

# ANNUAL REPORT

# 2024



Contents

Foreword ..... 05

Paul Gauselmann in the year  
of his 90th birthday ..... 06



01

02

<b>Who we are.</b>	<b>08</b>	<b>What we do.</b>	<b>16</b>
Governance .....	10	Research, development and production ..	18
Supervisory Board .....	12	Land-based slot business (B2B) .....	20
Business segments .....	14	Gaming arcades .....	24
Key figures .....	15	Casinos .....	28
		iGaming .....	32
		Sports betting.....	34
		Money management .....	36



03

04

<b>How we work.</b>	<b>38</b>	<b>Our other engagements.</b>	<b>46</b>
Responsible gaming .....	40	Social projects .....	48
Corporate culture and Human Resources .	42	Sponsoring and partnerships .....	50
Sustainability .....	45	German Coin-Op Museum .....	52
		Business outlook .....	54



# Our brand values



Seriousness



Enjoyment of gaming



Innovation



Passion



Reliability



Sustainability

# Foreword

Dear Reader,

Bringing a new name, a milestone birthday and familiar faces in new roles, 2024 was very much a year of change and new beginnings for the MERKUR GROUP.

On 1 January, the change of name from Gauselmann Group to MERKUR GROUP and Gauselmann AG to MERKUR.COM AG took effect. These changes of name send the clear message that we are pressing ahead with the internationalisation of our corporate group and focusing our efforts more on the expansion of digital experiential worlds.

Summer 2024 brought another cause for celebration: on 26 August, our company founder Paul Gauselmann celebrated his 90th birthday and his tireless commitment to the MERKUR GROUP, its employees and the local region. In October, Mr Gauselmann announced that he was stepping down as head of the corporation, prompting a reorganisation of the Management Board: Michael Gauselmann took over the chairmanship of the Gauselmann Family Foundation and the Supervisory Board. The entrepreneurial family thus remains represented in the governing bodies – a clear sign of the family’s deep attachment to the company. This also rejuvenated the Management Board, which will be responsible for the operational management of the MERKUR GROUP going forward.

Dedicated, united and ambitious, the new Management Board embraces the various challenges facing our industry and our company, building on the valuable groundwork and achievements of boards that went before. I would like to take this opportunity to thank outgoing members of the Management Board and Supervisory Board for their enduring commitment; in particular, Paul Gauselmann, whose vision and determination shaped the MERKUR GROUP for so many decades.

Sincere thanks also to our almost 15,000 employees around the world. Despite all the challenges – especially stemming from over-regulation and the growth in illegal gaming – they were instrumental in the MERKUR GROUP’s further revenue growth in 2024. Their dedication, skill and loyalty are the foundation of our continued success.

The list of other highlights and events of last year is long – and includes our strategy of diversification and internationalisation coupled with a strengthening of the German domestic market; the repositioning of the sports betting brand MERKUR BETS; our efforts towards a fair playing field; and the 50-year anniversary of our national MERKUR gaming arcades – so, please, read on and find out more about our company, discover our diverse range of products and services, and see for yourself how we breathe life into our slogan “Enjoy the Game” day in day out with our enthusiasm and belief.

Best regards,

Lars Felderhoff  
Chairman of the Management Board



Paul Gauselmann in the year of his 90th birthday:

# A look back and a new chapter



After training as a telecommunications inspector and seven years of employment, Paul Gauselmann ventured into part-time self-employment in 1957. In 1964, he committed to his company full-time.

2024 marked the most important turning point in the MERKUR GROUP’s history so far: on 26 August, the day of his 90th birthday, the extraordinary life’s work of Paul Gauselmann was honoured. Then, on 1 October, the founder of the company went into well-deserved retirement, heralding a generational shift in the leadership of the group.

Paul Gauselmann’s legacy of success is unparalleled. It began amid the ruins of post-war Germany where, as a child, he started to develop his business skills, and culminated in a global entertainment group with around 15,000 employees. Drive, talent and a flair for trends helped Paul Gauselmann to build up Germany’s biggest gaming company and one of the top players in the international gaming industry, and make it a permanent fixture in the market. Along the way, he always advocated passionately for the interests and needs of his industry and was involved in the leading industry associations for decades. A profound sense of duty towards his employees defined how Paul Gauselmann did business. An “accountable entrepreneur”, he always saw his commercial success as an obligation to stand up for the workforce in challenging times as well as the good times, to value their work and to provide job security.



Paul Gauselmann with the love of his life and closest advisor: his wife Karin Gauselmann

Paul Gauselmann is making a mark beyond the world of business too: for more than a quarter century, his wife and he support charitable projects through the Paul and Karin Gauselmann Foundation and thus make a contribution to social cohesion in his native East Westphalia. His philanthropy ranges from funding medical facilities to supporting day care centres, schools and sports clubs, and on to the restoration of historical monuments, such as the castle Schloss Benkhausen. When he retired from the business, Paul Gauselmann handed over the reins of the Gauselmann Family Foundation to his son Michael, and placed the chairmanship of the Management Board into the trustworthy hands of CFO Lars Felderhoff. However, as its founder, Paul Gauselmann still has close ties with the MERKUR GROUP. His work and his values are deeply embedded in the corporate culture and will continue to play a defining role.



The bridge over the Mittelland Canal, which connects Espelkamp and Lübbecke, was named after Paul Gauselmann in 2024. Mayors Frank Haberbosch (left) and Dr. Henning Vieker (right) recognised the services of the entrepreneur to both towns with this special 90th birthday present.



After 67 years at the head of the group, Paul Gauselmann stepped down as Chairman of the Management Board on 1 October, passing the baton to Lars Felderhoff.



- 01 Who we are.
- 02 What we do.
- 03 How we work.
- 04 Our other engagements.



# Governance



**Michael Gauselmann**  
*Chairman of the Supervisory Board*

From part-time one-man operation to international gaming corporation with around 15,000 employees worldwide: this is the impressive arc of the MERKUR GROUP since its foundation by Paul Gauselmann in 1957.

The group fully intends to continue this success story and maintain the business as a family-owned company for the generations to come. For this reason, in 2016, the company shares of founding shareholder Paul Gauselmann and his family were transferred to the Gauselmann Family Foundation. As the sole shareholder, the Foundation has been responsible for corporate strategy and has overseen its sustainable organisation and development since that date. The Family Foundation consists of the three-member Foundation Board chaired by Michael Gauselmann and the Foundation Advisory Board composed of members of the Gauselmann family.

The Supervisory Board, of which Michael Gauselmann is also Chairman, acts as the central advisory and governance body of the MERKUR GROUP. It oversees the actions of the Management Board appointed by it, ensuring that it acts in the interests of the company and its stakeholders. The Management Board is responsible for the operational management of the MERKUR GROUP. It implements the strategy of the Family Foundation and ensures the smooth day-to-day running of the business. In doing so, it works closely with the Supervisory Board, regularly informing the latter about how the business is going.

The strong working relationship between the governing bodies guarantees the effective and sustainable management of the MERKUR GROUP. By having a presence in the highest governance bodies, the Gauselmann family plays an important role in the success of the company and shows dedication to the MERKUR GROUP as a reliable economic powerhouse and a secure employer in East Westphalia.



**Lars Felderhoff**  
*Chairman*  
Finance & Administration



**Manfred Stoffers**  
*Vice Chairman*  
Communication, Public & Legal Affairs



**Dominik Raasch**  
MERKUR Games



**Meik Sellenriek**  
MERKUR Operations



**David Schnabel**  
MERKUR Casinos



Supervisory Board

MERKUR brings joy to gaming



Dear Readers and Friends of MERKUR,

1 October 2024 was a milestone in the success story of the MERKUR GROUP. After careful consideration and thinking of the future of the company, its founder and long-standing driving force, Paul Gauselmann, stepped down from all of his roles and I was appointed Chairman of the Supervisory Board and Chairman of the Gauselmann Family Foundation.

This change ushered in an important transition from an owner-operated to a management board-led group of companies – with a Supervisory Board fulfilling an oversight and advisory role.

The Supervisory Board met three times in the fourth quarter of 2024 and discussed matters in-depth with the Management Board. The work of the Supervisory Board revolved around getting to know the key business segments, identifying strengths and weaknesses and approving plans for 2025. All underperforming new additions to the business in recent years came under scrutiny from the Supervisory Board. Following objective and purposeful discussions with the Management Board about the

potential of these areas of business, a change of tack was taken – which in some cases involved ceasing business activities. The Supervisory Board also examined the MERKUR GROUP's core business activities and adopted guidelines for the necessary alignments to a regulatory environment that has changed for the worse.

In parallel, the Foundation Board optimised the composition of the Supervisory Board and the Management Board. Dieter Kuhlmann, long-standing Management Board member with responsibility for Gaming Operations, took well-deserved early retirement at the end of the year, as arranged. Jürgen Stühmeyer, formerly Management Board member over MERKUR Sales, and a close confidant of Paul Gauselmann for many years, moved to the Supervisory Board as of 1 January 2025, bringing his vast experience to bear in that governing body.

