

Playtech is the leading technology company in the gambling industry, with a focus on regulated and regulating markets. Founded in 1999 and premium listed on the Main Market of the London Stock Exchange, Playtech is focused on bringing innovative products and data-driven technology to licensees and end customers.

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Resilient financial performance

Strong operating cash flow and share price performance despite pandemic headwinds.

Financial highlights

Revenue

€1,079m

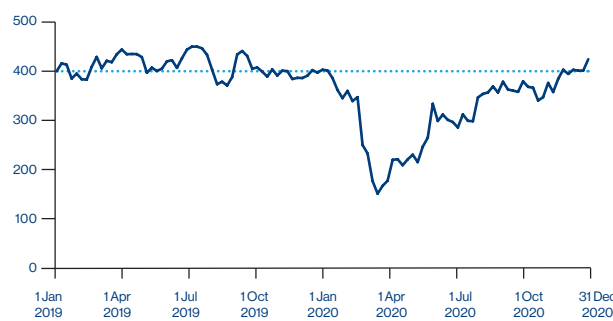
2020	1,079
2019	1,441
2018	1,132

Operating cash flow

€367m

2020	367
2019	321
2018	387

Share price chart



Adjusted EBITDA (incl. Finalto)

€310m

2020	310
2019	383
2018	345

Regulated revenue

84%

2020	84
2019	87
2018	78

“We entered the crisis with a strong balance sheet. Decisive management action at the outset of the pandemic to control costs and preserve cash ensured we remain in a solid financial position.”

Andrew Smith
Chief Financial Officer

Achieving strategic milestones

Business expansion

First steps of US expansion strategy

Having been granted regulatory approval to operate in New Jersey, a major milestone for the Group, in Q3 2020 Playtech launched its award-winning casino content in New Jersey with long-term strategic partner bet365. The Company launched its casino software across the gaming network of BetMGM, the joint venture between MGM Resorts International and Entain plc (formerly GVC), for the first time, where it will serve BetMGM Casino, Borgata Online and PartyCasino NJ.

Technology leadership

Playtech Live launches immersive gameshow

Playtech's Live division launched a ground-breaking, immersive concept with Adventures Beyond Wonderland, a gameshow featuring a revolving studio and augmented reality, which was exclusively released on Entain brands in the UK and across other markets.

Building a better business

Launch of Sustainable Success strategy

In 2020, Playtech launched its Sustainable Success strategy to consolidate its position as a global leader in safer products, data analytics and player engagement solutions. The strategy aims to build a safer, more sustainable entertainment industry for the benefit of all stakeholders and Playtech made a commitment to invest £5 million into initiatives that boost safer gambling behaviours.

New structured agreements in LatAm

Playtech continued to expand its presence in Latin America with new structured agreements signed in Guatemala (Tenlot), Costa Rica (Red Cross) and Panama (Caliente). Playtech has a track record of developing newly regulated online markets as shown by the successful structured agreement with Caliente in Mexico. Launching with Wplay and signing structured agreements in three further geographies are significant steps in Playtech's growth in Latin America.

Snaitech number 1 in Italy

Snaitech maintained its position as the market leader for sports betting in Italy in 2020 having achieved the number one position in the prior year. Despite the challenges of lockdowns and sporting cancellations, Snaitech performed impressively across online driven by its leading technology and brand strength and was the market leader in H2 across online betting and gaming.

New collaboration with RGC

September 2020 saw Playtech announce a new collaboration with the Responsible Gambling Council (RGC), the international leader in problem gambling prevention, awareness and research. The relationship aims to strengthen industry insights to inform and advance safer gambling, mental health and digital wellbeing. This collaboration is one of the first examinations of safer gambling alongside digital wellbeing.

Extended B2B agreements

In 2020 Playtech announced the extension of its long-term agreements with online gambling giants Mansion and Betfred for another five years and four years, respectively. Further, the Company announced a five-year extension with Rank Group to exclusively provide its Bingo platform in addition to games content, bringing a number of Rank's key product verticals to Playtech.

Omni-channel launch with Wplay

In Q4 2020 Playtech launched its industry-leading Information Management Solution (IMS) with one of Colombia's leading operators, Wplay, to deliver a data-driven, omni-channel platform.

Success at the Gambling Compliance Awards

Playtech's compliance team was named Compliance Team of the Year at the VIXIO Gambling Compliance Global Regulatory Awards in recognition of its diligent support and guidance to employees and customers alike.

Our purpose

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

A global business

Playtech was established at the outset of the online gambling industry and its 20 years of experience and investment in technology have resulted in unparalleled knowledge and expertise.

Playtech's global scale and distribution capabilities with over 170 licensees operating in over 30 regulated markets and with offices in 24 countries, mean we are ideally positioned to capture opportunities in newly regulating markets and high-growth markets with low online penetration.

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.

● Read more about Playtech's investment case on pages 10 and 11

How we do this

Scale and distribution

Retail and online software across over 170 licensees in more than 30 regulated markets.

Data

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

Sustainable Success

Growing our business in a way that has a positive impact on our people, our communities, the environment and our industry.

Innovation and disruption

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

Regulated jurisdictions

>30

Countries with offices

24

Employees

c.6,400

Our operations



B2B

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

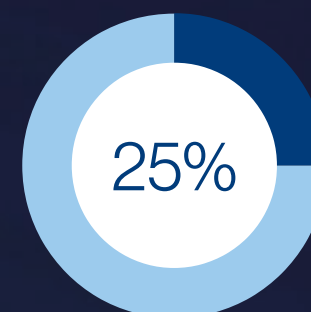
Revenue

€495m

EBITDA

€126m

EBITDA margin



B2C

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

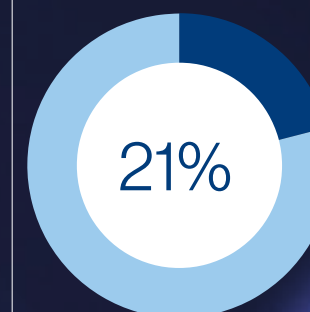
Revenue

€596m

EBITDA

€128m

EBITDA margin



Financials

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

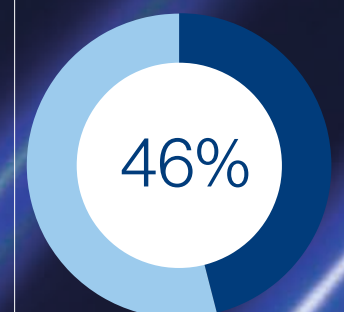
Revenue

€122m

EBITDA

€56m

EBITDA margin



Successfully navigating unprecedented times



Claire Milne
Interim Chairman

In May 2020, the Board asked me to take the role of Interim Chairman. The Group's process of appointing a permanent Chairman was severely disrupted by the COVID-19 pandemic, and the Board tasked me with bringing stability and continuity to the Company at a time of unprecedented challenge and change. It has been an enormous privilege to be the Interim Chairman of Playtech over the past 12 months and I thank the Board and the Playtech team for their support, assistance, hard work and dedication.

On 3 March 2021, the Company announced that following an extensive process, Brian Mattingley had been selected as Non-Executive Chairman. Brian brings significant online gambling sector experience and a track record of delivering high levels of stakeholder engagement in highly regulated and fast-growing industries. Brian will take up the role from 1 June 2021 and the Board and I look forward to working with him to deliver the next phase of Playtech's growth.

During my time as Chairman, the Board and I worked with the management team to focus the Company's efforts in three key areas. Firstly, to ensure that we did everything we could to protect our people and their livelihoods in the face of the immediate challenges of the pandemic, and to ensure our customers were well looked after. Secondly, to ensure that Playtech achieved its strategic goals to secure future growth opportunities, particularly in the US and Latin America. And finally, to continue Playtech's corporate growth with the launch of Sustainable Success, our commitment to grow Playtech in a way that benefits our people, our communities, the environment and our industry – following the events of 2020, this is now more important than ever.

Performance and COVID-19

Playtech enjoyed a strong start to the year before the onset of the COVID-19 pandemic. In the face of an unprecedented trading environment the Board is proud to report that Playtech delivered a resilient financial performance, delivering against our strategic priorities, whilst also laying the foundations for future growth. Swift action to enact our business continuity plans and strong engagement with employees and licensees allowed Playtech to continue to deliver its software and services whilst being agile enough to work with partners to launch new projects. Although parts of our business remain adversely affected by the restrictions imposed by the pandemic, the diversity and strength of Playtech's business model in 2020 can give stakeholders confidence in our resilience in the face of any continuing restrictions from the COVID-19 pandemic.

Central to our strong performance during 2020 was the continued professionalism and commitment of our people. Our number one priority during this crisis has been the health and wellbeing of Playtech's employees – we have worked to protect and support them through our swift move to remote working and our global employee wellbeing programme. The Board has been continually impressed and inspired by our people's compassion – not only supporting each

other but also working to support their local communities during 2020. As a global business, Playtech has offices in many locations impacted by the crisis. Playtech and its people offered their skills, charitable budgets, assets and technology to support local communities, charities and not-for-profit organisations, and licensees to help reduce the impact of COVID-19.

In order to support our communities and the industry to help address the long-term challenges of the pandemic, in 2020 the Board approved a £3 million COVID-19 Recovery and Resilience Fund. The Fund aims to assist non-profit and social enterprise organisations delivering mental health and wellbeing services in Playtech's end markets and local communities. The Fund will prioritise support for organisations delivering programmes to people affected by gambling related harm, domestic abuse, and unemployment as well as at-risk groups such as young people, frontline healthcare workers and first responders. The Fund will be managed and distributed by the Charity Aid Foundation (CAF).

Strategic progress

The scale of our technology and breadth of our product offering has continued to deliver strategic progress in key markets. In 2020 Playtech entered the US market with a transactional waiver in New Jersey in H1 and has since launched with bet365 and Entain. This was followed by regulatory approval in Michigan in December and a strategic multi-state agreement with Parx Casino and the Greenwood companies in early 2021. This was delivered alongside continued growth in Latin America with Caliente in Mexico, new structured agreements in Guatemala, Costa Rica and Panama as well as the launch of Wplay in Colombia.

Further strategic progress was made in 2020 in disposing of non-core assets and focusing the business on executing on its strategic position as a leader in gambling technology. In early 2021 Playtech completed the disposal of its remaining Casual and Social Gaming assets and remains in discussions regarding the sale of Finalto.

Sustainable Success and Stakeholder Advisory Panel

Over the last 12 months, Playtech has worked with academics, charities and thought leaders in the gambling sector to make Sustainable Success a roadmap for Playtech utilising our scale, reach and data capabilities to build a sustainable, successful, and safer gambling entertainment industry for the benefit of all stakeholders. A key pillar of Sustainable Success is our commitment to invest £5 million from 2020 to 2025 to promote healthy online lives, digital resilience and to reduce digital gambling-related harm by engaging with a wide range of organisations to explore opportunities for collaboration, research, and interventions.

During the year, in addition to strengthening our approach to sustainability, we continued to focus on our stakeholders, making them an integral part of what we do – from working ever closer with our licensees, to engaging with our people to help them support our communities.



Read more about Sustainable Success on page 16

To continue to strengthen our stakeholder engagement into 2021, Playtech launched its first Stakeholder Advisory Panel. Throughout 2021, the Playtech Chairman and CEO will host a series of panels with thought leaders, policy and sustainability experts from inside and outside the sector to inform and challenge how we approach sustainability and safer gambling.

During 2020, Playtech shareholders approved the amendment of the Company's articles to facilitate the migration of the Company's tax residency to the United Kingdom from the Isle of Man. This allows Playtech to hold Board and General meetings in the UK and helps to facilitate greater shareholder and broader stakeholder engagement with the Company and the Board.

Shareholder returns

As part of the management team's actions to preserve cash across the business, the Board suspended shareholder distributions in March 2020 due to the uncertainty relating to COVID-19. The share repurchase programme announced at the FY 2019 results was postponed with immediate effect with approximately €10 million of the €40 million buyback having been completed. In addition, the 2019 final dividend was not proposed at the AGM. Together these measures allowed the Company to preserve over €65 million of cash outflows during the year and have helped to ensure that Playtech ended 2020 in a strong financial position.

Playtech remains committed to returning capital to shareholders whilst balancing the needs of the business and taking a prudent approach to its capital structure and leverage.

Claire Milne
Interim Chairman
10 March 2021

Protecting stakeholders and our business

As COVID-19 continues to impact the global economy, Playtech continues to make significant efforts to mitigate the effects of the outbreak on our colleagues and partners.

Our three areas of focus are as follows:

- **Protect our people:** Our people are our biggest asset. Our number one priority during this crisis has been the health and wellbeing of Playtech's employees. From moving to remote working to our global employee wellbeing programme, #StrongerTogether, we are looking to do everything we can to protect our people.
- **Protect our business:** Given the uncertainty in the global economy, we believe companies have a duty to employ responsible and strict approaches to fiscal management in order to do all they can to protect employees' livelihoods and ensure the long-term success of the Group.
- **Helping others:** We are constantly looking at how Playtech can contribute to helping fight the impact of the crisis. It is important all companies play their part in helping society during this difficult time, from simply helping to stop the spread of the virus by working remotely, to providing our tech to charity partners and supporting our local communities and partners across the globe.

Protecting our people and our business

Below we have summarised some of the initiatives in place in our key focus areas:

Business continuity

An important part of protecting our people and protecting our business has been our ability to work remotely and continue to deliver a high quality and reliable service to our licensees.

Earlier in the year when the crisis started to impact many of our end markets and geographies, we moved to ensure that there was sufficient capacity in our technology, management, staffing and oversight to maintain a compliant and robust service to our licensees – whilst also helping to protect our people by enabling them to work from home.

Stronger Together – employee wellbeing

We have launched our global #StrongerTogether campaign designed to look after the wellbeing of our people during this challenging time. This campaign, which is being delivered through our in-house learning platform, Playtech Academy, includes:

- Providing positive psychology seminars
- Five ways to wellbeing initiative
- Virtual learning programmes and "up-skilling" employees

Our mental health champions are all trained in mental health first aid and continue to provide support.

Safer gambling – supporting licensees, the industry and players

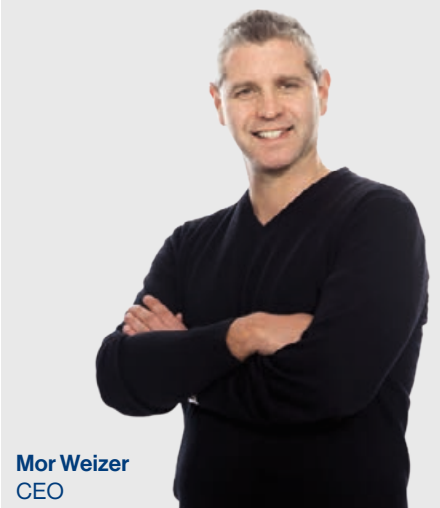
Playtech recognises that at this unprecedented time the industry needs to provide an increased level of safer gambling player engagement and data analysis, in order to support and protect new online customers or anyone experiencing increased vulnerability or high-risk behaviour patterns.

- As a result, Playtech has made its safer gambling engagement tools and data analytics technology, including BetBuddy, available to all operators across the industry for free during the crisis
- The BetBuddy solution, which is integrated with Playtech's IMS and Engagement Centre, offers tremendous opportunities for licensees to interact with players who are showing increased signs of risk

"This is one of the toughest times many of us will face, in both our personal and professional lives, and our thoughts are with all those affected by this crisis. The human impact, from direct health risks to the mental health impact of isolation, as well as the effect on our business and our industry will be felt for years to come."

"We will continue to encourage and inspire our people to support their local communities and those working on the front line, whilst doing all we can to protect them and their families."

"I want to take this opportunity to send a message of thanks to all our employees at Playtech. Many of our partners and licensees have contacted us to praise the continued high level of service they are receiving from Playtech and this is thanks to our amazing people. The management team and I have been inspired by their continued professionalism and commitment. Moreover, we have been overwhelmed by their capacity to support not only the business but more importantly each other."



Mor Weizer
 CEO

- Game design – Playtech was instrumental in the industry, adopting new measures to increase protection for online slot players. We will continue to lead research and pilots to establish and raise standards on safer game design, working with the Betting and Gaming Council to agree timeframes for implementation
- We are using our social media channels to regularly signpost and promote information about charities and organisations which are providing phone and online support for those seeking advice about gambling-related harm as well as mental health and wellbeing
- Across our B2B and B2C business we are reviewing advertising and operational procedures and are strengthening safeguards to account for the changing environment and risks

Helping others during the crisis

As a global business, Playtech has offices in many locations impacted by the crisis. Playtech is offering its skills, charitable budgets, assets and technology to support our local communities, charity and not-for-profit organisations and licensees to help minimise the impact of COVID-19.

Below are some examples of the work carried out in our local offices to help our local communities:

Providing Playtech technology

- Global: Playtech is providing the technology, online training and software from our in-house learning platform, Playtech Academy, to charities and non-profit organisations. These include those working on safer gambling research, education and mental health issues, to allow them to deliver their content and services remotely during and beyond this crisis
- Cyprus: Playtech developers are volunteering to build an eHealth Monitoring system for the Cyprus Health Department – creating a dedicated COVID-19 database for health workers in Cyprus
- Access to educational software and services
 - Global: Playtech donated licenses for educational software it holds to teachers, education institutions and other not-for-profit organisations to enable remote learning for students
 - Italy: Snaitech has developed a programme for employees to provide e-learning sessions to its charity partners including the Special Olympics, Fondazione Piatti and Fondazione Rava

- Estonia: Playtech has donated funds and hardware to provide computers to low-income families in Estonia so that they can continue to "attend" school remotely
- Bulgaria: By donating 18 Playtech-owned laptops it has helped local teachers and families with children who had very limited or no access to a computer at home, to connect and continue to learn whilst schools are closed



Support for front-line workers, healthcare institutions and the vulnerable

Across a number of our markets, our teams are making donations to help healthcare institutions secure much needed medical equipment, such as ventilators:

- Italy: Snaitech, through its iZilove Foundation, donated 2,500 medical masks to Papa Giovanni XXIII hospital in Bergamo
- Estonia: Playtech has donated computers and hardware to The Estonian Society of Family Doctors in order to allow it to continue to provide medical services remotely during the crisis
- Cyprus: Playtech has been donating time and funds to Friendship Circle Charity Organisation for the support of families in need during the COVID-19 crisis
- Gibraltar: Playtech supported The Care Agency with their 'Meal on Wheels' initiative. They delivered daily meals to the elderly and most vulnerable members of the community over the festive season
- UK: Playtech and Hands On London recently teamed up to help the elderly and isolated people to reconnect with familiar faces and combat loneliness. The programme allows people to reconnect, be creative and learn new skills in a social and friendly environment, whilst lifting the spirits of those most isolated and unable to leave their homes



- Latvia: Our teams in Latvia are working with a local charity to provide local medical staff with free meals delivered directly to the medical facilities while also making donations to local hospitals
- Ukraine: Playtech donated medical equipment to Kiev's Regional Children's Hospital intensive care unit. With many companies donating only to adult hospitals, Playtech Ukraine discovered that there was little attention being focused on the children's hospital which was lacking in necessary medical machines. A representative from Kiev's Regional Children Hospital reported on Playtech's donated machines, stating that "During June 2020 until December 2020, 2106 children were treated, 63 of which were COVID-19 Positive and 50 of which were connected to the breathing machine"

At this difficult time we will continue to show our gratitude and support for everyone working on the front line in all our communities across the world – whilst doing everything we can at Playtech to protect our people and their loved ones.

Leading the market

Playtech is the leading technology provider to the global gambling industry, with high operating margins and high cash generation. Its flexible business model and comprehensive technology offering can serve any operator in any market. The Company's 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 for shareholders.

Our strengths

Unparalleled scale in the gambling industry

Playtech was established at the outset of the online gambling industry and its more than 20 years of experience and investment in technology have resulted in unparalleled knowledge and expertise. Playtech's global scale and distribution capabilities, with over 170 licensees, operating in over 30 regulated markets and with offices in 24 countries, mean it is ideally positioned to provide its technology to operators in new regulated and regulating markets (including the US, Latin America, Central and Eastern Europe and Scandinavia).

Regulated markets

>30

Read more about Playtech's Business Model on pages 18 and 19

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 its data-driven Campaign Managers and intelligent bonus engines.

Read more about Technology Expertise on pages 32 to 36

Driving 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 at higher levels than 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 its peers, and ensures all Playtech customers will benefit from cutting edge technology indefinitely.

Read more about Innovation on pages 37 and 38

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 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 such as the US and Latin America.

Read more about our markets on pages 12 and 13

Our business model

Comprehensive and flexible offering to support any operator 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 flexible 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.

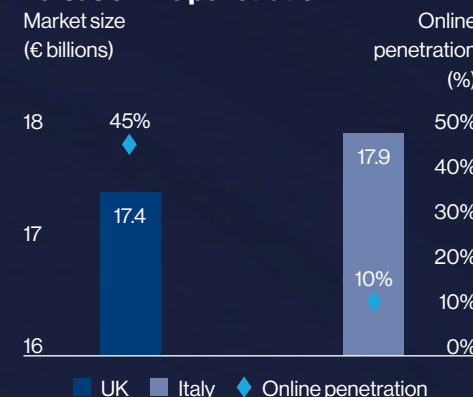
Read more about our business model on pages 18 and 19

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 a total GGR of €13 billion in 2020 and €18 billion in 2019, before the impact of the pandemic. However, the online segment in Italy remains less developed, with online penetration at only 21% in 2020 (versus 59% 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 41 to 43

Pre-pandemic market size versus online penetration



Our impressive financial track record

Playtech has an impressive financial track record, having grown revenue and adjusted EBITDA at a compound annual growth rate (CAGR) of 25% and 16% respectively since 2007. In the last five years Playtech has generated over €1.6 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

>€1.6bn

Total shareholder returns in last ten years

>€1bn

Focus on sustainability

Playtech is committed to helping build a safer, more sustainable entertainment industry for the benefit of all stakeholders and in 2020 launched Sustainable Success, its five-year sustainable and responsible business strategy.

A key focus for Playtech is to cement its position as an industry leader in safer products, data analytics and player engagement solutions. Playtech is investing into initiatives that boost digital resilience and safer gambling behaviours.

Read more about sustainability on pages 46 to 69



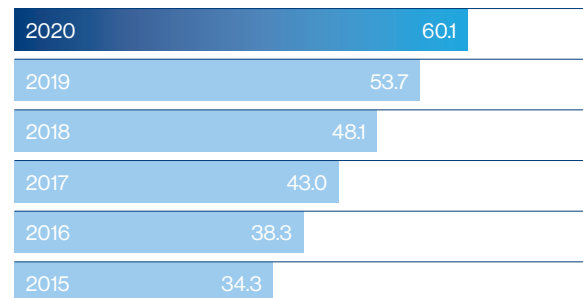
Industry positioned for significant growth

Global online market

The 2020 global online gambling market was estimated at €60 billion gross gaming revenue (GGR). The market is estimated to have grown 12% in 2020 compared to 2019 and has seen growth at a CAGR of 12% over the past five years. One of the drivers was the growth in mobile, which represented 42% of online gambling in 2020, up from 39% in 2019. Another driver was regulation of new markets, which is discussed below. Playtech's global presence, particularly in regulated markets, has allowed it to capitalise on market growth and the Company's scale and online expertise leave it well positioned to continue taking market share in the future.

Global online market

€60.1 bn



Source: H2GC.

Driven by product innovation, the growth of mobile gambling and US regulation of sports betting and iGaming, the global online gambling market is projected to grow at a CAGR of 10% between 2020 and 2023 boosted by growth predicted in the US (27%), Latin America (19%) and Europe (9%).

Mobile as a percentage of global online gambling is forecasted to grow from 42% in 2020 to 46% by 2023.

10%

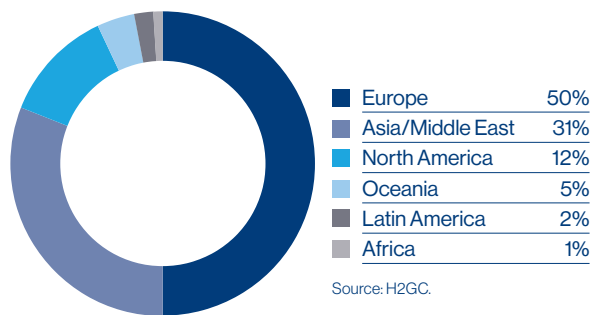
forecast CAGR of global online gambling market between 2020 and 2023

H2GC data (January 2021).

Online market

The European online gambling market is the largest globally, making up 50% of the global online market, and has grown at a CAGR of 12% between 2015 and 2020. The European market represented over 60% of Playtech's B2B gambling revenues, driven by the UK which is discussed below.

Online gambling market



The North American online market, which includes the US, Canada and Mexico, grew 32% in 2020 and made up 12% of the global online market, up from its 11% share in 2019. This was driven by the US online market, which (excluding lotteries) grew 45% in 2020 driven by growth in online casino of 97%. Following the repeal of PASPA in 2018, the US market is expected to experience significant growth in the coming years and is discussed in more detail below.

Latin America makes up only 2% of the global online market. Despite its relative infancy in size compared to other geographies, it is a high growth market which is expected to grow at a CAGR of 19% between 2020 and 2023 according to H2 Gambling Capital (H2GC) estimates (excluding lotteries).

Retail market

While online markets represent significant growth opportunities in many geographies, the global retail market is much more mature with an estimated CAGR of only 2% between 2016 and 2019. In 2020, the retail market globally is estimated to have contracted 30%, largely driven by retail locations in many countries being closed or otherwise impacted by lockdown measures imposed by various governments in response to the COVID-19 pandemic for large parts of the year.

The retail landscape had already begun to look different across geographies prior to the impacts of COVID-19. When stripping out the pandemic, the European market is expected to grow in the coming years driven by newly regulating markets, despite its largest markets, such as the UK and Italy, at mature stages and experiencing increasing regulation.

Latin America, conversely, is still seen as a growth market with more countries likely to regulate and grow in the way Mexico and Colombia have in recent years.

The North American retail market makes up 36% of the global pie, having grown from making up 31% in 2019. One of the drivers has been regulation in the US, with the legalisation of retail sportsbooks in several US states since PASPA was repealed in 2018.

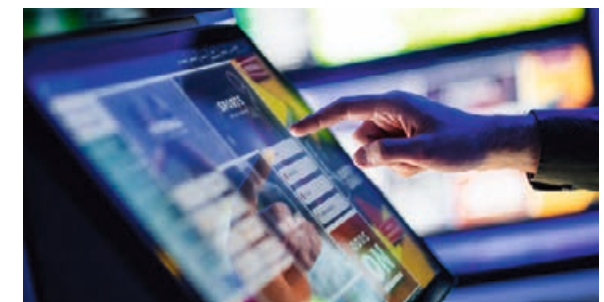


Photo by Mario Pampel Postproduction

Regulation

Regulation is a key driver of growth across the global market. Regulation across the sector varies in every country, from markets where gambling is prohibited (black markets), to markets where governments are yet to legislate for online products (grey markets), to fully regulated markets and government-owned monopolies. Playtech does not operate and does not allow its software to be used in black markets.

Governments across the world continue to introduce regulation, which in turn leads to further markets where gambling can be tracked, made safer and taxed by governments. In recent years numerous markets have regulated in Europe, such as Sweden and Switzerland. The repeal of the federal ban on sports betting in the US is another example of a government following this trend, while sports betting legislation has been passed in Brazil and is expected to be implemented in the coming years. This trend presents Playtech with a significant opportunity as it continues to focus on regulated markets.

Geographic focus

US

The US online market (excluding lotteries) has grown at a CAGR of 21% in the last three years and is expected to grow at a CAGR of 27% between 2020 and 2023, with online betting CAGR estimated at 33% and online gaming at 24% according to H2GC. The market is regulating state by state, with 22 states now offering sports betting and six offering a form of online gaming. Following the legalisation and launch of retail sportsbooks in several states, the retail sports betting market is expected to grow at a CAGR of 59% between 2020 and 2023 according to H2GC.

