

Financial highlights

Strong financial performance in 2022

Revenue¹
€'m

2022	1,602
2021	1,205
2020	1,079
2019	1,441
2018	1,225

Revenue from regulated markets²
%

2022	89
2021	85
2020	84
2019	87
2018	78

Adjusted EBITDA¹
€'m

2022	406
2021	317
2020	254
2019	375
2018	345

Diluted adjusted EPS¹
c

2022	51.5
2021	40.9
2020	8.8
2019	44.6
2018	73.9

Net debt to EBITDA⁴
x

2022	0.6
2021	1.9
2020	1.7
2019	1.6
2018	1.5

Adjusted operating cash flow³
€'m

2022	397
2021	318
2020	276
2019	303
2018	342

Group revenue growth¹

33%

Group adjusted EBITDA¹

€406m

“Encouraging progress across both the B2B and B2C divisions in 2022, culminating in good EBITDA growth and a strong balance sheet.”

B2C adjusted EBITDA growth¹

38%

Net debt to EBITDA⁴

0.6x

Chris McGinnis
Chief Financial Officer



¹ From continuing operations.

² B2B and B2C only.

³ Continuing operations but includes Finalto in FY20. Adjusted for Snaitech's PREU tax payment of €90 million relating to 2020, which was paid in 2021 due to circumstances around COVID-19. Definition has changed from FY21 to adjust for changes in jackpot balances, client deposits and client equity, professional expenses on acquisitions and ADM security deposit.

⁴ Net debt/Adjusted EBITDA is calculated as gross debt less Adjusted gross cash including cash held for sale and excluding cash held on behalf of clients, progressive jackpots and security deposits divided by Adjusted EBITDA from continuing and discontinued operations.

Operational highlights

Significant progress across the Company

B2B – executing on our strategy

Extending lead in LatAm

2022 saw a strong performance in the LatAm region, illustrating the value of the structured agreement model. Caliente in Mexico performed strongly once again. Wplay in Colombia also performed well, and is poised to continue its growth. Galerabet positions us well in the potentially lucrative Brazilian market.

Key deals signed in the US

Excellent progress was made in the US, with several new deals signed in the year. Golden Nugget, Rush Street and WynnBET have signed multi-state deals, while Resorts and 888 have signed multi-product agreements in New Jersey. Playtech expanded its footprint with Parx, launching its IMS platform in Pennsylvania.

Live performing well

Live delivered a strong performance, with Playtech taking full advantage of the structural growth drivers in this product vertical. Playtech opened a new Live facility in Peru in 2022, and is now well positioned to serve its existing clients in Latin America.

B2C – outperforming and transformed

Snaitech continues to lead in Italy

Snai maintained its number one market share position¹ across Italian sports betting brands in 2022, demonstrating its consistent operational and brand strength, whilst also being a fast growing player in Italy in the online sector when measured by Gross Gaming Revenue (GGR).

Snaitech transformed post pandemic

Snaitech is fundamentally a superior business post pandemic. With the online segment making up a greater proportion of revenues, Snaitech is a higher margin and less capital intensive business.

→ Read more about Snaitech on **page 15**

A successful 2022 football World Cup

Wagers during the football World Cup in Qatar were up 27% compared to Russia in 2018 despite Italy's absence from the tournament, demonstrating the strength of Snaitech's brand and technology offering.

Building a better business

Ukraine – supporting the Playtech family

With over 700 employees in Ukraine, the war had a big impact on the Playtech family, and the Company responded with support for our employees and their families as well as contributing to humanitarian relief efforts.

→ Read more about our Ukraine response on **pages 8 and 9**

Reducing our environmental footprint

Playtech has set a target to reduce operational emissions by 40% by 2025. We have made progress on meeting this target, with 56% of Playtech's total energy consumption derived from renewable energy sources, up from 11% in 2021.