The following were appointed to the Management Board with effect from 1 January 2025: Dominik Raasch, MERKUR Games, Meik Sellenriek, MERKUR Operations, and David Schnabel, MERKUR Casinos. All three new Management Board members have many years of experience in the MERKUR GROUP.

In addition to Mr Stühmeyer, the Foundation Board appointed another important member to the Supervisory Board with effect from 1 January 2025 in the person of lawyer Stefan Meyer. A long-standing member of the Gauselmann Family Foundation Advisory Board, Mr Meyer is very knowledgeable about the MERKUR GROUP.

The aim of the Supervisory Board is to give the Management Board as much freedom as possible to govern independently. To ensure that the values of the MERKUR GROUP as a family-owned company are upheld and the interests of the

Family Foundation are protected, a list of matters that require approval was drawn up, which serves as a guide for the workings of the Management Board.

The Supervisory Board would like to take this opportunity to thank the Management Board for the good teamwork in the first quarter since the Board was installed and is looking forward to a successful 2025. The Supervisory Board will support the Management Board to ensure that “MERKUR brings joy to gaming”, for which ten full-day meetings are planned for 2025.

Kind regards,

Michael Gauselmann  
Chairman of the Supervisory Board

Short bio of Michael Gauselmann

Studied Business Administration at the University of Hamburg, majoring in IT, statistics and marketing; Master of Business Administration

1982

Joined NOVA Apparate Hamburg as management assistant

1983

Commercial Director at Franken-Automaten Südvertrieb, integration into the Gauselmann Group (today: MERKUR GROUP)

1984 to 1986

Commercial Director at adp Gauselmann (today: adp MERKUR) and CFO of the Gauselmann Group

1986 to 1992

Managing Director of Merkur Spielothek (today the business segment MERKUR Operations) with 250 gaming arcades in Germany

From 1993

Involved in building up the international side of the Gauselmann Group's business, including the foundation of subsidiaries Atronic (development, production and sale of casino machines), purchase of Bell-Fruit Games (England) and building up of Stella Electronic (development and sale of gaming machines for Europe).

1994 to 2004

Vice-Chairman of the Board of Gauselmann AG (today MERKUR.COM AG)

From 2004 until the establishment of the Gauselmann Family Foundation

Joint Chairman of the Management Board of Gauselmann AG alongside Paul Gauselmann

Since 2016

Member of the Gauselmann Family Foundation Advisory Board

Since October 2024

Chairman of the Supervisory Board of MERKUR GROUP and Chairman of the Gauselmann Family Foundation, the sole proprietor of the MERKUR GROUP.

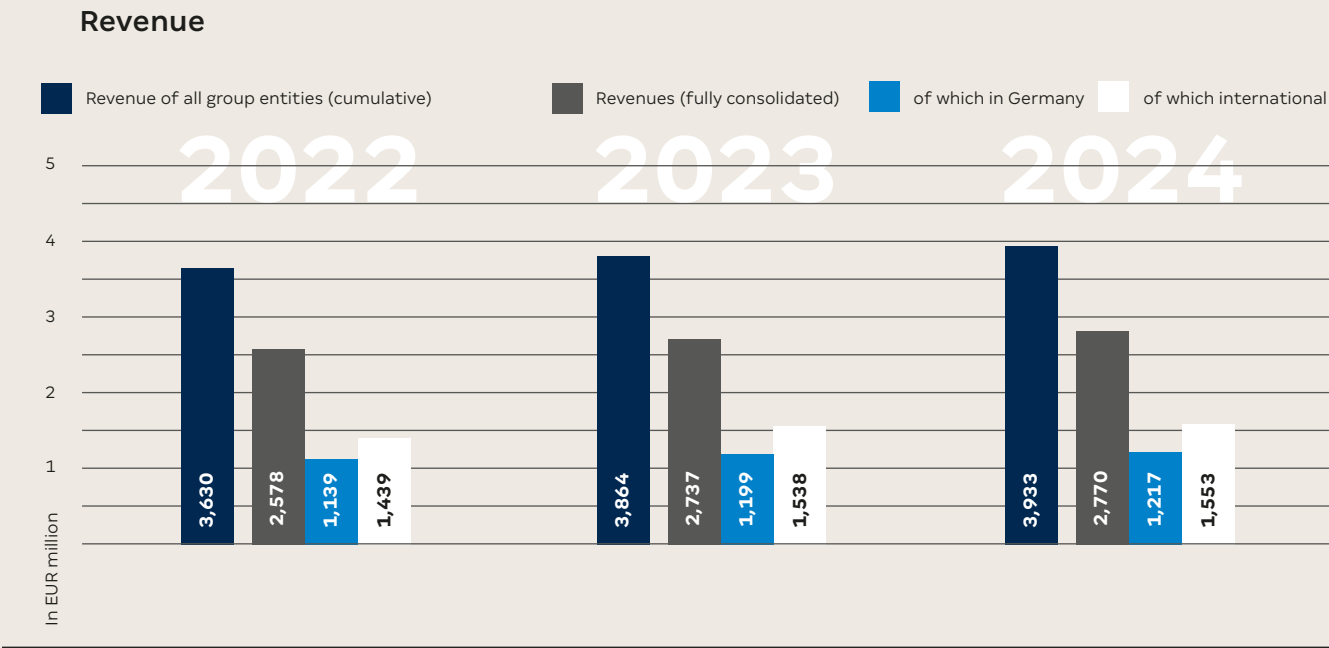
# Business segments of the MERKUR GROUP

The MERKUR GROUP is involved in diverse activities; its broad portfolio serves a wide variety of market segments all over the world. To optimise resource use, promote innovation and ensure efficient operations, the corporate group's activities are divided into five business segments.

The MERKUR Games business segment encompasses the development, production and sale of games and gaming machines in Germany and abroad as well as the development and marketing of online casino solutions and online games. Money Management and Financial Services also come under the MERKUR Games business segment. The MERKUR Operations business segment is responsible for the operation of gaming arcades in Germany and other European countries, arcade management and hospitality installation. The activities of the MERKUR GROUP in its capacity as an operator of terrestrial and cruise ship casinos come under the remit of the MERKUR Casinos business segment. The MERKUR iGaming and MERKUR Sportsbetting business segments comprise the operation and the marketing of online casinos as well as online and retail sports betting offerings.

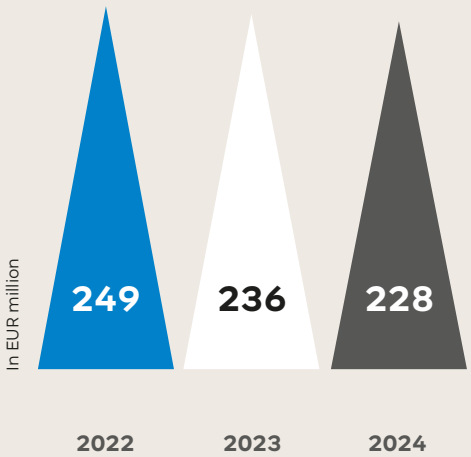
By focusing the business segments on specific products, services and markets, the MERKUR GROUP can direct its strengths, be flexible to changes and secure its position on the international market in the long term.

# Key figures

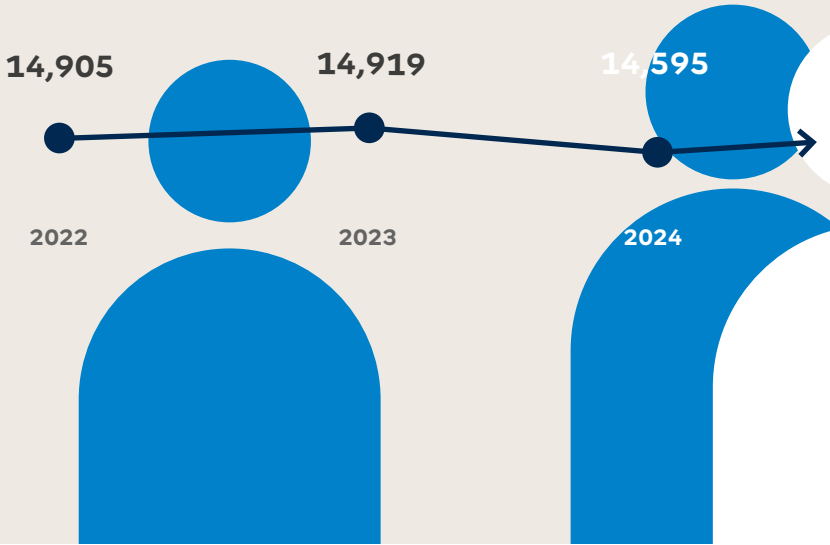


2022	2023	2024
Equity ratio57.9%	Equity ratio59.7%	Equity ratio57.6%
Equity and capital contributionsEUR 1,253 million	Equity and capital contributionsEUR 1,229 million	Equity and capital contributionsEUR 1,215 million

## Investments



## Jobs





- 01 Who we are.
- 02 What we do.
- 03 How we work.
- 04 Our other engagements.