Jefferies estimates that the US sports betting (retail and online combined) market will reach \$19 billion in gross gaming revenue (GGR) by 2023, with the iGaming market estimated to reach \$5.4 billion.

Playtech has an exciting part to play in this high-growth market, having made significant progress by receiving licenses in New Jersey and Michigan and launching with bet365 and Entain in New Jersey, with further licence applications underway and further deals in the pipeline.

\$24bn

forecasted US market size

Read more about Playtech's US market opportunity on pages 20 and 21

Latin America

The Latin American online market saw growth slow to single digits in 2020, with the drastic fall attributable to the impacts of the pandemic on spending capacity in the region. However, the market is expected to recover strongly with double-digit growth expected over each of the next three years, at a CAGR of 19%, albeit from a lower base.

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 having signed structured agreements in Guatemala, Costa Rica and Panama in 2020.

19%

estimated CAGR for next three years in LatAm

Italy

Italy is the second largest overall gambling market in Europe and the largest until the pandemic-driven retail decline in 2020, with an underpenetrated online channel. In 2019 only 10% of the total Italian market (GGR) was online, presenting a significant long-term growth opportunity. In 2020 online is estimated to have represented 21% of the total market, albeit amplified by government-imposed retail closures in response to the COVID-19 pandemic at various points in the year. However, a substantial proportion of this shift could become permanent if Italy follows the digital trends of other geographies. The online market in Italy grew at a CAGR of 17% in the last five years and the Playtech Group is, through Snaitech, perfectly positioned to capitalise on the shift towards online.

UK

The largest regulated online market globally is the UK, which is estimated to have grown at a CAGR of 8% in the last five years and 10% in 2020 compared to 2019. The market, which has evolved from being 36% online in 2015 to 45% in 2019, was 59% online in 2020, albeit amplified by the shutdown of retail activity during the COVID-19 pandemic lockdown.

A strategy for sustainable growth

Our strategic priorities

In a rapidly evolving sector Playtech has a clear strategy to succeed in the coming years.



1

Drive growth in newly regulated markets including US and LatAm

Regulated and regulating markets will be the main source of income and present the highest growth opportunities in the gambling industry going forward. Playtech's growth in these new regulated markets will be driven through new licensee or partnership agreements as well as expanding into these markets with existing customers.

While growth opportunities exist in regulating markets globally, Playtech believes that the US and Latin America are especially attractive and will drive the Company's growth in the years ahead.

Examples of this strategy in action are Playtech's strategic agreements with the Greenwood companies in the US, Caliente in Mexico and Wplay in Colombia.



2

Diversify through new partnerships and business models

Due to its flexible technology, comprehensive product and service offering, land-based capabilities, and ability to offer a full turnkey solution, Playtech can enter new markets via a number of different business models and partnership arrangements depending on the conditions in each regulated or regulating market. These business models include comprehensive structured agreements, product, technology and software licensing or through its flexible and modular SaaS offering.

Examples of this strategy in action are Playtech's recently launched SaaS offering, which has secured over 150 new brands since its launch in 2019, as well as the new agreements and models deployed to capture the opportunity in Latin America with partners such as Caliente, Wplay and Tenlot Group.

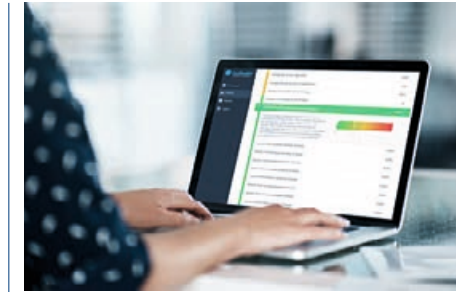


3

Drive innovation to remain technology provider of choice

Playtech has been at the forefront of innovation in the industry and is focused on continuing this going forward. Playtech has 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 continually developing the IMS platform and by producing industry leading and engaging content (including new games and integrated content). Playtech will continue to invest in R&D to remain a major source of innovation in the industry by further developing its technology platform and delivering innovative ways for end-users to experience content.

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



4

Commitment to sustainability

Playtech is committed to helping build a safer, more sustainable entertainment industry for the benefit of all stakeholders and in 2020 launched Sustainable Success, its five-year sustainable and responsible business strategy. As part of the strategy, Playtech is investing into initiatives that boost digital resilience and safer gambling behaviours. A key pillar of Playtech's corporate strategy is to cement its position as a global leader in safer products, data analytics and player engagement solutions.

To support this, a key commitment of Sustainable Success is to increase the uptake of safer gambling tools and solutions. Alongside powering safer gambling tools, a key commitment of Sustainable Success is for Playtech to partner with global leaders on the shared societal challenges presented by digital and online life.



5

M&A to focus on core businesses

Playtech's strategic focus is on its Core B2B and B2C Gambling divisions and will use M&A to enhance its Core businesses through acquisitions or to divest non-core assets.

Playtech has grown historically through a combination of organic development and acquisitions. While organic development has been the priority throughout 2020, Playtech continues to consider acquiring businesses (or their assets) that possess technologies, products and distribution capabilities which will strategically complement or enhance the Group's existing businesses. In delivering this strategy, Playtech is committed to a prudent and disciplined approach to acquisitions.

Playtech is also focused on simplifying its corporate structure to enhance its focus on its core businesses and may use M&A to help deliver this by disposing non-core assets. Examples of this strategy in action are the disposal of its Casual and Social Gaming assets in 2020 and early 2021 and the ongoing talks to dispose of Finalto, which has been classified as a discontinued operation.



A guide to Sustainable Success

At Playtech, we are committed to growing our business in a way that has a positive impact on our people, our communities, the environment and our industry.

Sustainable Success is how we are bringing the principles of sustainability and responsible business into everything we do. It is about raising standards for Playtech and the whole of the gambling sector.

Sustainable Success is built around our commitments to powering safer gambling, promoting integrity and inclusivity, and partnering on shared societal challenges.

By bringing our passion for innovation to this ambition, we are determined to be a leader in the digital entertainment industry.

A global framework powered by local action

Sustainable Success builds on Playtech's strong tradition of responsible business practices. We are now at a size and scale, however, where we need to co-ordinate our activities through a global framework.

Sustainable Success will help us act strategically to align our culture and values with our plans and ambitions, and to focus our attention, energy and resources.

At the heart of Sustainable Success are three commitments:

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

We have set goals for each of these commitment areas and will report on our progress year on year (and celebrate our successes).



1. Powering safer gambling solutions

The biggest impact we have on society relates to our gambling technology. That is why our first commitment is about powering safer gambling solutions. This is already a vital area for us, but will only become more important in the years ahead as we work to:

- Increase uptake of safer gambling technology, tools and solutions
- Harness investment in R&D to advance the next generation of safer solutions
- Strengthen operational safer gambling standards and technology – both B2B and B2C

The launch of Playtech Protect in 2020 was a signal of our commitment to be at the forefront of innovation, bringing our safer gambling technology, tools and services and research under one digital roof.

In the years ahead we want to have an even greater impact on the regulatory environment and fuel greater levels of industry collaboration.



2. Promoting integrity and an inclusive culture

At Playtech, our behaviour is governed by our values of integrity, innovation, excellence and performance. By making a commitment to promoting integrity and an inclusive culture, we are working to enshrine our values in everything we do. Over the next five years, we will focus on:

- Promoting integrity and reducing compliance risk
- Reducing our carbon footprint by 40% by 2025
- Supporting employee wellbeing
- Working to reduce the gender pay gap and achieve year-on-year improvements in diversity and inclusion

The source of Playtech's success has always been the fact that we have the best people in the industry. By making Playtech's culture truly inclusive, we want to continue attracting and retaining talented people to develop their skills and careers at Playtech.



3. Partnering on shared societal challenges

Our third commitment is partnering on shared societal challenges. Quite simply: if we want to have a positive impact, we cannot do it alone. This is why we are working with expert partners to drive:

- Healthier online lives and digital resilience
- Increasing employee participation in local volunteering projects
- Research, education and training to prevent gambling-related harm

To support these areas, we have made an initial pledge of £5 million over the next five years to fund partners who are working to help people live healthier online lives and adopt digital wellbeing and resilience.

[Read more about Sustainable Success on page 48](#)

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 sustainability and safer gambling

We are focused on building a safe, sustainable industry for the benefit of all our stakeholders. This includes furthering Playtech's position as a global leader in safer products, data analytics and player engagement solutions.

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 our leading technology on pages 32 to 36

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

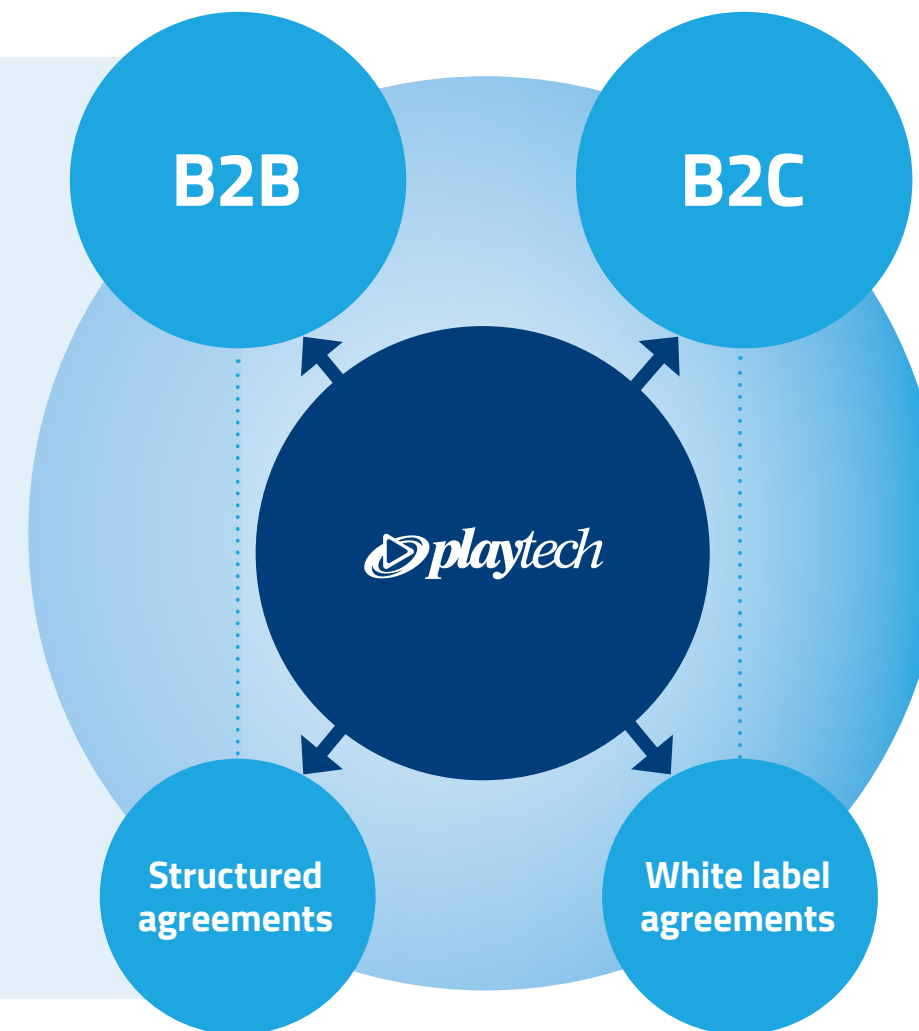
An extension of Playtech's B2B technology offering in which it partners with local heroes with a strong retail brand and presence to drive sales but without the technological expertise to succeed online.

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

c.400m

Amount invested in cash R&D including safer gambling initiatives

c.€150m

Number of poker tournaments on our networks

c.45m

For society and employees

Jobs (i.e. number of employees)

c.6,400

Number of charities and community organisations we supported

>100

For shareholders

Operating cash flow

c.€367m

First steps in US expansion

A significant long-term opportunity across Playtech's full product suite.

"This is a highly strategic market for Playtech. We see significant demand for the full breadth of our product offering, demonstrated by our agreements with bet365, Entain and the landmark deal with Parx Casino. This is just the beginning for Playtech in the US."



Mor Weizer
Chief Executive Officer

Since the repeal of PASPA in 2018, numerous states including New Jersey, Colorado, Michigan, Pennsylvania, Iowa and most recently Virginia have approved legislation to legalise sports betting. Many of these markets have already launched, with others expected to launch soon.

More than 22 states now offer or have introduced legislation to allow sports betting with further states expected to pass legislation in the coming years. While fewer states currently allow iGaming, which was not subject to PASPA and is allowed at the discretion of individual states, it appears to be gaining momentum with additional states allowing or considering regulating.

\$19bn

Estimated US sports betting market size (GGR) by 2023

Jefferies estimates that the US sports betting (retail and online combined) market will reach \$19 billion in gross gaming revenue (GGR) by 2023, with the iGaming market estimated to reach \$5.4 billion.

"We have launched our iGaming product in New Jersey and over time will extend this to include Sports, platform, and Live Casino and we will continue to expand into further states as they regulate. We are very excited about the long-term opportunity."

New Jersey

Having been granted regulatory approval by the New Jersey Division of Gaming Enforcement (DGE) to provide its online casino product to the New Jersey market, Playtech entered the US market and went live with bet365 and Entain in 2020. Over time, Playtech will increase its products on offer to include Sports, platform and Live Casino in line with state-by-state regulations.

Michigan and beyond

Playtech has also received a provisional iGaming license in Michigan and is underway with the licensing process in several additional US states. The Company has a strong pipeline of opportunities with potential new customers as well as existing customers in various states and will continue to increase its strategic investment in the US market.

\$5.4bn

Estimated US iGaming market size (GGR) by 2023

Parx Casino

Playtech has signed strategic agreements with various subsidiaries of Greenwood Racing Inc., referred to as the "Greenwood companies", which own and operate the Parx Casino in Bensalem, Pennsylvania. The agreements include the licensing of Playtech products to the Greenwood companies in the states of Michigan, Indiana, New Jersey and Pennsylvania, commencing with the launch of online casino in Michigan on Playtech's IMS Platform and Player Account Management (PAM).

Parx Casino is the leading casino and racetrack operator in Pennsylvania. The Greenwood companies also operate online sports betting and casino in Pennsylvania, online casino and retail sports betting in New Jersey and retail sports betting in Michigan.

To read more about the US market dynamics and regulatory backdrop, please refer to pages 13 and 44 respectively.



"This strategic partnership with the Greenwood companies represents a major milestone for Playtech and we are excited to work with them to help achieve their growth plans in the coming years, starting in Michigan. The US is a highly strategic market and this multi-state, multi-product agreement highlights the demand for the full breadth of our product offering."



Shimon Akad
Chief Operating Officer

Engaging with our stakeholders

Playtech's success is built upon maintaining strong relationships with stakeholders.

Introduction

As a technology leader and trusted service provider in the gambling industry, Playtech's success is built upon maintaining strong relationships and trust with its stakeholders. Collaboration has been essential to the Group's success and is fundamental to how Playtech thinks about and delivers its commercial strategy as well as its social responsibilities. The pandemic's unprecedented impact on our workforce, business, industry, customers, business partners and society at large, has further reinforced the importance of ensuring that we fulfil our obligations to stakeholders impacted by our business.

As an Isle of Man registered company, we are not bound by the Companies Act 2006. However, we seek to adhere to best practice and as such, guided by section 172, our Directors seek to act in a way that promotes the success of the Company for the benefit of its members as a whole. The following section outlines how the Directors take into account their obligations under Section 172(1) (a) to (f) of the Companies Act 2006. Playtech's approach to stakeholder engagement is summarised in this section as well as noted through this report.

Our approach

The Board utilises a range of channels to understand and consider stakeholder concerns when taking strategic decisions about the business and to communicate the Company's strategy, values and purpose to those stakeholders. These channels comprise of:

- Direct engagement with stakeholders;
- Use of communications channels including social media, digital media, internal company channels, and participation conferences and 1-1 meetings;
- Utilisation of Playtech's proprietary employee training and learning platform;
- Regular Board updates from key functional leaders responsible for engaging with key external stakeholders;
- Relevant functional reports and updates to the Remuneration, Audit and Risk & Compliance Board Committee;
- Regular Board updates from the COO and HR on employee issues;
- Briefings with functional leaders about emerging and/or live stakeholder issues;
- Briefings on issues raised through the Speak Up/Whistleblowing hotline; and
- Direct participation of the Risk & Compliance Committee Chair in the Company's Global Community Investment Committee.

The Director of Investor Relations, Director of Corporate Affairs, Chief Operating Officer, and the Chief Compliance Officer are standing attendees at Board meetings and regularly update the Board on investor, regulatory, policy, employee and commercial stakeholder views and perspectives. In addition, the Risk & Compliance Committee of the Board is specifically tasked with reviewing and considering developments on wider social responsibility issues and expectations along with evolving political, regulatory and compliance developments.

The following provides an overview of our stakeholders, the topics raised and considered, and how the Board assessed their interests when considering decisions during the year.

Colleagues

Summary of issues and interests

The unprecedented impact of the pandemic was the primary area of focus amongst our workforce in 2020. Key issues in focus during the year were workplace health and safety (including employee support for remote working), mental health and wellbeing, job security, learning and development and the future of work. In addition, diversity, inclusion, and equity continued to be topics of interest amongst our colleagues.

How we engaged and key considerations:

The Board engages with the Chief Operating Officer (COO) and Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce; including remuneration, talent pipeline, wellbeing and diversity and inclusion. The COO is a standing attendee at the Board meetings. In addition, the Company has established a Speak Up hotline, which enables employees to raise concerns confidentially and independently of management. Any concerns raised are reported into the General Counsel and Chief Compliance Officer for discussion and consideration by the Risk and Compliance Board Committee.



In 2020, the health, safety and wellbeing of our employees has been of utmost importance for the Board and Executive leadership team.

Throughout the global pandemic, the executive leadership and crisis management team worked together with HR and local country operations teams to understand the local developments, impacts and issues on the business and workforce, continuously monitor developments as well as coordinate plans for remote working and return to office protocols.



Playtech commenced and has continued with a global wellbeing support programme called Stronger Together. The campaign, delivered through our global learning and development platform, Playtech Academy, focused and continued to focus on providing positive psychology seminars and workshops, wellbeing initiatives and remote learning and skills development programmes.

As a precautionary measure, in the early stages of the pandemic Playtech accessed approximately £6 million in government support schemes in the UK and other markets. This was to ensure the Group could protect jobs given the prevailing uncertainty over the severity of the impact on the business from the pandemic. Despite the impact of the restrictions on parts of our business and given the overall resilient performance over the course of 2020, this support is currently in the process of being repaid and therefore excluded from our results for 2020.

For more information on how we responded to the pandemic, please see pages 8 and 9.



Diversity and inclusion also continued to be a priority issue. We made progress in implementing our global D&I strategy, focusing this year on taking steps to reduce the gender pay gap and increase female representation at senior levels.

Shareholders and investors

Summary of issues and interests

- Pandemic response
- US market strategy
- Non-core asset disposals
- Corporate governance
- Sustainability including safer gambling

How we engaged and key considerations

The Board is committed to having a continuing, constructive dialogue with its current and prospective shareholders and ensuring it is aware of their views regarding the Company on issues including strategy, governance and sustainability. The Chairman regularly engages with major shareholders and other members of the Board meet with shareholders as requested. The Director of Investor Relations attends all Board meetings and provides regular reports, issues of concern to investors and analysts' views and opinions. Whenever required, the Executive Directors and the Chairman communicate with the Company's brokers, Goodbody and Jefferies, to confirm shareholder sentiment and consult on governance issues.

In 2020, the Company continued to work through its well-established investor relations (IR) processes, which supports a structured programme of communications with existing and future investors and analysts. The Executive Directors and members of the IR team participated in a number of investor events, attended industry conferences and regularly meet or are in contact with existing and prospective institutional investors from around the world, ensuring that Group performance and strategy are effectively communicated, within regulatory constraints.

Licensees and customers

Summary of issues and interests

- Business and operational continuity during the pandemic
- Competitive pricing
- Service reliability and scalability
- Solutions and support to meet and anticipate regulatory developments – including safer gambling
- Innovation across content, products and platform

How we engaged and key considerations during the year

The Board received regular updates on commercial developments, joint ventures, licensee relationships and business development from the COO and VP of Business Development. In 2020, the key priority was to ensure high levels of business continuity with a focus on reliability and minimal service disruption.

Our ability to innovate our content, product and platform in an agile manner is also a key expectation from our licensees. Playtech continues to support existing licensees with new technologies that support greater flexibility in running their businesses as well as improved ability to meet evolving regulatory and market needs. In addition, Playtech Academy provides learning support for our licensees, providing them with accessible and versatile training content and services. For more information on Academy, please see page 40. Playtech also continues to meet current and future licensee needs and interests related to the evolving regulatory environment and the focus on safer gambling. In 2020, the Company launched Playtech Protect, a new business unit dedicated to supporting licensees with safer gambling solutions. For more information on safer gambling, please see pages 50 to 56.

Suppliers and technology partners

Summary of issues and interests

- Impact of the pandemic and Brexit on supply chain continuity
- Consistent and regular communication and engagement
- On-time payments
- New opportunities to support smaller licensees with technology support

How we engaged and key considerations during the year

Suppliers

The central procurement team leads on setting the strategic direction and engagement with our suppliers. The team uses several mechanisms for engaging with suppliers including:

- Periodic supplier briefings
- Monthly meetings
- Performance reviews
- Joint forecasting of opportunities
- Management of supply chain disruptions

During the year, Playtech worked with its suppliers to address the challenges associated with the pandemic including supply chain continuity, and ensuring access and supply of key infrastructure hardware. With respect to Brexit, we engaged with our suppliers on the changes and requirements related to shipping and invoicing as well as the establishment of UK and non-UK distribution hubs. During the year, Playtech also initiated action to improve payment processes for its suppliers and partners.

Technology partners

The Innovation and Consultancy team is the primary function responsible for engaging and forging partnerships with third party technology partners. The Board has directed Playtech to partner selectively with those that are leaders in their own field and share Playtech's standards and values.

As part of our strategy, Playtech has onboarded a number of specialist partners to our Software as a Service (SaaS) Partner programme, which is designed to support our licensees with innovative technology solutions to support them as they compete, grow and thrive in a changing regulatory landscape. In 2020, our engagement with SaaS partners increased and we saw an upsurge in interest from potential partners.

For more information, please refer to page 38.



Regulators and policymakers

Summary of issues and interests

Regulation continues to be a fast-growing force across our existing and future markets. In mature, regulated markets such as the UK, Italy, and Spain, concerns about the pandemic prompted calls and action to further restrict and monitor the behaviour and impact of the sector on consumer protection and safer gambling. Advertising, affordability, product safety and public health issues continue to be areas of regulatory and political focus, particularly in markets such as the UK, where the regulatory and legislative framework is undergoing review in 2021. 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.

How we engaged and key considerations during the year

The Board continues to monitor and engage on regulatory and policy issues via the Chief Compliance Officer and the regulatory affairs function and Chief Policy Officer have primary (delegated) responsibility for engaging with regulators and policymakers and providing the Board with regular updates on developments. The Company continues to actively promote regulation in existing, future and emerging markets through one-on-one engagements as well as participation in industry trade bodies, including the Betting and Gaming Council (BGC), to monitor and engage with policymakers and regulators on current and emerging developments.

Throughout 2020, the Board received ongoing updates on the review of the UK Gambling Act, regulatory developments in the US and the headwinds of more stringent safer gambling regulations across Europe.

For more information, please refer to the Regulation section on pages 44 and 45.

Society and communities

Summary of issues and interests

Safer gambling – spanning product safety, mental health, ethics and technology – remains a key concern for consumers, opinion formers, policy makers and regulators. Playtech recognises that the 'always on' digital culture is raising important questions about wellbeing, safer gambling, and mental health. The pandemic amplified existing societal concerns over these issues. The pandemic also created an urgent need for financial and non-financial support for charitable organisations delivering critical services for those affected by gambling related harm, as well as frontline services in the communities where Playtech operates.

How we engaged and key considerations during the year

The Board is provided with an update on societal issues, insights and developments by the Compliance, Regulatory Affairs and Sustainability and Corporate Affairs functions. In 2020, the Board tabled sustainability during two formal meetings where sustainability and ESG topics were considered. The Board formally reviewed its sustainability strategy in August and agreed to formally review its sustainability strategy bi-annually.



The Board also received a formal update on trends and developments related to sustainability and ESG in July 2020. These formal updates are informed by regular stakeholder engagement activities, stakeholder materiality analysis and research initiated by the functions.

For more information, please go to the Sustainability section on pages 46 to 69.

Key strategic decisions made by the Board during the year

- Pandemic response
- Migration of tax residency to the UK
- Company-wide salary reductions
- Executive remuneration
- Disposal of non-core assets
- Appointment of new Interim Chairman
- Policy developments and updates – including the new work from home policy

Stakeholder engagement in 2021

The Board recognises that the industry has changed rapidly and that now, more than ever, is an important moment to pause and ask the question: what will sustainable success mean for our business and the sector going forward?

To gain a better appreciation of those changing expectations and improve Playtech's ability to respond, we intend to establish a Stakeholder Advisory Panel. This Panel will be chaired by Playtech's Chair and supplement Playtech's existing mechanism for engaging with stakeholders and help advance its sustainability strategy as well as help us raise standards for responsible business practices within the sector.

The Stakeholder Advisory Panel will bring together external topic experts with senior internal decision makers to sense check, challenge and provide direction against key non-financial topics, such as the overall responsible business strategy, safer gambling, and digital health and wellbeing as well as the diversity and inclusion agenda.

Significant strategic progress

“Playtech made excellent progress in the highly strategic US market and continued to build on its position in Latin America.”



Mor Weizer
Chief Executive Officer

Against a challenging backdrop, Playtech delivered a resilient financial performance in 2020 with swift management actions limiting the impact of COVID-19 restrictions on Adjusted EBITDA. More importantly, Playtech continued to make significant strategic progress, which positions the Group strongly to benefit from the recovery and to capture the exciting market opportunity.

Overview

Playtech made excellent progress in the highly strategic US market, launching with bet365 and Entain in 2020. The scope for further progress is significant, and the Group recently announced agreements with the Greenwood companies to license Playtech products in four states.

Alongside this, Playtech has continued to build on its position in Latin America. Caliente continues to go from strength to strength, and the Group added new structured agreements in Guatemala, Costa Rica and Panama. Playtech also added more than 100 new brands to its SaaS offering in 2020.

Snaitech has continued to outperform in Italy despite the retail closures in 2020 as a result of the pandemic. Snai achieved the number one market share position in Italy across online and retail sports betting (measured by GGR) and grew its overall online revenue by 58% in 2020.

As the leading technology company in the gambling industry, Playtech recognises that licensees look to the Group to deliver innovation that changes the way players experience gambling entertainment. Key to this approach is Sustainable Success, Playtech's new ESG strategy launched in 2020, which aims to consolidate its position as a global leader in safer products, data analytics and player engagement solutions and build a safe and sustainable gambling industry.

The simplification of Playtech is also progressing. Casual Gaming has been disposed and the Finalto sale process is advanced. Once this process is completed, Playtech will be a simpler business, focused on the attractive markets of Core B2B Gambling and B2C Gambling.

Response to COVID-19

As COVID-19 impacted the global economy throughout 2020, Playtech made considerable efforts to mitigate the effects of the outbreak on its staff, its partners and its business. Management took decisive action to ensure the health and wellbeing of its employees and to preserve cash flow, while continuing to provide customers with Playtech's leading technology.

Playtech enacted its business continuity plan in the early stages of the pandemic, with all of its offices moving to remote working during March to protect employees' health and safety. Playtech managed this transition while largely maintaining productivity levels and delivery deadlines. Other actions taken included the deferral or cancellation of capital expenditure, strict working capital management, suspension of shareholder distributions, reduced working hours in certain locations, reduced office and maintenance costs, and the renegotiation of timing of cash outflows including contingent consideration payments due in 2020.

