NOVOMATIC AG

Company Folder

40 YEARS OF **LEADERSHIP**

NOVOMATIC Headquarter | Gumpoldskirchen

WINNING TECHNOLOGY

OUR MISSION

When it comes to earning the trust of our customers, partners and employees, we have been doing everything in our power for 40 years now.

The NOVOMATIC Group was established in 1980 by Prof. Johann F. Graf. Since then, the Group has developed into Europe's largest and one of the world's largest gaming technology groups. The Company has a global presence through a large number of subsidiaries and has achieved leading market positions in Austria, Germany, Italy, Spain, the Netherlands, the United Kingdom and the CEE/SEE region.

All companies in the Group are characterized by a high level of social responsibility and are therefore only active in markets with clearly defined legal frameworks. To date, industrial know-how has helped NOVOMATIC to obtain around 4,700 registered IP rights and form a stable basis for the "WINNING TECHNOLOGY" promise.

A CLAIM TO INNOVATION

OUR SUCCESS STORY

As Europe's largest high-tech gaming technology group, we can look back on 40 years of success.

NOVOMATIC Automatenhandels GmbH was founded by the industrialist Prof. Johann F. Graf in Gumpoldskirchen in 1980. It was then that Professor Graf formulated a philosophy that is still valid today: "A special product, manufactured to the highest quality and paired with the greatest possible user-friendliness, will be successful." Looking ahead, he realized that there was enormous potential in switching from electromechanics to electronics. With the production of the first in-house slot machine, the Admiral 3000, an innovative basis was created on which one of the world's most successful gaming technology groups could develop: NOVOMATIC.

1980

ESTABLISHMENT
Founded by Professor Johann F. Graf, Austria
Production of the first "ADMIRAL" gaming terminals

1985

TECHNOLOGICAL REVOLUTION
First NOVOMATIC dual screen terminals revolutionize the market

1989

MARKET ENTRY
Central, South and Eastern Europe

1991

ESTABLISHMENT
ADMIRAL Sportwetten GmbH, Austria

1995

DEVELOPMENT
Revolutionary development of the AWP sector: market launch of **interactive multi-games** and development of the first **multiplayer machines**

1997

INNOVATION
Development of the **Coolfire™ casino hardware platform,** presentation of the first multiplayer machines, and roulette automation through the development of **NOVO TouchBet® Live-Roulette**

2000

INAUGURATION
Casino Frankfurt/Airport as Germany's first airport casino

2003

ACQUISITION
LÖWEN Entertainment GmbH, Germany, gaming terminal manufacturer

2004

ACQUISITION
Astra Games Ltd., United Kingdom

2005

INAUGURATION
Casino ADMIRAL Prater, Austria

BOND
First corporate bond with a volume of EUR 150 million, Austria

ACQUISITION
EXTRA Games Entertainment GmbH, Germany (was renamed in ADMIRAL ENTERTAINMENT GmbH in 2018)

2006

TECHNOLOGICAL REVOLUTION
LÖWEN Entertainment GmbH revolutionizes the German gaming market with its new multi-game concept NOVOLINE

2007

ACQUISITIONS
Crown Technologies GmbH, Premium gaming terminal manufacturer, Germany
Crown Gaming S.A.C., Peru

2009

INAUGURATION
New NOVOMATIC HQ in Gumpoldskirchen, Austria

2010

BONDS
Two corporate bonds with a total volume of EUR 350 million, Austria

MARKET ENTRY
Online market entry
Italy via acquisition of the **Greentube Group**, Austria

2011

ACQUISITION
Spielbank Berlin GmbH & Co. KG, Germany

2012

ESTABLISHMENT
NOVOMATIC Americas Holding Inc., USA

2013

BOND
Corporate bond with a volume of EUR 250 million, Austria

MARKET ENTRY
The Netherlands, Romania (with VLTs), **Eurocoin Gaming B. V., JVH exploitatie,** the Netherlands **Betware Holding hf.,** Iceland

2014

NIKI LAUDA
becomes the NOVOMATIC brand ambassador

BOND
Corporate bond with a volume of EUR 200 million, Austria

INAUGURATION
Hotel Casino FlaminGO, Macedonia

ACQUISITIONS
Luxury Leisure Ultd., United Kingdom,
GiGames S.L., Spain

Elam Group Electronic Amusement B.V., The Netherlands

MARKET ENTRY
Illinois

2015

ACQUISITIONS
BlueBat Games Inc., Canada

AbZorba LLC, USA
Casino Tornado, Lithuania
Österreichische Lotterien GmbH, Austria
Playnation Ltd., United Kingdom

