

A solid performance

Strong performance from core businesses drive 2019 results in rapidly evolving industry

Revenue

€1,508m

2019	1,508
2018	1,225
2017	807

Adjusted EBITDA

€383m

2019	383
2018	345
2017	322

Regulated revenue

88%

2019	88
2018	80
2017	54

Operating cash flow

€317m

2019	317
2018	385
2017	307

Total shareholder returns

€120m

2019	120
2018	116
2017	113

Significant operational progress

Playtech had another busy year with new product launches, innovations, new customer wins and extended relationships with existing customers



Major new strategic agreement with Wplay

In November 2019 Playtech signed a major deal with one of Colombia's leading brands. Under the agreement Playtech will become Wplay's strategic technology partner delivering its omni-channel products together with operational and marketing services across Wplay's retail and online operations.

Playtech has a track record of developing newly regulated online markets through the successful structured agreement with Caliente in Mexico and Wplay is another significant strategic step in Playtech's growth in Latin America.



Playtech launches new Kingdoms Rise games suite

In October 2019, Playtech announced the network-wide launch of Kingdoms Rise – a major new games suite with a unique reward system to boost player engagement.

Designed around the theme of a fantasy world comprised of several different lands, Kingdoms Rise takes a ground-breaking approach to both capturing player interest and creating a cost-effective reward structure for operators.

Fortuna migrates Sportsbook onto Playtech's omni-channel platform

Playtech announced that Fortuna Entertainment Group, the largest betting and gaming operator in Central and Eastern Europe, completed the migration of its Sportsbook in Slovakia onto Playtech's IMS platform. Fortuna customers can now seamlessly access Sportsbook funds across retail and online, while Fortuna is now able to harness Playtech's Engagement Centre and safer gambling tools across its omni-channel offering.



Double triumph for Playtech at the Women in Gaming Diversity Awards

Lauren Iannarone of Playtech Compliance and Valeria Russo of Quickspin, two of nine Playtech nominees, were honoured at the 2019 Women in Gaming Diversity Awards (WIGs).

Lauren's tireless and outstanding work was honoured with the coveted Industry Achiever Award, whilst Valeria, who joined Quickspin in October 2018 as an Account Manager, triumphed in the Star of the Future category.



Swiss Casinos partners with Playtech to lead new online market in Switzerland

Swiss Casinos, which operates one of Switzerland's largest casinos, Casino Zurich, became the latest major European operator to partner with Playtech in September 2019 in order to access its award-winning Casino and Live Casino offering.

Playtech's Casino offering allows players to access content anywhere, at any time and on any device through a single wallet and single account.

Playtech launches casino partnership with GVC across key markets

June 2019 saw Playtech launch its long-term casino partnership with GVC in multiple markets across GVC's leading brands – including bwin, Sportingbet, partypoker, PartyCasino, Foxy Bingo, Foxy Casino and Crystalbet.



Safer gambling

Safer game design and labelling is a core part of Playtech's safer gambling strategy. In 2019, we continued research and practical activities including the development of sustainable game design principles, a game labelling trial for slots as well as collaboration with the industry, regulators and others to advance the development of industry guidance on game design principles.

The leading gambling technology company

Founded in 1999 and premium listed on the Main Market of the London Stock Exchange, Playtech is a market leader in the gambling and financial trading industries. The Gambling division is our core business, bringing innovative products and data-driven technology to licensees and end customers

Our purpose

At Playtech we create technology that changes the way people experience gambling entertainment

How we do this

Scale & distribution

Retail & online software across over 150 licensees in more than 30 regulated markets.

Data

Data-driven tools and analysis to develop intelligent platform tools to improve customer experience.

Technology

More than 20 years of experience and insights to develop industry-leading products and services.

Innovation & disruption

Delivering new ways for end customers to experience content and services, such as being pioneer of omni-channel gaming.

Our investment case

Playtech is the leading technology provider to the global Gambling industry, with high operating margins and high cash generation.

This strong financial profile creates the ability to further extend our leading market position by investing in R&D, targeted strategic M&A, and generating value and returns for shareholders through dividends and buying back shares.

► Read more about Playtech's Business Model on pages 16 and 17

A global business

Playtech was established at the outset of the online gambling industry and its 20 years of experience and investment in technology has resulted in unparalleled knowledge and expertise. Playtech's global scale and distribution capabilities with over 150 licensees, operating in over 30 regulated markets and offices in 21 countries mean we are ideally positioned to capture opportunities in newly regulating markets and high growth markets with low online penetration.

Employees

6,000

Countries with offices

21

Regulated jurisdictions

>30

Our operations

B2B

Providing technology to gambling operators globally through a revenue share model.

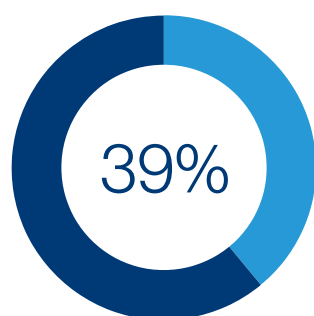
Revenue

€553.9m

EBITDA

€214.8m

EBITDA margin



B2C

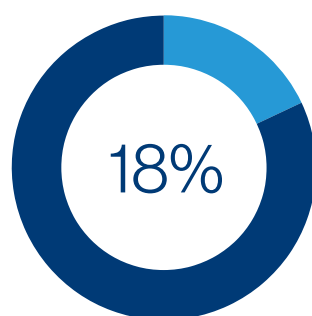
Operating directly as an operator in select markets and generating revenues from online gambling, gaming machines and retail betting.

Revenue

€900.5m

EBITDA

€160.4m



Financials

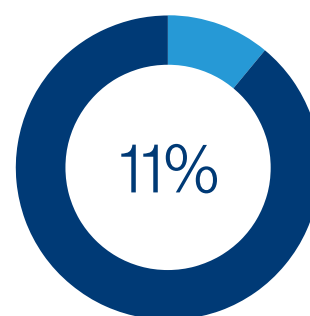
The Financials division of Playtech, providing trading, platform and liquidity technology and services to brokers and end customers.

Revenue

€67.9m

EBITDA

€7.8m



Delivering strategic and operational progress

2019 was another important year in the development of Playtech. Management has continued to focus on delivering a transformation of the business which started in 2017, designed to secure long-term growth and unlock shareholder value



Alan Jackson
Chairman

Note: These accounts were published on 27 February 2020, prior to the significant and widespread impact of Covid-19 on global markets. While the report represents an accurate reflection of the year's activity, it should be read with this in mind together with our more recent trading updates.



Alan Jackson
Chairman
8 April 2020

The Group reported 23% revenue growth and 11% growth in adjusted EBITDA driven by a strong performance in the Core B2B and B2C Gambling business and the inclusion of a full year of Snaitech's results. The strength in this part of the business was partially offset by the disappointing results of Asia and TradeTech and management has started to take action in 2019 and will continue to do so in 2020.

As the business continues to transition and deliver a well-diversified higher quality revenue profile, I am pleased to report that the percentage of regulated revenue rose to 88% compared to 80% in 2018.

In 2019 Core B2B Gambling revenues in regulated markets increased by 17% compared to 2018. During 2019 Playtech continued to deliver on its B2B strategy delivering new agreements with new licensees, growing our relationships with existing customers, launching in new markets and developing new tools and capabilities to assist our partners to grow in existing markets. This progress in 2019 will secure B2B growth for the coming years.

Snaitech, our B2C business in Italy, continues to go from strength to strength delivering an outstanding full year performance. We are now starting to see the benefits of leveraging Playtech's technological expertise and capabilities across the Snaitech business. Underlying Adjusted EBITDA increased by 24% and Snaitech continued to take market share, finishing the year as Italy's leading online betting and gaming operator.

“With the scale of its technology, breadth of its offering and diversification of model, I am confident Playtech will be at the centre of the industry for years to come.”

Management has taken decisive steps during the year to address the underperforming and non-core parts of the Group and will continue to act in 2020 to deliver the most appropriate path to realise shareholder value. During the year management took the decision to discontinue our Casual Gaming operations, which will leave us with a more focused and profitable B2C portfolio.

TradeTech had a challenging 2019 but the team has made several changes to the business and starts 2020 in a stronger position. As we announced at our interim results, we are reviewing the longer-term options for this business and will update as the year progresses.

During 2019 Playtech continued to maintain an efficient balance sheet. Following the issuance of our first public rated corporate bond in 2018, Playtech successfully raised a further €350 million 7-year bond at 4.25% in March 2019.

The Group's continued strong levels of cash generation allowed total shareholder returns of €120.4 million in 2019 through dividends and share buybacks. This demonstrates Playtech's commitment to delivering high levels of shareholder returns which has seen the Company return more than €1 billion to shareholders over the last ten years. The continued levels of cash generation mean the Board is able to announce a further €40 million share buyback programme.

Looking into 2020, in due course we will announce my successor as Chairman. With the scale of its technology, breadth of its offering and diversification of model, I am confident Playtech will be at the centre of the industry for years to come.

Alan Jackson
Chairman
26 February 2020



Culture and values

Our values are a vital part of our ethical business principles. They guide all our decisions. They are the foundation of everything we do as a company and they help to shape our achievements.

Integrity

We always strive to be responsible, honest and open in our dealings with each other and with all our stakeholders, licensees, regulators, business partners and suppliers

Innovation

We always endeavour to be at the forefront of our industry; to lead, develop and deliver new products and services that meet all risk and regulatory compliance measures

Excellence

We aim for excellence in everything we do; in the delivery of our products and services, in our interaction with the outside world and in working with each other

Performance

We always deliver outstanding performance in the context of the legitimate and realistic expectations of our customers and shareholders

Our investment case

Leading the market

Playtech is the leading technology provider to the global Gambling industry, with high operating margins and high cash generation. This strong financial profile creates the ability to further extend our leading market position by investing in R&D, targeted strategic M&A, and generating value and returns for shareholders through dividends and buying back shares

Playtech provides its technology on a B2B basis to the industry's leading retail and online operators, land-based casino groups and government monopolies. Playtech often partners with multiple operators in the same market to fulfil their technology requirements such as in the UK where all the top operators use its software. Playtech's B2B contracts are typically long term. In select markets Playtech deploys its technology directly as a B2C operator such as with Snaitech in Italy.

As a premium segment listed company on the London Stock Exchange's main market with 100% free float, Playtech is a constituent of the FTSE250 index.

Our strengths

Unparalleled scale in the gambling industry

Playtech was established at the outset of the online gambling industry and its 20 years of experience and investment in technology has resulted in unparalleled knowledge and expertise. Playtech's global scale and distribution capabilities with over 150 licensees, operating in over 30 regulated markets and offices in 21 countries mean it is ideally positioned to provide its technology to operators in new regulated and regulating markets (including in Central & Eastern Europe, Scandinavia, LatAm and the US).

Regulated markets

>30

► Read more about Playtech's business model on pages 16 and 17

Leading B2B technology

Playtech's comprehensive B2B technology offering covers the entire gambling value chain, with all products available to be integrated into our leading proprietary IMS platform. In recent years Playtech has broken down the IMS into components allowing it to be a one-stop shop for complete technology solutions to the gambling industry or to address the bespoke needs of specific operators. This evolution of our B2B offering has allowed the Company to significantly increase its addressable market.

Given its scale, the data that Playtech leverages enables it to improve product design, develop cutting edge safer gambling tools and support regulatory requirements of operators in various jurisdictions. Together this intelligence and insight leads to a safer gambling environment, an improved customer experience, as well as improved value for end-users through data-driven campaign manager and intelligent bonus engines.

► Read more about Technology Expertise on pages 28 to 31

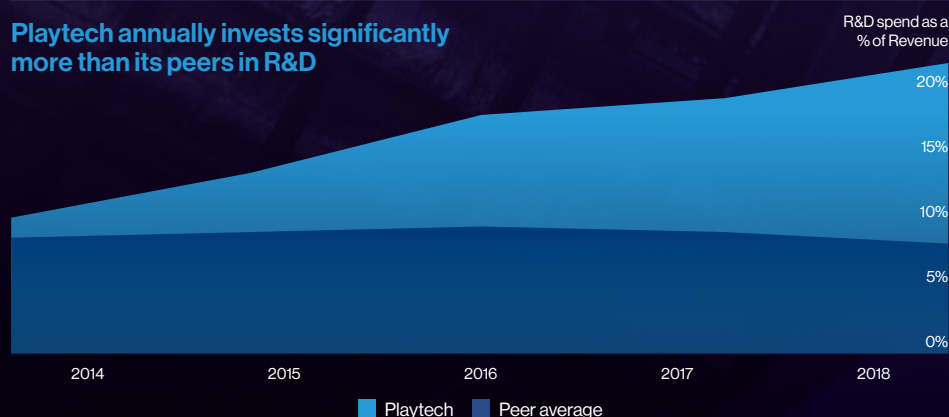
Leveraging scale to drive Innovation

Playtech's leading B2B technology offering has been driven by a history of innovation. Playtech has consistently invested in R&D to deliver its technological innovation and industry-leading products to the gambling industry. Innovations from Playtech include being the pioneer of omni-channel technology and content integration in the gambling industry. The flexibility and agility of our products give licensees the ability to continue to enjoy the benefits of our investments in the future, on a bundled or customised basis according to client preferences and segment, creating significant long-term growth value.

Playtech's scale allows it to consistently invest in R&D and product-related investment in excess of its peers. In the last five years Playtech has made over €500 million of R&D and product-related investments, which is significantly more than peers, and ensures all Playtech customers will benefit from cutting edge technology indefinitely.

► Read more about Innovation on page 32

Playtech annually invests significantly more than its peers in R&D



Our sector/position

Demand for technology in the gambling sector is accelerating as regulation opens new markets

New jurisdictions globally are introducing regulation to allow online gambling which drives the need for technology in order for operators to capture the market opportunity. Playtech is ideally positioned to work with operators to develop new markets with its leading technology offering including safer gambling tools, its experience operating in over 30 regulated markets globally and its flexible business model. Playtech expects to work with the established local players to enable their businesses to expand as their markets regulate and to support established international operators to enter new markets.

▶ Read more about our markets on **pages 14 and 15**

Our business model

Playtech's technology offering can support operators in any market

Regulation can differ significantly between jurisdictions, whereby in certain markets any local or international operator can apply for a licence while other markets are restrictive, and licences may be limited to existing land-based operators or government monopolies. Playtech's B2B technology offering positions it well to partner with operators under any regulatory scenario.

In the majority of markets Playtech's preferred business model will be to operate on a B2B basis (including structured agreements in some markets) providing its technology to local and/or international operators. In a few select markets Playtech may operate directly as a B2C provider, or under a white label agreement with a local brand.

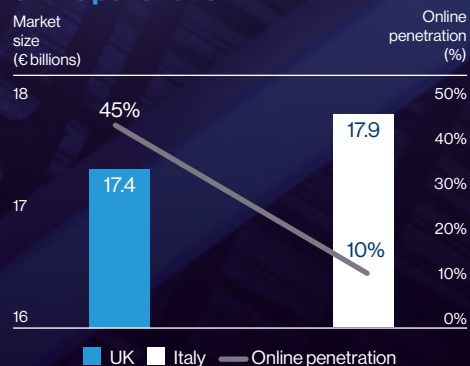
▶ Read more about our business model on **pages 16 and 17**

Snaitech is the market leader in the highly attractive Italian market

Playtech's Italian B2C business, Snaitech is the market leader in the highly attractive Italian online market. Italy is the largest gambling market in Europe with total GGR of €18 billion in 2019. However, the online segment in Italy remains less developed with online penetration at only 10% in 2019 (versus 45% in UK). Snaitech's leading brand and retail presence in Italy, combined with Playtech's technology expertise, make it ideally positioned to capture this market opportunity.

▶ Read more about Snaitech on **pages 36 and 37**

2019 market size versus online penetration



Safer Gambling is central to our design and development process

Playtech is focused on promoting Safer Gambling and the healthy sustainability of customers' end users. Playtech makes significant investment into Safer Gambling and has recently launched Playtech Protect, its suite of Safer Gambling tools. We have been leading industry efforts on developing a Code of Conduct for game design to help raise consumer protection standards across the industry.

▶ Read more about Safer Gambling on **pages 10 to 13**



Further, as part of our Sustainable Success initiative, Playtech will be committing to investing £5 million in five key areas with charity and social enterprise partners that provide research and insights into digital resilience and healthy online living.

Our impressive financial track record

Playtech has an impressive financial track record having grown revenue and Adjusted EBITDA at a CAGR of 30% and 20% respectively since 2007. In the last five years Playtech has generated over €1.4 billion in operating cash flows and in the last ten years has returned over €1 billion to shareholders through dividends and share repurchases.

Playtech's growth historically has been driven by continued development and expansion of its product offering to address the needs of new markets. As markets continue to regulate and the global market therefore continues to expand, Playtech is confident its leading technology and pipeline of opportunities will support continued growth in the future.

Operating cash flow in last five years

> €1.4bn

Total Shareholder Returns in last ten years

> €1bn

Delivering safer gambling

As a technology specialist Playtech's vision is to be a force for collaboration and innovation in the industry. This means that at the centre of our strategy is to become a global leader in safer products, data analytics and player engagement solutions – partnering with our licensees to deliver a safe, sustainable entertainment industry for the benefit of all stakeholders

Playtech is investing in the advancement of safer gambling technology solutions, partnerships and research to make the customer journey safer and raise industry standards. This includes:

Deploying technology and AI to advance a safer customer experience

Playtech is combining its safer gambling data analytics solution, BetBuddy, with its real-time player engagement & messaging platform, Player Journey, to help operators more effectively identify and assess player risk and use these insights to deliver highly personalised messaging that empowers consumers to make safer choices.

Investing in Sustainable Game Design and Smart Labelling Programme

Playtech has developed an internal Sustainable Game Design Expert Group, which includes representation from all Playtech casino content studios, and launched a Game Design Research and Development Programme. The programme covers a range of research and practical activities including the development of sustainable game design principles, a new game labelling project aimed at raising awareness of slots volatility, as well as promoting safer gambling messaging. The Playtech Game Design Research and Development Programme was independently assessed by Dr Jonathan Parke, an expert in the field of game structural characteristics and gambling-related harm.

Supporting research and education to prevent, understand and reduce gambling-related harm

Playtech is engaging and collaborating with academics and charities to advance approaches for proactive harm prevention initiatives focused on at-risk and problem gamblers. This includes research aimed at improving approaches for

proactive harm prevention initiatives focused on at-risk and problem gamblers as well as supporting programmes aimed at increasing access to public and mental health and wellbeing programmes; increasing access to financial wellbeing programmes. Strengthening and scaling the capacity of frontline staff who are working with vulnerable populations to deliver effective prevention and resilience programmes. Playtech supports the work of a diverse range of charities including BetknowMore, GambleAware, Gordon Moody, YGAM, GamCare and Mind Brent, Westminster and Wandsworth.

Alongside our own technology and expertise Playtech is also leveraging partnerships with external experts including with City, University of London's Research Centre for Machine Learning through our work on artificial intelligence driven safer gambling solutions.



Playtech Protect

Protecting players, winning trust

Technology that empowers you to adapt to and exceed ever-changing and more stringent regulatory requirements. The tools and the data to manage player journeys and communicate in real time at key points. The flexibility to enhance and extend your safer gambling strategy.

Playtech Protect brings together everything you need to proactively deliver and support an industry-leading safer gambling environment.

IMS – a versatile, scalable, expandable solution

Playtech's award-winning IMS platform is at the centre of Playtech Protect – sophisticated, scalable technology that unifies Playtech products across all channels and delivers the flexibility for seamless expansion and development. IMS offers full visibility of the player lifecycle and end-to-end player management from a single centralised point.

Additionally, Playtech Open Platform (POP) technology facilitates the expansion of IMS's capabilities and carefully selected specialist third-party tools and services, without the need for additional development work.

The Playtech Protect toolset covers the player lifecycle end-to-end, from KYC and onboarding to player facing tools to encourage a proactive approach to safer gambling:

- **MultiCheck Verification Gateway** – Access multiple verification providers in a single request for a robust, cost-effective solution
- **Featurespace** – World-leading real-time fraud detection built around adaptive behavioural analytics – 84% of new fraud attacks blocked as they occur
- **FinCom** – Automated, real-time AML transaction verification based on advanced algorithms and phonetics technology
- **iovation** – Device-based user identification intelligence drives real-time fraud prevention

Playtech Protect and the Safer Gambling Customer Journey: Any Jurisdiction, Any Channel, Any Product	
KYC and Onboarding	AML and Fraud
<ul style="list-style-type: none"> Age verification Affordability Sanctions PEPs 	<ul style="list-style-type: none"> AML monitoring SAR/STR reporting Fraud detection
Limits, Self-Exclusion	Customer Journeys
<ul style="list-style-type: none"> Configurable Limits; deposits, losses, times, self-exclusions, reality checks, etc 	<ul style="list-style-type: none"> Set-up automated customer journeys to support any safer gambling scenarios Tailored to your business requirements Automated A/B testing and message evaluations
Real-time Alerts and Reports	Risk Detection
<ul style="list-style-type: none"> Real-time safer gambling alerts e.g. triggers for high deposits and losses 	<ul style="list-style-type: none"> At-risk detection Explainable AI models and API integrations Dedicated Business Intelligence solution and reporting
Real-time Customer Interactions	Gamification
<ul style="list-style-type: none"> Real-time in-game messaging Email/SMS/Chat messaging Personalisation via player segmentation based on risk profile Marketing database integrations VIP team and customer service centre staff training programmes Player SmartTips assets 	<ul style="list-style-type: none"> Set safer gambling challenges Recognise and reward positive behaviours
Marketing Integration	Self-Test
<ul style="list-style-type: none"> Modify customer experience based on integration of data insights 	<ul style="list-style-type: none"> Industry best practice e.g. PGSI + others Multi-lingual support Integration with risk detection systems and scoring IMS and portal integration
Safer Gambling Expert Support	Safer Gambling Product Labelling
<ul style="list-style-type: none"> Industry respected experts in safer gambling programme design and development Customer interaction strategy development Message/content development Evaluation methodologies and reporting 	<ul style="list-style-type: none"> Playtech Protect BetBuddy Player pay-out volatility labels with safer gambling messaging
Content Lab Testing	Central Self-Exclusion Schemes
<ul style="list-style-type: none"> Test Lab accreditations for all content 	<ul style="list-style-type: none"> Integration to all major central self-exclusion schemes e.g. Gamstop, Rofus, AAMS/USR
Regulatory Reporting	Data Privacy and Security
<ul style="list-style-type: none"> Integration to all mandatory regulated data vaults Support all regulatory reporting across relevant jurisdictions 	<ul style="list-style-type: none"> Industry standard data privacy and security e.g. ISO 27000 series compliant GDPR compliance

Interview with Mor Weizer, CEO



What do you see as Playtech's role in addressing the Safer Gambling Challenge in the industry?

As a technology specialist Playtech focuses on harnessing its capabilities in innovation and data-driven intelligence to place consumer protection and sustainable business practices at the centre of every stage of the player experience from game design to real-time engagement and messaging.

Also, our scale and position in the industry means we can help to foster collaboration by partnering with our licensees, regulators and all stakeholders.

In 2020 we will launch our 'Sustainable Success' five-year responsible business and sustainability strategy. The strategy is to support our long-term ambition to be the most trusted and innovative global leader in safer gambling products, data analytics and player engagement solutions – in order to play our important role in ensuring we build a sustainable, safe and 'entertainment first' industry for the benefit of all stakeholders.

What does your Sustainable Success strategy involve?