Certain parts of Playtech's business, particularly those with a retail focus, were severely affected by the pandemic in 2020, and some continue to be impacted into 2021. As a result of the actions taken and the outstanding response from its people, Playtech demonstrated strong operational resilience during the period. In addition to delivering a robust performance, the Company made significant strategic and operational progress by adding new brands, expanding existing relationships and entering new markets.

At the end of the year the Board took the decision to commission a £3 million Resilience & Recovery Fund to help address and alleviate some of the long term impacts of the COVID-19 pandemic on its communities and the industry as a whole. The Fund has been established to assist and support organisations delivering mental health and wellbeing services around the world, so that people can benefit from accessible and affordable support from these vital programmes.

Core B2B Gambling

The strategic focus of Playtech's Core B2B Gambling business continues to be on higher margin regulated opportunities with Casino, Live Casino and Sports being of greatest focus. Playtech continues to support existing licensees with new technologies and tools and provide them with greater flexibility in their operations. Playtech

intends to continue accessing opportunities, including attracting new customers in both existing regulated markets and newly regulated markets, as well as through new structured agreements and joint ventures depending on commercial suitability and market dynamics.

Overall, Core B2B Gambling revenues declined 6% in the period compared to 2019, as the impact of retail closures and the cancellation or postponement of sporting events had a significant negative impact on revenue in the retail parts of this business, outweighing the significant growth seen in the online business. Excluding Sports, the online portion of Core B2B Gambling grew 30% at constant currency compared to 2019 driven by strong results from the Casino (including Live), Bingo and Poker online businesses. Despite the pandemic, operational momentum continued across B2B Gambling in 2020 with new customer wins, new launches with existing customers and further product enhancements.

US

The US is a highly strategic market for Playtech and creates a significant long-term opportunity across its full product suite. In 2020, Playtech made significant progress in the US as it was granted licences to operate in New Jersey and Michigan and launched in New Jersey with bet365 and Entain. Playtech will continue to increase its strategic investment in the US market. The Group has started the licensing process in additional US states and has a strong pipeline of opportunities with both potential new customers as well as existing ones in other markets.

In early 2021 Playtech signed strategic agreements with various subsidiaries of Greenwood Racing Inc. which own and operate the Parx Casino in Pennsylvania. The agreements include licensing of Playtech products to the Greenwood companies in the states of Michigan, Indiana, New Jersey and Pennsylvania, commencing with the launch of online casino in Michigan on Playtech's IMS Platform and Player Account Management (PAM).

Casino

Playtech's online Casino business had a very strong 2020. Activity increased due to the growth in recent customer additions, including Swiss Casino, the expansion with existing customers, including Caliente, bet365 and Fortuna, as well as overall increased activity levels in light of government lockdown restrictions in various countries. The lack of sporting events also led customers to look for alternative forms of leisure.

Playtech signed over 100 new brands in 2020 (compared with over 50 in 2019), including Betsson, Stoiximan and Kindred. Playtech continued to roll out its products to further Entain brands and geographies. Playtech also launched bet365 in Greece, Spain and Bulgaria, as well as Fortuna in Slovakia, and went live with Svenska Spel in Sweden.

Among various new product developments, Playtech developed the Player Engagement Hub; an in-game widget that updates players on features, such as leaderboards, and will also contain in-built safer gambling functionality to inform players, in real-time, about the potential dangers at various stages of gameplay. Leaderboards is the first feature to be delivered within the Player Engagement Hub. As with future features, this development is an out-of-the-box tool that will reduce the technical burden for licensees, and in turn, accelerate customers' go-to-market timeframes.

Further product developments included the roll-out of Age of The Gods: Norse, an extension of the highly successful suite of games which now includes advanced jackpot functionality.

“The Live Casino business continued its strong momentum in 2020. The business continued to add new customers, expand with existing customers, and deliver innovation while dealing with the challenges posed by the COVID-19 pandemic.”

Core B2B Gambling continued Live Casino

The Live Casino business continued its strong momentum in 2020. The business continued to add new customers, expand partnerships with existing customers and deliver innovation, while dealing with the challenges posed by the COVID-19 pandemic.

During 2020, Playtech's Live Casino business added a number of new customers, including Totalizator Sportowy, BetConstruct and Svenska Spel. Its progress with existing customers included PokerStars expanding into new territories, such as Denmark and Sweden, and significantly increasing its number of tables with Playtech. Playtech completed key strategic partnership product launches with a series of games, such as Majority Rules Speed Blackjack with Entain, Spin & Win Roulette with Flutter Entertainment, and Cash Back Blackjack with Stoiximan. The business also delivered a variety of new dedicated tables, including Quantum Roulette in Italian for Snaitech, and a series of promotional-led

tables and dedicated tables in Spain with Codere, Sportium, Betfred and Entain.

Playtech's key focus in regulated markets saw the launch of Quantum Roulette in Spain, providing the first multiplier-based Roulette game in that market, whilst launching the first live variant of Sette e Mezzo in Italy, which specifically supports partners with a traditional Italian-based Blackjack game.

Playtech took extensive measures to ensure minimal disruption to its Live Casino facilities during the pandemic, whilst also prioritising the safety of employees. As a result, Playtech's largest Live Casino facility in Riga has remained open throughout the pandemic. The Manila facility has been closed at various times due to the Philippines government's strict lockdown measures; however, Playtech has been able to shift all traffic to its other facilities. Playtech has additional contingency plans should further disruptions arise in the future.

Playtech's ability to offer seamless integration to its facilities within days led to a new agreement with one of the most significant providers of Live Casino in Asia. As a result, not only did Playtech's Live Casino business experience exceptional organic growth during the period, it was also able to take on significant additional traffic from this Asian provider's extensive distribution channel.

In addition to its existing product pipeline, Playtech delivered Auto Table and Live Streamer, two products which allowed customers to continue delivering games and services, and enabled dealers to continue hosting games from remote locations during the pandemic. Further innovation included the development of fixed odds games, known as 'Live Betslip Games', to add value to sportsbook users during a period with limited sporting events. Playtech also developed its first ever Live Bingo game.

“Caliente continues to go from strength to strength, and the Group added new structured agreements in Guatemala, Costa Rica and Panama.”

Sports

Playtech's Sports business started 2020 strongly in January and February while also benefiting from favourable sporting results. However, it was significantly impacted by various government restrictions put in place in March as a result of the COVID-19 pandemic that led to retail closures and the cancellation or postponement of the majority of major sporting events. The B2B Sports business began to recover towards the end of H1 and in early H2 as sporting events resumed and retail locations reopened. The business was again impacted by government enforced retail closures towards the end of 2020 and into 2021.

Bingo and Poker

The Bingo and Poker businesses enjoyed a strong 2020 with strong growth compared to 2019. The pandemic created a significant increase in activity driven by an increase in players' leisure time due to the government lockdown measures in many jurisdictions at various times during 2020.

Playtech's Poker network added 19 new brands in 2020, including several following the closure of the Microgaming Poker Network, most of which are new to Playtech.

Core B2C Gambling Snaitech

Snaitech revenue was down 37% in 2020 compared to 2019, while Adjusted EBITDA was down only 19%, highlighting the resilience of its business model. Snaitech had a very strong start to 2020 through January and February, also benefitting from favourable sporting results. However, following the decree from the Italian Government issued on 8 March 2020, all betting shops, arcades and bingo halls across Italy were forced to close as a result of the COVID-19 pandemic. Snaitech was further impacted by the postponement of most sporting events and competitions globally. During, this period

Snaitech continued to generate revenues from its online gaming business, with online betting severely impacted by the lack of sporting events. While Snaitech lost significant revenue from retail closures and the lack of sport, it managed to remain broadly breakeven on an EBITDA level even during the peak of the pandemic. This was largely due to the strong performance of online gaming and Snaitech's low fixed cost base franchise operating model, as well as action taken by the business to reduce costs.

Retail shops began to reopen in June with the introduction of appropriate safety measures such as plexiglass screens and social distancing rules. The return of football and other sporting events acted as a significant boost as activity levels started to normalise towards the end of H1 and into H2. Snaitech had a very strong period from July through October when the business was once again impacted by government enforced retail closures from late October through the end of 2020 and into 2021. However, sporting events largely continued throughout H2 and Snaitech remained positive on an EBITDA basis in this period, despite the impact of retail closures from late October through the end of the year.

Snaitech achieved the number one market share position in the Italian sports betting market (retail and online combined measured by GGR) in 2020, showing its operational and brand strength.

B2C (ex-Snaitech)

Playtech's White label business (predominantly Sun Bingo) saw a strong performance in 2020, with heightened volumes of activity versus 2019 leading to revenue growth of 10% at constant currency in the year.

HPYBET was impacted by government lockdown restrictions during parts of 2020 and by the cancellation and postponement of sporting events during H1. Its retail locations in Germany and Austria were closed at various points during

2020 and into 2021 and the business incurred fixed costs owing to it being a mix between an owned and franchise model. The closures have led to a €41.2 million impairment of the business.

Asia

Playtech's revenue in Asia declined 28% as the business was negatively impacted in 2020 by government restrictions imposed in the region in response to the COVID-19 pandemic. The business has also been impacted by restrictions on payment processing which, while not targeted towards the gambling industry, has nonetheless negatively impacted the business.

During 2020, Playtech added a new distributor alongside its existing distributor to add more flexibility in the region going forward and also benefitted in the period from a contract with a leading provider of Live Casino in the region.

Finalto (previously TradeTech Group)

In early 2021, Playtech rebranded its Financials Division, previously TradeTech Group, to Finalto. Playtech remains in discussion regarding the intended sale of this business and it has now been classified as a discontinued operation with an impairment recognised as discussed below.

Finalto had a very strong performance in 2020 as it benefited from increases in market volatility and trading volumes, particularly in H1. This resulted in Finalto's revenues growing 80% versus 2019. Market activity began to normalise towards the end of the first half and this trend largely continued throughout the remainder of 2020. This led to a modest performance from Finalto in H2 compared to H1.



Sustainability Strategy 2020–2025

In 2020, Playtech launched its sustainability strategy - Sustainable Success. This is the Company's strategy for bringing the principles of sustainability and responsible business into everything it does. Details on Playtech's commitments can be found on page 46 onwards.

● [Read about our sustainability strategy from pages 46 to 69](#)

“Sustainable Success aims to deliver change to help build a safer, more sustainable entertainment industry for the benefit of all stakeholders.”

Group simplification

Playtech is in the process of simplifying the group to focus on its core gambling businesses. This process led to the Casual and Social Gaming business being classified as a discontinued operation in 2019. The sale of certain loss-making assets of this business was completed in 2020 for USD 1 million and the remainder of the business was disposed of in early 2021 for approximately USD 10 million.

Playtech remains in discussions regarding the intended sale of Finalto and the business is now considered a discontinued operation. The Group remains committed to executing its simplification strategy in order to focus on its core businesses and in doing so, has recognised an impairment charge of €221.3 million in relation to Finalto.

Safer gambling and sustainability

In 2020 Playtech launched Sustainable Success: its commitment to grow its business in a way that benefits its people, its communities, the environment, and the industry. Sustainable Success aims to deliver change to help build a safer, more sustainable entertainment industry for the benefit of all stakeholders and Playtech has commitment to invest £5 million into initiatives that boost digital resilience and safer gambling behaviours. A key pillar of Playtech's corporate strategy is to cement its position as the industry leader in safer products, data analytics and player engagement solutions. To support this, a key commitment of Sustainable Success is to increase the uptake of safer gambling tools and solutions. During 2020, Playtech launched Playtech Protect, a unified brand for all its safer gambling products, research, innovation and thought leadership. As well as offering Playtech's leading safer gambling tools and services, such as IMS, BetBuddy and Player Journey, Playtech Protect also utilises the scale

of Playtech's technology by bringing compliance solutions from outside the industry to Playtech's licensees. Playtech Protect simplifies the integration, meaning licensees only have to integrate with Playtech to access these additional services. Through Playtech Protect the Company is continuing to share its research, data analytics expertise and insights with a wide range of stakeholders including trade bodies, research organisations and academics.

As part of its commitment to power and promote safer gambling tools, Playtech offered all its Playtech Protect services, including BetBuddy, for free to its licensees during the COVID-19 pandemic. Throughout the pandemic, Playtech continued supporting its licensees and partners to ensure that pre-COVID-19 safer gambling commitments and industry codes of conduct were met and operating effectively, to further safeguard consumers during the crisis.

Sustainable Success is also designed to support and further Playtech's core values and unique family culture. How the Company has responded and continues to respond to the human challenges of COVID-19 is a clear testament to that strong culture. As a global business, Playtech has offices in many locations significantly impacted by the crisis. Playtech is offering its skills, charitable budgets, assets, and technology to support its local communities, charity and not-for-profit organisations as well as licensees to help minimise the impact of COVID-19.

Alongside powering safer gambling tools, a key commitment of Sustainable Success is for Playtech to partner with global leaders on the shared societal challenges presented by digital and online life. In September 2020 Playtech announced a new collaboration with the Responsible Gambling Council (RGC), the

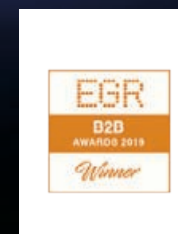
international leader in problem gambling prevention, awareness, and research. Playtech will use its expertise and experience to help the RGC examine the links between mental health, digital wellbeing and problem gambling using a combination of thought leadership, research, and evaluation.

Mor Weizer
Chief Executive Officer
10 March 2021

Our awards

An outstanding year of recognition

In a year where industry awards were adapted to an unfamiliar landscape, Playtech continued to be recognised for excellence and innovation; not only for technology and content, but also individual, team and community achievements.



Multi-channel and international recognition at the EGR B2B Awards

Although the ceremony was held virtually this year, the EGR B2B Awards remained a key date in the industry calendar, with Playtech continuing a long run of success at the event. The success of Playtech's omni-channel strategy was recognised with the coveted Multi-Channel Supplier award, while for the fourth year in a row, the company was honoured as Bingo Supplier of the Year. In a resurgent year for the Poker vertical, Playtech was recognised as Poker Supplier of the Year.

Elsewhere, Playtech received its first international EGR award, triumphing in the Casino Platform Provider category at the EGR Nordics Awards.



Playtech's record-breaking HOT 50 run continues

As of 2020, Playtech holds the record for the most entries in the Gaming Intelligence HOT 50, celebrating the industry's most talented, innovative and inspiring people. Honoured in the 2020 awards, and joining a long list of Playtech alumni, were Chief Compliance Officer Ian Ince and BetBuddy CEO Simo Dragicevic. Both were recognised for their commitment and innovative work in responsible gambling; highlighted by Gaming Intelligence as the key challenge shaping the industry's future.



Best New Game Award from WhichBingo

In its 20th anniversary year, the WhichBingo Awards, dedicated to honouring the leading operators and technology providers in the online Bingo industry, awarded Playtech the Best New Bingo Game accolade for The Voice UK Bingo – exclusively developed for Buzz Bingo.



Financial and Compliance award success

Playtech's wider innovation outside of product was recognised this year at two key awards events. The company's Compliance team was named Compliance Team of the Year at the VIXIO Gambling Compliance Global Regulatory Awards in recognition of its diligent support and guidance to employees and customers alike. Elsewhere, Playtech's Investor Relations team was highly commended for its digital annual report in the Best Online Report: FTSE 250 category at the cross-industry Corporate & Financial Awards.



Recognition for female leaders at Playtech

In the absence of the full Women in Gaming Diversity Awards this year due to global restrictions, Clever Duck Media released its list of the Gaming Industry's Influential Women for 2020, with Playtech's Commercial Director Lucy Owen amongst 26 women recognised for their contribution. Elsewhere, UK HR Director Sophie Yaxley was honoured at the WomenTech Global Network Awards in the HR Program of the Year category, reflecting her successful delivery of Playtech's global wellbeing programme.



Recognition for female leaders at Playtech

In its inaugural year, the Industry Community Awards selected Playtech as the winner of its Innovation Award, rewarding the company's efforts to adapt and support the wider industry community in this most challenging of years. Elsewhere, Playtech's commitment to promoting a culture of health and wellbeing in the workplace was recognised by Gibraltar charity GibSams with a Wellbeing at Work Award.

Our diversified technology

Playtech ONE

Through Playtech ONE, our proprietary technology solution, 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, through joint ventures or by investing directly as a B2C brand in some markets.

Principles of Playtech ONE

- One single Player Account Management (PAM) platform – IMS – for full player lifecycle visibility and management from a centralised point
- One single CRM, marketing automation platform and wallet
- Any product available across any distribution channel – online or retail
- One single customer view for data analysis
- A seamless player journey across any product or vertical
- Services and capabilities available across any platform and any product



Omni-channel solution launched with Wplay

In Q4 2020, Playtech extended its agreement with one of the leading retail brands in Colombia, Wplay, to implement IMS across all products for the company's retail and online operations. Optimised for added speed and improved navigation, it enables more bets in less time, with data-driven personalisation of user preferences regarding sports, markets and events.

Designed to deliver full compliance with the territory's latest regulations and adaptability for long-term growth, the move gives Wplay the most complete and advanced product and services offering in Colombia – one of Latin America's strongest and most innovative markets.

Expanding our addressable market

Over recent years Playtech has evolved its technology in order to expand its addressable market and create a significant growth opportunity.

Identifying untapped opportunities

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

As communicated in 2019, Playtech identified that there are over 1,000 operating brands that previously utilised no Playtech products or services. This market is made up of gaming operators of different sizes across the world.

>1,000

incremental sites now addressable

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 enabled us to achieve 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 recent launch of our software is the next stage of that development and is delivering 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, including additional platform tools and products. This represents a significant barrier to entry for any other B2B provider or B2C operator trying to replicate our services-driven technology proposition.

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

Playtech has not replaced its existing model, but has simply extended its reach to new opportunities irrespective of their size. 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-sell capabilities with our licensees.

Accessing new opportunities

By evolving our technology, we have extended our offering to allow us to deliver a solution to any licensee in any market. This has delivered a further diversification of our client base beyond Tier 1 operators and local heroes and provides Playtech a significant future growth opportunity. This strategy successfully delivered more than 50 new brands in 2019 and more than 100 further new brands in 2020 across the world.

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

>150

new brands added since extension of offering launched

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

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 and 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 licensees to access all elements of Playtech's 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. In 2020 the platform benefited from a number of updates including a new user experience and interface, marketing automation developments, reporting visualisations and improved security features to name a few.

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.

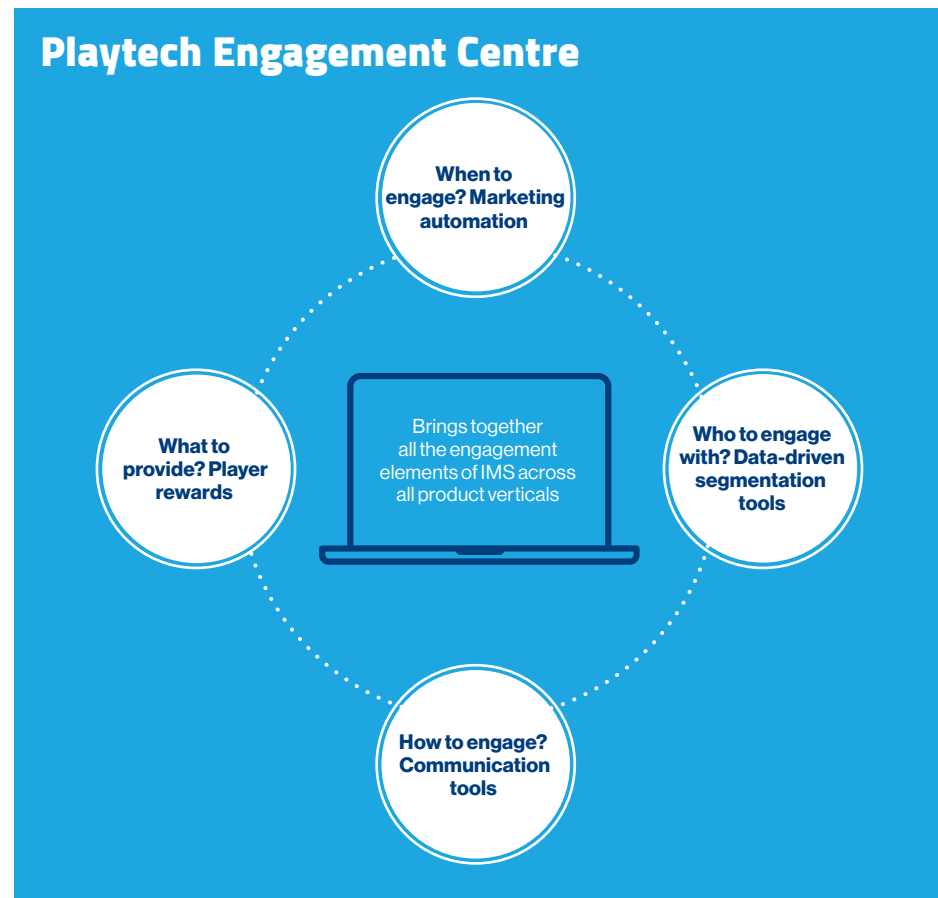
Playtech offers its licensees services from the world of e-commerce, risk management, performance optimisation and fraud management.

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 and 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



Playtech expands Fire Blaze™ Jackpots brand and introduces Power Zones™ suite

Since launching in 2019, the Playtech Fire Blaze™ Jackpots suite from our Rarestone studio, designed around the compelling "Hold and Respin" feature, has proven a major success, developing a strong following and brand recognition amongst players. To build upon its high player loyalty and retention value, the Fire Blaze™ brand has been expanded to introduce two new variants – Mega Fire Blaze™ and Fire Blaze™ Golden. Both variants expand on the appeal of the Hold and Respin mechanic, with Mega Fire Blaze™ introducing an expanding game grid, and Fire Blaze™ Golden featuring prizes that repay on every respin.

The introduction of Mega Fire Blaze™ and Fire Blaze™ Golden is designed to increase the reach and versatility of the brand, offering a fresh angle to appeal to more seasoned players. The original format games are being rebranded as Fire Blaze Classics, giving each variant a distinct identity under one umbrella brand. Additionally, the brand is now being extended beyond slots with the launch of Mega Fire Blaze™ Roulette, designed to translate the player loyalty into cross-sell success, as has already proved effective with suites such as Age of the Gods™ and Kingdoms Rise™.

A major new launch for Playtech in 2020 was the Power Zones™ suite, developed by the Ash studio and launching with Stallion Strike™ and Legend of Hydra™. Aimed at experienced players, the games feature expanding symbols that link together to form a Power Zone™, transforming all the symbols within the zone into the same type. The launch, backed by a streamed tournament hosted by Flutter Entertainment, continues Playtech's strategy of building feature-led content and brands to aid player retention.

Product verticals

Casino

Playtech offers one of the industry's most extensive casino game portfolios, delivering over 800 innovative in-house and premium branded titles, including original content such as Age of the Gods™, the Fire Blaze™ series and the Power Zones™ suite, as well as a range of exclusive film, sport and entertainment tie-ins, including Hollywood brands MGM, Universal and Paramount. With seven distinct global studios developing content under the Playtech umbrella, we can offer an extensive selection of games to suit a range of demands. Innovations such as Powerplay jackpots – a jackpot suite including established titles, combining a progressive "mega jackpot" with capped and timed jackpots – provide powerful marketing tools to boost player interest and increase the overall value of a range of content. In-game engagement tools such as Leaderboards and Mystery Parcel empower licensees to increase player engagement through gamification.

Original and branded games titles

>800



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, operated by native-speaking dealers, includes all the casino classics, such as Blackjack, Baccarat and Roulette, in addition to innovative new variants, including Unlimited Blackjack, Quantum Blackjack, Live Slots, Prestige Roulette, Football Roulette and Adventures Beyond Wonderland, plus popular Playtech brands such as Age of the Gods™ Roulette.

Sports

Playtech 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. 2020 has seen the launch of four major new licensees on the Playtech Digital Sportsbook, including Casino.com in June – the first UK licensee on the Playtech platform.



Bingo

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

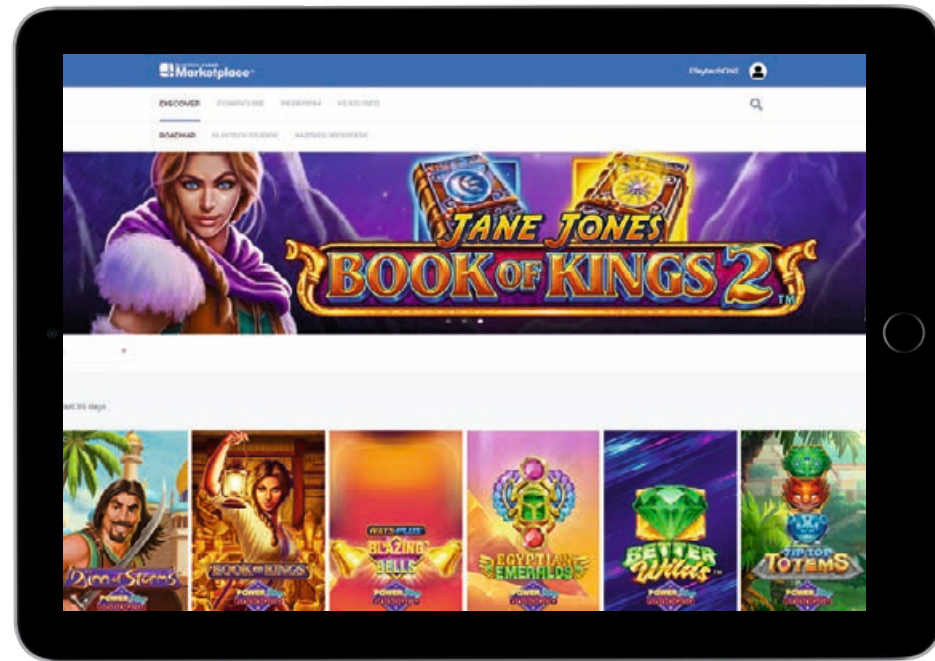
Poker

Playtech Poker software is fully compatible with all other Playtech products and 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.

Following a period of evolution in line with market challenges, Poker has experienced a resurgence during 2020, with major operators including Betsson Group, RedStarPoker, Grosvenor Poker and Coolbet making their debut on the Playtech Poker network.

Playtech Games Marketplace

The future of games discovery and distribution.



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

Games Marketplace

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, Perform

Playtech's Games Marketplace is the industry's leading content discovery technology, where licensees can discover and access the portfolios of Playtech and its third-party content partners. 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 3,800 games available in one of the industry's largest open games platforms
- Intelligence and insights: Playtech's data-driven business intelligence tools allow for easy-to-follow stats and analysis on games

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

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

- Games roadmap and promotional sections
- Client area for marketing asset repository

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 calculation, model sharing and collaboration

Continued dedication to innovation

Playtech continues to innovate across its technology products and infrastructure.

Highlights

In 2020, Playtech continued its dedication to innovation across our technology, content and infrastructure, in line with our strategy to lead industry direction in these areas. Key areas of progress to highlight include the expansion of Player Journey within our Engagement Centre, improved personalisation via our data-driven games grid, innovative new content across Casino and Live Casino, including the industry's first Live Slots game, and the AI-driven Bet Recommender for Sports.

Engagement Centre

Within IMS's Engagement Centre toolset, we commenced the full rollout of Player Journey – a revolutionary tool to help our customers optimise their players' lifecycles. The technology allows licensees to create, implement and evaluate their own journeys, personalised based on data and driven by key communication touchpoints using our In-Game Messaging feature and other key marketing channels. Additionally, we engaged with customers to build "pre-canned" journeys designed to support key challenges and priorities, such as churn reduction and longer-term player retention.

In-Game Messaging gives licensees a powerful tool to communicate with players at their most engaged – via pop-up and "toaster" style notifications. Well-established in Casino, rollout across other verticals continues, creating exciting possibilities from a player retention and conversion perspective. For example, players who enjoy a particular brand, such as Age of the Gods™ (AOTG), can be incentivised in real time with relevant promotions for other games in the series across various verticals (such as a message offering promotional chips for AOTG Poker within a Casino game).

