

# NOVOMATIC AG

ANNUAL FINANCIAL REPORT 2022



# 6 CONSOLIDATED FINANCIAL STATEMENT

# 115 INDIVIDUAL FINANCIAL STATEMENT

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# FOREWORD BY THE EXECUTIVE BOARD

Dear Ladies and Gentlemen,

Given that the restrictions in place to prevent the spread of COVID-19 were already being gradually scaled back at the start of the year, all the signs were pointing to recovery from the effects of the pandemic in the first half of 2022. Not only did the high quality of our new products and their excellent performance generate outstanding feedback from our international customers, but it also had a positive impact on all business areas within the Group. On top of this came the effects of the consolidation and efficiency improvement measures, which had been successfully implemented, coupled with targeted investments in new product developments.

These enabled the NOVOMATIC AG Group to achieve an increase in revenues from EUR 1,842.3 million in the previous year to EUR 2,859.9 million in 2022, representing an increase of EUR 1,017.7 million (+55.2%). In the Gaming Operations segment alone, which comprises the operation of casinos, slot arcades and betting facilities, revenue grew from EUR 1,034.1 million to EUR 1,785.5 million (+72.7%) in the 2022 fiscal year. The Gaming Technology segment, responsible for the development, production, rental and sale of gaming equipment, also recorded significant growth in the year under review, rising from EUR 806.2 million to EUR 1,072.4 million (+33.0%) due to increased demand for NOVOMATIC products. As a result, both the Gaming Technology segment and the Gaming Operations segment reported very satisfactory revenues.

NOVOMATIC successfully continued its international course of expansion in the year under review and achieved a number of significant milestones in 2022, both by making several smaller acquisitions in various markets and by means of the strategically important majority acquisition of the Italian HBG Group, which marks one of the largest transactions in NOVOMATIC's history. This made us one of the largest concessionaires and operators of VLTs and AWP's in Italy and also enabled us to increase the number of fully consolidated subsidiaries to 211 and the number of employees to around 23,900. As one of the largest gaming technology groups in the world, NOVOMATIC currently has around 2,100 of its own gaming facilities in 50 countries, exporting innovative gaming equipment, system solutions and services to 100 countries around the world. NOVOMATIC was therefore able to consolidate and further expand its position as a top international player and full-service provider in the entertainment industry.

As an international gaming facility operator and supplier of technology around the world, we are aware of the great responsibility we have towards our employees, customers and the wider society. This means that harmonizing our corporate activities with the Group-wide sustainability goals is a top priority for us. NOVOMATIC produces reports in accordance with the international standards of the Global Reporting Initiative (GRI) and has been committed for many years to the principles of the UN Global Compact and to achieving the Sustainable Development Goals (SDGs) of the United Nations. The EU Taxonomy Regulation with its environmental targets, which has been in force since 2021, also provides a noticeable boost to the matter of climate protection. In the year under review, NOVOMATIC laid a sustainable cornerstone in the field of green energy with its plans to embark on a large-scale expansion of photovoltaic systems at the headquarters and at numerous subsidiaries. Intensive preparations are also being made with regard to the planned Corporate Sustainability Reporting Directive (CSRD).

Our major commitment to sustainability in these areas is confirmed by top rankings in international Environmental, Social & Governance (ESG) ratings from leading rating agencies. As regards the matters of player and minor protection, G4 certification is well recognized as the most stringent international standard, we makes us all the more proud to have achieved this certification in Italy and Spain in addition to Austria, Germany, the United Kingdom and the Netherlands in the year under review. More information on our ESG measures can be found in the non-financial part of this report.

The 2022 fiscal year not only demonstrated our ability to remain true to our path of international growth thanks to innovative strength, excellent product performance and strategic expansion steps, but it also reaffirmed the success of our dual strategy and excellent international cooperation. We would therefore like to take this opportunity to express our sincere thanks to each and every one of our employees for their dedication, commitment and loyalty. Thanks to them, we can look to the future with confidence and add yet more chapters to the NOVOMATIC success story.

The Executive Board of NOVOMATIC AG



Ryszard Presch

Member of the Executive Board



Johannes Gratzl

Member of the Executive Board



NOVOMATIC-  
Consolidated Financial Statement  
2022



# NOVOMATIC AG MANAGEMENT REPORT

for the 2022 Consolidated Financial Statement, NOVOMATIC AG, Gumpoldskirchen

## (1) Purpose of the Business and Strategy

NOVOMATIC<sup>1</sup> is a globally operating, integrated gaming technology and entertainment group with over 40 years of experience as a producer of innovative high-tech gaming equipment. The Group develops, manufactures and sells gaming products, lottery technologies and networked system solutions for domestic and international gaming and betting markets. NOVOMATIC furthermore operates around 2,100 gaming facilities, which include casinos, slot arcades, sports betting outlets and bingo facilities.

In addition to the development of terrestrial gaming equipment, the NOVOMATIC AG Group's business activity also covers the development of game content for licensed online and offline suppliers as well as the operation of online gaming and sports betting platforms.

NOVOMATIC pursues a strategy of vertical integration within the gaming industry, meaning it acts as a manufacturer of state-of-the-art gaming equipment as well as an operator of gaming facilities. In the years since its establishment, this has contributed significantly to the success of the Company. With this integrated approach, the Group is able to introduce newly developed products into the marketplace very quickly, gain insights into their potential success and subsequently influence the development of new technologies in a goal-oriented manner.

## (2) Economic Conditions

### Macroeconomic Development

Macroeconomic development in 2022 was strongly influenced by several factors. The conflict between Russia and Ukraine that broke out in February 2022 led to an energy crisis, particularly in Europe, which caused the cost of living to soar and hampered economic activity. Renewed COVID-19 outbreaks in the first half of 2022 in China, accompanied by strict lockdown regulations, some of which continued until December, also caused bottlenecks in global supply chains. Rising inflation rates worldwide represented a third far-reaching factor behind declining global economic growth in 2022. The second half of the year in particular saw a steady rise in headline inflation across all markets. While higher private consumption, rising investment and extensive fiscal policy measures ensured stronger-than-expected growth in the third quarter, the final months of 2022 again saw a downward trend in global economic output.

The increase in global GDP in 2022 is forecast to come in at 3.4 percent<sup>2</sup>, while the euro area is predicted to see an increase of 3.5 percent<sup>3</sup>.

<sup>1</sup> In this management report, the terms "NOVOMATIC", "Group" and "NOVOMATIC AG Group" refer to the group of consolidated companies included in the consolidated financial statement for NOVOMATIC AG.

<sup>2</sup> According to the World Economic Outlook Update dated January 2023 provided by the International Monetary Fund (IMF)

<sup>3</sup> According to the European Economic Forecast Winter 2023.

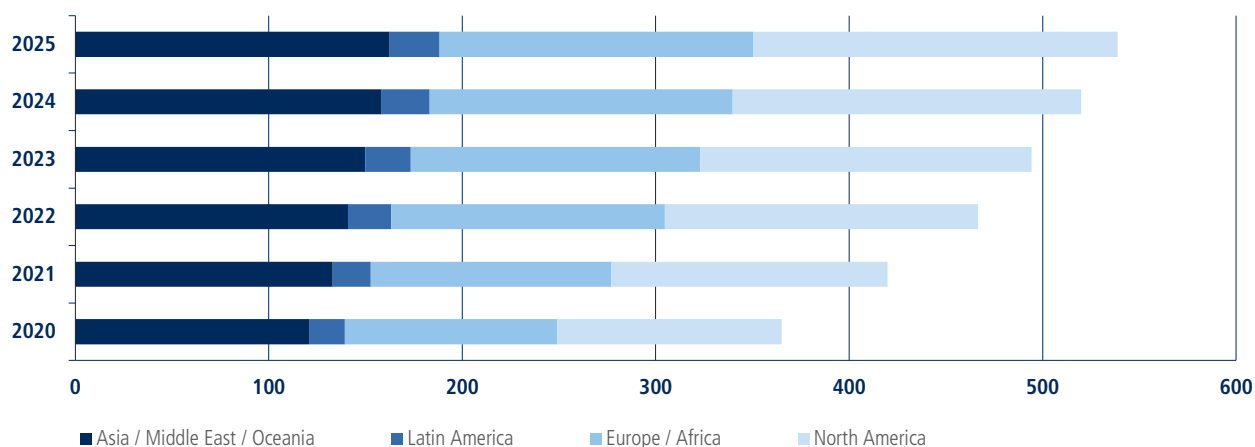
| Economic growth in %*      | 2023f | 2022 | 2021 |
|----------------------------|-------|------|------|
| Austria                    | 0.5   | 4.8  | 4.6  |
| Germany                    | 0.2   | 1.8  | 2.6  |
| Italy                      | 0.8   | 3.9  | 6.7  |
| United Kingdom             | -0.6  | 4.1  | 7.6  |
| Spain                      | 1.4   | 5.5  | 5.5  |
| Netherlands                | 0.9   | 4.4  | 4.9  |
| Central and Eastern Europe | 1.5   | 0.7  | 6.9  |
| USA                        | 1.4   | 2.0  | 5.9  |
| Latin America              | 1.8   | 3.9  | 7.0  |
| World                      | 2.9   | 3.4  | 6.2  |

\* Growth in Austria, Germany, Italy, Spain and the Netherlands are taken from the Winter 2023 economic forecast of the European Union. Growth in the UK, Central and Eastern Europe, the United States, Latin America and the world is taken from the International Monetary Fund's January 2023 World Economic Outlook Update. The previous year's data were updated on the basis of the available reports.

## Development of the Gaming Market

### WORLDWIDE GAMING REVENUES

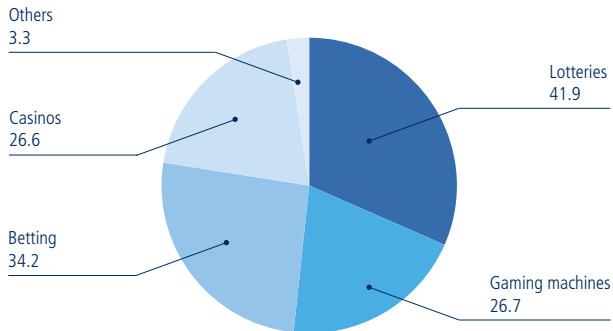
in billion USD (source: GBGC)



Global gaming revenues came to USD 466.7 billion in 2022, according to the Global Gambling Report by Global Betting and Gaming Consultants (GBGC), exceeding 2019 levels before the outbreak of the COVID-19 pandemic. The year-on-year increase amounts to 11.2 percent. The highest increase was recorded in the betting sector, which generated around 16.6 percent higher revenues in 2022 than in 2021, growth that is due in part to the steadily expanding digital infrastructure and mobile access options. GBGC experts forecast global gaming revenues of USD 494.3 billion for 2023.

In Europe, NOVOMATIC's most important gaming market, gaming revenues amounted to USD 132.7 billion in 2022, 31.6 percent of which are attributable to the lottery sector, which is the largest sector in Europe with a total revenue of USD 41.9 billion and which grew by 4.0 percent over 2021. The second-largest sector in terms of revenue in 2022 is the horse and sports betting market, which grew by 17.0 percent, partly due to the aforementioned growth in digital infrastructure. Gaming terminals, which are part of NOVOMATIC's core business, posted the highest growth of 18.4 percent. Overall, the European market recorded a year-on-year increase in revenue of 12.0 percent. The GBGC experts forecast average growth of around 4.1 percent in Europe for the following years up to 2025.

## GAMING REVENUES IN EUROPE, USD BILLIONS



Revenues in the North American gaming market amounted to USD 162.0 billion in 2022, representing growth of 13.5 percent over the previous year. The largest gaming market, the casino sector, recorded a 16.0 percent increase in revenue due in part to lower restrictions. The largest percentage increase was achieved by gaming terminals outside casinos, at 28.5 percent. Average growth of 5.1 percent is forecast for the North American gaming market between 2023 and 2025.

The Latin American gaming market recorded a 13.2 percent increase in revenue compared to 2021, meaning that revenue came in at USD 22.3 billion in 2022, accounting for 4.8 percent of global gaming revenue. The majority of this region's revenues are generated in the casino and lottery sector. The average annual growth rate is 5.1 percent.

Global online gaming revenue increased by 9.5 percent compared to 2021 and stood at USD 97.4 billion in the year under review. The largest sub-segment of this market continued to be online betting, which accounted for around 53.9 percent of total revenue in 2022.

### (3) Business Performance

#### General business development in the reporting period

NOVOMATIC was able to continue its international growth course in the reporting period. As a result of the acquisition of several smaller companies in various markets and due to the majority acquisition of the Italian HBG Group, one of the largest acquisitions in NOVOMATIC's history, the number of consolidated companies in the Group grew to a total of 215 companies and the number of self-operated venues to around 2,100 gaming facilities.

Compared to previous years, the restrictions of the COVID-19 pandemic had a significantly lower impact on the NOVOMATIC AG Group in 2022. Temporary closures were largely lifted in the first quarter and only affected individual markets such as Germany, the Netherlands and Latvia. Further restrictive measures were successively lifted, which had a positive impact on all of the Group's business areas.

In addition to the reduced number and duration of restrictions in connection with the COVID-19 pandemic, the product performance of NOVOMATIC devices also contributed to a positive development. The number of gaming terminals operated increased to 74,527 (+8,411 compared to the previous year), while the number of gaming terminals sold in 2022 was 31,858 (+6,103 compared to the previous year).

Group revenue (before gaming taxes and betting fees) increased from EUR 1,842.3 million in the previous year to EUR 2,859.9 million in 2022, representing an increase of EUR 1,017.7 million (+55.2 percent). Both the Gaming Technology segment and the Gaming Operations segment recorded the highest revenues in the Group's history.

Positive developments were evident in all regions. The attractiveness of the new products and their performance led to increased demand in both the rental and sale of gaming terminals. Despite a shrinking overall market, rental and management revenues in Germany increased. In Austria, the United Kingdom, Spain and the Other Markets region, the positive developments were reflected in particular in sales revenues. In the Gaming Operations segment, fewer restrictive measures and the growth strategy being pursued by the NOVOMATIC AG Group translated into a positive development of the Group's profit. The Online division continues to show an upward trend in both the Gaming Technology segment and the Gaming Operations segment on the back of the expansion strategy.

The NOVOMATIC AG Group was affected by the global rise in inflation rates in all markets. There was high price volatility in some expense items during the year, such as energy costs. This development was countered by hedging contracts, investments in sustainable energy sources and measures aimed at improving cost efficiency.

Earnings before interest, tax, depreciation and amortization (EBITDA) came in at EUR 758.9 million in 2022. Operating profit (EBIT) increased from EUR 170.3 million in the previous year by EUR 148.1 million to EUR 318.4 million. Net profit for the year came in at EUR 214.3 million, EUR 149.3 million higher than in 2021.



## Important Events

The conflict between Russia and Ukraine that broke out in the first half of 2022 did not have a significant direct impact on the net assets, financial position and results of operations of the NOVOMATIC AG Group due to the low overall level of exposure in these markets. Indirect influences on the NOVOMATIC AG Group result from the resulting impact on the global economy. Major price volatility was seen in energy costs in particular during the reporting period.

In November 2022, one of the largest transactions in NOVOMATIC's history was completed with the acquisition of a majority stake in the Italian HBG Group. HBG Gaming is one of the leading operators on the Italian market and is active both as a concessionaire of VLTs and AWP, as well as in the divisions of online gaming, sports betting and the operation of bingo sites. This acquisition makes NOVOMATIC one of the largest concessionaires in one of the most important gaming markets in Europe.

The acquisition of a majority stake in the Grand Casino d.o.o., one of a total of two live gaming casinos in Belgrade, Serbia, was completed in the fourth quarter. This is the first time that the NOVOMATIC AG Group is offering live gaming in Serbia and can further increase its presence and market share in the South-East European market.

As part of the company's focus on international growth, smaller acquisitions of arcade operators were also made in 2022, including in Spain, Italy, the Netherlands, and the United Kingdom. These ensure an increased presence in terrestrial electronic gaming. The Greentube Group's international online business was consistently expanded, among other things, by the acquisition of a software development studio in the USA.

In February 2022, NOVOMATIC AG made a buyback offer (buyback against cash payment) to the holders of the bond 2016-2023 (EUR 500 million, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of EUR 262.4 million. After the settlement, bonds with a nominal amount of EUR 237.6 million remain outstanding.

Furthermore, the short-term bilateral financing in the amount of EUR 140.0 million was repaid as agreed in the first half of 2022. Promissory note bonds in the amount of EUR 140.0 million were taken out in June 2022.

The syndicated revolving usable credit line of EUR 1.0 billion maturing on March 1, 2024 was refinanced early at the end of October 2022 with a reduced total volume of EUR 800.0 million and a term until 2027, with options to extend for two further years. As at December 31, 2022, the credit line was utilized in the amount of EUR 570.0 million.

NOVOMATIC AG receives a rating on an ongoing basis from the ratings agency Standard & Poor's (S&P) and consistently held an investment grade rating until June 2019. On June 29, 2022 (last rating change), S&P adjusted NOVOMATIC AG's rating from BB with negative outlook to BB with positive outlook. The main reason given by S&P for the rating change was the improvement in the financial key figures (higher profitability as well as lower indebtedness).

## Consolidated Financial Statement for NOVOMATIC

### Earnings Position

| EUR m  | 2022           | 2021           | Difference absolute | Difference in % |
|--|----------------|----------------|---------------------|-----------------|
| Revenues   | 2,859.9        | 1,842.3        | 1,017.7             | 55.2%           |
| Gaming taxes and betting fees  | -355.9         | -208.3         | -147.6              | 70.8%           |
| <b>Revenues less gaming taxes and betting fees</b>                   | <b>2,504.0</b> | <b>1,633.9</b> | <b>870.1</b>        | <b>53.3%</b>    |
| Changes in inventories of finished goods and work in progress        | 22.6           | -28.0          | 50.6                | -               |
| Own work capitalized   | 81.3           | 73.8           | 7.5                 | 10.2%           |
| Other operating income   | 111.7          | 247.6          | -135.9              | -54.9%          |
| Cost of material and other purchased services                        | -330.4         | -189.5         | -140.8              | 74.3%           |
| Personnel costs  | -855.6         | -608.2         | -247.4              | 40.7%           |
| Other operating expenses   | -774.8         | -542.1         | -232.7              | 42.9%           |
| <b>EBITDA</b>  | <b>758.9</b>   | <b>587.5</b>   | <b>171.3</b>        | <b>29.2%</b>    |
| <b>EBITDA margin</b>   | <b>26.5%</b>   | <b>31.9%</b>   | <b>-5.4 PP</b>      | <b>-</b>        |
| Depreciation and amortization, impairment and reversal of impairment | -440.5         | -417.2         | -23.2               | 5.6%            |
| <b>EBIT</b>  | <b>318.4</b>   | <b>170.3</b>   | <b>148.1</b>        | <b>87.0%</b>    |
| <b>EBIT margin</b>   | <b>11.1%</b>   | <b>9.2%</b>    | <b>1.9 PP</b>       | <b>-</b>        |
| Financial result   | -13.4          | -41.3          | 27.9                | -67.6%          |
| <b>Earnings before taxes</b>   | <b>305.0</b>   | <b>129.0</b>   | <b>176.0</b>        | <b>136.4%</b>   |
| Income Taxes   | -90.7          | -64.1          | -26.7               | 41.6%           |
| <b>Result for the year</b>   | <b>214.3</b>   | <b>64.9</b>    | <b>149.3</b>        | <b>230.0%</b>   |

| Key figures from earnings position                  | 2022   | 2021   |
|---|--------|--------|
| EBITDA (in EUR m)                                   | 758.9  | 587.5  |
| Operating Result (EBIT) (in EUR m)                  | 318.4  | 170.3  |
| Earnings before interest expense and tax (in EUR m) | 349.5  | 184.5  |
| Profit margin                                       | 12.2%  | 10.0%  |
| Return on equity                                    | 22.8%  | 11.0%  |
| Return on total capital                             | 8.1%   | 4.7%   |
| Interest coverage ratio                             | 716.5% | 306.6% |
| Effective tax rate                                  | 29.7%  | 49.7%  |

EBITDA and EBIT constitute key performance indicators that are not defined in the International Financial Reporting Standards (IFRS). They serve as a way for the management of NOVOMATIC to measure and control the Group's economic success and profitability. The EBITDA key performance indicator is calculated by taking the operating profit and adjusting it for depreciation, amortization, impairment losses and reversals of impairment losses. At NOVOMATIC, the EBIT key performance indicator refers to the operating profit as presented in the consolidated income statement. The EBITDA margin or EBIT margin is defined as being the ratio of EBITDA or EBIT to revenue. Earnings before interest and tax are the result of an adjustment of interest expenses on earnings before taxes. Profit margin describes the ratio of earnings before interest and taxes to revenues. Return on equity is calculated as the ratio of profit before taxes to equity. Return on total capital describes the ratio of earnings before interest and

taxes to total capital. The interest coverage ratio is derived from EBIT in relation to interest expenses. The effective tax rate is the ratio of income tax to profit before taxes.

In the 2022 fiscal year, the NOVOMATIC AG Group generated EUR 2,859.9 million in revenues, compared to EUR 1,842.3 million in the same period of 2021. The increase in revenues by EUR 1,017.7 million (+55.2 percent) was due to reduced COVID-19 measures as well as the good performance of and demand for NOVOMATIC products. The increase in Group revenues was attributable to all markets: Germany (EUR +221.8 million), Italy (EUR +158.0 million), Austria (EUR +151.6 million), Eastern Europe (EUR +138.1 million), United Kingdom (EUR +132.0 million), the Other Markets region (EUR +86.3 million), the Online division (EUR +59.8 million), Spain (EUR +35.5 million) and the Netherlands (EUR +34.4 million).

Year-on-year increases were recorded in all revenue items due to the lengthy duration of restrictive measures and lockdowns in 2021. In absolute terms, the largest increase in revenues was attributable to the item Operation of slot machines, which rose by EUR 634.3 million (+91.9 percent). Here, the markets of Germany (EUR +182.7 million), the United Kingdom (EUR +117.5 million) and Eastern Europe (EUR +116.2 million) recorded the most significant advances.

Sales revenues went up by EUR 98.2 million (+32.3 percent) to EUR 402.5 million. The highest growth came from the Other Markets region and was mainly attributable to the Ainsworth Group (EUR +23.3 million) and the group companies in the US-American market (EUR +13.6 million).

With an increase in revenues of EUR 92.2 million (+55.4 percent) to EUR 258.6 million, betting income also developed positively. The increase was driven in particular by the Austrian companies (EUR +77.2 million), not least as a result of their increased presence in the online sports betting market.

Income from rent and management services went up by EUR 91.4 million (+22.0 percent) to EUR 507.1 million. The positive development of this item can be seen in all markets, with Italy (EUR +33.4 million) and Germany (EUR +25.8 million) recording the highest increases.

The items Other sales (EUR +47.9 million), Live game (EUR +36.3 million), Income from food and beverage (EUR +19.3 million) and eBusiness income (EUR +15.3 million) also benefited from the gradual recovery of business operations in all markets. Due to the higher number of units sold, Sales reductions increased by EUR 17.2 million year-on-year to EUR 87.5 million (+24.4 percent) in the reporting period.

The revenues of the individual regions are discussed in detail in the segment analysis.

Gaming taxes and betting fees, which depend largely on slot machine and betting revenues, increased from EUR 208.3 million to EUR 355.9 million (+70.8 percent) in the reporting period as a result of the positive business development.

Due to the increase in business activity and the higher number of units sold the cost of material and other purchased services rose by EUR 140.8 million to EUR 330.4 million in 2022. Increased demand and production resulted in an increase in inventories of EUR 22.6 million, while in the previous year the change in inventories had been negative (EUR -28.0 million). Own work capitalized amounted to EUR 81.3 million (+10.2 percent).

Personnel costs increased by EUR 247.4 million to EUR 855.6 million (+40.7 percent) compared to the previous year. The increase was due both to higher capacity utilization attributable to the positive business performance and to wage increases resulting from rising inflation rates worldwide in the reporting period.

Other operating expenses increased by EUR 232.7 million, from EUR 542.1 million in the previous year to EUR 774.8 million in 2022. The highest increase was recorded in the energy costs item (EUR +39.0 million), due to price volatility on the energy markets. The items other taxes, fees and charges (EUR +34.5 million) and advertising costs (EUR +22.1 million) also saw significant year-on-year increases.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 758.9 million at the end of the year. The increase of EUR 171.3 million (+29.2 percent) compared with the previous year's period (EUR 587.5 million) was mainly due to higher business activity, offset by lower other operating income and higher personnel costs. The EBITDA margin in 2022 was 26.5 percent, 5.4 percentage points under the previous year's level. Amortization, depreciation, impairment losses and reversals of impairment losses increased from EUR 417.2 million in the previous year by EUR 23.2 million (+5.6 percent) and amounted to EUR 440.5 million in the reporting period. Depreciation and amortization of property, plant and equipment, intangible assets and right-of-use assets decreased by EUR 29.4 million (-7.2 percent) to EUR 379.5 million, while impairment losses, net of impairment reversals, increased from EUR -8.4 million to EUR -61.0 million.

Operating profit (EBIT) increased from EUR 170.3 million in 2021 by EUR 148.1 million to EUR 318.4 million in 2022.

The financial result improved from EUR -41.3 million to EUR -13.4 million. The increase (EUR +27.9 million) was mainly due to lower interest expenses as a result of the repayment and refinancing of current and non-current financial liabilities, as well as to higher yields from shareholdings.

Earnings before taxes improved to EUR 305.0 million during the reporting period. This corresponds to an increase by EUR 176.0 million. After taking income tax amounting to EUR -90.7 million as well as the result from discontinued operations into consideration, the Group was able to record a net result for the year of EUR 214.3 million, compared to EUR 64.9 million for the previous year.

## Important Key Figures

### Leased Gaming Devices<sup>4</sup>

|      | Group                      | Austria      | Germany       | Italy                     | United Kingdom | Spain                    | The Netherlands | Eastern Europe | Other markets | Online     |
|------|----------------------------|--------------|---------------|---------------------------|----------------|--------------------------|-----------------|----------------|---------------|------------|
| 2022 | <b>139,510<sup>5</sup></b> | <b>1,754</b> | <b>75,192</b> | <b>32,727<sup>5</sup></b> | <b>0</b>       | <b>4,698<sup>5</sup></b> | <b>61</b>       | <b>12,962</b>  | <b>11,634</b> | <b>482</b> |
| 2021 | 145,877                    | 1,862        | 75,305        | 38,479                    | 156            | 5,999                    | 59              | 14,283         | 9,456         | 278        |

### Operated Gaming Devices<sup>6</sup>

|      | Group                     | Austria      | Germany      | Italy                     | United Kingdom | Spain                    | The Netherlands | Eastern Europe | Other markets | Online |
|------|---------------------------|--------------|--------------|---------------------------|----------------|--------------------------|-----------------|----------------|---------------|--------|
| 2022 | <b>74,527<sup>5</sup></b> | <b>2,256</b> | <b>9,824</b> | <b>15,674<sup>5</sup></b> | <b>20,681</b>  | <b>6,023<sup>5</sup></b> | <b>4,074</b>    | <b>15,551</b>  | <b>444</b>    | -      |
| 2021 | 66,116                    | 2,256        | 10,681       | 8,954                     | 19,873         | 3,743                    | 4,266           | 15,944         | 399           | -      |

### Sold Gaming Devices<sup>7</sup>

|      | Group         | Austria      | Germany | Italy      | United Kingdom | Spain        | The Netherlands | Eastern Europe | Other markets | Online |
|------|---------------|--------------|---------|------------|----------------|--------------|-----------------|----------------|---------------|--------|
| 2022 | <b>31,858</b> | <b>2,014</b> | -       | <b>198</b> | <b>1,391</b>   | <b>8,567</b> | <b>532</b>      | <b>7,259</b>   | <b>11,897</b> | -      |
| 2021 | 25,755        | 3,434        | -       | 120        | 610            | 7,634        | 464             | 5,305          | 8,188         | -      |

## Segment Analysis

| EUR m             | 2022           | Austria      | Germany      | Italy        | United Kingdom | Spain        | The Netherlands | Eastern Europe | Other markets | Online       |
|-------------------|----------------|--------------|--------------|--------------|----------------|--------------|-----------------|----------------|---------------|--------------|
| <b>Revenues</b>   | <b>2,859.9</b> | <b>372.7</b> | <b>687.5</b> | <b>356.5</b> | <b>288.7</b>   | <b>153.1</b> | <b>78.5</b>     | <b>408.3</b>   | <b>249.9</b>  | <b>264.7</b> |
| Gaming Technology | 1,072.4        | 58.6         | 286.9        | 159.2        | 28.1           | 57.0         | 7.0             | 104.3          | 248.7         | 122.6        |
| Gaming Operations | 1,785.5        | 314.1        | 400.1        | 197.4        | 260.3          | 96.0         | 71.5            | 304.0          | 0.0           | 142.1        |
| Other             | 2.1            | 0.0          | 0.5          | 0.0          | 0.4            | 0.0          | 0.0             | 0.0            | 1.2           | 0.0          |

| EUR m             | 2021           | Austria      | Germany      | Italy        | United Kingdom | Spain        | The Netherlands | Eastern Europe | Other markets | Online       |
|-------------------|----------------|--------------|--------------|--------------|----------------|--------------|-----------------|----------------|---------------|--------------|
| <b>Revenues</b>   | <b>1,842.3</b> | <b>221.1</b> | <b>465.7</b> | <b>198.5</b> | <b>156.7</b>   | <b>117.5</b> | <b>44.0</b>     | <b>270.1</b>   | <b>163.6</b>  | <b>204.9</b> |
| Gaming Technology | 806.2          | 41.0         | 261.4        | 78.2         | 14.2           | 43.6         | 5.3             | 93.8           | 163.0         | 105.8        |
| Gaming Operations | 1,034.1        | 180.2        | 203.4        | 120.3        | 142.1          | 73.9         | 38.7            | 176.4          | 0.0           | 99.1         |
| Other             | 1.9            | 0.0          | 0.9          | 0.0          | 0.4            | 0.0          | 0.0             | 0.0            | 0.6           | 0.0          |

| EUR m             | Change         | Austria      | Germany      | Italy        | United Kingdom | Spain       | The Netherlands | Eastern Europe | Other markets | Online      |
|-------------------|----------------|--------------|--------------|--------------|----------------|-------------|-----------------|----------------|---------------|-------------|
| <b>Revenues</b>   | <b>1,017.7</b> | <b>151.6</b> | <b>221.8</b> | <b>158.0</b> | <b>132.0</b>   | <b>35.5</b> | <b>34.4</b>     | <b>138.1</b>   | <b>86.3</b>   | <b>59.8</b> |
| Gaming Technology | 266.1          | 17.7         | 25.5         | 81.0         | 13.9           | 13.4        | 1.6             | 10.5           | 85.7          | 16.8        |
| Gaming Operations | 751.4          | 133.9        | 196.7        | 77.0         | 118.1          | 22.1        | 32.8            | 127.6          | 0.0           | 43.0        |
| Other             | 0.2            | 0.0          | -0.4         | 0.0          | 0.0            | 0.0         | 0.0             | 0.0            | 0.6           | 0.0         |

<sup>4</sup> Number to third parties at the end of the period, irrespective of lockdowns, as at the end of the year

<sup>5</sup> Shift of devices from Leased gaming devices to Operated gaming devices (IT: 5,551; ES: 2,201)

<sup>6</sup> Number at the end of the period, irrespective of lockdowns, as at the end of the year

<sup>7</sup> Number to third parties during the period



## Segment Reporting Contents

The NOVOMATIC AG Group's segment reporting follows the Group's integrated market strategy.

The Gaming Technology segment comprises the business segment focusing on the development, production, leasing, and sale of gaming equipment, gaming content, and gaming technology. The Gaming Technology segment also includes Group activities in the areas of online and mobile gaming, sports betting, and lottery technology solutions, to the extent this relates to the B2B area.

The Gaming Operations segment comprises the self-operated locations, covering slot arcades, casinos, sports betting outlets, and bingo halls. The Gaming Operations segment also includes Group activities in the areas of online and mobile gaming as well as sports betting, to the extent this relates to the B2C area.

The Other segment includes all activities not included in the Group's core business areas. This segment mainly comprises holding companies.

Revenues of the NOVOMATIC AG Group increased from EUR 1,842.3 million to EUR 2,859.9 million in 2022 due to the positive business development. In the reporting period, the Gaming Technology segment generated revenues of EUR 1,072.4 million, the Gaming Operations segment EUR 1,785.5 million, and the Other segment EUR 2.1 million.



External revenues in the Gaming Technology segment amounted to EUR 1,072.4 million in the reporting period, representing an increase of EUR 266.1 million (+33.0 percent) over the previous year. The year-on-year increase is due in particular to the good performance of NOVOMATIC devices and reduction in the number of restrictive measures in connection with the COVID-19 pandemic. In the Italian market in particular, where the rental model is most prevalent, revenues increased significantly to EUR 159.2 million, some EUR 81.0 million up on the previous year. The Ainsworth Group also posted a sharp increase in the year under review, with revenues rising from EUR 118.3 million in the previous year to EUR 160.6 million.

External revenues in the Gaming Operations segment amounted to EUR 1,785.5 million in 2022. This corresponds to an increase of EUR 751.4 million (+72.7 percent) compared to the previous year (EUR 1,034.1 million). The bulk of the increase was the result of measures to contain the spread of COVID-19 that had largely been in place in 2021. In 2022, such restrictive measures were only still in force in individual markets such as Germany, the Netherlands and Latvia at the beginning of the year. After gradually picking up in the first half of 2022, business activity started normalizing during the year and the revenues exceeded those of 2019, the last year before the COVID-19 pandemic. The largest increases in revenue in the Gaming Operations segment were attributable to the regions Germany (EUR +196.7 million), Austria (EUR +133.9 million), Eastern Europe (EUR +127.6 million), United Kingdom (EUR +118.1 million) and Italy (EUR +77.0 million).

External revenues in the Other segment amounted to EUR 2.1 million in 2022, representing a year-on-year increase of EUR 0.2 million (+8.5 percent).

## Austria

### Gaming Technology

The focus of the companies in Austria allocated to the Gaming Technology segment is on the production and distribution of gaming devices.

Due to the lower level of restrictive measures in the respective sales markets, demand for gaming machines increased in the reporting period compared to the first half of 2021 and led to higher production utilization and higher sales revenues. Amounting to EUR 29.2 million in the previous year, these came to EUR 42.5 million in 2022 (+45.6 percent). Overall, revenues in the Gaming Technology segment in Austria amounted to EUR 58.6 million, up EUR 17.7 million (+43.1 percent) on the previous year (EUR 41.0 million).

### Gaming Operations

Most of the revenue generated by the companies active in Austria in the operating segment is derived from the sports betting market and terrestrial electronic gaming.

The fact that there are fewer restrictive measures compared with the previous year is particularly noticeable in the operating segment. Both the sports betting business (EUR +77.2 million) and terrestrial electronic gaming (EUR +68.1 million) posted high revenue growth. The revenues of all Austrian gaming and betting companies of the NOVOMATIC AG Group amounted to EUR 314.1 million, up EUR 133.9 million (+74.3 percent) from the previous year's level (EUR 180.2 million).

## Germany

### Gaming Technology

LÖWEN ENTERTAINMENT GmbH, a Group company headquartered in Germany and part of the Gaming Technology segment, focuses on the production and rental of gaming machines.

Despite a shrinking overall market, rental and management revenues in Germany increased. Total revenues of the subsidiaries operating in the Gaming Technology segment amounted to EUR 286.9 million in 2022, an increase of EUR 25.5 million (+9.8 percent) over the previous year.

### Gaming Operations

The major part of the revenues in the German market is generated in the area of commercial electronic gaming. On July 1, 2021, the new State Treaty on Gaming came into force, which set out a new regulatory framework for gaming, in particular in regards to the awarding of licenses.

As in the majority of NOVOMATIC's markets, the German market gradually recovered once the restrictions put in place in response to the COVID-19 pandemic were lifted. The introduction of certain regulatory measures, such as new non-smoker protection laws and shorter opening times in Lower Saxony meant that it was not yet possible to return to pre-COVID-19 pandemic levels seen in 2019 across the country. NOVOMATIC is present in the online sports betting market in Germany through Novo Interactive GmbH.

The NOVOMATIC AG Group also operates casinos in Germany. With the venerable Spielbank Berlin, NOVOMATIC operates one of the highest revenue generating live casinos in Germany. NOVOMATIC's German casinos generated revenues of EUR 145.1 (+124.9 percent) in 2022. The substantial increase in revenue is due to the prolonged temporary closures during the same period in 2021.

Revenues of the Group companies in Germany falling under the Gaming Operations segment increased by EUR 196.7 million (+96.7 percent) compared with 2021 and amounted to EUR 400.1 million in 2022.

## Italy

### Gaming Technology

The Italian Group companies in the Gaming Technology segment generate a large portion of their revenue from the rental of gaming terminals and via revenue-sharing models.

Since the Italian market was heavily impacted by COVID-19-related lockdowns and restrictions in 2021, the reporting period saw a positive business trend, with an increase of EUR 48.2 million in rental and management income in particular, and thus the core business in Italy, contributing to this. The HBG Group's revenues in this segment since being acquired in November 2022 amounted to EUR 11.2 million. Total revenues of the Italian companies falling into the Gaming Technology segment came in at EUR 159.2 million in 2022, compared to EUR 78.2 million in the previous year, which constitutes an increase of EUR 81.0 million (+103.6 percent).

### Gaming Operations

The majority of revenues in the Gaming Operations segment in Italy are generated by terrestrial electronic gaming. In contrast to the previous period, the Italian market was not affected by increases in PREU (flat tax for certain gaming devices) in 2022. This remained at 8.6 percent for VLTs and 24.0 percent for AWPAs as of December 31, 2022.

Since being acquired in November 2022, the HBG Group has generated revenues of EUR 10.2 million in the Gaming Operations segment. The revenues of all Italian companies operating in the Gaming Operations segment amounted to EUR 197.4 million in 2022, coming in approximately EUR 77.0 million (+64.0 percent) higher than in the previous year (EUR 120.3 million). The previous year's figure included a subsidiary based in Italy with revenues of EUR 35.9 million, which in the first half of 2022 was sold within the Group to the Greentube Group (Online region).

## United Kingdom

### Gaming Technology

The British market is one of the largest gaming markets in Europe and includes approximately 168,300 gaming machines<sup>8</sup>, which are mostly located in pubs, licensed betting offices (LBOs), slot arcades, casinos, and bingo centers.

Revenues in the Gaming Technology segment in the UK totaled EUR 28.1 million in 2022. Compared to the previous year (EUR 14.2 million), this represents an increase of EUR 13.9 million (+98.3 percent). The positive development is due in particular to the good performance of the gaming machines, a fact reflected in the increase in sales revenues and the higher number of machines sold, as well as to the absence of restrictive measures in 2022.

<sup>8</sup> According to UK Gambling Commission Industry Statistics, accessed on February 8, 2023

## Gaming Operations

NOVOMATIC continues to successively expand its market position in the UK with targeted site openings. The number of sites operated was increased by seven in 2022. The good performance, partly due to the regulation of LBOs, as well as largely absent COVID-19 restrictions also helped ensure a positive development. Consequently revenues from operation of slot machines exceeded the figures for the same (pre-pandemic) period in 2019 already at the beginning of the year. In total, the operating companies in the UK market generated revenues of EUR 260.3 million, which constitutes an increase of EUR 118.1 million (+83.1 percent) compared to the previous year.

## Spain

### Gaming Technology

The Spanish market is also one of the largest gaming markets in Europe and therefore represents an important core market for the NOVOMATIC AG Group. Both the slot arcade and bar sectors are served with a comprehensive range of products.

Revenues of the Spanish companies assigned to the Gaming Technology segment amounted to EUR 57.0 million, EUR 13.4 million (+30.8 percent) higher than in the previous year (EUR 43.6 million). The reason for the increase lies in particular in the FIJMA gaming fair held in Madrid in March 2022, at which NOVOMATIC machines demonstrated their positive performance and were responsible for generating many orders.

### Gaming Operations

In the Spanish market, NOVOMATIC continues to pursue a strategy of expansion through organic growth and acquisitions of smaller companies operating slot arcades. A total of 17 additional gaming and betting sites were opened in the reporting period. The absence of regional lockdowns also had a positive impact on revenues in the operating business. At EUR 96.0 million, revenues increased by EUR 22.1 million (+29.9 percent) compared to the previous year (EUR 73.9 million).

## The Netherlands

### Gaming Technology

The focus of the The Netherlands-based companies in the Gaming Technology segment is in the area of gaming machine rental and sales.

The Netherlands continued to be affected by restrictive COVID-19 measures at the beginning of the reporting period. Revenues of the Dutch companies falling under the Gaming Technology segment increased by EUR 1.6 million (+30.6 percent) from EUR 5.3 million in the previous year to EUR 7.0 million in 2022.

### Gaming Operations

The Dutch market is divided into the operation of slot arcades and the bar business (single sites). The Dutch companies of the NOVOMATIC AG Group falling under the Gaming Operations segment were affected by temporary closures at the beginning of the year. After these had ended, the market was able to gradually recover. Overall, revenues increased by EUR 32.8 million (+84.8 percent) to EUR 71.5 million in 2022.

## Eastern Europe

### Gaming Technology

The companies falling into the Gaming Technology segment within the region of Eastern Europe recorded revenues of EUR 104.3 million during the reporting period, which corresponds to an increase by EUR 10.5 million (+11.2 percent) against the previous year's level of EUR 93.8 million. Most markets within this region were able to show a positive development. The highest positive deviation was achieved in Romania (EUR +10.1 million), mostly due to COVID-19-related restrictions in the previous year. However, these developments are offset by the war in Ukraine, which caused revenues in this market to fall by EUR 14.2 million.

### Gaming Operations

The majority of countries in this region were not affected by restrictive COVID-19 measures in the reporting period. In the Eastern European market, temporary closures with a significant duration occurred only in Latvia in 2022. Combined, the companies included in this segment generated revenues of EUR 304.0 million in 2022. This corresponds to an increase of EUR 127.6 million (+72.4 percent) compared to the previous year. Revenue growth was at its strongest in the Latvian market (EUR +42.0 million), in North Macedonia (EUR +26.0 million) and in Serbia (EUR +24.9 million).

## Other Markets

### Gaming Technology

Revenues of the companies falling under the Gaming Technology segment in the Other Markets region reached EUR 248.7 million in 2022 compared to EUR 163.0 million in the previous year – an increase by EUR 85.7 million (+52.6 percent). The largest divergence can be found in the Australian group Ainsworth Game Technology which increased its revenues by EUR 42.3 million to EUR 160.6 million. The Puerto Rican subsidiary NOVOMATIC Americas Puerto Rico LLC, which was reported for the first time, is also responsible for a large part of the growth with revenues of EUR 14.3 million.



## Online

### Gaming Technology

This business segment comprises the online and mobile gaming (B2B) companies of the Greentube Group, a leading international provider of online games and platforms. Games are offered to both licensed operators of real cash online casinos (regular gaming with payout of winnings) and operators of social casinos (with no payout of winnings). Furthermore, the Greentube Group develops system solutions and makes these available to licensed online gaming companies. The range on offer can be scaled as desired by the customer.

The Greentube Group companies falling under the Gaming Technology segment generated revenues of EUR 122.6 million in 2022, up EUR 16.8 million (+15.9 percent). The increase is due in particular to the focus on international growth and the continuous expansion of the B2B customer base.

### Gaming Operations

The online/mobile B2C market is divided into the segments of Social Casinos (no payout of winnings) and Cash Casinos (gaming with payout of winnings).

The Greentube Group, which belongs to the NOVOMATIC AG Group, recorded an increase in revenues in the Gaming Operations segment by EUR 43.0 million (+43.4 percent) to EUR 142.1 million. The increase is attributable in particular to the intra-Group sale of the Italian-based Admiral Sport S.R.L. to the Greentube Group. The Company generated revenues of EUR 46.8 million in 2022.

## Net Assets

| EUR m  | 12/31/2022     | 12/31/2021     | Difference<br>absolute | Difference<br>% |
|--|----------------|----------------|------------------------|-----------------|
| <b>ASSETS</b>  |                |                |                        |                 |
| <b>Non-current assets</b>                            |                |                |                        |                 |
| Intangible assets                                    | 891.9          | 775.0          | 116.9                  | 15.1%           |
| Right-of-use assets                                  | 569.2          | 531.2          | 38.0                   | 7.2%            |
| Property, plant and equipment                        | 867.5          | 825.9          | 41.6                   | 5.0%            |
| Financial assets                                     | 206.8          | 223.6          | -16.7                  | -7.5%           |
| Other non-current assets                             | 289.0          | 267.7          | 21.3                   | 8.0%            |
|  | <b>2,824.5</b> | <b>2,623.3</b> | <b>201.1</b>           | <b>7.7%</b>     |
| <b>Current assets</b>                                |                |                |                        |                 |
| Inventories  | 332.9          | 244.5          | 88.4                   | 36.2%           |
| Trade receivables, other receivables and assets      | 510.5          | 484.1          | 26.4                   | 5.4%            |
| Cash and cash equivalents                            | 611.0          | 563.0          | 48.0                   | 8.5%            |
| Other current assets                                 | 43.4           | 28.8           | 14.6                   | 50.6%           |
| Non-current assets and disposal groups held for sale | 0.0            | 0.6            | -0.6                   | -100.0%         |
|  | <b>1,497.7</b> | <b>1,321.0</b> | <b>176.7</b>           | <b>13.4%</b>    |
| <b>TOTAL ASSETS</b>                                  | <b>4,322.2</b> | <b>3,944.3</b> | <b>377.9</b>           | <b>9.6%</b>     |
| <b>EQUITY AND LIABILITIES</b>                        |                |                |                        |                 |
| <b>Equity</b>  |                |                |                        |                 |
| Share capital  | 26.6           | 26.6           | 0.0                    | 0.0%            |
| Capital reserve                                      | 85.4           | 85.4           | 0.0                    | 0.0%            |
| Retained earnings                                    | 1,106.6        | 932.9          | 173.6                  | 18.6%           |
| Revaluation reserve                                  | 54.7           | 66.4           | -11.7                  | -17.7%          |
| Currency translation adjustment                      | -97.8          | -81.6          | -16.1                  | 19.8%           |
| Non-controlling interests                            | 160.8          | 142.6          | 18.2                   | 12.8%           |
|  | <b>1,336.2</b> | <b>1,172.3</b> | <b>164.0</b>           | <b>14.0%</b>    |
| <b>Non-current liabilities</b>                       |                |                |                        |                 |
| Non-current financial liabilities                    | 867.9          | 1,113.0        | -245.1                 | -22.0%          |
| Non-current lease liabilities                        | 555.5          | 504.1          | 51.4                   | 10.2%           |
| Non-current provisions                               | 73.2           | 74.6           | -1.4                   | -1.9%           |
| Other non-current liabilities                        | 206.4          | 145.0          | 61.4                   | 42.4%           |
|  | <b>1,703.0</b> | <b>1,836.7</b> | <b>-133.7</b>          | <b>-7.3%</b>    |
| <b>Current liabilities</b>                           |                |                |                        |                 |
| Current financial liabilities                        | 450.1          | 321.5          | 128.6                  | 40.0%           |
| Current lease liabilities                            | 109.7          | 109.0          | 0.7                    | 0.6%            |
| Trade payables and other liabilities                 | 577.2          | 414.4          | 162.9                  | 39.3%           |
| Other current liabilities                            | 145.8          | 90.5           | 55.3                   | 61.1%           |
|  | <b>1,282.9</b> | <b>935.3</b>   | <b>347.6</b>           | <b>37.2%</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                  | <b>4,322.2</b> | <b>3,944.3</b> | <b>377.9</b>           | <b>9.6%</b>     |

| Key figures on net worth and financial position | 2022    | 2021    |
|---|---------|---------|
| Gross debt (in EUR m)                           | 1,983.3 | 2,047.6 |
| Net debt (in EUR m)                             | 1,290.8 | 1,406.3 |
| Working capital (in EUR m)                      | 214.8   | 385.6   |
| Equity ratio                                    | 30.9%   | 29.7%   |
| Net gearing ratio                               | 1.7     | 2.4     |
| ROCE  | 10.5%   | 5.7%    |

Gross debt is calculated as the sum of current and non-current financial liabilities and lease liabilities. Net debt is calculated as gross debt less cash, cash equivalents, precious metals and securities. Working capital is the difference between current assets and current liabilities. Equity ratio exhibits the portion of equity to total capital. The net gearing ratio is the ratio of net debt to operating profit plus depreciation and amortization, impairments and reversals of impairment (EBITDA). ROCE is the portion of EBIT in relation to the sum of equity and long-term liabilities.

The balance sheet total increased compared to December 31, 2021 by EUR 377.9 million (+9.6 percent) and amounted to EUR 4,322.2 million as of December 31, 2022.

Non-current assets increased by EUR 201.1 million (+7.7 percent) to EUR 2,824.5 million, with the main contributor to this increase intangible assets.

Intangible assets increased by EUR 116.9 million (+15.1 percent) to EUR 891.9 million. The increase is due to higher goodwill (EUR +86.7 million) and higher licenses and concessions (EUR +37.4 million), mainly as a result of the acquisitions in the reporting period.

Property, plant and equipment increased by EUR 41.6 million (+5.0 percent) to EUR 867.5 million in 2022. The largest increase was recorded in land and buildings (EUR +32.4 million).

Right-of-use assets amounted to EUR 569.2 million at the end of the reporting period, an increase of EUR 38.0 million compared with the previous year. The majority of the increase is attributable to the Italian subsidiaries.

Current assets increased by EUR 176.7 million (+13.4 percent) and amounted to EUR 1,497.7 million as of December 31, 2022. The largest increase in this item relates to inventories, which rose by EUR 88.4 million (+36.2 percent) to EUR 332.9 million due to the development of the procurement market. Cash and cash equivalents rose by EUR 48.0 million (+8.5 percent) to EUR 611.0 million.

Equity increased by EUR 164.0 million (+14.0 percent) to EUR 1,336.2 million during the reporting period. This increase was mainly due to retained earnings, which rose by EUR 173.6 million (+18.6 percent) to EUR 1,106.6 million.

At EUR 1,703.0 million, non-current liabilities show a decrease of EUR 133.7 million (-7.3 percent). The decline was primarily due to non-current financial liabilities, which fell by EUR 245.1 million (-22.0 percent) to EUR 867.9 million as a result of the agreed repayment of several ÖKB loans as well as the early (partial) repayment of the bond, which was partially refinanced by taking out promissory note bonds.

Current liabilities increased by EUR 347.6 million (+37.2 percent) to EUR 1,282.9 million year under review. The increase is largely attributable to the trade payables and other liabilities item (EUR +162.9 million) as well as to the higher current financial liabilities item (EUR +128.6 million).

## Financial Position

| EUR m                                | 2022   | 2021   | Difference absolute | Difference % |
|--------------------------------------|--------|--------|---------------------|--------------|
| Operating Result (EBIT)              | 318.4  | 170.3  | 148.1               | 87.0%        |
| Cash flow from operating activities  | 684.5  | 432.0  | 252.6               | 58.5%        |
| Cash flow from investing activities  | -311.1 | -166.4 | -144.7              | 87.0%        |
| Free cash flow                       | 373.5  | 265.6  | 107.9               | 40.6%        |
| Cash flow from financing activities  | -320.0 | -244.0 | -76.0               | 31.2%        |
| Changes to cash and cash equivalents | 48.0   | 31.1   | 16.9                | 54.4%        |

Across the Group, cash flow from earnings totaled EUR 745.1 million in 2022, compared to EUR 572.7 million the previous year. Cash flow from operating activities comprises the operating profit and the result from discontinued operations, adjusted for depreciation, amortization and impairment losses and impairment reversals on fixed assets, losses and gains on the disposal of fixed assets and businesses, and other non-cash income and expenses.

Cash flow from operating activities amounted to EUR 684.5 million. The year-on-year increase of EUR 252.6 million is mainly attributable to the positive development of cash flow from earnings. A lower increase in receivables and higher provisions, liabilities and other liabilities also contribute positively to the change in cash flow from operating activities. The increase in inventories and higher payments for income taxes partially offset this effect.

Cash flow from investing activities amounted to EUR -311.1 million in 2022 and was influenced in particular by investments in intangible assets and property, plant and equipment. These investments increased by EUR -75.1 million compared to the previous year, in particular due to the positive outlook following the end of the COVID-19 measures. The focus on growth remained in the reporting period, resulting in an increase of EUR -64.4 million in capital outflows for acquiring consolidated companies. The decrease of EUR -17.8 million in proceeds from the sale of fixed assets is partly due to the sale of the Novomatic Forum building in 2021.

Free cash flow is calculated as the sum of cash flows from operating activities and investing activities, and amounted to EUR 373.5 million in 2022.

Cash flow from financing activities amounted to EUR -320.0 million during the reporting period. In the first half of the year, a bond was (partially) redeemed ahead of schedule (EUR 262.4 million). Other significant impacts on cash flow from financing activities resulted from taking out a promissory note bond (EUR +140.0 million), as well as a bilateral loan (EUR +100.0 million), from the repayment of TLTRO (Targeted longer-term refinancing operation) and ÖKB financing (EUR -203.7 million), payments for lease obligations (EUR -127.1 million), and interest paid and interest-related payments (EUR -57.8 million).

#### (4) Non-Financial Performance Indicators

Regarding the reporting of the consolidated non-financial statement, reference is made to the separate, non-financial report of NOVOMATIC AG according to the Sustainability and Diversity Improvement Act (NaDiVeG).

#### (5) Prospective Development of the Group

In its latest analysis, the International Monetary Fund (IMF) assumes a global growth rate of 2.9 percent<sup>9</sup> for 2023, representing a 0.5 percentage point decline year-on-year (3.4 percent). For 2023, IMF experts expect the war between Russia and Ukraine, as well as high inflation rates in particular, to continue to have a dampening effect on the economy.

The focus placed on international growth in the reporting period is to be remain in 2023. NOVOMATIC's presence is to be further increased through targeted investments in several markets, both in operations and in development activities.

The Austrian ADMIRAL Casinos & Entertainment AG is applying to renew its license for regional games of chance by gaming machines in Upper Austria.

The Group continues to see growth potential for the operating segment in the Spanish market. In those regions in which the NOVOMATIC AG Group is already active, the focus in 2023 will continue to be on exploiting synergy effects and measures to improve efficiency.

The Eastern European region remains an important growth market for NOVOMATIC. The Group continues to see growth potential in several markets in the region, both in terrestrial gaming and online.

Growth in the online division continues to be one of the focal points of the NOVOMATIC AG Group, a development which is to be further pursued in 2023 with the help of organic and inorganic growth.

Changes in the gaming laws and tax conditions in the countries in which the NOVOMATIC AG Group operates have a significant impact on NOVOMATIC's business:

There will be changes in corporate income tax in key core markets of the NOVOMATIC AG Group in 2023. While the corporate income tax in Austria will be reduced to 24 percent in 2023 (previously: 25 percent), it will increase to 25 percent in the United Kingdom (previously: 19 percent).

In Germany, the Joint Gaming Authority of the Federal States (Gemeinsame Glücksspielbehörde der Länder, GGL) has been responsible for regulating the German gaming market since January 1, 2023, and acts as a licensing and supervisory authority for cross-state gaming offerings, particularly in the online sector. In addition to player protection, the new authority's remit also includes combating the supply of illegal gaming.

In the United Kingdom, a change in gaming legislation is currently being debated. At the moment, legislative changes are expected to focus primarily on online gaming regulations.

In Romania, new technical standards for gaming terminals will be introduced in mid-2023. It is currently expected that this will lead to gaming machines being replaced and, accordingly, to higher demand in the following months.

The NOVOMATIC AG Group is actively working to implement photovoltaic systems in central core markets to enable it to counter volatile energy price developments. Work on installing a PV system at the Group's head office in Gumpoldskirchen will begin in 2023.

<sup>9</sup> According to the World Economic Outlook Update dated January 2023 provided by the International Monetary Fund (IMF)



Overall, the business environment for the NOVOMATIC AG Group remains very dynamic. Taking these general conditions and developments into account, business is expected to continue to develop positively in 2023.

## (6) Risk Management

### Risk Management System

NOVOMATIC engages in Group-wide risk management that involves all major Group companies. This is aimed at monitoring and controlling material risks and risks directly jeopardizing the company's existence in order to ensure achievement of the corporate objectives and to increase risk awareness within the Group.

All risks, which are determined and analyzed, are recorded within a professional, IT-based risk management system which ensures that risks as well as the assigned management measures and control mechanisms are monitored on an ongoing basis.

The responsible persons in the business divisions and Group companies ensure that emerging risks are identified and documented, that these are assessed and that measures are defined to address the individual risks and drive their implementation. A central risk management team provides advice to the divisions and ensures that the risk management system is continuously updated and developed, and duly reported to management.

### Compliance

In addition to the types of risk described below, there are also threats related to the reputation and the competitiveness of the company as a whole. As one of the basic principles of entrepreneurial activities, NOVOMATIC pays particular attention to compliance with statutory and ethical regulations.

The term "compliance" is used to describe all measures with which the company ensures that laws, regulations and voluntary codes are adhered to. NOVOMATIC's compliance activities focus mainly on measures aimed at ensuring that national and international laws on the avoidance of criminal acts, such as corruption, market abuse, money laundering and misuse of data, are adhered to.

The Group's compliance management system is based on the seven core elements of the German audit standard for compliance management systems, IDW PS 980, and pursues the goal of ensuring compliance with legal provisions and corporate values set out in the Code of Conduct of NOVOMATIC AG. In the Code of Conduct, employees find guidelines and principles for values-based and lawful behavior during day-to-day business activities. This Code of Conduct also provides the basis for training activities related to integrity and compliance. Depending on the risk and the target group, training sessions requiring personal attendance, as well as web-based training events, are held. In-house-developed e-learning tools and training measures allow a large number of employees to be educated on issues such as data protection, money laundering or the fight against corruption.

All major subsidiaries have appointed compliance officers for each country or region. The relevant duties of the local compliance managers are defined in binding guidelines across the Group and include in particular advising the local Group subsidiaries on compliance issues, monitoring local law, training employees, implementing Group guidelines and reporting to Group Legal Compliance. This is intended to make a significant contribution to ensuring that ethical and rule-abiding behavior is sustainably anchored throughout the entire Group.

## Significant Risks and Uncertainties

The following is a detailed description of the risks and uncertainties that can have a major influence on the net assets, financial and earnings position as well as the reputation of the NOVOMATIC AG Group.

### Business and Market Risks

#### Economic Conditions, M&A Risks, Innovation Risks, and IT Risks

The NOVOMATIC AG Group's business is dependent on general economic conditions. A deterioration of general economic conditions, increasing unemployment, declining real incomes increased volatility in the capital markets or the effects of a pandemic could have a significant negative impact on the net assets, financial position and results of operation of the NOVOMATIC AG Group.

A central element of the NOVOMATIC AG Group's strategy is the geographic diversification of its business by entering markets that offer opportunities for growth. There is a risk that in the future, for various reasons including legal conditions, the NOVOMATIC AG Group may not or may only to a limited extent be able to pursue this strategy or may not be able to expand its product and/or service offerings.

The NOVOMATIC AG Group generates the majority of its revenues in a limited number of markets. As these are relatively well-developed markets, further growth opportunities are rather limited. The NOVOMATIC AG Group plans to expand its business activities in other markets, an effort for which corresponding resources are being deployed. There is a risk that the anticipated growth in these countries and regions will not be realized, and/or that the NOVOMATIC AG Group will not be successful in implementing its strategies there.

Generally speaking, the gaming industry is characterized by rapid technological development, which forces the NOVOMATIC AG Group to continuously develop new products and enter new markets. The NOVOMATIC AG Group's success therefore depends on its ability to continuously enhance the development of its products and systems in order to integrate new technologies and expand into new markets created by new technologies. In a highly technology-dependent field of business where new technologies are developed or used within short innovation cycles, there is a risk that NOVOMATIC may not recognize innovative technologies and developments at a sufficiently early stage.

By the same token, the integrity, reliability and operative performance of the NOVOMATIC AG Group's IT systems are essential to the business. In particular, device manipulation could force the NOVOMATIC AG Group to use considerable financial resources to remedy the situation.

### Personnel Risks

#### Key Personnel Risks, Knowledge Risk

NOVOMATIC's business success comes thanks to the existing knowledge and expertise of its management and employees. Should one or several individuals in key positions leave the company, there is a risk that NOVOMATIC might not be able to recruit or train qualified individuals with comparable know-how within an appropriate period of time to deal with emerging challenges.

## Legal and Political Risks

### Political Instability, Regulatory Changes: Gaming and Other Laws, Dependency on Licenses and Competition Regulations, Intellectual Property, Privacy

The NOVOMATIC AG Group's international business entails economic, political, legal and other risks. The NOVOMATIC AG Group conducts business in around 100 countries. Some of these countries are politically or economically unstable which subjects the NOVOMATIC AG Group to certain risks. Social unrest or strikes could force the NOVOMATIC AG Group to interrupt or halt its business activities.

The gaming industry is subject to particularly frequent and sudden legal amendments that can make business significantly more difficult or prohibit it entirely. Insufficient legal or administrative conditions in some countries can furthermore provide insufficient protection for the NOVOMATIC AG Group's intellectual property or other rights. In some of these countries, crime and corruption are widespread, which could have a negative impact on the NOVOMATIC AG Group's business.

The NOVOMATIC AG Group operates on the basis of currently prevailing political, economic, legal, and fiscal conditions, and is subject to the risk of changes to legal and taxation related framework conditions. Changes which have already been adopted or other restrictions in other jurisdictions (e.g. gaming tax hikes or stricter competition laws) also have a sustained impact on the NOVOMATIC AG Group's business activities.

Gaming, and in particular online gaming, is currently not harmonized at the EU level. The individual legal frameworks of the EU Member States are, in some cases, disputed among gaming law experts. There is a risk that, in the future, further limitations with regard to gaming and betting could be implemented at a national level. In addition to this, regulatory measures (e.g. access restrictions, stricter player protection measures, provisions for the protection of non-smokers, technical requirements, advertising bans or location requirements) could be introduced. Such measures could result in a decline in the number of visitors and the revenues earned.

Furthermore, there are risks due to the dependence on national licenses, regulations on competition and statutory provisions regarding the operation of gaming and betting facilities as well as risks due to the dependence on production, sales and product licenses.

In the countries where the NOVOMATIC AG Group does business, the operation of gaming and betting facilities requires a license, concession or other type of permission from the authorities in charge. Such licenses/concessions are usually granted for a limited period of time or in the form of license agreements with limited duration. Should no option for prolongation be provided or if an extension were only possible under economically unacceptable or untenable conditions or requirements, the NOVOMATIC AG Group would need to participate in new tender procedures in order to recover such a license/concession.

Moreover, in the countries where the NOVOMATIC AG Group does business, a permit from a state gaming authority is frequently required in order to be able to sell gaming machines and other gaming products and services. Both manufacturing and sales licenses are generally granted for a limited period of time and are subject to an audit plus subsequent certification by the competent inspecting authorities. Once licenses have been granted, they are usually extended automatically, provided that all license requirements are met. The possibility cannot be excluded that, despite the utmost care, legal provisions, regulatory requirements, technical standards or licensing conditions may not be complied with within the NOVOMATIC AG Group, which could result in the partial or complete withdrawal of a license, the determination of breaches of competition laws, or other types of damage to the NOVOMATIC AG Group's net assets, financial position and results of operation, or its reputation.

The NOVOMATIC AG Group develops, produces and sells sophisticated technological gaming equipment and systems that are to a large extent protected by industrial property rights such as trademark protection rights, patent rights and rights for the protection of registered designs as well as copyright. There is a risk in respect of intellectual property (third parties violating industrial property rights or copyrights belonging to the NOVOMATIC AG Group as well as of the NOVOMATIC AG Group violating the industrial property rights or copyrights of third parties). In particular, there is a risk that developments owned by the NOVOMATIC AG Group might be copied and illegally used or introduced to the market by third parties.

The NOVOMATIC AG Group is subject to the risk of being unable to sufficiently protect its customer data. The NOVOMATIC AG Group holds information about its customers which is in part sensitive and must follow the strict data protection rules stipulated by the EU and other jurisdictions. Despite the security systems implemented by the NOVOMATIC AG Group, there is the risk that customer data could be retrieved and/or used illegally, either by employees or by customers or third parties. There is also the risk that customer data might be deleted, disclosed or edited involuntarily or in violation of data protection regulations. Should the NOVOMATIC AG Group or one of its external service providers transmit customer data without sufficient protection or should confidential customer data be lost in any other way, the NOVOMATIC AG Group might be held liable under data protection laws, which would also damage the Group's reputation.

### Financial Risks

#### Liquidity Risks, Counterparty Risks, Interest Rate Risks, Currency Risks, Impairment Risks in Connection with Investment Valuations and Risks in Connection with Capital Investments

The NOVOMATIC AG Group is subject to financial risks in the form of capital risks, liquidity risks, counterparty risks, interest rate risks, currency risks, impairment risks related to investment valuations and risks related to capital investments. In order to limit these risks, NOVOMATIC makes use of risk-control measures and financial instruments, if necessary.

Extensive descriptions of the individual risks, including the methods used to hedge the risks mentioned above, are provided in the notes to the consolidated financial statement.

Due to its contractually agreed financial covenants, the NOVOMATIC AG Group is required in its major financing agreements to maintain an equity ratio of at least 20.0 percent and net debt in relation to the EBITDA of not more than 4.25x. In some cases, the financing agreements provide for certain adjustments to the above standard calculation when determining net debt at EBITDA. Taking into account this adjusted calculation, the NOVOMATIC AG Group has complied with the contractually agreed financial covenants as of December 31, 2022.

## **(7) Important Features of the Internal Control System Relevant to the Financial Reporting Process (section 243a (2) UGB)**

As part of the Company's risk management system, the aim of the internal control system (ICS) is to ensure the reliability of financial reporting along with compliance with legal and internal requirements.

NOVOMATIC AG's Executive Board is responsible for the establishment of an appropriate ICS concerning the accounting process.

Starting with the main financial items on the balance sheet and income statement, the ICS must consider the most important transaction flows in terms of their operating and accounting-relevant risks. The ICS is managed in a structured way in line with the areas of responsibility as defined by the organizational structure. Internal rules and procedural guidelines are also an essential part of the control environment.

Control mechanisms have been installed to ensure efficiency in business processes and accuracy in the ongoing financial reporting process.

In accordance with the transaction flows defined as significant, which then ultimately run via the finance divisions and are included in the financial reporting, workflows are analyzed with regard to their inherent risks and corresponding control activities are defined. The aim of this procedural approach is to ensure that the individual transactions are correctly recorded in the annual financial statement. The various controls are of varying degrees and intervals and comprise automated controls in the accounting software on the one hand and manual controls by the relevant employees on the other. For the ERP system, access privileges have been defined to ensure that sensitive data is protected from unauthorized access, unauthorized use and modification. Above all, the accounting department carries out extensive plausibility and data quality checks, among other things, to ensure that data destined for the annual report is correctly recorded. If special knowledge is required, the support of external service providers is used, such as when it comes to assessing the value of pension obligations and severance payments. Any changes in accounting and valuation policies are reviewed to ensure that they are in compliance with the law.

The Executive Board of NOVOMATIC AG keeps abreast of relevant developments in the Company through regular reports prepared by the financial department. This includes, above all, the current earnings development as well as any major deviation from the approved annual budget detected, the calculation of the cash flow and the calculation of result- and value-oriented key figures. There is also periodic reporting on risks and control mechanisms (both Enterprise Risk Management and Internal Control System).

The Supervisory Board of NOVOMATIC AG is also included in the control system via the auditing committee. The auditing committee's main responsibilities include monitoring the accounting process, monitoring the internal control and risk management system, monitoring the audit of the financial statement and critically appraising the audited financial statement as well as the management report.

## **(8) Research and development**

Thanks to 27 technology centers in 15 different countries, the NOVOMATIC AG Group is a pioneer in the development of innovative products and systems solutions in the area of gaming. The Group's development activities focus both on "Distributed Gaming Solutions" and on "Gaming Content and Application Software". The software system solutions developed include in particular management information systems, ticketing and smartcard systems, access systems, video lottery systems, biometric player recognition, links to government regulators, player protection programs, gaming as a service, online and mobile gaming system solutions, and jackpot systems such as the CASH CONNECTION™ jackpot for Europe as well as multiplayer and community gaming systems. Both modular software architecture and interoperability of the various developments are crucially important.

In addition to having an open platform architecture, which also allows third-party providers and their gaming applications to be integrated, it is essential to have teams specialized in the various submarkets when it comes to developing products for homogeneous markets as well as market niches.

In developing the newest generation of cabinet variants and models, which start new industry trends, industrial design is an important factor. Innovation in terms of hardware includes new and ergonomic cabinet designs for casino, video lottery and AWP gaming markets with control possible of up to four monitors, skill-based roulette terminals with state-of-the-art ball release mechanisms, the new Diamond X™ cabinet, as well as V.I.P. terminals with giant screen technology and dynamic lighting effects based on single LED technology.

Linked Progressive Jackpots are another addition to the games on offer. In the US, the successor family "Thunder Cash™ X" was launched and additionally more games were added to the MONEY PARTY™ family. The successful series was also continued in Europe with the CASH CONNECTION™ Edition 3. The Company also launched the Gaminator® MY CASH Edition 2 for Coolfire™ platform in addition to the Edition X4.

Development is supported by hardware and software development teams in Austria, Germany, the United Kingdom, Spain, the Netherlands, Serbia, Russia, Argentina, Canada, and Poland, working either in-house or closely with the Group, as well as by exclusive partnerships with developers in Slovenia, Greece, the USA, and Australia.

Structures in Research and Development were improved in 2022 and product lines were introduced. This process has been fully integrated into both the IMS system and the ICS system. By establishing control variables within R&D, it will be possible to react more swiftly to any market changes in the future. NOVOMATIC now has a fully ISO-certified Research & Development division for the first time.

The global importance of intellectual property protection is on the rise. The group had over 5,000 registered IP trademark rights at the end of 2022 and more than 100 applications are generally added each year. The Group is constantly developing new products and product variations, resulting in over 200 new gaming variants per year. With the help of the NOVOMATIC software development kit (novoSDK), it is possible to add games developed by third parties (who use this SDK) to the portfolio immediately. NOVOMATIC's extensive gaming portfolio is also growing steadily thanks to the fact that many companies around the world are now using the novoSDK.

## (9) Acknowledgments

We would like to thank all employees of the NOVOMATIC AG Group for their strong commitment, with which they have made a major contribution to the company's further development and success. We are especially indebted to the Supervisory Board under the leadership of Dr. Bernd Oswald, and we would also like to acknowledge the positive relationships with our capital providers and business partners, relationships which have always been characterized by a good collaboration.

