

# Governance

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# Progress driven by constructive & continued dialogue



**Claire Milne**  
Interim Chairman

“Central to Playtech’s progress and growth has been a track record of open and constructive dialogue with its shareholders and 2020 has seen the Board continue high levels of engagement to ensure important progress on Corporate Governance.”

## Dear Shareholder

In my capacity as Interim Chairman of the Board, I am pleased to present the Corporate Governance Report for 2020.

This continues to be one of the toughest times that many of us face, in both our personal and professional lives. This year, Playtech and our industries have encountered many challenges. The Board continues to evolve to ensure that we have the necessary skills and strategic leadership in order to continue to successfully guide the Company. I would like to pass on my gratitude for the hard work, resilience, enthusiasm and dedication which the Directors, senior management and all employees have demonstrated throughout 2020.

Central to Playtech’s progress and growth has been a track record of open and constructive dialogue with its shareholders and 2020 has seen the Board continue high levels of engagement to ensure important progress on Corporate Governance. Following the voting results at our Annual General Meeting (AGM) in May 2020, we have continued with our extensive Shareholder Engagement Programme. We recognise the level of votes against our Remuneration Report and will continue to engage with our shareholders to ensure that the Company’s interests are aligned to the interests of all shareholders in the next period of our evolution.

The Board recognises the need to strike a careful balance to ensure that shareholders and other stakeholders are appropriately protected by robust processes and procedures, while providing an environment that fosters an

entrepreneurial spirit thereby allowing our senior management team and employees to continue to deliver the strategic and operational progress, that we have achieved in recent years. This balance enables us to clearly focus on the key risks facing the Group but requires us to be flexible enough to accommodate changes resulting from developments in our strategy or changes in the regulatory environment.

Playtech has grown rapidly since its inception and is now a company with over 6,400 employees in 24 countries. To meet the changing demands of the Company, the Board has also evolved significantly in that time and has played an important role in guiding the Company through its rapid change. At our AGM in May 2019, Alan Jackson announced that he would not be standing for re-election at our AGM in 2020. Our recruitment process was stalled due to the impact of COVID-19, and following Alan’s retirement as Chairman, I became Interim Chairman in May 2020. At the time of the AGM in May 2020, we confirmed that we would continue to search for a permanent Chairman following the resolution of the COVID-19 pandemic.

I am delighted to confirm that Brian Mattingley has agreed to accept the role as permanent Chairman with effect from 1 June 2021 following his retirement from the Board of 888 Holdings Limited. Brian has many years’ experience in our industry, and I look forward to welcoming him to the Board. Following Brian’s appointment, I will revert to my former position as a non-executive director and Chair of the Risk & Compliance Committee.

The Board has confidence in the future of the Group and sees significant growth opportunities ahead. The operational progress reported in 2020 in new and existing regulated markets, including the US, is evidence of Playtech’s leadership in regulation and compliance in the gambling industry, as well as our commercial capabilities. The Board plays an essential role in upholding the highest levels of regulations, compliance and responsibility and we continue to work closely with regulators in various markets to ensure our compliance with local laws and regulations. The Board continues to strive to ensure that the Group’s governance structure protects the sustainability of its businesses and the communities in which it operates, while maximising shareholder value and treating all shareholders fairly.

The Board also sets the tone for the Company. The way in which it conducts itself, its attitude to sustainability, problem gambling, diversity and inclusion, its definitions of success and the assessment of appropriate risk, all define the atmosphere within which the executive team works.

In keeping with our commitment to have a dedicated in-house function, we continued to strengthen our Internal Audit team in 2020, and this underlines our focus on the increasing levels of complexity in relation to internal controls and processes. The historical Internal Audit Relationship with PricewaterhouseCoopers LLP (PwC) remains in place and Playtech therefore has a co-sourced arrangement with PwC as it continues to provide support to the Internal Audit team given its experience of the Group and the specialist services it offers.

We have set out in the following sections how we seek to manage the principal risks and uncertainties facing the business together with further details on our governance framework, thereby explaining how our corporate governance practices support our strategy.

The AGM is an important opportunity for the Board to meet with shareholders, particularly those who may not otherwise have the chance to engage with the Board and senior management. Our AGM is scheduled to be held on 26 May 2021. We continue to monitor the situation with COVID-19 and will take account of travel restrictions, restriction on gatherings and social distancing before announcing the venue for the meeting.

**Claire Milne**  
Interim Chairman  
10 March 2021

**Claire Milne****Interim Non-executive Chairman****Appointment to the Board**

Claire was appointed to the Board in July 2016 and as Interim Chairman in May 2020.

**Career**

Claire has a master's degree from The Johns Hopkins University, Baltimore, is a member of The Law Society of Scotland, a Manx Advocate and a Writer to Her Majesty's Signet. She is a member of the Institute of Directors, the Licensing Executive Society and the Society for Computers and the Law, a General Member of the International Masters of Gaming Law and was Chair of the Isle of Man Gambling Supervision Commission from 2007 to 2012. She is currently a Partner and Team Leader within the Intellectual Property and Science & Technology teams for Appleby in the Isle of Man.

**Skills, competences and experience**

Claire is a recognised industry expert in eGaming and technology law and regulation, with over 25 years' experience advising gaming and financial services clients as an in-house and private practice lawyer.

**Board Committees**

Claire is Chair of the Risk & Compliance and the Nominations Committees and sits on the Remuneration Committee and Audit Committee.

**Mor Weizer****Chief Executive Officer****Appointment to the Board**

Mor was appointed as Playtech's Chief Executive Officer in May 2007.

**Career**

Prior to being appointed CEO, Mor was the Chief Executive Officer of one of the Group's subsidiaries, Techplay Marketing Ltd., which required him to oversee the Group's licensee relationship management, product management for new licensees and the Group's marketing activities. Before joining Playtech, Mor worked for Oracle for over four years, initially as a development consultant and then as a product manager, which involved creating sales and consulting channels on behalf of Oracle Israel and Oracle Europe, the Middle East and Africa. Earlier in his career, he worked in a variety of roles, including as an auditor and financial consultant for PricewaterhouseCoopers and a system analyst for Tadiran Electronic Systems Limited, an Israeli company that designs electronic warfare systems.

**Skills, competences and experience**

Mor is a qualified accountant and brings considerable international sales and management experience in a hi-tech environment and extensive knowledge of the online gambling industry.

**Board Committees**

He chairs the Management Committee and attends the Remuneration, Risk & Compliance and Nominations Committees at the invitation of the Chairs of those committees.

**Andrew Smith****Chief Financial Officer****Appointment to the Board**

Andrew was appointed as Playtech's Chief Financial Officer on 10 January 2017, having joined the Group in 2015.

**Career**

Having qualified as a solicitor with Ashurst in 2001, Andrew moved into investment banking, first with ABN AMRO and then with Deutsche Bank, specialising in both the technology and leisure sectors. Andrew joined Playtech in 2015 as Head of Investor Relations.

**Skills, competences and experience**

Andrew brings a wealth of financial, capital markets and M&A experience to the Board and has been integral to Playtech's operational and strategic progress since joining the business. Andrew was key to the acquisition of Snaitech in 2018, including the financing and refinancing of the acquisition.

**Board Committees**

Andrew sits on the Management Committee and attends meetings of the Audit Committee and the Risk & Compliance Committee at the invitation of the Chairs of those committees.

**John Jackson****Senior Non-executive Director****Appointment to the Board**

John was appointed to the Board in January 2016.

**Career**

John is a qualified accountant and his previous roles include Group Chief Executive of Jamie Oliver Holdings Limited from 2007 to 2015, Group Retail and Leisure Director of Virgin Group Limited from 1998 to 2007 and Managing Director of Body Shop International from 1988 to 1994.

**Skills, competences and experience**

John brings a wealth of consumer industry experience combined with a strong accountancy and financial background.

**Board Committees**

He chairs the Audit Committee and is a member of the Risk & Compliance and Nominations Committees. He is also the Senior Independent Non-executive Director.

**Ian Penrose****Non-executive Director****Appointment to the Board**

Ian was appointed to the Board in September 2018.

**Career**

Prior to his appointment, Ian was CEO of Sportech plc from 2005 to 2017 and served as CEO of Arena Leisure plc from 2001 to 2005. Ian is currently Non-executive Chairman of the National Football Museum, Non-executive Chairman of DataPOWA Limited and a Non-executive Director of both Weatherbys Limited and its technology partnership with the British Horseracing Authority, Racing Digital Ltd.

**Skills, competences and experience**

Ian brings over 20 years of leadership experience in the global gaming, technology and leisure sectors. In particular, he has significant knowledge of the US gambling market, having led strategic initiatives in the region over nearly a decade. Ian has been licensed by regulators in several countries and is also a Chartered Accountant.

**Board Committees**

Ian is Chair of the Remuneration Committee and sits on the Audit Committee, Risk & Compliance Committee and the Nominations Committee.

**Anna Massion****Non-executive Director****Appointment to the Board**

Anna was appointed to the Board in April 2019.

**Career**

Anna worked in investment banking and asset management for over 15 years and is widely respected as a global gambling industry expert. During her time at PAR Capital Management, Anna was responsible for idea generation and portfolio maintenance. Prior to joining PAR, Anna held positions at leading financial institutions including JP Morgan, Marathon Asset Management and Hedgeye Risk Management. Anna is currently a Director of AGS, LLC.

**Skills, competences and experience**

With Anna's sector knowledge and business network, she brings a strong fiscal and analytical skillset to the Board.

**Board Committees**

Anna is a member of the Remuneration Committee.

**John Krumins****Non-executive Director****Appointment to the Board**

John was appointed to the Board in April 2019.

**Career**

John's significant non-executive experience includes his current role, and previously at Hogg Robinson Group plc and across a series of private companies in the IT, technology, med-tech and related service sectors. In addition, John is a Trustee and Finance Committee Chairman of the Royal Institution of Great Britain and a Trustee at Big Education Trust. Prior to this John spent over 20 years in investment banking as a Managing Director at Morgan Stanley and subsequently at both Deutsche Bank and Societe Generale.

**Skills, competences and experience**

John holds an MBA from the Harvard Business School and combines many years' experience in corporate finance, technology and complex project management together with prior plc board experience and noteworthy regulatory experience from his previous role as a panel member of the UK's Competition and Markets Authority from 2013 to 2018.



### Introduction

Responsibility for corporate governance lies with the Board, which is committed to maintaining high standards of corporate governance. The report which follows explains our most important governance processes and how they support the Group's business. In particular, we have applied the principles of good governance advocated by the UK Corporate Governance Code 2018 (the "Code") as published on 16 July 2018. The Code applied to Playtech throughout the financial year ended 31 December 2020. A copy of the Code is available at [www.frc.org.uk](http://www.frc.org.uk). The Code places an emphasis on directors and the companies they lead needing to build and maintain successful relationships with a wide range of stakeholders. It also notes the importance of a company establishing a culture that promotes integrity and openness, values diversity and is responsive to the views of shareholders and wider stakeholders.

### UK Corporate Governance Code

The Code is applicable to all companies with a premium listing, whether incorporated in the UK or elsewhere. The Code applies to all accounting periods beginning on or after 1 January 2019.

### Section 1: Board leadership and Company purpose

A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. See pages 86 and 87.

The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity and promote the desired culture. Please refer to our Strategic Report as set out on pages 2 to 82.

The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should establish a framework of prudent and effective controls, which enable risk to be assessed and managed. Details of our principal risks are set out in our Strategic Report on pages 2 to 82.

In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from these parties. Please refer to details of our relationships with stakeholders on pages 94 and 95.

The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. Our Strategic Report on pages 2 to 82 gives detail of our values and how we integrate these into our corporate culture which, in turn, leads to engagement with the wider workforce.

### Section 2: Division of responsibilities

The Chair leads the Board and is responsible for its overall effectiveness in directing the company. The directors should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. See pages 89 to 95.

The Board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the Board's decision making. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the company's business. See pages 89 to 95.

Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. See pages 89 to 95.

The Board, supported by the secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. See pages 89 to 95.

### Section 3: Composition, succession and evaluation

Appointments to the Board should be subject to a formal rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. See pages 89 to 95.

The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed. See pages 89 to 95.

Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. See page 94.

### Section 4: Audit, risk and internal control

The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself as to the integrity of financial and narrative statements. See pages 89 to 95.

The Board should present a fair, balanced and understandable assessment of the company's position and prospects. Our Strategic Report is on pages 2 to 82.

The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. Details of our principal risks are set out on pages 78 to 82. In addition, our Risk & Compliance Committee Report is set out on page 92.

### Section 5: Remuneration

Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy.

A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

Details of our Remuneration Policy and how it is applied are set out in the Governance Section on pages 100 to 119.

### Compliance statement

We continued to make improvements during the year both to our Board structure and our governance procedures in accordance with the provisions of the Code. Save for provision 19 dealing with the tenure of the Chair, which has now been remedied, I am delighted to be able to report that it is the view of the Board that the Company has been fully compliant with the principles of the Code during 2020.

Claire Milne was appointed as a Non-executive Director on 8 July 2016 and as Interim Chairman in May 2020. Claire is a recognised expert in eGaming and technology law and regulation, with over 25 years' experience advising gaming and financial services clients as an in-house and private practice lawyer and was, at the time of her appointment, and continues to be, a Partner and Team Leader within the Intellectual Property and Science and Technology teams for Appleby (Isle of Man) LLC (the "Firm"). The Firm has provided, and continues to provide, regulatory and legal advice to the Group from time to time; however, given the overall size of the Firm and the relatively small scale of fees received, this relationship was not considered to impact on her independence. In addition, in order to reinforce her independence, it was agreed that following her appointment, Claire would not be involved in the provision of advice by the Firm to the Group, her remuneration from the Firm would not be linked, directly or indirectly, to the receipt of fees from the Group, and that any potential residual conflicts will be managed carefully.

Ian Penrose was appointed as Chair of the Remuneration Committee on 1 November 2018, having been appointed as a member of the Committee on 1 September 2018. Notwithstanding that he had not been a member of the Committee for at least 12 months prior to his appointment as Chair, his extensive experience in the plc environment made him the most appropriate person for the role. Ian has now served as Chair for 27 months.

The Company's auditor, BDO LLP, is required to review whether the above statement reflects the Company's compliance with the Code by the Listing Rules of the Financial Conduct Authority and to report if it does not reflect such compliance. No such negative report has been made.

The Board is accountable to the Company's shareholders for good governance and the statements set out in this report describe how the Group applies the principles identified in the Code.

### The Board Composition

As at 31 December 2020, the Board comprised the Interim Non-executive Chairman, the Chief Executive Officer, the Chief Financial Officer, and four independent Non-executive Directors. The list of Directors holding office during the year to 31 December 2020 and their responsibilities are set out on pages 86 and 87.

With the exception of Alan Jackson, who did not stand for re-election at the Company's Annual General Meeting on 20 May 2020, the Directors served throughout the financial year.

Director's name	Title
Claire Milne	Interim Non-executive Chairman
Mor Weizer	Executive Director, Chief Executive Officer
Andrew Smith	Executive Director, Chief Financial Officer
John Jackson	Non-executive Senior Independent Director
Ian Penrose	Non-executive Director
Anna Massion	Non-executive Director
John Krumins	Non-executive Director
Alan Jackson	Non-executive Chairman (from 1 January 2020 – 20 May 2020)

### Board operation

The roles of the Chairman (Claire Milne) and the Chief Executive Officer (Mor Weizer) are separated, clearly defined and their respective responsibilities are summarised below.

#### Chairman

- Overall effectiveness of the running of the Board
- Ensuring the Board is an integral part in the development and determination of the Group's strategic objectives
- Keeping the other Directors informed of shareholders' attitudes towards the Company
- Safeguarding the good reputation of the Company and representing it both externally and internally
- Acting as the guardian of the Board's decision making processes
- Promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level

The Non-executive Directors are all considered by the Board to be independent of management and free of any relationship which could materially interfere with the exercise of their independent judgement, as explained above.

The Company Secretary acts as secretary to the Board and its Committees and his appointment and removal is a matter for the Board as a whole. The Company Secretary is a member of the Group's management team and all the Directors have access to his advice and services.

#### Chief Executive Officer

- Executive leadership of the Company's business on a day-to-day basis
- Developing the overall commercial objectives of the Group and proposing and developing the strategy of the Group in conjunction with the Board as a whole
- Responsibility, together with his senior management team, for the execution of the Group's strategy and implementation of Board decisions
- Recommendations on senior appointments and development of the management team
- Ensuring that the affairs of the Group are conducted with the highest standards of integrity, probity and corporate governance

#### How the Board functions

In accordance with the Code, the Board is collectively responsible for the long-term success of the Company. The Board provides entrepreneurial leadership for the Company within a framework of prudent and effective controls that enable risk to be assessed and managed.