# Reserarch, development and production

The development and production of state-of-the-art entertainment electronics are regarded as one of the things the innovative and technology-driven MERKUR GROUP does best. In 27 locations worldwide, more than 1,000 employees of the corporate group develop physical and online games, gaming machines, self-service betting terminals and online casino solutions as well as money management, networking and access control systems for the national and international gaming market.

To identify and meet country-specific needs and trends early, the MERKUR GROUP has development facilities all over the world. Its biggest facilities are in Germany, India and the United Kingdom. All development activities are under the auspices of adp MERKUR GmbH at the German headquarters in Lübbecke. While these activities focus on the basic development and quality assurance of new hardware and software, the subsidiaries MERKUR GAMING India and Lucky Nugget (India) as well as Blueprint Gaming (UK) are primarily charged with the development of land-based and online games.

The MERKUR GROUP's development activities focus chiefly on the markets in Germany, United Kingdom, Spain, Latin America and Eastern Europe. In the year under review, the V25 generation of games packages was launched for the German gaming arcade and hospitality markets. Analyses show that the launch was a success, with the V25 maximising players' gaming experience and boosting utilisation and takings for the operators. The launch of the multigamer ZONIC Curved was also a success. Thanks to its impressive 55-inch UHD curved screen, it became a fixture in German gaming arcades in record time. adp MERKUR also introduced orbex, an innovative technology whose components greatly improve machine performance, enhancing multigamer safety and quality even more.

From graphic design to sound engineering, game development is a multidisciplinary process. The MERKUR GROUP's employees are skilled in all the fields involved.



Internationally, the focus was on the development of new Linked Progressive Jackpot systems: no less than three new mechanics – Clash Link, Link Wave and Link Overdrive – were finalised and brought to market. In addition, the UK launch of the modular MOD EX cabinet family and the multigamers Revolution and Velocity attracted international attention.

Research, Development and Production had another challenging financial year. In Germany in particular, the restrictive legislation as well as the economic environment, including high taxes, rising minimum wages and energy prices, made development and production activities difficult for the MERKUR GROUP.

That said, the 2025 financial year is full of lots of new projects for Research and Development. Given the stagnation in the German market, the MERKUR GROUP is increasingly focusing on international markets and, as a consequence, on the development of more Linked Progressive Jackpot systems. This will entail various international product management initiatives, including the introduction of player focus groups to systematically look at the chances of success of MERKUR content, the purpose of which is to augment the international product portfolio.

Furthermore, Research and Development is introducing a system of managing the games portfolios in the 2025 financial year, which, for one, analyses and then prioritises target

markets and, for another, ensures that the balance between tried-and-tested and innovative gaming systems is just right. Production is being geared more towards the manufacture of larger screen sizes in 2025, with the addition of two further assembly lines. What's more, another module is being integrated into automatic module assembly, so as to further improve efficiency and quality and increase staffing flexibility.

Already in 2024, MERKUR Development successfully introduced artificial intelligence into graphics production and code analysis, managing to cut development time. MERKUR is pressing ahead with the introduction of this innovative technology in 2025 in order to make the games more attractive and to maintain the MERKUR GROUP's long-term competitiveness both nationally and internationally.



In 2024, MERKUR launched the MOD EX cabinet family: modular configurable screens, bodies and bases. The multigamer with J-Curved monitor and the Linked Progressive Jackpot system Clash Link is shown here.



# Land-based slot business (B2B)

The land-based slot business holds a fascination for people all over the world. They enjoy the pulsating energy of an arcade, casino or hospitality establishment and immersing themselves in exciting gaming worlds on well-designed gaming machines.

The MERKUR Games segment, for which adp MERKUR is responsible, has been synonymous with premium-quality gaming machines for more than half a century. These machines and their gaming systems are developed, produced and sold by adp MERKUR. Arcades, casinos as well as hotels, bars and restaurants not only in Germany but also in Spain, the UK, the Netherlands, Eastern Europe and Latin America buy MERKUR products “made in Germany”.

In addition to development and production, adp MERKUR is responsible for all activities undertaken by the German and international sales organisations. The German sales organisations are MERKUR GROßHANDEL and Schneider Automaten while in the international markets

products are sold under the brand MERKUR GAMING (with national organisations in the Netherlands, Romania, Serbia, Mexico, Peru, Argentina and Columbia) as well as through the Spanish development and sales organisation MERKUR DOSNIHA and the Blueprint group in the UK.

## Market situation

The 2024 financial year again held major challenges for adp MERKUR. Consistently high prices, increasing regulation and the growth of illegal competitors meant that German operators were less willing to invest; in fact, many were forced to give up their arcades and hospitality operations. As a result, adp MERKUR’s licence numbers were well down. In Argentina, Mexico and Romania, too, political and legal restrictions led to a massive decline in operating activities.

adp MERKUR reports an opposing trend in the UK: the Blueprint group, which sells games and slot machines it develops in-house, managed to surpass its previous year’s levels for both revenue and earnings, not for the first time, thus solidifying its market leadership. Its affiliate Regal Gaming Technologies, a B2B installer in pubs, also succeeded in extending its market lead by a clear margin.

Positive signs also emerged for adp MERKUR in France in the year under review: trial installations in the French casino market tested the waters for a possible expansion, and proved very promising. The focus is now turning to the further development of cabinets and game content specially for this future market.



The multigamer ZONIC Curved brought fresh impetus to the German arcade landscape in 2024.

## Products

In view of the challenging market situation, adp MERKUR focused on the development and sale of customised products, which are optimised to the players’ individual preferences in the different markets, giving a lasting boost to the installation business.

For the German arcade market, a curved model was added to the successful ZONIC lineup of multigamers, and it has brought in record revenues both in stand-alone setups and as part of the ZONIC ZONE Ocean. Its success is down not just to the impressive 55-inch J-Curved screen but also the game mix, which was exclusively tailored to the curved screen. The ZONIC Curved owes its strong performance to the orbex technology, with operators and players benefiting from its large memory, speedy processors and remote capabilities.

adp MERKUR also introduced new games and features across the board in German arcades: with its Generation V25 games packages, the company clocked up its biggest leap in performance between two generations of games to date. The launch of three V25 games packages also marked a major upgrade of the content for the German hospitality market.

Internationally, adp MERKUR and the MERKUR GAMING brand also held their ground. The innovative modular cabinet MOD EX proved to be a driving force, as did multiple Linked Jackpot systems specially developed for the international market.



UK company Blueprint Operations and its games and multigamers is one of the market leaders in the UK.



Trade fairs and events

International trade fairs are an important platform for the MERKUR GROUP to present its latest products as well as to make and keep up contacts. In 2024, in keeping with tradition, the company exhibited at the leading industry trade fairs ICE Totally Gaming in London and Global Gaming Expo (G2E) in Las Vegas, where it was again one of the biggest exhibitors with booths of around 2,000 and in excess of 600 square metres, respectively. It was the final time ICE will be held in the British capital for now, as it moves to Barcelona from 2025 onwards. The MERKUR GROUP was also strongly represented by selected subsidiaries at trade fairs and shows in the Netherlands, Ireland, Eastern Europe and Latin America.

In Germany, the “industry summit” hosted by adp MERKUR has been one of the highlights of the gaming sales calendar for 15 years. In 2024, adp MERKUR invited more than 1,300 guests to Forum Messe Frankfurt for a comprehensive product exhibition, informative talks and a spectacular gala with the theme “Enjoy the game”. The “industry summit” was followed by the annual autumn trade fairs, at which new products were exhibited nationwide in the ten branch offices of MERKUR GROßHANDEL. Back in March 2024, adp customers were given the opportunity to see the current adp portfolio for themselves at the spring trade fairs. Subsidiary Schneider Automaten, too, exhibited its range at information days and in-house fairs in its eight branch offices.



International reach: a large number of visitors were taken with MERKUR products at leading industry trade fair ICE.



More than 1,000 invitees got to see MERKUR's innovations up close at the “industry summit”.

Outlook

Though the increase in regulations, growth in illegal gaming and rising costs continue to hamper the business activities of adp MERKUR, the company is confident and optimistic about the 2025 financial year. What it needs to do is address the challenges with attractive products and services, and seize opportunities for growth.

adp MERKUR is responding to the flagging German market with a more sophisticated product portfolio. The new multigamer M-BOX GIGA as well as games and features specially developed for the arcade and hospitality markets are set to enhance adp customers’ installations and help to stabilise licence numbers. In order to take a lasting stand against illegal gaming and to make operators more likely to invest, hopes are being pinned on an amendment of the Gaming Ordinance.