Gumpoldskirchen, March 27, 2023



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

## Consolidated Balance Sheet as at December 31, 2022

| EUR m  | Notes      | 12/31/2022     | 12/31/2021     |
|--|------------|----------------|----------------|
| <b>ASSETS</b>  |            |                |                |
| <b>Non-current assets</b>                            |            |                |                |
| Intangible assets                                    | (7.1, 7.4) | 891.9          | 775.0          |
| Right-of-use assets                                  | (7.2, 7.4) | 569.2          | 531.2          |
| Property, plant and equipment                        | (7.3, 7.4) | 867.5          | 825.9          |
| Investment property                                  | (7.5)      | 22.5           | 25.9           |
| Investments in associated companies                  | (7.6)      | 6.7            | 2.8            |
| Financial assets                                     | (7.7)      | 206.8          | 223.6          |
| Deferred tax assets                                  | (7.8)      | 138.3          | 141.8          |
| Other non-current assets                             | (7.9)      | 121.5          | 97.2           |
|  |            | <b>2,824.5</b> | <b>2,623.3</b> |
| <b>Current assets</b>                                |            |                |                |
| Inventories  | (7.10)     | 332.9          | 244.5          |
| Trade receivables, other receivables and assets      | (7.11)     | 510.5          | 484.1          |
| Current tax receivables                              | (7.8)      | 24.2           | 15.8           |
| Current financial assets                             | (7.12)     | 19.1           | 13.0           |
| Cash and cash equivalents                            | (7.13)     | 611.0          | 563.0          |
| Non-current assets and disposal groups held for sale | (8.17)     | 0.0            | 0.6            |
|  |            | <b>1,497.7</b> | <b>1,321.0</b> |
| <b>Total ASSETS</b>                                  |            | <b>4,322.2</b> | <b>3,944.3</b> |
| <b>EQUITY AND LIABILITIES</b>                        |            |                |                |
| <b>Equity</b>  |            |                |                |
| Share capital  | (7.14)     | 26.6           | 26.6           |
| Capital reserve                                      | (7.15)     | 85.4           | 85.4           |
| Retained earnings                                    | (7.16)     | 1,106.6        | 932.9          |
| Revaluation reserve                                  | (7.17)     | 54.7           | 66.4           |
| Currency translation adjustment                      | (7.18)     | -97.8          | -81.6          |
|  |            | <b>1,175.5</b> | <b>1,029.7</b> |
| Non-controlling interests                            | (7.19)     | 160.8          | 142.6          |
|  |            | <b>1,336.2</b> | <b>1,172.3</b> |
| <b>Non-current liabilities</b>                       |            |                |                |
| Non-current financial liabilities                    | (7.20)     | 867.9          | 1,113.0        |
| Non-current lease liabilities                        | (7.21)     | 555.5          | 504.1          |
| Non-current provisions                               | (7.22)     | 73.2           | 74.6           |
| Deferred tax liabilities                             | (7.8)      | 126.4          | 122.9          |
| Other non-current liabilities                        | (7.23)     | 80.0           | 22.1           |
|  |            | <b>1,703.0</b> | <b>1,836.7</b> |
| <b>Current liabilities</b>                           |            |                |                |
| Current financial liabilities                        | (7.24)     | 450.1          | 321.5          |
| Current lease liabilities                            | (7.25)     | 109.7          | 109.0          |
| Current provisions                                   | (7.26)     | 94.7           | 53.5           |
| Current tax liabilities                              | (7.8)      | 51.1           | 37.0           |
| Trade payables and other liabilities                 | (7.27)     | 577.2          | 414.4          |
|  |            | <b>1,282.9</b> | <b>935.3</b>   |
| <b>Total EQUITY AND LIABILITIES</b>                  |            | <b>4,322.2</b> | <b>3,944.3</b> |



## Consolidated Income Statement for the 2022 Fiscal Year

| EUR m   | Notes  | 2022           | 2021           |
|---|--------|----------------|----------------|
| Revenues  | (8.1)  | 2,859.9        | 1,842.3        |
| Gaming taxes and betting fees   | (8.2)  | -355.9         | -208.3         |
| <b>Revenues less gaming taxes and betting fees</b>  |        | <b>2,504.0</b> | <b>1,633.9</b> |
| Changes in inventories of finished goods and work in progress   | (8.3)  | 22.6           | -28.0          |
| Own work capitalized  | (8.3)  | 81.3           | 73.8           |
| Other operating income  | (8.4)  | 111.7          | 247.6          |
| Cost of material and other purchased services   | (8.5)  | -330.4         | -189.5         |
| Personnel costs   | (8.6)  | -855.6         | -608.2         |
| Amortization, depreciation, impairment and reversal of impairment for intangible assets, property, plant and equipment, and investment property | (8.7)  | -298.3         | -285.0         |
| Amortization, depreciation, impairment and reversal of impairment for right-of-use assets   | (8.8)  | -142.2         | -132.2         |
| Other operating expenses  | (8.9)  | -774.8         | -542.1         |
| <b>Operating profit</b>   |        | <b>318.4</b>   | <b>170.3</b>   |
| Share of profit/loss of associated companies  |        | 0.8            | 0.6            |
| Interest income   | (8.10) | 12.0           | 6.8            |
| Other financial income  | (8.11) | 27.2           | 17.0           |
| Interest expenses   | (8.12) | -16.9          | -30.5          |
| Interest expenses for leases  | (8.13) | -27.5          | -25.1          |
| Other financial expenses  | (8.14) | -13.9          | -14.2          |
| Currency exchange gains/losses from intra-group financing   | (8.15) | 5.0            | 4.0            |
| <b>Financial result</b>   |        | <b>-13.4</b>   | <b>-41.3</b>   |
| <b>Earnings before taxes</b>  |        | <b>305.0</b>   | <b>129.0</b>   |
| Income taxes  | (8.16) | -90.7          | -64.1          |
| <b>Annual result</b>  |        | <b>214.3</b>   | <b>64.9</b>    |
| thereof attributable to non-controlling interests   |        | 7.1            | -0.7           |
| thereof attributable to shareholders of the parent (net profit)   |        | 207.2          | 65.7           |

## Consolidated Statement of Comprehensive Income for the 2022 Fiscal Year

| EUR m   | Notes        | 2022         | 2021         |
|---|--------------|--------------|--------------|
| <b>Annual result</b>  |              | <b>214.3</b> | <b>64.9</b>  |
| Amounts that will be reclassified to income statement in subsequent periods                     |              |              |              |
| Currency translation  | (7.18, 7.19) | -13.7        | 18.8         |
| Amounts that will not be reclassified to income statement in subsequent periods                 |              |              |              |
| Remeasurement of the net defined benefit liability  | (7.16)       | 4.7          | 0.1          |
| Apportionable income taxes  |              | -1.3         | 0.0          |
| Financial assets measured at fair value through other comprehensive income (equity instruments) |              | -17.3        | 43.0         |
| Apportionable income taxes  |              | 5.6          | -10.7        |
| <b>Other comprehensive income after taxes</b>   |              | <b>-22.1</b> | <b>51.1</b>  |
| <b>Total comprehensive income</b>   |              | <b>192.2</b> | <b>116.1</b> |
| thereof attributable to non-controlling interests   |              | 9.0          | 2.7          |
| thereof attributable to shareholders of the parent (net profit)                                 |              | 183.2        | 113.4        |

## Consolidated Cash Flow Statement for the 2022 Fiscal Year

| EUR m   | Notes     | 2022          | 2021          |
|---|-----------|---------------|---------------|
| <b>Operating profit</b>   |           | <b>318.4</b>  | <b>170.3</b>  |
| Loss (+) / Gain (-) from the disposal of fixed assets                                     |           | -12.2         | -14.6         |
| Depreciation (+) / Appreciation (-) of fixed assets                                       |           | 438.4         | 416.8         |
| Loss (+) / Gain (-) from the disposal of companies and other non-cash income and expenses |           | 0.6           | 0.2           |
|   |           | <b>745.1</b>  | <b>572.7</b>  |
| Increase (-) / Decrease (+) in inventories  |           | -77.3         | 10.1          |
| Increase (-) / Decrease (+) in receivables and other assets                               |           | -6.0          | -114.5        |
| Increase (+) / Decrease (-) in provisions   |           | 34.9          | 3.1           |
| Increase (+) / Decrease (-) in liabilities and other liabilities                          |           | 49.8          | 2.1           |
| Interest received and interest-related income   |           | 13.6          | 9.9           |
| Taxes paid  |           | -75.6         | -51.5         |
| <b>Cash flow from operating activities</b>  |           | <b>684.5</b>  | <b>432.0</b>  |
| Proceeds from the disposal of fixed assets (excluding financial assets)                   |           | 59.0          | 76.8          |
| Proceeds from the disposal/repayment of financial assets                                  |           | 2.1           | 4.2           |
| Proceeds from the disposal of consolidated companies, net of cash                         |           | 1.2           | 1.6           |
| Acquisition of intangible assets, property, plant and equipment                           |           | -317.8        | -242.7        |
| Acquisition of financial assets and other financial investments                           |           | -3.0          | -6.1          |
| Acquisition of consolidated companies, net of cash (incl. prepayments)                    |           | -76.3         | -11.9         |
| Net proceeds from associated companies and investments                                    |           | 23.7          | 11.6          |
| <b>Cash flow from investing activities</b>  |           | <b>-311.1</b> | <b>-166.4</b> |
| Dividend payments   |           | -0.3          | -0.8          |
| Proceeds from shareholders (non-controlling interests)                                    |           | 0.0           | 1.5           |
| Expenditures for change in interests in subsidiaries (without change of control)          |           | -0.1          | -13.2         |
| Payouts from the repayment of bonds   |           | -262.4        | -200.0        |
| Proceeds from bank loans and financial liabilities  |           | 710.0         | 252.0         |
| Payouts from bank loans and financial liabilities   |           | -582.2        | -93.5         |
| Payouts from leasing obligations  |           | -127.1        | -121.6        |
| Interest paid and interest-related payments   |           | -57.8         | -68.4         |
| <b>Cash flow from financing activities</b>  |           | <b>-320.0</b> | <b>-244.0</b> |
| <b>Net change in cash and cash equivalents</b>  |           | <b>53.4</b>   | <b>21.6</b>   |
| Currency translation adjustments  |           | -6.1          | 7.2           |
| Changes in cash and cash equivalents due to changes in scope of consolidation             |           | 0.7           | 2.3           |
| <b>Net change in cash and cash equivalents</b>  |           | <b>48.0</b>   | <b>31.1</b>   |
| Cash and cash equivalents at the beginning of the period                                  | (7.13, 9) | 563.0         | 531.8         |
| Cash and cash equivalents at the end of the period  | (7.13, 9) | 611.0         | 563.0         |
| <b>Net change in cash and cash equivalents</b>  |           | <b>48.0</b>   | <b>31.1</b>   |

## Consolidated Statement of Changes in Equity for the 2022 Fiscal Year

| EUR m   | Shares of shareholders of NOVOMATIC AG |                 |                   |              |                                 | Total          | Non-controlling interests | Equity         |
|---|--|-----------------|-------------------|--------------|---------------------------------|----------------|---------------------------|----------------|
|   | Share capital                          | Capital reserve | Retained earnings | IFRS Reserve | Currency translation adjustment |                |                           |                |
| <b>As of 1/1/2022</b>   | <b>26.6</b>                            | <b>85.4</b>     | <b>932.9</b>      | <b>66.4</b>  | <b>-81.6</b>                    | <b>1,029.7</b> | <b>142.6</b>              | <b>1,172.3</b> |
| 1) Total comprehensive income   |  |                 |                   |              |                                 |                |                           |                |
| Annual result   | 0.0                                    | 0.0             | 207.2             | 0.0          | 0.0                             | 207.2          | 7.1                       | 214.3          |
| Other comprehensive income  | 0.0                                    | 0.0             | 3.4               | -11.7        | -15.6                           | -24.0          | 2.0                       | -22.1          |
| 2) Dividend payments  | 0.0                                    | 0.0             | 0.0               | 0.0          | 0.0                             | 0.0            | -0.3                      | -0.3           |
| 3) Obligation from written put-options over non-controlling interests | 0.0                                    | 0.0             | -35.6             | 0.0          | 0.0                             | -35.6          | 0.0                       | -35.6          |
| 4) Changes in the scope of consolidation                              | 0.0                                    | 0.0             | -1.3              | 0.0          | -0.5                            | -1.8           | 9.5                       | 7.7            |
| <b>As of 12/31/2022</b>   | <b>26.6</b>                            | <b>85.4</b>     | <b>1,106.6</b>    | <b>54.7</b>  | <b>-97.8</b>                    | <b>1,175.5</b> | <b>160.8</b>              | <b>1,336.2</b> |

| EUR m                                    | Shares of shareholders of NOVOMATIC AG |                 |                   |              |                                 | Total          | Non-controlling interests | Equity         |
|--|--|-----------------|-------------------|--------------|---------------------------------|----------------|---------------------------|----------------|
|  | Share capital                          | Capital reserve | Retained earnings | IFRS Reserve | Currency translation adjustment |                |                           |                |
| <b>As of 1/1/2021</b>                    | <b>26.6</b>                            | <b>85.4</b>     | <b>844.3</b>      | <b>27.4</b>  | <b>-97.0</b>                    | <b>886.6</b>   | <b>168.5</b>              | <b>1,055.2</b> |
| 1) Total comprehensive income            |  |                 |                   |              |                                 |                |                           |                |
| Annual result                            | 0.0                                    | 0.0             | 65.7              | 0.0          | 0.0                             | 65.7           | -0.7                      | 64.9           |
| Other comprehensive income               | 0.0                                    | 0.0             | -6.6              | 39.0         | 15.4                            | 47.8           | 3.4                       | 51.1           |
| 2) Dividend payments                     | 0.0                                    | 0.0             | 0.0               | 0.0          | 0.0                             | 0.0            | -0.8                      | -0.8           |
| 3) Change in non-controlling interests   | 0.0                                    | 0.0             | 29.8              | 0.0          | 0.0                             | 29.8           | -32.6                     | -2.8           |
| 4) Changes in the scope of consolidation | 0.0                                    | 0.0             | -0.1              | 0.0          | 0.0                             | -0.2           | 3.3                       | 3.1            |
| 5) Capital Increase                      | 0.0                                    | 0.0             | 0.0               | 0.0          | 0.0                             | 0.0            | 1.5                       | 1.5            |
| <b>As of 12/31/2021</b>                  | <b>26.6</b>                            | <b>85.4</b>     | <b>932.9</b>      | <b>66.4</b>  | <b>-81.6</b>                    | <b>1,029.7</b> | <b>142.6</b>              | <b>1,172.3</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

as at December 31, 2022

## (1) Information about the Company

The NOVOMATIC Group consists of NOVOMATIC AG and its subsidiaries. NOVOMATIC AG is a public limited company according to Austrian legislation and its registered office is in Gumpoldskirchen, Austria. The company's address is NOVOMATIC AG, Wiener Strasse 158, 2352 Gumpoldskirchen. The company is filed with the Register of Companies maintained by the Regional Court of Wiener Neustadt under FN 69548 b.

NOVOMATIC is a globally operating, integrated gaming technology and entertainment group with more than 40 years of experience as a producer of innovative high-tech gaming equipment. The Group develops, manufactures and sells gaming products, lottery technologies and networked system solutions for domestic and international gaming and betting markets. NOVOMATIC furthermore operates around 2,100 gaming facilities, which include casinos, slot arcades, sports betting outlets and bingo facilities.

In addition to the development of terrestrial gaming equipment, the NOVOMATIC AG Group's business activity also covers the development of games for licensed online and offline suppliers and as an operator of online gaming and sports betting platforms.

The NOVOMATIC Group is aware of its considerable social responsibility and pursues business activities only in markets with a clearly defined legal framework.

## (2) Accounting Principles

The present consolidated financial statement as of December 31, 2022 was prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU). The requirements of section 245a para 1 of the Austrian Commercial Code have likewise been fulfilled.

The fiscal year corresponds to the calendar year. The financial statements of every fully consolidated domestic or foreign company included in the Consolidated Financial Statement for 2022 were prepared as of the balance sheet date of the consolidated financial statements. Consequently, a subgroup with a different regular balance sheet date has prepared interim financial statements for consolidation purposes as of the balance sheet date of the Consolidated Financial Statement.

The Consolidated Financial Statement is prepared in euros. For the purpose of clarity, all items in the consolidated financial statements are shown in millions of euros (EUR m). Due to the financial rounding of individual values and percentages, insignificant discrepancies may arise.

### (3) Scope of Consolidation

This Consolidated Financial Statement covers NOVOMATIC AG and the companies that it controls. The control over a subsidiary is assumed if NOVOMATIC AG can exercise control over the associated company either directly or indirectly, is exposed to fluctuating returns on its investment, and can influence returns in terms of their size due to the power to control. Subsidiaries are fully consolidated from the acquisition date, i.e. the date on which the Group gains control over the company. Inclusion in the consolidated financial statements ends when the parent no longer exercises control over the subsidiary.

The equity method is applied for companies over which exists significant influence – but cannot be considered to be controlled – by NOVOMATIC AG.

Affiliated companies, whose influence on the net assets, financial and earnings position of the Group is marginal, are not included in the scope of the fully consolidated companies but are shown as financial assets.

The scope of consolidation has developed as follows:

| Scope of consolidation          | fully-consolidated | equity method |
|---------------------------------|--------------------|---------------|
| As of 1/1/2022                  | 196                | 2             |
| First-time inclusion in 2022    | 24                 | 2             |
| Disposed of in 2022             | -3                 | 0             |
| Merged in 2022                  | -6                 | 0             |
| As of 12/31/2022                | 211                | 4             |
| of which non-Austrian companies | 196                | 3             |

A summary of fully consolidated subsidiaries, companies consolidated using the equity method, and non-consolidated affiliated companies can be found under other disclosures.

During 2022, the Group consolidated the following subsidiaries:

- easybet7 GmbH, Austria
- Atlantic Sportwetten GmbH, Austria
- Ski Challenge GmbH, Austria
- NOVOMATIC ECUADOR S.A.S., Ecuador
- Automáticos Luna S.L., Spain
- Recreativos Cenzano S.A., Spain
- Unimatic S.A., Spain
- Leisure Worldwide Ltd., United Kingdom
- Torquay Gaming Ltd., United Kingdom
- High Force Leisure Ltd., United Kingdom
- High Force Leisure (Midlands) Ltd., United Kingdom
- Yhank Capital S.r.l., Italy
- HBG Gaming S.r.l., Italy
- HBG Connex S.p.A., Italy
- HBG Online Gaming S.r.l., Italy
- HBG Entertainment S.r.l., Italy
- Napoli Bingo S.r.l., Italy
- Angelastri Video Giochi S.r.l., Italy
- Five Stars Oosterhout B.V., the Netherlands
- Five Stars Automaten B.V., the Netherlands
- NOVOMATIC AMERICAS PUERTO RICO LLC, Puerto Rico

- Cube Star d.o.o. Belgrade, Serbia
- Grand Casino d.o.o., Serbia
- NOVOGAMES (U) LTD, Uganda

#### (4) Accounting and Valuation Methods

##### Standards and Interpretations to be Applied for the First Time in the 2022 Fiscal Year

The following new or revised standards and interpretations were adopted by EU legislation and implemented for the first time in financial year 2022:

| Standard / Interpretation |   |
|---------------------------|---|
| IFRS 3                    | Amendment: Reference to the Conceptual Framework                        |
| IAS 37                    | Amendment: Onerous contracts – costs of fulfilling a contract           |
| IAS 16                    | Amendment: Property, plant and equipment – proceeds before intended use |
| Diverse                   | Annual Improvements to IFRS Standards – 2018–2020 Cycle                 |

The amendments that took effect had no significant impact on the Consolidated Financial Statement.

##### Standards and Interpretations Already Published, but only to be Applied in Future Periods

At the date upon which this financial statement was authorized for publication, the following standards and interpretations relevant to the NOVOMATIC Group were already published but not yet mandatory and were not voluntarily applied in advance:

| Standard / Interpretation |  | Must be applied in fiscal years from            |
|---------------------------|--|---|
| IAS 1                     | Amendment: Disclosure of accounting policies   | 1. January 2023                                 |
| IAS 1                     | Amendment: Classification and Non-current Liabilities with Covenants                       | 1. January 2024<br>(not yet endorsed by the EU) |
| IAS 8                     | Amendment: Definition of accounting estimates  | 1. January 2023                                 |
| IAS 12                    | Amendment: Deferred Tax related to Asset and Liabilities arising from a Single Transaction | 1. January 2023                                 |
| IFRS 16                   | Amendment: Lease Liability in a Sale and Leaseback   | 1. January 2024<br>(not yet endorsed by the EU) |

The introduction and implementation of the aforementioned standards and interpretations in the NOVOMATIC Group is intended from the time of mandatory application taking into account any potential exemptions. These new or amended standards are not expected to have any (material) effects on the Group.

### Consolidation Procedures

First-time consolidation of acquired companies is carried out according to the purchase method at the date of acquisition. The consideration transferred in the case of a business combination is measured at its fair value, which is an aggregate of the fair values of the assets acquired and liabilities taken over from the former owner of the acquired company at the date of acquisition in exchange for control of the company. The contingent consideration is treated as part of the transferred consideration and is measured at its fair value at the date of acquisition. If the business combination is achieved in stages, the previously held interest in the acquired entity is revalued at the fair value prevailing at the acquisition date and the resulting profit or loss is recognized in the Consolidated Profit and Loss Account. Additional acquisition costs are directly recognized as expense.

The acquired identifiable assets and liabilities taken over are measured at their fair value at the date of acquisition, unless exceptions thereto exist. In accordance with IFRS 3, any excess of the consideration transferred over the fair values of the identifiable net assets acquired is recognized as goodwill. If the consideration transferred is below the identifiable net assets, the difference is recognized against income after a reevaluation of the acquired net assets.

Non-controlling interests are valued initially at either their respective share of the identifiable net assets or their fair value. During the subsequent accounting, the profit/loss of the subsidiary is attributed proportionally to the non-controlling interests, even if this results in a negative balance. The presentation is within the equity and is separate from the equity attributable to the shareholders of NOVOMATIC AG.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal.

Changes in interests in subsidiaries without loss of control are recognized as equity transactions.

The results, as well as the assets and liabilities of associated companies, are included using the equity method. Investments in associated companies are recognized on the balance sheet at acquisition costs, adjusted by post-acquisition changes of the Group's share of net assets, as well as by losses resulting from impairment. Losses exceeding the Group's share of the associated company are not taken into account.

All insignificant intercompany receivables, liabilities, expenses and earnings, as well as intragroup profits, are eliminated.

### Foreign Currency Translation

Foreign currency transactions are presented in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the time of the transaction. Exchange rate differences from the payment of monetary items at conversion rates that deviate from those initially recognized are recognized immediately in profit or loss.

Foreign fully consolidated subsidiaries are considered as independent companies because they are financially, economically and organizationally independent. Their functional currencies are usually the respective national currencies. Apart from the positions within equity, all balance sheet items are translated into the reporting currency at the exchange rate prevailing on December 31, 2022. Income and expense items of foreign consolidated companies are translated at average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income. Upon the elimination of a foreign company from the consolidation scope, the exchange difference is recognized in profit or loss.

The exchange rates used for the currency translation developed as follows:

| Equivalent amount = EUR 1 | Exchange rate prevailing at<br>balance sheet date |            | Average exchange rate for the year |          |
|---------------------------|---|------------|------------------------------------|----------|
|                           | 12/31/2022  | 12/31/2021 | 2022                               | 2021     |
| Australian Dollar         | 1.5718  | 1.5647     | 1.5177                             | 1.5747   |
| British Pounds            | 0.8864  | 0.8413     | 0.8526                             | 0.8599   |
| North Macedonian Denar    | 61.6200   | 61.6150    | 61.6129                            | 61.6127  |
| Peruvian New Sol          | 4.0394  | 4.5175     | 4.0372                             | 4.5866   |
| Romanian Lei              | 4.9447  | 4.9487     | 4.9307                             | 4.9209   |
| Serbian Dinar             | 117.3330  | 117.5790   | 117.4426                           | 117.5747 |
| US Dollar                 | 1.0706  | 1.1386     | 1.0540                             | 1.1832   |

### Intangible Assets and Goodwill

Acquired intangible assets are capitalized at acquisition costs and amortized on a scheduled straight-line basis according to their economic useful life or contract period. Internally generated intangible assets are capitalized at production costs if the criteria for inclusion are met and amortized on a scheduled straight-line basis according to their economic useful life.

Trademarks and licenses can have indefinite useful lives. The assessment of intangible assets with an indefinite useful life is reviewed once a year to decide if the assumption of an indefinite useful life is still justified. If this is not the case, the assumption of an indefinite useful life is changed prospectively to a limited useful life.

For intangible assets with an indefinite useful life, an impairment test is carried out at least annually or, in cases where indications of impairment arise, also during the year. Impairment is given if the recoverable amount is lower than the carrying amount. The recoverable amount is the higher value of the fair value and the value-in-use. Impairment is recognized in the year during which the event causing the impairment arises. Where an impairment subsequently reverses, the assets are written up.

In the case of business combinations, any excess of the consideration transferred over the fair values of the identifiable net assets acquired is shown as goodwill and allocated to cash-generating units for the purpose of an impairment test. The allocation to cash-generating units or groups of cash-generating units is carried out on the identified business segments that are expected to profit from it. The carrying amounts of the goodwill are subject to an impairment test annually as of September 30 (exception: Ainsworth Game Technology Ltd., Australia, as of December 31), or if there is any indication of impairment. The carrying amount is compared to the recoverable amount for the cash-generating unit to which it is allocated. An impairment loss is recognized immediately as an expense. An impairment loss recognized for goodwill may not be reversed in future periods.



The estimated useful lives for intangible assets and goodwill are:

|                          | Useful life in years |                  |
|--------------------------|----------------------|------------------|
|                          | from                 | to               |
| Goodwill                 |                      | Indefinite       |
| Trademarks and patents   | 3                    | 20 or indefinite |
| Licenses and concessions | 5                    | 20 or indefinite |
| Customer relationships   | 3                    | 20               |
| Development and software | 3                    | 10               |
| Other intangible assets  | 3                    | 10               |

### Right-of-Use Assets and Leases

In the NOVOMATIC Group, it is determined at the start of a contract as to whether it constitutes or contains a lease.

If it is a lease, a right of use is capitalized and a lease liability is recognized at the start of use. The amount of the right of use corresponds to the amount of the lease liability when the contract is recorded for the first time, adjusted for any initial direct costs of the lessee, prepayments, lease incentives or dismantling obligations, among other things.

The carrying amount of the lease liability is determined by discounting the lease payments agreed during the term of the lease, expected payments from residual value guarantees issued, the exercise prices of purchase options (if it is reasonably certain that they will be exercised), and any payments as a result of a premature termination of the lease (if the premature termination is reasonably certain). The agreed lease payments include all fixed and semi-fixed payments as well as variable payments which are linked to an index or a rate. The lease is discounted using the underlying interest rate, to the extent that this can be determined without any further effort. In all other cases, the incremental borrowing rate is used for discounting.

When being remeasured, right-of-use assets are depreciated to the end of the useful life of the assets or the end of the lease term, and adjusted to reflect any impairment loss identified. With regard to impairment tests in cases where the corresponding indications arise, reference to the above remarks will be made.

The lease liability is subsequently measured and updated using the effective interest method.

In the event of lease modifications and a reassessment of certain parameters relevant to measurement (such as the term of the lease or the lease payments), the lease liability is generally remeasured and, as a rule, the carrying amount of the right-of-use asset is adjusted without affecting income.

### Property, Plant, and Equipment

Property, plant and equipment are stated on the balance sheet at acquisition or production costs less the scheduled straight-line depreciation and amortization. Depreciation of property, plant and equipment begins when they are ready for use. For the determination of the estimated useful life of property, plant and equipment, their expected economic life is taken into account. With regard to impairment tests in cases where the corresponding indications arise, reference to the above remarks will be made.

The estimated useful lives for property, plant and equipment are:

|                                | Useful life in years |    |
|--------------------------------|----------------------|----|
|                                | from                 | to |
| Buildings                      | 20                   | 50 |
| Investments in rented property | 10                   | 20 |
| Plant and machinery            | 3                    | 10 |
| Gaming machines                | 3                    | 7  |
| Factory and office equipment   | 3                    | 10 |

### Investment Property

Investment property denotes land and buildings held but not used in business operations. They are stated at amortized cost. Buildings are written off over their estimated useful lives of 25 to 50 years using the straight-line method.

### Inventories

Inventories are stated at acquisition or production cost, or at the lower net realizable value. Costs of raw materials and supplies are calculated using the weighted average price method. Aside from individual manufacturing and material costs, finished and unfinished goods contain reasonable shares of material and production overheads. Inventories are reviewed for slow movement or obsolete items and, if necessary, appropriate adjustments are made. Advance payments concerning inventory are related to advance payments for deliveries.

### Other Assets

Precious metals (gold) are valued and recognized in accordance with the current market value. Due to the high liquidity and volatility, a measurement at fair value is usual and considered the most suitable valuation method.

### Assets Held for Sale and Sale Groups

Non-current assets and sale groups classified as held for sale are measured at the lower amount of their original book value and the fair value minus the cost of sale. In the event that the Group has agreed on a sale that will result in the loss of control over a subsidiary, all asset positions and debts from said subsidiary will be classified as held for sale.

## Financial Instruments

A financial instrument is a contract that is simultaneously recognized by one entity as a financial asset and by that entity's counterparty as a financial liability or an equity instrument. The recognition of the financial instrument in the balance sheet occurs only when the Group is a party to the contract.

Upon first-time recognition, a financial asset or liability is classified as follows:

- Financial Asset Recognized at Amortized Cost
- Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI)
- Financial Asset at Fair Value through Profit or Loss (FVTPL)
- Financial Liabilities Recognized at Amortized Cost
- Financial Liabilities Measured at Fair Value through Profit or Loss

### Financial Asset Recognized at Amortized Cost

A financial asset is measured at amortized cost if it is held as part of a business model, the objective of which is to hold financial assets in order to collect the contractual cash flows and the contractual terms of the financial asset result in cash flows at specified points in time that represent only principal and interest payments on the outstanding capital amount. This applies above all to receivables, loans, and bank balances.

### Financial Assets Measured at Fair Value through Other Comprehensive Income

If, on the other hand, the financial asset is held within the framework of a business model, the objective of which is both the receipt of the contractual cash flows and the sale of financial assets, it is measured at fair value through other comprehensive income (FVTOCI).

### Financial Assets Measured at Fair Value through Profit or Loss

Derivatives, equity instruments (except when the FVTOCI option is exercised) and investment fund units are measured at fair value through profit or loss.

### Financial Liabilities Recognized at Amortized Cost

Financial liabilities, which include bonds, borrowings from banks, lease liabilities, and other liabilities, are carried at amortized cost. Non-current liabilities are discounted using the effective interest method, with the interest expense, calculated in accordance with the effective interest rate, recognized in profit or loss. Foreign currency liabilities are valued using the prevailing rates on the balance sheet date and the resulting currency translation differences are recognized in profit or loss.

### Financial Liabilities Measured at Fair Value through Profit or Loss

A financial liability is measured at fair value through profit or loss when it is classified as a derivative or contingent consideration from company acquisitions.

The Group uses derivatives as hedging instruments against interest and currency risks in the operating business. These derivatives are valued at fair value on the basis of generally accepted financial mathematical models. Derivatives are recognized as assets when their fair value is positive, and as liabilities when their fair value is negative.

For the initial recognition of contingent considerations in a business combination, the facts and circumstances surrounding the contingent consideration that existed at the time of acquisition are disclosed. Subsequent valuation is measured at fair value through profit or loss.

### Impairment of Financial Assets

Impairment losses on financial assets measured at amortized cost or at fair value through other comprehensive income are recognized using the expected credit loss model. The expected credit losses (ECL) are defined as the difference between all contractual payments due to an entity under the contract and all payments expected to be received by the entity.

The expected credit losses are recorded in several stages. For financial assets with a low credit risk at the balance sheet date and financial assets whose credit risk has not increased significantly since first-time recognition, the impairment loss is measured on the basis of the expected twelve-month credit loss (Level 1). The twelve-month credit loss is the credit loss resulting from default events possible within the next twelve months. A low credit risk is assumed if there is an external rating in the investment grade range or if an internal rating corresponds to an external rating in this range.

If there is a significant increase in credit risk since first-time recognition an impairment loss in the amount of the expected credit loss over the term is required (Level 2). A significant increase in credit risk is assumed if the financial asset is more than 30 days overdue.

The expected credit losses on loans, bank balances and other debt instruments are determined methodically using probabilities of default that depend on the rating category. For the items affected, however, the expected credit losses thus determined are of minor significance.

In addition, an assessment is made at each balance sheet date as to whether there is objective evidence of impairment of a financial asset (Level 3). This is the case, for example, when the issuer or borrower has significant financial difficulty or when the financial asset is 90 days overdue.

For trade receivables and contract assets from customer contracts, the simplified impairment model is applied by taking into account expected losses over the entire term. For these receivables and assets, an impairment loss is recognized in the amount of the expected credit losses over the term of the receivable using an impairment loss table. Forward-looking information is also evaluated and, if necessary, the failure rates used are adjusted.

### Recognition and Derecognition

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. Recognition and derecognition are booked at the trading date.

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset along with all significant risks and rewards associated with ownership of the asset to another entity.

The Group derecognizes a financial liability when the Group's obligations related to that financial liability have been discharged or canceled, or have expired.

## Provisions

Provisions for pensions or similar obligations, as well as provisions for severance and jubilee payments, are measured according to the regulations of IAS 19 using the projected unit credit method. The costs of the estimated benefit entitlements are allocated over the whole period of employment. Future increases in remuneration are taken into account. Actuarial gains and losses concerning provisions for severance payments and pensions are recognized in other comprehensive income or charged against income when it comes to jubilee payments. Past service costs are recognized as an expense at the time of plan adjustment. Provisions correspond to the present value of the obligations (DBO). The accrued amounts are based on the expert opinion of qualified actuaries as of the respective balance sheet date.

Other provisions are stated at the amount necessary to cover uncertain payment obligations and result from careful consideration of all the facts involved.

## Contingent Liabilities

Contingent liabilities are possible current obligations that arise from past events, where an outflow of resources is nonetheless not probable. If, in rare cases, a present obligation is not recognized in the consolidated financial statements as a provision because the amount of the obligation cannot be measured with sufficient reliability, this is also classified as contingent liability. Contingent liabilities are not stated in the consolidated balance sheet but are disclosed in the notes to the Consolidated Financial Statement.

## Revenue and Expense Recognition

The NOVOMATIC Group recognizes revenues from the sale and rental of gaming machines, from the operation of casinos and electronic casinos, as well as from online gaming (e-business) and from betting. Pursuant to IFRS 15, revenues are to be recognized when the customer acquires the power to dispose of the agreed goods and services and may derive a benefit therefrom. The standard provides for a five-step model to recognize revenues. The first step is to identify the contract/contracts with customers and the independent performance obligations so as then to determine the transaction price and to divide up the contractual performance obligations. Revenues are recognized either on a time-related basis or at a specific point in time.

Revenues from the **sale** of gaming machines are recognized when the control over the promised goods or services passes to the customer. The form and scope of the contracts with customers depend on the respective jurisdiction. The following potential separate performance obligations were essentially identified: Gaming machine, contractually agreed regular software updates, spare parts and other services (e.g. business analytics, reports). For any additional costs arising from the initiation of a contract (e.g. sales commissions), the practical exception according to IFRS 15.94 is applied, as the amortization period is generally less than one year.

Revenue from the **rental** of gaming machines, classified as operating leases, is recognized on a straight-line basis over the period in which the underlying services are rendered. Lease agreements with customers may have different characteristics, particularly with regard to the agreed payments (fixed rent or revenue share models). The following possible separate leasing and non-leasing components were identified: Gaming machine, contractually agreed regular software updates, maintenance/spare parts/other services and customer loyalty programs. Rental prepayments (up-front fees) are recognized as revenue on a straight-line basis over the term of the contract. Customer loyalty programs are deferred so that this portion is not recognized as revenue until the Group has fulfilled the obligation.

Revenues from the **operation of electronic slot machines (slot arcades)** and **casinos with live games** are recorded as net amount (net gaming revenue). The net amount is calculated as the balance of amounts (IN) less customer payments (OUT) less all incentives and accruals. In a few jurisdictions, the payout of a jackpot may have a mandatory scope; then a corresponding accrual (refund liability) is made. Other discretionary incentives (free catering) and non-discretionary incentives (customer loyalty programs) are not available or only to a minor extent.

Revenues from **bets** are recognized when the underlying betting event has occurred. The turnover corresponds to the net amount of wagers and payouts from the betting business. Those amounts used by players for events that have not yet taken place are accounted for as a deferred contract item.

Revenues from **online gaming** include online casinos, games and platform services and are recognized as soon as the underlying games have taken place or services have been rendered. A contract liability is recorded for unused customer credit balances.

Revenues in the other areas are recognized as soon as the respective services have been rendered.

Operating expenses are recognized when incurred or at the date of use of the service.

#### **Financial Result**

Interest income includes realized interest income from the investment in funds and investments in financial assets. Other finance income is comprised of dividends and similar income, profits from the sale of financial assets, and income from derivatives.

Interest expense is comprised of interest accrued on debt financing. Other finance cost relates to the impairment of financial assets, losses on the disposal of financial assets and expenses related to derivatives.

Foreign currency effects resulting from intragroup financing are stated separately in the financial result because of their close connection to financing activities.

#### **Taxes**

The income tax expense disclosed is comprised of the income tax payments by each subsidiary based on its taxable profit for the year and calculated using the applicable tax rate for the respective jurisdiction (actual taxes), as well as of changes in the deferred taxes.

Deferred taxes are accounted for using the balance sheet liability method and are recognized for temporary differences arising between the carrying amounts stated in the consolidated balance sheet as per IFRS and the corresponding tax base used on the balance sheet of the subsidiary. Furthermore, the probable tax advantages resulting from tax loss carried forward are also taken into account for the determination of deferred taxes. Temporary differences arising from non-deductible goodwill or (under certain circumstances) from the initial recognition of an asset or liability are not recognized.

Deferred tax assets and liabilities are shown net in the Group if a right of set-off exists and the taxes relate to taxpayers in the same tax group.

Important average tax rates used by Group companies are:

| Country        | Tax rate 2022   | Tax rate 2021   |
|----------------|-----------------|-----------------|
| Australia      | 30 %            | 30 %            |
| Germany        | 13.8 % – 57.2 % | 13.8 % – 57.2 % |
| United Kingdom | 19 %            | 19 %            |
| Italy          | 24 % – 27.9 %   | 24 % – 27.9 %   |
| Latvia         | 0 % and 20 %    | 0 % and 20 %    |
| Malta          | 5 % and 35 %    | 5 % and 35 %    |
| Macedonia      | 10 %            | 10 %            |
| Netherlands    | 26 %            | 25 %            |
| Austria        | 23 % – 25 %     | 25 %            |
| Peru           | 29.5 %          | 29.5 %          |
| Romania        | 16 %            | 16 %            |
| Serbia         | 15 %            | 15 %            |
| Spain          | 24 % and 25 %   | 24 % and 25 %   |
| USA            | 26 %            | 27 %            |

#### Fair Value Measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The NOVOMATIC Group uses the following hierarchy to allocate certain assets and/or liabilities, which are either to be stated at fair value or at least where the fair value has to be disclosed, to a certain measurement method:

Level 1: Measurement on the basis of quoted (unadjusted) prices in active markets

Level 2: Measurement on the basis of market prices for similar instruments or on the basis of valuation methods, relying solely upon parameters observable in the market.

Level 3: Measurement on the basis of parameters that significantly affect the fair value and are not based on observable market data.

In the face of varying influencing factors, the fair values presented can only be considered as indicators of the values that could actually be generated on the market.

## Estimates and Judgments

For the preparation of the financial statements, assumptions and estimates were made that influence the amount of assets and liabilities, income and expenses, for the review period. Even under a high degree of diligence, these assumptions may differ from the actual circumstances.

For the following situations, the assumptions made at the balance sheet date are of particular importance:

The assessment of recoverability of intangible assets, right-of-use assets, property, plant and equipment is based on assumptions for the future. For the impairment tests, several assumptions to determine the recoverable amount are taken into account. Of particular importance are future cash flows as well as the discount rate. Cash flow predictions are based on financial plans approved by the management. In addition, assumptions for the presence of indicators for impairments or the reversal of impairments are necessary.

Significant estimates are made when measuring the right-of-use assets to be recognized and the associated lease liabilities in the case of leases under IFRS 16 as lessee. This is due to the fact that many leases in the Group have single or multiple extension options, have an indefinite term with corresponding termination rights, or also contain termination rights in the case of terms that are limited. The length of the term on the basis of the estimates made is the main factor determining the amount of the lease liabilities.

Concerning purchase price allocations performed for business combinations, assumptions are made concerning the existence and valuation of assets (in particular intangible assets), liabilities, and contingent liabilities received. The evaluation of their fair value is based on several different assumptions, especially for future cash flows and the discount rate. For the evaluation of contingent considerations, assumptions are made concerning the probability of achieving the defined objectives.

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable income will be generated in future periods to utilize deductible temporary differences or existing tax loss carryforwards.

The fair value of financial assets, as well as derivatives, is derived based on market information available on the balance sheet date. Shares in non-consolidated companies and other investments reported under financial assets are measured in accordance with recognized capitalized earnings methods. When calculating the market value of financial investments, a multiplier method is used as there is no active market available for this. The parameters used in the measurement may be fraught with predictive uncertainty and, similarly, the selection of the suitable peer group requires assumptions about their comparability. In the face of varying influencing factors, the values disclosed may deviate from values realized at a later point in time.

Concerning the valuation of inventories, assumptions must be made regarding market development and economic exploitability.

In the case of receivables, valuation adjustments are made on the basis of assumptions about the probability of default in accordance with the model of expected credit losses.

The assumptions upon which estimates are based are subject to constant scrutiny and adjustment.

Estimates and assumptions relevant to the financial statements were made to the best of our knowledge, based on current events and country-specific government-imposed measures. Assumptions were made and discretionary powers were exercised in particular in the course of the assessment of the impairment of assets.



## **(5) Impact of the COVID-19 Pandemic and the Ukraine Crisis**

The 2022 fiscal year saw a broad recovery in business activity, which was in part due to a relaxation of the measures to combat COVID-19. Temporary closures were largely lifted in the first quarter and only affected individual markets. This allowed the Group's business activities in the two areas of Gaming Operations and Gaming Technology to develop positively.

The conflict between Ukraine and the Russian Federation combined with international sanctions has global economic implications. The Group's overall exposure to these markets is of minor importance, yet there are indirect consequences due to rising energy prices, supply chain bottlenecks and high market volatility.

Further developments are monitored by the Group, and the impact on the Group's operating activities and liquidity is reassessed at regular intervals.

## (6) Company Acquisitions

### HBG Group, Italy

In November 2022, 80 percent of the shares in the Italian HBG Group consisting of Yhank Capital S.r.l., HBG Gaming S.r.l., HBG Connex S.p.A., HBG Online Gaming S.r.l., HBG Entertainment S.r.l. and Napoli Bingo S.r.l. were acquired. The acquired HBG Group is one of the leading operators on the Italian market and is active both as a concessionaire of VLTs (video lottery terminals) and AWPAs (amusement with prizes), as well as in the segments of online gaming, sports betting and the operation of bingo sites. With this acquisition, the Group is continuing its international expansion strategy and can double its market share as a concessionaire in one of the most important gaming markets in Europe.

The acquired HBG companies have been included partly on the basis of provisional fair values for the acquired assets and assumed liabilities. In the case of acquisition accounting, in particular licenses were identified and assessed. The values in the opening balances have not yet been finally determined, and the allocation of the total purchase price to the assets acquired and liabilities assumed has also not yet been completed. Changes are possible, in particular in the area of goodwill and intangible assets.

The following table summarizes the preliminary fair values of this company acquisition:

| EUR m                                  | Fair values |
|--|-------------|
| Intangible assets                      | 66.2        |
| Right-of-use assets                    | 28.2        |
| Property, plant and equipment          | 10.9        |
| Other non-current assets               | 15.9        |
| Deferred tax assets                    | 0.9         |
| Inventories                            | 1.2         |
| Cash and cash equivalents              | 25.0        |
| Other current assets                   | 62.9        |
| Non-current liabilities and provisions | -38.7       |
| Deferred tax liabilities               | -17.2       |
| Current liabilities and provisions     | -113.5      |
| <b>Net assets</b>                      | <b>41.7</b> |
| Non-controlling interests              | -8.3        |
| Goodwill                               | 63.0        |
| <b>Consideration</b>                   | <b>96.4</b> |

The consideration of EUR 96.4 million for this acquisition is to be paid in cash (of which EUR 60.0 million has already been paid). The acquisition-related costs of EUR 0.4 million were recognized as an expense.

Call and put options have been agreed upon for the remaining 20 percent stake of non-controlling interests. The obligation resulting from the written put option was recognized as a liability.

Non-controlling interests have been valued at their respective shares of the recognized identifiable net assets at the acquisition date.

Provisional goodwill resulting from the acquisition reflects expected strategic advantages for the Group due to the further expansion of operational business activities and further potential growth through synergies. The goodwill resulting from this acquisition will probably not be tax-deductible.

Revenues since the acquisition date amounted to EUR 21.5 million, whereas the result for the period since the acquisition date amounted to EUR 4.3 million. Assuming that the acquisition date for this business combination was at the start of the reporting period, revenues would come to EUR 117.3 million and the annual profit to EUR -2.7 million.

### Other Company Acquisitions

In January 2022, 100 percent of the shares in the two Austrian companies easybet 7 GmbH and Atlantic Sportwetten GmbH were acquired. Together, the acquired companies operate around 430 betting terminals in the federal states. During the year, these two companies were merged with their shareholder Admiral Sportwetten GmbH.

In March 2022, 100 percent of the shares in the Spanish companies Recreativos Cenzano S.A. and Automaticos Luna S.L. were acquired. In addition, the acquisition of 100 percent of the shares in Unimatic S.A., also in Spain, was completed in April 2022. These acquired companies operate a total of 8 gaming arcades.

The acquisition of 100 percent respectively of the shares in Leisure Worldwide Ltd. took place in May 2022, Torquay Gaming Ltd. in June 2022, High Force Leisure Limited and High Force Leisure (Midlands) in October 2022. These acquired companies operate a total of 5 gaming arcades in the UK.

The acquisition of 100 percent of the shares in Cube Star d.o.o. in September 2022 was followed by the acquisition of 90 percent of the shares in Grand Casino d.o.o. in November 2022. Grand Casino operates a live gaming casino in Belgrade, Serbia.

In November 2022, 100 percent of the shares in Five Stars Ooesterhout B.V. and its subsidiary Five Stars Automaten B.V., in the Netherlands, were acquired. The two companies operate one gaming arcade together.

The acquisition of a 60 percent stake in Angelastri Video Giochi S.r.l., a street operator in various regions in Italy, also took place in November 2022. Call and put options have been agreed upon for the remaining 40 percent stake of non-controlling interests. The obligation resulting from the written put option was balanced as a liability.

In addition, assets (asset deal) of the US-based company Present Creative USA LLC were acquired by Greentube USA LLC in November 2022. Present Creative is a US-based game development studio in the field of real money gaming and casual gaming.

These acquisitions and other smaller asset deals are intended to further expand the Group's market position in its core markets on the one hand, and to strengthen its presence in the US gaming market on the other.

These other company acquisitions have been recognized pursuant to IFRS 3, and in part provisional values have been applied as of the reporting date. Accordingly, the values in the opening balances have not yet been finally determined, and the allocation of the total purchase price to the assets acquired and liabilities assumed has also not yet been completed. In particular, changes in the values of goodwill, intangible assets as well as the consideration paid may still occur. The inclusion of these acquired companies in the consolidated financial statement is therefore partially based on provisional fair values.

The following table summarizes the preliminary fair values of these company acquisitions:

| EUR m                                  | Fair values |
|--|-------------|
| Intangible assets                      | 14.1        |
| Right-of-use assets                    | 2.3         |
| Property, plant and equipment          | 2.8         |
| Other non-current assets               | 0.2         |
| Deferred tax assets                    | 0.7         |
| Inventories                            | 0.0         |
| Cash and cash equivalents              | 8.9         |
| Other current assets                   | 1.1         |
| Non-current liabilities and provisions | -2.5        |
| Deferred tax liabilities               | -2.1        |
| Current liabilities and provisions     | -4.9        |
| <b>Net assets</b>                      | <b>20.7</b> |
| Non-controlling interests              | -1.2        |
| Goodwill                               | 26.6        |
| Received surplus affecting income      | -0.8        |
| <b>Consideration</b>                   | <b>45.3</b> |

The consideration of EUR 45.3 million for the acquisitions listed above consists of a portion of EUR 45.1 million to be paid in cash (thereof EUR 34.1 million already paid), as well as a contingent consideration amounting to EUR 0.2 million. The conditional purchase price was determined depending on the expected development of future earnings. The acquisition-related costs of EUR 0.4 million were recognized as an expense.

Non-controlling interests have been valued at their respective shares of the recognized identifiable net assets at the acquisition date.

Goodwill resulting from these acquisitions reflect expected strategic advantages for the Group due to the further expansion of operational business activities and further potential growth through synergies. The goodwill resulting from these acquisitions will probably not be tax-deductible.

Revenues since the acquisition date amounted to EUR 6.4 million, whereas the result for the period since the acquisition date amounted to EUR 1.1 million. Assuming that the acquisition dates for these further business combinations were at the start of the reporting period, revenues would come to EUR 15.4 million and the annual profit to EUR 1.7 million.

**(7) Notes to the Consolidated Balance Sheet****(7.1) Intangible Assets in EUR m**

| Acquisition costs                          | Goodwill     | Trademarks and patents | Licenses and concessions | Customer relationships | Development and software | Other intangible assets | Total          |
|--|--------------|------------------------|--------------------------|------------------------|--------------------------|-------------------------|----------------|
| As of 1/1/2021                             | 447.7        | 90.5                   | 665.8                    | 137.2                  | 302.0                    | 71.6                    | 1,714.8        |
| Currency translation adjustments           | 2.0          | 2.8                    | 8.5                      | 1.8                    | 2.8                      | 0.0                     | 17.9           |
| Acquisitions through business combinations | 16.8         | 0.0                    | 13.2                     | 0.0                    | 0.4                      | 0.0                     | 30.4           |
| Additions                                  | 0.0          | 0.0                    | 4.2                      | 0.0                    | 12.1                     | 3.9                     | 20.2           |
| Disposals                                  | -2.3         | -3.0                   | -8.7                     | 0.0                    | -11.7                    | -2.5                    | -28.3          |
| Reclassifications                          | 0.0          | 0.1                    | 5.1                      | 0.0                    | -1.2                     | -4.1                    | -0.1           |
| <b>As of 12/31/2021</b>                    | <b>464.2</b> | <b>90.4</b>            | <b>688.1</b>             | <b>139.0</b>           | <b>304.5</b>             | <b>68.8</b>             | <b>1,754.9</b> |

| Acquisition costs                          | Goodwill     | Trademarks and patents | Licenses and concessions | Customer relationships | Development and software | Other intangible assets | Total          |
|--|--------------|------------------------|--------------------------|------------------------|--------------------------|-------------------------|----------------|
| As of 1/1/2022                             | 464.2        | 90.4                   | 688.1                    | 139.0                  | 304.5                    | 68.8                    | 1,754.9        |
| Currency translation adjustments           | -0.7         | -1.8                   | -6.9                     | 0.3                    | -0.5                     | 0.0                     | -9.5           |
| Acquisitions through business combinations | 89.7         | 0.4                    | 77.2                     | 0.8                    | 1.9                      | 1.0                     | 170.9          |
| Additions                                  | 0.0          | 0.0                    | 7.1                      | 0.6                    | 11.7                     | 10.7                    | 30.1           |
| Disposals                                  | -5.4         | 0.0                    | -5.6                     | 0.0                    | -7.4                     | -3.3                    | -21.6          |
| Reclassifications                          | 0.0          | 0.0                    | 0.0                      | 0.0                    | 0.5                      | -2.0                    | -1.5           |
| <b>As of 12/31/2022</b>                    | <b>547.7</b> | <b>89.0</b>            | <b>759.9</b>             | <b>140.7</b>           | <b>310.8</b>             | <b>75.2</b>             | <b>1,923.3</b> |

| Accumulated amortization                   | Goodwill     | Trademarks and patents | Licenses and concessions | Customer relationships | Development and software | Other intangible assets | Total        |
|--|--------------|------------------------|--------------------------|------------------------|--------------------------|-------------------------|--------------|
| As of 1/1/2021                             | 167.0        | 56.4                   | 335.1                    | 94.7                   | 246.6                    | 54.6                    | 954.4        |
| Currency translation adjustments           | 0.0          | 1.6                    | 0.1                      | 1.2                    | 1.9                      | 0.0                     | 4.8          |
| Acquisitions through business combinations | 0.0          | 0.0                    | 0.0                      | 0.0                    | 0.1                      | 0.0                     | 0.1          |
| Depreciation/amortization                  | 0.0          | 3.6                    | 37.3                     | 6.5                    | 16.7                     | 3.1                     | 67.2         |
| Impairment                                 | 5.5          | 0.0                    | 3.1                      | 8.8                    | 0.4                      | 0.0                     | 17.8         |
| Disposals                                  | -1.5         | -3.0                   | -6.6                     | 0.0                    | -10.0                    | -2.4                    | -23.5        |
| Reclassifications                          | 0.0          | 0.1                    | 5.1                      | 0.0                    | -1.7                     | -3.7                    | -0.3         |
| Reversal of an impairment                  | 0.0          | -9.9                   | -6.8                     | -5.5                   | -18.4                    | 0.0                     | -40.6        |
| <b>As of 12/31/2021</b>                    | <b>171.0</b> | <b>48.7</b>            | <b>367.2</b>             | <b>105.8</b>           | <b>235.6</b>             | <b>51.7</b>             | <b>980.0</b> |

| Accumulated amortization                   | Goodwill     | Trademarks and patents | Licenses and concessions | Customer relationships | Development and software | Other intangible assets | Total          |
|--|--------------|------------------------|--------------------------|------------------------|--------------------------|-------------------------|----------------|
| As of 1/1/2022                             | 171.0        | 48.7                   | 367.2                    | 105.8                  | 235.6                    | 51.7                    | 980.0          |
| Currency translation adjustments           | 0.0          | -1.1                   | 0.3                      | 0.0                    | -0.9                     | 0.0                     | -1.7           |
| Acquisitions through business combinations | 0.0          | 0.1                    | 0.1                      | 0.0                    | 0.5                      | 0.4                     | 1.2            |
| Depreciation/amortization                  | 0.0          | 3.5                    | 27.8                     | 5.0                    | 19.8                     | 2.5                     | 58.6           |
| Impairment                                 | 1.8          | 0.0                    | 14.0                     | 0.0                    | 0.0                      | 0.2                     | 16.1           |
| Disposals                                  | -4.9         | 0.0                    | -2.9                     | 0.0                    | -6.9                     | -3.0                    | -17.8          |
| Reclassifications                          | 0.0          | 0.0                    | 0.0                      | 0.0                    | 0.0                      | 0.0                     | 0.0            |
| Reversal of an impairment                  | 0.0          | 0.0                    | -4.8                     | 0.0                    | 0.0                      | 0.0                     | -4.8           |
| <b>As of 12/31/2022</b>                    | <b>167.8</b> | <b>51.2</b>            | <b>401.7</b>             | <b>110.7</b>           | <b>248.1</b>             | <b>51.8</b>             | <b>1,031.5</b> |

|  |              |             |              |             |             |             |              |
|--|--------------|-------------|--------------|-------------|-------------|-------------|--------------|
| <b>Carrying amounts as of 12/31/2021</b> | <b>293.2</b> | <b>41.7</b> | <b>320.9</b> | <b>33.2</b> | <b>68.9</b> | <b>17.1</b> | <b>775.0</b> |
| <b>Carrying amounts as of 12/31/2022</b> | <b>379.9</b> | <b>37.8</b> | <b>358.3</b> | <b>29.9</b> | <b>62.6</b> | <b>23.3</b> | <b>891.9</b> |

## Goodwill

Goodwill is allocated to the following groups of cash-generating units:

| EUR m                             | 12/31/2022   | 12/31/2021   |
|-----------------------------------|--------------|--------------|
| Gaming Operations – Germany       | 73.3         | 74.4         |
| Gaming Operations – Italy         | 52.8         | 47.0         |
| Gaming Operations – Spain         | 35.7         | 32.7         |
| Gaming Operations – Great Britain | 27.8         | 27.8         |
| Gaming Operations – Serbia        | 20.9         | 16.8         |
| Gaming Operations – Online        | 18.9         | 10.3         |
| Gaming Operations – Netherlands   | 16.0         | 14.7         |
| Gaming Operations – Austria       | 5.7          | 1.1          |
| Gaming Technology – Germany       | 5.9          | 5.9          |
| Gaming Technology – Italy         | 77.0         | 25.0         |
| Gaming Technology – Spain         | 7.0          | 7.0          |
| Gaming Technology – Great Britain | 4.5          | 5.0          |
| Gaming Technology – Online        | 9.3          | 1.7          |
| Gaming Technology – Ainsworth     | 11.4         | 10.6         |
| Other                             | 13.6         | 13.1         |
| <b>Total</b>                      | <b>379.9</b> | <b>293.2</b> |

Goodwill with a single value below EUR 4.0 million is summarized under “Other.”

## Intangible Assets with Indefinite Useful Lives

Intangible assets include licenses amounting to EUR 208.7 million (previous year: EUR 208.9 million) and trademarks amounting to EUR 27.5 million (previous year: EUR 27.5 million) with indefinite useful lives. The licenses and trademarks are allocated to the following groups of cash-generating units. Single values below EUR 4.0 million are summarized under “Other”.

| Licenses<br>EUR m                 | 12/31/2022   | 12/31/2021   |
|-----------------------------------|--------------|--------------|
| Gaming Operations – Great Britain | 134.7        | 137.1        |
| Gaming Operations – Latvia        | 18.6         | 18.6         |
| Gaming Operations – Spain         | 51.4         | 49.1         |
| Other                             | 4.0          | 4.1          |
| <b>Total</b>                      | <b>208.7</b> | <b>208.9</b> |

| Trademarks<br>EUR m           | 12/31/2022  | 12/31/2021  |
|-------------------------------|-------------|-------------|
| Gaming Technology – Ainsworth | 25.1        | 25.3        |
| Other                         | 2.4         | 2.2         |
| <b>Total</b>                  | <b>27.5</b> | <b>27.5</b> |

The useful life of the preceding intangible assets is indefinite because there is no prospect of an end to their economic use at the moment.

### Impairments and Reversals of Impairments

Details concerning impairment tests for intangible assets may be found under note (7.4).

### Research and Development Expenses

Internally generated intangible assets are only capitalized if the criteria stipulated by IAS 38.57 are fulfilled. In the 2022 fiscal year, non-capitalizable development costs of EUR 111.2 million (previous year: EUR 101.9 million) were expensed under "Personnel expenses" and "Other operating expenses".

### (7.2) Right-of-Use Assets

The right-of-use assets recognized in connection with IFRS 16 Leases relate to the following types of assets:

| EUR m                                      | Real estate  | Gaming devices | Office and<br>business equipment,<br>vehicle fleet | Total        |
|--|--------------|----------------|--|--------------|
| As of 1/1/2022                             | 504.6        | 21.0           | 5.6  | 531.2        |
| Currency translation adjustments           | -2.5         | 0.0            | 0.0  | -2.5         |
| Acquisitions through business combinations | 29.6         | 0.2            | 0.6  | 30.4         |
| Additions                                  | 171.2        | 11.9           | 3.6  | 186.7        |
| Disposals                                  | -31.7        | -2.2           | -0.3   | -34.2        |
| Depreciation/amortization                  | -96.0        | -9.4           | -3.3   | -108.7       |
| Impairment                                 | -45.0        | 0.0            | 0.0  | -45.0        |
| Reversal of an impairment                  | 10.8         | 0.5            | 0.0  | 11.3         |
| <b>As of 12/31/2022</b>                    | <b>541.0</b> | <b>21.9</b>    | <b>6.3</b>   | <b>569.2</b> |

The right-of-use assets stem primarily from the large number of gaming facilities operated (comprising slot arcades, casinos, sports betting outlets and bingo operations), most of which were rented from third parties. The underlying leases are negotiated individually and include a range of different conditions.

## (7.3) Property, Plant and Equipment in EUR m

|  | Land and buildings | Plant and machinery | Factory and office equipment | Prepayments and property under construction | Total          |
|--|--------------------|---------------------|------------------------------|---|----------------|
| Acquisition costs                          |                    |                     |                              |   |                |
| As of 1/1/2021                             | 879.5              | 1,131.0             | 552.8                        | 51.0  | 2,614.4        |
| Currency translation adjustments           | 6.3                | 10.7                | 3.6                          | 0.0   | 20.6           |
| Acquisitions through business combinations | 2.7                | 3.3                 | 3.6                          | 0.0   | 9.5            |
| Additions                                  | 40.2               | 115.9               | 42.6                         | 23.7  | 222.5          |
| Disposals                                  | -36.2              | -146.9              | -45.9                        | -5.7  | -234.7         |
| Reclassifications                          | 4.3                | 15.1                | 1.9                          | -21.2                                       | 0.2            |
| <b>As of 12/31/2021</b>                    | <b>896.8</b>       | <b>1,129.1</b>      | <b>558.7</b>                 | <b>47.9</b>                                 | <b>2,632.4</b> |
| Acquisition costs                          |                    |                     |                              |   |                |
| As of 1/1/2022                             | 896.8              | 1,129.1             | 558.7                        | 47.9  | 2,632.4        |
| Currency translation adjustments           | -1.3               | 1.9                 | -1.8                         | 0.0   | -1.2           |
| Acquisitions through business combinations | 9.4                | 2.6                 | 5.9                          | 0.0   | 17.9           |
| Additions                                  | 53.4               | 132.1               | 66.8                         | 40.5  | 292.8          |
| Disposals                                  | -35.6              | -120.8              | -40.8                        | -11.7                                       | -209.0         |
| Reclassifications                          | 21.3               | 5.3                 | 5.5                          | -27.5                                       | 4.7            |
| <b>As of 12/31/2022</b>                    | <b>943.9</b>       | <b>1,150.2</b>      | <b>594.3</b>                 | <b>49.2</b>                                 | <b>2,737.6</b> |
| Accumulated amortization                   |                    |                     |                              |   |                |
| As of 1/1/2021                             | 504.6              | 781.2               | 417.1                        | 23.0  | 1,725.9        |
| Currency translation adjustments           | 2.4                | 8.0                 | 2.2                          | 0.0   | 12.7           |
| Acquisitions through business combinations | 0.9                | 1.8                 | 1.4                          | 0.0   | 4.0            |
| Depreciation/amortization                  | 35.1               | 151.2               | 42.5                         | 0.0   | 228.7          |
| Impairment                                 | 5.7                | 3.7                 | 3.4                          | 7.3   | 20.1           |
| Disposals                                  | -29.3              | -111.0              | -34.3                        | 0.0   | -174.7         |
| Reclassifications                          | -0.1               | 5.9                 | -3.3                         | -2.7  | -0.1           |
| Reversal of an impairment                  | -1.3               | -1.2                | -0.1                         | -7.7  | -10.2          |
| <b>As of 12/31/2021</b>                    | <b>518.1</b>       | <b>839.6</b>        | <b>428.9</b>                 | <b>19.9</b>                                 | <b>1,806.5</b> |
| Accumulated amortization                   |                    |                     |                              |   |                |
| As of 1/1/2022                             | 518.1              | 839.6               | 428.9                        | 19.9  | 1,806.4        |
| Currency translation adjustments           | -1.5               | 1.0                 | -1.4                         | 0.0   | -1.9           |
| Acquisitions through business combinations | 0.4                | 1.2                 | 2.6                          | 0.0   | 4.2            |
| Depreciation/amortization                  | 37.0               | 131.3               | 43.3                         | 0.0   | 211.6          |
| Impairment                                 | 8.1                | 7.6                 | 3.1                          | 2.9   | 21.8           |
| Disposals                                  | -28.5              | -103.1              | -29.6                        | -5.8  | -167.0         |
| Reclassifications                          | 1.2                | -3.3                | 3.8                          | -0.5  | 1.3            |
| Reversal of an impairment                  | -2.5               | -0.4                | -1.6                         | -1.8  | -6.3           |
| <b>As of 12/31/2022</b>                    | <b>532.3</b>       | <b>873.8</b>        | <b>449.2</b>                 | <b>14.8</b>                                 | <b>1,870.1</b> |
| <b>Carrying amounts as of 12/31/2021</b>   | <b>378.7</b>       | <b>289.4</b>        | <b>129.8</b>                 | <b>28.0</b>                                 | <b>825.9</b>   |
| <b>Carrying amounts as of 12/31/2022</b>   | <b>411.7</b>       | <b>276.3</b>        | <b>145.2</b>                 | <b>34.4</b>                                 | <b>867.5</b>   |

Plant and machinery contains slot machines with a book value of EUR 266.9 million (previous year: EUR 277.5 million) for the Group's own operations and rental.



## Impairments and Reversals of Impairments

Details concerning impairment tests for property, plant and equipment may be found under note (7.4).

### (7.4) Impairments and Reversals of Impairments

#### 7.4.1 Calculation Model and Principles

The recoverable amount is the higher value of the fair value less costs to sell and the value-in-use. Where capitalized earnings methods are applied, cash flow projections for a five-year period based on financial plans approved by the management are used. The cash flow projections are based on the detailed budget for the following fiscal year as well as forecasts for the subsequent four years derived therefrom. The main assumptions are based on the previous fiscal year, experiences of comparable businesses and the overall economic development. During the planning period, these base values are increased by development improvements estimated by the management in light of comparable projects, market potentials and risks.

Cash flows occurring after this detailed planning period of five years are calculated with a growth rate of 0.00 percent to 4.00 percent and, finally, on the basis of a perpetual annuity without a growth rate. The discount rates used for the cash flow forecasts are post-tax interest rates when calculating the fair value less costs to sell and pre-tax interest rates when calculating the value-in-use, taking respective country-specific risks into consideration.

In 2022, the volatile business development of the previous periods continued. While in the first half of the year restrictions in connection with the COVID-19 pandemic were largely lifted in all markets in which the NOVOMATIC AG Group operates, renewed COVID-19 outbreaks in China led to strict lockdown regulations, some of which continued until December. The resulting bottlenecks in global supply chains and the war between Russia and Ukraine that broke out in February led to high price volatility and rising overall inflation in all markets. This rise in inflation was countered in the markets relevant to the Group by an increase in key interest rates.

The effects of these influencing factors were evaluated and taken into account in the cash flow forecasts in accordance with management's assessment. This was based on experience to date, external expert forecasts and ongoing analyses of the respective market situation.

The recognized recoverable amounts of the (groups of) cash-generating units therefore correspond to Level 3 of the valuation hierarchy.

| Groups of cash-generating units   | Recoverable amount           | Discount rate     | Pre-tax/post-tax interest rate                           |
|-----------------------------------|------------------------------|-------------------|--|
| Gaming Operations – Germany       | Value-in-use                 | 12.14 %           | Pre-tax interest rate (09/30)                            |
| Gaming Operations – Great Britain | Value-in-use                 | 13.17 %           | Pre-tax interest rate (09/30)                            |
| Gaming Operations – Italy**       | Value-in-use                 | 16.42 %           | Pre-tax interest rate (12/31)                            |
| Gaming Operations – Netherlands   | Value-in-use                 | 12.80 %           | Pre-tax interest rate (09/30)                            |
| Gaming Operations – Online        | Value-in-use                 | 15.65 %           | Pre-tax interest rate (09/30)                            |
| Gaming Operations – Serbia**      | Value-in-use                 | 15.70 %           | Pre-tax interest rate (12/31)                            |
| Gaming Operations – Spain         | Value-in-use                 | 15.34 %           | Pre-tax interest rate (09/30)                            |
| Gaming Operations – Austria       | Value-in-use                 | 13.54 %           | Pre-tax interest rate (09/30)                            |
| Gaming Technology – Germany       | Value-in-use                 | 14.77 %           | Pre-tax interest rate (09/30)                            |
| Gaming Technology – Great Britain | Value-in-use                 | 13.34 %           | Pre-tax interest rate (09/30)                            |
| Gaming Technology – Italy**       | Value-in-use                 | 18.36 %           | Pre-tax interest rate (12/31)                            |
| Gaming Technology – Online**      | Value-in-use                 | 13.82 %           | Pre-tax interest rate (12/31)                            |
| Gaming Technology – Spain         | Value-in-use                 | 15.80 %           | Pre-tax interest rate (09/30)                            |
| Gaming Technology – Ainsworth     | Value-in-use                 | 17.88 %           | Pre-tax interest rate (12/31)                            |
| Other                             | Fair value* and value-in-use | 9.09 % to 35.88 % | Post-tax interest rate and pre-tax interest rate (09/30) |

\* Fair value less costs to sell

\*\* In addition to the valuation as of September 30, a calculation as of December 31 was performed on an extraordinary basis due to significant acquisitions in the fourth quarter.

#### 7.4.2 Goodwill and Intangible Assets with Indefinite Useful Lives

The comparison of carrying amounts with the recoverable amounts for the (groups of) cash-generating units that was undertaken as part of the annual impairment test for goodwill and intangible assets with indefinite useful lives, which was carried out on September 30, 2022, resulted in an impairment to the amount of EUR 1.8 million (previous year: EUR 5.5 million). The underlying cash flow forecasts are based on the financial plans approved by the company management (detailed budget for the following fiscal year and the derived forecasts for the subsequent four years).

The impairment losses recognized relate to the (group of) cash-generating units Gaming Operations – Germany of EUR 1.3 million as well as Gaming Operations – Italy of EUR 0.5 million (previous year: EUR 5.5 million).

Goodwill and intangible assets with indefinite useful lives resulting from acquisitions or the occurrence of a triggering event after September 30, 2022 were tested for impairment as of December 31, 2022. No required impairment was identified.

In addition, the impairment test for the (group of) cash-generating units Gaming Technology – Ainsworth was performed on December 31, 2022. This did not result in any impairment losses in the fiscal year.

- The capital costs considered in the model (WACC before tax) are 17,88 percent.
- The growth rate considered in the model is 0.00 percent per annum.

For the (group of) cash-generating units Gaming Technology – Spain, the recoverable amount (value in use) exceeds the assets to be covered by EUR 1.9 million as of September 30. In the previous year, the recoverable amount (value in use) corresponded to the assets to be covered.

### 7.4.3 (Other) Intangible Assets, Right-of-Use Assets, and Property, Plant and Equipment

The impairment tests carried out led to impairment losses of EUR 81.7 million on (other) intangible assets, rights-of-use assets, and property, plant and equipment (including investment property (previous year: EUR 62.7 million) and reversals of impairment losses of EUR 22.5 million (previous year: EUR 50.0 million). The impairments (with an individual value of EUR 4.0 million) relate to the (group of) cash-generating units Gaming Operations – Germany at EUR 53.0 million (previous year: EUR 20.0 million), Gaming Operations – Italy at EUR 10.2 million (previous year: EUR 4.5 million), Gaming Technology – Ainsworth at EUR 6.1 million (previous year: EUR 15.3 million), as well as Gaming Operations – Latvia at EUR 4.4 million (previous year: EUR 3.7 million). The impairments (with an individual value of EUR 4.0 million) relate to the (group of) cash-generating units Gaming Operations – Germany at EUR 12.3 million (previous year: EUR 17.5 million), Gaming Operations – Italy at EUR 5.2 million (previous year: EUR 0.0 million).

The following takes a closer look at selected core markets.

#### Gaming Operations Germany

In the Gaming Operations segment, NOVOMATIC had a strong market position with its German operating companies. In Germany, the new State Treaty on Gaming came into force on July 1, 2021, which sets out a new legal framework for gaming. The state-specific implementation provisions and transitional regulations for existing gaming arcades vary. In the years prior to the entry into force of the new State Treaty on Gaming, there had already been a noticeable contraction in the slot arcade market as a result of stricter regulations.

As in previous years, impairment tests were carried out in 2022 for the assets of the German operating companies. Following the gradual phasing out of COVID-19-related restrictions, the situation of individual slot arcade locations was reassessed. Persistently high inflation and rising consumer costs have dampened customers' mood for gaming. The regulatory environment made business development even more difficult. The work to verify customer eligibility to play on the basis of a query to the central player suspension file OASIS, which was only introduced gradually by the operations, led to distortions of competition until it was fully implemented across the board. Added to this were state-specific laws, such as the German Non-Smoker Protection Act in Lower Saxony, which had a significant impact on the market there.

The impairment tests as at June 20 and December 31 included those slot arcade locations of the operating companies active in commercial electronic casino gaming for which a triggering event was identified, taking into account the new legal regulations and the current economic situation.

In total, impairment losses of EUR 53.0 million and write-ups of EUR 12.3 million were recognized in the fiscal year. The highest share in terms of amount is attributable to impairment losses and write-ups on the right-of-use assets of the rental locations.

An impairment test was also carried out on the assets (in particular the goodwill) of the cash-generating unit Gaming Operations – Germany, resulting in a clear surplus.

- The capital costs considered in the model (WACC before tax) are 12,14 percent.
- The growth rate considered in the model is 4.00 percent per annum.

### Gaming Technology – Ainsworth

The financial planning for a planning period of five years prepared by Ainsworth Game Technology Ltd. was used as the basis for the impairment test. The current business development was taken into account when preparing the financial plan.

In the wake of the COVID-19 pandemic, business activity in the regions was affected to varying degrees in Ainsworth Game Technology Ltd.'s area of operations. Business development was re-evaluated as the restrictions came to an end. Triggering events were identified for this reason as of June 30 and December 31. In particular, the expected business development in the markets of Latin America, Australia and the Rest of the World led to write-downs of EUR 6.1 million (previous year: EUR 15.3 million).

Based on the standard impairment test as of December 31, no additional impairment losses needed to be recognized for the (group of) cash-generating units Gaming Technology – Ainsworth. The overall expected business development is mainly influenced by the positively forecasted development in the North American market.

A sensitivity analysis was performed as part of the impairment test, By changing key input factors (e.g., discount rate), ranges for the corporate value were determined. Thus, a change of +100 basis points (EUR -24.5 million) and -100 basis points (EUR +29.5 million) was measured for the discount rate.

#### (7.5) Investment Property

| EUR m                            | 12/31/2022  | 12/31/2021  |
|----------------------------------|-------------|-------------|
| Balance as of 1/1                | 25.9        | 25.9        |
| Currency translation adjustments | -0.3        | 0.5         |
| Additions                        | 0.0         | 1.8         |
| Reclassifications                | -1.9        | -0.3        |
| Depreciation/amortization        | -0.8        | -0.9        |
| Impairment                       | -0.6        | -1.1        |
| Reversal of an impairment        | 0.1         | 0.0         |
| <b>Balance as of 12/31</b>       | <b>22.5</b> | <b>25.9</b> |

Investment property denotes land and buildings held but not used in business operations. Gross carrying amounts come to EUR 42.0 million (previous year: EUR 45.2 million) and accumulated depreciation to EUR 19.4 million (previous year: EUR 19.3 million). Largely external valuation reports from regional independent experts were created to determine the fair value. If the underlying assumptions have not materially changed, the reports are not updated. The fair value (fair value hierarchy level 3) amounts to a total of EUR 23.3 million (previous year: 25.9 EUR million).