## Matters considered by the Board in 2020

Month	Material matters considered
January	<ul style="list-style-type: none"> <li>Review of Financials division</li> <li>Review of Asian business</li> <li>Review of Tax Matters</li> <li>Review of US business</li> <li>COVID-19</li> </ul>
February	<ul style="list-style-type: none"> <li>Review of the 2019 financial results and approval of the Annual Report and Accounts for 2019</li> <li>Consideration of a final dividend</li> <li>Share Buyback</li> <li>COVID-19</li> </ul>
April	<ul style="list-style-type: none"> <li>COVID-19 – Cash preservation and liquidity</li> <li>Salary sacrifice</li> <li>Furlough Schemes</li> </ul>
May	<ul style="list-style-type: none"> <li>Prepare for AGM</li> <li>COVID-19 Risk Register</li> <li>GDPR Update</li> <li>Review of Remuneration</li> <li>Trading Update</li> </ul>
June	<ul style="list-style-type: none"> <li>Review of current trading</li> <li>Review of Operations</li> <li>Review of Regulatory &amp; Compliance</li> <li>Responsible Gambling Review</li> <li>Review of Tax Matters</li> <li>Communications and Corporate Affairs</li> <li>Review of Asian Business</li> <li>COVID-19 Update</li> </ul>
August	<ul style="list-style-type: none"> <li>Review of ongoing projects</li> <li>Responsible Business and Sustainability Review</li> <li>Review of Tax Matters</li> <li>COVID-19 Update</li> </ul>
September	<ul style="list-style-type: none"> <li>Review of Interim Results</li> <li>Operations Review</li> <li>Review of Tax Matters</li> <li>COVID-19 Update</li> </ul>
October	<ul style="list-style-type: none"> <li>Review of Financials division</li> <li>Human Resources Review</li> <li>Review of Snaitech</li> <li>B2B Review</li> <li>COVID-19 Update</li> </ul>
November	<ul style="list-style-type: none"> <li>Review of current trading</li> <li>Budget 2021</li> <li>Regulatory &amp; Compliance Review</li> <li>Review of Financials division</li> <li>Migration of tax residency to the United Kingdom</li> <li>COVID-19 Update</li> </ul>
December	<ul style="list-style-type: none"> <li>Budget 2021</li> <li>TradeTech rebranding to Finalto</li> <li>Prepare for General Meeting</li> <li>Budget Review 2020</li> <li>Board Evaluation</li> <li>COVID-19 Update</li> </ul>

## How the Board functions continued

The Board sets the Company's strategic aims and ensures that the necessary resources are in place for the Company to meet its objectives and reviews management performance.

The Board meets regularly and frequently, with twelve meetings scheduled and held in 2020. Due to COVID-19 travel restrictions, eight of these meetings were held remotely.

During the year, the Chairman met the other Non-executive Directors both in person and remotely, in the absence of the Executive Directors, to re-confirm and take account of their views. All Non-executive Directors have sufficient time to fulfil their commitments to the Company.

In addition to receiving reports from the Board's Committees, reviewing the financial and operational performance of the Group and receiving regular reports on M&A, legal, regulatory and investor relations matters at the Board meetings, the other key matters considered by the Board during 2020 are set out in the table to the left.

For 2020, board meetings were scheduled to be held at the registered office of the Company in the Isle of Man. Due to COVID-19 travel restrictions, it was not possible for some of the directors to travel to the Isle of Man and this resulted in eight scheduled board meetings being held remotely. With effect from 4 January 2021, the Company moved its tax residence to the UK and, subject to ongoing COVID-19 travel restrictions, board meetings will be held at our office in London.

Directors are provided with comprehensive background information for each meeting and all Directors were available to participate fully and on an informed basis in Board decisions. In addition, certain members of the senior management team including the Chief Operating Officer, the General Counsel, the Head of Regulatory and Compliance, the Director of Investor Relations and the Director of Corporate Affairs are invited to attend the whole or parts of the meetings to deliver their reports on the business. Any specific actions arising during meetings are agreed by the Board and a comprehensive follow-up procedure ensures their completion.

Details of the attendance of the Directors at meetings of the Board and its Committees are set out in the table on page 91:

## Responsibility and delegation

The Chairman is primarily responsible for the efficient functioning of the Board. She ensures that all Directors receive sufficient relevant information on financial, operational and corporate issues prior to meetings. The Chief Executive Officer's responsibilities focus on co-ordinating the Group's business and implementing Group strategy. Regular interaction between the Chairman and Chief Executive Officer between meetings ensures the Board remains fully informed of developments in the business at all times.

There remains in place a formal schedule of matters specifically reserved for Board consideration and approval, which includes the matters set out below:

- Approval of the Group's long-term objectives and commercial strategy
- Approval of the annual operating and capital expenditure budgets and any changes to them
- Consideration of major investments or capital projects
- The extension of the Group's activities into any new business or geographic areas, or to cease any material operations
- Changes in the Company's capital structure or management and control structure
- Approval of the Annual Report and Accounts, preliminary and half-yearly financial statements and announcements regarding dividends

- Approval of treasury policies, including foreign currency exposures and use of financial derivatives
- Ensuring the maintenance of a sound system of internal control and risk management
- Entering into agreements that are not in the ordinary course of business or material strategically or by reason of their size
- Changes to the size, composition or structure of the Board and its Committees
- Corporate governance matters

In addition, the Board has adopted a formal delegation of authorities' memorandum which sets out levels of authority for employees in the business.

The Board has delegated certain of its responsibilities to a number of Committees of the Board to assist in the discharge of its duties. The principal Committees currently are the Audit Committee, the Remuneration Committee, the Risk & Compliance Committee and the Nominations Committee. The minutes of each of these Committees are circulated to and reviewed by their members. The Company Secretary is secretary to each of these Committees. The terms of reference for each of the Committees are available to view on the Company's website [www.playtech.com](http://www.playtech.com).

Number of meetings	Board	Audit	Remuneration	Nominations	Risk
Claire Milne	12 of 12	4 of 4	6 of 6	2 of 2	4 of 4
Mor Weizer	12 of 12	—	—	—	—
Andrew Smith	12 of 12	—	—	—	—
John Jackson	10 of 12	4 of 4	—	2 of 2	3 of 4
Ian Penrose	12 of 12	4 of 4	6 of 6	3 of 3	4 of 4
Anna Massion	12 of 12	—	6 of 6	—	—
John Krumins	12 of 12	—	—	—	—
Alan Jackson	5 of 5	2 of 2	2 of 2	—	—

### Note:

Alan Jackson did not stand for re-election at the Annual General Meeting held on 20 May 2020. John Jackson missed 2 board meetings and 1 Risk Committee meeting through illness.

## Audit Committee

The Audit Committee's key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit function, and the management of the Group's systems of internal control, business risks and related compliance activities.

The Audit Committee's Report is set out on pages 96 to 99 and details the Audit Committee's membership, activities during the year, significant issues that it considered in relation to the financial statements and how those issues were addressed. The report also contains an explanation of how the Committee assessed the effectiveness of the external audit process and the approach taken in relation to the appointment or reappointment of the external auditors.

The Audit Committee comprises John Jackson (Chairman), Claire Milne and Ian Penrose.

## Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on Remuneration Policy for the Chairman, Executive Directors and senior management.

The Directors' Remuneration Report is set out on pages 100 to 119 and contains details of the Remuneration Committee's membership, activities during the year and the policy on remuneration. The Chairman of the Remuneration Committee attends the Annual General Meeting to respond to any questions that shareholders might raise on the Remuneration Committee's activities.

The Remuneration Committee comprises Ian Penrose (Chairman), Claire Milne and Anna Massion.



# Directors' governance report continued

## Risk & Compliance Committee

Under the Code, the Board is responsible for determining the nature and extent of the significant risks it is willing to accept in achieving its long-term strategic objectives. Through its role in monitoring the ongoing risks across the business, to include the Group Risk Register and the Group COVID-19 Risk Register, the Committee advises the Board on current and future risk strategies.

The Risk & Compliance Committee is chaired by Claire Milne. The other members of the Committee are John Jackson (Senior Independent Non-executive Director), and Ian Penrose (Non-executive Director). Ian Ince (Chief Compliance Officer), Alex Latner (General Counsel), Steffen Latussek (Chief Privacy Officer) and Robert Penfold (Head of Internal Audit) attend the Committee. The Company Secretary, Brian Moore, is secretary to the Committee.

The Committee works closely with the Audit Committee in carrying out its responsibilities and the Chairman of the Audit Committee, John Jackson, is also a member of the Committee.

In addition, PwC LLP, in their capacity as providers of co-sourced internal audit services, and members of the Group's senior management including the Chief Security Officer, the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Head of Internal Audit and Data Protection Officer may be invited to attend meetings to present matters or for the Committee to have the benefit of their experience.

The primary responsibilities delegated to, and discharged by, the Committee include:

- Reviewing management's identification and mitigation of key risks to the achievement of the Company's objectives
- Monitoring of incidents and remedial activity
- Agreeing and monitoring the risk assessment programme including changes to the regulation of online gambling and the assessment of licensees' suitability
- Agreeing on behalf of the Board and continually review a risk management strategy and relevant policies for the Group, including the employee code of conduct, anti-bribery policy, anti-money laundering policy, anti-slavery policy, safer gambling and wider social responsibility issues
- Satisfying itself and report to the Board that the structures, processes and responsibilities for identifying and managing risks are adequate
- Monitor ongoing compliance with the conditions of the regulatory licences held by the Group

The Risk & Compliance Committee met formally four times during the year, and a summary of the key matters considered by the Committee during 2020 are set out below:

- Monitoring the regulatory position in a number of jurisdictions including those which are of relative importance to the Group financially and those where changes may represent a risk and/or opportunity for the Group
- Considering the costs and regulatory requirements for the Group to seek relevant licences in newly regulating markets
- Consideration of applications by or on behalf of the Group for licences in existing or newly regulated markets
- Monitoring developments in relation to changes in the regulatory regimes in all jurisdictions in which the Group operates and receiving reports in relation to the likely impact on the Group and the need for entities within the Group to apply for licences
- Consideration of the overall effectiveness of the compliance strategy and the regulatory risks to the Group's operations and revenues
- Receiving and considering reports on discussions with, and the results of, audits by regulators
- Monitoring compliance with regulatory licences held in all jurisdictions and adapting procedures, products and technology as appropriate
- Consideration of the key risks associated with the Financials division
- Consideration of the key risks associated with Snaitech
- Consideration of the key risks associated with our B2C business
- Monitoring the GDPR programme across the Group and reviewing this programme, as appropriate
- Working with Internal Audit and IT Security
- Implementing compliance training for Board members and senior management

The Committee has been kept informed of any changes to the regulatory position in any significant jurisdiction where the Group, through its licensees, and Financials division, may be exposed and updated on progress in relation to agreed action items on a regular basis. The Committee can also convene meetings on a more frequent basis or as or when matters arise, if it is determined that enhanced monitoring of a specific risk is warranted.

A table setting out the principal significant risks identified by the Group (including with the

oversight and input of the Risk & Compliance Committee) and the mitigating actions that have been undertaken by the Group in relation to these is set out on pages 78 to 82 of this report.

## Nominations Committee

The Board is required by the Code to establish a Nominations Committee which should lead the process for Board appointments, the process for appointments, ensure plans are in place for orderly succession to both Board and senior management positions and oversee the development of a diverse pipeline for succession. A majority of members of the Nominations Committee should be independent Non-executive Directors. The Nominations Committee's key objective is to ensure that there shall be a rigorous and transparent process for the appointment and removal of Directors from the Board, the committees and other senior management roles, to ensure that these roles are filled by individuals with the necessary skills, knowledge and experience to ensure that they are effective in discharging their responsibilities.

The Nominations Committee comprises Claire Milne (Chairman), John Jackson and Ian Penrose.

The Nominations Committee reviews the structure, size and composition of the Board and its Committees and makes recommendations with regard to any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and appointment of members to the Board's Committees. It also assesses the roles of the existing Directors in office to ensure that there continues to be a balanced Board in terms of skills, knowledge, experience and diversity. The Nominations Committee reviews the senior leadership needs of the Group to enable it to compete effectively in the marketplace. The Nominations Committee also advises the Board on succession planning for Executive Director appointments although the Board itself is responsible for succession generally.

The Nominations Committee believes that appointments should be based on merit, compared against objective criteria, with the ultimate aim of ensuring the Board has the right skills, knowledge and experience that enable it to discharge its responsibilities properly.

Diversity and inclusion are part of our corporate culture and we have set ourselves objectives around improving the gender balance at Board, executive and senior management levels. We recognise that it will take time to make meaningful progress but with increasing commitment in this area, we will pursue diversity and inclusion objectives as set out in our Strategic Report on pages 2 to 82.

The Nominations Committee meets on an as-needed basis. Two formal meetings were held in 2020. Matters considered at these meetings included the consideration of candidates for the appointment of Non-executive Chairman. This led, after a process involving a review of several potential candidates, to the appointment of Brian Mattingley with effect from 1 June 2021.

## Disclosure Committee

The Disclosure Committee ensures accuracy and timeliness of public announcements of the Company and monitors the Company's obligations under the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA. Meetings are held as required. At the date of this report the Disclosure Committee comprises John Jackson (Chairman of the Audit Committee), Andrew Smith (Chief Financial Officer), Alex Latner (General Counsel) and Brian Moore (Company Secretary).

## Management Committee

The senior management committee is the key management committee for the Group. The standing members of the Committee are Mor Weizer (Chief Executive Officer), Andrew Smith (Chief Financial Officer), Shimon Akad (Chief Operating Officer), Uri Levy (VP Business Development), Alex Latner (General Counsel), Jeremy Schlachter (VP Finance), Ian Ince (Chief Compliance Officer) and Brian Moore (Company Secretary). Other members of senior management are invited to the Committee as and when required. The Committee considers and discusses plans and recommendations coming from the operational side of the business and from the various product verticals, in light of the Group's strategy and capital expenditure and investment budgets, including the implications of those plans (in areas such as resources, budget, legal and compliance). The Committee either approves the plans or as necessary refers the proposal for formal Board review and approval in accordance with the Company's formal matters reserved for the Board.

## Board tenure

In accordance with the Company's articles of association, every new Director appointed in the year is required to stand for re-election by shareholders at the Annual General Meeting (AGM) following their appointment. Also, under the articles of association, at each AGM one-third of the Directors (excluding any Director who has been appointed by the Board since the previous AGM) or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third, shall retire from office (but so that if there are fewer than three Directors who are subject to retirement by rotation under the articles one shall retire).

Notwithstanding the provisions of the articles of association, the Board has decided to comply with the Code requirements that Directors submit themselves for re-election annually. Therefore, all Directors are seeking their reappointment at this year's AGM.

The Board has collectively agreed that the Directors proposed for re-election at this year's AGM have made significant contributions to the business since their last re-election and each has a key role to play in the formulation of the Group's future strategy and its long-term sustainable success.

In certain circumstances, Directors are entitled to seek independent professional advice under an agreed Board procedure, which would then be organised by the Company Secretary, and in this regard the Company would meet their reasonable legal expenses.

## Service contracts and exit payments Executive Directors

Set out in the table below are the key terms of the Executive Directors' terms and conditions of employment.

A bonus is not ordinarily payable unless the individual is employed and not under notice on the payment date. However, the Remuneration Committee may exercise its discretion to award a bonus payment pro-rata for the notice period served in active employment (and not on gardening leave).

The LTIP rules provide that other than in certain 'good leaver' circumstances awards lapse on cessation of employment. Where an individual is a 'good leaver' the award would vest on the normal vesting date (or cessation of employment in the event of death) following the application of performance targets and a pro-rata reduction to take account of the proportion of the vesting period that has elapsed. The Committee has discretion to partly or completely dis-apply pro-rating or to permit awards to vest on cessation of employment.

Provision	Detail
Remuneration	Salary, bonus, LTIP, benefits and pension entitlements in line with the above Directors' Remuneration Policy Table
Change of control	No special contractual provisions apply in the event of a change of control
Notice period	12 months' notice from Company or employee for the CEO and six months' notice for the CFO <ul style="list-style-type: none"> <li>• CEO contract signed on 1 January 2013</li> <li>• CFO contract signed on 10 January 2017</li> </ul>
Termination payment	The Company may make a payment in lieu of notice equal to basic salary plus benefits for the period of notice served subject to mitigation and phase payments where appropriate
Restrictive covenants	During employment and for 12 months thereafter

## Service contracts and exit payments continued

### Non-executive Directors

The Non-executive Directors each have specific letters of appointment, rather than service contracts. Their remuneration is determined by the Board within limits set by the articles of association and is set taking into account market data as obtained from independent Non-executive Director fee surveys and their responsibilities. Non-executive Directors are appointed for an initial term of three years and, under normal circumstances, would be expected to serve for additional three-year terms, up to a maximum of nine years, subject to satisfactory performance and re-election at the Annual General Meeting as required.

The table below is a summary of the key terms of the letters of appointment for the Non-executive Directors.

The letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office and will be available before and after the forthcoming AGM.

Name	Date	Term	Termination
Claire Milne	8 July 2016	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
John Jackson	1 January 2016	Until third AGM after appointment unless not re-elected	
Ian Penrose	1 September 2018	Until third AGM after appointment unless not re-elected	90 days' notice on either side or if not re-elected, disqualification or commits gross misconduct
Anna Massion	2 April 2019	Until third AGM after appointment unless not re-elected	
John Krumins	2 April 2019	Until third AGM after appointment unless not re-elected	

## Balance of the Board

The Board comprises individuals with wide business experience gained in various industry sectors related to the Group's current business. It is the intention of the Board to ensure that the balance of the Directors reflects the changing needs of the business.

The Board considers that it is of a size and has the balance of skills, knowledge, experience and independence that is appropriate for the Group's current business. While not having a specific policy regarding the constitution and balance of the Board, potential new Directors are considered on their own merits with regard to their skills, knowledge, experience and credentials.

The Non-executive Directors continue to contribute their considerable collective experience and wide-ranging skills to the Board and provide a valuable independent perspective; where necessary constructively challenging proposals, policy and practices of Executive Management. In addition, they help formulate the Group's strategy.

## Evaluation

The Board is committed to an ongoing formal and rigorous evaluation process of itself and its Committees to assess their performance and identify areas in which their effectiveness, policies and processes might be enhanced. Claire Milne, in discussion with the Senior Non-executive Director, undertook a review of the performance of individual Directors. John Jackson, as Senior Non-executive Director, considered the performance of Claire Milne taking into account the views of the Executive Directors. There were no material areas of concern highlighted and the main outcome of the evaluation this year was to shape and define the Board's objectives for the coming year, continuing the focus on Group strategy and ensuring the structures, capabilities and reporting are in place to achieve the Board's goals.