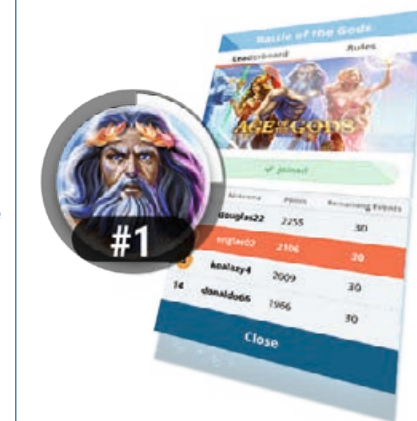
The Engagement Centre is also home to gamification tools such as Leaderboards and the new Mystery Parcel function. Designed to engage players by creating a competitive element to their play, Leaderboards offer a key point of differentiation and an effective way to

offer player incentives and rewards, including bonuses, extra reward points and cash and physical prizes. Already established in Casino, Leaderboards are now being rolled out to Live Casino to build on this success.

Launched earlier this year, the Mystery Parcel widget is designed to boost engagement and add an extra dimension to gameplay. An opt-in promotional tool, the parcel rotates between eligible players, stopping at various points during a configurable period to issue a range of prizes as per licensee settings.

Data and personalisation

The newly rolled-out Personalised Games Grid 2 (PGG2), an updated version of our Netflix-style games recommendations engine which is based on individual player data, has improved the quality and relevance of player recommendations, including highlighting favourites and trending games. Brands using PGG2 have experienced an increase in all major KPIs, for example, a double-digit increase in average income per player and an increase in distinct sessions per player versus control groups.



Games Marketplace

Playtech's Games Marketplace is the industry's leading content discovery technology, where licensees can discover and access more than 3,800 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.

Playtech Sports

2020 was also a year of continued improvements and developments to the digital sportsbook, most notably the integration of the IMS-based Player Journey and engagement messaging (Playtech Engagement Centre) with Sportsbook. Other key product enhancements include operator-controlled event cards to promote specific sports or events, dynamic price enhancements and events-triggered bonusing, plus a bespoke Virtual Sports offering for Danske Spil, Denmark's national lottery operator.



Photo by: Mario Pampel Postproduction

Highlights continued

Live Casino

A robust schedule of content launches featured a series of industry firsts, including Buffalo Blitz™ Live and Age of the Gods™: God of Storms Live, Live Slots featuring in-game hosting and community spins, designed to create an interactive feel and boost cross-sell opportunities between the Casino and Live verticals. The new Quantum series, featuring Quantum Roulette and Blackjack games, boasts the industry's first multiplier Blackjack game, built on unique maths algorithms, meaning players can win up to 1,000x their stake per round.

Playtech Live's most recent major launch, Adventures Beyond Wonderland, epitomises the strategy to deliver "next level entertainment", with a new format based on a successful slot, combining it with live hosted gameplay and augmented reality for a fully immersive experience.

Elsewhere, Live continues to be a major opportunity for cross-sell, notably through themed and events-based content. The summer 2020 relaunch of Football Roulette saw the introduction of the Let's Play studio, a permanent, dedicated sports-themed environment that will host a wide range of sport-led content throughout the year. A touch-controlled video wall displaying key moments from games, plus Statscore match statistics, is designed to deliver added appeal for Sports customers and create a more immersive experience, in line with the wider Live strategy.



Hindi Roulette



Poker

In a year when Playtech's Poker network grew in a challenging, yet ultimately resurgent, market, key product developments included the launch of time-based and event-based Leaderboards, a new Free Blinds promotional tool and two-level Flight tournaments with an additional prize pot for qualifying players.

Bingo

Playtech Bingo continues to deliver bespoke and exclusive content for major licensees, including The Voice UK Bingo (exclusively developed for Buzz Bingo), Deal or No Deal – The Big Draw (a unique new Live Bingo game, developed by Playtech Live) and a time-triggered jackpot suite for Mecca and Gala Bingo.

IMS for the future...

Continuing to build on the success of the award-winning IMS platform, we have a number of key deliverables that will futureproof our technology for years to come. The system is currently undergoing a complete UX revamp, designed to create a seamless, consistent UI experience across its wide variety of tools within the IMS ecosystem.



Playtech Live Facility, Riga

Academy website

As part of plans to further improve engagement and support of licensees, Playtech is currently developing an externally facing knowledge base for existing and future customers. The new site will allow users to search for digital materials to support day-to-day operations and marketing, easing the burden on f2f interactions and creating a more "on demand" and blended learning experience. As Playtech further expands its footprint across the globe, the Academy website and team will be pivotal in enabling customer onboarding and future growth.

SaaS

Playtech's Software as a Service (SaaS) programme continues to grow, using the capabilities of the Playtech Open Platform (POP) to make selected third-party solutions available to our customers, with direct integration with IMS where applicable. The programme gives Playtech the power to diversify the range of services we offer without additional development and allows our customers to benefit from expertise and rich, complementary functionality provided by specialists in their respective fields.

Playtech's long-term ambition is to continue expanding the programme without compromising on the quality or relevance of partners. The focus for partner selection currently covers six core areas: Compliance and Regulatory, Engagement, Communications, Operational, Affiliation and Retail. With 13 confirmed partners and negotiations ongoing with several more, key signings this year include eKYC and fraud detection specialists TruNarrative – the power behind the industry-leading Affordability UK safer gambling solution – and data-driven email and SMS management experts Purple Square, providers of the Airship platform.

Our content studios

Our studios

Each of Playtech's studios delivers a unique flavour of Casino games, coming together to form the strongest and most varied content offering in the industry.



Origins

Playtech Origins combines vast experience with an ongoing drive for innovation, having created some of the industry's most unique games of the last decade, from classic, long-term top performers such as Buffalo Blitz™ to fresh new concepts such as the Ways Boost series. 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.



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, creating games that they as players would love to play.



Psiclone Games

Psiclone Games is a slot games design studio based in Lichfield, UK, and focuses on the production of unique and engaging high-quality titles. A growing portfolio, covering an increasing range of markets, includes Fairground Fortunes, Bee Frenzy and Sorcerer's Guild of Magic as its expansion continues.



Ash

Ash 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 games such as the new Power Zones™ suite 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. Vikings' 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, including Age of the Gods™: God of Storms™ and Legacy of the Wild™.



Eyecon

Eyecon was founded in Brisbane, Australia, in 1997 and develops slots, Bingo 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 recognised 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 Australia-based studio is built on a passion for developing games with global appeal, including the highly successful Fire Blaze™ series. 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.

Playtech's award-winning training centre

2020 Learning Technologies Award nominee for Best Training Implementation and Learning Culture.

Established in 2018, Playtech Academy ("Academy") is an accessible, versatile training centre, designed to drive engagement using an active approach to learning. Offering both in-house educational services and learning support for customers, the Academy team brings Playtech employees and licensees a monthly collection of live training events and recorded sessions, to best suit their learning preferences.

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. 2020 saw the development and final preparations for the launch of our new customer education portal, where customers will be able to search for knowledge resources, with cutting edge video

content, podcasts, articles and live events. Our mission is to transform the gambling industry's learning habits and become the biggest knowledge hub and resource for industry best practices. This new portal will also benefit those who are not licensed with Playtech, who will be able to keep abreast of the latest industry trends and participate in online events.

During 2020, Academy partnered up with several non-profit organisations and charities to support their efforts in moving their operations from classroom-based services to the online channel. Amidst the COVID-19 pandemic, these charities found themselves unprepared for online service delivery. Academy supported them with hosting their online training, creating online tutorials and closely monitoring their transition from a classroom-based operation to a fully online presence.

Academy also supported the business by initiating the Stronger Together campaign for all Playtech employees where they were invited to take part in many online well being sessions including physical and mental health support.

With more than 50 sessions and over 1,000 participants since the start of the pandemic, this campaign quickly became one of the biggest successes Academy has ever seen.

Shimon Akad, COO at Playtech said:

"A huge amount of effort and investment has gone into Academy, so it's fantastic to see this recognised with a nomination at the Learning Technologies 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."



Our B2C division

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 and online Sport B2C business in Austria and Germany.

Snaitech is a leading operator in the Italian betting and gaming market. Back in 2018, the combination brought together Playtech's technology with Snaitech's powerful brand and local expertise in Europe's largest gambling market. It created a fully vertically integrated retail and online Italian gambling business that can control its own technology, from land-based to online. Snaitech's retail betting business operates almost exclusively a franchise model with a low fixed cost base. Snaitech is also a leading operator of retail gaming machines (including AWP's and VLT's).

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. HPYBET, Playtech's Retail Sport B2C business, operates betting shops in Austria and Germany.

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 the benefit of all partners and stakeholders
- Strategic optionality when devising its approach in regulated and regulating markets

Italian market opportunity and online success

The largest overall gambling market in Europe is Italy, which is 79% land based and only 21% online with potential to continue growing significantly online. Only a year ago, the market was 90% land based and only 10% online, albeit with some of the shift in 2020 attributable to the closure of retail shops owing to the COVID-19 pandemic. Overall, the online market in Italy has grown at a CAGR of 17% in the last five years and the Group is, through Snaitech, perfectly positioned to capitalise on the shift towards online in the years ahead.

Snaitech's online business grew 58% in 2020. 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 across online betting and gaming in H2 2019 – a feat it achieved again in H2 2020.

SNAITECH

Snaitech: Resilient performance despite significant retail closures

In 2020 Snaitech continued to strengthen its market position in Italy.

Snaitech had a robust operational performance in 2020 when considering the significant lockdowns in light of the COVID-19 pandemic and the resulting closures of retail shops and cancellations of sporting events.

Snaitech's total revenues in 2020 decreased by 37% compared to 2019, due to the impact of retail shop closures and the cancellation of sporting events between March and June, as well as further retail closures in November and December, partially offset by very strong growth in online. The online segment continued to perform very well with growth in online revenue of 58% compared to 2019.

While Snaitech's Adjusted EBITDA declined 19% due to the impacts of the pandemic, its impressive growth in online EBITDA saw healthy overall margin expansion.

Online revenue growth

58%

In 2018, the government in Italy approved an advertising ban for all forms of gambling which took effect from 14 July 2019. The Group expected Snaitech to be relatively better positioned than online-only competitors given the strength of its retail brand and presence and this has been seen in 2019 and 2020 since the implementation of the advertising ban. Management believe that, in the longer term, the advertising ban could facilitate market consolidation in the fragmented online market as online-only operators lose their means of advertising.

Snaitech confirmed its position as the leading player in the market across retail and online Sports betting in 2020 and also reached the number 1 position in overall online betting and gaming in H2 2020. Playtech expects Snaitech to continue to benefit from the advertising ban going forward and further strengthen its market position in online.

#1

Snaitech's market position in sports betting (combined online and retail GGR)

Operational strength despite headwinds

Snaitech experienced a very strong start to 2020 through January and February. However, following the decree from the Italian Government issued on 8 March 2020 as a result of the COVID-19 pandemic, all betting shops, arcades and bingo halls across Italy were forced to close. Snaitech was further impacted by the postponement of most sporting events and competitions globally. During this period Snaitech continued to generate revenues from its online business, mostly through online gaming with online betting being severely impacted by the lack of sporting events. While Snaitech lost significant revenue from retail closures and the lack of sport, Snaitech managed to remain broadly breakeven on an EBITDA level even during the peak of the pandemic. This is due to the strong performance of online and Snaitech operating almost exclusively a franchise model with a low fixed cost base. Management used the lockdown period to continue strengthening Snaitech's technology to increase integration between retail and online, providing customers with a safe, multi-channel gaming experience.

Retail shops began to reopen in June with the introduction of appropriate safety measures such as plexiglass screens and social distancing rules. The return of football and other sporting events acted as a significant boost as activity levels started to normalise towards the end of H1 and into H2. Snaitech's performance was very strong from July through October, and while further lockdowns led to retail shop closures in November and December, online continued to perform very well throughout the period. Overall the business navigated the challenges of the pandemic to have a resilient 2020.



Interview with Fabio Schiavolin, Snaitech CEO



Q:

What was presented during Snaitech Sustainability Week?

In October, exactly five years after the formation of Snaitech Group, we hosted the second edition of Snaitech Sustainability Week, an event dedicated to information and awareness on initiatives concerning sustainability which is led by the iZilove Foundation, Snaitech's entity dedicated to social causes. Themed as "A journey five years long", we showcased the most significant moments since 2015 grouped into five sustainability drivers including financial, environmental and social achievements. We presented the 2019 Snaitech Sustainability Report, which discusses "5 years in 5 projects and 25 stories" – our 25 stakeholders' testimonies narrating key projects that have shaped the evolution of Snaitech Group over the last five years. We also launched new formats such as live webinars and Instagram talks to make this event accessible digitally. I personally met the representatives of three non-profit organisations (AMREF Health Africa, Special Olympics Italia and Fondazione Renato Piatti Onlus) to discuss CSR projects carried out through the iZilove Foundation in the last five years. The event was attended digitally by our employees and external stakeholders and was a huge success.

Q:

What has the partnership with Playtech brought to Snaitech?

It has now been more than two excellent years since Snaitech joined the Playtech Group. In 2020 more than ever, the combination of Playtech's online expertise and technology stack along with Snaitech's leading brand and market presence has made us a powerful force in the Italian market and enabled us to continue strengthening our position. Snaitech and Playtech have a long, successful history having worked together since 2006 and we are excited about the years ahead.

Q:

What are you focused on going into 2021 and beyond?

We're focused on continuing to use our strong brand awareness to continue taking online market share, particularly in light of the online advertising ban in Italy, as well as continuing to work closely with our franchisees and deliver the best technology and retail gaming experience in the market. The combination of the experience of management and the culture of innovation will continue to boost our market position in the forthcoming years. Besides, Snaitech has a history of strong ethical values and a commitment to safer gambling and we remain passionate about being a sustainable business and dedicated to our charitable initiatives.

Q:

How was 2020 for Snaitech?

I am very proud of our people and our achievements in 2020. Considering the significant challenges we faced due to retail closures for half of the year and the lack of sporting events for parts of 2020, we have delivered a fantastic operational performance in online while managing to remain financially strong and also achieving remarkable cost efficiency. We have continued to increase our market share in the total online betting and gaming market and remained the market leader across combined retail and online betting market. Our online business had incredible growth in 2020 as we leveraged our brand to strengthen our market position.

Q:

How has the COVID-19 pandemic affected Snaitech?

Before the pandemic hit, Snaitech had a very strong start to the year. January and February were excellent months for us. When the government closed all betting shops, arcades and bingo halls in March and sporting events were cancelled, we lost significant revenue from retail and online betting, although our franchise model limited the impact. Our people remained strong and supported each other throughout, and we began to reopen shops in June with appropriate safety measures. We had a great summer with the return of sports, and retail activity returned towards normal levels until further lockdowns were imposed in late October. Our business has remained strong due to our online presence and our people have been fantastic.

Continually evolving regulatory landscape

Regulation continued to be a major influence on the gambling industry throughout 2020, 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 all 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.

>30 regulated jurisdictions

Regulated markets we serve in Europe, Latin America and the US remain key to Playtech's continued growth. Playtech's increase in regulated revenue in recent years is a result of its sustained progress against its strategic goals as well as the continuing success of Snaitech in Italy. Playtech continues to expand into new regulated markets, including the US. 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 as well as expand its relationship with existing licensees into further regulated and newly regulating markets.

US

Since the repeal of PASPA in 2018, numerous states including New Jersey, Pennsylvania, Nevada, Indiana, Colorado, Iowa, Mississippi, Washington D.C., Illinois and most recently Virginia have approved legislation to legalise sports betting. Many of these markets have already launched in both online and retail channels, with others expected to launch soon.

In total, 22 states now offer or have introduced legislation to allow sports betting with further states expected to pass legislation in the coming years.

Online casino, which was not subject to PASPA, is allowed at the discretion of individual states. West Virginia began allowing online casino in 2020, while Michigan launched in early 2021, joining New Jersey, Pennsylvania, and Delaware while Nevada allows online poker only.

● To read more about Playtech in the US market, please refer to pages 20 and 21.

Europe

Regulated markets in Europe represent significant growth opportunities. The Ukrainian regulations launched on 14 July 2020 and looking forward, others will follow. Netherlands and Germany, both top 10 markets in Europe, are likely to reach regulatory resolutions in 2021 with the Netherlands expected to issue licenses and

Germany set to update its expiring inter-state gaming treaty. Playtech is well positioned to enter each of these markets and was awarded a sports betting license in Germany through its B2C division HPYBET in October 2020.

After many years of uncertainty for online casino in Germany, the market provided some regulatory clarity in late 2020 as the 16 Länder (German federal states) confirmed that they have agreed to a transitional Tolerance Policy for the period ahead of the implementation of the Interstate Treaty 2021. The Tolerance Policy effectively brought forward several parts of the Interstate Treaty, namely switching off casino table games (Blackjack and Roulette) until the individual Lander chooses to issue licenses under the Treaty, as well as deposit limits on slots and poker of €1,000 per month, €1 maximum stakes per spin on slots, 5-second minimum duration of slot spins and certain advertising restrictions.

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 solely operate online, will likely find it more 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 while it continued to increase its market share online. Further, in light of the COVID-19 pandemic, the Government introduced an additional emergency tax on retail and online sports betting until the end of 2021.

Latin America

Latin America remains a key 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. In H2 2019 Playtech signed a major new agreement with Wplay, one of the leading operators in Colombia, which went live with Playtech technology in 2020. Playtech also signed agreements in Guatemala, Costa Rica and Panama in 2020 as it continued to extend its presence in the region. Playtech recently received a licence in the province of Buenos Aires in Argentina.

Sports betting legislation has been passed in Brazil, which 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 and individual provinces of Argentina should also provide opportunities for Playtech in the coming years.

UK

The UK remains a key regulated market for Playtech with its ongoing relationships with major operators. Playtech has been actively involved in discussions around safer game design and online advertising and, through the industry trade body the Betting and Gaming Council (BGC), is co-leading a working group on the subject. Playtech expects that its 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 including the UK.

In December 2020 the UK Government announced a call for evidence in order to review the current gambling laws in the UK. After an initial 16-week call for evidence, the Government will assess the evidence presented, alongside other data, with the aim of setting out conclusions and any proposals for reform in a white paper next year. Playtech is curating data and evidence relating to the call and will be submitting in line with the Government's request.



During 2020 Playtech pledged to make a £3.5 million payment to charities in lieu of a regulatory settlement following an investigation into one of its former B2C operations. The Gambling Commission investigation focused on regulatory failings which occurred between May 2015 and September 2017 in a subsidiary that operated two B2C brands in the UK, namely Titan.co.uk and Winner.co.uk. Titan.co.uk closed in August 2018 and Winner.co.uk closed in June 2019. This was part of a strategic decision to focus on the Group's B2B activities in the UK and was taken in advance of the UKGC's investigation.

Following a fresh review of the UKGC investigation led by interim Chairman Claire Milne, the Board took the decision to voluntarily make charitable donations of £3.5 million and send the message to all Playtech's stakeholders that this event in a former operation was not representative of Playtech's high standards or where the Company sits today.

Game Design

Given Playtech's status as a strategic technology partner to major operators worldwide, it is uniquely positioned to champion innovation in product safety and game design. This is an area of growing interest amongst regulators, politicians and society at large.

Playtech was invited to co-lead the UK Gambling Commission (UKGC) and Betting and Gaming Council's industry efforts to develop the industry's first code of conduct on safer game design. The code, published in September 2020, addresses player safety by ensuring that safer gambling principles are fully incorporated into the design of online games before they enter the market.

The resulting Game Design Code of Conduct includes principles as well as commitments to act on specific features such as limits on slot spin speeds and bans on certain features to discourage intensive play. Following extensive consultation, the measures outlined in the Code were agreed by all members of the Betting & Gaming Council, with some requirements being implemented immediately and others in 2021. The Code is intended to be a living document, evolving as the research base and understanding around game design continues to develop.

Playtech is committed to playing a major role in pioneering this important research agenda by providing sound empirical data and insights. In the years ahead, the Group hopes to spur greater levels of industry collaboration. In the UK, the regulator is currently consulting on whether to include the Code measures in its own License Conditions and Codes of Practice (LCCP), which would make compliance mandatory for all UK-licensed operators.



Photo by: Mario Pampaloni/Postproduction

Committed to building a sustainable and safe gambling industry

At Playtech, we're committed to growing our business in a way that has a positive impact on our people, our communities, the environment and our industry.

Responsible business and sustainability

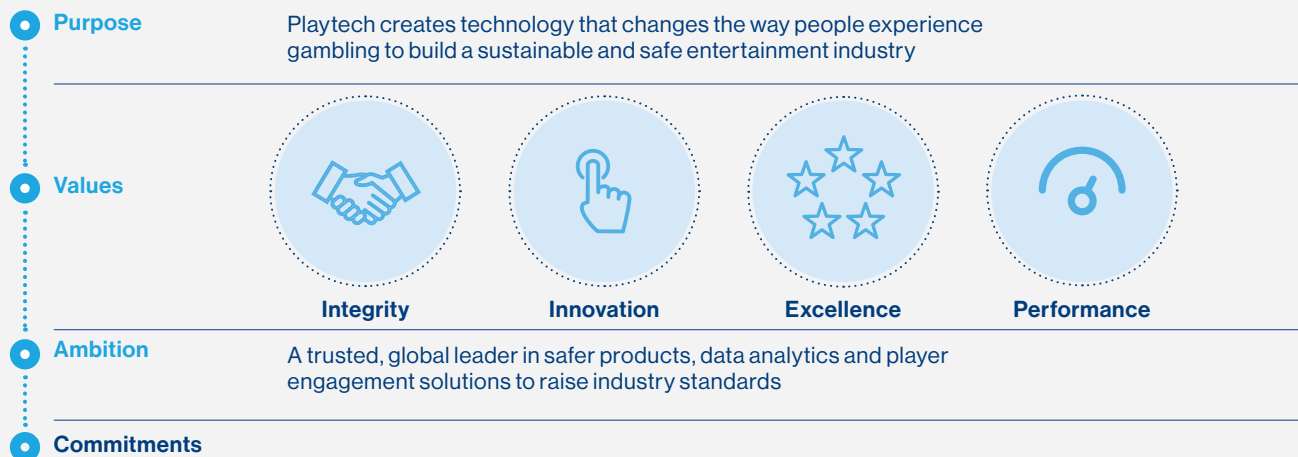
For 20 years, Playtech has strived to be a technology leader in its industries.

Given its scale and strengths, Playtech is well-placed to continue growing in regulated and regulating markets; the Group's employees have a wealth of experience, combined with the Company's data-driven technology and the proven ability to innovate.

Beyond its high growth and rapidly changing industries, Playtech is operating in a time of profound global economic and societal change. 2020 alone has seen the world grapple with the unprecedented challenges of a pandemic, the acceleration of climate change and growing calls for more inclusive societies and business.

It is clear that the definition of success is changing for all businesses. Success is no longer about simply maximising profits.

2025 sustainability strategy



- 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
 - 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
 - Contribute to and support research, education and training to prevent, reduce and address gambling-related harm

Looking ahead, Playtech is focused on growing its business in a way that has a positive impact on its people, its communities, the environment and its industries. This is why the business launched its new five-year sustainability strategy in 2019: Sustainable Success.

This section outlines key responsible business developments in 2020 and the Company's plans for the future, including both narrative commentary and a growing suite of key performance indicators. This approach to doing business responsibly is multifaceted and ever evolving, but it remains anchored in the issues that are most material for the Group's stakeholders and the continued success of the business.

The detailed methodology behind the data reported in this section can be found at <https://www.playtech.com/sustainable-success>.

Issues that matter to Playtech and society

Playtech operates in a world that is ever-changing. Regularly assessing which issues are most material to the business and industries it operates in is essential to successfully test and develop the Group's responsible business strategy and reporting. Playtech defines an issue as being material if it is considered important by key stakeholders and could have a significant financial impact on the business. As such, the business considers both risks and opportunities as part of the materiality assessments.

The most recent materiality assessment started in Q4 2020. For this, Playtech conducted a systematic scan of the priority issues for the gambling sector, as defined by investors and the wider

financial community, employees, licensees, gambling charities, regulators and the media. The Company then grouped together the long list of issues into more meaningful clusters, which were prioritised through a variety of exercises, including internal interviews as well as input and validation via interviews with a selection of external stakeholders. Lastly, the draft outcomes were presented to our newly formed Stakeholder Advisory Panel who provided additional insights and made recommendations for keeping the assessment up to date in the future.

The diagram below provides a visual overview of the material concerns, segmented operational, strategic, material and emerging issues. Emerging issues typically represent challenges that may not be on the stakeholders' radar yet but are instrumental in the Group's planning for the future. While this may break with usual conventions around materiality assessments, Playtech is a unique business, spanning both the technology and gambling industry classifications for Environment, Social and Governance (ESG) benchmarks. To that end, the company has taken into account material issues from both sectors in its materiality assessment.

The seven issues identified as being the most material are:

- Safer gambling** embraces areas such as games design & product safety, marketing, investment in research, education and treatment (RET), customer engagement, regulation, data analytics and the use of AI

- Carbon efficiency and reduction** covers policies, initiatives and performance relating to climate change prevention, mitigation and adaptation
- Corporate governance (ESG)** refers to elements of governance that relate to the social and environmental aspects of sustainability such as board diversity and experience, incentives and remuneration, as well as integration of sustainability into decision-making
- Financial crime** focuses on anti-money laundering (AML), anti-bribery & corruption (ABC), tax evasion and professional integrity
- Human capital management** covers issues such as talent attraction & retention, employee engagement, training & development, and diversity & inclusion
- Data protection and cybersecurity** relates to policy, governance, and resourcing as well as operational KPIs including breaches and compliance costs
- Employee health and safety** which relates to looking after the mental and physical health of employees – a concern that has come further to the fore as a result of COVID-19

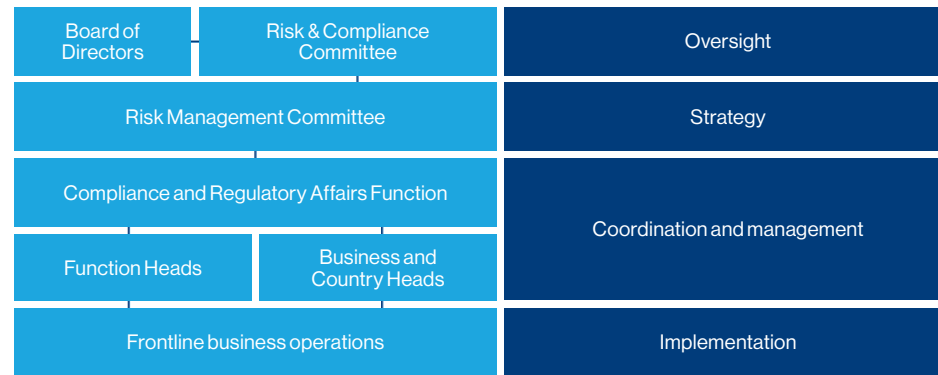
To date, materiality has helped inform the development of Sustainable Success and, in the future, the insights gained will help to refine it further. The approach to materiality is dynamic and will continue to evolve and adapt, ensuring assessments help the business to capture changes in the business and in society, as well as focusing on reporting and ESG disclosures.

Sustainability Materiality Matrix



* Sharp increase in importance due to COVID-19.
 ** Relevant to Snai only.

Sustainable Success governance structure



This section outlines the material and emerging issues of interest to stakeholders, including topics that are related to wider community investment activities and water usage within the Group's Italian operations. Playtech makes disclosures to various audiences and through multiple communications channels, so many issues are reported in more depth outside of the annual reporting cycle. For instance, Playtech has participated in the Hampton Alexander Review on diversity as well as the CDP disclosure system to manage environmental impacts.

