

Significant strategic progress

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



Mor Weizer
Chief Executive Officer

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

Overview

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

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

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

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

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

Response to COVID-19

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

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

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

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

Core B2B Gambling

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

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

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

US

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

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

Casino

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

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

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

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

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

Core B2B Gambling continued Live Casino

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

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

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

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

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

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

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

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

Sports

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

Bingo and Poker

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

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

Core B2C Gambling Snaitech

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

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

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

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

B2C (ex-Snaitech)

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

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

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

Asia

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

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

Finalto (previously TradeTech Group)

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

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



Sustainability Strategy 2020–2025

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

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

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

Group simplification

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

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

Safer gambling and sustainability

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

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

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

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

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

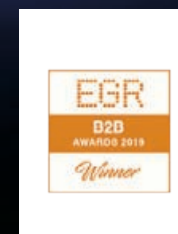
international leader in problem gambling prevention, awareness, and research. Playtech will use its expertise and experience to help the RGC examine the links between mental health, digital wellbeing and problem gambling using a combination of thought leadership, research, and evaluation.

Mor Weizer
Chief Executive Officer
10 March 2021

Our awards

An outstanding year of recognition

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



Multi-channel and international recognition at the EGR B2B Awards

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

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



Playtech's record-breaking HOT 50 run continues

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



Best New Game Award from WhichBingo

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



Financial and Compliance award success

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



Recognition for female leaders at Playtech

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



Recognition for female leaders at Playtech

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