A review of the Board's effectiveness commenced in late 2020. This review was facilitated by Independent Audit Limited, using their Thinking Board online assessment service and questionnaires. Independent Audit Limited have no other connection to the Company or any individual Director and are considered by the Board to be independent.

Due to restrictions caused by COVID-19, questionnaires were deemed to be the preferred method for this review. These questionnaires covered the Board of the Directors and the Board Committees. The directors and members of senior management are involved, and the process is overseen by the Company Secretary. In addition, the Company Secretary is the person responsible for providing access and support for Independent Audit Limited. The Company Secretary is in the process of finalising this review, following which, Board members will discuss the findings and will continue to adopt and implement plans to further develop the effectiveness of the Board during 2021.

Looking ahead to the end of 2021, when the Company will be required to carry out a full external review, the Company Secretary will discuss this evaluation with the Board and a clear process will be in place before year end.

Newly appointed Directors can expect a detailed and systematic induction on joining the Board. They meet various members of senior management and familiarise themselves with all core aspects of the Group's operations. On request, meetings can be arranged with major shareholders. Members of senior management are invited to attend Board meetings from time to time to present on specific areas of the Group's business.

### Relationship with stakeholders

Primary responsibility for effective communication with shareholders lies with the Chairman, but all the Company's Directors are available to meet with shareholders throughout

the year. Claire Milne, Mor Weizer, Andrew Smith and Ian Penrose met with a number of shareholders to discuss the Company's business and remuneration strategies throughout the year. The Executive Directors prepare a general presentation for analysts and institutional shareholders following the interim and full-year announcements. Details of these presentations together with the Group's financial statements and other announcements can be found on the investor relations section of the Company's website. Further presentations are also prepared following significant acquisitions. Regular meetings with shareholders and potential shareholders are also held by the Director of Investor Relations and at times in conjunction with either the Chief Executive Officer or the Chief Financial Officer.

The Company endeavours to answer all queries raised by shareholders promptly.

Subject to clarification around the situation with COVID-19 and restrictions on travel, gatherings and social distancing, we will announce details of our AGM for 2021 as soon as possible. Shareholders are encouraged to participate in the Company's AGM and, in the event that we are in a position to hold an open meeting, Board members will be available to answer questions from shareholders.

Playtech regularly engages with a wide range of stakeholders throughout the year with the objective of understanding current and evolving issues of interest, engaging constructively with our stakeholders, and ensuring that the Company takes stakeholder perspectives into account when taking short- and long-term decisions.

The Board uses several mechanisms and fora to achieve this including:

- Direct engagement with stakeholders – including investor roadshows and regulatory meetings
- Regular Board updates from key functional leaders responsible for engaging with key external stakeholders including the Chief Operations Officer (COO), Investor Relations, Data Protection, Corporate Affairs and Regulatory and Compliance
- Relevant functional reports and updates to the Remuneration, Audit and Risk & Compliance Board Committees
- 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
- Direct participation of the Risk & Compliance Committee Chair in the Company's Global Community Investment Committee

The Director of Investor Relations, 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.

With respect to employee engagement, the Board engages with the COO and Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce; including remuneration, talent pipeline 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 Committee. The Board considers the current mechanisms appropriate for understanding and factoring in stakeholder concerns into plc level decision making. However, the Board will assess whether additional mechanisms can strengthen its understanding and engagement of stakeholder concerns in the future.

During 2020, the Board discussed, reviewed and engaged on a number of stakeholder issues. The following material stakeholder topics discussed by the Board in 2020 included executive compensation and pay, corporate governance, diversity, inclusion and gender pay gap, regulatory and compliance developments, safer gambling, data protection, environment, sustainability, anti-money laundering and anti-bribery and corruption, human rights and modern slavery, responsible supply chain and procurement, commercial developments with B2B licensees and third parties.

In 2020, the Board considered the engagement and understanding of stakeholder interests and perspectives through the implementation of the following:

- New and updated policies covering: Compliance Procurement Policy, Human rights and modern slavery statement
- Approval of safer gambling and sustainability blueprint
- Approval of firm wide remuneration plan
- Approval of new Remuneration Policy
- Monitoring developments on the Human Resources function and strategy

## Investor relations and communications

The Company has well-established investor relations (IR) processes, which support a structured programme of communications with existing and potential investors and analysts. Executive Directors and members of the IR team participated in a number of investor events, attending industry conferences and regularly meet or are in contact with existing and potential institutional investors from around the world, ensuring that Group performance and strategy is effectively communicated, within regulatory constraints. Other representatives of the Board and senior management meet with investors from time to time. The Director of Investor Relations provides regular reports to the Board on related matters, 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 to consult on governance issues.

During 2020, 39 regulatory announcements were released informing the market of corporate actions, important customer contracts, financial results, the results of the Annual General Meeting, the General Meeting and Board changes. Copies of these announcements, together with other IR information and documents, are available on the Group website [www.playtech.com](http://www.playtech.com).

### Summary

An internal team consisting of members drawn from Investor Relations, Group Secretariat and Group Finance have led the process on this Annual Report, to include the Strategic Report, Governance Report and Financial Statements contained therein. When considering the contents of the Report, the Board considered if the information by business unit in the Strategic Report was consistent with that used for reporting in the financial statements and is there an appropriate level of consistency between the front and back sections of the report. In addition, the Board considered if the report is presented in a user-friendly and easy to understand manner. Following its review, the Board is of the opinion that the Annual Report and Financial Statements for 31 December 2020 are representative of the year and is confident that taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

**Claire Milne**  
Interim Chairman  
10 March 2021



# Maintaining accountability



**John Jackson**  
Chairman of the Audit Committee

## Dear Shareholder

I am pleased to present the Committee's Report for the year.

During 2020, the Committee has continued to support the Board in fulfilling its corporate governance responsibilities, including matters relating to financial reporting, risk management and internal control, internal audit process, the preparation and compliance of the Company's Annual Report and Accounts and the external audit process. The key activities of the Committee during 2020 are set out below.

### Composition

The Audit Committee comprises three independent Non-executive Directors. John Jackson is the Chair of the Committee and is a qualified Chartered Certified Accountant. Therefore, John has recent relevant financial experience, in compliance with provision 24 of the Code. The other members are Claire Milne and Ian Penrose. The Committee is authorised to obtain independent advice if considered necessary.

The Chief Financial Officer and Group Head of Internal Audit attended all meetings of the Audit Committee by invitation, and the Vice President of Finance was invited to attend the meetings of the Committee that considered the audited accounts and the interim financial statements, as was the external auditor, BDO LLP ("BDO"). The members of the Committee were also able to meet the external auditor without any Executive Directors being present in order to receive feedback from them on matters such as the quality of interaction with management. John Jackson met with BDO separately on several occasions during the year to discuss matters involving the audit process.

During the year, John Jackson met remotely with members of the management team in order to understand more fully the context and challenges of Playtech's business operations and thereby ensure the Committee's time was used most effectively. The activities of the Committee members during the last year helped to support management actions taken at the outset of the COVID-19 pandemic to control costs and preserve cash and ensured that we remain in a solid financial position. In addition, these actions have enabled the Committee to continue to understand the culture of the organisation, the risks and challenges faced and the adequacy and timeliness of the actions taken to address them.

### Responsibilities

The Audit Committee's primary function is to assist the Board in fulfilling its financial oversight responsibilities. The Board is required by the Code to establish formal and transparent arrangements for considering how it should apply required financial reporting standards and internal control principles and also for maintaining appropriate relationships with the Company's external auditor, BDO. The Committee's terms of reference can be viewed on the Company's website [www.playtech.com](http://www.playtech.com).

The Audit Committee's key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit function, and the management of the Group's systems of external control, business risks and related compliance activities.

In particular, the Code calls for the description of the work of the Audit Committee to include its activities during the year, the significant issues considered in relation to the financial statements and how they were addressed, how the Committee assessed the effectiveness of the external audit process, the approach of the Committee in relation to the appointment or reappointment of the auditor and how objectivity and independence are safeguarded relative to non-audit services.

The primary roles and responsibilities delegated to, and discharged by, the Committee include:

- Monitoring and challenging the effectiveness of internal control and associated functions
- Approving and amending Group accounting policies
- Reviewing, monitoring and ensuring the integrity of interim and annual financial statements, and any formal announcements relating to the Company's financial performance, in particular the actions and judgements of management in relation thereto before submission to the Board
- Providing advice (where requested by the Board) on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance business model and strategy
- Reviewing and monitoring the implementation of the Company's Code of Business Ethics ("Code of Ethics") and compliance with their provisions, as well as reviewing the Company's internal financial controls and internal controls and risk management systems
- Reviewing the Company's arrangements for its employees to raise concerns, anonymously or in confidence and without fear of retaliation, about possible wrongdoing in financial reporting or other matters arising under the Code of Ethics
- Reviewing promptly all reports on the Company from the internal auditors and reviewing and assessing the annual internal audit plan
- Reviewing and approving the Internal Audit Charter and the Audit Committee Terms of Reference on an annual basis
- Reviewing and monitoring the external auditor's independence and objectivity, including the effectiveness of the audit services
- Monitoring and approving the scope and costs of audit

- Ensuring audit independence, implementing policy on the engagement of the external auditor to supply non-audit services, pre-approving any non-audit services to be provided by the auditor, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required
- Reporting to the Board on how it has discharged its responsibilities

### Audit Committee's activities

In 2020, the Audit Committee met formally four times.

Matters that were broadly considered by the Committee during the year included:

- Consideration of the Group's Risk Register
- Consideration of the Group's COVID-19 Risk Register
- Effectiveness of the Group's system of internal controls and risk management
- Updates on cybersecurity risks
- Non-Financial information updates
- Review and approve the Internal Audit Plan
- Review and approve the Internal Audit Charter
- Results of internal audit reviews, management action plans to resolve any issues arising and the tracking of their resolution
- Post-acquisition reviews
- Review of Committee terms of reference

Its work also included reviewing the final and interim financial statements and matters raised by management and BDO. After discussions with both management and the external auditor, the Committee determined that the key risks of misstatement of the Group's financial statements related to the following areas which are described in the relevant accounting policies and detailed in the Notes to the financial statements on pages 126 to 207.



### Revenue recognition

The Audit Committee reviewed the judgements made in respect of revenue recognition, in particular in assessing whether it is acting as a principal or an agent on contracts with customers where the Group is to be remunerated under the revenue share model, based on royalties earned from the customers' revenue. In making these judgements, the Group considers, by examining each contract with its business partners, which party has the primary responsibility for providing the services and is exposed to the majority of the risks and rewards associated with providing the services, as well as if it has latitude in establishing prices, either directly or indirectly. The Committee concluded the Group's revenue recognition policy relating to these types of contracts are in line with IFRS requirements.

Furthermore, the Committee is satisfied that the embedded controls within the IT systems capturing all the different revenue streams are operating in line with our internal procedures and accurately capture the data required for revenue recognition.

### Classification of assets as held for sale and discontinued operations

During the year, the Audit Committee considered the judgements made by management in classifying certain groups of assets and liabilities as held for sale as at 31 December 2020, with their results being shown as discontinued operations in the income statement in both years being presented, in accordance with IFRS requirements. The Committee was satisfied that the conclusions made in relation to the assets held for sale and discontinued operations were reasonable in light of the decisions made and the available information and consider the presentations and disclosures made in the financial statements to be accurate and complete.

### Goodwill and intangible assets, including assets held for sale

During the year, the Audit Committee also considered the judgements made in relation to the valuation methodology adopted by management to support the carrying value of goodwill and other intangible assets, including assets held for sale, to determine whether there was a risk of material misstatement in the carrying value of these assets and whether an impairment should be recognised.

The Committee considered the assumptions, estimates and judgements made by management to support the models that underpin the valuation of intangible assets in the balance sheet. Business plans and cash flow

forecasts prepared by management supporting the future performance expectations used in the calculations were reviewed. COVID-19 had an impact on these business plans and future cash flows used to assess the carrying value of goodwill and other intangible assets. In the case of assets held for sale, any resulting impairments were based on their recoverable amount through a sale, less costs to sell (rather than through future cash flows).

The Committee considered the outcome of the impairment reviews performed by management. The impairment reviews were also an area of focus for the external auditor, who reported their findings to the Committee. The Committee satisfied itself that the conclusions made on the impairments of the Sports B2C and Finalto (only after it was classified as held for sale) cash generating units were reasonable, and, aside from these there were no other material impairments to the carrying value of goodwill or other intangible assets.

### Legal, regulatory and taxation

Given the developing nature of the gambling sector in many countries across the world, and evolving regulation in the financial trading sector, there is a risk that potential material legal or regulatory matters are not disclosed or provided for in the financial statements. The Committee considered with the General Counsel and the Group's compliance department whether there were any known instances of material breaches in regulatory and licence compliance that needed to be disclosed or other claims or potential claims that required contingent liabilities to be included and/or provisions to be made in the financial statements, and, where appropriate, these have been disclosed, included and/or made in the financial statements. The Committee believes that the amounts and other information disclosed in the financial statements are reasonable, based on the level of judgement required and the known circumstances of each case.

In addition, the Committee considered forthcoming changes in the regulatory environment in a number of jurisdictions in which the Group and/or its licensees operate, together with the implementation of revised financial services regulations. The Committee considered the control systems adopted to identify potential regulatory issues and the compliance control systems operating in the Group. Discussions were held with the Chief Compliance Officer. Following this review, the Committee was satisfied that adequate provisions and disclosures were being made.

The Audit Committee reviewed and approved the overall tax management and strategy of the Group during the year in light of external and internal advice sought by management and reviewed how the Group considers tax as part of its overall business planning.

Furthermore, given that the tax rules and practices governing the e-commerce environment in which the Group operates continue to evolve, based on the aforementioned external and internal advice received, the Audit Committee considered developments and pending changes in domestic and international tax laws and was satisfied that adequate tax provisions and disclosures were being made for any potential liabilities.

The Group recognised a tax charge in the year in settling open enquiries by tax authorities. The Committee assessed the advice taken by management and the conclusions reached over the settlement of these enquiries and considers the analysis and conclusions reached by management to be appropriate.

### Other financial statement areas

The Audit Committee reviewed the level of judgement and estimation required in the following areas of the financial statements, and it is satisfied that the judgement made and disclosures included in the financial statements are reasonable and in line with each applicable IFRS:

- Structured agreement and investments including the level of judgement required in identifying the investor-investee relationship and the accounting for the call options to acquire equity interests in third parties connected with these structured agreements and investments, as well as the impact this has on the assessment of control;
- Recovery of financial assets including trade receivables and expected credit losses, particularly where aged debt is apparent;
- Internally generated intangibles including initial capitalisation of costs based on management's judgement of technological and economic feasibility of each project being considered, as well as subsequent assessment of its recoverability;
- News UK (Sun Bingo) minimum guarantee asset recognition and subsequent amortisation over the term of the revised contract, which is based on expected future profitability of the contract and therefore requires management to prepare reasonable forecasts;

- Adjusted performance measures and in particular the determination of whether non-cash items or one-off items should form part of the adjusted results; and
- Right-of-use assets under IFRS 16 Leases including determining an appropriate discount rate for lease liabilities.

### Viability Statement

The Committee reviewed management's work on assessing risks and potential risks to the Company's business. Following this review, the Committee was satisfied that management had conducted a strong and thorough assessment and recommended to the Board that it could approve and make the Viability Statement on pages 120 and 121.

### Financial statements

The Board has responsibility under the provisions of the Code, for preparing the Company's Annual Report and Accounts and ensuring that they are fair, balanced and understandable, and that the information provided is sufficient to allow shareholders to assess the Company's position, performance, business model and strategy.

The review of the Company's Annual Report and Accounts was carried out by the Finance Department, Investor Relations and Group Secretariat together with input from other relevant departments across the Group. This ensures consistency of presentation across the main sections of the Annual Report and Accounts, being the Strategic Report, the Governance Report and the Financial Statements.

As part of this review process, the Committee considered whether the Annual Report and Accounts was fair, balanced and understandable.

The Group's financial statements are reviewed by the Audit Committee in advance of their consideration by the Board. The Committee confirms that it is satisfied that the auditor has fulfilled its responsibilities with diligence and professionalism.

Having undertaken the processes described above, the Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures).

Based on the above, the Committee considers that the Annual Report and Accounts, taken as a whole, is fair, balanced, understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

### Internal control

In recognition of the increasing level of complexity in relation to internal controls and a desired commitment to have a dedicated in-house function, our Internal Audit Team was further strengthened during 2020. The historical Internal Audit relationship between PricewaterhouseCoopers LLP (PwC) and Playtech continues and is therefore a co-sourced arrangement, with PwC continuing to provide support to the Internal Audit Team given their experience with the Group and the specialist services they offer.

During the year, the Internal Audit Team performed a number of reviews over both individual entities and central functions across the Group. The results of these audits were reported to the Audit Committee on a regular basis, with recommendations made by Internal Audit and corresponding management actions being reviewed and challenged, where appropriate. In addition to regular feedback of audit results, the Internal Audit Team monitors completion of management actions and provides updates of these to the Audit Committee twice a year or upon request by the Committee on a quarterly basis.

An Internal Audit Plan for 2021 was developed by the Internal Audit Team and agreed with the Audit Committee at the November 2020 Audit Committee meeting. Internal Audit will carry out audits in accordance with this plan using a risk-based approach and continue to maintain effective lines of communication with the Audit Committee and key management. The Internal Audit Team will also be utilised to provide assurance over corporate governance matters and for ad hoc projects, where necessary.