The strategy: Sustainable Success

Playtech is committed to growing its business in a way that has a positive impact on its employees, communities, the environment and the industry.

In 2019, Playtech developed a five-year responsible business strategy, Sustainable Success. The strategy underpins Playtech's commitment and aspiration to be a leader within the industry and sets out the principles by which it will weave sustainability and responsible business into everything it does. The aim is not just for Playtech to make progress; it is about raising standards for the whole of the gambling sector, which is something the business is uniquely positioned to do.

Sustainable Success is built around commitments to powering safer gambling, promoting integrity and inclusivity, and partnering on shared societal challenges. By bringing Playtech's passion for innovation to this ambition, the Company is determined to be a leader in the digital entertainment industry.

Sustainability governance

Sustainable Success is increasingly embedded in how the business operates. In 2020, the business began developing a new KPI scorecard that will enable the company to systematically review its non-financial performance. In 2021, Playtech will explore how this will inform, challenge and progress Sustainable Success. Playtech will also establish a Stakeholder Advisory Panel which will meet for the first time in early 2021.

The Risk and Compliance Board Committee oversees progress and performance of sustainability, alongside ethics, public affairs, regulatory affairs and compliance topics. This Committee continues to set the agenda and monitor the implementation of, and performance against, the strategy. Claire Milne has chaired the Committee since 2018 and serves formally as the Board-level champion for sustainability and responsible business issues.

The day-to-day responsibility for managing sustainable business sits within the Regulatory Affairs and Compliance function. In practice, this is the function that coordinates action, provides subject matter expertise, delivers support to functions, business units and country management, manages and tracks performance as well as leads engagement and partnerships with external stakeholders, alongside the Corporate Affairs Director. The Chief Compliance Officer remains a member of the Executive Committee, attending Board meetings and sitting on the Risk & Compliance Board Committee. In addition, he is a member of the Group Risk Management Committee, the main executive forum for reviewing risks and feeding information to the Board Risk & Compliance Committee.

In addition, Compliance and Regulatory Affairs is part of key commercial, product, project and operational processes and decision making. The Compliance and Regulatory Affairs team works closely with the Chief Operations Officer (COO), which directs, oversees and co-ordinates platform and product activities. In doing so, compliance is integrated into decision making on products, projects and product decision making. Compliance and Regulatory Affairs is part of the annual and quarterly business review process as well as project initiation and approvals, product approvals, launches and incident management.

The Group's governance processes are supported by Internal Audit. The function 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 are dynamic and vary from year to year. Internal Audit also ensures that compliance-related areas are integrated into other operational audits as and when applicable.





Compliance also leads a number of internal co-ordination and governance forums to align and integrate compliance and regulatory considerations into planning and decision making. In 2019, Playtech launched a Compliance Council to formalise this process and with the following objectives:

- Inform Playtech's products, business units and projects of current and evolving regulatory affairs and compliance topics
- Review and assess the impact of regulatory and compliance developments
- Discuss and co-ordinate regulatory and compliance positions
- Share information and raise awareness of progress, challenges and/or resource concerns that may impact Playtech's compliance and regulatory position

Participation in this forum includes representatives from the following functions and divisions: Service operations and Incident Management; Project management; IMS; Products; Infrastructure; Account Managers and commercial directors; Technical Account Management; Joint Ventures; Innovation and Consultancy.

Group scorecard

- Over the course of 2020, Playtech developed a Group scorecard to assess performance against key non-financial metrics
- The Group scorecard is heavily focused on safer gambling, which is one of the key material issues for Playtech and also one of three key pillars in the sustainability plan.
- The scorecard also assesses progress towards our environmental, diversity and wellbeing, supply chain and social investment goals
- Playtech will also track performance in specific areas, such as the safer gambling industry commitments, which tracks how Playtech is meeting its commitments to voluntary safer gambling commitments

7 Goals	Measuring progress
1. Operational excellence in safer gambling	 Strengthening operational performance and meeting evolving best practices
2. Uptake of safer gambling solutions	 Delivery of Playtech Protect solutions
3. Innovation in safer gambling solutions	 New/evolved safer gambling products/services and innovation including SaaS partnerships
4. Low-carbon business	 Reduction in GHG emissions towards 2025 target of 40% absolute reduction vs. 2018 baseline
5. Improved gender diversity and wellbeing	 Year on year improvements in reducing gender pay and bonus gaps, increasing proportion of women in senior leadership, implementation of global inclusion and wellbeing programme
6. Management of compliance risk across supply chain and third-parties	 Process improvements to embed compliance and sustainability in risk management and decision making (licensees, partners and JVs)
7. Transparent spend and maximised impact of community investment	 Delivery of flagship commitment to promote healthy online living, strategic planning of investment, employee engagement and reach of community investment initiatives

Powering safer gambling solutions

As a business, the biggest impact Playtech can have on society stems from its gambling technology.



available to anyone. Playtech is committed to sharing its research, data analytics expertise and insights with a wide range of stakeholders, including trade bodies, research organisations and academics. The Company has also launched a new dedicated LinkedIn showcase page to help keep the industry abreast of the latest developments in safer and responsible gambling.

In 2020, Playtech Protect engaged with eight brands to provide safer gambling services as compared with six brands in 2019. Playtech aims to continue increasing this number year-on-year, enabling more licensees to benefit from the safer gambling functionality in the AI-driven application. In 2020, Playtech added a new compliance and safer gambling SaaS partnership bringing the total number of compliance and safer gambling partnerships to six. These partnerships play an important role in supporting more licensees to compete, grow and thrive in the changing regulatory landscape. The number of published research and insights contributing to safer gambling also increased in 2020 to six from three in 2019. This includes articles, blogs, white papers and podcasts which serve as channels for sharing insights and contributing to global, industry safer gambling research.

Technology partnerships to enhance safer gambling and compliance

Playtech continues to invest in Research and Development (R&D) to evolve existing technology and develop new safer gambling solutions. A strength of Playtech's platform technology is that it can integrate with third party software providers and distribute the services and products to its licensees at scale, bringing best practice solutions from industries such as e-commerce to the gambling sector. With this capability, Playtech has established partnerships with complementary technology partners to address safer gambling challenges such as affordability checks and digital marketing issues, as well as monitoring affiliate compliance with advertising requirements.

Launching Playtech Protect

Since acquiring the responsible gambling analytics platform BetBuddy in 2017, Playtech has continued to invest in safer gambling technology, research and partnerships to make player protection a core part of its products and services. This places Playtech in a unique position to offer operators best-in-class solutions to proactively identify and engage with at-risk players. The launch of Playtech Protect in 2020 was a signal of the Group's ambition to be at the forefront of innovation. Playtech Protect embodies the Company's commitment to place safer gambling at the heart of its core products and services. It brings together Playtech's responsible gambling and compliance technology, tools, services and research under one division. This includes the IMS platform, Engagement Centre and BetBuddy AI-driven application, as well as ongoing research into sustainable product and game design.

In doing so, Playtech is pioneering the use of research, data and technology to develop products to identify at-risk customers through the use of artificial intelligence (AI) and to deliver tailored safer gambling interventions to customers, based on their personalised risk profiles.

As part of the Playtech Protect launch, Playtech created a new asset library which makes available its latest research and thinking on safer and responsible gambling. The library includes white papers, blog posts, videos and podcasts, and is

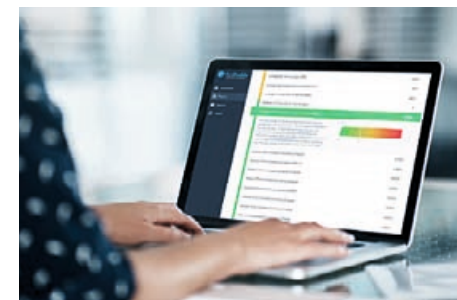
This is a theme that was reinforced by the Group's stakeholders during the latest materiality assessment and why the first commitment under Sustainable Success is about powering safer gambling solutions. This has always been a vital area for Playtech – and the sector it operates in – and will only become more important in the years ahead as the Company works to:

- Increase uptake of safer gambling technology, tools and solutions;
- Harness investment in research and development to advance the next generation of safer solutions; and
- Strengthen operational safer gambling standards and technology – both B2B and B2C.

In 2020, Playtech announced a new partnership with TruNarrative, which brings together age and identity verification, electronic Know Your Customer, fraud detection and AML compliance. In November, the Company announced the integration of Affordability UK into its technology platform. Affordability UK is provided by TruNarrative and can accurately and reliably identify customers whose gambling spend may be unsustainable. The combination of insight and the capabilities of the TruNarrative platform will allow operators to:

- Write bespoke rules and build thresholds around a player's affordability data, transactions and behaviour
- Automate decisions and perform manual investigations based on real-time data
- Use a single interface and customer picture to track player spending behaviour across multiple brands

As regulatory requirements around the sustainability and affordability of gambling become ever more stringent, Playtech hopes to empower operators to meet these requirements and protect their players.



Pioneering sustainable product and game design

Given Playtech's status as a technology partner to major operators worldwide, it is uniquely positioned to champion innovation in product safety and game design. This is an area of growing interest amongst regulators, politicians and society at large and has emerged as a dominant topic emerging from the Company's latest materiality exercise.

Since 2017, Playtech has invested in a programme of research and pilots on safer product and game design. In 2018, the Company established an internal working group to advance this work and in 2020, Playtech was invited to co-lead the UK gambling regulator's (The Gambling Commission) workstream to develop the industry's first code of conduct on safer game design. Playtech also played a leading role within the Betting and Gaming Council's (BGC) work in this

area. The code, published in September 2020, addresses player safety by ensuring that safer gambling principles are fully incorporated into the design of online games before they enter the market.

The resulting Game Design Code of Conduct includes principles as well as commitments to take action on specific features such as limits on slot spin speeds and bans on certain features to discourage intensive play. Following extensive consultation, the measures outlined in the Code were agreed by all members of the Betting and Gaming Council, with some requirements being implemented immediately and others in 2021. The Code is intended to be a living document, evolving as the research base and understanding around game design continues to develop. Playtech is committed to continue playing a major role in pioneering this important research agenda by providing sound empirical data and insights. In the years ahead, the Group hopes to spur greater levels of industry collaboration.

As part of Playtech's approach to safer game and product design, Playtech initiated a game labelling initiative aimed at improving player education in online slots. Playtech also trialed a new training programme called "Game Awareness in Player Protection" (GAPP). GAPP is designed to educate game developers in understanding the key concepts of safer game design, including considering the risks of features, how the gambling environment may affect customer behaviour and explaining emerging research so it can be used to inform games development. The GAPP training programme is being rolled out to Playtech game developers in a further extended trial following the initial pilot scheme. The GAPP training will then be further evaluated, and Playtech will undertake a feasibility assessment of offering the training to a wider industry audience.

Investing in safer gambling research and technology

Playtech acknowledges that there are concerns about bias in industry funded research and thus publishes its research, engages with peer review processes and welcomes stakeholder input and engagement with the research agenda. The Company also works with leading academics to review the findings, as well as sharing methodologies and underlying data for others to critique and validate the research.

Playtech's safer gambling research programme covers a variety of highly relevant themes, including data analytics, product safety, ethics and AI and digital wellbeing. The programme builds on ongoing efforts to be on the forefront of research into behavioural gambling risk factors and how to convert those insights into player engagement.

Over the past 12 months, Playtech has published and presented three new peer-reviewed papers at leading conferences on topics such as applying artificial intelligence to anti-money laundering (AML) and gender bias in gambling harm detection algorithms. These papers have been disseminated through some of the most respected global AI conferences in the world, including:

- Lessons Learned from Problem Gambling Classification: Indirect Discrimination and Algorithmic Fairness, AI for Social Good at the Association for the Advancement of Artificial Intelligence (AAAI), November 2020
- Semi-supervised GANs for Fraud Detection, International Joint Conference for Neural Networks (IJCNN), June 2020
- Understanding the Risk Profile of Gambling Behaviour through Machine Learning Predictive Modelling and Explanation, 33rd Conference on Neural Information Processing Systems (NeurIPS), December 2019



Playtech has also launched industry research briefings, which aim to provide Playtech's stakeholders with original, accessible, and practical research findings from Playtech's internal and peer-reviewed research as well as research from Playtech's wider industry collaborations. The research will cover themes such as data analytics, product safety, ethics and AI and digital and will be issued every quarter.

Safer game and product design

Looking to 2021, Playtech recognises the growing interest in safer game and product design and therefore plans to invest in research and programmes to help advance understanding and insights. This includes exploring the feasibility and models for product risk evaluation framework involving some combination of product risk principles and protocols. The following visual illustrates the different workstreams involved with the safer game and product design strategy.

Principles and standards	Risk management	Innovation	Research and insights
Internal working group	Game theme criteria	Chili ratings/labelling	Game labelling
Leading industry codes and standard development	Game design training	Product classification	Game classification
Formal adoption as part of safer gambling policy	Compliance support and challenge	Engagement Centre	
B2B GamCare standard		Marketplace	
		Partnerships	

Investing in safer gambling research and technology continued

The challenge for the industry in accessing scientific gambling research is that research insights often remain hidden in hard-to-discover scientific papers, often sitting behind a paywall, and written in language and terminology that require expert interpretation. A large proportion of such research is undertaken by academics who do not possess the domain access and technical knowledge to translate the outcomes from the research into practical industry actions. Playtech Industry Research Briefings aim to bridge the gap between science and industry.

Playtech publishes these briefings on its LinkedIn affiliated page for Playtech Protect. This enables partners and licensees and wider industry stakeholders to benefit from up-to-date news and thought leadership in responsible gambling.

In pursuing an "open" research agenda, Playtech's aim is to create more transparency within its sector to catalyse evidence-based approaches to reducing gambling harm.

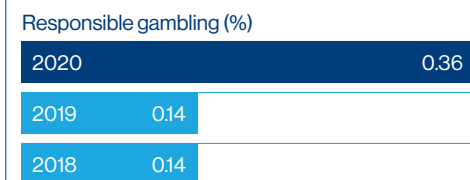
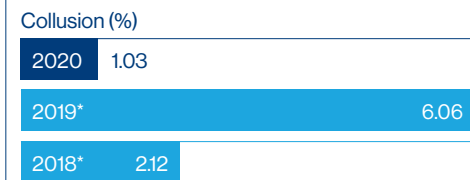
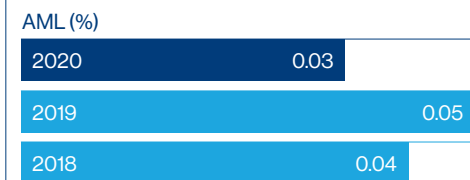
Safer gambling B2B

Within the Poker network, iPoker employs its analytical skills to identify possible money laundering, problem gambling and collusion issues. Playtech's dedicated team identifies potential issues and escalates these to licensees to review and assess whether further action should be taken. While Playtech is unable to take direct action on behalf of licensees, as it does not have access to player accounts, money or personal information, the team assists licensees by escalating potential concerns about safer gambling, collusion and anti-money laundering (AML).

The table below summarises the percentage of unique cases escalated to licences on anti-money laundering (AML), collusion and safer gambling over the past three years. In 2020 the decrease in collusion escalations is due to a smaller number of accounts being created to abuse promotions and therefore fewer accounts being frozen. This is also attributed to the identification of risks with regard to specific promotions. As a result, licensees made amendments to their promotional activities and took precautions to limit subsequent abuse.

The decrease in AML escalations can be attributed to improvements in the iPoker team's ability to identify the dumping of funds, iPoker has made improvements to its processes and tools which act as a deterrent to those looking to create accounts for this specific purpose.

Escalations to licensees – iPoker



* Restated due to amended methodology with more refined calculation of unique players for full year based on quarterly data.

Responsible Gambling Escalation to licensees – Live Casino

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. This year, Playtech expanded its reporting on safer gambling escalations to include data from its Spanish, Romanian and Philippines live casino operations.

In 2019, Playtech reported escalations from Euro Live Technologies only, which totalled 5,211 cases. In 2020, at risk escalations from all four Live operations totalled 19,558 cases. This number has increased as a result of the number of live operations included in the scope of reporting, continued investment in staff training and chat tool improvements.

Product labelling

In early 2020, Playtech ran an innovative trial with William Hill, displaying an intuitive pay-out volatility rating against individual slots games.

Pay-out volatility is a key feature of the playing experience. It reflects, for instance, how often a game's losing streaks will typically last. A game with higher pay-out volatility is one which concentrates winnings into fewer but larger pay-outs – as such it will tend to have longer and larger losing streaks. This can be appealing for some players, as they know the wins can be bigger and it is harder to tell when they might occur, but it can be risky for others. It can be tempting for some players to hang on too long for a big win that does not happen, losing more than they were willing to, ultimately feeling frustrated and upset when finally stopping the session.

Overall, 710,000 log-in sessions were analysed during the trial. Account data insights were enriched with questionnaire data: 3,700 players answered a pre-deployment optional survey with a further 1,300 answering a post-deployment survey.

Selected research results

- The volatility labels were well received by players – players confirmed that the length of losing streaks (i.e. the pay-out volatility label) was important for their gaming experience
- 79% of players felt that understanding volatility was important to them; however, 35% could not tell the difference between games
- 83% of players had noticed the new labels, of whom 79% said they had found them either very useful for choosing which games to play (37%) or sometimes useful (42%)

- ~5–8% of players clicked to learn more about the labels and what volatility meant. The game launch rate among players with the labels was 0.8% higher. Total amount bet and net spend per customer did not vary vs the control group

The key insight from this case study is that product feature labelling can support player education as part of harm reduction efforts. Source: William Hill (2019).

Example of how the pay-out volatility label was developed



Responsible business and sustainability continued

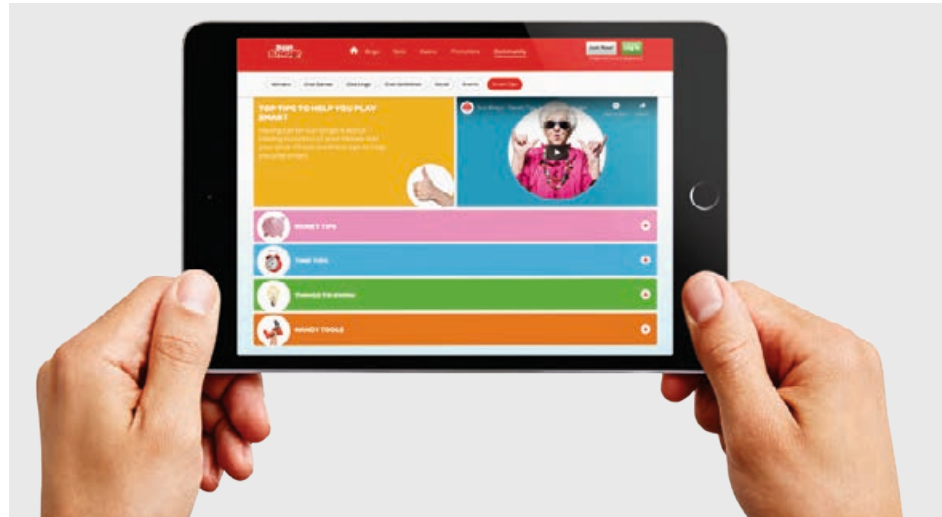
B2C – strengthening safer gambling in B2C operations

In 2020, Playtech continued to invest in strengthening its safer gambling initiatives covering training, technology, internal and external communications, thought leadership, partnerships, research and safer gambling pilots.

Playtech also recognises that the rapidly changing regulatory landscape creates a requirement to continually update its Compliance Programme. In 2020, Playtech's UK B2C operations introduced a risk-based control framework to enhance its management of the systems and controls that are used to deliver the Company's regulatory and safer gambling commitments. The control framework is designed to increase efficacy in managing regulatory risks and will be further enhanced with the use of new risk management software.

Playtech operates an Affiliate Marketing Process that manages the affiliate network that it uses in order to track risk. This process ensures that only approved marketing materials are used by affiliates. Playtech uses a third-party tool (Rightlander) to monitor the activity of affiliates using its brands to ensure that the Affiliate Management Process is being followed.

B2C senior management receives regular information on core responsible gambling processes, and controls and risks to these controls are reported as part of Playtech's established B2C risk management process. Playtech continued to strengthen programmes to enhance the skills of staff and make safer gambling a key part of performance management. In addition to delivering corporate compliance training, Playtech delivered enhanced responsible gambling training to all its customer-facing staff including enhanced responsible gambling interaction training and suicide prevention training. All customer-facing employees in the B2C have bonuses linked to ensuring a proper performance of all processes that support the Compliance Programme.



Identifying at-risk players

Playtech operates a process that identifies customers who may be at risk of gambling-related harm by both their levels of losses as well as their behaviour. The identification process also includes parameters such as:

- Time on site in a week
- Levels of late-night play
- Number of payment methods used
- Increasing ratios of deposits
- Previous self-exclusions
- Levels of withdrawals after win
- Number of cancelled withdrawals

The behaviour of higher-risk customers is monitored in accordance with Playtech's Customer Risk Management process. If a customer's behaviour does not improve, the Company takes steps to mitigate the risks posed to that customer. This can include the closure of an account or the setting of appropriate loss limits based on the known wealth profile of the customer.

Customer interaction

Playtech's real-time player engagement and messaging platform, Player Journey, is also being used to more effectively engage and track safer gambling communications. The integration of Player Journey with BetBuddy will further enhance the ability of licensees to deliver safer gambling communications and campaigns to consumers, making campaigns more relevant by delivering the right message in the right moment.

As part of this work, the Playtech Protect team is defining clear principles as to what outcomes a successful responsible gambling interaction process would demonstrate. Related to this, the Company is in the process of integrating BetBuddy into all of its B2C brands. Once complete, Playtech will be able to see over time customer segmentation according to responsible gambling risk.

Playtech expects the enhancement of its current systems and processes to increase the efficacy of responsible gambling interactions.

In 2020, the B2C team engaged with customers on safer gambling through a number of channels including 420,071 emails; 6,478 person-to-person interactions via phone, email or live chat; 21,276 pop-up messages; and 42,048 customer clicks on SmartTips, the brand's consumer facing hub for tips and advice on safer gambling.

Safer gambling – B2C data points

The chart below shows the number of self-exclusions and use of safer gambling tools within the UK B2C operations in 2020 as a proportion of total unique customers. The proportion of customers self-excluding increased slightly which could be due to a number of factors including daily checks against the National Self Exclusion database and improved consumer communications about safer gambling tools, including self-exclusion. The proportion of customers using safer gambling tools, namely reality checks, timeouts and deposit limits, did not change in 2020.

Responsible gambling performance – B2C

Proportion of customers self-excluding (%)*

2020	29
2019	27

Proportion of customers using RG tools (%)**

2020	9
2019***	9

* Number of self-exclusions and registrations with GAMSTOP as a percentage of total unique customers within Playtech's B2C operations in the UK.

** RG tools comprise reality checks, time-outs and deposit limits.

*** Restated due to improved methodology to consider unique players. Previously reported figure (27%) included non-unique player accounts.

Affordability and player risk

One of the growing regulatory and societal concerns is related to how best to assess the ability of people to spend within their means. The UK B2C operation has implemented multiple measures to address this issue. The operation utilises responsible gambling reactive and proactive processes that ensure that appropriate messages are delivered to customers. Messages encourage customers to reflect on their gambling activity and consider setting deposit limits. In addition, enforced loss limits are applied to higher-risk customers' accounts where affordability cannot be confirmed.

Playtech has integrated third-party software into its gambling back end that allows it to use a wide range of tools to access data sources that can help determine a customer's affordability. This improvement will allow Playtech to meet any changes in future regulatory requirements with regard to affordability.

Safer gambling – Snaitech

The Snaitech Group is committed to implementing new initiatives dedicated to responsible gaming and player protection. In 2020, Snaitech participated in the Global Gambling Guidance Group programme and achieved the G4 International certification of responsible online gambling for the seventh consecutive year. In 2020 Snaitech launched "SN4IFUN", a new entertainment app full of news, stories, statistics and trivia quizzes to challenge skills and foster the development of sports culture. The app includes the "ZeroXS" section, a platform of content designed to disseminate a fair play mindset, healthy team-support and responsible entertainment. ZeroXS will be the home for future responsible gaming initiatives.

Progress on safer gambling commitments

In November 2019, Playtech was one of several leading gambling companies to develop and adopt a new set of voluntary safer gambling commitments. These include five core safer gambling commitments with 22 new actions to address safer gambling. The following outlines our progress against each of the five commitments since its launch last Autumn.

Commitments	What it means for industry action	Playtech progress
<p>Prevent underage gambling and protect young people Prevent underage gambling on their platforms and introduce the most effective protections for early-stage customers of any age-restricted product category</p> 	<ul style="list-style-type: none"> Contribute £10m of funding for national education programme Work with the financial services industry to block gambling transactions on accounts held by under-18s Use adtech to prevent under-18s seeing gambling adverts online 	<ul style="list-style-type: none"> Supporting the UK national Young People's Gambling Harm Prevention Programme which is being delivered by GamCare and YGAM Supported YGAM's Parent programme which aims to provide parents and carers with the knowledge and resources to safeguard their families from the harms associated with gaming and gambling Partnered and participated in GamCare's Gambling Related Financial Harm Programme; a multistakeholder initiative that brings together the financial sector, the gambling industry, lived experience, money and debt advice organisations and gambling treatment and support services to share best practices, set new standard, innovate and connect Updated marketing and communications policies to require age gating on social media Integrated Rightlander as a SaaS partner and offering this to licensees; enables compliance monitoring of affiliates Utilising Rightlander to monitor affiliates associated with UK B2C operations
<p>Increase support for treatment of gambling harm Support the scaling up of treatment services across the UK by recognised treatment providers as part of a long-term strategic plan</p> 	<ul style="list-style-type: none"> Increase financial support over the next five years that supports delivery of this strategic plan 	<ul style="list-style-type: none"> Increasing RET support to treatment providers including development and delivery of digital treatment services Committed £5m over 5 years to support digital wellbeing, safer gambling and mental health initiatives Launching Recovery and Resilience Fund to address the short and long-term impacts of COVID-19 on support mental health and safer gambling support services
<p>Strengthen and expand codes of practice for advertising and marketing Develop and adopt the highest standards in marketing and advertising codes of conduct</p> 	<ul style="list-style-type: none"> Adopt a new Code of Conduct for sponsorship activities Adopt a new Code of Conduct for Responsible Promotions, including bonuses, customer contact, VIP promotions and rewards 	<ul style="list-style-type: none"> Updated and implementing new policies and procedures including the new industry codes of conduct on VIP promotions and responsible marketing at corporate and UK B2C levels; implemented COVID-19 advertising restrictions
<p>Protect and empower our customers Introduce new player protections in product design and customer engagement, making it easier for people to gamble safely</p> 	<ul style="list-style-type: none"> Adopt new industry-wide standards to embed safer gambling practices throughout the customers' gambling experience Implement best practice in relation to identifying and interacting with at-risk customers via affordability assessments Work with the banking industry to encourage all banks to offer blocking software Develop clear and consistent product labelling and product information to help customers make informed choices Participate in a mechanism to enable gambling companies to share data on vulnerable or at-risk customers 	<ul style="list-style-type: none"> Launched Playtech Protect and offer of BetBuddy platform for free to licensees during COVID-19 Leading the Industry's Safer Game Design code of conduct; pilot new labelling scheme and investing in safer game and product design research Integrated TruNarrative and Affordability UK into IMS, to support licensees in identity verification, KYC, and affordability checks Refreshed customer identification and interaction procedures in line with COVID-19 code of conduct and improved procedures in UK B2C Offering customers Gamban licenses for free Launched smart tips customer campaign on safer gambling with UK B2C customers
<p>Promote a culture of safer gambling Create a positive culture within both their businesses and the industry, where safer and well controlled gambling is the norm</p> 	<ul style="list-style-type: none"> Commit to achieve GamCare's Safer Gambling Standard and to work towards achieving the Advanced Levels Awards Have an appropriate Employee Safer Gambling Policy setting out actions to deliver these commitments Participate in an open source collaboration repository for all gambling companies to access safer gambling tools, open source code and share best practice to raise safety standards across the industry 	<ul style="list-style-type: none"> Initiating process for securing GamCare B2B standard in 2021 Refreshed safer gambling policy to strengthen support measures for employees Implementing KnowYourMind programme combining safer gambling and wellbeing programmes for employees Deploying employee focused safer gambling, suicide prevention and mental health training for managers and HR staff Publishing research and insights on safer gambling as part of leadership and personal development for industry, lived experience and frontline safer gambling charity leads

Promoting integrity and an inclusive culture

At Playtech, employee behaviour is guided by values of integrity, innovation, excellence and performance. By making a commitment to promoting integrity and an inclusive culture, Playtech is working to enshrine these values in everything it does.

