

Approved

MARYLAND LOTTERY and GAMING CONTROL COMMISSION

1800 Washington Blvd., Suite 330, Baltimore, Maryland 21230

COMMISSION REPORT



Aristocrat Technologies, Inc.

MANUFACTURER LICENSE RENEWAL APPLICANT

Report Date: February 10, 2020

“Commission Presentation”

Manufacturer License Renewal Commission Report

ARISTOCRAT TECHNOLOGIES, INC.

We are conducting a hearing on the manufacturers renewal license application submitted by Aristocrat Technologies, Inc. The Maryland Lottery and Gaming Control Agency is required by “The Gaming Law” to conduct an investigation to determine if Aristocrat Technologies, Inc. is qualified to be awarded a manufacturers license.

You (the commissioners) have been provided with the complete investigative report on Aristocrat Technologies, Inc. You have also received a copy of the public report that was in your packets and made available to everyone on the agency website. I will summarize the reports that have been given to you.

Aristocrat Technologies, Inc. was last approved for a manufacturer license by the Commission on March 26, 2015. Aristocrat Technologies, Inc. has maintained its manufacturer license in good standing and has not been subject to any disciplinary sanctions by the Commission.

Background

Aristocrat Technologies, Inc. (the “Company” or “ATI”) was incorporated in October 1963 in the State of Nevada. ATI develops,

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manufactures and distributes gaming machines, equipment, software products and internet gaming platforms. The Company is currently licensed by 24 state regulatory gaming authorities. Aristocrat Leisure Limited and Aristocrat International Pty Ltd have submitted Principal Entity Disclosure Forms to the Maryland Lottery and Gaming Control Agency.

Ownership of Applicant

Aristocrat Technologies, Inc. is an indirect, wholly-owned subsidiary of Aristocrat Leisure Limited which is a publicly traded entity listed on the Australian Stock Exchange under the trading symbol "ALL." As of November 19, 2019, there were 638,544,150 ordinary shares of Aristocrat Leisure Limited stock outstanding. Owners of more than 5% of these shares consisted of the following:

- HSBC Custody Nominees (Australia) Limited – 244,511,232 shares held (38.29%)
- JP Morgan Nominees Australia PTY Limited – 121,075,390 shares held (18.96%)
- Citicorp Nominees PTY Limited – 76,358,059 shares held (11.96%)
- Blackrock Group – 44,990,466 shares held (7.05%)

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- National Nominees Limited – 37,149,879 shares held (5.82%)
- BNP Paribas Nominees PTY LTD – 33,481,987 shares held (5.24%)
- The Vanguard Group, Inc. – 32,730,782 shares held (5.13%)

ATI's management advised that HSBC Custody Nominees (Australia) Limited, JP Morgan Nominees Australia PTY Limited, Citicorp Nominees PTY Limited, National Nominees Limited and BNP Paribas Nominees PTY LTD hold securities solely in a custodial capacity and are not beneficial owners of the shares. Consequently, these entities are not required to file Principal Entity Disclosure Forms or seek an institutional investor waiver. Blackrock Group and The Vanguard Group, Inc. are institutional investors and have been previously granted institutional investor waivers by the MLGCA.

Discussion of Financial Performance

We performed a detailed analysis of the Company's operating performance and financial condition for the period from October 1, 2013 through September 30, 2018.

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Our financial and background investigation of Aristocrat Technologies, Inc. found the following:

- 1) Aristocrat Technologies, Inc. was found to have financial stability, integrity and responsibility
- 2) There were no material issues involving the known financial backers
- 3) Aristocrat Technologies, Inc. possesses the requisite good character, honesty and integrity
- 4) Aristocrat Technologies, Inc. has sufficient business ability and experience
- 5) There were no potential disqualifying factors

CONCLUSIONS and OPINION

MLGCA's investigation has confirmed that the Applicant has sufficient financial resources and found no derogatory information regarding the Applicant's qualifications. Based on the criteria in SG §§ 9-1A-07(c)(7) and 9-1A-08(d), we conclude that the Applicant has established by clear and convincing evidence the qualifications required for the renewal of its manufacturer license.

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