ability to shift resources across our global portfolio that we have, in a global organisation that we have, and that effort is underway and we feel very confident we will be able to do that.

This is one of the reasons, you know, we were talking earlier about the importance of scale, this is why scale matters in our business, right. We have the scale and the diversity from a geography standpoint to be able to tap in and to be able to solve situations like this, but bottom line, it's the right thing to do and we just as an organisation are taking that step forward in order to do that. That's our position on Russia.

Rohan Gallagher: Yes, thanks Mike. From an ESG perspective or those analysts who look at it from ESG, I would encourage you to have a look at the people first culture in action here at Aristocrat. We have got employee volunteers on telephone hotlines reaching out to their colleagues and we've got - the commitment, the effort, the support has just been phenomenal to the credit of the Playsoft team in Poland, to Plarium, to Mike and the team, it's just been an outstanding effort and it's going to probably go on for a lot longer unfortunately.

I would also like to acknowledge and recognise the investment community. There have been a number of people who have proactively reached out. They've put their spreadsheets aside, albeit temporarily, but to reach out from a humanity perspective. It's been very appreciated so thank you to all of those individuals.

Let's turn to the business. The business is continuing to do outstandingly under really tough conditions. Social Casino represents half of Pixel United, so our bookings led by apps like Lightning Link, Cashman Casino and the likes. Mike, Matt Ryan from Barrenjoey is asking, how are you seeing customers responding to the user acquisition, particularly in Social Casino after a really strong couple of years?

Mike Lang: Yes. Again, I think our Social Casino business continues to be running on all cylinders, right. We have found, Matt, that our new marketing strategies that we have developed over the last year and a half are really starting to bear fruit. We have a much more effective and targeted direct performance that we are seeing great returns on and we have also tested things like television advertising in the US that has been very successful. So, we think that the strategy that we are in is strong. I think one of the reasons why is also the great brands and content we have at Aristocrat. It's easy to market things when you have a great product. One of the things that we should not underestimate is the competitive advantage that we have with our content and Trevor and Hector mentioned it, that not only the land business coming to digital, but digital-first content that's being developed that is going the other direction.

I think that puts us in a very strong position as we go forward in that business led by Yoav Ecker from Product Madness who's just been a tremendous hire for us and has really done a great job building that business up. So, there is nothing we have seen so far in Social Casino that would indicate that we are seeing any kind of slowdown. If anything, it continues up.

Rohan Gallagher: Thanks Mike. We launched into a new genre with Mech Arena recently and the action genre. Justin Barratt from CLSA and David Fabris from Macquarie are just wanting to have a look at the performance and the learnings to date.

Mike Lang: Performance has been pretty close to expected this year. If you remember when we talked before, we're still learning a lot in this segment. It's a new segment for us, the action segment, and one of the things that we really realised is that we have to continually build more and more content for that game. It's still fairly early days in that effort. I know that with the success of RAID, we think that that was an overnight sensation. It really wasn't. There was a lot of investment and content over time and this is in an entirely new segment that we are learning.

The other thing is the marketing piece of this. We are learning a lot because it's a broader demographic for Mech Arena than we've targeted in the role-playing games. It's a different

marketing mix that we're doing as a result as well, but the results continue to be very encouraging and we are continuing to monitor the KPIs to see when we can go to that next level. There's nothing that we are seeing right now, Rohan, that would say that it's not going to hit the comps that we talked about of over \$100 million game eventually at that kind of run rate. We believe that that's still possible and achievable.

Rohan Gallagher: Mike, so Mech Arena moves us into a new genre, the action genre, within that mid-core space of strategy, RPG and action. So not only does it lift the addressable market opportunities for us but it does provide that diversification. Can you comment on the other mid core exposure games, like you mentioned RAID and Vikings and others?

Mike Lang: Yes, so in the mid-core space we also have a new game that is being launched, Magic Wars, which is part of our pipeline that again is more of a strategy-like game that we again have great experience with the Viking franchise and the early results of those KPIs seem really encouraging to us in terms of what we will see. We think that strategy/RPG market has a lot more growth to be able to develop and so we are looking at a whole bunch of different areas that we can continue to invest in and more pipeline to come in that area. So very bullish on that segment and believe that it will continue to grow for us.

Rohan Gallagher: Okay, fantastic. A related question, which you've touched on already with Magic Wars but also just in relation to Russia/Ukraine. Steven Green from REST and a few others have asked about the game pipeline and are there any potential impacts to that game pipeline generally, and are there any associated updates you can provide us at this point in time?

Mike Lang: Yes, so as of today, the answer is no impact to our pipeline. We are still planning to launch Magic Wars. The team is working feverishly on it and the results look good but it's very, very early.