→ Read more on **pages 64 to 73**

Leading research into responsible gambling

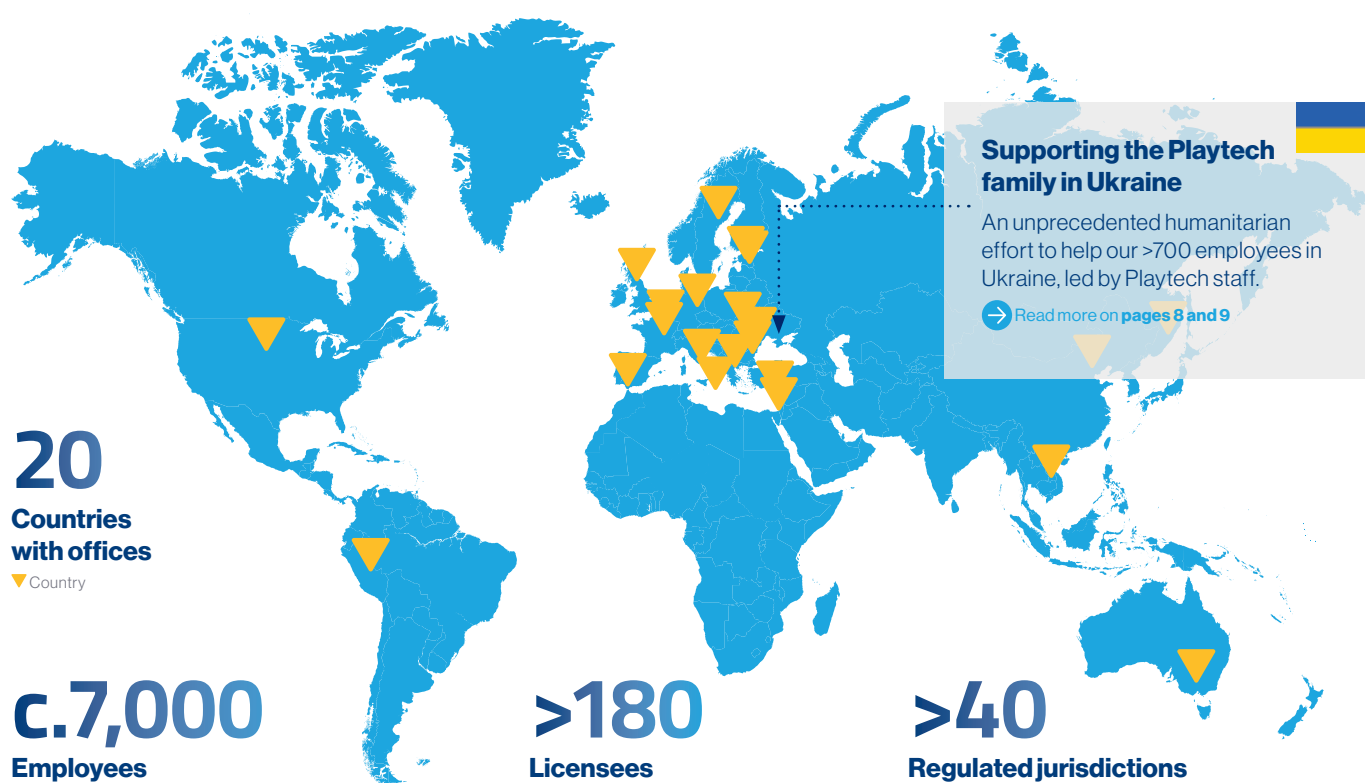
Playtech is collaborating with Holland Casino, the University of Amsterdam and Erasmus University to initiate a new four-year research project to examine how best to tailor tools to customers' individual needs, risk levels and behaviour patterns.

→ Read more on **page 53**

¹ Retail and online combined, measured by GGR.