MARKET ENTRY
Madrid (operations)

CORPORATE CREDIT RATING
S&P gives NOVOMATIC AG a BBB investment grade rating with a stable outlook

PROMISSORY NOTE BONDS
with a volume of EUR 275 million, Austria

2016

ACQUISITIONS
Electronic Systems S.p.A, Italy
MG Gaming S.r.l., Italy
Casinos Austria AG, Austria
Lotaria Kombëtare, Albania
Talarius Ltd., United Kingdom

MARKET ENTRY
France

INAUGURATIONS
Casino Admiral San Roque, Spain
New **Greentube** Headquarter, Austria

BENCHMARK BONDS
Corporate bond with a volume of EUR 500 million, Austria

2017

ACQUISITIONS
Casino Royal GmbH, Germany

Basque Gaming S.L., Spain
NOVOMATIC Technologies Poland S.A., Poland
ATT S.A., Poland

MARKET ENTRY
Liechtenstein

INAUGURATION
ADMIRAL Arena Prater, Austria

2018

ACQUISITION
Ainsworth Game Technology Ltd., Australia

INAUGURATIONS
Casinos in Mecklenburg-Vorpommern, Germany
Casino Admiral, Liechtenstein
Casino Sunborn Admiral, Gibraltar

MARKET ENTRY
Moldova

BRAND ENFORCEMENT
Crown Technologies GmbH merges with **LÖWEN ENTERTAINMENT GmbH**
NOVOMATIC Gaming Industries GmbH merges with **NOVOMATIC AG**
NOVOMATIC Italia Services S.r.l. merges in **NOVOMATIC Italia S.p.A.**

2019

ESTABLISHMENT
Greentube USA LLC, USA
NOVOMATIC TECHNOLOGIES RS d.o.o.

BRAND AMBASSADOR
David Hasselhoff becomes the ADMIRAL brand ambassador, Austria

INAUGURATIONS
Casino FlaminGO Skopje, North Macedonia
Casino ADMIRAL Granada, Spain
Casino ADMIRAL Waalwijk, the Netherlands

2020

ANNIVERSARY
NOVOMATIC celebrates its 40th company anniversary

365 DAYS OF NOVOMATIC GROUP

OUR HIGHLIGHTS 2019

February 6

NOVOMATIC presents latest gaming technology in London

The leading company from Gumpoldskirchen was at the ICE Totally Gaming, the largest gaming show in the world, for the 25th time between February 5 and 7, 2019. The Group, together with its more than 20 subsidiaries, presented its comprehensive portfolio at the show. On offer were products ranging from the latest gaming developments, through high-tech casino equipment, systems and cash management solutions, to arcade and pub products, as well as sports betting and online, mobile and social gaming.

February 8

International award: NOVOMATIC once again "Casino Supplier of the Year"

NOVOMATIC AG became a two-time winner as part of the world's largest gaming trade show, the ICE Totally Gaming. For the second time in a row, the Group received the award for first place in the "Casino Supplier of the Year" competition.

May 7

ADMIRAL: Monika Racek selected as "CEO of the Year" in London

The Global Regulatory Awards are presented each year to gaming companies and suppliers for excellent performance in compliance management and a commitment to responsible gaming. In 2019, the first place in the "CEO of the Year" category went to Dr. Monika Racek, CEO of the NOVOMATIC subsidiary ADMIRAL Casinos & Entertainment AG.

August 27

NOVOMATIC certified in accordance with the highest international gaming standard, G4

NOVOMATIC and its major subsidiaries became the first Austrian company to be recognized for responsible protection of players and minors by the Global Gaming Guidance Group (G4). This makes NOVOMATIC the first gaming technology group in the world to successfully certify most business areas – from terrestrial slot arcades and casinos, sports betting, online gaming and technology development – as a producer and operator.

November 29

ADMIRAL opened the first casino permitted in Granada for almost 100 years

On November 29, the NOVOMATIC Group celebrated the opening of its third Spanish casino, in Andalusia. After months of intensive renovation work, the new casino opened its doors with a variety of recreational options, gaming, sports betting, and cuisine of the highest quality. The Managing Director of ADMIRAL Casinos Spain, Manfred Schartner, welcomed the guests at the inauguration evening with a special program including fine dining and the very best of entertainment.