The Committee confirms that any necessary action will be taken to remedy any significant failings or weaknesses identified from any Internal Audit reviews. The system of internal controls and audit is designed to ensure local legal and regulatory compliance and manage, rather than eliminate, the risk of failure to achieve business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

### Auditor's independence

The Audit Committee, on behalf of the Board, undertakes a formal assessment of the auditor's independence each year, which includes:

- A review of non-audit-related services provided by BDO and related fees;

- A discussion with the auditor of a written report detailing all relationships with the Group and any other parties which could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring independence of the audit firm and partners and staff involved in the audit, including the periodic rotation of the audit partner;
- Obtaining written confirmation from the auditor that they are independent; and
- A review of fees paid to the auditor in respect of audit and non-audit services.

The FRC's Revised Ethical Standard introduced certain specific criteria for non-audit work. This included the introduction of a non-audit services fee cap and white list of permitted services. Further details of non-audit fees are included in Note 11 to the financial statements on page 163.

Throughout the year, the Audit Committee assessed non-audit services in progress in line with the transitional guidance within the Revised Ethical Standard and ensured that all prohibited non-audit services were completed prior to 31 December 2020. The Audit Committee continually assesses the effectiveness and independence of the external auditor and fully recognises and supports the importance of the independence of auditor. The Committee is satisfied that the carrying out of the above work did not impair the independence of the external auditor.

As stated in last year's annual report, the Committee conducted a formal tender process in accordance with the provisions of the Code, and in compliance with the Competition Commission Order relating to the statutory audit market for FTSE 350 companies. At that time, the Committee stated that BDO was the optimal provider of audit services and would remain as auditor for 2020. This matter was monitored throughout 2020 and the Committee continues to believe that BDO remains the optimal provider of audit services and should remain as auditor for 2021. This matter will continue to be monitored throughout the year.

**John Jackson**  
Chairman of the Audit Committee  
10 March 2021

# Maintaining transparency



**Ian Penrose**  
Chairman of the Remuneration Committee

## Dear Shareholder

On behalf of the Board, I welcome the opportunity to present the Remuneration Committee's report on Directors' remuneration for the year to 31 December 2020.

This report describes how the Board has applied the principles of the 2018 UK Corporate Governance Code (the "Code") to Directors' remuneration. Although Playtech is an Isle of Man incorporated entity and, as such, is not required to comply with the UK regulations on Directors' remuneration, we recognise the importance of shareholder transparency. Accordingly, we can confirm that the Company adheres to the UK regulations and the report below is divided into: (i) this Annual Statement; (ii) the new Directors' Remuneration Policy (the "Policy"), subject to approval by shareholders at the 2021 AGM, and (iii) the Annual Report on Remuneration that reports on the implementation of the Company's stated Remuneration Policy for the year to 31 December 2020.

The Annual Report on Remuneration and this Statement will be the subject of an advisory shareholder resolution at the forthcoming AGM. The Directors' Remuneration Policy will be subject to a binding shareholder resolution at the forthcoming AGM.

### Remuneration philosophy

Our Remuneration Policy is designed to reward the contributions of senior management as well as incentivise them to drive shareholder returns, and to maintain and enhance Playtech's position as the software and services provider of choice to the gambling sector.

Remuneration is delivered via fixed remuneration and simple and transparent incentive-based plans enabling the Executive Directors to be rewarded for delivering strong financial performance and sustainable returns to shareholders. In fast-moving sectors such as ours we need to apply the policy flexibly in order to deliver the right level of overall pay to Directors.

### Far reaching review of remuneration policy

Following the negative voting outcome at the 2020 AGM on the Playtech Directors' Remuneration Report, the Committee has reflected on what we can do to enhance how we operate remuneration to ensure this aligns much more closely to the expectations of our shareholders. The Committee began a wide-ranging review of the current Policy for Executive Directors, to align better with typical market practice, improve reporting transparency and satisfy specific concerns that our shareholders have raised. In undertaking this review, the Committee has sought to draw a line under the poor voting record on remuneration over the past few years by making material changes to the overall level of pay. This has been a lengthy and difficult process, as we had to address some challenging issues. We have also strengthened our decision making processes to ensure these are balanced appropriately going forward.

Mor Weizer, the CEO of Playtech, has been closely involved with these proposed changes and he and Andrew Smith, the CFO, have fully accepted that these changes need to be made in order to move forward with a new approach to executive remuneration. In addition, we believe this revised policy complies in all respects with the Code and we trust that you will agree that these proposals represent significant and appropriate adjustments to executive remuneration. The full proposed Policy is detailed later in this 2020 Directors' Remuneration Report.

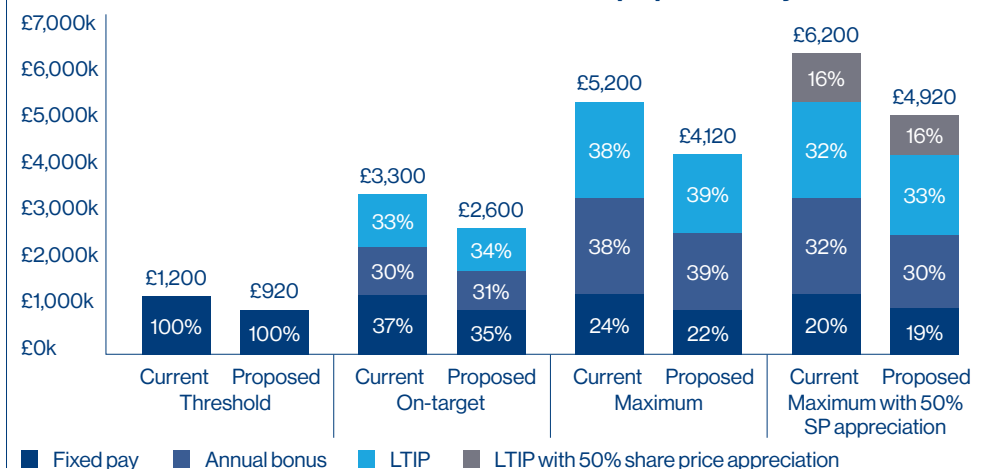
As a result of discussions with our remuneration committee adviser, shareholders, discussions with proxy advisers and corporate governance experts and our assessment of current best practice, we have made the following changes to the Policy (full details are set out in the appendix to this letter), together with other major items of note:

- Significant reduction of £200,000 (20%) in CEO salary from £1,000,000 to £800,000 from 1 January 2021;
- Increase in the bonus deferral into shares from 25% over 2 years to 33.3% with immediate effect;
- Payouts under the annual bonus for on-target performance were reduced from 60% to 50% of maximum;
- Reduced executive pension contributions from 20% to 15% effective from 1 July 2021; 12.5% effective from 1 July 2022; 10% effective from 1 October 2022; and from 1 January 2023 to 7.5% which is aligned with the wider workforce;

- Material reduction in the fee for the Chairman, from the previous permanent incumbent receiving £394,000 plus a fully expensed company car, to the £338,000 with no company car for the Chairman Designate. The Interim Chair earned £290,000 plus car allowance;
- Introduced a financial EPS metric to the LTIP scheme, in addition to the TSR metrics;
- There are no pay rises for 2021;
- Adopted a highly responsible approach during the pandemic. We have repaid the UK Government furlough support which amounted to £1m, we did not take any UK Government "Coronavirus" loans, and we actively sought to protect and embrace Playtech's employees and families. In addition, no employees were made redundant as a consequence of the pandemic;
- Significant reduction in 2020 bonus outcomes, with the increase in bonus deferrals to 33.3% applying immediately; and
- Significant increase in Executives' share ownership; the CEO's share ownership increased to 104% of salary in 2020, from 42% on 31 December 2019. When considering the salary reduction taking effect from 1 January 2021, this shareholding is equivalent to 130% of salary. In addition, the CFO's share ownership increased to 73% of salary in 2020, from 32% on 31 December 2019.

Below we present the 2021 remuneration of the CEO across threshold, on-target and maximum performance under the current and proposed Policy. You will see how the annualised threshold, on target and maximum pay has been reduced by £280,000, £700,000 and £1.1 million respectively, once the first stage of pension reduction has come in from July 2021.

### Illustration of CEO remuneration under the current and proposed Policy



We have also enhanced how we have operated reward during 2020 to show our commitment to considered and responsible decision making. For example, the Committee took the decision to defer the grant of the 2020 LTIP award, which was due to be made during the period of high market volatility in March 2020, until October to ensure that we had more information to give us high levels of confidence in the strength of the Company, and that the share price at the point of grant had recovered to the pre-pandemic levels of mid February, so that there are no unjust windfall gains for executive directors. We will continue to take this measured and balance approach going forward and provide full transparency of all decisions in the annual remuneration report.

### Implementation of policy in 2020

In our 2019 Annual Report on Remuneration we set out a statement of how we intended to operate the Policy in 2020. The Policy was operated in line with these intentions.

As set out in last year's report, the CEO did not receive a salary increase in 2020 and the CFO received an inflationary 2.5% increase. In line with the approved Policy, it is the Committee's intention going forward that salary increases for the Executive Directors will not exceed the general level of increases for the Group's employees.

During the year, the Committee implemented a 20% reduction in the fees / salaries of the Board, senior management and members of management between April and August to support the business during the COVID-19 pandemic. However, as a result of improved trading performance, the pay cut was reversed for senior management and members of management in December.



## Statement by the Committee Chairman continued

### Implementation of policy in 2020 continued

Following further confirmation of improved trading performance to levels of around €300m in February 2021, the Board elected to reverse the remainder of the pay cuts implemented.

The 2020 LTIP awards are subject to relative TSR performance, in line with previous LTIP grants, and a new adjusted EPS performance metric in response to shareholder feedback provided during 2020. Further details on the 2020 LTIP awards are given on pages 111 and 112.

As noted in review of remuneration of above, the Remuneration Committee was cognisant of the potential implications of the COVID-19 pandemic on the Company's share price and considered whether the usual LTIP grant size would require any adjustment to address any potential windfall gains. Whilst the share price was impacted by COVID-19 during 2020, the share price had recovered by the LTIP date of grant and as such, the Remuneration Committee felt that the LTIP grant was appropriate. Despite the delayed grant, the vesting period for the 2020 LTIP grant was not shortened, and so the vesting date was also delayed to be three years after grant.

### Performance and pay outcome for 2020 Bonuses

Bonuses for 2020 were significantly lower than in 2019. They amounted to 24% of entitlement for each of the CEO (€534k) and CFO (€173k), compared to 65% (€1.529m) and 69% (€511k) respectively last year. As a result of changes recently introduced, one-third of these payments will be deferred into shares.

Whilst the pandemic adversely affected trading overall, resulting in no payout (out of 70%) for the EBITDA and cash flow financial targets, the Group made good progress against many of the key strategic and operational objectives set at the beginning of the year; namely securing our first US licence and customers in New Jersey, securing the targeted number of new Gameslink customers, improving the Group's liquidity by delivering approximately €50m cash from the sale of surplus land in Italy, and the successful relocation of the Company's tax residence to the UK from the Isle of Man.

Furthermore, the Committee took account of the Executives' leadership and social responsibility during the COVID-19 pandemic, successfully moving the Company's workforce of over 6,400 to remote working in 24 countries, with virtually 100% technical resilience for our global product offerings during that challenging time. The Company adopted a highly responsible approach during the pandemic to protect and embrace Playtech's employees and staff, and a COVID-19 Fund was established to support local communities in which Playtech operates.

This amounts to a total bonus award of 24% (out of 30%) against the strategic and operational objectives, which together with the 0% award for financial targets, results in a total bonus award of 24% (out of 100%) for each of the CEO and CFO.

Playtech has repaid the UK Government's furlough support, it didn't take on any "COVID-19" loans, and did not raise new money from shareholders to support the balance sheet. In addition, no employees were made redundant as a consequence of the pandemic, nor were the general workforce asked to take reductions in compensation that applied to the senior management and Board.

No discretion was exercised in determining the bonus outcomes for 2020.

### LTIPs

There was no LTIP granted in 2018 as a result of two profit warnings that year causing a deterioration in the share price. As a result, no award was due to vest in 2020. No discretion was exercised in determining the LTIP outcome for 2020.

### How we will operate the policy in 2021 Base salary

The Committee reviewed the Executive Directors' salaries with effect from 1 January 2021. It was decided that Mr Weizer's salary would be reduced to £800,000 with effect from 1 January 2021. In Mr Smith's case, the Committee resolved that his salary would remain unchanged for 2021 at £430,500. The average salary increase awarded across the UK workforce was 2.7%.

### Annual bonus

The annual bonus opportunity will remain unchanged at 200% and 150% of salary for the CEO and CFO respectively. Financial performance will drive 70% of the bonus and will be split 50% EBITDA and 20% cash flow. We will again set stretching targets for both. The remaining 30% of the bonus will be based on key strategic targets. The targets will have a graduated approach to differentiating between good and excellent performance, with full disclosure in next year's Annual Report.

In line with the Directors' Remuneration Policy due to be put forward at the 2021 AGM, 33.3% of any annual bonus payment will be deferred into shares for 2 years.

### LTIP award

Awards in 2021 will be made at 200% of base salary for the CEO and 150% of base salary for the CFO and will be subject to challenging performance targets. The awards will be subject to relative TSR and adjusted EPS performance, in line with the 2020 LTIP grant. Full details of the performance targets will be disclosed at the time the awards are made and will be in line with the current remuneration policy.

Any vesting will also be dependent on the Committee ensuring that the level of performance achieved is consistent with the underlying financial performance of Playtech over the performance period. Any shares which vest after the end of the three-year performance period must be held for a further two years (subject to any sales required to meet tax due on vesting).

### Pension

In line with the requirements of the Code, the Remuneration Committee has developed a plan to align the Executive pension provision with that of the wider workforce by the end of 2022. Subject to approval of the Directors' Remuneration Policy, the pension contributions to Executive Directors will reduce from 20% to 15% of salary effective from 1 July 2021, 12.5% effective from 1 July 2022, 10% effective from 1 October 2022, and ultimately aligned to the wider workforce from 1 January 2023.

### Concluding remarks

We have carried out a difficult, lengthy and challenging process to make material changes to the level of pay. In undertaking this review, the Committee has sought to draw a line under the poor voting record on remuneration over the past few years.

On behalf of the Remuneration Committee, I would like to thank shareholders for their extensive and open engagement over the last year. We are committed to a continued focus on good corporate governance.

The Committee and I hope that you find the information in this report helpful and informative, and we welcome any comments or questions ahead of the 2021 AGM.

### Ian Penrose

Chairman of the Remuneration Committee  
10 March 2021

## Directors' Remuneration Policy

For approval at 2021 AGM

The Directors' Remuneration Policy has been subject to a detailed review in 2020 by the Remuneration Committee. The Remuneration Committee has considered the strategic objectives of the business, shareholder feedback on the current policy, developments in corporate governance and market best practice. As a result, the Remuneration Committee has developed a revised remuneration policy which will apply for three years from the date of the 2021 AGM, subject to shareholder approval.

### Considerations when forming the remuneration policy

This policy has been formed in accordance with the principles and provisions in the Code. The table below sets out how the Committee has addressed various aspects in the Code:

- **Clarity** – The Committee's policy has been clearly set out in this report, including the individual elements of remuneration and their operation.

- **Simplicity** – This proposed policy is well understood by both management and shareholders and aligns to typical market practice.

- **Risk** – The Committee believes that the incentive structure does not encourage undue risk-taking. There are a number of mechanisms available to the Committee, including discretions and malus and clawback provisions within incentive plans, that allow adjustment in the case that the Committee believes the outcomes are excessive.

- **Predictability** – The policy table and the illustrations of remuneration provide an illustration of potential levels of remuneration that may result from the application of the policy under different performance scenarios. The Committee believes that the range of remuneration scenarios is appropriate for the roles and responsibilities of the Executive Directors, based on the performance required for incentive awards to pay out.

- **Proportionality** – The policy has been designed to give appropriate flexibility in operation, particularly in relation to incentive plan metrics, which allow the Committee to implement the policy from year to year using the metrics that align with the Group's strategy. Furthermore, the policy contains discretion to allow the Committee to adjust remuneration outcomes to ensure that they are reflective of overall performance in the short and long term.
- **Alignment to culture** – As well as aligning with the strategy of the business, the policy has been formed to allow focus on broader stakeholders. In particular, there is an increased focus on employee and shareholder engagement through incentive metrics and Committee discretion.

### Remuneration Policy for Executive Directors

The following table summarises each element of remuneration, how it supports the Company's short and long term strategic objectives and changes the Committee is proposing to the current policy based on shareholder feedback.

Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance	Proposed changes and associated rationale
<b>Base salary</b>	To attract, retain and motivate high calibre individuals for the role and duties required  To provide a market competitive salary relative to the external market  To reflect appropriate skills, development and experience over time	Normally reviewed annually by the Remuneration Committee, with any increases typically effective in January  Takes account of the external market and other relevant factors including internal relativities and individual performance. In reviewing salary levels, the Remuneration Committee may also take into account the effect of any exceptional exchange rate fluctuations in the previous year  Executive Directors decide the currency of payment once every three years (which can be in Pound Sterling, US Dollars or Euros) with the exchange rate being fixed at that time	Other than when an executive changes roles or responsibilities, or when there are changes to the size and complexity of the business, annual increases will not exceed the general level of increases for the Group's employees, taking into account the country where the executive ordinarily works  If a significant adjustment is required, this may be spread over a period of time	N/A	No proposed changes to existing approach
<b>Benefits</b>	To help attract and retain high calibre individuals	Benefits may include private medical insurance, permanent health insurance, life insurance, rental and accommodation expenses on relocation and other benefits such as long service awards  Other additional benefits may be offered that the Remuneration Committee considers appropriate based on the Executive Director's circumstances  Non pensionable	N/A	N/A	No proposed changes to existing approach

# Directors' Remuneration Policy continued

For approval at 2021 AGM

## Remuneration Policy for Executive Directors continued

Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance	Proposed changes and associated rationale
<b>Annual Bonus</b>	<p>Clear and direct incentive linked to annual performance targets</p> <p>Incentivise annual delivery of financial measures and personal performance</p> <p>Corporate measures selected consistent with and complement the budget and strategic plan</p>	<p>Paid in cash and shares</p> <p>Clawback and malus provisions apply whereby bonus payments may be required to be repaid for financial misstatement, misconduct, error, serious reputational damage and corporate failure</p>	<p>200% of salary for the CEO and 150% of salary for other Executive Directors</p> <p>33.3% of any payment is normally deferred into shares for two years which are subject to recovery provisions</p>	<p>Performance measured over one year</p> <p>Based on a mixture of financial performance and performance against strategic objectives</p> <p>Normally, at least 70% of the bonus will be dependent on financial performance</p> <p>Bonus is paid on a sliding scale of 0% for threshold increasing to 100% for maximum performance</p>	<p>33.3% of any payment will be deferred into shares for two years which is subject to recovery provisions</p>
<b>Long Term Incentive Plan (LTIP)</b>	<p>Aligned to key strategic objective of delivering strong returns to shareholders and earnings performance</p>	<p>Grant of performance shares, restricted shares or options</p> <p>Two-year holding period will be applied to vested shares (from 2019 awards), subject to any sales required to satisfy tax obligations on vesting</p> <p>Clawback and malus provisions apply whereby awards may be required to be repaid for instances of financial misstatement, misconduct, error, serious reputational damage and corporate failure</p>	<p>Maximum opportunity of 250% of salary with normal grants of 200% and 150% of salary in performance shares for the CEO and other Executive Directors respectively</p>	<p>Performance measured over three years</p> <p>Performance targets aligned with the Group's strategy of delivering strong returns to shareholders and earnings performance</p> <p>25% of the awards vest for threshold performance</p>	<p>No proposed changes</p>
<b>Pension</b>	<p>Provide retirement benefits</p>	<p>Provision of cash allowance</p>	<p>Pension contributions for existing Executive Directors will be as follows:</p> <ul style="list-style-type: none"> <li>• 20% until 30 June 2021;</li> <li>• 15% effective from 1 July 2021;</li> <li>• 12.5% effective from 1 July 2022;</li> <li>• 10% effective from 1 October 2022; and</li> <li>• From 1 January 2023, alignment with the wider workforce</li> </ul> <p>Pension for new Executive Directors will be in line with the pension plan operated for the majority of the workforce in the jurisdiction where the director is based</p>	<p>N/A</p>	<p>A reduction in the pension contributions for Executive Directors as follows:</p> <ul style="list-style-type: none"> <li>• 15% effective from 1 July 2021;</li> <li>• 12.5% effective from 1 July 2022;</li> <li>• 10% effective from 1 October 2022; and</li> <li>• From 1 January 2023, alignment with the wider workforce</li> </ul>

Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance	Proposed changes and associated rationale
<b>Share ownership guidelines</b>	<p>The Company has a policy of encouraging Directors to build a shareholding in the Company</p>	<p>Executive Directors are expected to accumulate a shareholding in the Company's shares to the value of at least 200% of their base salary</p> <p>Executive Directors are required to retain at least 50% of the net of tax out-turn from the vesting of awards under deferred bonus plan and the LTIP until the minimum shareholding guideline has been achieved</p> <p>Shares must be held for two years after cessation of employment (at lower of the 200% of salary guideline level, or the actual shareholding on departure)</p>	<p>N/A</p>	<p>N/A</p>	<p>No proposed changes</p>
<b>Non-executive Directors</b>	<p>To provide a competitive fee for the performance of NED duties, sufficient to attract high calibre individuals to the role</p>	<p>Fees are set in conjunction with the duties undertaken</p> <p>Additional fees may be paid on a pro-rata basis if there is a material increase in time commitment and the Board wishes to recognise this additional workload</p> <p>Any reasonable business related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed</p>	<p>Other than when an individual changes roles or where benchmarking indicates fees require realignment, annual increases will not exceed the general level of increases for the Group's employees</p>	<p>N/A</p>	<p>The Chairman is no longer entitled to a fully expensed Company car</p>



# Directors' Remuneration Policy continued

For approval at 2021 AGM

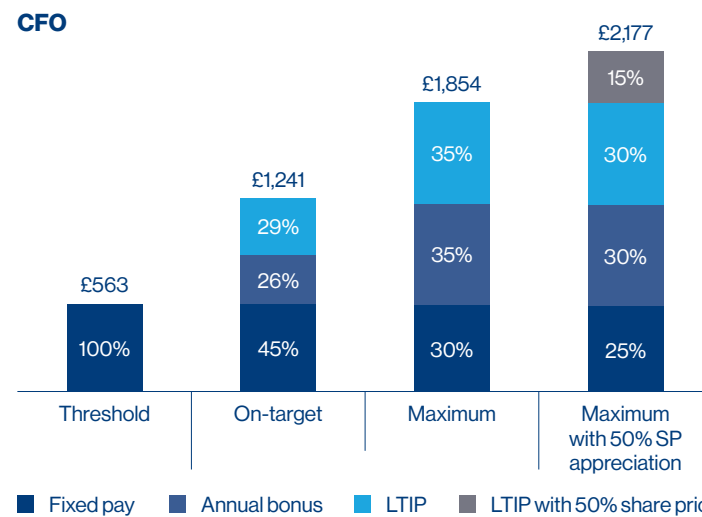
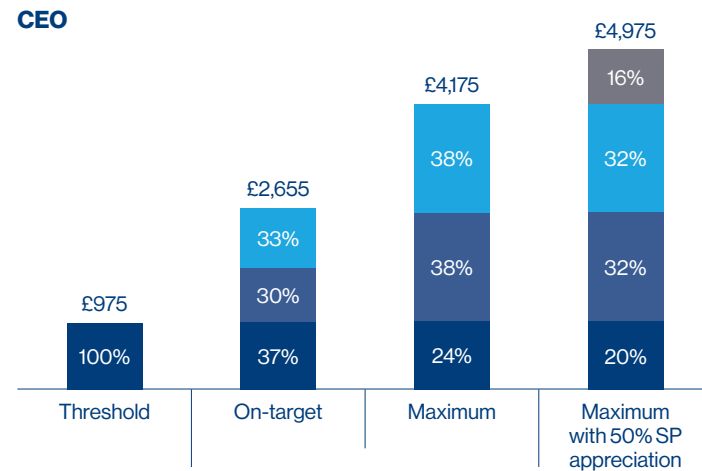
## Explanation of chosen performance measures and target setting

Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns.

The performance targets are reviewed each year to ensure that they are sufficiently challenging. When setting these targets the Committee will take into account a number of different reference points including, for financial targets, the Company's business plan and consensus analyst forecasts of the Company's performance. Full vesting will only occur for what the Remuneration Committee considers to be excellent performance.

## Remuneration scenarios for Executive Directors at different levels of performance

The Company's policy results in a significant proportion of remuneration received by Executive Directors being dependent on Company performance. The graph below illustrates how the total pay opportunities for the Executive Directors for 2021 vary under three performance scenarios: minimum, on-target and maximum.



1. The value of benefits are in line with the values paid during 2020 as stated in the single figure table.  
 2. Assumptions when compiling the charts are: Threshold = fixed pay only (base salary, benefits and pension). Target = fixed pay plus 50% of annual bonus payable and 55% of LTIP vesting. Maximum = fixed pay plus 100% of annual bonus payable and 100% of LTIP vesting.  
 3. Share price appreciation has been taken into account for the Maximum column on the basis of a 50% increase in the share price across the performance period.

## Policy on recruitment or promotion of Executive Directors

Base salary levels will be set to reflect the experience of the individual, appropriate market data and internal relativities. The Remuneration Committee may feel it is appropriate to appoint a new Director on a below market salary with a view to making above market and workforce annual increases on a phased basis to reach the desired salary positioning, subject to individual and Company performance.

Normal policy will be for the new Director to participate in the remuneration structure detailed above, including the maximum incentive levels for the Chief Executive Officer and Chief Financial Officer. The pension contribution will be aligned to the contribution received by the majority of the workforce in the jurisdiction in which the Director is based. Depending on the timing of the appointment, the Remuneration Committee may decide to set different annual bonus performance conditions for the first performance year of appointment from those stated in the policy above. The Committee may also provide relocation expenses/arrangements, legal fees and costs.

The variable pay elements that may be offered will be subject to the maximum limits stated in the policy table. The Remuneration Committee may consider it necessary and in the best interests of the Company and its shareholders to offer additional cash and/or make a grant of shares in order to compensate the individual for remuneration that would be forfeited from the current employer. Such awards would be structured to mirror the value, form and structure of the forfeited awards or to provide alignment with existing shareholders.

In the case of an internal promotion, any commitments entered into prior to the promotion shall continue to apply. Any variable pay elements shall be entitled to pay out according to its original terms on grant.

For the appointment of a new Chairman or Non-executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

## Service contracts and exit payments Executive Directors

Set out in the table below are the key terms of the Executive Directors' terms and conditions of employment. A bonus is not ordinarily payable unless the individual is employed and not under notice on the payment date. However, the Remuneration Committee may exercise its discretion to award a bonus payment pro-rata for the notice period served in active employment (and not on garden leave).

The LTIP rules provide that other than in certain 'good leaver' circumstances awards lapse on cessation of employment. Where an individual is a 'good leaver' the award would vest on the normal vesting date (or cessation of employment in the event of death) following the application of performance targets and a pro-rata reduction to take account of the proportion of the vesting period that has elapsed. The Committee has discretion to partly or completely dis-apply pro-rating or to permit awards to vest on cessation of employment.

Provision	Detail
<b>Remuneration</b>	Salary, bonus, LTIP, benefits and pension entitlements in line with the above Directors' Remuneration Policy Table
<b>Change of control</b>	No special contractual provisions apply in the event of a change of control
<b>Notice period</b>	12 months' notice from Company or employee for the CEO and six months' notice for the CFO <ul style="list-style-type: none"> <li>CEO contract signed on 1 January 2013</li> <li>CFO contract signed on 10 January 2017</li> </ul>
<b>Termination payment</b>	The Company may make a payment in lieu of notice equal to basic salary plus benefits for the period of notice served subject to mitigation and phase payments where appropriate
<b>Restrictive covenants</b>	During employment and for 12 months thereafter

## Non-executive Directors

The Non-executive Directors each have specific letters of appointment, rather than service contracts. Their remuneration is determined by the Board within limits set by the articles of association and is set taking into account market data as obtained from independent Non-executive Director fee surveys and their responsibilities. Non-executive Directors are appointed for an initial term of three years and, under normal circumstances, would be expected to serve for additional three-year terms, up to a maximum of nine years, subject to satisfactory performance and re-election at the Annual General Meeting as required.

The table below is a summary of the key terms of the letters of appointment for the Non-executive Directors.

The letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office and will be available before and after the forthcoming AGM.

Name	Date	Term	Termination
<b>Brian Mattingley</b>	1 June 2021	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
<b>Claire Milne</b>	8 July 2016	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
<b>John Jackson</b>	1 January 2016	Until third AGM after appointment unless not re-elected	
<b>Ian Penrose</b>	1 September 2018	Until third AGM after appointment unless not re-elected	90 days' notice on either side or if not re-elected, disqualification or commits gross misconduct
<b>Anna Massion</b>	2 April 2019	Until third AGM after appointment unless not re-elected	
<b>John Krumins</b>	2 April 2019	Until third AGM after appointment unless not re-elected	

## Consideration of employment conditions elsewhere in the Company when setting Directors' pay

The Remuneration Committee when setting the policy for Executive Directors takes into consideration the pay and employment conditions through the Company as a whole.

In determining salary increases for Executive Directors, the Committee considers the general level of salary increase across the Company. Typically, salary increases will be aligned with those received elsewhere in the Company unless the Remuneration Committee considers that specific circumstances exist (as mentioned in the policy table) which require a different level of salary increase for Executive Directors.

As part of the Committee's wider remit under the Code, the Committee will continue to monitor pay policies and practices within the wider group and to provide input and challenge in respect of current policies and practices as well as any proposed future review and changes to ensure that they are appropriate, fair, aligned to the Company's remuneration principles and support the culture and growth of the business.

With respect to employee engagement, the Board engages with the COO and Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce; including remuneration, talent pipeline and diversity and inclusion.

The Committee's policy is that annual salary increases for Executive Directors will not generally exceed the average annual salary increase for the wider employee population determined with reference to the country in which the Executive ordinarily works, unless there is a particular reason for any increase, such as a change in the Executive's roles and responsibilities or a change in the size and complexity of the business.

The Committee also considers external market benchmarking to inform the Executive's remuneration. External market benchmarking is also considered in relation to remuneration decisions of the wider workforce.

## Directors' Remuneration Policy continued

For approval at 2021 AGM

### Consideration of shareholders views

The Company is committed to engagement with shareholders and has engaged extensively on remuneration issues since the 2020 AGM. Shareholders have provided valuable input into the proposed policy and the Company intends to continue to work closely with shareholders on implementation of the policy.

### Legacy arrangements

In approving the Remuneration Policy, authority is given to the Company to honour any commitments previously entered into with current or former Directors that have been disclosed previously to shareholders.

### Discretion vested in the Remuneration Committee

The Remuneration Committee will operate the annual bonus and LTIP according to their respective rules (or relevant documents) and in accordance with the Listing Rules where relevant. The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of these plans. These include, but are not limited to, the following in relation to the LTIP:

- The participants
- The timing of grant of an award
- The size of an award
- The determination of vesting
- Discretion required when dealing with a change of control or restructuring of the Group
- Determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends)
- The annual review of performance measures and weighting, and targets for the LTIP from year to year

In relation to the annual bonus plan, the Remuneration Committee retains discretion over:

- The participants
- The timing of a payment
- The determination of the amount of a bonus payment
- Determination of the treatment of leavers
- The annual review of performance measures and weighting, and targets for the annual bonus plan from year to year

In relation to both the Company's LTIP and annual bonus plan, the Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Given the unique, fast-changing and challenging environment in which the Group operates, the Remuneration Committee considers that it needs some discretion if, acting fairly and reasonably, it feels that the payout is inconsistent with the Company's overall performance taking account of any factors it considers relevant. Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

### External directorships

The Group allows Executive Directors to hold a Non-executive position with one other company, for which they can retain the fees earned.

## Annual report on remuneration

The sections of this report subject to audit have been highlighted. The figures are shown both in Euros and Pounds, for ease of reference.

### Directors' emoluments (in €) (Audited)

Executive Director	Mor Weizer		Andrew Smith	
	2020	2019	2020	2019
Salary <sup>1</sup>	<b>1,124,987</b>	1,143,427	<b>483,724</b>	480,280
Bonus <sup>2</sup>	<b>534,285</b>	1,528,580	<b>172,507</b>	511,134
Long-term incentives <sup>3,4</sup>	—	—	—	40,258
Benefits <sup>5</sup>	<b>39,358</b>	29,895	<b>63,539</b>	36,242
Pension	<b>206,447</b>	228,686	<b>88,767</b>	96,045
Total emoluments	<b>1,905,077</b>	2,930,588	<b>808,537</b>	1,163,959
Total fixed pay	<b>1,370,792</b>	1,402,008	<b>636,030</b>	612,567
Total variable pay	<b>534,285</b>	1,528,580	<b>172,507</b>	551,392

### Directors' emoluments (restated in £) (Audited)

Executive Director	Mor Weizer		Andrew Smith	
	2020	2019	2020	2019
Salary <sup>1</sup>	<b>999,998</b>	1,000,000	<b>430,000</b>	420,000
Bonus <sup>2</sup>	<b>480,000</b>	1,300,000	<b>154,980</b>	434,700
Long-term incentives <sup>3,4</sup>	—	—	—	36,168
Benefits <sup>5</sup>	<b>35,187</b>	26,162	<b>57,017</b>	32,035
Pension	<b>183,334</b>	200,000	<b>78,833</b>	84,000
Total emoluments	<b>1,698,520</b>	2,526,192	<b>720,831</b>	1,006,903
Total fixed pay	<b>1,218,520</b>	1,226,192	<b>565,851</b>	572,203
Total variable pay	<b>480,000</b>	1,300,000	<b>154,980</b>	434,700

1. Basic salary of the Executive Directors is determined in Pounds Sterling and then converted into Euros at the average exchange rate applicable during the relevant financial year for the purpose of this report. Mor Weizer's salary was set at £1,000,000 in June 2017 and there was no further increase during 2020. As noted on page 113, the salary for Andrew Smith was increased from £420,000 to £430,500 with effect from 1 January 2020. This was part of a phased approach to deliver the required market positioning and in recognition of the CFO's continued growth in the role. It should also be noted that both Executive Directors waived 20% of their salaries for 5 months in 2020 to support the business during the COVID-19 outbreak, however this was later repaid in February 2021, once the Group's improved financial performance showed consistent sustainability (the share price had returned to levels last seen in Autumn 2018). This is included within the table above.
2. The figures for bonuses represent payments as determined by the Remuneration Committee for the Executive Directors based on the Company's performance during each financial year and by reference to their actual salary earned during the respective period. The bonuses were determined in Pounds Sterling and then converted into Euros at the exchange rates applicable as at 31 December 2019 and 31 December 2020 respectively. Details of (a) how the annual performance bonus for the Executive Directors was determined; and (b) the timing of bonus payments, are set out below.
3. No LTIP awards were granted in 2018 and therefore no awards were due to vest in 2020.
4. The value of the LTIP for 2019 relates to the 2017 awards, which had a three-year performance period ending 31 December 2019. Based on performance over this period, the Remuneration Committee determined that the 2017 awards will lapse in full. For Andrew Smith, this also includes the value of the portion of his 2016 award which vested in 2019, since this was granted prior to his appointment to the Board and was therefore not subject to performance targets. This award vested in two tranches, the first on 1 September 2017 and the second (which is included in the table above) on 1 March 2019. The tranche which vested during 2019 was over 7,979 shares and had a value of £40,258 (£36,168) based on the closing share price of 4291 pence at the vesting date and the average exchange rate applicable during the 2019 financial year for the purpose of this report. Share price depreciation over the period to the vesting date (based on the original share price of 788.5 pence used to determine the original number of awards granted) is equivalent to €33,718.77 (£30,293).
5. Benefits include private medical insurance, permanent health insurance, car and life assurance. The increase in the value of Andrew Smith's benefits was due to an increase in healthcare costs.