#### (7.6) Investments in Associated Companies

| EUR m                             | 12/31/2022 | 12/31/2021 |
|-----------------------------------|------------|------------|
| Balance as of 1/1                 | 2.8        | 2.2        |
| Additions                         | 3.0        | 0.0        |
| Share of post-acquisition profits | 0.8        | 0.6        |
| <b>Balance as of 12/31</b>        | <b>6.7</b> | <b>2.8</b> |

The companies recognized using the equity method on the consolidated balance sheet are shown in the investment schedule. The following table shows the basic data from the balance sheet and profit and loss account of the companies recognized at equity, whereas the data corresponds to 100 percent and not to the percentage of shares owned by NOVOMATIC Group in associated companies:

| EUR m         | 12/31/2022 | 12/31/2021 |
|---------------|------------|------------|
| Assets        | 44.3       | 27.1       |
| Liabilities   | 31.0       | 18.2       |
| Revenues      | 59.5       | 10.4       |
| Annual result | 2.3        | 1.8        |

#### (7.7) Financial Assets

| EUR m   | 12/31/2022   | 12/31/2021   |
|---|--------------|--------------|
| Investments in affiliated companies, non-consolidated | 10.4         | 10.4         |
| Securities  | 26.3         | 26.0         |
| Other investments                                     | 170.1        | 187.1        |
| <b>Total</b>  | <b>206.8</b> | <b>223.6</b> |

The NOVOMATIC Group indirectly holds a 9.45 percent interest in Österreichische Lotterien Gesellschaft m.b.H. (ÖLG) which is recognized under "Other investments" with a fair value of EUR 152.0 million (previous year: EUR 162.5 million).

The securities primarily comprise stocks and promissory notes. They are not subject to any restraint of disposal.

#### (7.8) Taxes

Current taxes:

| EUR m                   | 12/31/2022 | 12/31/2021 |
|-------------------------|------------|------------|
| Current tax receivables | 24.2       | 15.8       |
| Current tax liabilities | 51.1       | 37.0       |

Deferred taxes:

| EUR m                    | 12/31/2022  | 12/31/2021  |
|--------------------------|-------------|-------------|
| Deferred tax assets      | 138.3       | 141.8       |
| Deferred tax liabilities | -126.4      | -122.9      |
| <b>Total</b>             | <b>11.9</b> | <b>18.9</b> |

Deferred tax assets and liabilities result from the following temporary valuation and accounting differences between the carrying amounts of the financial statement prepared according to IFRS and their respective tax bases.

| EUR m                                | 12/31/2022  | 12/31/2021  |
|--------------------------------------|-------------|-------------|
| Intangible assets                    | -87.7       | -80.4       |
| Right-of-use assets                  | -131.7      | -120.5      |
| Property, plant and equipment        | 11.4        | 17.8        |
| Financial assets                     | -13.9       | -20.8       |
| Other non-current assets             | 1.4         | -0.7        |
| Inventories                          | 13.6        | 9.4         |
| Current financial assets             | -0.8        | 1.0         |
| Trade and other receivables          | 10.6        | 6.4         |
| Non-current financial liabilities    | 1.8         | -1.5        |
| Non-current lease liabilities        | 127.9       | 115.6       |
| Other non-current liabilities        | 0.2         | 3.4         |
| Non-current provisions               | 1.3         | 7.6         |
| Current financial liabilities        | 0.2         | -0.3        |
| Current lease liabilities            | 22.4        | 23.9        |
| Current provisions                   | 0.7         | 0.4         |
| Trade payables and other liabilities | 10.9        | 7.9         |
| Tax loss carry forward               | 43.8        | 49.7        |
| <b>Total</b>                         | <b>11.9</b> | <b>18.9</b> |

Income taxes recognized directly in other comprehensive income:

| EUR m  | 2022  | 2021  |
|--|-------|-------|
| Revaluation of financial assets                    | -14.9 | -20.4 |
| Remeasurement of the net defined benefit liability | 3.6   | 4.9   |

Deferred taxes are non-current at EUR -45.6 million (previous year: EUR -29.7 million) and current at EUR 57.5 million (previous year: EUR 48.6 million).

In accordance with IAS 12, deferred tax assets on the existing loss carryforwards totaling EUR 43.8 million (previous year: EUR 49.7 million) were capitalized, as these can be set off against future taxable profits. Tax assets are netted with tax liabilities if they concern the same tax authority, and if the right and intention to offset exist.

In 2022, subsidiaries that incurred losses in the current year or the previous years carried forward tax losses in the amount of EUR 768.7 million (previous year: EUR 702.0 million) that can no longer be utilized. Unrecognized deferred taxes for tax losses therefore amounted to EUR 187.4 million (previous year: EUR 173.4 million).

No deferred tax liabilities were recognized on temporary differences between the Group's share of IFRS equity and the tax base of the subsidiaries amounting to EUR 260.8 million (previous year: EUR 219.7 million), as the Group is able to control the timing of the reversal of the temporary differences and the temporary differences are unlikely to reverse in the foreseeable future.

**(7.9) Other Non-Current Assets**

| EUR m                                  | 12/31/2022   | 12/31/2021  |
|--|--------------|-------------|
| Loans                                  | 19.9         | 21.5        |
| Finance lease receivables              | 17.4         | 13.9        |
| Purchase price receivables             | 0.2          | 4.5         |
| Deposits with gaming authorities       | 34.2         | 9.0         |
| Miscellaneous other non-current assets | 15.3         | 12.5        |
| Trade receivables                      | 34.5         | 35.7        |
| <b>Total</b>                           | <b>121.5</b> | <b>97.2</b> |

Trade receivables of EUR 34.5 million (previous year: EUR 35.7 million) relate to sales transactions with long-term payment terms. The gross carrying amounts of EUR 38.8 million (previous year: EUR 40.0 million) were reduced by impairment losses of EUR -4.3 million (previous year: EUR -4.3 million), corresponding to an expected loss rate of 11.1 % (previous year: 10.8 %).

Finance lease receivables arise from agreements with customers for gaming machines. Please see Note (12) for information on the maturities.

**(7.10) Inventories**

| EUR m                          | 12/31/2022   | 12/31/2021   |
|--------------------------------|--------------|--------------|
| Raw materials and supplies     | 196.0        | 110.7        |
| Work-in-progress               | 18.5         | 17.8         |
| Finished goods and trade goods | 116.5        | 114.0        |
| Prepayments                    | 1.9          | 2.0          |
| <b>Total</b>                   | <b>332.9</b> | <b>244.5</b> |

The inventory total includes inventory write-downs amounting to EUR 82.8 million (previous year: EUR 83.4 million).

**(7.11) Trade Receivables, other Receivables and Assets**

| EUR m  | 12/31/2022   | 12/31/2021   |
|--|--------------|--------------|
| Trade receivables                                      | 296.6        | 244.8        |
| Receivables from non-consolidated affiliated companies | 0.7          | 10.6         |
| Contract assets  | 0.2          | 0.6          |
| Prepaid expenses                                       | 43.1         | 37.3         |
| Purchase price receivables                             | 4.2          | 1.2          |
| Precious metals  | 54.7         | 51.3         |
| Other tax receivables, excluding income taxes          | 10.0         | 55.9         |
| Other current receivables and assets                   | 101.0        | 82.3         |
| <b>Total</b>   | <b>510.5</b> | <b>484.1</b> |

Trade receivables and valuation allowances are broken down as follows:

| EUR m                          |              |              |                     | 12/31/2022   |
|--------------------------------|--------------|--------------|---------------------|--------------|
|                                | Gross amount | Allowances   | Expected loss ratio | Book value   |
| Receivables not overdue        | 182.9        | -11.6        | 6.4 %               | 171.2        |
| overdue up to 30 Days          | 58.1         | -2.4         | 4.1 %               | 55.8         |
| overdue between 30 and 60 Days | 10.6         | -1.0         | 9.6 %               | 9.6          |
| overdue between 60 and 90 Days | 8.5          | -0.5         | 5.4 %               | 8.1          |
| overdue for more than 90 Days  | 111.4        | -59.4        | 53.4 %              | 52.0         |
| <b>Total</b>                   | <b>371.5</b> | <b>-74.9</b> |                     | <b>296.6</b> |

| EUR m                          |              |              |                     | 12/31/2021   |
|--------------------------------|--------------|--------------|---------------------|--------------|
|                                | Gross amount | Allowances   | Expected loss ratio | Book value   |
| Receivables not overdue        | 131.2        | -11.7        | 9.0 %               | 119.4        |
| overdue up to 30 Days          | 37.5         | -5.6         | 14.8 %              | 32.0         |
| overdue between 30 and 60 Days | 14.4         | -1.8         | 12.8 %              | 12.6         |
| overdue between 60 and 90 Days | 11.6         | -1.2         | 10.5 %              | 10.4         |
| overdue for more than 90 Days  | 103.4        | -33.0        | 31.9 %              | 70.4         |
| <b>Total</b>                   | <b>298.2</b> | <b>-53.4</b> |                     | <b>244.8</b> |

The reported trade receivables include write-downs amounting to EUR -74.9 million (previous year: EUR -53.4 million). The impairment expenses for the reporting period are recognized as other operating expenses in the profit and loss account.

Receivables from non-consolidated affiliated companies include trade receivables of EUR 0.6 million (previous year: EUR 10.6 million).

The prepaid expenses amounting consist in particular of capitalized discounts and expenditures pertaining to 2023 and the following years.

Precious metals with a carrying amount of EUR 54.7 million (previous year: EUR 51.3 million) are measured at the respective traded market value (fair value hierarchy level 1) through profit or loss. The change in value of EUR 3.4 million (previous year: EUR 2.0 million) resulting from the subsequent measurement of precious metals is recognized under other operating income.



Other current receivables and assets are comprised primarily of the offset with payment service providers, prepayments and deferred income.

#### (7.12) Current Financial Assets

| EUR m                          | 12/31/2022  | 12/31/2021  |
|--------------------------------|-------------|-------------|
| Securities                     | 0.5         | 1.1         |
| Loans                          | 3.3         | 3.6         |
| Finance lease receivables      | 15.3        | 8.1         |
| Derivatives                    | 0.0         | 0.1         |
| Other current financial assets | 0.1         | 0.2         |
| <b>Total</b>                   | <b>19.1</b> | <b>13.0</b> |

#### (7.13) Cash and Cash Equivalents

| EUR m        | 12/31/2022   | 12/31/2021   |
|--------------|--------------|--------------|
| Cash         | 179.5        | 132.9        |
| Bank deposit | 431.5        | 430.1        |
| <b>Total</b> | <b>611.0</b> | <b>563.0</b> |

The stated cash in the amount of EUR 179.5 million (previous year: EUR 132.9 million) largely serves as cash reserves and base filling of the gaming machines at the various gaming establishments.

#### (7.14) Share Capital

The share capital of EUR 26.6 million (previous year: EUR 26.6 million) is fully paid up and is divided into 26,590,000 registered no-par value bearer shares. Each share corresponds to EUR 1.0 of the share capital.

#### (7.15) Capital Reserves

The capital reserves of EUR 85.4 million (previous year: EUR 85.4 million) are tied-up reserves.

#### (7.16) Retained Earnings

The retained earnings consist of the Group's consolidated profit for the year and of the accumulated profits from previous periods. Retained earnings also include the revaluation of the net defined benefit liability of EUR -10.1 million (previous year: EUR -13.4 million), with the change of EUR 3.3 million (previous year: EUR 0.1 million) recognized in other comprehensive income.

The dividend distribution from the balance sheet profit of NOVOMATIC AG of EUR 50 million is planned in accordance with the Austrian Commercial Code (UGB).

#### (7.17) Revaluation Reserve

The revaluation reserve includes the revaluation of financial assets (FVTOCI) of EUR 54.7 million (previous year: EUR 66.4 million), with the change of EUR -11.7 million (previous year: EUR 39.0 million) recognized in other comprehensive income.

**(7.18) Currency Translation Adjustment**

Upon consolidation, differences from the translation of foreign subsidiaries at the exchange rates prevailing on the balance sheet date are transferred to this position. For the 2022 fiscal year, changes in the currency translation adjustment amount to EUR -15.6 million (previous year: EUR 15.4 million) in other comprehensive income.

**(7.19) Non-Controlling Interests**

Non-controlling interests consist of the interests in equity of consolidated subsidiaries held by other shareholders. The portion allocable to the non-controlling interests from change of foreign currency translation adjustments in the amount of EUR 2.0 million (previous year: EUR 3.4 million) is stated in other comprehensive income.

Subsidiaries with non-controlling interests:

| EUR m  | 12/31/2022                    |  |                                      | 12/31/2021                    |  |                                      |
|--|-------------------------------|--|--------------------------------------|-------------------------------|--|--------------------------------------|
|  | Non-controlling interests (%) | Net income attributable to non-controlling interests Profit / Loss | Accumulated non-controlling interest | Non-controlling interests (%) | Net income attributable to non-controlling interests Profit / Loss | Accumulated non-controlling interest |
| <b>Gaming Technology</b>                     |                               |  |                                      |                               |  |                                      |
| Ainsworth Game Technology Limited, Australia | 47.1 %                        | 0.8  | 110.9                                | 47.1 %                        | 8.9  | 108.1                                |
| Yhank Capital S.r.l., Italy                  | 20.0 %                        | 1.0  | 9.4                                  |                               |  |                                      |
| <b>Gaming Operations</b>                     |                               |  |                                      |                               |  |                                      |
| Admiralu Klubs SIA, Latvia                   | 40.0 %                        | 0.2  | 22.5                                 | 40 %                          | -1.5   | 22.3                                 |
| Alfor SIA, Lettland                          | 40.0 %                        | 2.9  | 8.1                                  | 40 %                          | -5.4   | 5.2                                  |
| <b>Marginal non-controlling interest</b>     |                               | <b>2.1</b>   | <b>10.0</b>                          |                               | <b>-2.7</b>  | <b>7.0</b>                           |
|  |                               | <b>7.1</b>   | <b>160.8</b>                         |                               | <b>-0.7</b>  | <b>142.6</b>                         |

A summary of financial information regarding Group subsidiaries with significant non-controlling interests (before Group-internal elimination) is presented in the following table:

| EUR m                                      | 12/31/2022                     |  |                               |                   |
|--|--------------------------------|--|-------------------------------|-------------------|
|  | Yhank Capital S.r.l.,<br>Italy | Ainsworth Game<br>Technology<br>Limited, Australia | Admiralu Klubs<br>SIA, Latvia | Alfor SIA, Latvia |
| <b>Balance sheet</b>                       |                                |  |                               |                   |
| Non-current assets                         | 134.3                          | 172.8  | 55.4                          | 28.5              |
| Current assets                             | 100.0                          | 145.0  | 6.1                           | 14.7              |
| Non-current liabilities                    | 53.5                           | 25.7   | 2.6                           | 10.0              |
| Current liabilities                        | 135.2                          | 58.7   | 2.6                           | 13.0              |
| <b>Income statement</b>                    |                                |  |                               |                   |
| Revenues                                   | 21.5                           | 160.7  | 12.1                          | 42.4              |
| Annual result                              | 4.4                            | 1.7  | 0.6                           | 7.3               |
| Dividends paid to non-controlling interest | 0.0                            | 0.0  | 0.0                           | 0.0               |
| <b>Cash flow</b>                           |                                |  |                               |                   |
| from operating activities                  | -2.6                           | 13.7   | 1.5                           | 7.7               |
| from investing activities                  | 6.2                            | -13.7  | -0.1                          | -6.6              |
| from financing activities                  | 17.5                           | -10.7  | -1.7                          | 2.0               |
| Net change in cash and cash equivalents    | 21.1                           | -10.7  | -0.4                          | 3.0               |

| EUR m                                      | 12/31/2021   |                                 |                     |
|--|--|---------------------------------|---------------------|
|  | Ainsworth Game<br>Technology<br>Limited, Australia | Admiralu Klubs<br>SIA, Lettland | Alfor SIA, Lettland |
| <b>Balance sheet</b>                       |  |                                 |                     |
| Non-current assets                         | 177.9  | 58.0                            | 27.4                |
| Current assets                             | 119.7  | 4.8                             | 6.8                 |
| Non-current liabilities                    | 38.7   | 4.5                             | 8.5                 |
| Current liabilities                        | 31.3   | 2.4                             | 12.9                |
| <b>Income statement</b>                    |  |                                 |                     |
| Revenues                                   | 118.9  | 1.4                             | 11.1                |
| Annual result                              | 18.9   | -3.7                            | -13.6               |
| Dividends paid to non-controlling interest | 0.0  | -0.6                            | -0.2                |
| <b>Cash flow</b>                           |  |                                 |                     |
| from operating activities                  | 35.4   | -0.6                            | -4.0                |
| from investing activities                  | -7.5   | -1.7                            | -3.6                |
| from financing activities                  | -18.5  | -2.9                            | 0.8                 |
| Net change in cash and cash equivalents    | 9.4  | -5.2                            | -6.8                |

**(7.20) Non-Current Financial Liabilities**

| EUR m                                 | 12/31/2022   | 12/31/2021     |
|---------------------------------------|--------------|----------------|
| Bonds                                 | 0.0          | 498.1          |
| Bank loans                            | 857.8        | 602.6          |
| Other long-term financial liabilities | 10.1         | 12.3           |
| <b>Total</b>                          | <b>867.9</b> | <b>1,113.0</b> |

In February 2022, NOVOMATIC AG made a buyback offer (buyback against cash payment) to the holders of the bond 2016–2023 (EUR 500 million, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of EUR 262.4 million. After the settlement, bonds with a nominal amount of EUR 237.6 million remain outstanding. The bond is reported under current financial liabilities (7.24).

Bank loans and overdrafts with a term of between 1 and 5 years amount to EUR 857.8 million (previous year: EUR 602.6 million). The fair value of bank loans amounts to EUR 852.1 million (previous year: EUR 604.3 million).

The weighted average interest rate comes to 1.944 percent (previous year: 1.543 percent).

**(7.21) Non-Current Lease Liabilities**

The non-current lease liabilities of EUR 555.5 million (previous year: EUR 504.1 million) result from the application of IFRS 16 Leases. The lease payments are divided into a repayment component and a financing component. The repayment portion is offset against the existing lease liabilities, while the financing component is recognized as interest expense in the income statement.

**(7.22) Non-Current Provisions**

| EUR m                            | 12/31/2022  | 12/31/2021  |
|----------------------------------|-------------|-------------|
| Provision for severance payments | 48.0        | 44.6        |
| Provision for pensions           | 9.2         | 12.6        |
| Provision for jubilee payments   | 8.6         | 9.8         |
| Other non-current provisions     | 7.4         | 7.5         |
| <b>Total</b>                     | <b>73.2</b> | <b>74.6</b> |

**Provision for Severance Payments**

Due to legal or collectively agreed obligations, employees in several countries are entitled to receive severance payments upon termination of employment or upon reaching normal retirement age. Such entitlements depend on their years of service and final compensation levels. For the future liabilities, provisions are generated according to actuarial principles. The valuation was carried out in accordance with IAS 19 using the projected unit credit method with an interest rate of 3.42 percent to 4.15 percent (previous year: 0.8 percent to 1.03 percent) and the assumption of a salary increase of 1.0 percent to 3.75 percent (previous year: 0.8 percent to 2.5 percent). The estimated retirement age refers to the earliest possible retirement age according to local legislation. Discounts due to fluctuations or other circumstances were not included.

Development of the provision for severance payments:

| EUR m   | 12/31/2022  | 12/31/2021  |
|---|-------------|-------------|
| Balance as of 1/1   | 44.6        | 40.6        |
| <b>Amounts recognized in income statement</b>                     |             |             |
| Current service cost (+)  | 4.8         | 8.0         |
| Interest cost (+)   | 0.4         | 0.2         |
| <b>Remeasurement of the period (other comprehensive income)</b>   |             |             |
| Actuarial gains/losses from the change in demographic assumptions | -0.1        | 0.3         |
| Actuarial gains/losses from the change in financial assumptions   | -2.4        | 0.0         |
| Payments (-)  | -5.7        | -4.7        |
| Change in the consolidation scope                                 | 6.4         | 0.1         |
| <b>Present value of obligation as of 12/31</b>                    | <b>48.0</b> | <b>44.6</b> |

Sensitivity analysis for severance payments:

| EUR m           | Change of the parameter | Change in the present value of obligation<br>12/31/2022 |
|-----------------|-------------------------|---|
| Discount rate   | 0.5 %                   | -1.0  |
| Discount rate   | -0.5 %                  | 1.0   |
| Salary increase | 0.5 %                   | 1.0   |
| Salary increase | -0.5 %                  | -1.0  |

As of December 31, 2022, the average maturity of severance obligations is 9 to 10 years (previous year: 10 to 11 years), depending on the country. Payments in the amount of EUR 7.9 million are expected for the next fiscal year (previous year: EUR 6.4 million).

#### Provision for Pensions

Due to individual agreements, some Group companies are obligated to accord a pension allowance to employees beginning with the date of their retirement. The amounts of such entitlements depend on years of service and final compensation levels. Measurement was made pursuant to IAS 19 using the projected unit credit method with an interest rate of up to 3.8 percent (previous year: up to 0.9 percent) and a value adjustment of up to 2.2 percent (previous year: up to 1.75 percent).

Development of the provision for pensions:

| EUR m   | 12/31/2022 | 12/31/2021  |
|---|------------|-------------|
| Balance as of 1/1   | 12.7       | 13.6        |
| <b>Amounts recognized in income statement</b>                     |            |             |
| Current service cost (+)  | 0.1        | 0.1         |
| Interest cost (+)   | 0.1        | 0.1         |
| <b>Remeasurement of the period (other comprehensive income)</b>   |            |             |
| Actuarial gains/losses from the change in demographic assumptions | 0.0        | -0.5        |
| Actuarial gains/losses from the change in financial assumptions   | -2.9       | 0.0         |
| Payments (-)  | -0.8       | -0.5        |
| <b>Present value of obligation as of 12/31</b>                    | <b>9.3</b> | <b>12.7</b> |

Sensitivity analysis for pensions:

| EUR m            | Change of the parameter | Change in the present value of obligation<br>12/31/2022 |
|------------------|-------------------------|---|
| Discount rate    | 0.5 %                   | -0.9  |
| Discount rate    | -0.5 %                  | 1.0   |
| Pension increase | 0.5 %                   | 0.5   |
| Pension increase | -0.5 %                  | -0.4  |

As of December 31, 2022, the average maturity of pension obligations is between less than 1 year and 11 years (previous year: between less than 1 and 14 years), depending on the country. Payments in the amount of EUR 0.5 million (previous year: are expected for the next fiscal year. EUR 0.5 million).

### Provision for Jubilee Payments

After a long period of service with the company, employees are entitled to jubilee payments arising from collective agreements. The valuation of the jubilee payment commitment was carried out with an interest rate of 1.1 percent to 4.15 percent (previous year: 0.95 percent to 1.03 percent) and the assumption of a salary increase of 2.0 percent to 4.0 percent (previous year: 2.0 percent to 4.0 percent). A fluctuation discount based on an internal statistic concerning withdrawals of the previous three years and considering probable individual continuance in the company until the jubilee payment is due was taken into account.

Development of the provision for jubilee payments:

| EUR m  | 12/31/2022 | 12/31/2021 |
|--|------------|------------|
| Balance as of 1/1                              | 9.9        | 9.3        |
| <b>Amounts recognized in income statement</b>  |            |            |
| Current service cost (+)                       | 1.0        | 1.2        |
| Interest cost (+)                              | 0.3        | 0.7        |
| Actuarial gains/losses                         | -2.0       | -0.9       |
| Payments (-)                                   | -0.4       | -0.4       |
| <b>Present value of obligation as of 12/31</b> | <b>8.7</b> | <b>9.9</b> |

### Other Non-Current Provisions

The other non-current provisions essentially concern provisions for anticipated restoration and dismantling obligations. The development of other non-current provisions is shown below:

| EUR m                             | 12/31/2022 | 12/31/2021 |
|-----------------------------------|------------|------------|
| Balance as of 1/1                 | 7.5        | 13.9       |
| Currency translation adjustments  | -0.2       | 0.2        |
| Change in the consolidation scope | 0.2        | -0.1       |
| Utilization                       | -1.2       | -4.4       |
| Disposal                          | -1.4       | -4.9       |
| Allocation                        | 2.4        | 2.8        |
| <b>Balance as of 12/31</b>        | <b>7.4</b> | <b>7.5</b> |

**(7.23) Other Non-Current Liabilities**

| EUR m                         | 12/31/2022  | 12/31/2021  |
|-------------------------------|-------------|-------------|
| Deferred income               | 4.5         | 1.1         |
| Other non-current liabilities | 12.8        | 6.3         |
| Purchase price obligations    | 62.7        | 14.6        |
| <b>Total</b>                  | <b>80.0</b> | <b>22.1</b> |

Other non-current liabilities mainly include settlements with business partners as well as deposits received.

Purchase price obligations cover contingent considerations from business combinations, purchase price components from business combinations not yet due as well as obligations from written put options for non-controlling interests.

**(7.24) Current Financial Liabilities**

| EUR m                            | 12/31/2022   | 12/31/2021   |
|----------------------------------|--------------|--------------|
| Bond                             | 237.0        | 0.0          |
| Short-term bank liabilities      | 204.4        | 316.8        |
| Short-term financial liabilities | 7.9          | 4.7          |
| Derivatives                      | 0.9          | 0.0          |
| <b>Total</b>                     | <b>450.1</b> | <b>321.5</b> |

The terms of the bond issued by NOVOMATIC AG are:

|                          |                   |
|--------------------------|-------------------|
| Nominal value            | EUR 237.6m        |
| Term                     | 2016–2023         |
| Denomination             | EUR 500.–         |
| Normal interest rate     | 1,625 % p.a.      |
| Coupon                   | 09/20 every year  |
| Redemption               | 09/20/2023 bullet |
| Closing price 12/31/2022 | EUR 98.8600       |
| ISIN                     | AT0000A1LHT0      |

The bond is listed on the official market at the Vienna Stock Exchange. The fair value of bonds amounts to EUR 234.9 million (previous year: EUR 495.7 million under non-current financial liabilities).

**(7.25) Current Lease Liabilities**

The current lease liabilities in the amount of EUR 109.7 million (previous year: EUR 109.0 million) result from the application of IFRS 16 Leases. The lease payments are divided into a repayment component and a financing component. The repayment portion is offset against the existing lease liabilities, while the financing component is recognized as interest expense in the income statement.



**(7.26) Current provisions**

| EUR m                             | Other provisions for personnel | Warranties | Obligations for legal issues | Other short-term provisions | Total       |
|-----------------------------------|--------------------------------|------------|------------------------------|-----------------------------|-------------|
| Balance as of 1/1                 | 13.4                           | 2.0        | 2.7                          | 35.3                        | 53.5        |
| Currency translation adjustments  | -0.3                           | 0.0        | 0.0                          | -0.4                        | -0.7        |
| Change in the consolidation scope | 0.5                            | 0.0        | 0.0                          | 3.3                         | 3.8         |
| Utilization                       | -11.8                          | -1.8       | -0.9                         | -17.9                       | -32.4       |
| Disposal                          | -1.1                           | 0.0        | -0.5                         | -6.8                        | -8.5        |
| Allocation                        | 26.3                           | 2.5        | 16.7                         | 33.4                        | 78.9        |
| <b>Balance as of 12/31</b>        | <b>27.0</b>                    | <b>2.7</b> | <b>18.0</b>                  | <b>46.9</b>                 | <b>94.7</b> |

The other current provisions primarily relate to taxes and fees, consulting services and provisions for outstanding bills.

**(7.27) Trade Payables and Other Liabilities**

| EUR m  | 12/31/2022   | 12/31/2021   |
|--|--------------|--------------|
| Trade payables                                     | 108.6        | 84.8         |
| Payables to non-consolidated affiliated companies  | 3.0          | 0.4          |
| Contract liabilities                               | 20.3         | 17.8         |
| Reimbursement liability                            | 6.4          | 5.3          |
| Deferred income                                    | 35.1         | 32.7         |
| Liabilities to employees                           | 86.2         | 61.1         |
| Other liabilities from social security obligations | 17.8         | 10.1         |
| Other taxes (except income tax)                    | 195.5        | 131.9        |
| Purchase price obligations                         | 49.0         | 25.6         |
| Other short-term liabilities                       | 55.3         | 44.6         |
| <b>Total</b>                                       | <b>577.2</b> | <b>414.4</b> |

Deferred income consists mainly of special rent payments for slot machines and loyalty rewards for clients in Germany.

Other tax liabilities (excluding income taxes) mainly relate to sales taxes, gaming taxes and betting fees.

Purchase price obligations cover contingent considerations from business combinations, purchase price components from business combinations not yet due as well as obligations from written put options for non-controlling interests.

Other current liabilities consist mainly of deposits received, outstanding invoices, short-term clearing accounts, and accrued interest.

## (8) Notes to the Income Statement

The income statement was prepared applying the total cost method.

### (8.1) Revenues

| EUR m                                    | 2022           | 2021           |
|--|----------------|----------------|
| Sale revenues                            | 402.5          | 304.2          |
| Operation of slot machines               | 1,324.6        | 690.3          |
| Live game                                | 59.4           | 23.1           |
| Income from rent and management services | 507.1          | 415.8          |
| Betting income                           | 258.6          | 166.4          |
| eBusiness income                         | 261.5          | 246.2          |
| Income from food and beverage            | 32.8           | 13.6           |
| Other sales                              | 101.1          | 53.2           |
| Sales reduction                          | -87.5          | -70.3          |
| <b>Total</b>                             | <b>2,859.9</b> | <b>1,842.3</b> |

Revenue of EUR 2,368.7 million (previous year: EUR 1,443.0 million) is recognized from customer contracts and EUR 491.2 million (previous year: EUR 399.2 million) from other sources – rental income.

Revenue results from the fulfillment of performance obligations, which are recognized at a specific point in time at EUR 2,314.9 million (previous year: EUR 1,407.3 million) and over a period of time at EUR 545.0 million (previous year: EUR 434.9 million). The revenues recognized at one point in time are distributed as follows: EUR 535.5 million (previous year: EUR 393.4 million) to the Gaming Technology segment, EUR 1,778.7 million (previous year: EUR 1,013.6 million) to the Gaming Operations segment and EUR 0.7 million (previous year: EUR 0.3 million) to the Other segment. The revenues recognized over a period of time are distributed as follows: EUR 536.9 million (previous year: EUR 412.8 million) to the Gaming Technology segment, EUR 6.7 million (previous year: EUR 20.5 million) to the Gaming Operations segment and EUR 1.4 million (previous year: EUR 1.6 million) to the Other segment.

### (8.2) Gaming Taxes and Betting Fees

| EUR m        | 2022          | 2021          |
|--------------|---------------|---------------|
| Gaming taxes | -334.0        | -189.5        |
| Betting fees | -21.9         | -18.8         |
| <b>Total</b> | <b>-355.9</b> | <b>-208.3</b> |

### (8.3) Changes in Inventories of Finished Goods and Work in Progress as well as Own Work Capitalized

| EUR m   | 2022         | 2021        |
|---|--------------|-------------|
| Changes in inventories of finished goods and work in progress | 22.6         | -28.0       |
| Own work capitalized  | 81.3         | 73.8        |
| <b>Total</b>  | <b>103.9</b> | <b>45.7</b> |

Own work capitalized consists mainly of internally produced electronic gaming machines.

**(8.4) Other Operating Income**

| EUR m   | 2022         | 2021         |
|---|--------------|--------------|
| Income from the disposal of tangible assets and property, plant and equipment | 17.2         | 20.9         |
| Foreign exchange gains  | 13.9         | 10.4         |
| Other operating income  | 80.6         | 216.3        |
| <b>Total</b>  | <b>111.7</b> | <b>247.6</b> |

Other operating income includes, in particular, charged costs, proceeds from tronc (voluntarily surrendered share of players' profits), write-ups to precious metals, insurance, charter services, and other ancillary income. In the previous year, this item also included income from government grants and repayment claims.

**(8.5) Cost of Material and Other Purchased Services**

| EUR m                             | 2022          | 2021          |
|-----------------------------------|---------------|---------------|
| Material cost                     | -315.8        | -176.9        |
| Purchased services for production | -14.5         | -12.6         |
| <b>Total</b>                      | <b>-330.4</b> | <b>-189.5</b> |

**(8.6) Personnel Expenses**

| EUR m   | 2022          | 2021          |
|---|---------------|---------------|
| Wages and salaries  | -685.2        | -474.9        |
| Expenses for severance payments                                       | -11.1         | -13.4         |
| Expenses for pensions   | -4.9          | -4.3          |
| Expenses for mandatory social contributions and payroll-related taxes | -139.3        | -106.9        |
| Other social expenses   | -15.1         | -8.6          |
| <b>Total</b>  | <b>-855.6</b> | <b>-608.2</b> |

Expenses for severance payments include EUR 1.3 million (previous year: EUR 0.9 million) and expenses for pensions include EUR 1.0 million (previous year: EUR 0.8 million) for defined contribution plans.

The average number of employees (headcount) developed as follows:

|                    | 2022          | 2021          |
|--------------------|---------------|---------------|
| Salaried employees | 6,744         | 6,147         |
| Workers            | 16,433        | 14,834        |
| <b>Total</b>       | <b>23,177</b> | <b>20,981</b> |

**(8.7) Amortization, Depreciation, Impairment and Reversal of Impairment for Intangible Assets, Property, Plant and Equipment, and Investment Property**

| EUR m                               | 2022          | 2021          |
|-------------------------------------|---------------|---------------|
| Scheduled depreciation/amortization | -271.0        | -296.9        |
| Impairment                          | -38.5         | -39.0         |
| Reversal of an impairment           | 11.2          | 50.8          |
| <b>Total</b>                        | <b>-298.3</b> | <b>-285.0</b> |

The breakdown of the depreciation/amortization for the year according to the individual asset classes is shown in notes (7.1), (7.3) and (7.4).

Impairments are distributed as follows: EUR 7.9 million (previous year: EUR 19.5 million) attributable to the Gaming Technology segment, EUR 30.0 million (previous year: EUR 16.9 million) to the Gaming Operations segment, and EUR 0.6 million (previous year: EUR 2.7 million) to the Other segment. Impairment reversals are distributed as follows: EUR 1.8 million (previous year: EUR 42.3 million) to the Gaming Technology segment, EUR 9.2 million (previous year: EUR 17.5 million) to the Gaming Operations segment and EUR 0.2 million (previous year: EUR 0.0 million) to the Other segment. Prior year figures were partially updated because of adjusted calculation method.

**(8.8) Amortization, Depreciation, Impairment and Reversal of Impairment for Right-of-Use Assets**

| EUR m                               | 2022          | 2021          |
|-------------------------------------|---------------|---------------|
| Scheduled depreciation/amortization | -108.5        | -112.0        |
| Impairment                          | -45.0         | -29.2         |
| Reversal of an impairment           | 11.3          | 9.0           |
| <b>Total</b>                        | <b>-142.2</b> | <b>-132.2</b> |

The breakdown of the depreciation/amortization for the year according to the individual asset classes is shown in notes (7.2) and (7.4). Impairments are distributed as follows: EUR 0.6 million (previous year: EUR 2.7 million) to the Gaming Technology segment and EUR 44.4 million (previous year: EUR 26.4 million) to the Gaming Operations segment. EUR 11.3 million (previous year: EUR 9.0 million) of the impairment reversals resulted from the Gaming Operations segment.

**(8.9) Other Operating Expenses**

| EUR m                                 | 2022          | 2021          |
|---------------------------------------|---------------|---------------|
| Other taxes, fees and charges         | -83.9         | -49.4         |
| Maintenance                           | -60.7         | -43.3         |
| Energy                                | -69.2         | -30.2         |
| Telephone, communications             | -25.1         | -20.3         |
| Rental, lease and operating expenses  | -42.3         | -22.2         |
| Insurance                             | -7.3          | -6.8          |
| Vehicle fleet operation costs         | -18.5         | -12.4         |
| Legal, audit and consulting costs     | -39.1         | -31.0         |
| Other services received               | -43.7         | -32.1         |
| Advertising costs                     | -107.6        | -85.5         |
| Traveling costs                       | -15.5         | -7.1          |
| Development costs                     | -26.9         | -23.6         |
| License costs                         | -24.3         | -19.5         |
| Commissions                           | -20.6         | -16.6         |
| Partners' shares                      | -29.6         | -16.5         |
| Bad debt and valuation adjustment     | -10.3         | -17.8         |
| Loss from the disposal of fixed asset | -5.0          | -6.3          |
| Security costs                        | -19.5         | -10.3         |
| Shipping costs and outgoing freight   | -12.1         | -9.6          |
| Bank charges                          | -27.4         | -20.0         |
| Foreign exchange losses               | -9.2          | -5.3          |
| Claims                                | -13.1         | -5.1          |
| Other expenses                        | -64.0         | -51.1         |
| <b>Total</b>                          | <b>-774.8</b> | <b>-542.1</b> |

Other expenses include, in particular, charged costs, various services, contributions, and administrative costs.

**(8.10) Interest Income**

| EUR m                              | 2022        | 2021       |
|------------------------------------|-------------|------------|
| Interest income                    | 9.3         | 4.5        |
| Interest income from finance lease | 2.7         | 2.3        |
| <b>Total</b>                       | <b>12.0</b> | <b>6.8</b> |

**(8.11) Other Financial Income**

| EUR m                            | 2022        | 2021        |
|----------------------------------|-------------|-------------|
| Dividends from other investments | 23.7        | 11.6        |
| Other financial income           | 3.5         | 5.4         |
| <b>Total</b>                     | <b>27.2</b> | <b>17.0</b> |

Dividends from other investments amounted to EUR 18.1 million (previous year: EUR 8.6 million) from financial investments and to approximately EUR 5.5 million (previous year: EUR 3.0 million) from other investments.

**(8.12) Interest Expenses**

| EUR m                        | 2022         | 2021         |
|------------------------------|--------------|--------------|
| Interest expenses            | -12.1        | -19.2        |
| Interest on obligation bonds | -4.8         | -11.2        |
| <b>Total</b>                 | <b>-16.9</b> | <b>-30.5</b> |

**(8.13) Interest Expenses for Leases**

| EUR m                        | 2022         | 2021         |
|------------------------------|--------------|--------------|
| Interest expenses for leases | -27.5        | -25.1        |
| <b>Total</b>                 | <b>-27.5</b> | <b>-25.1</b> |

**(8.14) Other Financial Expenses**

| EUR m  | 2022         | 2021         |
|--|--------------|--------------|
| Losses from the disposal of financial assets         | -1.5         | -0.1         |
| Impairment on financial assets, loans and securities | -1.0         | -0.9         |
| Other financial expenses                             | -11.4        | -13.2        |
| <b>Total</b>   | <b>-13.9</b> | <b>-14.2</b> |

**(8.15) Currency Exchange Gains/Losses from Intra-Group Financing**

Foreign currency effects resulting from intra-group financing are stated separately in this item because of their close connection to financing activities. Currency exchange gains/losses amount to EUR 5.0 million (previous year: 4.0 EUR million).

**(8.16) Taxes on Income**

| EUR m  | 2022         | 2021         |
|--|--------------|--------------|
| Current income tax expenses                  | -83.3        | -54.3        |
| Current income tax relating to other periods | -2.2         | -2.6         |
| Deferred tax income/expense                  | -5.2         | -7.2         |
| <b>Total</b>                                 | <b>-90.7</b> | <b>-64.1</b> |

The reconciliation of the income tax charge using the Austrian corporate income tax rate of 25 percent (previous year: 25 percent) to the effective tax rate for the 2022 fiscal year is as follows:

| EUR m   | 2022         | 2021         |
|---|--------------|--------------|
| <b>Earnings before taxes</b>  | <b>305.0</b> | <b>129.0</b> |
| <b>Computed income tax of 25 percent (previous year: 25 percent)</b>                                      | <b>-76.3</b> | <b>-32.3</b> |
| <b>Adjustment of the computed income tax</b>  |              |              |
| Differing foreign tax rates   | 3.0          | -4.5         |
| Effects of non-taxable income   | 14.2         | 6.1          |
| Effects of non-deductable expenses  | -20.4        | -15.1        |
| Effects of tax advantages   | 3.9          | 3.0          |
| Actual income tax relating to other periods   | -2.2         | -1.1         |
| Effects of change in tax rate on deferred taxes   | 0.2          | -8.2         |
| Effects of initially not recognized and unused tax losses and possible offsets on the actual income tax   | 1.3          | 0.7          |
| Effects of initially not recognized and unused tax losses and possible offsets on the deferred income tax | 2.2          | 1.5          |
| Effects of adjustments or of the reversal of a previous adjustment of a deferred tax asset                | -6.5         | -2.4         |
| Effects of unused tax losses carry forward and possible offsets not recognized as deferred taxes          | -18.0        | -14.1        |
| Withholding tax   | -0.6         | -0.4         |
| Other   | 8.4          | 2.5          |
| <b>Effective income taxes</b>   | <b>-90.7</b> | <b>-64.1</b> |
| Effective Group income tax rate   | 29.7 %       | 49.7 %       |

Income taxes included in the other comprehensive income:

| EUR m  | 2022 | 2021  |
|--|------|-------|
| Revaluation of financial assets (FVTOCI)           | 5.6  | -10.7 |
| Remeasurement of the net defined benefit liability | -1.3 | 0.0   |

## (9) Notes on the Cash Flow Statement

Cash flow from operating, investing and financing activities is shown separately in the consolidated cash flow statement. The consolidated cash flow statement was prepared in accordance with the indirect method. Liquid funds correspond to cash and cash equivalents as well as bank balances stated on the balance sheet.

The Group undertook the following non-cash investing and financing activities that are not reflected in the cash flow statement: Liabilities or charges from the acquisition of companies of EUR 47.5 million (previous year: EUR 0.3 million). The recognized right-of-use assets and lease liabilities constitute non-cash items to begin with. Only the ongoing lease payments lead to an outflow of funds, which is shown in the cash flow statement under financing activities. Open lease liabilities amounted to EUR 665.2 million (previous year: EUR 613.1 million).

## (10) Notes on Segment Reporting

For management purposes, the NOVOMATIC Group is divided into two business segments. These strategic segments form the basis for the segment reporting.

The "Gaming Technology" segment includes the production, sale and rental of gaming and entertainment machines, and the online B2B business.

The "Gaming Operations" segment consists of the operation of casinos and electronic gaming machine casinos, the betting business (in particular sports and horse-racing betting), and the online B2C business.

The valuations for the segment reporting correspond to the accounting policies used for the IFRS consolidated financial statement. Those assets and liabilities that are not directly related to the gaming operation are summarized under the "Other" segment. Reconciliation comprises adjustments due to the consolidation.

The inter-segment exchange of goods and services shows the supply and service relationships between the operating segments. The charging is carried out at arm's length. Intercompany expenses, income and profits are eliminated in the reconciliation of segment revenues and/or segment results to the amounts disclosed in the consolidated financial statement.

Segment assets consist mainly of intangible assets, right-of-use assets, property, plant and equipment, inventories, trade receivables, and cash balances. In line with the internal reporting system and segment management, intra-group leases are not recognized for the lessee, but are instead presented as expenses for the period. Segment liabilities consist mainly of trade payables, lease liabilities, provisions, and deferred income. During the reconciliation of the segment assets and liabilities, intercompany receivables and liabilities are eliminated as part of the consolidation of debts.

Unallocated assets and/or debts comprise those items on the balance sheet that are not defined as segment assets or segment debts and are used for the reconciliation with the consolidated value.



## Segment Revenues

| EUR m                  |                   |                   |            |                | 2022           |
|------------------------|-------------------|-------------------|------------|----------------|----------------|
|                        | Gaming Technology | Gaming Operations | Other      | Reconciliation | Total          |
| External revenues      | 1,072.4           | 1,785.5           | 2.1        | 0.0            | 2,859.9        |
| Intra-segment revenues | 142.2             | 16.3              | 7.5        | -166.0         | 0.0            |
| <b>Total revenues</b>  | <b>1,214.6</b>    | <b>1,801.8</b>    | <b>9.6</b> | <b>-166.0</b>  | <b>2,859.9</b> |

| EUR m                  |                   |                   |            |                | 2021           |
|------------------------|-------------------|-------------------|------------|----------------|----------------|
|                        | Gaming Technology | Gaming Operations | Other      | Reconciliation | Total          |
| External revenues      | 806.2             | 1,034.1           | 1.9        | 0.0            | 1,842.3        |
| Intra-segment revenues | 119.7             | 13.1              | 7.3        | -140.0         | 0.0            |
| <b>Total revenues</b>  | <b>925.9</b>      | <b>1,047.2</b>    | <b>9.2</b> | <b>-140.0</b>  | <b>1,842.3</b> |

## Segment Result

| EUR m                        |                   |                   |              |                | 2022         |
|------------------------------|-------------------|-------------------|--------------|----------------|--------------|
|                              | Gaming Technology | Gaming Operations | Other        | Reconciliation | Total        |
| <b>Segment result (EBIT)</b> | <b>230.2</b>      | <b>107.9</b>      | <b>-14.3</b> | <b>-5.4</b>    | <b>318.4</b> |
| Financial result             |                   |                   |              |                | -13.4        |
| Earnings before taxes        |                   |                   |              |                | 305.0        |
| Income taxes                 |                   |                   |              |                | -90.7        |
| <b>Annual result</b>         |                   |                   |              |                | <b>214.3</b> |

| EUR m                        |                   |                   |             |                | 2021         |
|------------------------------|-------------------|-------------------|-------------|----------------|--------------|
|                              | Gaming Technology | Gaming Operations | Other       | Reconciliation | Total        |
| <b>Segment result (EBIT)</b> | <b>152.9</b>      | <b>27.6</b>       | <b>-2.5</b> | <b>-7.7</b>    | <b>170.3</b> |
| Financial result             |                   |                   |             |                | -41.3        |
| Earnings before taxes        |                   |                   |             |                | 129.0        |
| Income taxes                 |                   |                   |             |                | -64.1        |
| <b>Annual result</b>         |                   |                   |             |                | <b>64.9</b>  |

## Segment Assets and Liabilities

| EUR m               |                   |                   |       |                |                                  | 2022    |
|---------------------|-------------------|-------------------|-------|----------------|----------------------------------|---------|
|                     | Gaming Technology | Gaming Operations | Other | Reconciliation | Not-Allocated Assets/Liabilities | Total   |
| Segment assets      | 1,689.3           | 1,893.1           | 81.5  | -231.5         | 889.8                            | 4,322.2 |
| Segment liabilities | 542.2             | 1,046.4           | 23.5  | -233.4         | 1,607.3                          | 2,985.9 |

| EUR m               |                   |                   |       |                |                                  | 2021    |
|---------------------|-------------------|-------------------|-------|----------------|----------------------------------|---------|
|                     | Gaming Technology | Gaming Operations | Other | Reconciliation | Not-Allocated Assets/Liabilities | Total   |
| Segment assets      | 1,381.6           | 1,740.3           | 80.4  | -156.9         | 899.0                            | 3,944.3 |
| Segment liabilities | 397.3             | 883.0             | 12.1  | -154.9         | 1,634.6                          | 2,772.0 |

## Other Segment Information

| EUR m                                     |                   |                   |       |                | 2022   |
|---|-------------------|-------------------|-------|----------------|--------|
|   | Gaming Technology | Gaming Operations | Other | Reconciliation | Total  |
| Scheduled depreciation/amortization       | -160.3            | -215.9            | -3.3  | 0.0            | -379.5 |
| Impairment                                | -8.6              | -74.4             | -0.6  | 0.0            | -83.5  |
| Reversal of an impairment                 | 1.8               | 20.5              | 0.2   | 0.0            | 22.5   |
| Investments                               | 140.1             | 180.7             | 1.9   | 0.0            | 322.8  |
| Investments in right-of-use assets        | 14.3              | 172.4             | 0.0   | 0.0            | 186.7  |
| Investments through business combinations | 123.9             | 90.0              | 0.0   | 0.0            | 214.0  |
| Income from associates                    | -0.2              | 0.0               | 1.0   | 0.0            | 0.8    |
| Carrying amount of associated companies   | 1.8               | 1.0               | 3.8   | 0.0            | 6.7    |

| EUR m                                     |                   |                   |       |                | 2021   |
|---|-------------------|-------------------|-------|----------------|--------|
|   | Gaming Technology | Gaming Operations | Other | Reconciliation | Total  |
| Scheduled depreciation/amortization       | -179.4            | -226.2            | -3.3  | 0.0            | -408.9 |
| Impairment                                | -22.2             | -43.3             | -2.7  | 0.0            | -68.2  |
| Reversal of an impairment                 | 42.3              | 17.5              | 0.0   | 0.0            | 59.8   |
| Investments                               | 119.3             | 114.5             | 8.9   | 0.0            | 242.7  |
| Investments in right-of-use assets        | 11.8              | 143.8             | 0.0   | 0.0            | 155.6  |
| Investments through business combinations | 0.1               | 43.8              | 0.0   | 0.0            | 43.9   |
| Income from associates                    | 0.0               | 0.0               | 0.6   | 0.0            | 0.6    |
| Carrying amount of associated companies   | 0.0               | 0.0               | 2.8   | 0.0            | 2.8    |

## Geographical Information

The Group recorded the following revenues and assets in the individual regions:

| EUR m             |              |              |              |                |              |             |                |                 |              |                      | 2022           |
|-------------------|--------------|--------------|--------------|----------------|--------------|-------------|----------------|-----------------|--------------|----------------------|----------------|
|                   | Austria      | Germany      | Italy        | United Kingdom | Spain        | Netherlands | Eastern Europe | Other countries | Online       | Non-allocated assets | Total          |
| Gaming Technology | 58.6         | 286.9        | 159.2        | 28.1           | 57.0         | 7.0         | 104.3          | 248.7           | 122.6        | -                    | 1,072.4        |
| Gaming Operations | 314.1        | 400.1        | 197.4        | 260.3          | 96.0         | 71.5        | 304.0          | 0.0             | 142.1        | -                    | 1,785.5        |
| Other             | 0.0          | 0.5          | 0.0          | 0.4            | 0.0          | 0.0         | 0.0            | 1.2             | 0.0          | -                    | 2.1            |
| <b>Revenues</b>   | <b>372.7</b> | <b>687.5</b> | <b>356.5</b> | <b>288.7</b>   | <b>153.1</b> | <b>78.5</b> | <b>408.3</b>   | <b>249.9</b>    | <b>264.7</b> | <b>-</b>             | <b>2,859.9</b> |
| <b>Assets</b>     | <b>482.0</b> | <b>542.2</b> | <b>621.1</b> | <b>364.1</b>   | <b>311.7</b> | <b>97.1</b> | <b>472.9</b>   | <b>417.2</b>    | <b>124.0</b> | <b>889.8</b>         | <b>4,322.2</b> |

| EUR m             |              |              |              |                |              |              |                |                 |              |                      | 2021           |
|-------------------|--------------|--------------|--------------|----------------|--------------|--------------|----------------|-----------------|--------------|----------------------|----------------|
|                   | Austria      | Germany      | Italy        | United Kingdom | Spain        | Netherlands  | Eastern Europe | Other countries | Online       | Non-allocated assets | Total          |
| Gaming Technology | 41.0         | 261.4        | 78.2         | 14.2           | 43.6         | 5.3          | 93.8           | 163.0           | 105.8        | -                    | 806.2          |
| Gaming Operations | 180.2        | 203.4        | 120.3        | 142.1          | 73.9         | 38.7         | 176.4          | 0.0             | 99.1         | -                    | 1,034.1        |
| Other             | 0.0          | 0.9          | 0.0          | 0.4            | 0.0          | 0.0          | 0.0            | 0.6             | 0.0          | -                    | 1.9            |
| <b>Revenues</b>   | <b>221.1</b> | <b>465.7</b> | <b>198.5</b> | <b>156.7</b>   | <b>117.5</b> | <b>44.0</b>  | <b>270.1</b>   | <b>163.6</b>    | <b>204.9</b> | <b>-</b>             | <b>1,842.3</b> |
| <b>Assets</b>     | <b>450.4</b> | <b>593.2</b> | <b>341.8</b> | <b>402.2</b>   | <b>278.6</b> | <b>103.3</b> | <b>419.4</b>   | <b>367.2</b>    | <b>89.2</b>  | <b>899.0</b>         | <b>3,944.3</b> |

Revenues are allocated to the individual regions based on the domicile of the company recording such revenues. The geographic region Online contains the companies of the Greentube Group active in online and mobile gaming.

**(11) Notes on Financial Instruments**

| 12/31/2022                                      |   | Measurement acc. to IFRS 9 |  |   |                       |             |
|---|---|----------------------------|--|---|-----------------------|-------------|
| Mio. EUR  | Financial assets and financial liabilities at fair value through profit or loss |                            |  | Financial assets at fair value through other comprehensive income |                       |             |
|   | Holdings in non-consolidated entities   | Derivatives                | Purchase price obligations (contingent considerations) | Investments   | Financial investments | Securities  |
| <b>Financial assets</b>                         |   |                            |  |   |                       |             |
| Financial assets                                | 10.4  |                            |  | 18.0  | 152.0                 | 26.3        |
| Other non-current assets                        |   |                            |  |   |                       |             |
| Trade receivables, other receivables and assets |   |                            |  |   |                       |             |
| Current financial assets                        |   |                            |  |   |                       | 0.5         |
| Cash and cash equivalents                       |   |                            |  |   |                       |             |
| <b>TOTAL</b>                                    | <b>10.4</b>   | <b>0.0</b>                 | <b>0.0</b>   | <b>18.0</b>   | <b>152.0</b>          | <b>26.8</b> |
| <b>Financial liabilities</b>                    |   |                            |  |   |                       |             |
| Non-current financial liabilities               |   |                            |  |   |                       |             |
| Other non-current liabilities                   |   |                            | 2.3  |   |                       |             |
| Current financial liabilities                   |   | 0.9                        |  |   |                       |             |
| Trade payables and other liabilities            |   |                            | 5.2  |   |                       |             |
| <b>TOTAL</b>                                    | <b>0.0</b>  | <b>0.9</b>                 | <b>7.5</b>   | <b>0.0</b>  | <b>0.0</b>            | <b>0.0</b>  |
| 12/31/2021                                      |   | Measurement acc. to IFRS 9 |  |   |                       |             |
| EUR m   | Financial assets and financial liabilities at fair value through profit or loss |                            |  | Financial assets at fair value through other comprehensive income |                       |             |
|   | Holdings in non-consolidated entities   | Derivatives                | Purchase price obligations (contingent considerations) | Investments   | Financial investments | Securities  |
| <b>Financial assets</b>                         |   |                            |  |   |                       |             |
| Financial assets                                | 10.4  |                            |  | 24.6  | 162.5                 | 26.0        |
| Other non-current assets                        |   |                            |  |   |                       |             |
| Trade receivables, other receivables and assets |   |                            |  |   |                       |             |
| Current financial assets                        |   | 0.1                        |  |   |                       | 1.1         |
| Cash and cash equivalents                       |   |                            |  |   |                       |             |
| <b>TOTAL</b>                                    | <b>10.4</b>   | <b>0.1</b>                 | <b>0.0</b>   | <b>24.6</b>   | <b>162.5</b>          | <b>27.1</b> |
| <b>Financial liabilities</b>                    |   |                            |  |   |                       |             |
| Non-current financial liabilities               |   |                            |  |   |                       |             |
| Other non-current liabilities                   |   |                            | 1.2  |   |                       |             |
| Current financial liabilities                   |   |                            |  |   |                       |             |
| Trade payables and other liabilities            |   |                            | 2.3  |   |                       |             |
| <b>TOTAL</b>                                    | <b>0.0</b>  | <b>0.0</b>                 | <b>3.6</b>   | <b>0.0</b>  | <b>0.0</b>            | <b>0.0</b>  |

Measurement acc. to IFRS 9

## Financial assets and financial liabilities at amortized cost

| Cash and cash equivalents | Trade receivables and Lease | Loans | Bonds | Bank Liabilities | Lease Liabilities | Trade payables | Other receivables and liabilities | Purchase price obligations (written put options) |
|---------------------------|-----------------------------|-------|-------|------------------|-------------------|----------------|-----------------------------------|--|
|                           | 51.9                        | 20.1  |       |                  |                   |                | 49.5                              |  |
|                           | 297.2                       |       |       |                  |                   |                | 97.3                              |  |
|                           | 15.3                        | 3.3   |       |                  |                   |                | 0.1                               |  |
| 611.0                     |                             |       |       |                  |                   |                |                                   |  |
| 611.0                     | 364.5                       | 23.4  | 0.0   | 0.0              | 0.0               | 0.0            | 146.9                             | 0.0  |
|                           |                             | 0.1   | 0.0   | 857.8            | 555.5             |                | 9.9                               |  |
|                           |                             |       |       |                  |                   |                | 37.5                              | 34.5   |
|                           |                             | 2.9   | 237.0 | 204.4            | 109.7             |                | 5.0                               |  |
|                           |                             |       |       |                  |                   | 111.0          | 89.7                              | 10.1   |
| 0.0                       | 0.0                         | 3.0   | 237.0 | 1,062.2          | 665.2             | 111.0          | 142.2                             | 44.6   |

Measurement acc. to IFRS 9

## Financial assets and financial liabilities at amortized cost

| Cash and cash equivalents | Trade receivables and Lease | Loans | Bonds | Bank Liabilities | Lease Liabilities | Trade payables | Other receivables and liabilities | Purchase price obligations (written put options) |
|---------------------------|-----------------------------|-------|-------|------------------|-------------------|----------------|-----------------------------------|--|
|                           | 49.6                        | 26.0  |       |                  |                   |                | 21.1                              |  |
|                           | 255.4                       |       |       |                  |                   |                | 79.8                              |  |
|                           | 8.1                         | 3.6   |       |                  |                   |                | 0.2                               |  |
| 563.0                     |                             |       |       |                  |                   |                |                                   |  |
| 563.0                     | 313.1                       | 29.5  | 0.0   | 0.0              | 0.0               | 0.0            | 101.1                             | 0.0  |
|                           |                             | 4.0   | 498.1 | 602.6            | 504.1             |                | 8.4                               |  |
|                           |                             |       |       |                  |                   |                | 19.0                              | 0.0  |
|                           |                             | 0.1   | 0.0   | 316.8            | 109.0             |                | 4.6                               |  |
|                           |                             |       |       |                  |                   | 85.1           | 59.0                              | 9.0  |
| 0.0                       | 0.0                         | 4.1   | 498.1 | 919.4            | 613.1             | 85.1           | 91.0                              | 9.0  |

## Valuation of Financial Instruments

For financial instruments, the following tables show the carrying amounts and the fair values of the individual financial assets and liabilities by category in accordance with IFRS 9.

### a) Fair Value of Financial Assets and Liabilities Carried at Regularly Evaluated Fair Value

For financial reporting purposes, some of the Group's assets and liabilities are measured at fair value in accordance with the fair value hierarchy.

| EUR m  | 12/31/2022 | 12/31/2021 | Hierarchy |
|--|------------|------------|-----------|
| <b>Financial assets</b>                                |            |            |           |
| Holdings in non-consolidated entities                  | 10.4       | 10.4       | Level 3   |
| Investments – Other                                    | 18.0       | 24.6       | Level 3   |
| Investments – Financial investments                    | 152.0      | 162.5      | Level 3   |
| Securities – Equity instruments                        | 26.2       | 26.0       | Level 1   |
| Securities – Debt instruments                          | 0.7        | 1.1        | Level 1   |
| Derivatives (positive market values)                   | 0.0        | 0.1        | Level 2   |
| <b>Financial liabilities</b>                           |            |            |           |
| Derivatives (negative market values)                   | 0.9        | 0.0        | Level 2   |
| Purchase price obligations – Contingent considerations | 7.5        | 3.6        | Level 3   |

Shares in non-consolidated affiliated companies are recognized in the income statement at fair value through profit or loss and other equity interests are recognized at fair value in other comprehensive income with no effect on income. The valuation is based on recognized income approaches. The underlying cash flows from the multi-year plan are discounted using a country-specific interest rate.

The financial investments include the indirectly held 9.45 percent interest in Österreichische Lotterien Gesellschaft m.b.H. (ÖLG). For the market value measurement, internally created company valuations were used, applying recognized multiplier methods. An industry multiple derived from a peer group of seven international lottery companies was applied. The main input factor for this is the average ratio of enterprise value (EV) to EBITDA or to EBIT for the selected peer group which is based on current market data and represents the average market capitalization. At the time of submitting the offer or acquiring the interest, the EV/EBITDA multiplier was 7.83 and the EV/EBIT multiplier 8.89. The updated determination of the stated multipliers led to an EV/EBITDA multiplier of 8.64 and an EV/EBIT multiplier of 14.79. Firstly, the pro-rated EBITDAs and EBITs of ÖLG and its (sub-)subsidiaries from the most recent financial information were calculated using these two multipliers. The entity value so calculated was increased by the net financial assets or reduced by the net financial liabilities, and adjusted for the pro rata equity of subordinated investments. Based on this equity 100 percent of the shares, the proportional market value for the 9.45 percent investment was determined. This remeasurement of financial investments was recorded in equity, resulting in a revaluation of around EUR 10.5 million which had no impact on income in the current reporting period. An increase in the multiplier by 0.5 would lead to an increase in the fair value by EUR 6.4 million, and an increase in the underlying EBITDA/EBIT of the valuation item by 10 percent would result in an increase in the fair value of around EUR 14.4 million.

Securities relate to listed equity instruments (e.g. shares) or debt instruments (e.g. bonds). For the valuation, the bid prices quoted on an active market (e.g. stock market) are used.

The Group has designated the aforementioned equity instruments – other investments, financial investments and securities – at fair value through equity in other comprehensive income. These equity instruments relate to financial investments that the Group intends to hold for strategic purposes.

The derivative financial instruments (to hedge future foreign exchange cash flows) comprise forward currency contracts, the fair value of which is ascertained using the discounted cash flow method. For this, the future cash flows determined as of the valuation date are discounted using suitable discount rates with matching maturities (observable interest rate curves on the balance sheet date or the most recently applicable interest rate curve prior to the balance sheet date (December 31, 2022)). Market valuations of derivative financial instruments are carried out by the Group's own treasury management system, as well as the banks involved. The market value of derivatives corresponds to the value that the individual company would receive or have to pay if the contract was settled as of the balance sheet date. Changes in fair value are recorded in profit and loss.

To hedge financial risks, the NOVOMATIC Group entered into the following derivative contracts:

| EUR m  | 12/31/2022    |              | 12/31/2021    |              |
|--|---------------|--------------|---------------|--------------|
|  | Nominal value | Market value | Nominal value | Market value |
| USD forward contract – positive market value | 0.0           | 0.0          | 1.9           | 0.1          |
| USD forward contract – negative market value | 13.5          | -0.9         | 0.0           | 0.0          |
| <b>Total</b>                                 | <b>13.5</b>   | <b>-0.9</b>  | <b>1.9</b>    | <b>0.1</b>   |

For USD forward contracts, the change in fair value is recognized in the income statement.

The contingent considerations from business combinations result from the contractual obligations of the acquiring Group company to pay an additional purchase price to the seller if certain contractually agreed financial performance indicators (e.g. revenue or EBITDA goals) are reached within a certain period after closing. The valuation of the obligations from contingent purchase prices is based on updated revenue and/or EBITDA estimates. The contingent considerations are shown in the balance sheet with EUR 2.3 million (previous year: EUR 1.2 million) under the other non-current liabilities (purchase price obligations) and with EUR 5.2 million (previous year: EUR 2.3 million) under the other current liabilities (purchase price obligations).

### b) Fair Value of Financial Assets and Liabilities Not Carried at Fair Value Regularly, Whereby the Fair Value Has to Be Disclosed

For financial instruments valued at cost, the following table provides an overview of the book values as well as the corresponding fair values:

| EUR m                        | 12/31/2022 |            | 12/31/2021 |            | Hierarchy |
|------------------------------|------------|------------|------------|------------|-----------|
|                              | Book value | Fair value | Book value | Fair value |           |
| <b>Financial liabilities</b> |            |            |            |            |           |
| Bonds                        | 237.0      | 234.9      | 498.1      | 495.7      | Level 1   |
| Bank liabilities             | 1,062.2    | 1,056.5    | 919.4      | 921.9      | Level 2   |

For the fair value of the bonds, the stock market price on the valuation date or the last valid market price prior to the balance sheet date (December 31, 2022) was used. The market value of bank obligations is determined by discounting future fixed cash flows related to these obligations at the market interest rate on the balance sheet date.

For cash, trade receivables, trade payables, other current receivables and other current liabilities, the fair value roughly corresponds to the carrying amount due to the short residual maturities.

For loans and borrowings, as well as other non-current financial receivables and liabilities, no major deviations between fair value and carrying amount are assumed. The default risk is taken into consideration through the application of valuation allowances.

### Net Result by Category

| 12/31/2022   |            |  | Subsequent measurement                           |                  |             |
|--|------------|--|--|------------------|-------------|
| EUR m  | Allowances | at fair value through income statement | at fair value through other comprehensive income | Disposal results | Net results |
| Financial assets measured at amortized cost                                | -7.0       |  |  |                  | -7.0        |
| Financial assets measured at fair value through profit or loss             |            | 0.7                                    |  |                  | 0.7         |
| Financial assets measured at fair value through other comprehensive income |            |  | -17.3  | 0.0              | -17.3       |
| Financial liabilities measured at fair value through profit or loss        |            | -1.1                                   |  |                  | -1.1        |

| 12/31/2021   |            |  | Subsequent measurement                           |                  |             |
|--|------------|--|--|------------------|-------------|
| EUR m  | Allowances | at fair value through income statement | at fair value through other comprehensive income | Disposal results | Net results |
| Financial assets measured at amortized cost                                | -14.9      |  |  |                  | -14.9       |
| Financial assets measured at fair value through profit or loss             |            | 1.7                                    |  |                  | 1.7         |
| Financial assets measured at fair value through other comprehensive income |            |  | 42.9   | 0.0              | 42.9        |
| Financial liabilities measured at fair value through profit or loss        |            | -0.2                                   |  |                  | -0.2        |



## Capital Risk Management

The purpose of capital risk management is the active control of the capital structure of the entire NOVOMATIC Group as well as the individual Group companies. It ensures the maintenance of an appropriate equity ratio in order to reduce debt costs and the safeguarding of sustained profitability so that all Group companies and the entire NOVOMATIC Group are able to operate under the going concern principle.

The development of the capital structure is supervised by means of the equity ratio and the ratio of net indebtedness to EBITDA. These ratios are regularly quantified at the company and Group level, and reported on a biannual basis at least to the Executive Board, which uses those ratios, in addition to other key figures, to guide further corporate development.

The equity ratio is calculated as the ratio of equity to balance sheet total. Equity consists of the issued capital, capital reserves, retained earnings, as well as the revaluation reserve plus currency translation adjustments and non-controlling interests.

Net debt is calculated as the sum of current and non-current financial liabilities, as well as lease liabilities, less cash and cash equivalents, precious metals, and exchange-traded securities. The debt ratio is calculated accordingly as the ratio of net debt to earnings before interest, taxes, depreciation and amortization (EBITDA).

The equity ratio and the ratio of net indebtedness to EBITDA as per December 31, 2022, and as per December 31, 2021, are calculated as follows:

|   | 2022   | 2021   |
|---|--------|--------|
| Equity ratio (equity/balance sheet total) | 30.9 % | 29.7 % |
| Net debt to EBITDA (net debt/EBITDA)      | 1.8    | 2.4    |

Due to its contractually agreed financial covenants, the NOVOMATIC Group is required in its major financing agreements to maintain an equity ratio of at least 20.0 percent and net debt in relation to the EBITDA of not more than 4.25x. The financing agreements provide for certain adjustments to the above standard calculation when determining net debt at EBITDA in some instances. Taking into account this adjusted calculation, the NOVOMATIC Group has complied with the contractually agreed financial covenants as of December 31, 2022.

In October 2015, NOVOMATIC AG received a rating for the first time from the ratings agency Standard & Poor's (S&P) and consistently held an investment grade rating until June 2019. On June 29, 2022 (last rating change), S&P adjusted NOVOMATIC AG's rating from BB with negative outlook to BB with positive outlook. The main reason given by S&P for the rating change was the improvement in the financial key figures (higher profitability as well as lower indebtedness).

## Financial Risk Management

The NOVOMATIC Group controls, monitors and limits the financial risks associated with the business segments in which it is active. Control of financial risks is supported by a treasury management system that is established in the industrial and bank sector. The financial risks relevant to the Group are monitored on a regular basis and, if necessary, collateralized via suitable measures and instruments (e.g. derivative financial instruments such as interest rate swaps and forward currency contracts) to reduce the risk resulting from the underlying transaction.

The identification, analysis and assessment of financial risks as well as the analysis and selection of potential hedging instruments to be used are tasks that are generally performed by the Group Treasury. The Executive Board has the final say on which (if any) derivative financial instruments are selected and used. Any use of derivative financial instruments at the Group company level is coordinated in advance with Group Treasury in accordance with the Group policy and must be approved in advance by the Executive Board.

## Liquidity Risk

Liquidity or financing risk is the risk associated with remaining solvent at any given moment and/or having the ability to obtain the necessary funds from investors at arm's length so as to fulfill any due obligations on time and to provide intercompany financing and guarantees for internal Group purposes. Furthermore, the need for cash in the gaming industry is high, especially in terms of cash in the company's own gaming arcades. Therefore, part of the indicated cash comprises base filling of the slot machines and cash reserves in the gaming arcades.

A short-term and a long-term continuous liquidity plan is compiled based on the results of the Group's strategy and planning processes in order to provide an up-to-date impression of the expected development of liquidity at the Group level. Medium-term and long-term liquidity and financing needs of the NOVOMATIC Group are determined based on projected future cash flows.

Thanks to the conservative financing and debt policy, as well as the conservative investment policy at the NOVOMATIC Group is the Groupwide liquidity risk limited. Even so, the NOVOMATIC Group accords high priority to the topic of liquidity risk and its control. In order to guarantee the Group's solvency and financial flexibility at all times, the Group maintains a liquidity reserve in the form of revolving usable credit lines, short-term overdrafts, bank deposits payable on demand, and short-term investments.

In February 2022, NOVOMATIC AG made a buyback offer (buyback against cash payment) to the holders of the bond 2016–2023 (EUR 500 million, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of EUR 262.4 million. After the settlement, bonds with a nominal amount of EUR 237.6 million remain outstanding.

Short-time bilateral financing in the amount of EUR 100.0 million was repaid as agreed in March 2022.

In June 2022, fixed- and variable-interest promissory note bonds with a volume of EUR 140.0 million and a term of 3 and 5 years, respectively, were taken out. The investors come from Austria, Germany and Spain.

The syndicated revolving usable credit line of EUR 1.0 billion maturing on March 1, 2024 was refinanced early at the end of October 2022 with a reduced bank club. The term is again 5+1+1 years, but the total volume has been reduced to EUR 800.0 million. EUR 570.0 million of the credit line had been drawn down, i.e. EUR 230.0 million was freely available as of December 31, 2022. In addition, a bilateral overdraft facility of EUR 10.0 million had been utilized as of December 31, 2022.

Of the short-term bilateral financing of EUR 140.0 million raised in November 2021, EUR 40 million was repaid in May 2022 as agreed. The additional EUR 100 million was extended with a term of one year until November 2023.

The following table shows all payments for redemptions and interest from financial liabilities including derivative financial instruments that had been contractually fixed as of the consolidated balance sheet date. Derivative instruments are shown at their market value, whereas the other liabilities are shown in the amount of the non-discounted cash flows for the following financial years:

| EUR m                      | Current year |           | Previous year |           |
|----------------------------|--------------|-----------|---------------|-----------|
|                            | 2023         | 2024–2027 | 2022          | 2023–2026 |
| Bonds                      | 241.5        | 0.0       | 8.1           | 508.1     |
| Bank loans                 | 251.4        | 996.0     | 325.5         | 615.3     |
| Lease liabilities          | 135.1        | 388.5     | 131.1         | 370.7     |
| Trade payables             | 111.0        | 0.0       | 85.1          | 0.0       |
| Loans                      | 2.9          | 0.1       | 0.1           | 4.0       |
| Derivatives                | 0.9          | 0.0       | 0.0           | 0.0       |
| Purchase price obligations | 15.3         | 36.8      | 11.3          | 1.2       |
| Other payables             | 94.7         | 47.5      | 63.6          | 27.4      |

## Counterparty Risk

Counterparty risk constitutes the risk of delay or default in payment by any contractual partners. In the NOVOMATIC Group's financing activities, credit relationships with banks and insurance companies that can boast appropriately high ratings (at least an investment grade rating from S&P, Moody's or Fitch) predominate.

To screen the default risk for financial investments (i.e. bank balances, money market investments, capital market investments, securities) and for derivative financial instruments (i.e. positive market value of derivatives), the NOVOMATIC Group works to ensure that funds are evenly distributed and any non-diversification risks avoided.

Apart from financing, the NOVOMATIC Group is also exposed to counterparty credit risk in the area of sales, since customers might not fulfill their payment obligations in full or when they are due. The default risk is in some cases reduced even further via additionally demanded collateral such as e.g. received deposits or documentary letters of credit for exports. This applies in particular to new customers. Additionally, contractually secured reservations of title, advance payment in part or in full, direct debiting and requiring shorter payment terms, attempt to further minimize the risk to which the NOVOMATIC Group is exposed. Thanks to the high number of external customers, there is currently no material concentration of default risk.