Johannes Gratzl and Ryszard Presch | Members of the Executive Board of NOVOMATIC AG

BECOMING A GLOBAL PLAYER WITH PASSION

OUR VISION

Dear Ladies and Gentlemen,

Once again, 2019 was a challenging year in what is now 40 years of NOVOMATIC history. With EUR 2,608 million (2018: EUR 2,585 million), we have been able to realize a respectable turnover, continue to grow within established markets, move into new sales markets, and secure the leading position in our core markets. In addition, we have moved forward with the optimization of the corporate structure on all levels, and established sustainable measures for optimizing costs and increasing efficiency. The NOVOMATIC AG Executive Board and Supervisory Board were also reorganized in September 2019. The previous fiscal year ended on a positive note, confirming that a consistent, Group-wide continuation of our consolidation strategy is the right path.

A central component of our core business is the development of innovative gaming technology for the global market. The combination of gaming operations and gaming technology has allowed our company to establish itself, over the course of its 40 year history, as a top player and leading full-service provider in the gaming industry. NOVOMATIC has locations in around 50 countries and, in 2019, exported innovative gaming equipment, system solutions, and services to more than 75 nations. We were also able to further develop and expand our broad range of products. In addition to a focus on new products and an increasing number of themed gaming titles, the global growth of the online gaming sector played a significant role during the year under review.

Despite the regulatory challenges in Germany and Italy, we are once again proud to report an increased turnover of EUR 1,650 million in the gaming operations segment, thanks to strong results in the UK, Spain, and Eastern Europe. The Casino FlaminGO Skopje in North Macedonia and Casino Waalwijk in the Netherlands, both opened in 2019, also contributed to these positive results. The NOVOMATIC AG Group now operates a total of 152,000 gaming terminals and video lottery terminals (VLTs), either in approximately 1,900 Group-owned gaming facilities or via rental models. Sales revenues in the gaming technology segment amounted to EUR 955.0 million in the reporting period, representing an increase over the previous year's level.

On the financial market, a bond issued on January 28, 2013 was successfully redeemed in January 2019 for a total of EUR 250 million. In May 2019, Standard & Poor's evaluated NOVOMATIC AG's credit rating at BB+ with a stable outlook, putting NOVOMATIC in a leading position within the industry. Finally, the free cash flow in 2019 was increased to a record amount of EUR 532.7 million. The net debt was reduced by EUR 307.1 million to EUR 964.0 million (excluding IFRS 16) and, as a result, the equity ratio (excluding IFRS 16) improved from 33.1 % to 38.3 %.

Our company's performance as an international and innovative technology supplier was also recognized multiple times by external organizations. For example, for the third time in a row, NOVOMATIC received the Global Gaming Award in the category "Casino Supplier of the Year." Not only that, NOVOMATIC and material subsidiaries were able to take on a pioneering role in the area of youth and player protection via certification from the Global Gambling Guidance Group (G4) in 2019. NOVOMATIC is therefore one of the first gaming technology groups worldwide to successfully certify the majority of all business segments, both in manufacturing and operations.

As a globally operating gaming technology group, we are cognizant of the serious responsibility we have both towards our customers and towards our over 22,000 employees around the globe. That is why NOVOMATIC is committed to socially responsible and environmentally sustainable company development. This commitment takes into account more than just economic aspects, it also considers environmental, social, and employee issues, respect for human rights, the fight against corruption, as well as other key issues. Information on the programs we use to engage with these issues can be found in the non-financial part of this report.

The effects of the Coronavirus mean that companies around the world, including NOVOMATIC, are facing completely new challenges, and it is too early to evaluate any possible consequences for the 2020 annual and consolidated financial statements. The key factor here will ultimately be the length of any supply chain delays for gaming machine production caused by the virus and the length of temporary closures of slot arcades and casinos. Our top priority, regardless of the situation, is to protect the health of our employees while simultaneously upholding the value creation process.

Despite these challenges, NOVOMATIC is committed to celebrating 2020 as the year of its 40th anniversary – and as always, our employees will take center stage. We would therefore like to take a moment to particularly thank you, the people who work tirelessly every day on behalf of the Group – after all, it is our employees that have guaranteed NOVOMATIC's success over the past 40 years.