“Our success is built on five key areas and working together in these areas will be integral to our Sustainable Success strategy. People: Having the best and most passionate people in the industry working together; Technology: Developing the most advanced technology through R&D and Innovation; Products: Building smart products to identify future challenges for our customers and support them in meeting these challenges; Customers: working hand in hand with our customers; Safer gambling: working with the industry to raise standards.”

Shimon Akad
COO

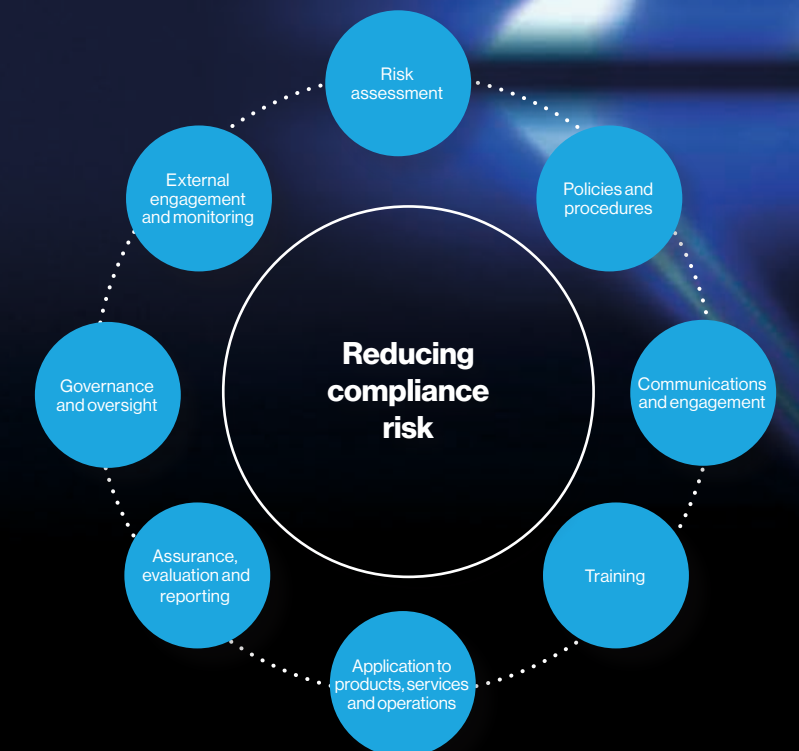
Over the next five years, Playtech will focus on:

- Promoting integrity and reducing compliance risk
- Reducing its carbon footprint by 40% by 2025
- Supporting employee wellbeing
- Working to reduce the gender pay gap and achieve year-on-year improvements in employee diversity

The real source of Playtech's success has always been based on building a team that comprises some of the best talent in the industry. By making Playtech an ever more inclusive culture, it aims to continue attracting and retaining talented people to develop their skills and careers at Playtech.

Reducing compliance risk

Responsible business practices are not just the right thing to do – they are critical to Playtech's licence to operate, and to delivering long-term commercial success. That is why Playtech continues to put ethical principles at the heart of its business. In addition to its values, the business has set out its ethical business principles as it seeks to make compliance and ethical behaviour a core part of its culture. The following diagram illustrates the key elements of Playtech's Compliance Programme.



Responsible business and sustainability continued



Reducing compliance risk continued Taking action to reduce compliance and financial crime risk

Playtech conducts regular risk assessments in order to identify and mitigate its compliance, ethical and regulatory risks, including money laundering, bribery and corruption and tax evasion. Playtech has a zero-tolerance policy for corruption and is committed to keeping crime out of its operations.

This includes regular licensee and third-party risk assessment and monitoring, including reviewing compliance risks across the lifecycle of relationships supported by automated monitoring of entities and third parties.

The system monitors for historical and real-time considerations such as PEP, sanctions, legal action, insolvency and disqualifications. In addition, Compliance and Regulatory Affairs provides input to the Group's quarterly risk management process.

This process document is supported by a risk register, risk matrix, assessment guide, interviews schedule and group risk management processes.

Each year, Playtech also conducts annual anti-money laundering risk assessments. These assessments are based on industry standard documents produced by the industry body, Gambling Anti-Money Laundering Group (GAMLG). The GAMLG methodology has been adapted to reflect the particular risks associated with each part of Playtech's business. Once completed, the risk assessments are subject to review and challenge by external legal counsel, and summaries of the findings and progress are provided to regulators. The following illustrates the different types of risk assessments conducted during the year.

In 2020, Playtech also completed a comprehensive compliance "health check" which focused on the following six key areas: compliance environment and culture; anti-money laundering; anti-bribery and corruption; ethics; safer gambling; and human rights, including labour rights and modern slavery. The exercise was specifically designed to reflect and build on the previous "health check" conducted in 2016. Playtech commissioned DLA Piper LLP to conduct the "health check", which included over 30 interviews to assess progress and areas of improvement. Key areas of focus for 2021 include deployment of new diligence and monitoring technology, refresh of the Speak Up programme, refreshed compliance communications, continued strengthening of operational B2C compliance culture and procedures, deployment and training on new joint venture policy and procedures; strengthening compliance risk review of suppliers/third parties; and continued review of workplace practices and human rights risks in high-risk jurisdictions and operations as well as consideration of pandemic and post pandemic impacts.

Policies

In 2020, Playtech updated its policies to align with evolving legislation and industry best practice. This included updates to its anti-money laundering, anti-bribery and corruption and business ethics policies as well as its safer gambling and responsible advertising and marketing policies. Playtech also introduced a new policy and guidance procedures for joint ventures.

Playtech communicates these policies to employees through a number of channels including: local HR communications, Fusion (Playtech's intranet site), annual training, bespoke training, the Company's "Way We Do Business" booklet, as well as dedicated compliance emails and a newsletter.

Training

Each year, Playtech deploys a wide range of training for employees covering compliance topics including anti-money laundering, anti-bribery and corruption, safer gambling, data protection and anti-facilitation of tax evasion.

All employees are required to complete compliance e-learning training which covers the topics above. In addition, Playtech delivers face-to-face compliance training (in 2020 via video conference) for senior leaders, which is additional to the e-learning modules. The training is designed and deployed in consultation with Playtech's external legal advisers.

Playtech also delivers training to the Board every 12-18 months. This includes briefings and legal requirements related to corporate governance, anti-money laundering, regulatory developments and licensing requirements.

During 2020 Playtech increased the number of senior managers included in face to face training on compliance matters (881 as compared to 676 in 2019), which covered safer gambling, anti money laundering, speak up/whistleblowing, anti facilitation of tax evasion and data protection topics. Within Snaitech, relevant employees were assigned and completed compliance training modules.

Playtech also delivers bespoke anti-money laundering training for relevant roles including compliance, legal, business development and B2C management. This year, Playtech engaged with the International Compliance Association (ICA) to deliver three modules, including AML, CFT and CDD Masterclass, Compliance, Risk and Corporate Governance as well as Financial Crime in Gambling modules. This training will continue to be delivered throughout 2021. In addition, 29 people participated in Human Rights refresher training; which will also continue to be delivered in 2021. 116 people with B2C roles participated in bespoke safer gambling training delivered by GamCare. In addition, training was provided to employees which focused on working from home protocols during the pandemic.

Training overview

The following outlines participation in core compliance training offered to employees and leaders in the organisation.

Training type	Total number of employees eligible	Total number of employees completing training	Completion rate	Average training hours per employee
Compliance*	5,080	4,981	98%	9.14
Information security	5,420	5,333	98%	0.67
Global compliance – Senior Leader	1,044	881	84%	1.5

* Includes Snaitech employees.

Playtech is committed to strengthening its training, learning and development for its employees year on year. In 2019 Playtech commissioned the Responsible Gambling Council of Canada to develop and analyse findings from 2019 compliance training feedback surveys (e-learning and face to face) and provide recommendations on how to strengthen its initiatives in the future.

Each of the questions was designed to measure employee impressions of safer gambling awareness, knowledge, attitudes and behavioural intentions to use training content in practice. By extension, these questions also measure aspects of satisfaction with employment, organisational commitment and organisational trust. Results of survey responses aim to provide a baseline for assessing the impact of training and staff satisfaction on key return-on-investment factors such as staff retention. Playtech will conduct a similar exercise in 2021 and compare results to the 2019 results. Overall, more than 3,300 Playtech employees took part in the compliance e-learning feedback survey and upwards of 577 respondents in Playtech management roles took part in the 2018 face-to-face training feedback survey.

Playtech has incorporated a number of these recommendations into the employee engagement and learning and development plans for both 2020 and beyond. For instance, in 2020, Playtech launched a refreshed excellence awards programme, which included an 'Engagement and Impact Champion' to recognise employees help to advance our sustainability strategy.

Speaking up

An important aspect of Playtech's commitment to conducting its business with honesty and integrity, and promoting a culture of openness, integrity and accountability, is providing a channel for employees to voice concerns about anything they find unsafe, unethical or unlawful. These mechanisms must be accessible and independent of line management, and must enable employees to voice concerns in a responsible, appropriate and effective manner without fear of criticism or retaliation. Since 2017, Playtech has offered an

SNAITECH Sustainability Week A Journey five years long

In 2020, Snaitech presented the second edition of the "Snaitech Sustainability Week" held from 5 to 9 October 2020. This week was dedicated to communication, information, and awareness on sustainable issues of concern to the company. After the success of the first year, this year's theme was "A journey five years long" which highlighted the Snaitech sustainability story, exactly five years after the foundation of the Group. During the week, Snaitech published its 2019 Sustainability Report, a special edition which framed the five years in five projects with 25 stakeholder testimonials. CEO Fabio Schiavolin led a digital event to present the report and share social, environmental and financial highlights with employees as well as external partners and stakeholders. Snaitech also hosted three Instagram live meetings which were dedicated to social commitment, with participation from some of Snaitech's charity partners including Amref Health Africa – Italia and Special Olympics Italia.

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 and posters and within the compliance training programme. In 2020, Playtech received zero incident reports through the independent Speak Up hotline. The hotline did not receive any reports in 2019 and had one incident raised in 2018. In 2021, Playtech will refresh its speak up policy, procedures and platform as well as launching refreshed awareness for colleagues across the business.

Responsible business and sustainability continued

Reducing compliance risk continued Cybersecurity and data protection

Playtech has been setting and implementing high data protection and security standards since it was first established. Data is crucial to Playtech's business model, with customers and clients trusting the Company with sensitive data every day. Ultimately, they only trust Playtech as a business partner and supplier when they have confidence that their personal data is safe and understand how and why it is used by the Company.

Following the implementation of the EU General Data Protection Regulation (GDPR) in May 2018, and numerous regulatory requirements for the gambling industry introduced by local regulators, Playtech has embedded a robust and consistent approach to data protection and security across all of its jurisdictions. Playtech maintains an active GDPR programme because of the ever changing regulatory and technological landscape, seeking continuous improvement on policy, regulatory and customer trends, as well as ongoing security audits based on international security standards such as ISO 27001 and PCI-DSS.

Playtech makes all efforts to safeguard personal data by adhering to all relevant GDPR principles, including the following:

- Processing all personal information fairly and lawfully
- Only processing personal information for specified and lawful purposes
- Keeping personal information up to date
- Not keeping personal information for longer than is necessary
- Storing personal information in a secure manner
- Tracking the access to personal information and assure the access rights

Playtech's work on global data privacy and security is led by its Chief Privacy Officer, appointed in 2017, who is supported by two other Data Protection Officers to manage specific aspects of UK and EU-specific GDPR compliance and other global regulatory privacy requirements where applicable. They are, in turn, complemented by a professional group, Playtech Security, governing over security domains in the application, infrastructure, physical and compliance worlds. Over the past year, Playtech has increased the depth and frequency of data protection and cybersecurity reporting to maintain high visibility for its senior management team and the Board.

TCFD statement

The Financial Conduct Authority issued a Policy Statement in late 2020 requiring commercial companies with a UK premium listing to include a statement in their annual financial report covering the period starting on 1 January 2021. Playtech therefore is including a first TCFD statement one year ahead of the new requirement and commits to publish a full disclosure over the next two years, based on a rigorous assessment on the climate-related risks and opportunities that are material for Playtech. The TCFD framework consists of four core elements: governance, strategy, risk management, and metrics and targets. A summary of Playtech's current approach against the four core elements and plans for the near future is provided in the table below, including signposts to more information.

TCFD element	Current approach	Future plans	Read more
Governance	<ul style="list-style-type: none"> • Risk & compliance committee monitors implementation & progress against the sustainability and responsible business strategy. • Progress against GHG target is part of annual reporting and the company's non-financial Scorecard. • Climate risks are reviewed by the Risk & Compliance board committee and Risk management (executive management) committee. The Regulatory Affairs & Compliance function facilitates and coordinates with site operations on climate matters. 	<ul style="list-style-type: none"> • Continue reviewing and monitoring the implementation of the responsible business strategy through established Board and executive management committees. • Assess progress against GHG target through Sustainability Scorecard. 	Responsible business and sustainability – Sustainability governance on page 48
Strategy	<p>Playtech is reviewing its GHG target and has identified the following climate-related risks:</p> <ul style="list-style-type: none"> • Increased severity and frequency of extreme weather events. • Impact: ability to supply software and services. Time horizon: medium term • Increased stakeholder concern about level of climate commitments. Impact: ability to win new business and attract and retain talent. Time horizon: medium term 	<p>Playtech will consider how climate risks and opportunities will affect its core business strategy.</p> <ul style="list-style-type: none"> • Continue to identify climate-related risks through regular risk management process. • By the end of 2021, set up process to identify and disclose climate-related opportunities. • By the end of 2022, conduct and report on climate scenario analysis to evaluate the future impacts. 	Emerging risks, principal risks and uncertainties on page 81
Risk management	<ul style="list-style-type: none"> • The Board Risk and Compliance Committee and Risk Management Committee determine the nature and extent of significant risks it is willing to accept in achieving long-term strategic objectives. • The Risk & Compliance Committee advises the Board on current and future risk strategies. 	<ul style="list-style-type: none"> • Continue to identify, assess and manage climate-related risks through regular risk review processes including the Group Risk Register. 	Responsible business and sustainability – Sustainability governance on page 48
Metrics and targets	<ul style="list-style-type: none"> • Playtech has set a target to reduce its absolute Scope 1 and 2 GHG emissions by 40% by 2025, from a 2018 baseline. • Playtech discloses its Scope 1 and 2 absolute emissions annually. • Progress against the GHG target is one of seven areas of performance captured by the Board Sustainability Scorecard. 	<ul style="list-style-type: none"> • Implement GHG target through supporting site operations to reduce GHG emissions through energy efficiency activities, including an Environment Fund. • Playtech will disclose Scope 3 emissions in select categories through its CDP disclosure, and is committed to expanding this disclosure in 2021 and future years. • Playtech is committed to review its GHG target annually. This will include exploring setting a science-based target (SBT) over the next 12 months. 	Responsible business and sustainability – Environment metrics on page 61

The Company carries out monthly internal reporting to the Board, filtered through the Group Chief Compliance Officer and Group Chief Operating Officer.

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, disclosure and protection of information.

During 2020, Playtech developed and implemented new data protection and security awareness training modules for employees, and those modules now include a test to help the Company understand the levels of understanding and awareness in Playtech's workforce. The training is mandatory and employees who fail to complete the module before a set deadline will lose their eligibility for bonuses within the financial year (the number of colleagues completing data protection and security training in 2020 can be found in the chart noted). Playtech has two additional training modules under development for 2021: one for colleagues who deal with regular data handling tasks and one for colleagues with comprehensive data handling and processing responsibilities.

In terms of tools and technology, 2020 saw Playtech launching various workstreams to enhance its own privacy and security positions as well as that of its customers. This included the introduction of new advanced tools to detect cyberattacks on both the network and system layers of customer environments to assure the protection of personal information; an enhanced security operations team that works 24/7; increased use of attack simulation exercises to test Playtech's systems; and a 19% increase in audits versus 2019.

Environment

The environment, and particularly climate change, is a growing area of concern for Playtech, its investors and for its other stakeholders. Playtech's most material environmental impact is the greenhouse gas (GHG) emissions stemming from the electricity used across its offices and datacentres. Playtech recognises the need for businesses to play their part in keeping the level of global warming below 1.5°C. The Company also recognises that urgent action is required to substantially reduce the risks and impacts of climate change globally and in the countries, cities and communities in which it operates.

Environment metrics

Greenhouse gas emissions

UK total energy consumption (KWh)		UK total GHG emissions (tonnes CO ₂ e)	
2020**	1,556,362	2020**	350.09
Global total energy consumption (KWh)		Global total GHG emissions (tonnes CO ₂ e)	
2020**	27,677,113	2020**	9,316 [^]
2019	30,932,101	2019	10,914
2018	31,715,777	2018	11,543
UK Scope 1 energy emissions (tonnes CO ₂ e)**		GHG intensity (tonnes CO ₂ e/employee)	
2020**	47.63	2020**	1.37 [^]
Global scope 1 energy emission (tonnes CO ₂ e)**		2019	
2020**	1,155 [^]	1.70	
2019	1,421	2018	
2018	1,650	1.92	
UK Scope 2 (location-based) emissions (tonnes CO ₂ e)***		2020**	
2020**	302.46	2019	
Global scope 2 (location-based) emissions (tonnes CO ₂ e)***		2018	
2020**	8,161 [^]	9,493	
2019	9,493	9,893	
2018	9,893		

* 2020 absolute data is an estimate based on 99.3% actual data coverage by headcount. Coverage has been above 90% for all three years.

** Using the latest Department for Environment, Food & Rural Affairs (DEFRA) conversion factors (CO₂e).

*** Using the latest DEFRA electricity conversion factor (CO₂e) for all UK locations and district heating conversion factors for the whole Group, and the latest International Energy Agency (IEA) conversion factors for all electricity use at non-UK sites (CO₂e).

+ Due to reporting timelines, data for November and December 2020 has been estimated using November and December 2019 actual data, except for sites where actual 2020 data was already available.

[^] Indicates independently assured data by PwC; Full assurance statement can be found at www.playtech.com.

Water consumption

	2020**	2019**	2018*
Total water consumption (m ³)***	611,629	719,635****	502,511
Water consumption for watering racetracks (m ³)	167,831	175,259	232,615
Water consumption for watering racetracks (% of total)	27.4%	24.4%****	46.3%

* Data covering Snaitech operations only.

** Data covering all of Playtech's operations.

*** 2020 estimate based on 84% actual data coverage by headcount.

****Restated due to the inclusion of a multiplying factor that was used for water charges in the Philippines. Calculations have since been restated to the actual consumption.

Waste and effluent*

	2020	2019	2018
Total waste production (tonnes)	7,665	8,850	7,829
Of which:			
– Sent to landfill (tonnes)	5	52	180
– Reused or recycled (tonnes)	7,660**	8,798	7,650
Hazardous waste (tonnes)	66	96	127

* Data covering Snaitech operations only (excluding Snaitech Rete Italia and Epiga – Rome office).

** This figure is split between Racetracks (Manure/by-product of animal origin – 7,225), Racetracks (other-359) and offices (77).

Responsible business and sustainability continued

Environment continued

To increase transparency around its climate change performance and strategy, Playtech completed the CDP Climate Change 2019 Questionnaire and received a "C" rating. The Company intends to improve its rating in future years. Playtech has also committed to implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a framework that allows it to report consistently on climate-related financial information to investors and financial markets. Playtech's 2020 GHG reporting (Scope 1 emissions, Scope 2 (location-based) emissions, Scope 1 & 2 intensity per FTE employee) has been externally verified by PwC. The assurance can be accessed on the Playtech website at <https://www.playtech.com/sustainable-success>. In the years to come, the Company will increase disclosure on this area in subsequent Annual Reports.

During the year, Playtech introduced a new GHG emissions target to guide its energy-reduction efforts. The Company's ambition is to reduce its absolute scope 1 and 2 GHG emissions by 40% by 2025, using 2018 as the baseline year. To make this happen, Playtech is working with key site operations, supported by environmental specialists, to reduce energy usage and address other environmental impacts. In addition, Playtech has a central fund to support energy reduction projects.

In 2020, Playtech's performance against the 2025 GHG target was skewed by the pandemic and the resulting office lockdowns, as well as decreased customer activity in some markets. Compared to 2019, the Company's total energy usage decreased by 10.5% and its absolute GHG emissions dropped by 14.6%. On a normalised basis, Playtech's GHG emissions decreased by 19.4%. The decrease in energy usage was mainly due to the closure of company assets such as office buildings and betting shops due to the pandemic. The decrease was relatively limited because energy-intensive operations such as data centres and live studios continued to operate 24/7. The decrease in normalised GHG emissions (per FTE employee) is much larger than the decrease in absolute emissions because emissions decreased while the total number of employees in the Group increased.

As per the UK SECR requirements for 2020, Playtech has reported its Scope 1, Scope 2 GHG emissions and energy consumption figures for the UK.

The consumption of water across the Playtech Group decreased by 15.0% in 2020, again due to the pandemic and resulting lockdowns affecting offices and other sites such as racetracks.

Playtech Tallinn office move to green energy

Estonia

Playtech Estonia is taking action to reduce its environmental footprint. The Tallinn office proactively requested its landlord to switch to renewable energy, and as a result from 1 October 2020 the electricity used in the Playtech Tallinn office and wider campus is produced from renewable energy sources. Based on previous years, this transition will eliminate approx. 460 tonnes of CO₂ per year of market-based Scope 2 emissions (note that we are reporting location-based Scope 2 emissions this year, which are not affected by this switch as they are calculated based on national grid average emissions factors).



The racetracks saw a smaller decrease in water consumption (4.2%) because of the need to maintain the grounds even though the racetracks were closed to the public.

Playtech continues to manage and report on a wider set of environmental KPIs for Playtech's Italian operations, Snaitech. Snaitech runs a retail operation and three racetracks, which means the environmental impact profile is different from the rest of the Company's markets. In 2020, Snaitech's total non-hazardous waste production decreased by 13.4%. The volume sent to landfill dropped close to 0, decreasing by 90.9% compared to 2019, following improved operational processes to reduce the volume of waste sent to landfill. Even though the volume

that is reused or recycled also decreased by 12.9%, this is proportionate with the overall decrease. The volume of hazardous waste also decreased by 31.3%. Of Snaitech's total waste production, 99.0% was produced by the racetracks. 99.9% of total waste was reused or recycled.

Compliance and responsible supply chain management

In 2019, Playtech established a new global and centralised procurement function. In 2020, the function focused on implementing the newly established organisational model, and implemented operational, compliance and process improvements. Compliance continued to work closely with the procurement function to review risks in the supply chain and deliver training. Supply chain issues, including human rights, were specifically examined as part of the compliance health check process.

In 2020, Playtech also introduced a new policy to strengthen oversight, mitigate compliance and ethical risks as well as ensure minimum standards are adhered to when entering joint ventures. This policy includes a robust governance and accountability framework for such ventures and will be fully deployed in 2021 alongside bespoke training for relevant colleagues.

Human rights

Playtech is committed to upholding 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. 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 2020, Playtech published its fourth Modern Slavery Act statement, outlining the initiatives the Company is undertaking to understand and assess potential risks of modern slavery and human trafficking.

Key areas of focus for 2021 will be to review the impact of the pandemic on human rights in our supply chain, strengthening consistent processes and procedures for managing third parties used in employment practices, reviewing and strengthening audit procedures and strengthening supplier human rights assessments.



Gender splits

Employees (%)*	Male	Female
2020	60.7	39.3
2019	58.6	41.4
2018	58.2	41.8

Senior managers (%)**	Male	Female
2020	80.6	19.4
2019	81.4	18.6
2018	83.4	16.6

Directors (%)***	Male	Female
2020	71.4	28.6
2019	75.0	25.0
2018	75.0	25.0

■ Male ■ Female

* Employees are defined as the total number of employees on the payroll on 31 December.

** Senior Managers are defined as the top 500 highest earning employees at Playtech.

*** Directors are defined as Board Directors on 31 December.

Gender pay gap*

Median gender pay gap (%)**	Value
2020	21.0
2019	31.7
2018	60.4

Mean gender pay gap (%)**	Value
2020	25.5
2019	32.5
2018	49.4

Median gender bonus gap (%)***	Value
2020	31.1
2019	25.9
2018	16.7

Mean gender bonus gap (%)***	Value
2020	49.6
2019	52.7
2018	67.0

* 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 5 April 2018, 5 April 2019 and 5 April 2020 respectively.

** Based on hourly rate of pay. In line with the UK Government's guidance for gender pay gap reporting, furloughed employees are excluded from the calculation.

*** Based on total bonuses received. In line with the UK Government's guidance for gender pay gap reporting, furloughed employees are included in the calculation.

In 2021, Playtech will also review, align and strengthen its procedures in light of evolving UK and European legislation related to human rights and environmental due diligence and reporting.

In addition, Playtech's compliance team continues to monitor human rights flags as part of its risk monitoring of third parties, including suppliers, partners and licensees. The Company reviews any cases involving human rights flags on a case by case basis to assess risk and actions required.

Diversity metrics

As part of the responsible business strategy, the human resource function has established and developed a systematic Diversity and Inclusion (D&I) programme, with the aim to encourage equality and promote an inclusive culture.

The following charts illustrate the global and UK diversity data and trends from 2018 to 2020.

Playtech is committed to year on year improvements to achieve gender balance, reduce the gender pay gap and promote inclusion. With respect to global Diversity and Inclusion metrics, there has been a slight improvement since 2018 in the senior manager and director gender splits. Playtech is focusing on improving female representation at senior levels in the organisation through a combination of improved recruitment, succession, leadership education and data reporting.

In 2021, regular reports will be provided to senior management on progress related to gender diversity globally.

This regular data reporting will help inform future strategies, priorities and programming.

UK Gender Pay Gap data

A priority is to reduce the UK Gender Pay Gap (GPG) with a focus in reducing the Median Gender Pay Gap, which is the middle pay point for males and females.

During the snapshot year, the UK operations saw a significant reduction of the Median Pay Gap from 60.4% in 2018 to 21% in 2020. The Mean GPG in 2020 is nearly half of what it was in 2018, shifting from 49.4% in 2018 to 25.5% in 2020. These reductions are in line with priority areas of focus.

Whilst there has been a reduction in the gender pay gap, the median and mean gender bonus pay gap was affected due to the number of key male individuals holding senior executive, sales and senior management roles where higher bonuses are paid.

Responsible business and sustainability continued

Know your MIND Programme

UK

Playtech continued to work in partnership with Mind BWW (mental health charity) and Betknowmore UK (gambling support and education charity) to deliver the 'Know Your Mind' programme for Playtech employees in the UK. The objective of the programme is to promote healthy online living, by equipping employees, team leaders, and mental health champions with the information and capabilities to identify, escalate and intervene with those at risk or affected by gambling related harm and mental health. In addition to a variety of targeted training and global workshops, the programme produced 12 mental health champions, who hold a Mental Health First Aid certification. The role of a mental health champion includes:

- Breaking down stigma by starting conversations about mental health in the workplace
- Dispelling myths and stereotypes
- Signposting colleagues appropriately to support, information and resources
- Supporting and delivering wellbeing activities and lunch and learn workshops
- Providing Mental Health First Aid to someone experiencing a mental health issue or crisis

The programme is independently evaluated by the Responsible Gambling Council (Canada), with findings and recommendations to be shared with the industry, and future intention to roll out to Playtech globally. As Playtech progresses phase two of this project, the support will extend to all Playtech locations.



