

Annual Report

2021

GROUP FACTS AND FIGURES

GROSS GAMBLING YIELD FOR 2021 COMPARED TO 2020

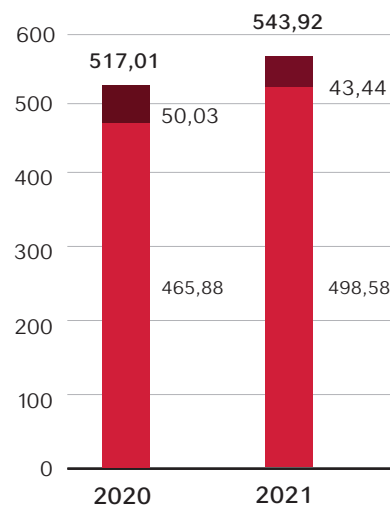
(EUR millions)	2021	2020
Gross gambling yields (incl. ancillary revenues)	1,169.79	1,120.90
Casinos Austria AG gross gambling yields	134.98	162.54
Casinos Austria International gross gambling	111.44	108.49
Austrian Lotteries gross gambling yields	900.55	833.92
Taxes and charges	616.70	594.28
Gaming-related charges	543.92	517.01
Taxes and other charges	72.78	77.27
EBIT	173.21	21.44
EBIT %	14.91	2.02
Annual income	130.44	3.09
Equity	452.12	342.52
Equity %	36.16	28.48
Restructuring expenses	–	55.18
Staff annual	Ø	2,862
		3,315

*2020 zur besseren Vergleichbarkeit angepasst

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GAMING-RELATED CHARGES

(EUR millions)



- Österreichische Lotterien Ges.m.b.H.
- Casinos Austria AG



CASINO GUESTS (IN MILLIONS)

0.71 **1,63**
Austria International



VIDEO LOTTERY TERMINALS (WINWIN, CAI)

953 **4,500**
Austria International



GAMING TABLES

196 **249**
Austria International



SLOT MACHINES

2,087 **3,700**
Austria International

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102-7

GROUP OVERVIEW

LOCATIONS IN AUSTRIA *

1	5,039
Wien Head-Office	Lottery retail outlets
12	796,225
Casinos	win2day.at users
22	2,985
WINWIN outlets	tipp3 retail outlets



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GRI 102-6
GRI 102-7

STRONG BRANDS



LOTTERY PICKS PLAYED

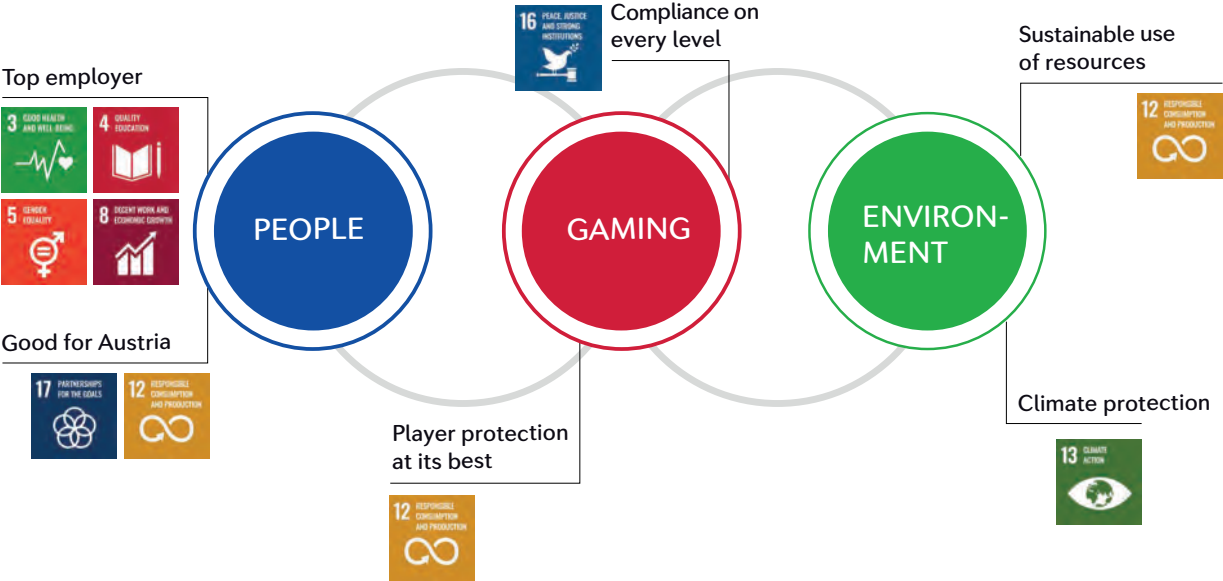
934.401.775
All pick slip-based

675.424.124
Lotto and LottoPlus picks

152.746.135
EuroMillions picks

OUR UNDERSTANDING OF CSR

BEST IN CLASS FOR PEOPLE, GAMING AND ENVIRONMENT



Report profile

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This Annual Report is addressed to all stakeholders of the Casinos Austria and Austrian Lotteries Group. Once again, we have included comprehensive information on Corporate Social Responsibility (CSR) in our Annual Report, thus giving deeper insight into our CSR management system and commitment to CSR. The contents of this report address the 2021 fiscal year. Unless otherwise indicated, the closing date for the data presented is 31 December 2021. Our CSR reporting does not include the business activities of Casinos Austria International Holding GmbH, which operates casinos outside Austria.

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This report was prepared in accordance with the core option of the Global Reporting Initiative (GRI). It also constitutes our annual Communication on Progress (COP), as required by the United Nations (UN) Global Compact. Similarly, it demonstrates our commitment to the UN's Sustainable Development Goals (SDGs) and is consistent with the Nachhaltigkeits- und Diversitätsverbesserungsgesetz (NaDiVeG) [Austrian sustainability and diversity improvement legislation]. In the interest of convenience and transparency, we have inserted references to the GRI or SDG items in the left and right margin of various pages of this report.

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This report was compiled by our CSR unit in consultation with the director responsible and all business lines, competence lines and holding lines (see page X) of the Group. The data and facts reported originate from various internal reporting systems. Unless otherwise indicated, all CSR information refers to the entire Casinos Austria and Austrian Lotteries Group in Austria. The data collected are attributed to Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H. The separation of ecological indicators is not possible. We focus here on the Group's administrative buildings, i.e. our headquarters at Rennweg 44 and 46 in Vienna and our MC4 logistics and parallel data centre in Wiener Neustadt. We also report on the environmental performance of our 12 casinos and 22 WINWIN outlets across Austria.

Talk to us!

We believe that it is important to speak with you, the readers of this report. Doing so gives us the opportunity to find out what you like about the report, what you feel might be missing, and where you think the Casinos Austria and Austrian Lotteries Group could make improvements. With that in mind, please write to us at csr@casinos.at or csr@lotterien.at.

Supplementary documents

Supplementary documents (disclosure on management approach) as well as the detailed indicators and the GRI content index are available for download here. This also applies to the entire report and PDF files containing additional documents at publications.casinos.at and publications.lotterien.at.

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Foreword of the Managing Board



Director General Erwin van Lambaart and Director Martin Škopek.

Dear Readers,

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The Casinos Austria and Austrian Lotteries Group has an excellent reputation both nationally and internationally. Together with our excellent staff members, we have managed to cope with the coronavirus pandemic crisis extremely well thus far. One key factor here is certainly that the Group is Europe's only gaming operator with a complete range of products and services. We are a single source provider of lottery products, casino products, sports betting products and video lottery terminals – all terrestrial and online. The COVID-19 pandemic and its impact on the gaming industry, completely different in each business segment, has just demonstrated that this large product portfolio is an enormous asset.

„As Europe's only gaming operator with a complete range of products and services, we will come through the crisis unscathed.”

Firstly, our casinos in Austria and the WINWIN outlets were closed in 2021 until May and then again in November and December due to regulatory requirements. But secondly, since our lottery products were in extremely high demand and available without any restrictions via the retail outlets, and our online gaming products on the win2day gaming site enjoyed another upswing, our overall result was very satisfactory. Sports betting on tipp3 also delivered an excellent result thanks to the Men's European Football Championship. Casinos Austria International also made significantly better progress than in 2020 due to the various local coronavirus-related measures implemented in each country.

All in all, our Group generated a consolidated gross gambling yield of EUR 1.17 billion, 4.36 per cent higher than the previous year. The gross gambling yield of EUR 135 million was down by 17 per cent at the 12 casinos in Austria for the reasons already discussed. International business was more positive and at EUR 111.4 million we were 2.7 per cent higher than in 2020. Austrian Lotteries also increased its gross gambling yield by almost 8 per cent with just under EUR 901 million. On the other hand, WINWIN recorded a minus of 9.8 per cent due to the coronavirus-related closure of outlets, i.e. a drop in gross gambling yield to EUR 24 million.

Although the COVID-19 pandemic was a constant factor in all our business activities, we were able to complete the ReFIT restructuring project, which started in 2020, and implement the defined measures.

Despite the difficult environment, Casinos Austria worked hard on developing its range of products and services further and on keeping them in line with the latest technical standards over the preceding fiscal year. The strategic focus on our core business, gaming and the playing guest, showed the first signs of success. In addition, various measures such as the re-dimensioning of individual venues and adjustments to our catering and events have put the company on a positive and sound cost base for the years to come.

Austrian Lotteries continued to invest in its relationship with retail partners in 2021 and supported them in the sale of their products, providing free innovative dispensers and displays in different sizes and formats for scratch-off tickets and pick slip-based games, for example.

And at win2day, the game experience has been even more diverse since 2021. As Austria's only legal online gaming operator, win2day offers gaming entertainment founded upon the principle of responsible gaming.

The positive performance in our lottery and online business, on the one hand, and strict cost management, including in the context of ReFIT, on the other, has enabled us to significantly improve our EBIT, which rose from EUR 22.69 to 174.38 million. We were also able to improve the financial result by more than EUR 4 million, which means that given the circumstances our consolidated result ultimately stood at an extremely satisfying EUR 130.44 million (previous year: EUR 3.9 million).

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This solid foundation on which our Group made it through the Covid-19 pandemic and with which it is also well positioned going forward is also thanks to Bettina Glatz-Kremsner, whose contract as Director General came to an end on 30 April 2022. We would therefore like to use this Annual and Sustainability Report as an opportunity to express our sincere thanks to her for the important work she has done over the past 32 years, 16 of which were spent on the Managing Board of Austrian Lotteries, 12 on the Managing Board of Casinos Austria AG, and three as Director General of the Group. She has shaped our Group with enormous commitment and passion, repeatedly drawing attention to the important task and considerable socio-political responsibility it has throughout Austria.

„Needless to say, as one of Austria’s most important taxpayers, we have lived up to our social responsibility, even in these difficult times“

This responsibility is intrinsic to what we do and we handle it with care. The Casinos Austria and Austrian Lotteries Group is one of Austria’s most important taxpayers, making a significant contribution to the State every year. This amounted to EUR 615.73 million in taxes, duties and social security contributions in 2021. Our Group has continued to meet its social responsibilities during this long and difficult period, maintaining partnerships and entering into new cooperation agreements. In addition, steps were also taken in 2021 to make a further contribution to the containment of the coronavirus.

The outlook for the 2022 fiscal year indicates that the current impact of the Ukraine crisis (i.e. rising energy prices, reduced international tourism, inflation and general uncertainty) is having an adverse effect on the spending power of our customers. The macroeconomic effects are also evident in gaming products.

Having said that, since we had already launched a comprehensive process to develop our Group strategy in 2021, which will also help us to attain our sustainability goals, we are well prepared for this challenging overall scenario. This combined Annual and Sustainability Report shows you what we do to meet our social responsibility and the progress we have made in attaining our goals in the past fiscal year. We continue to be guided by the international standards of the Global Reporting Initiative (GRI) and the United Nations Global Compact and thus contribute to the success of the Sustainable Development Goals of the United Nations.

The joint achievement of our goals and visions is also the focus of an inward-looking project that had already demanded a lot of our energy in 2021 and will continue to be a part of our lives in the coming years. The ‘A New Way of Working’ project is essentially a process of cultural change supported by the architectural redesign of our office space at the headquarters of the Casinos Austria and Austrian Lotteries Group. New spatial concepts and associated working models will give our staff and the company as a whole room for more flexibility.

We would like to take this opportunity to express our special thanks to staff members, who have continued to drive our Group forward in the past fiscal year with their enormous dedication, commitment and loyalty. In so doing, they have made a significant

contribution to our business success. It is all the more important to emphasise this, as they all faced major challenges in varying degrees. We are proud to be able to work with our team.

We would also like to thank all our stakeholders for their trust and cooperation. Moreover, we want to assure you that the Casinos Austria and Austrian Lotteries Group will continue to pursue its best-in-class approach to professional licenced gaming and sports betting in Austria, while always focusing on our vision: “We enrich people’s lives by offering high-quality Austrian gaming products and services that consistently exceed their expectations.”

A handwritten signature in black ink, appearing to read 'Erwin van Lambaart', with a large circular flourish at the beginning.

Erwin van Lambaart

A handwritten signature in black ink, appearing to read 'Škopek', with a large circular flourish at the beginning.

Martin Škopek



**Ladies and Gentlemen,
dear Colleagues,**

When I started my job as Operations Manager for Austrian Lotteries in Budapest on 19 February 1990, I would never have imagined that this day would be the beginning of a 32-year journey through the world of gaming that would only end with my retirement. The time came on 1 May and I would like to take this opportunity to say a few final words to you in this Annual and Sustainability Report.

For me personally, the positive economic development and well-being of our staff have always been the main concern. That is also why I have always enjoyed reading this report each year, as year after year it bears witness to the most important events and developments of the Group for which I have had the privilege of working for so long.

It is also testimony to the enormous dedication and commitment of all of us that we can look upon highly respected Austrian flagship companies with pride.

On 1 April 2022, I handed over my position as Director General of the Casinos Austria and Austrian Lotteries Group to Erwin van Lambaart. I am delighted to know that he and Martin Škopek provide our Group with the safest possible hands and to have the certainty that they will continue to pursue our Group's successful development strategy together.

For me personally, my departure marks the end of a long, eventful and successful period of my life, which I look back on with gratitude and pride. I had the opportunity to meet countless wonderful people, overcome great challenges and have unique experiences. Such an outcome cannot be taken for granted.

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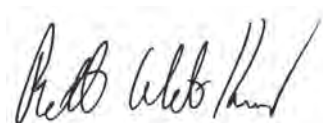
I have particularly enjoyed working with my numerous colleagues over the years and would like to express my sincere thanks for our shared journey. The contributions of everyone involved during this period were and still are the main building blocks of our Group's uniqueness. This is something we can be proud of.

I would also like to thank the shareholder representatives, the members of the Supervisory Board of each of our companies and my colleagues on the Managing Board for the trust they have placed in me over the years and the appreciation I have received. My most sincere thanks go to the Chairman of the Supervisory Board, Wolfgang Hesoun, who has been a reliable counterpart in many conversations, as well as to my Managing Board colleague Martin Škopek, with whom I have been able to lead the Group through difficult times over the past three years and with whom I have always enjoyed working. They are mentioned here on behalf of every person who has supported me over the years.

I wish the Group and ALL its staff the very best, as well as the element of fortune one always needs.

Although I have now left the company for good, I will remain forever connected to the Group and will follow the coming developments with particular interest and pleasure.

I had a wonderful journey with you, thank you very much!

A handwritten signature in black ink, appearing to read 'Bettina Glatz-Kremsner', with a stylized flourish at the end.

Bettina Glatz-Kremsner

CURRICULA VITAE



Director General Erwin van Lambaart

Erwin van Lambaart was born in Rotterdam in the Netherlands on 22 June 1963. He began his professional career in 1985 and held various positions up until 1995, including General Manager and Deputy General Manager. From 1995 to 1998, he worked as Directeur Délégué Economy Hotels Holland & Sales and Marketing Manager Benelux. During this period, he also gained vast experience in the hotel sector at Accor Hotels. The next part of his journey took him to Joop van den Ende Theaterproducties/Stage Entertainment Netherlands, where he was CEO from 1998 to 2011. From 2006 to 2012, Erwin van Lambaart sat on the Managing Board and was Chief Content Officer at Stage Entertainment International.

In 2012, he moved to Dutch media and entertainment company Nieve Media BV, where he was CEO until 2014. Following that, he ran Sail Event Partners CV and ACE Concepts & Events BV as CEO from 2014 to 2016. In 2016, he became Chairman of the Managing Board at Holland Casinos NV, where he established himself as a proven casino and gaming expert.

On 14 March 2022, Erwin van Lambaart moved to Austria and took up his duties as Director of the Managing Board of Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H.

Erwin van Lambaart has been Director General of Casinos Austria AG and Chairman of the Managing Board of Österreichische Lotterien Gesellschaft m.b.H. since 1 April 2022.

Erwin van Lambaart is married and has two children.



Martin Škopek, Director of the Managing Board

Martin Škopek has been Director of the Managing Board of Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H. since 1 May 2019.

He has specialised in business to customer (B2C) activities in the banking sector since the start of his career in the 1990s in the Czech Republic. In 1999, he was appointed to the Managing Board of the Erste Bank's Czech subsidiary, Česká Spořitelna. In 2010, he moved to the Group's administrative headquarters in Vienna for 18 months, where he managed the Erste Bank's entire B2C operations in seven countries, including Austria. He then spent two years at the Romanian Banca Comercială Română in Bucharest and was also responsible for B2C operations there.

In 2014, Martin Škopek joined the Czech KKCG conglomerate. KKCG acquired the remaining shares in the Sazka Group in 2018 and has been its sole owner since then. The Sazka Group is a shareholder of Casinos Austria AG.

OUR DNA AMBASSADORS



The DNA ambassadors from each area – who hold this function for the entire duration of the project – are vital interfaces between the employees and us. This ensures that we can respond to our employees' needs at all times during this extensive change process and achieve a high level of acceptance.

2021

DNA – Das Neue Arbeiten (A New Way of Working)

SDG 3+8+12

Long before the COVID-19 pandemic it was already clear that DNA – Das Neue Arbeiten (the new way of working) is a key driver of a company's competitiveness, fitness for the future, and thus attractiveness for staff. What is actually possible and what the Casinos Austria and Austrian Lotteries Group can achieve within a very short period was clear for all to see in 2020, when we switched to home office working from one day to the next. Staff members familiarised themselves with Teams calls and a new form of collaboration. In keeping with the principle of every crisis also offering a window of opportunity, an internal project team had already looked at new work in the narrowest sense at the end of 2020. Based on the concepts developed, the decision was made to carry the positive aspects and insights of our new, increasingly digital working life into the future.

The DNA – Das Neue Arbeiten project was launched at the beginning of March 2021. It is essentially a cultural change process, which is supported by the architectural redesign of our office space at the headquarters of the Casinos Austria and Austrian Lotteries Group. We want to become fit for the future, initiate a cultural change and strengthen our innovativeness. This will involve us converting classic office spaces into multifunctional open areas, where the office becomes the place for interaction and provides the room needed to promote it. New spatial concepts and new working models will give our staff and the company as a whole room for more flexibility.

Workplace strategy or answer to the question: "How will we work in the future?"

The basis on which all further project developments are based is the workplace strategy. It tells us how we will work in the future and what impact this will have on our office. The overall project will be guided by everything defined in the workplace strategy. Such strategies were simple 10-15 years ago, i.e. the place of work is predominantly the office, staff members arrive in the morning, sit down at their desk and leave it from time to time for lunch, coffee, meetings, etc. Our work environment looks different nowadays.

We have multiple places of work, are mobile, use mobile devices and defy a pandemic. The workplace strategy reflects the Group's values and vision for working and provides the framework for operating within it going forward. It makes our office part of who we are, providing exactly the support we need to attain our goals. The strategy is based on planning and utilisation principles.

VISION – DNA



Alles ist möglich

Wir beseitigen Barrieren, sowohl physische als auch mentale.



Gemeinsam arbeiten wir am Glück

Wir arbeiten zusammen und vernetzen uns. So verstehen wir besser, wie wir mit anderen Einheiten lösungsorientiert interagieren können.



Zum Glück gibt's uns

Wir sind stolz ein Teil des großen Ganzen zu sein, von verschiedenen Inseln im Unternehmen zu einer gesunden Durchmischung. Wir suchen die räumliche Nähe zueinander.



Wir spielen fair

Wir nutzen das Büro gemeinschaftlich, wir teilen.



Darauf kannst du setzen

Wir sind flexibel und mobil. Arbeiten im Büro und von zuhause ist Teil dieser Flexibilität.



A planning principle specifies how and most importantly what is planned, e.g. which building blocks there are, whether there are corridor walls, whether value is placed on transparency. A utilisation principle tells us how the planned building blocks will be utilised. Is the space assigned to one person or group of people or are the building blocks shared and everyone can use the space?

Staff highly involved

Staff are involved in the project via various change activities through which they can participate and actively contribute to the project. On the one hand, there are project ambassadors from each department who remain in this role for the entire duration. They are the mouthpiece from department to project and from project to department. On the other hand, colleagues will take part in workshops focusing on acoustics, mobility, sharing and activity-based working. This is where discussions are held, worries, concerns and fears are addressed and the needs of colleagues are spoken about in the workshop itself. In addition, much of the participation in the project will be via its sub-projects. These will deal with the future rules for cooperation or the design of special zones, for example.

Huge investment in IT mobility for all

The first visible sign of the project was the equipment of all staff members at our headquarters with a modern mobile computer workstation in 2021. Firstly, outdated devices that no longer meet current requirements were replaced, and secondly, existing stand-alone computers were exchanged. Laptop and tablet computers in an up-to-date and powerful configuration with touch screen and LTE data module will be deployed.

Another component of the mobility initiative is the equipment of all staff members at our headquarters with smartphones and corresponding phone number (if not already provided).

Home office framework conditions implemented

A staff survey had already been conducted at the end of 2019 to determine the desired conditions for working from home. The results of this survey revealed that most staff members (full-time) would like to work from home for at least two working days each week.

The Group has met this need and is providing staff members with jobs suitable for home office working a minimum of 35 per cent of the weekly working time in home office days. This minimum amount is more for guidance purposes, as no one is required to work in their home office for two days. To give staff members and their respective line manager the scope needed to come to an agreement on the greatest possible flexibility, a maximum limit for days spent working in a home office was not introduced intentionally. This means that staff can agree on spending more than two days working in a home office with their line manager.

The new framework for working from home makes a valuable contribution to enhancing the flexibility of collaboration and thus the work-life balance of staff members.



Project workshop with a lot of input from staff members.

Our Group strategy

Strategy provides direction and clarity – and it was with this in mind that we started the procedural preparation and development of the strategy for the entire Group in 2021. We are thus taking an important step after the COVID-19 period, which was a challenging time for our Group that was also marked by restructuring.

Our Group strategy will apply to all stakeholders, i.e. shareholders, staff and all organisational units. It covers the entire Group and delivers clarity as to what the most important tasks are in the future. Unlike selective or departmental strategy programmes of the past, this comprehensive approach focuses on all departments of the Group. This will enable us to align existing departmental strategies with the overarching Group strategy in the most effective way possible going forward.

Thanks to this clarity, we will be able to pursue our main objectives – within the framework of project planning – optimally and keep in mind strategic resource allocations through regular monitoring, thus creating transparency on all levels. Clear communication to all stakeholders and the regular assessment of indicators to determine whether the measures taken are making an appropriate contribution to the Group's strategy will help us to achieve our vision and strategic directions.

The 'People – Game – Environment' CSR strategy will form a material part of the Group strategy and is firmly embedded in the strategic directions.

In the current 2022 fiscal year, we will install and set in motion the iterative strategy cycle. This established cycle will then serve to regularly update strategic directions and Group objectives. Strategic projects will be coordinated, prioritised, approved and effectively managed in steering committees on an ongoing basis. The achievement of objectives will be tracked regularly and corrections initiated if necessary.

THE GROUP

Our vision

We enrich people's lives by offering high-quality Austrian gaming products and services that consistently exceed expectations.

ABOUT US

Building on more than 50 years of experience, we offer gaming, betting and entertainment of the highest standard. Our primary responsibility in all that we do is to our customers. The activities of our Group are shaped by the principle of responsible gaming and a clear, lasting sense of social responsibility. We conduct all our business in adherence to the defined legal and regulatory parameters, working in close cooperation with the licensing authority. Our attractive portfolio of products and services reflects the diversity in society and offers fun and excitement of the utmost quality.