The maximum risk in cases of default on receivables from customers to third parties and loans to business partners is limited to their carrying amount. For other financial assets (cash and cash equivalents, investments, other financial instruments with the exception of derivatives), the maximum credit risk in the event of counterparty default is likewise the carrying amount of these financial instruments. For derivative financial instruments, the maximum credit risk in cases of default is equivalent to the positive fair value of the derivative as of the valuation date.

## Market Risk

### a) Interest Rate Risk

In the context of its financing and investment activities, the NOVOMATIC Group is exposed to risk related to changes in interest rates. Interest rate fluctuations can have a positive or negative effect on the value of financial instruments (present value risk) as well as on the resulting cash flows (cash flow risk). For risk reasons, attention is paid to a balanced fixed interest rate balance sheet or a balanced mix of variable and fixed interest rates with short and long-term interest rates in order to avoid non-diversification risks.

In order to limit interest rate risks, current interest rate developments are monitored on an ongoing basis and, if necessary, interest rate risks are hedged with suitable measures, including derivative instruments such as interest rate swaps, interest rate options, etc.

In the past, attention was paid primarily to the risk and hedging of rising lending rates by means of fixed-rate financial liabilities. As a result of the financial liabilities repaid or newly concluded in the reporting year, the share of fixed-interest financial liabilities decreased further to around 25.8 percent as of December 31, 2022 (around 57 percent as of December 31, 2021). The year under review was dominated by the turnaround in interest rates due to the historically high development of inflation. The Bank of England initiated the interest rate turnaround in December 2021, followed by the U.S. Federal Reserve Bank in March 2022, and both set the pace for rate hikes internationally. The European Central Bank in the EURO area was much more hesitant in its approach, but in July 2022 it initiated the change from its previously loose monetary policy to a restrictive monetary policy in the EURO area by raising interest rates for the first time since 2011. The deposit facility, which has been negative at -0.5 percent since September 2019, has now increased from 0.0 percent to 2.0 percent as of December 31, 2022, ending the period of negative money market rates since July 2022.

Rising interest rates (primarily money market rates) had a timely impact on variable interest rate bearing financial liabilities (around 24 percent as of December 31, 2022; around 43 percent in the previous year) during the second half of 2022. However, the interest rate increases unfortunately only had a very limited impact on variable-rate financial assets (primarily overnight bank balances or short-term money market investments). Although the banks have stopped charging deposit custody fees ("negative interest") across the board, further interest rate increases for current account balances payable on demand have been at the reporting date sporadic. For this reason, there has been a divergence here between interest on variable financial liabilities (significant increase) and financial assets (limited increase). The "natural hedge" of variable interest-rate financial liabilities and financial assets that existed for the NOVOMATIC Group in previous years is now only available to a very limited extent.

The current interest rate landscape now requires even more work to manage interest rate risk, in particular to manage the liquidity reserve required from a risk perspective. Group Treasury attempts to manage the liquidity reserve available at short notice (financial assets and financial liabilities) in such a way that solvency can be guaranteed at all times thereby hedging the liquidity risk on the one hand and the interest rate risk for variable-rate financial assets in particular on the other.

The basis for the use of derivative hedging instruments is a Group-wide guideline defined by the Executive Board. Derivative financial instruments are only used to hedge against financial risks arising from an existing or highly probable future underlying transaction (e.g. a variable-rate loan) and are not taken out for speculative purposes or to generate a business contribution.

The following schedule shows the impact of potential interest rate changes (+/- 50 basis points) on earnings before taxes and on equity based on reasonable judgment. The interest rate sensitivity analysis includes the effects of variable-rate bank liabilities and bank deposits, as well as the derivatives contracts as per the reporting date.

| EUR m                           | 2022             |                  | 2021             |                  |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | +50 basis points | -50 basis points | +50 basis points | -50 basis points |
| Change (in basis points)        |                  |                  |                  |                  |
| Change in earnings before taxes | -2.3             | 2.3              | -0.8             | -1.2             |
| Change in equity                | -1.7             | 1.7              | -0.6             | -0.9             |

The average weighted interest rate for funds borrowed by the NOVOMATIC Group (across all currencies) was 1.944 percent p.a. in the 2022 fiscal year (2021: 1.543 percent p.a.). The weighted average interest rate for variable-rate financing was 2.080 percent p.a. in 2022 (2021: 1.253 percent p.a.) and the average 3M EURIBOR (market interest rate) was 0.348 percent p.a. in 2022 (2021: 0.549 percent p.a.). The average weighted interest rate for fixed-rate financing was 1.550 percent p.a. in 2022 (2020: 1.764 percent p.a.).

## B) Foreign Exchange Risk

The risk resulting from fluctuations in the value of financial instruments, other balance sheet positions (e.g. receivables and liabilities), and/or cash flows denominated in foreign currencies due to exchange rate fluctuations, is called currency risk or exchange risk. This risk exists in particular where business transactions, such as the purchase of materials, merchandise or purchase price payments for company acquisitions, are in a currency other than the accounting currency (foreign currency) of a company and where prices for products and services depend on a currency other than the invoicing currency (indirect currency risk). For example, materials and merchandise are invoiced by suppliers in EUR or USD, although pricing is indirectly dependent on a third currency or another price (e.g. commodity price).

In order to limit foreign currency risks, the related foreign currency risk is calculated regularly on a rolling basis for business transactions made in foreign currencies or where the transaction price depends on foreign currencies. This involves determining a net position from holdings of the relevant foreign currency at the start of the planning period, planned incoming and outgoing payments in the relevant foreign currency, and existing derivative hedging instruments for the relevant foreign currency in the planning period. A relevant foreign currency risk that exceeds the thresholds defined by the Board of directors is hedged by means of appropriate hedging transactions in order to reduce the risk from exchange rate fluctuations in future reporting periods. An initial hedge for currency risk is provided through foreign currency items that are naturally self-contained (natural hedge), for instance, the payments received from deliveries and services in USD are balanced by payments made for deliveries and services in USD. The remaining net foreign currency exposure that exceeds the defined threshold is generally hedged using symmetrical hedging instruments (e.g. forward currency contracts). Asymmetrical hedging instruments (e.g. currency options) would only be used in exceptional cases or if required by the underlying transaction.

In the 2022 reporting period, USD forward foreign exchange contracts with a net value of USD 29.90 million were due for the operating business (USD 17.5 million in the 2021 reporting period). For the periods subsequent to the reporting date, USD forward exchange contracts amounting to USD 16.7 million (USD 2.3 million as of December 31, 2021) exist as of the balance sheet date. During the 2022 reporting period, new forward contracts were formed in the amount of USD 44.4 million (USD 7.8 million in the 2021 reporting period). After the balance sheet date December 31, 2022, further USD forward currency contracts in the amount of USD 14.0 million were taken out in February 2023.

The relevant foreign currencies in the NOVOMATIC Group as at the reporting date include the USD, GBP and AUD. Exchange rate fluctuations of these three foreign currencies have a potential material effect on the income statement and equity.

Within the framework of the analysis to measure the sensitivity towards exchange rate movements, the impacts of a change in the exchange rate of +/- 10 percent on foreign currency ("FX") bank balances (i.e. USD, GBP and AUD), loans received or given in FX as at the reporting date and on market values of the contracted FX derivatives are simulated. Securities held in USD, AUD and GBP as well as in other foreign currencies were not considered in this analysis.

The following schedule, which is based on reasonable judgment, shows the effects of possible EUR/USD exchange rate movements by +/- 10 percent on earnings before taxes and on equity:

| EUR m   | 2022                        |                             | 2021                        |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Exchange rate fluctuations, foreign currency to EUR | Appreciation USD<br>by 10 % | Depreciation USD<br>by 10 % | Appreciation USD<br>by 10 % | Depreciation USD<br>by 10 % |
| Change in earnings before taxes                     | 2.4                         | -2.0                        | 1.2                         | -1.0                        |
| Change in equity                                    | 1.8                         | -1.5                        | 0.9                         | -0.8                        |

The following schedule, which is based on reasonable judgment, shows the effects of possible EUR/GBP exchange rate movements by +/- 10 percent on earnings before taxes and on equity:

| Mio. EUR  | 2022                        |                             | 2021                        |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Exchange rate fluctuations, foreign currency to EUR | Appreciation GBP<br>by 10 % | Depreciation GBP<br>by 10 % | Appreciation GBP<br>by 10 % | Depreciation GBP<br>by 10 % |
| Change in earnings before taxes                     | 3.8                         | -3.1                        | 4.3                         | -3.5                        |
| Change in equity                                    | 2.9                         | -2.3                        | 3.2                         | -2.6                        |

The following schedule, which is based on reasonable judgment, shows the effects of possible EUR/AUD exchange rate movements by +/- 10 percent on earnings before taxes and on equity:

| EUR m   | 2022                        |                             | 2021                        |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Exchange rate fluctuations, foreign currency to EUR | Appreciation AUD<br>by 10 % | Depreciation AUD<br>by 10 % | Appreciation AUD<br>by 10 % | Depreciation AUD<br>by 10 % |
| Change in earnings before taxes                     | 2.6                         | -2.1                        | 2.1                         | -1.7                        |
| Change in equity                                    | 2.0                         | -1.6                        | 1.6                         | -1.3                        |

In the reporting period, average financial liabilities in the NOVOMATIC Group were mainly denominated in EUR (around 99.8 percent; 2021 around 98.0 percent) as well as in part in another currency such as USD (around 0.2 percent; 2021 around 2.0 percent). Group companies with an accounting currency other than their financing currency were hence exposed to foreign exchange risk in terms of the financing currency (mainly EUR).

### c) Capital Investments

Risks in capital investments essentially cover market price and valuation risks. The capital investments held by the NOVOMATIC Group are comprised mainly of precious metals as well as exchange-traded shares and were hence exposed to price fluctuations during the fiscal year.

## (12) Notes on Leases and Contingent Liabilities

### NOVOMATIC Group as Lessee

The Group has evaluated and accounted for existing leases (primarily from rented gaming facilities) in accordance with IFRS 16. The right-of-use assets and lease liabilities were reported separately in the balance sheet. The maturity analysis of the recognized non-current lease liabilities of EUR 555.5 million (previous year: EUR 504.1 million) and current lease liabilities of EUR 109.8 million (previous year: EUR 109.0 million) is as follows:

| EUR m   | Non-discounted lease payments |              |
|---|-------------------------------|--------------|
|   | 12/31/2022                    | 12/31/2021   |
| within one year                                   | 138.6                         | 131.7        |
| between two and five years                        | 393.8                         | 367.3        |
| between six and ten years                         | 229.5                         | 179.6        |
| after 10 years                                    | 57.0                          | 39.9         |
| <b>Total</b>                                      | <b>819.0</b>                  | <b>718.5</b> |
| Less financial expenses not yet realized          | -153.7                        | -105.3       |
| <b>Present value of lease payments to be made</b> | <b>665.3</b>                  | <b>613.1</b> |

The reported rental expenses for real estate, gaming devices, and other assets for the 2022 fiscal year include expenses of EUR 12.2 million (previous year: EUR 5.5 million) from short-term leases, EUR 2.0 million (previous year: EUR 1.6 million) from leases of low-value assets, and EUR 2.2 million (previous year: EUR 1.1 million) from variable lease payments not included in the measurement of the lease liability.

Total cash outflows from leases (repayment and interest portion) amount to EUR -154.7 million (previous year: EUR -146.7 million).

**NOVOMATIC Group as Lessor**

The Group has concluded finance lease agreements with customers for gaming machines. The term of the concluded finance lease agreements is between 1 and 5 years. When the agreement is concluded, the revenue is recorded under the item "Sales revenue". Outstanding lease payments are shown in the balance sheet as receivables, with the maturity analysis being as follows

| EUR m   | Non-discounted lease payments |             |
|---|-------------------------------|-------------|
|   | 12/31/2022                    | 12/31/2021  |
| within one year                                       | 24.2                          | 8.3         |
| within the second year                                | 16.5                          | 7.9         |
| within the third year                                 | 3.2                           | 3.4         |
| within the fourth year                                | 2.2                           | 2.0         |
| within the fifth year                                 | 1.3                           | 1.4         |
| after five years                                      | 0.8                           | 1.4         |
| <b>Total</b>  | <b>48.2</b>                   | <b>24.4</b> |
| Less financial income not yet realized                | -15.5                         | -2.4        |
| <b>Present value of lease payments to be received</b> | <b>32.7</b>                   | <b>22.0</b> |

The Group also concluded operating lease contracts for the rental of gaming machines with mainly non-cancellable terms of between 12 and 24 months. The gaming machines continue to be shown under property, plant and equipment as plant and machinery. The rent payments during the reporting period are shown as sales revenue under income from rent and management services.

The claims for future lease payments from these operating leases are as follows:

| EUR m                  | Non-discounted lease payments |            |
|------------------------|-------------------------------|------------|
|                        | 12/31/2022                    | 12/31/2021 |
| within one year        | 180.4                         | 174.1      |
| within the second year | 89.3                          | 43.4       |
| within the third year  | 1.5                           | 4.3        |
| within the fourth year | 0.3                           | 0.4        |
| within the fifth year  | 0.2                           | 0.3        |
| after five years       | 0.5                           | 0.9        |

**Contingent Liabilities**

Contingent liabilities from guarantees amount to EUR 17.8 million (previous year: EUR 18.7 million) and were mainly given to the Italian regulatory authority ADM.



## (13) Other Information

### Group Audit Expenses

The expenses for services provided by the Group auditor (including the network in accordance with Sec. 271b of the Austrian Company Code) are as follows:

| EUR m   | 2022 | 2021 |
|---|------|------|
| Group audit and audit of financial statements | 2.2  | 1.9  |
| Audit-related services                        | 0.1  | 0.1  |
| Tax advisory services                         | 0.8  | 0.6  |
| Other consultancy                             | 0.1  | 0.1  |

Expenses for services provided by Deloitte Audit Wirtschaftsprüfungs GmbH in 2022 amounted to EUR 0.7 million for the Group audit and audit of financial statements and EUR 0.1 million for other advisory services.

### Related Party Transactions

The parent company of NOVOMATIC AG is Novo Invest GmbH in Gumpoldskirchen. This consolidated financial statement of the NOVOMATIC AG is therefore included in the consolidated financial statements of Novo Invest GmbH being the ultimate parent company and is filed at the Regional Court of Wiener Neustadt under FN 381832v.

The related parties furthermore include the members of the bodies (Executive Board and Supervisory Board), non-consolidated affiliated subsidiaries, associated companies, as well as companies under the control of bodies or the shareholders of NOVOMATIC AG.

The following table summarizes the scope of business relationships with related parties for the individual financial years:

| EUR m                    | Other      |            | Management |            |
|--------------------------|------------|------------|------------|------------|
|                          | 12/31/2022 | 12/31/2021 | 12/31/2022 | 12/31/2021 |
| Receivables              | 6.1        | 10.8       | 0.0        | 0.0        |
| Liabilities              | 2.8        | 6.1        | 0.0        | 0.1        |
| Revenues                 | 24.6       | 20.8       | 0.0        | 0.0        |
| Material cost            | 45.9       | 30.0       | 0.0        | 0.0        |
| Consulting services      | 0.0        | 0.0        | 0.2        | 0.3        |
| Research and development | 11.3       | 11.4       | 0.0        | 0.0        |
| Other expenses           | 4.4        | 3.9        | 0.0        | 0.0        |
| Interest income          | 0.1        | 0.1        | 0.0        | 0.0        |

The item "Management" comprises the Supervisory Board and the Executive Board of NOVOMATIC AG. The management's remuneration is disclosed in note (5) "Company Bodies of NOVOMATIC AG".

The information provided for "Other" essentially relates to companies that are controlled by the shareholders of NOVOMATIC AG. The transactions result from the delivery of goods and services, rental fees, and research and development services. Accounts receivable are unsecured and settled in cash. Guarantees were neither given nor received.

## Fully Consolidated Subsidiaries

| IC-Code | Company, domicile  | Superordinate company | Group share     | Direct share    |
|---------|--|-----------------------|-----------------|-----------------|
| ABZOGR  | Abzorba Games I.K.E., Greece   | GTA                   | 100.00%         | 100.00%         |
| ACEAT   | ADMIRAL Casinos & Entertainment AG, Austria*                             | NAG                   | 100.00%         | 100.00%         |
| ADB2ES  | ADMIRALBET SPAIN II S.L., Spain  | ADBEES                | 100.00%         | 100.00%         |
| ADBEES  | ADMIRALBET SPAIN S.A., Spain   | NSBSAT                | 100.00%         | 100.00%         |
| ADGACS  | Adria Gaming d.o.o. Beograd, Serbia                                      | ADMICS                | 100.00%         | 100.00%         |
| ADLERO  | Admiral Leisure SRL, Romania*  | NOVORO                | 100.00%         | 100.00%         |
| ADMICS  | Admira d.o.o., Serbia*   | NOVOC                 | 100.00%         | 100.00%         |
| ADMILV  | Admiralu Klubs SIA, Latvia*  | NAG                   | 60.00%          | 60.00%          |
| ADMIRO  | ADMIRAL ONLINE S.R.L, Romania  | NOVORO                | 100.00%         | 100.00%         |
| ADOSES  | Admiral Operations Spain S.L., Spain*                                    | NOGES                 | 100.00%         | 100.00%         |
| ADOSES  | Admiral Gaming Madrid S.L., Spain  | SAMAES / ADOSES       | 45.00% / 40.00% | 60.00% / 40.00% |
| ADRIT   | NOVOMATIC Italia S.p.A., Italy*  | NAG                   | 100.00%         | 100.00%         |
| ADSLES  | Admiral Slots S.A., Spain*   | NOGES                 | 100.00%         | 100.00%         |
| AGIAR   | NOVOMATIC Argentina S.R.L., Argentina                                    | NAG /NMIIAT           | 97.23% / 2.77%  | 97.23% / 2.77%  |
| AGIHU   | NOVOMATIC Hungária Kft., Hungary*  | NAG                   | 100.00%         | 100.00%         |
| AGIMX   | Greentube Mexico S. de R.L. de C.V. , Mexiko                             | GTUSUS / GTA          | 80.00% / 20.00% | 80.00% / 20.00% |
| AGISA   | NOVOMATIC Africa (Pty) Ltd., South Africa*                               | NAG                   | 100.00%         | 100.00%         |
| AGTAU   | Ainsworth Game Technology Ltd., Australia*                               | NAG                   | 52.90%          | 52.90%          |
| AINFR   | Novomatic Services FRA SAS, France                                       | NAG                   | 100.00%         | 100.00%         |
| AIRO    | Airoline GmbH, Austria   | NAG                   | 100.00%         | 100.00%         |
| ALFLV   | Alfor SIA, Latvia*   | NAG                   | 60.00%          | 60.00%          |
| ALLIT   | Allstar S.r.l., Italy*   | ADRIT                 | 100.00%         | 100.00%         |
| ALLOAT  | Albanisch Österreichische Lotterien Holding Gesellschaft m.b.H., Austria | NAG                   | 100.00%         | 100.00%         |
| ALORES  | Aloragaming S.L., Spain  | BAGAES                | 100.00%         | 100.00%         |
| ALPDE   | Admiral Play GmbH, Germany*  | NSMLDE                | 100.00%         | 100.00%         |
| ALPSIT  | Alp S.r.l., Italy*   | ADRIT                 | 70.00%          | 70.00%          |
| AMONBA  | AMONIQ d.o.o. Zenica, Bosnia and Herzegovina*                            | HTLBA                 | 100.00%         | 100.00%         |
| AMUSPL  | Amusys Production Sp.z o.o., Poland                                      | ATSIPL                | 100.00%         | 100.00%         |
| ANGEIT  | Angelastr Video Giochi S.r.l., Italy                                     | ALLIT                 | 60.00%          | 60.00%          |
| ARGAR   | Octavian de Argentina S.A., Argentina                                    | NAG /NMIIAT           | 90.00% / 10.00% | 90.00% / 10.00% |
| ASCGUK  | Luxury Leisure Holdings Ltd., United Kingdom                             | ASTUK                 | 100.00%         | 100.00%         |
| ASTUK   | NOVOMATIC UK Ltd., United Kingdom  | NAG                   | 100.00%         | 100.00%         |
| ASW     | Admiral Sportwetten GmbH, Austria*                                       | NAG                   | 100.00%         | 100.00%         |
| ASWDE   | NOVO INTERACTIVE GmbH, Germany*  | NSMLDE                | 100.00%         | 100.00%         |
| ATSIPL  | NOVOMATIC Technologies Poland Sp. z o.o., Poland*                        | ATTPL / NAG           | 51.22% / 48.78% | 51.22% / 48.78% |
| ATTPL   | ATT PRO Sp. z o.o., Poland*  | NAG                   | 100.00%         | 100.00%         |
| AUSPDE  | Automaten Service Playtime GmbH, Germany*                                | EXTDE                 | 100.00%         | 100.00%         |
| AUSUES  | Automáticos Surmatic S.L., Spain*  | ADOSES                | 60.00%          | 60.00%          |
| AWPDNL  | Eurocoin Interactive B.V., Netherlands*                                  | JVHPNL                | 100.00%         | 100.00%         |
| AZARLT  | Azarto Technika UAB, Lithuania*  | NAG                   | 80.00%          | 80.00%          |
| BAGAES  | Basque Gaming S.L., Spain*   | ADOSES                | 100.00%         | 67.33%          |
| BEAMT   | Beatya Online Entertainment p.l.c, Malta*                                | GTA                   | 100.00%         | 100.00%         |

| IC-Code | Company, domicile   | Superordinate company | Group share    | Direct share   |
|---------|---|-----------------------|----------------|----------------|
| BEKUDE  | BeKu Automaten & Gastronomie Service GmbH, Germany*                   | EXTDE                 | 100.00%        | 100.00%        |
| BEMARO  | Bet Master SRL, Romania   | NOVORO                | 100.00%        | 100.00%        |
| BIERNL  | Biermann's Bingo B.V., Netherlands*                                   | CAHONL                | 100.00%        | 100.00%        |
| BLUECA  | Bluebat Games Inc., Canada  | GTCACA                | 100.00%        | 100.00%        |
| BLUHMT  | Bluebet Holding Ltd., Malta   | ASWDE                 | 100.00%        | 100.00%        |
| BLUOMT  | Blubet Operations Ltd., Malta   | BLUHMT                | 100.00%        | 100.00%        |
| BPAFDE  | BPA Freizeit- & Unterhaltungsbetriebe GmbH, Germany*                  | EXTDE                 | 100.00%        | 100.00%        |
| BRONDE  | ADMIRAL Gastronomieaufstellung GmbH, Germany*                         | ALPDE                 | 100.00%        | 100.00%        |
| CAAPNL  | Casino Admiral Appelscha B.V., Netherlands*                           | CAHONL                | 100.00%        | 100.00%        |
| CAH3NL  | Casino Admiral Holland III B.V., Netherlands*                         | CAHONL                | 100.00%        | 100.00%        |
| CAHONL  | Casino Admiral Holland B.V., Netherlands*                             | JVHPNL                | 100.00%        | 100.00%        |
| CAMADE  | Casino Macau GmbH, Germany*   | WGVEDE                | 100.00%        | 100.00%        |
| CANONL  | Casino Admiral Noordwijk B.V., Netherlands*                           | CAHONL                | 100.00%        | 100.00%        |
| CARODE  | Casino Royal GmbH, Germany*   | NAG                   | 100.00%        | 100.00%        |
| CAS1DE  | Casino Deluxe Beteiligungsgesellschaft mbH I, Germany*                | BPAFDE                | 100.00%        | 100.00%        |
| CAS3DE  | Casino Deluxe Beteiligungsgesellschaft mbH III, Germany*              | BPAFDE                | 100.00%        | 100.00%        |
| CASINL  | Casino Sevens Simpelveld B.V., Netherlands*                           | SUGANL                | 100.00%        | 100.00%        |
| CASKDE  | Casino Entertainment GmbH & Co. KG, Germany*                          | EXTDE                 | 100.00%        | 100.00%        |
| CASOIT  | CAPECOD SOLUTIONS S.R.L, Italy*                                       | GTA                   | 100.00%        | 100.00%        |
| CASTNL  | Casino Admiral Staff B.V., Netherlands*                               | CAHONL                | 100.00%        | 100.00%        |
| CAZENL  | Casino Admiral Zeeland B.V., Netherlands*                             | JVHPNL                | 100.00%        | 100.00%        |
| CENZES  | Recreativos Cenzano S.A., Spain                                       | ADSLES                | 100.00%        | 100.00%        |
| CITYDE  | City Freizeitanlagen GmbH, Germany*                                   | EXTDE                 | 100.00%        | 100.00%        |
| COMEBA  | AK COMET d.o.o. Zivinice, Bosnia and Herzegovina*                     | HTLBA                 | 100.00%        | 100.00%        |
| COMEES  | Comercial Txartel S.L., Spain*  | BAGAES                | 80.00%         | 80.00%         |
| COSPDE  | Conrad Spielautomaten Gesellschaft mit beschränkter Haftung, Germany* | EXTDE                 | 100.00%        | 100.00%        |
| CROMX   | Crown Gaming Mexico S.A. de C.V., Mexico                              | NAG /NMIIAT           | 99.99% / 0.01% | 99.99% / 0.01% |
| CROPE   | Crown Gaming S.A.C, Peru  | NOVOPE                | 100.00%        | 100.00%        |
| CUBECS  | Cube Star d.o.o. Beograd, Serbia                                      | NOVOCS                | 100.00%        | 100.00%        |
| DOMIDE  | Domino-Automaten-Betriebs-GmbH, Germany*                              | EXTDE                 | 100.00%        | 100.00%        |
| EAGAL   | Eagle Investment Sh.a., Albania                                       | NAG                   | 100.00%        | 100.00%        |
| ELSYIT  | Electro System S.r.l., Italy  | ADRIT                 | 100.00%        | 100.00%        |
| ERGAES  | Erreka Games S.L., Spain  | BAGAES                | 100.00%        | 100.00%        |
| ESTRPL  | Estrada Polska Sp. z o.o., Poland*                                    | NAG                   | 100.00%        | 100.00%        |
| EUCGNL  | Eurocoin Gaming B.V., Netherlands*                                    | JVHPNL                | 100.00%        | 100.00%        |
| EXTDE   | ADMIRAL ENTERTAINMENT GmbH, Germany*                                  | NSMLDE                | 100.00%        | 100.00%        |
| FISTNL  | Five Stars Oosterhout B.V., Netherlands                               | CAHONL                | 100.00%        | 100.00%        |
| FMASK   | Greentube Slovakia s.r.o., Slovakia*                                  | FST / GTA             | 0.38% / 99.62% | 0.38% / 99.62% |
| FSAUNL  | Five Stars Automaten B.V., Netherlands                                | FISTNL                | 100.00%        | 100.00%        |
| FST     | Funstage GmbH, Austria*   | GTA                   | 100.00%        | 100.00%        |
| GALUK   | Greentube Alderney Ltd., United Kingdom*                              | GTMT                  | 100.00%        | 100.00%        |
| GEAUDE  | Gelsenautomaten Verwaltungsgesellschaft mbH, Germany*                 | CARODE                | 100.00%        | 100.00%        |

| IC-Code | Company, domicile   | Superordinate company | Group share     | Direct share    |
|---------|---|-----------------------|-----------------|-----------------|
| GIGAES  | GiGames S.L., Spain*  | NOGES                 | 100.00%         | 100.00%         |
| GMAIT   | Admiral Gaming Network S.r.l., Italy*                                     | ADRID                 | 100.00%         | 100.00%         |
| GRCACS  | Grand Casino d.o.o., Serbia   | CUBECS                | 90.00%          | 90.00%          |
| GSM     | Giochi San Marino S.p.A., San Marino                                      | NAG                   | 93.00%          | 93.00%          |
| GTA     | Greentube GmbH, Austria*  | NAG                   | 100.00%         | 100.00%         |
| GTCACA  | Greentube Canada Interactive Entertainment Corp., Canada                  | GTA                   | 100.00%         | 100.00%         |
| GTGIGI  | Greentube (Gibraltar) Ltd., Gibraltar                                     | GTA                   | 100.00%         | 100.00%         |
| GTLLU   | Greentube Luxembourg S.à.r.l., Luxemburg                                  | GTA                   | 100.00%         | 100.00%         |
| GTMT    | Greentube Malta Ltd., Malta*  | GTA                   | 100.00%         | 100.00%         |
| GTNLNL  | Greentube Netherlands B.V., Netherlands*                                  | GTA                   | 100.00%         | 100.00%         |
| GTUKUK  | Greentube UK Ltd., United Kingdom*  | GTA                   | 100.00%         | 100.00%         |
| GTUSUS  | Greentube USA LLC, USA  | GTA                   | 100.00%         | 100.00%         |
| HBGCIT  | HBG Connex S.p.A., Italy  | HBGGIT                | 100.00%         | 100.00%         |
| HBGEIT  | HBG Entertainment S.r.l., Italy   | HBGCIT                | 100.00%         | 100.00%         |
| HBGGIT  | HBG Gaming S.r.l., Italy  | YHANIT                | 100.00%         | 100.00%         |
| HBGOIT  | HBG Online Gaming S.r.l., Italy   | HBGCIT                | 100.00%         | 100.00%         |
| HFLEUK  | High Force Leisure Limited, United Kingdom                                | LUXLUK                | 100.00%         | 100.00%         |
| HFLMUK  | High Force Leisure (Midlands) Limited, United Kingdom                     | LUXLUK                | 100.00%         | 100.00%         |
| HGVADE  | HGV Automatenaufstell- und Spielhallen GmbH, Germany*                     | CARODE                | 100.00%         | 100.00%         |
| HISPES  | Recreativos Hispajuegos S.L., Spain*                                      | ADOSES / SAMAES       | 24.00% / 27.07% | 24.00% / 36.09% |
| HOCAPE  | Hotel Carrera S.A.C., Peru  | INKEPE                | 100.00%         | 100.00%         |
| HPABDE  | HP Automatenbetriebs GmbH, Germany*                                       | EXTDE                 | 100.00%         | 100.00%         |
| HTBLBA  | RSA Gaming d.o.o., Bosnia and Herzegovina*                                | NOVOBA                | 100.00%         | 100.00%         |
| HTLBA   | HTL d.o.o. Sarajevo, Bosnia and Herzegovina*                              | NAG                   | 100.00%         | 100.00%         |
| HTLMK   | HTL Makedonija DOOEL, North Macedonia*                                    | NAG                   | 100.00%         | 100.00%         |
| HTLUA   | HTL Ukraine TOV, Ukraine  | NAG                   | 100.00%         | 100.00%         |
| HTM     | HTM Hotel und Tourismus Management GmbH, Austria*                         | NAG                   | 100.00%         | 100.00%         |
| IDEADE  | Ideal Entertainment GmbH, Germany*  | NWCKDE                | 100.00%         | 100.00%         |
| IGROUA  | IgroTech-Import TOV, Ukraine  | AZARLT                | 80.00%          | 100.00%         |
| IKGDE   | Novo Immobilien GmbH, Germany*  | NAG                   | 100.00%         | 100.00%         |
| INKEPE  | Inversiones Kerala S.A.C., Peru   | CROPE                 | 100.00%         | 100.00%         |
| INTRO   | Intertop Leisure SRL, Romania*  | NOVORO                | 100.00%         | 100.00%         |
| ISPAIT  | Admiral Pay Istituto di Pagamento S.r.l., Italy*                          | ADRID                 | 100.00%         | 100.00%         |
| IVGDE   | Novo Immobilien Verwaltungsgesellschaft mbH, Germany*                     | IKGDE                 | 100.00%         | 100.00%         |
| JANOES  | Juegos Automaticos Nacidos para el Ocio S.L., Spain*                      | SAMAES                | 60.00%          | 80.00%          |
| JOEXES  | Admiral Extremadura S.L., Spain   | ADOSES                | 100.00%         | 100.00%         |
| JVHNL   | NOVOMATIC Exploitatie NL II B.V., Netherlands*                            | JVHPNL                | 100.00%         | 100.00%         |
| JVHMNL  | NOVOMATIC Development NL B.V., Netherlands*                               | JVHPNL                | 100.00%         | 100.00%         |
| JVHPNL  | NOVOMATIC Services NL B.V., Netherlands*                                  | NOVONL                | 100.00%         | 100.00%         |
| KOENDE  | Königstrasse Spielstätten und Automaten UG (haftungsbeschränkt), Germany* | EXTDE                 | 100.00%         | 100.00%         |
| KSBKDE  | Kurhessische Spielbank Kassel/Bad Wildungen GmbH & Co. KG, Germany*       | SBNKDE                | 100.00%         | 100.00%         |

| IC-Code | Company, domicile   | Superordinate company | Group share    | Direct share   |
|---------|---|-----------------------|----------------|----------------|
| LEWOUK  | Leisure Worldwide Ltd., United Kingdom                                    | LUXLUK                | 100.00%        | 100.00%        |
| LOONNL  | NOVOMATIC Exploitatie NL III B.V., Netherlands*                           | JVHPNL                | 100.00%        | 100.00%        |
| LORZNL  | Recreatieprojecten Zeeland B.V., Netherlands*                             | CAZENL                | 100.00%        | 100.00%        |
| LOTAAL  | Lotaria Kombetare Sh.p.k., Albania  | ALLOAT                | 100.00%        | 100.00%        |
| LUNAES  | Automáticos Luna S.L., Spain  | ADSLES                | 100.00%        | 100.00%        |
| LUXLUK  | Luxury Leisure Ultd., United Kingdom*                                     | ASCGUK                | 100.00%        | 100.00%        |
| LWAUDE  | ADMIRAL Spielhalle Wolfsburg GmbH, Germany*                               | EXTDE                 | 100.00%        | 100.00%        |
| MAGMK   | MA Gaming DOOEL, North Macedonia*   | HTLMK                 | 100.00%        | 100.00%        |
| MAKOMK  | Makoten DOOEL, North Macedonia*   | NAG                   | 100.00%        | 100.00%        |
| MASTMK  | Masterbet DOOEL, North Macedonia*   | HTLMK                 | 100.00%        | 100.00%        |
| MIBECS  | Millennium Bet d.o.o., Serbia*  | NOVOCS                | 100.00%        | 100.00%        |
| MILLIT  | Admiral Sport S.r.l., Italy*  | GTMT                  | 100.00%        | 100.00%        |
| MOISDE  | Moislinger Spielstätten und Automaten UG (haftungsbeschränkt), Germany*   | EXTDE                 | 100.00%        | 100.00%        |
| MUEHDE  | Mühlenstraße Spielstätten und Automaten UG (haftungsbeschränkt), Germany* | EXTDE                 | 100.00%        | 100.00%        |
| NAG     | NOVOMATIC AG, Austria*  | NIG                   | 89.96%         | 89.96%         |
| NAHUS   | NOVOMATIC Americas Holdings Inc., USA                                     | NAG                   | 100.00%        | 100.00%        |
| NAINUS  | NOVOMATIC Americas Investments Inc., USA                                  | NAHUS                 | 100.00%        | 100.00%        |
| NASUS   | NOVOMATIC Americas Sales LLC, USA*  | NAHUS / NAINUS        | 99.00% / 1.00% | 99.00% / 1.00% |
| NDSKDE  | NOVO Data Solutions GmbH & Co. KG, Germany                                | NSMLDE                | 75.00%         | 75.00%         |
| NEE     | Novoloto OÜ, Estonia*   | ADMILV                | 60.00%         | 100.00%        |
| NEULDE  | Neulin GmbH, Germany*   | HGVADDE               | 100.00%        | 100.00%        |
| NGEXNL  | NOVOMATIC Exploitatie NL I B.V., Netherlands*                             | JVHPNL                | 100.00%        | 100.00%        |
| NGMTAT  | Novo Gaming M Technologies GmbH, Austria*                                 | NAG                   | 100.00%        | 100.00%        |
| NHCCL   | Novomatic Holdings Chile Ltda., Chile                                     | NICCL                 | 100.00%        | 100.00%        |
| NICCL   | Novomatic Investments Chile S.A., Chile                                   | NAG                   | 100.00%        | 100.00%        |
| NLAHES  | Novomatic LatAm Holding S.L., Spain                                       | NAG                   | 100.00%        | 100.00%        |
| NMIIAT  | NMI Invest GmbH, Austria  | NAG                   | 100.00%        | 100.00%        |
| NMN     | NMN Immo GmbH, Austria  | NAG                   | 100.00%        | 100.00%        |
| NOGAUG  | Novogames (U) Ltd., United Kingdom  | NAG /NMIIAT           | 99% / 1%       | 99% / 1%       |
| NOGES   | NOVOMATIC Gaming Spain S.A., Spain*                                       | NAG                   | 100.00%        | 100.00%        |
| NOSES   | NOVOMATIC Services Spain S.L.U., Spain*                                   | NOGES                 | 100.00%        | 100.00%        |
| NOVGUK  | Novomatic Gaming UK Ltd., United Kingdom*                                 | ASTUK                 | 100.00%        | 100.00%        |
| NOVOBA  | NOVO RS d.o.o., Bosnia and Herzegovina*                                   | NAG                   | 100.00%        | 100.00%        |
| NOVOBG  | Novo Investment Bulgaria EOOD, Bulgaria*                                  | NAG                   | 100.00%        | 100.00%        |
| NOVOCL  | Novochile Ltda., Chile  | NAG /NMIIAT           | 99.00% / 1.00% | 99.00% / 1.00% |
| NOVOCS  | Novo Investment d.o.o., Serbia*   | NAG                   | 100.00%        | 100.00%        |
| NOVOEC  | NOVOMATIC ECUADOR S.A.S., Ecuador   | NLAHES                | 100.00%        | 100.00%        |
| NOVOLT  | Novogaming Vilnius UAB, Lithuania*  | NAG                   | 80.00%         | 80.00%         |
| NOVOMD  | NOVO INVESTMENT MLD S.R.L., Moldavia                                      | NGMTAT                | 100.00%        | 100.00%        |
| NOVONL  | NOVOMATIC Netherlands B.V., Netherlands                                   | NAG                   | 100.00%        | 100.00%        |
| NOVOPE  | NOVOMATIC Perú S.A.C., Peru   | NAG /NMIIAT           | 99.99% / 0.01% | 99.99% / 0.01% |
| NOVOPR  | NOVOMATIC AMERICAS PUERTO RICO LLC, Puerto Rico                           | NASUS                 | 100.00%        | 100.00%        |
| NOVORO  | Novo Investment RO SRL, Romania*  | NAG                   | 100.00%        | 100.00%        |
| NSBSAT  | NOVOMATIC Sports Betting Solutions GmbH, Austria                          | NAG                   | 100.00%        | 100.00%        |

| IC-Code | Company, domicile  | Superordinate company | Group share     | Direct share    |
|---------|--|-----------------------|-----------------|-----------------|
| NSMLDE  | LÖWEN ENTERTAINMENT GmbH, Germany*   | NAG                   | 100.00%         | 100.00%         |
| NTSCS   | GREENTUBE TECHNOLOGIES RS d.o.o. Beograd, Serbia                           | GTA                   | 100.00%         | 100.00%         |
| NVLTAT  | Novo VLTech GmbH, Austria  | NAG                   | 100.00%         | 100.00%         |
| NVLTRO  | Novo VLTech Solutions SRL, Romania*  | NAG / NVLTAT          | 0.01% / 99.99%  | 0.01% / 99.99%  |
| NWCKDE  | NWC NORD WEST CASINO GmbH, Germany*  | EXTDE                 | 100.00%         | 100.00%         |
| OLACO   | NOVOMATIC Gaming Colombia S.A.S., Colombia                                 | NAG                   | 100.00%         | 100.00%         |
| PLAAT   | Platogo Interactive Entertainment GmbH, Austria*                           | GTA                   | 100.00%         | 100.00%         |
| PLANBY  | Planeta IGR PUE, Belarus   | AZARLT                | 80.00%          | 100.00%         |
| PLAYDE  | Play-Point Spielhallen- und Automatenbetriebsgesellschaft m.b.H., Germany* | EXTDE                 | 100.00%         | 100.00%         |
| RALLUK  | RAL Ltd., United Kingdom*  | TALAUK                | 100.00%         | 100.00%         |
| RECRES  | Recreativos del Este S.L., Spain*  | ADOSES                | 60.00%          | 60.00%          |
| REDDDE  | Red Devil Spielothek GmbH, Germany*  | EXTDE                 | 100.00%         | 100.00%         |
| RIVUNL  | Rio Vught B.V., Netherlands*   | CAHONL                | 100.00%         | 100.00%         |
| SALLUK  | S.A.L Leisure Ltd., United Kingdom   | ASCGUK                | 100.00%         | 100.00%         |
| SAMAES  | Salones Macao S.L., Spain*   | ADOSES                | 75.00%          | 75.00%          |
| SBBKDE  | Spielbank Berlin GmbH & Co. KG, Germany*                                   | SBNKDE                | 60.00%          | 60.00%          |
| SBEKDE  | Spielbank Berlin Entertainment GmbH & Co.KG, Germany                       | SBNKDE                | 60.00%          | 60.00%          |
| SBMKDE  | Spielbanken MV GmbH & Co. KG, Germany                                      | SBNKDE                | 100.00%         | 100.00%         |
| SBNKDE  | NOVOMATIC Spielbanken Holding Deutschland GmbH & Co. KG, Germany           | NAG                   | 100.00%         | 100.00%         |
| SBPRU   | Octavian SPb OOO, Russia   | NAG                   | 100.00%         | 100.00%         |
| SKICAT  | Ski Challenge GmbH, Austria  | GTA                   | 100.00%         | 100.00%         |
| SLENDE  | Spiellounge Entertainment GmbH, Germany*                                   | EXTDE                 | 100.00%         | 100.00%         |
| SPGEDE  | Spieloase GeBo GmbH & Co. KG, Germany*                                     | CARODE                | 100.00%         | 100.00%         |
| SPHEDE  | Spieloase Herne GmbH, Germany*   | CARODE                | 100.00%         | 100.00%         |
| SPREDE  | Spieloase Relax Automatenaufstellungs- und Vertriebs – GmbH, Germany*      | CARODE                | 100.00%         | 100.00%         |
| SPTRDE  | Spieloase TRIO – Automatenaufstellungs- und Vertriebs-GmbH, Germany*       | CARODE                | 100.00%         | 100.00%         |
| SUGANL  | Super Game B.V., Netherlands*  | CAHONL                | 100.00%         | 100.00%         |
| TALAUK  | Talarius Ltd., United Kingdom  | ASTUK                 | 100.00%         | 100.00%         |
| TAXILT  | Taxillus UAB, Lithuania*   | AZARLT                | 80.00%          | 100.00%         |
| TOPANL  | Speelautomatenexploitatie Topa BV, Netherlands*                            | CAHONL                | 100.00%         | 100.00%         |
| TURHDE  | Turhan Spielsalon GmbH, Germany*   | EXTDE                 | 100.00%         | 100.00%         |
| UGIRU   | United Gaming Industries OOO, Russia                                       | NAG /NMIIAT           | 99.99% / 0.01%  | 99.99% / 0.01%  |
| UNIMES  | Unimatic S.A., Spain   | SAMAES                | 100.00%         | 100.00%         |
| VERAES  | Verajuegos S.L., Spain*  | ADOSES / SAMAES       | 24.00% / 27.04% | 24.00% / 36.05% |
| VGSBDE  | VGS Betriebsgesellschaft mbH, Germany*                                     | CARODE                | 100.00%         | 100.00%         |
| VIDDE   | Casino Deluxe Beteiligungsgesellschaft mbH IV, Germany*                    | BPAFDE                | 100.00%         | 100.00%         |
| VILLBG  | Villox Group EOOD, Bulgaria*   | NOVOBG                | 100.00%         | 100.00%         |
| VSGALT  | VSGA UAB, Lithuania*   | AZARLT                | 80.00%          | 100.00%         |
| WGVEDE  | WGV Entertainment GmbH, Germany*   | CARODE                | 100.00%         | 100.00%         |
| YHANIT  | Yhank Capital S.r.l., Italy  | ADRIIT                | 80.00%          | 80.00%          |



| IC-Code | Company, domicile                | Superordinate company | Group share | Direct share |
|---------|----------------------------------|-----------------------|-------------|--------------|
| ZBETCS  | Zbet RS d.o.o. Beograd, Serbia*  | NOVOCS                | 70.00%      | 70.00%       |
| ZSCADE  | ZS Casino Emsland GmbH, Germany* | EXTDE                 | 100.00%     | 100.00%      |

\* Entities which are included in Non-Financial Report of the Group.

#### Non-Consolidated Affiliated Companies

| IC-Code | Company, domicile   | Superordinate company | Group share  | Direct share |
|---------|---|-----------------------|--------------|--------------|
| ADGMUA  | ADMIRAL GAMING UKR TOV, Ukraine                                       | HTLUA                 | 100.00 %     | 100.00 %     |
| ADGSUA  | ADMIRAL GASTRO UKR TOV, Ukraine                                       | HTLUA                 | 100.00 %     | 100.00 %     |
| ADONUA  | ADMIRAL ONLINE UKR TOV, Ukraine                                       | HTLUA                 | 100.00 %     | 100.00 %     |
| AINSUK  | Ainsworth (UK) Ltd., United Kingdom                                   | ASTUK                 | 100.00 %     | 100.00 %     |
| AMUTNL  | Culemborg Automaten B.V., Netherlands                                 | CAHONL                | 100.00 %     | 100.00 %     |
| BAGYHU  | Admiral Hungaria Kft., Hungary  | AGIHU                 | 100.00 %     | 100.00 %     |
| BDGABA  | BD GAMING d.o.o., Bosnia and Herzegovina                              | HTLBA                 | 100.00 %     | 100.00 %     |
| BETBMT  | BetCave Betting Solutions Ltd., Malta                                 | BETHMT                | 100.00 %     | 100.00 %     |
| BETHMT  | BetMen Holding Ltd., Malta  | ASW                   | 100.00 %     | 100.00 %     |
| BETOMT  | BetMen Operations Ltd, Malta  | BETHMT                | 100.00 %     | 100.00 %     |
| CAH5NL  | Casino Admiral Holland V B.V., Netherlands                            | CAHONL                | 100.00 %     | 100.00 %     |
| CAH6NL  | Casino Admiral Holland VI B.V., Netherlands                           | CAHONL                | 100.00 %     | 100.00 %     |
| CASVDE  | Casino Entertainment Verwaltungs-GmbH, Germany                        | EXTDE                 | 100.00 %     | 100.00 %     |
| CPASPH  | CP Asian Solutions Corp., Philippines                                 | ASTUK                 | 51.00 %      | 51.00 %      |
| CRVBA   | CRVENO-CRNO d.o.o. Mostar, Bosnia and Herzegovina                     | HTLBA                 | 100.00 %     | 100.00 %     |
| GIPDE   | NOVOMATIC Spielbanken Holding Deutschland Verwaltungs GmbH, Germany   | SBNKDE                | 100.00 %     | 100.00 %     |
| INLOLB  | Interlog SAL i. L., Lebanon   | INTLB                 | 95.00 %      | 100.00 %     |
| INTLB   | Interinvest Holding SAL i. L., Lebanon                                | NAG                   | 95.00 %      | 95.00 %      |
| KSBDE   | Kurhessische Spielbank Kassel/Bad Wildungen Verwaltungs GmbH, Germany | KSBKDE                | 100.00 %     | 100.00 %     |
| NDSVDE  | NOVO Data Solutions Verwaltungs GmbH, Germany                         | NDSKDE                | 100.00 %     | 100.00 %     |
| NEWTUK  | Brian Newton Leisure Ltd., United Kingdom                             | LUXLUK                | 100.00 %     | 100.00 %     |
| NOBEPL  | NOVO Investment PL Sp. z o.o., Poland                                 | ATTPL                 | 100.00 %     | 100.00 %     |
| APPSCS  | AppSter Solutions d.o.o, Serbia                                       | NOVOCS                | 51.00 %      | 51.00 %      |
| MBTECS  | MB Technology d.o.o, Serbia   | NAG                   | 100.00 %     | 100.00 %     |
| ADONNL  | Admiral Online NL B.V., Netherlands                                   | ASW/JVHPNL            | 66.67/33.3 % | 66.67/33.3 % |
| NBETPL  | NOVOBET Sp.z o.o., Poland   | ATSIPL                | 100.00 %     | 100.00 %     |
| NOVOTZ  | NOVOMATIC TANZANIA Ltd., Tanzania                                     | NAG                   | 100.00 %     | 100.00 %     |
| SBBVDE  | Spielbank Berlin Verwaltungs GmbH, Germany                            | SBBKDE                | 60.00 %      | 100.00 %     |
| SBEVDE  | Spielbank Berlin Entertainment Verwaltungs-GmbH, Germany              | SBEKDE                | 60.00 %      | 100.00 %     |
| SBMVDE  | Spielbanken MV Verwaltungs-GmbH, Germany                              | SBMKDE                | 100.00 %     | 100.00 %     |
| TECHAT  | Technoconsult, technisches Büro, Gesellschaft m.b.H., Austria         | NAG                   | 100.00 %     | 100.00 %     |

### Companies Consolidated Using the Equity Method

| IC-Code | Company, domicile   | Superordinate company | Group share | Direct share |
|---------|---|-----------------------|-------------|--------------|
| PRAGA   | Pratergarage Errichtungs- und Betriebsges. m.b.H., Austria  | NAG                   | 47.50 %     | 47.50 %      |
| FLCAUS  | Flamingo Catz Inc., USA                                     | GTA                   | 40.00 %     | 40.00 %      |
| SMAKDE  | Spielbank Mainz GmbH & Co. KG, Germany                      | SBNKDE                | 33.00 %     | 33.00 %      |
| MERND   | Mernov Vermögensverwaltungs- und Beteiligungs GmbH, Germany | GTA                   | 50.00 %     | 50.00 %      |

### Exemption from Disclosure for Group Companies

The following German companies are included in NOVOMATIC AG's Consolidated Financial Statement as per IFRS as fully consolidated companies and avail themselves of the possibility of exemption from a disclosure of their financial statements as of December 31, 2022, as granted under section 264 para. 3 and section 264 b of the German Commercial Code (HGB):

- LÖWEN ENTERTAINMENT GmbH, Bingen
- ADMIRAL ENTERTAINMENT GmbH, Pfullendorf
- ADMIRAL Gastronomieaufstellung GmbH, Pfullendorf
- ADMIRAL Play GmbH, Düsseldorf
- ADMIRAL Spielhalle Wolfsburg GmbH, Pfullendorf
- Automaten Service Playtime GmbH, Pfullendorf
- BeKu Automaten & Gastronomie Service GmbH, Pfullendorf
- BPA Freizeit- & Unterhaltungsbetriebe GmbH, Pfullendorf
- Casino Deluxe Beteiligungsgesellschaft mbH I, Pfullendorf
- Casino Deluxe Beteiligungsgesellschaft mbH III, Pfullendorf
- Casino Deluxe Beteiligungsgesellschaft mbH IV, Pfullendorf
- Casino Entertainment GmbH & Co. KG, Pfullendorf
- City Freizeitanlagen GmbH, Pfullendorf
- Conrad Spielautomaten Gesellschaft mit beschränkter Haftung, Pfullendorf
- Domino-Automaten-Betriebs-GmbH, Pfullendorf
- HP Automatenbetriebs GmbH, Pfullendorf
- Ideal Entertainment GmbH, Pfullendorf
- Königstrasse Spielstätten und Automaten UG (limited liability), Pfullendorf
- Moislinger Spielstätten und Automaten UG (limited liability), Pfullendorf
- Mühlenstrasse Spielstätten und Automaten UG (limited liability), Pfullendorf
- Novo Immobilien GmbH, Bingen
- Novo Immobilien Verwaltungsgesellschaft mbH, Bingen
- NOVO Data Solutions GmbH & Co. KG, Bingen
- NOVO INTERACTIVE GmbH, Rellingen
- NWC NORD WEST CASINO GmbH, Pfullendorf
- Play-Point Spielhallen- u. Automatenbetriebsgesellschaft m.b.H., Pfullendorf
- Red Devil Spielothek GmbH, Pfullendorf
- Spielinsel Vermietungs GmbH, Pfullendorf (merged with ADMIRAL ENTERTAINMENT GmbH on August 29, 2022)
- Spiellounge Entertainment GmbH, Pfullendorf
- Turhan Spielsalon GmbH, Pfullendorf
- ZS Casino Emsland GmbH, Pfullendorf



## (14) Subsequent Events after the Balance Sheet Date

In January 2023, 80 percent of the shares were acquired in Ineor d.o.o., a development company in Slovenia with a focus on gaming and betting software. Furthermore, 65.04 percent shares in the Maltese company S&S Capitals Ltd. and its subsidiaries (jointly the Alteatech Group) were acquired. Alteatech Group is iGaming Management System and platform provider in B2B. In March, an acquisition (Asset-Deal) was made in the slot arcade market in Great Britain. The agreed purchase price (including Asset-Deals) is around EUR 33.0 million for the above-mentioned company acquisition. The purchase price allocation in accordance with IFRS 3 had not yet been completed as at the reporting date.

## (15) Company Bodies of NOVOMATIC AG

The following members of the Executive Board of NOVOMATIC AG were appointed for the 2022 fiscal year and beyond:

Ryszard Presch (Executive Board Member)  
Johannes Gratzl (Executive Board Member)

In the 2022 fiscal year and during the time of preparation of this report, the Supervisory Board of NOVOMATIC AG consisted of the following members:

Dr. Bernd Oswald (Chairman)  
Martina Flitsch (Deputy Chairwoman)  
Dr. Haig Asenbauer (Deputy Chairman)  
Dr. Robert Hofians (member)

The current total remuneration of the members of the Executive Board of NOVOMATIC AG amounted to EUR 2.4 million (previous year: EUR 1.9 million). Payments of EUR 0.0 million (previous year: EUR 0.4 million) to former members of the Executive Board were recognized as an expense. Of the expenses for severance payments and pensions, EUR 0.0 million (previous year: EUR 0.5 million) were attributable to the Executive Board. No advances or contingencies were granted to members of the Executive Board in the 2022 fiscal year. The members of the Supervisory Board received EUR 0.4 million (previous year: EUR 0.4 million).

## (16) Publication

The present Consolidated Financial Statement was released on March 27, 2023 by the Executive Board for examination by the Supervisory Board, for presentation at the general shareholders' meeting, and for subsequent publication.

Gumpoldskirchen, 27 March 2023

The Executive Board of NOVOMATIC AG



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

## Statement by the Executive Board

We confirm that to the best of our knowledge, the consolidated financial statement of NOVOMATIC AG as of December 31, 2022, gives a true and fair view of the net assets, financial position and results of operations of the Group as required by the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and that the consolidated management report as of December 31, 2022, gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties which the Group faces.

We confirm that to the best of our knowledge, the annual financial statement of NOVOMATIC AG as of December 31, 2022, gives a true and fair view of the net assets, financial position and results of operations of the company as required by the Austrian Commercial Code (UGB), and that the management report as of December 31, 2022, gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties which the company faces.

Gumpoldskirchen, March 27, 2023

The Executive Board of NOVOMATIC AG



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

# NOVOMATIC AG

# AUDITOR'S REPORT

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of NOVOMATIC AG, Gumpoldskirchen, and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at December 31, 2022, and the Consolidated Income Statement for the 2022 Fiscal Year, the Consolidated Statement of Comprehensive Income for the 2022 Fiscal Year, the Consolidated Cash Flow Statement for the 2022 Fiscal Year and the Consolidated Statement of Changes in Equity for the 2022 Fiscal Year, and Notes to the Consolidated Financial Statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

### Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### (1) Acquisition of HBG Group, Italy – purchase price allocation and subsequent measurement

##### Description and Issue

In November 2022, 80% of the shares in the Italian HBG Group, consisting of various legal entities, were acquired for EUR 96.4 million. HBG Group is one of the leading providers on the Italian market and operates both as a concessionaire for VLTs (Video Lottery Terminals) and AWP (Amusement with Prizes) as well as in the areas of online gaming, sports betting and the operation of bingo locations.

As of acquisition date a purchase price allocation was performed and goodwill of EUR 68.3 million was recognized. Goodwill and the other non-current assets recognized as part of the purchase price allocation subsequently had to be tested for impairment. Further information is included in the notes to the consolidated financial statements in section "(6) Company Acquisitions" and section "(7.4) Impairments and Reversals of Impairments".

Numerous input factors and assumptions are incorporated into both the valuation models used to carry out the purchase price allocation and those used for impairment testing during subsequent measurement. Due to the complexity of the valuation models and the correlation of the results with the assessment of market developments by management, this is a key audit matter.

### Our Response

We evaluated the purchase price allocation and subsequent measurement primarily in the following areas:

- Assessment of the methodology applied for computation of purchase price allocation and subsequent measurement;
- Accuracy of the data transfers and the arithmetical correctness of the evaluations;
- Plausibility check of the business plan, including the embedded assumptions, as well as of relevant market data from external and group-internal sources, used for valuation purposes;
- Plausibility check of the applied discount rate with ranges derived from market data.

### Other Information

Management is responsible for the other information. The other information comprises all information in the consolidated non-financial report, which we obtained prior to the date of this auditor's report, as well as the in the annual report but does not include the financial statements and the consolidated financial statements, the management report and the consolidated management report and our auditor's report on the financial statements and the consolidated financial statements thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report we refer to the section "Report on the Audit of the Consolidated Management Report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

### Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

### Statement

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.

## Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on March 29, 2022 and commissioned by the supervisory board on June 28, 2022 to audit the consolidated financial statements for the financial year ending December 31, 2022. We have been auditing the Group uninterrupted since the financial year ending December 31, 2004.

We confirm that our opinion expressed in the section "Report on the Audit of the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Vienna, March 27, 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

**Walter Müller**

Certified Public Accountant (Austria)

This report is a translation of the long-form audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the long-form audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.



# REPORT BY THE SUPERVISORY BOARD OF NOVOMATIC AG

for the fiscal year 2022



The Supervisory Board held six meetings during the 2022 fiscal year in which the Executive Board reported on business policy, and the Supervisory Board discussed, in detail, business developments and the position of the company, including all material Group companies. In addition, the Supervisory Board auditing committee received reports from the Executive Board and the auditor in seven meetings. The Supervisory Board also received reports in three meetings, as part of its CR Committee, regarding the company's non-financial activities, as well as addressing HR matters in four meetings of the HR and Nomination Committee.

The annual and consolidated financial statements as at December 31, 2022 and the Executive Board management report have been examined with the involvement of accounting by Deloitte Audit Wirtschaftsprüfungs GmbH,

who were appointed as auditor by the Annual General Meeting and who have issued an unqualified audit opinion. The examination of the annual and consolidated financial statements by the Supervisory Board did not give rise to any objections. The Supervisory Board agrees with the proposal of the Executive Board regarding the use of the net profits from 2022. The annual financial statements drawn up by the Executive Board were approved by the Supervisory Board and hence adopted in accordance with the Austrian Stock Corporation Act (AktG).

The legal representatives of the company have also issued a special consolidated non-financial report that was checked by the Supervisory Board. No complaints were noted. The auditor has issued a report on the voluntary audit of the disclosure of the information required in the non-financial report for 2022, which did not give rise to any objections. The information presented in the non-financial report has been prepared in accordance with the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the requirements of sections 243b and 267a of the Austrian Commercial Code (Austrian Sustainability and Diversity Improvement Act, NaDiVeG), as well as Regulation (EU) 2020/852 (Taxonomy Regulation) and the supplementary Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

The Supervisory Board acknowledges and thanks the Executive Board and all employees of NOVOMATIC AG's companies for their work during the 2022 fiscal year.

**Gumpoldskirchen, March 2023**

The Supervisory Board

**Dr. Bernd Oswald**  
(Chairman)

NOVOMATIC-  
Individual Financial Statement  
2022



# NOVOMATIC AG MANAGEMENT REPORT

for the 2022 Consolidated Financial Statement, NOVOMATIC AG, Gumpoldskirchen

## (1) Purpose of the Business and Strategy

NOVOMATIC<sup>1</sup> is a globally operating, integrated gaming technology and entertainment group with over 40 years of experience as a producer of innovative high-tech gaming equipment. The Group develops, manufactures and sells gaming products, lottery technologies and networked system solutions for domestic and international gaming and betting markets. NOVOMATIC furthermore operates around 2,100 gaming facilities, which include casinos, slot arcades, sports betting outlets and bingo facilities.

In addition to the development of terrestrial gaming equipment, the NOVOMATIC AG Group's business activity also covers the development of game content for licensed online and offline suppliers as well as the operation of online gaming and sports betting platforms.

NOVOMATIC pursues a strategy of vertical integration within the gaming industry, meaning it acts as a manufacturer of state-of-the-art gaming equipment as well as an operator of gaming facilities. In the years since its establishment, this has contributed significantly to the success of the Company. With this integrated approach, the Group is able to introduce newly developed products into the marketplace very quickly, gain insights into their potential success and subsequently influence the development of new technologies in a goal-oriented manner.

NOVOMATIC AG, as an individual company, assumes key functions in this context: It is first of all a holding company, which is reflected, for example, in the definition and monitoring of Group standards, but also in the centralization of financing and exchange rate issues. In addition, it plays a central role in the development of gaming equipment and content by its own development departments as well as by controlling the development centers distributed around the world, and holds the majority of the intellectual property rights of the NOVOMATIC AG Group. The Company is also responsible for purchasing supplies and services from third parties and related companies as well as for production using its own capacities, as well as with the involvement of other Group production companies. In addition, it is the owner of significant parts of the Group's property portfolio in Austria.

## (2) Economic Conditions

### Macroeconomic Development

Macroeconomic development in 2022 was strongly influenced by several factors. The conflict between Russia and Ukraine that broke out in February 2022 led to an energy crisis, particularly in Europe, which caused the cost of living to soar and hampered economic activity. Renewed COVID-19 outbreaks in the first half of 2022 in China, accompanied by strict lockdown regulations, some of which continued until December, also caused bottlenecks in global supply chains. Rising inflation rates worldwide represented a third far-reaching factor behind declining global economic growth in 2022. The second half of the year in particular saw a steady rise in headline inflation across all markets. While higher private consumption, rising investment and extensive fiscal policy measures ensured stronger-than-expected growth in the third quarter, the final months of 2022 again saw a downward trend in global economic output.

<sup>1</sup> In this management report, the terms "NOVOMATIC", "Group" and "NOVOMATIC AG Group" refer to the group of consolidated companies included in the consolidated financial statement for NOVOMATIC AG.

The increase in global GDP in 2022 is forecast to come in at 3.4 percent<sup>2</sup>, while the euro area is predicted to see an increase of 3.5 percent<sup>3</sup>.

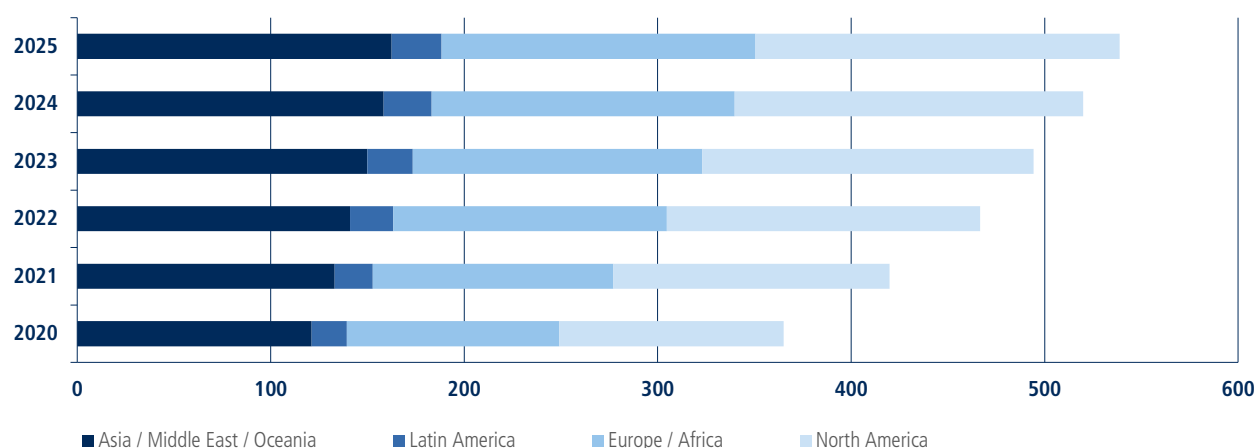
| Economic growth in %*      | 2023f | 2022 | 2021 |
|----------------------------|-------|------|------|
| Austria                    | 0.5   | 4.8  | 4.6  |
| Germany                    | 0.2   | 1.8  | 2.6  |
| Italy                      | 0.8   | 3.9  | 6.7  |
| United Kingdom             | -0.6  | 4.1  | 7.6  |
| Spain                      | 1.4   | 5.5  | 5.5  |
| Netherlands                | 0.9   | 4.4  | 4.9  |
| Central and Eastern Europe | 1.5   | 0.7  | 6.9  |
| USA                        | 1.4   | 2.0  | 5.9  |
| Latin America              | 1.8   | 3.9  | 7.0  |
| World                      | 2.9   | 3.4  | 6.2  |

\* Growth in Austria, Germany, Italy, Spain and the Netherlands are taken from the Winter 2023 economic forecast of the European Union. Growth in the UK, Central and Eastern Europe, the United States, Latin America and the world is taken from the International Monetary Fund's January 2023 World Economic Outlook Update. The previous year's data were updated on the basis of the available reports.

## Development of the Gaming Market

### WORLDWIDE GAMING REVENUES

in billion USD (source: GBGC)



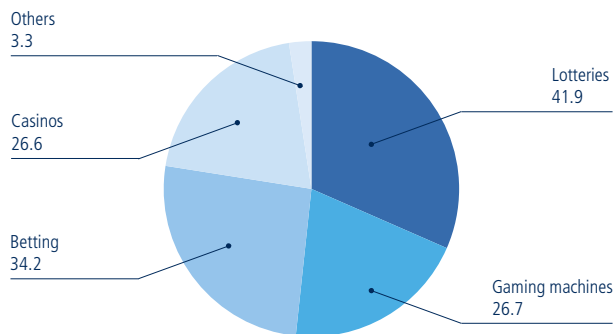
Global gaming revenues came to USD 466.7 billion in 2022, according to the Global Gambling Report by Global Betting and Gaming Consultants (GBGC), exceeding 2019 levels before the outbreak of the COVID-19 pandemic. The year-on-year increase amounts to 11.2 percent. The highest increase was recorded in the betting sector, which generated around 16.6 percent higher revenues in 2022 than in 2021, growth that is due in part to the steadily expanding digital infrastructure and mobile access options. GBGC experts forecast global gaming revenues of USD 494.3 billion for 2023.

<sup>2</sup> According to the World Economic Outlook Update dated January 2023 provided by the International Monetary Fund (IMF)

<sup>3</sup> According to the European Economic Forecast Winter 2023.

In Europe, NOVOMATIC's most important gaming market, gaming revenues amounted to USD 132.7 billion in 2022, 31.6 percent of which are attributable to the lottery sector, which is the largest sector in Europe with a total revenue of USD 41.9 billion and which grew by 4.0 percent over 2021. The second-largest sector in terms of revenue in 2022 is the horse and sports betting market, which grew by 17.0 percent, partly due to the aforementioned growth in digital infrastructure. Gaming terminals, which are part of NOVOMATIC's core business, posted the highest growth of 18.4 percent. Overall, the European market recorded a year-on-year increase in revenue of 12.0 percent. The GBGC experts forecast average growth of around 4.1 percent in Europe for the following years up to 2025.

#### GAMING REVENUES IN EUROPE, USD BILLIONS



Revenues in the North American gaming market amounted to USD 162.0 billion in 2022, representing growth of 13.5 percent over the previous year. The largest gaming market, the casino sector, recorded a 16.0 percent increase in revenue due in part to lower restrictions. The largest percentage increase was achieved by gaming terminals outside casinos, at 28.5 percent. Average growth of 5.1 percent is forecast for the North American gaming market between 2023 and 2025.

The Latin American gaming market recorded a 13.2 percent increase in revenue compared to 2021, meaning that revenue came in at USD 22.3 billion in 2022, accounting for 4.8 percent of global gaming revenue. The majority of this region's revenues are generated in the casino and lottery sector. The average annual growth rate is 5.1 percent.

Global online gaming revenue increased by 9.5 percent compared to 2021 and stood at USD 97.4 billion in the year under review. The largest sub-segment of this market continued to be online betting, which accounted for around 53.9 percent of total revenue in 2022.

### (3) Business Performance

#### General business development in the reporting period

The 2022 fiscal year saw increased demand for gaming equipment, which meant that revenues increased by EUR 79.3 million to EUR 319.1 million in 2022. However, lower other operating income (EUR -6.3 million) attributable to higher asset sales in the previous year, higher cost of materials and purchased services (EUR +56.5 million) due to a higher volume of revenues, and higher personnel expenses (EUR +14.8 million) caused by the discontinuation of subsidies for reduced working hour schemes and collective bargaining agreement adjustments to wages and salaries resulted in a year-on-year decrease in operating profit of EUR 4.8 million to EUR -35.3 million. As a result of the higher financial result of EUR 218.0 million (EUR +148.4 million), earnings before taxes increased by EUR 143.5 million to EUR 182.7 million.

#### Important Events

The conflict between Russia and Ukraine that broke out in the first half of 2022 did not have a significant direct impact on the net assets, financial position and results of operations of the NOVOMATIC AG Group due to the low overall level of exposure in these markets. Indirect influences on the NOVOMATIC AG Group result from the resulting impact on the global economy. Major price volatility was seen in energy costs in particular during the reporting period.

In November 2022, one of the largest transactions in NOVOMATIC's history was completed with the acquisition of a majority stake in the Italian HBG Group. HBG Gaming is one of the leading operators on the Italian market and is active both as a concessionaire of VLTs and AWP, as well as in the divisions of online gaming, sports betting and the operation of bingo sites. This acquisition makes NOVOMATIC one of the largest concessionaires in one of the most important gaming markets in Europe.

The acquisition of a majority stake in the Grand Casino d.o.o., one of a total of two live gaming casinos in Belgrade, Serbia, was completed in the fourth quarter. This is the first time that the NOVOMATIC AG Group is offering live gaming in Serbia and can further increase its presence and market share in the South-East European market.

As part of the company's focus on international growth, smaller acquisitions of arcade operators were also made in 2022, including in Spain, Italy, the Netherlands, and the United Kingdom. These ensure an increased presence in terrestrial electronic gaming. The Greentube Group's international online business was consistently expanded, among other things, by the acquisition of a software development studio in the USA.

In February 2022, NOVOMATIC AG made a buyback offer (buyback against cash payment) to the holders of the bond 2016-2023 (EUR 500 million, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of EUR 262.4 million. After the settlement, bonds with a nominal amount of EUR 237.6 million remain outstanding.

Furthermore, the short-term bilateral financing in the amount of EUR 140.0 million was repaid as agreed in the first half of 2022. Promissory note bonds in the amount of EUR 140.0 million were taken out in June 2022.

The syndicated revolving usable credit line of EUR 1.0 billion maturing on March 1, 2024 was refinanced early at the end of October 2022 with a reduced total volume of EUR 800.0 million and a term until 2027, with options to extend for two further years. As at December 31, 2022, the credit line was utilized in the amount of EUR 570.0 million.

NOVOMATIC AG receives a rating on an ongoing basis from the ratings agency Standard & Poor's (S&P) and consistently held an investment grade rating until June 2019. On June 29, 2022 (last rating change), S&P adjusted NOVOMATIC AG's rating from BB with negative outlook to BB with positive outlook. The main reason given by S&P for the rating change was the improvement in the financial key figures (higher profitability as well as lower indebtedness).

## EARNINGS POSITION

| EUR m   | 2022          | 2021          |
|---|---------------|---------------|
| <b>Revenues</b>                               | <b>319.1</b>  | <b>239.9</b>  |
| Changes in inventory                          | -9.3          | -6.1          |
| Own work capitalized                          | 3.5           | 2.2           |
| Other operating income                        | 18.5          | 24.8          |
| Cost of material and other purchased services | -190.9        | -134.3        |
| Personnel costs                               | -93.6         | -78.8         |
| Total other operating expenses                | -68.4         | -61.5         |
| <b>EBITDA</b>                                 | <b>-21.0</b>  | <b>-13.8</b>  |
| <b>EBITDA margin</b>                          | <b>-6.6%</b>  | <b>-5.7%</b>  |
| Depreciation and amortization                 | -14.3         | -16.6         |
| <b>EBIT</b>                                   | <b>-35.3</b>  | <b>-30.4</b>  |
| <b>EBIT margin</b>                            | <b>-11.1%</b> | <b>-12.7%</b> |
| Financial result                              | 218.0         | 69.6          |
| Earnings before taxes                         | 182.7         | 39.2          |
| Income tax                                    | 5.4           | 1.6           |
| <b>Annual profit</b>                          | <b>188.1</b>  | <b>40.8</b>   |

| Key figures on the earnings situation   |          | 12/31/2022 | 12/31/2021 |
|---|----------|------------|------------|
| EBITDA  | Mio. EUR | -21.0      | -13.8      |
| EBIT  | Mio. EUR | -35.3      | -30.4      |
| Earnings before taxes   | EUR m    | 182.7      | 39.2       |
| Interest expenses   | EUR m    | -25.2      | -35.8      |
| Earnings before interest and taxes  | EUR m    | 207.9      | 75.1       |
| Return on equity (earnings before interest and taxes / equity)                | [%]      | 22.5       | 10.2       |
| Return on sales (earnings before interest and taxes / revenues)               | [%]      | 65.1       | 31.3       |
| Return on investment (earnings before interest and taxes / total capital)     | [%]      | 8.3        | 3.1        |
| Turnaround time inventories (inventories x 365 / total operating performance) | [days]   | 138.4      | 123.7      |
| Material usage ratio (material usage / production revenue)                    | [%]      | 95.9       | 91.5       |
| Personnel cost ratio (personnel costs / total operating performance)          | [%]      | 28.2       | 30.2       |

The EBITDA key performance indicator is calculated by taking the operating profit and adjusting it for depreciation, amortization, impairment losses and reversals of impairment losses. At NOVOMATIC, the EBIT key performance indicator refers to the operating profit as presented in the consolidated income statement. EBITDA margin is calculated based on EBITDA in relation to revenues. EBIT margin is derived from EBIT in relation to revenues. Earnings before interest and tax are the result of an adjustment of interest expenses on earnings before taxes. Return on equity is the proportion of earnings before interest and tax to equity. Profit margin corresponds to a proportion of earnings before interest and tax to revenues. Return on total capital is derived from earnings before interest and tax in relation to total capital. The turnover period is a key figure that indicates the time span in which an item of inventory has turned over once. The cost of materials ratio puts the cost of materials in a period in relation to the production revenues of the same period. The personnel costs ratio is a key performance indicator that expresses the ratio of personnel costs reported in the income statement to total operating performance or sales revenues.