The Executive Board of NOVOMATIC AG

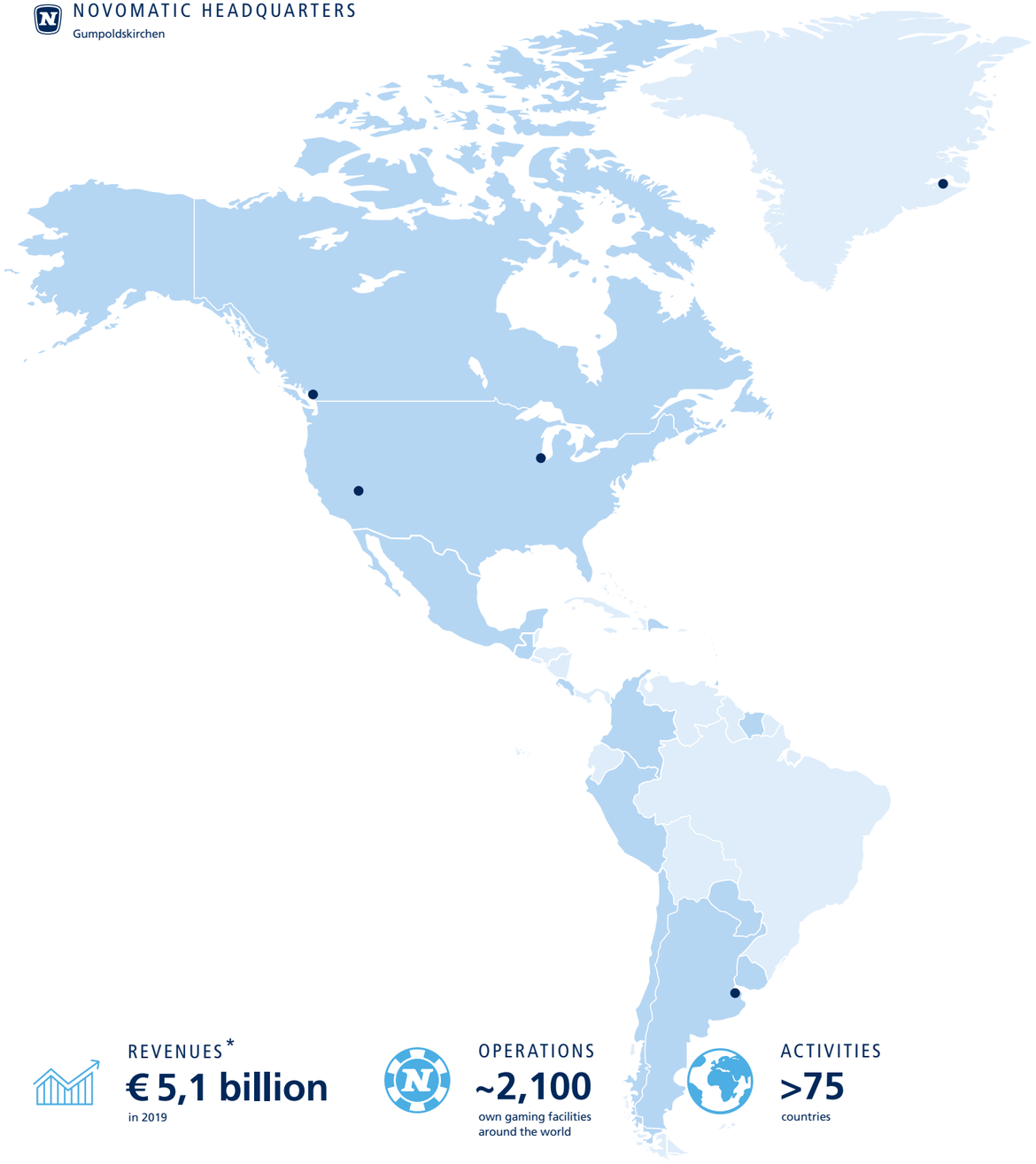
Ryszard Presch
Member of the Executive Board