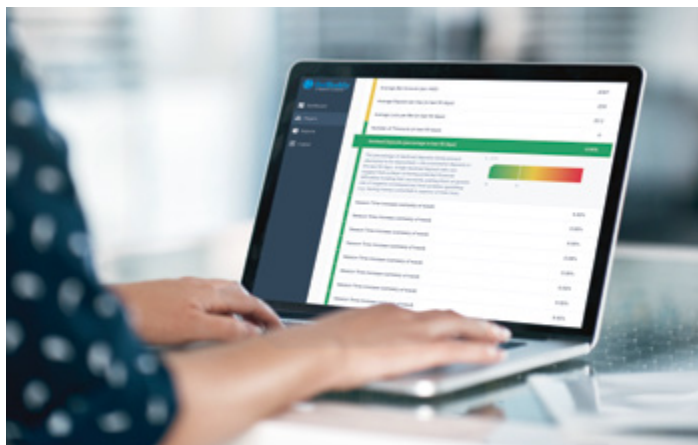
There are three main areas that we have focused on for the five-year strategy. The three P's. 1. Powering the most innovative safer gambling solutions. 2. Promoting integrity and a diverse culture in the industry and 3. Partnering on solutions and shared societal challenges. As part of our initiative in partnering on solutions on shared societal challenges Playtech will be committing to invest £5 million in five key areas with charity and social enterprise partners that provide research and insights into digital resilience and 'healthy online living'.

What progress in industry collaboration has been made in the UK market on raising standards?

2019 was an important year for the industry in the UK with the launch of the Safer Gambling Commitments in November which saw the leading ten gambling companies initiate a package of measures to raise industry standards in responsible and safer gambling. The comprehensive set of measures marks a new era of collaboration for the industry and the Commitments were devised through consultation and partnership with the charity sector, academia, regulators and trade bodies.

Playtech is very proud to be part of this initiative but it is only the start, as we need to continue to work with our partners from inside and outside the industry and in our markets across the globe to continue to raise standards.

Safer gambling continued



BetBuddy

- Class-leading safer gambling analytics platform
- End-to-end solution for identifying and managing at-risk gambling behavioural patterns
- Combines the latest research with the power of machine learning
- Highly accurate, fully explainable AI models
- Build segment-specific risk models to support players across retail and online play
- 360° view of player risk profiles and behaviours via operator web portal
- Actionable insights for sales, marketing and compliance teams

▶ Read more about BetBuddy on **page 13**

Engagement Centre

- Our full personalisation and player engagement toolset in one central location within IMS
- BetBuddy and IMS integration enables bespoke safer gambling messaging, tailored to individuals or player clusters
- Real-time in-game messaging – remind players of playing time, encourage breaks; communicate directly at key interaction points
- Full range of communication options to highlight safer gambling tools – Chat widget, ezPush notifications, Inbox 2.0



TruNarrative

- A unique range of third-party safer gambling services on a single platform
- Directly integrated with IMS via POP
- Control player onboarding activity and ongoing risk management via one flexible, easily configured environment
- Real-time document and biometric verification
- Track global peps, sanctions and adverse media coverage
- Registration fraud/anomaly detection, advanced AML tools, transaction and behavioural monitoring and more
- Simple configuration and integration for other providers – react to emerging risks

Pioneering the use of AI & Machine Learning to deliver a data led approach to Safer Gambling

BetBuddy specialises in data mining, artificial intelligence, machine learning and predictive analytics. Integrated with Playtech's IMS platform, BetBuddy delivers tools and insights for identifying and managing at-risk behaviour

In addition to being a central part of our Playtech Protect product, the insights and intelligence from BetBuddy's data analytics capabilities is enabling Playtech to take a data led approach to game labelling and game design. In 2019 Playtech's BetBuddy team was asked to contribute to the Gambling Commission's key workstream on safer Product design.

Progress made during the year:

- Completed a number of BetBuddy technical deployments for customers in Q4 2019. This includes the development of a new integration to the Bede platform for Ontario Lottery and Gaming Corporation.
- BetBuddy developed new product functionality, including a new platform user interface that will be rolled out to customers in Q1 2020 as well as an enhanced API integration with IMS which is enabling the sharing of enhanced player-level risk data and insights. The enhanced API integration means that Playtech licensees can access BetBuddy risk insights in upstream systems, making it easier to integrate data-driven safer gambling insights into their day-to-day processes.
- BetBuddy has been leading industry efforts on developing an industry Code of Conduct for game design. The Code of Conduct, which will be co-created by industry B2C and B2B

organisations, will be presented at the UKGC's 2020 Raising Standards conference and could inform future regulatory requirements in the UK, helping to raise standards in consumer protection across the industry.

- BetBuddy led the design and launch of new safer gambling product volatility labelling for slots, in collaboration with Playtech content studios. This has been deployed on the Playtech Portal and is also being trialled and deployed with Playtech customers.
- Continued to develop high quality research in artificial intelligence (AI) and explainability in collaboration with City, University of London, publishing new research at the world's premier AI conference, NeurIPS 2019. The research aim was to make complex algorithms interpretable through new techniques in model explainability and data visualisation, and was supported by a group of experts in gambling harm treatment, research and industry compliance, including Dr Jonathan Parke (Sophro) and Janine Robinson from the Safer Gambling Council. NeurIPS is the world's foremost machine learning and computational neuroscience conference.
- BetBuddy and Playtech were recognised for their achievements in AI and consumer protection with a nomination for a cross-industry award – the Artificial Intelligence Award at the 2019 Lloyds Bank National Business Awards.

“End to end solution for identifying and managing at-risk gambling behavioural patterns.”

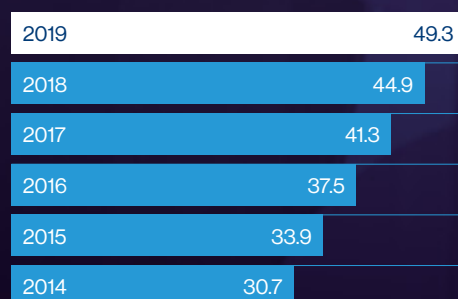


Significant growth opportunities

Global online market

The global online gambling market is estimated to be worth €49 billion in 2019. The market grew 10% between 2018 and 2019 and has seen growth at a CAGR of 10% over the past five years. A key driver was the growth in mobile, which represented 46% of online gambling in 2019, up from 42% in 2018. Playtech's global presence, particularly in regulated markets, has allowed it to capitalise on this growth and the Company's scale and online expertise leave it well positioned to continue doing so in the future.

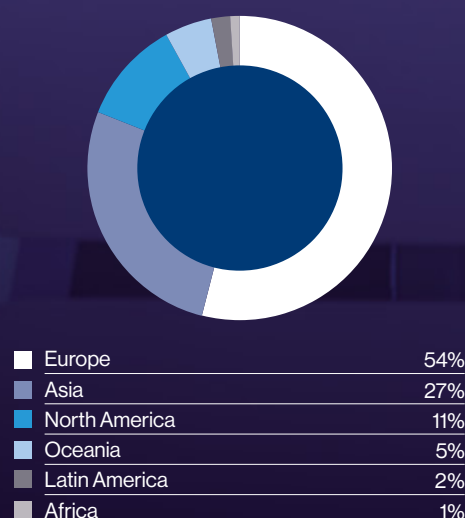
Global online market (€ billions)



Online market by region

The European online gambling market is the largest globally, making up 54% of the global online market. The European market represented almost 70% of Playtech's total 2019 B2B gambling revenues.

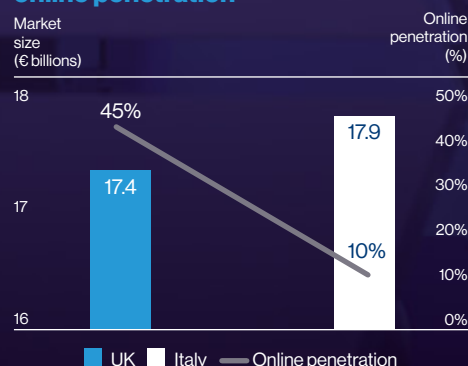
Online gambling market



The largest online market globally is the UK, which grew at a CAGR of 10% in the last five years and is now 45% online. Playtech's UK presence is second to none, as it serves the largest operators in the market.

The largest overall gambling market in Europe is Italy, which is 90% land-based and only 10% online with potential to grow significantly online. The online market in Italy grew at a CAGR of 12% in the last five years and the Playtech Group is, through Snaitech, perfectly positioned to capitalise on the shift towards online.

2019 market size versus online penetration



Playtech's Snai brand became the number one in Italy for Online Betting and Gaming for the first time in H2 2019.

The Asia market is the second largest online market, making up 27% of the global online market, followed by North America (11%), Oceania (5%), Latin America (2%) and Africa (1%).

However, the Latin American online market saw growth at a CAGR of 17% over the past five years and is expected to grow at a CAGR of 16% in the next three years to 2022, albeit from a lower base, compared to the European market which has a forecast CAGR of 6.4% to 2022.

Latin America's online gambling market grew 8% (excluding Lotteries) between 2018 and 2019, largely driven by 24% growth in the Colombian online market.

24%

growth in the Colombian online market in 2019

► Read more about Playtech's entry into Colombia on **page 19**

Following the success of its business in Mexico in recent years and the recent entry into Colombia, Playtech is well positioned to capitalise on the high growth potential in Latin America in the coming years.

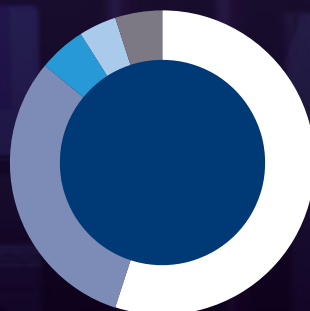
Online by product

The growth in the online market has been driven by continued product development across all product verticals. Playtech Group offers products across online betting, casino, bingo and poker which collectively represent 86% of total online gambling revenue.

Online betting represents 50% of the global online market and online casino represents 28% – they are expected to grow at CAGRs of 8% and 6% respectively between 2019 and 2022 and Playtech Group is well positioned to capitalise on that growth.

► Read more about Playtech's product offerings on **pages 29 and 30**

2019 online gambling market by product



■ Betting	55%
■ Casino	31%
■ Poker	5%
■ Bingo	4%
■ Skill/Other Gaming/Lottery	5%

Future projections

Driven by product innovation, the growth of mobile gambling and US regulation of sports betting, the global online gambling market is projected to grow at a CAGR of 7.5% between 2019 and 2022 boosted by growth predicted in Latin America (16%), North America (14%) and Europe (6%).

Mobile as a % of online gambling is forecasted to grow from 46% to 53% by 2022.

The US online betting market is expected to grow at a CAGR of 31% between 2019 and 2022.

7.5%

forecast CAGR of global online gambling market between 2019 and 2022

H2GC data (January 2020)

Positioned to capture every opportunity

Our core strengths

Unparalleled scale

Playtech's global scale, extensive experience and expertise in regulated markets, and leading technology is unparalleled in the industry today.

Leading technology

Our full-service solution, which includes every product vertical integrated into our leading proprietary IMS platform, sets us apart from our competitors across the gambling value chain.

At the forefront of industry innovation

Our long history of investing in R&D to drive innovation has seen us pioneer omni-channel technology and the integration of our industry-leading content. The wealth of data we capture daily will enable further intelligence-driven investment.

Commitment to Safer Gambling

Promoting safer gambling and the healthy sustainability of our customers' end-users is at the forefront of our thinking and we are investing further into Playtech Protect, our suite of safer gambling tools.

Strong financial track record

Our proven track record of Revenue growth, adjusted EBITDA growth and cash generation provides us with a strong base from which to reinvest and grow the business.

R&D investment

Playtech annually invests around 20% of B2B revenue in R&D, significantly more than its peers, to ensure all Playtech customers will benefit from cutting edge technology which promotes entertainment in a safe gambling environment indefinitely.

► Read more about Technology Expertise on [pages 28 to 32](#)

What we do

Our core strengths position us to capture any market opportunity in our industry, through:

B2B

Providing technology to gambling operators globally through a revenue share model. Comprehensive offering covers the end to end gambling value chain, including the design, development and distribution across every gambling vertical integrated with Playtech's leading IMS platform.

Structured Agreements

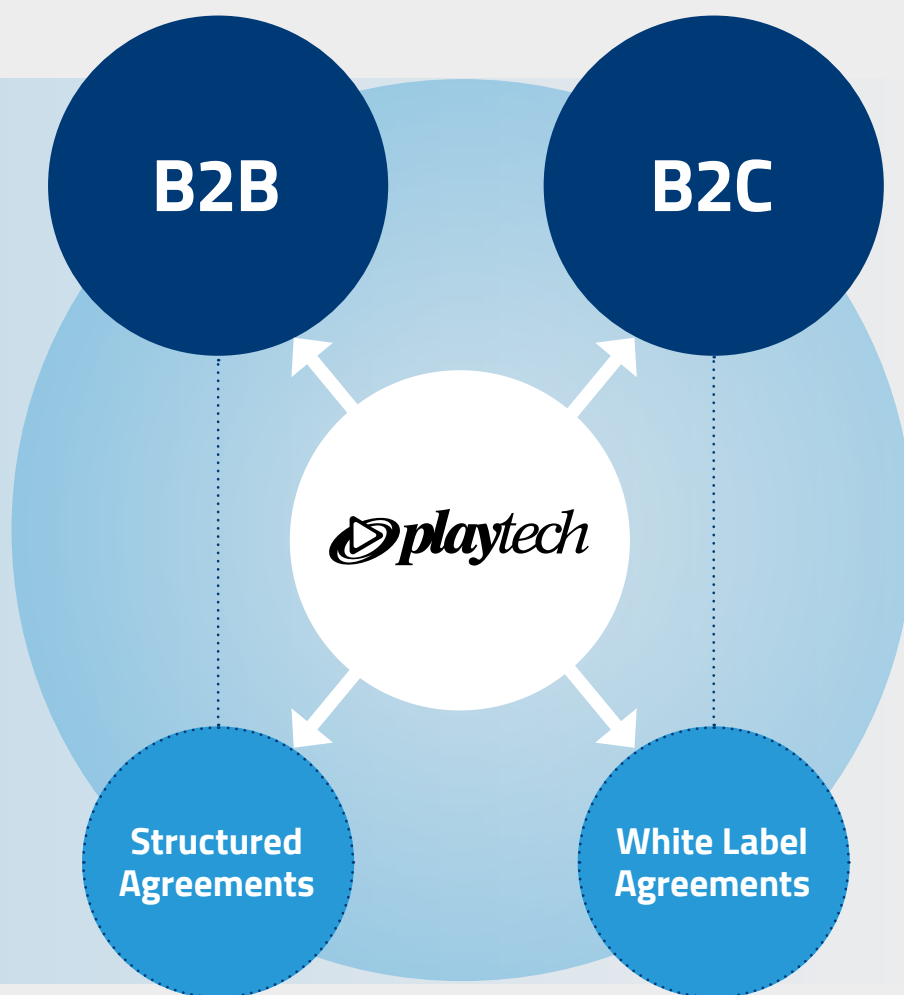
An extension of Playtech's B2B technology offering in which it partners with local heroes with a strong local retail brand and presence to drive sales but without the technological expertise to succeed online.

B2C

Leveraging Playtech's proprietary technology while operating directly as an operator in select markets and generating revenues from online gambling, gaming machines and retail betting.

White Label Agreements

Utilising Playtech's proprietary technology and capabilities to create value by running a B2C operation on behalf of a notable media or operator brand.



Value created

For customers

Total number of sports bets

553m

Amount invested in cash R&D including Safer Gambling initiatives

€150m

Number of poker tournaments on our networks

c.28m

For society and employees

Jobs (i.e. number of employees)

c.6,000

Number of charities and community organisations we supported

>50

For shareholders

Dividends and share buybacks

€120m

Operating cash flow

€317m

Expanding our addressable market

Over the last three years Playtech has evolved its technology in order to expand its addressable market

Identifying previously untapped opportunities

Latest progress with our technology has delivered a simpler, more agile route to market. This has increased the distribution of our products to capture the entire B2B value chain. Having identified a previously untapped market for Playtech, this unaddressed portion of the market will now deliver additional sources of revenue and has extended our

reach beyond the scope of Tier 1 licensees, joint venture partners and local heroes.

At the bottom of the diagram, the widest part depicts over 1,000 operating brands that, until 2019, featured no Playtech products or services. This market is made up of operators of different sizes across the world.

Extending our offering

Playtech’s historical approach of selling its entire IMS platform remains an essential part of its offering in newly regulated markets given the scale of some multi-product and multi-channel Tier 1 operators and local heroes. This approach has given us our current position as the leading provider of products and services in the industry.

However, we have broken down our IMS platform capabilities into a set of services that are easily identifiable with well-defined integrations.

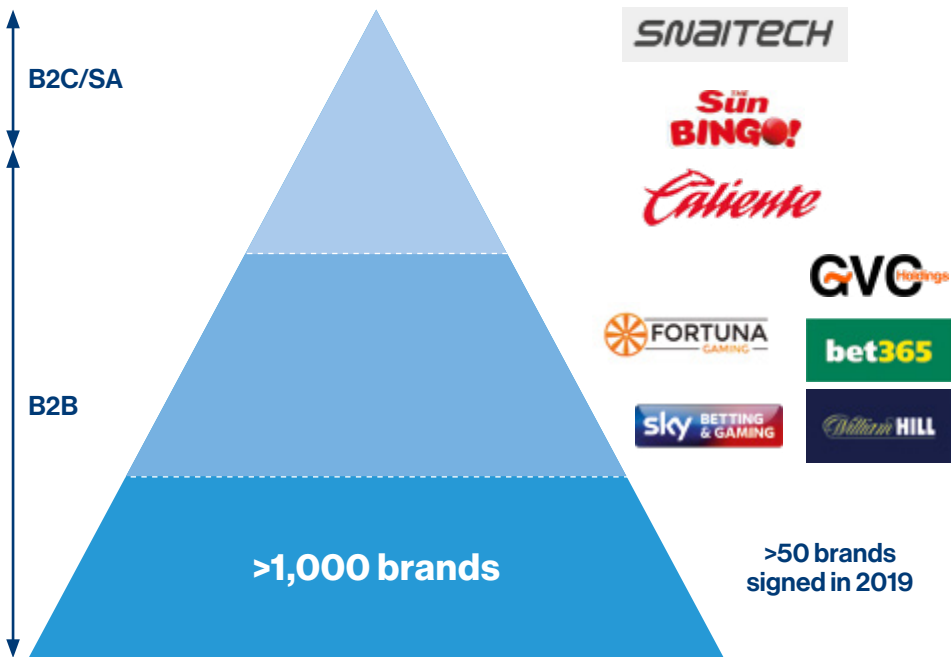
Playtech’s IMS platform is the result of 20 years of unparalleled scale, innovation and development. This latest launch of our software is the next stage of that development and will deliver a more agile distribution of our technology – ultimately making the data-driven capabilities in IMS more modular and allowing more operators to access the capabilities they need. This represents a significant barrier to entry for any other B2B or current B2C operator trying to replicate our services-driven technology proposition.

By using the latest API integration technology, this modular approach reduces integration time from 3–6 months to a potential 3–6 weeks with a fraction of the costs involved with integration and ongoing costs. This creates a more attractive commercial opportunity for licensees and Playtech alike with a higher margin opportunity for Playtech.

We have not replaced our existing model, but simply extended our reach to new opportunities. Some large-scale licensees will always require an integration that involves dedicated server infrastructure and the entire IMS. However, by delivering a more agile solution we are now able to extend our reach to additional operators and allow them to deploy our technology in a quicker and cheaper way. This will increase our cross-sale capabilities with all licensees.

Expanding our addressable market

>1,000 incremental sites now addressable



Accessing new opportunities

By evolving our technology, we have successfully extended our offering to allow us to deliver a technology solution to any licensee in any market. This has delivered a further diversification of our client base beyond Tier 1 operators and local heroes. In 2019 this strategy successfully delivered more than 50 new brands in various markets around the world.

We are extending our reach to new customers and accelerating the process throughout 2020 and 2021 in a phased development plan which will see us increase the number of licensees to ensure we maximise the opportunity in the coming years.

New major deal with Wplay; a leading brand in Colombia

Playtech signed a new major deal with Wplay, the leading brand in Colombia

Playtech signed a long-term structured agreement with Aquila Global Group SAS ("Wplay"), the operator of Wplay, one of Colombia's leading gaming and betting brands. Under the agreement Playtech will become Wplay's strategic technology partner, delivering its omni-channel products together with operational and marketing services across the leading brand's retail and online operations.

The partnership is another significant strategic step in Playtech's growth in Latin America. Playtech has a track record of developing newly regulated online markets in the region through the successful structured agreement with Caliente in Mexico, which has grown to become one of Playtech's largest licensees.

"I am delighted to announce this strategic partnership with Wplay. The strength and quality of the Wplay brand combined with Playtech's 20 years of technology leadership in the industry will see us drive the online growth of the market in Colombia."

Mor Weizer, Playtech, CEO

Strategic partnership

The agreement will see Playtech migrate all Wplay's retail and online activity to its award winning IMS player management platform enabling Wplay to leverage its retail brand and footprint to drive online growth. Playtech will exclusively power all software across Wplay's regulated verticals including its Sports and Casino offering with the addition of third-party games through Playtech's open platform. There is an opportunity for further product verticals to launch as regulation in the region develops. Alongside the data-driven marketing and safer gambling platform tools Playtech will also provide CRM and marketing expertise and personnel.

The strategic partnership will see Playtech deliver the platform technology, software, and marketing expertise required to deliver an industry leading omni-channel offering. As a result, Playtech will receive a share of profits throughout the agreement in addition to its regular revenue share business model.

"This agreement will deliver the technology and expertise required to take the market in Colombia to the next level. Playtech has the track record and necessary scale to deliver industry leading software, marketing and safer gambling tools to the number one brand in Colombia."

Julio César Tamayo, President, Wplay



Wplay

Wplay, based in Medellín, was issued Colombia's first official online gambling licence in June 2017, becoming the first licensed operator in the market. The leading retail brand in Colombia, Wplay operates more than 7,000 points of sale across its retail network. In line with the regulatory framework in Colombia Wplay offers sports betting in its land-based channels, with the retail eco-system offering affiliation to the growing online betting and gaming market through registrations, deposits and withdrawals.

The agreement is a continuation of Playtech's strategy to invest in the leading retail brands in newly regulated and fast-growing markets. Wplay is the official partner to some of the most high-profile sports organisations in Colombia, including leading Primera A league football teams and the Colombian Olympic football team, allowing the Wplay brand to resonate with more than 35 million sports fans across the country.

Technology leadership driving long-term growth

Mor Weizer
Chief Executive Officer

Strategy update

The industry as a whole has been in transition in recent years. As further jurisdictions regulate, operators and suppliers have had to adjust to higher taxation and greater oversight and legislation. In addition, the increase in the number of regulated territories has also led to more competition across the industry. Playtech believes that a balance between regulated and unregulated markets is still beneficial as unregulated markets remain high margin and highly cash generative.

Playtech also considers it essential to have a cornerstone presence in multiple regulated jurisdictions to diversify its risks, particularly from a regulatory perspective. Playtech has achieved this diversification through the strength of its B2B technology business in various markets, its unique position in Italy with Snaitech and through the success of its agreement with Caliente in Latin America.

Looking at the entirety of the Group, Playtech has a four-pronged business:

- Core B2B Gambling
- B2C Gambling
- Asia
- TradeTech

Core B2B Gambling: Playtech's Core B2B Gambling technology business comprises its B2B customers outside of Asia. The strategic focus of Playtech's Core B2B Gambling business is on higher margin regulated opportunities with Sports, Casino and Live Casino being of greatest importance. Playtech will continue to support existing licensees with new technologies and better tools and provide them with greater flexibility in running their businesses.