As you know, the other game that is being launched is outside of that region, is in Finland from our acquisition from Futureplay, we're going to be launching Merge Gardens, which is the first game we developed in that acquisition.

Very encouraging KPIs and again, a team that we've really integrated well with our Plarium team in Tel Aviv in terms of bringing capabilities on both sides and learnings to take that genre to what we think could be a very much higher level.

Then the third game is "Slotsberg", which is a code name, which our next state of the art slot - Social Casino game, which is bringing cutting edge graphics and features that have never been seen before with all digital first content for the first time as a launch.

So not only is that exciting but from our perspective, it's a very unique positioning that's not cannibalising our existing franchises along the way. It's creating incremental growth as part of that. So we're really excited about that game as well. So take Mech Arena that's still, I believe, in its kind of scaling and those other games, that's a pretty good pipeline.

Now, as well as I'll say to you, not all of them are going to be successful. A year from now, we'll be talking and I will - we're not going to bet a thousand but that's part of the business.

I think the way we're managing it is managing very carefully our investment, not only in the products but on marketing until we know we have the ability then to invest at reasonable investment levels. So that kind of more disciplined approach has done us well over the last three years and we're going to continue it.

Rohan Gallagher: Fantastic. Finally, a question for you, Mike, is a question around Apple. Apple introduced the identification for advertisers or IDFA.

Mike Lang: Yes.

Rohan Gallagher: It has had an impact on the industry in terms of targeted advertising. We're several months into that now, can you just give a comment in terms of how IDFA has impacted the user acquisition strategy and in particular, the genres which have been more exposed than others?

Mike Lang: Right, well interestingly enough, our original hypothesis of what the impact of IDFA has been, has been completely the opposite as usual, right? We had thought at the time that our Social Casino and our strategy role-playing games would be the most exposed in that environment.

What has happened is, it hasn't been the case. That those have done very, very well and quite frankly, the biggest reason is that those platforms have the least dependence on Facebook which was really the key marketing channel that has been most impacted by IDFA.

Anyone can see that, when you go listen to Facebook and they start talking about other things like Meta and other things, it's because their core platform is just not as effective from a direct performance standpoint as it otherwise was.



Because Social Casino and strategy/ RPG had diversified so much into - we talked about it before, YouTube influencers, search, ad networks and in television - that they've been able to kind of weather that storm.

It's been the Casual segment in which the demographic of primarily 45 and older females, highly dependent on Facebook channel. That's the one that - for the entire industry, not just us - has been most impacted.

So we have aggressively - in the one Casual game that we are spending significant UA on - EverMerge, because we don't really spend a lot on the others. They're kind of franchise-legacy games, we've taken on an incredible diversified new look at our marketing channels.

We're leveraging ad networks, we're looking at other kinds of influencer-based activities and we're seeing a good, reasonable return now because of those decisions that we've made over the last six months.

So long-term, that is the challenge of the industry. In particular, I would say from a consumer standpoint - we're trying to target older demographics - what are going to be those direct marketing channels that quite frankly, Facebook's just not as effective as it once was.

Rohan Gallagher: Yes, well thanks, Mike. It's a global borderless industry, digital. We've got great diversification and that scale has really helped us in regards to business continuity planning and so on. So thank you, Mike and all the very best to your team, particularly those in Europe at the moment.

Let's pivot across to Trevor and let's talk about the strategy. We have received a number of questions around Real Money Gaming and following the Playtech transaction process. We did provide an update in regards to the AGM, can you just summarise the process since the proposed Playtech acquisition and where we're at, at the moment?

Trevor Croker: Yes, thanks, Rohan. Well, our commitment to enter RMG is unwavering. We were excited about it a couple of years ago. We did the work to look at a way to enter at scale and quickly, but at the same time, we were building capability within the organisation.

We have RMG capabilities that has been and is being built over the last 12 months and is now scalable within the core organisation so our commitment to enter RMG remains the same. We see that the proposition that we bring to entering RMG is great content, great

customer relationships and a strong regulatory position and ability to work within regulated markets.

That's the competitive advantage we bring to the business. Also a strong tech foundation. So whilst there are options to build and buy, which is our strategy, we have already been building for a period of time - we'll give you an update when we come back to you in May with some of the milestones and the progress that we're making along that journey.

But we haven't been sitting here waiting for a process to end and a transaction to be completed. We've been focused on making sure we execute our strategy and we continue to do that with, as I said, internal investment which has already been in play and potentially the opportunity to buy certain technical or other aspects that are required to accelerate our entry into the RMG market, which we feel confident on the basis, as I said, we've got strong content.

We've heard from our customers what they expect and need from this - same as what Hector is hearing when talking about in the gaming business and we know our regulatory game - our regulatory strength and our ability to be a regulatory partner in this segment.