Johannes Gratzl
Member of the Executive Board

NOVOMATIC
Competence centers

NOVOMATIC
Activities

NOVOMATIC HEADQUARTERS
Gumpoldskirchen



REVENUES*
€ 5,1 billion
in 2019

OPERATIONS
~2,100
own gaming facilities around the world

ACTIVITIES
>75
countries

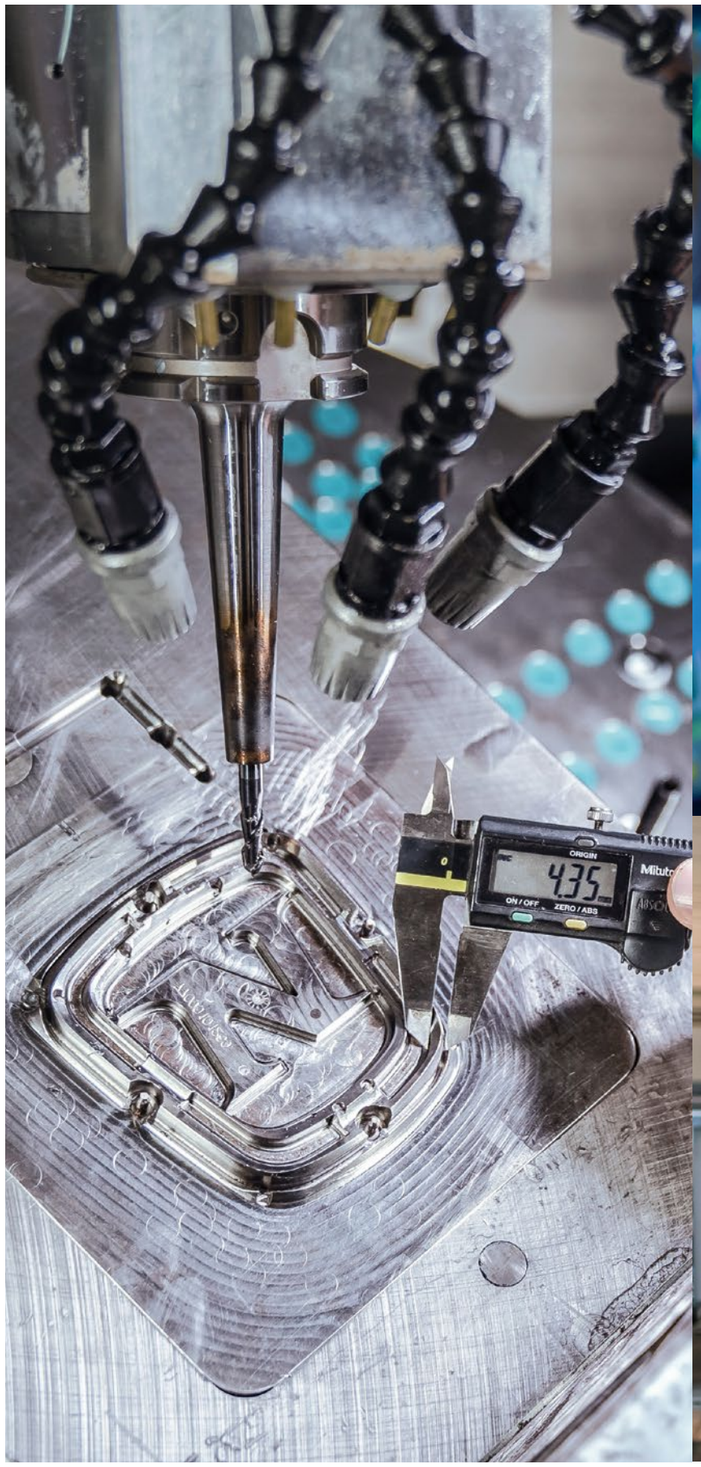
EMPLOYEES
~30,000
worldwide

COMPANIES
~350
international subsidiaries

EXPORT RATE
~94%
sales in foreign markets

* accumulated revenues of NOVOMATIC AG Group, Novo Invest GmbH and NOVO SWISS AG including VLT- and betting payouts.

Disclaimer: data for NOVOMATIC Group to the FY 2019


ORIGIN
ON / OFF
ZERO / ABS
435

€0.00
€0.00
€0.00
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Prof. Johann F. Graf
Founder and
Majority Shareholder

REALIZING VISIONS TOGETHER

OUR TEAM

Supervisory Board of NOVOMATIC AG
From left to right
Dr. Bernd Oswald
Martina Flitsch
Dr. Robert Hofians

Ryszard Presch
Member of the Executive Board

Johannes Gratzl
Member of the Executive Board

ONE OF A KIND

OUR CORPORATE STRATEGY

Whether in real life or when playing a game, if you want to be successful, you need a good strategy. For 40 years now, not only on serving part of the gaming industry, but also on acting as a competent and reliable full-service provider in all segments of this sector.