We feel a responsibility to our staff and our Group's strengths are founded upon their diversity, which is why each individual has the opportunity to make a contribution to our corporate success according to their qualifications and abilities. Payment is fair and performance based. We encourage the professional development of our staff and support their social commitment.

Competent management gives the Group the agility it needs and creates an environment where our staff can work autonomously and responsibly. We place customers at the centre of our activities, encourage innovation and practise a constructive culture of learning from mistakes. We are all extremely proud to be part of an excellent Austrian enterprise.

We embrace our responsibility to society and support charitable projects. Our tax payments facilitate important social initiatives.

We also bear a responsibility to our shareholders. Efficiency and cost-awareness contribute to ensuring that our business activities yield commensurate added value.

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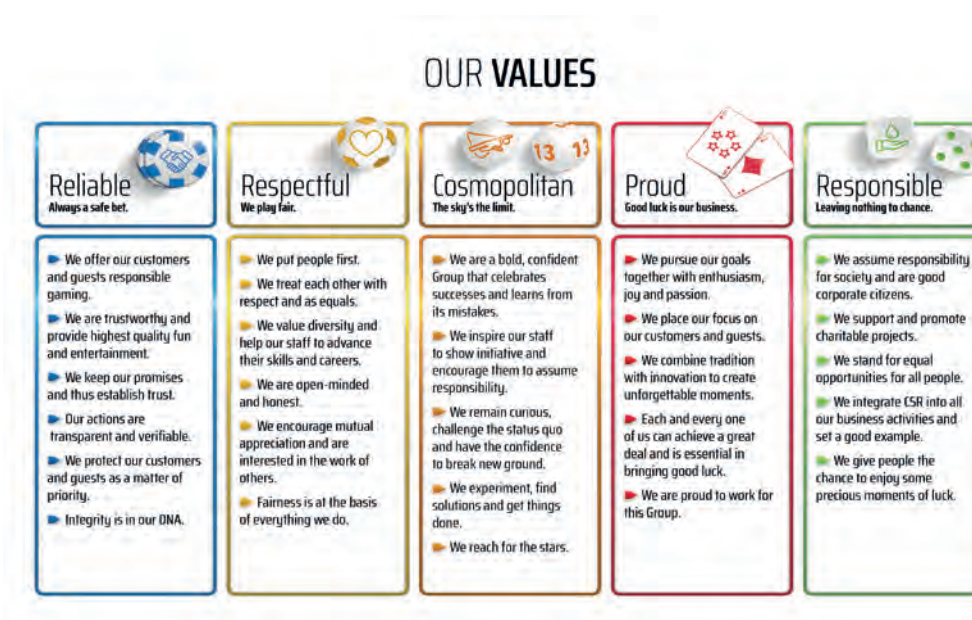


Our values

Our corporate culture is shaped by decades of experience in all sectors of the gaming industry, our innovative strength and ability to realise shared visions, our integrity and total professionalism toward our customers, guests, business partners and public authorities, as well as by genuine teamwork and the provision of excellent support and opportunities for all our staff.

Our Group is made up of numerous different business units. Be it casinos, lotteries, online gaming, international business, sports betting or video lottery terminals, our core values form the common base upon which we build and work together successfully. Professional, respectful, cosmopolitan, proud, responsible – each of our values is expressed in a slogan that reflects our Group's philosophy and the way we do business. The guiding principles below each of these values explain what they mean to us and how we apply them in practise. The concluding statement for each value summarises the guiding principles.

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Our understanding of CSR and our CSR strategy

There is hardly any other sector of the economy in which corporate social responsibility is of such central importance as it is in the gaming industry.

‘Gaming with Responsibility’ is not just a catchphrase but rather the guiding principle for all our business activities. Our corporate social responsibility goes far beyond player protection and responsible gaming. It encompasses the entire spectrum of responsibility across the value chain to society – from an economic, ecological and social perspective. We aim to be best in class, as both the COVID-19 pandemic and the increasing threat of climate change have made us aware of how important sustainability, in all its facets, has become for the economy today.

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Certified according to ONR 192500 for corporate social responsibility

To give our commitment to CSR and sustainability a professional framework, we have established a CSR management system in accordance with the Austrian CSR standard (ONR 192500). The effectiveness of our management system is audited by Austrian Standards annually.

The CSR department is responsible for the Casinos Austria and Austrian Lotteries Group’s CSR management system. With the exception of our international business activities, it extends to all our business units and helps them adhere to the seven principles of corporate social responsibility.

- **Respect for stakeholders and interest groups**

The concerns and interests of our stakeholders are important to us. But it is also important to us that our stakeholders know and accept our values. This is only possible if we listen intently to their expectations and demands. In the process, we adopt a dialogue-based approach.

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- **Transparency**

We have been publishing reports on our CSR activities and organising internal and external CSR information events for many years and will continue communicating and providing information on our commitment to CSR in the future – while attaching great importance to materiality and transparency.

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- **Respect for human rights**

Our Group’s code of conduct accords special emphasis to respect for human rights. We are committed to the United Nations Universal Declaration of Human Rights and have implemented corresponding internal and external measures to respect them. Accordingly, we invited our staff members to participate in a voluntary survey on human rights (based on the United Nations Guiding Principles on Business and Human Rights) in October 2020. The most important finding from this was that there are no real transgressions. Most anomalies were related to a lack of information. It was with this in mind that various communication activities were implemented in the course of 2021 to improve the level of information.

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- **Respect for international standards of conduct**

Our commitment to corporate social responsibility is guided by international standards of conduct. We are committed to the UN Global Compact and its principles in the fields of human rights, labour, the environment and anti-corruption. We are an active member of the Austrian Global Compact network as part of our respACT membership. Our CSR strategy is also aligned with the UN's Sustainable Development Goals and the OECD Guidelines for Multinational Enterprises. Our combined CSR and Annual Reports are compiled according to current GRI standards. We are a GRI member and as such aim to shape the future of sustainability and reporting within the global network. Our membership enables us to remain constantly up-to-date with sustainability trends. We are likewise guided by the provisions of the NaDiVeG, even though they do not apply to our Group in their amended version.

- **Ethical conduct**

We strive to conduct ourselves in an ethical manner at all times and in all that we do. Our Group's code of conduct, internal guidelines (e.g. for procurement activities) and CSR strategy underpin our core values.

- **Respect for the rule of law**

We respect justice and the law and strive to abide by the rules on all levels and in all our activities. To this end, we have implemented a comprehensive compliance management system.

- **Accountability**

We are fully aware that our decisions and actions impact society, the environment and the economy. To avoid any adverse effects and increase our positive impact, we have defined corresponding goals and measures in our comprehensive CSR strategy. This strategy is evaluated and adapted at regular intervals to ensure that it is continually improved and remains in line with the precautionary principle.

Our CSR strategy – best in class for people, gaming and the environment

At the Casinos Austria and Austrian Lotteries Group, CSR means conducting all our business activities in a sustainable manner that goes beyond our legal obligations and making responsibility to society a core principle in all that we do. Our CSR strategy demonstrates what we do to contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

This CSR strategy focuses on three particular areas, each with its own two fields of action. These fields of action are closely linked to specific SDGs and indicate those goals to which our Group can make a specific and valid contribution. The sustainability strategy was revised in 2021. This involved us conducting a stakeholder analysis and an environment analysis workshop, as well as a stakeholder survey. It forms the basis for the materiality matrix update. All results are brought together so as to derive the strategy update. The process will be completed in 2022.

BEST IN CLASS FOR PEOPLE, GAMING AND ENVIRONMENT



The SDG priorities in detail

The UN adopted the SDGs in 2016. The Casinos Austria and Austrian Lotteries Group focuses its commitment on all those SDGs that can be significantly influenced by its business activities.

SDG 3 – Good health and well-being: We strive to provide our staff with the best possible health-related support and guarantee them secure jobs. For them and their families.

SDG 4 – Quality education: We offer a broad range of initial and continuing vocational training options within the Group – from apprenticeships and croupier training programmes through to opportunities for learning new skills outside of work. We also place a strong focus on teaching our staff about sustainable development and sustainable ways of life.

SDG 5 – Gender equality: Gender equality is a focus topic in our CSR strategy. Our goal is to ensure that women and men are employed equally, sustainably and for the long term in all areas of the labour market.

SDG 8 – Decent work and economic growth: We consider it a core duty to create fairly paid jobs in Austria. Through our close ties to our domestic suppliers and consumption effects, jobs are created and secured each year in Austria. As a key player in the Austrian tourism sector, we support local culture and products.

GRI
103-1





SDG 12 – Responsible consumption and sustainable production: We place great emphasis on the sustainable use of raw materials. We also consider it our duty to encourage our customers and guests to consume our products in a sustainable manner. In other words, to only play games of chance in moderation and within their means.



SDG 13 – Climate action: We take our responsibility to the environment very seriously. Each year, we take measures to improve our energy efficiency and strive to continuously reduce our carbon footprint.



SDG 16 – Peace, justice and strong institutions: Compliance plays a central role for companies in the gaming industry. Total compliance in the handling of our games, the battle against corruption and money laundering and the provision of the highest possible standards of safety for players are an absolute priority for us.



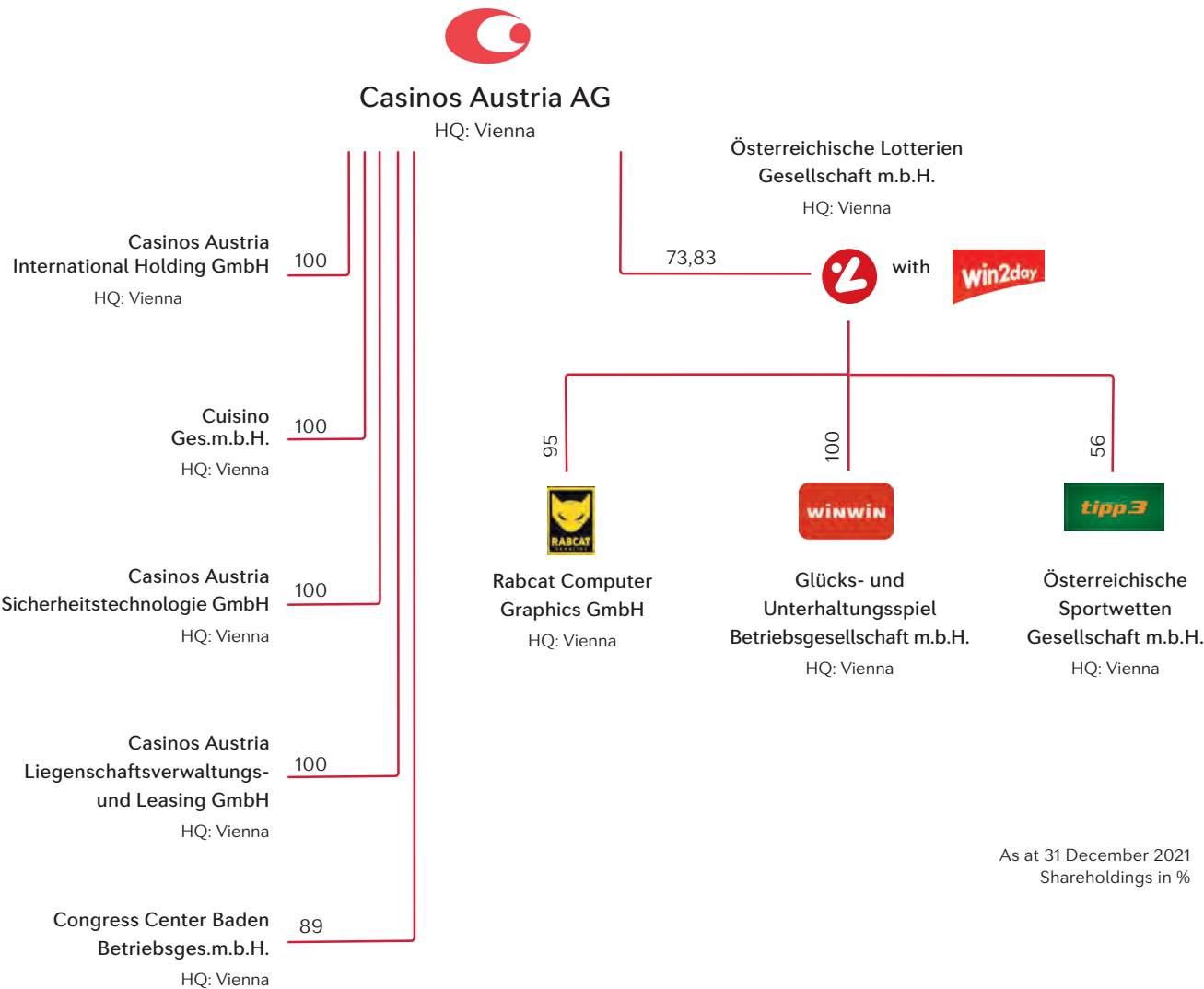
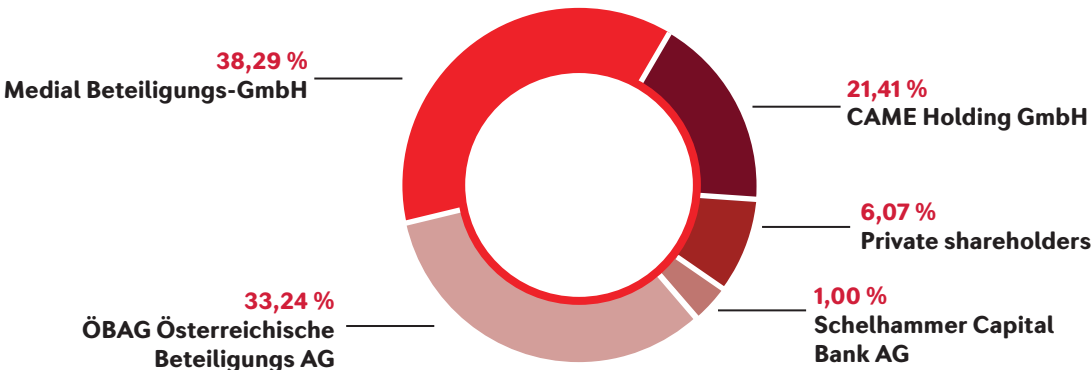
SDG 17 – Partnerships for attaining the goals: The 17 goals can only be attained if we all work together. That is why we work with a whole range of different national and international partners to support the exchange of knowledge, expertise, technology and financial resources. At national level, this is primarily realised through our many CSR partnerships. At international level, we strive to advance sustainability in our industry through our membership in key associations like the European Casino Association (ECA), the European Lotteries (EL) and the World Lottery Association (WLA).

Our shareholders and shareholdings

Casinos Austria and its affiliated companies provide gaming and entertainment of the highest order and innovative solutions for all the different games of chance.

CASINOS AUSTRIA AG SHAREHOLDERS

GRI
102-5



As at 31 December 2021
Shareholdings in %

Supervisory Board members

GRI
102-18
102-19
102-22

CASINOS AUSTRIA AG

State commissioners

Dr. Alfred Katterl
Mag. Dieter Kraft
MR Mag. Alfred Lejsek

Elected members of the Supervisory Board (shareholder representatives)

Presidium of the Supervisory Board

Ing. Wolfgang Hesoun
(Chair)
Robert Chvátal
(Deputy Chair)

Our Supervisory Board

Alena Bastis
Mag. Francine Brogyanyi
Katarina Kohlmayer, MBA
Ján Matuška
KR Gerald Neuber
DI Josef Pröll
Pavel Šaroč
Dr. Erika Stark-Rittenauer, LL.M.
Kamil Ziegler

Central Works Council delegates (staff representatives)

Manfred Schönbauer
Mag. Maria Laister
Mag. Peter Löb
Wolfgang Müller
Alexander Nachbaur
Eva Schnablegger

As at 28. June 2022

ÖSTERREICHISCHE LOTTERIEN GESELLSCHAFT M.B.H.

State commissioners

Mag. Johann Kinast
Mag. Dieter Kraft

Elected members of the Supervisory Board (shareholder representatives)

Presidium of the Supervisory Board

Ing. Wolfgang Hesoun
(Chair)
Robert Chvátal
(Deputy Chair)

Our Supervisory Board

Mag. Aakriti Chandihok-Thareja
Štěpán Dlouhý, MSc.
Mag. Bettina Glatz-Kremsner
Christian Jauk, MBA, MAS
Katarina Kohlmayer, MBA
LH a.D. Hans Niessl
Ing. Mag. Thomas Polzer
Mag. (FH) Florian Saiko
Pavel Šaroch
Dr. Alexander Wrabetz

Central Works Council delegates (staff representatives)

Erich Eckel
Mag. Bettina Forman
Judith Malle, Bakk. phil.
Robert Mandel
Erika Pilz
Gerald Schwarz

As at 28. June 2022

Report of the Supervisory Board

in accordance with the resolution of the meeting on 21 July 2022

The Supervisory Board has performed the duties incumbent upon it pursuant to statutory provisions and the Articles of Association in its meetings. The Managing Board has reported regularly on the progress of business.

The financial statements and management report of Casinos Austria AG were audited by the independent auditor appointed at the Annual General Meeting on 29 June 2021, BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft. Upon completion, the audit did not give rise to any objections.

The independent auditor has therefore confirmed that the annual financial statements and management report of the Managing Board of Casinos Austria AG comply with the provisions of law. The Supervisory Board confirms that it concurs with the management report of the Managing Board and the proposed distribution of profits and that it approves the annual financial statements of Casinos Austria AG, which are hereby adopted pursuant to Article 96 of the [Aktiengesetz \[Austrian stock corporation legislation\]](#).

Die Wirtschaftsprüfungsgesellschaft PwC Wirtschaftsprüfung GmbH hat gemäß § 270 UGB eine Unabhängigkeitserklärung des Abschlussprüfers vorgelegt und über ihre Einbeziehung in ein gesetzliches Qualitätssicherungssystem berichtet sowie alle Umstände, die die Besorgnis einer Befangenheit begründen könnten, schriftlich dargelegt.

Weiters schlägt der Aufsichtsrat vor, PwC Wirtschaftsprüfung GmbH in der nachfolgenden Hauptversammlung für das Geschäftsjahr 2022 als Abschlussprüfer zu bestellen.

The Supervisory Board
KR Ing. Wolfgang HESOUN
(Chair)

Vienna, 21 July 2022

Our organisational structure

The Group's various areas of business are assigned to business units, which draw on the services of our holding lines und competence lines.

GRI
102-2
102-18
102-19

MANAGING BOARD

Director General
Erwin van Lambaart

Director of the Managing Board
Martin Škopek



BUSINESS LINE
Casinos Austria

Mag. Thomas Lichtblau



BUSINESS LINE
Casinos Austria
International

Mag. (FH) Fritz Pühringer



BUSINESS LINE
Austrian Lotteries

Mag. Elisabeth Rö-
mer-Russwurm



BUSINESS LINE
Online Gaming

MMag. Georg Wawer



BUSINESS LINE
Sports Betting

Mag. Philip Newald



BUSINESS LINE
VLT

Peter Simoner



HOLDING LINE
Corporate
Communications

Patrick Minar



HOLDING LINE
Corporate
Development

Mag. (FH) Matthias Steininger



COMPETENCE LINE
Finance & Treasury

Mag. Wolfgang Sperl



HOLDING LINE
Group Controlling
& Consolidation

Mag. Wolfgang Sperl



COMPETENCE LINE
Human Resources

Mag. Naida Karabeg



COMPETENCE LINE
Information-Technologies

Emmerich Hager



HOLDING LINE
Internal Audit

Mag. Martin Jekl



COMPETENCE LINE
Legal Affairs

Dr. Michael Czermak



HOLDING LINE
Responsible Gaming
& Compliance

Mag. Arno Nagelschmied



COMPETENCE LINE
Services

Mag. Georg Weber

As at 14 March 2022.

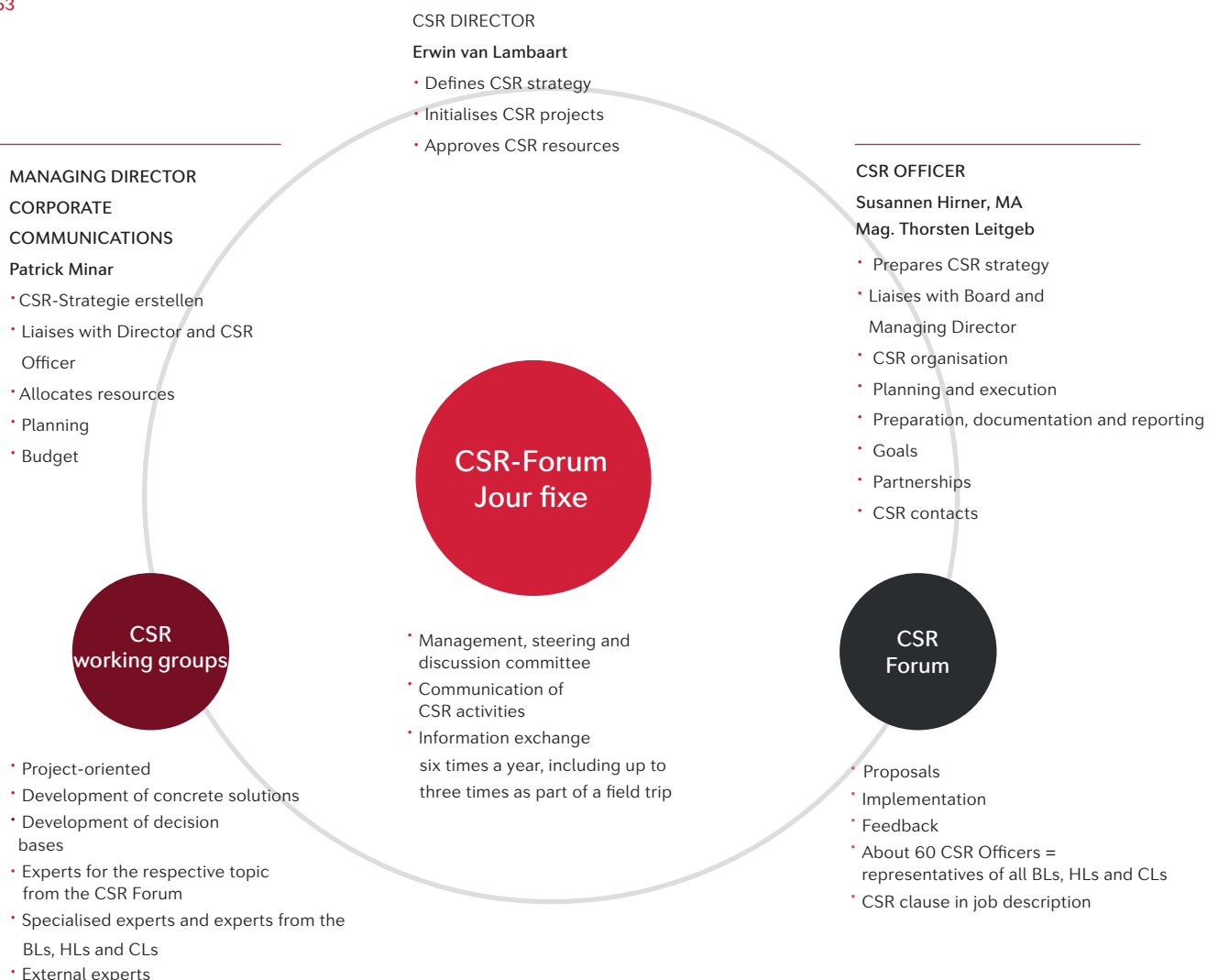
Our CSR organisation

SDG 17

GRI
102-20

From an organisational perspective, corporate social responsibility within our Group falls under the purview of our Corporate Communications holding line, which reports directly to the Director responsible for CSR. Together with the Managing Director Corporate Communications and the CSR officer team, the Director sets the strategic direction for our CSR activities. Our CSR Forum is the linchpin of these activities and representatives of all our business, competence and holding lines meet regularly in this forum to discuss CSR topics and initiate projects. As a rule, the CSR Forum meets for the so-called 'CSR Forum Jour fixe' up to six times a year, with every second meeting held in the form of a field trip wherever possible. This is entirely in keeping with the importance of and need to provide training in sustainability (SDG 4, ONR 192500), as well as active stakeholder management. Moreover, it takes into account the significance of partnerships in which the Group cooperates with other institutions to promote sustainable development (SDG 17).