While Playtech's Core B2B business possesses a very strong set of assets, over the past 18 months the Company has been adjusting to the evolving industry landscape. The Company believes that a significant portion of its addressable market has

been untapped. It also believes that there are a number of fast-growing markets with low online penetration where the market opportunity is sizeable.

Playtech estimates that there are over 1,000 brands globally today that previously did not use a single Playtech product or service. Playtech has been strategically investing in R&D to evolve and improve its technology and allow a faster and cheaper time to market for its licensees, in order to access previously untapped commercial opportunities and markets.

Playtech has componentised the IMS platform, allowing it to offer a more agile and flexible technology solution to licensees that previously would not have been able to access the value-add data-driven services and capabilities, which are Playtech's source of success.

This strategy has delivered more than 50 new brands through 2019. Playtech is excited about extending its reach to new customers and to new markets for existing customers in the coming years.

Playtech's intention to continue accessing opportunities includes new customers in both existing regulated markets and newly regulated markets, through structured agreements and joint ventures depending on commercial suitability and market dynamics.



“As a technology specialist, Playtech’s vision is to be the global leader in safer products, data analytics and player engagement solutions – partnering with our licensees to deliver safe and sustainable entertainment for the benefit of all stakeholders.”

B2C Gambling: Playtech’s B2C business comprises Snaitech in Italy, the HPYBET B2C sport business in Germany and Austria, and white label operations such as Sun Bingo.

Snaitech had an outstanding 2019 operational performance, which excluding the Italian taxation headwinds, achieved impressive growth in adjusted EBITDA. Snaitech achieved the leading market share position in total online revenue (betting and gaming) in H2 2019, leveraging the strength of its brand and retail presence in the initial months of the advertising ban in Italy. Snaitech is an exciting part of the Group given the significant growth achieved which is expected to continue in online. Playtech intends to continue to leverage Snaitech’s local expertise and powerful brand awareness to capture market share in Italy going forward.

Asia: Playtech’s B2B gambling activity in Asia is different and separate from the rest of the Company. Playtech operates a different model whereby it provides content and certain services to the market principally on a distribution model basis. Operating in unregulated markets it is also higher margin and more highly cash generative compared to other parts of the Group.

TradeTech: TradeTech had a disappointing 2019 performance but Playtech continues to believe that TradeTech is an attractive asset and is currently reviewing the strategic options for this business.

Strategic review of underperforming assets

Playtech is in the process of undertaking a strategic review of its underperforming assets. The strategic review of the Casual Gaming business was completed in 2019. It is now a discontinued operation and is expected to be disposed of in the near future.

An impairment loss of €23.7 million related to Casual Gaming was recognised in 2019. TradeTech had a disappointing 2019 performance. Management is currently reviewing the strategic options for this business and a €90.1 million impairment loss has been recognised in 2019.

Chief Executive Officer's review continued

Regulation

Regulation continued to be a major influence on the gambling industry throughout 2019 with further markets regulating and the evolution of regulation within individual existing markets.

Playtech is committed to raising industry standards and facilitating a fairer, safer and more sustainable sector and continues to actively promote regulation in existing, future and emerging markets. Effective regulation should ultimately lead to a safer gambling experience. To read more about regulation please see pages 46 and 47.

Safer Gambling

As a technology specialist, Playtech's vision is to be the global leader in safer products, data analytics and player engagement solutions – partnering with our licensees to deliver safe and sustainable entertainment for the benefit of all stakeholders. In 2019 we developed a new five-year Safer Gambling and Sustainability strategy that underpins our commitment and aspiration to sustainable business. We welcome the call for raising standards and support the policies designed by regulators to create a safer, fairer and more sustainable industry whilst supporting the long-term success of the sector.

Playtech continues to invest in and deploy technology, data and engagement solutions to help our licensees and the industry provide a safer gambling journey and environment. In 2019 Playtech completed the integration of BetBuddy into IMS and the Engagement 360 platform, implemented enhancements to its front-end design and initiated deployment to licensees. We are combining BetBuddy with our real-time player engagement and messaging platform, Player Journey, to help operators more effectively identify player risk and deliver highly personalised messaging to empower players to make safer decisions.

Playtech has invested in research to better understand and assess how we can use our data to extend our knowledge of sustainable product design, safety and smart labelling. The initiative has included the development of safe game design principles, our risk assessment framework and a new game labelling project aimed at raising player awareness of slots volatility and promoting safer gambling messaging. Playtech is leveraging partnerships with external experts including City, University of London's Research Centre for Machine Learning, to explore the relationship between game features, consumer behaviour and potential harm.

We are sharing our research, data analytics expertise and insights with a wide range of stakeholders including trade bodies, research organisations and academics. We are committed to working in collaboration with operators and partners to help raise and shape industry standards, share best practices and explore the role that technology can play in helping to address the most pressing challenges facing the gambling world today.

In 2020 Playtech will launch its 'Sustainable Success' five-year safer gambling and sustainability strategy. The strategy will support our long-term ambition to be the most trusted and innovative global leader in safer gambling products, data analytics and player engagement solutions.

We are delighted to announce that as part of the sustainable success strategy Playtech will be investing £5 million in five key areas with charity and social enterprise partners that provide research, programmes and support to promote 'healthy online living'. Building on work the Group has done in 2018 and 2019 Playtech will contribute expertise, research and financial support in five areas including preventative education and research into digital solutions and tools. The Group recognises that as the technology specialist in the industry it has a duty to extend Playtech's expertise, experience and technology to help build a sustainable, safe and 'entertainment first' industry for the benefit of all stakeholders.

“Playtech is committed to raising industry standards and facilitating a fairer, safer and more sustainable sector.”

Gambling division review

B2B Gambling

Operational momentum continued across B2B Gambling during 2019 with new customer wins, new launches and further product enhancements.

Playtech signed over 50 new brands through 2019 including Grupo Solverde in Portugal and Swiss Casinos in Switzerland. Following the extended and expanded contract with GVC in early 2019, Playtech rolled out its products to many GVC brands throughout the year. Countries launched include UK, Italy, Greece, Belgium, Brazil, Georgia, Spain and Denmark.

In Casino, Playtech rolled out a new suite of games called Kingdoms Rise, offering tailor-made jackpots and in-game tokens that players can use to complement their own game play style. In addition to new product deliverables such as in-game messaging, tokens and an interactive map as a navigation tool for players, the Kingdoms Rise suite was used as a vehicle to demonstrate our newly introduced Capped and Daily Jackpot configurations that can be networked or localised.

Playtech's Live Casino business had a strong year through the continued delivery of high-end progressive products and driving player engagement through leading games, features and tools. The business continued to leverage the broader Playtech offering through unrivalled cross-product jackpots and cross-vertical tools such as the Engagement 360 platform. Playtech also continued to increase its overall network capacity for its Live Casino offering. Product innovations included the industry's first Live Slots game with free spins introduced for the first time, as well as Quantum Blackjack, the industry's first multiplier blackjack game.

Sport continued its strong operational performance in 2019 with new customer wins, expanded business with existing customers as well as further product enhancements. The results also included multiple hardware sales which extended Playtech's scale and boosted revenue in the period.

PBS extended its agreement to supply GVC's Ladbrokes Coral retail business with the software for its self-service betting terminals (SSBTs) throughout the UK and also expanded its presence with GVC in Belgium. Latin America remains a key growth region within B2B Sport. PBS signed a major new agreement with Wplay in Colombia, including Sportsbook and Virtuals and also further extended the contract with Sportium Colombia. Growth in Mexico continued with PBS rolling out further retail bet entry points with Caliente and Sorteos Torreñiel.



Sustainability Strategy 2020 – 2025

In 2019, Playtech defined a new five-year Safer Gambling and Sustainability strategy that underpins our commitment and aspiration to sustainable business. We developed the strategy through a 12-month process of research, analysis and engagement with stakeholders including investors, licensees, gambling charities, advocacy groups, employees and third-party experts. Detail on these commitments can be found on page 49.

► Read more about Playtech's Sustainability strategy in the Sustainability section, which can be found on pages 48 to 61.

PBS continued to innovate in 2019. Bet Recommender, the AI algorithmic engine which suggests relevant content to customers on the SSBT, was rolled out to operators. Match Acca, which enables users to combine multiple markets within the same event to create an accumulator bet with one specific price, continued to grow in both retail and digital channels.

Bingo performance in 2019 was in line with expectations. The Bingo business continued to work with existing customers such as Buzz Bingo who continue to grow as a key partner. Buzz Bingo added 'Buzz Trivia', 'Buzz Live' and a Playtech 'Casino' tab to their portfolio in 2019. Going forward, the division will focus on growing in territories outside of the UK such as Italy and Austria, as well as on omni-channel projects with Playtech's key Bingo licensees who have a retail estate.

Poker remains an important part of the Playtech ONE offering, with a continuously growing proposition through strategic investment in product. Operating in both unregulated and regulated markets via EU liquidity sharing, the business is well-positioned to maximise potential opportunities and mitigate the impact of potential regulatory changes elsewhere. Playtech's Poker business had strong results in Spain and Italy in 2019. From a product perspective, Playtech developed a 5 card Omaha game and a Football Stars Speed Poker game which offers a shared jackpot with the Sporting Legends casino game.

Chief Executive Officer's review continued

Gambling division review continued

B2C Gambling

Snaitech

The acquisition of Snaitech has created an integrated gaming company across retail and online and has given Playtech a cornerstone presence in the largest gambling market in Europe. Playtech is utilising its omni-channel technology stack to capture the online growth opportunity in Italy, where online market penetration remains low at approximately 10% of the total market (Source: H2GC).

Snaitech had an outstanding operational performance in 2019 against the backdrop of substantial legislative headwinds in the form of taxation increases across the entire Italian gambling industry. Underlying EBITDA grew 24%

compared to annualised 2018 results when excluding the impact of the taxation increases and the World Cup benefit from 2018 figures.

In 2018, the government in Italy approved an advertising ban for all forms of gambling which took effect from 1 July 2019. We continue to expect Snaitech to be relatively better positioned than online-only competitors given the strength of its retail brand and presence. The effects and enforcement of the advertising ban are being monitored closely since its introduction. Since the introduction of the advertising ban Snaitech has gained market share and become the number one player in overall online (betting and gaming) in H2 2019. Playtech expects Snaitech to continue to benefit from the advertising ban going forward by further strengthening its market position in online.

Playtech is closely monitoring the negative impact of COVID-19.

“Snaitech achieved outstanding operational performance in 2019 despite substantial legislative headwinds.”

Our awards

Another outstanding year of recognition

In 2019 Playtech won a number of industry awards, recognising our products across various verticals as well as recognising the individual excellence of our people.

Supplier Innovation of the Year Award

In February, Playtech scooped the coveted and hotly-coveted Supplier Innovation of the Year Award at the Gaming Intelligence 2019 Awards. The award was given for Playtech's Playtech Open Platform (POP), GPAS and Marketplace technology, which together combine to form a ground-breaking new gaming ecosystem for operators. POP aims to be the ultimate in content aggregation technology, while GPAS provides a platform for developers to create their own content. Marketplace acts as the platform in which to discover content. This award, one of the most widely watched at the event, capped off a hugely successful night for Playtech.



Playtech scores triple win at Gaming Intelligence Awards

In fact, Playtech scooped a hat-trick of award wins at the Gaming Intelligence 2019 Awards. Three Playtech employees were also named on the GI Hot 50 list, making it a successful night at the awards which honour the most successful and innovative operators and suppliers in the gambling industry. Playtech triumphed in the Supplier Innovation Award, Bingo Supplier of the Year and Poker Supplier of the Year categories, while Edo Haitin, Peter Mares and Fabio Schiavolin were recognised in the Hot 50. This was the second time in consecutive years that Playtech had won three awards, and it meant eight awards and ten Hot 50 entries in five years.

“Taken as a whole, these technologies are transforming Playtech’s offering to operators and, more broadly, could prove to be revolutionary for the gambling industry. This award just confirms the potential importance of this work.”

TradeTech Group – Playtech's Financials division

TradeTech had a challenging 2019 due to both record low volatility in Q1 together with difficult market conditions in September and October that impacted all market-making activities, including risk and execution, B2C and its turnkey offering. TradeTech was also negatively impacted by the introduction of European Securities and Markets Authority's ("ESMA") product intervention measures.

TradeTech launched a new strategy for its B2C business in June which is showing positive initial indications. Since launch KPIs have been strong including higher first deposits, higher redeposit ratios, and higher customer lifetime value (CLV). This resulted in improved revenues and EBITDA for the B2C business in H2 following the launch of the new strategy.

The CFH business within TradeTech performed well in 2019 and continues to grow by increasing customers and volumes and enters 2020 with a strong pipeline.

Following the challenging market movements in September and October, TradeTech changed its approach to market risk, in order to deliver a more sustainable and predictable revenue stream going forward. The nature of this business means there will always be some exposure to market conditions and volatility but TradeTech has changed its approach to cater for further diversification in its risk book, and reduced the potential for a significant negative impact on revenues in a specific period.

2020 has started strongly in all areas of the business. Our focus for 2020 will be on growth and sustainability of our revenues together with delivering synergies by merging certain functions across the various TradeTech businesses.

TradeTech will also be aiming to optimise the efficiency of its balance sheet in order to enable release of cash currently tied up in the business.

Mor Weizer
Chief Executive Officer
26 February 2020



Double victory for Playtech at Women In Gaming Awards

As it celebrated its tenth anniversary, the highly-regarded Women in Gaming Diversity Awards honoured two of Playtech's employees with awards. Playtech's Head of Corporate Responsibility, Lauren Iannarone, was awarded the coveted Industry Achiever Award, one of the ceremony's prestigious awards, while Valeria Russo of Quickspin triumphed in the Star of the Future category. This was the fifth consecutive year Playtech had been recognised at these awards, with eight wins in that time.



Playtech Bingo triumphs at WhichBingo Award

It was a double celebration for the Playtech Bingo team in June at the WhichBingo Awards as they took the honours for Best Bingo Software and Best New Bingo Game. For the latter award, Playtech triumphed thanks to Age of the Gods Bingo which beat out tough competition in a hotly contested category. The WhichBingo Awards honour the leading operators and technology providers in the online Bingo industry.



EGR's B2B Awards honour Playtech Bingo

Also in June, Playtech's Bingo team won the decorated Bingo Supplier of the Year award at the EGR B2B awards. The Awards is one of the industry's biggest dates in the diary, and this award was the 17th by Playtech across all categories in the past five years. It also marked a successful year for Playtech's Bingo team, who had also triumphed in the same category in the year before.

A strategy for sustainable growth

Our strategic priorities

In a fast-evolving sector Playtech has a clear strategy to succeed in coming years

1

Expand scale with a focus on regulated and regulating markets

Regulated and regulating markets will become the main source of income in the gambling industry. Due to our technology, comprehensive product and service offering, as well as land-based capabilities, Playtech can enter new markets via either a B2B or B2C channel.

Playtech intends to acquire new licensees via licensing arrangements, joint venture partnerships with local heroes or structured agreements, depending on the conditions in each regulated or regulating market. Examples of this strategy in action are our partnership with Caliente in Mexico and recently signed deal with Wplay in Colombia.

The global nature of our customer base also allows us to capitalise on the expansion of our licensees' businesses into new territories and to secure a foothold in the new markets. Our acquisition of Snaitech is an example of this growth strategy. The Italian market in which Snaitech operates is fully regulated and strategically important, being the largest gambling market in Europe, and the acquisition has increased the proportion of Playtech Group's revenues generated from regulated markets.

2

Strengthen relationships with existing customers

Playtech is continuously strengthening its relationships with existing customers. The Group strives to identify growth areas in customers' businesses in order to offer tailored products and services which help customers grow. Playtech's scale and international expansion also provides existing customers with access to new markets. For example, initial B2B relationships with major UK licensees led to these licensees launching operations in newly regulated markets such as Italy and Spain.

As part of its expansion strategy, the Group uses some of its products as efficient cross-selling tools. For example, products within the sports and bingo verticals are used as gateways to attract new players and cross-sell them to casino and other product verticals, while the live casino offering can be leveraged to cross-sell to a new demographic of player.





3

Continue driving innovation and efficient use of data

Playtech has historically been at the forefront of innovation and will look to maintain this position in the future, with a strong pipeline of innovation to do so. For example, Playtech is incorporating new safer gambling features in Marketplace, aimed at increasing both licensee and player education and awareness in casino games. Our gamification tools mean we can offer players achievements in the form of tokens, which can be traded for additional game features which reward players with further game experiences, rather than in monetary terms.

We have spent in excess of €500 million on R&D in the last five years in order to improve end-user experience and overall customer value by adding new capabilities to the IMS platform and by producing industry leading and engaging content (including new games and integrated content). Playtech will continue investing in R&D, in order to be the source of innovation in the industry by further developing our technology platform and delivering new and innovative ways for end-users to experience content.

The Group has a data-driven approach to innovation. We collect non-personal data across our global licensee base in order to determine the prevalent trends and growth areas, and tailor the solutions for customers accordingly. This enables us to provide intelligent services and add new capabilities to the IMS platform in order to improve the experience and reward end-users while maintaining a safer gambling environment.

4

Commitment to safer gambling

Playtech is committed to ensuring that it enables a safe and sustainable form of entertainment and takes action to reduce gambling-related harm. Protecting players from harmful play is critical for the long-term success of our operations. We create products and services that prevent gambling from becoming a source of crime and enable the licensees to identify, minimise and reduce any potentially harmful effects of gambling. We engage and partner with governments and charities to research ways to prevent, reduce and treat any harmful effects of gambling.

When rolling out new products and services, Playtech conducts responsible advertising campaigns, making sure that the products and services are advertised and marketed fairly, clearly and in a way that does not target children and young people. We ensure that player data is kept safe and secure, that gambling is conducted in a fair and open way and that young people and other vulnerable persons are protected from being harmed from or exploited by gambling.

We are committed to expanding the functionality of our products to further our safer gambling capability. In addition to organic development, we actively seek appropriate acquisition targets to enhance our capability, for example, Playtech acquired BetBuddy, the safer gambling analytics solution provider, and integrated its behavioural identification and modification software into the Group's own IMS player management system. The acquisition allowed Playtech to continue its momentum in the delivery of safer gambling products and services.



5

M&A to complement existing capabilities

Playtech has grown historically through a combination of organic development and acquisitions. This is the most efficient way to deliver certain elements of the Group's strategy. While organic development has been our priority throughout 2019, we continue to consider acquiring businesses (or their assets) that possess technologies, products and distribution capabilities which will strategically complement or enhance our existing businesses. For example, we may consider assets that add new content across the Group's product verticals and enhance our omni-channel capabilities, improve our safer gambling capabilities or allow access to new markets and jurisdictions.

In delivering this strategy, Playtech is committed to a prudent and disciplined approach to acquisitions. Before undertaking any acquisitions, the expansion potential of the target, the size and the growth potential of its end markets, the ability to integrate it into the Group's operating model and the profit and cash flow generation capability of the target are among the key criteria for the Group's acquisition strategy.

Playtech ONE

Through Playtech ONE, our proprietary integrated platform, Playtech has pioneered omni-channel gambling technology, which provides an integrated platform across online and retail gambling channels and a seamless customer experience

Playtech ONE enables the Group to deliver data-driven marketing expertise, single wallet functionality, sophisticated client relationship management (CRM) and safer gambling solutions on a single platform across all product verticals and across retail and online. Playtech's core B2B business is leveraging its Playtech ONE technology stack by partnering with operators and brands to deliver a seamless gambling experience to the end customer. As Playtech's technology is present at every point of the gambling value chain, from front end to back end, Playtech is able to directly deploy its products and services on behalf of brands through white-label agreements or joint ventures or in some markets invest directly as a B2C brand.

Principles of Playtech ONE

- Any product available across any distribution channel – online or retail
- A seamless player journey across any product or vertical
- One single platform
- One single CRM and wallet
- One single customer view for analysis
- Services and capabilities available across any platform and any product



Our diversified technology

Playtech's technology stack allows operators to distribute and configure industry leading products through any channel. Through Playtech's award winning player management platform (IMS), operators can design and deliver an engaging and safe experience underpinned by insights from our data-driven Business Intelligence services

Platform & data-driven services

IMS Platform

Playtech's Information Management Solution (IMS) is the power behind Playtech's products, providing all the tools necessary to successfully run and manage every aspect of a licensee's business.

IMS enables Playtech's licensees to access all the elements of our unique omni-channel capabilities allowing players to seamlessly transition across games and platforms via a single account and single wallet, while providing operators with simple third-party integration and full visibility and control of the entire player lifecycle. IMS unifies Playtech products across all channels, including retail, presenting operators with a single account overview and allowing them to streamline and optimise marketing spend, maximise cross-sell and conversion potential, leverage player loyalty and value and increase revenues by automating key aspects of the player journey.

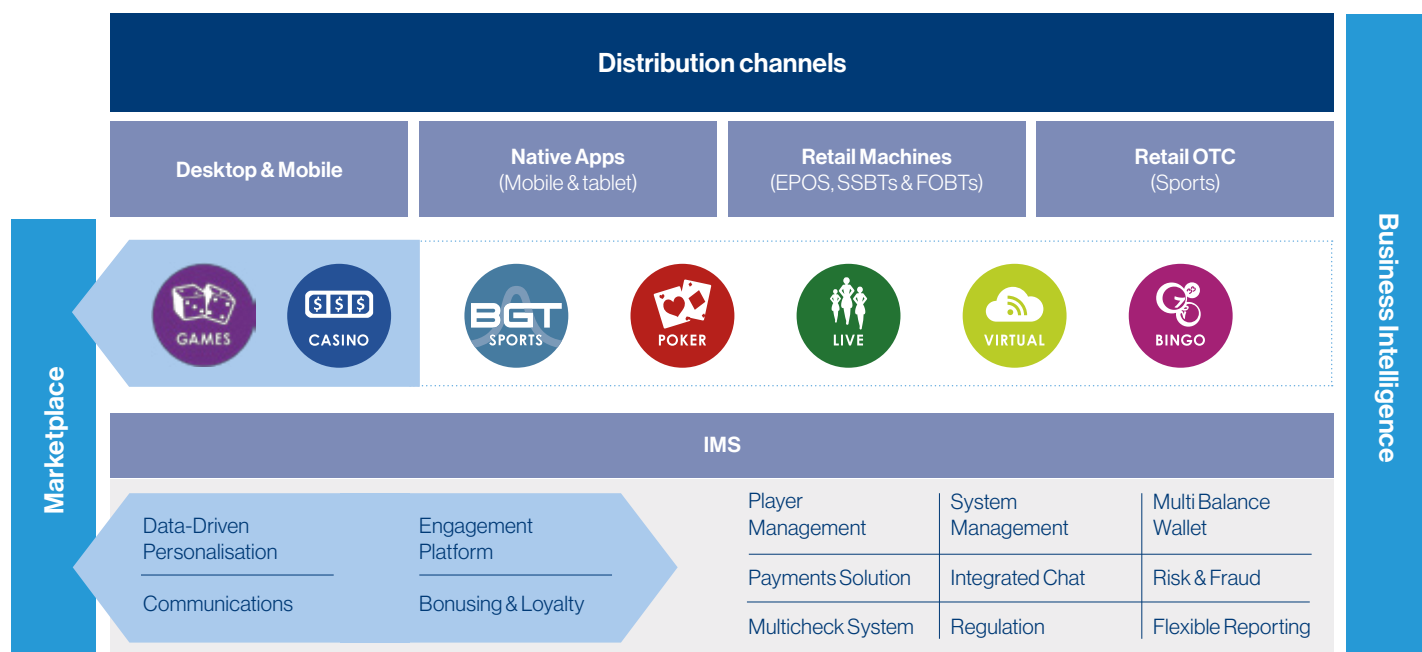
Business Intelligence

Business Intelligence Technology (BIT) provides new and existing licensees with superior innovation for their next stage of growth. Playtech's unique data-driven, business intelligence marketing technology, exclusive to Playtech, significantly enhances licensee revenues by improving player experience and increasing lifetime value.