In the United Kingdom, the Blueprint Group is a major contributor to the company’s success. In 2025, it is continuing to push the Revolution and Velocity cabinets and is launching innovative game content, which is specially designed for the UK market. In Spain, the cabinet MOD EX

is being rolled out through MERKUR DOSNIHA; new product developments and stepped-up sales efforts are set to boost business and strengthen the position in what is Europe’s largest gaming market. The sales brand MERKUR GAMING ceased its operations in Romania.

For the other European markets and Latin America, MERKUR GAMING is steadily expanding its product range of cabinets and Linked Jackpot systems. To expand the portfolio and tap into new markets, adp MERKUR has struck strategic partnerships with the Slovenian ETG specialist Spintec and the technology firm Gaming Arts, from North America. The aim is to re-enter the North American casino market and to attract US players to MERKUR products.





# Gaming arcades

The story of the MERKUR GROUP’s success as a gaming operator started more than five decades ago with the first gaming arcade in Delmenhorst in Lower Saxony. Today, the business segment MERKUR Operations has a portfolio of around 300 venues in Germany and more than 450 venues in other European countries.

This success is built on four central pillars, which are firmly embedded in the company’s DNA: unique atmosphere, innovative products and games, best service and qualified personnel. Beyond the borders of Germany, too, MERKUR is one of the largest and most successful operators of gaming arcades, and currently operates in the United Kingdom, Serbia, Spain, the Netherlands, Bulgaria, Croatia and Czechia.

Arcade management and hospitality installation fall within the remit of MERKUR Operations in addition to arcade operation. MERKUR CASINO provides the service “Arcade management exclusively by MERKUR CASINO” to support operators in the management of their gaming arcades. Under the brand MERKUR GASTRO the company bundles its decades of experience in installing gaming and amusement machines in restaurants and snack bars as well as at service stations along motorways.

## Legal restrictions in Germany

Commercial slot games are strictly regulated and must comply with the many requirements of the federal Gaming Ordinance, the State Treaty on Gambling and the state-specific laws governing arcades. These increasing restrictions on legal gaming are having a considerable impact on the operation of gaming arcades in Germany. Many gaming arcades were seriously affected by the huge hikes in the entertainment tax rate imposed in 31 municipalities in total – in some cases, to 25 per cent. In 2024, these taxes led not only to significant losses of earnings in many cases but also to the closure of arcades.

Venue closures were unavoidable in Bremen in particular as well as in Lower Saxony. Back in 2023, a new law came into force in the state of Bremen, which only permits the operation of one licence per arcade and increases the minimum distance between individual arcades and betting shops and between venues and schools. While a temporary injunction was still in place in 2023 and the operation of the arcades was tolerated until resolution of the proceedings, a decision was made in 2024: the temporary injunction, seeking permission to continue operating the arcades, was lifted before the Higher Administrative Court. As a result,

six venues in Bremen were forced to close their doors.





Market situation in Germany

In addition to the legal requirements, inflation and the rising cost of rents and energy impacted business activities. Not only did the number of venues fall from 309 to 279, but the number of installed gaming machines fell year-on-year from 6,913 to 6,399. This reduced takings by 1.7 per cent, while daily takings per machine rose by approximately five per cent. The headcount fell by 5.9 per cent to 3,082 employees.

Despite the challenging conditions, MERKUR Operations cemented its position as the quality market leader.

To attract players with innovative products and games, the company modernised the technical infrastructure in the venues and updated all gaming machines with the latest V25 generation of games packages. In addition,

unused rental space was effectively repurposed with the addition of extra entertainment offerings such as billiards and darts.



Market situation outside Germany

In the 2024 financial year, the international arcade business saw revenue grow by eight per cent compared with the previous year, continuing the positive trend. The largest and most economically relevant markets were the United Kingdom with 218 venues – including one live casino and one bingo hall – and Serbia with 198 venues. In the UK, consistent process and cost optimisation stood to MERKUR, leading to a positive cash trend.

Serbia saw remarkable growth in revenue of 23 per cent, which was largely driven by its online business. However, higher costs, especially in HR, weighed on results. Even though organic growth is very hard to generate in the arcade business in the heavily regulated Croatian market, the results here were also very successful, with growth in revenue of 30 per cent. In Bulgaria, despite the blacklist introduced in 2023, the increase in entertainment tax and the tightening of advertising rules slowing business development, takings were still satisfactory.

Despite the strong competitive pressure in an economically hard-hit market, two new venues opened in Spain. Czechia not only produced good results in its land-based business, but the operating losses in its online business were reduced by more than 60 per cent after high start-up costs in the previous year. In the face of the sustained difficult conditions, revenue remained stable in the Netherlands.



Team spirit in and outside work: the employees celebrated the 50th anniversary of MERKUR CASINO by taking part in the national GOLD TOUR.

Human Resources

One special event in the 2024 financial year for many employees was the 50th anniversary of MERKUR CASINO (formerly MERKUR SPIELOTHEK). The highlight of the celebrations was the GOLD TOUR, a national e-bike tour of eight different towns and cities specially created for staff, of which almost 400 took part.

In 2024, too, a professional onboarding process, which new recruits go through from day one, was used for training-in. As part of the induction programme, new recruits are not only warmly welcomed into the fold but the foundation stones for their professional and personal development are laid. In the year under review, almost 400 employees from across gaming arcades, casinos and sports betting shops took part in around ten kick-off events held in a central location.

A comprehensive programme of courses was again put on last year, ensuring that the service in the venues is second to none. An example of this continuous investment in staff development is the one-year certificate course to become a casino service specialist (IHK-approved) initiated in conjunction with the Chamber of Industry and Commerce (IHK).

In October 2024, the milestone of 1,111 graduates of this programme was reached.

Outlook

Even though last year saw some challenges, the outlook on the future is positive. Going forward, it will remain important to make legal gaming more attractive by having a high-quality, entertaining and, above all, safe gaming experience, where everything revolves around the player, and thus to tackle the black market.

Internationally, the focus is on boosting revenues and earnings in existing markets. This the MERKUR GROUP plans to achieve through precise marketing strategies and cost optimisation. There are also plans to expand the business further in select growth markets such as England and Spain.



# Casinos

Products and services “made by MERKUR” have been part and parcel of German casinos for decades. In 2014 the MERKUR GROUP entered the B2C business itself and the opening of its first venue in Saxony-Anhalt laid the foundation for its extraordinary track record in the operation of casinos.

Today, the portfolio of business segment MERKUR Casinos include Leuna-Günthersdorf, Magdeburg and Halle (Saale) in Saxony-Anhalt as well as Aachen, Bad Oeynhausen, Dortmund-Hohensyburg, Duisburg and Monheim am Rhein in North Rhine-Westphalia. MERKUR Casinos also has a stake in the four casinos of Spielbank Berlin (Potsdamer Platz, Fernsehturm, Ellipse Spandau and Kurfürstendamm) as well as the three casinos in Rhineland-Palatinate (Mainz, Trier and Bad Ems). At the end of the 2024 financial year, the MERKUR Casinos portfolio, including the above stakeholdings, numbered 15 casinos as well as three international ship casinos, making it the biggest casino operator in Germany.

The corporate group’s success in the casino segment stems from an innovative mix of the latest slot machines and games, a modern range of classics as well as varied dining and an exceptional entertainment concept – from bingo shows to poker and slot tournaments and on to spectacular game shows. Every year, a total of more than one and a half million visitors enjoy the exceptional range of entertainment offerings.



Be it classics like roulette, blackjack and poker or exciting slot machines – MERKUR SPIELBANKEN casinos are full of variety.



## Highlights

MERKUR SPIELBANKEN/MERKUR Casinos had a very successful 2024 financial year. Even though both takings and visitor numbers stagnated at the beginning of the year, the ambitious targets were not only met but exceeded thanks to effective action and a strong team.

This included the successful introduction of the M-Card to the casinos in North Rhine-Westphalia. This exclusive loyalty card entitles visitors to lots of extras and is already very popular in Saxony-Anhalt. Furthermore, Hohensyburg casino made an addition to its entertainment offering: “Club Casino”, which

combines classic casino games with a club vibe to create an infectious party atmosphere. In Saxony-Anhalt, too, there were new experiences for players to discover: as well as increases in floor size and the introduction (Halle) and resumption (Magdeburg) of classic games, “Crazy Twins” – an innovative American roulette side bet system – came to Leuna for the first time, promising even greater variety and thrills.



Projects

Two main projects had been planned for the MERKUR Casinos segment in the 2024 financial year. One was the establishment of the sixth venue in North Rhine-Westphalia in Siegburg, east of Bonn. This entailed planning consultations with the town and talks with the BUND (NGO dedicated to preserving nature and protecting the environment) about actions taken.

The second project involved the MERKUR GROUP preparing to take over the casinos in Lower Saxony. After the corporate group successfully bid for the licence to operate casinos in this state in northwest Germany in 2023, the previous licence-holder Casinos Austria AG took legal action. The ten state-licensed venues were supposed to be operated under the logo of the MERKUR sun from 1 September 2024 but due to baseless lawsuits and tough negotiations, this did not happen as hoped.