Company overview

The leading platform, content and services gambling technology company



A global company

Playtech was established at the inception of the online gambling industry and possesses unparalleled knowledge and expertise in the sector, with over 20 years of experience and investment in technology. Playtech's global scale and distribution capabilities, with over 180 licensees operating in over 40 regulated markets and with offices in 20 countries, mean we are ideally positioned to capture opportunities in newly regulating markets and high-growth markets with low online penetration.

Core competencies

Scale and distribution

Playtech's scale and distribution network across more than 180 licensees in over 40 regulated jurisdictions in retail and online allows it to power its leading suite of platform, content and services.

Data

Playtech's scale enhances its data-driven analytics, allowing it to develop intelligent platform features to improve customer experience.

Sustainable Success

Growing our business in a sustainable and responsible way, and in line with our values, is a key factor in delivering long-term value for all of our stakeholders.

→ Read more on [page 46 to 77](#)

Innovation

We invest heavily to deliver innovative ways for end customers to experience content and services, such as pioneering omni-channel gaming.

→ Read more on [page 34 to 42](#)

Our operations

B2B

Providing technology to gambling operators globally through a revenue share model and, in certain agreements, taking a higher share in exchange for additional services.

→ Read more on **page 30**

€632m

Revenue

€160m

EBITDA

25%

EBITDA margin



An increasingly more sustainable division



● Regulated B2B revenues ● Unregulated B2B revenues

44%

% of regulated B2B revenues (2017)

73%

% of regulated B2B revenues (2022)

B2C

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

→ Read more on **page 31**

€983m

Revenue

€245m

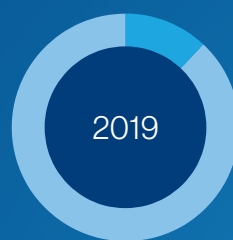
EBITDA

25%

EBITDA margin



A fundamentally higher quality division post pandemic



● Snaitech % of online revenues ● Snaitech % of retail revenues

18%

B2C EBITDA margin (2019)

25%

B2C EBITDA margin (2022)

Chairman's statement

Strategy execution underpinned by strong corporate governance

I am delighted to report another highly successful year for Playtech, albeit one in which we had to contend with a challenging economic backdrop and significant disruption from the war in Ukraine.

Despite these circumstances, we delivered strong growth and made significant progress against our strategy. This underlines both the resilience of our business model as well as the ability, commitment and dedication shown across all levels of the business.

I would like to thank my Board colleagues, the Executive Management and the wider team, together with our advisers, who have worked tirelessly to deliver these excellent financial, operational and strategic results against a challenging backdrop. Their efforts have been the foundation of our success this year.



Brian Mattingley
Chairman

Strong progress from all corners of the business

Playtech made significant progress throughout 2022 across both the B2B and B2C businesses, further diversifying its portfolio and positioning the Group to capitalise on the exciting opportunities ahead:

- In the US, Playtech expanded its footprint with Parx, launching its IMS platform in Pennsylvania. In early 2023, Playtech also signed a landmark agreement with Hard Rock Digital that accelerates our US strategy and provides significant growth opportunities globally.
- Good progress was made in Canada, with Playtech signing an agreement with NorthStar to launch a broad suite of products in this newly regulated market, along with taking an equity investment in NorthStar in early 2023, incorporating elements of the strategic agreement model employed successfully in other markets.
- In Latin America, Playtech's presence continues to go from strength to strength, with existing agreements in Mexico and Colombia seeing excellent growth in the period. Playtech is ideally positioned to benefit from growth in the soon to be regulated Brazil market. Playtech opened a new Live Casino facility in Peru as it continues to expand its presence across the region.
- Snaitech has continued to exceed expectations with the online segment proving resilient despite the reopening of retail sites, while it also maintained its number one position by brand across retail and online sports betting in Italy. Fabio Schiavolin, CEO of Snaitech, discussed the opportunity for the business at an investor event hosted in September 2022.

More details can be found on pages 19 and 22 for B2B and B2C businesses, respectively.