No discretion was exercised in determining the remuneration outcomes set out in the single total figure table above.



## Annual report on remuneration continued

## Non-executive Directors' emoluments (in €) (Audited)

Following the 2.5% increase to Non-executive director fees disclosed last year (to £107,625 per annum from 1 January 2020), there were no further increases in the fees paid to the Non-executive Directors in 2020. Fees are paid in sterling (which is unchanged from 2019) and are translated into Euros in the table below:

Director	Fees		Annual bonus		Benefits		Pension		Total emoluments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Alan Jackson	173,339	439,085	—	—	71,047	4,536	—	—	244,386	443,621
Claire Milne	245,556	120,134	—	—	—	—	—	—	245,556	120,134
John Jackson	121,055	120,134	—	—	—	—	—	—	121,055	120,134
Ian Penrose	121,055	120,134	—	—	—	—	—	—	121,055	120,134
Anna Massion	121,055	89,718	—	—	—	—	—	—	121,055	89,718
John Krumins	121,055	89,718	—	—	—	—	—	—	121,055	89,718

## Non-executive Directors' emoluments (in £) (Audited)

Director	Fees		Annual bonus		Benefits		Pension		Total emoluments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Alan Jackson	150,880	384,000	—	—	63,521	3,953	—	—	214,401	387,953
Claire Milne	219,800	105,063	—	—	—	—	—	—	219,800	105,063
John Jackson	107,625	105,063	—	—	—	—	—	—	107,625	105,063
Ian Penrose	107,625	105,063	—	—	—	—	—	—	107,625	105,063
Anna Massion	107,625	78,797	—	—	—	—	—	—	107,625	78,797
John Krumins	107,625	78,797	—	—	—	—	—	—	107,625	78,797

- Alan Jackson was provided with a Company car during the year under a legacy benefit arrangement. Alan Jackson stepped down from the Board on 20 May 2020 and in recognition of his 14 years service on the Board, including 7 years as Chairman, Alan Jackson had an option to keep the company car after stepping down with a value of €71,047 (£63,828). This legacy provision has been removed from the proposed Directors' Remuneration Policy and thus does no longer apply. The incumbent Chairman will not receive a company car, nor car allowance.
- Claire Milne was appointed as Chair of the Board on 20 May 2020. Anna Massion and John Krumins joined the Board on 2 April 2019.
- Non-executive Directors are not eligible to receive any variable pay under the Remuneration Policy and thus received no variable pay during 2019 and 2020.
- It should also be noted that Claire Milne, John Jackson, Ian Penrose, Anna Massion and John Krumins each waived 20% of their fees for 5 months in 2020 to support the business during the COVID-19 outbreak, however this was later repaid in February 2021, once the Group's improved financial performance showed consistent sustainability (the share price had returned to levels last seen in Autumn 2018). This is included within the table above.

## Determination of 2020 bonus

In accordance with the Company's Remuneration Policy, the CEO and CFO had the opportunity to earn a bonus in respect of 2020 of 200% and 150% of salary respectively. 2020 performance was assessed against a mixture of financial and non-financial targets as set out below. The bonus was payable on a sliding scale of 0% for threshold to 100% for maximum performance.

Performance metric	Weighting	Threshold	Maximum	Actual	CEO payout level (% of maximum)	CFO payout level (% of maximum)
Financial (70%)						
Adjusted EBITDA (€m)	50%	345.6	384.0	310	0%	0%
Cash flow (€m)	20%	149.4	182.6	113	0%	0%
Strategic and non-financial (30%)	30%		See below		24%	24%
Total	100%				24%	24%

As set out in the 2019 Directors' Remuneration Report, the financial performance targets were divided this year between Adjusted EBITDA and Cash flow, with 50% and 20% weightings respectively.

Adjusted EBITDA and cash generation are the key financial performance metrics of the Company, most closely representing the underlying trading performance of the business. When setting the EBITDA targets for 2020, the Committee and Board took into consideration both consensus estimates and internal forecasts. The 2020 bonus targets were slightly lower than those set for the 2019 bonus. The Committee judged that these targets were appropriate and reasonable given that they were in line with consensus estimates and reflected a change in the composition of earnings at Playtech, which focused on generating additional EBITDA in each of the core B2B Gaming and Snaitch businesses to offset the declining non-core Asian business, and thereby improve the quality of the Group's overall earnings.

As a consequence, on target performance level (50% payout, which has been reduced from 60% in 2019) was set at EBITDA of €364m. The Committee noted that the adjusted EBITDA for the financial year ended 31 December was €310.4m resulting in 0% of the adjusted EBITDA element of bonus being payable.

The Committee noted that the net cash generated from operating activities was €113m, resulting in 0% of the cash flow element of the bonus being payable.

The non-financial performance targets were selected to underpin key strategic objectives of the Group aligned with the business strategy. Specific non-financial performance considerations included obtaining US licenses, stabilising the Asian business, developing safer gambling protocols, developing new customer and strategic partnerships, disposing of TradeTech, improving the Group's liquidity by delivering approximately €50m cash from the sale of surplus land in Italy and the successful relocation of the Company's tax residence to the UK from the Isle of Man. The operational highlights set out in the Strategic Report on page 3 demonstrate that the majority of the key strategic objectives set for executives were successfully achieved. The Committee considered that the targets for the strategic objectives element of the bonus had been met in part, and resolved to pay a bonus at a level of 24% (out of a maximum of 30%) to both the CEO and CFO. In making this determination, the Committee also took account of the Executive's leadership and social responsibility through the COVID-19 pandemic and the successful transition of the Company's workforce to remote working with virtually 100% technical resilience during that challenging time.

This 24% bonus entitlement resulted in a total bonus payment of €534,285 for the CEO (48% of salary in 2020) and €172,507 for the CFO (36% of salary in 2020). In line with the proposed policy, 33.3% of this amount will be deferred in shares for two years. As a comparison, the payouts under the annual bonus for 2019 were equivalent to 130% and 103.5% of salary for the CEO and CFO respectively.

The Committee is satisfied that the annual bonus payments to Executive Directors are a fair reflection of corporate and individual performance during the year, and did not use any discretion in determining the outcomes above.

## LTIP awards (Audited)

On 26 October 2020 the following awards were made to the Executive Directors under the LTIP:

	Type of award	Total number of awards	Aggregate market value (€)
Mor Weizer	Nil cost option	546,000	2,226,186
Andrew Smith	Nil cost option	176,290	718,780

Awards represent 200% of salary for Mor Weizer and 150% of salary for Andrew Smith based on a share price on grant of 366.3 pence. There has been no change in the exercise price or date since the awards were granted. As noted in the Chairman's statement, the Committee took the decision to defer the grant of the 2020 LTIP award, which was due to be made during the period of high market volatility in March 2020, until October to ensure that we had more information to give high levels of confidence in the strength of the Company, and that the share price at the point of grant had recovered to the pre-pandemic levels of mid February, so that there are no unjust windfall gains for executive directors.

The 2020 LTIP awards are subject to the following performance conditions:

	Weighting	% of award vesting for threshold performance	Threshold	Maximum	Performance period
Diluted EPS attributable to ordinary equity holders	25%	25%	36 Euro cents	53 Euro cents	01.01.2020 – 31.12.2022
Relative TSR – FTSE 250 index (excluding investment trusts)	37.5%	25%	Median of the comparator group	Upper quartile of the comparator group	26.10.2020 – 25.10.2023
Relative TSR – Bespoke	37.5%	25%	Median of the comparator group	Upper quartile of the comparator group	26.10.2020 – 25.10.2023

The bespoke comparator group that Playtech's TSR will be measured against is as follows:

- Entain
- Sportech
- Paddy Power Betfair (since renamed Flutter Entertainment)
- William Hill
- 888 Holdings
- JPJ (since renamed Gamesys Group)
- Rank Group
- Betsson
- International Game Tech
- Kindred Group
- OPAP

For performance between threshold and maximum, vesting will be determined on a straight-line basis. Any vesting will further be dependent on the Committee ensuring that the level of TSR performance achieved is consistent with the underlying financial performance of Playtech over the performance period.

**LTIP awards (Audited) continued**

In the normal course of events these awards will vest and become exercisable on 26 October 2023, subject to the satisfaction of the performance conditions based on relative TSR and Diluted EPS performance.

On 28 February 2019 the following awards were made to the Executive Directors under the LTIP:

	Type of award	Total number of awards	Aggregate market value (€)
Mor Weizer	Nil-cost option	471,809	2,351,661.04
Andrew Smith	Nil-cost option	148,620	738,152.77

Awards represent 200% of salary for Mor Weizer and 150% of salary for Andrew Smith based on a share price on grant of 423.9 pence.

The 2019 LTIP awards are subject to the following performance conditions:

	Weighting	% of award vesting for threshold performance	Threshold	Maximum	Performance period
Relative TSR – FTSE 250 index (excluding investment trusts)	50%	25%	Median of the comparator group	Upper quartile of the comparator group	01.01.2019 – 31.12.2021
Relative TSR – Bespoke	50%	25%	Median of the comparator group	Upper quartile of the comparator group	01.01.2019 – 31.12.2021

The bespoke comparator group that Playtech's TSR will be measured against is the same as that used in the 2020 LTIP grant, and the full list of constituents is provided on page 111.

For both groups, vesting will increase on a straight-line basis between threshold and maximum. Any vesting will further be dependent on the Committee ensuring that the level of TSR performance achieved is consistent with the underlying financial performance of Playtech over the performance period.

As approved by shareholders at a General Meeting held on 19 December 2019, an additional LTIP award was granted to Mor Weizer during 2019 as set out below:

	Type of award	Total number of awards	% of award vesting for threshold performance	Performance period
Mor Weizer	Nil-cost option	1,900,000	25%	03.12.2019 – 19.12.2024

The additional LTIP award will vest subject to the achievement of share price targets as set out below:

Tranche	Number of shares	Share price target	Performance period (years)
A	300,000	£6.00	3
B	400,000	£7.00	3
C	500,000	£8.00	3
D	700,000	£12.00	5

Each tranche will vest and become immediately exercisable upon the Company satisfying the relevant share price target during the relevant performance period. A post-vesting holding period will apply such that shares acquired following the vesting of any tranche may not be sold or transferred for a period of at least two years following such vesting and, in any event, until at least the third anniversary of the General Meeting at which the award was approved by shareholders.

LTIP awards from 2019 onwards will be subject to a two-year retention period post vesting.

LTIP awards granted from 2019 onwards will be subject to recovery and withholding provisions in relation to material misstatement, gross misconduct, material error in calculation, for a serious reputational event and in the event of corporate failure. These provisions apply for a period of three years post vesting.

No LTIP awards were granted in 2018 as a result of the deterioration in the share price and thus no awards were due to vest in 2020.

**Termination payments (Audited)**

No termination payments to Directors were made in 2020.

**Payments to past Directors (Audited)**

No payments to past Directors were made in 2020.

**Implementation of policy for 2021**

This section sets out the proposed implementation of the Directors' Remuneration Policy in 2021, subject to its approval by shareholders at the 2021 AGM. The proposed implementation does not contain any deviations from the Directors' Remuneration Policy put forward to shareholders at the 2021 AGM.

**Salary review**

As stated last year, salary reviews for the Executive Directors take place at the beginning of the calendar year as this will result in the alignment of salary reviews with the Company's financial year.

Accordingly, the Committee reviewed the salaries for both Mr Weizer and Mr Smith in January 2021. It was decided that Mr Weizer's salary would be reduced to £800,000 with effect from 1 January 2021. In Mr Smith's case, the Committee resolved that his salary would remain unchanged for 2021. The average salary increase awarded across the UK workforce was 2.7%.

The current basic salary levels of the Executive Directors are:

- M. Weizer: £800,000 (equivalent to €890,474 at 31 December 2020 exchange rate between Sterling and Euro used in the accounts) which was effective from 1 January 2021
- A. Smith: £430,500 (equivalent to €479,187 at 31 December 2020 exchange rate between Sterling and Euro used in the accounts) which was effective from 1 January 2020

Fees currently payable to Non-executive Directors are:

- Interim Chair: £290,000 (equivalent to €322,797 at 31 December 2020 exchange rate between Sterling and Euro used in the accounts)
- Incoming Chair (1 June 2021) £338,000 (equivalent to €376,225 at 31 December 2020 exchange rate between Sterling and Euro used in the accounts)
- Non-executive Director base fee: £107,625 (equivalent to €119,797 at 31 December 2020 exchange rate between Sterling and Euro used in the accounts)

Non-executive Director fees have not been increased since 1 January 2020.

The Non-executive Director fees recognise core responsibilities and additional duties as Chair of a Board Committee.

**Benefits**

Benefit will continue to be in line with the approved policy.

**Pension**

The pension contributions will continue to be 20% for the CEO and CFO respectively until 30 June 2021, reducing to 15% of salary effective from 1 July 2021.

**Annual bonus**

The annual bonus opportunity will remain unchanged at 200% of salary for the CEO and 150% of salary for the CFO.

For 2021, bonuses for the Executive Directors will be based on the following:

	Weighting	Performance target
Adjusted EBITDA	50%	Commercially confidential
Cash flow	20%	Commercially confidential
Non-financial and strategic objectives	30%	Commercially confidential

The Adjusted EBITDA and cash flow targets will be set in line with the business plan and the targets will be very challenging.

The level of bonus payable by reference to the financial performance of the Company will be determined on a sliding scale. There will be retrospective disclosure of the targets and performance in next year's report.

The annual bonus will be subject to recovery and withholding provisions in relation to material misstatement, gross misconduct, material error in calculation, for a serious reputational event and in the event of corporate failure. These provisions will apply for a period of three years after payment.

In line with the proposed policy, 33.3% of any bonus earned will be payable in deferred shares.

**Long Term Incentive Plan (LTIP)**

In line with the normal schedule, the Remuneration Committee is expected to grant LTIP awards this year at 200% of salary for the CEO and 150% of salary for the CFO.

Awards made to Executive Directors will vest on the third anniversary of grant subject to (i) participants remaining in employment (other than in certain 'good leaver' circumstances) and (ii) achievement of challenging performance targets. The awards will be subject to relative TSR and adjusted EPS performance, in line with the 2020 LTIP grant. Full details of the performance targets will be disclosed at the time the awards are made and will be in line with the current Remuneration Policy.

Any vesting will also be dependent on the Committee ensuring that the level of performance achieved is consistent with the underlying financial performance of Playtech over the performance period.

LTIP awards will be subject to a two-year retention period post vesting.

LTIP awards will be subject to recovery and withholding provisions in relation to material misstatement, gross misconduct, material error in calculation, for a serious reputational event and in the event of corporate failure. These provisions will apply for a period of three years post vesting.

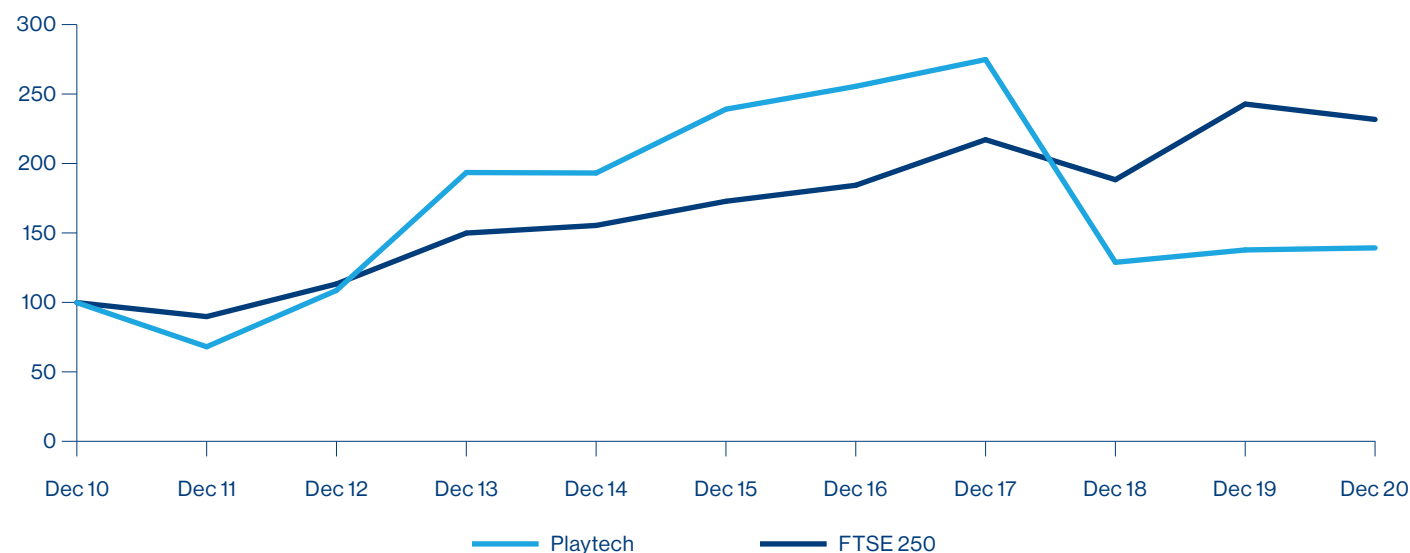


### Dilution limits

All of the Company's equity-based incentive plans (other than the Option Plan which was established before the Company's admission to AIM in 2006) incorporate the current Investment Association Guidelines on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital (or reissue of treasury shares), with a further limitation of 5% in any ten-year period for executive plans. The Committee monitors the position and prior to the making of any award considers the effect of potential vesting of options or share awards to ensure that the Company remains within these limits. Any awards which are required to be satisfied by market purchased shares are excluded from such calculations. No treasury shares were held or utilised in the year ended 31 December 2020.