In the 2022 fiscal year, sales revenues reached EUR 319.1 million, corresponding to a year-on-year increase of EUR 79.3 million (+33.0 percent). The largest share of sales revenues was generated by production revenues of EUR 199.1 million, which increased by EUR 52.3 million (+35.7 percent) year-on-year. These comprised EUR 112.0 million from gaming devices (EUR +16.2 million), EUR 62.1 million from construction/conversion kits and spare parts (EUR +22.2 million), EUR 13.3 million from large devices (EUR +9.6 million), and EUR 11.6 million from casino equipment and other merchandise (EUR +4.5 million). The increase in sales revenues was mainly due to higher demand for gaming equipment as a result of the relaxation of pandemic measures in relevant core markets.

The cost of materials and purchased services increased by EUR 56.5 million (+42.1 percent) year-on-year and amounted to EUR 190.9 million. This increase is mainly due to the higher cost of materials (EUR +47.8 million) resulting from the increased volume of revenues. As a result, the ratio of cost of materials to revenues was 95.9 percent, which includes not only materials but also purchased services for development expenses of EUR 40.1 million. Development expenses went up by EUR 4.8 million (+13.6 percent) year-on-year on the back of a general rise in development needs.

Personnel costs amounted to EUR 93.6 million, increasing by EUR 14.8 million (+18.8 percent). The average number of active employees went up by 13 during the fiscal year and amounted to 1,006. The discontinuation of subsidies for reduced working hours from the previous year and the above-average adjustments to wages and salaries under collective bargaining agreements due to inflation were primary drives of the increase in personnel costs.

Other operating expenses rose by EUR 6.9 million to EUR 68.4 million in the previous year (+11.1 percent). This increase is chiefly attributable to higher expenses for other services received of EUR 7.9 million (EUR +3.3 million) as a result of increased business activity, higher energy costs of EUR 3.9 million (EUR +1.8 million) due to higher energy prices, higher travel expenses of EUR 2.0 million (EUR +1.2 million) due to increased travel activity, higher costs for equipment testing of EUR 3.9 million (EUR +1.1 million), and higher insurance costs of EUR 3.1 million (EUR +0.6 million). These are offset by lower impairment losses for receivables amounting to EUR 9.3 million (EUR -1.9 million).

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR -21.0 million compared to EUR -13.8 million in 2021. The EBITDA margin in 2022 was -6.6 percent, 0.9 percentage points below the previous year's level (-5.7 percent). Operating profit (EBIT) came in at EUR -35.3 million, down by around EUR 4.8 million over the previous year.

The financial result increased from EUR 148.4 million in the previous year to EUR 218.0 million (+213.0 percent). As regards income, the financial result comprises income from investments of EUR 236.2 million (EUR +167.6 million), income from securities and loans of EUR 6.5 million (EUR -3.6 million), and other financial income of EUR 24.2 million (EUR -36.5 million). Financial income is offset primarily by expenses from interest and similar expenses of EUR 25.2 million (EUR -10.7 million). EUR 23.7 million (EUR -10.2 million) in expenses from financial assets and assets held as current assets is also reported.

In the 2022 fiscal year, positive earnings before taxes of EUR 182.7 million were generated. This corresponds to an increase of EUR 143.5 million, which is attributable to the higher financial result (EUR +148.4 million). This contrasts with the lower operating profit (EUR -4.8 million).

Income taxes resulted in income of EUR 5.4 million (EUR +3.8 million) in the 2022 fiscal year.

The annual profit rose from 40.8 million to EUR 188.1 million.



## Net Assets

### BALANCE SHEET

#### Condensed Version

| EUR m                                    | 12/31/2022     | 12/31/2021     |
|--|----------------|----------------|
| <b>Fixed assets</b>                      | <b>2,090.4</b> | <b>2,017.0</b> |
| thereof intangible assets                | 12.4           | 12.7           |
| thereof property, plant and equipment    | 98.4           | 101.1          |
| thereof financial assets                 | 1,979.6        | 1,903.2        |
| <b>Current assets</b>                    | <b>406.2</b>   | <b>368.5</b>   |
| thereof inventories                      | 125.8          | 88.4           |
| thereof receivables and other assets     | 236.8          | 252.0          |
| thereof cash and cash equivalents        | 43.5           | 28.1           |
| <b>Prepaid expenses</b>                  | <b>5.8</b>     | <b>3.9</b>     |
| <b>ASSETS</b>                            | <b>2,502.4</b> | <b>2,389.4</b> |
| <b>Equity</b>                            | <b>922.7</b>   | <b>734.6</b>   |
| thereof share capital                    | 26.6           | 26.6           |
| thereof reserves                         | 303.4          | 303.4          |
| thereof retained profits/merger result   | 592.7          | 404.6          |
| <b>Investment grants</b>                 | <b>0.0</b>     | <b>0.0</b>     |
| <b>Provisions</b>                        | <b>38.5</b>    | <b>30.6</b>    |
| <b>Liabilities</b>                       | <b>1,540.4</b> | <b>1,623.3</b> |
| thereof bonds                            | 237.6          | 500.0          |
| thereof liabilities due to banks         | 1,028.0        | 906.7          |
| thereof advance payments received        | 0.0            | 1.0            |
| thereof trade payables                   | 8.2            | 15.3           |
| thereof payables to affiliated companies | 260.0          | 186.3          |
| thereof other liabilities                | 6.6            | 14.0           |
| <b>Deferred income</b>                   | <b>0.7</b>     | <b>0.9</b>     |
| <b>EQUITY AND LIABILITIES</b>            | <b>2,502.4</b> | <b>2,389.4</b> |

| Key figures on the financial position         |     | 12/31/2022 | 12/31/2021 |
|---|-----|------------|------------|
| Asset structure (fixed assets / total assets) | [%] | 83.5       | 84.4       |
| Equity ratio (equity / total capital)         | [%] | 36.9       | 30.7       |
| Asset coverage (equity / fixed assets)        | [%] | 44.1       | 36.4       |

The asset structure exhibits the portion of fixed assets to total assets. Equity ratio exhibits the portion of equity to total capital. Asset coverage is calculated as the ratio of equity to fixed assets.

Fixed assets increased from EUR 2,017.0 million in the previous year to EUR 2,090.4 million (EUR +73.4 million), with the increase in financial assets (EUR +76.4 million) being the main factor here. This is attributable to capital increase measures at affiliated

companies (EUR +70.6 million), more securities (EUR +2.3 million), an increase in loans to affiliated companies (EUR +6.0 million) and a decrease in other loans (EUR -2.4 million).

Current assets increased from EUR 368.5 million in the previous year to EUR 406.2 million (EUR +37.7 million). This is attributable to the increase in inventories (EUR +37.4 million), higher cash and cash equivalents (EUR +15.4 million) and lower receivables and other assets (EUR -15.2 million).

Equity increased by EUR 188.1 million (+25.6 percent) to EUR 922.7 million during the reporting period. A fact attributable to the higher current result. Equity's share of total capital now amounts to 36.9 percent, compared to 30.7 percent in the previous year.

Provisions rose from EUR 30.6 million to EUR 38.5 million (EUR +7.9 million). The main increase compared with the previous year was in other provisions (EUR +8.1 million).

While liabilities from bonds decreased to EUR 237.6 million (EUR -262.4 million) due to the repayment of a bond, amounts owed to banks increased by EUR 121.3 million to EUR 1,028.0 million.

Liabilities due to affiliated companies increased from EUR 186.3 million to EUR 260.0 million (EUR +73.7 million). This resulted on the one hand from increased liabilities to subsidiaries from investments (EUR +99.8 million) and on the other hand from lower cash pooling liabilities (EUR -28.8 million).

During the past financial year, NOVOMATIC AG's balance sheet total increased from EUR 2,389.4 million to EUR 2,502.4 million.

## Financial Position

| EUR m  | 2022   | 2021   |
|--|--------|--------|
| Cash flow from operating activities                          | 160.0  | 24.9   |
| Cash flow from investing activities (excluding acquisitions) | 87.2   | 132.7  |
| Free cash flow before acquisitions                           | 247.2  | 157.6  |
| Cash flow from acquisitions                                  | -178.9 | -205.7 |
| Free cash flow after acquisitions                            | 68.3   | -48.1  |
| Cash flow from financing activities                          | -52.9  | -50.5  |
| Net change in cash and cash equivalents                      | 15.4   | -98.5  |

In 2022, cash flow from operating activities totaled EUR 160.0 million, compared to EUR 24.9 million the previous year. While higher cash inflows were generated by the increased financial result from EUR +69.6 million to EUR +218.0 million, in particular as a result of dividend payments from subsidiaries, there was a EUR 35.9 million increase in inventories in the reporting period, which reduced cash and cash equivalents year on year.

Cash flow from investing activities amounted to EUR -91.7 million in the year under review, compared with EUR -73.0 million for 2021. This was due to a EUR 45.5 million decrease in cash inflow from investments (excluding acquisitions). In contrast, cash flow from acquisitions (payments for financial assets) decreased by EUR 26.9 million in a year-on-year comparison.

Cash flow from financing activities increased compared with the previous year's period (EUR -50.5 million) and amounted to EUR -52.9 million in the 2022 fiscal year. Cash outflows for bond and bank liabilities increased by EUR 120.9 million to EUR 141.1 million, which were, however, offset by cash inflows due to financial liabilities to affiliated companies of EUR 88.2 million (EUR +118.4 million).

## Investments in Intangible Assets, and Property, Plant and Equipment

Investments in intangible assets, and property, plant and equipment came to a total of EUR 12.1 million in 2022. The most significant items here are prepayments made for software, machinery, fixtures, furniture and office equipment.

## Investments in Financial Assets (Acquisitions)

The main items related to capital increases (EUR 74.6 million) and loans to existing subsidiaries (EUR 101.8 million). In addition, there were increases in loans to companies in which participations are held (EUR 0.1 million), securities (EUR 2.0 million) and other loans (EUR 0.4 million).

## Financing

In the 2022 fiscal year, liabilities due to banks and liabilities from bonds were reduced by EUR 141.1 million.

In February 2022, NOVOMATIC AG made a buyback offer (buyback against cash payment) to the holders of the bond 2016-2023 (EUR 500 million, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of EUR 262.4 million. After the settlement, bonds with a nominal amount of EUR 237.6 million remain outstanding.

Short-time bilateral financing in the amount of EUR 100.0 million was repaid as agreed in March 2022.

In June 2022, fixed- and variable-interest promissory note bonds with a volume of EUR 140.0 million and a term of 3 and 5 years, respectively, were taken out. The investors come from Austria, Germany and Spain.

The syndicated revolving usable credit line of EUR 1.0 billion maturing on March 1, 2024 was refinanced early at the end of October 2022 with a reduced bank club. The term is again 5+1+1 years, but the total volume has been reduced to EUR 800.0 million. EUR 570.0 million of the credit line had been drawn down, i.e. EUR 230.0 million was freely available as of December 31, 2022. In addition, a bilateral overdraft facility of EUR 10.0 million had been utilized as of December 31, 2022.

Of the short-term bilateral financing of EUR 140.0 million raised in November 2021, EUR 40 million was repaid in May 2022 as agreed. The additional EUR 100 million was extended with a term of one year until November 2023.

## (4) Non-Financial Performance Indicators

Regarding the reporting of the consolidated non-financial statement, reference is made to the separate, non-financial report of NOVOMATIC AG according to the Sustainability and Diversity Improvement Act (NaDiVeG).

## (5) Prospective Development of the Company

NOVOMATIC AG, as a sole proprietorship and industrial enterprise, anticipates an increase in revenues in 2023. This is due in particular to the growing production revenues from intra-Group business relations, which are expected to be achieved due to the increased availability of critical material components compared with the previous year. However, with costs of materials rising in line with revenues, higher personnel costs due to the growing number of employees and an expected sharp increase in the payments to be made under collective bargaining agreements, and other operating expenses rising due to growing business activities, the business is expected to develop stably.

In order to be able to counter volatile energy price developments, the NOVOMATIC AG Group is actively working on implementing photovoltaic systems in central core markets. At the Group site in Gumpoldskirchen, the installation of a PV system will be started in 2023.

The escalation of the conflict between Russian and Ukraine in 2022 means that the further course of business in the developed market of Ukraine cannot yet be estimated. The sanctions imposed on Russia and Belarus will also lead to uncertainties for the Group in these countries in 2023. There is not expected to be a significant negative impact on the Group's net assets, financial position and results of operations given the low overall exposure in these markets.

## (6) Risk Management

### Risk Management System

NOVOMATIC engages in Group-wide risk management that involves all major Group companies. This is aimed at monitoring and controlling material risks and risks directly jeopardizing the company's existence in order to ensure achievement of the corporate objectives and to increase risk awareness within the Group.

All risks, which are determined and analyzed, are recorded within a professional, IT-based risk management system which ensures that risks as well as the assigned management measures and control mechanisms are monitored on an ongoing basis.

The responsible persons in the business divisions and Group companies ensure that emerging risks are identified and documented, that these are assessed and that measures are defined to address the individual risks and drive their implementation. A central risk management team provides advice to the divisions and ensures that the risk management system is continuously updated and developed, and duly reported to management.

### Compliance

In addition to the types of risk described below, there are also threats related to the reputation and the competitiveness of the company as a whole. As one of the basic principles of entrepreneurial activities, NOVOMATIC pays particular attention to compliance with statutory and ethical regulations.

The term "compliance" is used to describe all measures with which the company ensures that laws, regulations and voluntary codes are adhered to. NOVOMATIC's compliance activities focus mainly on measures aimed at ensuring that national and international laws on the avoidance of criminal acts, such as corruption, market abuse, money laundering and misuse of data, are adhered to.

The Group's compliance management system is based on the seven core elements of the German audit standard for compliance management systems, IDW PS 980, and pursues the goal of ensuring compliance with legal provisions and corporate values set out in the Code of Conduct of NOVOMATIC AG. In the Code of Conduct, employees find guidelines and principles for values-based and lawful behavior during day-to-day business activities. This Code of Conduct also provides the basis for training activities related to integrity and compliance. Depending on the risk and the target group, training sessions requiring personal attendance, as well as web-based training events, are held. In-house-developed e-learning tools and training measures allow a large number of employees to be educated on issues such as data protection, money laundering or the fight against corruption.

All major subsidiaries have appointed compliance officers for each country or region. The relevant duties of the local compliance managers are defined in binding guidelines across the Group and include in particular advising the local Group subsidiaries on compliance issues, monitoring local law, training employees, implementing Group guidelines and reporting to Group Legal Compliance. This is intended to make a significant contribution to ensuring that ethical and rule-abiding behavior is sustainably anchored throughout the entire Group.

## Significant Risks and Uncertainties

The following is a detailed description of the risks and uncertainties that can have a major influence on the net assets, financial and earnings position as well as the reputation of the NOVOMATIC AG Group.

### Business and Market Risks

#### Economic Conditions, M&A Risks, Innovation Risks, and IT Risks

The NOVOMATIC AG Group's business is dependent on general economic conditions. A deterioration of general economic conditions, increasing unemployment, declining real incomes increased volatility in the capital markets or the effects of a pandemic could have a significant negative impact on the net assets, financial position and results of operation of the NOVOMATIC AG Group.

A central element of the NOVOMATIC AG Group's strategy is the geographic diversification of its business by entering markets that offer opportunities for growth. There is a risk that in the future, for various reasons including legal conditions, the NOVOMATIC AG Group may not or may only to a limited extent be able to pursue this strategy or may not be able to expand its product and/or service offerings.

The NOVOMATIC AG Group generates the majority of its revenues in a limited number of markets. As these are relatively well-developed markets, further growth opportunities are rather limited. The NOVOMATIC AG Group plans to expand its business activities in other markets, an effort for which corresponding resources are being deployed. There is a risk that the anticipated growth in these countries and regions will not be realized, and/or that the NOVOMATIC AG Group will not be successful in implementing its strategies there.

Generally speaking, the gaming industry is characterized by rapid technological development, which forces the NOVOMATIC AG Group to continuously develop new products and enter new markets. The NOVOMATIC AG Group's success therefore depends on its ability to continuously enhance the development of its products and systems in order to integrate new technologies and expand into new markets created by new technologies. In a highly technology-dependent field of business where new technologies are developed or used within short innovation cycles, there is a risk that NOVOMATIC may not recognize innovative technologies and developments at a sufficiently early stage.

By the same token, the integrity, reliability and operative performance of the NOVOMATIC AG Group's IT systems are essential to the business. In particular, device manipulation could force the NOVOMATIC AG Group to use considerable financial resources to remedy the situation.

## Personnel Risks

### Key Personnel Risks, Knowledge Risk

NOVOMATIC's business success comes thanks to the existing knowledge and expertise of its management and employees. Should one or several individuals in key positions leave the company, there is a risk that NOVOMATIC might not be able to recruit or train qualified individuals with comparable know-how within an appropriate period of time to deal with emerging challenges.

## Legal and Political Risks

### Political Instability, Regulatory Changes: Gaming and Other Laws, Dependency on Licenses and Competition Regulations, Intellectual Property, Privacy

The NOVOMATIC AG Group's international business entails economic, political, legal and other risks. The NOVOMATIC AG Group conducts business in around 100 countries. Some of these countries are politically or economically unstable which subjects the NOVOMATIC AG Group to certain risks. Social unrest or strikes could force the NOVOMATIC AG Group to interrupt or halt its business activities.

The gaming industry is subject to particularly frequent and sudden legal amendments that can make business significantly more difficult or prohibit it entirely. Insufficient legal or administrative conditions in some countries can furthermore provide insufficient protection for the NOVOMATIC AG Group's intellectual property or other rights. In some of these countries, crime and corruption are widespread, which could have a negative impact on the NOVOMATIC AG Group's business.

The NOVOMATIC AG Group operates on the basis of currently prevailing political, economic, legal, and fiscal conditions, and is subject to the risk of changes to legal and taxation related framework conditions. Changes which have already been adopted or other restrictions in other jurisdictions (e.g. gaming tax hikes or stricter competition laws) also have a sustained impact on the NOVOMATIC AG Group's business activities.

Gaming, and in particular online gaming, is currently not harmonized at the EU level. The individual legal frameworks of the EU Member States are, in some cases, disputed among gaming law experts. There is a risk that, in the future, further limitations with regard to gaming and betting could be implemented at a national level. In addition to this, regulatory measures (e.g. access restrictions, stricter player protection measures, provisions for the protection of non-smokers, technical requirements, advertising bans or location requirements) could be introduced. Such measures could result in a decline in the number of visitors and the revenues earned.

Furthermore, there are risks due to the dependence on national licenses, regulations on competition and statutory provisions regarding the operation of gaming and betting facilities as well as risks due to the dependence on production, sales and product licenses.

In the countries where the NOVOMATIC AG Group does business, the operation of gaming and betting facilities requires a license, concession or other type of permission from the authorities in charge. Such licenses/concessions are usually granted for a limited period of time or in the form of license agreements with limited duration. Should no option for prolongation be provided or if an extension were only possible under economically unacceptable or untenable conditions or requirements, the NOVOMATIC AG Group would need to participate in new tender procedures in order to recover such a license/concession.

Moreover, in the countries where the NOVOMATIC AG Group does business, a permit from a state gaming authority is frequently required in order to be able to sell gaming machines and other gaming products and services. Both manufacturing and sales licenses are generally granted for a limited period of time and are subject to an audit plus subsequent certification by the competent inspecting authorities. Once licenses have been granted, they are usually extended automatically, provided that all license requirements are met. The possibility cannot be excluded that, despite the utmost care, legal provisions, regulatory requirements, technical standards or licensing conditions may not be complied with within the NOVOMATIC AG Group, which could result in the

partial or complete withdrawal of a license, the determination of breaches of competition laws, or other types of damage to the NOVOMATIC AG Group's net assets, financial position and results of operation, or its reputation.

The NOVOMATIC AG Group develops, produces and sells sophisticated technological gaming equipment and systems that are to a large extent protected by industrial property rights such as trademark protection rights, patent rights and rights for the protection of registered designs as well as copyright. There is a risk in respect of intellectual property (third parties violating industrial property rights or copyrights belonging to the NOVOMATIC AG Group as well as of the NOVOMATIC AG Group violating the industrial property rights or copyrights of third parties). In particular, there is a risk that developments owned by the NOVOMATIC AG Group might be copied and illegally used or introduced to the market by third parties.

The NOVOMATIC AG Group is subject to the risk of being unable to sufficiently protect its customer data. The NOVOMATIC AG Group holds information about its customers which is in part sensitive and must follow the strict data protection rules stipulated by the EU and other jurisdictions. Despite the security systems implemented by the NOVOMATIC AG Group, there is the risk that customer data could be retrieved and/or used illegally, either by employees or by customers or third parties. There is also the risk that customer data might be deleted, disclosed or edited involuntarily or in violation of data protection regulations. Should the NOVOMATIC AG Group or one of its external service providers transmit customer data without sufficient protection or should confidential customer data be lost in any other way, the NOVOMATIC AG Group might be held liable under data protection laws, which would also damage the Group's reputation.

#### **Financial Risks**

##### **Liquidity Risks, Counterparty Risks, Interest Rate Risks, Currency Risks, Impairment Risks in Connection with Investment Valuations and Risks in Connection with Capital Investments**

The NOVOMATIC AG Group is subject to financial risks in the form of capital risks, liquidity risks, counterparty risks, interest rate risks, currency risks, impairment risks related to investment valuations and risks related to capital investments. In order to limit these risks, NOVOMATIC makes use of risk-control measures and financial instruments, if necessary.

Extensive descriptions of the individual risks, including the methods used to hedge the risks mentioned above, are provided in the notes to the consolidated financial statement.

Due to its contractually agreed financial covenants, the NOVOMATIC AG Group is required in its major financing agreements to maintain an equity ratio of at least 20.0 percent and net debt in relation to the EBITDA of not more than 4.25x. In some cases, the financing agreements provide for certain adjustments to the above standard calculation when determining net debt at EBITDA. Taking into account this adjusted calculation, the NOVOMATIC AG Group has complied with the contractually agreed financial covenants as of December 31, 2022.

## **(7) Important Features of the Internal Control System Relevant to the Financial Reporting Process (section 243a (2) UGB)**

As part of the Company's risk management system, the aim of the internal control system (ICS) is to ensure the reliability of financial reporting along with compliance with legal and internal requirements.

NOVOMATIC AG's Executive Board is responsible for the establishment of an appropriate ICS concerning the accounting process.

Starting with the main financial items on the balance sheet and income statement, the ICS must consider the most important transaction flows in terms of their operating and accounting-relevant risks. The ICS is managed in a structured way in line with the areas of responsibility as defined by the organizational structure. Internal rules and procedural guidelines are also an essential part of the control environment.

Control mechanisms have been installed to ensure efficiency in business processes and accuracy in the ongoing financial reporting process.

In accordance with the transaction flows defined as significant, which then ultimately run via the finance divisions and are included in the financial reporting, workflows are analyzed with regard to their inherent risks and corresponding control activities are defined. The aim of this procedural approach is to ensure that the individual transactions are correctly recorded in the annual financial statement. The various controls are of varying degrees and intervals and comprise automated controls in the accounting software on the one hand and manual controls by the relevant employees on the other. For the ERP system, access privileges have been defined to ensure that sensitive data is protected from unauthorized access, unauthorized use and modification. Above all, the accounting department carries out extensive plausibility and data quality checks, among other things, to ensure that data destined for the annual report is correctly recorded. If special knowledge is required, the support of external service providers is used, such as when it comes to assessing the value of pension obligations and severance payments. Any changes in accounting and valuation policies are reviewed to ensure that they are in compliance with the law.

The Executive Board of NOVOMATIC AG keeps abreast of relevant developments in the Company through regular reports prepared by the financial department. This includes, above all, the current earnings development as well as any major deviation from the approved annual budget detected, the calculation of the cash flow and the calculation of result- and value-oriented key figures. There is also periodic reporting on risks and control mechanisms (both Enterprise Risk Management and Internal Control System).

The Supervisory Board of NOVOMATIC AG is also included in the control system via the auditing committee. The auditing committee's main responsibilities include monitoring the accounting process, monitoring the internal control and risk management system, monitoring the audit of the financial statement and critically appraising the audited financial statement as well as the management report.



## (8) Research and development

Thanks to 27 technology centers in 15 different countries, the NOVOMATIC AG Group is a pioneer in the development of innovative products and systems solutions in the area of gaming. The Group's development activities focus both on "Distributed Gaming Solutions" and on "Gaming Content and Application Software". The software system solutions developed include in particular management information systems, ticketing and smartcard systems, access systems, video lottery systems, biometric player recognition, links to government regulators, player protection programs, gaming as a service, online and mobile gaming system solutions, and jackpot systems such as the CASH CONNECTION™ jackpot for Europe as well as multiplayer and community gaming systems. Both modular software architecture and interoperability of the various developments are crucially important.

In addition to having an open platform architecture, which also allows third-party providers and their gaming applications to be integrated, it is essential to have teams specialized in the various submarkets when it comes to developing products for homogeneous markets as well as market niches.

In developing the newest generation of cabinet variants and models, which start new industry trends, industrial design is an important factor. Innovation in terms of hardware includes new and ergonomic cabinet designs for casino, video lottery and AWP gaming markets with control possible of up to four monitors, skill-based roulette terminals with state-of-the-art ball release mechanisms, the new Diamond X™ cabinet, as well as V.I.P. terminals with giant screen technology and dynamic lighting effects based on single LED technology.

Linked Progressive Jackpots are another addition to the games on offer. In the US, the successor family "Thunder Cash™ X" was launched and additionally more games were added to the MONEY PARTY™ family. The successful series was also continued in Europe with the CASH CONNECTION™ Edition 3. The Company also launched the Gaminator® MY CASH Edition 2 for Coolfire™ platform in addition to the Edition X4.

Development is supported by hardware and software development teams in Austria, Germany, the United Kingdom, Spain, the Netherlands, Serbia, Russia, Argentina, Canada, and Poland, working either in-house or closely with the Group, as well as by exclusive partnerships with developers in Slovenia, Greece, the USA, and Australia.

Structures in Research and Development were improved in 2022 and product lines were introduced. This process has been fully integrated into both the IMS system and the ICS system. By establishing control variables within R&D, it will be possible to react more swiftly to any market changes in the future. NOVOMATIC now has a fully ISO-certified Research & Development division for the first time.

The global importance of intellectual property protection is on the rise. The group had over 5,000 registered IP trademark rights at the end of 2022 and more than 100 applications are generally added each year. The Group is constantly developing new products and product variations, resulting in over 200 new gaming variants per year. With the help of the NOVOMATIC software development kit (novoSDK), it is possible to add games developed by third parties (who use this SDK) to the portfolio immediately. NOVOMATIC's extensive gaming portfolio is also growing steadily thanks to the fact that many companies around the world are now using the novoSDK.

## (9) Acknowledgments

We would like to thank all employees of the NOVOMATIC AG for their strong commitment, with which they have made a major contribution to the company's further development and success. We are especially indebted to the Supervisory Board under the leadership of Dr. Bernd Oswald, and we would also like to acknowledge the positive relationships with our capital providers and business partners, relationships which have always been characterized by a good collaboration.

Gumpoldskirchen, March 27, 2023



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

# NOVOMATIC AG

# BALANCE SHEET

as of December 31, 2022

## Assets

|   | 12/31/2022              | 12/31/2021       |
|---|-------------------------|------------------|
|   | EUR                     | KEUR             |
| <b>A. Fixed assets</b>  |                         |                  |
| <b>I. Intangible assets</b>   |                         |                  |
| 1. Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom | 3,514,602.22            | 5,791            |
| 2. Advance payments   | 8,934,270.13            | 6,944            |
|   | 12,448,872.35           | 12,736           |
| <b>II. Property, plant and equipment</b>  |                         |                  |
| 1. Land, buildings and improvements to third party buildings  | 82,813,995.96           | 87,113           |
| 2. Plant and machinery  | 7,150,079.12            | 6,872            |
| 3. Other equipment, factory and office equipment  | 6,760,612.99            | 6,985            |
| 4. Prepayments and tangible assets in course of construction  | 1,644,845.46            | 129              |
|   | 98,369,533.53           | 101,099          |
| <b>III. Financial assets</b>  |                         |                  |
| 1. Investments in affiliated companies  | 1,745,183,314.57        | 1,674,621        |
| 2. Loans to affiliated companies  | 184,736,010.84          | 178,741          |
| 3. Investments  | 24,175,444.55           | 24,175           |
| 4. Loans to associated companies  | 325,000.00              | 325              |
| 5. Securities held as fixed assets (value rights)   | 20,171,891.09           | 17,891           |
| 6. Other loans  | 5,028,240.83            | 7,442            |
|   | 1,979,619,901.88        | 1,903,196        |
|   | <b>2,090,438,307.76</b> | <b>2,017,030</b> |

| <b>B. Current assets</b>   |                         |                  |
|--|-------------------------|------------------|
| <b>I. Inventories</b>  |                         |                  |
| 1. Raw material and supplies   | 92,094,682.36           | 45,141           |
| 2. Work in progress  | 13,945,379.93           | 14,406           |
| 3. finished goods and trade goods  | 18,962,442.90           | 27,545           |
| 4. Advance payments  | 809,924.42              | 1,303            |
|  | 125,812,429.61          | 88,395           |
| <b>II. Receivables and other Assets</b>  |                         |                  |
| 1. Trade receivables, thereof with a remaining term of more than one year<br>EUR 0.00 (previous year: KEUR 408)                            | 21,521,837.27           | 26,423           |
| 2. Receivables from affiliated companies thereof with a remaining term of more than one year<br>EUR 354,711.96 (previous year: KEUR 1,718) | 174,780,746.08          | 185,983          |
| 3. Other receivables and assets, thereof with a remaining term of more than one year<br>EUR 336,674.98 (previous year: KEUR 188)           | 40,521,838.37           | 39,578           |
|  | 236,824,421.72          | 251,985          |
| <b>III. Cash, bank deposits</b>  |                         |                  |
|  | 43,522,700.68           | 28,086           |
|  | <b>406,159,552.01</b>   | <b>368,466</b>   |
| <b>C. Prepaid expenses</b>   |                         |                  |
| Prepaid expenses   | <b>5,800,046.93</b>     | <b>3,896</b>     |
|  | <b>2,502,397,906.70</b> | <b>2,389,392</b> |

## Equity and Liabilities

|  | 12/31/2022            | 12/31/2021     |
|--|-----------------------|----------------|
|  | EUR                   | KEUR           |
| <b>A. Equity</b>   |                       |                |
| <b>I. Requested and paid-up share capital</b>                                    |                       |                |
|  | 26,590,000.00         | 26,590         |
| <b>II. Capital reserves</b>  |                       |                |
| Appropriated capital reserves  | 85,386,371.00         | 85,386         |
| <b>III. Retained earnings</b>  |                       |                |
| 1. Legal reserve   | 1,623,629.00          | 1,624          |
| 2. Tied-up reserves from the merger  | 216,400,000.00        | 216,400        |
| 3. Other reserves (free reserves)  | 15,395.39             | 15             |
|  | 218,039,024.39        |                |
| <b>IV. Retained profits</b>  |                       |                |
| thereof profit carry forward EUR 404,571,341.42<br>(previous year: KEUR 363,746) | 592,707,523.60        | 404,571        |
|  | <b>922,722,918.99</b> | <b>734,587</b> |
| <b>B. Investment grants</b>  |                       |                |
| Investment grants  | 18,537.86             | 28             |
| <b>C. Provisions</b>   |                       |                |
| 1. Provisions for severance payments   | 9,722,263.00          | 10,721         |
| 2. Provisions for taxes  | 3,608,853.42          | 2,834          |
| 3. Other provisions  | 25,145,491.81         | 17,053         |
|  | <b>38,476,608.23</b>  | <b>30,607</b>  |

| <b>D. Liabilities</b>   |                         |                  |
|---|-------------------------|------------------|
| thereof with a remaining term of up to one year EUR 682,995,513.03 (previous year: KEUR 530,321)        |                         |                  |
| thereof with a remaining term of more than one year EUR 857,449,310.89 (previous year: KEUR 1,092,991)  |                         |                  |
| <b>1. Bonds</b>   |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 237,625,000.00 (previous year: KEUR 0.00)        |                         |                  |
| thereof with a remaining term of more than one year<br>EUR 0.00 (previous year: KEUR 500,000)           | 237,625,000.00          | 500,000          |
| <b>2. Due to banks</b>  |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 170,579,545.46 (previous year: TEUR 313,705)     |                         |                  |
| thereof with a remaining term of more than one year<br>EUR 857,409,090.89 (previous year: KEUR 592,989) | 1,027,988,636.35        | 906,693          |
| <b>3. Prepayments on orders received</b>  |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 0.00 (previous year: KEUR 1,043)                 | 0.00                    | 1,043            |
| <b>4. Trade payables</b>  |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 8,188,808.00 (previous year: KEUR 15,307)        | 8,188,808.00            | 15,307           |
| <b>5. Liabilities towards affiliated companies</b>  |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 260,035,862.01 (previous year: KEUR 186,316)     | 260,035,862.01          | 186,316          |
| <b>6. Other liabilities</b>   |                         |                  |
| thereof with a remaining term of up to one year<br>EUR 6,566,297.56 (previous year: KEUR 13,950)        |                         |                  |
| thereof with a remaining term of more than one year<br>EUR 40,220.00 (previous year: KEUR 3)            |                         |                  |
| thereof taxes EUR 176,536.15 (previous year: KEUR 385)  |                         |                  |
| thereof social security<br>EUR 1,789,037.37 (previous year: KEUR 1,875)                                 | 6,606,517.56            | 13,953           |
|   | <b>1,540,444,823.92</b> | <b>1,623,313</b> |
| <b>E. Prepaid expenses</b>  |                         |                  |
| Prepaid expenses  | <b>735,017.70</b>       | <b>857</b>       |
|   | <b>2,502,397,906.70</b> | <b>2,389,392</b> |

# NOVOMATIC AG

# INCOME STATEMENT

for the period from January 1 to December 31, 2022

|  | 01-12/2022            | 01-12/2021     |
|--|-----------------------|----------------|
|  | EUR                   | KEUR           |
| 1. Sales   | 319,115,705.48        | 239,863        |
| 2. Changes in inventories of finished goods and work in progress   | -9,294,008.22         | -6,050         |
| 3. Other own work capitalized  | 3,537,739.08          | 2,209          |
| 4. Other operating income  |                       |                |
| a) Income from the disposal of and additions to fixed assets, excluding financial assets                                 | 235,897.07            | 6,760          |
| b) Income from the release of provisions   | 733,136.89            | 2,046          |
| c) Other   | 17,546,863.48         | 16,030         |
|  | 18,515,897.44         | 24,836         |
| 5. Expenses for material and other purchased manufacturing services  |                       |                |
| a) Costs of material   | -142,529,147.06       | -92,320        |
| b) Cost of purchased services  | -48,325,075.56        | -42,005        |
|  | -190,854,222.62       | -134,324       |
| 6. Personnel costs   |                       |                |
| a) Wages<br>thereof from reimbursements for temporarily reduced working hours<br>EUR 0.00 (previous year: KEUR 978)      | -10,299,118.32        | -7,027         |
| b) Salaries<br>thereof from reimbursements for temporarily reduced working hours<br>EUR 0.00 (previous year: KEUR 1,728) | -64,235,444.31        | -53,035        |
| c) Social expenses   |                       |                |
| aa) Expenses for severance payments and contributions to external severance payments funds                               | -434,374.64           | -1,644         |
| bb) Cost of statutory social security, payroll-related taxes and mandatory contributions                                 | -17,437,108.61        | -15,982        |
| cc) Other  | -1,224,373.74         | -1,129         |
|  | -19,095,856.99        | -18,756        |
|  | -93,630,419.62        | -78,817        |
| 7. Amortization and Depreciation<br>of intangible assets and of tangible assets  | -14,302,902.13        | -16,649        |
| 8. Other operating income  |                       |                |
| a) Taxes, not included in line 18  | -377,624.39           | -424           |
| b) Other   | -67,978,624.87        | -61,076        |
|  | -68,356,249.26        | -61,500        |
| <b>9. Subtotal of lines 1 to 8 (Operating profit)</b>  | <b>-35,268,459.85</b> | <b>-30,431</b> |

|  |                       |                |
|--|-----------------------|----------------|
| 10. Investment income<br>thereof from affiliated companies<br>EUR 226,477,627.79 (previous year: KEUR 66,448)                              | 236,179,480.09        | 68,594         |
| 11. Income from other investments and long-term loans<br>thereof from affiliated companies<br>EUR 5,641,071.03 (previous year: KEUR 9,255) | 6,519,369.53          | 10,148         |
| 12. Other interest and similar income<br>thereof from affiliated companies EUR 3,148,654.49<br>(previous year: KEUR 3,883)                 | 3,399,390.17          | 3,926          |
| 13. Income from the disposal of and the appreciation to<br>financial assets  | 20,761,174.69         | 56,743         |
| 14. Expenses from financial assets and securities held as<br>current assets  | -23,692,931.21        | -33,924        |
| a) Depreciation EUR -23,692,931.21<br>(previous year: KEUR -33,788)  |                       |                |
| b) Expenses from affiliated companies<br>EUR -23,576,704.87 (previous year: KEUR -33,668)  |                       |                |
| 15. Interest and similar expenses<br>thereof from affiliated companies<br>EUR -1,551,679.77(previous year: KEUR -31)                       | -25,152,965.73        | -35,844        |
| <b>16. Subtotal of lines 10 to 15 (Financial result)</b>   | <b>218,013,517.54</b> | <b>69,643</b>  |
| <b>17. Earnings before tax (Subtotal of line 9 and 16)</b>   | <b>182,745,057.69</b> | <b>39,212</b>  |
| 18. Taxes on income<br>thereof tax apportionment<br>EUR 7,762,622.11 (previous year: KEUR 1,623)   | 5,391,124.49          | 1,614          |
| <b>19. Earnings after taxes = Net income of the year</b>   | <b>188,136,182.18</b> | <b>40,826</b>  |
| 20. Profit carryforward from the previous year   | 404,571,341.42        | 363,746        |
| <b>21. Retained profits</b>  | <b>592,707,523.60</b> | <b>404,571</b> |



# NOTES

for the 2022 Fiscal Year

## I. ACCOUNTING AND VALUATION PRINCIPLES

The annual financial statements as at December 31, 2022 have been prepared in accordance with the accounting provisions of the Austrian Commercial Code as amended.

The annual accounts were prepared in compliance with the relevant requirements and generally accepted accounting principles to present a true and fair view, in all material respects, of the net asset and of the financial and earnings position of the company.

The principles of completeness and freedom from arbitrariness were adhered to. Valuation followed the principles of adequate and orderly accounting as well as the going concern assumption and was based upon the valuation principles applied to last year's annual accounts, unless changes in the valuation principles are explicitly stated for individual items. Assets and liabilities were assessed individually as of the balance sheet date.

In doing so, the principle of appropriate prudence was followed in that only profits which had been realized as of the balance sheet date were reported and all recognizable risks and impending losses which arose during the financial year or a previous financial year were taken into account.

The income statement was prepared using the total cost accounting method. In accordance with Section 223 (7) of the Austrian Commercial Code (UGB) items in the balance sheet and income statement that do not show an amount in either the fiscal year, or the previous year are not disclosed.

The intangible assets, only if acquired against payment, as well as the property, plant and equipment were stated at cost of acquisition or production less the scheduled depreciation corresponding to the expected useful life and less any potentially necessary extraordinary depreciation. Low-value assets with cost of acquisition of less than EUR 800.00 are fully depreciated in the year of acquisition or manufacture.

In principle, inventories were valued at acquisition or production cost. In the event of a lower fair value due to economic or technical impairments, such lower fair value was applied.

Receivables and other assets were stated at nominal value less necessary allowances and discounts for above-average time outstanding. Foreign currencies were valued at the foreign exchange rate at the date of transaction or at the offered rate as of the balance sheet date, if lower.

In application of the principle of prudence, all identifiable risks and all liabilities of uncertain amount and/or origin were considered by setting up provisions according to reasonable commercial judgment.

Liabilities were valued at their settlement amount. Liabilities in foreign currency were valued at the foreign exchange rate offered at the balance sheet date or at a higher purchase rate at the date of transaction.

Due to the financial rounding of individual values and percentages, minor discrepancies may arise.

## II. EXPLANATIONS CONCERNING THE BALANCE SHEET

### ASSETS

#### A. Fixed Assets

##### 1. Intangible Assets and Property, Plant and Equipment

Fixed assets are stated at cost of acquisition or production less planned linear depreciation corresponding to the estimated useful life. Write-downs and write-ups are made if the corresponding conditions exist according to the provisions of Section 204 para. 2 and Section 208 para. 1 of the Austrian Commercial Code.

The development of each item in the fixed assets and the breakdown of the annual depreciation are shown in the fixed assets schedule attached as Supplement 1.

##### 1.1 Intangible Assets

Intangible assets are stated at acquisition cost less planned linear depreciation according to a useful life of four to ten years.

The intangible assets can be broken down as follows:

| KEUR               | 31.12.2022    | 31.12.2021    |
|--------------------|---------------|---------------|
| Rights             | 1,107         | 1,270         |
| Software           | 2,295         | 3,396         |
| Technical software | 113           | 1,125         |
| Advance payments   | 8,934         | 6,944         |
| <b>Total</b>       | <b>12,449</b> | <b>12,736</b> |

There were no additions to rights in the 2022 fiscal year (previous year: KEUR 194).

With regard to standard and administrative software, acquisition costs of KEUR 337 (previous year KEUR 1,546) were capitalized.

There were additions to technical software of KEUR 150 in the 2022 fiscal year (previous year: KEUR 0).

The advance payments of KEUR 1,990 (previous year: KEUR 6,944) still relate to the ongoing SAP project.

## 1.2 Property, Plant and Equipment

### Land, buildings and improvements to third-party buildings

The real estate value of undeveloped and developed land amounts to KEUR 24,430 (previous year: KEUR 24,431).

Land, buildings and improvements to third-party buildings are valued at cost less depreciation (spread over 10 to 50 years for buildings).

The additions to buildings, investments in leased properties and buildings erected on third-party land amounting to KEUR 26 (previous year: KEUR 24) relate to remodeling work at the Gumpoldskirchen site.

### Machines, tools and gaming machines

This item breaks down as follows:

| KEUR                 | 31.12.2022   | 31.12.2021   |
|----------------------|--------------|--------------|
| Plant and machines   | 1,844        | 1,236        |
| Tools and tool costs | 1,552        | 1,846        |
| Gaming machines      | 3,754        | 3,790        |
| <b>Total</b>         | <b>7,150</b> | <b>6,872</b> |

Machines, tools and gaming machines are valued at cost less depreciation (spread over 1 to 19 years for machines, 1 to 5 years for tools and 4 years for gaming machines).

The additions of KEUR 2,802 (previous year: KEUR 1,470) relate to self-manufactured gaming devices and betting terminals. Other acquisitions in the area of production machinery and tools (production forms) were to be capitalized in the amount of KEUR 1,378 (previous year: KEUR 725) or KEUR 878 (previous year: KEUR 1,725).

### Business and office equipment

Factory and office equipment are valued at cost less depreciation (spread over 1 to 10 years).

Additions mainly relate to IT equipment and other office equipment in the amount of KEUR 1,539 (previous year: KEUR 1,086) and purchases of vehicles in the amount of KEUR 1,199 (previous year: KEUR 914).

Low-value assets with a cost of acquisition of less than EUR 800.00 are fully depreciated in the year of acquisition or production.

## 2. Financial Assets

Financial assets are valued at their cost of acquisition.

Securities are valued at their cost of acquisition or at their lower market values as of the balance sheet date.

NOVOMATIC AG annually evaluates the value of shares in affiliated companies. Carrying amounts of domestic and foreign investments will be written down in case of:

- a persistent deterioration of earnings
- the necessity of support from the shareholder
- deficient means and measures as a result of the acquisition
- reorganization measures that will not result in substantial profits in the foreseeable future and represent deficiencies that cannot be eliminated anytime soon
- losses that can no longer be absorbed by the affiliated company alone.

Impairment is not made in cases of mere start-up losses.

If the grounds for an impairment made in the past disappear, an addition is to be made up to the amount of the original costs of acquisition.

The additions (including transfers) of KEUR 74,600 (previous year: KEUR 154,212) to shares in affiliated companies mainly relate to acquisitions and capital increases in companies in Austria, Germany, North Macedonia, Spain, Bosnia and Herzegovina, Serbia, Ukraine and Uganda. Impairments on investments in affiliated companies amounted to KEUR 23,578 in the fiscal year (previous year: KEUR 33,668) and mainly relate to the subsidiaries Casino Royal GmbH (KEUR 15,503) and NOVOMATIC Americas Holdings Inc. (KEUR 6,926). Write-ups on investments in affiliated companies amounted to KEUR 19,553 in the fiscal year (previous year: KEUR 52,400) and relate to the subsidiaries NOVOMATIC Hungaria Kft. (KEUR 2,720), Airoline GmbH (KEUR 3,929) and Novo Investment Bulgaria EOOD (KEUR 12,904). For further details concerning the shares in affiliated companies, please refer to point IV Disclosures about material investments.

There were additions to securities (uncertificated securities) held as fixed assets in the amount of KEUR 2,015 (previous year: KEUR 0). The acquisition of these securities serves to diversify the investment portfolio.

Additions to loans granted to affiliated companies amount to KEUR 101,788 (previous year: KEUR 50,957). These relate in particular to long-term investments in subsidiaries in Italy, Germany, Spain, Latvia, Estonia, North Macedonia, Peru, Mexico, USA, and Uganda. The disposals of KEUR 95,794 (previous year: KEUR 114,507) related in particular to repayments by German, Dutch, Italian and Spanish subsidiaries.

Additions to other loans amount to KEUR 404 (previous year: KEUR 491) and relate exclusively to the settlement of interest on loans granted. Disposals relate to the repayment of loans of KEUR 3,602 (previous year: KEUR 765). Due to the critical view taken of the value of individual loans, the level of the allowance at the end of the year was KEUR 12,894 (previous year: KEUR 13,679).

Of loans granted to affiliated companies, an amount of KEUR 58,438 (previous year: KEUR 64,675) is due within one year.

Of the other loans, an amount of KEUR 616 (previous year: KEUR 1,483) is due within one year.

## B. Current Assets

### 1. Inventories

Inventories were valued at cost in observance of the strict lowest value principle. In determining the production costs for finished goods, the directly allocated costs as well as the proportionate share in overhead costs were taken into account.

In the event of a lower fair value, an according adjustment was made. In particular slow sellers which have remained untouched for six months or more were depreciated by 30 to 100 percent. For inventories with a stock level which makes an above-average term appear probable, an adjustment was made based on the principle of loss-free valuation. In addition to this, any decreased fair value was taken into account through lower cost prices.

### 2. Receivables and Other Assets

#### 2.1 Trade Receivables

Trade receivables are stated at nominal value. In cases of apparent individual risk, the probable recoverable amount was recognized. The outstanding receivables were discounted for the purpose of taking into account the time outstanding of these receivables.

For general credit risks, a valuation allowance of two percent of the outstanding and unsecured net receivables was applied.

This resulted in the following individual receivable amounts.

| KEUR                                    | 31.12.2022    | 31.12.2021    |
|---|---------------|---------------|
| Trade receivables towards third parties | 35,178        | 35,819        |
| Valuation allowances                    | -13,351       | -8,928        |
| Discount due to long maturity           | -165          | -213          |
| Provisions for general credit risks     | -110          | -140          |
| Foreign currency valuation              | -30           | -115          |
| <b>Carrying out as of 31/12/2022</b>    | <b>21,522</b> | <b>26,423</b> |

#### 2.2 Receivables from Affiliated Companies

Receivables from affiliated companies amounting to KEUR 174,781 (previous year: KEUR 185,983) include KEUR 148,566 (previous year: KEUR 150,524) in trade receivables. Other receivables from affiliated companies amounting to KEUR 26,214 (previous year: KEUR 35,459) mainly relate to offsetting from cash pooling, tax allocations and dividend receivables.

The specific valuation allowances for receivables from affiliated companies include in particular provisions for outstanding trade receivables, which are subject to a high risk due to the current conflict between Russia and Ukraine.

### 2.3 Other Receivables and Assets

Other receivables and assets of KEUR 40,522 (previous year: KEUR 39,578) mainly relate to a deposit for precious metals of KEUR 36,291 (previous year: KEUR 36,291) and down payments made.

The maturities of the receivables and other assets are as follows:

|                                       | 31.12.2022 |                               |                                   | 31.12.2021 |                               |                                   |
|---------------------------------------|------------|-------------------------------|-----------------------------------|------------|-------------------------------|-----------------------------------|
|                                       | Total      | Residual term of up to 1 year | Residual term of more than 1 year | Total      | Residual term of up to 1 year | Residual term of more than 1 year |
|                                       | KEUR       | KEUR                          | KEUR                              | KEUR       | KEUR                          | KEUR                              |
| Trade receivables                     | 21,522     | 21,522                        | 0                                 | 26,423     | 26,015                        | 408                               |
| Receivables from Affiliated Companies | 174,781    | 174,426                       | 355                               | 185,983    | 184,265                       | 1,718                             |
| Other Receivables and Assets          | 40,522     | 40,185                        | 337                               | 39,578     | 39,390                        | 188                               |

Other receivables and assets do not contain any material income that will only become cash-effective after the balance sheet date.

## C. Prepaid Expenses

The prepaid expenses amounting to KEUR 5,800 (previous year: KEUR 3,896) consist of capitalized discounts and expenditures pertaining to 2023 and the following years.

## D. Deferred Tax Assets

Deferred tax assets are reported using the balance sheet liability method for all temporary differences between the tax valuation amounts of assets and liabilities and the book values in the individual financial statement, to the extent that positive tax results can be expected in the future.

The income tax rate underlying the calculation of deferred taxes is 23 percent or 24 percent (previous year: 25 percent).

Since a tax relief due to reversal of the above-mentioned temporary differences in the foreseeable future cannot be reliably predicted at the balance sheet date, the deferred tax assets in the amount of KEUR 30,066 (previous year: KEUR 44,425) are not formed. The composition of deferred taxes is shown in the following table.

As the group parent, NOVOMATIC AG has tax losses of KEUR 561,617 (previous year: KEUR 499,797) for which no deferred tax assets were recognized.

The non-capitalized deferred tax assets resulting from differences in the amounts reported in the individual financial statement and their respective tax bases are as follows:

| "+ " = deferred tax asset<br>"- " = deferred tax liability | Difference<br>Current financial<br>year | Deferred taxes<br>Current financial<br>year | Deferred taxes<br>Previous year | Change<br>Deferred taxes |
|--|---|---|---------------------------------|--------------------------|
|  | KEUR                                    | KEUR  | KEUR                            | KEUR                     |
| Property, plant and equipment                              | 13,921                                  | 3,214                                       | 3,234                           | -20                      |
| Investments in affiliated companies                        | 96,078                                  | 22,594                                      | 37,142                          | -14,548                  |
| Receivables and Other Assets                               | 98                                      | 23  | 35                              | -12                      |
| Prepaid expenses   | 5,539                                   | 1,288                                       | 629                             | 659                      |
| Provisions   | 12,782                                  | 2,947                                       | 3,385                           | -438                     |
| <b>Total for 2022 balance = deferred tax assets</b>        | <b>128,418</b>                          | <b>30,066</b>                               | <b>44,425</b>                   | <b>-14,359</b>           |

## EQUITY AND LIABILITIES

### A. Equity

The share capital of the company amounts to KEUR 26,590 in the 2022 fiscal year (previous year: KEUR 26,590).

The tied-up capital reserves of KEUR 85,386, statutory revenue reserves of KEUR 1,624 and retained earnings of KEUR 15 remained unchanged compared to the previous year.

As part of the merger with NOVOMATIC Gaming Industries GmbH in 2018, NOVOMATIC AG undertook to form a voluntarily tied-up reserve of KEUR 216,400 from the resulting merger gain. This amount is subject to a payout block of 60 months after registration of the merger. This was completed on October 5, 2018.

### B. Investment Grants

A receivable of KEUR 39 was recorded for a COVID-19 investment bonus received in the 2021 fiscal year and reported as a separate item between equity and borrowed capital.

The investment bonus will be released in the amount of KEUR 9 (previous year: KEUR 11) in 2022 in line with the useful life of the subsidized assets and reported under other operating income.

## C. Provisions

In compliance with the principle of prudence, all identifiable risks and liabilities of an uncertain amount and/or origin at the balance sheet date were accounted for by setting up provisions according to reasonable commercial judgment.

The provisions for severance payments were calculated applying actuarial principles according to IAS 19 using the projected unit credit method with a discount rate of 4.15 percent (previous year: 1.03 percent) and assuming a pay increase of 3.75 percent (previous year: 2.5 percent). The minimum legal retirement age according to Austrian social security law (ASVG) regulations was assumed. Discounts due to fluctuations or other circumstances were not included. Expenses for severance payments and contributions to external severance payments funds contained an income from the change to the provision amounting to KEUR 998 (previous year: income KEUR 213).

The provisions for taxes on income and other taxes mainly related to provisions from previous periods.

Other provisions mainly include audit and consulting costs, costs for preparing annual reports, provisions for legal disputes, guarantees, discounts in kind, commission provisions, unconsumed vacation for employees and for jubilee payments.

The provision for jubilee payments were calculated applying actuarial principles according to IAS 19 using the projected unit credit method with a discount rate of 4.15 percent (previous year: 1.03 percent) and assuming a pay increase of 3.75 percent (previous year: 2.5 percent). A fluctuation discount based on an internal statistic concerning withdrawals of the previous three years and considering probable individual continuance in the company until the jubilee payment is due was taken into account.

The provision for unused vacation is calculated under the assumption of a divider of 18 working days per month.

We refer to the enclosed Supplement 2 showing the development of provisions.



## D. Liabilities

### Maturity:

| KEUR                                  | Total amount of Liabilities         |                                      |                                      |
|---------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
|                                       | with a maturity of less than 1 year | with a residual term of 1 to 5 years | with a residual term of over 5 years |
| <b>Bond</b>                           | <b>237,625</b>                      | <b>0</b>                             | <b>0</b>                             |
| (previous year)                       | 0                                   | 500,000                              | 0                                    |
| <b>Due to banks</b>                   | <b>170,580</b>                      | <b>857,409</b>                       | <b>0</b>                             |
| (previous year)                       | 313,705                             | 592,988                              | 0                                    |
| <b>Prepayments on orders received</b> | <b>0</b>                            | <b>0</b>                             | <b>0</b>                             |
| (previous year)                       | 1,043                               | 0                                    | 0                                    |
| <b>Trade payables</b>                 | <b>8,189</b>                        | <b>0</b>                             | <b>0</b>                             |
| (previous year)                       | 15,307                              | 0                                    | 0                                    |
| <b>Due to affiliated companies</b>    | <b>260,036</b>                      | <b>0</b>                             | <b>0</b>                             |
| (previous year)                       | 186,316                             | 0                                    | 0                                    |
| <b>Other liabilities</b>              | <b>6,567</b>                        | <b>40</b>                            | <b>0</b>                             |
| (previous year)                       | 13,950                              | 3                                    | 0                                    |

In February 2022, NOVOMATIC AG made a repurchase offer (repurchase against cash payment) to the holders of the 2016-2023 bond (EUR 500,000 thousand, ISIN AT0000A1LHT0). The company has accepted all valid offers of the bonds for purchase. The result of the buyback offer led to the tendering of bonds with a total nominal amount of TEUR 262,375. After the settlement, bonds with a nominal amount of KEUR 237,625 million remain outstanding.

The liabilities towards affiliated companies include trade payables in the amount of KEUR 8,349 (previous year: TEUR 6,858). This item also includes other liabilities of KEUR 251,687 (previous year: KEUR 179,459). These mainly comprise KEUR 62,142 (previous year: KEUR 90,916) from cash pooling agreements and IC investments of KEUR 177,000 (previous year: KEUR 87,810) concluded with domestic and foreign subsidiaries in 2013.

Other liabilities include expenses of KEUR 3,687 (previous year: KEUR 2,404), which will not be paid until after the balance sheet date.

## E. Contingent Liabilities, Other Contingent Liabilities, and Physical Securities

As at the balance sheet date, contingent liabilities totaled KEUR 98,567 (previous year: KEUR 102,960), of which KEUR 98,567 related to affiliated companies (previous year: KEUR 100,960).

Contingent liabilities comprise comfort letters or guarantees for bank loans for affiliated companies, and are composed as follows:

### a) Contingent liabilities

| Bank  | Beneficiary company  | Security       | Ceiling<br>KEUR | As of 12/31/22<br>KEUR |
|---|--|----------------|-----------------|------------------------|
| UniCredit Bank Austria AG Vienna            | HTM Hotel- und Tourismus Management GmbH   | Comfort letter | 3,000           | 3,000                  |
| Raiffeisenlandesbank OOE                    | ADMIRAL Casinos & Entertainment AG   | Comfort letter | 1,331           | 1,331                  |
| Erste Group Bank AG                         | ADMIRAL Casinos & Entertainment AG   | Guarantee      | 3,153           | 3,153                  |
| Hypo Bank Burgenland                        | ADMIRAL Casinos & Entertainment AG   | Guarantee      | 176             | 176                    |
| Hypo Bank Burgenland                        | Admiral Sportwetten GmbH   | Guarantee      | 6,000           | 6,000                  |
| Raiffeisenbank NOE-Wien                     | Admiral Sportwetten GmbH   | Comfort letter | 1,500           | 0                      |
| LBBW, DE                                    | Admiral Entertainment GmbH, DE   | Comfort letter | 3,000           | 3,000                  |
| UniCredit Bank Austria AG Vienna            | Admiral Gaming Andalucia S.A.  | Guarantee      | 0               | 0                      |
| UniCredit Bank Austria AG Vienna            | Admiral Slots S.A.   | Guarantee      | 500             | 500                    |
| Raiffeisenbank SHA Albania                  | Lotaria Kombetare Sh.p.k.  | Guarantee      | 175             | 175                    |
| UniCredit Bank Austria AG Vienna            | RSA Gaming d.o.o.  | Guarantee      | 897             | 897                    |
| UniCredit Tiriac SA                         | Admiral Online Srl, Admiral Leisure Srl, BetMaster Srl   | Guarantee      | 387             | 387                    |
| Recreatieprojecten Zeeland BV               | NOVOMATIC Exploitatie NL III B.V.  | Comfort letter | 342             | 342                    |
| Barclays Bank PLC                           | NOVOMATIC UK Ltd.  | Comfort letter | 16,923          | 16,923                 |
| Banco Bilbao Vizcaya Argentaria S.A. (BBVA) | ADMIRALBET SPAIN S.A.  | Comfort letter | 13,060          | 13,060                 |
| LBBW, DE                                    | Casino Royal GmbH, DE  | Comfort letter | 1,200           | 1,200                  |
| UniCredit Bank Austria AG, Munich           | Casino Royal GmbH, DE  | Guarantee      | 1,300           | 1,300                  |
| UniCredit Bank Austria AG, Munich           | Casino Royal GmbH, DE  | Guarantee      | 3,000           | 3,000                  |
| UniCredit Bank Serbia JSC, Belgrade         | Admira d.o.o., Millennium Bet d.o.o., ZBET RS, Novo Investment d.o.o., Adria Gaming LLC Beograd-Zvezdara | Guarantee      | 4,123           | 4,123                  |
| UniCredit S.p.A., Italy                     | NOVOMATIC Italia SpA   | Guarantee      | 40,000          | 40,000                 |
| <b>TOTAL</b>                                |  |                | <b>100,067</b>  | <b>98,567</b>          |

**b) Other contingent liabilities**

NOVOMATIC AG has issued comfort letters in favor of the following subsidiaries:

Novo VLTech Soutlions S.R.L., Romania

Lotaria Kombetare Sh.p.k., Albania

Admira d.o.o., Serbia

Millennium Bet d.o.o., Serbia

ZBET.RS d.o.o., Serbia

**c) Information regarding the nature of provided physical securities:**

No physical securities were provided for liabilities in the 2022 fiscal year.

**F. Other Financial Obligations**

Obligations from current lease contracts comprise:

| KEUR                                     | Due within the following fiscal year | Due within the next five fiscal years |
|--|--------------------------------------|---------------------------------------|
| Obligations from current lease contracts | 2,501                                | 12,505                                |
| (in the previous year)                   | 2,618                                | 13,208                                |
| of which to affiliated companies         | 1,729                                | 8,646                                 |
| (in the previous year)                   | 1,643                                | 8,214                                 |

### III. EXPLANATIONS CONCERNING THE PROFIT AND LOSS ACCOUNT

#### 1. Breakdown of Sales

##### 1.1 by Segments:

| KEUR  | Year under review | Previous year  |
|---|-------------------|----------------|
| Income from trademarks and licenses             | 67,612            | 58,263         |
| Income from production                          | 199,073           | 146,740        |
| Equipment rental                                | 32,630            | 18,557         |
| Provision of personnel                          | 2,691             | 2,538          |
| Repairs, service                                | 5,286             | 2,184          |
| Other income (incl. rental and operating costs) | 11,827            | 11,612         |
| Sales reductions                                | -4                | -31            |
| <b>Total</b>                                    | <b>319,115</b>    | <b>239,863</b> |

##### 1.2 by Geographical Markets:

| KEUR                      | Year under review | Previous year  |
|---------------------------|-------------------|----------------|
| Domestic income           | 53,368            | 40,036         |
| International income (EU) | 174,006           | 112,136        |
| Third-country income      | 91,741            | 87,691         |
| <b>Total</b>              | <b>319,115</b>    | <b>239,863</b> |

#### 2. Personnel Expenses

Expenses for severance payments and contributions to external severance payment funds include payments to external severance payment funds amounting to KEUR 867 (previous year: TEUR 825).

### 3. Other Operating Expenses

Other operating expenses mainly comprise:

| KEUR                                    | 2022  | 2021   |
|---|-------|--------|
| Taxes and charges                       | 378   | 424    |
| Rental expenses                         | 3,168 | 3,437  |
| Maintenance                             | 7,162 | 7,075  |
| License fees                            | 5,049 | 4,610  |
| Valuation allowances for current assets | 9,332 | 11,214 |
| Legal and consulting fees               | 7,000 | 7,908  |
| Insurance costs                         | 3,072 | 2,446  |
| Other services received                 | 7,873 | 4,582  |
| Development costs                       | 3,940 | 2,798  |
| Advertising costs                       | 4,729 | 4,661  |

The impairments for current assets mainly include provisions for outstanding trade receivables whose recoverability is subject to a higher risk due to the current economic environment.

### 4. Income from Investments

Income from investments amounting to KEUR 236,179 (previous year: KEUR 68,594) mainly includes profit distributions from Germany, the United Kingdom, Austria and Bosnia and Herzegovina.

### 5. Expenses from Financial Assets and Securities Held as Current Assets

These relate primarily to write-downs on shares in affiliated companies. For further details, see point II. Explanations concerning balance sheet items, item 2. Financial Assets.

### 6. Taxes on Income

NOVOMATIC AG has taken the opportunity of forming a tax group pursuant to Section 9 of the Austrian Corporate Income Tax Act (KStG).

Group members are:

- HTM Hotel- und Tourismus Management GmbH, Austria
- ADMIRAL Casinos & Entertainment AG, Austria
- NMN Immo GmbH, Austria
- ADMIRAL Sportwetten GmbH, Austria
- Novo VLTech GmbH, Austria
- Greentube GmbH, Austria
- Funstage GmbH, Austria
- Platogo Interactive Entertainment GmbH, Austria

In the tax apportionment contract with the domestic tax group members, negative as well as positive tax apportionments within the tax group were stipulated. The profits allocated by the tax group member to the parent company are, depending on the usability of the losses, to be compensated at 21.5 percent or 25 percent (tax rate pursuant to Section 22(1) of the Austrian Corporate Income Tax Act [KStG]) by the tax group member. A symmetrical agreement exists for the allocated losses, whereby losses that cannot be allocated are to be credited as "internal tax loss carried forward" at 21.5 percent of the assessment basis if they are usable.

Taxes on income is broken down specifically as follows:

| KEUR  | 2022          | 2021          |
|---|---------------|---------------|
| Corporate income tax expense current year                   | 14            | 14            |
| Corporate income tax expense in previous years              | 1,607         | 22            |
| Foreign withholding tax expense                             | 749           | 310           |
| Corporate income tax expense, abroad                        | 2             | -337          |
| Income from tax apportionment „tax group“ in previous years | -8            | 0             |
| Income from tax apportionment „tax group“                   | -7,755        | -1,623        |
| <b>Total</b>  | <b>-5,391</b> | <b>-1,614</b> |

## V. INFORMATION ON SIGNIFICANT INVESTMENTS

| Company, domicile   | Share   | Carrying amount as of 12/31/2022<br>KEUR | Equity<br>KEUR | Annual result<br>KEUR |
|---|---------|--|----------------|-----------------------|
| ADMIRAL Casinos & Entertainment AG, Austria               | 100 %   | 35,100                                   | 22,718         | -3,958                |
| Admiral Sportwetten GmbH, Austria                         | 100 %   | 19,612                                   | 54,761         | 7,088                 |
| Admiralu Klubs SIA, Latvia                                | 60 %    | 22,736                                   | 13,480         | 3,919                 |
| Ainsworth Game Technology Ltd., Australia                 | 52.90 % | 126,974                                  | 203,742        | 5,310                 |
| Airoline GmbH, Austria                                    | 100 %   | 11,988                                   | 5,509          | -1,202                |
| Albanisch Österreichische Lotterien Holding GmbH, Austria | 100 %   | 0  | 33             | -1,862                |
| Alfor SIA, Latvia   | 60 %    | 2,836                                    | 20,358         | 4,257                 |
| ATT S.A., Poland  | 100 %   | 51,480                                   | 17,057         | 1,283                 |
| Azarto Technika UAB, Lithuania                            | 80 %    | 8,000                                    | 709            | -291                  |
| Casino Royal, Germany                                     | 100 %   | 62,617                                   | *)             | *)                    |
| Crown Gaming Mexico S.A. de C.V., Mexico                  | 100 %   | 10,201                                   | -3,382         | -6,124                |
| Crown Gaming Services Mexico S. d. R.L. de C.V., Mexico   | 80 %    | 0  | 44             | -42                   |
| Eagle Investment Sh.A., Albania                           | 100 %   | 0  | 4,807          | 54                    |
| Estrada Polska sp.z.o.o., Poland                          | 100 %   | 4,467                                    | 2,691          | 350                   |
| Giochi San Marino S.p.A., San Marino                      | 93 %    | 5,162                                    | 8,314          | -107                  |
| Greentube Internet Entertainment, Austria                 | 100 %   | 26,673                                   | 113,075        | 26,253                |
| HTL d.o.o. Sarajevo, Bosnia and Herzegovina               | 100 %   | 3,630                                    | 15,818         | 3,288                 |
| HTL Macedonia DOOEL, Macedonia                            | 100 %   | 32,378                                   | 33,738         | 1,174                 |
| HTL Ukraine TOV, Ukraine                                  | 100 %   | 5,716                                    | 6,953          | 425                   |
| HTM Hotel und Tourismus Management GmbH, Austria          | 100 %   | 1,073                                    | 19,271         | -463                  |
| Interinvest Holding SAL, Lebanon                          | 95 %    | 137                                      | n.A.           | n.A.                  |
| LÖWEN ENTERTAINMENT GmbH, Germany                         | 100 %   | 0  | *)             | *)                    |
| LTB Beteiligungs GmbH, Austria                            | 33.33 % | 23,938                                   | 9,000          | 8,448                 |
| Makoten DOOEL, Macedonia                                  | 100 %   | 40,801                                   | 36,431         | 3,652                 |
| MB Technology d.o.o., Serbia                              | 100 %   | 735                                      | 725            | -1                    |
| NMI Invest GmbH, Austria                                  | 100 %   | 1,000                                    | 981            | -1                    |
| NMN Immo GmbH, Austria                                    | 100 %   | 618                                      | 504            | -6                    |
| Novo Gaming M Technologies GmbH, Austria                  | 100 %   | 2,753                                    | 3,080          | -36                   |
| Novo Immobilien GmbH, Germany                             | 99.80 % | 7,990                                    | 41,741         | 3,217                 |
| Novo Investment Bulgaria EOOD, Bulgaria                   | 100 %   | 43,324                                   | 28,661         | 1,265                 |
| Novo Investment d.o.o., Belgrad, Serbia                   | 100 %   | 106,890                                  | 116,258        | 1,001                 |
| Novo Investment RO SRL, Romania                           | 100 %   | 45,494                                   | 32,485         | -384                  |
| NOVO RS d.o.o., Bosnia and Herzegovina                    | 100 %   | 10,009                                   | 14,781         | 2,048                 |
| Novo VLTech GmbH, Austria                                 | 100 %   | 10,100                                   | 3,892          | 3,792                 |
| Novo VLTech Solutions SRL, Romania                        | 0.01 %  | 0  | 14,289         | 7,705                 |
| Novochile Ltda., Chile                                    | 99 %    | 88                                       | 122            | 61                    |
| Novogames (U) Ltd., Uganda                                | 75 %    | 5,996                                    | 3,864          | -285                  |
| Novogaming Vilnius UAB, Lithuania                         | 80 %    | 5,944                                    | 529            | 150                   |
| NOVOMATIC Africa (PTY) Ltd., South Africa                 | 100 %   | 8,362                                    | 24,874         | 2,849                 |
| NOVOMATIC Americas Holdings Inc., Florida, USA            | 100 %   | 27,148                                   | 43,351         | -456                  |
| NOVOMATIC Argentina S.R.L., Argentina                     | 97.23 % | 2,513                                    | -100           | 422                   |

| Company, domicile  | Share   | Carrying amount as of 12/31/2022<br>KEUR | Equity<br>KEUR | Annual result<br>KEUR |
|--|---------|--|----------------|-----------------------|
| NOVOMATIC Gaming Colombia S.A.S., Colombia                         | 100 %   | 4,908                                    | 5,622          | 211                   |
| NOVOMATIC Gaming Spain S.A., Spain                                 | 100 %   | 175,152                                  | 188,211        | 7,875                 |
| NOVOMATIC Hungaria Kft., Hungary                                   | 100 %   | 26,238                                   | 19,873         | 4,527                 |
| NOVOMATIC Investment Chile S.A., Chile                             | 100 %   | 744                                      | 247            | -19                   |
| NOVOMATIC Italia SpA, Italy  | 100 %   | 386,109                                  | 259,655        | 64,248                |
| NOVOMATIC Latin-American Holding S.L.U, Spain                      | 100 %   | 4,384                                    | 3,081          | -1,175                |
| NOVOMATIC Netherlands B.V., Netherlands                            | 100 %   | 73,871                                   | 72,055         | 786                   |
| NOVOMATIC Peru S.A.C., Peru  | 100 %   | 6,650                                    | 35,718         | -4                    |
| NOVOMATIC Tanzania Ltd., Tanzania                                  | 80 %    | 85                                       | n.A.           | n.A.                  |
| Novomatic Services FRA SAS, France                                 | 100 %   | 1,354                                    | 3,499          | 1,179                 |
| NOVOMATIC Spielbanken Holding Deutschland GmbH & Co. KG, Germany   | 100 %   | 19,757                                   | 20,606         | 437                   |
| NOVOMATIC Sports Betting Solutions GmbH, Austria                   | 100 %   | 1,000                                    | 341            | -186                  |
| NOVOMATIC Technologies Poland S.A., Poland                         | 48.80 % | 22,688                                   | 26,305         | 5,625                 |
| NOVOMATIC UK Ltd., United Kingdom                                  | 100 %   | 194,227                                  | 201,986        | 54,448                |
| Octavian de Argentina S.A., Argentina                              | 90 %    | 743                                      | 442            | 195                   |
| Octavian SPb OOO, Russia   | 99.20 % | 890                                      | 1,992          | 324                   |
| Pratergarage Errichtungs- und Betriebsgesellschaft m.b.H., Austria | 47.50 % | 238                                      | 1,117          | 383                   |
| RSV Beteiligungs GmbH, Austria                                     | 100 %   | 72,331                                   | 8,998          | 8,472                 |
| Technoconsult GmbH, Austria  | 100 %   | 833                                      | 0              | 0                     |
| Treuhandgesellschaft 16, Austria*)                                 | 100 %   | 385                                      | n.A.           | n.A.                  |
| United Gaming Industries OOO, Russia                               | 99.99 % | 2,290                                    | 3,680          | -345                  |

Section 242(2)(2) of the Austrian Commercial Code (UGB) applies to individual subsidiaries [see \*].