BIT revolves around a series of game-changing features:

- BI Platform – Complete operational overview
- Key Metrics – enable day-to-day and high level decisions by comparing key metrics against competitors
- Data-Driven Marketing Tools – The power of personalisation
- Automation & Personalisation – automates and personalises every aspect of the player journey

- Playtech Analytics – Real-time decision making
- Real-time tracking and reporting to maximise player value and brand profitability
- Playtech Optimiser – Omni-channel personalisation
- Coin/Chip Deposit Limits
- Optimisation – real-time, easy-to-use personalisation and optimisation engine, powering our entire offering across all channels



Our diversified technology continued

Playtech launches new Fire Blaze Jackpots suite

In April 2019 Playtech and Rarestone Gaming, the latest addition to the Playtech studios family, launched the new Fire Blaze Jackpots suite, a suite of games based around ancient culture themes. Introducing a compelling "Hold and Respin" feature, all Fire Blaze games offer players the chance to win four different jackpots: the Mini, Minor, Major or Grand jackpot.

With a distinct brand and compelling jackpot offering, the suite creates an excellent opportunity to build player retention and loyalty through brand recognition. The Fire Blaze suite offers something genuinely fresh for even the most seasoned players.



Product verticals

Casino

Playtech offers one of the industry's most extensive casino game portfolios, delivering over 700 innovative in-house and premium branded titles, including DC Entertainment tie-ins such as Justice League, Superman and The Dark Knight, film-themed favourites including The Matrix, Gladiator and Robocop, and original content such as Age of the Gods, Jackpot Giant and Kingdoms Rise.

With nine distinct global studios now developing content under the Playtech umbrella, we can offer an extensive selection of games to suit a range of demands.

Original and branded games titles

>700

Live

Playtech's live casino platform and products are designed to provide the most authentic, omni-channel gaming experience supported by a new user interface and experience, and a cutting-edge platform that uses the latest business intelligence data-driven technology. Our extensive live product offering, manned by native-speaking dealers, includes all the casino classics, such as Blackjack, Baccarat and Roulette, in addition to innovative new variants, including Unlimited Blackjack, Prestige Roulette, Live Slots and Quantum Blackjack.

Sports: Playtech BGT Sports

Playtech BGT Sports' vision is to create a fully integrated, omni-channel, best-in-class sports betting technology solution by drawing on the overall Group expertise and capabilities, together with a tailored, managed service proposition to suit any bespoke customer requirements.



Bingo

Playtech delivers an omni-channel bingo solution, allowing players to enjoy the same seamless experience across any platform, on any device, all through a single wallet and a single account. Our UK bingo network consists of more than 100 brands, manages more than 100,000 games daily involving more than 20,000 concurrent players.

Poker

Playtech Poker software is fully compatible with all other Playtech products, services and Playtech's unique BIT. Fully integrated with our leading IMS player management platform, our Poker solution features everything licensees need to launch their own fully branded, fully customisable poker rooms, with multiple game types and an extensive selection of table stakes and buy-ins.

Daily Bingo games across Online & Retail

>100,000



Playtech Games Marketplace

The future of games discovery and distribution is here

Games Marketplace is capable of discovering, configuring and providing intelligence on content, regardless of the technology that the game was built in – providing operators with a single content discovery and management tool

Games Marketplace

For the first time operators can access one of the industry's largest portfolios of games from Playtech and its content partners and use Playtech's data-driven platform services to configure and distribute the games.

Discover Configure Manage

Playtech's Games Marketplace is the industry's leading content discovery technology, where licensees can discover and access more than 3,300 games from Playtech's portfolio of content, third-party content partners and content created or edited in GPAS. The app style format is powered by the data in Playtech's platform and allows users to search for content-based success and popularity by geography, demographics or other KPIs.

- **Open platform:** More than 3,300 games available in one of the industry's largest open games discovery platforms
- **Intelligence & insights:** Playtech's data-driven business intelligence tools allow for easy-to-follow stats and analysis on games

- **Access Playtech's scale:** Shop window allows third-party studios to access Playtech's technology and distribution network

As part of Marketplace, GPAS allows third parties to develop gaming content using a drag-and-drop maths engine to create any type of slots game with any array of features for any type of market or player.

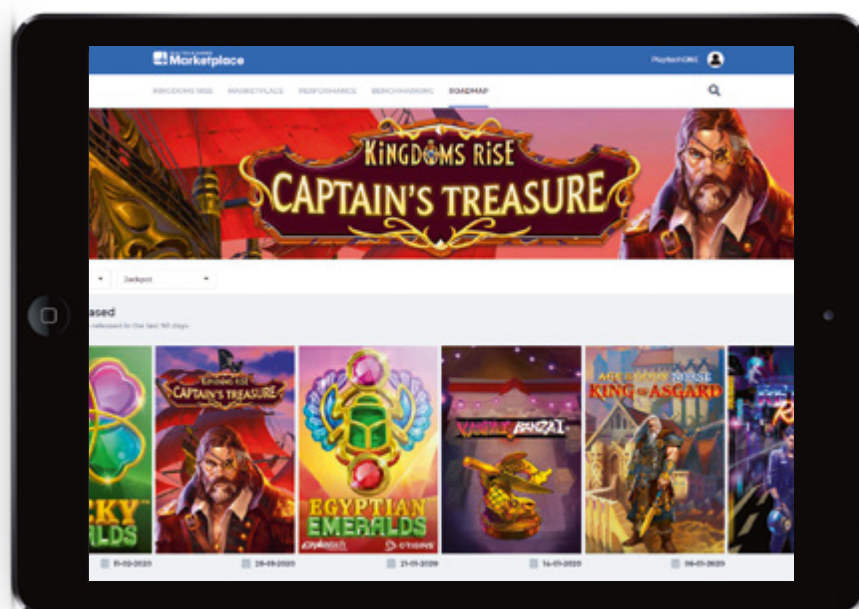
- Games developed use Playtech architecture
- Develop omni-channel games in one development cycle
- Data-driven: Real-time stats (RTP) calculation, model sharing and collaboration

Open platform: Services

Playtech partners with software leaders from outside the gambling industry, utilising its scalable technology to integrate new partners and bring new capabilities and services to the gambling industry as part of the Playtech platform offering.

Playtech is able to offer its licensees services from the world of e-commerce, risk management, performance optimisation and fraud management.

“A one-stop shop for operators to discover, design and distribute games.”



Continued dedication to innovation

Playtech continued to innovate across its technology products and infrastructure

Highlights

In 2019, Playtech continued its dedication to innovation. In particular, we highlight progress with Player Journeys within our Engagement Centre, a data-driven games grid, token features in the new Kingdoms Rise product suite, a Live Slots game with free spins and the AI-driven Bet Recommender.

Engagement Centre

Within Engagement Centre, we commenced the rollout of our Player Journey product. Player Journey provides a revolutionary tool to help our customers optimise their players' lifecycles. We engaged with customers to build the player journeys, which are personalised based on data and offer communication touchpoints using our In-Game Messaging feature.

In-Game Messaging, a powerful tool that customers can use to deliver pop-up notifications to an active end-user, previously existed for Casino and was rolled out during 2019 across other verticals. This is exciting from a customer retention perspective because players can be incentivised in real-time to play more than one game of a particular type across various verticals, for example, moving from an Age of the Gods (AOTG) Casino game to an AOTG Poker game from a mid-game incentive.

Data and personalisation

Playtech rolled out Games Grid 2, our new version of the personalised games grid, which is a Netflix-style data-driven grid of games personalised for each player using data from their previous activity, to new customers.

Kingdoms Rise

Our new suite of games called Kingdoms Rise offers tailor-made jackpots and in-game tokens that players can use to complement their own game play style. Tokens, accrued by regular play, give players more choice on when they choose to redeem their earned features.

The Kingdoms Rise suite, which includes slots games, was used as a vehicle to demonstrate our newly introduced Capped and Daily Jackpot configurations that can now be networked or localised.

Live Casino

Playtech launched Buffalo Blitz, the industry's first Live Slots game with free spins, as well as Quantum Blackjack, the industry's first multiplier blackjack game, where customers can win up to 1000x per round as a result of our unique maths algorithms.

Playtech BGT Sports

Playtech rolled out Bet Recommender, the algorithmic engine which suggests AI-driven relevant content to end users on the SSBT. 'Bulk Settlement' functionality was launched with major operators allowing for 'justice payouts' across numerous sports.

Games Marketplace

Playtech's Games Marketplace is the industry's leading content discovery technology, where licensees can discover and access more than 3,300 games from Playtech's portfolio of content, third-party content partners and content created or edited in GPAS. For the first time, operators can access the industry's largest portfolio of games from Playtech and its content partners and use Playtech's data-driven platform services to configure and distribute the games.



Our studios

Each of Playtech's studios delivers a unique flavour of casino games and they come together to form the strongest content offering in the industry



Origins

Playtech Origins has designed and created some of the most famous, unique and innovative games for more than a decade. Using a diverse mix of expert games designers based in-house in studios around the world, including Gibraltar, Estonia, Ukraine, Israel and Bulgaria, it is a pioneer of online gaming content creation.



Psiclone Games

Psiclone Games is a Lichfield, UK-based slot games design studio focused on the production of unique and engaging high-quality titles, with a portfolio including the famous Fairground Fortunes, covering an increasing range of markets as its expansion continues.



QuickSpin

QuickSpin is a Swedish game studio that develops innovative video slots for real money online gambling and free-to-play social markets. It was acquired by Playtech in 2016. The aim of its 60-strong team of gaming industry veterans is to cause a market-changing shift in quality and innovation by creating the kind of games that we as players would love to play.



Sunfox Games

Based in Vienna, Austria, SUNFOX Games is an innovative casino games design and production studio responsible for state-of-the-art 3D games, including The Glass Slipper, Time for a Deal and 3 Blind Mice. It was acquired by Playtech in 2017 and expands Playtech's product portfolio with a distinctive selection of innovative premium 3D games.



Ash Gaming

Ash Gaming is a leading London-based games design studio founded in 2002. Operating on a maths-first design paradigm by developing compelling, balanced and unique models, it wraps its games in engaging themes that accentuate the designed feature set.



Vikings

Playtech Vikings' mission is to create the most exciting roadmap possible, with a great mix of games for all player types, bringing years of experience and passion to every project. Viking's designers have a long tradition of bringing never-before-seen slot features to life and are behind some of the most successful games of the last ten years.



GECO Gaming

Established in 2007 and acquired by Playtech in 2016, GECO is headquartered in Sydney, Australia. GECO's philosophy is one of innovation inspired out of experience and foundation. GECO offers a complete range of game styles, from traditional Australian-style content and bingo slots to story-driven, multi-layered, entertaining and engaging games.



Eyecon

Eyecon was founded in Brisbane, Australia, in 1997 and develops slots and table games for online gambling and free-to-play social markets. It was acquired by Playtech in 2017. With more than 70 titles distributed via its proprietary Remote Gaming Server (RGS), Eyecon games are familiar across many of the major industry platforms and brands.



Rarestone

Rarestone is the newest addition to the Playtech studios family. Founded by veterans of major players in the industry, this Australian-based studio is built on a passion for developing games with global appeal. Working on the principle that the best game designers are game players, Rarestone focuses on maths-led development to create titles tailored to seasoned players.

Academy

Playtech's award-winning training centre

Playtech honoured with 'Best Culture of Learning' Lenny Award for innovative training approach

Established in 2018, Playtech Academy is an accessible, versatile training centre, designed to drive engagement with and an active approach to learning.

Offering both in-house education services and learning support for customers, the Academy team brings Playtech employees a monthly collection of live training events and recorded sessions, to best suit their learning preferences. 2019 also marked the inception of Academy Club, where employees can collect points for their learning efforts. This gamification plan is a revolution in the world of learning, as Playtech Academy are the pioneers in this field, setting an example to many companies, not only in the gaming industry.

Academy is a ground-breaking educational tool for the gambling industry, with an average of 20 new activities each month, focusing on key new products, features and developments. A series of in-person seminars, Academy Live, at this year's ICE London took the online offering to a newly interactive level.

Shimon Akad, COO at Playtech, comments, 'A great deal of work and investment has gone into Playtech Academy, so it's fantastic to see this recognised at the Lenny Awards. Our mission is to deliver the most innovative products and technology; but in many ways, this is only half of the journey. By providing accessible, intuitive support and training, we can help our customers maximise the benefits of that technology and ensure the widest adoption and ongoing usage rates.'

"2020 will see our new education portal launched to partners and customers, strengthening our culture of continuous learning and ongoing development. By combining our internal and external training into a single system via Academy, we can offer the best support and resources to our colleagues and customers alike."

► Discover more about the Lenny Awards at www.litmos.com/lenny-awards.



B2C overview

In the B2C segment of Playtech's Gambling division, the Group utilises its proprietary technology and capabilities to operate either through white-label agreements with other organisations or directly as a B2C operator in select markets

Operations

Our B2C division is comprised primarily of Snaitech in Italy but also includes other B2C businesses such as white label agreements and HPYBET, Playtech's Retail Sport B2C business in Austria and Germany.

Snaitech is a leading operator in the Italian betting and gaming market. To find out more about Snaitech, see p.36–37.

Playtech's white label business is predominantly focused on its long-term partnership with media group News UK, through which it operates the Sun Bingo brand. This business generated €51 million of revenue in 2019 and adjusted EBITDA of €10 million.

HPYBET, Playtech's Retail Sport B2C business, operates betting shops in Austria and Germany and generated revenue of €20 million in 2019, growth of 40% versus 2018.

B2C benefits

- Showcase for Playtech ONE and proof of concept for the Group's products and services
- Investing in B2C activity gives greater access to end customers
- Catalyst for future technology and product development for benefit of all partners and stakeholders
- Strategic optionality when devising its approach in regulated and regulating markets

SNAITECH
a Playtech company

Italian market opportunity & online success

The largest overall gambling market in Europe is Italy, which is 90% land-based and only 10% online with potential to grow significantly online. The online market in Italy grew at a CAGR of 12% in the last five years and the Playtech Group is, through Snaitech, perfectly positioned to capitalise on the shift towards online.

Snaitech's online business grew 21% in 2019 (27% after excluding new tax headwinds in the year). Since the introduction of the Italian advertising ban in July 2019, the Group has successfully leveraged Snaitech's brand strength and Playtech's technology expertise to drive Snaitech into becoming the market leader in Online betting and gaming in H2 2019.

Our B2C division continued

Snaitech

Outstanding operational performance

In 2019 Snaitech continued to strengthen its market position in Italy

Snaitech had an exceptional operational performance in 2019 against the backdrop of substantial legislative headwinds in the form of taxation increases across the entire Italian gambling industry. Underlying EBITDA grew 24% compared to 2018 when excluding the impact of the taxation increases and the World Cup benefit from 2018 results.

EBITDA growth

24%

Snaitech's total revenues in 2019 decreased by 7% compared to 2018, largely due to the impact of the increased taxation introduced by the government, partially offset by growth in online. The online segment continued to perform very well with growth in online revenue of 21% compared to 2018.

In 2018, the government in Italy approved an advertising ban for all forms of gambling which took effect from 14 July 2019. We expect Snaitech to be relatively better positioned than online-only competitors given the strength of its retail brand and presence. Although the effects and enforcement of the advertising ban remain to be seen and will be monitored closely in the coming months, management believe that it could facilitate market consolidation in the fragmented online market as online-only operators lose their means of advertising.

Snaitech has confirmed its position as the leading player in the market across Retail and Online betting and also reached the number 1 position in overall online betting and gaming across H2 2019. Playtech expects Snaitech to continue to benefit from the advertising ban going forward and further strengthen its market position in online.

Playtech's acquisition of Snaitech has created a fully-integrated gaming company across retail and online and has given Playtech a cornerstone presence in the largest gambling market in Europe.

Snaitech's online betting and gaming position

#1

Combining leading technology and a leading brand

Snai is the foremost brand in terms of brand awareness and recognition

The combination brought together Playtech's technology with Snaitech's powerful brand and local expertise in Europe's largest gambling market. It creates a fully vertically integrated retail and online Italian gambling business that can control its own technology, from land-based to online.

The acquisition significantly enhanced Playtech's revenue mix and reflects the Group's strategy to be the leading supplier in commercially attractive regulated markets. In 2019, the Group reported that 88% of combined revenues stemmed from regulated markets and the acquisition has also improved the diversification of the Group's revenue.



The Snaitech story

- 1990** **Snaitech was founded**
Beginning of the management of Tris betting: start of TV broadcasting of horse races in all connected agencies by using a land-based network with microwave technology.
- 1997** **Listing in Milan**
Snai Servizi acquires – from Montedison Spa – the company Trenno Spa as well as the horse racing tracks of Milan and Montecatini as the parent company of Trenno Spa; the company is listed in the Milan Stock Exchange with the stock name "SNAI".
- 1998** **Forming the Snai Group**
This is the starting year for sports betting in Italy during the Football World Cup in France; the "horse betting agencies" become Snai Points. In that same year, the Snai Group is created, which participates in the tender for expanding the betting agency network.
- 2004** **Starting of the operations in the New Slots market**
- 2008** **Poker & Skill launched**
- 2010** **Beginning of the operations in VLTs market**
- 2011** **Launch of Online Casino operations**
- 2012** **Launch of Online Slots**
- 2013** **Introduction of the bets on virtual events**
- 2015** **Cogemat/Cotetech merger with Snai Group**
Snai acquired 100% of the share capital of Cogemat, giving rise to the first listed pole in Italy dedicated to entertainment.
- 2015** **New app: Snai Sport New portal: SNAI.it**
- 2016** **Transfer of the legal headquarters to Milan**
- 2016** **New casino page and new casino content**
- 2016** **International certification on responsible online gaming**
This important recognition rewards the approach followed by the Group which is increasingly committed to keeping gambling within the limits of conscious entertainment.
- 2016** **Daily spin** (becoming a key driver loyalty tool)
- 2017** **From Snai to Snaitech**
In continuity with the occurred integration in Snai of the regulated 'Cogemat/Cogetech' companies, the corporate name changed from 'Snai S.p.A.' to 'Snaitech S.p.A.'.
- 2017** **Instant roulette** (becoming key driver in cross-sell)
- 2017** **Creation of Snaitech Smart Technology**
The addition to Snaitech is a research and development project with its aim being the unification of Snaitech's IT solutions.
- 2017** **New gaming apps: Bingo, Sette e mezzo, Black Jack**
- 2018** **Playtech acquires Snaitech** (with the aim of adding online expertise to the leading Snai brand)
- 2019** **Snaitech becomes the number 1 in Online betting & gaming in Italy**

Interview with Fabio Schiavolin, Snaitech CEO



How was 2019 for Snaitech?

I am very proud of our achievements at Snaitech in 2019. The regulatory landscape in Italy continues to change and we have delivered a fantastic operational and financial performance. We have continued to increase our market share in combined retail and online betting and in the total online betting and gaming market. Our online business had incredible growth in 2019 as we leveraged our brand and retail presence to increase market share.

How has the gambling advertising ban in Italy affected Snaitech?

Our online business had a fantastic performance in 2019 growing 27% compared to 2018. In fact, the growth in the online business in H2 following the introduction of the advertising ban in July 2019 was largely unchanged compared to H1 showing minimal impact on our business. This performance illustrates the strength of our brand and retail presence in Italy that we have been able to leverage to drive the online business.

What has the partnership with Playtech brought to Snaitech?

The combination of Playtech's technology stack and Snaitech's leading brand and market presence has enabled us to continue increasing our market share and further strengthen our position in the market. Snaitech and Playtech have a long, successful history having worked together since 2006. We have enjoyed extending the relationship since the acquisition and look forward to continuing to work together in the years ahead.

What are you focused on going into 2020 and beyond?

We're focused on continuing to use our strong brand awareness to continue taking online market share, as well as continuing to work closely with our franchisees and deliver the best technology and retail gaming experience in the market. Snaitech has a history of strong ethical values and a commitment to safer gambling and we remain passionate about our social and charitable initiatives.

Effective financial trading solutions

TradeTech Group, a specialist in next-generation B2C and B2B multi-channel trading software and services, is the financial trading division within Playtech Group

What is TradeTech?

TradeTech's B2C offering, operating the brand Markets.com, is an established online CFDs broker where customers can trade shares, indices, currency and commodity CFDs rapidly and securely using any device on our cutting-edge trading platforms.

The division's comprehensive B2B offering enables a full B2B turnkey solution for retail brokers. By licensing TradeTech's proprietary trading platform, CRM software, back-office and business intelligence systems, and utilising our exclusive liquidity technology, providing retail brokers with multi-asset execution, prime brokerage services, liquidity and risk management tools.

Our vision is to establish TradeTech as the world's leading B2B and B2C financial trading technology and liquidity provider with robust technology that drives sustainable growth.

Our user-intuitive back office systems and front-end trading platform, alongside decades of experience in leading business intelligence technology, means we are the first choice for our B2B partners to grow their businesses.

Our platform provides traders with valuable insights, tools and capabilities and enables safe activity and sustainable growth in an ever-evolving regulatory environment.

Ron Hoffman
TradeTech CEO

Our offering

Functionality Multi-Device Functionality	Software Proprietary Software	Data Data-Driven Intelligence
Liquidity CFH Liquidity Solutions	Management Risk Management	Support Dedicated Support Personnel

Our companies



Our products & platform

Liquidity and Risk Management – Powered by CFH Clearing

With our liquidity arm, CFH Clearing, one of the most powerful Straight-Through Processing (STP) venues for Tier 1 liquidity, we offer a comprehensive turnkey solution for CFD products.

Using a gateway to access the whole interbank market through our own sophisticated technology, clients get all the necessary tools and support to run their businesses effectively. Thanks to the strength of our relationships with our liquidity providers and prime brokers (BNP Paribas and Jefferies), CFH Clearing can now offer a wide range of liquidity providers and accommodate multiple third-party platforms.

Key features of the CFH Clearing technology include:

- **Low Latency Execution**
Benefit from fast execution, low rejections and slippage
- **Colocation**
Colocated in Equinix LD4, TY3 and NY4. Cross connected with all liquidity providers
- **Global Connectivity**
Dedicated private fibre lines to enhance execution speed and reliability

Risk management technology

Innovative and cutting-edge ClearVision brokerage technology allows customers to manage liquidity, risk, collateral and reporting in a unified platform with one single dashboard. The solution is flexible and can be customised, allowing customers to connect to multiple liquidity providers and third-party trading platforms.