First-rate entertainment: MERKUR SPIELBANKEN shows combine exciting gaming moments, fun and spectacular wins.

Outlook

In February 2025, the Administrative Court of Hanover confirmed the legality of the award of the licence to operate casinos in the state of Lower Saxony to the MERKUR GROUP. Now that the matter has been resolved, plans for the professional handover and continuity of the gaming operations in the venues of Lower Saxony are being quickly realised. This involves taking over all around 400 employees as well as the creation of further jobs.

In addition, the construction of the sixth casino gets under way in North Rhine-Westphalia in 2025. A modern 1,600 square-metre entertainment and gaming paradise, and an important economic driver for the entire region will be built in Siegburg between now and Autumn 2026.



# iGaming



**Online gaming – be it on a smartphone, tablet or PC – is hugely popular. The MERKUR GROUP also has a successful presence in this up-and-coming field of business, offering multiple iGaming products.**

In Germany, the corporate group’s brands SlotMagie, JackpotPiraten, BingBong, MERKUR SLOTS and Sonnenspiele have been whitelisted by gambling licensing and regulatory authority Gemeinsame Glücksspiele der Länder, demonstrating full compliance with the regulatory and legal requirements for the operation of virtual slot games. In addition, as part of two partnerships under the brands MERKUR XTiP and Balkan Bet, the family company successfully operates sports betting and online casino sites in Serbia. And, in Czechia, the company operates an online casino and an online sports betting platform under the brand MERKUR XTiP. The MERKUR GROUP’s social casino, MERKUR24, provides players with an entertaining outlet to play games with no stakes and no monetary prizes. Germany is the primary social casino market but MERKUR24 can also be accessed in many other countries.

The market situation in Germany was as difficult in the 2024 financial year as the year before. The restrictive legislation again coincided with a disproportionately high tax burden, resulting in low payout percentages and, consequently, a unattractive gaming prospect for players. In parallel, the number of unregulated providers, which the government has not adequately clamped down on, continued to grow. The virtual slot business in Germany thus remains an unprofitable and challenging area of business.

The market and competitive situation in Serbia and Czechia is similar. Both markets are fiercely competitive and each is dominated by a small number of providers. While the MERKUR GROUP has succeeded, having got into the market early, in carving out a position for itself in Serbia as one of the leading market operators with its commercially successful offering, it is proving much more challenging to capture additional market shares in Czechia due to the high level of intensity of competition.

Despite that, in the year under review, the MERKUR GROUP succeeded in refining its existing offerings and strengthening its position in a sustainable way as one of the leading companies in the German online gaming market. In particular, bringing new games providers into the fold, thereby expanding the portfolios of games, was a huge help in increasing the attractiveness of offerings. On top of that, the onboarding of further payment providers and the optimisation of the user interface and the user journey noticeably and visibly improved the gaming experience on the individual platforms. In addition, a wide-reach marketing campaign was crucial to positioning the brand SlotMagie as one of the top three products in the German regulated online gaming market. The Serbia and Czech online gaming providers,

too, pressed ahead with the expansion of their games portfolios in the year under review, by incorporating further games providers, thereby increasing the number of active players and revenue by a clear margin.

In order to boost competitiveness further, leverage synergies and strengthen customer loyalty, the MERKUR GROUP is focusing on the targeted marketing of the SlotMagie brand in the German market in the 2025 financial year. Nearly all other virtual slot business offerings remain as is, but will not feature as prominently in the brand communication. The MERKUR GROUP is launching another social casino in 2025, under the brand name CrazyBuzzer.

A virtual live casino that will allow players to experience popular classics like blackjack and roulette online is set to be added to the Czech lineup in 2025. Efforts in the German domestic market as well as Czechia and Serbia show that the MERKUR GROUP is hoping for the regulatory environment to ease in the new financial year in order to be able to offer an online gaming experience that is attractive to players and profitable for the group.



# Sports Betting

The MERKUR GROUP has been operating as a licensed organiser and broker of online and land-based sports betting in Europe for more than 20 years. In addition to sales organisations in Germany, Austria (MERKUR BETS), Belgium (Betcenter) and Denmark (CASHPOINT), the corporate group operates the “product house” CASHPOINT SOLUTIONS in Gerasdorf, Austria, where, in conjunction with other partners, all sports betting products are developed for the different markets.

For the sports betting business segment, the year under review was characterised mainly by consolidation but also change and restructuring. After years of stagnation, MERKUR sports betting was back on a growth trajectory – not least thanks to the successful introduction of the new brand MERKUR BETS. This brand replaced its predecessor XTiP, under which the MERKUR GROUP had operated as a licensed sports betting provider since 2013. The change of name to MERKUR BETS in 2024 came as part of a rebranding, and entailed fundamental product changes and improvements, including the onboarding of new customers, app and website navigation as well as the payment and cashout process. In addition, the own operations and franchisees which used to work with XTiP, as well as all existing customers, were migrated to the MERKUR BETS platform.

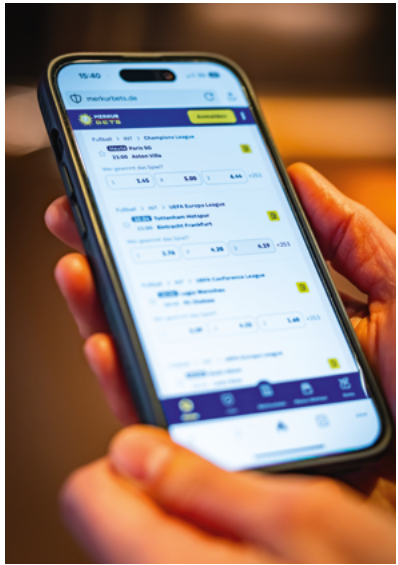
After a soft launch in March 2024, the optimised sports betting product was aggressively promoted to coincide with the UEFA European Football Championship in Germany. The campaign focused on the German market, where an impressive number of new customers were acquired thanks to compelling TV ads, prominent stadium advertising in the German professional leagues and other advertising activities. This led to us expanding our market share – despite the intensive competition and

the extraordinary level of regulatory intervention by the state and the authorities. The launch of MERKUR BETS underscored the reach of the MERKUR brand and also showed clear commitment to the sports betting product.

From 2025, the company’s sports betting brands in the rest of the core markets will also be renamed MERKUR BETS in a gradual launch. First up is Austria, with the changeover of its online and retail sports betting brand from CASHPOINT to MERKUR BETS. Next, the MERKUR GROUP plans to realign and optimise products in Denmark and Belgium. Here, too, the plan is for sports betting to be marketed under the single brand MERKUR BETS once the rebranding is complete.



The MERKUR GROUP’s online and land-based sports betting offerings were realigned in 2024 as part of a rebranding to MERKUR BETS.





# Money management

The business segment Money Management is a key component of the MERKUR GROUP's product portfolio. With its subsidiaries GeWeTe Geldwechsel- und Sicherheitstechnik GmbH and HESS Cash Systems GmbH, the corporate group is a successful fixture in the money management market. Both subsidiaries develop, produce and distribute money-changing and payment systems. Also, the quality management systems of both companies are certified to the international DIN EN ISO 9001 standard.



## GeWeTe

GeWeTe offers machine-compatible solutions for checking, issuing and recycling banknotes and coins. In addition, the MERKUR GROUP subsidiary specialises in the handling and generation of tickets and vouchers as well as the acceptance of cashless forms of payment and e-wallets.

The 2024 financial year was a positive one for GeWeTe. With the exception of the German arcade market, where regulation and increased costs created a reluctance to invest, the company grew in all other markets. Business was particularly good in the UK and the US.

Yet again, the bestseller was the Cash-Center-Premium. The machine has been successfully in use both in casinos and betting offices in Germany and abroad for years.

In addition, a large number of the new Cash-Center-Smart machines were sold in the US. Overall, in the year under review, GeWeTe generated 54 per cent of its revenue abroad and, in fact, 70 per cent in the case of the big machines.

In the 2025 financial year, GeWeTe has high hopes for the money-changing machine Cash-Center-Compact and for the Cash-Center-Card, which was specially developed for the market in the US state of Georgia. Building on this, GeWeTe plans to gain a foothold in other US states and tap into markets in South America, including Peru, Argentina and Uruguay. The specialist in cash-handling systems sees further growth potential in European countries outside Germany, in the German retail market and in the sports betting market.



## HESS

Founded in 1885, the HESS Group is made up of HESS Cash Systems with headquarters in Magstadt as well as HESS Austria and HESS Schweiz. It specialises in the development, production and distribution of high-quality automated cash and payment-handling system solutions for banks, authorities, retail companies, libraries and energy suppliers.

The 2024 financial year was one of the most successful years in the company's recent history. This was down to a major coin recycling project with partner Diebold Nixdorf in particular, but also successful sales initiatives in the banking industry and a general improvement in market demand. The most important market segment is coin-processing solutions for the banking industry, with the products CoinIn and CoinRoll remaining the top sellers.