GRI
102-53



OUR BUSINESS ENVIRONMENT

GRI
102-21
102-43

We continued to act responsibly within the stakeholder groups that were evaluated by us during the COVID-19 pandemic.

By constantly involving our key stakeholders we are able to identify their main issues and act accordingly – in addition to analysing the environment, risks and opportunities.

The graphical representation of the value chain illustrates our business processes at a glance. The issues identified across the value chain were considered as part of the materiality analysis.

We analyse our environment periodically – the next one will take place in the current business year as part of the revision of our CSR strategy – and focus at length on our corporate opportunities and risks. The COVID-19 pandemic and its long-term effects have necessitated a review of the environment analysis.

In Austria, the state holds a monopoly on games of chance and it is the Glücksspielgesetz (GSpG) [Austrian gaming legislation] that forms the basis upon which our Group may offer games of chance within the country. The Federal Minister of Finance may transfer this right to third parties by awarding licences in accordance with the conditions laid down in the GSpG.

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2

Our key stakeholders

We maintain a continuous dialogue with our key stakeholders. This exchange is conducted on four levels, i.e. through the systematic provision of information via various channels, through personal dialogue, through topical surveys and through collaboration via memberships and cooperation agreements. The below chart summarises our key stakeholders at a glance.

GRI
102-40
102-42

SDG 17

STAKEHOLDER

BUSINESS	POLICY	SOCIETY	GAMING
Shareholders	Shareholders	Media	Player protection organisations
Suppliers and serviceproviders	Public authorities	NGOs and associations	Customers and guests
Sponsorship partners		University/ Research establishment	
Staff			
Business and retail			

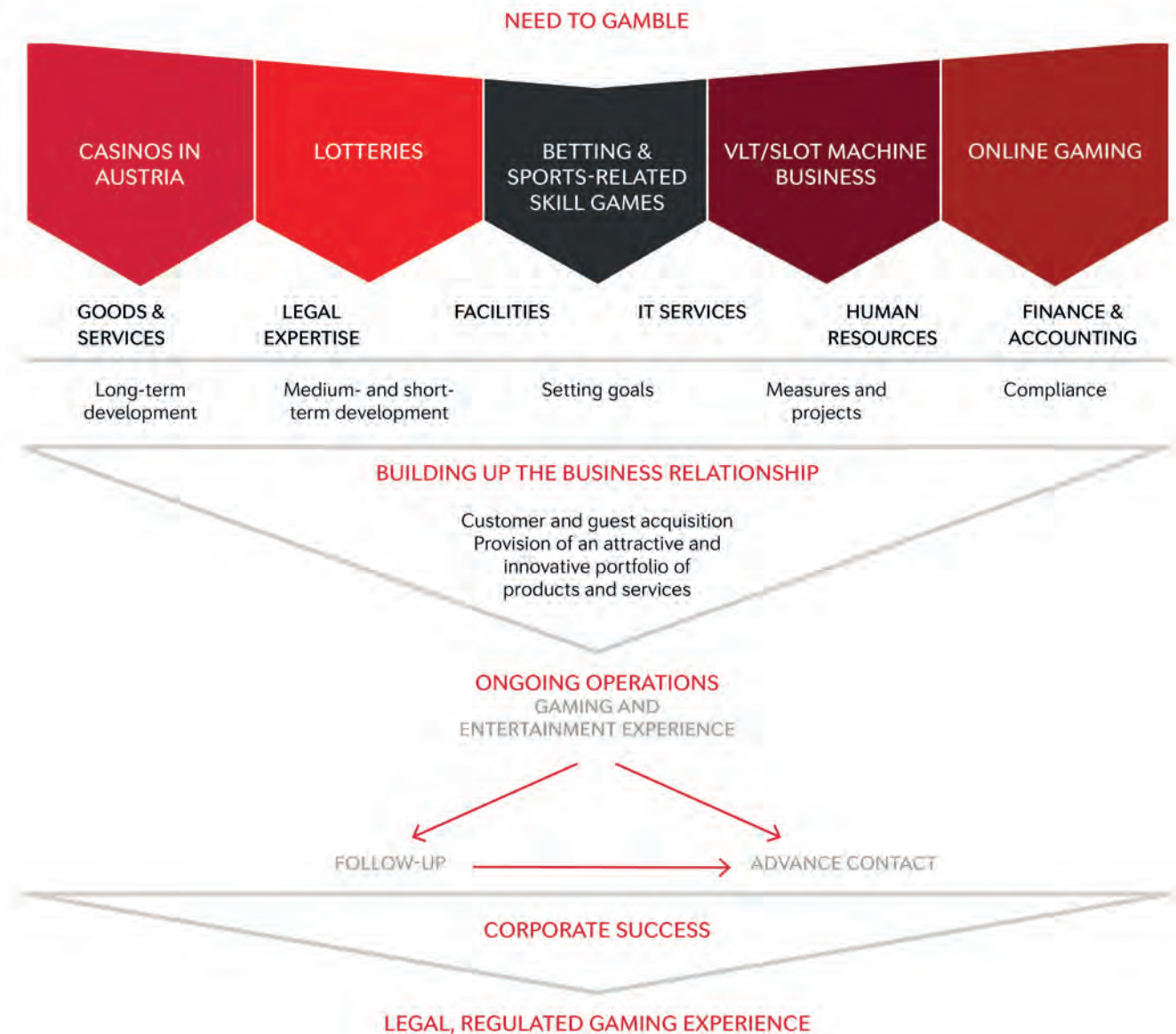
More information about our stakeholder relations is available at <https://www.casinos.at/en/casinos-austria/company/press/publications> or <https://www.lotterien.at/en/press/publications/annual-reports> under ‘gri-stakeholder-2020-en.pdf’ or ‘GRI Stakeholder 2020’, respectively, which supplements our Annual and Sustainability Report.

Our value chain

Acting responsibly means examining the core processes of commercial value creation.

Globalisation is raising the complexity of value creation processes. Demands from stakeholders for transparency and information are likewise growing ever louder. Alongside purely economic factors, ecological and social concerns now play an increasingly important role. The below figure illustrates the Casinos Austria and Austrian Lotteries Group's value chain and provides an overview of its business processes. It also shows the resources required upstream as input factors as well as the results generated downstream in the form of output. The issues across the value chain thus identified were considered in the materiality analysis process.

GRI
102-2
102-9



Analysis of environmental factors

GRI
102- 44

To ensure long-term success, a company has to know and understand its business environment and be able to recognise risks and opportunities at an early stage. At the Casinos Austria and Austrian Lotteries Group, we monitor and analyse global economic, environmental and social parameters and trends as a matter of course. We analyse our environment periodically and focus at length on our opportunities and risks. The COVID-19 pandemic and its long-term effects necessitated a review of the environment analysis, which was carried out in 2021 as part of the CSR strategy update.

OUR ESTEMPLE ENVIRONMENT ANALYSIS FROM 2021 SHOWS THE FOLLOWING PICTURE:

ECONOMIC TRENDS

- Larger income gap
- Reduction in disposable income for games of chance
- Lower employment rate
- Rise in GDP
- Increase in tourism
- 24/7 society
- Globalisation
- Competition (illegal competitors)
- Market partitioning
- Increase in leisure

MEDIA TRENDS

- Big data
- Change in media landscape/use
 - Everyone is a communicator
- More personal data – different communication content
- Data protection and privacy on social media
- Gender awareness

POLITICAL TRENDS

- Volatility in voter behaviour
- Subsidiarity in Europe
- Standards for corporate social responsibility
- Gender awareness
- Relevance of targeted communication with political stakeholders
- Increased border controls
- Anti-gold plating
- Gaming amendment

LEGISLATIVE TRENDS

- Fixed-term licences
- EU directives and national transposition
- Increasing regulation through legislation
- Changes to legislation
- Liberalisation of games of chance
- Ownership interests
- Increased taxes and duties
- Measures to counter illegal games of chance
- Regulations in neighbouring countries
- New or amended standards and norms from professional associations
- Reporting of non-financial indicators
- Restriction of cash by ECB

ETHICAL TRENDS

- Growth in the relevance of player protection
- Being a good corporate citizen
- Change in values – work as an identification factor and ethical conduct as a competitive advantage
- Sustainability in the tourism and entertainment sectors
- Various new ethical trends (#metoo)
- Image of games of chance

ENVIRONMENTAL TRENDS

- Shortage of natural resources
- Regionalism
- Climate change and its consequences
- Rising environmental awareness
- Health

TECHNOLOGICAL TRENDS

- Digital transformation – constantly available worlds of experience
- Development of key technologies
- Production technologies
- Green IT
- RegTech
- Accessibility of venues
- Cryptocurrency
- Rising complexity of infrastructure

SOCIAL TRENDS

- Polarisation and manipulation of opinions
- Aging population
- Social (im)balance
- Urbanisation
- Digitisation
- Fragmentation and individualisation in society
- 'All-risks-covered' mentality
- Diversity
- Health – increasing need for balance and relaxation
- Personal qualifications
- Increase in mobility
- Ideological developments

Risk and opportunities management

Our risk and opportunities management activities help us to identify and assess the key risks and opportunities from the Group's perspective and link them to effective control measures.

We carry out a quantitative risk and opportunities analysis and a qualitative assessment of long-term strategic influences twice a year. The findings are reported to the relevant audit committee and control measures are defined.

The following summary shows some of the material risks and opportunities affecting the 2021 fiscal year:

GRI
102-15

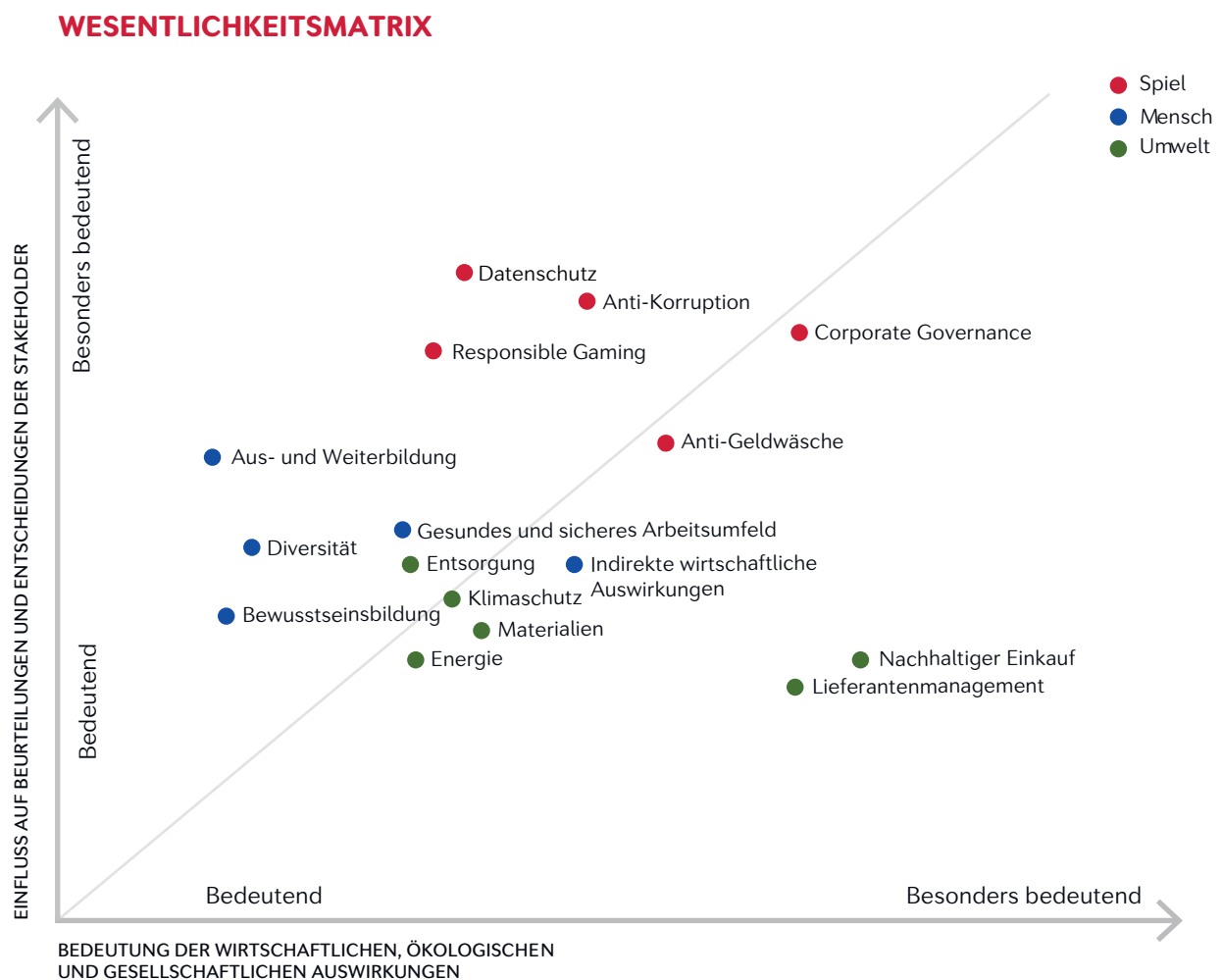
Risks and opportunities	Control measures
The 'People – Game – Environment' CSR strategy	
The strategic establishment of CSR creates awareness of socially responsible action and reaches far beyond player protection and responsible gaming. It encompasses the entire spectrum of responsibility across the value chain to society – from an economic, ecological and social perspective. The ensuing response of stakeholders can have a positive or negative impact on the result.	The CSR strategy has been strategically embedded in all departments of the Group since 2017. Furthermore, regular external certification according to ONR 192500 is carried out for the implementation of the measures, which results in a continuously improved CSR management system.
Image building and crisis communication	
Focused image building and crisis communication are important tools for strengthening stakeholder confidence. Lasting damage to our image or a loss of image can be triggered by an actual crisis, a negative incident with-in or caused by the Group or by allegations of non-compliance with player protection regulations or other socio-political obligations. Non-compliance and negative information about the company or the gaming industry in general by a third party also represent a risk.	Risk management measures include integrative PR activities, focused press communication, contact with journalists, press conferences and regular evaluation or updates of the scenarios in the Group's crisis management manual.
Compliance	
We want to ensure compliance prevails. After all, a failure to observe legal compliance regulations (on information security, anti-corruption, anti-money laundering and data protection) can lead to severe penalties.	Raising awareness among staff members, optimising internal controls, as well as appropriate training and further education programmes for staff members are suitable measures for ensuring compliance.

Quelle: RCM-Tool.w

The materiality matrix

The Casinos Austria and Austrian Lotteries Group's CSR strategy was developed in 2017 in a three-stage process in consultation with our internal and external stakeholders. We identified the relevant issues by considering the results of a peer group analysis, the assessment of the business model canvas of our various business lines, the requirements of ONR 192500, the GRI Standard (2016 – aspects, indicators, sector supplements) and ratings. Following that, some 400 of our stakeholders then rated these issues on a scale of 0-10. In the final step, the issues that had been identified and rated were consolidated into key topics for our CSR strategy and prioritised in terms of urgency.

GRI
102-47
102-49



The regulatory framework

Unless otherwise provided for in its provisions, the GSpG states that the right to operate games of chance in Austria is reserved for the federal government (gaming monopoly). The Federal Minister of Finance may transfer this right to third parties by awarding licences in accordance with the conditions laid down in the GSpG.

The legislator stipulates in the GSpG that a licence may only be granted to an applicant when “it is expected that the applicant will exercise the license best, in particular, because of its experience, infrastructure, development activities and resources as well as its systems and facilities for preventing addictive gaming, for player protection, for preventing money laundering and crime, for operational security, for quality assurance, for internal supervision and for other provisions of this Federal Law which apply to it.”

The licence to operate lotteries in Austria was awarded to Österreichische Lotterien Gesellschaft m.b.H. (Austrian Lotteries) and is valid until 30 September 2027. This licence also entitles its holder to operate electronic lotteries, which include online gaming and VLTs.

The core business of Casinos Austria is based on 12 fixed-term licences issued by the Federal Ministry of Finance in accordance with the GSpG. Casinos Austria was issued the licences for the six casinos in the so-called Stadtpaket [city package] (Bregenz, Graz, Innsbruck, Linz, Salzburg/Wals-Siezenheim, Vienna) for a period lasting until 31 December 2027; licences for casinos in the so-called Landpaket [rural package] (Baden, Kitzbühel, Riezlern, Seefeld, Velden, Zell am See) were issued for a period lasting until 31 December 2030. There were no significant developments in the 2021 fiscal year with regard to the three non-awarded individual licences being issued.

Article 5 GSpG also provides for the operation of gaming machines in individual provinces. Under these provisions, the nine provinces of Austria have the right to issue licences for the operation of gaming machines, provided that certain regulatory measures are adhered to. Sports betting is classed as a skill game in Austria and not subject to the provisions of the GSpG (legislative responsibility for sports betting lies with individual provinces).

LEGAL DEVELOPMENTS AT NATIONAL LEVEL

Material changes to the legal position

On 1 January 2021, all the gaming-related duties of the tax office responsible for fees, transfer taxes and games of chance and most of the gaming supervision duties of the Federal Minister of Finance were transferred to the Austrian Tax Office. This also applies to responsibility for awarding gaming licences in the future.

This transfer of responsibility to the Austrian Tax Office constitutes a separation of gambling supervision from the equity interest management division at the Federal Ministry of Finance (or Österreichische Beteiligungs AG - ÖBAG). The Federal Ministry of Finance is still responsible for procedures and approvals relating to shareholdings in companies that hold a gaming licence, as well as for approvals relating to shareholdings that com-

SDG 16

GRI
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panies with a licence enter into. The Federal Ministry of Finance will continue to appoint the state commissioners to the supervisory boards of Casinos Austria AG and Österreichische Lotterien Gesellschaft m.b.H.

The Federal Ministry of Finance may participate in or initiate supervisory measures of the Austrian Tax Office. The Austrian Tax Office has recourse to the Federal Finance Court in tax matters and to the Federal Administrative Court in gaming matters; there is no provision for recourse to the Federal Ministry of Finance.

The Federal Ministry of Finance will remain responsible for procedures and approvals for shareholdings in companies that hold a gaming licence, as well as for approvals for shareholdings that companies with a licence enter into.

State commissioners are still appointed by the BMF.

Unlicensed gambling

Financial proceedings against unlicensed operators to verify the payment of gaming taxes are pending. In some cases, penalty notices or demands for payment of arrears have already been issued and corresponding payments have been made.

In addition, the executive and judicial authorities are seeking to amend the *Strafgesetzbuch* (*StGB*) [Austrian criminal code] with a view to including organised gambling without a licence in the list of predicate offences for organised crime.

There are currently numerous proceedings pending against online operators without a licence relating to claims for the repayment of gaming losses, which are being pursued by aggrieved parties via the litigation financier AdvoFin AG. A number of lower court, higher court, but also Supreme Court decisions upholding these claims for repayment already exist. Many such proceedings have ended in a settlement. In a decision of 22 June 2021 (Ob 229/20p), the Supreme Court stated that online gaming operators who do not hold a licence under the GSpG are carrying out their activities unlawfully in Austria and that the gaming contracts they have concluded with Austrian players are invalid and the players are entitled to have their stakes refunded.

This resulted in Austrian sports betting operator bet-at-home discontinuing its online casino services in Austria in October 2021. It was then announced in December that the Maltese bet-at-home.com Entertainment Ltd, through which the online casino was operated in Austria, was to be wound up by the courts.

Prior to that, the Malta-based international sports betting and online casino operator Tipico had already withdrawn from the Austrian market in February 2021 together with its online casino services.

Other companies with a similar business model still operate on the Austrian market but are facing an increasing number of player lawsuits. Enforcement orders imposed by the courts are often not complied with or cannot be served because they are not accepted at the company's specified address in Malta or Gibraltar.

Ministerial Council Decision of 24 February 2021

The federal government has announced a comprehensive reorganisation of the gaming business in Austria with the Ministerial Council Decision dated 24 February 2021. The legislative package required for this was to be sent out for review in 2021 and adopted in parliament in the second half of 2021. This did not happen by the end of the year and the review process is now expected in the first half of 2022.

In addition to establishing an independent gaming authority that is not subject to directives, numerous other measures are announced in this Ministerial Council Decision. Apart from those which are very likely to have a positive economic impact on the Casinos Austria and Austrian Lotteries Group, such as legislation that will make it easier to combat unlicensed gaming portfolios (both terrestrial and online) or the elimination of the three casino licences currently not awarded, there are also those which would have negative economic consequences for our Group, such as the phasing out of VLTs, a cross-operator blocking network and advertising restrictions.

In the absence of more detailed specifications, it is not yet possible to assess the overall impact on our Group of the planned restructuring of gaming in Austria.

LEGAL DEVELOPMENTS AT EUROPEAN LEVEL

European Court of Justice (ECJ): Order in Case C-920/19 (Fluctus and Fluentum)

The ECJ decision in the Fluctus and Fluentum case on 18 May 2021 once more shattered the hopes of the online gaming provider operating in Austria without a licence. Due to the advertising activities of licence holders, the ECJ recognises an inconsistency contrary to European law and thus an inapplicability of Austria's gaming regulations.

Although the ECJ repeated many arguments from earlier judgements and takes no action with regard to the Austrian gaming monopoly, it does state that advertising in gaming should be kept at a responsible level.

The starting point was administrative criminal proceedings against the owners and operators of unapproved gaming machines in Styria. An appeal against the seizure notices and penalty decisions was lodged with the provincial administrative court in Styria.

Case C-231/20: ECJ allows cumulative penalties for Austrian administrative penalties in gaming law

If several administrative offences are committed at the same time in Austria, ensuing penalties can be added together, which at times can lead to considerable fines. In October 2021, the ECJ ruled in a case brought by an Austrian operator of illegal gaming machines that such penalties are generally permitted under gaming law (ECJ 14.10.2021, C-231/20). This judgement supports the Austrian Financial Police in its fight against illegal, unlicensed terrestrial gaming. The Financial Police continued to take decisive action against illegal terrestrial (slot machine) gaming in the year under review, too.

EU Commission launches new anti-money laundering package

On 20 July 2021, the European Commission presented a comprehensive package of legislative proposals to combat money laundering and terrorist financing. They include:

- a regulation on the establishment of a new EU authority to combat money laundering and terrorist financing;
- a regulation on combating money laundering and terrorist financing with directly applicable rules, including in the areas of customer due diligence and beneficial ownership;
- a revised version of the Wire Transfer Regulation (Regulation 2015/847), which aims to facilitate the tracing of crypto transfers;
- a sixth version of the Directive on money-laundering and financing of terrorism, which is set to replace Directive 2015/849/EU and contains provisions to be transposed into national law, such as the rules on national supervisory authorities and FIUs in Member States, and
- an EU-wide cash payment ceiling of EUR 10,000.

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LEGAL DEVELOPMENTS AT INTERNATIONAL LEVEL

Casinos Austria International scores victory before international arbitration court in dispute with Argentina

In its decision of 5 November 2021, a World Bank arbitration court awarded Casinos Austria International (CAI) approximately USD 36 million in a case against the State of Argentina.

The dispute was triggered by the revocation of CAI subsidiary ENJASA's licence by the gaming authority of the Province of Salta in August 2013, which CAI fought with all legal means at its disposal from the outset. The decision was unequivocal in its description of the revocation of the licence, referring to it as arbitrary and unlawful.

This establishes that the gaming authority of the Province of Salta in Argentina wrongly revoked CAI's gaming licence in 2013. From the very outset, CAI has repeatedly stated that the accusations were completely arbitrary, politically motivated and false, which is why it took legal action immediately.

The proceedings under ICSID Case No. ARB/14/32 (Casinos Austria International GmbH and Casinos Austria Aktiengesellschaft v. Argentine Republic) first involved the proceedings for clarification of the jurisdiction of the arbitration court, which the arbitration court decided on in favour of CAI. This was followed by the proceedings for a decision on the substance of the case, which have now been concluded in favour of CAI. The decision is now legally effective and work is currently underway to enforce it.

PARLIAMENTARY COMMITTEE OF INQUIRY

On 22 January 2020, the Austrian Parliament set up a committee of inquiry into the alleged venality of the turquoise-blue federal government ('Ibiza Committee of Inquiry').

The committee was tasked with looking into alleged political collusion on the granting of undue advantages in the area of federal law enforcement by members of the federal government or state secretaries and, in each case, senior officials subordinate to them to natural or legal persons who directly or indirectly benefited political parties in the course of the

- a. enforcement of Articles 12a, 14 to 16, 18 to 24a, 30, 31, 31b(1), 31b(6) to 31b(9) and 57 to 59 GSpG;
- b. influence on Casinos Austria AG, its direct or indirect shareholders;

[...]