The LÖWEN Group, the CASINO ROYAL Group and Novo Immobilien GmbH are included in NOVOMATIC AG's Consolidated Financial Statement and avail themselves of the possibility of exemption from a disclosure of their financial statements as of December 31, 2022, as granted under Section 264(3) and Section 264b of the German Commercial Code (HGB). This means that NOVOMATIC AG's separate financial statements do not include financial data on the German companies, as there would otherwise be a loss of strategic advantage and unequal treatment of market participants.

The equity and annual results presented are preliminary values determined in accordance with applicable local law.

Relationships to affiliated companies mainly comprise services rendered or procured for branding and licensing rights, the sale and rental of gaming facilities, expenses for the provision of personnel for administrative departments, cash pooling/financing, development services, and real estate rental. Agreements on the obligation to voluntarily assume losses were concluded with three German subsidiaries.



## V. INFORMATION ON FINANCIAL INSTRUMENTS

Due to the high purchase volumes in USD, parts of the current USD requirements are secured through hedging transactions. Hedging is achieved through several forward transactions due at monthly intervals.

The following derivatives were entered into:

|                                  |                                  | 31.12.2022     | 31.12.2022   |
|----------------------------------|----------------------------------|----------------|--------------|
| KEUR                             |                                  | Nominal amount | Market value |
| Raiffeisen Bank International AG | USD-forward contract to 07/19/23 | 5,292          | -391         |
| Bank Austria UniCredit           | USD-forward contract to 09/13/23 | 8,236          | -559         |

The market value for derivatives corresponds to the value which the individual company would receive or have to pay if the contract were settled as of the balance sheet date. For this, current market conditions are taken into account, in particular the current interest environment. A corresponding provision was created in the financial statements for the negative market values.

## VI. MANDATORY INFORMATION CONCERNING MANAGEMENT BODIES AND EMPLOYEES

### 1.1 Average Number of Employees during the Financial Year (headcount)

|                     | 2022 | 2021 |
|---------------------|------|------|
| Number of employees | 815  | 811  |
| Number of workers   | 234  | 245  |

### 1.2 Members of the Executive Board and the Supervisory Board during the Fiscal Year

Members of the Executive Board:

- Ryszard Presch (Executive Board Member)
- Johannes Gratzl (Executive Board Member)

Supervisory Board:

- Dr. Bernd Oswald (Chairman)
- Martina Flitsch (Deputy Chairwoman)
- Dr. Haig Asenbauer (Deputy Chairman)
- Dr. Robert Hofians (member)

### 1.3 Other Disclosures

During the 2022 fiscal year, expenses of KEUR 2,176 were made to members of the Executive Board (previous year: KEUR 1,639). Gross payments of KEUR 188 were made by affiliated companies (previous year: KEUR 250). Payments of KEUR 44 (previous year: KEUR 438) to former members of the Executive Board were recognized as an expense. No advances or guarantees were granted to members of the Executive Board. Payments made to members of the Supervisory Board during the year under review amounted to KEUR 382 (previous year: KEUR 360).

Of the expenses for severance payments, KEUR -134 (previous year: KEUR 498) concerned the Executive Board and KEUR 568 (previous year: KEUR 1,146) other employees.

## 1.4 Consolidated Financial Statement

NOVOMATIC AG is required by law to prepare and disclose a subgroup consolidated financial statement according to Section 246(3) of the Austrian Commercial Code (UGB). The financial statement for the subgroup NOVOMATIC AG is included in the consolidated financial statement of Novo Invest GmbH with its registered office in Wiener Neudorf – as head of the Group – and is filed at the Regional Court of Wiener Neustadt under FN 381832v.

## 1.5 Audit Fees

Fees for the audit of the financial statement and expenses for other services of the auditor are presented in the subgroup consolidated financial statement of NOVOMATIC AG.

## 1.6 Appropriation of Earnings

An amount totaling KEUR 50,000 is to be appropriated from the balance sheet profit of KEUR 592,707, comprising the profit of the 2022 fiscal year amounting to KEUR 188,136 and profit carried forward of KEUR 404,571. The remaining amount should be carried forward to new account.

## 1.7 Subsequent Events after the Balance Sheet Date

No events of special significance occurred after the end of the fiscal year that would have led to the net assets, financial position and results of operations being presented differently.

## VII. SPECIAL INFORMATION FOR STOCK CORPORATIONS

The share capital of EUR 26,590,000.00 is fully paid up and is divided into 26,590,000 registered no-par value shares. The nominal value per share amounts to EUR 1.00.

Gumpoldskirchen, March 27, 2023

NOVOMATIC AG



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

# NOVOMATIC AG

## SCHEDULE OF FIXED ASSETS

as of December 31, 2022

|  | Development at cost of acquisition and production |                       |                    |                        |                           |
|--|---|-----------------------|--------------------|------------------------|---------------------------|
| EUR  | Balance as of<br>12/31/21                         | Additions             | Transfers          | Disposals              | Balance as of<br>12/31/22 |
| <b>A. FIXED ASSETS</b>                                       |   |                       |                    |                        |                           |
| <b>I. Intangible assets</b>                                  |   |                       |                    |                        |                           |
| 1. Concessions and industrial property rights                |   |                       |                    |                        |                           |
| Property rights  | 16,822,230.78                                     | 0.00                  | 0.00               | -434,923.81            | 16,387,306.97             |
| Technical software   | 130,040,100.36                                    | 150,000.00            | 0.00               | 0.00                   | 130,190,100.36            |
| Software   | 18,611,136.96                                     | 337,382.78            | 0.00               | -1,408,868.23          | 17,539,651.51             |
| 2. Advance payments  | 6,944,391.54                                      | 1,989,878.59          | 0.00               | 0.00                   | 8,934,270.13              |
| <b>Total</b>   | <b>172,417,859.64</b>                             | <b>2,477,261.37</b>   | <b>0.00</b>        | <b>-1,843,792.04</b>   | <b>173,051,328.97</b>     |
| <b>II. Property, plant and equipment</b>                     |   |                       |                    |                        |                           |
| 1. Land, buildings and improvements to third-party buildings |   |                       |                    |                        |                           |
| Buildings – real estate value                                | 9,084,159.41                                      | 0.00                  | 0.00               | 0.00                   | 9,084,159.41              |
| Buildings – value of building                                | 21,024,665.04                                     | 0.00                  | 0.00               | 0.00                   | 21,024,665.04             |
| Structural investments in leased property                    | 123,313,967.71                                    | 25,548.77             | 0.00               | 0.00                   | 123,339,516.48            |
| Buildings on non-owned land                                  | 2,620,937.92                                      | 0.00                  | 0.00               | -1,504,992.34          | 1,115,945.58              |
| <b>Total</b>   | <b>178,781,356.75</b>                             | <b>25,548.77</b>      | <b>0.00</b>        | <b>-1,504,992.34</b>   | <b>177,301,913.18</b>     |
| 2. Plant and machinery                                       |   |                       |                    |                        |                           |
| Plant and machinery  | 16,411,787.20                                     | 1,337,872.87          | 40,000.00          | -197,840.88            | 17,591,819.19             |
| Gaming machines  | 31,505,282.93                                     | 2,802,010.07          | 0.00               | -2,655,788.48          | 31,651,504.52             |
| Tools and tool costs   | 25,461,848.05                                     | 722,095.54            | 156,114.00         | -453.30                | 26,339,604.29             |
| <b>Total</b>   | <b>73,378,918.18</b>                              | <b>4,861,978.48</b>   | <b>196,114.00</b>  | <b>-2,854,082.66</b>   | <b>75,582,928.00</b>      |
| 3. Factory and office equipment                              |   |                       |                    |                        |                           |
| Factory and office equipment                                 | 29,529,822.36                                     | 1,323,486.35          | 215,940.91         | -750,726.10            | 30,318,523.52             |
| Car pool   | 13,140,491.55                                     | 1,198,678.70          | 0.00               | -658,882.37            | 13,680,287.88             |
| Low-value assets   | 0.00  | 324,500.42            | 0.00               | -324,500.42            | 0.00                      |
| <b>Total</b>   | <b>42,670,313.91</b>                              | <b>2,846,665.47</b>   | <b>215,940.91</b>  | <b>-1,734,108.89</b>   | <b>43,998,811.40</b>      |
| 4. Prepayments and tangible assets in course of construction |   |                       |                    |                        |                           |
| Prepayments  | 128,900.00  | 1,900,910.37          | -412,054.91        | 0.00                   | 1,617,755.46              |
| Tangible assets in course of construction                    | 6,290,171.84                                      | 27,090.00             | 0.00               | -6,290,171.84          | 27,090.00                 |
| <b>Total</b>   | <b>6,419,071.84</b>                               | <b>1,928,000.37</b>   | <b>-412,054.91</b> | <b>-6,290,171.84</b>   | <b>1,644,845.46</b>       |
| <b>Total</b>   | <b>301,249,660.68</b>                             | <b>9,662,193.09</b>   | <b>0.00</b>        | <b>-12,383,355.73</b>  | <b>298,528,498.04</b>     |
| <b>III. Financial assets</b>                                 |   |                       |                    |                        |                           |
| 1. Investments in affiliated companies                       | 2,111,724,563.73                                  | 74,599,765.39         | 0.00               | -392,883.02            | 2,185,931,446.10          |
| 2. Loans to affiliated companies                             | 178,741,449.66                                    | 101,788,224.08        | 0.00               | -95,793,662.90         | 184,736,010.84            |
| 3. Investments   | 24,412,944.55                                     | 0.00                  | 0.00               | 0.00                   | 24,412,944.55             |
| 4. Loans to associated companies                             | 650,162.35  | 58,663.87             | 0.00               | -58,826.22             | 650,000.00                |
| 5. Securities  | 18,179,857.45                                     | 2,014,991.74          | 0.00               | 0.00                   | 20,194,849.19             |
| 6. Other loans   | 21,120,656.25                                     | 404,207.71            | 0.00               | -3,602,151.37          | 17,922,712.59             |
| <b>Total</b>   | <b>2,354,829,633.99</b>                           | <b>178,865,852.79</b> | <b>0.00</b>        | <b>-99,847,523.51</b>  | <b>2,433,847,963.27</b>   |
| <b>TOTAL FIXED ASSETS</b>                                    | <b>2,828,497,154.31</b>                           | <b>191,005,307.25</b> | <b>0.00</b>        | <b>-114,074,671.28</b> | <b>2,905,427,790.28</b>   |

| Development of Amortization/Depreciation |                       |                      |                      |                           | Book values               |                           |
|--|-----------------------|----------------------|----------------------|---------------------------|---------------------------|---------------------------|
| Balance as of<br>12/31/21                | Additions             | Disposals            | Write-ups            | Balance as of<br>12/31/22 | Balance as of<br>12/31/21 | Balance as of<br>12/31/22 |
| -15,552,362.72                           | -162,780.77           | 434,923.81           | 0.00                 | -15,280,219.68            | 1,269,868.06              | 1,107,087.29              |
| -128,915,100.36                          | -1,162,500.00         | 0.00                 | 0.00                 | -130,077,600.36           | 1,125,000.00              | 112,500.00                |
| -15,214,852.04                           | -1,053,873.18         | 1,024,088.64         | 0.00                 | -15,244,636.58            | 3,396,284.92              | 2,295,014.93              |
| 0.00                                     | 0.00                  | 0.00                 | 0.00                 | 0.00                      | 6,944,391.54              | 8,934,270.13              |
| <b>-159,682,315.12</b>                   | <b>-2,379,153.95</b>  | <b>1,459,012.45</b>  | <b>0.00</b>          | <b>-160,602,456.62</b>    | <b>12,735,544.52</b>      | <b>12,448,872.35</b>      |
| -0.30                                    | 0.00                  | 0.00                 | 0.00                 | -0.30                     | 9,084,159.11              | 9,084,159.11              |
| -5,678,219.55                            | -222.16               | 0.00                 | 0.00                 | -5,678,441.71             | 15,346,445.49             | 15,346,223.33             |
| -62,815,254.27                           | -4,053,367.79         | 0.00                 | 0.00                 | -66,868,622.06            | 60,498,713.44             | 56,470,894.42             |
| -2,375,646.81                            | -46,036.50            | 1,504,531.31         | 0.00                 | -917,152.00               | 245,291.11                | 198,793.58                |
| -20,799,354.77                           | -224,346.38           | 0.00                 | 0.00                 | -21,023,701.15            | 1,938,271.90              | 1,713,925.52              |
| <b>-91,668,475.70</b>                    | <b>-4,323,972.83</b>  | <b>1,504,531.31</b>  | <b>0.00</b>          | <b>-94,487,917.22</b>     | <b>87,112,881.05</b>      | <b>82,813,995.96</b>      |
| -15,176,367.69                           | -769,022.04           | 197,840.88           | 0.00                 | -15,747,548.85            | 1,235,419.51              | 1,844,270.34              |
| -27,715,225.67                           | -2,632,577.61         | 2,450,462.50         | 0.00                 | -27,897,340.78            | 3,790,057.26              | 3,754,163.74              |
| -23,615,721.46                           | -1,172,691.09         | 453.30               | 0.00                 | -24,787,959.25            | 1,846,126.59              | 1,551,645.04              |
| <b>-66,507,314.82</b>                    | <b>-4,574,290.74</b>  | <b>2,648,756.68</b>  | <b>0.00</b>          | <b>-68,432,848.88</b>     | <b>6,871,603.36</b>       | <b>7,150,079.12</b>       |
| -26,769,702.78                           | -1,523,090.93         | 742,713.46           | 0.00                 | -27,550,080.25            | 2,760,119.58              | 2,768,443.27              |
| -8,915,426.69                            | -1,177,893.28         | 405,201.81           | 0.00                 | -9,688,118.16             | 4,225,064.86              | 3,992,169.72              |
| 0.00                                     | -324,500.42           | 324,500.42           | 0.00                 | 0.00                      | 0.00                      | 0.00                      |
| <b>-35,685,129.47</b>                    | <b>-3,025,484.63</b>  | <b>1,472,415.69</b>  | <b>0.00</b>          | <b>-37,238,198.41</b>     | <b>6,985,184.44</b>       | <b>6,760,612.99</b>       |
| 0.00                                     | 0.00                  | 0.00                 | 0.00                 | 0.00                      | 128,900.00                | 1,617,755.46              |
| -6,290,171.84                            | 0.00                  | 6,290,171.84         | 0.00                 | 0.00                      | 0.00                      | 27,090.00                 |
| <b>-6,290,171.84</b>                     | <b>0.00</b>           | <b>6,290,171.84</b>  | <b>0.00</b>          | <b>0.00</b>               | <b>128,900.00</b>         | <b>1,644,845.46</b>       |
| <b>-200,151,091.83</b>                   | <b>-11,923,748.20</b> | <b>11,915,875.52</b> | <b>0.00</b>          | <b>-200,158,964.51</b>    | <b>101,098,568.85</b>     | <b>98,369,533.53</b>      |
| -437,104,038.80                          | -23,576,704.87        | 380,058.13           | 19,552,554.01        | -440,748,131.53           | 1,674,620,524.93          | 1,745,183,314.57          |
| 0.00                                     | 0.00                  | 0.00                 | 0.00                 | 0.00                      | 178,741,449.66            | 184,736,010.84            |
| -237,500.00                              | 0.00                  | 0.00                 | 0.00                 | -237,500.00               | 24,175,444.55             | 24,175,444.55             |
| -325,000.00                              | 0.00                  | 0.00                 | 0.00                 | -325,000.00               | 325,162.35                | 325,000.00                |
| -288,652.48                              | 0.00                  | 0.00                 | 265,694.38           | -22,958.10                | 17,891,204.97             | 20,171,891.09             |
| -13,678,783.27                           | -116,226.34           | 900,537.85           | 0.00                 | -12,894,471.76            | 7,441,872.98              | 5,028,240.83              |
| <b>-451,633,974.55</b>                   | <b>-23,692,931.21</b> | <b>1,280,595.98</b>  | <b>19,818,248.39</b> | <b>-454,228,061.39</b>    | <b>1,903,195,659.44</b>   | <b>1,979,619,901.88</b>   |
| <b>-811,467,381.50</b>                   | <b>-37,995,833.36</b> | <b>14,655,483.95</b> | <b>19,818,248.39</b> | <b>-814,989,482.52</b>    | <b>2,017,029,772.81</b>   | <b>2,090,438,307.76</b>   |

# NOVOMATIC AG

# PROVISIONS

as of December 31, 2022

|   | Balance as of<br>01/01/22 | Consumption         |
|---|---------------------------|---------------------|
|   | EUR                       | EUR                 |
| <b>A. PROVISIONS</b>                        |                           |                     |
| <b>1. Provisions for severance payments</b> |                           |                     |
| Provisions for severance payments           | 10,720,691.00             | 351,541.33          |
|   | 10,720,691.00             | 351,541.33          |
| <b>2. Provisions for taxes</b>              |                           |                     |
| Provision for corporate income tax          | 575,635.00                | 19,074.58           |
| Other provisions for taxes                  | 2,258,516.00              | 698,163.20          |
|   | 2,834,151.00              | 717,237.78          |
| <b>3. Other provisions</b>                  |                           |                     |
| Provisions for consulting fees              | 1,188,441.90              | 1,046,522.14        |
| Provisions for unconsumed vacation          | 6,064,487.81              | 0.00                |
| Provisions for time credits                 | 482,200.69                | 0.00                |
| Provisions for special payments             | 44,698.55                 | 4,191.01            |
| Other current provisions for personnel      | 1,174,167.86              | 1,155,104.84        |
| Damages                                     | 2,351,000.00              | 849,993.36          |
| Provisions for jubilee payments             | 3,904,721.83              | 39,706.98           |
| Provisions for guarantees                   | 1,482,300.00              | 0.00                |
| Customers bonuses, discount                 | 59,593.46                 | 41,407.18           |
| Other provisions                            | 301,021.26                | 263,757.09          |
|   | 17,052,633.36             | 3,400,682.60        |
| <b>TOTAL PROVISIONS</b>                     | <b>30,607,475.36</b>      | <b>4,469,461.71</b> |

| Release             | Allocation           | Balance as of        |
|---------------------|----------------------|----------------------|
| EUR                 | EUR                  | 12/31/22             |
| EUR                 | EUR                  | EUR                  |
| 881,086.67          | 234,200.00           | 9,722,263.00         |
| 881,086.67          | 234,200.00           | 9,722,263.00         |
| 0.00                | 1,600,000.00         | 2,156,560.42         |
| 108,059.80          | 0.00                 | 1,452,293.00         |
| 108,059.80          | 1,600,000.00         | 3,608,853.42         |
| 87,819.76           | 813,781.51           | 867,881.51           |
| 0.00                | 1,032,459.52         | 7,096,947.33         |
| 0.00                | 161,042.73           | 643,243.42           |
| 40,507.54           | 0.00                 | 0.00                 |
| 19,063.02           | 7,600,000.00         | 7,600,000.00         |
| 449,006.64          | 1,161,000.00         | 2,213,000.00         |
| 512,253.22          | 71,831.20            | 3,424,592.83         |
| 0.00                | 560,800.00           | 2,043,100.00         |
| 18,186.28           | 0.00                 | 0.00                 |
| 29,556.87           | 1,249,019.42         | 1,256,726.72         |
| 1,156,393.33        | 12,649,934.38        | 25,145,491.81        |
| <b>2,145,539.80</b> | <b>14,484,134.38</b> | <b>38,476,608.23</b> |

# NOVOMATIC AG

# AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of NOVOMATIC AG, Gumpoldskirchen (the Company), which comprise the balance sheet as at December 31, 2022, the income statement for the financial year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at December 31, 2022 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

### Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Investments in affiliated companies – valuation

#### Description and Issue

NOVOMATIC AG evaluates impairment of the investments in affiliated companies on an annual basis. For this purpose, the enterprise value for all material investments is calculated using discounted cash flows based on the latest forecasts. Subsequently, the equity value is derived from the enterprise value and compared with the carrying amount of the respective investment. For the valuation of investments in affiliated companies, which are held for sale, the estimated purchase price is used as a valuation benchmark. Due to changes in the legal or economic environment starting from 2020, also due to the COVID-19 pandemic, the forecasts for several markets were revised. This resulted in impairments of

investments in affiliated companies in the amount of kEUR 23.578 and in reversals of impairments amounting to kEUR 19.553. For further details please refer to chapter "II. A. 2. Financial Assets" included in the notes.

The underlying forecasts are, amongst other factors, based on estimates of the future cashflows including the effects of changes in the economic environment and are therefore subject to significant uncertainties. Due to that fact and the significance of the investments in affiliated companies in the financial statements we identified this position as a key audit matter for our audit.

### **Our Response**

We evaluated the forecasts included in the valuation model and the estimates made by the legal representatives. The audit procedures primarily included the analytical review of the estimated development of significant elements of the forecasts, such as the forecasted revenue and earnings development or the working capital development, the inquiry of those responsible for investment controlling on the plausibility of the estimates and assumptions made, the assessment of the forecast accuracy by comparing the results with estimates in previous years and reconciling the forecasts with the group planning presented to the Supervisory Board.

We have also tested the calculation model used. We checked the plausibility of the discount rates applied using ranges derived from market data.

### **Other Information**

Management is responsible for the other information. The other information comprises all information in the consolidated non-financial report, which includes information regarding the parent company and which we obtained prior to the date of this auditor's report, as well as the annual report, but does not include the financial statements and the consolidated financial statements of the Company, the management report and our auditor's report thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. With respect to the management report we refer to the section "Report on the Audit of the Management Report".

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Audit of the Management Report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

### Opinion

In our opinion, the management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the financial statements.

### Statement

In the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit of the financial statements, we have not identified material misstatements in the management report.

## Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on March 29, 2022 and commissioned by the supervisory board on June 28, 2022 to audit the financial statements for the financial year ending December 31, 2022. We have been auditing the Company uninterrupted since the financial year ending December 31, 2004.

We confirm that our opinion expressed in the section "Report on the Audit of the Financial Statements" is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 and that we remained independent of the Company in conducting the audit.

### Engagement Partner

The engagement partner responsible for the audit is Walter Müller.

Vienna, March 27, 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

**Walter Müller**

Certified Public Accountant (Austria)

This report is a translation of the long-form audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the long-form audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.

NOVOMATIC-  
Non-Financial Report  
2022



# 42 NON-FINANCIAL REPORT

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# NON-FINANCIAL MANAGEMENT

NOVOMATIC is committed to transparency and regularly engages in a dialog with its stakeholders to provide information on the further development of key ESG issues and, conversely, to receive valuable input.

The Environmental, Social & Governance (ESG)-management at NOVOMATIC is based on five strategic pillars. Structured development, management and performance measurement are ensured by comprehensive corporate responsibility principles (CR strategy and CR principles), Group guidelines, a Group-wide key performance indicator system and the active involvement of stakeholders.

Positive change and measurable progress in the relevant social, societal and environmental areas of action are crucial to being perceived as a responsible company today. How ESG aspects are managed in the company is continuously being developed to ensure long-term, sustainable corporate success.

The added value of ESG can therefore be measured in terms of business success. Key success factors in this context include ensuring legal certainty, obtaining and securing licenses, attractiveness as an employer and as an investment, access to financing, cost reduction through resource efficiency, reduction of accidents and sick days, securing know-how and building long-term relationships with customers, business partners and stakeholders.

## ESG as a Value Driver at NOVOMATIC

### REDUCE COSTS & RISKS



Energy efficiency  
Resource efficiency  
Waste and waste water prevention  
Accident prevention  
Reducing sick leave days

### SECURE MARKET POSITION



Securing licenses  
Legal certainty  
Attractiveness as an employer  
and as an investment  
Securing know-how  
Long-term relationship with stakeholders

### Strategic Fields of Action

“Winning Responsibly” (success can only be achieved by assuming responsibility) is at the heart of NOVOMATIC’s ESG activities as our conviction.

Our vision is to become the most innovative and most responsible provider of responsible entertainment in the world. The five strategic action areas “Responsible Entertainment”, “Always Compliant”, “Enjoy Working with Us”, “Going Green” and “Active in the Community” form the pillars of this vision.

Company values “do – enjoy – respect” are taken into account for all activities. The foundation for this is the trust and support of all stakeholders of the company.

Group Corporate Responsibility (CR) & Sustainability defines Group-wide principles of action together with representatives of the subsidiaries by means of targets and measures so that the company can develop in line with this vision. CR development is managed and communicated to stakeholders by means of meaningful and measurable key performance indicators (KPIs).

### NOVOMATIC’s CR & ESG Strategic House



GRI 2-23, 2-29

| Strategic fields of action  | Material topics   | Action principles  |
|---|---|--|
| <p><b>Responsible Entertainment</b></p>  | <ul style="list-style-type: none"> <li>• Player Protection and Gaming Addiction Prevention</li> <li>• Responsible Marketing</li> </ul>  | <ul style="list-style-type: none"> <li>• NOVOMATIC offers responsible entertainment, and ensures that our products and services are used conscientiously.</li> <li>• NOVOMATIC ensures that our employees are well trained in player protection and pay close attention to identifying problematic behavior and act accordingly.</li> <li>• NOVOMATIC prevents minors and other vulnerable groups from using its products or services.</li> </ul>                                      |
| <p><b>Always Compliant</b></p>           | <ul style="list-style-type: none"> <li>• Corruption &amp; Money Laundering Prevention</li> <li>• Data Protection</li> <li>• Avoiding Abusive Product Consumption</li> <li>• Supplier Responsibility</li> <li>• Human rights</li> <li>• Fair Competition &amp; Public Affairs</li> </ul> | <ul style="list-style-type: none"> <li>• NOVOMATIC implements systems that support compliance with legal requirements and acts in accordance with the standards set out in the Code of Conduct.</li> <li>• Everyone at NOVOMATIC is required to make every effort to prevent any and all criminal behavior within the company.</li> <li>• NOVOMATIC ensures that Group customers' and stakeholders' data protection rights are always taken care of.</li> </ul>                        |
| <p><b>Enjoy Working with Us</b></p>    | <ul style="list-style-type: none"> <li>• Training and Further Education</li> <li>• Occupational Safety &amp; Employee Health</li> <li>• Employee Diversity &amp; Equality</li> <li>• Innovation</li> </ul>  | <ul style="list-style-type: none"> <li>• NOVOMATIC supports employee development and offers training and continued education opportunities.</li> <li>• NOVOMATIC considers its employees an important source of innovation to be specifically encouraged.</li> <li>• NOVOMATIC values the diversity of its staff and stakeholders and treats all of them equally.</li> <li>• NOVOMATIC creates safe and healthy working conditions in order to avoid accidents and illness.</li> </ul> |
| <p><b>Going Green</b></p>              | <ul style="list-style-type: none"> <li>• Energy &amp; Emissions</li> <li>• Resource Use &amp; Waste Reduction</li> </ul>  | <ul style="list-style-type: none"> <li>• NOVOMATIC minimizes its environmental footprint through efficient handling of energy and resources, as well as by reducing the waste and emissions that it produces.</li> <li>• NOVOMATIC strives to make positive contributions to environmental protection using both production and operational measures.</li> </ul>   |
| <p><b>Active in the Community</b></p>  | <ul style="list-style-type: none"> <li>• Sponsorship Activities and Partnerships</li> <li>• Donations and Volunteer Work</li> </ul>   | <ul style="list-style-type: none"> <li>• NOVOMATIC makes an important contribution to society through sponsorships, donations and volunteering.</li> <li>• NOVOMATIC sees itself as an active and responsible member of society, investing in the community.</li> <li>• NOVOMATIC fosters valuable partnerships and sustainable initiatives.</li> </ul>  |



| Control indicators  | Strategic Objective  |
|---|--|
| <ul style="list-style-type: none"> <li>Degree of implementation for Responsible Entertainment (RE) measures</li> <li>RE certifications within the Group</li> <li>Implementation of the RE Group policy</li> </ul>   | <ul style="list-style-type: none"> <li>Prevent problematic gaming and protect vulnerable groups</li> <li>Obtain and maintain licenses using RE measures</li> <li>Implementation of RE Group policy in 100% of Group companies</li> <li>Certification of at least 70% of Group sales revenue to G4 player protection standard</li> </ul>  |
| <ul style="list-style-type: none"> <li>Degree of implementation of training on Code of Conduct and corporate guidelines</li> <li>Reported violations of legal requirements, Code of Conduct and corporate policies</li> </ul>                                     | <ul style="list-style-type: none"> <li>100% of Group subsidiaries comply with legal requirements and the Code of Conduct</li> <li>Prevent corruption and money laundering</li> <li>Protection of personal data belonging to customers and other stakeholders</li> </ul>  |
| <ul style="list-style-type: none"> <li>Proportion of women overall and in management positions</li> <li>Proportion of employee terminations</li> <li>Sick leave rate</li> <li>Accident rate</li> <li>Training and further education hours per employee</li> </ul> | <ul style="list-style-type: none"> <li>Positioning in the market as an attractive employer</li> <li>Create a safe and healthy work environment that supports diversity and innovation</li> <li>Continuous reduction of accident rate and 0 deaths</li> </ul>   |
| <ul style="list-style-type: none"> <li>Energy consumption in MWh</li> <li>CO<sub>2</sub> equivalent emissions in tons</li> <li>Water consumption in m<sup>3</sup></li> <li>of waste in tons</li> </ul>  | <ul style="list-style-type: none"> <li>Continuous reduction of absolute and relative energy use as well as Scope 1, Scope 2 and Scope 3 CO<sub>2</sub> emissions</li> <li>Continuous increase in electricity from renewable sources</li> <li>Continuous reduction of absolute and relative water consumption and waste generated</li> <li>Contribution to environmental protection in the manufacturing and operational segments</li> <li>Evaluation of the necessary measures according to EU taxonomy</li> </ul> |
| <ul style="list-style-type: none"> <li>Social effect of sponsoring activities, donations, and volunteer work</li> </ul>   | <ul style="list-style-type: none"> <li>Sustainable contribution to social responsibility via sponsorship activities, donations, and volunteer work.</li> </ul>   |

GRI 2-23, 2-24, 3-2

## The Business Model of the NOVOMATIC AG Group

### STAKEHOLDERS

**External stakeholders:**

customers, business partners, political bodies and authorities, industry experts and representatives, trade associations, investors and financial institutions, media, sponsoring and donation partners, training institutions, player protection and therapy institutions, NGOs (not focused on player protection), experts in the area of social responsibility.

**Internal stakeholders:**

Owners, Management, Employees

### BUSINESS ASSETS USED EVERY DAY

#### INPUTS WE NEED

**Financial capital**

- Equity and debt, trust from investors

**Production capital**

- Infrastructure, systems, machines, semi-finished and finished parts, commodities (metal, wood, plastic, paint etc.)

**Human capital**

- Employee competence and performance, attractiveness as an employer

**Intellectual capital**

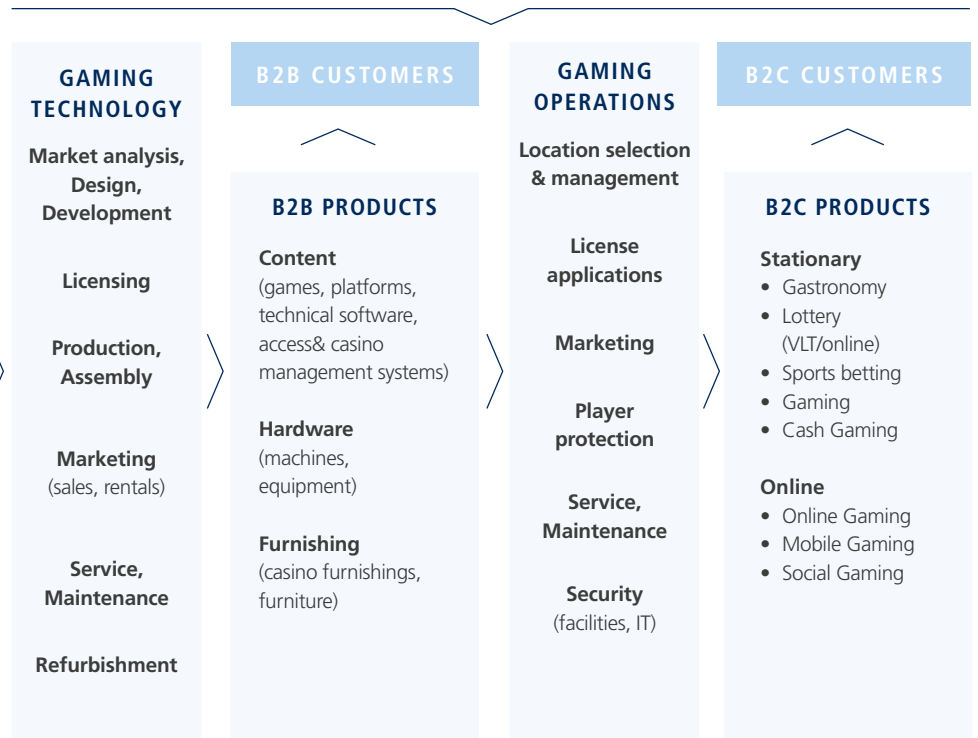
- Intellectual property rights (patents), software, innovative employees, organizational structures

**Natural capital**

- Energy, water, commodities

**Social capital**

- Customer trust, licenses provided by authorities, partnerships with business partners and suppliers, stakeholder support for business activities, image, brand value



#### IMPACTS WE SEEK TO AVOID

- Problematic player behavior
- Missuse of products
- Accidents at work
- Negative health effects
- Discrimination and unequal treatment
- Corruption and breach of legal provisions
- Resource consumption e.g.: water, energy, raw materials
- Waste e.g.: hazardous and non-hazardous waste
- Emissions e.g.: direct and indirect emissions caused by energy consumption and transport

## OUR SUPPLY CHAIN:

- Long-term partnerships
- Follows code of conduct and laws
- Wares and services following international standards

## POSITIVE OUTPUTS WE CREATE

### Financial

- Economic success for investors and owner
- Local and international tax payments
- Company value
- Income for suppliers and business partners
- Employee wages

### Non-financial

- Entertainment value (products)
- Jobs created
- Trained employees
- Strengthening innovation in the region
- Support for charitable initiatives (sponsoring activities, donations, volunteer work)
- Safety (for customers and employees)
- Fight against illegal gaming
- Fair competition

## ADDITIONAL INPUTS

- Software and hardware
- Logistics services
- Infrastructure and locations
- Security services
- Catering products

## Dialog with Stakeholders

The active involvement of stakeholders is of key importance for the company's success, meaning that having a transparent and open dialog with all company stakeholders is a central element of NOVOMATIC's CR and ESG activities. Stakeholders include any and all natural persons and legal entities who are affected in some way by the company's activities or who themselves exert an influence on NOVOMATIC.

A comprehensive evaluation process identified key stakeholders and then captured and assessed their perspectives, expectations and priorities as regards ESG issues. The results of this process were then used to identify and evaluate the most significant non-financial fields of action and visualized in the materiality matrix. The needs of the stakeholders are compared with the company's own activities as part of a regular dialog.

NOVOMATIC communicates with its stakeholders across a variety of channels, for example direct conversation, working groups, workshops, at events, through reports, the Intranet, via the website, and social media. Of course, every NOVOMATIC subsidiary is involved in direct dialog with its stakeholders.

NOVOMATIC is aware that not all stakeholders share its perspective, and that there are some critical elements. Transparency is therefore an important corporate value that helps maintain an open and constructive dialog.

 GRI 2-12, 2-29

The following summary is a list of different types of information, dialog, and direct cooperation with the company's stakeholders:

| Information   | Dialogs  | Participation  |
|---|--|--|
| <p><b>Create transparency, provide information</b></p> <ul style="list-style-type: none"> <li>• Website: <a href="http://www.novomatic.com/cr">www.novomatic.com/cr</a></li> <li>• Annual Group reporting: in accordance with the standards of the Global Reporting Initiative (GRI), the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and the EU Taxonomy Regulation</li> <li>• Annual Communication on Progress (CoP) for UN Global Compact</li> <li>• Additional local non-financial information and communication via subsidiaries</li> <li>• Regular reporting to regulatory bodies and the Supervisory Board</li> <li>• Intranet news for employees</li> </ul> | <p><b>Open exchange, listening and learning</b></p> <ul style="list-style-type: none"> <li>• Personal talks with relevant stakeholders and specialists</li> <li>• Participation in international expert conferences</li> <li>• Dialog on ESG issues with investors and banks</li> <li>• NOVOMATIC Stakeholder Forum (planned again for 2023)</li> <li>• Dialog on ESG issues with employees as part of NOVOWelcome Days and the NOVOCCompany Days.</li> <li>• Online workshops with ESG experts from the subsidiaries</li> <li>• Trade fair appearances, employee and customer events</li> </ul> | <p><b>Active involvement, realization of projects</b></p> <ul style="list-style-type: none"> <li>• Partnerships in the area of addiction prevention, science and research, social affairs, and long-term financial support for addiction therapy centers</li> <li>• Proactive dialog and continued development with the industry in committees on CR, ESG, and in particular player protection issues as part of the industry associations EUROMAT (Europe) and AGA (USA).</li> <li>• Active dialog and cooperation with local topic-specific platforms and interest groups</li> <li>• CR Board meetings for ongoing coordination within the NOVOMATIC AG Group</li> </ul> |

NOVOMATIC is a member or supporter of numerous initiatives as well as interest groups and industry associations. The following memberships reflect NOVOMATIC's broad experience on a variety of issues, such as protection of players and minors, both within and outside of the industry, and allow the company to share its expertise with other corporations here.

| NOVOMATIC Company      | Interest groups (excerpt)<br>Relevant local chambers of commerce, industry and business associations, CR, ESG and Responsible Entertainment associations  |
|------------------------|---|
| Group-wide             | American Gaming Association (AGA), Social Responsibility Gaming Standard Association (GSA), European Gaming and Amusement Federation (EUROMAT), Responsible Gambling Collaborative, United Nations Global Compact (UNGC)  |
| Austria                | FEEL, National Council on Problem Gambling, Austrian Sports Betting Association (OSWV), Playfair code, Public Relations Association Austria (PRVA), respACT – austrian business council for sustainable development, C.I.R.A., Federation of Austrian Industries, Chamber of Commerce   |
| Germany                | Arbeitsgemeinschaft City e. V., Automaten-Verband von Baden-Württemberg / Bayern / Rheinland-Pfalz / Schleswig-Holstein, Berlin Partner für Wirtschaft und Technologie GmbH, BUPRIS, BVMW, DAGV, DAV, DAW, DOCV, DSWV, FORUM der Automatenunternehmer e.V., Hamburger Automaten Verband e.V., Hessischer Münzautomaten-Verband e.V., IHK, Verband der Automatenkaufleute Berlin und Ostdeutschland e.V., VBKI, VDAI, ZIRP   |
| Italy                  | Associazione Concessionari di Giochi Pubblici (ACADI), Associazione Italiana Ambiente e Sicurezza (AIAS), Associazione Italiana Coporate Travel Mobility Manager (AITMM), Assotratteamento 2007 (ASTRO), Astro4her, Confesercenti della Lombardia, Confesercenti del Trentino, Confcommercio del Comprensorio Cesenate, Confindustria, E.CO.M.A.P, Exercisers Public Games (EGP), Federazione Italiana Tabaccai Fit, Services Appliances for Public Recreational Attractions (SAPAR), Sustainability Managers |
| United Kingdom         | British Amusement Catering Trade Association (BACTA), Betting & Gaming Council (BGC), The Bingo Association, Gambling Business Group (GBG)  |
| Spain                  | Asociación de Empresarios de Salas de Juego de Castilla y León (SAJUCAL), Asociación Española de Empresarios de Salones de Juego y Recreativos (ANESAR), Asociación Nacional de Casinos (AECJ), Club de Convergences, Plataforma del Juego Sostenible   |
| The Netherlands        | CMK commission VAN, Gaming in Holland Plattform, Sectie amusementscentra (SAC), Sectie exploitanten horeca (SEH)  |
| Romania                | ROMSLOT – Asociatia Organizatorilor de Sloturi  |
| Serbia                 | Chamber of Commerce and Industry of Serbia (CCIS)   |
| North Macedonia        | Association of organizers of games of chance (APIS), Macedonian Business Confederation (BCM), Macedonian Economic Chamber (SKM)   |
| Bosnia and Herzegovina | Union of organizers of games of chance of Republika Srpska  |
| Poland                 | Polish Committee for Standardization (Polski Komitet Normalizacyjny – PKN)  |
| Australia              | Australia Hotels Association (AHA), Club Managers Association (CMAA), Clubs NSW, Clubs QLD, Gaming Technologies Association (GTA)   |
| USA                    | Association of Gaming Equipment Manufacturers (AGEM), Canadian Gaming Association (CGA), Illinois Gaming Machine Operators Association (IGMOA), National Indian Gaming Association (NIGA), North American Association of State and Provincial Lotteries (NASPL), Pennsylvania Video Gaming Association (PAVGA)  |
| Latvia                 | Latvian Association of Gaming Business (LSBA), Latvian Chamber of Commerce and Industry (LTKK), Latvian Interactive Gambling Association (LIAB)   |
| Estonia                | Estonian Chamber of Commerce and Industry, Estonian Gaming Operator Association (EGOA)  |
| Africa                 | South African Gaming Manufacturers Association (SAGMA)  |
| Lithuania              | Asociacija EEPA, Association of Responsible Gambling Business (ALVA)  |
| Online                 | FHRD, iGaming Idol, International Social Games Association (ISGA), Malta Employers Association (MEA)  |

## ESG Ratings

The ESG is designed as a clear, measurable, and transparent evaluation, similar to corporate financial rating evaluations, and has therefore become an important criterion for investors and financial decision makers. External ESG evaluations are becoming increasingly important, and as such NOVOMATIC remains in close contact regarding these issues with its investors, banks, and insurance companies.

The following agencies have rated NOVOMATIC AG during the reporting period.



### Sustainalytics ESG Risk Rating

The renowned international ESG ratings agency Sustainalytics evaluated NOVOMATIC AG's ESG profile in 2021, judging it to have a "Low risk of material financial impacts driven by ESG factors." NOVOMATIC received a specific ESG risk rating of 17.9 points, thus occupying sixth place among 89 international gaming companies rated by Sustainalytics.

[www.sustainalytics.com](http://www.sustainalytics.com)



### ISS ESG Corporate Rating

In 2022 the rating agency ISS ESG gave NOVOMATIC AG a high transparency level and a "C-" rating.

[www.issgovernance.com/esg](http://www.issgovernance.com/esg)



### V.E ESG Rating

Moody's ESG Solutions (formerly Vigeo Eiris) sees the company in 2022 ranked 22nd out of 39 in the European technology hardware peer group comparison for the period. V.E awarded high scores in the areas of corruption prevention and health & safety, among others.

<https://esg.moody's.io/>



### Sustainable Brand Rating Austria

In the Sustainable Brand Rating Austria 2022 of the European Brand Institutes, NOVOMATIC achieved an excellent fourth place and a AAA rating, valuable recognition for its commitment to sustainability.

<https://www.europeanbrandinstitute.com>

NOVOMATIC was also evaluated by MSCI according to certain ESG aspects.

## Material Topics

Within NOVOMATIC's five strategic pillars, there are numerous fields of action in which NOVOMATIC assumes responsibility. These fields of action are included and prioritized in the materiality matrix. The timeliness of the materiality matrix is regularly evaluated and confirmed.

## IDENTIFICATION OF RELEVANT ISSUES

### Compilation of all potentially relevant issues and fields of action using:

- Previously identified issues
- Industry and peer group analysis
- Workshop carried out with all Group department heads
- Workshop carried out with CR representatives from subsidiaries

## EVALUATION OF ISSUES

### Relevance for Stakeholders

- Online stakeholder survey
- Stakeholder forum
- Structured interviews

### Company Impact

- Structured interviews with experts
- Industry impact analysis
- Feedback from consultants

### Relevance to company business

- Evaluation by Group department heads and the management

## MATERIALITY MATRIX

Includes all material issues that are priority

## REALIZATION

Further development in the fields of action using measures at both the Group level and within the subsidiaries.

The following image of the materiality matrix shows those issues that are relevant from the point of view of stakeholders, on which NOVOMATIC's business activities have an impact, and that are important for the company's success. All of the topics presented are part of ESG management.

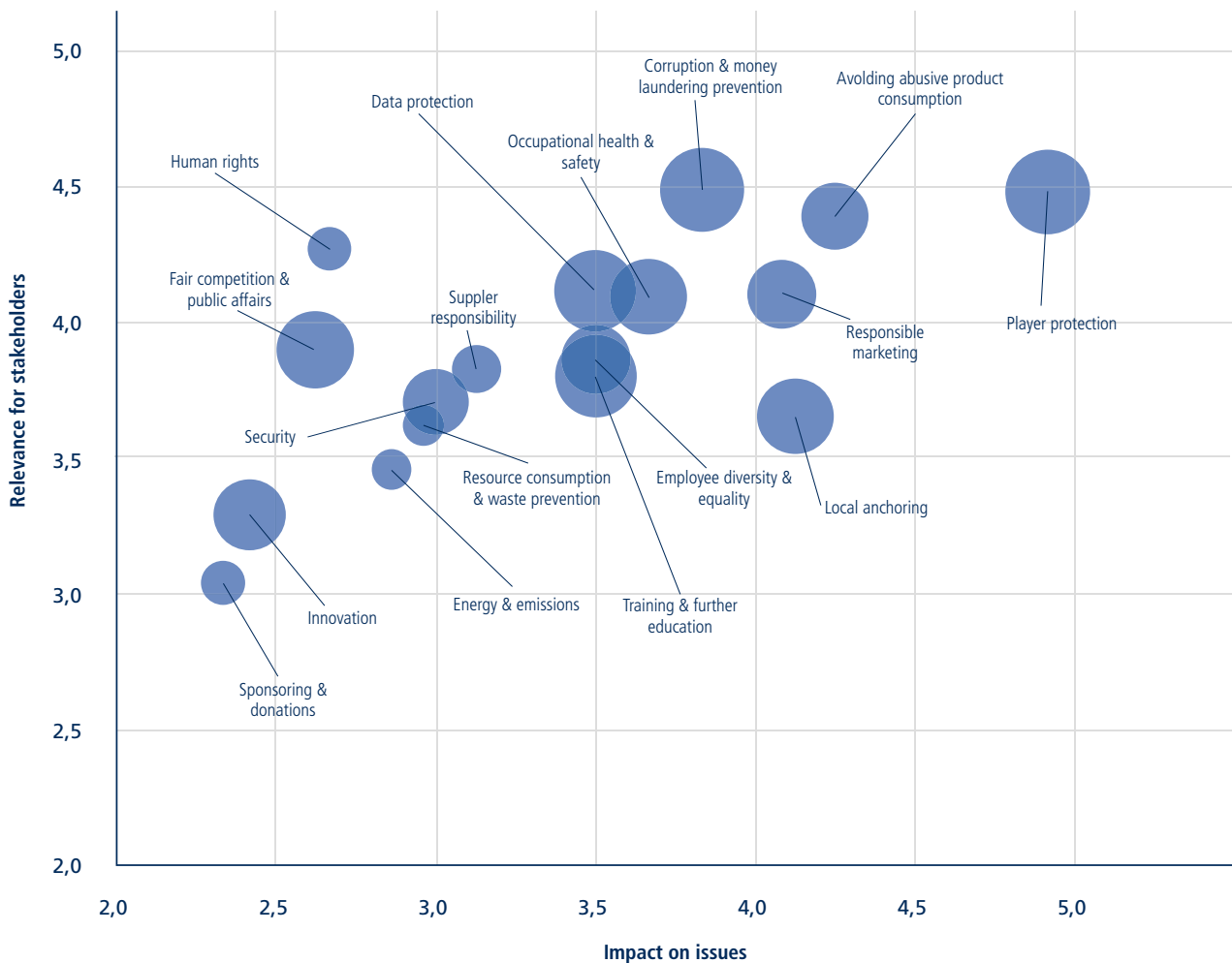
The Y axis shows the relevance of the ESG subjects as deemed by NOVOMATIC's external stakeholders (e.g., authorities, customers, partners, interest groups, opinion leaders, experts, etc.) The X axis shows the degree of positive or negative impacts that business activities have on each issue. The size of the circle shows the relevance of the issue for NOVOMATIC's business activity. The evaluation goes from 0 (not relevant/no impact) to 5 (very relevant/very large impact).

The higher the relevance for the company's stakeholders and the impact of business activities, the higher it prioritizes the structured further development and improvement of its ESG performance in these areas. The image should therefore be read from the top right to the bottom left.

This report deals with all ESG issues identified as material, based on their priority within the materiality matrix and the availability of the information. Due to the interdisciplinary issue of the topic, local responsibility can be found in numerous places.

A process to re-evaluate the materiality matrix was started in 2022.

### Materiality Matrix 2022



GRI 2-29, 3-1



### Anchoring Within the Organization

The **Group CR & Sustainability** department is responsible for strategic, structured and impact-oriented ESG management at NOVOMATIC, maintains regular dialog with stakeholders and reports directly to the Executive Board of NOVOMATIC AG.

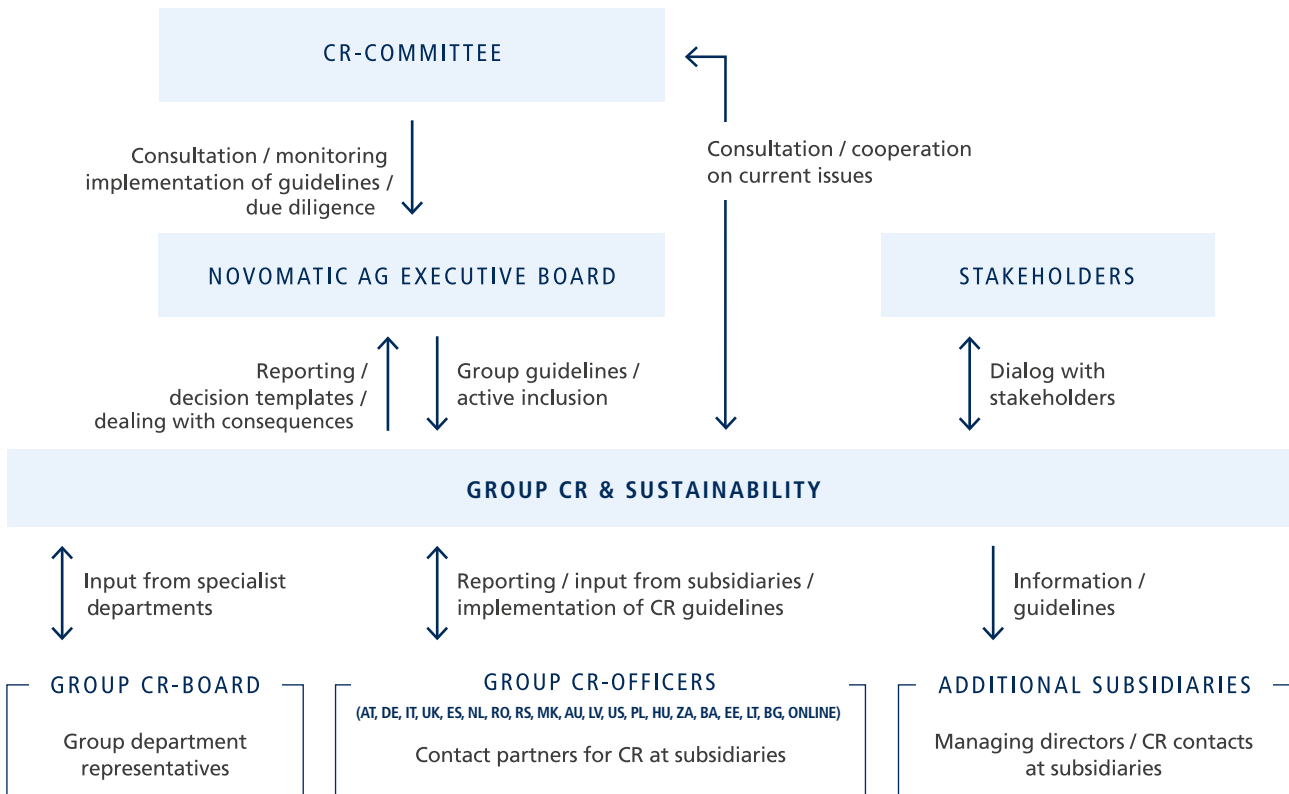
The **CR Committee of the Supervisory Board** of NOVOMATIC AG, in which the Executive Board is also involved, meets several times a year. Their job is, in cooperation with Group CR & Sustainability Management, to identify strategic ESG issues, risks, and opportunities, and to present corresponding action proposals to the Executive Board.

In addition, the **Group CR Board**, consisting of representatives of the most important Group functions, operating units in Austria and internal experts on the respective ESG topics, also holds several meetings per year to support the further development and exchange on ESG-relevant topics in the Group.

The Board shares relevant information and presents and discusses suggestions on implementation. This ensures a high level of integration of ESG topics in all operative and supporting business units.

The major subsidiaries are integrated at the subsidiary level via international CR officers to achieve international coordination, control, and measurement of fields of action. Each officer within a subsidiary delivers ESG relevant information to headquarters, implements measures and projects, ensures guidelines are met, and maintains a dialog with local stakeholders. They engage regularly in team calls, international meetings, and a continuous exchange of information.

The members of the CR Committee and the Executive Board receive regular training on ESG topics.



GRI 2-9, 2-12, 2-13, 2-14, 2-17, 2-24, 2-29

## Principles, Standards, Systems, and Certifications

In order to proactively manage performance progress and improvement on ESG subjects, as well as to proactively manage stakeholders, the company uses a series of relevant principles, standards, management systems, and certifications.

As a base for Group-wide ESG management, NOVOMATIC uses relevant standards and guidelines, such as the standards of the Global Reporting Initiative (GRI), the principles of the

UN Global Compact (UNGC), Sustainable Development Goals (SDG), the guidelines on non-financial reporting as published by the European Commission, the EU Taxonomy Regulation as well as the Austrian Sustainability and Diversity Improvement Act (NaDiVeG). The NOVOMATIC AG Group also uses a variety of standards and tools to manage ESG subjects across its numerous international production locations and operational subsidiaries.



|   | Tool   | Context  | In use from |
|---|--|--|-------------|
|    | <b>Global Reporting Initiative Standards (GRI)</b>                               | Reporting standard with defined indicators to assess the environmental, economic and social performance of an organization.  | <b>2011</b> |
|   | <b>United Nations Global Compact (UNGC) Principles</b>                           | Company initiative founded in 2000 by UN General Secretary Kofi Annan, encompassing ten principles for responsible action.   | <b>2014</b> |
|  | <b>United Nations Sustainable Development Goals (UN SDGs)</b>                    | 17 measurable sustainable goals adopted by the United Nations. NOVOMATIC uses these SDGs as a strategic guide, and provides information within the framework of this report. | <b>2015</b> |
|  | <b>Austrian Law on the Improvement of Sustainability and Diversity (NaDiVeG)</b> | Austrian law for implementing Directive 2014/95/EU on non-financial reporting within the European Union.   | <b>2017</b> |
|  | <b>Quality management standard ISO 9001</b>                                      | ISO 9001 is the globally recognized standard for the certification of quality management systems.  | <b>2005</b> |
|  | <b>Information security standard ISO 27001</b>                                   | ISO 27001 is a standard for managing information security within an organization.  | <b>2009</b> |
|  | <b>Environmental management standard ISO 14001</b>                               | ISO 14001 is a standard for managing performance evaluations in regard to ecological aspects.  | <b>2014</b> |
|  | <b>Health and safety management standard ISO 45001</b>                           | ISO 45001 is a standard for managing occupational health and safety within a company.  | <b>2014</b> |
|  | <b>G4 player protection standard</b>   | G4 is the international standard for responsible gaming.   | <b>2019</b> |

**United Nations Global Compact (UNGC) Principles**

NOVOMATIC is committed to the ten United Nations Global Compact (UNGC) principles.

The NOVOMATIC AG Group Annual Report serves as Communication on Progress in line with the UNGC principles. This Communication on Progress is also available online on the United Nations Global Compact website.

[United Nations Global Compact – NOVOMATIC AG profile: www.unglobalcompact.org/what-is-gc/participants/36511](https://www.unglobalcompact.org/what-is-gc/participants/36511)

**Sustainable Development Goals (SDGs):**

NOVOMATIC AG supports the globally valid Sustainable Development Goals (SDGs) since their publication by the UN General Assembly in 2015. NOVOMATIC uses these SDGs as a strategic guide, and provides information within the framework of this report.

[United Nations Sustainable Development Goals: https://sdgs.un.org/](https://sdgs.un.org/)

The following image shows in color the SDGs to which NOVOMATIC makes a contribution.



**The EU Regulation on the Establishment of a Framework to Facilitate Sustainable Investment and Amending the Regulation (EU Taxonomy)**

In June 2020, the Taxonomy Regulation (EU) 2020/852 was adopted at the European level. This stipulates that only economic activities that make a significant contribution to achieving environmental goals are classified as “green”. At the same time, they must not significantly compromise other environmental goals. On April 21, 2021, the European Commission published the detailed requirements for economic activities that contribute to climate change mitigation and adaptation.

The following categories of activities can be assessed as taxonomy-compliant:

**Sustainable activities:**

- Activities that contribute to one of the six environmental goals, e.g., renewable energy production

**Transitional activities:**

- Activities for which there is no “sustainable alternative” but where GHG emissions are reduced as best as possible, thus contributing to the transition to a climate-neutral economy (only applicable for environmental goal “climate protection”)

**Enabling activities:**

- Activities that support other economic activities in contributing to an environmental goal

The regulation requires financial market players and large companies to disclose taxonomy-eligible revenues and investments as well as operating costs.

Companies that are required to provide non-financial reporting in accordance with EU Directive 2014/95/EU must in future include in their non-financial reports information on how and to what extent the company's activities are linked to environmentally sustainable economic activities. In order to meet the requirements of the Taxonomy Regulation, the integrative nature of the information to be disclosed, i.e. the combination of financial and non-financial information, requires processing by an interdisciplinary team from all the departments involved.

On the part of NOVOMATIC AG, this was carried out in coordination with the Group CR & Sustainability and Group Controlling departments and with the involvement of all corporate responsibility officers of the consolidated companies in the respective countries.

The process of classifying economic activity with regard to the EU taxonomy was first started in NOVOMATIC AG in 2021. A further analysis phase was conducted in 2022 to clarify which fields of activity are relevant to NOVOMATIC's business activities and what the specific business activities within them are. Another testing process related to the existence of materiality of the sales generated or investments made. The EU Taxonomy Regulation does not recognize the materiality approach, but this is unavoidable for reasons of practicability. In an initial assessment in 2021, NOVOMATIC drew up a list of ten possible economic activities, which were subsequently discussed in cooperation with Group Controlling and Group Consolidation.

Subsequently, all business activities were identified which are both relevant and material in terms of the existence of corresponding classifiable economic activities. This led to the conclusion that only activities under Items 7.6 and 7.7 were eligible in 2022.<sup>1</sup>

The taxonomy-compliant activities under item 7.6 consist of the construction and installation of photovoltaic systems. (For country details see p. 95)

The minimum safeguards were taken into account in the conformity check and were deemed to have been met. Compliance with the minimum safeguards for the above-mentioned business activities can be ensured by means of internal Group guidelines.

A climate risk analysis showed that there are no physical climate risks according to Annex A, Section II of the Taxonomy Regulation, which could affect the performance of the economic activity during its expected lifetime. The DNSH criteria have been assessed and are met.

See p. 110 – 111 (appendix after taxonomy table).

## About the Report

The non-financial report is published annually. This report was published in April 2023 and is based on the standards of the Global Reporting Initiative (GRI), the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and the EU Taxonomy Regulation. Unless otherwise stated, all information and data refer to the 2022 fiscal year from January 1 to December 31. Figures are taken from the cut-off date of December 31.

 GRI 2-3

In the reporting period, the non-financial reporting 2021 was also comprehensively audited by the Austrian Financial Reporting Inspection Authority (OePR) for the first time. The authority gave NOVOMATIC top marks. Furthermore an extensive license review including a hearing by the UK Gambling Commission, which is responsible for the supervision and regulation of gambling in the UK, was completed with a positive result. In addition to compliance with the comprehensive UK Gambling Act, Group policies and processes in areas including research and development, operations, and marketing were reviewed and approved by the authority.


The report includes, unless otherwise stated, all those companies within the scope of consolidation, with information recorded via direct data collection or extrapolation. For the fiscal year 2022, this report includes data collected directly on companies making up over 95.5 percent of the NOVOMATIC AG Group revenue. The remaining amount is extrapolated to reach a total of 100%. You can find a summary in the Segment Analysis chapter included in the notes for this Consolidated Financial Statement.


<sup>1</sup> <https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX%3A32021R2139>


The report, including the integrated index and all non-financial key figures, can be accessed online. In addition to the information provided in the Annual Report, there are further GRI key figures in the figures notes. The print version indicates that these figures notes can be downloaded separately on the NOVOMATIC website, which is accessible to everyone.

 [www.novomatic.com/cr](http://www.novomatic.com/cr)

The following symbols are used in the report to give the reader guidance:

 Reference to an indicator according to the Global Reporting Initiative

 Reference to a statement relating to the United Nations Sustainable Development Goals (SDGs)

 Reference to further information or cross-references in the report

The auditor has issued a report on the voluntary audit of the disclosure of the information required in the non-financial report for fiscal year 2022, which did not give rise to any objections. You can view the independent audit report at the end of this report.

## Changes 2022

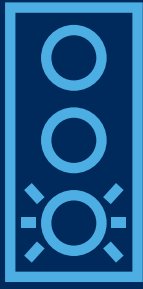
- The new GRI Standards 2021 were evaluated and taken into account in the report.
- A detailed review was carried out with regard to the extended requirements of the EU taxonomy.
- Expand directly integrated subsidiaries to include large corporations from Africa, Lithuania, and Bulgaria, among others.
- Expand G4 player protection efforts to Italy and Spain
- Expansion of the presentation of Responsible Entertainment measures.
- Re-evaluation and revision of ESG risks

 GRI 2-4

THE GROUP CR & SUSTAINABILITY  
DEPARTMENT WOULD BE PLEASED TO  
RECEIVE ANY FEEDBACK OR SUGGESTIONS.

Group CR & Sustainability  
Tel.: +43 2252 606 0  
E-mail: [cr@novomatic.com](mailto:cr@novomatic.com)

 GRI 2-3



# RESPONSIBLE ENTERTAINMENT

## TAKING ON RESPONSIBILITY

- We offer responsible entertainment, and ensure that our products and services are used conscientiously.
- We ensure that our employees are well trained in player protection and pay close attention to identifying problematic behavior and act accordingly.
- We prevent minors and other vulnerable groups from using our products or services.

## Responsible Entertainment



**17**

A total of 17 important Group companies certified in accordance with the G4 player protection standard (represents 67.4 percent of Group revenue)

## Responsible Technology



**14**

Introduction of the NOVOMATIC Biometric System™ (NBS) in 14 countries of the Group

## PRINCIPLES OF THE RESPONSIBLE ENTERTAINMENT GROUP POLICY

- I  
NOVOMATIC always acts in accordance with the law.
- II  
NOVOMATIC represents strict protection of minors.
- III  
NOVOMATIC values informed customers.
- IV  
NOVOMATIC advertises its services responsibly.
- V  
NOVOMATIC employs competent employees.

# RESPONSIBLE ENTERTAINMENT

The company acts as a welcoming and responsible host at its branches and gaming facilities. To ensure that the joy of gaming is maintained, we offer responsible gaming with appropriate framework conditions.

Responsible Entertainment is a fundamental element in NOVOMATIC's business activities and includes methods to prevent gaming addiction in all areas, from casinos and gaming facilities to sports betting and online gaming. The implementation of appropriate player protection measures and the promotion of personal responsibility on the part of players are important for responsible gaming.

NOVOMATIC continuously addresses the requirements and expectations of the authorities, customers, business partners and other stakeholders. The provision of gaming services is strictly regulated and monitored by the government in many countries. The criteria are defined very differently across Europe, and even within individual countries. The explicit definition of responsible gaming measures depends on the legal framework of the individual markets in which NOVOMATIC is active. Clear legal regulations are very much welcomed by NOVOMATIC and therefore the company is only active where these clear framework conditions and regulated gaming exist.

The Responsible Entertainment Group Policy defines the minimum standard applicable throughout the Group in the area of responsible gaming and betting. The Policy is the basis for internal training on the subject of player protection and is brought to the attention of every new employee. Other measures that go far beyond the legal requirements include the G4 player protection standard of the Global Gambling Guidance Group, many years of international cooperation with relevant experts and institutions, extensive employee

training on addiction prevention, biometric access restrictions, and responsible marketing practices. NOVOMATIC informs customers about the dangers of excessive use and may limit the duration of play, frequency of visits and amount of bets in accordance with local legal regulations. This plays a crucial role in preventing problematic gaming behavior.

The Group CR & Sustainability department brings together all the information on requirements and activities relating to this topic. Examples of good practice are regularly exchanged between the Group companies. The goal is to improve player protection and acquire and maintain licenses.

NOVOMATIC also lobbied for a proactive approach to the issue of responsibility within the core business at various trade associations. Together with the members of The European Gaming and Amusement Federation (EUROMAT), NOVOMATIC developed principles of social responsibility within the industry that were adopted in 2018.

The following sections describe Group management approaches for material issues. The figures and graphics presented in this chapter apply, unless otherwise indicated, to all NOVOMATIC AG companies.

 GRI 3-3, 416-1, 417-1

 Responsible Entertainment [www.novomatic.com/cr](http://www.novomatic.com/cr)

## Responsible Entertainment Measures: a Summary

The overview shows the most important measures in the different countries as well as adherence thereto:

|  | AT                                 |                          | DE                       |                                    |                       |                                |                               | IT                      |                |                               |            | UK                              |                          | ES                   |                    |                    |                 |                           |                        |  |                           |
|--|------------------------------------|--------------------------|--------------------------|------------------------------------|-----------------------|--------------------------------|-------------------------------|-------------------------|----------------|-------------------------------|------------|---------------------------------|--------------------------|----------------------|--------------------|--------------------|-----------------|---------------------------|------------------------|--|---------------------------|
|  | ADMIRAL Casinos & Entertainment AG | ADMIRAL-Sportwetten GmbH | LÖWEN ENTERTAINMENT GmbH | ADMIRAL-Spielhallen Gesellschaften | Novo Interactive GmbH | Spielbank Berlin GmbH & Co. KG | Kurhessische Spielbank Kassel | NOVOMATIC Italia S.p.A. | Allstar S.r.l. | Admiral Gaming Network S.r.l. | ALP S.r.l. | Luxury Leisure Ultd. & RAL Ltd. | NOVOMATIC Gaming UK Ltd. | Admiral Slots S.A.U. | Basque Gaming S.L. | Salones Macao S.L. | Verajuegos S.L. | Automáticos Surmatic S.L. | Comercial Txartel S.L. | Juegos Automaticos Nacidos para el Ocio S.L. | Recreativos del Este S.L. |
| Employee training                                  | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Protection of minors                               | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Information offering                               | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Contacts   | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Cooperation with therapy & counseling institutions | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Support for research institutions                  | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Helpline   | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Access control system                              | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Access restrictions                                | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Technical prevention measures                      | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Active Responsible Entertainment communication     | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| G4 certification                                   | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Age verification                                   | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Player self-assessment                             | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Playerlimits                                       | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Cooling off  | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |
| Self-exclusion                                     | ●                                  | ●                        | ●                        | ●                                  | ●                     | ●                              | ●                             | ●                       | ●              | ●                             | ●          | ●                               | ●                        | ●                    | ●                  | ●                  | ●               | ●                         | ●                      | ●  | ●                         |





## Player Protection and Gaming Addiction Prevention

Customers who enjoy playing responsibly are the foundation for lasting business success. This means that effective player protection and preventing gaming addiction are not only important for customers, but also for NOVOMATIC as the basis for lasting business success. The measures developed are intended to identify or prevent problematic gaming behavior and, if necessary, to ensure that help is available. This applies to gaming in casinos, electronic casinos, sports betting, lottery, and online gaming.

| GOALS 2022*  | HIGHLIGHTS 2022*  | PLANNED 2023*  |
|--|---|--|
| <b>PLAYER PROTECTION AND GAMING ADDICTION PREVENTION</b>   | <b>Principles:</b><br>Prevent problematic gaming and protect vulnerable groups  |  |
| <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>Raise awareness among employees about the importance of player protection</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Optimize processes and expand digitalization for lock file queries and device activation</li> </ul> <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>Further develop the RE platform Plataforma para el Juego Sostenible and implementation of RE principles</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Participated in country-wide Safer Gambling Week</li> </ul> <p><b>The Netherlands:</b></p> <ul style="list-style-type: none"> <li>Increased focus on reporting and recording on player protection issues</li> </ul> <p><b>Romania:</b></p> <ul style="list-style-type: none"> <li>Assess a G4 certification</li> </ul> <p><b>Serbia:</b></p> <ul style="list-style-type: none"> <li>Communicate responsible gaming policies</li> </ul> <p><b>North Macedonia:</b></p> <ul style="list-style-type: none"> <li>Responsible gaming training for all new employees</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Expansion of G4 certification</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>Creation of Responsible Advertising Code</li> <li>G4 Follow-Up Audit</li> <li>Introduction of Austria-wide monitoring of betting behavior</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Market launch of the myNOVO terminal Gastro in connection with the myNOVO gaming guest app</li> <li>Nationwide introduction of the OASIS player blocking system</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>G4 Certification</li> <li>Group Complaints Management policy</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>License review and hearing by the UK Gambling Commission</li> <li>Safer Gambling training</li> <li>Introduction of a complaints management system</li> </ul> <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>G4 Certification</li> <li>Responsible gaming training</li> <li>FES project (awareness raising project regarding the risk of minors developing behavioral addictions)</li> </ul> <p><b>The Netherlands:</b></p> <ul style="list-style-type: none"> <li>Introduction of a comprehensive access control system for responsible gaming</li> </ul> <p><b>Serbia:</b></p> <ul style="list-style-type: none"> <li>Founding of AGOS (Association of Gaming Operators of Serbia) association</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Expansion of G4 certification</li> <li>Expansion of the NOVOVISION™ Casino Management Systems</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>More ways for voluntary self-limitation</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Further development of player and minor protection</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>Group Responsible Entertainment policy</li> <li>Employee training on the topic of responsible gaming</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Roll-out of safer gaming training</li> <li>Roll-out of NOVOMATIC Biometric Systems™</li> </ul> <p><b>The Netherlands:</b></p> <ul style="list-style-type: none"> <li>Focus on addiction prevention in the hospitality industry</li> <li>Responsible Gaming website</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>Employee training</li> </ul> |

| GOALS 2022*  | HIGHLIGHTS 2022*   | PLANNED 2023*  |
|--|--|--|
| <p><b>Poland:</b></p> <ul style="list-style-type: none"> <li>Expand employee training on the topic of responsible gaming</li> </ul> <p><b>USA:</b></p> <ul style="list-style-type: none"> <li>More RE training for employees</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>Prepare for G4 certification</li> </ul> | <p><b>Bulgaria:</b></p> <ul style="list-style-type: none"> <li>Training program on responsible entertainment and gaming addiction</li> <li>Communication campaign on responsible gaming</li> <li>Additional capacity for the gaming addiction helpline</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>Introduction of the casino management system</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>Extensive player protection measures such as configuration of a betting limit in casino app</li> </ul> | <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>G4 Certification</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>Development of a gaming addiction policy</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>Employee training on the topic of gaming addiction</li> <li>Roll-out of a gaming system with information on player protection</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>Improvements of the system re player restrictions</li> </ul> |

\* Excerpt

**G4 Certifications Within the Group**

The Group is committed to improving player protection and gaming addiction prevention on an ongoing basis. The majority of Group sales to the main Group companies are certified in accordance with the international player protection standard of the Global Gambling Guidance Group (G4). This exceeds legal requirements and specialists consider it the most accepted player protection standard in the world.

Multiple concrete measures are checked before the certification is awarded. These include internal company Guidelines and Codes of Conduct, quality checks on training for personnel, proof of age, information for customers regarding the risks of gaming, or options for limiting playing time or banning a customer completely.

Recertification and initial certification is in planning for further corporations.

