



AGTech Announces Third Quarterly Results Ended September 30, 2021

(Hong Kong, November 10, 2021) – **AGTech Holdings Limited** (“AGTech” or the “Group”, HKEX stock code:08279) today announced its third quarterly results for the nine months ended September 30, 2021.

According to Ministry of Finance of the PRC figures, during the Nine-Month Period, PRC lottery sales amounted to approximately RMB278.5 billion, representing an increase of approximately 20% over the corresponding period in 2020. Of this, Welfare Lottery amounted to approximately RMB102.2 billion, representing an increase of approximately 0.3% compared to the corresponding period in 2020. Sports Lottery achieved sales of approximately RMB176.3 billion, representing an increase of approximately 36.9% compared to the corresponding period in 2020.

During the Nine-Month Period, the Group won twenty lottery hardware tenders to supply lottery terminals to the SLACs in Guangxi Zhuang autonomous region, Fujian province, Jiangsu province, Hubei province, Sichuan province, Shandong province, Henan province, Hebei province, Zhejiang province, Jilin province, Hunan province, Shanxi province, Inner Mongolia autonomous region, Guangdong province, Gansu province, Shanghai municipality and Tianjin municipality of the PRC. These successful tenders further strengthened the Group’s top-tier position in China’s lottery hardware market and demonstrated the continued competitiveness of the Group’s lottery terminals.

In addition to lottery hardware supplies, expansion into other consumer sectors has continued to be a focus for the Group. During the Nine-Month Period, the Group has commenced the supply of non-lottery hardware (such as point-of-sale terminals) for use in the PRC retail sector.

The Group currently distributes lottery by expanding its physical lottery sales channels in China, which are retail sales outlets mostly operated by the Alibaba Group. During the Nine-Month Period, the Group generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 90% over the corresponding period in 2020. The Group made continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 70% in the number of such outlets over the corresponding period in 2020.

A joint venture company of the Group with One97 Communications Limited continued to develop and operate its mobile games and entertainment platform, namely “Paytm First Games” in India, which offers players a unique online experience with popular games content such as rummy and fantasy sports games. During the Nine-Month Period, the Group generated revenue of approximately HK\$18.1 million from the provision of online game contents to Paytm First Games..

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Nine-Month Period amounted to approximately HK\$144.9 million, representing an increase of approximately 36.6% over the corresponding period in 2020. Revenue contributions were mainly derived from lottery hardware sales and services, provision of distribution and ancillary services, non-lottery hardware sales and services in the PRC, and games and entertainment business in India.
- The increase in revenue for the Nine-Month Period was caused by the increase in sales of lottery hardware of approximately HK\$30.0 million, increase of approximately HK\$14.3 million in revenue from the

provision of lottery distribution and ancillary services, increase in sales of non-lottery hardware of approximately HK\$17.1 million and increase in revenue from games and entertainment business of approximately HK\$18.0 million, partially offset by the decrease in revenue of approximately HK\$40.5 million from the lottery games and systems business.

- Such increases in revenue from lottery hardware and provision of lottery distribution and ancillary services were mainly due to the continuous rebound of the Group's lottery business from the impact of the COVID-19 pandemic since the second half of 2020 and throughout the Nine-Month Period. In particular, the increase in revenue from the provision of lottery distribution services was due to the increase in average lottery sales volume per sales outlet and the continuous efforts of the Group in expanding its network of collaborating retail sales outlets for lottery distribution. In addition, the Group has commenced supplying non-lottery hardware (including POS terminals) during the Nine-Month Period, further broadening its source of revenue.
- The loss for the Nine-Month Period was approximately HK\$46.3 million, representing a decrease of approximately 70.5% over the corresponding period in 2020.

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About AGTech Holdings Limited

AGTech was incorporated in Bermuda and its shares are listed on the GEM (Stock Code: 08279). AGTech is an integrated technology and services company engaged in the lottery and mobile games and entertainment market with a focus on China and selected international markets. As a member of the Alibaba Group, AGTech is the exclusive lottery platform of Alibaba Group and Ant Group.

AGTech's businesses are broadly divided into three categories:

- Lottery:
 - (i) lottery hardware sales and services
 - (ii) lottery distribution through physical channels and ancillary services
- Games and entertainment; and
- Non-lottery hardware sales and services

AGTech is a Gold Contributor of the World Lottery Association (WLA), an associate member of the Asia Pacific Lottery Association (APLA), and an official partner of the International Mind Sports Association (IMSA).

For more information, please visit www.agtech.com