



AGTech Announces 2021 Annual Results

(Hong Kong, March 18, 2022) – **AGTech Holdings Limited** (“AGTech” or the “Group”, HKEX stock code:08279), a leading integrated lottery, games and entertainment technology company in China, today announced its final results for the year ended December 31, 2021.

According to Ministry of Finance of the PRC figures, PRC annual lottery sales in 2021 amounted to approximately RMB373.2 billion, representing an increase of approximately 11.8% over 2020. Of this, Welfare Lottery amounted to approximately RMB142.2 billion, representing a decrease of approximately 1.5% compared to 2020. Sports Lottery achieved sales of approximately RMB231.0 billion, representing an increase of approximately 21.9% compared to 2020.

During the year the Group won twenty-seven 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 2021, 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 2021, the Group generated revenue from the distribution of lottery through retail sales outlets with an increase of approximately 87 % over the corresponding period in 2020, the number of such outlets increased approximately 40% over the corresponding period in 2020.

The principal source of revenue in relation to the Group’s games and entertainment business comes from the mobile games and entertainment platform, Paytm First Games, which is operated by its 45%-owned joint venture company in India, offers players a unique online experience with popular games content such as rummy and fantasy sports games. During 2021, the Group generated revenue of approximately HK\$18.1 million.

The Group will continue to focus on our strategic projects, Paytm First Games, as well as our indirect investment, Ant Bank (Macao) Limited. With the imminent completion of the acquisition of Macau Pass Holding Ltd., the Group will continue to dedicate our commitment and support to grow our business to further capitalize on diversification opportunities.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year amounted to approximately HK\$253 million, representing an increase of approximately 56.7% over the corresponding period in 2020. Revenue contributions were mainly derived from lottery hardware sales, provision of lottery distribution and ancillary services, non-lottery hardware sales in the PRC, and games and entertainment business in India.

- The increase in revenue for the year was caused by the increase in sales of lottery hardware of approximately HK\$94.8 million, increase of approximately HK\$18.4 million in revenue from the provision of lottery distribution and ancillary services, increase in sales of non-lottery hardware of approximately HK\$20.6 million and increase in revenue from games and entertainment business of approximately HK\$4.1 million, partially offset by the decrease in revenue of approximately HK\$46.2 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. 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 year, further broadening its source of revenue.
- The increase in revenue from games and entertainment business was caused by an increase in content provision revenue from the Paytm First Games platform in India and increase of advertising income from online non-lottery contents. The decrease in revenue from lottery games and systems was due to the cessation of the sales of two virtual sports lottery games supplied by the Group, namely, “e-Ball Lottery” and “Lucky Racing”, from November 1, 2020 and February 9, 2021 respectively.
- The loss for the year was approximately HK\$63.1 million, representing a decrease of approximately 42.4% 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. Since 2021, the Group has also commenced to supply non-lottery hardware products (such as point-of-sale terminals) for use in the retail sector in the PRC. 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
 - (ii) lottery distribution through physical channels and ancillary services
- Games and entertainment; and
- Non-lottery hardware sales

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