Corporate activity

The impressive performance delivered in 2022 is all the more notable given the intensity of the corporate activity that Playtech has been involved in. Taken together, this activity shone a spotlight on the quality of Playtech's strategy, operations, technology and people, whose commitment and expertise continue to drive Playtech from strength to strength.

Offer and further approach for Playtech

In October 2021, the Board recommended an all-cash offer from Aristocrat at a 58% premium to the prevailing share price. Ultimately, at the Court and General Meetings held on 2 February 2022, Aristocrat's proposal did not achieve the requisite 75% level of shareholder approval needed for its offer to progress.

Shortly after Aristocrat's proposal lapsed, Playtech received an approach by an investor group formed and advised by TTB Partners Limited. On 14 July 2022, TTB Partners advised that it did not intend to make an offer for the Company due to challenging underlying market conditions.

Finalto sale completed

We were delighted to complete the sale of Finalto in July 2022. This represented a significant step in our stated strategy to simplify the Group and focus our efforts on the high-growth B2B and B2C gambling markets.

Board changes

As our Company evolves, so too does its Board. After five years as Chief Financial Officer (CFO), Andrew Smith stepped down from the Board in November 2022. Andrew contributed significantly to Playtech's strategy and helped guide the business through a period of substantial transformation. We wish him all the best in his future endeavours.

It's a testament to the succession planning work of the Nominations Committee and the Board that we've had such a seamless transition with Chris McGinnis becoming our new CFO. Chris has done a superb job as Deputy CFO and Director of Investor Relations, and I believe that his deep knowledge of Playtech will be invaluable in the years ahead.

Since the start of the new year, we have also welcomed Samy Reeb to the Board as a Non-executive Director. We are already reaping the benefits of his broad skillset and extensive experience of working with global businesses.

One of my highest priorities when joining Playtech was to address the balance of the Board. While we have made good progress towards improving the Board's gender diversity, there is still work to be done and we are actively focused on taking further steps towards meeting our ambition of having a more diverse Board.

Sustainability

Following an intense period of corporate activity last year, we enter 2023 with a renewed focus on issues around the environment, sustainability, and our wider contribution to communities and society. Our Sustainable Success strategy is central to this and sets out an ambitious plan for how we intend to bring the principles of sustainability and responsible business into everything we do.

Despite the competing priorities of a busy year, our newly formed Sustainability and Public Policy Board Committee met regularly to review, monitor and advise on Playtech's sustainability, responsible business and public policy matters. The Committee also ensures the continued effectiveness of Playtech's ESG strategy, ensuring that we remain truly forward looking and progressive in our plans.

Ukraine/people

The backdrop of the war in Ukraine has put a significant strain on our people and on the communities in which we operate. While we took quick and decisive action to minimise disruption to our business, we are mindful that our colleagues and their families who remain in Ukraine continue to face very real and dangerous challenges every day as the war continues. I'm proud of the response from our people who have maintained contact with those colleagues in Ukraine, assisted with relocation efforts and provided emergency supplies. We remain committed to doing everything we can to ensure their safety during these difficult times.

Our people are our greatest asset and I want to thank everyone for their hard work in helping us to navigate the challenges of the past year and deliver such a strong set of results.

Looking forward

Whilst we anticipate many of the challenges faced last year to continue into 2023, I am confident that Playtech's clear and proven strategy across both the B2B and B2C divisions positions us well to build on our progress and deliver another outstanding performance in the year ahead.

Brian Mattingley

Chairman

23 March 2023



Remembering Alan Jackson

It is with great sadness that we lost a dear friend and a member of the Playtech family – Alan Jackson. Alan was appointed to Playtech's Board as a Non-executive Director during Playtech's IPO in 2006 and became Chairman in October 2013, serving a total of 14 years on the Playtech Board. Alan built an extraordinary and distinguished career in business and Playtech was fortunate to have benefited from his leadership, dedication, support, kindness and enthusiasm. We are grateful for Alan's contributions, which were instrumental in making Playtech the company it is today. We will all miss Alan dearly – may he rest in peace.