Rohan Gallagher: Okay, so we've got a clear strategy. The strategy is unchanged, it's just the methodology's going to pivot from the entering with scale with the Playtech acquisition to a build and buy strategy going forward. We'll provide the market with regular updates throughout, most notably the next update will be May, featuring Mitchell Bowen.

So here's an interesting question for Trevor, sitting next to two finance-based people. Let's turn to capital management and one of the issues with acquiring a business in the UK is to have financial certainty. So we did raise equity in conjunction with that proposed Playtech acquisition.

Combined with some significant free cash flow that's generated from the business organically, we arguably have one of the best, if not the best, balance sheets in the gaming industry.

So there has been a number of questions in terms of the capital allocation priorities subsequent, post-Playtech proposed transaction. What are your general comments associated with that at this point in time, Trevor?

Trevor Croker: Yes, thanks, Rohan. Well, thanks to Peta and Larry that asked the questions as well. So look, we're still a strong growth company and I'm unwavering on that

commitment. I can still see growth in Hector's business, I can see growth in Mike's business and I can see growth in RMG and we'll continue to invest behind that.

A sustained, diversified, global growth business with strong free cash flow is a great place to be. So we now deploy and will continue to deploy our capital priorities the way that we have in the past, which has been a proven success factor.

Investing in D&D, investing in Gaming Ops capex and investing in UA to drive digital. That still remains our priority and we're continuing to focus on funding that for the business as a whole.

Obviously we see M&A as a way to accelerate growth. Historically, Aristocrat has driven growth by taking share, entering adjacencies and then growing. Then using M&A to accelerate our growth. That still remains our priority from a capital perspective after those key priorities of investing in our business for long-term growth.

There are other options like buy-backs, dividends, paying down debt and all of those are actively being discussed. I think at this point in time, we continue to invest for the long-term. I think what we're seeing in the market at the moment on the way that prices are going for opportunities are generally coming off.

It's an opportune time to have a strong balance sheet, to have strong growth fundamentals in the core business and have the capacity to be opportunistic for the right strategic options, always keeping shareholders' interests at the heart of what we're trying to achieve.

Rohan Gallagher: So the trends around share gains in Gaming Ops, Game Sales, Pixel United and generation of good cash flow, strong balance sheet, there's some pretty luxurious problems that the Company's facing in terms of its future and the way forward. It's really just prioritising those, is that a fair summary?

Trevor Croker: It's a far better summary than I gave you.

Rohan Gallagher: Right. Okay, well as we draw to a close and I just ask Trevor, do you have any sort of final comments or remarks before we close this meeting today?

Trevor Croker: No, just to say thank you. As I said, I recognise incremental efforts that the team have been putting in over the last period of time and we're all very proud of that. I think the piece I would leave with the people on the line today is that the fundamentals of this business are very strong and continue to be strong and we're confident about the delivery of those fundamentals.

That provides us optionality, which we've talked about a number of times during this call as well but I think the piece that perhaps we haven't talked a lot about is the depth of talent at Aristocrat.

When you can look at the strength of our leadership teams, the changes that we're able to make, the talent that we're actually acquiring and the growth that's coming through in the size of the organisation as a whole.

When you think about the growth that we're actually doing with adding new talent pools, new genres, new capabilities but also being able to have the flexibility to make recent management changes and having the depth in the organisation to be able to do that with high quality proven talent that exists in the industry. So from my perspective, we've got a very strong talent pool on top of, like I said, the business fundamentals.

Aristocrat's in great shape. I've said it many times before but the next 10 years at Aristocrat are better than the last 10 years and that hasn't changed in my mind at all. There's bumps in the road but we are well positioned that whatever the size of the market is, we will take our share and more and continue to take our share and more of those markets, regardless of the size.

We'll continue to invest for growth and that's what's been able to drive the diversification of our business over time and also the sustained market share gains we continue to get.

Rohan Gallagher: Yes, well it's an exciting future. Thanks, Trevor. I'm conscious of time, I'll draw this roundtable to a close. For those questions that were not answered, the Investor Relations Team will reach out to you and answer them directly.

Also, as a reminder, given the level of inbound questions and the fluidity that is happening in Eastern Europe at the moment, we - I'd refer you to the ASX release we've put out and issued today. We're trying to be as open and transparent as possible but we're also trying to look after the safety and welfare of our people. So we appreciate your understanding associated with that.

Our next update will most likely be in May, which will be our half year, period ending 31 March. So with that, I'd like to thank you for your ongoing support to the over 140 people who've attended today.

Thank you for persevering with the technology issues that we have but this is a live recording so a transcript and a copy of that recording will be available on our website as

soon as practically possible but with that, please, everyone stay safe, take care and thank you for your ongoing interest and support of Aristocrat. Have a good day.

Trevor Croker: Thank you. Thanks, everyone.

**End of Transcript**