- f. appointment of bodies (including managing boards, supervisory boards and general managements) in which the federal government holds a direct or indirect interest;

g. criminal and disciplinary investigations in the wake of the Ibiza video and against Casinos Austria AG, its direct and indirect shareholders, as well as subsidiaries and respective board members – including preparations and acts of tampering between 18 December 2017 and 10 December 2019 in undertakings in which the federal government holds an indirect or direct stake.

This committee of inquiry ended in the summer of 2021. A new committee of enquiry was set up in December 2021, which could also affect the Group.

The Office of the Public Prosecutor for Economic Affairs and Corruption is also carrying out a separate investigation into this matter due to suspected bribery, corruption, breach of trust and abuse of official authority (Articles 153, 302, 304, 307 StGB).

PROVISIONS AND REGULATIONS RELATING TO THE COVID-19 PANDEMIC

SDG 3+17

Numerous legal provisions relating to the COVID-19 pandemic were once more adopted in 2021. In particular, the Federal Ministry of Social Affairs, Health, Care and Consumer Protection issued a series of regulations in 2021 to prevent the spread of COVID-19.

Amongst other things, these regulations resulted in the closure of all casinos and VLT outlets (WINWIN), as well as the cancellation of countless events. These regulations also had significant implications for the economy and labour legislation (in particular, short-time work and working from home).

Since these legal and regulatory provisions often entered into force shortly after the decision was passed and promulgated, it was necessary to analyse the new legal situation quickly and take appropriate action.

OUR BUSINESS UNITS

2021

Although 2021 was another challenging year for the Casinos Austria and Austrian Lotteries Group, we still managed to further develop many new ideas and were able to launch them successfully in our various markets. The remodelling and opening of new locations yielded additional positive impulses, so that we can see ourselves well-positioned for the coming years.

Our customers win record-breaking prizes in 2021, too

100,000.00 €

or more for 548 winners

10,003,823.60 €

shared between two players in the Lotto six-time rollover jackpot

CASINO WORLD

Our **12 Austrian casinos** are located in Baden, Bregenz, Graz, Innsbruck, Kitzbühel, Kleinwalsertal, Linz, Salzburg, Seefeld, Velden, Vienna and Zell am See. Every casino is a leading tourist operation that blends harmoniously into its particular region and guests are met with an extensive range of games from every part of the world. In addition to classics like roulette and blackjack, players can also enjoy popular table games such as Macau baccarat and Sic bo. Our poker products include cash games and competitions held on a daily and weekly basis, respectively. We also host impressive tournaments with competitors from across the globe. The incredibly diverse range of games available on the multigame slot machines offers great entertainment with classics like Book of Ra, Lucky Lady's Charm and Sizzling Hot. Interconnected throughout Austria and topped up to EUR 200,000 every time a jackpot is won, the Fort Knox slot machines are an absolute hit. Moments of delight, superb gaming pleasure and a touch of excitement – our individually prepared gourmet packages also provide everything the fascinating world of the casino has to offer.

Casinos Austria International Holding (CAIH) consolidates Casinos Austria's extensive international activities under one roof. Thanks to its unique portfolio of casino management and development services, CAIH has brought more international casino projects to their successful conclusion than any other operator in the world. The key markets are situated in the European Union, Switzerland and Australia. The CAI Group's business activities include the operation of its own casinos, the operation of casinos on a management contract basis, as well as financial investment in casino operators. Focus is always put on perfectly aligning products with their particular market.

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Casinos in Austria

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Casinos Austria offers its guests an extensive range of games from every part of the world. The 12 casinos are open 364 days a year (closed on 24 December). Similar to the previous year, 2021 was marked by measures taken in response to the COVID-19 pandemic. Accordingly, the casinos had to remain closed to varying degrees, taking into account respective federal and provincial regulations. The safety of our guests and staff was always paramount.

The casinos began 2021 with a lockdown. Although the two Vorarlberg casinos in Bregenz and Kleinwalsertal were able to open on 15 March 2021, this was subject to strict coronavirus regulations, such as heavily reduced opening hours, restrictions on the number of guests (correlating with the area), mandatory submission of negative SARS-CoV-2 test results by guests, limited or complete prohibition of dining services in the gaming area, as well as the mandatory use of FFP2 masks throughout. The remaining ten casinos resumed gaming operations on 19 May 2021, also under heavily restricted conditions. Accordingly, they were closed for a total of 274 days because of the pandemic.

It was not until the beginning of July 2021 that coronavirus-related measures were largely relaxed. Due to the rising number of infections, the 2G rule was introduced throughout Austria at the beginning of November 2021 and therefore only vaccinated or recovered guests had access to the casinos. On 22 November, it was finally decided that a new lockdown should be imposed, which again affected all 12 casinos. It was not until 13 December that 11 of the 12 casinos were able to reopen, with Casino Linz finally following suit on 17 December due to different provincial regulations.

Despite the difficult environment, Casinos Austria worked hard on developing its range of products and services further and on bringing them up to the latest technical standards over the preceding fiscal year. The strategic focus on our core business, gaming and the playing guest, showed the first signs of success.

In addition, various measures such as the re-dimensioning of individual venues and adjustments to our catering and events have put the company on a positive and sound cost base for the years to come.



Roulette is one of the most popular of the classics in Casinos Austria's extensive range of games.



The range of slot machines was expanded in 2021 and another important player protection measure taken with the introduction of a compulsory gaming card.

The casino game experience

In addition to classics like roulette, blackjack, the slots and multiple variants of poker, players can also enjoy popular table games like Macau baccarat, a card game from South America, and Sic bo, a dice game from ancient China.

This international gaming portfolio means that our 12 casinos have a wide range of poker products, including cash games and competitions held on a daily and weekly basis, respectively. They also host impressive tournaments with competitors from across the globe. Investment in the infrastructure needed for the expansion of our poker products continued in 2021, significantly increasing the various cash games in the casinos further. However, tournaments could not take place for the most part due to coronavirus-related regulations.

Slot machine gaming was in high demand. With regard to the expansion of our portfolio, investments were directed at the electronic table games – and as such at electronic blackjack – as well as at innovative, promising solutions that have yet to be offered on the domestic market. Of course, we have also invested in well-established products and in so doing taken into account the requirements of regular guests. Accordingly, the coveted slot machines from Konami also returned to some of the 12 casinos.

Among the most popular slot machines at Casinos Austria are the Fort Knox machines, which are linked together in the Austria-wide jackpot. In addition to the 'Cleopatra' and 'Diamond Vault' Fort Knox games, you can also win the jackpot, topped up to EUR 200,000 every time it is won, with 'Majestic Gorilla'. The fourth and final game in the Fort Knox series will be available in 2022. Participation is possible on a total of 90 slot machines. The jackpot was won three times in 2021 with the highest prize of just under EUR 250,000 going to a player in Casino Velden on 4 October 2021.

The compulsory gaming card for slot machines was introduced in May 2021. The resulting transparency adds significant value in the area of responsible gaming.

As in the year before, further investments were made in equipment, comfort and ergonomics in the past business year – thus bringing more casinos up to the latest technological standards.

The reorganisation of the gaming areas in the casinos at Graz, Kitzbühel, Kleinwalsertal and Linz resulted in an enhanced layout and mix of slot machines and table games such as roulette, blackjack and poker. Plus, the gaming area in Casino Linz was extended and equipped with new slot machines and the poker floor extended. Since 2021, Casino Linz has been operating sustainably from the reduced space on the ground floor (formerly the Jackpot Casino). The first floor will not be put back into operation after the fire of 2020 that destroyed the Classic Casino.

The new Easy Roulette terminals acquired at the end of 2020 at Casino Baden were connected to the Game Zone portfolio in 2021. This means that guests also have the opportunity to play blackjack there with low stakes. All these terminals operate under the name Stadium Games.

Events and other activities

The majority of events, including tournaments and the 'Casino-on-Tour' events, could not take place in 2021 because of the ongoing COVID-19 pandemic. Some 100 third-party or collaborative events were held in the Baden and Velden event centres in 2021; all safety regulations, hygiene regulations, and the statutory COVID-19 requirements were complied with.

Number of game tables	2021
American Roulette	35
Party Roulette	28
Black Jack	58
Black Jack X-change	2
Tropical Poker	9
Poker	33
Easy Hold'em	19
Macau Baccara	10
Miscellaneous	2
Total table games	196

Number of slot machines	2021
Slot machines	2.096
Easy-Roulette-terminals	199
Stadium-Games-terminals	30



Whether as a rendezvous among friends or gift idea, the wide-ranging gourmet packages combine gaming and culinary delights to create a wonderful evening.

The casino dining experience

Moments of delight, superb gaming pleasure and a touch of excitement – Casinos Austria provides everything the fascinating world of the casino has to offer with individually prepared gourmet packages. The 'Genuss & Casino', 'Bar & Casino', 'Dinner & Casino', 'Dinner & Casino Night' (with an overnight stay in one of our numerous partner hotels) and 'Glück & Casino' packages join the popular gift vouchers in the voucher collection. They are available at the casino's reception and online from shop.casinos.at, where they can also be printed out as a last-minute gift.

New general advertising line

Casinos Austria has created a sound basis for positive operating success in 2022 with its strategic realignment and the associated introduction of the new general advertising line, which was implemented in stages from July to September 2021. The strategic focus is on the core business of games and the playing guest, who is brought closer to the fascination of casino gaming and associated emotions by the general advertising line. Since mid-October, the new casinos.at website and online shop at shop.casinos.at have completed the repositioning. With that in mind, Casinos Austria also realigned its sponsorship activities in the past business year, with the associated communications also going hand in hand with the new general advertising line.

Our 12 casinos at a glance

Casinos Austria's extremely broad product portfolio has made it one of the world's leading gaming operators since 1968. At the heart of our Group are the 12 Austrian casinos in Baden, Bregenz, Graz, Innsbruck, Kitzbühel, Kleinwalsertal, Linz, Salzburg, Seefeld, Velden, Vienna and Zell am See.

Each casino is equally as unique as its host region and as a leading tourism operation blends in harmoniously with its setting, generating a high level of regional value added for the area in question.



Casinos Austria offers vast poker expertise – from exciting cash games to international tournaments.

CASINO LOCATIONS

Casino Baden
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Director Bernhard Moosbrugger
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bregenz.casinos.at

Casino Graz
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Casino Wien
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Casinos Austria International

Casinos Austria International Holding (CAIH) consolidates Casinos Austria's extensive international activities under one roof. Since it was founded back in 1977, the wholly-owned subsidiary of Casinos Austria AG has gone on to become a leading player in the global casino sector. Thanks to its unique portfolio of casino management and development services, CAIH has brought more international casino projects to their successful conclusion than any other operator in the world. The key markets are situated in the European Union, Switzerland and Australia.

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Tradition, innovation, integrity, responsibility to society, safety and service excellence are the cornerstones of Casinos Austria International's strong reputation. The CAIH Group's business activities include the operation of its own casinos, the operation of casinos on a management contract basis, as well as financial investment in casino operators. Focus is always put on perfectly aligning products with their particular local market.

2021 in review

Apart from online gaming, the gaming industry was one of the sectors most affected by the at times draconian measures taken to contain the COVID-19 pandemic. Accordingly, the crisis also affected the operational development of CAI's casinos in 2020 and 2021. Management took all possible measures necessary to stem the outflow of liquidity. Wherever possible, government financial support was utilised in every country. This predominantly included a reduction in fixed HR costs in the form of short-time work due to the coronavirus pandemic, the assumption of salary payments by the state and the suspension of other payroll costs. Other relief included deferred tax payments and financial assistance to cover fixed costs.

Due to the increased number of infections in the first half of 2021, only the casinos in Cairns and Cairo, as well as the VLT outlets in North Macedonia were open continuously. All other establishments were not able to reopen until April (Berne and Lugano in



The Reef Hotel Casino in Cairns, Australia.



Switzerland, Liechtenstein), May (Hungary, Denmark and Germany) and June (Belgium and St. Moritz in Switzerland), in some cases subject to strict hygiene measures.

In 2021, 25 establishments were operated in nine countries. A total of 249 game tables, 3,700 slot machines and 4,500 VLTs were in operation. 783 staff members were employed. Guest numbers rose slightly from 1.6 million to 1.63 million. Despite the partial closure of some gaming establishments imposed by the public authorities because of the COVID-19 pandemic, the gross gambling yield (including ancillary revenues) rose from EUR 108.49 million to EUR 111.44 million year on year.

Compared to the previous year, the situation at Casinos Austria International's establishments was as follows in 2021. einiger Spielbetriebe in Zusammenhang mit der COVID-19-Pandemie.



The Casino St. Moritz along the promenade of St. Moritz village



With the opening of the new Braunschweig casino, the second largest city in Germany's federal state of Lower Saxony now also has its very own Las Vegas flair.

- In Australia, significant HR cost reductions were implemented and gaming revenues returned to pre-pandemic levels. The Reef Hotel Casino Cairns 25th anniversary celebrations continued throughout the year at this location in Australia.
- Casino St. Moritz, Switzerland's highest gaming establishment, moved back to the boulevard in St. Moritz-Dorf after more than 18 years in St. Moritz-Bad.
- December saw Casino Braunschweig open at a new and conveniently situated location. American roulette, blackjack, poker and 100 slot machines offer an exclusive game experience on 800 square metres.
- Casinos Austria was successful against Argentina at a World Bank arbitration court; the company was awarded some USD 36 million. The decision was unequivocal in its description of the revocation of the licence of Casinos Austria International subsidiary ENJASA by the gaming authority of the Province of Salta in August 2013, referring to it as arbitrary and unlawful.
- The EUR 187 million seven-year bond was settled from the company's own funds in November.
- After a demanding selection process, Casinos Austria International was selected by Nagasaki Prefecture as a partner for the development and operation of an integrated casino resort. The complex award process for three casino licences in Japan enables individual prefectures to apply for one of three licences with a casino operator they have previously selected.
- A jury from the cfi.co honours Casinos Austria International with the 'Responsible Gaming Award Europe 2021'.

Outlook for 2022

The pandemic has prompted Casinos Austria International's general management to shift its focus temporarily toward stabilising the financial and liquidity situation. At the same time, it is taking into account any available government support measures.

The new management will continue to pursue the medium- to long-term strategy of investing in existing markets, opening additional venues and developing new markets in 2022.

Casinos Austria International publishes financial reports in the Austrian Control Bank's Issuer Information Centre. The financial report for 2021 will be available for downloading at the end of April 2022 at <https://issuerinfo.oekb.at/startpage.html>.

CAI OPERATIONS 2021

- CAI Operations in 2021
- The Reef Hotel Casino, Cairns, Australia
- Casino Semiramis, Cairo, Egypt
- Grand Casino Brussels Viage, Brussels, Belgium
- Casino Copenhagen, Copenhagen, Denmark
- Casino Odense, Odense, Denmark
- Casino Munkebjerg Vejle, Vejle, Denmark
- Casino Marienlyst, Helsingør, Denmark
- Casino Vesterport, Copenhagen, Denmark
- Spielbank Bad Bentheim, Bad Bentheim, Germany
- Spielbank Bad Harzburg, Harzburg, Germany*
- Spielbank Bad Pyrmont, Bad Pyrmont, Germany
- Spielbank Bad Zwischenahn, Bad Zwischenahn, Germany
- Spielbank Göttingen, Göttingen, Germany
- Spielbank Hannover im RP5, Hannover, Germany
- Spielbank Norderney, Norderney, Germany
- Spielbank Wolfsburg, Wolfsburg, Germany
- Spielbank Osnabrück, Osnabrück, Germany
- Aquamarin Casino Seevetal, Seevetal, Germany
- Casino Schaanwald, Schaanwald, Liechtenstein
- Casino 96 Balzers, Balzers, Liechtenstein
- Casino St. Moritz, St. Moritz, Switzerland
- Casino Lugano, Lugano, Switzerland
- Grand Casino Bern, Bern, Switzerland
- Casino Sopron, Sopron, Hungary
- VLTs in North Macedonia

* Relocated to Braunschweig in December of 2021

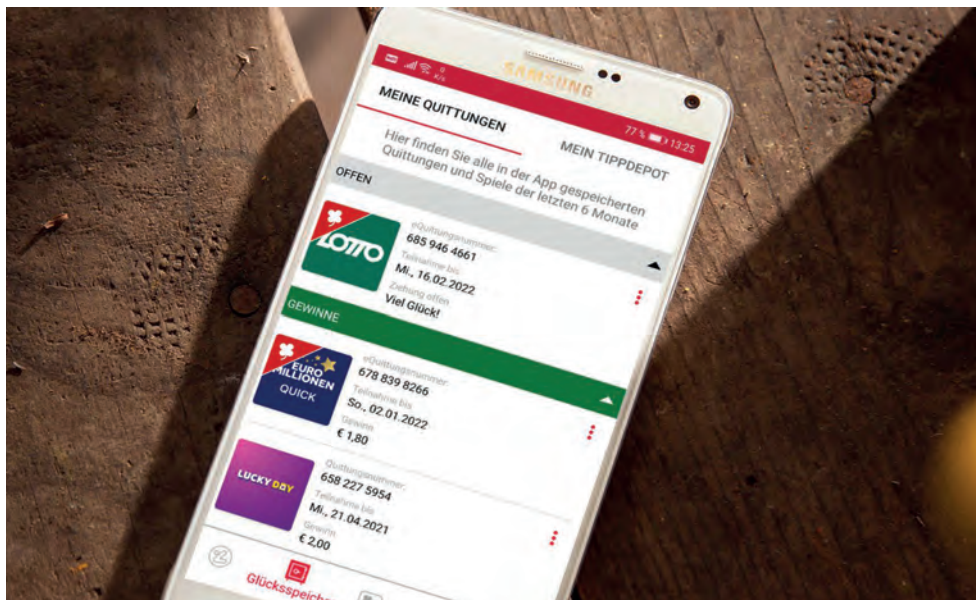
LOTTERIES WORLD

Austrian Lotteries has a broad portfolio of lottery products for all target groups: Lotto '6 aus 45' with LottoPlus, EuroMillions, Joker, Football Pool with Goal Bet, Number Lotto 1-90, Bingo, Class Lottery, Lucky Day and TopTipp pick slip-based games, scratch-off ticket and break-open ticket instant lotteries, Click&Win games offered as an online instant product with high entertainment value on win2day.at. The distribution network comprises some 5,000 retail outlets. Tobacconists account for about half of that figure. The casinos and WINWINs also perform the role of a retail outlet.

win2day is the premier address for licensed games of chance on the internet. The Casino Room guarantees fun and excitement with classics like roulette, blackjack and live casino, as well as exclusive slots and many different video poker games. win2day's Poker and Bingo Rooms are all about a shared game experience. The virtual games allow players to bet on virtual football matches and horse racing. Good preparation and background knowledge are the name of the game in the Sports Betting Room. The broad portfolio of lottery products is also available on win2day.

WINWIN offers guests the opportunity to play on the latest generation VLTs. WINWIN now operates 22 outlets across Austria, offering lots of fun, a great atmosphere and Austrian hospitality for guests looking for entertainment.

tipp3 is Austria's leading sports betting operator and offers its services in all nine provinces. tipp3 bets can only be placed by people of 18 or over in retail outlets, via the tobacconist app or online at tipp3.at.

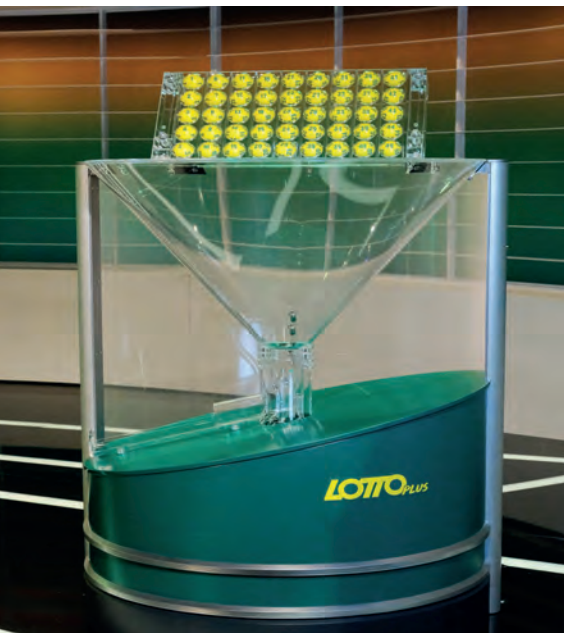


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Lottery products of Austrian Lotteries

Keeping the different games relevant and appealing was one of the core activities of Austrian Lotteries in 2021, too. A special highlight awaited Lotto and Joker fans at the end of November! The new draw machines entered the studios of Austrian TV. Promotions and offers also provided players with plenty of additional bonus prize options. In addition, Austrian Lotteries invested in equipment for its retail partners, thus helping them to present and sell the products of Austrian Lotteries.

After operating in 85,006 draws, a change was needed and the three draw machines were in service for the last time on 24 November 2021. While LottoPlus, by far the youngest product, was used in 'only' 446 draws, the Lotto draw machine had a remarkable 35 years of service under its belt and was used in 3,113 draws. But that was not the only reason for replacing the machines.



Apart from the technical aspects, a new look was also needed. And not only that! We also wanted the machines to have a visible connection with one another. Nevertheless, the declared goal was to create a recognisable identity compared to the predecessor models. Another goal was to have the new draw machines produced in Austria, which was achieved and implemented with a company based in Vienna called Economa.

The **new draw machines** combine proven technology with innovative elements to create a new, more dynamic draw system. The cylindrical bases are bevelled at the top ensure all the draw machines have the same appearance. They also have acrylic glass elements that can be illuminated in different colours. The funnel- (for Lotto and LottoPlus) and drum-shaped (for Joker) mixing containers are essentially unchanged.

In accordance with customer requirements, Austrian Lotteries has deliberately retained a compressed air mixing process and the balls are still drawn mechanically. However, these processes were optimised. The result is an accelerated draw process and more energy in the programme. The actual balls have not been changed.

The stage, decoration and camera tracking shots in the ORF draw studio have also been reworked, modernised and brought in line with the new overall concept. The draw shows will still be hosted by the ORF's proven team of presenters Evelyn Vysher, Thomas May and Ralph Huber-Bleching.

Austrian Lotteries managed to find an Austrian manufacturer in the shape of special machinery design specialists Economa Engineering GmbH from Vienna for the new draw machines and successfully completed the project after two years, despite the lockdowns and all the associated obstacles and difficulties, such as supply bottlenecks for the materials used.

The machines were used for the first time in the ORF's rearranged Lotto and Joker draw, which was aired on Sunday 28 November.



Presenters Thomas May, Evelyn Vysher and Ralph Huber-Blechinger with the new draw machines in the new ORF draw studio.

Lotto Bonus draw

The Lotto Bonus draws introduced in March 2020 were successfully continued in 2021. The Lotto Bonus draw is a complete game round in which a LottoPlus draw and a Joker draw take place simultaneously. It will be integrated into the usual draw cycle. This means that if there is a jackpot on the previous Wednesday, it will be played for in the Bonus draw on Friday. Bonus draw jackpots will be played for on the following Sunday. In 2021, players had the chance to win big in a total of ten Lotto Bonus draws. Apart from the six matching numbers that were waiting to be discovered, there was an additional prize of EUR 300,000 in each Bonus draw.

1,200 new scratch-off ticket dispensers and exciting scratch-off tickets

In 2021, Austrian Lotteries provided retail partners with completely new dispensers and displays in various sizes and formats free of charge for one of its instant products, the scratch-off ticket. The right model exists for every application and all spatial conditions. In particular, the new dispensers make it possible to offer seasonal tickets and tickets with big prizes in an eye-catching, appealing manner. More than 3,500 new dispensers have thus been rolled out since 2020. The new sales aids make the tickets far more prominent and therefore easier to sell. Scratch-off tickets introduced exciting games to retail outlets in 2021, namely the 'Casino Palace' and 'Casino Palace XXL', 'Glückselefanten' [lucky elephant], 'Goldesel' [gold ass], 'Urlaubs-countdown' [holiday countdown], 'Double Win', 'Pink Cash', 'Glücksrad' [wheel of fortune], 'Halloween', 'Winter Cash', 'Rubbel Advent' [Advent ticket], '1 Jahr Weihnachten' [Christmas for a year], 'Frohe Weihnachten' [merry Christmas], 'Viel Glück' [good luck] and the 'Glückspaket' [lucky package], which comes in a single package with five different tickets and a guaranteed prize. The scratch-off ticket range on win2day was extended to 21.



