

NOVOMATIC UK LIMITED

SECTION 172(1) STATEMENT – 31 DECEMBER 2019

The likely consequences of any decision in the long term

The board of directors have a long-term mindset and are focused on continued growth in the UK. Investments are typically reviewed over a five year period. The non-exhaustive list below illustrates this long term view;

- The company prepares five year forecasts on an annual basis which cover the factors affecting the UK Economy including global assumption inputs, expected income and expenditure trends, capital expenditure requirements and the impact on employment factors.
- The company secures long-term growth by investing in subsidiary companies. Investments are generally reviewed over a five year period and directors consider the breakeven requirements as well as realistic and optimistic projections as part of this decision-making process.

The interest of the company's employees

All persons irrespective of their nationality, cultural background, age and gender, sexual preference or religion are welcomed at Novomatic UK. The employees of the company are key to its success and therefore investment in their training and feedback on their ideas is important and welcomed at all times.

The need to foster the company's business relationships with suppliers, customers and others

The directors of the company understand the importance of maintaining strong business relationships with its suppliers. In return for suppliers' goods and services, they receive prompt payment and continuity leading to stability for their business and employees.

Novomatic UK Limited also operates a code of conduct for all its employees, representatives and board members.

The effects of the Covid-19 pandemic meant that companies in the UK and around the world are facing new challenges and unprecedented conditions. For our suppliers, we have maintained normal payment terms throughout.

The impact of the Company's operations on the community and environment

The company is committed to socially responsible and environmentally sustainable company development.

The desirability of the company maintaining a reputation for high standards of business conduct

The company's Board of directors is composed of four directors at the year ended 31 December 2019. All board members have a proven track record in managing a business of this size and are deemed capable to assume this responsibility. The Board has a meeting each month to discuss business performance. During 2019 the matters reviewed by the board included

- Financial performance of the UK Group
- Review of business performance and market updates
- Approval of annual financial statements
- Capital expenditure projects
- Environment, Health and Safety Review
- Corporate Social Responsibility Review
- Review and approval of budgets and forecasts
- Merger and Acquisition projects
- Approval of compliance related policies

The company's business developments and position are also scrutinised by our Austrian Parent Company during their board meetings.