- **Easy To Use**
Monitor and hedge trade exposure from one risk dashboard
- **Simplify Complex Scenarios**
Consolidate or manage multiple risk books
- **Business Intelligence Functionality**
Search, assess and identify trading patterns
- **One Risk Dashboard**
Monitor real-time client and hedge exposure
- **Liquidity Control**
Aggregate and customise liquidity
- **Web Back Office**
Complete back office solution in the cloud
- **Block Trading**
Trade allocation (PAMM)
- **Back Office API**
Integrate ClearVision to a proprietary back office

Back office systems

Our user-intuitive back office systems and front-end trading platform coupled with decades of experience in leading-edge business intelligence technology include:

- **CRM Back Office (CRMBO)**
Our flagship CRMBO system is secure, customisable, user-friendly and can adapt to multiple regulatory frameworks. It's designed to address every aspect of your operation – sales, retention and back office management
- **Sales Platform Application (SPA)**
Our proprietary SPA platform has been developed specifically to optimise sales workflows for enhanced business performance. It helps sales agents track their leads more efficiently
- **Retention Platform Application (RPA)**
Our RPA platform is tailor-made for enhancing customer engagement. It serves as a foundation for long-term partnerships, allowing retention agents to identify key patterns in their portfolios
- **Client Portfolio Management (PLATON)**
Advanced system delivers large-scale and in-depth views of clients' accounts, enabling you to monitor all activities with a wide range of parameters. Get detailed analysis of trading patterns and investment behaviour

Marketing automation solutions

Our solutions allow brokers to build and maintain personal relationships with customers, resulting in enhanced brand engagement to maximise each client's value. Using behavioural data from a wide variety of sources to generate automated campaigns that guide your clients' online trading journey in real time. Advantages include:

- **Personalised Customer Journey**
Tailor a specific, perfectly charted and impeccably timed journey for each trader
- **Real-time Campaigns**
Utilise the real-time communication centre to respond to your customer's actions on the spot
- **Flexible Customer Clustering**
Collect data from multiple sources and elastically cluster customer bases by more than 100 attributes
- **Multi-channel Communications**
Send messages via social media, email, push notifications, in-app messaging and pop-ups
- **Actionable Insights**
Stay on top of things with our unique analytics suite, complete with bespoke dashboards and reporting

Business Intelligence (BI) reporting

Our state-of-the-art BI reporting system is powered by SAS, one of the world's leading data management software companies. Its reports are designed to help agents and managers monitor and analyse their work accurately, improving results for better business performance. Key reports include:

- **Management**
Allow senior staff to gain clear insights into major KPIs
- **Back Office**
Provide finance, support and verification departments with substantive data
- **Risk and Dealing**
Enable Dealing Desk and Risk managers to identify and limit risk
- **Marketing**
Arm your communication experts with optimisation tools to drive revenue
- **Sales and Retention**
Enable front-line teams to fully engage with their daily duties

TradeTech 360 solution

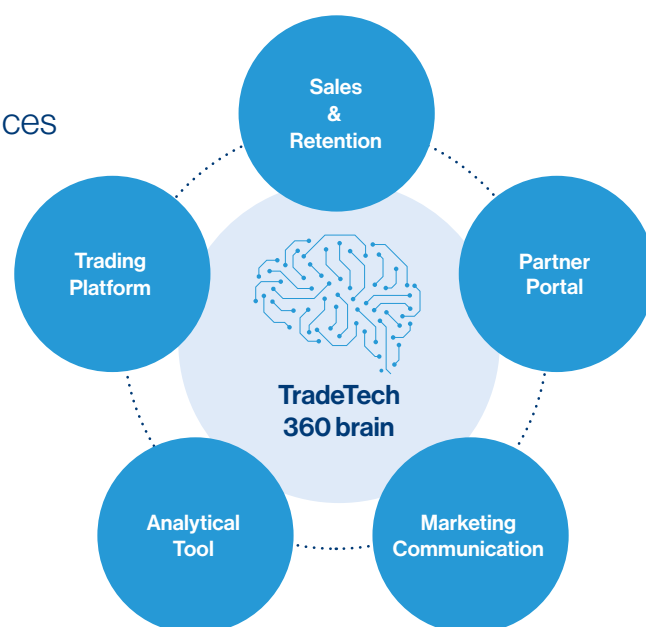
Robust technology

TradeTech believes advanced technology and services in its B2B segment afford it a strategic advantage in the evolving financial trading industry

TradeTech 360 brain

TradeTech 360 enables brokers to efficiently operate a complex multi-brand, multi-licence, multi-channel, and multi-risk model across the globe. The Group has a strong pipeline of brokers looking to improve their business operationally by migrating to TradeTech's systems and infrastructure and the Company believes this will become a significant growth factor of the B2B proposition.

- Gives brokers access to the industry's most powerful management system (CRMBO) and its data-driven BI tools and our unique front-end trading technology
- All the tools and capabilities needed to efficiently manage every aspect of the broker's business
- Systems tailored for each part of the business. Managed centrally by CRMBO
- Simple customisation and solid foundations for future growth



Strong financial performance



Andrew Smith
Chief Financial Officer

“Playtech has delivered a strong financial performance driven by strength in its regulated businesses with Adjusted EBITDA growth of 11%.”

Group Revenue

€1,508m

↑23%

(2018: €1,225m)

Overview¹

Playtech has delivered a strong financial performance driven by strength in its regulated B2B Gambling and B2C Gambling businesses. Total reported revenue increased by 23% and Adjusted EBITDA increased by 11%. On a constant currency basis, revenue increased by 22% and Adjusted EBITDA increased by 11%. Reported EBITDA increased by 16% to €335.3 million (2018: €289.9 million).

The growth in revenue and Adjusted EBITDA was driven by the inclusion of Snaitech results for the entire period (only consolidated from 5 June in 2018), in addition to Snai underlying growth, as well as growth from our Core B2B Regulated Gambling revenues. Regulated B2B Gambling revenue grew 16% on a constant currency basis, while Unregulated B2B Gambling declined 27% at constant currency largely driven by a 39% decline in revenues from Asia. 2019 Adjusted EBITDA includes the adoption of IFRS 16, which had the net impact of increasing Adjusted EBITDA by €23.2 million.

Adjusted profit before tax from continuing operations decreased by 49% to €133.0 million (2018: €259.8 million). Reported profit before tax from continuing operations was €13.2 million, a 90% decrease compared to a reported net profit of €128.1 million in 2018 and when including discontinued operations and tax, the Group suffered a net loss of €19.6 million for 2019. The Group's Adjusted profit before tax from continuing operations fell despite Adjusted EBITDA growth, largely due to increased depreciation, amortisation, interest costs and taxation following the Snaitech acquisition as well as increased Group finance costs arising on bond loans in addition to significant gains from dividends and disposal of the equity investments in 2018. Impairment of intangible assets within TradeTech, namely the Markets and Alpha CGUs, amounting to €90.1 million, as well as impairment of the Casual

Gaming CGU amounting to €23.7 million (which has been recognised in the discontinued operations) are the main reasons for the reported net loss in the year. This was more than the offset by the release of contingent consideration of TradeTech Alpha amounting to €72.6 million.

Snaitech's adjusted EBITDA was €162.4 million in the year (2018: €93.0 million), with the increase in part due to the inclusion of a full year of Snai activity, compared to only seven months in 2018 following its acquisition in June 2018. In addition, Snaitech had a very strong performance with significant growth in underlying Net Profit and Adjusted EBITDA, on a pro forma basis², when excluding impact of increased taxation from legislative changes in 2019. Driven by Snaitech and the Core B2B Gambling growth, regulated revenue accounted for 88% of Group revenues in 2019 (2018: 80%).

During 2019, Playtech raised €350 million senior secured notes maturing in 2026. The proceeds from the notes were used to repay the €297 million convertible bond which matured in November 2019, as well as for general corporate purposes. Playtech continues to have a very strong balance sheet with cash and cash equivalents of €671.5 million as at 31 December 2019. Adjusted Gross cash, which excludes the cash held on behalf of clients, progressive jackpot and security deposits, was €333.2 million at the end of 2019 (2018: €312.7 million).

Group summary³

Group revenue	2019 €m	2018 €m	Change	Constant currency change
B2B Gambling	553.9	566.0	-2%	-3%
B2C Gambling	900.5	578.1	56%	56%
Intercompany	(13.9)	(11.7)	19%	18%
Total Gambling	1,440.5	1,132.4	27%	27%
Financials	67.9	92.9	-27%	-30%
Total Group revenue	1,508.4	1,225.3	23%	22%

	2019 €m	2018 €m
Total Group revenue	1,508.4	1,225.3
Adjusted costs	1,125.3	880.2
Adjusted EBITDA	383.1	345.1

Reconciliation from EBITDA to Adjusted EBITDA:		
EBITDA	335.3	289.9
Employee stock option expenses	18.1	13.7
Professional fees on acquisitions	1.9	27.1
Cost of fundamental business reorganisation	—	2.4
Additional consideration payable in respect of redemption liabilities	10.2	(2.4)
Amendment to contingent consideration	6.3	1.7
Effect from the amendment on the terms of Sun contract back dated (Reversal)/provision for other receivables	6.4	—
	(0.2)	5.6
Impairment of investment in equity-accounted associates and non-current assets	5.1	8.0
Gain from disposal of equity-accounted associates	—	(0.9)
Adjusted EBITDA	383.1	345.1
Adjusted EBITDA margin	25%	28%
Adjusted EBITDA on a constant currency basis	381.6	345.1
Adjusted EBITDA margin on a constant currency basis	25%	28%
EBITDA related to acquisitions at constant currency	(154.7)	(88.0)
Underlying Adjusted EBITDA on a constant currency basis	226.9	257.1
Underlying Adjusted EBITDA margin on a constant currency basis	15%	21%

Total Group revenue increased by 23% to €1,508.4 million (2018: €1,225.3 million) and by 22% on a constant currency basis, with underlying revenue, after excluding acquisitions made in 2018 and 2019, and at constant currency, decreasing by 6%.

Key adjusting items when arriving at Adjusted EBITDA include the removal of additional consideration payable for the acquisition of BGT and the effect from the amendment of the terms of the Sun contract which relates to our Sun Bingo business, namely the amendment of our contract with News UK and the impact on the statement of comprehensive income, assuming that this had been in effect from the beginning of the year, which is discussed in detail below.

2019 EBITDA and Adjusted EBITDA include the adoption of IFRS 16, which had the impact of increasing EBITDA by €23.2 million and Adjusted EBITDA by €23.2 million. This is the amount of rent expense under IFRS 16, less the amount of capitalised development costs which related to rent in the method used before the adoption of IFRS 16⁴. The table below shows the impact broken down by division:

	2019 €m
B2B Gambling	14.8
B2C Gambling – Snaitech	4.9
B2C Gambling – Other components	1.5
TradeTech	2.0
IFRS 16 impact on Group Adjusted EBITDA	23.2

Chief Financial Officer's review continued

B2B Gambling

	2019 €m	2018 €m	Change	Excluding one-offs	Change
B2B Gambling revenue*	553.9	566.0	-2%	497.7	-12%
Research and development	80.9	80.3	1%	80.9	1%
Operations	181.2	151.1	20%	152.0	1%
Administrative	57.4	62.1	-8%	57.4	-8%
Sales and marketing	19.6	20.0	-2%	19.6	-2%
B2B Gambling costs	339.1	313.5	8%	309.9	-1%
B2B Gambling Adjusted EBITDA	214.8	252.5	-15%	187.8	-26%

* To reflect the underlying activity of the B2B Gambling division, B2B revenues include the software and services charges generated from the relevant B2C activity with fellow Group companies, which is then eliminated to show the consolidated gambling division revenues.

B2B Gambling revenue

B2B Gambling revenue decreased by 2% largely due to a 38% decline in revenues from Asia, which was offset by strong revenue growth of 17% in regulated revenues, mainly in Sport, which enjoyed an increase in sales of hardware amounting to €56.2 million. Within regulated revenues, revenue from rest of the world increased by 32%, predominantly from Caliente with the UK and the rest of Europe increasing by 17% and 14%, accordingly, mainly from Sport.

B2B Gambling costs

Research and development ("R&D") costs include, among others, employee-related costs, dedicated teams' direct expenses and proportional office expenses. Expensed R&D costs increased in 2019 by 1% to €80.9 million. Capitalised development costs were 37% of total B2B Gambling R&D costs in the period, compared to 37% in 2018. The adoption of IFRS 16 accounting requirements resulted in cost reduction of €2.7 million when compared to 2018, which is the amount of rent expense capitalised under IFRS 16, less the amount of capitalised development costs which related to rent in the method used before the adoption of IFRS 16.⁴

The operations cost line includes employee related costs and their direct expenses, operational marketing cost, hosting, licence fees paid to third parties, branded content, terminal hardware cost & maintenance, feeds, chat moderators and proportional office cost. Operations costs increased by 20% to €181.2 million in 2019. The increase is mainly due to cost of hardware sold in Sports and when excluding this cost, operational costs would have remained flat compared to 2018. When excluding the impact of IFRS 16, which totalled €6.9 million, operations costs increased by 25% versus 2018 mainly due to a rise in employee-related costs and brand and content fees.

Administrative costs decreased by 8% to €57.4 million mainly due to a significant decrease

in employee-related costs through tighter internal cost control. Excluding the impact of IFRS 16, which totalled €4.7 million, administrative costs were flat versus 2018.

Sales and marketing cost mainly include employee-related cost, their direct expenses, marketing and exhibition costs. Sales and marketing cost decreased by 2% to €19.6 million. The decrease is mainly due to a reduction in exhibition costs. Excluding any impact of IFRS 16, which totalled €0.5 million, sales and marketing costs were flat versus 2018.

B2B Gambling Adjusted EBITDA

B2B Gambling Adjusted EBITDA decreased by 15% to €214.8 million (2018: €252.2 million) mainly due to the fall in Casino revenues from Asia flowing through to EBITDA, which was offset by growth in sale of hardware in sport and growth in revenues from Europe (excluding the UK), and the rest of the world (excluding Asia).

B2C Gambling

	2019 €m	2018 €m	Change
Snaitech	829.7	511.9	62%
White label			
(incl. Sun Bingo)	51.1	52.1	-2%
Retail Sport B2C	19.7	14.1	40%
B2C Gambling revenue	900.5	578.1	56%
Snaitech	667.3	418.9	59%
White label			
(incl. Sun Bingo)	41.2	76.0	-46%
Retail Sport B2C	31.6	20.2	56%
B2C Gambling costs	740.1	515.1	44%
B2C Gambling EBITDA	160.4	63.0	155%

Snaitech

On a pro forma basis, when comparing Snaitech numbers as if it were part of the Group for all 12 months in 2018, Snaitech revenues decreased by 7% to €829.7 million (2018: €894.6 million), driven by an 14% decrease in revenues from gaming machines. This decrease was driven by increases in taxation on gambling activities in Italy, introduced in January 2019, which negatively impacted revenue, partially offset by strong growth in online. Total online revenues increased by 21% driven by a 28% increase in online wagers, which is significant given the lack of football World Cup in 2019 when comparing against 2018. Excluding the increase in taxation, total revenues increased by 4%.

Snaitech operating costs for 2019 decreased by 9%, on a pro forma basis², to €667.3 million (2018: €734.9 million). The fall in operating costs was largely due to the decrease in cost of services and the use of third-party assets, which mainly comprises the reduction in distribution costs as a direct result of the reduction in revenues following the gaming taxation increase in Italy. Higher marketing costs related to the football World Cup in 2018 were also not required in 2019. Further, the impact of IFRS 16 totalled €4.9 million.

White label (including Sun Bingo)

Overall white label revenue decreased by 2%. This was driven by strong growth from Sun Bingo, offset by declines from other white label brands which have been significantly reduced as part of a housekeeping exercise where certain brands have been consolidated or ceased operating. When excluding Sun Bingo, white label costs fell by 52% versus 2018, largely due to the reduction in operational and marketing expenditure relating to other white label activity.

Adjusted Operating costs of the Sun Bingo activity decreased by 43% to €30.7 million (2018: €54.1 million) mainly due to the terms of the extended contract signed in 2019, making this the first year in which Adjusted EBITDA was positive with a €9.9 million profit (2018: €20.4 million loss). Details of the extension can be found below.⁵

Other White label costs decreased by 52% with total adjusted EBITDA loss decreasing by 97% to €0.1 million (2018: €3.4 million).

Retail Sport B2C

Retail Sport B2C revenues increased significantly from a low base, growing by 40% to €19.7 million (2018: €14.1 million). This was driven by an increase in HPYBET franchise shops in 2019 and 2019 including a full year of revenues compared to 8 months in 2018.

Retail Sport B2C costs increased by 56% largely driven by an increase in the number of HPYBET shops, increase in marketing costs and also includes a full year of costs compared to last year. The impact of IFRS 16 on B2C Gambling excluding Snaitech was €1.5 million in 2019 and the majority of this relates to Retail Sport B2C.

TradeTech Group

TradeTech's revenue decreased by 27% in 2019. The decrease was driven by a lack of market volatility during the first quarter of 2019, together with some exceptional market-making movements during September and October 2019. Revenue from TradeTech's B2C activity decreased 45% during the year, representing the impact of the aforementioned market conditions and first full year of ESMA's product intervention measures.

TradeTech's cost of operations decreased by 5% in 2019, representing increases in R&D and sales and marketing costs, offset by reductions in operational and general and administrative costs.

Group Adjusted EBITDA

€383m

↑ 11%

(2018 : €345m)

Below EBITDA items

Depreciation and amortisation

Depreciation increased in 2019 by 21% to €51.5 million (2018: €42.6 million), mainly due to the acquisition of Snaitech which added a full year depreciation totalling €18.4 million in 2019, compared to only 7 months of depreciation totalling €9.8 million in 2018. Excluding acquisitions, underlying depreciation decreased by 4%.

Amortisation expense increased significantly by 74% to €106.1 million (2018: €60.9 million), largely due to the acquisition of Snaitech and the €19.2 million impact of IFRS 16. Excluding the amortisation within acquisitions and effect of IFRS 16, amortisation increased by 26% to €51.5 million in line with the increase in capitalised development costs.

Finance costs and income

Adjusted finance costs increased by 31% to €52.8 million, driven by a €14.3 million rise in accrued interest relating to bond loans. Within the adjusted finance costs, €21.2 million relates to the interest on the €530 million bond Playtech raised in October 2018 and €12.7 million relates to the €350 million bond raised in February 2019. Additionally, €2.5 million which relates to Playtech's revolving credit facility and there was a €5.0 million rise in bank fees due to the annualisation of Snaitech's bank fees. The impact of IFRS 16 was a €6.2 million increase to finance costs. On a reported basis, finance costs increased by 8% to €64.2 million (2018: €59.4 million).

Reported finance income increased by 79% to €83.3 million (2018: €46.6 million) while adjusted finance income decreased by 91% to €3.2 million (2018: €36.4 million), driven by the 100% fall in dividend income given the disposal of equity investments in Plus500 and GVC in 2018. This was partially offset by a 33% increase in interest income to €3.2 million (2018: €2.4 million).

Tax

The Group's underlying adjusted current effective tax rate of 14% (2018: 10%) is impacted by the geographic mix of profits and reflects a combination of higher headline rates of tax in the various jurisdictions in which the Group operates when compared with the Isle of Man standard rate of corporation tax of 0%.

The total adjusted tax charge in 2019 was €43.9 million (2018: €35.1 million) of which €27.0 million (2018: €25.9 million) relates to income tax expense. The increase is mainly due to the profits being recognised in higher taxing territories increasing Playtech's effective tax rate. Cash taxes paid in the period are lower than the income tax expense mainly due to the tax loss carry forwards available in Italy.

Discontinued operation

On 22 November 2019, the Group announced that it was reviewing its Casual and Social Gaming business. Prior to the year end the Board of Directors made the decision to dispose of the Casual and Social Gaming business. Accordingly, this business was classified as a disposal group held for sale and as a discontinued operation. The Adjusted EBITDA loss, related to Casual and Social Gaming business, has increased by 118% to €4.6 million (2018: €2.1 million). Adjusted net loss increased by 136% to €8.5 million (2018: €3.6 million) and reported net loss increased by 663% to €32.8 million (2018: €4.3 million) due to the recognition of an impairment loss of €23.7 million. The impairment loss has been applied to reduce the carrying amount of the intangible assets within the disposal group.

Cash flow

Playtech continues to be cash generative and delivered operating cash flows of €317.1 million from continuing operations, with adjusted cash conversion of 78%.

Cash conversion

	2019 €m	2018 €m
Adjusted EBITDA	383.1	345.1
Net cash provided by operating activities	317.1	384.9
Cash conversion	83%	112%
Change in jackpot balances	(9.6)	(4.2)
Change in client deposits and client equity	(22.0)	(70.1)
One-off tax payment	28.0	—
Dividends payable	(0.3)	(4.3)
Professional expenses on acquisitions	1.9	27.1
Finance costs on acquisitions	1.5	8.5
ADM security deposit	(17.1)	—
Adjusted net cash provided by operating activities	299.5	341.9
Adjusted cash conversion	78%	99%

Adjusted cash conversion is shown after adjusting for jackpots, security deposits and client equity, payable dividend and professional and finance costs on acquisitions. Adjusting the above cash fluctuations is essential in order to truly reflect the quality of revenue and cash collection. This is because the timing of cash inflows and outflows for jackpots, security deposits, client equity and payable dividend only impacts the reported operating cash flow and not EBITDA, while professional expenses and finance costs relating to acquisitions are excluded from adjusted EBITDA but impact operating cash flow.

The decrease in net cash provided by operating activities is largely due to the fall in contribution from Asia, as well as the €28.0 million one-off cash payment made to the Israeli government for the settlement of additional tax relating to the Group's activities in Israel for the years 2008 to 2017 inclusive, which was provided for in 2018. This was offset by a decrease in DSO to 51 days (2018: 58). Following the necessary adjustments, adjusted cash conversion is 78% (2018: 99%) which the Group believes is a true representation of cash collection in the period.

Chief Financial Officer's review continued

Cash conversion continued

The adjusted net cash provided by operating activities excluded the security deposit repayment from Italy's online betting and gaming regulator (ADM) for 2019 and 2018. The adjusted net cash provided by operating activities includes certain notable working capital movements: during 2019, the Group received £30.0 million relating to amounts due in respect of the early settlement of the marketing services agreement with Ladbrokes as disclosed in the 2016 Annual Report. This is offset by the payment in the period of amounts accrued as payable under the Sun Bingo contract of £31.5 million.

Net cash outflows used in investing activities totalled €200.9 million in the period compared to a net inflow of €49.2 million in 2018. The net inflow in 2018 was mainly due to €481.1 million from proceeds of disposing the investments in Plus500 and GVC. Out of the net cash outflow in 2019, €47.3 million relates to consideration paid in relation to previous acquisitions of subsidiaries, €61.4 million was used in the acquisition of property, plant and equipment and a further €24.3 million on the acquisition of intangible assets. A further €65.5 million (2018: €58.3 million) was spent on capitalised development costs. €5 million was received during 2019 as part of an agreement for the disposal of real estate located in Milan. An additional €50 million to be received on completion, which is expected to be in H1 2020, subject to certain conditions.

Net cash outflows used in financing activities totalled €69.3 million (2018: €393.6 million) which included €297 million repayment of the convertible bond, €65.1 million buyback of Playtech shares and dividends paid to owners of the parents of €55.5 million totalling in €120.6 million of shareholders return (2018: 113.3 million), payment of lease liability of €27.2 million, which is following the adoption of IFRS 16 interest payments on loans and bank borrowings totalled €29.5 million (2018: €22.1 million), with the increase driven by the full year effect of the bond raised in 2018 and the bond raised during the first half of 2019 as well as through the acquisition of Snaitech in 2018 and dividend paid to minority shareholders of €4.4 million. These outflows were net off by €345.7 million inflow from the issue of a bond net of issue costs and €63.9 million proceeds from bank borrowings.