More than 3,500 dispensers have been provided to retail partners free of charge since 2020.

New counter display for pick slip products

The replacement of the pick slip product counter displays in 2,000 retail outlets across Austria started in October 2021. The counter displays are pick slip dispensers for Lotto '6 aus 45', EuroMillions, TopTipp, Number Lotto, LuckyDay and Football Pool. They also offer a place for game instructions and gaming rules. As the name suggests, the counter displays are intended for placement in the retail outlets to allow customers to mark their pick slip selections quickly and easily.

Lotto and EuroMillions gift cards

Since mid-November 2021, you can give away Lotto and EuroMillions in an extremely attractive form! Six different gift cards offer ready-made Lotto, LottoPlus and Joker or EuroMillions pick combinations. The gift cards are not only an innovative and especially easy way to play. Six ready-made quick pick combinations are available, three for Lotto and three for EuroMillions. The cards cost between EUR 10 and EUR 20. Our new gaming opportunity answers a request frequently expressed by both retail partners and customers. The gift cards are roughly the size of a cheque card and can be personalised on the back. To enable retail outlets to present the gift cards and the scratch-off ticket lucky package in the best possible manner, appropriate sales displays were delivered.

Lotto on cigarette vending machines

The project involving gaming products at cigarette vending machines launched in 2020 was continued in 2021. The machines with added value allow users to play Lotto, LottoPlus, Joker and EuroMillions around the clock. In addition, EuroBon prepaid vouchers are available for EUR 10.00 or EUR 20.00. It gives retail partners with a tobaccoland cigarette vending machine an excellent opportunity to generate additional revenue with the sales made outside opening hours. By the end of 2021, 340 machines across Austria

had been equipped with this gaming feature, which is available via touchscreen with the machine printing out the ticket. Payment can be made at the machines with an ATM card or in cash. Regardless of payment method, an ATM card is always required for proof of age, meaning the Austrian Lotteries player protection requirements are complied with.

Retail outlet identification

The equipment of retail outlets with an LED ticker was continued in 2021. The LED ticker is used for advertising outside the retail outlet and informs customers about the latest jackpots. The text displayed is updated automatically by Austrian Lotteries. This means that in addition to the popular jackpot flags, the current jackpot at Lotto and Joker, as well as the exact current tier total in the EuroMillions first tier (euro jackpot) can always be seen digitally. The outdoor signage ensures that Austrian Lotteries has a uniform appearance across Austria.

Austrian Lotteries distribution network

Austrian Lotteries has been a partner of the 'Initiative Landpaket' – which aims to revitalise rural areas through the expansion of infrastructure – since 2020. The opportunity to offer Austrian Lotteries products like Lotto and EuroMillions offers local suppliers the basic conditions needed to operate their business in an economically sustainable manner. Three new retail outlet contracts that would not have been possible without this partnership were entered into in 2021.

Tobacconists are an important part of the distribution network. Particular attention is given to people with disabilities when selecting locations. The share of tobacconists run by people with disabilities stood at more than 50 per cent at the end of 2021.

47 millionaires and record-breaking high prizes

With regard to winner performance, one outstanding fact is that 2021 was the first time that Austrian Lotteries had more than ten high prize winners per week on average. A total of 548 players – more than ever before – were able to enjoy a prize of at least EUR 100,000 last year, with 47 of them even winning more than a million.

Both from Lower Austria, two players won the highest prize of all in 2021. They hit – one with a normal ticket and one with a quick pick – the Lotto six-time rollover jackpot at the beginning of February and won precisely EUR 5,001,911.80 each.

The province with the most game of chance millionaires in 2021 was Styria, where 11 prizes worth at least a million were won, followed by Lower Austria with ten and Vienna with eight. This is followed by Upper Austria with seven, Tyrol with five, and Carinthia and Burgenland, each with three millionaires. Most of the 53 six matching Lotto numbers were won in Vienna and Styria (11 each), followed by Lower Austria (ten), Upper Austria (six), Burgenland and Tyrol (five each), Carinthia (four) and Vorarlberg (one).

After the premiere in 2020, the Lotto Bonus draws had become established as an extra chance of winning in the previous year. In 2021, an extra draw of this nature was held ten times on a Friday and in September a player from Vienna made the most of this opportunity, hit a four-time rollover jackpot and won some EUR 4.4 million in the process.

548 high prizes were won in 2021 (and thus 62 more than the year before): 271 with the EuroMillions, 127 with Lotto (53x six matching numbers, 25x five matching + bonus number, 39x six matching with LottoPlus, ten bonus promotions), 96 with Joker, 17 with the Class Lottery, nine with scratch-off tickets, eight with Lucky Day, six with Football Pool, five with Bingo, five with break-open tickets, one with TopTipp, and three with electronic lotteries on win2day. The 548 high prizes included 47 worth more than a million: 43x six matching Lotto numbers and four with EuroMillions – thanks to '5 plus 1 Richtigen' [5 plus 1 matching].



GAMES AT A GLANCE

Lotto „6 aus 45“ mit LottoPlus
TopTipp
EuroMillionen
Toto mit der Torwette
Zahlenlotto 1–90
Bingo

Joker
Lucky Day
Klassenlotterie
Brieflos
Rubbellos
Click&Win (electronic lottery via win2day)

win2day – Online-Gaming

win2day is Austria's only legal operator of online games of chance. The game experience on each terminal device has been even more diverse since 2021. The 'Virtuals' are an innovative product that allows players to bet on virtual football matches and horse races. The expansion of the live casino with special win2day tables at the end of the year takes the casino experience to a new level.

win2day excites players with its diverse range of gaming opportunities. All the pick slip-based games offered by Austrian Lotteries can also be played on win2day and a wide range of electronic break-open and scratch-off tickets are also available. Click&Win games have complemented the portfolio of instant products for about three years. Poker plays an important role and can be enjoyed via the win2day Poker Room, the browser version and the mobile poker app. Sports betting is also a fixture of the win2day range and includes live betting and tournaments.

win2day is also a broad-based platform for casino games. Roulette and blackjack are available in the win2day online casino in multiple variants. Corresponding to the slot machines in the casinos, a diverse range of slot games, which was further expanded in 2021, is also available there. Five new games (including 'Starburst' and 'Gonzo's Quest') from Swedish game developer NetEnt, one of the world's leading providers of online slots, were added right at the beginning of the year.

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New win2day campaign focusing on online business.



Playing on win2day means gaming fun on all terminal devices.

GRI
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Virtual sports events around the clock

win2day opened up a new playing field in the literal sense in 2021 with its virtual games, which allow players to bet on virtual football matches and horse races. The sports events are held around the clock and the results determined by a random generator, taking into account the winning factors. In the case of scheduled games, the matches or races start at a predefined time. In the case of the instant products, the determination of winnings begins as soon as the ticket has been placed. The minimum stake per ticket is EUR 1 and the maximum stake EUR 25. The maximum prize per ticket is as much as EUR 10,000.



New win2day campaign focusing on online business.

For many customers, placing a Lotto pick is synonymous with going to the nearest retail outlet. That's why win2day launched a new advertising campaign last year with the slogan 'Prizes that change your life', which focused on online business with a touch of humour. The aim is to make the advantages of digital gaming clearer, without competing with tobacconists. Digital natives who grew up with a smartphone as their first mobile device should find an interesting offer on win2day. This is part of our company's digital strategy.

In the 'Schatzkiste' [treasure chest] prize game at the end of 2021, win2day raffled off non-cash prizes like tablets, vouchers for electronic items and free EuroMillions picks for eight weeks. The first prize was EUR 1,000 per month for five whole years, which was played for in the final draw on New Year's Eve. Players using a pick slip or making a sports bet on win2day were entitled to participate.

Authentic live casino experience

On 20 December 2021, win2day expanded its live casino offering to include exclusive win2day tables, providing an even more authentic casino experience in the process. The game process is set in a studio in the elegant win2day design. In roulette, the ball can be followed via webcams and video streaming. In addition, German-speaking croupiers,



Exclusive win2day tables in the live casino on win2day.

including a number of Austrians, demonstrate their talent. The second classic game, blackjack, can also be played in win2day's live casino, where players can try their luck on the exclusive 'Donau' and 'Großglockner' tables. The win2day live casino was developed in collaboration with the Evolution Gaming Group.

At the same time as the expansion of the live casino offering, win2day took on another ambitious project, win2day Records. The project supports local talent and offers them a high-profile platform. It all started with the song 'I'm gonna play' by Machine Garden featuring Luana, which provided the backing music for the new win2day live casino launch commercials.



win2day had already started to promote Austria's creative musicians a good six months earlier. The 'N!CE for Austria' initiative was launched as part of the N!CE non-cash prize lottery. The idea was to support creative artists who had no opportunity to perform live during the months-long lockdown in winter and the spring of 2021 and were thus faced with considerable losses. It was with this in mind that ticket allotments for upcoming events were acquired for N!CE and raffled off in the non-cash prize draws. This allowed many winners to attend live performances by artists such as Ankathie Koi, maschek, Josh. and folkshilfe during the summer.

The Game Care safety net

win2day has had its new Game Care unit since 1 August, which aims to give users a safety net before gambling problems develop. The care aspect should be at the forefront of player protection measures. One example of this is that buttons with a predefined stake do not display amounts that are too high when making a deposit. This principle has also been adopted for user-definable time limits and financial limits. There are payout options when playing and cool-down phases. If a certain number of spins has already been made, a notification is sent to prevent the development of an excessive game flow. In contrast to some operators without a licence, win2day does not have autospin functions with which the game can be continued automatically. Buy features for free spins and the like are not offered, either.

MENTOR, which is both a prediction and service tool, has been an essential part of the player protection arsenal for years. An upgrade made in 2021 has enhanced MENTOR considerably. Users are given two types of feedback. Firstly, a test allows them to assess their gaming behaviour, plus the actual result. Secondly, normative feedback, with which gaming behaviour is analysed in relation to that of other win2day users. The mandate that the licence provides for, offering games of chance in a safe and responsible environment, is thus satisfied in a number of ways.

ELECTRONIC LOTTERIES

Article 12a GSpG states that electronic lotteries are games in which the player participates directly via electronic media and for which the outcome of the draw is calculated centrally and communicated via electronic media. Österreichische Lotterien Gesellschaft m.b.H. holds the licence for this. The games offered in the Poker Room, Bingo Room and the casino games are electronic lotteries. Keno is operated in accordance with Article 12b GSpG and offered exclusively via the internet on win2day.

WINWIN – video lottery terminals

WINWIN offers Austria's largest range of VLT games and now operates 22 outlets. Three new outlets, including the WINWIN flagship store in St. Pölten, were opened in 2021. Closures lasting more than five months ordered by the authorities because of the COVID-19 pandemic had an impact on business development in 2021.

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Every WINWIN outlet offers guests the opportunity to play on the latest generation VLTs. Contemporary settings, perfectly trained staff, regular promotions, as well as high-quality bistro cuisine at fair prices round off the package. WINWIN outlets are open 364 days a year (closed on 24 December). Admission is free and there is no obligation to wear a jacket or tie. WINWIN outlets are open to people of 18 or over and a personalised WINWIN card is needed to enter the gaming area.

Each outlet has between 15 and 50 VLTs with more than 75 different games and prizes of up to EUR 10,000 can be won with stakes of as low as EUR 0.10. Details of the responsible gaming measures can be found in this report from page 74 onwards.

WINWIN has been an important addition to local and regional leisure and tourism economies for years. As a strong partner in its various regions, WINWIN supports local associations and institutions.

Sustainability has absolute priority at WINWIN and is demonstrated in various projects. Showcase projects include Fairtrade organic coffee and green electricity in almost all WINWIN outlets. More details on sustainability at WINWIN can be found under 'Player protection at its best' and 'Sustainable use of resources and climate protection'.



The 21st WINWIN outlet opened in Linz in June 2021.

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More than a prize

WINWIN worked on a new advertising campaign in 2021. WINWIN stands for good service, a strong reputation and a feel-good atmosphere. The new advertising communication focused on conveying these core values and thus sharpening the brand profile. This was expressed in the new 'More than a prize' claim that kicked off the new advertising campaign in February 2022.

Three new outlets open in 2021

Adding another provincial capital to our list of venues, the flagship store in St. Pölten opened on 19 May 2021 and with that the third outlet in Lower Austria. The outlet has 50 VLTs on about 800 square metres. A regionally coordinated design concept lends the location individual flair. A lounge area with three VIP terminals and a game island with APEX curved machines provide a full HD game experience with their continuous screen.

On 10 June 2021, the 21st WINWIN outlet was opened in Linz, making it the fifth in Upper Austria. Right in the middle of Linz's city centre, the new outlet with 15 VLTs, including one VIP machine, offers gaming entertainment at its best on around 170 square metres.

The 22nd WINWIN outlet opened in the heart of Villach on 17 July 2021, making it the second in Carinthia. The range of more than 75 games on 45 VLTs is presented on a total area of more than 390 square metres. The WINWIN in Villach also features a large range of more than 40 carefully selected wines, which can be consumed at the venue or purchased to take home.



The new, uniquely designed WINWIN flagship store in St. Pölten.



The WINWIN in Villach opened in July 2021.

VLTs

VLTs look like classic slot machines but differ very significantly from the latter in their game mechanics. While each slot machine calculates its win/lose decisions autonomously by random generator, a random generator installed on a central computer makes this decision for a VLT based on a predetermined prize structure. The central computer then transmits the results to the terminal in question via a telecommunications link. They can be played with stakes starting at EUR 0.10. The maximum stake that can be played is EUR 10 and the maximum prize EUR 10,000.



WINWIN

WINWIN's business focus is the operation of VLTs in Austria under the WINWIN brand. Austrian Lotteries holds the licence for VLTs pursuant to Article 12a GSpG. It contributes its innovative strength in the media and technology sectors, in particular. Casinos Austria oversees operational planning and provides WINWIN with its expertise in gaming and catering.

WINWIN outlets

		Date opened
Mayrhofen	Tyrol	21 May 2004
Lienz	Tyrol	14 August 2004
Schärding	Upper Austria	21 April 2005
Steyr	Upper Austria	6 June 2007
Wels	Upper Austria	27 September 2007
Landeck	Tyrol	23 April 2008
Vöcklabruck	Upper Austria	29 October 2008
Kufstein	Tyrol	14 May 2009
Krems	Lower Austria	30 March 2011
Salzburg	Salzburg	24 May 2012
Schwaz	Tyrol	13 May 2015
Wiener Neustadt	Lower Austria	21 August 2015
Bischofshofen	Salzburg	19 April 2017
Vienna Prater I	Vienna	15 February 2018
Vienna Monte Laa/ Bohemian Prater	Vienna	27 April 2018
Vienna Prater II	Vienna	22 May 2019
Wolfsberg	Carinthia	4 December 2019
Innsbruck	Tyrol	29 May 2020
Hallein	Salzburg	26 October 2020
St. Pölten	Lower Austria	19 May 2021
Linz	Upper Austria	10 June 2021
Villach	Carinthia	17 July 2021

tipp3 – sports betting

Last year saw tipp3 establish its affiliate programme, launched in 2020, with which it entered into a new, forward-looking cooperation agreement with its retail partners. This new strategy also makes it easier to reach a younger target group. The new campaign with the 'Austria picks here!' claim was launched in time for the sports highlight of the year, the Men's European Football Championship, in the summer.

tipp3 laid the foundations for the affiliate programme at the end of 2020. The forward-looking new project, developed in cooperation with the tobacconist professional representation body in Austria aims to bridge the gap between analogue and digital distribution channels. tipp3 has thus taken into account the ever-increasing digitisation in the sports betting market, with live betting as the biggest growth factor.

Tobacconists have been tipp3 retail partners for two decades, making them the betting provider with the densest branch network in Austria. However, they were excluded from the live betting growth market, which is exactly where the affiliate programme comes in. Tobacconists encourage customers to register on tipp3.at and then benefit from all online sales for the lifetime of the customer. Interested customers receive a five-digit code from the tobacconist, which they enter during the online registration process at www.tipp3.at/online and via which new online customers always remain assigned to the tobacconist.



Online code receipt terminal.

Focusing on new betting customers

Tobacconists participate in the tipp3 affiliate programme voluntarily. Retail partners merely have to acquire new online customers and receive a percentage of the net earnings from the latter in gross commission. The aim of the affiliate programme is to promote tipp3's online products among sports fans, while at the same time keeping the products attractive for existing tipp3 pick-slip players. A new information page offering such services as betting programmes and prize enquiries has been created for tobacconist customers at tipp3.at/trafik.

Retail partners have been able to register for the affiliate programme since 21 January 2021. There was an excellent response from the outset and the first 700 registrations

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tipp3 promotes its online products at tipp3.at among sports fans with the affiliate programme.

had already been made within only a few weeks. 11 Austrian national football team home jerseys signed by the coach and players were raffled off among the tobacconists who registered right at the beginning.

A major change underlying the affiliate programme is the separation of distribution channels, which was implemented in January 2021. This makes it possible to offer different odds for terrestrial and online transactions. More attractive odds in combination with the significantly expanded range of live bets ensured a significant increase in sales on tipp3.at.

Red-white-red orientation

tipp3 presented its new slogan at the beginning of the year: 'Austria picks here!' replaced 'Bet your way to head coach!' after several years. The campaign revived unforgettable moments of the red-white-red sports history – football matches, interviews and much more. This brought the tipp3 brand's red-white-red orientation even more into focus. The 'tipp3, Austria picks here!' message was at the end of the new TV commercials filmed at the beginning of March 2021.

The main event for tipp3 and all football fans in Austria started on 11 June. Postponed by a year due to the pandemic, EURO 2020 kicked off with the Austrian national team competing. In order to reach as many customers as possible in addition to the regular betting enthusiasts, a free pick campaign lasting several weeks ran during the early stages of the European Championships. A marathon bet in which customers who placed a bet every day shared a jackpot was offered especially for the European Championship.

In addition, tipp3 launched a major European Championship campaign in cooperation with the Kronen newspaper. Every fan had the chance to record and upload a video



The long-standing partnership with and proximity to the Austrian national football team is a clear expression of tipp3's Austrian roots.

with a personal message to the Austrian team on kabinenpredigt.at. The most original messages were rewarded with a prize. Due to the successful implementation – faces in the videos were given the features of Austrian head coach Foda through digital animation – Kabinenpredigt was recognised with the iab Austria webAD Award for best tech & innovation campaign.

tipp3's biggest prize of the year was also won during the European Championships. A player from Salzburg made exactly the right score bet selections in the '3 out of 5' and '4 out of 5' systems and won a total prize of some EUR 134,000! Throughout the year, tipp3 paid its customers up to 33 per cent bonus on 4x to 10x parlay bets, which enjoyed enormous popularity, especially during the European Championship.

tipp3 celebrated its 20th anniversary in August. On 24 August 2001, the first edition of the tipp3 betting programme was delivered to 3,800 tobacconists and Lotto outlets from Lake Neusiedl to Lake Constance. The ensuing success story was based not least on the working relationship with retail partners. Added to this is the long-standing close partnership with and proximity to the Austrian national football team, which is a clear expression of our Austrian roots. The current 'Austria picks here!' campaign makes the shared enthusiasm, fairness and reliability tangible. tipp3 wants to offer its customers this feeling with every single pick.

The self-image of tipp3 was confirmed in November in a study by Nielsen. The global market research company noted with regard to tipp3's key performance indicators that as an Austrian company, Österreichische Sportwetten Gesellschaft m.b.H. sells its prod-

ucts exclusively on the domestic market under the tipp3 brand. tipp3 is an exceptionally strong and credible brand with an excellent reputation and assets secured for the long term. Brand awareness is stable at almost 80 per cent. With regard to affinity and loyalty (net promoter score) in particular, tipp3 holds its own extremely well in comparison to other sports betting brands on the Austrian market.

Last year saw tipp3 implement an initiative with clear links to Austria in the area of sustainability, too. In the course of an upcycling project, old advertising materials were turned into shoulder bags and other articles of daily use. Production took place in Upper Austria. More information on the project can be found in the 'Sustainable use of climate protection and resources' section.

ÖSTERREICHISCHE SPORTWETTEN GESELLSCHAFT M.B.H.

All nine provinces in Austria have awarded the company a licence to operate sports betting, which does not fall under the national gaming monopoly. Österreichische Sportwetten Gesellschaft m.b.H. was founded in April 2000 and the first pick slip was played on 24 August 2001. The company has since gone on to become Austria's leading sports betting operator in its sector with some 6.5 million pick slips sold under the tipp3 brand each year on average. This is more than 100 million pick slips since the company was founded. tipp3 bets can only be placed by people of 18 or over in retail outlets, via the tobacconist app or online at tipp3.at.

OUR RESPONSIBILITY

2021

From a compliance perspective, 2021 posed a particular challenge as we had to ensure compliance with legal and internal requirements even in this situation. It became clear that this was possible as a result of preparatory work carried out in recent years. Systematic approaches and our investment in prevention have once more proven their worth.

The Group's activities are dominated by social responsibility and therefore it attaches particular importance to supporting charitable projects. Our Group has always taken this role very seriously, including in 2021. Needless to say, we fulfilled our social obligation and continued partnerships during this difficult period.

In addition, the Group is committed to operating in an environmentally friendly and sustainable manner at all levels and thus to making a tangible contribution to climate protection.

Responsible to society, our staff and the environment

1,700,000,000 €

in sports funding since 1986

2,940,754,46

spent on initial and continuing vocational training over the past three years

Compliance on every level

Full compliance in the handling of our games, active anti-money laundering management, full adherence to all data protection requirements, and the highest standards of security and safety for every player. These criteria are essential for licensed gaming companies. That is why compliance plays a central role in the business activities of the Casinos Austria and Austrian Lotteries Group. The code of conduct is the foundation for all our activities.

SDG 16

GRI
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The regularly audited pillars of compliance are:

- compliance management including anti-money laundering (ISO 19600, ISO 37001);
- information security (ISO/IEC 27001:2013, WLA-SCS:2016);
- data protection (GoodPriv@cy:2018);
- quality management (ISO 9001:2015).

Developing the compliance management system further is one of our Group's major priorities. The targets we have set help us to ensure that the management system remains highly effective and make further improvements.

COMPLIANCE

Based on the **Austrian Code of Corporate Governance**, the Casinos Austria and Austrian Lotteries Group understands compliance to mean adherence to statutory provisions and regulatory standards. In particular, we believe that compliance also includes the establishment of organisational measures and processes to ensure provisions, as well as – normally self-imposed – ethical standards and requirements are adhered to.

The Casinos Austria and Austrian Lotteries Group believes that compliance is not an abstract topic but rather that it represents a clear, binding and unambiguous set of rules that applies to all staff members. It is with this in mind that we maintain a systematically structured, traceable and periodically evaluated compliance management system that contains both preventive measures, such as information, education and training for our staff, as well as measures to guarantee the effective monitoring of our internal processes.

Compliance priority areas

The long-standing elements of compliance within the company are externally audited periodically and comprise:

- **anti-corruption** maintained by principles and measures aimed at ensuring that the company, its staff and wherever appropriate third parties comply with anti-corruption provisions;
- **anti-money laundering**, where associated risks are continuously assessed and relevant training courses are regularly held as part of an audited management

GRI
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205-2

system for anti-money laundering and crime prevention. We work closely with the Austrian Federal Crime Agency's Financial Intelligence Unit (FIU) in this area;

- **data protection**, where the effectiveness of the Group's associated management system, which has been in place for more than ten years, is documented and confirmed in the course of regular internal and external audits. The more stringent framework conditions imposed by the General Data Protection Regulation since 2018 are of particular importance. Data protection compliance concerns customer data, guest data, but also the personal data of all staff members;
- **information security** to protect against dangers or threats, to avoid economic damage and to minimise risks. Moreover, information security is also an essential pillar for ensuring compliance with data protection legislation.

Whistle-blower system

Our Group gives absolute priority to compliance with statutory and internal regulations. We can only avert damage to our company, guests, customers, staff and business partners if such regulations are observed. Accordingly, it is important to identify misconduct early on and to rectify and remedy it immediately.

Our whistle-blower system was set up to offer a means of providing evidence of a serious violation of any rule or legislation. It includes any violation that may seriously impair the financial or any other interests of our Group or cause serious reputational damage. As part of a fair and transparent procedure, the whistle-blower system protects the company, those affected and the whistle-blowers.