The biggest challenge for HESS is shaping the transformation from traditional cash solutions to digital transactions. The company has set the stage for this transformation with its new payment software MultiPay Advance. Since demand for software solutions in the IT security, connectivity and regulatory compliance landscape has been rising for year, HESS is consistently investing in personnel, know-how and infrastructure. With new software solutions such as the billing platform for company EV chargers BillEVe, the company is getting in on the trend toward cashless payment. For 2025, HESS expects stable demand on a par with the previous year but slightly lower revenue due to the one-off special project realised in the previous year.



- 01 Who we are.
- 02 What we do.
- 03 How we work.
- 04 Our other engagements.



# Responsible gaming

Play is a basic human need. Children explore the world and learn a wide array of skills through play. For adults, play provides an important distraction from the many demands of everyday life.

According to a study carried out by Dr. Jens Junge from the Berlin Institute for Ludology, it is enjoyment of the game that makes adults play for money. 91 out of 100 players ranked “fun” and “an entertaining way of passing the time” as the most important. Aside from this vast majority, a very small minority of people are overly absorbed and problem gaming develops. Play should be easygoing and, for it to remain so, there must be rules that are consistently followed.

## Channelling demand towards controlled offers

In Germany, legal gaming is extensively regulated. The legislature controls and restricts the different forms of gaming with the aim, firstly, of channelling demand towards controlled offers and, secondly, of ensuring youth and player protection.

The MERKUR GROUP is aware of its special responsibility towards society and therefore actively encourages responsible gaming. For example, it provides players with comprehensive educational materials and wide-ranging support. This includes an immediate opportunity for introspection and referral to external counselling and supports where professional help is available.

Set up in 2010, the MERKUR GROUP Responsible Gaming department deals with and promotes the issues of youth and player protection within the corporate group. This department serves all of the MERKUR GROUP’s arcades, casinos, hospitality partners, sports betting shops and online offerings.

Its employees come up with tailored social concepts for the different business segments and forms of gaming. They evaluate and, with scientific support, refine the measures detailed in the concepts. To that end, the Responsible Gaming department regularly engages with scientists and organisations.

The specially installed Expert Panel ensures that the responsible gaming measures keep up with the latest science and meet day-to-day work requirements in the best possible way. The Expert Panel is a team of internationally recognised experts composed of employees of MERKUR GROUP Responsible Gaming and external experts.

Another mainstay of responsible gaming is having well-trained professionals in the venues, as they are in direct contact with the players and have a keen eye for patterns of behaviour that could turn into compulsive behaviour. However, watching alone is never enough: it is very important to approach a player with empathy, without finger-wagging and without condescension. To qualify staff to do this sensitive task, they receive regular training which takes into account the latest studies. In 2024 alone, more than 500 training sessions took place and almost 2,000 certificates were issued.



## Legal gaming must be appealing for channelling to work

The efforts of the MERKUR GROUP reflect the high bar it sets for itself and it regularly receives acknowledgement from external sources. For example, it has been accredited by the renowned Global Gambling Guidance Group (G4), European Casino Association (ECA), TÜV Intercert Saar and TÜV Rheinland.

The corporate group’s responsible gaming endeavours are being undermined by the explosive growth in the illegal market. Regulation in Germany has made legal gaming increasingly unattractive. As a consequence, more and more players are turning to the illegal market, in which there are no youth and player protection measures at all. Researchers estimate that there are around 60,000 illegal slot machines in Germany, costing the exchequer close to EUR 4 billion in lost tax revenue. Ultimately, however, the channelling of demand, as required by the legislator, can only succeed if legal gaming remains sufficiently attractive and – coupled with responsible gaming measures – reaches enough people.



# Corporate culture and Human Resources

The MERKUR GROUP is more than figures, strategies and products. It lives through the people who, by virtue of their dedication and know-how, shape the corporate culture and are instrumental in its success. To recognise the achievements of the employees and to realise their potential, the corporate group places great emphasis on a positive working environment.

### Headcount

As at the reporting date on 31 December 2024, 14,595 people were employed in the MERKUR GROUP, of whom 7,329 in Germany and 7,266 outside of Germany. The headcount thus fell year on year by 2.2 per cent (324 employees). In Germany, the difficult legal and economic conditions led to a decline of around 3.8 per cent (292 employees) while, outside of Germany, the headcount was almost constant, down approximately 0.4 per cent (32 employees).

### Training – the key to success

The future of the MERKUR GROUP lies partly in the hands of young talent, so their qualification is crucial. There is a strong interest in careers at MERKUR: in the 2024 financial year alone, 1,200 young people applied for an apprenticeship or work and study placement. 60 were accepted and began their career in the corporate group. In total, 192 apprentices and students were employed in the MERKUR GROUP as at the reporting date.

In 2024, the corporate group offered apprenticeships in 23 different professions, ranging from administrative and commercial/technical areas to the industry-specific vocational training course leading to the qualification of coin-op technician and on to various dual courses of study. The retention rate is around 85 per cent, and thus well above the national average in Germany.



### Further education – more know-how, greater satisfaction

Having confidence in our employees, recognising their potential and nurturing them – personal development is a priority within the MERKUR GROUP. Be it IT seminars, language courses, environmental and safety training or technical workshops, junior staff have a wide variety of development options for their personal career planning available to them even during their training. Skilled workers and managerial staff also have a comprehensive catalogue of seminars open to them, which ranges from technical workshops and certified extensive training courses to individual coaching and management development programmes. In-house teams of personnel developers and trainers ensure that their concepts, which are geared towards the specific needs of the different business segments and are practical in their implementation, provide a consistently high level of quality of training and continuing education options, which ultimately manifests in a high level of employee satisfaction.





### Personnel marketing and recruiting

Due to the skills shortage, the MERKUR GROUP is proactively competing for qualified employees. One way it is doing so is by networking with the higher education institutions in the region to recruit talent through personal contact. In addition to individual scholarships, the company offers internships and student traineeships. These are expressly intended for applicants from all over Germany. Students who are not from East Westphalia are given accommodation and a rent allowance, if necessary, to enable them to stay at the MERKUR GROUP for a prolonged period.

However, personal contact is not the only way the corporate group is raising its profile. Intensive PR work as well as a target-group-specific social media campaign draw attention to the MERKUR GROUP as an attractive employer. More than 15,000 people follow news from the MERKUR world, which is regularly posted on LinkedIn, Instagram, Facebook and Xing, raising awareness of the employer brand.

### Award-winning

To support employee performance and well-being, the MERKUR GROUP has a comprehensive package of health-promotion measures: from workplace massage to flu shots, dietary advice and physiotherapy to skin screening, check-ups and fitness programmes as well as mental health campaigns, the MERKUR GROUP offers

its workforce a wide range of health services and preventive healthcare. In addition, urgent care physiotherapy was introduced in the headquarters in Espelkamp and Lübbecke a number of years ago, to provide rapid assistance to employees with urgent physical issues.

To enhance well-being in the workplace, the MERKUR GROUP also sets great store by a healthy work-family balance. For example, it assists its employees with childcare, by setting up the first company crèche in Espelkamp. These and other special benefits regularly receive recognition and awards from independent entities. For example, the MERKUR GROUP has again won a Leading Employers award, making it a top 1% employer in Germany. Moreover, not only is it regarded as a “Best Place to Learn” and a “Fair Company” but also a healthy employer and a family-friendly company.

## Sustainability

As a family-run company that goes back almost 70 years, the MERKUR GROUP has a strong sense of responsibility towards society, its workforce and the environment. Since 2022, the department Group Sustainability has been charged with meeting the entrepreneurial family’s high standards as well as the growing social, environmental and economic legal requirements. The rigorous integration and implementation of environmental, social and governance (ESG) factors have for years been an integral part of day-to-day business for the MERKUR GROUP – even before any rules and regulations existed.

While the Sustainability Steering Committee, consisting of the Management Board members of the MERKUR GROUP, defines company-wide strategies, the strategy team comprising experts from various departments supports Group Sustainability in performing its varied tasks. This dovetailing within the company enables sustainability issues to be successfully integrated into the workings of all business segments.

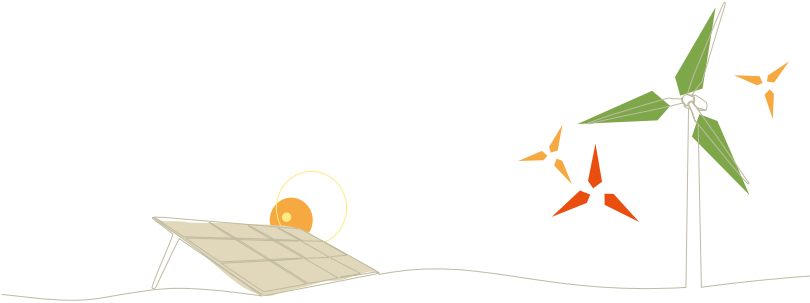
In 2024, the focus was generating a full set of data, for which an in-house IT system was developed. Data were collected in various fields of action, including emissions, employment conditions and player protection. Quantitative data collection for the ESG topics, including all subsidiaries, was successfully completed by the end of the year under review. These data determine the current situation, which will form the basis for the sustainability strategy going forward.