Global Wellbeing Pillars

<p>Physical</p> <p>To improve positive lifestyle behaviour choices to ensure good health, avoid preventable diseases and conditions.</p>	<p>Social</p> <p>To encourage a positive work-life balance by providing safer gambling information, flexibility and valuing family, friends, colleagues, and wider community.</p>	<p>Mental</p> <p>To foster positive mental health by providing support for issues including anxiety, depression and stress; and safeguard our employees.</p>	<p>Financial</p> <p>To support control and information over finances, protection against the unexpected and savings.</p>
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Diversity metrics continued

UK Gender Pay Gap data continued

Playtech continues to work to close the gender pay gap, through three workstreams:

- Expanding Diversity Training and Awareness Programmes for line managers and senior leaders
- Refreshing and centralising a number of human resource policies to ensure globally consistent approach to Diversity and Inclusion
- Improving the use of data to create transparency around our internal D&I performance

In addition, the human resources team continues to support the business to strengthen the rigour in performance management processes, including efforts to ensure that remuneration and promotion processes are fair and consistent, and strengthening audit procedures for third-party factory visits and supplier human rights assessments.

Fostering diversity and inclusion

Diversity, inclusion and equity was another major global theme in society in 2020 with a renewed focus on what it means to build and foster an inclusive workplace. Playtech competes to attract and retain talent within a technical, innovation-driven and, traditionally, male-dominated industry. The Company is committed to build a workforce that comprises people from all different backgrounds, cultures and ethnicities to remain innovative and to reflect the Company's diverse customer base. Recent societal movements on racial injustice, gender, disability and LGBTQ, have served as useful platforms to accelerate conversations on inclusion and continue to serve as a reminder that more needs to be done in business and in society as a whole.

While Playtech has a global and diverse workforce, the Company recognises that it must continue its focus on actions to make meaningful progress on inclusivity at all levels within the organisation.

To that effect, the Company's D&I strategy is ever evolving and currently guided by four key objectives:

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

Having increased the resourcing and prominence of D&I activities in 2019 with new hires and the launch of a formal D&I programme, Playtech developed its approach further through three primary workstreams that included:

- Expanding diversity training and awareness programmes for line managers and establishing a formal internship programme
- Refreshing and centralising relevant human resource policies to ensure a globally consistent approach to D&I covering recruitment, safeguarding and harassment, bullying and respect
- Improving the use of data to create transparency around Playtech's internal D&I performance

While the majority of Playtech's D&I training and awareness sessions were scheduled to take place as in-person events, the Company deployed the sessions fully via an online format thanks to great work internally and by external providers.

Health, safety and wellbeing

The health, safety and wellbeing of our employees has been of utmost importance for the Board and Executive leadership team. Throughout the pandemic, the executive leadership, site operations and HR have worked closely to understand the local developments, impacts and issues on the business and workforce. As part of the COVID-19 response, Playtech accelerated the introduction of a new global working from home policy to create more flexibility in the workplace and enable employees to strike a healthy work-life balance.

Facing an unprecedented global threat in the shape of COVID-19, Playtech's employees demonstrated remarkable resilience to deliver against its objectives.

As a digital-first business, Playtech has been working virtually for years, but the pandemic accelerated its efforts to foster employee engagement and welfare through online channels.

Playtech launched a Stronger Together campaign. This global campaign, created by Academy and Global HR and supported by executive leadership, supported and continues to support employees with tools, workshops and support to stay resilient during the COVID-19 pandemic. These sessions attracted high levels of engagement with over 600 colleagues participating in 35 sessions between March and the end of November 2020. For more information on our response to COVID-19, please see pages 8 and 9.

Playtech has been working to strengthen wellbeing programming and support for its people. The impacts of COVID-19 further highlighted the paramount importance of wellbeing. In 2020, Playtech launched a new Global wellbeing framework which covers 4 pillars – physical, mental, financial and social wellbeing.

In most of its locations, raising awareness and breaking down stigmas about mental health and safer gambling remains a particular focus and priority.

In 2020, Playtech offices around the world ran a total of 297 initiatives contributing to the mental and/or physical wellbeing of employees. Over 4,500 employees participated in one or more of these initiatives, with around 60% of the total number of employees in the Group participating in at least one wellbeing initiative.

Snaitech health and safety

Snaitech's business is different from the rest of Playtech's operations in that it comprises retail estate and racetracks, meaning the physical health and safety challenges are different from an office environment. 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.

Occupational health and safety data*

	2020	2019	2018
Total number of accidents	4	11	13
Accident ratio			
Total number of accidents/working hours x 200,000**	0.67	1.6	2.1
Number of days lost to accidents	88	310	248
Severity of accident index			
Total days lost for accidents/working hours x 200,000**	14.81	45.9	39.2
Number of days of absence***	40,131	7,949	7,144

* Covers Snaitech operations only.

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

*** Number of days of absence is defined as total hours of absence / 8 (hours of work per day); 31,942 days of absence are due to furloughed absences.

In 2020, Snaitech implemented an extensive suite of health and safety measures to manage pandemic related health and safety risks across the Snaitech real estate including racetracks, offices and retail.

These measures included:

- enhanced governance to oversee health and safety measures through special task forces and committees;
- the introduction of new risk management protocols;
- provision of PPE;
- an active, on-duty 24/7 resource to manage COVID-19-related critical situations, an employee campaign to raise awareness and contain the risk of COVID-19 infection in the workplace; and
- a reorganisation of work environments and operational procedures to respect safe social distancing.

The above table outlines occupational health and safety data for Snaitech operations over the past three years.

Economic footprint

Playtech is a 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 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 and betting and gaming activities in countries in which the Group has presence. Such taxes may include corporate income tax, withholding taxes and indirect taxes. 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 presence. 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 Group has an appropriately qualified tax team to manage its tax affairs. The Group seeks to minimise the risk of uncertainty and disputes and does this through proactive dialogue with the tax authorities and by obtaining third party expert advice, where appropriate.

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>). The total adjusted tax charge in 2020 was €17.9 million (2019: €39.8 million) and the effective tax rate was 22% in 2020 (2019: 13%).

Partnering on shared societal challenges

Playtech recognises that the challenges facing our sector and communities cannot be solved by one organisation alone. Driving positive social change requires collaboration and partnership.

This is why Playtech is working with a diverse range of partners to:

- Promote healthier online lives and digital wellbeing
- Increase employee participation in local volunteering projects
- Invest in research, education and training (RET) to prevent gambling-related harm

Playtech recognises that as a technology specialist in the gambling industry, it has an important role to play in sharing its expertise, experience and technology to help build a sustainable and safe industry for the benefit of all stakeholders.

The intersection of gambling, online life and mental health



Healthy online lives and digital wellbeing

The public health impacts of gambling-related harm, particularly mental health impacts, have been rising up the public health agenda and informing actions by health agencies, politicians, regulators, activists and charities. The COVID-19 pandemic has the potential to increase gambling harm risks given more time is being spent online and people's finances are under pressure. Scrutiny and pressure on the sector to act has added urgency, visibility and relevance for addressing the intersection of these issues. The enormity of the current situation also serves as an opportunity and platform for bringing together interested organisations to make a difference across the issues.

In 2018, Playtech initiated independent research to better understand this topic and the intersection with gambling and technology. As part of this work, the Company began engaging with a number of organisations interested in exploring the intersection of mental health, safer gambling and digital wellbeing, and discuss the role that the corporate sector can play in promoting healthy online behaviours, with the goal of preventing or minimising negative safer gambling and mental health impacts.

In March 2020 Playtech formally announced and committed £5 million over five years in five areas of focus, to support partnerships and initiatives that can make a positive difference at the intersection of gambling, online life and mental health.

Since launch, Playtech has begun to invest in a number of partnerships to advance digital wellbeing. The following are two such partnerships under this strategy:

Research, evaluation and insights

In September, Playtech and the Responsible Gambling Council of Canada, an international leader in problem gambling prevention, awareness, programming, policy and research, announced a multi-year partnership. RGC is an independent non-profit organisation with over 35 years of experience in problem gambling prevention in Canada and internationally. The relationship aims to strengthen existing and generate new and practical insights to raise standards and improve practices around digital wellbeing, safer gambling, and mental health. Playtech will use its expertise and experience to support the RGC to examine the links between mental health, digital wellbeing and gambling, using a combination of thought leadership, research, and evaluation of initiatives. In 2020-2021, focus was placed on generating knowledge on the links between digital wellbeing and gambling, and outlining best practices for purposeful collaboration to support the digital wellbeing of young people. In 2021-2022, a framework outlining digital tools and stakeholder opportunities for supporting safer gambling along the player continuum will be developed, and evaluations of the programmes and wider initiative will be performed. All research and evaluation will benefit from the RGC's full circle perspective working with regulators, operators, treatment providers and the gambling public across the globe.

Mindful resilience

Playtech has also committed to support a two-year pilot programme led by The Young Gamers & Gamblers Education Trust (YGAM) to deliver specialist evidence-led training on gambling/gaming-related harms and digital behavioural addictions to healthcare professionals in London. The Mindful Resilience programme brings together an alliance of experts from YGAM, Bournemouth University, the Responsible Gambling Council and Betknowmore UK. The aim of the initiative is to address gaps in knowledge to enable healthcare professionals in primary care networks to engage, identify harms and signpost patients to the appropriate support available. The free-to-access training is specifically tailored to the modern needs of the NHS and informed by lived experience and academic insight.



“COVID-19 challenged Playtech to move quickly to ensure that those who were hit the hardest were given support.”

Community investment

In 2020, Playtech enhanced its community investment and volunteering programme with the appointment of a dedicated manager and the launch of a global framework for directing and measuring the impacts of its activities. COVID-19 challenged Playtech to move quickly and in new ways to ensure that those who were hit the hardest were given support. To that effect, the Company rapidly mobilised its skills, community budgets, assets and technology to support local communities, charities and licensees across the world.

In 2020, Playtech employees participated in community investment initiatives – with 10 countries providing data on their activities. In these markets and throughout 2020, Playtech worked with over 100 charities. Through the programmes supported, our aim was to engage an estimated, cumulative number of more than 10,000 people in 2020*. Community investment includes gifts in kind, monetary donations, and employee volunteering. The total value of gifts in kind distributed in 2020 was over €40,000 and monetary donations totalled over €300,000.

* Engaged is defined as an individual that has directly benefitted and/or has interacted with the programme supported from financial and/or in-kind support.



• The highlights of our pandemic response can be found on pages 8 and 9

Responsible business and sustainability continued

Playtech has an important role to play in finding solutions for the issues that most concern our stakeholders — both in the communities where we operate and on critical issues facing our industry, such as safer gambling. Building strong and enduring partnerships is central to our approach to addressing shared societal challenges, and we're investing in a range of relationships with experts within and beyond our sector.



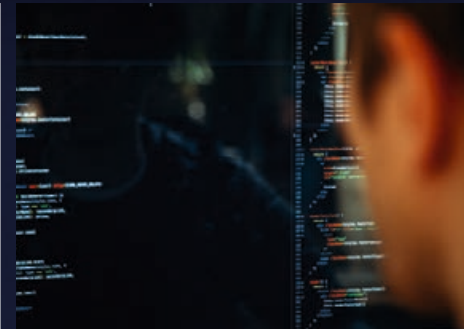
Live2Give Gibraltar

Playtech Gibraltar is recognised as a charity leader. The office supports and donates to a wide variety of causes, including cancer relief, homelessness, the elderly, families in need and environmental working groups, helping to craft changes required for a better future. The office is also heavily involved in promoting women in tech through the Gibraltar government's Women's Mentorship Programme and the Girls in Tech initiative. During 2020, Playtech's Gibraltar employees used their skills to develop the Live2Give app, which aims to digitise charitable giving in Gibraltar. Monetary donations can be made through the touch of a button, and the app also offers a platform for giving skills, time and energy. Georgina Morello from Playtech Gibraltar partnered with Robin Whitting from Entain to develop the app. Commenting on the app, Georgina said: "We've come up with the prototype which we have presented to many charities already; all in all, everyone's been highly supportive, including government officials. We are really looking forward to see it go live in due course." The concept was developed as part of the 2019 Hacking for Humanity event and is scheduled to go live in 2021.



iZilove Foundation Italy

Since 2017, Snai's iZilove Foundations has been supporting the Renato Piatti Foundation, which develops projects and provides services to people and their families who are affected by disabilities, with the aim of supporting them to build and enhance their skills. Renato Piatti Foundation manages 16 residential and rehabilitation centres, assisting a total of 500 children, adolescents, adults and elderly clients. In 2020, the iZilove Foundation supported the charity's new "Toc-Toc" programme aimed at supporting young patients with digital tools that are critical to allow them to continue their therapies online during the pandemic.



Employees volunteer to create crucial eHealth system Cyprus

Together with The University of Cyprus, employees from Playtech's Cyprus office created an in-patient eHealth monitoring system for COVID-19 patients for public hospitals in Cyprus. Ten developers from Playtech volunteered part work hours and part personal time, on the development and configuration of the tool.

Using technology to help slow the spread of the virus, this dedicated solution for COVID-19 patients allows doctors and nurses to add patients, track their evolution and add & view all necessary details (daily monitoring, symptoms, medication, treatment, see their laboratory results, patient contact etc.). The system went live in May 2020.

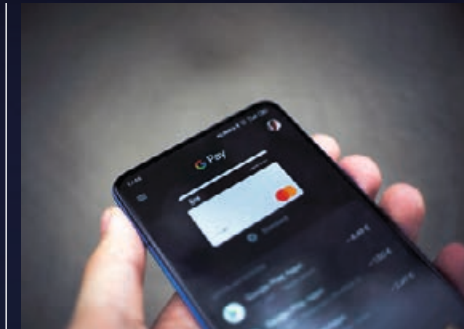
Investing in safer gambling research, education and treatment

Playtech has continued to increase its investment in research, education and treatment programmes designed to reduce gambling related harm. In 2020, Playtech invested over £1.3 million in such programmes and initiatives. Below are a few examples of programmes supported during the year.



Providing parents with support to prevent gambling related harm

Playtech is proud to support YGAM's Parent programme which aims to provide parents and carers with the knowledge and resources to safeguard their families from the harms associated with gaming and gambling. The funding provided by Playtech has enabled YGAM to develop an informative Parent Hub website which hosts an abundance of free practical tips, interactive activities and advice to help parents understand the risks and manage their child's safety online. The digital resource includes unique insights and guidance from parents, leading academics and teachers. The programme will be further enriched during 2021 with the introduction of bespoke workshops to help parents identify signs of harm, changes in behaviour and establish healthy boundaries with gaming.



Collaborating to reduce gambling-related financial harm

Since 2019, Playtech has partnered and participated in GamCare's Gambling Related Financial Harm programme (GRFH). Launched in 2019, the aim of this programme is to develop a best practice framework for the identification and support of players experiencing financial difficulty due to gambling related harm. This multi-stakeholder initiative brings together lived experience as well as representatives from the financial sector, the gambling industry, money and debt advice organisations and gambling treatment and support services to share best practices, set new standards, innovate and connect. In 2020, the initiative continued to make significant progress

with GamCare convening a network of interested and supportive organisations to share knowledge, information, ideas and best practice. Over 30 stakeholders from finance, gambling, money and debt sectors and gambling support services have been engaged on the project.

Most notably, the programme launched a comprehensive toolkit for financial institutions, gambling businesses and debt advice agencies across the UK to help them recognise, support and refer people experiencing gambling-related financial harms, and provide consistent communications across all points of the customer journey. This is the first time representatives from these sectors have come together to address gambling related financial harms in a unified way.

Playtech has committed to continue to participate and support this programme as it focuses future work including embedding best practices, generating further knowledge sharing and expand the reach of activity and engagement.

Good performance with strong financial discipline

“Playtech took early and decisive action to ensure the health and wellbeing of its employees and to preserve cash flow.”



Andrew Smith
Chief Financial Officer

Group Revenue

€1,079m

↓ 25%

(2019: €1,441m)

Overview Response to COVID-19

Despite Playtech being severely impacted by COVID-19 through the cancellation of sporting events worldwide and the closure of retail shops, the Group continues to navigate the pandemic exceptionally well and had a resilient 2020. Playtech took early and decisive action to ensure the health and wellbeing of its employees and to preserve cash flow, while also benefitting from heightened activity in its online businesses.

Actions taken to preserve cash included the deferral or cancellation of planned capital expenditure, strict working capital management, reduced office and maintenance costs, the renegotiation of the timing of major earnout payments in 2020 and the suspension of shareholder distributions until further notice given the uncertain economic backdrop.

As a precautionary measure, in the early stages of the pandemic Playtech accessed approximately €6 million in government support schemes in the UK and other markets. This was to ensure the Group could protect jobs given the prevailing uncertainty over the severity of the impact on the business from the pandemic. Despite the impact of the restrictions on parts of our business and given the overall resilient performance over the course of 2020, this support is currently in the process of being repaid, has been fully provided

for at year end and therefore excluded from our results for 2020.

Group performance

The Group saw an excellent start to 2020 in January and February driven by strong performances from Snaitech, Live Casino and Finalto (formerly TradeTech), combined with favourable sporting results.

However, the adverse impact of COVID-19 and the lockdowns from mid-March to June, and again from late October onwards, led to the Group's total revenues including Finalto decreasing by 20% year on year and on a constant currency basis, albeit boosted by an exceptional Finalto performance during March and April.

Following the lifting of various global lockdowns and the reopening of retail in June, the results showed a strong recovery in H2, with July particularly strong driven by pent up demand, a high concentration of football matches and another very strong month from Finalto. The Group continued to recover well in H2 driven by Snaitech and Core B2B, however, this recovery was hindered from late October when further lockdowns were again imposed by governments in several of its key markets, resulting in further retail closures.

Despite the pandemic and the headwinds described above, the Group achieved Adjusted EBITDA including Finalto of €310.0 million (2019: €383.1 million), an actual and constant currency basis year-on-year decline of only 19%. This was driven by Finalto in H1 and the strength of Playtech's online businesses outside of Asia, namely Casino (including Live), Bingo, Poker and Snaitech in H2.

During the year the Board of Directors solidified its decision and made significant progress towards the sale of Finalto in line with the Group's simplification strategy, in order to focus on its core B2B and B2C gambling businesses. The results of this division in the current and prior year have therefore been classified as discontinued operations. Total reported revenue from continuing operations ended at €1,078.5 million (2019: €1,440.5 million), representing a 25% year-on-year decline and 24% on a constant currency basis. The Group achieved Adjusted EBITDA from continuing

operations of €253.6 million (2019: €375.3 million), a decrease of 32% year-on-year and on a constant currency basis. The Group's reported EBITDA from continuing operations decreased by 33% to €222.9 million (2019: €333.7 million).

The Group implemented an internal restructuring in January 2021, which resulted in Playtech plc migrating its tax residency to the UK and the Group's key operating entity transferring its business to a UK company.

Divisional performance

Core B2B Gambling revenues² declined by 6% year on year and 4% at constant currency. This was driven by a 26% decrease in UK revenues as a result of a 47% decline in UK retail activity because of COVID-19 lockdowns. However, the UK performance was offset by a 5% increase in revenues from regulated markets outside of the UK, namely Mexico, with contributions from Poland, Colombia, Italy and several other geographies, as well as a 26% increase in revenues from unregulated markets excluding Asia, namely Canada, Germany and South Africa. Revenues from Asia declined by 28% due to the severe impact of the pandemic in the region, as well as non-sector specific restrictions introduced on payment processing.

When excluding the impacts of retail closures and sporting cancellations in 2020, Core B2B Gambling (online excluding sports) revenues increased by 26% and 30% on a constant currency basis, driven by revenues from regulated markets outside of the UK, which increased by 59% and 68% on a constant currency basis. Revenues from unregulated markets excluding Asia increased by 28%, while the UK remained largely flat.

Within B2C, Snaitech revenues declined by 37% due to the absence of sporting events and the closure of retail shops during the COVID-19 lockdowns. However, Snaitech revenues were boosted by a 58% increase in online revenue. Furthermore, it achieved the number one position across sports (online and retail measured by GGR) in Italy in 2020. Snaitech's Adjusted EBITDA declined by 19%, a smaller decrease than its revenues, due to its low fixed cost base, effective cost reduction and the strong performance of its higher-margin online business, which saw exceptional growth in online EBITDA of 92%.

Playtech's white label revenues, predominantly Sun Bingo, increased by 8% while the Retail Sport B2C business saw only a 3% decline in revenues, despite the retail closures in Germany and Austria.

Regulated revenues from continuing operations accounted for 84% of Group revenues in 2020 (86% when including Finalto) versus 87% in 2019 (88% when including Finalto), with the fall driven by lower revenues from Snaitech in Italy as described above.

Reported and adjusted profit

Adjusted profit before tax from continuing operations decreased by 75% to €451 million (2019: €177.8 million), driven by the fall in Adjusted EBITDA and an increase in finance costs in 2020 owing to the full period impact of the €350 million bond raised in March 2019, as well as the draw-down from the Company's revolving credit facility during 2020.

Balance sheet and liquidity³

	2020 €m	2019 €m
Cash and cash equivalents	683.7	671.5
Cash and cash equivalents included in assets held for sale	376.9	2.6
Total cash and cash equivalents	1,060.6	674.1
Cash held on behalf of clients, progressive jackpots and security deposits	(129.1)	(338.3)
Cash held on behalf of clients, progressive jackpots and security deposits and included in assets held for sale	(280.4)	—
Adjusted gross cash and cash equivalents	651.1	335.8

The Group continues to maintain a strong balance sheet with total cash and cash equivalents of €1,060.6 million as at 31 December 2020 (2019: €674.1 million). Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, increased to €651.1 million as at 31 December 2020 (31 December 2019: €335.8 million), owing in large part to the Group drawing down its revolving credit facility as a precautionary measure.

Excluding cash from the revolving credit facility, the Group steered through the pandemic with its adjusted gross cash increasing to €342.2 million at 31 December 2020 (2019: €271.5 million), owing to the cash preservation actions described below.

The Group's total gross debt increased to €1,182.0 million at 31 December 2020 (31 December 2019: €935.8 million) with net debt, after deducting adjusted gross cash, decreasing to €530.9 million (31 December 2019: €600.0 million). The net debt / Adjusted EBITDA ratio increased only slightly to 1.7x at 31 December 2020 from 1.6x at 31 December 2019⁶, due to the overall reduction in Adjusted EBITDA.

Playtech takes a prudent and disciplined approach to its banking relationships. Despite being comfortably within its covenants, Playtech proactively approached its lenders and agreed to amend the covenants in its revolving credit facility for the 31 December 2020 and 30 June 2021 tests.

Chief Financial Officer's review¹ continued

Overview continued

Balance sheet and liquidity³ continued

The leverage covenant was amended to 5x net debt / Adjusted EBITDA for the 31 December 2020 test and 4.5x for the 30 June 2021 test. The interest cover covenant was amended to 3x for the 31 December 2020 test and 3.5x for the 30 June 2021 test. The covenants will return to the previous levels of 3x net debt / Adjusted EBITDA and 4x Adjusted EBITDA / interest cover from the 31 December 2021 test onwards, or sooner should the Company decide to make shareholder distributions within the above-mentioned periods.

Given the ongoing uncertainty relating to COVID-19, the Board suspended shareholder distributions in February 2020 until further notice. The share repurchase programme announced at the FY 2019 results was postponed with immediate effect and the 2019 final dividend was not proposed at the 2020 AGM. Together these measures allowed the Company to preserve over €65 million of cash outflows during the year. In addition, Playtech received a total of €49.5 million in cash from the sale of Snaitech land in Italy during the year.

Playtech's swift actions and assured navigation of the pandemic has left the Group in strong financial health to benefit from the reopening of retail shops in its main markets, the full return of sporting events across the world and further growth opportunities as it looks ahead into 2021 and beyond.

Group summary (continuing operations)⁴

	2020 €m	2019 ⁵ €m
B2B Gambling	494.8	553.9
B2C Gambling	596.3	900.5
Intercompany	(12.6)	(13.9)
Total Group Revenue from continuing operations	1,078.5	1,440.5
Adjusted costs	(824.9)	(1,065.2)
Adjusted EBITDA from continuing operations	253.6	375.3

Reconciliation from EBITDA to Adjusted EBITDA:

EBITDA	2020	2019
Employee stock option expenses	16.5	13.3
Professional fees on acquisitions	1.7	0.5
Additional consideration payable for put/call option	5.3	10.2
Movement in contingent consideration and redemption liability	1.2	6.3
Effect from the amendment on terms of Sun Bingo contract back dated	—	6.4
Provision for other receivables	2.8	4.5
Impairment of associate	—	0.4
Charitable donation	3.2	—
Adjusted EBITDA	253.6	375.3
Adjusted EBITDA margin	24%	26%
Adjusted EBITDA on a constant currency basis	256.4	375.3
Adjusted EBITDA margin on a constant currency basis	24%	26%
EBITDA related to acquisitions at constant currency	(0.3)	—
Underlying Adjusted EBITDA on a constant currency basis	256.7	375.3
Underlying Adjusted EBITDA margin on a constant currency basis	24%	26%

Despite the pandemic and the interruption of retail activity for significant parts of the year, the Group's total reported revenues from continuing operations decreased by only 25% to €1,078.5 million (2019: €1,440.5 million) and down 24% on a constant currency basis. This was driven by the strength of the online business, even when including online sports, which increased by 16% year on year and 27% if we exclude Asia, offset by a decrease of 49% in retail revenue as a result of the various lockdowns during the year.

The Group's Adjusted EBITDA from continuing operations reached €253.6 million (2019: €375.3 million), a year-on-year and constant currency basis decline of 32%. The decrease in Adjusted EBITDA was higher than the decrease in revenue because of the higher cost base in the B2B Gambling division, only partly offset by the reduced cost base in the B2C Gambling division. This caused the 2% year on year decline in the Adjusted EBITDA margin, from 26% to 24% and is further analysed in the following sections. The Group's total reported EBITDA decreased by 33% to €222.9 million (2019: €333.7 million).

B2B Gambling

	2020 €m	2019 €m	Change
B2B Gambling Revenue*	494.8	553.9	-11%
Research and development	76.1	80.9	-6%
Operations	214.5	181.2	18%
Administrative	63.2	57.4	10%
Sales and marketing	15.2	19.6	-22%
B2B Gambling Costs	369.0	339.1	9%
B2B Gambling Adjusted EBITDA	125.8	214.8	-41%

* 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

Core B2B Gambling revenues declined by 6% driven by a 26% decrease in UK revenues, offset by a 5% increase in revenues from regulated markets outside of the UK and a 26% increase in revenues from unregulated markets excluding Asia. Of the regulated markets outside of the UK, the biggest contributor was Mexico, driven by revenue growth at Caliente, with Poland, Colombia, Italy and several other geographies also contributing to revenue growth. The growth in revenues from unregulated markets excluding Asia came from Canada, Germany and South Africa. Asian revenues declined 28% due to the severe impact of the pandemic in the region as well as non-sector specific restrictions introduced on payment processing.

When excluding the impacts of retail closures and sporting cancellations in 2020, Core B2B Gambling (online excluding sports) revenues increased by 26% and 30% at constant currency, driven by revenues from regulated markets outside of the UK, which increased by 59% and by 68% on a constant currency basis. When including Sports, total online revenues within Core B2B increased by 19% and 23%

on a constant currency basis, driven by strong performances within Casino, Live, Bingo and Poker, as a result of the increase in demand for online entertainment during the COVID-19 lockdown periods.

Overall, B2B Gambling revenues decreased by 11% largely due to the impact of retail closures in the period, which led to a 51% decline in retail revenues, alongside the 28% decline of revenues from Asia.

When excluding Asia, B2B online gambling revenues were resilient through the pandemic. With the exception of online Sport, which declined significantly because of the suspension of sporting events worldwide due to COVID-19, every other online business within the B2B Gambling division achieved strong revenue growth against the prior year.