The Casinos Austria and Austrian Lotteries Group's whistle-blower system has been available to internal and external whistle-blowers since 2018 and can be accessed online at bkms-system.net/cal. Accordingly, the Group has been taking the Whistle-blower Directive (EU 2019/1937) into account for several years now.

Successful compliance recertification in accordance with ISO 37301 (previously 19600) and ISO 37001

The ISO 37001 standard is a practicable tool used by an organisation to critically assess its current risk situation and incorporate appropriate measures against corruption into existing structures and processes. Like all management system standards, ISO 37001 is based on the High-Level Standard Framework, making it easy to incorporate into an existing compliance management system based on ISO 37301.

In 2021, the Casinos Austria and Austrian Lotteries Group was one of the few organisations in Austria to be audited and successfully certified according to the ISO 37301 and 37001 standards.

Maintenance audit in accordance with the GoodPriv@cy Standard

GoodPriv@cy is a quality guarantee mark for data protection. It is awarded for exemplary data protection practises and the corresponding high standards of information security. The primary aim of GoodPriv@cy is to reinforce public confidence in the holders

of this seal of quality complying with data protection (and thus also privacy protection) requirements. The internationally recognised SQS GoodPriv@cy certificate was reissued to Casinos Austria AG, Österreichische Lotterien Gesellschaft m.b.H. and Casinos Austria Sicherheitstechnik GmbH in May 2021.

Successful maintenance audit for quality management and information security management

SDG 16

Quality management is an important pillar of all the company's processes. Our Group was once more successfully audited in accordance with the current ISO 9001:2015 standard and the ISO 27001:2013 and WLA-SCS:2016 certificates were also maintained for the information security management system in 2021.

STATUS OF OUR TARGETS

	Status 2019	Status 2020	Status 2021
Review of compliance risk and opportunities analysis tool	Review again in 2020	Will be replaced in 2021	Completed
Evaluate more effective methods of checking the compliance of sponsoring activities	Scheduled for 2020: extend compliance check to include CAI	Extended to 2021	Will not be pursued
Prepare internal surveys to assess knowledge of the requirements	Scheduled for 2020	Partially implemented	Will not be pursued
Provide compliance training to 95% of staff at our headquarters	Scheduled for 2020	Partially implemented	Monitoring implemented
Provide compliance training to 95% of managerial staff at our establishments	Scheduled for 2020	Partially implemented	Monitoring implemented
Replace tool for the list of processing activities	Scheduled for 2020	Scheduled for 2021	Implementation in 2022
Replace compliance, risk and opportunities analysis tool	—	Scheduled for 2021	Will be replaced in 2022/23
Certification according to ISO 37001	Successfully completed	Successfully completed	Successfully completed
ISO 37301 (previously ISO 19600) certification	Successfully completed	Successfully completed	Successfully completed
GoodPriv@cy certification	Successfully completed	Successfully completed	Successfully completed

Player protection at its best

Games of chance and responsibility are inextricably linked at the Casinos Austria and Austrian Lotteries Group and thus integral parts of our corporate culture. The player's choice of product is insignificant because all our safeguards are designed and adapted for the respective game design and venue.

„Rethink Responsible Gaming“ was the maxim for the new strategic direction and associated substantive advancement of the Group's understanding of responsibility. Player protection means living up to this responsibility and focuses on prevention. Raising awareness of responsibility early on when it comes to the issue of player protection helps to ensure that gaming is an enjoyable experience and keeps customer relationships sustainable.

Optimum player protection measures are implemented in every business segment so that our guests and customers are well informed and can enjoy their gaming entertainment in a safe environment. Meaningfully coordinated measures ensure customers can rely on the best possible player protection.

The ‘5-point responsible gaming programme’ forms the strategic framework for player protection and provides the fields of action for day-to-day gaming-related activities:

- player protection;
- regular, lasting training;
- responsible advertising;
- promotion of research and cooperation with counselling centres and treatment facilities;
- quality assurance for content and processes.

Point 1: Player protection

To guarantee gaming remains an enjoyable experience, members of the Casinos Austria and Austrian Lotteries Group are committed to ensuring that our eligibility requirements are complied with at all times, to proactively advising players, to considering aspects of relevance to player protection in the development of any new games and game designs, as well as to voluntary self-restraint. Before any new product or service is launched, it is assessed for its impact on at-risk groups.

In accordance with the provisions of Article 25(3) GSpG, Casinos Austria and WINWIN monitor the gaming frequency and intensity of all guests. At Austrian Lotteries, compliance with voluntary self-restraint – sale of products and payment of winnings from a minimum age of 16 – is regularly monitored. **Additionally, 2021 saw Austrian Lotteries participate in the international ‘Gift Responsibly Campaign’ in the run-up to Christmas with the message ‘Gambling is not for Children’.** This campaign draws attention to the fact that gaming products are aimed at adults exclusively and has been carried out by Austrian Lotteries each year since 2011.

SDG 12

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Spielerschutz beginnt bereits beim Entree der Casinos.

In addition to the general player protection measures on win2day, such as a self-suspension option or the mandatory setting of deposit and playing time limits, win2day also offers the **MENTOR (a predictive behavioural feedback programme) prevention tool**. MENTOR has been automatically enabled for all new customers since 7 September 2021 and existing customers can enable it at any time. MENTOR was upgraded in 2021 and now offers more information about personal gaming behaviour. The summary of games played, stakes and losses reflects current gaming behaviour by the minute.

The Group's dedicated responsible gaming website (www.smv.at) provides interested parties with detailed information on the player protection measures at Casinos Austria, Austrian Lotteries, win2day, WINWIN and tipp3. It is also possible to request support using a contact form available under 'Help and Advice'. The free player protection hotline is also available: 0800 202 304. Retail partners can also obtain information from a dedicated website, the LotterienPortal service platform. Customer folders containing information on player protection are available to Austrian Lotteries, WINWIN and Class Lottery customers

Point 2: Regular, lasting training

Responsible gaming courses for our staff form the central element around which the highest standards of player protection are maintained. All new staff members of Austrian Lotteries are required to complete the basic responsible gaming course online. Positive completion of this basic training is a prerequisite for participation in any further responsible gaming courses.

GRI
416-1

SDG 12
GRI
404-2

The positive feedback from participants on the new online training formats that emerged in 2020 due to the COVID-19 pandemic was taken on board. Consequently, most of the training in the fiscal year ended was given online or in the form of webinars or virtual learning cafés. The responsible gaming online basic training course with new test questions was rolled out in 2021 and had to be completed by all staff members of the Group between 23 June and 23 August 2021 to freshen up their knowledge.

Dedicated responsible gaming courses have been introduced for WINWIN staff to give them the responsible gaming skills needed in daily practise. Since all the training was conducted online, a total of 78 WINWIN staff members were reached in November and December 2021. The training content covered the topics of responsible gaming mindset, young adults, self-suspension and documentation. The training was rounded off by exercise examples. In addition, a total of 20 new WINWIN staff members were trained in four webinars.

Pursuant to the provisions of Article 25 GSpG, the performance of tasks focusing on player protection is reserved for **specially trained staff**. In 2021, 59 specially trained casino staff and 34 specially trained WINWIN staff completed their training. The training concept was improved at the end of 2020 and the nominees attended the following three modules: Responsibility & Prevention, Compliance & Law, and Responsible Gaming in Practise. To maintain contact with the specially trained staff and share ideas on current topics and issues in a relaxed atmosphere, the 'RG Café' was created. The focus here is on discussing daily challenges in the responsible gaming context. For example, cases are raised and a wide variety of experiences can be introduced and discussed.

Casinos Austria and WINWIN had 198 specially trained staff members on 31 December 2021.

Successful completion of basic training on responsible gaming is a prerequisite for anyone wishing to become a new retail partner of Austrian Lotteries. This training takes place in two phases. Part of the training must be completed online through self-study. In the second part, retail outlet managers are trained by a sales representative in a classroom. Training can be accessed at any time directly via the online terminals in the retail outlets or via the LotterienPortal service platform for retail partners. This also ensures that new staff of retail outlets are given comprehensive training as soon as they start work. In 2021, 655 responsible gaming basic training certificates were awarded.

In addition, all retail partners are required to complete an annual refresher course on responsible gaming. This player protection training was improved in 2021 and replaced by the new training via the LotterienPortal service platform. The responsible gaming course, which forms a mandatory part of the information campaign in 2021, was also held online via the LotterienPortal for the first time in 2021 – both subject areas (responsible gaming and compliance) were taught.

Sales via the terrestrial distribution network continue to play a key role at tipp3. Accordingly, player protection measures followed the same approach as that taken by Austrian Lotteries and were largely carried out with the involvement of the retail partners via the LotterienPortal service platform.

Regular reports and articles in 'Lotterien Aktuell', our journal for Austrian Lotteries retail partners, rounded off knowledge sharing activities for responsible gaming in 2021.

Point 3: Responsible advertising

The objective is to provide information and not to excessively stimulate the urge to gamble. A voluntary 'Code of Conduct Responsible Advertising' has been implemented at our Group for this purpose. It comprises 11 points and ensures that advertising and selling activities conform to strict guidelines and are, in particular, not directed at people who belong to vulnerable groups in terms of problematic gaming patterns.

GRI
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Members of the Casinos Austria and Austrian Lotteries Group have voluntarily adhered to strict advertising design guidelines in the past and are extremely serious about their task of promoting gaming literacy. This involves developing the ability of each individual to handle games of chance in their various forms in a controlled manner and the development of an appropriate form of address for the target group.

Point 4: Promotion of research and cooperation with counselling centres and treatment facilities

The Casinos Austria and Austrian Lotteries Group commissions renowned institutions and research facilities with the preparation of scientific studies on responsible gaming. This international network of experts and institutes, which are dedicated to gambling research, shares knowledge and experience with the Group periodically. The reported studies form the basis for effective preventive measures against possible problem gambling behaviour.

SDG 3+17

Alongside that, close cooperation and a lively exchange of information with relevant counselling and treatment facilities has existed for years.

Point 5: Quality assurance for content and processes

Due to the diversity of the products and services offered, independent quality management processes for active consumer protection were introduced in each of the individual companies. Independent institutions audit these processes and measures regularly and certify them according to international guidelines.

The jointly conducted recertification audit for the ISO 37301 (previously ISO 19600) compliance standard, the ONR 192500 CSR standard, and the European Casino Association's Responsible Gaming Framework was successfully completed in September 2021. At the same time, Austrian Lotteries was successfully re-certified in accordance with the latest version of the European Lotteries Responsible Gaming Standard. This also corresponds to full Level 4 certification according to the World Lottery Association's Responsible Gaming Standard.

STATUS OF OUR TARGETS

	Status 2019	Status 2020	Status 2021
Further development of the RG training concept and content as part of the 'Rethink Responsible Gaming' initiative	—	Scheduled for 2021	Ongoing
Redesign the 'Responsible Gaming Academy' conference	—	Scheduled for 2021	Postponed; scheduled for 2022
Redesign themes for the annual Holiday Lottery Campaign	—	Scheduled for 2021	Postponed; scheduled for 2022
Recertification according to the European Lotteries Association's RG Standard	—	Scheduled for 2021	Implemented; re-scheduled for 2022/23

Top Employer

The COVID-19 pandemic was once more a dominant topic in everyday working life in 2021. Our staff members faced coronavirus-related short-time work and working from home for much of the year. Hygiene and safety requirements are now part of everyday working life and have become firmly established in all areas and fields of activity of the Group. The safety of our staff, guests, customers and of course job applicants always has absolute priority.

SDG 3+4+5+8

GRI
102-16

The fact that most of our staff members **work from home** and were also on short-time work in 2021 due to the coronavirus contributed to the rise in digitisation experienced by the company since 2020, which has affected all aspects of cooperation. The exchange of information on digital platforms has become well established and is supported by digital tools.

Internal channels such as the staff journal, the weekly intranet newsletter, the daily posts on the intranet and the social collaboration platform provide information on the latest developments in day-to-day operations. A livestream was set up for the regular staff meetings with the Managing Board. Moreover, September 2021 saw the launch of the new intranet, which is now also available on mobile devices and enables interaction.

All COVID-19-induced measures were communicated to staff members in the usual manner by email, as well as personally by phone or video call. All information and measures relating to COVID-19 have been communicated on the intranet and comprehensive, continuously updated FAQs prepared. Due to short-time work because of the coronavirus, many staff members could only be reached by letter.



Comprehensive measures ensure the safety of all staffmembers.

The various challenges and stress factors that people faced physically and psychologically prompted us to expand the offer of the **KEEP BALANCE counselling hotline** in cooperation with the Hilfswerk Österreich welfare organisation for staff members. It is available every day for individual enquiries. The professional counselling can provide efficient guidance and thus effective relief. This service is anonymous, available to everyone and can be used for issues relating to work and of a private nature. Ongoing health care and counselling of staff members is organised by local occupational physicians. In addition to showing maximum consideration to health aspects at the workplace, vaccinations and preventive check-ups by occupational physicians are also possible, among other things.

Due to the economic impact of the lockdowns and associated closure of all casinos and WINWIN outlets, some 62 per cent of the workforce (based on the entire Group) was on coronavirus-related short-time work from 1 January to 31 March 2021. It was extended in the period 1 April to 30 June 2021 and affected 61 per cent of the workforce. About 58 per cent of the workforce (based on the entire Group) was on coronavirus-related short-time work again from November 2021.

Irrespective of the internal crisis management for the COVID-19 pandemic, the desired **framework conditions for working from home** had already been derived from an employee survey conducted at the end of 2019. The results of this survey revealed that most staff members (full-time) would like to work from home for at least two working days each week.

The Group has complied with this and has offered staff members with workplaces suitable for working from home a minimum of 35 per cent of the weekly working time in home office days. This minimum amount is more for guidance purposes, as no one is required to work in their home office for two days. To give staff members and their respective line manager the scope needed to come to an agreement on the greatest possible flexibility, a maximum limit for days spent working in a home office was not introduced intentionally. This means that staff can agree on spending more than two days working in a home office with their line manager.

The new framework for working from home makes a valuable contribution to enhancing the flexibility of collaboration and thus the work-life balance of staff members.

SDG 4

GRI
404-2

Initial and continuing vocational training

The Group attaches particular importance to excellent staff training and the development of valuable corporate expertise. Different formats – digital or live – that are adapted to suit the specific teaching objectives are offered.

An electronic learning platform optimises learning management and facilitates learning individually and in groups. Training on legally relevant topics and compliance can be completed online without any complications. The tool also helps managers to plan initial and continuing vocational training activities for their staff members. Certification programmes round off their personal development opportunities.



The new learning platform makes it possible to carry out initial and continuing vocational training from any location at any time.

The virtual learning channel on MS Teams is available to everyone, as access is possible regardless of time and place, as well as on mobile devices. Key areas of focus are set periodically, articles and inspiration on various topics are organised and the exchange among the staff members is moderated.

Welcome days for all new staff members, as well as corporate governance days and awareness days for staff working at our headquarters in Vienna facilitate onboarding and establish a compact, interactive framework for completing basic training on legally relevant topics. In 2020, training courses within the framework of onboarding were completely digitised. All training courses and the welcome days took place largely online in 2021, too.

For specialist fields in particular, Casinos Austria can draw on a team of internal trainers to teach staff in its casinos. Among other things, they provide training on legally relevant topics such as responsible gaming, information security, data protection, anti-money laundering, as well as on topics like guest orientation, communication and dealing with conflict situations.

New training for junior croupiers

Casinos Austria revamped the training for junior croupiers in 2021. The format was adapted and on-the-job training with immediate employment is now provided. In the second half of 2021, training courses were held in Bregenz, Innsbruck, Kitzbühel, Linz and Vienna. We were delighted to welcome a total of 31 new staff members.

Casino leadership programme

A common leadership model was developed as part of the Group's strategy project on growth, success and teamwork. Launched in September 2021, the Casino Leadership Development Programme aims to translate this mission statement into a common understanding of leadership and to equip managers with a tool box of leadership skills. The programme consists of several modules, runs until January 2022 and gives some 85

SDG 4

GRI
404-2

The training for junior croupiers was revamped in 2021.



Casinos Austria ensures staff members are perfectly prepared with an in-depth nine-week training programme.

casino managers and Casino site managers the opportunity to develop both professionally and personally and to network across Austria. Although this hybrid form of leadership development was also due to the COVID-19 situation, it enabled rapid and cost-saving implementation throughout Austria.

Emergency management: well-equipped should the need arise

To be able to handle emergency situations safely, securely and competently and be well equipped both in terms of instructions for action and coping with defined emergencies, we introduced a new emergency management training concept in consultation with the Casinos Austria Security & Surveillance unit in late summer 2021. To raise awareness and be able to guarantee that professional responsibility prevails both towards our staff and our guests, just over 100 staff members across Austria have already attended the training.

Continued recognition of our excellence in recruitment

The quality of recruitment at Austrian Lotteries is among the best in the country. Each year, the 'Best Recruiters' study determines the quality of recruitment at some 560 of Austria's biggest companies. Despite the difficult environment, Austrian Lotteries proudly retained its top spot in the ranking for the services sector and was once more awarded the Gold Seal of Approval. Casinos Austria is just behind in 2nd place. It was also one of the top ten employers in the overall ranking (5th place). In the D-A-CH region, Austrian Lotteries ranked 11th out of some 1,400 employers tested.

On LinkedIn, 2021 saw Austrian Lotteries achieve 1st place in the 'Best Employer Brand on LinkedIn' category (under 500 staff members) at the LinkedIn Talent Awards.

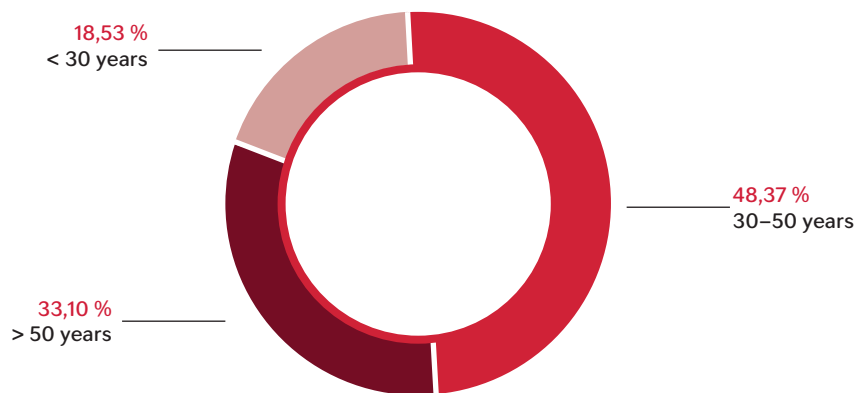
Measures relating to the ReFIT restructuring programme

In the course of the outplacement measures, HR developed bespoke packages for staff to provide them with professional support when leaving the company and identify career prospects going forward in 2021, too. Internally the recruiting team provided specific information and advice on application planning, preparing application documents, getting ready for interviews, as well as downloadable templates and checklists. In addition, an external trainer offered targeted workshops, coaching sessions and guidance for changing career.

In addition to various severance models, representatives of the staff and of the employer negotiated a social compensation plan to make staffing cuts resulting from the ReFIT restructuring programme as socially acceptable as possible. Amicable solutions were found for nearly all staff reductions and there were no notices of termination.

AGE STRUCTURE IN 2021

in Vollzeitäquivalent (FTE)*



* on the closing date (31/12/2021)

GRI
102-7
405-1

STAFF

in FTE*

GRI
405-1

	2021
Group**	2,862
Casinos Austria AG	1,328
Casinos Austria International	770
Österreichische Lotterien Gesellschaft m.b.H.	510
WINWIN	186
tipp3	21

*Average FTE over year ** Incl. Rabcat

COMPOSITION BY POSITION AND GENDER IN 2021

Percentages

GRI
405-1

	Male	Female
Casinos Austria AG Managing Board	50.00	50.00
Österreichische Lotterien Gesellschaft m.b.H. Managing Board	50.00	50.00
Head of business unit/main department	91.83	8.17
Head of department/group	60.75	39.25
Director, tier 1 and 2 managers (casinos), outlet managers (WINWIN)	89.30	10.70
Other staff/temporary staff/interns/apprentices	62.44	37.56

* incl. Rabcat Management

STATUS QUO UNSERER ZIELE

	Status 2019	Status 2020	Status 2021
Health and safety			
Health event at our headquarters	Scheduled for 2021	Scheduled; implementation subject to situation with COVID-19	Deferred; exercise/sports challenge via app for staff members being planned; health to be considered in the learning channel
Mindfulness workshops	Implemented; continued in 2020	Deferred due to COVID-19; resumption of mindfulness and resilience in 2021	Launched with a mindfulness/resilience webinar; interested parties could register for an in-depth curriculum (four modules); topic also considered in the learning channel

Launch 'KEEP BALANCE' counselling hotline	Implemented	Ongoing advice	Ongoing advice on private and professional issues; in 2021 even more consultations were carried out than before
Well trained and motivated			
Develop (junior) managers and promote talent	Implemented; additional measures scheduled for 2020/2021	Deferred; additional measures scheduled for 2021	Develop concept for talent management programme
'Work and Family' audit – 2 nd recertification, prioritising the establishment of a shared understanding for and commitment to family-friendly measures	Implemented periodically	Deferred due to COVID-19; resumption of topics in 2021 (focusing on working from home)	Measures were evaluated; recertification was prepared for
Provide in-depth training to all WINWIN staff using new training concept	Scheduled for 2020	Resumption in 2021/2022 after lockdown and short-time work	Implemented periodically
Update casino and Cuisino recruitment processes	Scheduled for 2020	Resumption in 2021/2022 after lockdown and short-time work	Casino career page and junior croupier training revised; will be continued
Diverse and equitable			
Update diversity roadmap	Revised periodically	Deferred; continuation scheduled for 2022	Diversity will be included in concept development for talent management/succession planning; increased focus on roadmap from Q1/23 onwards
Gender diversity			
Increase number of women in managerial positions	Implemented periodically	Implemented periodically	Focus on third career and family audit recertification; programme for the advancement of women in establishments of Casinos Austria under development
Age diversity			
Development of talent management programme to secure next generation of staff	Scheduled for 2020/20w21	Scheduled for 2022	Develop concept and pilot with selected units/departments; go-live planned for 2023
Disability			
Recruit people with disabilities to meet quota stipulated in the Behinderteneinstellungsgesetz (BEinstG) [Austrian disability employment legislation]	Implemented	Deferred	Strategy map, including specific action planning in preparation

Climate protection and sustainable use of resources

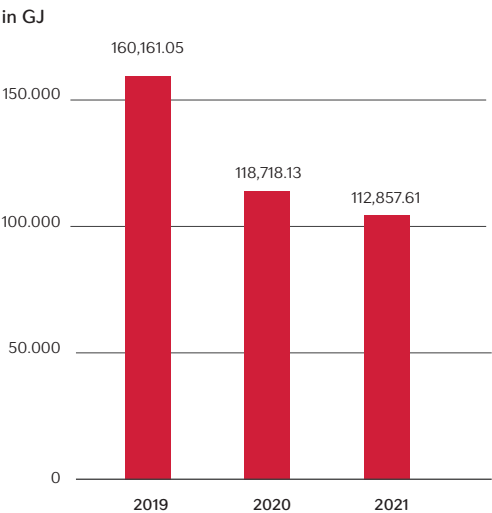
SDG 13

We are committed to taking measures to protect our planet. Accordingly, we want to take steps to combat climate change and its effects in line with the Sustainable Development Goals and to use existing resources more consciously and responsibly. We once more managed to improve our environmental performance with various projects in the past reporting year.

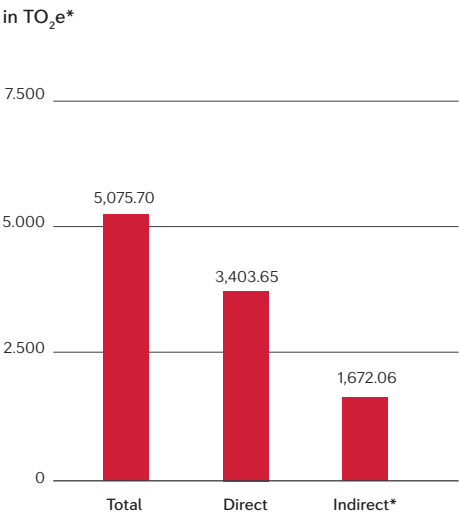
CLIMATE PROTECTION

No country on earth is spared from climate change and its effects can be felt in many different ways in Austria, too. Heat waves with days exceeding 30 °C are becoming more frequent, which for us as a company means increased cooling costs in our buildings and fewer guests. Regional supply bottlenecks for catering products are also possible because agriculture suffers enormously in periods of drought.