Its multiple roles as a producer and operator as well as a technology and service partner allow the NOVOMATIC Group to offer comprehensive services from a single source. This includes the development, manufacture and sale of innovative gaming equipment and a comprehensive 360-degree portfolio for all sales channels. NOVOMATIC also operates around 2,100 electronic casinos, casinos and sports betting establishments worldwide, develops online games for licensed partners and has extensive expertise in the field of gaming technology.

OPERATIONS

- European market leader in terms of electronic casino operations
- International casino know-how, operator of around 2,100 gaming facilities worldwide
- Leading provider in the betting and gaming sector with the ADMIRAL brand.

TECHNOLOGY

- Technology leader for server-based gaming and Video Lottery Terminals (VLTs)
- NOVOMATIC is the world's leading manufacturer of gaming equipment
- About 230,000 NOVOMATIC gaming terminals in operation around the world

Strategy for success:
NOVOMATIC is the largest gaming technology group in Europe today.

NOVOMATIC
has established itself in its 40-year corporate history as one of the world market leaders in the field of high-tech gaming technology.

HIGH-TECH AND PEAK PERFORMANCE

OUR INNOVATIONS

Only those who always have new ideas can stay at the top. This is why the area of Research & Development plays such an important role within our group of companies.

The NOVOMATIC Group has always been characterized by its unique and innovative power. Annual investments in Research & Development – well above the industry average – have since enabled the establishment of 14 production sites in 11 countries. NOVOMATIC also operates 25 technology centers in 15 countries, which also cooperate with leading technical universities. As such, the Group currently holds approximately 4,700 intellectual property rights such as patents, trademarks and designs.

THE BASIS OF OUR SUCCESS

OUR EMPLOYEES

The professional fields at NOVOMATIC range from research, development and production to services in casino, business management agendas and tasks in the IT sector. We are always looking for new and talented individuals who want to become familiar with exciting areas of work in a creative, secure working environment and take the opportunity to develop their skills further.

NOVOMATIC as an employer: awarded with the best.recruiter quality seal 2019/20.