**Certification level according to G4 player protection standard**

**G4 Player Protection Certification Criteria**

**Responsible Gaming Code of Practice:**

Code of conduct regarding player protection

**Responsible Gaming Mission Statement:**

Clear commitment to comprehensive player protection by company management

**Corporate Standards:**

Minimum standards for licensing, auditing, playing on credit, money laundering prevention, data protection, dealing with complaints, research, engaging stakeholders, guidelines

**Operational Code of Practice:**

Rules regarding age verification, information on player protection, advertising and marketing, rewards and incentives, employee training, free games, customer registration, taxes on gaming pools

**Player Protection Tools:**

Implementation of reality checks, information on the game, limits, self-suspension, suspension from specific products, identifying problematic player behavior

**Staff and Problem Gambling:**

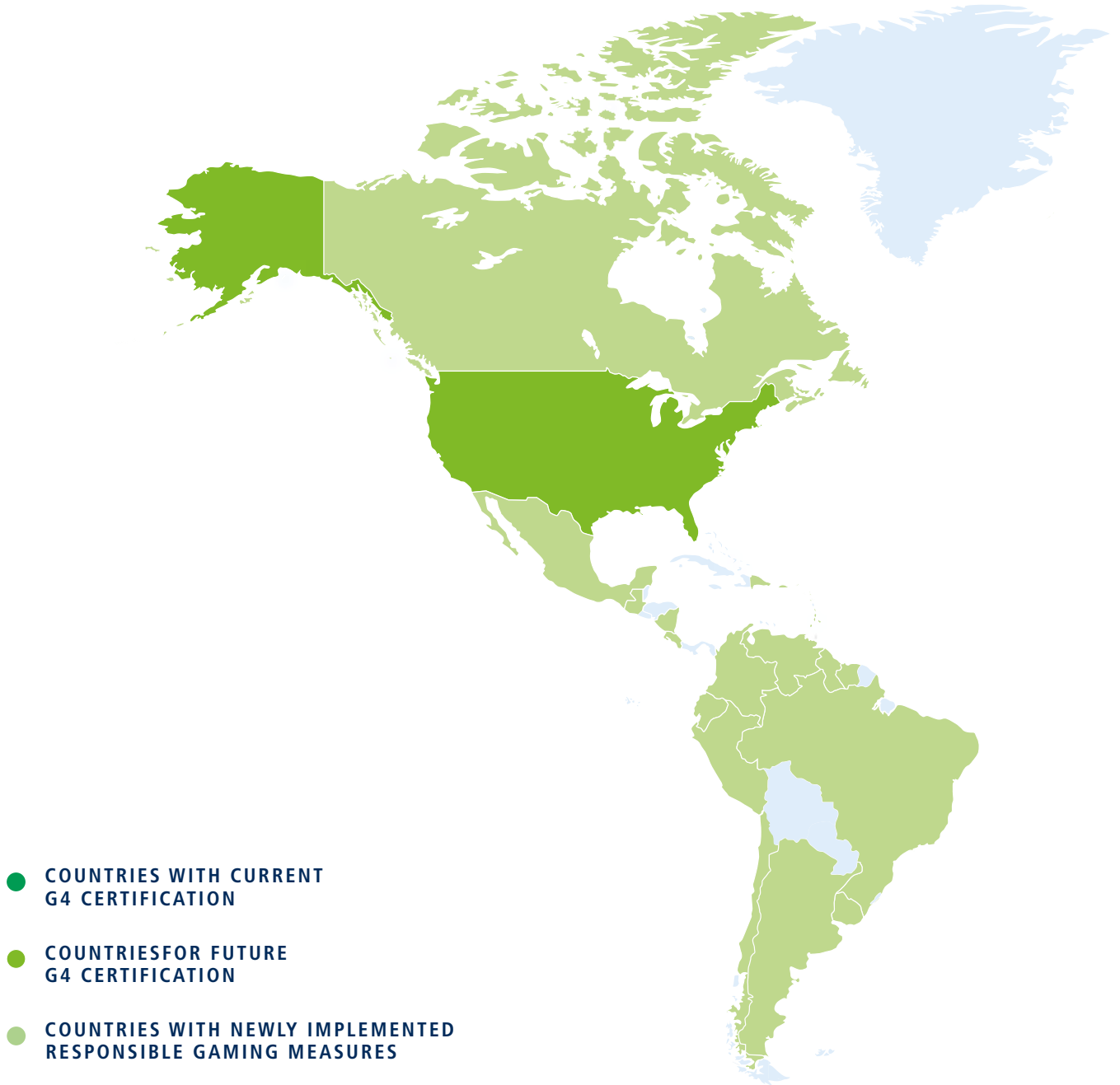
Implementation of an employee assistance program

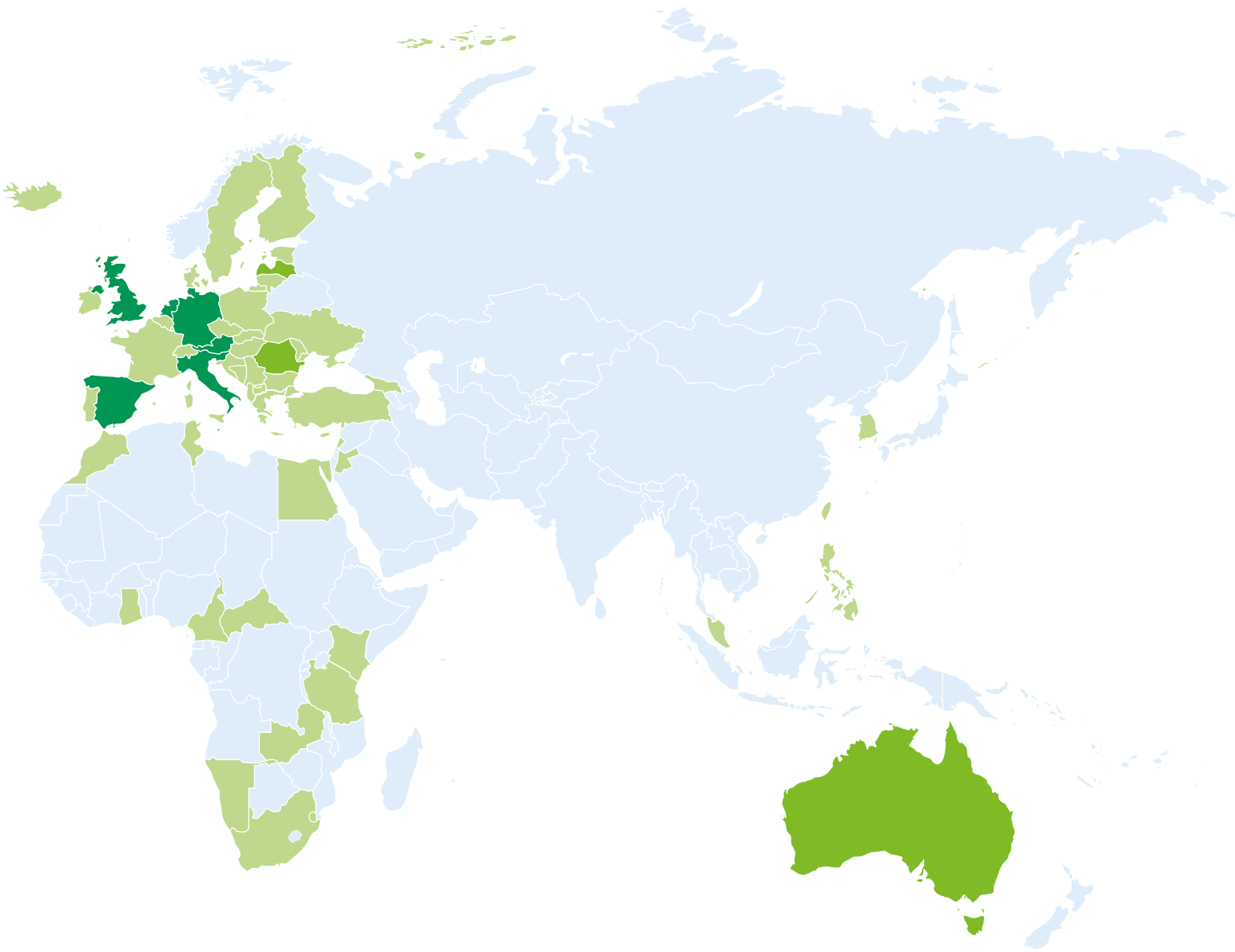
**Player Protection Framework:**

Documentation of all player protection measures

GRI 416-1

Player Protection@NOVOMATIC





## Seventeen G4 certificates in seven countries

| Country | Company                            | (Re-)certified since |
|---------|------------------------------------|----------------------|
| AT      | NOVOMATIC AG                       | 2021                 |
|         | ADMIRAL Casinos & Entertainment AG | 2021                 |
|         | ADMIRAL Sportwetten GmbH           | 2021                 |
|         | Greentube GmbH                     | 2021                 |
|         | Funstage GmbH                      | 2021                 |
| DE      | LÖWEN ENTERTAINMENT GmbH           | 2021                 |
|         | ADMIRAL Entertainment GmbH         | 2021                 |
|         | Spielbank Berlin GmbH & Co. KG     | 2021                 |
| NL      | NOVOMATIC Netherlands              | 2021                 |
| GB      | RAL Ltd.                           | 2022                 |
|         | Luxury Leisure Ultd.               | 2022                 |
| MT      | Greentube Malta Ltd.               | 2021                 |
| ES      | Admiral Slots, SAU                 | 2022                 |
| IT      | NOVOMATIC Italia                   | 2022                 |
|         | Admiral Gaming Network             | 2022                 |
|         | Allstar S.r.l.                     | 2022                 |
|         | Alp S.r.l.                         | 2022                 |

- ① Austria
② Germany
③ Great Britain
④ Netherlands
⑤ Malta
⑥ Italy
⑦ Spain

## Responsible Gaming

As a pioneer in the field of player protection for the NOVOMATIC-subsi-dary ADMIRAL Casinos & Entertainment AG (ACE) protecting minors and players and preventing gaming addiction are top priorities. ACE offers state-licensed gaming with gaming machines in 153 electronic casinos (status as of December 2022) in Lower Austria, Upper Austria, Carinthia, Burgenland, and in Styria. Together with experts in gaming addiction research, a top-level player protection and prevention program has been developed in recent years that is recognized nationally and internationally as a benchmark for the entire industry and has been confirmed by numerous awards and certifications (e.g., G4).

The player protection and prevention program includes the following topics, among others:

- **Prevention and information:** Prevention is a critical factor when it comes to the success of player protection measures. Different target groups require individually tailored measures, depending on their vulnerability. A responsible approach to gambling is promoted through a comprehensive range of information and personal education.
- **Access control system:** The electronic access control system enables customer data to be rapidly recorded and stored centrally, a uniquely identifiable player card (ADMIRAL Card) to be issued, a fingerprint to be registered for access control to the gaming area, if desired, and for subsequent authentication at the gaming machine.
- **Warning system:** A comprehensive warning system has been developed based on current scientific findings and in cooperation with gamer protection experts for the early detection of problematic behavior.
- **Social monitoring:** Employees are specially trained to look for behavioral characteristics of gaming participants that indicate problematic gaming behavior.
- **Customer conversations:** Specially trained prevention officers inform gaming participants in personal conversations about the dangers of gaming, counseling and assistance facilities, and possible threats to livelihoods.
- **Restriction measures:** Customer- and operator-side limits and blocks can be used to support controlled gaming participation or to exclude endangered gaming participants.
- **Employee training:** Knowledge about the nature of gaming addiction and competent handling of persons at risk of gaming addiction is an important prerequisite for ensuring player protection. This is why employees receive regular and comprehensive training on player protection and prevention topics.

- **Cooperation with player protection institutions:** Cooperation with the support system established for the benefit of player protection, in particular with self-help groups, counseling facilities, and specialized medical facilities for treating gaming addiction, is a mainstay of the player protection and prevention program.

 Responsible Gaming: [www.admiral.ag/verantwortung](http://www.admiral.ag/verantwortung)

## Responsible Sports Betting

The NOVOMATIC AG Group also includes ADMIRAL Sportwetten GmbH, the number one in the Austrian branch betting business. Sports betting is offered in over 200 facilities, on betting terminals at more than 100 franchise partners, and online and mobile at [www.admiral.at](http://www.admiral.at).

Just as in the gaming segment, the highest standards of customer protection are maintained in the sports betting sector. As a responsible betting provider, ADMIRAL Sportwetten focuses on addiction prevention and betting customer protection. The responsible use of sports betting is promoted through a comprehensive range of information (e.g., information brochure "Responsible Sports Betting") as well as education about the potential risks and dangers of participating in betting. In addition, customers have the option to regulate their betting participation at any time on their own responsibility with limits (e.g. betting limit, loss limit) and self-blocks. Potentially conspicuous betting behavior is systematically and seamlessly recorded with the aid of a warning system, enabling appropriate measures to be taken at an early stage, ranging from information to blocking. The combination of technical and social monitoring by the highly trained on-site employees ensures effective betting customer protection at all times.

 Responsible Betting: [www.admiral.ag/verantwortung](http://www.admiral.ag/verantwortung)

In Germany, sports betting is offered on the online market by NOVO INTERACTIVE (previously ADMIRAL Sportwetten) under the ADMIRALBET brand name. The company met the strict requirements set out in the comprehensive licensing process, including requirements on protection of players and minors, IT security, payment methods, and sales concepts, and may now be offered sports betting throughout the country.

### Online Gaming Responsibility

All around the world, the online gaming market is growing. However, in addition to new gaming options, it also presents challenges for preventing problematic gaming behavior. At the same time, technical possibilities open up new paths to player protection. One example of this is the player protection measures of the Greentube Group. The "Mentor" player protection tool uses artificial intelligence to recognize problematic player behavior in customers when using a range of different products and then communicates directly with them in order to facilitate a change in behavior. Employees use this information to carry out a detailed check of the player's profile from the point of view of gaming addiction prevention. In the event of behavior deemed problematic, the customers are contacted by experts so that additional measures can be taken.

As a developer of online gaming solutions, Greentube also equips its products with technical player protection solutions, such as time limits, betting limits, or self-suspension options. Implementation was carried out by an interdisciplinary team made up of experts for Responsible Gaming, Customer Service employees, Compliance employees, as well as Brand Management employees.

 Greentube Responsible Gaming:  
<http://www.greentube.com/csr/>

### Responsible Technology

In addition to casino software and hardware components, NOVOMATIC also develops management systems for responsible gaming that cover all country-specific legal requirements. The NOVOVISION™ Casino Management System involves the use of biometrics, enabling (automated) unique identification and thus fulfills all requirements in place for protecting minors and players. Sophisticated algorithms are used to prevent money laundering.

Biometrics systems from NBS (NOVOMATIC Biometric Systems™) are already successfully in use in Austria, Czechia, Croatia, Germany, Italy, Malta, Netherlands, Spain, Bulgaria, Romania, Serbia, Macedonia, Slovakia and Ukraine.



## Responsible Marketing

Another important aspect of Responsible Entertainment is the responsible promotion of NOVOMATIC's products and services. The guiding principles of responsible marketing are described in the Group Responsible Entertainment Group Policy and go above and beyond local laws or product specific requirements. The Code describes the following principles that are adhered to throughout the Group:

- No direct advertising to children or minors, to customers who are suspended from play or to those who do not wish to receive advertisements
- No implication that gaming and betting can be a source of income, and no exaggeration of the likelihood of winning
- No sponsoring activities or advertisements in daycares, elementary schools, child or youth organizations or at events aimed at children and minors

Not only that, the company takes care, when using communication channels such as social media, to comply with regulations designed for the protection of minors. 100% of products and services offered by the Group must comply with all relevant legal requirements. All subsidiaries must follow Group guidelines, such as the Code of Conduct, the Responsible Gaming Group Policy, etc.

Over and above the statutory requirements and group-wide guidelines, individual subsidiaries such as ADMIRAL Casinos & Entertainment AG have developed even more comprehensive policies (Responsible Advertising Code) on the responsible design of advertising and marketing activities. In addition, ADMIRAL Casinos & Entertainment AG is a member of the Austrian Advertising Council and has been awarded the Pro-Ethik seal. This is an award for responsible advertising in Austria and stands for compliance with ethical principles in all advertising activities.

 GRI 417-1

| GOALS 2022*  | HIGHLIGHTS 2022*   | PLANNED 2023*   |
|--|--|---|
| <b>RESPONSIBLE MARKETING</b>   | <b>Principles:</b><br>Compliance with Group principles regarding responsible marketing   |   |
| <b>Group:</b> <ul style="list-style-type: none"> <li>• Review and expand the communication and roll-out new Group Responsible Entertainment Group Policy including Responsible Marketing Principles</li> <li>• Implement Responsible Marketing Principles in Group communications and on social media</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>• Responsible marketing as the subject of information provided to Group management and subsidiaries</li> <li>• Roll-out of new Responsible Entertainment Group Policy including Responsible Marketing principles</li> <li>• 3rd International Marketing &amp; Communications Summit</li> </ul> <b>Austria:</b> <ul style="list-style-type: none"> <li>• Pro-Ethik seal of the Austrian Advertising Council</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>• Further roll-out of the new Responsible Entertainment Group Policy including Responsible Marketing principles</li> <li>• Implement Responsible Marketing Principles in Group communications and on social media</li> </ul> |

\*Excerpt



# ALWAYS COMPLIANT

## TAKING ON RESPONSIBILITY

- NOVOMATIC implements systems that support compliance with legal requirements and acts in accordance with the standards set out in the Code of Conduct.
- Everyone at NOVOMATIC is required to make every effort to identify and prevent any and all fraudulent and criminal behavior within the company.
- NOVOMATIC ensures that Group customers' and stakeholders' data protection rights are always taken care of.

## MATERIAL TOPICS

- Corruption prevention & Anti-money laundering
- Data protection
- Avoiding abusive product consumption
- Supplier responsibility
- Human rights
- Fair competition & Public affairs

## CODE OF CONDUCT – CONTENTS

- Basic rules of conduct
- Responsibility towards customers
- Treatment of business partners and other third parties
- Ways to do business
- Company property, confidentiality, and property rights
- Dealing with conflicts of interest
- Correct reporting and data protection
- Money laundering
- Environmental protection
- Contact via NOVOTRUST / Compliance Manager
- Outlook and consequences in the event of violations



# 18,350

of all employees trained in  
anti-corruption

# ALWAYS COMPLIANT

The Group Legal, Group Legal Compliance, Group Risk Management, and Group Internal Audit departments ensure that all legal and Group requirements requirements are complied and met.

The Group Legal, Group Legal Compliance, Group Risk Management, and Group Internal Audit departments are responsible for providing legal certainty. To ensure compliance with statutory requirements and framework conditions, the company identifies all significant financial and non-financial risks at an early stage, evaluates them, and minimizes them using suitable measures.

## Group Legal & Group Legal Compliance

The Group Legal team (Group Legal department) is the central point of contact for all specialist departments of the Group and the point of contact for legal issues of all kinds. The focus is on contract review and drafting as well as legal support for projects and proceedings. This applies in particular to the areas of mergers and acquisitions, finance, capital measures, or even business development. In addition, Group Legal is responsible for industrial property rights. This covers all legal tasks, including enforcement measures related to technical and non-technical trademarks.

The focus of Group Legal Compliance is on preventative measures, with the goal of avoiding the risk of breaching legal provisions, in particular in the areas of anti-corruption, data protection, money laundering prevention, as well as capital market law. To achieve this goal, the team translates legal requirements into preventative measures. These include, for example, Group-wide binding guidelines, guidelines on instruction manuals, implementation of in-person training sessions, and Group-wide e-learning programs.

Every company subsidiary has local compliance officers, one per country and region. The relevant duties for local compliance managers are defined in binding Group guidelines. All local measures are documented via regular reports. In addition, Compliance Committees make suggestions for improving the Compliance Management System (CMS).

The goal of the NOVOMATIC CMS is to guarantee compliance with legal regulations and company values. This is part of the Code of Conduct, which is binding for all NOVOMATIC AG Group employees (including the Executive Board and the Supervisory Board). Binding Group regulations are created to solidify the Code of Conduct, taking into account the legal framework and a risk-based approach (one example is the Group anti-corruption guidelines). Every employee, upon beginning their employment, receives a copy of all important guidelines and documents, such as the Code of Conduct, the Responsible Entertainment Group policy, or the safety guidelines for their location. A key component is the delivery of classroom training and the creation of e-learning. The CMS is based on the seven core elements laid out in the German audit standard for compliance management systems IDW PS 980, which is considered a good practice approach.

## NOVOTRUST Whistleblowing Platform

NOVOTRUST is a Group-wide whistleblowing platform in compliance with legal requirements to report breaches of legal provisions (for example from the area corruption, money laundering, data protection, competition antitrust law), violations of the Code of Conduct or human rights in general. This enables any employee or business partner to report suspicious cases (also anonymously). Following a plausibility check by Group Legal Compliance, material cases are dealt with by the Compliance Committee and recommendations for further action are agreed on a risk-based basis with the Executive Board or Supervisory Board of NOVOMATIC AG.

Local whistleblowing officers were trained on the practical handling of whistleblowing cases using case studies.

 <https://novomatic.com/novotrust>

 GRI 2-15, 2-16, 2-25, 2-26

### Group Risk Management

Group Risk Management controls and organizes the risk management system of NOVOMATIC AG in consultation with the company's governing bodies and risk officers. The structure of the risk management system was selected in accordance with the individual requirements of the company and on the basis of international approaches. The system comprises both company-wide risk management (Enterprise Risk Management/ERM) and operational risk management via the very broadly defined Internal Control System (ICS). The ERM is based on a classic best-practice risk management process for identifying and evaluating Group risks, as well as controlling and monitoring them. Keeping documentation in a centrally managed risk management software helps maintain an overview and monitoring, as well as the reporting of risks and measures or controls.

Discussion and analysis of uncertainties regarding operative and strategic issues within the Group is designed to increase awareness of threats to corporate objectives, as well as increase transparency surrounding processes and value streams. The centrally controlled risk management approach identifies and analyzes different types of risk for the company at an early stage and attempts to act in a sensible and efficient manner to reduce risk.

Risk management encompasses not just those financial, operational, or strategic risks listed in the Notes to this Annual Report, but also non-financial aspects, i.e., ESG risks, such as comprehensive player protection concepts or environmentally conscious use of resources. These types of risks were identified by experts from all relevant departments on a Group level. They were then evaluated by CR officers in each subsidiary. In many cases, there are correlations and interdependencies between the risk topics, which can also overlap in terms of content, which is why the aim is to have a holistic and integrated risk management system.

Managers in the business areas and Group companies are responsible for the ongoing monitoring of risk situations and active management by means of measures and controls. The risk situation must be kept up to date, i.e., at least once a year the documented risks are scrutinized and revised with regard

to their validity and assessment approach, or status of the measures. The central Risk Management team takes on a consulting and coordinating role while ensuring continued development of the risk management system. Web-based risk management software supports Management and helps monitor corporate risks in a careful and structured way.

Once measures for mitigating the risks in each area have been put into place, then these risks can turn into opportunities. For example, proactive player protection can help ensure better conditions for attaining licenses. A very low accident, illness, or energy consumption rate as compared to the rest of the industry improves cost efficiency and leads to better environmental, social, and governance ratings.

A detailed presentation of ESG risks can be found on page 104 – 109.

 GRI 2-25

### Group Internal Audit

The internal audit department checks compliance with Group rules and regulations (e.g. Group policies, Code of Conduct, data protection, responsible gaming), as well as the internal control and risk management system. The aim is to identify deficits and risks at an early stage and to suggest improvements to eliminate or avoid the cause of the risk or to reduce the probability of occurrence of the identified risk. Individual audits are carried out based on audit plans approved by the Executive Board and the Supervisory board, and supplemented by special audits and consulting projects. The audit reports include agreed measures, the implementation of which is followed up and reviewed on an ongoing basis. The following sections describe Group management approaches for material issues.

 GRI 3-3

## Corruption & Money Laundering Prevention

NOVOMATIC is dedicated to always acting fairly, honestly, and respectably in all business and social activities.

The Anti-Corruption Group Policy defines strict requirements and applies to all group companies majority-owned by NOVOMATIC AG and their supervisory boards, management boards, managing directors, persons holding commercial power of attorney, and employees. The aim of this policy is to prevent corruption at an early stage. That is why the Anti-Corruption Group Guideline contains specific conduct obligations and value limits for certain business activities (for example offering or accepting gifts, invitations to events). For example, the allocation of donations in cash or in kind to political and non-political organizations is subject to very strict conditions in terms of transparency and documentation, or is prohibited. A regulation concerning this is stipulated in the binding Group policy on auditing contracting partners and reporting. This policy was expanded in 2022 to include reporting facts for donations and sponsorships. Not only that, exceeding certain value thresholds requires a recommendation from the Compliance Committee as well as approval from the NOVOMATIC AG Executive Board.

Adherence to the Group guidelines is to be confirmed by means of semi-annual reports from the Group subsidiaries and is regularly evaluated as part of the compliance management assessment. Any situations that are criminal or require reporting must be reported as they are discovered to Group Legal Compliance. Based on the available reports, there were no court-confirmed incidents of corruption throughout the Group in 2022. Official inquiries are currently being conducted in Austria regarding allegations of corruption in connection with the Ibiza video that became public in May 2019 (see NOVOMATIC's statement on the following page).

The members of the controlling bodies (Supervisory Board and – Management Board of NOVOMATIC AG) are informed on a yearly basis about the results of the Group-wide compliance reports and procedures as part of the regular compliance reports, and specific measures to improve the Group-

wide compliance management system were agreed. Local implementation of the requirements is verified by Group Internal Audit.

Newly hired employees receive basic training on relevant compliance issues. An anti-corruption e-learning offer was rolled out Group-wide in 2022. Some 18,350 people have successfully undergone training here so far. The entire Supervisory Board was also required to take this training. The issue of anti-corruption is also part of the Group's mandatory Code of Conduct and forms an important segment in the Group-wide e-learning program, primarily aimed at management, which focuses on the NOVOMATIC AG Code of Conduct. Business partners are required to comply with the requirements of the Code of Conduct. There is a separate code of conduct for suppliers.

As regards money laundering prevention, risk-based requirements are constantly being further specified, audit processes expanded, and Group-wide reporting obligations standardized. During the reporting period, a Group-wide AML (Anti-Money Laundering) survey was conducted on the current local regulations for gaming service providers with regard to the planned new AML regulatory regime at EU level in order to derive preparatory measures for the Group in good time. The topic of AML was also the focus of the 5th Group-wide Compliance Manager Day, which was held with the active participation of local compliance managers.

The Group Legal Compliance department provides Group-wide tools to ensure risk-based contractual partner review (B2B). Specially developed due diligence questionnaires help to ensure sufficient transparency regarding the identity and integrity of potential contract partners. Online screening tools that were rolled out across the Group aid in ensuring defined standards are maintained when complying with legal audit obligations, in particular international economic sanctions.

 GRI 205-2, -3

 SDG 16.5

| GOALS 2022*   | HIGHLIGHTS 2022*   | PLANNED 2023*   |
|---|--|---|
| <p><b>CORRUPTION &amp; MONEY LAUNDERING PREVENTION (AML)</b></p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Additional, regular reporting obligations for donations and sponsorships</li> <li>• Awareness-raising measures for compliance with the Group’s Anti-Corruption Policy</li> <li>• Roll-out and operation of the NOVOTRUST whistleblowing platform</li> <li>• Training of local whistleblowing officers</li> </ul> | <p><b>Principles:</b><br/>Prevent corruption and money laundering</p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Online whistleblowing platform “NOVOTRUST”</li> <li>• Expansion of the Group policy, contracting partner review and reporting</li> <li>• Group-wide AML survey</li> <li>• Group-wide roll-out of corruption prevention e-learning course</li> <li>• 5th Group-wide Compliance Manager Day</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Expanded regular reporting obligations in the area of AML</li> <li>• Awareness-raising measures for compliance with the Group’s Anti-Corruption Policy</li> <li>• Roll-out and operation of the NOVOTRUST whistleblowing platform</li> <li>• 6th Group-wide Compliance Manager Day</li> </ul> |

\* Excerpt

**NOVOMATIC statement on the official inquiries in connection with allegations of corruption:**

In the aftermath of the Ibiza video, which became public in May 2019, anonymous complaints were filed, on the basis of which official inquiries were initiated in Austria to investigate allegations of corruption. NOVOMATIC is only affected by a part of these allegations, namely those in which the suspicion of possible undue influence on the federal government in connection with gaming regulations is being investigated. The company would like to make the following statement in this regard: To the extent that NOVOMATIC is at all affected by the allegations made, they are and were expressly denied by NOVOMATIC and by all affected parties, publicly and immediately after the allegations were made. NOVOMATIC has been and will continue to be transparent and cooperative in regard to the clarification of the situation together with the investigative authorities.

It is noted that gaming licenses or permits in Austria are only awarded through an international, transparent and public invitation to tender or search for interested parties under the law, with unsuccessful bidders being able to seek judicial, and thus independent, review thereof. All permits acquired by NOVOMATIC in Austria have been obtained transparently and legally based solely on NOVOMATIC’s many years of experience and extensive know-how.

NOVOMATIC holds that no donations have been made or offered to any political party in Austria. By the same token, there have been no interventions relating to foreign tax proceedings, meaning that the allegations made in this context are also incorrect.

## Data Protection

At a Group level, the Data Protection Advisory Board is tasked with managing the rules and obligations arising out of the General Data Protection Regulation (GDPR) and defines measures to improve the Group-wide data protection management system (DMS) on the basis of regular data protection reports. This Advisory Board is made up of the NOVOMATIC AG Executive Board. In addition, it is responsible for setting key strategies for Group-wide compliance with requirements under the GDPR.

The Data Protection Committee, consisting of the Chief Information Security Officer and the Head of Data Protection, develops risk-based recommendations that support the local data protection managers in the NOVOMATIC AG Group.

To ensure ongoing compliance with the GDPR requirements, local data protection officers are provided with various guides such as the Data Breach Notification Policy, process

descriptions, and sample contracts. A set of e-learning courses have been rolled out for Group-wide training for employees involved in data processing, and must be completed by employees.

In the reporting period, there were three precautionary and timely potential personal data breach notifications across the Group. The locally competent data protection authorities either did not initiate any proceedings here or discontinued the proceedings without imposing any sanctions. In 2022, there were no sanctions implemented from regulatory complaints proceedings and no legal action was taken as regards the violation of customer personal data protection.

Since the company was founded, NOVOMATIC has had an information security management system (ISMS) certified in accordance with the international ISO standard ISO/IEC 27001.

 GRI 418-1

| GOALS 2022*  | HIGHLIGHTS 2022*  | PLANNED 2023*  |
|--|---|--|
| <b>DATA PROTECTION</b>   | <b>Principles:</b><br>Guarantee protection for personal data from customers, employees, and partners  |  |
| <b>Group:</b> <ul style="list-style-type: none"> <li>Stipulate data protection measures for Group-wide GDPR compliance</li> <li>Derive preventive measures for GDPR compliance</li> <li>Design and roll out new data protection e-learning course across the Group (update)</li> <li>Include further topics and finalize the audit (HQ)</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>Privacy e-learning refresher</li> <li>Successful data protection audit</li> <li>Create action plans to minimize identified risks</li> <li>Group-wide Data Protection Day 2022</li> <li>Group-wide data protection guide for legally compliant online gaming and online sports betting</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>Regular awareness-raising measures for GDPR compliance</li> <li>Continuously evaluate Group-wide semi-annual report</li> <li>Derive preventive measures (action plans)</li> <li>Data Protection Day 2023</li> </ul> |

\* Excerpt

### Avoiding Abusive Product Consumption

The often imprecise media opinions regarding the division between legal and illegal gaming options present a particular challenge. They mean that the negative effects of illegal gaming are mostly rarely compared objectively to the advantages and necessity of legal and regulated gaming services.

NOVOMATIC clearly and firmly distances itself from any and all illegal and unregulated gaming services. The company believes that gaming is a delicate service that requires clear

legal framework conditions. Therefore NOVOMATIC, as a responsible company, is playing a major role in the fight against illegal gaming, especially in the form of private enforcement. This refers to enforcement under private law of requirements based on the laws against unfair competition and the Markenschutzgesetz (Law on Protection of Trade Marks). The goal is to prevent unfair market practices and abusive use of NOVOMATIC products and services. These claims provide support for authorities in implementing current law; not only that, NOVOMATIC thereby makes a major contribution to protection of players and minors.

| GOALS 2022   | HIGHLIGHTS 2022  | SCHEDULED 2023   |
|--|--|--|
| <b>AVOIDING ABUSIVE PRODUCT CONSUMPTION</b>  | <b>Principles:</b> Contribute to avoiding abusive product consumption  |  |
| <b>Group:</b> <ul style="list-style-type: none"> <li>Continue working well with authorities</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>Worked together with authorities regarding requirements related to unfair competition and trademark violations</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>Continue working well with authorities</li> </ul> |



## Supplier Responsibility

NOVOMATIC as a Group has multiple regional and international suppliers for raw materials, goods, and services. The 2022 fiscal year was also influenced by the effects of the COVID-19 pandemic in all core regions of the NOVOMATIC AG Group and presented additional challenges for supplier management. This did not, however, lead to any significant restructuring or defaults.

Customers, government authorities and financial markets increasingly expect to see good ESG practices along company supply chains. In order to minimize ESG risks in the supply chain, NOVOMATIC requires all business partners to commit to compliance with the law and, beyond that, to compliance with the NOVOMATIC Supplier Code of Conduct. This covers all material environmental, social, and governance risks in the supply chain and was comprehensively overhauled in 2022. All NOVOMATIC AG suppliers must obey this Code of Conduct. If a violation comes to light, NOVOMATIC reaches out to the supplier in order to ensure that the Code is implemented as quickly as possible. The ultimate consequence for violations is an end to the business relationship.

The Supplier Code of Conduct covers the following issues:

**Environment/Quality:**

- Quality and environmental protection regulations
- Quality requirements
- Product safety
- Environmental protection
- Resource and climate protection

**Social:**

- Ban on child labor
- Equal opportunities and ban on discrimination
- Humane treatment
- Working conditions
- Occupational health and safety
- Free choice of employment
- Working hours, wages and other benefits
- Freedom of association

**Governance:**

- Compliance with laws and regulations
- Integrity in business dealings
- Avoidance of conflicts of interest
- Fair competition
- Money laundering
- Protection of confidential information and intellectual property rights
- Responsible procurement of raw materials / avoidance of conflict resources
- REACH/RoHS conformity
- Compliance with export restrictions

Business partners worldwide deliver supplies to NOVOMATIC's headquarters in Gumpoldskirchen. European law applies to the majority of suppliers, which requires that minimum standards are met in the areas of environmental protection, employment law, and safety.

In 2022, 90 percent of the suppliers of the producing NOVOMATIC subsidiaries were audited according to environmental criteria (e.g., environmental standard ISO 14001) and social criteria (e.g., occupational health and safety standard ISO 45001). The level of certification at all companies with significant suppliers was recorded and weighted for the total Group value according to the proportion of FTE.

 GRI 2-6, 308-1, 414-1

| GOALS 2022  | HIGHLIGHTS 2022   | PLANNED 2023   |
|---|---|--|
| <b>SUPPLIER RESPONSIBILITY</b>  | <b>Principles:</b> Prevention of misconduct in the supply chain   |  |
| <b>Group:</b> <ul style="list-style-type: none"> <li>• Extension of the Supplier Code of Conduct</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>• Expansion of Supplier Code of Conduct</li> </ul> | <b>Group:</b> <ul style="list-style-type: none"> <li>• Stipulation that all subsidiaries take ecological and social aspects into account when purchasing materials and services</li> </ul> |

## Human Rights

NOVOMATIC and its subsidiaries are committed to complying with all legal regulations as well as safeguarding human rights. The Group-wide Code of Conduct and the NOVOMATIC Supplier Code of Conduct also refer to topics relevant to human rights and must be observed by all employees and suppliers.

### United Nations Global Compact Principles

NOVOMATIC is a member of the world-wide company platform United Nations Global Compact (UNGC), and supports its ten principles and the SDGs Principles 1 and 2, regarding implementation of international human rights standards and avoiding violating human rights, are particularly relevant.

### OECD Guidelines for Multinational Companies

In accordance with OECD guidelines for multinational companies, NOVOMATIC supports the following:

- Compliance with the United Nations Charter of Human Rights
- Implementation of international human rights without contradicting applicable national laws
- Implementation of work and social standards set out by the International Labor Organization (ILO)
- Reduction of any negative effects on human rights as much as possible within the company’s activities, and campaigning for improvements
- Addressing misconduct in the area of human rights within its business relationships, and using its influence to improve the situation

- Clear commitment to maintaining human rights from the Managing Directors
- Human rights due diligence by including human rights in the materiality process and risk management assessments
- Implementation of due diligence, by having the Internal Audit department check (e.g., via whistleblowing platform) for any potential violations of local laws, international norms, or the internal audit department

All subsidiaries are required to implement the Group-wide guidelines on compliance with human rights and have been informed about the NOVOTRUST whistleblowing portal and the Equal Opportunities contact point.

The NOVOTRUST whistleblowing platform enables all employees, business partners and stakeholders to report any violations of human rights, also anonymously.

 <https://novomatic.com/novotrust>

An additional tool for ensuring that human rights are upheld, particularly with regard to equality, is the Equal Opportunities point of contact. This serves to implement the Group guidelines on equal opportunities. Any violations of human rights in relation to equal opportunities can be reported here.

 Equal Opportunities e-mail: [equalopportunities@novomatic.com](mailto:equalopportunities@novomatic.com)

 GRI 2-15, 2-23, 2-25, 2-26

 SDG 8.5, 16.3

| GOALS 2022  | HIGHLIGHTS 2022   | PLANNED 2023   |
|---|---|--|
| <p><b>HUMAN RIGHTS</b></p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Continued implementation of human rights in Group policies, training, etc.</li> <li>• Random checks in the subsidiaries</li> </ul> | <p><b>Principles:</b><br/>Ensure business activities comply with human rights</p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Group-wide whistleblowing platform NOVOTRUST</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Continued implementation of human rights in Group policies, training, etc.</li> <li>• Random checks in the subsidiaries</li> </ul> |

### Fair Competition & Public Affairs


The NOVOMATIC AG Group Code of Conduct and the NOVOMATIC Supplier Code of Conduct clearly states the company's commitment to fair competition.

NOVOMATIC does not enter into any agreements with competitors that could lead to distortion of competition, division of markets or price fixing. The relevant Group policy on legally compliant behavior in antitrust law sets out specific behavioral obligations in this regard, which are trained throughout the Group via an up-to-date e-learning program. No legal procedures were instituted last year due to anti-competitive conduct.

NOVOMATIC pledges conscientious and transparent dealing with all national authorities, and has even created a binding Code of Conduct for NOVOMATIC AG Public Affairs activities, which can be accessed on the company's website. Representation of interests and exchange of interests take place exclusively in compliance with all legal requirements and in observance of all Group-internal guidelines, in particular the

NOVOMATIC Anti-Corruption Group Guideline, which is binding for all companies of the NOVOMATIC AG Group, and the NOVOMATIC Code of Conduct. This particularly applies to commitments to transparency. The persons responsible for public affairs on behalf of the company are, for example, registered with the Austrian Public Affairs and Interest Group Register.

When providing information to stakeholders, the company engages in a fact-based dialog. This particularly applies to the sensitive issue of player protection and gaming addiction prevention. This fact-based discussion, which relies on scientific knowledge, is the foundation for continued effective development and implementation of player protection measures.

 [www.novomatic.com/verhaltenskodex-fuer-public-affairs-taetigkeiten-der-novomatic-ag-gemaess-ss-7-lobbyg](http://www.novomatic.com/verhaltenskodex-fuer-public-affairs-taetigkeiten-der-novomatic-ag-gemaess-ss-7-lobbyg)

 GRI 206-1

| GOALS 2022  | HIGHLIGHTS 2022  | PLANNED 2023  |
|---|--|---|
| <p><b>FAIR COMPETITION &amp; PUBLIC AFFAIRS</b></p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Finalize Group-wide roll out of the corruption prevention e-learning program</li> <li>Awareness-raising measures to maintain fair competition and transparency</li> </ul> | <p><b>Principles:</b></p> <p>Clear commitment to fair competition<br/>Promote regulated and legal gaming</p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Gradual roll-out of a Group-wide e-learning program on complying with antitrust and competition laws</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Awareness-raising measures to maintain fair competition and transparency</li> </ul> |



# ENJOY WORKING WITH US

## TAKING ON RESPONSIBILITY

- NOVOMATIC supports employee development and offers training and continued education opportunities.
- NOVOMATIC considers its employees an important source of innovation to be encouraged.
- NOVOMATIC values the diversity of its staff and stakeholders and treats all of them equally.
- NOVOMATIC creates safe and healthy working conditions in order to avoid accidents and illness.

### Employees



**23,859**

on day of reporting  
December 31, 2022

**18%**

Staff turnover rate  
(employee resignations)

### LTIFR (Lost Time Injury Frequency Rate)



**3.7**

### Percentage of women



**54%**

total

**39%**

In management positions

### IP trademark rights



**~5,000**

### Training and Further Education



**~41,000**

Days total

### Awards for Employers



**8**

# ENJOY WORKING WITH US

Our employees are the foundation of the NOVOMATIC Group's long-term success. Only healthy, motivated employees working under safe conditions create innovation and ensure customer satisfaction.

The figures and graphics presented in this chapter apply, unless otherwise indicated, to all NOVOMATIC AG companies for the reporting period 1.1. to 31.12. or as of the reporting date 31.12. Changes in the data compared with the previous year are explained in the relevant paragraph in this chapter.

## Summary of Major Indicators

|  | 2018        | 2019        | 2020       | 2021        | 2022        | Goal  |
|--|-------------|-------------|------------|-------------|-------------|---|
| <b>Proportion of women*<sup>1</sup></b>                              | <b>54%</b>  | <b>56%</b>  | <b>56%</b> | <b>55%</b>  | <b>54%</b>  | <b>Maintain balance</b>                               |
| Of which Gaming Technology   | 32%         | 33%         | 34%        | 34%         | 34%         |   |
| Of which Gaming Operations   | 61%         | 63%         | 62%        | 62%         | 60%         |   |
| Of which NOVOMATIC AG  | 32%         | 31%         | 31%        | 31%         | 31%         |   |
| <b>Women in leadership positions</b>                                 | <b>44%</b>  | <b>40%</b>  | <b>39%</b> | <b>39%</b>  | <b>39%</b>  | <b>Maintain diversity</b>                             |
| Of which Gaming Technology   | 22%         | 21%         | 21%        | 20%         | 25%         |   |
| Of which Gaming Operations   | 52%         | 49%         | 48%        | 48%         | 47%         |   |
| Of which NOVOMATIC AG  | 13%         | 17%         | 19%        | 11%         | 12%         |   |
| <b>Turnover rate (employee resignations)</b>                         | <b>18%</b>  | <b>17%</b>  | <b>12%</b> | <b>18%</b>  | <b>18%</b>  | <b>Stabilisation despite the dynamic labor market</b> |
| Of which NOVOMATIC AG  | 4%          | 4%          | 4%         | 7%          | 4%          |   |
| <b>Sick leave rate<sup>2</sup></b>                                   | <b>54%</b>  | <b>57%</b>  | <b>51%</b> | <b>51%</b>  | <b>64%</b>  | <b>Reduction to value before COVID-19 pandemic</b>    |
| Of which Gaming Technology   | 61%         | 64%         | 54%        | 50%         | 63%         |   |
| Of which Gaming Operations   | 51%         | 55%         | 50%        | 52%         | 64%         |   |
| Of which NOVOMATIC AG  | 73%         | 71%         | 57%        | 64%         | 74%         |   |
| <b>Accident rate<sup>3</sup></b>                                     | <b>4.6</b>  | <b>4.2</b>  | <b>3.8</b> | <b>4.2</b>  | <b>3.7</b>  |   |
| Of which Gaming Technology   | 3.9         | 3.1         | 2.6        | 2.7         | 2.4         |   |
| Of which Gaming Operations   | 4.8         | 4.6         | 4.3        | 4.8         | 4.2         |   |
| Of which NOVOMATIC AG  | 4.6         | 2.5         | 2.7        | 2.7         | 2.6         |   |
| <b>Training and further education hours per employee<sup>4</sup></b> | <b>12.4</b> | <b>10.7</b> | <b>6.8</b> | <b>10.4</b> | <b>14.0</b> | <b>Stabilization at current level</b>                 |
| Of which Gaming Technology   | 10.8        | 12.0        | 7.1        | 10.1        | 11.1        |   |
| Of which Gaming Operations   | 12.9        | 10.4        | 6.7        | 10.4        | 14.8        |   |
| Of which NOVOMATIC AG  | 16.5        | 19.3        | 6.5        | 10.3        | 11.2        |   |

\* Total values represent the sum of directly recorded data and the extrapolation for companies not directly recorded in accordance to the NOVOMATIC AG consolidated group.

<sup>1</sup> Share of female employees in total workforce.

<sup>2</sup> Percentage of employees who were on sick leave for at least one day.

<sup>3</sup> Lost Time Injury Frequency Rate (LTIFR) – Number of reportable accidents per million hours worked..

<sup>4</sup> Average total number of hours per employee.

Our employees are the company's most valuable capital. Talented people who want to help shape the future in an innovative way are always welcome. Employees profit from a creative working environment, exciting tasks, and the potential to apply and further develop their knowledge and skills.

Employees are offered the best possible framework conditions for a healthy, secure, and motivating work environment. This includes wide-ranging offers and activities related to education and training, health, occupational safety, work-life balance, equal opportunities, and diversity. Regardless of their type of employment, all employees have access to the same company offers and social services.

The NOVOMATIC AG Group has roughly 23,859 employees in the scope of consolidation. Of these employees, approximately 3,200 are employed in the Austrian home market including the Greentube Group, and around 1,000 of those at the company's headquarters in Gumpoldskirchen. Almost half of those work in the manufacturing or research and development segments.

All employee-related activities are planned and implemented by the Human Resources (HR) managers at the headquarters and subsidiaries of the NOVOMATIC AG Group. In order to ensure Group-wide coordination and the best possible exchange of information, the Group HR Department maintains an ongoing exchange with the HR managers of the NOVOMATIC subsidiaries, among other things in the context of the regularly held HR Executive Committees and the HR Circle.

In fiscal year 2022, the HR Circle was held twice virtually due to COVID. During the June 2022 Circle, there was a comprehensive discussion of how successful HR management can

look in uncertain times beyond the ability to plan ("How can HR deal with uncertainty"). The HR Circle in November 2022 took an in-depth look at the central role of HR in the context of future ESG reporting requirements under the guiding theme of "Sustainable Human Resources Management". The successful virtual format of the HR Circle will be maintained in 2023 in addition to a planned in-person meeting.

As an international group with locations in around 50 countries, NOVOMATIC is also active in Ukraine. Many employees have lost their homes as a result of the war in Ukraine. NOVOMATIC sees it as its duty to provide support to affected colleagues and their families, which is why NOVOMATIC took immediate action in spring 2022. In addition to concrete financial support within the framework of a donation program, Ukrainian employees were taken on in Austria and the surrounding countries. They are now being integrated and supported in the best possible way.

NOVOMATIC is proud to be an attractive employer. This is underlined by the following awards and certificates.

 More information on NOVOMATIC as an employer in Austria: [www.novomatic.com/karriere](http://www.novomatic.com/karriere).

 GRI 2-7

The following sections describe the management approach and some highlights of the HR Department's activities over the last year. These are just a few examples of the numerous measures taken across the entire NOVOMATIC AG Group.

 GRI 3-3

Awards: a Summary

|   |   |   |  |
|---|---|---|--|
|    | <p>BEST RECRUITERS<br/>Gold 22/23<br/><a href="http://www.bestrecruiters.at">www.bestrecruiters.at</a></p>                                | <p>Gold seal for 2022/2023 and industry win in electrical/electronics manufacturing.</p>  | <p>since 2017<br/>Gold 2022/2023</p>   |
|    | <p>LEADING EMPLOYERS Austria 2022<br/><a href="http://www.leading-employers.org">www.leading-employers.org</a></p>                        | <p>NOVOMATIC is one of the top one percent employers in Austria among 40,000 companies.</p>   | <p>2019 and 2022</p>                   |
|   | <p>BEST EMPLOYER 2022<br/><a href="http://www.market.at">www.market.at</a></p>  | <p>Best employer in Lower Austria in terms of regional relevance as an employer, working conditions and future fitness of the company.</p>                              | <p>2022</p>                            |
|  | <p>kununu<br/>"TOP Company" &amp;<br/>"OPEN Company"<br/><a href="http://www.kununu.com/at/novomatic">www.kununu.com/at/novomatic</a></p> | <p>The rating of "kununu", the largest employer rating platform in German-speaking countries, is evaluated on an ongoing basis.</p>                                     | <p>since 2017</p>                      |
|  | <p>Recognized as a leading company in Austria<br/><a href="http://www.leitbetriebe.at">www.leitbetriebe.at</a></p>                        | <p>NOVOMATIC AG, ADMIRAL Casinos &amp; Entertainment AG and ADMIRAL Sportwetten GmbH were once again honored as Austrian Leading Companies in 2022.</p>                 | <p>since 2021<br/>(NAG since 2015)</p> |
|  | <p>Full certificate berufundfamilie (career and family) Audit<br/><a href="http://www.familieundberuf.at">www.familieundberuf.at</a></p>  | <p>Renewed full certification in 2022 incl. the additional certificate "Mobile Working".</p>  | <p>since 2015</p>                      |
|  | <p>Seal of Quality in Corporate Health Promotion<br/><a href="http://www.netzwerk-bgf.at">www.netzwerk-bgf.at</a></p>                     | <p>The current BGF seal of quality is valid until the end of 2022. During the reporting period, the seal of quality was successfully submitted for recertification.</p> | <p>since 2017</p>                      |
|  | <p>Austria Brand Value Study<br/><a href="http://www.europeanbrandinstitute.com">www.europeanbrandinstitute.com</a></p>                   | <p>Second place in the ranking of Austria's most valuable brands.</p>   | <p>since 2021</p>                      |

## Training and Further Education

The promotion and further development of the high level of competence of NOVOMATIC employees is an essential element in maintaining innovative strength and thus ensuring the sustainable success of the company.

The Learning and Development team continuously develops and implements learning strategies and programs, designs e-learning on current topics, and addresses the training objectives in the various departments and business units as well as the individual training needs of each employee. Blended learning concepts (a combination of face-to-face teaching and e-learning) or new digital formats have also proven their worth in 2022.

The focus of training and development measures is on the acquisition of new skills in the area of digitalization, tailored manager development programs, and talent management.

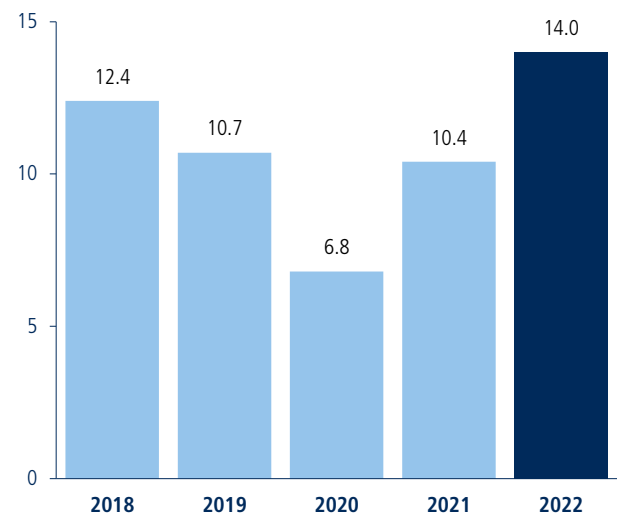
NOVOTalent is a high potential program that aims to identify and promote talented individuals within NOVOMATIC and to keep them loyal to the company over the long term. The program lasts 24 months and each talent group works on a specific issue or project topic (e.g., "The Paperless Office" as the last completed project topic in the reporting period). In 2022, after a pandemic-related hiatus, the 5th NOVOTalent round was successfully launched with 11 participants.

An increasingly central role in the design of learning programs is being played by awareness measures and training courses to raise awareness of all aspects of cyber security. In 2022, an awareness campaign was launched at the headquarters in Austria and the Netherlands (focus: "building the human firewall"). Comprehensive awareness-raising measures are now being implemented internationally in the Group.

GRI 404-1, -2

SDG 5.1, 8.2

### TRAINING AND FURTHER EDUCATION HOURS PER EMPLOYEE



Average education and training hours in 2022 returned to pre-COVID-19 pandemic levels. The focus was on measures to promote cyber security and on leadership programs.



| GOALS 2022*  | HIGHLIGHTS 2022*   | PLANNED 2023*   |
|--|--|---|
| <p><b>TRAINING AND FURTHER EDUCATION</b></p>   | <p><b>Principles:</b><br/>Maintaining and expansion of the high level of employee competence</p>   |   |
| <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Ongoing expansion of tailored internal training and development programs (focus: “internal training versus shortage of skilled workers”)</li> <li>• Continued development of technical and leadership skills, development of digital and social skills</li> <li>• Group-wide competence development regarding system conversion to SAP-HCM</li> <li>• Increased loyalty to the company through further training and thus strengthening the employer brand</li> </ul> | <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Talent recruitment at job and career fairs, conferences, and festivals – in 2022 many of these events were online and a growing number in-person again</li> <li>• Design and roll-out of own learning formats concerning cyber security</li> <li>• Continued the NOVO-Talent program</li> <li>• Implemented specialist management development training with a focus on digital leadership</li> <li>• E-learning on a variety of topics (e.g., new data protection regulations, antitrust, corruption, social media, etc.)</li> <li>• Redesigned NOVOWelcome Day at NOVOMATIC AG (Austria) – Implemented welcome day for new employees in an in-person event and in a new format</li> </ul> | <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Continued customized management development programs NOVOManager and NOVOTalent</li> <li>• Design of an international NOVOManager program</li> <li>• Operational implementation of a further round of the International Casino Management Program (ICMP)</li> <li>• Further expansion of learning formats concerning awareness raising and prevention of cyber crime</li> </ul> |

\* Excerpt

## Work Safety and Employee Health

The greatest success factor of our company is motivated, well-trained, but above all healthy employees. Health, safety and security beyond the legally required standard are an integral part of our commitment and responsibility. Long-term business success depends not least on our ability to protect our employees from health and safety risks. Especially in times of a global pandemic, the resilience of our company depends on our health initiatives and the measures we put in place to improve the well-being of our employees across the board.

The international ISO 45001 occupational health and safety standard brings about a systematization of all safety activities, strengthens awareness of (occupational) safety risks and brings about continuous improvement in occupational health and safety. This ensures that the physical and mental health of our employees is guaranteed and proactively protected. Involving employees at all levels in occupational safety and

health issues also increases motivation and willingness to perform. Certification in accordance with ISO 45001 is carried out in the Group subsidiaries at various levels.

In 2022, the number of work-related accidents at the head office was again kept at the extremely low level of four accidents with minor consequences (measured in terms of the number of employees and the risks involved in the various trades). These were hand and finger injuries (cuts, bruises, burns) and a bruised rib. Accident cause analyses were carried out for all accidents together with the employee concerned, the manager and the safety specialist, and appropriate measures were taken to prevent a recurrence. The focus is always on creating understanding and awareness through focused instruction.

Measures to improve occupational health and safety include, for example, the appointment of responsible officers in all relevant areas, workplace evaluations and inspections, instruction, the regular inspection and maintenance of all machinery and safety equipment, first aid courses, the extensive

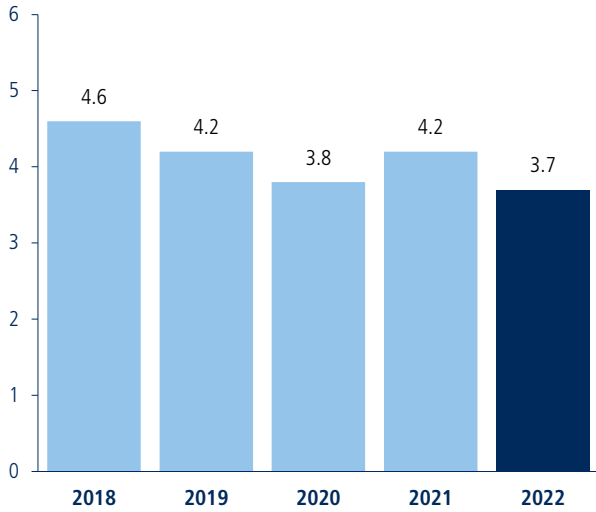
substitution of hazardous substances, evacuation and fire extinguishing drills, optimization of workplaces and workflows, training and continuing education for employees, and the use of professionally trained staff.

| GOALS 2022  | HIGHLIGHTS 2022   | PLANNED 2023  |
|---|---|---|
| <p><b>HEALTH &amp; SAFETY</b></p> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Further optimize prevention processes in accordance with ISO 45001</li> <li>• Recertification BGF seal of quality</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>• Expand occupational health management</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>• Expand ISO 45001 certification to additional companies</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>• Expand current offer of external health services for employees</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>• Annual health checks</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>• Continue Safety, Health, Environment and Quality (SHEQ) management training</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>• Continue and expand the extensive health program</li> </ul> | <p><b>Principles:</b><br/>The top priority is avoiding accidents and illness and ensuring safety</p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Group-wide internal benchmarking of safety performance and exchange of good practices between Group companies</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Implementation of a health portal and realization of a Company Day on health topics</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>• Digital health days and introduction of a bicycle lease offer</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>• ISO 45001 certification for Admiral Gaming Network S.r.l.</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>• “Mental Health Awareness Week” and “Health and Wellbeing Week”</li> </ul> <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>• Introduction of private health insurance for all employees</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>• Corporate Volunteering for the International Forest Day</li> </ul> <p><b>Poland:</b></p> <ul style="list-style-type: none"> <li>• Fitness offerings for employees and their families</li> </ul> <p><b>USA:</b></p> <ul style="list-style-type: none"> <li>• Virtual seminars for a healthier lifestyle</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>• Town hall meetings as a forum for open exchange</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>• Employee survey as the basis for an employee well-being program</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>• “Great Place to Work” certification for Greentube GmbH</li> <li>• Awareness raising for mental health in cooperation with company psychologists</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Group-wide internal benchmarking of safety performance and exchange of good practices between Group companies</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Recertification audit ISO 45001</li> <li>• Positioning and roll-out of the addiction and burnout prevention programs</li> <li>• Evaluation of mental stress</li> </ul> <p><b>The Netherlands:</b></p> <ul style="list-style-type: none"> <li>• Establishment of a social sustainability program</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>• Health checks and workshops</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>• Development and implementation of an employee well-being program</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>• Roll-out of a medical screening program</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>• Expansion of health and fitness offerings</li> <li>• Recertification as “Great Place to Work” for Greentube GmbH</li> </ul> |

\* Excerpt

Occupational Safety and Employee Health

ACCIDENT RATE

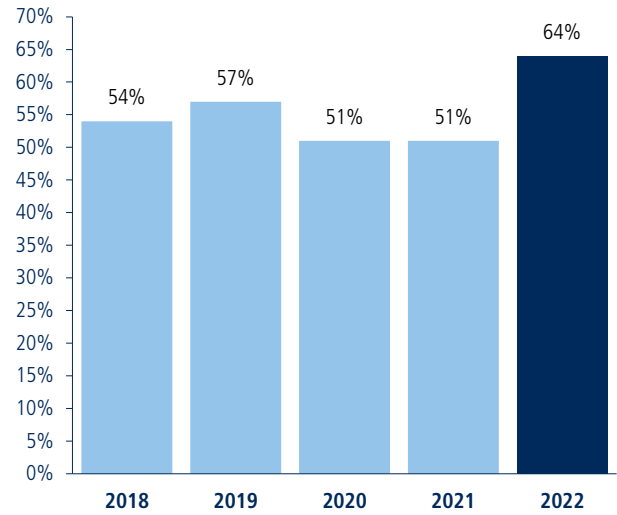


The chart represents data that is directly available. As these numbers represent a ratio, extrapolation for the companies not directly recorded in the scope of consolidation is not necessary.

There were no fatalities last year.

GRI 403-1, -2, -3, -4, -5, 6, -7, -9

SICK LEAVE RATE



The chart includes the directly available data and, in the case of non-available data, the projections of all consolidated companies according to the scope of consolidation.

Due to the decline in various COVID-19-related measures (short-time work, home office, official segregation) and the uncertain social conditions (e.g. inflation), a moderate increase in the sickness absence rate is apparent.

GRI 403-6

## Employee Health

The key to a competitive and successful company is having healthy employees. It is NOVOMATIC's top priority to protect and support employee health as much as possible. This also reduces the number of days lost due to accidents and illness, which cause direct and indirect costs. All employees have access to health-promoting measures, with a dedicated health portal having been implemented in which employees can independently register for various offers.

Across the Group, a large number of health measures are managed in the subsidiaries under the NOVOHealth initiative. As a result of an exchange of good practice at the Group level, improvements in health measures are emerging that in many places go beyond legal requirements.

## Ergonomics at the Work Station

Employees are supported with individual consultations, workshops, articles in NOVONET (intranet) and a folder on the topics of ergonomics, exercise and routines for conscious health behavior.

Healthy apprentices – as individuals requiring an extra level of care – are close to NOVOMATIC's heart, which is why it attaches great importance to early information on workplace health and ergonomics. In interactive workshops, our apprentices gained insights into the health-promoting offers at NOVOMATIC and worked through the advantages of an ergonomically optimized working environment.

All employees can communicate on health issues via [novo-health@novomatic.com](mailto:novo-health@novomatic.com).



## COVID-19 Employee Protective Measures

A variety of measures in 2022 again ensured that employees and customers were protected as best as possible against a COVID-19 infection.

### Group-wide:

- Implementation of a Group Coronavirus Crisis Unit with members from all relevant Group departments, reporting directly to the Executive Board
- Information provided to and communication with subsidiaries regarding COVID-19 preventative measures, organization of crisis units, securing business continuity, etc.
- Strategic purchasing of personal protective equipment for the Group (e.g. masks, disinfectant, gloves)

### Austria:

- COVID-19 prevention concepts and COVID-19 prevention representative
- Interdisciplinary team to implement measures to protect against the coronavirus, provide information to employees, etc., and a tracing team to test and track suspected COVID-19 cases (free antigen and PCR testing services available on site)
- Extensive information provided to managers and employees by Group HR and NOVOHealth, as well as regular Board calls
- Ongoing situational adaptation of hygiene and COVID-19 protection measures for employees and customers
- Weekly COVID-19 news to all employees and communication on coronavirus measures, rules of conduct and information via various communication channels, as well as dedicated e-mail hotline for COVID-19-specific issues
- Free distribution of FFP2 and MNS masks, provision of disinfection dispensers and terminals for measuring temperatures
- Option of teleworking and provision of the necessary technical equipment
- Perspex screens for work areas and customer areas

## Employee Diversity & Equality

In the NOVOMATIC AG Group, people from four generations, from the most diverse cultural backgrounds and religious faiths work together. With this comes a wide variety of values, beliefs, competencies and skills. Embracing diversity, integration, and equal opportunities is a basic principle of the corporate culture. Doing so also provides a decisive competitive edge and a key factor for sustainable corporate success. In the home market in Austria alone, more than 60 different nationalities work for NOVOMATIC. The Group-wide employer branding campaign "WE ARE NOVOMATIC", launched in 2022, in which employees from different business units introduce themselves in personal interviews, brings to life just how much the company lives and breathes diversity.

NOVOMATIC acknowledges that it is responsible throughout the entire employee life cycle for creating fair working conditions, for example when hiring and selecting personnel, during career development, as part of the compatibility of family and career, and as part of generation management. For years, the Code of Conduct, valid and mandatory for the entire Group, and the Group Equal Opportunities policy, have stated that any type of discrimination within the company or towards third parties (e.g. customers, suppliers) has no place at NOVOMATIC. The commitment to promoting equal opportunities and fairness in the workplace has been enshrined in the Group Equal Opportunities policy, in which NOVOMATIC pledges not to discriminate against anyone on the basis of gender, age, ethnic origin, religion, nationality, physical or mental ability, or sexual orientation.

During the onboarding process and the virtual onboarding videos, the Group's equal opportunity policy is a fixed part of the agenda, along with many other topics.

A team headed by the Director Group HR ensures the implementation of the Group Equal Opportunities policy. In the event that employees experience discrimination, or notice that a co-worker is subjected to discrimination, they are able to report the incident via the digital whistleblowing platform NOVOTRUST safely and anonymously.

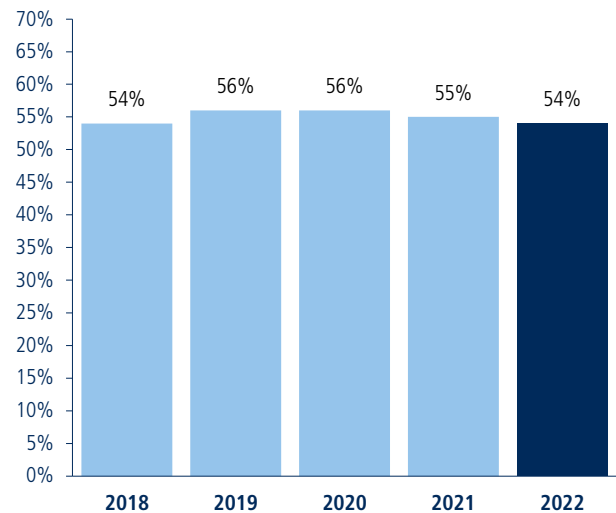
 <https://novomatic.com/novotrust>

 [equalopportunities@novomatic.com](mailto:equalopportunities@novomatic.com)

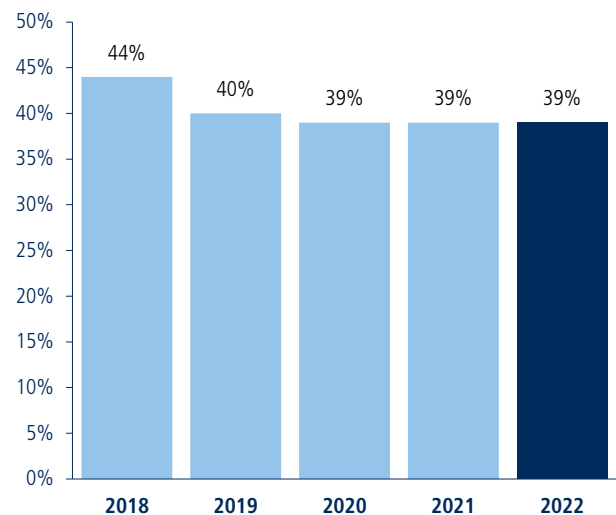
 GRI 2-26, 405-1

 SDG 5.1, 8.5

PROPORTION OF WOMEN ON ALL LEVELS



PROPORTION OF WOMEN IN LEADERSHIP POSITIONS



| GOALS 2022*  | HIGHLIGHTS 2022*  | PLANNED 2023*   |
|--|---|---|
| <p><b>EMPLOYEE DIVERSITY &amp; EQUALITY</b></p>  | <p><b>Principles:</b><br/>Promoting diversity and equality for all groups, regardless of ethnicity, religion, gender, sexual orientation, etc.</p>  |   |
| <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Introduce flexible working time models</li> <li>• Continue to make diversity visible and promote it internally and externally</li> <li>• Continue the roll out of the “Fair Play” blended learning program on discrimination and bullying</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Continue the employee loyalty programs “NOVOSilver Family” and “NOVOMoms &amp; Dads”</li> <li>• Financial support for year-round child care services</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Introduction of flexible working time models where sensible and possible</li> <li>• Regular awareness-raising on the topic of diversity within the framework of training courses and events</li> <li>• Family-friendly offers</li> <li>• Support with personal challenges with a free external confidential counseling hotline (“NOVOHELP”)</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Continuation of NOVOSilver Family and NOVOMoms &amp; Dads (again face-to-face)</li> <li>• Further optimization of the onboarding process including the welcome website for new employees with a focus on diversity and equal opportunities</li> <li>• Introduction of a teleworking policy that allows employees to work more flexibly in terms of space and, in some cases, time, where this makes sense and is feasible</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• Establishment of further diversity measures within the framework of targeted diversity management</li> <li>• Continue to design personnel processes in a diversity-friendly manner</li> <li>• Further roll out of the “Fair Play” blended learning program on discrimination and bullying</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>• Continuation of the employee loyalty programs “NOVOSilver Family” and “NOVOMoms &amp; Dads”</li> <li>• Financial support for year-round child care services</li> </ul> |

\* Excerpt

## Innovation

In addition to its high-quality products and services, a great deal of NOVOMATIC’s success is based on company and employee innovation. As a top international gaming technology company, it is crucial that NOVOMATIC not only recognize trends early on, but also trigger and drive new trends.

HR Innovation, i.e. innovative thinking and action in day-to-day HR work while safeguarding data protection and data security, plays a central role in this and is firmly anchored in all HR departments of the NOVOMATIC Group.

## Innovation and Research & Development

Innovation and research and development (R&D) are inextricably linked. Investments in R&D are the prerequisite for remaining globally competitive and securing NOVOMATIC’s unique business model.

NOVOMATIC runs 27 research & development competence centers in 15 countries. 5,014 intellectual property rights prove that the company is extremely innovative. In addition, NOVOMATIC is committed to partnerships in the areas of technology and innovation.

| GOALS 2022*   | HIGHLIGHTS 2022*   | PLANNED 2023*  |
|---|--|--|
| <p><b>INNOVATION</b></p> <hr/> <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Further expand the digital HR landscape while ensuring absolute data protection and data security</li> </ul> | <p><b>Principles:</b><br/>Actively contribute to securing the future and to the company's success through innovation</p> <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Implementation of HR Master Data Management in selected Group companies</li> <li>• NEW time management system</li> <li>• Digital organization management</li> <li>• Continuation of the Digital Champions Network (DCN)</li> <li>• Complete redesign of an applicant lounge at NOVOMATIC headquarters for virtual hearings as well as on-site interviews</li> <li>• Launch of new recruiting software at the head office</li> </ul> | <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>• Further expansion of the digital HR landscape</li> <li>• Connection of further Group companies in the course of HR Master Data Management (MDM)</li> <li>• Implementation of use cases as part of participation in the Digital Champions Network (DCN) research cluster</li> </ul> |

\* Excerpt



# GOING GREEN

## TAKING ON RESPONSIBILITY

- NOVOMATIC minimizes its environmental footprint through efficient handling of energy and resources, as well as by reducing the waste and emissions that it produces.
- NOVOMATIC strives to make positive contributions to environmental protection using both production and operational measures.

### Total energy consumption



**385,499**  
MWh

### Water consumption



**663,260**  
m<sup>3</sup>

### CO<sub>2</sub> emissions



**146,588**  
tons

### Waste



**2,794**  
tons



# GOING GREEN

The way in which a company handles energy consumption, CO<sub>2</sub> emissions, waste and water consumption has a major impact on the environment. The primary goal is to keep the consumption of resources in production operations and the running of gaming facilities as low as possible.

The figures and graphics presented in this chapter apply, unless otherwise indicated, to all NOVOMATIC AG companies for the reporting period 1.1. to 31.12. or as of the reporting date 31.12. Changes in the data compared with the previous year are explained in the relevant paragraph in this chapter.

## Summary of Major Indicators

|   | 2018           | 2019           | 2020           | 2021           | 2022           | Goal             |
|---|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Energy consumption in MWh total<sup>1</sup></b>                | <b>346,344</b> | <b>389,277</b> | <b>323,329</b> | <b>295,345</b> | <b>385,499</b> | <b>Reduction</b> |
| Of which Gaming Technology  |                |                |                | 58,502         | 67,387         |                  |
| Of which Gaming Operations  |                |                |                | 236,842        | 318,111        |                  |
| Of which NOVOMATIC AG   | 21,093         | 21,393         | 18,182         | 20,054         | 18,271         |                  |
| <b>CO<sub>2</sub> emissions in tons total<sup>2</sup></b>         | <b>170,888</b> | <b>171,105</b> | <b>137,192</b> | <b>125,740</b> | <b>146,588</b> | <b>Reduction</b> |
| Of which Gaming Technology  |                |                |                | 12,944         | 16,893         |                  |
| Of which Gaming Operations  |                |                |                | 112,796        | 129,695        |                  |
| Of which NOVOMATIC AG   | 3,927          | 3,486          | 2,179          | 2,709          | 2,694          |                  |
| <b>Scope 1 CO<sub>2</sub> emissions in tons total</b>             | <b>26,811</b>  | <b>28,693</b>  | <b>22,572</b>  | <b>21,908</b>  | <b>24,776</b>  | <b>Reduction</b> |
| Of which NOVOMATIC AG   | 2,614          | 2,473          | 2,006          | 2,297          | 1,946          |                  |
| <b>Scope 2 CO<sub>2</sub> emissions in tons total<sup>3</sup></b> | <b>76,630</b>  | <b>85,431</b>  | <b>68,287</b>  | <b>55,564</b>  | <b>81,582</b>  | <b>Reduction</b> |
| Of which NOVOMATIC AG   | 0              | 0              | 0              | 0              | 0              |                  |
| <b>Scope 3 CO<sub>2</sub> emissions in tons total</b>             | <b>67,446</b>  | <b>56,981</b>  | <b>46,333</b>  | <b>48,267</b>  | <b>40,230</b>  | <b>Reduction</b> |
| Of which NOVOMATIC AG   | 1,313          | 1,012          | 173            | 412            | 749            |                  |
| <b>Water use in m<sup>3</sup> total<sup>4</sup></b>               | <b>605,440</b> | <b>635,381</b> | <b>492,556</b> | <b>506,618</b> | <b>663,260</b> | <b>Reduction</b> |
| Of which Gaming Technology  |                |                |                | 75,134         | 79,861         |                  |
| Of which Gaming Operations  |                |                |                | 431,484        | 583,399        |                  |
| Of which NOVOMATIC AG   | 22,362         | 20,280         | 13,461         | 11,781         | 13,165         |                  |
| <b>Waste in tons total<sup>5</sup></b>                            | <b>3,569</b>   | <b>9,021</b>   | <b>3,458</b>   | <b>2,971</b>   | <b>2,794</b>   | <b>Reduction</b> |
| Of which NOVOMATIC AG   | 1,484          | 1,380          | 922            | 574            | 679            |                  |

\* Total values represent the sum of directly recorded data and the extrapolation for companies not directly recorded in accordance with the NOVOMATIC AG Group scope of consolidation. Due to better comparability, the values for Gaming Technology and Gaming Operations have been newly included in the summary.