TOTAL ENERGY CONSUMPTION



GREENHOUSE GAS EMISSIONS (GHG)



*includes indirect Scope 2 (market-based) and indirect energy-related Scope 3 emissions.

included in the total energy consumption are the fuel consumption of the vehicles of Austrian Lotteries' field staff, the vehicles of remaining employees as well as electricity and heating energy consumption. At the time of going to publication, however, some heating energy consumption figures for casino and WINWIN locations for 2021 were not yet available.

GRI
302-1
302-4
305-1
305-2
305-3
305-5

POWER CONSUMPTION

in GJ

	2019	2020	2021
Total consumption of renewable electrical energy	107,983.85	76,768.83	72,415.45

HEAT ENERGY CONSUMPTION

in GJ

	2019	2020	2021
Renewable heating energy	2,072.59	1.858,33	2,014.78
Non-renewable heating energy	44,807.28	35.764,74	34,525.15
Total	46,879.87	37,623.07	36,539.94

FUEL CONSUMPTION (GJ)

in GJ

	2019	2020	2021
Total fuel consumption	3,303.52	2,344.65	3,334.78

Reduction of energy consumption

The Casinos Austria and Austrian Lotteries Group's **total energy consumption** in 2021 was 112,858 GJ. Resulting greenhouse gas emissions stood at 5,076 tCO₂e. This includes

- electricity, heat and cooling energy consumption* for the operation of our casinos, WINWIN outlets, data centres in Vienna (Rennweg 44) and Wiener Neustadt, offices at all sites and the storage facilities in Wiener Neustadt;
- fuel consumed by the company cars of Austrian Lotteries sales representatives and other staff of the Group.

* Some of the casino and WINWIN outlet consumption figures were not available by the reporting deadline.

SDG 13

GRI
302-1

Reduction of greenhouse gas emissions

We are constantly trying to reduce our energy consumption and thus our **greenhouse gas emissions**. Various measures help us to achieve this. For example, we use LED lighting in our casinos and WINWIN outlets, reducing electricity consumption in the latter by up to 50 per cent. As part of our 'A New Way of Working' project, all the lighting in the offices of our headquarters at Rennweg 44 is being converted to LED.

SDG 13

GRI
305-5



Energy efficiency also played a major role in the implementation of the refrigeration control centre planned for 2020 at Casino Baden and it was thanks to this commitment to climate protection that we were recognised with the Austrian Energy Agency's 'Energy Efficient Businesses 2021' 'klimaaktiv' award.

SDG 13

GRI
302-4
305-5

Transport measures

The reduction of greenhouse gas emissions is also perfectly normal for the Austrian Lotteries sales team. The past fiscal year saw us carry out a potential analysis, which resulted in more effective deployment of the sales representatives and an improved distribution network. As a result, the number of kilometres covered by sales representatives on business was reduced by around 10 per cent, i.e. by more than 92,000 kilometres, as compared to 2019*

Year	2019	2020	2021
Business-related kilometres	909,936	608,878*	817,787

SDG 4+13

GRI
404-2

Awareness of environmental protection among staff

Environmental protection plays a central role for us as a Group. But we need the commitment and empowerment of our staff members to give life to our strategy. To achieve this, we launched our 'Let's Talk about CSR' event series several years ago. It introduces



Participants of the CSR excursion in front of the Pfaffenau waste incineration plant.



This excursion through the Vienna Woods provided insight into sustainable forest management.

“The CSR Forum excursions were once more really exciting this year. They make you think outside the box a little and realise how everything is connected.”

Anna Paseka, participant of the CSR Forum

all staff members to a wide range of sustainability topics. In 2021, three virtual meetings on the following topics were held with external experts:

- waste management in Vienna with Nicola Hermann from Vienna Municipal Department 48;
- management models of the future (smart forestry, semi-natural forest, damaged forest, no forest) with Professor Alfred Pitterle from the University of Natural Resources and Life Sciences, Vienna;
- global change and its influence on pathogens with Doctor Hans-Peter Führer from the University of Veterinary Medicine, Vienna.

In addition to this series of events, attendees of our **CSR Forums** go on in-depth training excursions that focus on these lectures. In keeping with the topic of smart forestry, a trip to the Vienna Woods was organised to learn why sustainable forest management is important and what influence it has on the climate. The topic of waste management also

occupies us internally. To learn more about correct waste separation and to see how rubbish is separated in Vienna, a visit to the waste incineration plant in Pfaffenau was organised.

One of our **Innovation Breakfasts** organised by the Innovation HUB team was also all about sustainability. Innovation consultant for digitisation and sustainability at Zühlke in Frankfurt Doctor Moritz Gomm gave a lecture on sustainable business transformation and how green is the new black. In a nutshell, he explained the principle of sustainable business transformation and spoke about why companies should act more sustainably.

In 2022, we want to go one step further in the interest of climate protection. The goal is to express all greenhouse gas emissions across our entire value chain in the form of a corporate carbon footprint.

STATUS OF OUR TARGETS

	Status 2019	Status 2020	Status 2021
Replace cold water supply circulating pumps at our MC4 site in Wiener Neustadt	Deferred (will take place as required)	Will take place as required	Implemented
Successively switch to LED lighting at all sites	Extended to 2020	Happens periodically in the course of conversion and renovation work	Will be continued as part of the 'A New Way of Working' project, among other things
Awareness of environmental protection among staff	Scheduled for 2020	Implemented (continued in 2021)	Implemented periodically
Improve energy data in terms of annual accuracy, data from utility bills	Scheduled for 2020	Postponed until 2022	Partially implemented (at WINWIN); will be continued
Obtain energy certificates for all WINWIN outlets	Scheduled for 2020	Postponed until 2021	Not planned due to cost

SUSTAINABLE USE OF RESOURCES

SDG 12

The second focus area of our environmental management activities is resources (sustainable procurement and waste disposal/avoidance, in particular).

Sustainable and equitable procurement

PURCHASING

In 2021, we changed our bistro provider at the headquarters at Rennweg 44 in Vienna. Our new partner, Eurest Österreich GmbH, pays great attention to CSR in all its activities and sets priorities in the areas of cuisine, environment, nature, procurement, logistics and human resources. Accordingly, fresh and organically grown produce from Austrian suppliers exclusively are used in most of the dishes. The share of organic produce is 100 per cent in side dishes and 50 per cent in main courses. As part of the **United Against Waste** initiative, Eurest Austria takes measures to ensure that a careful approach is applied in the use of food.

PURCHASING

Percentages

	Total procurement
Procurement in Austria	92.02%
Procurement in Europe	6.68%
Procurement in America	1.20%
Procurement in Asia	0.09%
Procurement in Oceania	0.01%

SDG 12

GRI
204-1

Our old Lotto, LottoPlus and Joker draw machines were replaced by new ones in the year under review. Buying locally was the focus here, too, and it was with this in mind that we managed to find an Austrian manufacturer in the shape of special machinery design specialists Economa Engineering GmbH.



These practical upcycled bags were made from old tipp3 promotional items that are no longer in use.

Last year saw us evaluate the purchasing of our advertising materials with regard to sustainability criteria. Among other things, this resulted in tipp3's upcycling initiative with former advertising materials. Upper Austrian supplier SKANBO used old promotion tents and banners to produce – or upcycle – shopping bags, laptop shoulder bags and small 'take-away' bags.

To make our purchasing activities more sustainable in the long term, we are focusing our efforts on the introduction of CSR criteria for both the entire procurement system and supplier evaluation. In 2022, the result of these projects will lead to a CSR purchasing manual for sustainable procurement.

GRI
306-2

Sustainable waste management

The total amount of waste generated by the Group is as follows:

93.05 per cent is non-hazardous waste, one fifth of which is paper and cardboard waste. Hazardous waste – mainly mineral oil sludge – accounts for 6.95 per cent of all waste.

Last year, the waste management strategy of our WINWIN outlets was completely revised and taken to the next level. This also enabled us to improve the quality of reported waste figures, so as to then gain a better overview of the main waste groups and take action.

In the course of our 'A New Way of Working' project, IT hardware was replaced. Still in good working order, the old equipment was donated to the Fibel association. The network cables gained from dismantling office space were also donated to a polytechnic located close to the headquarters.

WASTE GENERATED

In tonnes

	2019	2020	2021
Hazardous waste	41.80	106.51*	36.5
Non-hazardous waste	1,153.35	793.15**	488.7
Total waste	1,195.15	899.66**	525.2

* Includes special waste (gaming and payout machines).

** Figures were updated again after reporting in 2021.

Waste prevention

We have given our retail partners optimum technical support in their daily work with the rollout of the new online terminals in 2020 and expansion of the LotterienPortal (online service platform for retail partners). This reduced the distribution of our monthly information letters as early as in September 2020, as we have switched to purely digital delivery. The monthly paper saving stands at some 85,000 pages. There were nine mailings in 2021, which corresponds to a paper saving of about 765,000 pages.

STATUS OF OUR TARGETS

	Status 2019	Status 2020	Status 2021
Sustainable and equitable			
Include and document CSR criteria in supplier assessment procedures	Partially implemented; scheduled for 2020	Deferred; continued in 2021	Partially implemented; will be continued
Promotion of local shopping	Partially implemented; scheduled for 2020	Partially implemented; scheduled for 2021	Partially implemented; will be continued
Introduction of CSR guidelines for purchasing	Partially implemented; scheduled for 2020	Implemented	Will be further professionalised (see purchasing manual)
Introduction of CSR purchasing manual	–	–	Scheduled for 2022
Evaluate opportunities for replacing non-Austrian products with Austrian equivalents at Cuisino	Partially implemented; scheduled for 2020	Partially implemented; scheduled for 2021	Partially implemented; scheduled for 2022
Sustainable waste management			
Improve quality of waste data	Partially implemented; scheduled for 2020	Partially implemented (Austrian Lotteries); continued in 2021	Partially implemented (Austrian Lotteries and WINWIN); continued in 2022
Revise waste collection concepts	Partially implemented; scheduled for 2020	Partially implemented (Austrian Lotteries); continued in 2021	Partially implemented (Austrian Lotteries and WINWIN); continued in 2022
Launch food waste avoidance project for Cuisino restaurants**	Partially implemented; scheduled for 2020	Partially implemented; scheduled for 2021	Partially implemented; will be continued

Commitment to society

The Group's activities are dominated by its commitment to society and social responsibility, which goes far beyond responsible gaming or our legal and regulatory mandate.

SDG 17

Similar to the year before it, 2021 was dominated by measures related to the COVID-19 pandemic. Restricted opening hours and measures such as the 2G rule led to a severe reduction in guest and visitor numbers, including for long-standing sponsorship partners, and thus to a loss of sales. Our Group has continued to meet its social responsibilities during this long and difficult period, maintaining partnerships as well as entering into new cooperation agreements (due to the repositioning of the Casinos Austria brand, for example). In addition, steps were also taken in 2021 to make a further contribution to the containment of the coronavirus.

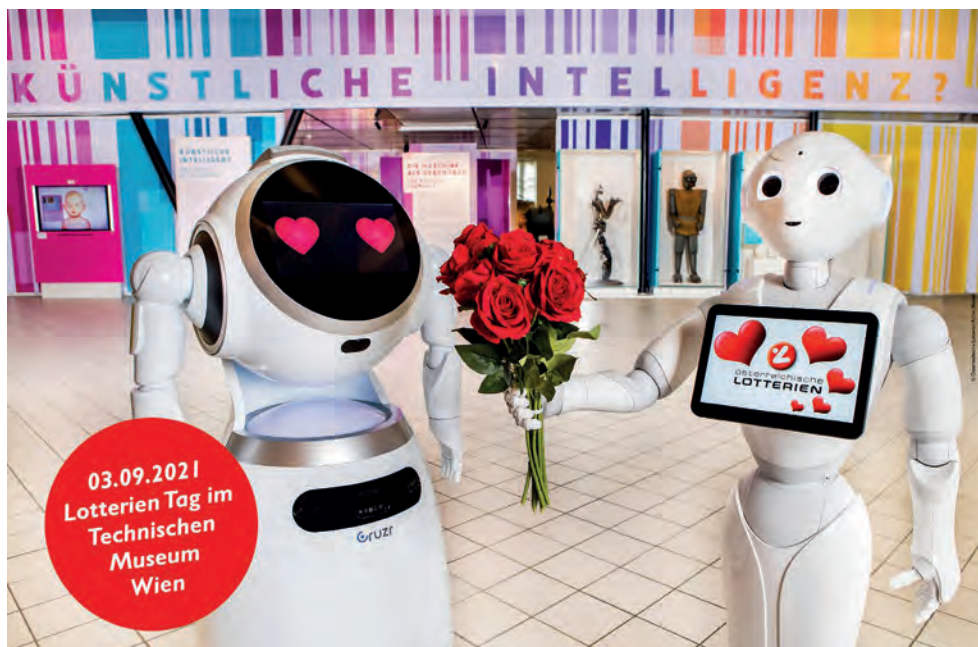
GRI
203-2

Sponsorship activities in 2021

Casinos Austria and Austrian Lotteries are a permanent fixture in the domestic sponsorship landscape. Sponsorship activities are undertaken only if they are consistent with our socio-political responsibility objectives. Great importance is attached to long-term, sustainable partnerships.

The organisation of **Lottery Days** was born out of the idea of making art and culture freely accessible and tangible for everyone. Austrian Lotteries products, such as a Lotto ticket, EuroMillions ticket, break-open ticket or scratch-off ticket, give players the opportunity to visit famous public cultural institutions or theatre performances free of charge. Now an integral part of many cooperation agreements, more than 100 Lottery Days since the concept was introduced in 2010 is an indication of their success. Socially disadvantaged people in particular are given the opportunity to participate in cultural life and visit museums in Vienna or exhibitions in Vienna and Graz free of charge. But a day at the zoo

SDG 4+17



The Lottery Days concept is a success story that benefits players, cooperation partners and Austrian Lotteries equally.

or visits to theatre performances in St. Pölten or Vienna are also possible on specified dates free of charge. Since 2021, more guided tours in sign language, tactile tours for blind or visually impaired visitors as well as guided tours for people with dementia have been increasingly offered – and thus even more emphasis has been placed on the social aspect. In the case of theatre performances, part of the ticket quota is increasingly made available to social welfare organisations. Lottery Days have made it possible to creatively build a mutually beneficial bridge between cooperation partners and players.

SDG 3+8+ 17

GRI
203-2

Finding a good job can be enormously challenging for people with physical or intellectual impairments and those who have been out of work for a long time. **Wien Work** has been successfully tackling this issue for 40 years through its involvement in the creation and provision of jobs for people with disadvantages in the labour market. The integrative business has been able to rely on the support of Austrian Lotteries since 2003.

Austrian Lotteries once more awarded the **‘Sportler mit Herz’** [athlete with a heart of gold] prize for commitment to society at the 2021 LOTTERIEN Sporthilfe Gala [lotteries sports aid gala]. Austria’s number-one wakeboarder Markus Lahmer won the online vote and received prize money of EUR 5,000 for his project. Together with the Ohana Vienna team, he developed a special chair that allows people with spinal cord injuries to surf on a wakeboard. Athletes have already taken part in Europe’s first official inclusion competition with it.

Competitors at the **Tokyo 2020 (2021) Olympics and Paralympics** were also highly successful, exceeding all expectations of the red-white-red sports world – a world that would not exist without the extensive support of Austrian Lotteries – with seven medals at the Olympics and nine at the Paralympics. Apart from being the most important financier of Austrian sport due to the legally required sports funding, Austrian Lotteries





As a premium partner, Austrian Lotteries congratulates the athletes on their outstanding achievements.

has also contributed significantly to sporting achievements for more than 30 years as a premium partner of the Austrian Olympic Committee and since 1996 as a partner of the Austrian Paralympic Committee.

In accordance with the strategic repositioning of the Casinos Austria brand, the sponsorship activities at Casinos Austria were also realigned in the past fiscal year with the associated communications going hand in hand with the new general advertising line. In addition to the continuation of a number of long-standing partnerships, an exciting new project was added this year in the form of the **Casinos Austria Future Cup**, which will support young Austrian show jumping talent as they approach the 2024 Olympic Games in Paris. Casinos Austria has lent its name to this event for young riders (18+) and the U-25 riders and is also co-initiator and main sponsor.

In addition, two new highlights celebrated their premiere on the sponsorship calendar with the sponsorship of the **European Beach Volleyball Championships** and the **'Red-Bull-Flugtag' flying day**, which included a strong presence at the venue in the form of a giant game of roulette, for example.





The new Casinos Austria Future Cup supports young show jumpers as they approach the Olympics.

One long-standing sponsorship campaign that was continued in 2021 is the popular **'13th Row'**. It lets the general public enjoy culture at an exceptionally low price at the Burgtheater, Akademietheater and Ronacher. Tickets for the 13th row are available on the 13th of each month for EUR 13.

Corporate volunteering

In addition to providing financial support, the Casinos Austria and Austrian Lotteries Group also lends a helping hand if needed. This is the purpose of the corporate volunteering programme, which allows staff members to demonstrate their commitment to society for up to five working days each year. Although the programme was once more adversely affected due to contact restrictions, more projects could take place again in 2021. Since they involve working outdoors, the implementation of environmental and climate protection projects are hardly affected. Accordingly, the autumn of 2021 saw a five-member team leave for Gumpoldskirchen and make a valuable contribution to the preservation of biodiversity with much physical effort by maintaining pastures and pruning trees in this area just outside Vienna. Additionally, a sensory trail was built at the Steinbacherhof in the Weinviertel, where people with disabilities are cared for with integration in mind. Hot meals for people in need have been prepared in a team effort during regular projects for many years at the 's Häferl Café.

SDG 17

The circumstances surrounding the COVID-19 pandemic also pointed CSR activities in the direction of measures that had become necessary precisely because of this situation: Berlin-based agency Antoni launched a campaign (**#ZusammenGegenCorona** [fighting the coronavirus together]) designed to increase the vaccination rate and thus further contain the spread of the coronavirus. Well-known companies supported this campaign by adapting their slogans and in so doing making a clear statement in favour of the vaccination. The Casinos Austria and Austrian Lotteries Group has supported the Austrian government's efforts to contain COVID-19 from the outset.



De-bushings and pasture maintenance on the line of thermal springs. Many dry grasslands are no longer used for agriculture, lie fallow and become overgrown with bushes. Rare species that thrive in open habitats are displaced as a result. Staff from our Group have helped to clear these valuable areas.

Collecting for a good cause

Collections that give staff members the opportunity to provide articles of daily use for people in need are held regularly at our headquarters on Rennweg in Vienna. We were able to donate washable blankets, sturdy shoes, backpacks and hygiene articles for homeless people to Caritas in 2021. As part of our internal 'A New Way of Working' project, staff members were given the opportunity to purchase our surplus furniture privately. The ensuing amount was made available to social welfare organisations such as the neunerhaus homeless shelter, the Volkshilfe and the aid organisation Weißer Ring. Discarded furniture that was not needed was given to the Carla charity shop. In addition, decommissioned monitors, desktop PCs and laptops were donated to the 'PCs für alle' social welfare association. The hardware now benefits schools, charitable NGOs or financially disadvantaged people.

EUR 1.8 billion in sports funding

Supporting sport is a socio-political mandate that Austrian Lotteries has embraced since 1986. In the 35 years of its existence, more than EUR 1.8 billion of the Group's tax revenue has benefited sports via the federal sports promotion scheme enshrined in the GSpG. This means that Austrian Lotteries is the country's biggest and most important sponsor of sports and makes a crucial contribution in this regard throughout Austria. Extremely important in socio-political terms, grassroots sport benefits from this solidarity model, in particular. Limiting or eliminating this funding would result in numerous sports clubs being deprived of the foundation for their activities, which in turn would threaten the breadth and diversity of sport.

SDG 3

Survey on human rights

We used this section of the 2020 Annual and Sustainability Report to tell readers about a survey on human rights (based on the United Nations Guiding Principles on Business and Human Rights) among selected and interested staff members, which was initiated

SDG 8

by Austria Standards on the basis of a review of the CSR management system in accordance with ONR 192500 and carried out in October 2020. The most important finding from the survey was that although there were no real instances of misconduct, any irregularities primarily concerned a lack of information. It was with this in mind that various communication activities were implemented in the course of 2021 to improve the level of information.

Austrian Lotteries distribution network

Austrian Lotteries has been a partner of the 'Initiative Landpaket' – which aims to revitalise rural areas through the expansion of infrastructure – since 2020. The opportunity to offer Austrian Lotteries products like Lotto and EuroMillions offers local suppliers the basic conditions needed to operate their business in an economically sustainable manner. Three new retail outlet contracts that would not have been possible without this partnership were entered into in 2021.

Tobacconists are an important part of the distribution network. Particular attention is given to people with disabilities when selecting locations. The share of tobacconists run by people with disabilities stood at more than 50 per cent at the end of 2021.

STATUS OF OUR TARGETS

	Status 2019	Status 2020	Status 2021
Partnerships and activities for the common good			
Initiate new CSR partnerships to achieve the SDGs	Scheduled for 2020	Postponed until 2021	Start of the Corporate Carbon Footprint project scheduled for 2022
Linking a product to a social cause	–	–	Scheduled for 2022
Promote sustainability in Austria			
Hold at least four internal and two external events to raise awareness about sustainability	Implemented	Continued periodically	Continued periodically

Report of the independent auditor regarding the CSR measures and responsible gaming activities reported in the Casinos Austria Group Annual Report 2021.

CSR Company International was commissioned by the Casinos Austria Group Management Board to validate the Casinos Austria Group Annual Report 2021. This report is an integrated report. We were engaged to review the CSR section and the Responsible Gaming section for the presentation of data in the period 1.1.2021 to 31.12.2021. We did not review any data beyond this.

The criteria

We have performed limited assurance procedures on the disclosures reported for the year 2021 in relation to the non-financial standard „GRI 302“. In addition, a review was made regarding the completeness of the disclosures in relation to the Sustainability and Diversity Improvement Act (NaDiVeG 2017). Geographically, the review is identical to the business areas reflected in the Annual Report.

The selected areas of validation

- Supplier platform including CSR self-disclosure
- Job postings regarding people with disabilities
- CSR Forum, agenda and participants
- Purchasing criteria for the N!ce non-cash prize lottery
- Measures to reduce CO2 emissions
- Newsletter with CSR topics
- “CSR im Gespräch” - participants and minutes

Management Responsibility

The Casinos Austria Group’s management is responsible for the preparation of the Report content in accordance with the Reporting Criteria.

The Reporting Criteria comprise the reporting principles contained in the GRI Standards 2016 issued by the Global Sustainability Standards Board (GSSB).

This responsibility of the Company’s management includes the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial information „GRI 302“ presented in the Report based on our audit procedures.

We performed the audit procedures in accordance with International Standard AA1000AS (AccountAbility 1000 Assurance Standard) to obtain limited assurance.

Those standards require that we plan and perform the audit to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the above nonfinancial disclosures have not been prepared, in all material respects, in accordance with the reporting criteria as set out in the GRI Standards.

In a limited assurance engagement, the procedures performed are less extensive than in a full assurance engagement. The procedures selected depend on the auditor’s judgment.

Audit Opinion

Based on our audit procedures, nothing has come to our attention that causes us to believe that the report does not comply with the requirements of „GRI 302“ and has been prepared, in all material respects, in accordance with the reporting criteria as set out in the GRI Standards. This also applies to the legal requirements of the Sustainability and Diversity Improvement Act (NaDiVeG 2017) without qualification.

Furthermore, we have concluded that the Casinos Austria Group has not excluded any material aspects from the report and that the reporting process provides reliable CSR data and CSR information as well as the same for the area of Responsible Gaming.