Adjusted profit and Adjusted EPS

	2019 €m	2018 €m
Profit from continuing operations attributable to the owners of the Parent	13.2	128.1
Amortisation of intangibles on acquisitions	58.1	47.2
Gain from the disposal of equity-accounted associates	—	(0.9)
Impairment of investment in associate and other non-current assets	5.1	8.0
Employee stock option expenses	18.1	13.7
Professional fees on acquisitions	1.9	27.1
Additional consideration payable in respect of redemption liabilities	10.2	(2.4)
Cost of fundamental business reorganisation	—	2.4
Notional interest on convertible bonds	9.9	10.7
Deferred tax on acquisition	(13.7)	(9.7)
Movement in contingent consideration and redemption liability	(80.1)	(1.9)
Finance costs on acquisitions	1.5	8.5
Fair value change of equity investments	0.3	1.7
Tax relating to prior years	4.1	28.4
Gain on the early repayment of the bond	—	(8.4)
Amendment to contingent consideration	6.3	1.7
(Reversal)/provision for other receivables	(0.2)	5.6
Effect from the amendments on the terms of Sun contract back dated	6.4	—
Impairment of right-of-use of asset	0.8	—
Impairment of tangible and intangible assets	91.1	—
Adjusted profit for continuing operations	133.0	259.8
Adjusted basic EPS (in Euro cents)	44.1	82.4
Adjusted diluted EPS (in Euro cents)	43.2	73.9
Constant currency impact	0.2	4.5
Adjusted profit for the year attributable to owners of Parent on a constant currency basis	133.2	264.3
Adjusted net profit on a constant currency basis related to acquisitions	(44.4)	(35.6)
Underlying adjusted profit for the year – attributable to owners of the Parent	88.8	228.7

Reported EPS from continuing activity decreased by 89%, in line with the decrease in net profit. Adjusted diluted EPS decreased by 42% and the underlying Adjusted diluted EPS on a constant currency basis excluding acquisitions decreased by 56% compared to 2018. Adjusted diluted EPS is calculated using a weighted average number of shares in issue during 2019 of 308.0 million, which includes a weighted average number of 301.8 million equity shares.

Note: On 19 March 2020 shareholder distributions were suspended until further notice given the widespread impact of Covid-19 on global markets. The share repurchase programme announced at the FY 2019 results was postponed and the 2019 final dividend of €0.12 will not be proposed at the AGM later this year.



Andrew Smith
Chief Financial Officer
8 April 2020

Balance sheet and financing

Cash

As at 31 December 2019, cash and cash equivalents amounted to €671.5 million (31 December 2018: €622.2 million). Cash net of client funds, progressive jackpot and security deposits amounted to €333.2 million (31 December 2018: €312.7 million).

Financing

In March 2019 the Group raised €350 million 7-year senior secured fixed rate notes (4.25% coupon, maturity 2026). The net proceeds of the bond were used to fully repay the €297 million convertible bond which matured in H2 2019, and for general corporate purposes.

In November 2019 the Group signed an amendment to its previous RCF, increasing it to €317 million and extending its term to an additional four years, ending in November 2023, with a one-year extension option. As at 31 December 2019 the facility has a drawn amount of €63.9 million (2018: €Nil).

In October 2018 the Group raised a €530 million bond (3.75% coupon, maturity 2023), mainly to refinance the old Snaitech bonds which had less favourable terms.

Total gross debt at the end of 2019 is €935.6 million (2018: €811.1 million) and €602.4 million (2018: €498.4 million) of net debt, after deducting adjusted gross cash.

Contingent consideration

Contingent consideration and redemption liability decreased by €97.7 million versus 31 December 2019 due to the payments of the CFH, Rarestone and Quickspin liabilities and reduction of the expected final payments relating to the acquisitions of Tradetech Alpha (ACM Group) and HPYbet Austria GmbH offset by movement in Playtech BGT Sports and the addition of contingent consideration resulting from the joint venture with Wplay. The existing liability as at 31 December 2019 comprised the following:

Acquisition	Maximum earnout per acquisition terms €m	Contingent consideration and redemption liability as of 31.12.2019 €m	Payment date
ACM Group	129.2	—	Q3 2020
Playtech BGT Sports Ltd	95.0	36.9	Q2 2020
HPYBet Austria GmbH	15.0	—	Q2 2021
Rarestone Gaming PTY Ltd	4.1	3.8	€1.3 million Q4 2020 €2.5 million Q1 2021
BetBuddy	1.4	1.4	Q4 2020
GenWeb	2.5	2.5	Q1 2020
Eyecon Limited	26.4	—	Q2 2021
Wplay	21.2	16.1	€16.1 million Q3 2020 €5.1 million Q1 2021
Other	0.4	0.4	
Total	295.2	61.1	

- Adjusted numbers relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, impairment of tangibles, intangibles and right-of-use assets, professional costs on acquisitions, finance costs on acquisitions, changes in deferred and contingent consideration, employee stock option scheme charges, deferred tax on acquisitions, unrealised changes in fair value of equity investments recognised in the period statement of comprehensive income, non-cash accrued bond interest, additional various non-cash charges, and in regard to the Sun Bingo contract an adjustment is made for the first seven weeks of H1 2019 prior to the renegotiation in February to show the effect as if the amendment to the contract with News UK had been in place from the beginning of the 2019 financial year. The Board of Directors believes that the adjusted profit, which includes realised fair value changes recognised in the statement of comprehensive income in the period on equity investments disposed of in the period, represents more closely the consistent trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 10 of the financial statements. Given the fluctuations in exchange rates in the period, the underlying results are presented in respect of the above adjustments after excluding acquisitions and on a constant currency basis, to best represent the trading performance and results of the Group.
- 'Pro forma basis' denotes the basis that we are comparing Snaitech's performance in 2019 with its performance for the full period of 2018, which allows for a like-for-like comparison, rather than comparing the year with only the period in 2018 after its consolidation to the Group from 5 June 2018.
- Totals in tables throughout this statement may not exactly equal the components of the total due to rounding.
- Refer to Note 4 to the financial statements for details of IFRS 16.
- An amendment to our contract with News UK to run Sun Bingo was agreed and extended for a period of up to 15 years. Minimum guarantee cash payments will continue until mid-2021 under terms of original contract. From a Statement of Comprehensive Income perspective, the minimum guarantee payments will be spread over life of the extended contract. The extended contract is a joint commercial collaboration with no further minimum guarantees from mid-2021.
- Adjusted Net Profit refers to the Profit Attributable to the owners of the Parent.

Shareholder returns

In order to maximise the efficiency of shareholder returns the Board believes returns should be balanced between dividends and share buybacks. It is the Board's intention that the overall level of capital returned to shareholders will continue to be progressive, in line with medium-term earnings and cash flows. The Board has approved a share repurchase programme of €40.0 million and a final dividend declared of 12.0 €c per share. For shareholders wishing to receive their dividends in Sterling, the last date for currency elections is 8 May 2020.

Dividend timetable:

Ex-dividend date: Thursday 30 April 2020

Record date for dividend: Friday 1 May 2020

Currency election date: Friday 8 May 2020

Payment date: Friday 29 May 2020

Playtech has entered into an irrevocable, non-discretionary arrangement with Goodbody Stockbrokers UC ("Goodbody") for Goodbody to repurchase shares on its behalf of up to €40.0 million ("Maximum Repurchase Amount") on the London Stock Exchange. The share repurchase programme will commence on 28 February 2020, subject to market conditions, and will end on the date on which the Maximum Repurchase Amount is reached or the trading day immediately preceding the date of the Company's Annual General Meeting to be held in 2020, whichever is earliest. Goodbody will make their trading decisions in relation to Playtech's ordinary shares independently of, and uninfluenced by, Playtech.

The share buyback programme will be conducted in accordance with Playtech's general authority to repurchase ordinary shares as approved by shareholders at its 2019 Annual General Meeting held on 15 May 2019 ("Buyback Authority"), the parameters prescribed by the Market Abuse Regulation 596/2014/EU and the applicable laws and regulations of the London Stock Exchange.

The maximum number of ordinary shares permitted to be repurchased by the Company pursuant to the existing Buyback Authority is 25,683,102 ordinary shares. Ordinary shares acquired by the Company will be held in treasury. The purpose of the share repurchase programme is to reduce the Company's share capital.

Details of any ordinary shares repurchased will be announced by Playtech via a Regulatory Information Service following any repurchase.

Andrew Smith
Chief Financial Officer
26 February 2020

Committed to raising industry standards

Regulation continued to be a major influence on the gambling industry throughout 2019, with new markets opening and regulation in existing markets evolving

Playtech is committed to raising industry standards and facilitating a fairer, safer and more sustainable sector. The Company continues to actively promote regulation in existing, future and emerging markets. Effective regulation should ultimately lead to a safer gambling experience. Starting from increasing the potential longevity of each market by driving responsible decision making and investment in safer gambling by operators, regulatory legislation should improve consumer protection in our business of entertainment. Playtech's commitment to safer gambling and its use of technology and data to support its licensees in this area position the Group well to remain the leading platform in regulated markets.

Regulated markets in UK, Europe, Latin America and the US remain key to our continued growth. The increase in regulated revenue is a result of the continued progress Playtech has made on its strategic goals as well as the continuing success of Snaitech in Italy. Further, expanding the relationship with GVC has given Playtech access to additional global markets. The Company intends to increase its scale and distribution in these markets by leveraging its range of products and services across the gambling value chain and its global expertise to sign new licensees and expand its relationship with existing licensees into further regulated and newly regulating markets.

UK

The UK remains a key regulated market for Playtech, where the strength of Playtech ONE provides it with a strategic advantage and a cornerstone presence. Playtech's commitment to safer gambling and its use of technology and data to support its licensees in this area will see it remain the go-to platform for regulated markets. Playtech's ongoing relationship with Tier 1 operators in the UK continues to deliver strong results for the Group.

Significant regulatory developments in the UK during 2019 included the cut to maximum stakes allowed at fixed-odds betting terminals (FOBTs) from £100 to £2 and an increase in Remote Gaming Duty to 21% from 15% with both measures in effect since 1 April 2019. The UK Gambling Commission also announced a ban, effective from April 2020, on operators allowing consumers in the UK to use credit cards to gamble. There is also an expectation that affordability checks will be introduced in the near future.

Playtech continued to make strong progress in regulated markets with regulated revenue increasing to 88% (FY2018: 80%) of total Group revenue.



Europe

Regulated markets in Europe represent significant growth opportunities. The Swedish market launched on 1 January 2019, followed by the Swiss market in July. Playtech entered both markets and is well positioned to drive revenue growth through 2020 and beyond.

In Italy, one of the Group's largest markets due to the presence of Snaitech, the Government introduced significant restrictions effective since July 2019 on the online advertising of gambling products. Although smaller operators, particularly those who operate online only, will likely find it difficult to compete in the market, Snaitech's retail presence and the strength of its brand saw it benefit from the advertising ban in relative terms. Further, the Government increased taxes across retail and online sports betting as well as online gaming.

Looking forward, further markets will continue to regulate. For example, the Netherlands is expected to issue licences ahead of regulating in 2020, Ukraine is expected to regulate in 2020, while Germany is expected to clarify its regulatory picture in the near future. Playtech is well positioned to enter each of these markets.

Latin America

Latin America represents a great opportunity and growth territory for online gaming. Playtech continues to explore deals across Latin America and will look to leverage the success of its relationship with Caliente in Mexico where possible, having already done so in 2019 in signing a major new agreement with Wplay, the leading operator in Colombia.

In Brazil, sports betting legislation has been passed and is expected to be implemented in the next few years. Given the population and its access to the mobile channel, this could be an interesting opportunity in the future. Further jurisdictions such as Peru, individual provinces of Argentina, and Guatemala could provide opportunities for Playtech in the coming years.

US

Following the US Supreme Court's decision in 2018 to repeal PASPA, many states have moved to legalise and regulate sports betting. Online casino, which was not subject to PASPA and is allowed at the discretion of individual states, continues to only be regulated in a few states.

Since the repeal of PASPA, numerous states including New Jersey, Colorado, North Carolina, Michigan, Mississippi, Pennsylvania, Iowa and Indiana have approved legislation to legalise sports betting. Many of these markets have already launched, with others expected to launch in 2020. In total, 21



states now offer or have introduced legislation to allow sports betting with further states expected to pass legislation in 2020 and beyond.

Google opened its platform to betting advertisers targeting New Jersey, West Virginia and Nevada in June 2019 and added Pennsylvania, Rhode Island, Montana, Iowa and Indiana in October, also announcing that its policy would be updated to accommodate most US jurisdictions where sports betting is regulated, as well as allowing certain states to promote online casino products.

Such developments reiterate the fact that the US market promises to be an exciting one as, while it is still in its formative period, growth is expected to ramp up in the next three to five years.

Playtech's application for a licence to operate in New Jersey is likely to be confirmed in 2020, with further licence applications on the way.

Asia

Playtech's business in Asia is predominantly in China and Malaysia, which are both unregulated markets. Our business in Asia continues to be materially lower than previous years following a significant increase in competition in China in 2018 from new market entrants, while Malaysia also remains significantly lower than its previous highs.

Increased competition in China is likely to remain and has resulted in a highly competitive pricing environment. Playtech has taken several actions to secure its position in the market. Playtech has focused on underlining the premium position of its offering in the region. The Company has also launched multiple new games, focusing on

branded content. Playtech began implementing an incentivisation scheme to reward sub-licensees for promoting Playtech content and generating higher volumes of business.

Playtech continues to monitor developments in Asia closely and while operating at a lower run rate than before, Playtech's Asia business remains high margin and highly cash generative.

Regulated markets we operate in

>30

Responsible Business

2019 was a watershed year for responsible business in the betting and gaming sector, and the industry in general. As we begin a new decade, growing regulatory requirements across our countries of operation, alongside heightened societal concerns around the role of business in society, means that business as usual is no longer business as usual.

Our licensees, current and future talent, regulators and consumers expect to engage with businesses that operate with the utmost integrity on topics core to our sector such as safer gambling, customer experience, data privacy, transparency, and online safety and security. To keep pace with changing expectations and maintain trust with our stakeholders, we recognise that we must mitigate our negative social and environmental impact and collaborate to generate positive, scalable solutions for safer gambling and responsible business issues, more broadly. For Playtech, this is not just the right thing to do, it is critical for achieving a sustainable and viable business for the long term.

In 2019, Playtech developed a new, five-year Safer Gambling and Sustainability strategy that underpins our commitment and aspiration to be an industry leader.

This section outlines key responsible business developments in 2019 and Playtech's plans for the future, including both narrative updates and performance figures. Our approach to doing business responsibly is multifaceted and ever evolving, but it remains anchored in the issues that are most material for our stakeholders and the continued success of the business.

Our sustainability pillars

Powering safer gambling solutions

► Read more about this pillar on **page 51**

Promoting integrity and an inclusive culture

► Read more about this pillar on **page 54**

Partnering on shared social challenges

► Read more about this pillar on **page 60**

Playtech's Sustainability Strategy

In 2019, Playtech defined a new, five-year strategy that underpins our commitment and aspiration to sustainable business. The approach was developed through a 12-month process of research, analysis and engagement with stakeholders, including colleagues, licensees, investors, gambling charities and third-party experts. Building on the Company's position as a technology leader in our industries and a force for innovation and collaboration, we aim to deliver a

positive, safer experience and sustainable business that people can trust.

As part of this strategy, we will focus our efforts in three key areas:

- Powering safer gambling solutions.
- Promoting integrity and an inclusive culture.
- Partnering on shared societal challenges.

Following Board approval of the five-year strategy, Playtech began engaging its commercial and

operational units on plans and implementation and will continue this process throughout 2020. As part of the implementation efforts, we are developing a new scorecard to enable consistent progress reporting against the Strategy. The following sections describe our commitments and progress in each of the three pillars of the strategy.

2025 Sustainability strategy

Purpose We create technology that changes the way people experience gambling to build a sustainable and safe entertainment industry

Values



Integrity



Innovation



Excellence



Performance

Ambition A trusted, global leader in safer products, data analytics and player engagement solutions to raise industry standards

Commitments

Powering safer gambling solutions

- Increase uptake of safer gambling technology, tools and solutions.
- Harness investment in R&D to advance the next generation of safer solutions and features — including responsible game design.
- Strengthen safer gambling standards and technology across our operations.

Promoting integrity and an inclusive culture

- Promote integrity and reduce compliance risk across our operations and supply chain;
- Strengthen data security and privacy practices across the business;
- Reduce our carbon footprint by 40% by 2025; and
- Strengthen diversity and inclusion and reduce the gender pay gap.

Partnering on shared societal challenges

- Help people live healthier online lives and adopt digital resilience and safer gambling behaviours;
- Increase employee participation in and contribution to volunteering; and
- Contribute to and support research, education and training to prevent, reduce and address gambling-related harm.

Responsible business & sustainability continued

Playtech’s most important environmental, social and governance (ESG) issues

As part of a regular programme of risk and materiality assessments, Playtech reviewed the ESG issues facing the Group in 2019. The assessment, conducted throughout the year, was informed by ongoing stakeholder engagement with academics, charities and thought leaders in the gambling sector, an independent compliance review conducted by external legal counsel, industry regulatory and compliance monitoring, as well as internal surveys and assessments.

As of the end of 2019, the most material ESG issues for the Group include the following:

- Corporate Governance
- Gambling and Financial Industry Regulatory Changes and Developments
- Safer Gambling
- Data Protection, Privacy and Information Security
- Anti-Money Laundering (AML)
- Anti-Bribery and Corruption
- Diversity and Inclusion

The following sections summarise Playtech’s strategy and actions to address these material topics. The priority issues are subject to regular reviews and discussion within the Risk Management Committee and Risk & Compliance Committee of the Board.

► Read more about our risks on **pages 62 to 66**

Responsible business governance

The Risk & Compliance Board Committee continues to set the agenda and monitor the implementation of strategy and progress related to responsible business, ethics, regulatory affairs and compliance. Non-Executive Director, Claire Milne, has been Chair of the Committee since 2018, and also serves as the Board-level champion on these topics.

The Regulatory Affairs and Compliance function holds the day-to-day responsibility and oversight of regulatory, compliance and responsible business. The Chief Compliance Officer is a member of the Executive Committee, attending Board meetings and sitting on the Risk & Compliance Board Committee. In addition, the Chief Compliance Officer is a member of the Group Risk Management Committee, which is the main executive forum for reviewing risks and informing the Board Risk & Compliance Committee.

The Regulatory Affairs and Compliance Risk Management process provides the Group Risk Management Committee and Board Risk & Compliance Committee with updates on responsible business issues, alongside regulatory and compliance issues.

In 2019, Playtech established a Compliance Council, a cross-company forum with the aim of strengthening the commercial and operational understanding, as well as the impact, of regulatory affairs and compliance topics. In addition, this forum supports the Company’s coordination on projects and initiatives related to regulatory and compliance developments. Regulatory Affairs and Compliance topics, including safer gambling, are a more prominent part of the quarterly business and roadmap review process.

Within the Tradetech Group, each regulated company has a Risk & Compliance Committee

comprised of Non-Executive Directors of the Board. The responsibility for Risk & Compliance sits with the Chief Risk Officers in each company.

Internal Audit provides assurance to the Board and Executive Management Team that effective systems and controls are in place to manage all significant risks within the business. The Regulatory Affairs and Compliance function is subject to recurring annual reviews, the scope of which is dynamic and varies from year to year. Internal Audit also ensures that compliance-related areas are integrated into other operational audits as and when applicable.

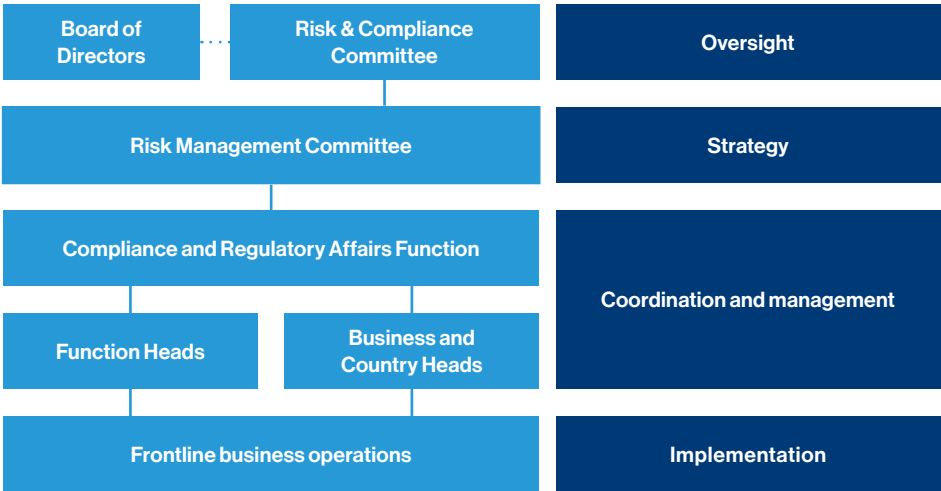
In 2019, Playtech commenced an extensive compliance health-check and review, conducted by DLA Piper LLP, our external advisers. The purpose of the health-check is to examine the culture of compliance and responsible business across Playtech’s operations globally and deliver recommendations for how it can be improved.

In 2019, Playtech established a forum and delivery framework to support its diversity and inclusion commitments. During the year, the Company appointed a new global diversity lead to oversee and embed the diversity and inclusion agenda across the business. In addition, ten of our major markets developed country diversity plans aligned with the global framework, with local diversity champions leading on delivery.

Lastly, Playtech has a Global Community Investment Committee which oversees the policies, programmes and budget for charitable and volunteering activities.

► Read more about our governance and regulation on **pages 46 and 47**

Responsible business governance structure



Powering safer gambling solutions

This section outlines our actions to deliver safer gambling solutions, raise industry standards and reduce gambling-related harm

Five-year commitments:

- Increase uptake of safer gambling technology, tools and solutions.
- Harness investment in R&D to advance the next generation of safer solutions and features – including responsible game design.
- Strengthen safer gambling standards and technology across our operations.

Promoting safer gambling

As a leading, global technology supplier to the sector, we recognise that we have an important role to play in developing technology solutions to address safer gambling challenges and raise standards across the industry. We believe that innovation in safer gambling is critical for keeping pace with regulatory, consumer and societal expectations to deliver a positive, safer online customer experience that people can trust. Innovation is crucial as we need to keep pace with expectations, reduce risk, maintain trust with our stakeholders and continue to be a viable business in the long term.

During 2019, Playtech updated its safer gambling governance, framework, policy and commitments to align with evolving societal expectations, regulation, licensing requirements as well as the expansion of the B2C business in retail operations, following the acquisition of Snaitech. In addition, the Company joined with our industry peers in signing up to the new industry Safer Gambling Commitments which have been developed to advance and accelerate a safer gambling environment. <https://safergamblingcommitments.co.uk/>

Innovating safer gambling solutions

One of the most important challenges facing our sector is how companies can more effectively identify, engage and intervene with individuals who could be at risk of gambling-related harm earlier in the journey. With the acquisition of BetBuddy in 2017, Playtech has pioneered the use of data analytics and artificial intelligence to enable

operators to identify and assess player risk. The BetBuddy capabilities are integrated into Playtech's core Information Management Solution (IMS) platform. Playtech has invested considerable effort into making safer gambling technology and tools accessible and affordable for our licensees; breaking down barriers to adoption by not charging any upfront integration, model development, training, or deployment fees for Playtech platform users. To date, five of our licensees use the BetBuddy data analytics platform and our aim is to increase this number year-on-year.

In 2019, Playtech began to combine its safer gambling data analytics capability with a real-time player engagement and messaging platform. This will help operators use data and insights to deliver highly personalised messaging that empowers consumers to make safer choices. This effort will extend to additional features so that we can offer licensees and their consumers more tools to reduce gambling-related harm. For more information on BetBuddy and our Playtech Protect products/services, see pages 12 and 13.

Sustainable game design

As a leading technology supplier, we recognise our responsibility towards understanding and addressing product risk. Playtech has been investing its data analytics capability, expertise and research into creating a responsible game design and labelling scheme. In 2018, Playtech established a sustainable game design expert group, consisting of internal experts from technology, game studios, head of business units and compliance businesses. The Group serves as the internal coordination body for defining and implementing a framework for responsible game design. The resulting framework and programme have been independently evaluated by a leading academic in safer gambling and game design. In 2019, Playtech began working with several of its licensees to trial and evaluate product labelling for online slots. The results will inform a game design framework and labelling scheme for the industry in the future. Playtech is also undertaking data-driven research to build an empirical evidence base examining the relationships between game features, player behaviours and at-risk play.