MOST VALUABLE ASSETS

WOMEN IN WORKFORCE
56%
in all areas

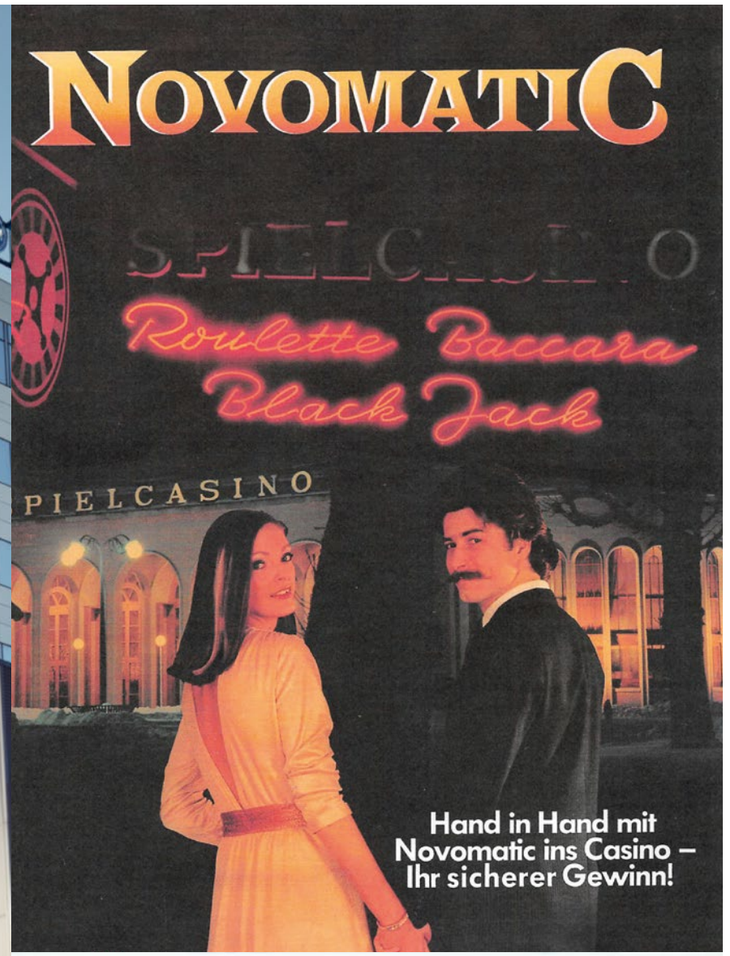
EMPLOYEES
22,053
active worldwide

EXPERIENCE
7 years
average period of employment

Disclaimer: data for NOVOMATIC AG to the FY 2019

London 1980

AMERICAN
POKER II
American Poker II, „The Legend“


NOVOMATIC
Roulette Baccara
Black Jack
PIELCASINO
Hand in Hand mit
Novomatic ins Casino –
Ihr sicherer Gewinn!

NOVOMATIC

THE BIG PICTURE AT A GLANCE

OUR COMMITMENT

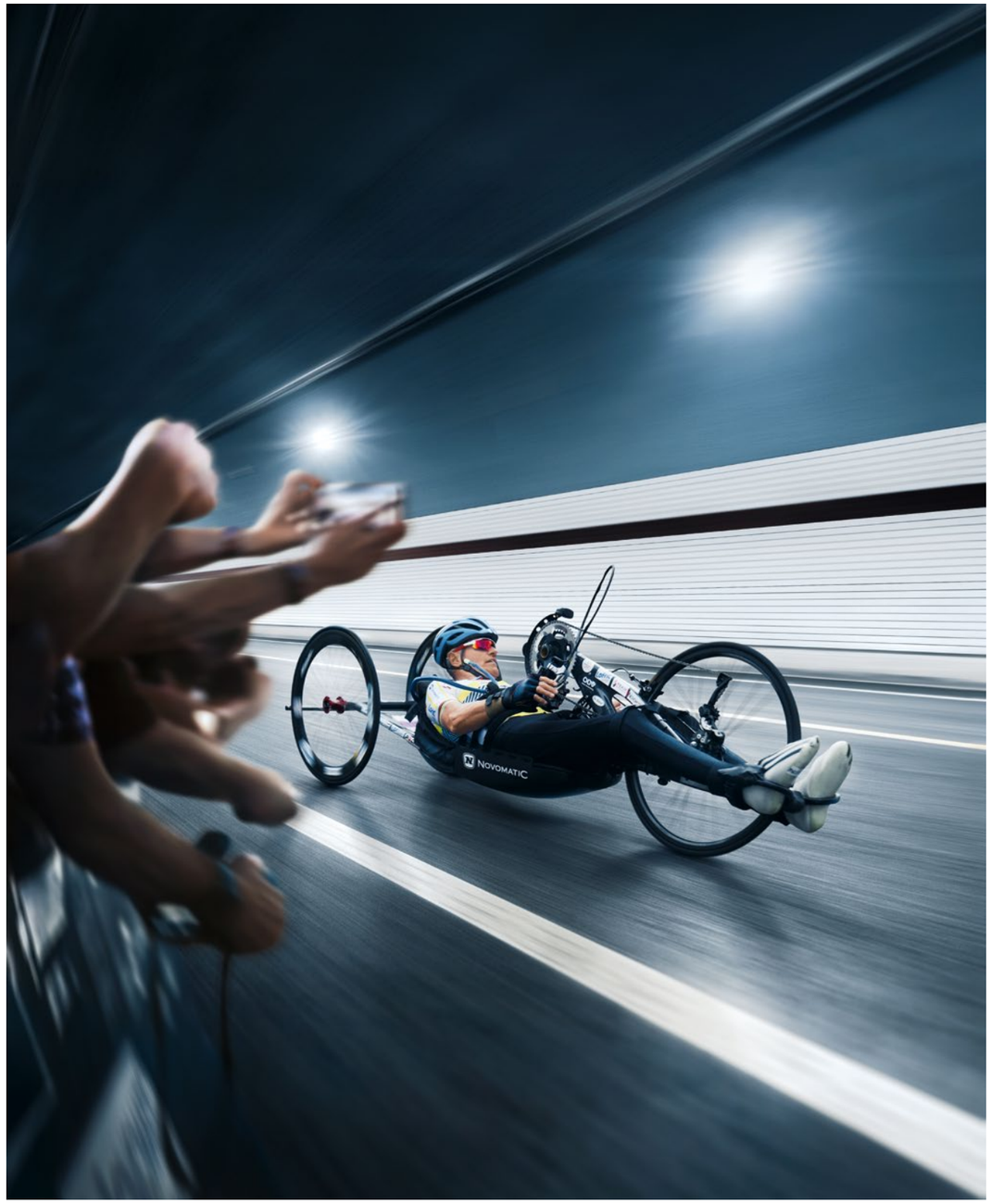
For us, success means sharing it. That is why we attach great importance to partnerships with initiatives and institutions in a diverse range of sectors. In sports, art, and culture as well as in business, we focus on the long-term nature and transparency of our relationship with our sponsoring partners.

