

# 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.

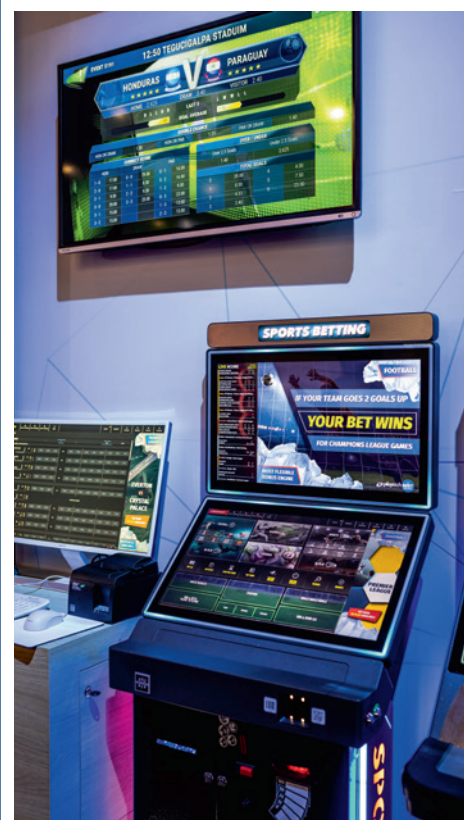
The global nature of our customer base also allows us to capitalise on the expansion of our licensees' businesses into new territories and to secure a foothold in the new markets. Our acquisition of Snaitech is an example of this growth strategy. The Italian market in which Snaitech operates is fully 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.