Examiner:

Mag. Martin Neureiter

CEO CSR Company International

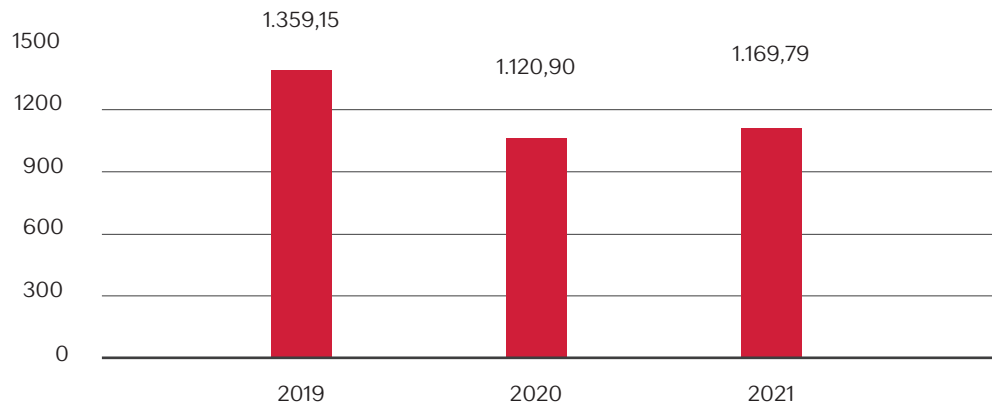


OUR FISCAL YEAR

GRI
102-7

Gross gambling yields and financial performance

GROUP GROSS GAMBLING YIELDS (CONSOLIDATED) – 2019-2021
(EUR millions)



Similar to the year before it, 2021 was dominated by measures related to the COVID-19 pandemic. Our business units were affected to varying degrees. While our Austrian casinos, WINWIN outlets and parts of our international business were hit hard by some 158 days of closure, we can report that the development of our online business and the lottery products at retail outlets was largely positive. In the preceding fiscal year, the Group posted consolidated gross gambling yields of EUR 1.17 billion. Total tax payments in Austria stood at EUR 615.73 million.

Both our national and international casinos and the WINWIN outlets suffered declines in the gross gambling yield due to the closures imposed by the public authorities and strict coronavirus-related regulations after they reopened. On the other hand, our lottery product business could continue because the retail outlets were continuously open during the lockdowns. Online business via the win2day.at gaming site saw an increase in active users due to the restriction of outdoor activities.

On the one hand, the development of sales in our casinos continued to be strongly influenced by games of chance operated without a licence, prompting the Financial Police to take strict action against various operators again in 2021 and confiscate numerous gaming machines in the course of their control activities. On the other hand, there was a significant increase in demand for poker in our casinos during the months they were open due to the final closure of the poker casinos.

2021

Management took all possible measures necessary to stem the outflow of liquidity. These measures included making use of the short-time work options available due to the coronavirus pandemic for the business units affected.

The **Casinos Austria and Austrian Lotteries Group** delivered a consolidated gross gambling yield of EUR 1,169.79 million in the preceding fiscal year, which was 4.36 per cent over the previous year. The Group once more generated important tax revenues in 2021 with EUR 615.73 million in taxes, duties and contributions paid in Austria alone. The positive business development in our lottery and online business, on the one hand, and strict cost management, including in the context of the ReFIT restructuring programme, on the other, has enabled us to improve our operating result significantly, which rose from EUR 22.69 to 174.38 million. We were also able to improve the financial result by more than EUR 4 million, which means that given the circumstances our consolidated result stood at an extremely satisfying EUR 130.44 million; previous year: EUR 3.09 million.

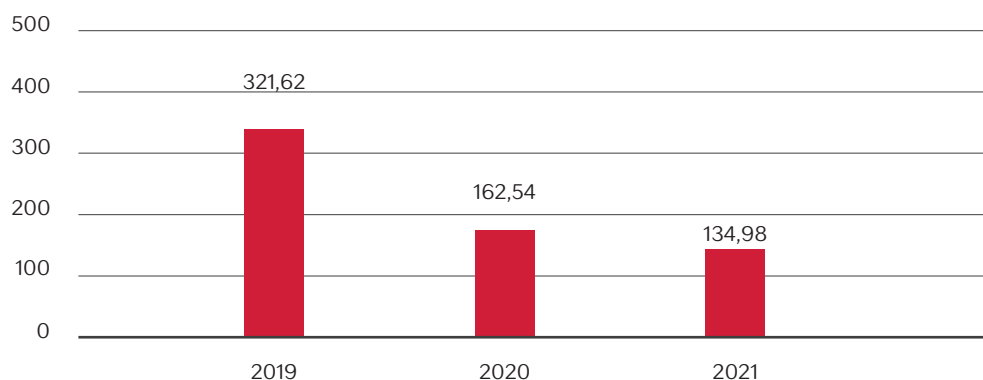
TAXES, DUTIES AND SOCIAL SECURITY CONTRIBUTIONS IN AUSTRIA

(EUR millions)

		Group (consolidated)	Casinos Austria AG	Österreichis- che Lotterien Gesellschaft m.b.H.
2021				
Total		615.73	47.58	551.44
Gaming-related charges		543.92	43.44	498.58
Other taxes, duties and so- cial security contributions		72.78	5.11	59.88
2020				
Total		594.28	65.95	521.18
Gaming-related charges		517.01	50.03	465.88
Other taxes, duties and so- cial security contributions		77.27	15.92	55.3

CASINOS AUSTRIA AG GROSS GAMBLING YIELDS – 2019-2021

(EUR millions)



Casinos Austria delivered a gross gambling yield of EUR 134.98 million with its 12 casinos in Austria. Due to the extended lockdown periods and the major restrictions, especially in May and June 2021, gross gambling yields for the whole of 2021 were 16.96 per cent less than those of 2020.

The 12 casinos were closed for a further 73 days from the beginning of 2021. Although the two Vorarlberg casinos (Bregenz and Kleinwalsertal) were able to open on 15 March 2021, this was subject to strict coronavirus regulations, such as heavily reduced opening hours, restrictions on the number of guests (correlating with the area), mandatory submission of negative SARS-CoV-2 test results by guests, limited or complete prohibition of dining services in the gaming area, as well as the mandatory use of FFP2 masks throughout. The remaining ten casinos resumed gaming operations on 19 May 2021, also under heavily restricted conditions. Accordingly, they were closed for 197 days because of the pandemic (274 days in total at that time).

It was not until the beginning of July 2021 that coronavirus-related measures were largely relaxed. These easing measures led to a significant increase in demand and thus sales throughout Austria. In particular, Casino Velden benefited from the coronavirus-related drop in the propensity of Austrians to travel. On the other hand, Casino Vienna lacked its all-important international guest base because of the sharp drop in tourism in Vienna.

Due to the rising number of infections, the 2G rule was introduced throughout Austria at the beginning of November 2021, so only vaccinated or recovered guests had access to the casinos. This renewed tightening of measures was also reflected in drops in demand as compared to earlier months. It was decided on 22 November that a new lockdown should be imposed, which again affected all 12 casinos. It was not until 13 December that 11 of the 12 casinos were able to reopen, with Casino Linz finally following suit on 17 De-

ember due to different provincial regulations. The legally imposed curfew was set at 23:00 and shortly after that as early as 22:00, resulting in a slump in sales as compared to the summer months and the reference data from previous years.

Moreover, the smoking ban continued to weigh on casino business in Austria in 2021. Guests affected by the smoking ban sought alternatives in foreign countries close to the border, for example Liechtenstein, where there is no smoking ban or gaming opportunities where the smoking ban is enforced less strictly. This guest base also used our online products, as they were able to continue smoking while playing.

Despite the difficult overall situation, Casinos Austria has invested in equipment at its individual casinos. In addition to gaming innovations (new slot machines and developments in live gaming), this also includes the refurbishment of the historic premises of the casinos in Vienna, Baden and Salzburg. In 2021, work also continued on the conversion at Casino Vienna (construction of a patio on the third floor), the rearrangement and associated structural measures at Casino Graz, the extensions at Casino Linz and typical maintenance activities. Since 2021, Casino Linz has been operating sustainably from the reduced space on the ground floor (formerly the Jackpot Casino). The range of games on offer there has been expanded in line with demand. The first floor will not be put back into operation after the fire of 2020 that destroyed the Classic Casino.

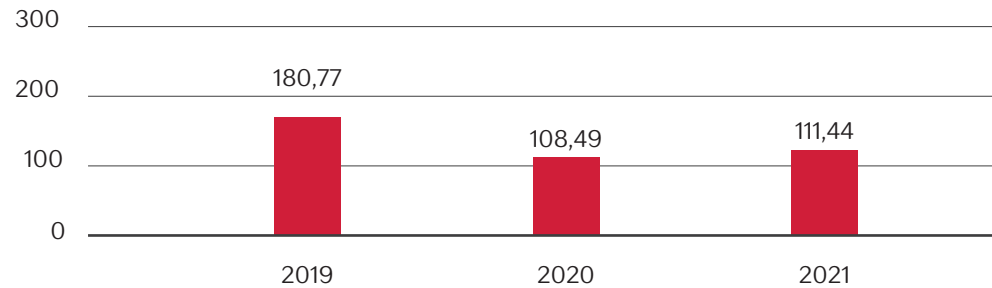
The strategic focus on our core business, gaming and the playing guest, show the first signs of success. The comprehensive ReFIT restructuring programme drawn up in 2020 and finally implemented in 2021 has put the company on a positive and sound cost base and ensures profitability for the years ahead.

Casinos Austria International delivered gross gambling yields of EUR 111.44 million in the preceding fiscal year, representing a year-on-year increase of 2.72 per cent. The operating performance of CAI's casinos was once more significantly affected by the COVID-19 pandemic in 2021. Due to the increased number of infections in the first half of 2021, only the casinos in Cairns and Cairo, as well as the VLT outlets in North Macedonia were open continuously. None of the other establishments were able to reopen until April (Berne and Lugano, Switzerland, Liechtenstein), May (Hungary, Denmark, Germany) and June (Belgium, St. Moritz, Switzerland), in some cases subject to strict hygiene measures.

In Australia, significant HR cost reductions were implemented and gaming revenues returned to pre-pandemic levels. Casino St. Moritz, Switzerland's highest gaming establishment, moved back to the boulevard in St. Moritz-Dorf after more than 18 years in St. Moritz-Bad. December saw Casino Braunschweig open at a new, conveniently situated location. American roulette, blackjack, poker and 100 slot machines offer an exclusive game experience on 800 square metres.

CASINOS AUSTRIA INTERNATIONAL GROSS GAMBLING YIELDS – 2019-2021*

(EUR millions)



* From the 2021 fiscal year we will be using the gross gambling yield excluding ancillary revenues as the central reporting parameter for business performance. For better comparability, we have adjusted the previous years accordingly.

Casinos Austria was successful against Argentina at a World Bank arbitration court and the company was awarded some USD 36 million. The decision was unequivocal in its description of the revocation of the licence of Casinos Austria International subsidiary ENJASA by the gaming authority of the Province of Salta in August 2013, referring to it as arbitrary and unlawful. Furthermore, the EUR 187 million seven-year bond was settled from the company's own funds in November 2021.

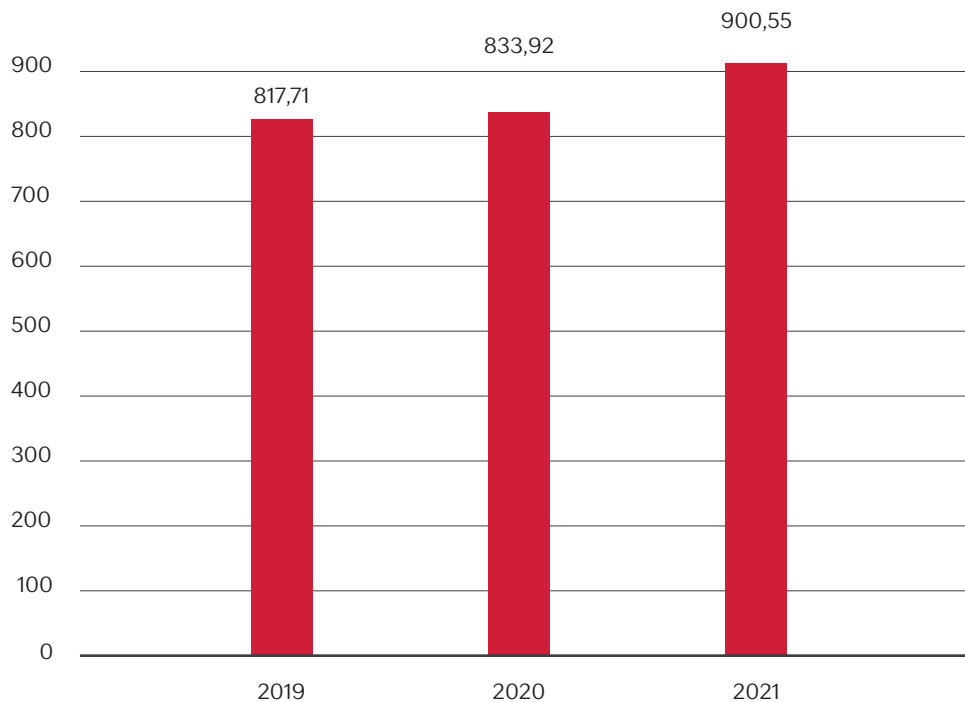
At EUR 900.55 million, the gross gambling yields of **Austrian Lotteries** are 7.99 per cent higher than in the previous year.

In the case of lottery products, the gross gambling yield of 'Lotto '6 aus 45' with Lot-toPlus stands at EUR 329.92 million, representing a year-on-year gain of 4.17 per cent. This increase is due to the fact that prizes were being won at higher rounds in the cycle. Although there were two fewer six-time rollovers, there were two single jackpots, eight double jackpots, one quadruple jackpot, as well as one five-time rollover jackpot more than in 2020. In addition, there were seven more Lotto rounds than in the previous year because of the Bonus draws. EuroMillions delivered a gross gambling yield of EUR 172.89 million (or up 4.15 per cent on 2020). Apart from the impact of the pandemic, there were only seven Superpot rollover jackpots in 2020, while 2021 saw 13 and the cap limit was reached twice. Joker is 5.62 per cent up on last year with a gross gambling yield of EUR 112.30 million. The strong development of Lotto and EuroMillions, both primary products, had a positive effect here.

The **Class Lottery** delivered a gross gambling yield of EUR 15.22 million, meaning it is 26.06 per cent higher than in 2020. This gain is due to the increased payout in 2020 (game with fixed odds). Lucky Day delivered a gross gambling yield of EUR 4.21 million (-10.09 per cent). The drops in the daily lottery clearly reflect events surrounding the COVID-19 pandemic. Number Lotto delivered a gross gambling yield of EUR 2.54 million (+10.21 per cent). TopTipp delivered a gross gambling yield of EUR 4.41 million (-4.43 per cent) in 2021. Football Pool with Goal Bet delivered a gross gambling yield of EUR 2.51 million (-4.34 per cent). Bingo delivered a gross gambling yield of EUR 1.61 million in the fiscal year ended (-25.84 per cent). Its player base has continued to decline since the TV show was taken off air.

ÖSTERREICHISCHE LOTTERIEN GESELLSCHAFT M.B.H. GROSS GAMBLING YIELDS 2019-2021

(EUR millions)



Available since 14 September 2020, the **NICE** non-cash prize lottery (operated as an electronic lottery according to Article 12a GSpG and can only be played online) was taken offline on 30 November 2021 and draws were discontinued. The regular reviews revealed that the extraordinary experiences and special trips desired by the community could not be offered as prizes because of the COVID-19 pandemic.

With regard to instant products, the **scratch-off ticket's** gross gambling yield stands at EUR 62.38 million, meaning it is 17.68 per cent up on 2020. The extremely successful scratch-off ticket launches in 2021 and corresponding distribution measures, such as the expansion of the distribution network and rollout of new scratch-off ticket dispensers, had a positive effect on the product's development. Break-open tickets delivered a gross gambling yield of EUR 9.99 million, meaning they are up on the previous year by 2.41 per cent. Operated as an electronic lottery under Article 12a GSpG, **Click&Win** delivered a gross gambling yield of EUR 2.74 million as a result of successful game launches, representing a year-on-year gain of 14.97 per cent.

The electronic lotteries (including sports betting) on **win2day** delivered a gross gambling yield of EUR 151.42 million in 2021, meaning they were up by 25.77 per cent. The increases are attributable to higher user activity on Novoline slot machines, as well as regular and strong game launches. Furthermore, the restrictions of outdoor activities in the wake of the COVID-19 pandemic brought an increase in active users in the first three months of the year. The 2020 Men's European Football Championship, which was postponed to 2021, also had a positive effect on sports betting on win2day. Launched in November 2020, the new online version of Bingo! was also received extremely positively.

Poker on win2day stands at EUR 4.31 million (year-on-year gain of 2.95 per cent) and has maintained its strong performance.

WINWIN delivered a gross gambling yield of EUR 24.01 million with its 22 outlets in Austria; 9.81 per cent less than in 2020. This drop is mainly due to the closure of all venues up until midnight on 19 May 2021 and from 22 November up until 13 or 17 December 2021, which the public authorities imposed due to COVID-19. The Linz Urfahr and Eugendorf venues were closed during the reporting period. The WINWIN flagship store in St. Pölten opened on 19 May, the 21st WINWIN outlet opened in Linz's city centre on 10 June and the 22nd WINWIN outlet opened in Villach on 17 July.

LOTTERY PRODUCT AND ELECTRONIC LOTTERY GROSS GAMBLING YIELDS COMPARISON 2020-2021

(EUR millions)	2021	2020	Year-on-year change (in %)
Total gross gambling yield	900.55	833.92	7.99
Lotto '6 aus 45' incl. LottoPlus	329.92	316.71	4.17
TopTipp [top pick]	4.41	4.62	-4.43
EuroMillions	172.89	165.99	4.15
Football Pool incl. Goal Bet	2.51	2.62	-4.34
Number Lotto	2.54	2.31	10.21
Bingo	1.61	2.17	-25.84
Joker	112.30	106.32	5.62
Lucky Day	4.21	4.69	-10.09
Class Lottery	15.22	12.07	26.06
Break-Open Ticket	9.99	9.76	2.41
Scratch-Off Ticket	62.38	53.00	17.68
Click&Win	2.74	2.39	14.97
N!CE ¹	0.09	0.07	38.53
win2day (incl. Keno, sports betting)	151.42	120.40	25.77
win2day Poker ²	4.31	4.19	2.95
WINWIN (VLT)	24.01	26.62	-9.81

¹ Bis 30. November 2021, elektronische Lotterie nach § 12a des Glücksspielgesetzes.

² Rake.

Outlook

Despite the coronavirus pandemic in Austria, economic output recovered strongly in 2021 compared to 2020. Unemployment is falling but remains at a high level. Due to the Omicron variant of the coronavirus, the associated crisis will continue in 2022. The coronavirus-related measures (curfew at 22:00 or 24:00, 2G rule, mask requirement) from January to the beginning of March 2022 have had an adverse effect on casino and WIN-WIN figures. Social activities should normalise from the second quarter of 2022 with the relaxation of all coronavirus-related measures in every province, provided that COVID-19 and its new variants can be brought under control in the long term.

Moreover, it is still not possible to assess the medium- to long-term effects of the COVID-19 pandemic reliably. Among other things, this is because the impact of the smoking ban and the coronavirus pandemic formed part of the mix during the months open between the various lockdowns. That business or social life and thus also the behaviour of players and guests had changed permanently due to the pandemic cannot be ruled out, however. Accordingly, the lockdowns and other measures have accelerated the migration to online products.

However, the Austrian Institute of Economic Research (WIFO) predicts increased private spending, not least because of government subsidies, the forthcoming eco-social tax reform and savings made in private households during the pandemic. Having said that, the WIFO's forecasts have to be revised downwards each time the coronavirus situation deteriorates. This would also increase the projected unemployment figures for 2022 of 7.3 per cent (9.9 per cent in 2020).

However, the WIFO's forecasts must be called into question due to the current situation in Ukraine, where the war poses a threat to the economy, social life and following on from that to casino business, thus putting the WIFO's outlook into perspective. The important international tourism – especially from Russia – is severely affected by this. Rising energy prices are fuelling inflation and increasing uncertainty, reducing the ability of domestic customers to purchase and having a negative impact on disposable household income. The increased general uncertainty (potential global economic crisis, nuclear threat) could inhibit the willingness to spend. Moreover, footfall at tobacconists could drop due to the expected increases in the price of tobacco products. Due to the cyclical nature of gaming products, a drop in average comparable lottery product sales per round in the cycle of some three to five per cent is projected.

However, in the course of its restructuring and strategic realignment, Casinos Austria has established a good foundation for the years ahead, significantly increasing the competitiveness of its casinos compared with other gaming portfolios. Strategic focus is on the

core business of gaming and the playing guest. New guest groups are being addressed with an increasing digitisation of the gaming portfolio and innovative products. The launch of the new general advertising line at the end of 2021, which is already having an impact, will also contribute to a return to positive operating results in 2022.

Austrian Lotteries will continue to consolidate its market position by launching new games and innovative technologies in 2022, too.

Ministerial Council Decision of 24 February 2021

The federal government has announced a comprehensive reorganisation of the gaming business in Austria with the **Ministerial Council Decision dated 24 February 2021**. The legislative package required for this was to be sent out for review at the end of April 2021 and adopted in parliament in the second half of 2021. In addition to establishing an independent gaming authority that is not subject to directives, numerous other measures are announced in the Ministerial Council Decision. Apart from those which are very likely to have a positive economic impact on the Casinos Austria and Austrian Lotteries Group, such as legislation that will make it easier to combat unlicensed gaming portfolios (both terrestrial and online) or the elimination of the three casino licences currently not awarded, there are also those which could have negative economic consequences for the Group, such as the phasing out of VLT licences, a cross-operator blocking network and more generally further improvements to player protection, as well as advertising restrictions. In the absence of more detailed specifications, it is not yet possible to assess the overall impact on the Group of these planned changes to gaming in Austria.

Consolidated profit and loss statement of the Casinos Austria Group for the 2021 fiscal year

(EUR thousands)	2021	2020
Gross gambling yields	1,169,790	1,120,904
Gaming taxes, fees and other taxes	-589,878	-563,035
Net gambling yields	18,959	23,999
Other operating income	90,284	47,340
Cost of materials and services purchased	-8,959	-9,478
Staff costs	-201,275	-278,041
Depreciation, amortisation and write downs	-58,003	-76,453
Other operating expenses	-251,921	-245,133
Gains/losses from companies consolidated at equity	4,210	1,337
Operating result	174,375	22,693
Financial income	1,630	3,058
Financial expenses	-9,104	-13,880
Financial result	-7,474	-10.822
Result before income taxes	166,901	11.871
Income taxes	-36,114	-8.573
Result from continued operations	130,787	3.298
Result from discontinued operations	-350	-205
Group profit/loss	130,437	3.093
Attributable to		
shareholders of the parent company	97,335	-23.298
non-controlling interests	33,102	26.391
	130,437	3.093

Consolidated Balance Sheet as at 31 December 2021

(EUR thousands)	31 December 2021	31 December 2020
ASSETS		
Cash and cash equivalents	268,599	262,287
Inventories	3,797	3,340
Receivables and other assets	115,389	100,617
Other financial assets	120,000	38,591
	507,785	404,835
Assets held for sale	752	826
Short-term assets	508,537	405,661
Tangible assets	154,930	178,291
Goodwill	240,264	239,961
Other intangible assets	18,889	23,223
Rights of use	59,613	71,923
At equity consolidated companies	57,939	57,225
Deferred tax assets	23,319	36,518
Long-term financial assets	186,835	189,720
Long-term assets	741,789	796,861
Total assets	1,250,326	1,202,522
LIABILITIES AND EQUITY		
Financial liabilities	11,848	32,006
Lease liabilities	16,206	16,077
Trade payables	28,562	26,665
Provisions for staff benefits	13,242	22,976
Provisions	15,037	14,966
Income tax liabilities	47,343	33,665
Other short-term liabilities	329,641	323,791
Short-term debts	461,879	470,146
Financial liabilities	111,282	122,016
Lease liabilities	55,070	66,580
Provisions for staff benefits	148,450	181,578
Deferred tax liabilities	2,652	2,795
Other long-term provisions	583	1,776
Other long-term liabilities	18,289	15,109
Long-term debts	336,326	389,854
Share capital	40,000	40,000
Retained earnings and balance sheet profit	409,871	312,535
Reserve for actuarial gains/losses	-69,451	-73,657
Valuation reserve for financial assets	-8,060	-5,122
Currency translation reserve	16,211	14,029
Equity of shareholders of parent company	388,571	287,785
Non-controlling shareholders	63,550	54,737
Equity	452,121	342,522
Total liabilities and equity	1,250,326	1,202,522

Imprint

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