### Review of performance

The following graph shows the Company's total shareholder return (TSR) performance over the past ten years; the Company's TSR is compared with a broad equity market index. The index chosen here is the FTSE 250, which is considered the most appropriate published index.



The Remuneration Committee believes that the new remuneration policy and the supporting reward structure provide a clear alignment with the strategic objectives and performance of the Company. To maintain this relationship, the Remuneration Committee constantly reviews the business priorities and the environment in which the Company operates. The table below shows the total remuneration of Mor Weizer over the last ten years and annual variable and long-term incentive pay awards as a percentage of the plan maxima.

Remuneration of the CEO (Mor Weizer)	Year ending 31 December									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total remuneration (€'000)	808	800	1,381	1,740	2,449	2,346	4,192	2,055	2,931	<b>1,905</b>
Annual bonus (% of maximum)	23%	100%	100%	100%	87.5%	100%	93%	25%	65%	<b>24%</b>
LTIP vesting (% of maximum)	—	—	—	—	—	—	70%	22%	—	—

### Percentage change in remuneration of Directors compared with employees

The following table sets out the percentage change in the salary/fees, benefits and bonus for each Director from 2019 to 2020 compared with the average percentage change for employees. All percentages are calculated based on the GBP value of pay, as this reflects how pay is set, ignoring the impact of exchange rate fluctuations.

	Salary/fees	Benefits	Bonus
<b>Executive Directors</b>			
Mor Weizer	0%	+31.6% <sup>2</sup>	-63.1%
Andrew Smith	+2.5%	+75.3% <sup>3</sup>	-64.3%
<b>Non-executive Directors</b>			
Alan Jackson	+2.5%	+1,466% <sup>4</sup>	N/A
Claire Milne	+2.5%	N/A	N/A
John Jackson	+2.5%	N/A	N/A
Ian Penrose	+2.5%	N/A	N/A
Anna Massion	+2.5%	N/A	N/A
John Krumins	+2.5%	N/A	N/A
<b>Wider workforce</b>			
Average employee – UK based <sup>1</sup>	2.7%	+6%	+22%

1. Playtech plc has no employees. The UK workforce was chosen as a comparator group as the Remuneration Committee looks to benchmark the remuneration of the Chief Executive Officer with reference mainly to the UK market (albeit that he has a global role and responsibilities), and remuneration packages across the Group vary widely depending on local market practices and conditions.

2. The increase in the value of Mor Weizer's benefits was due to the provision of a fully expensed company car.

3. The increase in the value of Andrew Smith's benefits was due to an increase in healthcare costs.

4. As described on page 110, Alan Jackson had an option to keep the company car and this resulted in an increase in the value of his benefits.

### Pay ratio information in relation to the total remuneration of the Director undertaking the role of Chief Executive Officer

The table below compares the single total figure of remuneration for the Chief Executive Officer with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population for 2019 and 2020.

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
<b>2020</b>	<b>Method A</b>	<b>43:1</b>	<b>31:1</b>	<b>21:1</b>
2019	Method A	73:1	52:1	35:1

The employees included are those employed on 31 December 2020 and remuneration figures are determined with reference to the financial year to 31 December 2020. The CEO is paid in GBP Sterling and the ratios have been calculated using the CEO's 2020 total single figure of remuneration expressed in GBP Sterling (£1,698,520).

Option A, as set out under the reporting regulations, was used to calculate remuneration for 2020, in line with the approach taken in 2019, as we believe that that is the most robust methodology for calculating these figures.

The value of each employee's total pay and benefits was calculated using the single figure methodology consistent with the CEO, with the exception of annual bonuses where the amount paid during the year was used (i.e. in respect of the 2019 financial year) as 2020 employee annual bonuses had not yet been determined at the time this report was produced. No elements of pay have been omitted. Where required, remuneration was approximately adjusted to be full-time and full-year equivalent basis based on the employee's contracted hours and the proportion of the year they were employed.

The table below sets out the salary and total pay and benefits for the three quartile point employees:

	25th percentile		50th percentile		75th percentile	
	Salary	Total pay and benefits	Salary	Total pay and benefits	Salary	Total pay and benefits
<b>2020</b>	<b>£37,286</b>	<b>£39,306</b>	<b>£46,075</b>	<b>£55,089</b>	<b>£69,987</b>	<b>£80,907</b>

The Committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of the CEO and the identified employee. Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The CEO's remuneration package is weighted towards variable pay (including the annual bonus and LTIP) due to the nature of the role, and this means the ratio is likely to fluctuate depending on the outcomes of incentive plans in each year.

**Pay ratio information in relation to the total remuneration of the Director undertaking the role of Chief Executive Officer** continued

The Committee recognises that the 2020 ratios are lower than last year. This is driven by two key factors:

- The primary driver of the change is the decrease in the CEO's single figure of remuneration for 2020. The 2019 single figure included a 65% payout under the annual bonus compared to a 24% payout during 2020. The 2020 single figure therefore is c.34% lower than last year's single figure, leading to a decrease in the pay ratios.
- An increase in the calculated total pay and benefits of the employees at the quartiles. This is driven by an increase in annual bonuses paid to employees during 2020 in relative to 2019.

The Committee also recognises that, due to the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

**Relative importance of spend on pay**

The following table sets out the amounts paid in share buybacks, dividends, and total remuneration paid to all employees:

Payouts (€m)	2020 €m	2019 €m	Change %
Dividends	—	55.6	-100%
Share buybacks	10.1	65.1	-84.5%
Total employee remuneration <sup>1</sup>	358.2	347.2	+3.2%

1. Total employee remuneration for continuing and discontinued operations includes wages and salaries, social security costs, share-based payments and pension costs for all employees, including the Directors.

**Directors' interests in ordinary shares (Audited)**

Director	Ordinary shares		Share awards and share options 31 December		Total interests at December 2020
	2020	2019	2020	2019	
<b>Executive Directors<sup>1,2,3,4</sup></b>					
Mor Weizer <sup>5</sup>	258,750	105,750	3,014,685	2,468,685	3,273,435
Andrew Smith <sup>5</sup>	78,675	33,675	324,910	148,620	403,585
<b>Non-executive Directors</b>					
Alan Jackson <sup>6</sup>	25,000	25,000	—	—	25,000
Claire Milne	—	—	—	—	—
John Jackson	5,000	5,000	—	—	5,000
Ian Penrose	17,500	17,500	—	—	17,500
Anna Massion	32,000	10,000	—	—	32,000
John Krumins	10,000	10,000	—	—	10,000

1. There has been a significant increase in Executives share ownership; the CEO's share ownership increased to 104% of salary based on the closing share price of 401.3 pence on 31 December 2020, from 42% on 31 December 2019. When considering the salary reduction taking effect from 1 January 2021, this shareholding is equivalent to 130% of salary. In addition, the CFO's share ownership increased to 73% of salary based on the closing share price of 401.3 pence on 31 December 2020, from 32% on 31 December 2019.

2. Share options are granted for Nil consideration.

3. These options were granted in accordance with the rules of the Playtech Long Term Incentive Plan 2012 (the "Option Plan"). Options under the Option Plan are granted as Nil cost options and in the case of Executive Directors exclusively, the options vest and become exercisable on the third anniversary of the notional grant date. Unexercised options expire ten years after the date of grant, unless the relevant employee leaves the Group's employment, in which case the unvested options lapse and any vested options lapse three months after the date that the employment ends.

4. Mr Weizer and Mr Smith were each granted an award in 2019 over 471,809 shares and 148,620 shares respectively. Performance conditions are based on the three years 2019, 2020 and 2021 with normal vesting scheduled for 1 March 2022.

5. Mr Weizer and Mr Smith were each granted an award in 2020 over 546,000 and 176,290 shares respectively. The Adjusted EPS performance condition is based over the financial year ending 31 December 2022, whilst the relative TSR performance conditions are based over the period of 26 October 2020 – 25 October 2023 with normal vesting scheduled for 26 October 2023.

6. Mr Jackson stepped down as Chairman of the Board on 20 May 2020, his shareholding is therefore illustrated at that date in the table above.

7. There was no movement in share interests between 31 December 2020 and the date of publication.

**Role and membership**

The Remuneration Committee is currently comprised entirely of three independent Non-executive Directors as defined in the Code. Ian Penrose chairs the Committee, and the other members are Claire Milne and Anna Massion.

Details of attendance at the Remuneration Committee meetings are set out on page 91 and their biographies and experience on pages 86 and 87.

The Committee operates within agreed terms of reference detailing its authority and responsibilities. The Committee's terms of reference are available for inspection on the Company's website [www.playtech.com](http://www.playtech.com) and include:

- Determining and agreeing the policy for the remuneration of the CEO, CFO, the Chairman and other members of the senior management team
- Review of the broad policy framework for remuneration to ensure it remains appropriate and relevant
- Review of the design of and determine targets for any performance-related pay and the annual level of payments under such plans
- Review of the design of and approve any changes to long-term incentive or option plans
- Ensuring that contractual terms on termination and payments made are fair to the individual and the Company and that failure is not rewarded

The Remuneration Committee also considers the terms and conditions of employment and overall remuneration of Executive Directors, the Company Secretary and members of the senior management team and has regard to the Company's overall approach to the remuneration of all employees. Within this context the Committee determines the overall level of salaries, incentive payments and performance related pay due to Executive Directors and senior management. The Committee also determines the performance targets and the extent of their achievement for both annual and long-term incentive awards operated by the Company and affecting the senior management. In order to manage any potential conflicts of interest, no Director is involved in any decisions as to his/her own remuneration.

The Remuneration Committee takes advice from both inside and outside the Group on a range of matters, including the scale and composition of the total remuneration package payable to people with similar responsibilities, skills and experience in comparable companies that have extensive operations inside and outside the UK.

During the year the Remuneration Committee received material assistance and advice from the Company Secretary, Brian Moore (who is also secretary to the Committee).

The Remuneration Committee has a planned schedule of at least four meetings throughout the year, with additional meetings and calls held when necessary. During 2020, the Committee met 6 times, 2 meetings were held in person and 4 meeting were held via zoom call, and these meetings, together with a number of conference calls, addressed a wide variety of issues, including:

Month	Principal activity
<b>January</b>	<ul style="list-style-type: none"> <li>Review of bonus and other incentivisation arrangements in relation to Executive Directors and members of senior management</li> <li>Review of market Benchmarking and Corporate Governance best practice</li> </ul>
<b>February</b>	<ul style="list-style-type: none"> <li>Finalise bonus payments for Executive Directors</li> <li>Review of remuneration policy for Executive Directors</li> </ul>
<b>June</b>	<ul style="list-style-type: none"> <li>Review of AGM voting results</li> <li>Market Benchmarking</li> <li>Shareholder feedback</li> </ul>
<b>July</b>	<ul style="list-style-type: none"> <li>Approval of LTIP awards to employees</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>Approval of LTIP awards to members of senior management</li> <li>Review of proposals for new Remuneration Policy</li> <li>Engagement with shareholders</li> </ul>



**External advisers**

PricewaterhouseCoopers LLP (PwC) were appointed as the Committee's new external independent remuneration advisers in October 2019.

The Remuneration Committee is satisfied that the advice received from PwC was objective and independent. PwC are members of the Remuneration Consultants Group and comply with the voluntary code of conduct of that body which is designed to ensure objective and independent advice is given to remuneration committees. In addition to advising the Committee, PwC provided unrelated Internal Audit services to the Company. The Committee will continue to monitor such engagements in order to be satisfied that they do not affect PwC's independence as an adviser to the Committee.

PwC received fees of £74,500 for their advice during the year to 31 December 2020, determined on a time and materials basis.

Further to the approach to draw a line under the poor voting record on remuneration over the past few years, the Committee also engaged the services of a leading corporate governance adviser to provide further advice and market insights for which they received fees of £31,666 during the year to 31 December 2020.

**Engagement with shareholders and shareholder voting**

The Remuneration Committee is committed to ensuring open dialogue with shareholders in relation to remuneration. Following the 2019 AGM result and in advance of the AGM in May 2020, the Company conducted an in-depth shareholder engagement programme in order to better understand shareholders' views in order that these could be taken into account in shaping the revised Remuneration Policy as well as its implementation in 2020.

The Directors' Annual Report on Remuneration and Directors' Remuneration Policy were subject to a shareholder vote at the AGMs on 20 May 2020 and 15 May 2019 respectively, the results of which were as follows:

	For	Against	Withheld
Approval of Remuneration Report	72,260,453 (36.28%)	127,020,086 (63.72%)	24,681,386
Approval of Remuneration Policy	118,149,127 (59.05%)	81,937,009 (40.95%)	607,074

In implementing the Directors' Remuneration Policy during the financial year ending 31 December 2020, the Remuneration Committee sought to balance the parameters of a publicly listed company's remuneration policy with the need to retain and incentivise its leadership team. As a consequence of an extensive shareholder engagement programme, to hear and reflect the views of its shareholders, there have been major improvements to the way in which the Company approaches remuneration.

Following the 2020 AGM, the Remuneration Committee began a wide-ranging review of the remuneration policy for executive directors, to align more closely with typical market practice, improve reporting transparency and satisfy specific concerns raised by shareholders. In undertaking this review, the Committee has sought to draw a line under the poor voting record on remuneration over the past few years by making material changes to the overall level of pay. This has been a lengthy and difficult process, as we had to address some challenging issues. We have also strengthened our decision making processes to ensure these are balanced appropriately going forward. This report incorporates the key changes made by the Remuneration Committee following this consultation, and further consultation with Playtech's shareholders will continue in the run-up to the 2021 AGM. The Board and the Remuneration Committee are committed to keeping the Remuneration Policy under review and continuing their engagement and dialogue with the Company's shareholders and their advisory bodies on these and other matters and welcome their ongoing feedback.

**Engagement with the wider workforce**

With respect to employee engagement, the Board engages with the COO and Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce; including remuneration, talent pipeline 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 Head of Legal and Head of Compliance for discussion and consideration by the Risk Committee. The Board considers the current mechanisms appropriate for understanding and factoring in stakeholder concerns into plc level decision making. However, the Board will assess whether additional mechanisms can strengthen its understanding and engagement of stakeholder concerns in the future.

During 2020, the Board discussed, reviewed and engaged on a number of stakeholder issues. The following material stakeholder topics discussed by the Board in 2020 including:

- Executive Compensation and Pay.
- Environmental, social and governance matters.
- Developing the business in markets.
- Corporate governance.
- Diversity.
- Inclusion and gender pay gap; regulatory and compliance developments.
- Safer gambling.
- Data protection.
- Environment.
- Anti-money laundering and anti-bribery and corruption.
- Human rights and modern slavery.
- Responsible supply chain and procurement.
- Commercial developments with B2B licensees and third parties.

In 2020, the Board's engagement and understanding of stakeholder interests and perspectives was taken into account as part of the following decisions:

- New and Updated Policies covering: Compliance Procurement Policy, Human rights and modern slavery statement.
- Monitoring of safer gambling protocols and sustainability blueprint.
- Consideration of Directors' Remuneration Policy.
- Monitoring developments on the human resources function and strategy.

By order of the Board

**Ian Penrose**

Chairman of the Remuneration Committee

10 March 2021

## Directors' report

The Directors are pleased to present to shareholders their report and the audited financial statements for the year ended 31 December 2020.

The Directors' Report should be read in conjunction with the other sections of this Annual Report: the Strategic Report, Corporate Responsibility Report and the Remuneration Report, all of which are incorporated into this Directors' Report by reference.

The following also form part of this report:

- The reports on corporate governance set out on pages 83 to 125
- Information relating to financial instruments, as provided in the Notes to the financial statements
- Related party transactions as set out in Note 36 to the financial statements

### Annual Report and Accounts

The Directors are aware of their responsibilities in respect of the Annual Report. The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Statement of Directors' Responsibilities appears on page 125.

### Principal activities and business review

The Group is the gambling industry's leading technology company delivering business intelligence driven gambling software, services, content and platform technology across the industry's most popular product verticals, including, casino, live casino, sports betting, virtual sports, bingo and poker. It is the pioneer of omni-channel gambling technology through its integrated platform technology. As of June 2018, through the acquisition of Snaitech, the Group directly owns and operates a leading sports betting and gaming brand in online and retail in Italy.

The Group's Financials division, named Finalto (formerly TradeTech Group), is a specialist in next-generation B2C and B2B multi-channel trading software and services. In August 2020, the Group, which previously announced it is continuing to evaluate all options for the Financials Division, confirmed that it was in early discussions 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 before the year end. 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\$200m. The Board is confident that the sale will complete before the end of 2021. The assets and liabilities of the division were therefore classified as held for sale at 31 December 2020. The financial results of this division in both years being presented were included in discontinued operations.

Playtech plc is a public listed company, with a premium listing on the Main Market of the London Stock Exchange. It is incorporated and domiciled in the Isle of Man.