Playtech has also been sharing its research and insights on game design with the industry through the new UK industry body, the Betting and Gaming Council, and via its contribution to the new industry Safer Gambling Commitments (reference case study box – page 52). Finally, we are co-leading the UK Gambling Commission's workstream to develop an industry code of conduct on safer game design, to be published in 2020.

Building a responsible culture

Our commitment to safer gambling extends far beyond technological innovation. Over the course of 2019, we initiated multiple projects to embed a culture of safer gambling and player protection across the Group, including:

- Surveying employees' perceptions of Playtech's Safer Gambling Commitments and how they link with pride in the workplace. This work has been supported by the Safer Gambling Council of Canada who in turn will help us crystallise these insights into actions in 2020.
- Strengthening internal coordination and strategic investments in safer gambling and compliance through a new Compliance Forum.
- Making compliance training a prerequisite for eligibility for an annual bonus and pay increase.
- Enhancing safer gambling awareness and training, incorporating lessons from Playtech and the industry, for the Board, senior leaders, Personal Management Licence holders (PMLs) and all customer-facing employees.

In developing our approach and activities, we are co-leading the UK Gambling Commission's workstream to develop an industry code of conduct on safer game design, including our customers, and leading charitable organisations with expertise in this area.

► Read more about building a responsible culture on **pages 60 and 61**

Responsible business & sustainability continued

Safer gambling – B2B

iPoker

Within the poker network, iPoker employs its analytical skills to identify possible money laundering, problem gambling and collusion issues. The team identifies potential issues and escalates these to licensees to review and assess whether further action should be taken.

Since 2016, iPoker has escalated and informed poker licensees of players whose behaviour fits a pattern of sustained losses and thus could indicate that the player is at-risk. Due to the limited information available to iPoker, the team can only assist licensees by escalating potential at-risk behaviour related to collusion, anti-money laundering and safer gambling.

This information is used in conjunction with the detailed player information held only by the licensee to decide the most appropriate action.

The table below summarises the percentage of unique cases escalated to licensees on Anti-Money Laundering (AML), collusion and safer gambling over the past four years. In 2019, the numbers relating to collusion escalations were influenced by a promotional abuse case involving a significant number of players in the network.

Escalations to Licensees – B2B iPoker

AML (%)	
2019	0.05
2018	0.04
2017	0.07

Collusion (%)	
2019	5.93
2018	2.13
2017	1.51

Safer Gambling (%)	
2019	0.14
2018	0.14
2017	0.13

Eurolive

Playtech's Live casino operations continued to provide licensees with information about player behaviour that could indicate players at-risk and/or displaying behaviour that could be harmful. Similar to the iPoker team, the Live operation does not have access to player accounts, money or personal information. The Live team uses a machine learning application, which analyses chat for words and phrases indicating potential at-risk behaviour. In 2019, 5,211 players were identified as exhibiting at-risk behaviour as compared with 2,958 escalations in 2018.

“As a technology specialist Playtech focuses on harnessing its capabilities in innovation and data-driven intelligence to place consumer protection and sustainable business practices at the centre of every stage of the player experience from game design to real time engagement and messaging.”

Commitment 1

Preventing underage gambling and protecting young people



Commitment 2

Increasing support for treatment of gambling harm



Commitment 3

Strengthening and expanding codes of practices for advertising and marketing



Commitment 4

Protecting and empowering customers (through product design and customer engagement)



Commitment 5

Creating a culture of safer gambling



Safer gambling commitments

We are proud signatories to the new Safer Gambling Commitments. Playtech, working in collaboration with other leading gambling businesses, helped to shape and launch the commitments which aim to deliver long-term and fundamental changes in how gambling companies operate and to empower, protect and support customers. The commitments will accelerate the safer gambling initiatives currently in place in the industry and commit to do more to protect customers, and the wider public. The commitments cover 22 actions across five core areas:

- Prevent underage gambling and protect young people
- Increase support for treatment of gambling harm
- Strengthen and expand codes of practices for advertising and marketing
- Protect and empower customers (through product design and customer engagement)
- Promote a culture of safer gambling

The comprehensive set of measures marks a new era of collaboration for the sector. Helping the industry to achieve the highest standards of safer gambling is a key pillar of our strategy to be the leading technology company in global regulated markets. As the industry continues to grow and develop, our licensees will increasingly look to Playtech to lead on the highest standards of safer gambling and compliance. Achieving these standards is not only essential for building a sustainable industry, but is also commercially critical.

▶ Discover more about safer gambling at www.safergamblingcommitments.co.uk

B2C

Playtech's B2C operations include a partnership in the UK with News UK through the Sun as well as Snaitech, one of Italy's leading retail and online gambling operators.

UK

In the UK, B2C business compliance, AML and safer gambling are overseen by a multi-disciplinary senior management committee, established to improve the effectiveness of the compliance programme, including management of higher risk customers. The Customer Risk Management Process takes a holistic view of the risks posed by a customer. The decisions regarding AML and safer gambling risks posed by a customer are made in the same forum and by the same senior managers.

Operational staff receive annual safer gambling training and processes are in place to ensure that safer gambling interactions are completed at appropriate times. The importance of safer gambling is highlighted in operational staff induction training, which is then reinforced by face-to-face training delivered by specialist providers.

In 2019, the committee refreshed its operational compliance and safer gambling framework and made enhancements in line with regulatory guidance. Improvements include:

- A new safer gambling interaction and process scorecard to enhance safer gambling risk assessments, as well as the number and quality of interactions.
- A strengthened approach for affordability assessments of customers.
- Piloted new and different approaches to customer interaction, in-play messaging on safer gambling and assessing the effectiveness of those interactions.
- New partnerships with technology providers including Rightlander, which enables close monitoring of affiliate networks. Another partnership with Gamban will offer free use of gambling blocking software tool for consumers.

In 2020, the operation will continue to take steps to make the customer journey safer, including:

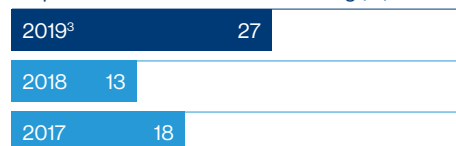
- Strengthen its risk control framework.
- Develop, in partnership with various technology partners, a suite of tools that will assist in the management of customer affordability and safer gambling journey.
- Trial and evaluate a range of different safer gambling messages sent at different stages of the customer journey.

Safer gambling metrics – UK

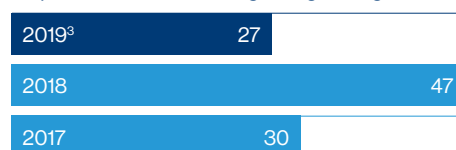
The following chart provides an overview of self-exclusion and use of safer gambling tools within the UK B2C operations. In 2019, the number of self-excluded customers has increased due to the number of customers registering with GAMSTOP, the online self-exclusion scheme in the UK. In 2019, there have been improvements in the methodology utilised to identify unique customers using safer gambling tools across all of the brands we operate. The change in methodology, combined with an increase in use of self-exclusion and the closure of a B2C brand (PTES) during the year, has affected the numbers of customers utilising safer gambling tools in 2019 as compared to 2018.

Safer gambling performance – B2C¹

Proportion of customers self-excluding (%)²



Proportion of customers using safer gambling tools (%)⁴

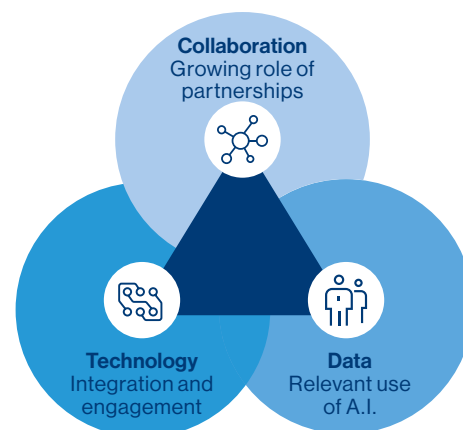


1. UK B2C operations only.
2. Number of self-exclusions and registrations with GAMSTOP as a percentage of total unique customers within Playtech's B2C operations in the UK.
3. Amended methodology, with broadened definitions of customers self-excluding (including registration with GAMSTOP).
4. Safer gambling tools comprise reality checks, time-outs and deposit limits and include customers that may use more than one safer gambling tool on more than one brand.

Italy

Snaitech is regulated in Italy by Agenzia delle Dogane e dei Monopoli (ADM) and is committed to safeguarding players, by promoting and maintaining a safer environment. The operation has been awarded the international G4 Certification on Responsible Gaming/Gambling in an online environment. The G4 – Global Gaming/Gambling Guidance Group <https://www.gx4.com/> programme is run by a body of international experts. In addition, the business is committed to adhering to the highest standards of safer gambling and player protection practices covering fairness, privacy, fair trading practices, and advertising and promotional codes of conduct. More information about Snaitech's safer gambling and player protection programme can be found in the Snaitech Sustainability Report at <https://snaitech.it/en/sustainability/sustainability-report>.

Our approach to safer gambling



Promoting integrity and an inclusive culture

This section sets out our efforts to uphold the highest ethical standards, comply with the letter and spirit of the law and regulatory requirements, minimise risks to integrity, safeguard data protection and privacy, and foster an inclusive and diverse culture across our operations

Five-year commitments:

- Promote integrity and reduce compliance risk across our operations and supply chain.
- Strengthen data security and privacy practices across the business.
- Reduce our carbon footprint by 40% by 2025 against a 2018 baseline.
- Reduce the gender pay gap and achieve year-on-year improvements in diversity and inclusion.

Anti-Money Laundering, Anti-Bribery and Corruption

Playtech's ethics policy contains our overarching standards around business conduct, corporate governance, commitments to employees and responsible business. Together with our Anti-Bribery and Corruption (ABC), Anti-Money Laundering (AML) and Anti-Facilitation of Tax Evasion policies, it forms the backbone of our compliance control framework. This is complemented by the 'The Way We Do Business' booklet used across the Group to promote awareness of our compliance policies and provide safer gambling guidance.

Our policies have been communicated to employees and contractors through new employee inductions, newsletters, our intranet sites, direct employee communications and training. During 2019, 676 senior managers (as compared to 581 in 2018) received face-to-face compliance training, which covered safer gambling, AML, ABC, speak up/whistleblowing, Anti-Facilitation of Tax Evasion and data protection topics. In addition, Playtech delivered online and test-based training modules to 3,380 employees in 2019, with more colleagues set to receive training in the first half of 2020. Within Snaitech, relevant employees were assigned and completed compliance training modules. Also within Snaitech, a two-year compliance training programme was launched. As part of this programme, in 2019, 58 employees completed a safer gambling module,

194 completed a privacy module, 439 completed an AML module and 412 completed a Law 231/2001 module.

Speaking Up

Since 2017, Playtech has offered an independent, speak up hotline to enable employees to raise concerns confidentially and anonymously. The Speak Up policy and hotline have been promoted to Playtech offices through induction sessions, formal communications, posters and within the compliance training programme. In 2019, Playtech received zero incident reports through the independent Speak Up line as compared to one incident in 2018. In 2020, we will explore how to strengthen understanding, use and confidence in the Speak Up hotline and system.

Cybersecurity and data protection

Data remains crucial to Playtech's business model. Our customers and clients trust us with their personal data every day. Consequently, the safe and secure handling of data and protection of personal data are essential to our success. All Playtech employees and partners are required to comply with confidentiality requirements and legal and regulatory obligations, with contractual terms such as data processing agreements and EU Model Clause agreements governing the use and disclosure of information.

We use the following four principles to guide our efforts in safeguarding personal data:

- Process all personal information fairly and lawfully.
- Only process personal information for specified and lawful purposes.
- Keep personal information up to date.
- Not keep personal information for longer than is necessary.

Following the implementation of the EU General Data Protection Regulation (GDPR) in May 2018, we have embedded a robust and consistent approach to data protection in the UK, Europe and all regulatory environments where we operate.

As part of our internal organisation, we have appointed a Chief Privacy Officer to cover global privacy aspects and an additional Data Protection Officer to manage aspects of UK and EU-specific

GDPR compliance. In the current phase of GDPR compliance, the focus is on enhancement, continued compliance and absorbing the new data practices and standards so they become business as usual. The Chief Data Privacy Officer is also involved in the Markets business to monitor progress of GDPR implementation and advising on data access questions.

Towards the end of 2019, we commissioned a deep dive cybersecurity and GDPR review by an external body. The review also included a benchmarking of our capabilities against a wider population of companies. The findings show that Playtech scored above average for the vast majority of data protection domains under GDPR.

Environment

Playtech's most material environmental impact remains the greenhouse gas (GHG) emissions stemming from the electricity used across its operations. These emissions contribute to climate change, one of the defining societal risk of our time. We recognise the need for businesses to play their part in keeping global warming below 1.5 °C. We also recognise that urgent action is required to substantially reduce the risks and impacts of climate change globally and in the countries, cities and communities where we have operations.

In 2020, we are introducing a Group-wide GHG emissions target to guide our environmental efforts over the next five years. We aim to reduce our absolute scope 1 and 2 GHG emissions by 40% by 2025, using 2018 as the baseline year. 2018 was the year when Playtech acquired Snaitech, which accounts for a significant part of our environmental impact.

To achieve our environmental commitments, Playtech is in the process of setting up an internal working group that will provide investment support to projects and operations, to limit and reduce energy usage and address other environmental impacts. In addition, the GHG reduction target will be added to the non-financial performance metrics for executive and Board review.

In 2020, Playtech will also participate in the CDP (formerly the Climate Disclosure Project) in order to increase transparency about its climate reduction performance. CDP provides investors and other stakeholders with detailed and consistent information about how companies manage their environmental risks and opportunities. In return, CDP offers participating companies the chance to benchmark their efforts and performance against peers.

Since last year, Playtech's GHG emissions, on a per capita-basis, have decreased from 1.9 to 1.7 tonnes CO₂ – equivalent (CO₂e), a reduction of 12%. Absolute emissions decreased from 11,543 to 10,914 tonnes CO₂e, a 5% reduction. The overall reduction in energy consumption was one factor contributing to the decrease. Decreasing emissions factors, particularly due to the greening of the electricity grid, was another factor. The total energy consumption decreased by approximately 2.5% in 2019 with Estonia, Philippines, Ukraine and the UK reducing energy consumption. In these markets, a combination of factors influenced a reduction of energy consumption, including changes to our use of office space. While scope 1 emission factors remained stable, the average scope 2 emission factor decreased from 0.47 (2018) to 0.44 (2019) kg CO₂e per kWh, a decrease of 6.4%. We are pleased with these reductions against a backdrop of significantly more employees. The increase in absolute and relative GHG emissions between 2017 and 2018 was due to the acquisition of Snaitech, which includes physical points of sale and three racetracks in Italy.

Starting in 2018, following the Snaitech acquisition, we have expanded the number of environmental KPIs that we report on. The KPIs were expanded to include waste and water for Snaitech in 2018. This year, we are reporting on water consumption for the Group for the first time. This explains the increase in total water consumption reported. We have identified some hotspots for water consumption due to water used for cooling and will be exploring ways to reduce this consumption going forward.

Playtech will continue to monitor and manage its environmental impacts, with a focus on operational efficiency. In addition, we will continue to explore opportunities to reduce our footprint more widely. In 2019, a number of offices launched interventions to reduce single-use plastics, and we are considering how best to apply the lessons learned across our other markets.

Environmental protection and climate change is a concern for us as a company, society at large, the communities where we operate as well as our colleagues around the world. In 2019, Playtech employees across the world launched several initiatives and partnerships with local environmental organisations to raise employee and community awareness as well as reduce negative impacts.

“Environmental protection and climate change is a concern for us as a company, society at large, the communities where we operate as well as our colleagues around the world.”



Turning the tide on plastic and waste

Estonia

A number of Playtech offices initiated efforts to reduce single-use plastics and waste. For example, Playtech Estonia is cooperating with several large environmental projects in the country, including Let's Do It community activities day and World Cleanup Day to raise awareness about the role that innovation and entrepreneurs can play in tackling environmental challenges.

UK

In the UK, Recycling Week was used to raise awareness and take action on single-use plastics across our office estate. This UK campaign was supplemented with an awareness session and Plastic Fishing initiative, held in partnership with social enterprise, Hubbub. Hubbub shared insights on the role of innovation and behaviour change and hosted employees for a Plastic Fishing event to help clear rubbish from London's River Thames.



Zero waste marathon

Bulgaria

Playtech Bulgaria was the lead sponsor of the Zero Waste Marathon 2019, a project inspired by our employees. Many of our employees had raised concerns about waste generated from major sporting events. This concern led colleagues to sponsor the first local marathon that aims to be Zero Waste, involving over 100 runners and cyclists. The event was held as one of the first sustainable sporting events in the country, with several innovative features, including no packaged foods and finisher medals made from wood waste coming from the furniture industry.

Responsible business & sustainability continued

Environment metrics

Greenhouse gas emissions

Total energy consumption (kWh)¹

2019	30,932,101
2018 ^{2,3}	31,715,777
2017	14,757,420

Scope 1 energy emission – gas (Tonnes CO₂e)⁴

2019	1,421
2018 ^{2,3}	1,650
2017	300

Scope 2 emissions – electricity⁵ and district heating⁴ (Tonnes CO₂e)

2019	9,493
2018 ^{2,3}	9,893
2017	6,646

Total GHG emissions (Tonnes CO₂e)

2019	10,914
2018 ^{2,3}	11,543
2017	6,947

GHG intensity (Tonnes CO₂e/employee)

2019	1.7
2018 ^{2,3}	1.9
2017	1.4

1. 2019 absolute data is an estimate based on 95% actual data coverage by headcount.
2. 2018 onwards includes Snaitech data.
3. Restated.
4. Using the latest Department for Environment, Food & Rural Affairs (DEFRA) gas and district heating conversion factors (CO₂e).
5. Using the latest DEFRA electricity conversion factor (CO₂e) for all UK locations and the latest International Energy Agency (IEA) conversion factors for all non-UK sites (CO₂).

Water consumption

	2019 ¹	2018 ²	2017 ²
Total water consumption (m³)³	840,065	502,511	504,437
Water consumption for watering racetracks (m³)	175,259	232,615	232,087
Water consumption for watering racetracks (% of total)	20.9%	46.3%	46.0%

1. Data covering all of Playtech's operations.
2. Data covering Snaitech operations only.
3. 2019 estimate based on 82% actual data coverage by headcount.

Waste and effluent¹

	2019	2018	2017
Total waste production (Tonnes)	8,850²	7,829	8,265
Of which:			
– Sent to landfill (Tonnes)	52	180	63
– Reused or recycled (Tonnes)	8,798 ³	7,650	8,202
Hazardous waste (Tonnes)	96	127 ⁴	2

1. Data covering Snaitech operations only.
2. Of this, 8,660 tonnes are produced by racetracks. This constitutes 97.8% of total waste.
3. 99.4% of total waste is reused or recycled.
4. The increase in hazardous waste was due to recovery and reclamation activities of hay barns at the Ippodromi (racetracks), disposal of unused equipment and batteries and clean-up of the area.

Responsible supply chain management

Playtech extends its values and commitments to responsibility and transparency towards its dealing with third parties, including business partners and suppliers. We are committed to upholding high standards for procuring goods and services. For Playtech, the three major areas of procurement spend are:

- Technology (cloud services, hardware and mobile services).
- Marketing.
- Property services (leasing, facilities and cleaning).

Between them, these three categories account for a significant part of global procurement spend and as such, we focus our efforts on sustainability issues related to these activities.

In 2019, Playtech created a new global and centralised procurement function, and appointed a new global head of procurement. As part of this new structure, a new operating model has been introduced with the objectives of:

- Strengthening governance, compliance and responsible business standards.
- Delivering consistent and high-quality services.
- Delivering financial sustainability and operational excellence.
- Driving process and service improvements.

Playtech also adopted a new global compliance procurement policy, with training on the new policy provided for 56 procurement employees in key markets. In addition, the procurement function – working with country management, audit and compliance – initiated an assessment of supply chain management to review organisational, operational, compliance and human rights risks and processes. In 2020, the procurement function will focus on implementing the newly established organisational model, the introduction of new systems to support operational, compliance and process improvements as well as capability-building for procurement colleagues in these areas.

Partnering with suppliers to produce green energy

Estonia

In Estonia, Playtech colleagues consume a large amount of coffee in our offices – on average 4.5 kilos of coffee beans per employee per year. As part of a pilot project, all leftover coffee grounds will be converted into biogas that will provide electricity to Haiba orphanage in Harjumaa. The project was started by the international coffee house Paulig and has already spread to many big companies in Estonia.



“To attract and retain top talent, it is imperative to create a workplace and culture that recognises the value of diversity.”

Human rights

Playtech supports and adheres to the principles embodied in the Universal Declaration of Human Rights, as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We are committed to upholding these principles and ensuring we are not complicit in the violation of human rights, including slavery and human trafficking.

Playtech's most salient human and labour rights issues relate to employment, data protection, procurement of goods and services, and AML, specifically ensuring that individuals involved in human trafficking and slavery are not laundering their money through Playtech's operations.

In 2019, Playtech published its third Modern Slavery Act statement, outlining the initiatives to understand and assess potential risks of modern slavery and human trafficking. We also conducted an in-depth review of our human rights and modern slavery risks. The content for this assessment included interviews and surveys involving senior and functional management as well as colleagues in procurement and human resources. The aim of the review was to surface and prioritise risks across our business and value chains, and we are now executing action plans to minimise and mitigate those risks. Playtech also provided human rights training for human resources, technology, procurement and country leadership responsibilities. The training was deployed to 40 people across the globe in 2019 alongside training on a new procurement compliance policy.

In addition, Playtech's compliance team continues to monitor human rights flags as part of our risk monitoring of third parties. We review any cases involving human rights flags on a case by case basis to assess risk and actions required.

Diversity & Inclusion (D&I)

Operating in a technical, innovation-driven and highly competitive industry, we recognise that to attract and retain top talent, it is imperative to provide a workplace and culture that recognises the value of diversity. Playtech is proud that its workforce comprises people from all different backgrounds, cultures and ethnicities.

Our industry has a major gender diversity challenge. Indicatively, less than 10% of engineering professionals in the UK are women, while in the best performing countries in Europe – Latvia, Bulgaria and Cyprus – that number is nearly 30%. We have set ourselves four objectives to address this imbalance within the Group while pushing for change in the wider industry:

- Improve the gender balance at Board, executive and senior management levels.



Supporting TechSisters

Estonia

Diversity in IT is a key focus area. We continued our support of the TechSisters community by sponsoring and hosting two networking events in April and November. Both events were sold out, attracting over 130 participants in total.

- Invest in and retain the next generation of leaders and talent by increasing access to networking, mentoring and training initiatives.
- Futureproof workplace policies and training to support the progression of talent.
- Expand investment in and support for cross-industry partnerships and initiatives to build a more inclusive sector.

Given the demographics of the industry in which we operate, we recognise that it will take time to make meaningful progress on diversity and inclusion.

In 2019, we took important steps to improve workplace policies, processes, accountability and training to progress actions. Highlights include:

- Appointed new HR roles within the business to strengthen the rigour in performance management processes, including efforts to ensure that remuneration and promotion processes are fair, consistent and equitable.
- Conducted a salary review and benchmarking exercise with an external firm to review pay gaps for both gender and age bias across our key markets, the findings of which will be actioned by business unit leaders and human resource business partners.
- Reduced the UK median and mean gender pay gap significantly by achieving a better-balanced workforce in the lowest pay quartile.

