



AGTech Announces Third Quarterly Results Ended September 30, 2022

(Hong Kong, November 8, 2022) – **AGTech Holdings Limited** (“AGTech” or the “Group”, HKEX stock code: 8279) today announced its third quarterly results for the nine months ended September 30, 2022.

The indirect wholly-owned subsidiary of the Group, Macau Pass, is a leading payment service provider in Macau and is an “other credit institution” licensed under Autoridade Monetaria de Macau (“AMCM”). It is principally engaged in payment card and ancillary services, e-wallet services and acquiring services.

According to the statistics of the AMCM, the number of mobile payment transactions increased by approximately 59.8% in the first half of 2022 compared to the same period in 2021, to approximately 68.57 million in the second quarter of 2022. The total transaction value increased by approximately 64.5% in the first half of 2022 compared to the same period in 2021, to approximately MOP6.4 billion in the second quarter of 2022. In order to stimulate domestic demand and ease financial pressure faced by local residents and businesses, the Government of Macau has launched the third round of “Electronic Consumption Benefits Plan” which runs from June 1, 2022 to February 28, 2023. The government’s support to electronic payment has contributed to the digital transformation of Macau and the development of Macau’s electronic payment market. With the immediate resumption of electronic visa application for Mainland China tourists to visit Macau, a gradual increase in visitor will be an important driver for Macau’s economic recovery.

Macau Pass continues to support and promote Macau Government’s latest round of economic aid through its three customer service centers. Since launch of the third round of “Electronic Consumption Benefits Plan”, a 25% increase in active card usage was observed. Also as one of the eight locally-registered mobile payment platforms, registered users of its e-wallet services, MPay, account for over 90% of local residents.

According to MOF figures, PRC lottery sales for the Nine-Month Period amounted to approximately RMB281.2 billion, representing an increase of approximately 1.0% over the corresponding period in 2021. Of this, Welfare Lottery amounted to approximately RMB112.2 billion, representing an increase of approximately 9.8% compared to the corresponding period in 2021. Sports Lottery achieved sales of approximately RMB169.0 billion, representing a decrease of approximately 4.1% compared to the corresponding period in 2021.

During the Nine-Month Period, the Group won multiple lottery hardware tenders to supply lottery terminals to the Sports Lottery Administration Centers in Guangxi Zhuang Autonomous Region, Yunnan province, Sichuan province, Jiangsu province, Hainan province, Hubei province and Mongolia Autonomous Region of the PRC. The Group will continue to pursue tenders to supply to the lottery and other hardware markets.

The Group also generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 52% over the corresponding period in 2021. Such increase was mainly attributable to the increase in average lottery sales volume per sales outlet as a result of the Group’s continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 26% in the number of such outlets over the corresponding period in 2021.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Nine-Month Period amounted to approximately HK\$247.6 million, representing an increase of approximately 71% over the corresponding period in 2021. For the Nine-Month Period, revenue contributions were mainly derived from lottery hardware sales, provision of lottery distribution and ancillary services in the Mainland China and provision of electronic payment services in Macau.

- The increase in revenue for the Nine-Month Period was mainly caused by the inclusion of revenue from the electronic payment and related businesses of the newly acquired Macau Pass, of approximately HK\$104.0 million which was consolidated into the Group's results with effect from March 24, 2022; the increases in sales of lottery hardware and revenue from the provision of lottery distribution and ancillary services by approximately HK\$19.1 million and approximately HK\$10.2 million respectively. Such increases in revenue from lottery hardware and provision of lottery distribution and ancillary services were mainly due to the Group's continuous effort in developing its lottery hardware business and expanding its network of collaboration with retail sales outlets for lottery distribution.

- Operating loss for the Nine-Month Period was approximately HK\$112.5 million. Such increase in operating loss was mainly due to a combination of factors: (i) the increase in total revenue of the Group as mentioned above (offset by the related costs and expenses); (ii) the change from a foreign exchange gain of approximately HK\$12.2 million for the nine months ended September 30, 2021 to a foreign exchange loss of approximately HK\$24.2 million for the Nine-Month Period as a result of the depreciation of Renminbi against Hong Kong dollars during the Nine-Month Period; (iii) the increase in the depreciation and amortization expenses of the Group by approximately HK\$29.0 million for the Nine-Month Period; and (iv) a decrease in employee benefits expenses by approximately 17.3% to approximately HK\$89.6 million for the Nine-Month Period despite the inclusion of the Macau Pass Group's employee benefits expenses as the Group implemented restructuring last year for costs control to maintain its competitive position.

- The loss for the Nine-Month Period was approximately HK\$124.6 million, representing an increase of approximately 168% over the corresponding period in 2021. A fair value loss on the convertible term loan facilities provided by the Group to its joint venture company, Paytm First Games Private Limited, of approximately HK\$29.6 million was recognized for the Nine-Month Period, mainly due to an increase in market interest rates during the Nine-Month Period.

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About AGTech Holdings Limited

AGTech was incorporated in Bermuda and its Shares are listed on GEM (Stock Code: 8279). AGTech is an integrated technology and services company engaged in electronic payment services, lottery, mobile games and entertainment and marketing technical services and non-lottery hardware supply markets with a focus on Mainland China and Macau. As a member of the Alibaba Group, the Group is the exclusive lottery platform of Alibaba Group and Ant Group.

AGTech's businesses are broadly divided into four principal categories:

(i) Lottery:

(a) lottery hardware sales;

(b) lottery distribution through physical channels and ancillary services;

(ii) Electronic payment:

(a) provision of payment card services and ancillary services;

(b) provision of e-wallet services;

(c) provision of acquiring services for other payment platforms;

- (iii) Games and entertainment and marketing technical services; and
- (iv) Non-lottery hardware supply (including sales and leasing).

AGTech is an associate member of Asia Pacific Lottery Association (APLA).

For more information, please visit www.agtech.com