The information that fulfils the requirement for a management report as required by Rule 4.1.5 of the Disclosure Guidance and Transparency Rules applicable to the Group can be found in the Strategic Report on pages 2 to 82 which also includes an analysis, the development, performance and position of the Group's business. A statement of the key risks and uncertainties facing the business of the Group at the end of the year is found on pages 78 to 82 of this Annual Report and details of the policies and the use of financial instruments is set out in Note 5 to the financial statements.

### Directors and Directors' indemnity

The Directors of the Company who held office during 2020 and to date are:

	Appointed	Resigned
Alan Jackson	28.03.2006	20.05.2020
Mor Weizer	02.05.2007	—
Andrew Smith	10.01.2017	—
John Jackson	01.01.2016	—
Claire Milne	08.07.2016	—
Ian Penrose	01.09.2018	—
Anna Massion	02.04.2019	—
John Krumins	02.04.2019	—

All of the current Directors will stand for re-election at the forthcoming Annual General Meeting to be held on 26 May 2021.

Save as set out in Note 36 to the financial statements, no Director had a material interest in any significant contract, other than a service contract or contract for services, with the Company or any of its operating companies at any time during the year.

The Company also purchased and maintained throughout 2020 Directors' and Officers' Liability Insurance in respect of itself and its Directors.

### Corporate governance statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on pages 83 to 125 and is incorporated into this report by reference.

### Disclaimer

The purpose of these financial statements (including this report) is to provide information to the members of the Company. The financial statements have been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The financial statements contain certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of these financial statements and the Company undertakes no obligation to update these forward-looking statements. Nothing in this document should be construed as a profit forecast.

### Results and dividend

The results of the Group for the year ended 31 December 2020 are set out on pages 126 to 207. Due to the ongoing COVID-19 pandemic, the Company is not recommending the payment of a final dividend for the year ended 31 December 2020. This situation will be reviewed throughout 2021.

### Going concern, viability, responsibilities and disclosure

The current activities of the Group and those factors likely to affect its future development, together with a description of its financial position, are described in the Strategic Report. Critical accounting estimates affecting the carrying values of assets and liabilities of the Group are discussed in Note 6 to the financial statements.

The principal and emerging risks are set out in detail in the Strategic Report on pages 78 to 82 together with a description of the ongoing mitigating actions being taken across the Group. The Board carries out a robust assessment of these risks on an annual basis, with regular updates being presented at Board and Board committee meetings. These meetings receive updates from Finance, Legal, Tax, Operations, Internal Audit, Regulatory & Compliance, Data Protection, Human Resources, IT Security and Group Secretariat. The Group maintains a Risk Register and a COVID-19 Risk Register which are monitored and reviewed on a continuous basis.

During 2020, the Board carried out an assessment of these principal risks facing the Group, including those factors that would threaten its future performance, solvency or liquidity. This assessment considered the current situation and future projections around the COVID-19 pandemic. This ongoing assessment forms part of the Group's strategic plan.

After making appropriate enquiries and having regard to the Group's cash balances and normal business planning and control procedures, to include a detailed analysis of various scenarios associated with the COVID-19 pandemic, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and meet their liabilities for a period of at least 12 months from the date of approval of the financial statements. In respect of the viability assessment, the Directors reviewed a three-year forecast considering the going concern status for the period to December 2023 in accordance with the Group's three-year plan, which is considered to be an appropriate period over which the Group can predict its revenue, cost base and cash flows with a higher degree of certainty, as opposed to more arbitrary forms of forecasts based solely on percentage increases. Within the three-year assessment period, the revolving credit facility expires (albeit with a one-year extension at the option of the company) as well as the 2023 bond. The company is in early stages in respect of the refinancing and sees no basis on which this will not be achieved. Notwithstanding projected profitability over the forecast period, the Directors have no reason to believe that the Group's viability will be threatened over a period longer than that covered by the positive confirmation of long-term viability above. Given the above, the Directors continue to adopt the going concern basis in preparing the accounts.

### Significant shareholdings

As of 28 February 2021, the Company had been advised of the following significant shareholders each holding more than 3% of the Company's issued share capital, based on 306,356,693 ordinary shares in issue (excluding treasury shares of 2,937,550):

Shareholder	%	No. of ordinary shares
Setanta Asset Management	8.57	26,268,941
T Rowe Price Global Investments	6.52	19,972,604
Boussard & Gavaudan Asset Management	5.78	17,700,494
UBS Wealth Management	4.85	14,858,062
BlackRock	4.49	13,752,002
Vanguard Group	4.18	12,797,956
Dimensional Fund Advisors	3.56	10,900,198
Aberdeen Standard Investments	3.25	9,946,515

The persons set out in the table above have notified the Company pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules of their interests in the ordinary share capital of the Company.

The Company has not been notified of any changes to the above shareholders between 28 February 2021 and the date of this report.

### Capital structure

As at 28 February 2021, the Company had 309,294,243 issued shares of no-par value, of which 2,937,550 are held as treasury shares. The Company has one class of ordinary share and each share carries the right to one vote at general meetings of the Company and to participate in any dividends declared in accordance with the articles of association. No person has any special rights of control over the Company's share capital.

The authorities under the Company's articles of association granted at the last Annual General Meeting for the Directors to issue new shares for cash and purchase its own shares remain valid until the forthcoming Annual General Meeting when it is intended that resolutions will be put forward to shareholders to renew the authority for the Company to issue shares for cash and purchase its own shares.

### Articles of association

The articles of association contain provisions similar to those which are contained within the articles of association of other companies in the gambling industry, namely to permit the Company to (i) restrict the voting or distribution rights attaching to ordinary shares or (ii) compel the sale of ordinary shares if a "Shareholder Regulatory Event" (as defined in the articles of association) occurs. A Shareholder Regulatory Event would occur if a holder of legal and/or beneficial interests in ordinary shares does not satisfactorily comply with a regulator's request(s) and/or the Company's request(s) in response to

regulatory action and/or the regulator considers that such shareholder may not be suitable (a determination which in all practical effects is at the sole discretion of such regulator), to be the holder of legal and/or beneficial interests in ordinary shares. Accordingly, to the extent a relevant threshold of ownership is passed, or to the extent any shareholder may be found by any such regulator to be able to exercise to significant and/or relevant financial influence over the Company and is indicated by a regulator to be unsuitable, a holder of an interest in ordinary shares may be subject to such restrictions or compelled to sell its ordinary shares (or have such ordinary shares sold on its behalf).

### Voting rights

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the articles of association, on a show of hands every member who is present in person or by proxy and entitled to vote has one vote and on a poll every member who is present in person or by proxy and entitled to vote has one vote for every share of which he is the holder.



### Restrictions on voting

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share have been paid to the Company. In addition, any member who having been served with a notice by the Company requiring such member to disclose to the Board in writing within such reasonable period as may be specified in such notice, details of any past or present beneficial interest of any third party in the shares or any other interest of any kind whatsoever which a third party may have in the shares and the identity of the third party having or having had any such interest, fails to do so may be disenfranchised by service of a notice by the Board.

### Transfer

Subject to the articles of association, any member may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The Board may, in its absolute discretion, decline to register any instrument of transfer of a certificated share which is not a fully paid share or on which the Company has a lien. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer is: (i) delivered for registration to the registered agent, or at such other place as the Board may decide, for registration; and (ii) accompanied by the certificate for the shares to be transferred except in the case of a transfer where a certificate has not been required to be issued by the certificate for the shares to which it relates and/or such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transferor, if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that where any such shares are admitted to AIM, the Official List maintained by the UK Listing Authority or another recognised investment exchange.

### Amendment of the Company's articles of association

Any amendments to the Company's articles of association may be made in accordance with the provisions of the Isle of Man Companies Act 2006 by way of special resolution.

### Appointment and removal of Directors

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two and there shall be no maximum number of Directors.

### Powers of Directors

Subject to the provisions of the Isle of Man Companies Act 2006, the memorandum and articles of association of the Company and to any directions given by special resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company.

### Appointment of Directors

Subject to the articles of association, the Company may by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any Directors are to retire. Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the articles of association, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the articles of association. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

### Retirement of Directors

At each Annual General Meeting one-third of the Directors (excluding any Director who has been appointed by the Board since the previous Annual General Meeting) or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third shall retire from office (but so that if there are fewer than three Directors who are subject to retirement by rotation under this Article one shall retire).

### Removal of Directors

The Company may by ordinary resolution passed at a meeting called for such purpose or by written resolution consented to by members holding at least 75% of the voting rights in relation thereto, remove any Director before the expiration of his period of office notwithstanding anything in the articles of association or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to the articles) by ordinary resolution, appoint another person who is willing to act as a Director in his place. A Director may also be removed from office by the service on him of a notice to that effect signed by all the other Directors.

### Significant agreements

There are no agreements or arrangements to which the Company is a party that are affected by a change in control of the Company following a takeover bid, and which are considered individually significant in terms of their impact on the business of the Group as a whole.

The rules of certain of the Company's incentive plans include provisions which apply in the event of a takeover or reconstruction.

### Related party transactions

Details of all related party transactions are set out in Note 36 to the financial statements. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected persons are carried out on an arm's length basis and are disclosed in the financial statements.

### Purchase of own shares

In order to maximise the efficiency of shareholder returns, the Board continued with its policy to reallocate part of its payout ratio into share repurchases. Accordingly, in February 2020, the Company entered into irrevocable, non-discretionary arrangement with Goodbody Stockbrokers UC to repurchase shares on its behalf worth up to €40 million. The share repurchase programme commenced on 28 February 2020. Due to the COVID-19 pandemic and concerns around cash preservation and liquidity, a decision was taken to end the share repurchase programme on 18 March 2020. A total of 4,463,339 ordinary shares were repurchased under the programme and these shares were retained in treasury. Following completion of the programme, the Company held 9,965,889 ordinary shares in treasury and the Company's total issued share capital stood at 309,294,243 ordinary shares.

In February 2021, the Company transferred 7,028,339 ordinary shares held in treasury to the Company's Employee Benefit Trust. The purpose of the transfer was to fund certain scheduled awards, which are due to vest under certain of the Company's employee share schemes. Following this transfer, the Company holds 2,937,550 ordinary shares in treasury.

During the year ended 31 December 2020, a total of 4,463,339 ordinary shares were repurchased and these represent 1.45% of the current issued share capital of the Company, being 306,356,693 ordinary shares (excluding 2,937,550 treasury shares).

### Political and charitable donations

During the year ended 31 December 2020, the Group made charitable donations of €6.3m (2019: €822,000), primarily to charities that fund research into, and for the treatment of, problem gambling but also to a variety of charities operating in countries in which the Company's subsidiaries are based.

The Group made no political donations during this period (2019: €Nil).

### Sustainability and employees

Information with respect to the Group's impact on the environment and other matters concerning sustainability can be found on pages 46 to 69.

Employee engagement continues to be a top priority across the Group and, in accordance with principle D of the Code, we are looking at ways to increase engagement with our workforce and further update will be included in next year's Annual Report. Various initiatives involving our employees are set out in the Strategic Report on pages 2 to 82 and in the statement dealing with our relationship with stakeholders on pages 94 and 95.

Applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitude and ability of the applicant concerned. The Group places considerable value on the involvement of its employees and has continued to keep them informed of matters affecting them as employees and on the performance of the Group and has run information days for employees in different locations across the Group during the year. Details of our engagement with stakeholders are set out on pages 94 and 95. Some employees are stakeholders in the Company through participation in share option plans. Information provided by the Company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and the Company's website, [www.playtech.com](http://www.playtech.com).

### Branches

The Company's subsidiary Playtech Software Limited has established branches in Argentina and Gibraltar. PT Turnkey Services Limited has established a branch in Gibraltar. Playtech Retail Limited has established a branch in the Philippines. Playtech Software Limited (UK) has established

a branch in Gibraltar. Intelligent Gaming Systems Limited has established a branch in Argentina. Safecap Cyprus has established branches in Gibraltar and Bulgaria. Quickspin AB has established a branch in Malta. Consolidated Financial Holdings A/S has established a branch in the UK. CFH Clearing Limited has established a branch in Denmark. V.B. Video (Cyprus) Limited has established a branch in Cyprus. VF 2011 Limited has established a branch in Gibraltar and S-Tech Limited has established a branch in the Philippines.

### Regulatory disclosures

The information in the following tables is provided in compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules (DTRs).

The DTRs also require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on pages 84 to 125 and is incorporated into this Directors' Report by reference.

### Disclosure table pursuant to Listing Rule 9.8.4C

Listing Rule	Information included	Disclosure
9.8.4(1)	Interest capitalised by the Group	None
9.8.4(2)	Unaudited financial information	None
9.8.4(4)	Long-term incentive scheme only involving a Director	None
9.8.4(5)	Directors' waivers of emoluments	None
9.8.4(6)	Directors' waivers of future emoluments	None
9.8.4(7)	Non pro-rata allotments for cash	None
9.8.4(8)	Non pro-rata allotments for cash by major subsidiaries	None
9.8.4(9)	Listed company is a subsidiary of another	N/A
9.8.4(10)	Contracts of significance	None
9.8.4(11)	Contracts of significance involving a controlling shareholder	None
9.8.4(12)	Waivers of dividends	None
9.8.4(12)	Waivers of future dividends	None
9.8.4(14)	Agreement with a controlling shareholder	None



### Additional information provided pursuant to Listing Rule 9.8.6

Listing Rule	Information included	Disclosure
9.8.6(1)	Interests of Directors (and their connected persons) in the shares of the Company at the year end and not more than one month prior to the date of the notice of AGM	See page 116
9.8.6(2)	Interests in Playtech shares disclosed under DTR5 at the year end and not more than one month prior to the date of the notice of AGM	See page 121
9.8.6(3)	The going concern statement	See pages 120 and 121
9.8.6(4)(a)	Amount of the authority to purchase own shares available at the year end	25,469,496 ordinary shares which authority will expire at the AGM and is proposed to be renewed
9.8.6(4)(b)	Off market purchases of own shares during the year	None
9.8.6(4)(c)	Off market purchases of own shares after the year end	None
9.8.6(4)(d)	Non-pro-rata sales of treasury shares during the year	None
9.8.6(5)	Compliance with the principles of the UK Corporate Governance Code	See the statement on page 89
9.8.6(6)	Details of non-compliance with the UK Corporate Governance Code	See the statement on page 89
9.8.6(7)	Re Directors proposed for re-election: the unexpired term of their service contract and a statement about Directors without a service contract	The CEO and CFO serve under service contracts described on page 93 The Chairman and the Non-executive Directors serve under letters of appointment described on page 94

### Additional information under Rule 4.1 of the Disclosure and Transparency Rules

DTR	Requirement	How fulfilled
4.1.3	Publication of Annual Financial Report within four months of the end of the financial year	This document is dated 10 March 2021, being a date less than four months after the year end
4.1.5	Content of Annual Financial Report	The audited financial statements are set out on pages 126 to 207 The information that fulfils the requirement for a management report can be found in the Strategic Report on pages 2 to 82 The Statement of Directors' Responsibilities can be found on page 125
4.1.6	Audited financial statements	The audited financial statements set out on pages 126 to 207 comprise consolidated accounts prepared in accordance with IFRS and the accounts of the Company
4.1.7	Auditing of financial statements	The financial statements have been audited by BDO LLP
4.1.8 & 4.1.9	Content of management report	The Strategic Report on pages 2 to 82 includes an analysis, using financial key performance indicators, of the development, performance and position of the Company's business, a review of the Company's business and on pages 78 to 82 a description of the principal risks and uncertainties
4.1.11(1)	Important events since the year end	The Strategic Report on pages 2 to 82 gives details of important events since the year end. See Note 41 to the audited financial statements on page 193
4.1.11(2)	Future development	The Strategic Report on pages 2 to 82 gives an indication of the likely future development of the Company
4.1.11(3)	Research & development	The Strategic Report on pages 2 to 82 gives an indication of ongoing research and development activities
4.1.11(4)	Purchase of own shares	See the statement on page 122
4.1.11(5)	Branch offices	See the statement on page 123
4.1.11(6)	Use of financial instruments	See Note 5 to the audited financial statements on pages 143 to 153
4.1.12 & 13	Responsibility statement	See the statement of the Directors on page 125

### Statement of Directors' responsibilities

The Directors have elected to prepare the Annual Report and the financial statements for the Company and the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Directors are responsible under applicable law and regulation for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

International Accounting Standard 1 (revised) requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. A fair presentation also requires the Directors to:

- Select suitable accounting policies and then apply them consistently
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Make judgements and accounting estimates that are reasonable and prudent
- State whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and

enable them to ensure that the financial statements comply with Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition, the Directors at the date of this report consider that the financial statements taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

### Website publication

Financial statements are published on the Company's website. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Directors' responsibilities pursuant to DTR4

Each of the Directors, whose names and functions are listed within the Governance section on pages 86 and 87, confirm that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that they face

### Annual General Meeting

The Annual General Meeting in 2020 was held in May in Castletown, Isle of Man. Due to COVID-19 restrictions around travel and public gatherings, most of the directors were unable to be present and the meeting was held as a closed meeting. The Annual General Meeting provides an opportunity for the Directors to communicate personally the performance and future strategy to non-institutional shareholders and for those shareholders to meet with and question the Board. All results of proxy votes are read out, made available for review at the meeting, recorded in the minutes of the meeting and communicated to the market and via the Group website.

The Annual General Meeting for 2021 is scheduled for 26 May 2021. The notice convening the Annual General Meeting for this year, and an explanation of the items of non-routine business, are set out in the circular that accompanies the Annual Report.

### Auditors

So far as each Director is aware, at the date of the approval of the financial statements there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

A resolution to reappoint BDO LLP as the Company's auditors will be submitted to the shareholders at this year's AGM.

Approved by the Board and signed on behalf of the Board

**Andrew Smith**  
Chief Financial Officer  
10 March 2021