### Outlook

Work on this sustainability strategy, which both reflects the values of the company and meets the requirements of the Corporate Sustainability Reporting Directive (CSRD)\*, will continue in 2025. A vital part of this work is to update the underlying materiality analysis.

After the ESG data collected were added to the financial figures report in 2024, the group-wide collection of qualitative ESG data started in February 2025. Data collection and analysis of the data are one of the key projects this year. They form the basis for reporting that meets the requirements of mandatory CSRD reporting.

Another key issue in 2025 is communication, as highlighted by the revision of the communication strategy, the purpose of which is to ensure clear, transparent and target-group-appropriate reporting and to bring the topic of sustainability to life and make it understandable.



\*The CSRD (Corporate Sustainability Reporting Directive) is an EU Directive requiring companies to disclose their sustainability performance. It is part of the European Green Deal and supports the European Union’s 2050 climate-neutral goal.



- 01 Who we are.
- 02 What we do.
- 03 How we work.
- 04 Our other engagements.





# Social projects

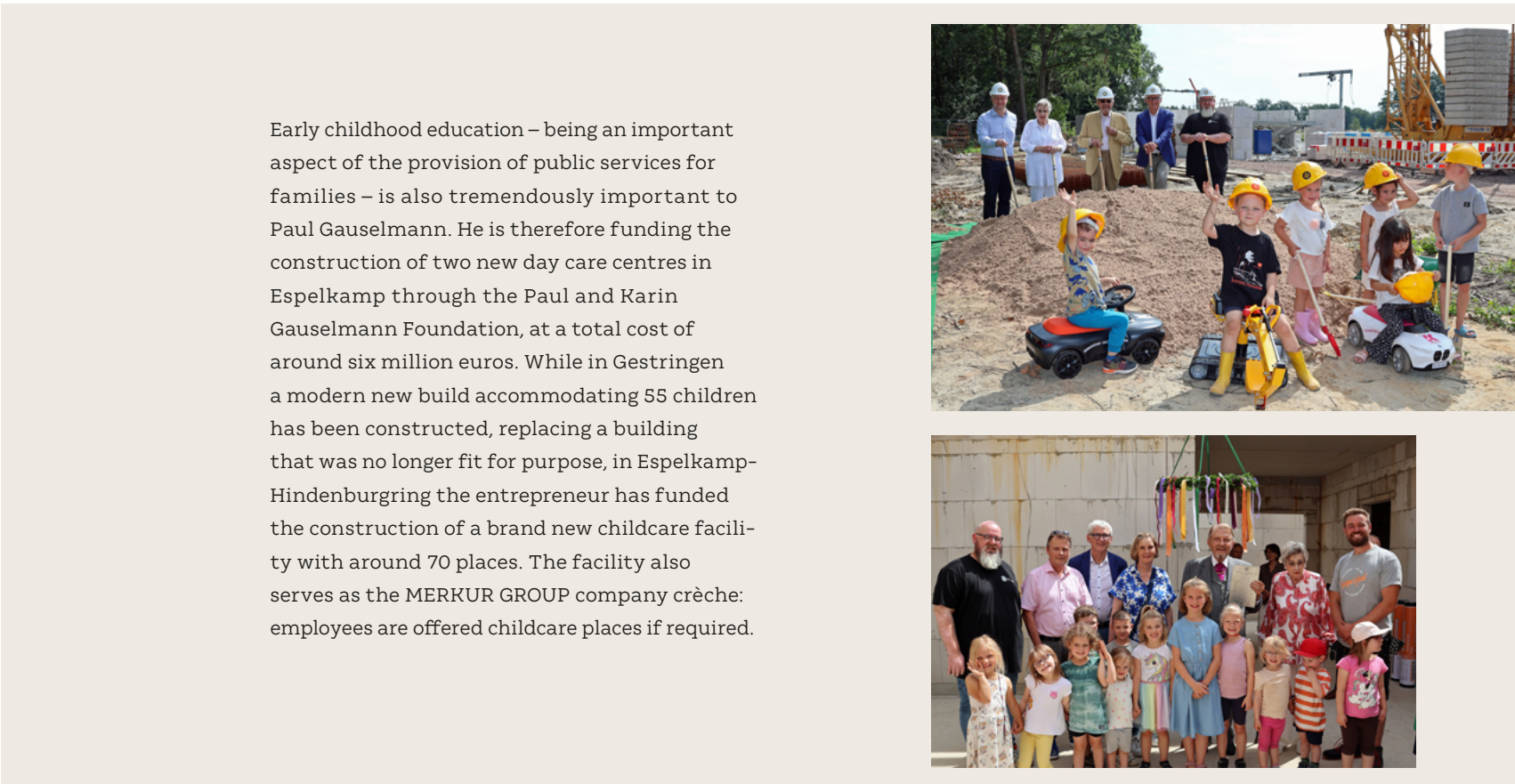


Paul Gauselmann donated EUR 8.7 million to various projects in the town of Espelkamp undertaken by charities or which serve the common good. The picture shows him and Mayor Dr. Hanning Vieker signing the agreement. The town of Lübbecke received a donation of EUR 5 million.

As a successful corporate group, the MERKUR GROUP feels a sense of obligation towards the people in the region. Ultimately, it is the employees who sustain the company and live in the area with their families. For that reason, the MERKUR GROUP fulfils its social responsibility and does its bit for social cohesion. In particular, founder of the company Paul Gauselmann has always sought to ensure that the people in the region are able to share in its success.

Showing his solidarity with the people and his native East Westphalia, Paul Gauselmann donated EUR 8.7 million to the town of Espelkamp in the year under review. This historic donation was made in response to a request by the mayor and its purpose is to support various projects in Espelkamp that are not for profit and serve the common good. These include the construction of a fire station house to the tune of almost EUR 2.4 million and the purchase of a new fire engine costing EUR 455,000. Some of the money is also earmarked for the construction of a canteen to cater for full-day pupils attending Mittwaldschule elementary school.

In addition, Paul Gauselmann donated five million euros to the town of Lübbecke, where the MERKUR GROUP's production site is located. This sum provides the town with additional financial resources, which could be used for a new sports hall (around EUR 2.7 million) or a new sports field (approx. EUR 750,000), for example.



Early childhood education – being an important aspect of the provision of public services for families – is also tremendously important to Paul Gauselmann. He is therefore funding the construction of two new day care centres in Espelkamp through the Paul and Karin Gauselmann Foundation, at a total cost of around six million euros. While in Gestringen a modern new build accommodating 55 children has been constructed, replacing a building that was no longer fit for purpose, in Espelkamp-Hindenburing the entrepreneur has funded the construction of a brand new childcare facility with around 70 places. The facility also serves as the MERKUR GROUP company crèche: employees are offered childcare places if required.



Paul Gauselmann donated around EUR 2.8 million to fund a station house and a fire engine for Espelkamp fire service. The symbolic key of the new vehicle was presented to Gestringen fire brigade by Paul Gauselmann and fire chief Michael Dresing.

In addition to this funding amounting to around EUR 20 million, the Paul and Karin Gauselmann Foundation brings the entre-preneurial family's social commitment to bear in society. In 2024 alone, around EUR 300,000 was donated to approximately 200 different projects and initiatives, supporting many sports and rifle clubs, choirs, volunteer fire brigades, cultural initiatives and people in need. In the quarter century it has existed, approximately five million euros of the earnings of the endowment capital – which now amounts to EUR 80 million – has been donated to over 2,500 clubs, institutions, projects and private individuals. Back in 2004, Paul Gauselmann was given the freedom of the towns of Espelkamp and Lübbecke for his outstanding social commitment. In 2015, his wife Karin was granted honorary citizenship of the town of Espelkamp.



# Sponsorship and partnerships

Sport motivates us all – and this is why the MERKUR GROUP has been enthusiastically involved in professional and grassroots sport for many years. From women’s to men’s teams, national or district leagues, team or individual sports, the family-owned company supports sport in many and varied ways. The MERKUR GROUP is a major sports sponsor in Germany and an important societal contributor to national sport.

It supports a wide array of sporting disciplines from football, handball, basketball and horse racing to tennis and ice hockey and on to American football and athletics. It also sponsors minority disciplines, such as table football and beach soccer.

The MERKUR sun has been shining in the capital of North Rhine–Westphalia since it

secured the naming rights to the multifunctional stadium in Düsseldorf in 2018. The 55,000-capacity MERKUR SPIEL-ARENA is not only the home of second-division football league team Fortuna Düsseldorf, but also a venue for various large-scale events and concerts. The acquisition of the naming rights involves sponsorship of the Sports City of Düsseldorf and other top sports clubs based there.