NOVOMATIC attaches great importance to an open exchange between economy and society, which is why the company supports numerous institutions and associations such as the Vienna Economic Forum.

NOVOMATIC also has an interest in the support of art and culture, with a focus on support for regional development and international networking. NOVOMATIC is for excample active in the field of sports and is proud of its long-standing partnerships with numerous Austrian sports associations, both in competitive and popular sports.

Weltmuseum | Vienna

Social commitment through partnerships, support, donations and with the help of the energy, know-how and time of our employees.



Wolfgang Schattauer | Austria

PRACTICED RESPONSIBILITY

OUR PLAYER PROTECTION

Enjoyment of the game and responsible use of gaming services are not contradictions. Responsible Entertainment is a core issue when it comes to NOVOMATIC's „license to operate" and forms the foundation for all current and future business success.

At NOVOMATIC, Responsible Entertainment covers measures for addiction prevention in the gaming segment, but also includes measures in the sports betting and online gaming segments. The company is aware of the requirements and expectations of the authorities, customers, business partners and other stakeholders and therefore plays a pioneering role in player protection at an international level. Responsible Entertainment is a key element in the responsible implementation of business activities at NOVOMATIC.

NOVOMATIC ensures the best possible player protection using its technical expertise, many years of international experience and by working together with experts and leading institutions in the field. This makes it possible for NOVOMATIC to quickly incorporate the latest research results into existing Responsible Gaming concepts.

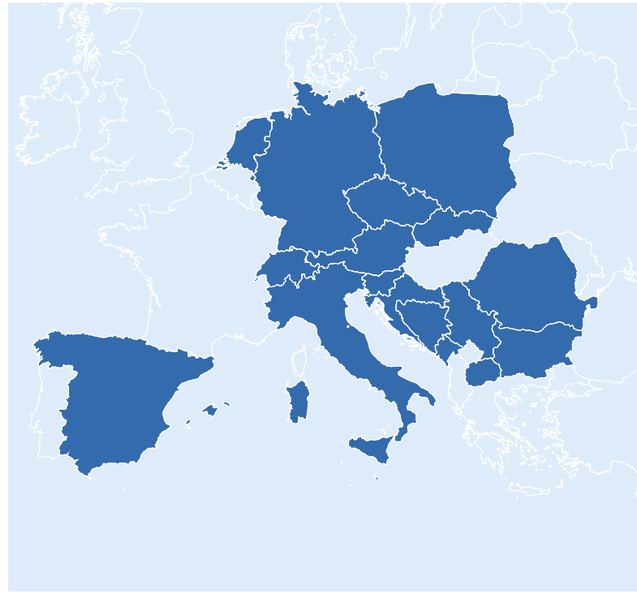
The company implements extensive measures in player protection – even beyond legal requirements. By using biometric data in the gaming industry, NOVOMATIC is setting new trends in customer convenience and the prevention of gaming addiction. The patented NOVOMATIC Biometric System™ (NBS) technology is already being used on gaming machines in Europe. NOVOMATIC is thus one of the first gaming technology groups worldwide to have created the technical prerequisites for introducing a biometric-based access and payment system.

The NBS system was introduced or tested in 2019 in the following countries: Bulgaria, Italy, Lithuania, Luxembourg, Macedonia, the Netherlands, Poland, Romania, Spain and Malta.

NBS SYSTEM USE

- Register biometric data, for example using a fingerprint, in a facility
- Create a customer profile – only the biometric data needed for unambiguous identification is required
- Use of gaming devices, payout machines, catering options, or casino hotel via fingerprint
- New options for limiting time spent playing, limiting visits, or banning guests

Countries with implemented NBS solutions



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All passages refer equally to members of both genders.

PHOTOS

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