Responsible business & sustainability continued

Diversity & Inclusion (D&I) continued

- Provided unconscious bias training through a new global programme for human resource, commercial and operational managers. Over 50 leaders in Bulgaria, UK, Ukraine and Estonia were trained, and the programme will continue in 2020 in the rest of Playtech's major markets.
- Delivered five workshops in Estonia – with 70 managers participating – on creating and supporting flexibility in the workplace.
- Launched a virtual diversity platform for sharing ideas, resources and D&I related campaigns, including the celebration of events such as International Inclusion Week and International Women's Day.

In 2020, with a stronger D&I governance now in place, Playtech will pursue D&I objectives, including decreasing the gender pay gap, through three workstreams:

- Expanding Diversity Training and Awareness Programmes for line managers and establishing a formal internship programme.
- Refreshing and centralising a number of human resource policies to ensure globally consistent approach to D&I covering recruitment, safeguarding and harassment, bullying and respect.
- Improving the use of data to create transparency around our internal D&I performance.



Women's mentorship

Gibraltar

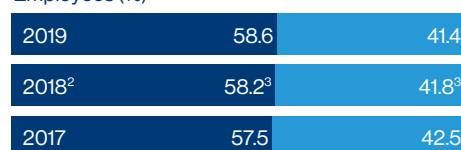
The Gibraltar office participated in the Ministry of Equality (HMGoG) Women's Mentorship Programme. This programme aims to empower women and maximise their contribution to their respective organisations within the private sector. The programme includes a platform where mentees are given the chance to observe, interact with, and learn from established professionals at all levels, to help women advance in the workplace. Playtech is contributing to this initiative through mentors, who volunteer their time, knowledge and expertise to the community over a period of five months.

Diversity metrics

The following charts illustrate the global and UK diversity data and trends from 2017 to 2019. With respect to global Diversity and Inclusion metrics, there has been a slight improvement since 2018 in a number of areas. In the UK, the gender pay gap has reduced due to a strengthened approach and focus on diversity; supported by the creation of a new human resource business partners role. This individual has a specific remit to strengthen diversity as part of annual salary reviews, promotions and recruitment. Whilst there has been a reduction in the gender pay gap, the median gender bonus pay gap is affected due to the number of key male individuals holding senior executive, sales and senior management roles where higher bonuses are paid.

Gender splits

Employees (%)¹



Senior Managers (%)⁴



Directors (%)⁵

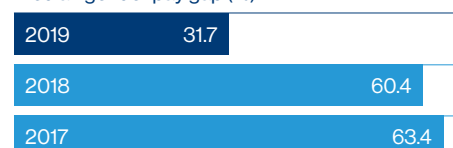


■ Male ■ Female

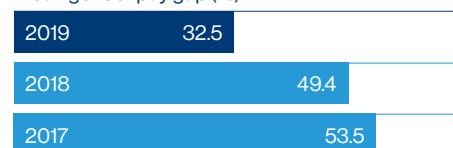
1. Employees are defined as the total number of employees on the payroll on 31 December.
2. From 2018 onwards, numbers include Snaitech employees.
3. Restated.
4. Senior Managers are defined as the top 500 highest earning employees at Playtech (2018 and 2019), with the exception of 2017 where it was defined as the top 100 highest earning employees.
5. Directors are defined as Board Directors on 31 December.

UK gender pay gap¹

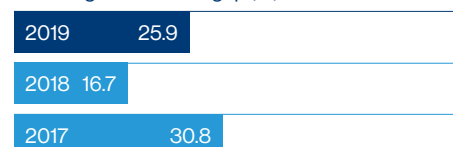
Median gender pay gap (%)²



Mean gender pay gap (%)²



Median gender bonus gap (%)³



Mean gender bonus gap (%)³



1. Based on UK employees only. The numbers were calculated in line with the UK Government's requirements for reporting Gender Pay Figures and covers payroll and bonuses paid up to April 2017, April 2018 and April 2019 respectively.

2. Based on hourly rate of pay.

3. Based on total bonuses received.

Health, safety and wellbeing

The physical and mental health and wellbeing of our employees is of paramount importance to us. In most of our locations, raising awareness and breaking down stigmas about mental health is a particular focus and priority. In October, Playtech took action on World Mental Health Day to raise awareness about the importance of positive mental health. In 2020, Playtech will explore what more it can do to support colleagues, remove the barriers to people reaching out for help and encourage conversations about mental health challenges. Below are some examples of employee engagement and awareness programmes throughout the year.



Know Your Mind pilot programme

UK

In 2019, Playtech launched a new pilot employee wellbeing and safer gambling programme called Know Your Mind. The programme was designed in partnership with charities Mind BWV (Brent, Wandsworth & Westminster) and Betknowmore UK. It aims to support our colleagues with awareness and practical tips to help them identify, manage and improve mental health and wellbeing. It also equips them to understand and support colleagues who may be affected by mental health and gambling-related harm issues. The programme is multifaceted and includes a Mental Health First Aid training accreditation programme. Playtech launched this initiative as a pilot in its London office in 2019. We will evaluate the programme in the first half of 2020 to understand the opportunities for scaling across the globe and share insights with industry peers.

Snaitech occupational health and safety data¹

	2019	2018	2017
Total number of accidents	11	13	18
Accident ratio			
Total number of accidents/working hours x 200,000 ²	1.63	2.1	2.4
Number of days lost to accidents	310	248	523
Severity of accident index			
Total days lost for accidents/working hours x 200,000 ²	45.9	39.2	70.9
Number of days of absence³	7,949	7,144	9,381

1. Covers Snaitech operations only.

2. 200,000 is a fixed coefficient (50 working weeks x 40 hours x 100).

3. Number of days of absence is defined as total hours of absence/8 (hours of work per day).

Workplace health and safety

Within the Snaitech Operations, physical health and safety is a material issue as its operations extend beyond offices to retail operations and horsetracks. Snaitech is constantly committed to developing and promoting a culture of worker health and safety and implementing a management system to ensure full compliance with local Italian legislation.

Economic footprint

Playtech is the leading technology partner to the gambling and financial trading sectors, with offices and commercial activities in multiple jurisdictions, with the majority of its development and technical operations in Ukraine, Estonia, Latvia, Bulgaria and Gibraltar. These locations are well known as technology hubs with a large population of highly skilled experts. The Group's presence in some markets, such as Austria, Australia, Denmark and Italy, is a result of acquisitions.

Playtech engages in tax planning that supports its business and reflects commercial and economic activity. Playtech selects the location of its operations based on commercial and operational factors that extend well beyond tax, including: the prevailing regulatory environment available, a widely available pool of technical talent, the linguistic capabilities in these jurisdictions, the location of the Group's licensees, labour and operational cost factors. The Group is committed to complying with all tax regulations in jurisdictions in which it operates and seeks to minimise the risk of uncertainty and disputes.

Given the international environment in which the Group operates, the business is subject to continuously evolving rules and practices governing the taxation of the digital economy in various jurisdictions. As such, it is imperative to ensure compliance with all relevant tax regulations

and requirements in each jurisdiction that Playtech operates in. The Head of Tax is responsible for monitoring and responding to developments in tax law and practice. The Head of Tax keeps the Board and Executive Management fully informed of developments in domestic and international tax laws within jurisdictions where the Group has a local presence.

During the year, the Board reviewed and adopted the Group's UK Tax strategy statement (available at <https://www.playtech.com/> and <https://www.playtech.com/responsibility-regulation/tax-strategy>).

The total adjusted tax charge in 2019 was €43.9 million (2018: €35.1 million) and the effective tax rate was 14% in 2019 (2018: 10%).

► Read more about tax on **pages 43 and 137**

“The physical and mental health and wellbeing of our employees is of paramount importance to us.”

Partnering on shared social challenges

Playtech believes engagement, partnership and collaboration with our stakeholders is a critical way in which we build and maintain trust with our stakeholders and can contribute to solutions that address some of the pressing issues of concerns to our stakeholders – whether in the communities where we operate or on critical issues facing the industry, such as safer gambling

Five-year commitments:

- Help people live healthier online lives and adopt digital resilience and safer gambling behaviours.
- Increase employee participation in and contribution to volunteering.
- Contribute to and support research, education and training to prevent, reduce and address gambling-related harm.

Safer gambling

Harnessing academic partnerships to reduce gambling-related harm and money laundering risk
Alongside our own technology and expertise, Playtech is also leveraging partnerships with external experts including with City, University of London's Research Centre for Machine Learning. Through a five-year partnership, Playtech is exploring the use of AI to improve AML detection. In addition, the partnership is examining correlations between game features and proxies for harm. As part of our research, we are exploring and developing new techniques that can explain how harm models are constructed and make decisions.

Partnering to promote healthy online lives, digital resilience and reduce gambling-related harm

Playtech recognises that the public health concerns associated with gambling-related harm, particularly mental health impacts, have risen up the public agenda. In 2018 and continuing in 2019, Playtech commissioned independent research to better understand how digital technology, data and analytics can make a positive difference at the intersection of gambling, online life, and mental health. As part of this work, we are engaging with a wide range of organisations to explore opportunities for collaboration, research and interventions. We also outlined an intent to contribute expertise, research and an investment of £5 million in five key areas over the next five years:

- Offering preventative education.
- Supporting capability-building of frontline staff and support organisations.
- Building skills of frontline workers in the gambling sector and in healthcare.
- Catalysing innovative digital solutions.
- Leveraging research, data & AI to deliver insights and solutions.

This initiative represents an investment above and beyond our annual contributions to research, education and treatment (RET).

Reducing gambling-related financial harm

Playtech is supporting a new initiative, led by GamCare, called the Gambling Related Financial Harm (GRFH) project. This initiative has been developed to foster cross sector understanding and action to reduce gambling-related financial harm. The initiative brings together organisations from financial services, money advice, gambling and gambling treatment sectors to share knowledge and establish best practices, as well as deliver consistent support, training and advice. More information can be found at: <https://www.gamcare.org.uk/our-work/our-programmes/gambling-related-financial-harm/>

The intersection of gambling, online life, and mental health



The role of Digital Technology, Data and Analytics in helping people live healthier online lives and adopt digital resilience and safer gambling behaviours.

Contributing to research and knowledge sharing

Playtech remains committed to contributing and sharing safer gambling thought leadership and knowledge across industry and academic events. In 2019, we presented our work and views at the KnowNow Keeping Crime out of Gambling Conference, ICE Consumer Protection Zone Conference, IMGL Autumn Conference, RGC Discovery 2019 Conference, UNLV International Risk-Taking Conference, Responsibility in Gaming Conference and the GSA AI Summit.

Fostering diversity and inclusion

In 2019, Playtech continued its sponsorship and active involvement with Girls in Tech and the All-In Diversity initiative; industry initiatives to foster inclusion in the technology and gambling sectors, respectively. Further to this, Playtech participated in external benchmarking exercises led by the Hampton-Alexander Review and All-In Diversity Benchmark.

Charity and volunteering

Playtech employees around the world remain highly engaged with their communities, volunteering their time, skills and resources to support some of the most pressing social and environmental challenges. Playtech supports employees with a day to volunteer each year, as well as support for charitable fundraising through our matched giving programme.

Many of Playtech's key markets have established and formalised charity committees to oversee and direct local community investment activities. In 2019, Playtech offices and staff around the world supported over 50 charitable and community organisations dedicated to addressing important social causes through fundraising events, donations and skills-based volunteering. The causes most supported include health and wellbeing, environment, poverty alleviation, homelessness, education and humanitarian causes.

“Playtech employees are contributing their time and skills to make a positive impact in their local communities.”

Hacking for humanity

Gibraltar

In 2019, Playtech sponsored Girls in Tech's second Hack for Humanity event. This two-day event brought together 27 participants in seven teams with the aim of solving issues around improved mental health, streamlining donations for charities, reducing pollution and others.



Levelling the playing field

India

In 2019 Snaitech contributed to the renovation of the Panasapalli Primary school and the Anganwadi Centre in the village of Panasapalli in India. The buildings, built in collaboration with the NGO Care & Share Italia, were inaugurated in November, with the participation of Snaitech's CEO Fabio Schiavolin, and will support vulnerable and marginalised children to reach their full potential. The initiative was funded by iZilove Foundation, Snaitech's charitable foundation. During the Snaitech Sustainability Week, the Company initiated a new opportunity for Snaitech employees to become an Employee Ambassador to participate in the opening ceremony and attend the inauguration day with the CEO.



Effectively managing our risks



Gambling risk



Financials risk

1

Regulation – licensing requirements



Description

Playtech holds several licences for its activities from regulators. The review and/or loss of all or any of these licences may adversely impact on the operations, revenues and/or reputation of the Group.

Mitigation

Playtech has a fully resourced Compliance team, which advises and supports the Board and Executive Management to ensure implementation of the policies, procedures and controls in place to protect its licence to operate.

The Compliance team advises, approves and monitors Group activities to ensure that the organisation is compliant with regulatory and licensing requirements. In 2018, Playtech acquired Snaitech, which increased the Group's presence in regulated markets and its vertically integrated operations. The compliance functions of Playtech and Snaitech are working to align compliance and regulatory processes.

Likelihood: Low

Impact: High

Static

2

Regulation – local technical regulatory requirements



Description

Local regulators have their own specific requirements, which often vary on a country-to-country basis. In addition, new requirements may be imposed. For example, a requirement to locate significant technical infrastructure within the relevant territory or to establish and maintain real-time data interfaces with the regulator. Such conditions present operational challenges and may prohibit the ability of licensees to offer the full range of the Group's products.

Mitigation

Playtech works closely with regulators to understand specific local requirements along with any new requirements when operating and/or entering into a market. The Compliance team advises the business on these local requirements to ensure Playtech is compliant with existing requirements, whilst anticipating new requirements and engaging with local regulators on a frequent basis.

Likelihood: Low

Impact: Medium

Static

3

Taxation



Description

Given the dynamic nature of tax rules, guidance and tax authority practice, the business is exposed to continuously evolving rules and practices governing the taxation of e-commerce activity in various jurisdictions.

Such taxes may include corporate income tax, withholding taxes and indirect taxes. As such, it is imperative to ensure compliance with all relevant tax regulations and requirements in each jurisdiction that Playtech operates.

Mitigation

The Group aims to comply with all tax regulations in all countries in which it operates and monitors and responds to developments in tax law and practice. The Head of Tax keeps the Board and Executive Management fully informed of developments in domestic and international tax laws within jurisdictions where the Group has a local presence.

During the year, the Board reviewed and adopted the Group's UK Tax strategy statement (available at <https://www.playtech.com/responsibility-regulation/tax-strategy>) and a new Anti-Facilitation of Tax Evasion Policy in line with the changing tax environment.

Likelihood: Medium
Impact: Medium

Static

4

Regulatory – capital adequacy



Description

The requirement to maintain adequate regulatory capital may affect the Group's ability to conduct its business and may reduce profitability.

Mitigation

Our proprietary automated reporting system is used to monitor capital adequacy 24 hours a day on a real-time basis. This is considered within pre-determined limits, set by the risk management committee, which include an approved level of 'buffer' to ensure that levels determined by our regulators are not breached. Where the capital adequacy levels approach the pre-determined limits, necessary steps are taken to ensure that exposures are managed so as to not fall foul of regulatory requirements.

Likelihood: Low
Impact: Medium

Static

5

Regulatory – data protection



Description

The requirements of the new EU General Data Protection Regulations (GDPR) came into force in May 2018. The regulation is mandatory and all organisations that hold or process personal data must comply with these regulations.

Mitigation

Data Protection remains to be an inherent part of core Playtech Compliance tasks such as the test-based data protection training which is completed by all Playtech employees on an annual basis. GDPR continues being a priority for the Playtech Board and its executive management.

Likelihood: Medium
Impact: High

Static

6

Regulatory – preventing financial crime



Description

Policymakers in the EU and at national levels have taken steps to strengthen financial crime legislation covering Anti-Money Laundering (AML), prevention of facilitation of tax evasion and Anti-Bribery and Corruption (ABC).

Non-compliance could result in investigations, prosecutions, loss of licences and/or an adverse reputational impact.

Mitigation





The Group takes a zero-tolerance approach to bribery and corruption. Playtech's Ethics Policy sets out the overarching standards around business conduct, corporate governance, commitments to employees and corporate citizenship. In 2018, this policy was updated along with ABC and AML policies to include changes in legislation, regulations and industry good practice. In addition, the Company approved a new Anti-Facilitation of Tax Evasion policy. Policies, risk assessments and operational procedures are refreshed to ensure alignment with evolving regulatory frameworks.

The Board and Risk Committee have oversight of AML, ABC and tax risk. The Compliance team has day-to-day oversight of AML and ABC policy and implementation, including training.

Likelihood: Medium
Impact: Medium

Static

Emerging risks, principal risks and uncertainties continued

<h1>7</h1> <h2>Regulation – safer gambling</h2> 	<h1>8</h1> <h2>Mergers and acquisitions</h2> 	<h1>9</h1> <h2>Key employees</h2> 	<h1>10</h1> <h2>Cyber crime and IT security</h2> 
<p>Description</p> <p>Regulators, industry, charities and the public at large continue to challenge the gaming and betting sector to make gambling and gaming products safer, fairer and crime free. In addition, licensing requirements are regularly updated to ensure that companies in the sector provide a safe environment for consumers.</p> <p>Mitigation</p> <p>Playtech reviews its operational policies and procedures on safer gambling to align with changes to the regulatory landscape, changes in business model, evolving industry standards and best practices as well as technological developments. Playtech has been investing in a range of safer gambling initiatives that cover data analytics as well as game design, customer interaction and cross-sector collaboration, including the acquisition of BetBuddy in 2017. Playtech's long-term strategic objective is to develop and offer best-in-class tools and data that can help raise standards in operations and across the industry.</p>	<p>Description</p> <p>Playtech has made a number of acquisitions in the past. Such acquisitions may not deliver the expected synergies and/or benefits and may diminish shareholder value if not integrated effectively or the opportunity executed successfully.</p> <p>Mitigation</p> <p>Playtech has an established process in place and experienced staff to conduct thorough due diligence before completing any transaction. There is an integration team in place that works to integrate each acquisition as smoothly as possible.</p>	<p>Description</p> <p>The Group's future success depends in large part on the continued service of a broad leadership team including Executive Directors, senior managers and key personnel. The development and retention of these employees, along with the attraction and integration of new talent, cannot be guaranteed.</p> <p>Mitigation</p> <p>The Group provides a stimulating professional environment and has a performance evaluation system to identify key talent and to ensure that key personnel are appropriately rewarded and incentivised through a mixture of salary, annual bonuses, training opportunities and long-term incentives linked to the attainment of business objectives and revenue growth.</p>	<p>Description</p> <p>System downtime or a security breach, whether through cyber and distributed denial-of-service attacks or technology failure, could significantly affect the services offered to our licensees.</p> <p>Mitigation</p> <p>The Group has a strong Security team along with industry standards to detect and protect from cyber crime activities. The Security unit also partnered with external companies to provide security services and security products to help the team protect against sabotage, hacking, viruses and cyber crime. The Group works continuously to improve the robustness and security of the Group's information technology systems.</p> <p>As well as working with a range of specialist cyber security companies to enhance, review and test our defences against these threats, we have also continued to invest in our in-house capabilities (such as Security Operations Centre, Infrastructure and Application Security experts and strong GRC team).</p>
<p>Likelihood: High Impact: Medium</p> <p>Static</p>	<p>Likelihood: Low Impact: Low</p> <p>Decreased</p>	<p>Likelihood: Medium Impact: Medium</p> <p>Static</p>	<p>Likelihood: Medium Impact: High</p> <p>Static</p>



Gambling risk



Financials risk

11

Market exposure



Description

The fair value of financial assets and financial liabilities could adversely fluctuate due to movements in market prices of foreign exchange rates, commodity prices, equity and index prices.

Mitigation

Market exposure is monitored 24 hours a day on a real-time basis, using our proprietary automated reporting systems to measure client exposure on all open positions. Where exposure levels and client behaviour, whether in total or on specific instruments, reaches certain levels, our risk management policy requires that mitigating actions, such as reducing exposure through hedging or liquidity arrangements, are considered.

Likelihood: Medium
Impact: Medium

Static

12

Counterparty risk



Description

Extreme market movements in financial instruments over a very short period of time could result in the Group's financial counterparties incurring losses in excess of the funds in their account, and they may be unable to fund those losses.

Mitigation

The level of margin for each counterparty and financial instrument is set according to any relevant regulatory requirements and the volatility of prices in the underlying market, which reduces the counterparty risk faced by the Group.

Likelihood: Medium
Impact: Medium

New

13

Global diversification



Description

As Playtech plc continues to operate across multiple locations, servicing our clients in many markets across the globe, these operations bring with them significant opportunities for growth; however, as is well understood, globally diverse operations carry risk particularly as markets change.

Mitigation

Playtech utilises many of its existing operational functions and external advisers to ensure that its Board and Executive Management fully understand the changing global market. Global diversification also presents significant opportunities to the Group, particularly the potential in the USA.

Likelihood: High
Impact: High

Static

Emerging risks, principal risks and uncertainties continued

<div data-bbox="123 420 388 657"> <h1>14</h1> <h2>Failure or disruption of supply chain</h2> </div> <div data-bbox="123 711 239 765"> </div> <div data-bbox="123 808 446 1379"> <p>Description Inability to supply services due to failure or disruption in global supply chains following large scale global events such as pandemics, political unrest, climate control etc. The current coronavirus (COVID-19) may present potential risks to our supply chains should the situation worsen.</p> <p>Mitigation Whilst Playtech understands the need for full and comprehensive Business Continuity and IT Disaster Recovery Plans, the Company is engaging with key suppliers and assessing the potential risks to ensure the provision of services to its licensees and customers is not affected.</p> </div> <div data-bbox="123 1918 446 2005"> <p>Likelihood: High Impact: Medium New</p> </div>	<div data-bbox="487 420 669 657"> <h1>15</h1> <h2>Disruption affecting business</h2> </div> <div data-bbox="487 711 602 765"> </div> <div data-bbox="487 808 809 1250"> <p>Description Large scale global events such as pandemics, political unrest, climate control etc, have the potential to affect Playtech's key business markets particularly at live sporting events. The current coronavirus (COVID-19) may present potential risks to our key business generating markets such as Asia and Italy.</p> <p>Mitigation Playtech's diverse offering across our on line channels provides our customers with a continuation of our business services.</p> </div> <div data-bbox="487 1918 809 2005"> <p>Likelihood: High Impact: Medium New</p> </div>	<div data-bbox="850 420 1032 657"> <h1>16</h1> <h2>Business continuity planning</h2> </div> <div data-bbox="850 711 966 765"> </div> <div data-bbox="850 808 1172 1649"> <p>Description Loss of revenue, reputational damage or breach of regulatory requirements may occur as a result of a business or location disruptive event.</p> <p>Mitigation Business continuity plans are now in place for all key Playtech sites including our offices in Kiev, Tartu, the Philippines, Gibraltar, Riga, Italy and London. The remaining sites will be provided with a fully functioning business continuity plan in line with the project roadmap on a risk-based approach. Completed plans will be tested to ensure effectiveness and training will be provided to key staff members as part of the business continuity programme. In view of the current coronavirus (COVID-19) outbreak our Business Continuity and Human Resources teams have been providing advice to employees on all aspects of employee travel, remote working and ensuring adequate information in relation to the employees is past on as and when available.</p> </div> <div data-bbox="850 1918 1172 2005"> <p>Likelihood: Low Impact: High Increased</p> </div>
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Gambling risk



Financials risk

The Strategic Report on pages 2 to 66 was approved by the Board and signed on its behalf by Mor Weizer and Andrew Smith.

Mor Weizer
Chief Executive Officer

Andrew Smith
Chief Financial Officer
26 February 2020