<sup>1</sup> Energy consumption includes electricity, natural gas, transport fuels such as diesel and petrol, heating oil and self-generated energy (photovoltaics). Energy sold was deducted from this value.

<sup>2</sup> CO<sub>2</sub> emissions consist of CO<sub>2</sub> equivalents (CO<sub>2</sub>e) of direct Scope 1 emissions from fuel consumption, indirect Scope 2 emissions from energy consumption and Scope 3 emissions from the operation of sold and rented equipment and air travel. The CO<sub>2</sub> emissions of the rented and sold equipment are included in Gaming Operations.

<sup>3</sup> NOVOMATIC AG had no Scope 2 emissions due to the purchase of green electricity.

<sup>4</sup> Water consumption refers to water used for production, cleaning, sanitation or irrigation. No removal from areas of water stress occurs.

<sup>5</sup> Waste consists of non-hazardous and hazardous waste. This value is only recorded for the Gaming Technology companies.

Source of conversion factors: German Environment Agency or DEFRA, data as of 2022.

NOVOMATIC is one of the world's leading gaming technology producers. Major work steps are carried out in-house at the Austrian production site in Gumpoldskirchen, where, for example, gaming terminals are produced and refurbished for the Group. The company achieves an unparalleled vertical integration of over 50 percent with its own metal working shop, joinery, printing shop, circuit board assembly, and plastics technology as well as internal assembly and shipping logistics.

Numerous operating resources are processed during the manufacturing stage, ranging from precursors and materials to technology components and electronic parts. Company-owned trucks are available to supplement our suppliers' fleets. In doing so, we consider low-emission transport options and prefer rail transport whenever possible.

Resources such as electricity, water and thermal energy are used in the manufacturing process and in logistics. The majority of environmentally harmful substances are generated during production as a result of waste and waste water as well as by greenhouse gas emissions from energy generation and the combustion of fuels, which are used for the fleets.

In addition to producing high-tech gaming equipment, NOVOMATIC acts as an operator of international gaming facilities such as casinos, electronic casinos or sports betting venues, and provides comprehensive solutions in the field of online, mobile and social gaming as well as lotteries and sports betting. The greatest impact that gaming operations have on the environment is due to the electricity consumed for operating gaming and betting terminals, heating and cooling, and lighting. Water consumption is comparatively low during gaming operations. Using vehicles results in significant emissions from fuel consumption.

NOVOMATIC is aware of the ecological footprint as well as the principle of using resources responsibly, sparingly and efficiently, and pursues the goal of minimizing negative impacts of production operations on the environment, continuously optimizing environmental and resource management, and thus protecting the environment. In accordance with the respective local requirements, the subsidiaries take measures to reduce their ecological footprint, apply appropriate environmental management and share good practice examples of new and successful environmental protection measures. To this end, dedicated environmental management officers are positioned in manufacturing Group companies to implement the necessary steps for operational environmental protection.

Some companies may be in possession of certification for environmental management standard ISO 14001. This certification, together with the requirements of the European Energy Efficiency Act, sets specific targets, which are then monitored by external agencies. In the case of subsidiaries that manage gaming operations, environmental management is sometimes handled by the respective property management company, because most buildings containing gaming operations are not owned by NOVOMATIC or its subsidiaries.

The following sections are intended to provide examples of the highlights of the projects already implemented in the Group and to illustrate the approach taken by management.

 GRI 3-3

## Energy & Emissions

Reduction of energy consumption and the associated CO<sub>2</sub>e emissions is of key importance in light of climate change. The gaming industry is not subject to the same challenges as more energy intensive industries but there is still a great deal of energy consumed by manufacture and in particular by gaming operations. NOVOMATIC is determined to continue to reduce this CO<sub>2</sub>e footprint in the future.

NOVOMATIC has been securing energy from renewable sources for years and is committed to using clean energy. At locations in Spain, Italy, Romania, North Macedonia, Poland, Australia and Germany solar energy was used in the reporting period. With 320 solar panels, NOVOMATIC Spain's headquarters generates more than half of its required energy, and

411 panels installed on the warehouses in Romania offset the total annual energy consumption of the Romanian headquarters. In Germany, a total of 1,430 panels were installed over an area of approximately 3,000 m<sup>2</sup>. NOVOMATIC is also focusing on the expansion of renewable energy in Australia. The company's own photovoltaic plant generates over 306 MWh of green electricity annually. With the construction of a new plant in North Macedonia, an additional 75 MWh was contributed in 2022.

In the future, photovoltaic systems are to be implemented at the Gumpoldskirchen site and in central core markets in order to generate a significant share of the electricity required from solar energy without emissions. The project start for the Gumpoldskirchen site was in 2022.

| GOALS 2022*  | HIGHLIGHTS 2022*   | PLANNED 2023*   |
|--|--|---|
| <p><b>ENERGY CONSUMPTION &amp; EMISSIONS</b></p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Detailed feedback to companies on environmental footprint, recommendations for improvement and sharing of good practices in the Group</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>Branches revitalized</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Expand the use of green electricity</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>Expand e-mobility</li> </ul> <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>Increased share of electricity from renewable sources</li> <li>Expanded e-mobility in the fleet</li> </ul> <p><b>Romania:</b></p> <ul style="list-style-type: none"> <li>Expand photovoltaics</li> </ul> <p><b>Poland:</b></p> <ul style="list-style-type: none"> <li>Expand e-mobility and photovoltaics</li> </ul> | <p><b>Principles:</b></p> <p>Reduce energy consumption and emissions</p> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Report to Executive Board and Supervisory Board on environmental footprint, Group-internal and competitor benchmarking, proposed improvement measures</li> <li>Detailed feedback to companies on environmental footprint, recommendations for improvement and sharing of good practices in the Group</li> <li>Conversion to LED lighting</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>ISO 14001 monitoring audit</li> <li>Expansion of the existing environmental emergency plan for emergency preparedness and risk mitigation</li> <li>Reduction of lighting times in the branches</li> <li>Changeover to motion detectors for outdoor lighting</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Conversion to more energy-efficient coffee machines in ADMIRAL slot arcades</li> <li>Turning off outdoor lighting</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>ISO 50001 certification for Allstar S.r.l.</li> <li>Implementation of a policy for saving energy</li> <li>Expansion of vehicle fleet to include low-emission vehicles</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Installation of charging stations for electric and hybrid vehicles</li> </ul> | <p><b>Group and Austria, respectively:</b></p> <ul style="list-style-type: none"> <li>Large scale installation of photovoltaic</li> <li>Further conversion to LED lighting</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Group-wide task force "Reduction of fossil energy sources, expansion of renewable energy sources"</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>Installation of solar panels</li> <li>CO<sub>2</sub> compensation for car and air travel</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Increase in the number of e-charging stations</li> </ul> <p><b>The Netherlands:</b></p> <ul style="list-style-type: none"> <li>Installation of solar panels</li> <li>Sourcing 100% green energy</li> </ul> <p><b>Romania:</b></p> <ul style="list-style-type: none"> <li>Environmentally friendly lighting system, e-charging stations, solar panels</li> </ul> |

| GOALS 2022*   | HIGHLIGHTS 2022*   | PLANNED 2023*   |
|---|--|---|
| <p><b>Serbia:</b></p> <ul style="list-style-type: none"> <li>Expand energy conservation measures</li> <li>Green Teams planned to construct and enlarge green spaces</li> </ul> <p><b>North Macedonia:</b></p> <ul style="list-style-type: none"> <li>Expand water and energy conservation measures</li> </ul> <p><b>Latvia:</b></p> <ul style="list-style-type: none"> <li>Energy-saving measures</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>Energy reduced through improved electronic control or renewed consumption sources</li> </ul> <p><b>USA:</b></p> <ul style="list-style-type: none"> <li>Energy-saving measures</li> </ul> | <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>Installation of electric charging stations powered by solar energy</li> <li>Expansion of vehicle fleet to include low-emission vehicles</li> </ul> <p><b>Romania:</b></p> <ul style="list-style-type: none"> <li>Expansion of vehicle fleet to include electric vehicles and installation of charging stations</li> </ul> <p><b>Hungary:</b></p> <ul style="list-style-type: none"> <li>Exterior lighting optimization</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>Move to more energy-efficient headquarters</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>Retrofitting of the building air conditioning system with more energy-efficient equipment</li> <li>Expansion of vehicle fleet to include vehicles with alternative drives and purchase of bikes/e-bikes</li> </ul> | <p><b>Serbia:</b></p> <ul style="list-style-type: none"> <li>Planting green spaces (corporate volunteering)</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>Minimization of fuel consumption</li> <li>Installation of solar panels</li> </ul> <p><b>USA:</b></p> <ul style="list-style-type: none"> <li>Move to more energy-efficient headquarters</li> </ul> <p><b>Africa:</b></p> <ul style="list-style-type: none"> <li>Evaluation and installation of solar panels incl. battery at headquarters</li> </ul> |

\*excerpt

**Energy Consumption**

During production of entertainment equipment, care is taken right from the development stage to ensure that energy-efficient components are selected. Measures to increase the energy efficiency of the devices are also taken on an ongoing basis in the further process in order to keep the burden on resources as low as possible. The majority of NOVOMATIC's electricity consumption, however, comes from gaming facilities which run gaming and betting terminals, as well as other electronic devices. A smaller amount of energy is used for lighting, heating, and air conditioning of the space. NOVOMATIC also consumes fuel in the form of gasoline and diesel for its fleet of vehicles, which is used for technical maintenance work, for example.

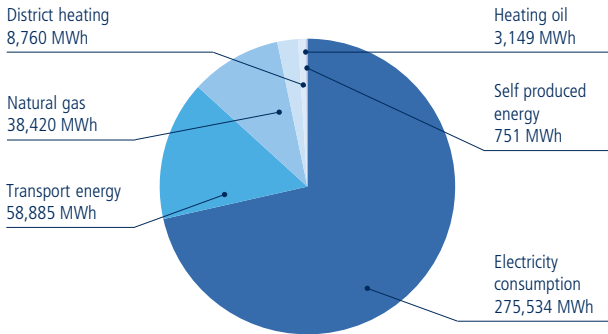
The goal is to continue to reduce total and relative energy consumption in the future.

**Emissions**

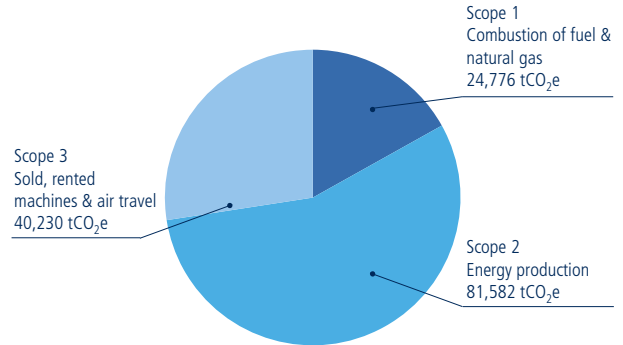
NOVOMATIC is responsible for directly produced CO<sub>2</sub>e emissions caused by fuel consumption (Scope 1 emissions). Consumption of electricity and district heating is responsible for CO<sub>2</sub>e from energy providers (Scope 2 emissions). A further portion of the emissions is caused by air travel required for business and leased or sold gaming terminals (Scope 3 emissions).

The goal is to continue to reduce total and relative CO<sub>2</sub>e emissions in the future.

TOTAL ENERGY CONSUMPTION BY TYPE

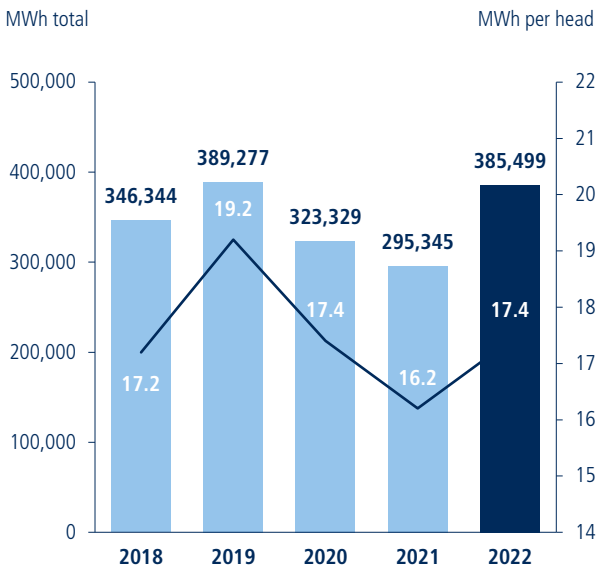


CO<sub>2</sub> EMISSIONS BY SOURCE



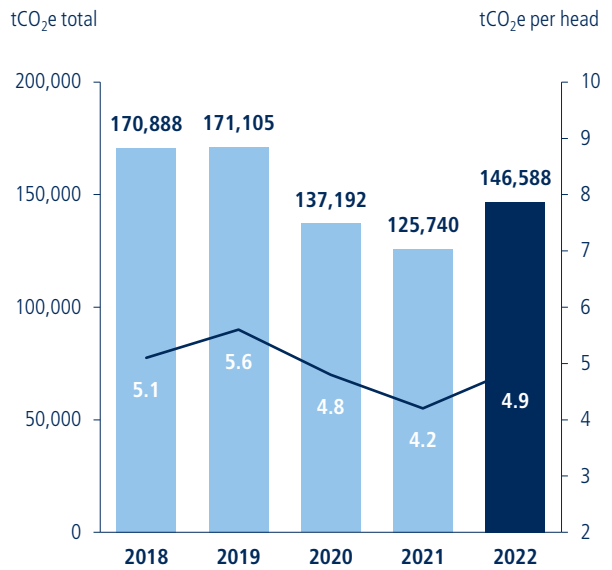
There are no biogenic emissions from biomass combustion or biodegradation.

ENERGY CONSUMPTION IN COMPARISON



Energy intensity is calculated based on the respective listed energy consumption for each respective type of energy and as a quotient of the full-time employee equivalents of salaried and other employees excluding absences (e.g., parental leave, long-term sick leave).

CO<sub>2</sub> EMISSIONS IN COMPARISON



Scope 3 CO<sub>2</sub>e emissions from leased or sold equipment are included in total emissions, but not in per capita emissions. The information per head includes full-time employee equivalents for employees and workers not including absences (e.g., parental leave, long-term sick leave).

GRI 302-1, 3, 305-1, -2, -3, -4

SDG 7.2, 7.3, 8.4, 13.1

## Resource Consumption and Waste Prevention

In terms of NOVOMATIC business activities, it is production of gaming technology, in particular, that consumes various resources. This includes plastics, metals, electronic components, screens, cables, paints and varnish, up to and including timber products and various primary products. Due to the use of numerous different commodities, materials, and primary products in production, the conservation of resources is more than just about complying with local environmental laws, but is in fact a significant cost factor across all measures.

NOVOMATIC is careful to achieve a better yield from the (raw) materials used in production and thus produce less waste. Raw materials used should be fully recyclable and reusable. Resource management is strictly regulated in all production locations and adjusted to match local requirements and conditions.

### Water

Water is used as a resource for cleaning and sanitation as well as for watering green areas at the sites. The majority of water consumption occurs in Gaming Operations. The goal is to continue reducing total and relative water consumption on an ongoing basis.

In business operations, care is taken to comply with the regionally applicable minimum standards at all sites.

GRI 303-1,-2,-3

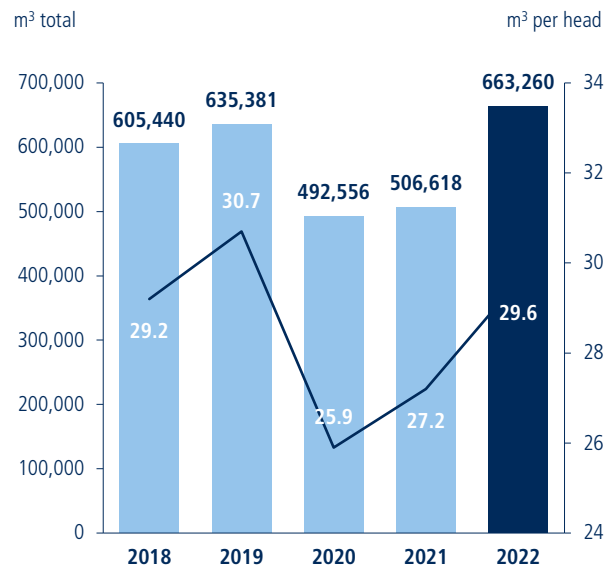
### Waste

Production, in particular, produces non-hazardous and hazardous waste.

The analyses carried out in previous years make it clear that the majority of waste produced is non-hazardous. This includes, for example, cardboard, metal, plastic, wood, glass, etc. The smaller amount is taken up by hazardous waste such as varnish, paint, and other hazardous materials. The goal is to continue to reduce total and relative waste volume in the future. Waste that cannot be avoided is separated into various categories, collected, and disposed of in an environmentally compatible way in accordance with the law. In addition to environmental protection, reduction of waste results in fewer costs for waste removal.

GRI 306-1,-2,-3  
SDG 12.5

### WATER CONSUMPTION IN COMPARISON

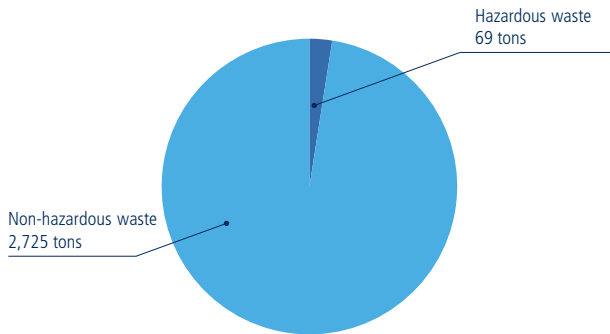


Water from the public water mains is included under water consumption. The information per head includes full-time employee equivalents for employees and workers not including absences (e.g., parental leave, long-term sick leave). The increase is due to the increased resumption of business activities.

| GOALS 2022*  | HIGHLIGHTS 2022*   | PLANNED 2023*  |
|--|--|--|
| <p><b>RESOURCE CONSUMPTION &amp; WASTE</b></p>   | <p><b>Principles:</b></p> <ul style="list-style-type: none"> <li>Resource conservation and highest possible degree of recyclability and lifespan for products</li> </ul>   |  |
| <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Detailed feedback to companies on environmental footprint, recommendations for improvement and sharing of good practices in the Group</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>Improve waste separation and reduction via awareness campaigns</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>Improve processes for waste management</li> </ul> <p><b>Spain:</b></p> <ul style="list-style-type: none"> <li>Measures for waste reduction and improved recycling</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Reduce plastic waste at the headquarters</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>Supplier audit on environmental aspects</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Detailed feedback to companies on environmental footprint, recommendations for improvement and sharing of good practices in the Group</li> </ul> <p><b>Austria:</b></p> <ul style="list-style-type: none"> <li>Increase in the recycling rate of recyclable materials</li> <li>Increased refurbishment of products and product components</li> </ul> <p><b>Germany:</b></p> <ul style="list-style-type: none"> <li>Digitalization project to significantly save paper together with the financial supervisory authority</li> </ul> <p><b>Italy:</b></p> <ul style="list-style-type: none"> <li>Distribution of reusable glass bottles for water in the offices and removal of plastic cups and spoons in the coffee machines</li> <li>Donation of used computers to charitable associations</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>General waste recycling rate of 93 percent</li> </ul> <p><b>Romania:</b></p> <ul style="list-style-type: none"> <li>Replacement of the previous bags with branded cotton bags</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>Cooperation with other companies regarding the proper disposal of electronic waste as well as packaging materials</li> </ul> <p><b>Australia:</b></p> <ul style="list-style-type: none"> <li>Minimization of hazardous substances in the design and manufacture of products</li> </ul> | <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>Detailed feedback to companies on environmental footprint, recommendations for improvement and sharing of good practices in the Group</li> </ul> <p><b>United Kingdom:</b></p> <ul style="list-style-type: none"> <li>Increase in the recycling rate of general waste to 100 percent</li> <li>Paperless customer registration</li> </ul> <p><b>Bosnia:</b></p> <ul style="list-style-type: none"> <li>Cooperation with suppliers regarding the proper disposal of electronic waste</li> <li>Plastic waste reduction</li> </ul> <p><b>Estonia:</b></p> <ul style="list-style-type: none"> <li>Switch to e-invoices</li> </ul> <p><b>Online:</b></p> <ul style="list-style-type: none"> <li>Refurbishment of electronic devices</li> </ul> |

\* excerpt

WASTE

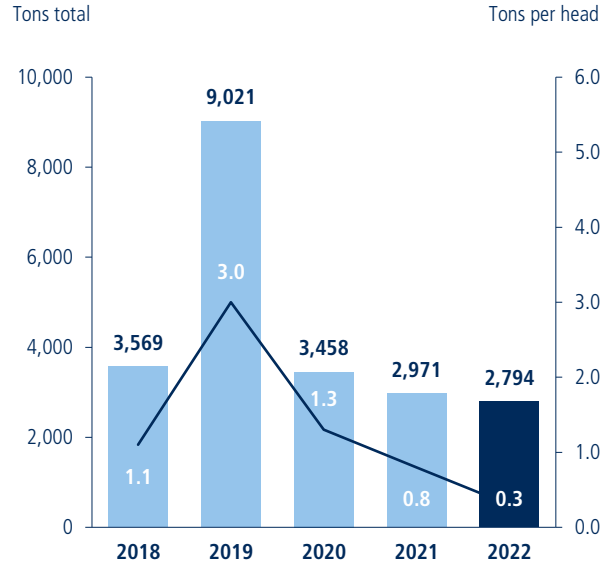


Non-hazardous waste includes: Aluminum, glass, paper, cardboard, residual waste, plastic, metal, wood, etc. Hazardous waste includes: batteries, spray cans, paints, oils, etc.

Recyclability

A large part of NOVOMATIC’s equipment is refurbished and reused on the market. Technical updates and statutory requirements mean that used devices are sent to NOVOMATIC to be updated. During this refurbishment process and following an in-depth technical inspection, various components, from monitors to circuit boards, can be replaced in working machines. Functioning components from old machines are removed and refurbished. This means that refurbished components are available at all times. In addition and in some cases, entire used devices can be repaired so that they meet customer requirements. Due to requirements that change from year to year based on customer requests and country-specific regulations, it is not possible to determine a set refurbishment rate. If it is reasonable and the customer requests it, NOVOMATIC aims for a very high refurbishment rate for its

WASTE IN COMPARISON



The information per head includes full-time employee equivalents for employees and workers not including absences (e.g., parental leave, long-term sick leave). Changes compared with the previous year are mainly due to measures to reduce the volume of waste and improve waste separation. The above-average amount of waste in 2019 was due to the one-off effect of the statutory equipment changeover in Germany.

products. Badly damaged devices are removed and the pieces that cannot be recycled are sent to waste disposal in accordance with the law. Some of the devices are refurbished in the country in question and then used again in the market.

A Group-wide circular economy tool was implemented in the reporting period. The application SHEGY enables the international subsidiaries of Novomatic AG to view the stock levels in the group and to buy equipment directly from stock or to sell their own inventories.

In 2022, the Group produced or installed around 40,000 gaming terminals and repaired around 19,000 terminals in the same time period. This represents a refurbishment rate of almost 48 percent.

GRI 301-3





# ACTIVE IN THE COMMUNITY

## TAKING ON RESPONSIBILITY

- NOVOMATIC makes an important contribution to society through sponsorships, donations and volunteering.
- NOVOMATIC sees itself as active and responsible citizens, investing in the community.
- NOVOMATIC fosters valuable partnerships and sustainable initiatives.

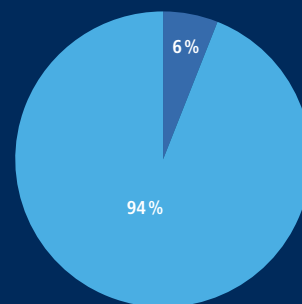
## DONATION FOCUS

- Urgent help
- Helping people to help themselves
- Regionality

### Selection criteria

- Certification with a donation seal of quality
- Transparency concerning the use of funds
- Long-term nature and scope of the effect

## Sponsorship and donation expenses in %



● Sponsoring ● Donations

## SPONSORSHIP FOCUS

- Sports and competition
- Prevention and player protection
- Arts and culture
- Strengthening the economy

### Selection criteria

- International and regional connection
- Promotion of education and talent
- Long-term cooperation before short-term activism

# ACTIVE IN THE COMMUNITY

NOVOMATIC assumes responsibility as an active participant in society, and supports selected initiatives from the fields of sports, culture, science, and business. Through sponsorships, donations and volunteer work in these areas, we aim to make a lasting and valuable contribution to the community.

NOVOMATIC makes an important contribution to society through social and community involvement in the form of sponsorships, donations and volunteer work.

In addition to the economic and regional importance of the company for the economy, the labor market and tax revenue, it is an integral part of NOVOMATIC's corporate strategy as a leading Austrian and international company to assume social responsibility. The areas in which the company wishes to be active with sponsorships and donations are precisely defined and are evaluated on an ongoing basis. Precisely defined donation and sponsorship criteria and binding corporate guidelines provide a clear framework for decision-making and action, meaning that external stakeholders have a better idea of exactly which initiatives, donation requests or collaborations in volunteering are supported.

## Sponsorship Activities and Partnerships

Sponsorship is indispensable when it comes to existence and diversity of associations and initiatives worthy of support, and at the same time also makes a significant contribution to building and maintaining the great brand awareness and high brand value of NOVOMATIC. Long-term partnerships and transparency in implementation ensure a sustainable positive impact.

### Sponsorship focus

- Sports and competition
- Prevention and player protection
- Art & culture
- Strengthening the Economy

### Selection criteria

- International and regional connection
- Promotion of education and talent
- Long-term cooperation before short-term activism

NOVOMATIC is continuously approached with a large number of sponsorship requests, which is why the company consistently follows these guidelines when selecting suitable projects. Each inquiry will be reviewed to determine whether it is eligible for sponsorship, and will be answered as quickly as possible.

 GRI 3-3

### Sports and Competition

NOVOMATIC supports sports associations and clubs, both in competitive and recreational sports. There is a long-standing cooperation with a top athlete in paracycling, for example. Sports and athletic competitions have a special role to play in the gaming industry, yet the defined sponsorship criteria are also applied.

### Prevention and Player Protection

Player protection is not just important on-site at gaming facilities, it also takes on central importance in connection with sustainable funding. NOVOMATIC uses long-term partnerships to support initiatives that deliver important scientific information and help to improve prevention options.

The following applies in accordance with the Group-wide Responsible Entertainment policy: "The company does not enter into sponsorship collaborations with organizations such as daycares, elementary schools, youth organizations or at events primarily aimed at children and minors."

### Art & Culture

Regional anchoring and international networking are central when it comes to promoting art and culture. For many years, the Group has fostered partnerships for sponsoring cultural institutions, events, as well as associations, both at the regional and international level.

### Strengthening the Economy

As an internationally active company, NOVOMATIC sets store by having an open exchange with industry and the economy. Only together can the business location, the labor market and tax revenue be boosted accordingly.

Special emphasis is again placed on regionality here. During the reporting period, there was for example also a cooperation with a Lower Austrian apiary that has been dedicated to sustainable and bee-friendly honey production for over ten years.



SDG 8.1

### Donations and Volunteer Work

NOVOMATIC also supports charitable organizations within the framework of its social commitment. The company always ensures that all donations and grants are used as intended, and that the funds it donates have the greatest possible impact.

#### Donation focus

- Urgent help
- Helping people to help themselves
- Regionality

#### Selection criteria

- Certification with a donation seal of quality
- Transparency concerning the use of funds
- Long-term nature and scope of the effect

Every year, NOVOMATIC receives a large number of requests for donations, which are evaluated in line with clearly defined priorities and criteria. Suitable initiatives and projects are selected and supported in compliance with binding corporate guidelines. Every request received is considered and answered in a timely manner.

The "Help for Ukraine" campaign was launched during the reporting period at the headquarter in Gumpoldskirchen. Every monetary donation made by NOVOMATIC employees to an aid organization with the Austrian donation seal of quality was doubled by NOVOMATIC.



Another pillar of social commitment at NOVOMATIC is the donation of time and resources. Corporate Volunteering is an initiative through which the company supports socially beneficial projects by making use of the energy, expertise, and time of employees.

As part of the social project "LÖWEN apprentices help", regional institutions with a social, ecological or charitable mission have been supported every year since 2013. A Benjes hedge was erected in the forest and nature kindergarten of the city of Bingen on the Rochusberg during the reporting period. This serves both as a visual screen and also makes a valuable contribution to nature and species conservation, because the wood provides a natural habitat, shelter and food for small animals, such as hedgehogs, birds and insects.





GRI 3-3



ESG Risks

| Strategic fields of action  | Material topics   | Risks  | Opportunities  |
|---|---|--|--|
| <b>Responsible Entertainment</b><br> | <ul style="list-style-type: none"> <li>• Player protection and gaming addiction prevention</li> </ul> | <ul style="list-style-type: none"> <li>• Player protection violations</li> <li>• Loss of customers due to player suspensions</li> </ul>  | <ul style="list-style-type: none"> <li>• Securing and receiving new licenses based on excellent player protection standards</li> <li>• Avoiding lawsuits</li> <li>• Winning and retaining customers long-term</li> </ul> |
|   | <ul style="list-style-type: none"> <li>• Responsible Marketing</li> </ul>                             | <ul style="list-style-type: none"> <li>• Reputational risk</li> </ul>  | <ul style="list-style-type: none"> <li>• Additional market opportunities by improving image</li> <li>• Stakeholder trust</li> </ul>  |
| <b>Always Compliant</b><br>        | <ul style="list-style-type: none"> <li>• Corruption and money laundering prevention</li> </ul>        | <ul style="list-style-type: none"> <li>• Noncompliance with laws</li> <li>• Violation of anti-corruption regulations</li> <li>• Violations of anti-money laundering (AML) regulations</li> <li>• Violation of the Code of Conduct (CoC) or other Group policies</li> </ul> | <ul style="list-style-type: none"> <li>• Proactive fulfillment beyond what is required by law</li> <li>• Support in the fight against corruption</li> </ul>  |
|   | <ul style="list-style-type: none"> <li>• Data Protection</li> </ul>                                   | <ul style="list-style-type: none"> <li>• Violations of the GDPR</li> </ul>   | <ul style="list-style-type: none"> <li>• Strengthening customer confidence in the company, products and services</li> </ul>  |
|   | <ul style="list-style-type: none"> <li>• Avoiding abusive product consumption</li> </ul>              | <ul style="list-style-type: none"> <li>• Reputational risk</li> </ul>  | <ul style="list-style-type: none"> <li>• Additional market opportunities by improving image</li> </ul>   |

| Effect on NOVOMATIC   | Effect on non-financial matters  | Risk reduction measures – taking advantage of opportunities  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Market limitation / protection</li> <li>• Possible fines</li> <li>• Lawsuits brought forward by players</li> <li>• Improvement / worsening of customer base</li> </ul> | <ul style="list-style-type: none"> <li>• Problematic player behavior</li> <li>• Abuse of products</li> </ul> | <ul style="list-style-type: none"> <li>• Compliance, licensing, and responsible entertainment management</li> <li>• Group wide player protection policy</li> <li>• Internal audits regarding compliance with the law, with licensing criteria and with internal guidelines</li> <li>• Employee sensitivity training and other training</li> <li>• External certification (e.g. G4, TÜV)</li> <li>• Cooperation with regulatory authorities</li> <li>• Cooperation with therapy and counseling institutions</li> <li>• Player suspension systems and biometric concepts</li> <li>• Helpline</li> <li>• Personal education and counseling sessions</li> <li>• Voluntary bans</li> <li>• Limitation of losses and stakes</li> </ul> |
| <ul style="list-style-type: none"> <li>• Drop in revenue due to poor image among customers</li> <li>• Failure in licensing tenders and bidding processes</li> <li>• Lack of qualified applicants</li> </ul>     | <ul style="list-style-type: none"> <li>• Reputational loss</li> </ul>  | <ul style="list-style-type: none"> <li>• Reputation management</li> <li>• Coordination of international marketing activities with headquarters</li> <li>• Binding Code of Conduct for all employees</li> <li>• Communication campaigns</li> <li>• Online monitoring</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Possible fines</li> <li>• Negative impact on licenses</li> </ul>   | <ul style="list-style-type: none"> <li>• Loss of trust and reputation</li> </ul>                             | <ul style="list-style-type: none"> <li>• Binding Code of Conduct for all NOVOMATIC employees</li> <li>• Group-wide compliance management system</li> <li>• Semi-annual reporting obligations, face-to-face training courses, e-learning courses, AML workshops</li> <li>• Binding Group policies (e.g. on anti-corruption, KYC contract partner audits, AML)</li> <li>• Internal audits regarding compliance with the law, licensing criteria, internal guidelines, and binding Group policies</li> <li>• Due diligence process for contract partner review and KYC measures</li> <li>• Group-wide whistleblowing platform NOVOTRUST</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Complaints</li> <li>• Supervisory proceedings and high fines</li> </ul>  | <ul style="list-style-type: none"> <li>• Violations of the law</li> <li>• Reputational loss</li> </ul>       | <ul style="list-style-type: none"> <li>• Binding Group data protection policy, Group-wide data protection organization with local contacts</li> <li>• Semi-annual data protection reports</li> <li>• Data Protection Days and Group-wide e-learning courses</li> <li>• Training courses and employee sensitization</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Drop in revenue due to poor image among customers</li> <li>• Failure in licensing tenders and bidding processes</li> </ul>   | <ul style="list-style-type: none"> <li>• Reputational loss</li> </ul>  | <ul style="list-style-type: none"> <li>• Reputation management</li> <li>• Communication campaigns</li> <li>• Online monitoring</li> </ul>  |

| Strategic fields of action  | Material topics   | Risks  | Opportunities   |
|---|---|--|---|
| <p><b>Always Compliant</b></p>         | <ul style="list-style-type: none"> <li>• Supplier Responsibility</li> </ul>                 | <ul style="list-style-type: none"> <li>• Transgressions along the supply chain</li> </ul>  | <ul style="list-style-type: none"> <li>• Long-term security through stable supply chains</li> <li>• Increased security of supply and against failure</li> </ul> |
|   | <ul style="list-style-type: none"> <li>• Human rights</li> </ul>                            | <ul style="list-style-type: none"> <li>• Human rights violations</li> </ul>  | <ul style="list-style-type: none"> <li>• Protection of employee rights</li> <li>• Improvement of the working environment</li> </ul>                             |
|   | <ul style="list-style-type: none"> <li>• Fair competition and public affairs</li> </ul>     | <ul style="list-style-type: none"> <li>• Noncompliance with laws</li> </ul>  | <ul style="list-style-type: none"> <li>• Proactive fulfillment beyond what is required by law</li> </ul>  |
| <p><b>Enjoy Working with Us</b></p>  | <ul style="list-style-type: none"> <li>• Training and further education</li> </ul>          | <ul style="list-style-type: none"> <li>• High employee turnover</li> </ul>   | <ul style="list-style-type: none"> <li>• Employee retention</li> <li>• Securing know-how</li> <li>• Securing the future</li> </ul>                              |
|   | <ul style="list-style-type: none"> <li>• Occupational safety and employee health</li> </ul> | <ul style="list-style-type: none"> <li>• Increased occurrences of sick leave and / or accidents at work</li> <li>• Limited occupational safety and health-related incidents</li> </ul> | <ul style="list-style-type: none"> <li>• Protection of employee health and safety</li> </ul>  |
|   | <ul style="list-style-type: none"> <li>• Employee diversity and equality</li> </ul>         | <ul style="list-style-type: none"> <li>• Any kind of discrimination in the workplace</li> </ul>  | <ul style="list-style-type: none"> <li>• Protection of employee rights</li> </ul>   |
|   | <ul style="list-style-type: none"> <li>• Innovation</li> </ul>                              | <ul style="list-style-type: none"> <li>• Lack of innovation due to lack of employee participation opportunities</li> </ul>   | <ul style="list-style-type: none"> <li>• Employee motivation through participation opportunities</li> </ul>   |

| Effect on NOVOMATIC  | Effect on non-financial matters  | Risk reduction measures – taking advantage of opportunities   |
|--|--|---|
| <ul style="list-style-type: none"> <li>Supply chain interruptions</li> <li>Negative environmental impacts</li> <li>Potential future regulatory violations</li> </ul>   | <ul style="list-style-type: none"> <li>Human and labor rights violations</li> <li>Negative environmental impacts</li> </ul>                          | <ul style="list-style-type: none"> <li>Binding code of conduct for all suppliers with ESG criteria</li> <li>Regular supplier checks</li> </ul>  |
| <ul style="list-style-type: none"> <li>Employee complaints</li> <li>Legal consequences</li> </ul>  | <ul style="list-style-type: none"> <li>Violation of human rights</li> </ul>  | <ul style="list-style-type: none"> <li>Human resources, equal opportunities and diversity management</li> <li>Internal audits regarding compliance with the law, with licensing criteria and with internal guidelines</li> <li>External certification (e.g. HR requirements)</li> <li>Whistleblowing platform NOVOTRUST</li> <li>UN Global Compact membership</li> </ul>  |
| <ul style="list-style-type: none"> <li>Possible fines</li> <li>Loss of license</li> </ul>  | <ul style="list-style-type: none"> <li>Violations of the law</li> </ul>  | <ul style="list-style-type: none"> <li>Binding Group directive on legally compliant conduct in competition and antitrust law</li> <li>Guidelines with instructions for action and practical examples</li> <li>Special e-learning course on legally compliant conduct in antitrust law</li> </ul>  |
| <ul style="list-style-type: none"> <li>Unoccupied positions/functions</li> <li>Loss of know-how</li> <li>Potential bottlenecks in essential activities</li> <li>Recruitment and training costs</li> </ul>  | <ul style="list-style-type: none"> <li>Loss of trust and falling customer satisfaction</li> </ul>  | <ul style="list-style-type: none"> <li>Employer branding and personal marketing</li> <li>Exit interviews</li> <li>Targeted communication vis-à-vis employees</li> <li>Job grading system</li> <li>Employee benefits</li> <li>HR KPI management</li> </ul>   |
| <ul style="list-style-type: none"> <li>Employee complaints</li> <li>Legal consequences</li> <li>Production downtime/uninterrupted production</li> <li>Additional costs due to rising number of sick leave days</li> <li>Colleagues overworked and dissatisfied</li> <li>Important know-how (at least temporarily) not available</li> </ul> | <ul style="list-style-type: none"> <li>Accidents at work</li> <li>Negative health effects</li> </ul>   | <ul style="list-style-type: none"> <li>Work safety and health management</li> <li>Internal audits regarding compliance with the law, with licensing criteria and with internal guidelines</li> <li>NAG health management</li> <li>KPI management for improving measures<br/>Accident cause analysis</li> <li>External certification (e.g. ISO 45001)</li> <li>Cooperation with an external security team</li> </ul> |
| <ul style="list-style-type: none"> <li>Lawsuits and legal consequences</li> </ul>  | <ul style="list-style-type: none"> <li>Discrimination and unequal treatment</li> <li>Violation of human rights</li> <li>Reputational loss</li> </ul> | <ul style="list-style-type: none"> <li>Steadfast implementation of the Code of Conduct</li> <li>Equal opportunities policy</li> <li>NOVOTRUST whistleblowing platform and equal opportunities contact point</li> </ul>  |
| <ul style="list-style-type: none"> <li>Stagnating organizational development</li> <li>Few employee development opportunities</li> <li>More staff required due to lack of automation and digitalization</li> </ul>  | <ul style="list-style-type: none"> <li>Non-utilization of employee potential and know-how</li> <li>Loss of innovation</li> </ul>                     | <ul style="list-style-type: none"> <li>Incentive/inventor compensation program and employee suggestion program</li> </ul>   |

| Strategic fields of action  | Material topics   | Risks  | Opportunities  |
|---|---|--|--|
| <p><b>Going Green</b></p>                | <ul style="list-style-type: none"> <li>• Energy &amp; Emissions</li> <li>• Resource use and waste reduction</li> </ul>              | <ul style="list-style-type: none"> <li>• Use of environmental resources (water, energy, etc.)</li> <li>• Physical and transitory climate risks</li> <li>• Pollution and large environmental footprint</li> </ul> | <ul style="list-style-type: none"> <li>• Reduction of operative costs</li> <li>• Reduction of environmental footprint</li> <li>• Reduction of operative costs</li> <li>• Reduction of environmental footprint</li> </ul> |
| <p><b>Active in the Community</b></p>  | <ul style="list-style-type: none"> <li>• Sponsorship activities and partnerships</li> <li>• Donations and volunteer work</li> </ul> | <ul style="list-style-type: none"> <li>• Non-compliance with regulations on donations and sponsorship</li> </ul>   | <ul style="list-style-type: none"> <li>• Positive effects on research</li> <li>• Treatment and support for player protection</li> <li>• Positive effect on charitable causes</li> </ul>                                  |

\* ESG ratings and image deterioration / improvement is a potential effect for all ESG risks

 GRI 2-25



| Effect on NOVOMATIC  | Effect on non-financial matters  | Risk reduction measures – taking advantage of opportunities   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Shortages of water, gas, electricity and raw materials</li> <li>• Legal consequences</li> <li>• Costs for higher emissions</li> </ul> | <ul style="list-style-type: none"> <li>• Greenhouse gas emissions</li> <li>• Resource consumption</li> <li>• Waste</li> </ul>            | <ul style="list-style-type: none"> <li>• Preventive KPI monitoring</li> <li>• Expansion of renewable energies</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Legal consequences</li> <li>• Future costs for emissions</li> </ul>   | <ul style="list-style-type: none"> <li>• Greenhouse gas emissions</li> <li>• Resource consumption</li> <li>• Waste</li> </ul>            | <ul style="list-style-type: none"> <li>• External certification (e.g. ISO 14001)</li> <li>• Creation of a sustainability management function</li> <li>• Measures to adapt to climate change</li> <li>• Involvement of the Supervisory Board in strategic ESG issues</li> <li>• Creation of an adequate ESG data basis</li> <li>• Implementation of a Group-wide sustainability strategy</li> <li>• ESG training courses</li> <li>• Preventive KPI monitoring</li> <li>• Employee awareness raising</li> </ul> |
| <ul style="list-style-type: none"> <li>• Legal consequences</li> </ul>   | <ul style="list-style-type: none"> <li>• Support for player protection research</li> <li>• Support for charitable initiatives</li> </ul> | <ul style="list-style-type: none"> <li>• Donation and sponsorship management</li> <li>• Group policy on contract partner auditing and reporting</li> <li>• Internal audits regarding compliance with the law, with licensing criteria and with internal guidelines</li> </ul>   |

Table CapEx

| Economic activities (1)   | Code(s) (2) | Absolute CapEx (3)    | Proportion of CapEx (4) | Substantial contribution criteria |                               |                                |                      |               |                                  |                                | DNSH criteria (Does Not Significantly Harm) |                                 |                       |                |                                  |                         |   | Taxonomy-aligned proportion of CapEx, year 2022 (18) | Taxonomy-aligned proportion of CapEx, N-1 (19) | Category (enabling activity) (20) | Category (transitional activity) (21) |
|---|-------------|-----------------------|-------------------------|-----------------------------------|-------------------------------|--------------------------------|----------------------|---------------|----------------------------------|--------------------------------|---|---------------------------------|-----------------------|----------------|----------------------------------|-------------------------|---|--|--|-----------------------------------|---------------------------------------|
|   |             |                       |                         | Climate change mitigation (5)     | Climate change adaptation (6) | Water and marine resources (7) | Circular economy (8) | Pollution (9) | Biodiversity and ecosystems (10) | Climate change mitigation (11) | Climate change adaptation (12)              | Water and marine resources (13) | Circular economy (14) | Pollution (15) | Biodiversity and ecosystems (16) | Minimum safeguards (17) |   |  |  |                                   |                                       |
|   |             | Currency EUR          | %                       | %                                 | %                             | %                              | %                    | %             | %                                | Y/N                            | Y/N   | Y/N                             | Y/N                   | Y/N            | Y/N                              | Y/N                     | % | %  | E  | T                                 |                                       |
| <b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>  |             |                       |                         |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| <b>A.1 Environmentally sustainable activities (Taxonomy-aligned)</b>  |             |                       |                         |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| Installation, maintenance and repair of renewable energy technologies   | 7.6         | 2,713,322             | 0.85%                   | 100                               | 0                             | N/A                            | N/A                  | N/A           | N/A                              |                                |   | Y                               | Y                     | Y              | Y                                | Y                       | Y | 2,713,322  | N/A  |                                   |                                       |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)  |             | 2,713,322             | 0.85%                   |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| <b>A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>     |             |                       |                         |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| Acquisition and ownership of buildings  | 7.7         | 95,003                | 0.03%                   |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) |             | 95,003                | 0.03%                   |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| <b>Total (A.1 + A.2)</b>  |             | <b>2,808,325</b>      | <b>0.88%</b>            |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| <b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>  |             |                       |                         |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| Turnover of Taxonomy-non-eligible activities (B)  |             | 314,950,609.74        | 99.12%                  |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |
| <b>Total (A + B)</b>  |             | <b>317,758,934.55</b> | <b>100%</b>             |                                   |                               |                                |                      |               |                                  |                                |   |                                 |                       |                |                                  |                         |   |  |  |                                   |                                       |

### The EU Regulation on the Establishment of a Framework to Facilitate Sustainable Investment and Amending the Regulation (EU Taxonomy)

Reporting on taxonomy-compliant and taxonomy-aligned shares of environmentally sustainable economic activities.

In the following, the shares of revenues, capital expenditures and operating expenses related to ecologically sustainable business activities are presented for NOVOMATIC AG.

The individual revenues, investments and operating expenses are each assigned to exactly one economic activity and one environmental goal. Double counting is therefore precluded.

The calculation of the key performance indicators is based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) (see notes to the consolidated financial statements page 158). In the previous year, only the shares of taxonomy-compliant economic activities were mandatory due to a simplification rule. In the reporting year, the disclosure of comparative information is not yet required by law.

For the year 2022, no taxonomy-aligned revenues (total revenues EUR 2,859.932 million) and operating expenses (total operating expenses EUR 2,316.614 million) were identified.

### Taxonomy-alignment of the investments

For the share of taxonomy-aligned investments (see under A in the CAPEX table), the taxonomy-aligned investments are set in relation to the relevant total investments of the Group.

The denominator of the indicator for capital expenditures includes all additions to intangible assets, property, plant and equipment, and leased assets, as well as additions to rights of use in accordance with IFRS 16, including additions to the aforementioned assets as part of business acquisitions. The relevant additions to the assets to be included came to a total of EUR 2.713 million in the reporting year 2022. The total amount of investments in 2022 was €317.759 million, of which 0.85% was taxonomy compliant.

For the determination of the taxonomy-compliant share of economic activities (see under A1 in the CAPEX table), for the assessment of a significant contribution to climate mitigation, investments were analyzed to determine whether they are related to low-carbon activities. Furthermore, compliance with DNSH criteria was checked.

Activities under item 7.7 (Acquisition and ownership of buildings) were deemed taxonomy-aligned, but not taxonomy-compliant, as it was not possible to demonstrate the necessary energy efficiency and EPC rating here.

In addition, there were a small number of activities relating to items 4.1, 7.4 and 8.1, which are not reported further due to their lack of materiality.

# STATEMENT BY THE EXECUTIVE BOARD

The auditor has issued a report on the voluntary audit of the disclosure of the information required in the non-financial report for 2022, which did not give rise to any objections. The information presented in the non-financial report has been prepared in accordance with the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the requirements of sections 243b and 267a of the Austrian Commercial Code (Austrian Sustainability and Diversity Improvement Act, NaDiVeG), as well as Regulation (EU) 2020/852 (Taxonomy Regulation) and the supplementary Delegated Regulations (EU)2021/2178 and (EU) 2021/2139.

We confirm that to the best of our knowledge, this report was written in compliance with Sections 243b and 267a of the Austrian Commercial Code and provides a true and fair view of the non-financial interests of the company.

Gumpoldskirchen, March 27, 2023

The Executive Board of NOVOMATIC AG



**Ryszard Presch**  
Executive Board



**Johannes Gratzl**  
Executive Board

# GRI, SDG, UNGC, AND NADIVEG INDEX

The following index provides a summary of the application of relevant Environmental Social Governance and standards implemented by NOVOMATIC.

The following chart presents, in integrated form, the GRI Index as well as references to information regarding the SDG goals, UNGC Principles and the NaDiVeG requirements (see p. 54).

The material issues are listed based on their priority within the materiality matrix. In addition to a GRI label per material issue, the name used in the Annual Report is listed in brackets.

The index shows the applied guidelines and standards in each column. The rows contain the SDG Goals, the UNGC Principles, GRI Indicators, and NaDiVeG requirements. The order of the contents is based on the GRI standards' standard information, and the priority of those issues identified as material.

| GRI standard                           | GRI information   | Page numbers and references                                    |
|--|---|--|
| <b>GRI 1: 2021 Basics</b>              |   |  |
| GRI 1                                  | Novomatic AG has reported in accordance with the GRI standards for the period 2022. |  |
| <b>GRI 2: General Disclosures 2021</b> |   |  |
| GRI 2-1                                | Organizational details  | Pages 6 – 7, 12 – 13   |
| GRI 2-2                                | Entities included in the organization's sustainability reporting                    | Pages 220 – 225  |
| GRI 2-3                                | Reporting period, frequency and contact point                                       | Pages 56 – 57  |
| GRI 2-4                                | Restatement of information  | Page 57  |
| GRI 2-5                                | External audit  | Pages 122– 124, 235  |
| GRI 2-6                                | Activities, value chain and other business relationships                            | Pages 6 – 7, 12 – 13, 14 – 15, 24 – 39, 46 - 47, 77, 126 – 235 |
| GRI 2-7                                | Employees   | Page 82, See key figures appendix to the non-financial report  |
| GRI 2-8                                | Workers who are not employees   |  |
| GRI 2-9                                | Governance structure and composition  | Pages 53, 228  |
| GRI 2-10                               | Nomination and selection of the highest governance body                             |  |
| GRI 2-11                               | Chairman of the highest governing body  |  |
| GRI 2-12                               | Role of the highest governance body in overseeing the management of impacts         | Pages 46 – 47, 53  |
| GRI 2-13                               | Delegation of responsibilities for managing impacts                                 | Page 53  |
| GRI 2-14                               | Role of the highest governance body in sustainability reporting                     | Page 53  |
| GRI 2-15                               | Conflicts of interest   | Pages 71 – 72, 78  |
| GRI 2-16                               | Communication of critical concerns  | Pages 71 – 72  |
| GRI 2-17                               | Collective knowledge of the highest governance body                                 | Page 53  |
| GRI 2-18                               | Evaluation of the performance of the highest governance body                        |  |
| GRI 2-19                               | Remuneration policies   |  |
| GRI 2-20                               | Process to determine remuneration   |  |
| GRI 2-21                               | Annual total compensation ratio   |  |
| GRI 2-22                               | Statement on sustainable development strategy                                       | Page 23  |
| GRI 2-23                               | Policy commitments  | Pages 43, 44 – 45, 78  |
| GRI 2-24                               | Embedding policy commitments  | Pages 44 – 45, 53  |
| GRI 2-25                               | Processes to remediate negative impacts   | Pages 71 – 72, 78, 104 – 109                                   |
| GRI 2-26                               | Mechanisms for seeking advice and raising concerns                                  | Pages 71 – 72, 78 – 89   |
| GRI 2-27                               | Compliance with laws and regulations  | Page 73  |
| GRI 2-28                               | Memberships in associations and interest groups                                     | Page 49  |
| GRI 2-29                               | Approach to stakeholder engagement  | Pages 43, 46 – 47, 52 – 53                                     |
| GRI 2-30                               | Collective bargaining agreements  |  |

Explanation regarding information required by GRI, SDGs, UNGC, NaDiVeG and omissions in accordance with GRI

SDG Goals  
UN Global Compact Principles  
NaDiVeG Requirements

|   |   |
|---|---|
|   | National, union-based and international frameworks                                      |
| NOVOMATIC AG, Wiener Strasse 158, 2352 Gumpoldskirchen, Austria<br>See "NOVOMATIC AG Group Organization Chart", "NOVOMATIC Worldwide Activities"  | Business model  |
| See "Other disclosures". Non-financial disclosures and data in the non-financial report were recorded directly or extrapolated to the NOVOMATIC AG group of consolidated companies.   | Business model  |
| Explanations within the text, as well as in footnotes in the case of key figures and graphics.<br>This non-financial report was audited by the certified public accounting firm Deloitte Audit Wirtschaftsprüfungs GmbH in regard to selected information and fulfillment of the requirements in the Austrian Law on the Improvement of Sustainability and Diversity. For details see "Audit Report on the Independent Assurance on Non-Financial Reporting" as well as "Report of the Supervisory Board of Novomatic AG".  |   |
| See "NOVOMATIC AG Group Organizational Chart", "NOVOMATIC Worldwide Activities", "Development of the NOVOMATIC AG Group", "NOVOMATIC in Detail", "NOVOMATIC Consolidated Financial Statement"   | Business model  |
|   | Business model  |
| The information is currently not available to the extent required for publication.<br>Steps will be taken in the future to establish a corresponding database and to ensure data quality.   | Business model  |
| The information is currently not available to the extent required for publication.<br>Steps will be taken in the future to establish a corresponding database and to ensure data quality.<br>The chairperson of the highest governance body is not an executive officer in the organization.  |   |
| No conflicts of interest known or reported in the reporting period.<br>Investigations were commissioned by Group Audit in two cases in 2022 following consultation with the Chairman of the Compliance Committee and the NAG Executive Board.   |   |
| Not applicable as no measurable sustainability goals.   |   |
| Information not available.<br>This information is currently not available at the head office in view of the fact that individual countries and companies have autonomous salary policies. As regards the future, steps for building up an appropriate database and ensuring data quality are being developed.   |   |
| Information not available.<br>This information is currently not available at the head office in view of the fact that individual countries and companies have autonomous salary policies. As regards the future, steps for building up an appropriate database and ensuring data quality are being developed.   |   |
| Information not available.<br>This information is currently not available at the head office in view of the fact that individual countries and companies have autonomous salary policies. As regards the future, steps for building up an appropriate database and ensuring data quality are being developed.   |   |
| See "Foreword by the Executive Board"   | UNGC: Principles 1 & 7<br>SDG 16 Peace, Justice and Strong Institutions,<br>Target 16.3 |
| It is our understanding that material breaches constitute violations of substantive criminal law that have been legally established by the courts, such as convictions of persons authorized to represent the company (managing directors, authorized signatories) and Group companies (by way of association responsibility) for corruption, property crimes (such as fraud, theft, embezzlement, etc.), money laundering, terrorist financing, or antitrust violations. Following the mandatory semi-annual reports for all over 200 active Group companies, no such violations were reported to us for the current reporting period. |   |
| In countries in which there are corresponding provisions for collective bargaining, these apply to the employment contracts. For employees not covered by collective bargaining agreements, the information is currently not available to the extent required for publication. As regards the future, processes for establishing a corresponding database and ensuring the related data quality will be developed.  |   |

| GRI standard  | GRI information   | Page numbers and references   |
|---|---|---|
| <b>GRI 3: Material topics 2021</b>  |   |   |
| GRI 3-1   | Process to determine material topics  | Pages 46 – 47, 52   |
| GRI 3-2   | List of material topics   | Pages 44 – 45   |
| GRI 3-3   | Management of material topics   | Pages 59, 72, 82, 94, 102, 103                                      |
| <b>Player Protection (no GRI Standards)</b>   |   |   |
| No GRI Indicator  | Information on dealing with player protection   | Pages 58 – 69   |
| <b>GRI 416: Customer Health and Safety (2016)</b>   |   |   |
| GRI 416-1   | Assessment of the health and safety impacts of product and service categories   | Pages 58 – 69   |
| <b>GRI 417: Marketing and Labeling 2016 (Responsible Marketing)</b>                             |   |   |
| GRI 417-1   | Requirements for product and service information and labeling   | Page 59, 69   |
| <b>GRI 205: Anti-corruption 2016 (Corruption &amp; Money Laundering Prevention)</b>             |   |   |
| GRI 205-2   | Communication and training about anti-corruption policies and procedures  | Pages 73  |
| GRI 205-3   | Confirmed incidents of corruption and actions taken   | Page 73   |
| <b>GRI 201: Economic Performance 2016 (Local Anchoring)</b>                                     |   |   |
| GRI 201-1   | Direct economic value generated and distributed   | Pages 126 – 235, 242  |
| <b>GRI 401: Employment (2016)</b>   |   |   |
| GRI 401-1   | New employee hires and employee turnover<br>Further information on age groups, gender, etc. is not reported due to data availability. | See key figures appendix to the non-financial report                |
| <b>GRI 403: Occupational Health and Safety 2018 (Occupational Safety &amp; Employee Health)</b> |   |   |
| GRI 403-1   | Occupational health and safety management system  | Pages 85 – 87   |
| GRI 403-2   | Hazard identification, risk assessment, and incident investigation  | Pages 85 – 87   |
| GRI 403-3   | Occupational health services  | Pages 85 – 87   |
| GRI 403-4   | Worker participation, consultation, and communication on occupational health and safety   | Pages 85 – 87   |
| GRI 403-5   | Worker training on occupational safety and health   | Pages 85 – 87   |
| GRI 403-6   | Promotion of worker health  | Pages 85 – 87   |
| GRI 403-7   | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships                         | Pages 85 – 87   |
| GRI 403-9   | Work-related injuries   | Pages 85 – 87, see key figures appendix to the non-financial report |
| <b>GRI 418: Customer Privacy 2016 (Data Protection)</b>   |   |   |
| GRI 418-1   | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | Page 75   |



| Explanation regarding information required by GRI, SDGs, UNGC, NaDiVeG and omissions in accordance with GRI  | SDG Goals<br>UN Global Compact Principles<br>NaDiVeG Requirements  |
|--|--|
| The identification and delimitation of material fields of action is provided by the materiality matrix and the description provided in each section (for material issues, see the headings in this index). The impact of business activities, as well as participation of the organization in same, are displayed in the representation of the value-added chain, as well as per issue in the relevant chapters. Limitations and exclusions are covered in the GRI, SDG, UNGC, and NaDiVeG Index.  |  |
| The management approach to strategic ESG fields of action is explained in the CR & ESG Management chapter. The management approach for the material issues in these fields of action is explained at the beginning of each chapter on the issue, and a short description is given for each section on the issue. In addition, the summary pages at the beginning of each chapter provide information on goals, measures taken in previous years, and measures for the coming year. The CR & ESG Management chapter describes in detail how the effectiveness of the management approach is audited and improved for each issue. The chapter Always Compliant describes the mechanism for auditing the management approach. | Applied due diligence processes  |
| No GRI, SDG, UNGC, and NaDiVeG equivalents   |  |
| 100 percent of material product and service categories are evaluated both in terms of effect on the health and safety of customers and in regard to how they might be improved upon.   | Industry-specific issues   |
| 100 percent of products and services offered by the Group must comply with all relevant legal requirements. Not only that, the social, ecological, and governance aspects listed in the Group Guidelines apply to all subsidiaries.  | Industry-specific issues   |
| 18,350 employees trained in anti-corruption  | SDG 16 Peace, Justice and Strong Institutions, Target 16.5 UNGC: Principle 10 NaDiVeG: Fighting corruption and bribery |
|  | SDG 16 Peace, Justice and Strong Institutions, Target 16.5 UNGC: Principle 10 NaDiVeG: Fighting corruption and bribery |
| "Consolidated Financial Statement", "Financial Performance", "Important Key Figures", and "Segment Analysis"   | SDG 8 Decent Work and Economic Growth, Targets 8.1, 8.2  |
| Further data on age groups, gender, etc. are not reported due to the data situation.   | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>NaDiVeG: Social and employee issues                                     |
| Information on non-employees and a detailed breakdown of work-related injuries with serious consequences are not reported due to limitations on data.  | SDG 8 Decent Work and Economic Growth, Target 8.8<br>NaDiVeG: Social and employee issues                               |
|  | SDG 16 Peace, Justice and Strong Institutions, Target 16.3 NaDiVeG: Industry-specific issues                           |

| GRI standard  | GRI information   | Page numbers and references  |
|---|---|--|
| <b>GRI 405: Diversity and Equal Opportunity 2016 (Employee Diversity &amp; Equality)</b>                      |   |  |
| GRI 405-1   | Diversity of governance bodies and employees                              | Page 89, see key figures appendix to the non-financial report        |
| <b>GRI 404: Training and Education 2016</b>   |   |  |
| GRI 404-1   | Average hours of training per year per employee                           | Page 84, see key figures appendix to the non-financial report        |
| GRI 404-2   | Programs for upgrading employee skills and transition assistance programs | Pages 84-85  |
| <b>GRI 308: Supplier Environmental Analysis 2016 (Supplier Responsibility)</b>                                |   |  |
| GRI 308-1   | New suppliers that were screened using environmental criteria             | Page 77  |
| <b>GRI 414: Supplier Social Assessment 2016 (Supplier Responsibility)</b>                                     |   |  |
| GRI 414-1   | New suppliers that were screened using social criteria                    | Page 77  |
| <b>GRI 306: Waste 2020 (Waste)</b>  |   |  |
| GRI 306-1   | Waste generation and significant waste-related impacts                    | Pages 98 – 100   |
| GRI 306-2   | Waste according to type and removal procedure                             | Pages 98 – 100, see key figures appendix to the non-financial report |
| GRI 306-3   | Waste generated   | Page 98 – 100  |
| <b>GRI 301: Materials (Resource Consumption, Recyclability) 2016</b>  |   |  |
| GRI 301-3   | Recycled products and their packaging materials                           | Page 100   |
| <b>GRI 302: Energy 2016 (Energy Consumption &amp; Emissions)</b>  |   |  |
| GRI 302-1   | Energy consumption within the organization                                | Page 97, see key figures appendix to the non-financial report        |
| GRI 302-3   | Energy intensity  | Page 97, see key figures appendix to the non-financial report        |
| <b>GRI 305: Emissions 2016 (Energy Consumption &amp; Emissions, Emissions From Transport &amp; Logistics)</b> |   |  |
| GRI 305-1   | Direct greenhouse gas emissions (scope 1)                                 | Page 97, see key figures appendix to the non-financial report        |
| GRI 305-2   | Indirect greenhouse gas emissions (scope 2)                               | Page 97, see key figures appendix to the non-financial report        |

| Explanation regarding information required by GRI, SDGs, UNGC, NaDiVeG and omissions in accordance with GRI  | SDG Goals<br>UN Global Compact Principles<br>NaDiVeG Requirements  |
|--|--|
| The percentage of salaried employees per category of salaried employee was not reported due to the data situation.   | SDG 5 Gender Equality, Target 5.1<br>SDG 8 Decent work and Economic Growth, Target 8.5<br>UNGC: Principle 6 NaDiVeG: Social and employee issues  |
| Division based on gender and category of salaried employee was not reported due to the data situation.   | SDG 4 Quality Education, Target 4.5<br>SDG 5 Gender Equality, Target 5.1<br>SDG 8 Decent Work and Economic Growth, Targets 8.2, 8.5<br>NaDiVeG: Social and employee issues   |
| "Enjoy Working with Us", "Training and Further Education", "Employee Diversity & Equality"   | SDG 4 Quality Education<br>SDG 8 Decent Work and Economic Growth, Target 8.5<br>NaDiVeG: Social and employee issues  |
|  | UNGC: Principles 8 & 9 NaDiVeG: Environmental concerns   |
|  | SDG 8 Decent Work and Economic Growth, Target 8.8<br>NaDiVeG: Social and employee issues   |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>SDG 12 Responsible Consumption and Production, Target 12.5<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns  |
| The breakdown of removal procedures and waste removal methods was not reported due to the data situation.  | SDG 3 Good Health and Wellbeing, Target 3.9<br>SDG 12 Responsible Consumption and Production, Target 12.5<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns  |
|  | SDG 3 Good Health and Wellbeing, Target 3.9<br>SDG 12 Responsible Consumption and Production, Target 12.5<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns  |
| Packaging materials were not included in the report due to the data situation.   | UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |
| The share of fuel consumption from renewable sources is currently not available to the extent required for publication.<br>Steps will be taken in the future to establish a corresponding database and to ensure data quality. | SDG 7 Affordable and Clean Energy, Targets 7.2, 7.3<br>SDG 8 Decent Work and Economic Growth, Target 8.4<br>SDG 12 Responsible Consumption and Production, Target 12.5<br>SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns |
|  | SDG 7 Affordable and Clean Energy, Targets 7.2, 7.3<br>SDG 8 Decent Work and Economic Growth, Target 8.4<br>SDG 12 Responsible Consumption and Production, Target 12.5<br>SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns |
|  | SDG 3 Good Health and Wellbeing, Target 3.9 SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |
| Only market-based emissions are reported.  | SDG 3 Good Health and Wellbeing, Target 3.9 SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |

| GRI standard   | GRI information  | Page numbers and references                                    |
|--|--|--|
| GRI 305-3  | Other indirect (Scope 3) greenhouse gas emissions                                    | Page 97, see key figures appendix to the non-financial report  |
| GRI 305-4  | Intensity of greenhouse gas emissions  | Page 97, see key figures appendix to the non-financial report  |
| <b>GRI 206: Anti-competitive Conduct 2016 (Fair Competition)</b> |  |  |
|  | Legal procedures due to anti-competitive conduct, anti-trust and monopoly activities | Page 79  |
| <b>Public Affairs (no GRI Standards)</b>                         |  |  |
|  | Information on public affairs activities   | Page 79  |
| <b>GRI 303: Water and Effluents 2018 (Resource Consumption)</b>  |  |  |
| GRI 303-1  | Interactions with water as a shared resource   | Page 98  |
| GRI 303-2  | Management of water discharge-related impacts  | Page 98  |
| GRI 303-3  | Water withdrawal   | Pages 98, see key figures appendix to the non-financial report |
| <b>Innovation (no GRI Standards)</b>                             |  |  |
|  | Innovation data  | Page 90 – 91   |
| <b>Sponsoring Activities &amp; Donations (no GRI Standards)</b>  |  |  |
|  | Information on sponsoring activities, donations, and volunteer work                  | Pages 101 – 103  |

| Explanation regarding information required by GRI, SDGs, UNGC, NaDiVeG and omissions in accordance with GRI | SDG Goals<br>UN Global Compact Principles<br>NaDiVeG Requirements  |
|---|--|
|   | SDG 3 Good Health and Wellbeing, Target 3.9 SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns |
|   | SDG 3 Good Health and Wellbeing, Target 3.9 SDG 13 Climate Action, Target 13.1<br>UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns |
|   | SDG 16 Peace, Justice and Strong Institutions, Target 16.3   |
| No GRI or UNGC equivalents.   | NaDiVeG: Industry-specific issues  |
|   | UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |
|   | UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |
|   | UNGC: Principles 7 & 8 NaDiVeG: Environmental concerns   |
| No GRI or UNGC equivalents.   | UNGC: Principle 9 NaDiVeG: Industry-specific issues  |
| No GRI or UNGC equivalents.   | NaDiVeG: Industry-specific issues  |

# AUDIT REPORT OF THE INDEPENDENT ASSURANCE

## on Non-Financial Reporting

### Introduction

We have performed procedures to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the (consolidated) non-financial report as of December 31, 2022 has not been prepared, in all material respects, in accordance with the reporting criteria. The reporting criteria consist of the GRI-Standards issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in §§ 243b and 267a UGB (NaDiVeG).

Furthermore, we have performed procedures to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the EU taxonomy information disclosed is not prepared, in all material respects, in accordance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

### Responsibility of the management

The legal representatives of NOVOMATIC AG are responsible for the preparation of the report content in accordance with the reporting criteria and for the selection of the disclosures to be verified. The reporting criteria consist of the GRI-Standards issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in §§ 243b and 267a UGB (NaDiVeG). Furthermore, they are responsible for reporting the disclosed information on the EU taxonomy in accordance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

This responsibility includes the selection and application of appropriate methods for preparing the report, making assumptions and estimates of individual non-financial disclosures that are plausible under the given circumstances. The responsibility further includes the internal controls, which have been determined as necessary by the management to enable the preparation of a (consolidated) non-financial report that is free from misstatement, whether due to fraud or error.

### Responsibility of the Auditor

Our responsibility is to express a limited assurance opinion as to whether any matters have come to our attention that cause us to believe that the (consolidated) non-financial report as of December 31, 2022 has not been prepared, in all material respects, in accordance with the reporting criteria. The reporting criteria consist of the GRI-Standards issued by the Global Sustainability Standards Board (GSSB) and the reporting requirements mentioned in §§ 243b and 267a UGB (NaDiVeG).

Furthermore, it is our responsibility to express a limited assurance opinion as to whether any matters have come to our attention that cause us to believe that the EU taxonomy information disclosed is not prepared, in all material respects, in accordance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised), "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) in order to obtain limited assurance on the subject matters.

ISAE 3000 (Revised) requires us to plan and perform the engagement in a way that enables us to obtain limited assurance that nothing has come to our attention that causes us to believe that the (consolidated) non-financial report has not, in any material aspect, been prepared in accordance with the GRI-Standards and §§ 243b and 267a UGB (NaDiVeG), and that the disclosed information on the EU taxonomy has not been prepared in accordance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

In a limited assurance engagement, the evidence-gathering procedures are more limited than in a reasonable assurance engagement and therefore, less assurance can be obtained. The choice of audit procedures lies in the due discretion of the auditor.

As part of our audit, we have performed, inter alia, the following audit procedures and other activities as far as they are relevant to the limited assurance engagement:

- Interview of the employees named by NOVOMATIC AG regarding the sustainability strategy, the sustainability principles and the sustainability management
- Interviews of employees of NOVOMATIC AG to assess the methods of data collection, data processing and internal controls
- Matching the non-financial disclosures shown in the (consolidated) non-financial report with the documents provided
- Video conference with the people responsible for the non-financial indicators of British subsidiaries
- Conducting a media analysis
- Review of the disclosed information according to §§ 243b and 267a UGB and GRI-Standards
- Review of the disclosed information on the EU taxonomy for compliance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our assessment.

The objective of our engagement is neither an audit of financial statements nor an auditor's review of financial statements. Likewise, neither the detection and clarification of criminal offences, such as embezzlement or other acts of breach of trust and administrative offenses, nor the assessment of the effectiveness and efficiency of the management is the object of our engagement.

## Summarized Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the (consolidated) non-financial report of NOVOMATIC AG as of December 31, 2022, has not, in any material aspects, been prepared in accordance with GRI-Standards.

Furthermore, nothing has come to our attention that causes us to believe that the reporting requirements of §§ 243b and 267a UGB (NaDiVeG) are not met by the (consolidated) non-financial report.

Additionally, based on our audit procedures, nothing has come to our attention that causes us to believe that the disclosed information on the EU taxonomy has not been prepared in accordance with Art. 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

## Conditions of Engagement

The basis for this engagement are the "General Conditions of Contract for the Public Accounting Professions", as issued by the Chamber of Tax Advisers and Auditors in Austria (according to appendix). In accordance with chapter 7 of these terms and conditions, our liability shall be limited to intent and gross negligence. In cases of gross negligence, the maximum liability is limited to a maximum of five times the fee. This amount constitutes a total maximum liability cap, which may only be utilized once up to this maximum amount, even if there is more than one claimant or more than one claim has been asserted.

Vienna, March 27, 2023

**Deloitte Audit Wirtschaftsprüfungs GmbH**

**Gerhard Marterbauer**

Certified Public Accountant

\*) **Attention:** This report has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German. Only the German version is the legally binding version.



# IMPRINT

In order to improve readability, some terminology is used only in its masculine form. Nevertheless, all passages refer equally to members of both genders.

We have prepared this report with the utmost care and have checked the data therein. Nevertheless, errors arising from rounding, typesetting or printing cannot be excluded. The aggregation of rounded amounts and percentages may result in rounding differences due to the use of automated computational aids.

This report includes forward-looking statements based on information currently available to us. These forward-looking statements are usually identified by expressions such as "expect", "estimate", "plan", "calculate", etc. Please note that various factors could cause actual circumstances – and therefore also actual results – to deviate from the expectations outlined in this report. Statements referring to people apply to both men and women.

This annual report is also available in German. In the event of disputes, the German version shall take precedence.

## **Media Owner and Publisher**

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**NOVOMATIC AG:** Group Marketing & Communications,  
Group CR & ESG and Group Finance  
**Editorial deadline:** April 6, 2023

## **Concept and Design**

**NOVOMATIC AG:** Group Marketing & Communications and  
KTHE Team Farner Werbe GmbH

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## **Photography**

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**NOVOMATIC**

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