Group Adjusted EBITDA (incl. Finalto)

€310m

↓ 19%

(2019: €383m)

B2B Gambling costs

B2B Gambling costs increased in 2020. At the start of the year, the Group had aggressive investment plans to support the expected strong revenue growth in the year and to capture the opportunity in markets such as the US and Latin America. When the pandemic hit, our revenues and growth plans were impacted with either investment already having been made or with Playtech taking the decision to carry on with the investment plans in order to further strengthen our market positions.

Research and development ("R&D") costs include, among others, employee-related costs, direct expenses related to dedicated teams and proportional office expenses. Expensed R&D costs decreased by 6% to €76.1 million (2019: €80.9 million), driven by a decline in outsourcing costs and a reduction in office expenses and travel costs relating to the R&D teams. Capitalised development costs were 38% of total B2B Gambling R&D costs in the period, compared to 37% in 2019.

The operations cost line includes employee-related costs and their direct expenses, operational marketing, hosting, license fees paid to third parties, branded content, hardware terminals purchased for resale, feeds, chat moderators and proportional office expenses. Operations

costs increased by 18% to €214.5 million in 2020 (2019: €181.2 million). This increase was driven by recruitment in Live Casino, an increase in targeted marketing campaigns relating to turnkey customers and structured agreements, an increase in game patent fees and an increase in doubtful debts directly linked to COVID-19. These were offset by a decrease in costs relating to hardware sales compared to 2019 as well as a reduction in land-based terminals maintenance and service fees.

Administrative expenses increased by 10% to €63.2 million (2019: €57.4 million), driven by an increase in employee-related costs, legal and consulting fees, including those relating to Playtech's expansion into new geographies such as the US and Latin America, tax advice fees relating to matters such as the Group's change of tax residence, compliance expenses and charitable donations. These increases were partially offset by a significant reduction in general travel expenses.

Sales and marketing expenses decreased by 22% to €15.2 million (2019: €19.6 million), driven by a reduction in exhibition costs and travel costs directly related to exhibitions.

B2B Gambling Adjusted EBITDA

B2B Gambling Adjusted EBITDA decreased by 41% to €125.8 million (2019: €214.8 million). The decrease was driven by the closure of retail activity for significant parts of 2020 due to the pandemic and the decline in high-margin Asian revenues which flow through in large part to EBITDA.

Furthermore, and as discussed above, included in our B2B costs are significant investments made in order to enter new strategic agreements and geographies (marketing, legal and consulting fees), without an equivalent increase in revenue recognised in 2020, which predominantly explains why the decrease in Adjusted EBITDA was higher than the decrease in revenue.

B2C Gambling	2020 €m	2019 €m	Change
Snaitech	522.2	829.7	-37%
White label (incl. Sun Bingo)	55.0	51.1	8%
Sport B2C	19.1	19.7	-3%
B2C Gambling Revenue	596.3	900.5	-34%
Snaitech	390.2	667.2	-42%
White label (incl. Sun Bingo)	47.9	41.2	16%
Sport B2C	30.4	31.6	-4%
B2C Gambling Costs	468.5	740.0	-37%
B2C Gambling Adjusted EBITDA	127.8	160.5	-20%

Snaitech

Snaitech revenues decreased by 37% to €522.2 million (2019: €829.7 million), owing to the effects of the COVID-19 pandemic, which resulted in the closure of retail betting shops in Italy and the reduction in sporting events during the year. However, Snaitech's revenue was supported by a 58% increase in online revenues, which was driven by a 52% year on year increase in online wagers.

Snaitech operating costs decreased by 42% to €390.2 million (2019: €667.2 million). Given the high variable costs in the business, the fall in operating costs was driven by the decrease in revenues and mainly consisted of a decrease in franchise commission, gaming concession fees, platform charges, maintenance of the retail network and costs relating to data feeds.

Snaitech's Adjusted EBITDA declined by 19%, a smaller decrease than its revenues, due to its low fixed cost base, effective cost reduction and the strong performance of its higher-margin online business, which saw exceptional growth in online EBITDA of 92%. As a result, Snaitech's EBITDA margin improved to 25% (2019: 20%) and its underlying margin, which excludes the distribution costs paid to franchisees, improved to 48% (2019: 46%).

White label (including Sun Bingo)

Revenue from the white label business increased by 8% in total, driven by an outstanding performance from Sun Bingo, which grew 32% to €53.8 million (2019: €40.7 million). Operating costs within Sun Bingo increased by 49% to €45.6 million (2019: €30.7 million), driven by an increase in marketing costs. Adjusted EBITDA from the Sun Bingo business decreased by 19% to €8.1 million (2019: €10.0 million). Adjusted EBITDA includes the release of the minimum guarantee prepayment over the new period of the contract which was renegotiated in 2019.

Other White label revenue decreased by 88% to €1.2 million (2019: €10.4 million), as part of an ongoing effort to consolidate or cease the operations of certain brands. Other White label costs decreased by 78% in line with the decrease in revenue, resulting in an Adjusted EBITDA loss of €1.0 million (2019: loss of €0.1 million). During the year Playtech made a €3.2 million payment to charities as part of its pledge following regulatory review.

B2C Gambling continued**Sport B2C**

The Sport B2C business is currently at the investment phase so despite the retail closures in Germany and Austria resulting from COVID-19, revenues decreased by only 3% to €19.1 million (2019: €19.7 million), with a 4% decrease in costs.

The business remains loss making, with Adjusted EBITDA loss decreasing by 5% to €11.3 million (2019: €11.9 million). An impairment loss of €41.2 million has been recognised in the Sports B2C cash generating unit ("CGU") primarily as a result of COVID-19 and the impact it's had on retail performance. This impairment, which was accounted for below EBITDA, is further discussed below.

Below EBITDA items**Depreciation and amortisation**

Depreciation decreased by 6% to €47.5 million (2019: €50.4 million). Adjusted amortisation, after deducting amortisation of acquired intangibles of €39.0 million (2019: €41.6 million), increased by 6% to €83.1 million (2019: €78.1 million). The remainder of the balance under depreciation and amortisation of €18.5 million (2019: €17.8 million) relates to IFRS 16 Leases, being the right-of-use asset amortisation.

Impairment of tangible and intangible assets, including assets held for sale

Included in the total reported impairment of tangible and intangible assets is a €41.2 million impairment for the B2C Sports CGU, which comprises of the B2C sports operations in Germany and Austria. The impairment, which fully wrote off the value of this CGU, was primarily a result of the impact of COVID-19 on the estimated recovery period and the uncertainty of future cash flows.

Within discontinued operations, the Group has recognised an impairment for the Finalto segment of €221.3 million (2019: €Nil), which is classified as held for sale at 31 December 2020. This is further discussed below.

Profit on disposal of asset classified as held for sale

On 21 April 2020, the sale and purchase agreement of part of the surplus Snai land in Italy, known as 'Area Sud', was completed for a total consideration of €18.8 million, of which €5.0 million had already been received on sign off of the preliminary agreement in 2019.

On 21 July 2020, the sale and purchase agreement of part of the surplus Snai land in Italy, known as 'Area Nord', was completed for a total consideration of €35.7 million.

As a result of these transactions a total of €49.5 million was received in cash during the year (2019: €5 million) and the Group realised a profit on disposal of €22.1 million (2019: €Nil) as reflected in the consolidated statement of comprehensive income.

Finance costs and income

Reported finance costs decreased by 3% to €64.6 million (2019: €66.7 million), while adjusted finance costs increased by 11% to €61.5 million (2019: €55.3 million). The latter was driven by both the increase in interest expense on bond loans in 2020 owing to the 2019 bond being issued part-way through H1 2019, as well as the additional withdrawal from the revolving credit facility during 2020. The difference between adjusted and reported finance costs in 2020 is the movement of the contingent consideration and redemption liability. In 2019 the difference is mainly the decrease in the effective interest on the previously held convertible bond due to its repayment in November 2019.

Adjusted finance income decreased by 58% to €1.1 million (2019: €2.6 million), driven by a decrease in interest income. Reported finance income decreased by 89% to €1.1 million (2019: €9.7 million) due to the movement in contingent consideration and redemption liability, which was an income in the prior year of €7.1 million against an expense of €3.0 million in the current year and therefore included in reported finance cost.

Taxation

In 2020, the Group's underlying adjusted effective tax rate from continuing operations increased to 22% (2019: 13%). Whilst income tax expense and cash tax actually decreased, there was an increase in the percentage tax rate due to the greater fall in profit before tax.

The total adjusted tax charge in 2020 was €17.9 million (2019: €39.8 million), whereas the reported tax charge was €20.4m (2019: €31.8 million). The adjusted tax expense excludes the impact of tax in relation to the Snai land disposed during the year and the movement in deferred tax in relation to acquisitions.

The Group implemented an internal restructuring in January 2021, which resulted in Playtech plc migrating its tax residency to the UK and the Group's key operating entity transferring its business to a UK company. This restructuring is not expected to have a significant impact on the Group's underlying effective tax rate.

Discontinued operations**Casual and Social Gaming segment**

Following the reclassification of the Casual and Social Gaming business in 2019 as a discontinued operation, the Group entered into an agreement for the partial disposal of the business, namely "FTX", for a total consideration of €0.9 million on 29 June 2020. As a result of this transaction, the Group realised a profit of €0.6 million in the consolidated statement of comprehensive income.

On 11 January 2021, the Group entered into an agreement for the disposal of the remainder of the business, namely "YoYo", for a total consideration of \$9.5 million resulting in an estimated profit of €7.6 million to be recognised in FY 2021. This business has now been fully disposed of.

The Adjusted EBITDA related to the Casual and Social Gaming business improved to €0.4 million (2019: loss of €4.6 million) due to the winding down of operations and reduction in employee-related costs. Adjusted profit after tax improved to €0.1 million (2019: adjusted loss of €8.5 million).



Playtech grants scholarships to students

Finalto (formerly TradeTech Group)

In August 2020 the Group, which previously announced it is continuing to evaluate all options for Finalto, confirmed that it was in early discussion stages with a number of parties regarding a potential sale of the division. A formal decision to dispose of this segment was made by the Board of Directors. Post year end, the Group further announced that it was in exclusive discussions with a management consortium with a cash offer of up to US\$200 million. The Board is confident that the sale will complete by the end of 2021. The assets and liabilities of the division were therefore classified as held for sale at 31 December 2020 and the financial results of this division in both years being presented were included in discontinued operations. Despite the strong performance in 2020 as discussed below, the Group continues to execute its simplification strategy in order to focus on its core businesses. As a result an impairment charge of €221.3 million was recognised against this CGU when comparing its carrying value to expected proceeds from the disposal, less expected costs.

In terms of performance, revenues increased by 80% to €121.9 million (2019: €67.9 million). Adjusted and reported EBITDA both increased to €56.4 million (2019: €7.8 million) and €45.3 million (2019: €1.6 million) respectively. Finalto, which earned 72% of its 2020 revenue and 94% of its 2020 Adjusted EBITDA in H1, had an outstanding first half where the business benefitted significantly from increased market volatility and trading volumes, particularly in March and April as the effect of the pandemic created large price movements in major instruments. Market conditions normalised during the second half.

Adjusted profit and Adjusted EPS

	2020 €m	2019 €m
(Loss)/Profit from continuing operations attributable to the owners of the Company*	(73.0)	55.9
Employee stock option expenses	16.5	13.3
Professional fees on acquisitions	1.7	0.5
Additional consideration payable for put/call option	5.3	3.0
Movement in contingent consideration and redemption liability	4.2	6.3
Effect from the amendment on terms of Sun Bingo contract back dated	—	6.4
Provision for other receivables	2.8	4.4
Impairment of investment in associate	—	0.4
Charitable donation	3.2	—
Fair value change of equity investments	(0.6)	0.3
Tax relating to prior years	4.9	4.1
Deferred tax on acquisitions	(11.7)	(12.1)
Amortisation of intangibles on acquisitions	39.0	41.6
Finance costs on acquisitions	—	1.5
Notional interest on convertible bonds	—	9.9
Impairment of tangible and intangible assets and right of use assets	45.4	1.9
Fair value change on acquisition of associate	(6.5)	—
Loss on disposal of associate	8.9	—
Profit on disposal of asset classified as held for sale	(22.1)	—
Tax on disposal of asset classified as held for sale	9.3	—
Adjusted Profit from continuing operations attributable to the owners of the Company	27.3	137.4
Adjusted basic EPS (in Euro cents)	9.2	45.5
Adjusted diluted EPS (in Euro cents)	8.8	44.6
Constant currency impact	4.8	4.3
Adjusted profit for the year attributable to owners of the Company on constant currency	32.1	141.7
Adjusted net profit / (loss) on constant currency related to acquisitions	(0.3)	—
Underlying adjusted profit for the year attributable to owners of the Company	32.4	141.7
Basic and diluted EPS from loss attributable to owners of the Company (in Euro Cents)	(99.6)	(6.5)
Basic EPS from profit/(loss) attributable to the owners of the Company from continuing operations (in Euro Cents)	(24.5)	18.5
Diluted EPS from profit/(loss) attributable to the owners of the Company from continuing operations (in Euro Cents)	(24.5)	18.1

* The reconciling items in the table above are further explained in Note 10 of the financial statements.

Reported loss per share from continuing operations decreased by 232%, in line with the decrease in profit. Adjusted diluted EPS decreased by 80% compared to 2019. Basic EPS is calculated using the weighted average number of equity shares in issue during 2020 of 298.4 million (2019: 301.8 million). Diluted EPS also includes the dilutive impact of share options and is calculated using the weighted average number of shares in issue during 2020 of 310.8 million (2019: 308.0 million).

Cash flow

Playtech continues to be cash generative and delivered operating cash flows of €366.9 million (2019: €320.9 million), with adjusted cash conversion of 89% (2019: 79%).

Cash conversion (including Finalto)

	2020 €m	2019 €m
Adjusted EBITDA	310.0	383.1
Net cash provided by operating activities	366.9*	320.9
Cash conversion	118%	84%
Change in jackpot balances	(2.0)	(9.5)
Change in client deposits and client equity	(76.6)	(22.0)
One-off tax payment	—	28.0
Dividends payable	(0.2)	(0.3)
Professional expenses on acquisitions	5.0	1.9
Finance costs on acquisitions	—	1.5
ADM security deposit	(17.1)	(17.2)
Adjusted net cash provided by operating activities	276.0	303.3
Adjusted cash conversion	89%	79%

* Net cash provided by operating activities is benefitting from a deferred payment of gaming tax duties of €89.6 million in Italy, which was due in Q4 2020. As a result of COVID-19 the Italian tax authorities allowed the deferral of these gaming tax duties to be made in the first half of 2021.

Adjusted cash conversion is shown after adjusting for jackpots, security deposits and client equity, dividends payable 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 dividends only impacts the reported operating cash flow and not EBITDA, while professional expenses and costs relating to acquisitions are excluded from Adjusted EBITDA but impact operating cash flow.

The adjusted net cash provided by operating activities excluded, among other items, the security deposit repayment from Italy's online betting and gaming regulator (ADM) for 2020 and 2019, changes in client deposits and client equity and the €28.0 million one-off cash payment made to the Israeli government in 2019 for the settlement of additional tax relating to the Group's activities in Israel for the years 2008 to 2017 inclusive.

The increase in net cash provided by operating activities is largely due to the significant increase in contribution from Finalto. Adjusted cash conversion, which the Group believes is a better representation of cash collection in the period, was 89% (2019: 79%).

Net cash outflows used in investing activities totalled €89.3 million (2019: €152.8 million) of which:

- €19.8 million (2019: €1.4 million) relates to consideration paid in relation to acquisitions of subsidiaries in the period;
- €41.7 million (2019: €61.4 million) was used in the acquisition of property, plant and equipment;
- €22.0 million (2019: €24.3 million) was used on the acquisition of intangible assets;
- €55.8 million (2019: €65.5 million) was spent on capitalised development costs; and
- €49.8 million (2019: €5.0 million) is cash received on the disposal of assets held for sale of which €49.5 million (2019: €5.0 million) relates to real estate located in Milan.

Net cash inflows from financing activities totalled €104.6 million (2019: €117.3 million outflow) of which €245.8 million (2019: €63.9 million) was cash inflow from the drawing down of the Group's revolving credit facility, offset by:

- €10.1 million (2019: €65.1 million) on the repurchasing of Playtech shares in the year;
- €27.4 million (2019: €27.2 million) of principal and interest lease liability payments;
- €63.7 million (2019: €48.1 million) payment of contingent consideration and redemption liability; and
- higher total interest payments on bond loans and bank borrowings totalling €39.7 million (2019: €29.5 million) due to the issuance of the 2019 bond part-way through H1 2019 and the Group's revolving credit facility drawdown in the current year.

Balance sheet, liquidity and financing

Cash

Including cash classified within assets held for sale, the Group continues to maintain a strong balance sheet with cash and cash equivalents of €1,060.6 million as at 31 December 2020 (2019: €674.1 million). Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, increased to €651.1 million as at 31 December 2020 (2019: €335.8 million), owing in large part to the Group drawing down €245.8 million from its revolving credit facility as a precautionary measure, as well as the considerable cash preservation actions described below. The Board keeps Playtech's capital structure under continuous review and is cognisant of the level of cash on its balance sheet. Once there is greater certainty on the outcome of the pandemic, the revolving credit facility will be repaid.

Financing

The Group holds 5-year senior secured notes to the value of €530 million (3.75% coupon, maturity 2023), which were raised in October 2018 to support the acquisition of Snaitech.

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

In November 2019 the Group signed an amendment to its previous revolving credit facility, increasing it to €317.0 million and extending its term by an additional four years, ending in November 2023, with a further one-year extension option. Interest payable on the loan is based on Euro Libor rates. Playtech acted promptly following the announcement of the first lockdown in Q1 2020 and the uncertainty surrounding this, to secure its liquidity position by drawing down €245.8 million against the revolving credit facility as a precautionary measure during the period (2019: €63.9 million). However, it is important to note that the Group steered through the pandemic with an improved cash position at 31 December 2020 against 31 December 2019, even after excluding the cash contribution from the revolving credit facility.

The Group's total gross debt amounted to €1,182.0 million at 31 December 2020 (31 December 2019: €935.8 million) and net debt, after deducting adjusted gross cash, amounted to €530.9 million (31 December 2019: €600.0 million). The net debt / Adjusted EBITDA ratio increased slightly to 1.7x at 31 December 2020 from 1.6x at 31 December 2019⁶, due to the overall reduction in Adjusted EBITDA.

Playtech takes a prudent and disciplined approach to its banking relationships. Despite being comfortably within its covenants, Playtech proactively approached its lenders and agreed to amend the covenants in its revolving credit facility for the 31 December 2020 and 30 June 2021 tests. The leverage covenant was amended to 5x net debt / Adjusted EBITDA for the 31 December 2020 test and 4.5x for the 30 June 2021 test. The interest cover covenant was amended to 3x for the 31 December 2020 test and 3.5x for the 30 June 2021 test. The covenants will return to previous levels of 3x net debt / Adjusted EBITDA and 4x Adjusted EBITDA / interest cover from the 31 December 2021 test onwards, or sooner should the Company decide to make shareholder distributions within those periods.

Contingent consideration

Contingent consideration and redemption liability decreased by €51.4 million to €9.7 million (31 December 2019: €61.1 million) due to the completed payments relating to Playtech BGT Sports Ltd, Rarestone Gaming PTY Ltd and GenerationWeb, offset by the redemption liability arising from the acquisition of Statscore. The existing liability as at 31 December 2020 comprised the following:

Acquisition	Maximum payable earnout (per terms of acquisition)	Contingent consideration and redemption liability as at 31 December 2020	Payment date (based on maximum payable earnout)
HPYBET Austria GmbH	€15.0 million	Nil	Q2 2021
Eyecon Limited	€25.0 million	Nil	Q2 2021
Wplay	€4.9 million	€3.9 million	€4.0 million Q4 2022 €0.9 million Q4 2024
Statscore	€15.0 million	€4.6 million	€5.0 million Q1 2023 €10.0 million in Q1 2026
Other	€7.3 million	€1.2 million	€7.3 million in Q3 2021
Total	€67.2 million	€9.7 million	

Shareholder returns

The Board suspended shareholder distributions in March 2020 until further notice due to the uncertainty relating to COVID-19. The share repurchase programme announced at the FY 2019 results was postponed with immediate effect with approximately €10 million of the €40 million buyback having been completed. Also, the 2019 final dividend was not proposed at the AGM. Together these measures allowed the Company to preserve over €65 million of cash outflows during the year.

Playtech remains committed to returning capital to shareholders whilst balancing the needs of the business and taking a prudent approach to its capital structure and leverage.



TechSisters community networking event

- Adjusted numbers relate to certain non-cash and one-off items. The Board of Directors believes that the adjusted results represent 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.
- Core B2B Gambling refers to the Company's B2B Gambling business excluding unregulated Asia.
- The balance sheet and liquidity analysis includes assets and liabilities that are part of both continuing operations and assets held for sale because this better represents the Group's position at 31 December 2020 and 31 December 2019 as it still has full control of its cash and liabilities affecting its cash position.
- Totals in tables throughout this statement may not exactly equal the components of the total due to rounding.
- Due to the classification of a discontinued operation and a correction of prior year error, the comparative information for 2019 has been restated. Please refer to Note 8 of the financial statements for further details.
- Net debt/Adjusted EBITDA is calculated as Gross Debt less Adjusted Gross Cash including cash held for sale and excluding cash held on behalf of clients, progressive jackpots and security deposits divided by Adjusted EBITDA from continuing operations and Finalto (included in discontinued operations) of the last 12 months totalling €310.0 million (2019: €383.1 million).

Going concern

In adopting the going concern basis of preparation for the financial statements, the directors have considered the Group's current trading performance, financial position and liquidity alongside robust scenario assessments and reverse stress-test assessments for the forecast period.

The outbreak of the pandemic, the measures adopted by governments in countries worldwide to mitigate the pandemic's spread, including the ongoing second wave of lockdowns and the vaccine announcement and current rollout plans, were also taken into account in these assessments. COVID-19 continues to present challenges across many areas of Playtech's business, however, management believe the business has demonstrated resilience against the pandemic and these challenges.

At 31 December 2020, the Group held total cash of €1,060.6 million (2019: €674.1 million) and adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, of €651.1 million (2019: €335.8 million). Further, the Group has long-term debt facilities totalling €1,182.0 million (2019: €935.8 million). Management has secured a covenant relaxation at 31 December 2020 and 30 June 2021 relating to the revolving credit facility, as discussed in Note 26 of the financial statements, and further, has considered future projected cash flows under a number of scenarios to stress-test any risk of covenant breaches.

Management concluded that the risk of a covenant breach over the next twelve-month period from the date of releasing this report is low and as such, has a reasonable expectation that the Group will have adequate financial resources to continue in operational existence. It has, therefore, considered it appropriate to adopt the going concern basis of preparation in the full year 2020 financial statements.

Andrew Smith
Chief Financial Officer
10 March 2021

Effectively managing our risks

-  Gambling risk
-  Financials risk
-  Human risk












<h2>1 Regulation – licensing requirements</h2>  	<h2>2 Regulation – local technical regulatory requirements</h2>  	<h2>3 Taxation</h2>  
<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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 and betting and gaming activities in countries in which the Group has presence. Such taxes may include corporate income tax, withholding taxes and indirect taxes.</p> <p>Mitigation 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 presence.</p> <p>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 Group has an appropriately qualified tax team to manage its tax affairs. The Group seeks to minimise the risk of uncertainty and disputes and does this through proactive dialogue with the tax authorities and by obtaining third party expert advice, where appropriate.</p> <p>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).</p>
<p>Likelihood: Low Impact: High Static</p>	<p>Likelihood: Low Impact: Medium Static</p>	<p>Likelihood: Medium Impact: Medium Static</p>

 Gambling risk

 Financials risk

 Human risk

<h2>4 Regulatory – capital adequacy</h2> 	<h2>5 Regulatory – data protection</h2>  	<h2>6 Regulatory – preventing financial crime</h2>  	<h2>7 Regulation – safer gambling</h2> 
<p>Description The requirement to maintain adequate regulatory capital may affect the Group's ability to conduct its business and may reduce profitability.</p> <p>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.</p>	<p>Description The requirements of the 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.</p> <p>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.</p>	<p>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.</p> <p>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 2020, this policy was updated along with ABC and AML policies to include changes in legislation, regulations and industry good practice.</p> <p>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.</p>	<p>Description 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 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>Likelihood: Low Impact: Medium Static</p>	<p>Likelihood: Medium Impact: High Static</p>	<p>Likelihood: Medium Impact: Medium Static</p>	<p>Likelihood: High Impact: Medium Static</p>

<h2>8 Mergers and acquisitions</h2> 	<h2>9 Key employees</h2> 	<h2>10 Cyber crime and IT security</h2> 	<h2>11 Market exposure</h2> 	 <p>Gambling risk</p>	 <p>Financials risk</p>	 <p>Human risk</p>	<h2>12 Counterparty risk</h2> 	<h2>13 Global diversification</h2> 	<h2>14 Failure or disruption of supply chain</h2> 	<h2>15 Disruption affecting business</h2> 
<p>Description 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 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 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 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 System downtime or a data breach, whether through cyber-attacks and distributed denial-of-service attacks or technology failure, could make services, information and infrastructure unavailable for significant period of time due to network bandwidth consumption and/or data deletion or encryption.</p> <p>Mitigation 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). Also, the Group is audited continuously by external companies to comply with the industry best practices and standards for information security.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	<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 change etc. 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 are not affected.</p>	<p>Description Large scale global events such as pandemics, political unrest, climate change etc, have the potential to affect Playtech's key business markets particularly at live sporting events. 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 online channels provides our customers with a continuation of our business services.</p>			
<p>Likelihood: Low Impact: Low Static</p>	<p>Likelihood: Medium Impact: Medium Static</p>	<p>Likelihood: Medium Impact: High Static</p>	<p>Likelihood: Medium Impact: Medium Static</p>	<p>Likelihood: Medium Impact: Medium New</p>	<p>Likelihood: High Impact: High Static</p>	<p>Likelihood: High Impact: Medium Static</p>	<p>Likelihood: High Impact: Medium Static</p>			

Emerging risks, principal risks and uncertainties continued

<h2>16</h2> <h3>Business continuity planning</h3>	<h2>17</h2> <h3>General health and wellbeing concerns from all Sites during COVID-19</h3>	<h2>18</h2> <h3>Live studio closures</h3>
<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 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 passed on as and when available.</p>	<p>Description As a new strand of COVID-19 continues to spread worldwide, all our employees remain working from home (WFH), which brings with it some challenges such as exertion, stress, anxiety and the added pressure of childcare and home schooling.</p> <p>Mitigation Although employees are getting used to WFH, HR teams' responsibility to continue supporting employees online is increasing.</p> <p>During the last quarter, we continued collaborating with Playtech Academy, offering various engaging talks, webinars, and interactive workshops, around the subject of General health and wellbeing. Additionally, each site continued to provide one-to-one support to employees through positively charged private messaging. Some teams met up in small groups, to engage in physical activities and picnics.</p>	<p>Description COVID-19 could result in our live studios being forced to close which will affect our portfolio.</p> <p>Mitigation To mitigate this for the long term we are working on plans for opening another studio to serve Asia and other territories as well as expanding our existing studios. The COVID-19 situation has got worse in our host countries, so the risk of closing studios or decreasing the number of tables due to absence of employees has surged. At the moment, besides having closed a few tables temporarily, there has been no effect on business availability.</p> <p>Safety measures against the pandemic are being kept very strictly in the studios and around working procedures to make sure the operations teams continue to not only provide the service as it did so far, but to do it as safely as possible.</p>
<p>Likelihood: Low Impact: High Static</p>	<p>Likelihood: High Impact: High New</p>	<p>Likelihood: High Impact: Medium New</p>

The Strategic Report on pages 2 to 82 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
10 March 2021