In the year under review, the MERKUR GROUP struck up many new partnerships: for example, the corporate group extended its involvement in handball through its sponsorship of top-tier handball club TBV Lemgo Lippe and also raised its profile in soccer thanks to new partnerships with MSV Duisburg, a club with a long tradition, and RB Leipzig, which is competing in the Champions League.

In recognition of its 27-year sponsorship of the classic tennis tournament Terra Wortmann Open, the MERKUR GROUP was named “Sponsor of the Year”.

The MERKUR GROUP is also a sought-after sponsor beyond the world of sport. The company supports many events in the culture and entertainment space, including large-scale events such as the music festival Parookaville. Furthermore, the MERKUR GROUP is a national event TV partner, such as the darts tournament “Promi Darts-WM” and the high-diving competition “TV total Turmspringen”. The MERKUR GROUP’s diverse social endeavours numbering more than 50 partnerships in 23 different areas help to increase brand awareness, position the company as an attractive employer and bring the MERKUR brand to life.





# German Coin-Op Museum



Museum staff give guided tours in the history of coin-op machines.

Wonders in their day: coin-operated machines not only provide an insight into a society’s state of technology, they also testify to humans’ need for entertainment. To shed a spotlight on this cultural history, the Gauselmann entrepreneurial family established the German Coin-Op Museum in 1995 after Michael Gauselmann laid the foundation for it back in 1985. The unique collection, which has been housed in Schloss Benkhausen since 2013, comprises more than 2,000 exhibits from all over the world.

Almost 200 coin-operated machines are on display at all times in the around 550 square-metre space in permanent and temporary exhibitions. The museum attracts around 10,000 visitors every year.

The trained museum staff give tailored guided tours on the historical background and the ingenious operation of the exhibits. The tours for people with dementia are particularly moving, as they often unlock personal memories.

Young people also regularly visit the German Coin-Op Museum. The team at the museum puts on holiday workshops and hosts school trips to give the digital social generation an understanding of the world of mechanical entertainment. The museum communicates on different social media channels, tailoring the message to the target audience. More than 30,000 followers and millions of views show that interest in the world of coin-op machines is unabated.

In the first half of the 2024 financial year, the museum continued a temporary exhibition that began in 2023. Entitled “Gruß und Kuß – dein Ludwig” (Greetings and kisses, yours, Ludwig), it told the history of coin-op machines through picture postcards. In the second half of the year, the spotlight was on fair attractions. Around 50 amusement machines which featured in international funfairs were exhibited as part of the exhibition “Komm’s’e näher, komm’s’e ran!” (Roll Up! Roll Up!).



The temporary exhibition “Komm’s’e näher, komm’s’e ran!” (Roll Up! Roll Up”) held in 2024 was devoted to funfair amusements. Curator Jessica Midding (l to r), Mayor of Espelkamp Dr. Henning Vieker, Mayor of Lübbecke Frank Haberbosch and museum director Sascha Wömpener opened the event.

A highlight of the 2025 financial year is the six-week temporary exhibition “Jetzt mal ganz Ehrlich! Musik für Millionen” (The music boxes of Paul Ehrlich. Playing music for millions). It is about the inventor Paul Ehrlich from Leipzig, who was Karin Gauselmann’s great grandfather. He built the first mechanical turntable, the Ariston, at the end of the 19th century, giving rise to a whole new branch of industry.



The 2025 temporary exhibition “Jetzt mal Ehrlich! Musik für Millionen” (The music boxes of Paul Ehrlich. Playing music for millions) focuses on Paul Ehrlich, the inventor of the Ariston organette. Karin Gauselmann (l to r), Paul Gauselmann and curator Achim Quaas attended the vernissage.



# Business outlook

The MERKUR GROUP's positive performance in previous years continued unabated in the 2024 financial year, setting another record for revenue of around EUR 2.8 billion. It is once again thanks to the dedication, creativity and expertise of the around 15,000 employees that the family-owned company from East Westphalia was again able to provide customers and players with fascinating games, both land-based and online, and technical innovations last year.

The workforce's dedication and the company's innovativeness have enabled the group to develop into a global high-tech concern in the entertainment industry.

The challenging economic and regulatory situation, as in previous years, are impacting performance across all business segments and market regions. The main issues are the rising cost of energy, raw materials and human resources. However, on top of that, the regulatory restrictions and the disproportionate increases in taxation are weighing heavily on the industry, with the commercial arcade and hospitality installation segments feeling the adverse effects the most. This is leading to further venue closures in Germany and a fall in the number of installed machines. Furthermore, the legislator is unfortunately not consistent in enforcing its high standards for licensed market players. As a result, the industry is being crippled by a growing black market, which, for one, undermines the desired protections for customers and, for another, is costing the government a substantial amount in lost tax revenue.

The MERKUR GROUP can be divided into two large core segments. The B2B segment is geared towards national and international business customers, and concerns the development, production and sale of games and gaming machines. Twelve teams of developers from Australia to Las Vegas create hundreds of new

games and sophisticated technical solutions for the global market every year. In addition, innovative money management systems for banks, municipalities and retail are developed within the group. The performance of the B2B segment in the 2024 financial year was positive overall, although the growth rates outside of Germany were much higher than domestic growth rates, as the negative effects of the state arcade laws are still being felt in Germany.

With more than 300 national and more than 500 international venues, the B2C segment offers private individuals a wide range of entertainment offerings. These include entertainment centres, attractive casinos plus the European sports betting business and virtual slot games. This segment also includes around 800 separate sports betting terminals and 130 franchise operations in Europe.

The B2C segment also grew in 2024, but with regional and structural variation. Casino performance in Germany as well as the UK and Serbia was particularly good.

For the 2025 and 2026 financial years, the management expects a sustained increase in group revenue and a marked improvement in earnings, after these were impacted by a one-off effect in 2024.

Personnel and structural changes in the Group's Management Board and Supervisory Board are creating a springboard for dynamism and development, with a view to enabling the faster and more efficient implementation of technical innovations, customer-oriented offerings and current trends going forward.

In addition, there are a few interesting acquisition prospects across all business segments, which could give the group prominence in new market regions and present opportunities to grow in terms of technology for the future. To this end, the group started down the very winding road of licensing in the US market in 2024, and it has already secured its first licences.

The B2B segment is well positioned both nationally and internationally. Customer uncertainty remains in Germany due to the restrictive legislation, so no major growth is expected in the domestic market. In the best-case scenario, the number of installed and leased machines will stabilise at the current level. Internationally, however, continual growth is expected, especially in the UK market with its stable regulatory environment.

As before, the most important success factors for the B2C segment will be optimal management of the gaming arcades as well as careful venue selection.

While in Germany a reduction in the number of installed machines and venue closures are again expected due to the challenging legal requirements, business growth is expected in the markets Serbia, Spain and UK.

Plus, the outlook for the German casinos is positive. The volume of business in this segment will increase markedly in 2025 thanks to Siegburg, the sixth venue of MERKUR SPIELBANKEN NRW, and the takeover of the licences for the casinos in Lower Saxony.

Plans for the business segments MERKUR Sportsbetting and MERKUR iGaming, on the other hand, are rather more defensive. Consolidation measures, external cooperations and a focus on the core brand MERKUR BETS are putting quality before quantity and will bring about a marked increase in efficiency in these segments.

Overall, ongoing revenue growth and stable structural development of the MERKUR GROUP are projected for the years to come. On this basis, the companies in the group will be able to offer varied gaming fun worldwide in keeping with the legal provisions of the particular country, both now and in the future. The group is constantly aware of its social responsibility, and youth and player protection are to the fore in all it does.

The MERKUR GROUP has a stable financial basis and the potential to react quickly to market changes. Prudent management, creative and future-forward product development as well as consistently stable supply chains guarantee future performance and sustainable business. The group therefore considers itself well primed for 2025 and 2026 to defend its position in the international regulated markets and to continue to offer innovative and successful products as well as attractive, state-of-the-art gaming fun.



### **Published by**

MERKUR.COM AG

Corporate Communications

Merkur-Allee 1–15

32339 Espelkamp

[www.merkur.group](http://www.merkur.group)

Responsibility for content in accordance with the German press laws:

Mario Hoffmeister

### **Editorial team**

Jan Herrmann, Meike Lützkemeier, Lukas Schlingmann,

Sina Wilken (lead editor)

### **Image**

**Photos:** Brainpool/Willi Weber, Valentin Diehl, Sandrino Donnhauser,

Sascha Klahn, Sarah Jonek, Oliver Krato, Johanna Milse,

Marco Moog, motivio, Simone M. Neumann, Silke Stauvermann,

Two Types Werbeagentur GmbH & Co. KG

**Recruitment campaign:** Agentur Junges Herz (concept, layout, graphics, production)/Franz Leuschner (photos)

### **Layout**

MERKUR Inhouse Agency part of MERKUR GROUP Marketing

### **Printed by**

wub druck GmbH, Rahden



**MERKUR GROUP**