"I am delighted to report another highly successful year for Playtech where we delivered strong growth and made significant progress against our strategy despite a challenging economic and geopolitical backdrop."

United with Ukraine

Supporting the Playtech family in Ukraine

With over 700 team members in Ukraine – over 10% of our workforce – the war in Ukraine continues to have a major impact on Playtech. However, an unprecedented situation also drove a unique response, a response of which everyone at Playtech can be proud, and which put the safety and wellbeing of our colleagues ahead of all else.

On 24 February, teams from Playtech's Kyiv office were planning an annual winter trip for 250 colleagues. Hours later, a completely new plan was underway – one which involved establishing a crisis team, based in our office in Sofia, Bulgaria, and a process to ensure the safety of our staff.

By the evening of 25 February, more than 150 of our colleagues had volunteered to join what would become a c.300-strong team. Immediate action included the establishment of a 24/7 hotline chat group to maintain contact with every team member based in Ukraine. By 28 February, Playtech had delivered essential supplies including food, water and eight tonnes of medical equipment. The most ambitious part of the plan involved Playtech organising and financing large-scale bus transportation to help approximately 250 colleagues and family members leave Ukraine, the majority of whom were relocated to Sofia.

As the war continues, we're monitoring current developments and supporting our employees, ensuring their safety where possible, providing additional financial support and offering a range of equipment such as new laptops with long life batteries and access to satellite phones, to support them during the current and potential future energy blackouts.

"We express our gratitude for your significant contribution and assistance in collecting donations and organising medical humanitarian assistance to Ukraine."

Alyona Novgorodskay
VP Business Development at the
Embassy of Ukraine in the State of Israel

Scale of the undertaking

>700

Employees in Ukraine

c.300

Employees volunteered to contact their colleagues to ensure their safety

>250

Playtech employees and their families relocated

An incredible achievement

>€350k

Donations to support the humanitarian effort in Ukraine

>8 tonnes

Life-saving medical equipment delivered

8

Charities donated to facilitating humanitarian support

A monumental effort

Built a brand new organisational structure to deliver:

- medical equipment and mental health support;
- 24/7 hotline providing employees with access to our dedicated control centre;
- transportation within and outside Ukraine;
- alternative payment methods while parts of the banking system were shut down; and
- food, water and basic supplies within and outside Ukraine.

Behind the numbers and logistics, the story of Playtech's response to the Ukrainian war is ultimately a human one. Every one of the 714 employees based in Kyiv has been affected in their own way and has faced individual challenges.

In March, one of our colleagues contacted us in dire need of help for her family who, displaced by the invasion, were living in a hotel in Poland. With no access to food or money, they ate only thanks to the hotel breakfast for several days. Our team acted quickly to organise a money transfer to the hotel, paying for several months' worth of food and accommodation in advance. Everyone in the crisis team was proud that our colleague felt comfortable in turning to us for help at this most difficult time. As a result, her 85-year-old grandfather (pictured) was able to enjoy a hot dinner for the first time in days.



"The strength and character shown by everyone in Ukraine was truly humbling and inspiring. We were fortunate enough to provide essential supplies to those in need, and our aim remains to continue to support our people and assist them in confronting the challenges they are facing in whatever way we can."

Mor Weizer
CEO of Playtech

Our investment case

Structural growth drivers with margin expansion

With an increasingly diversified global offering, Playtech is primed to accelerate organic sales growth across both the B2B and B2C divisions.

Global regulated gambling markets, led by the Americas and Europe, are expected to grow materially. Playtech is well positioned to participate given its broad, high-quality product offering, while structured agreements and SaaS allow Playtech to serve almost any operator across the globe. In our B2B business, high operating leverage within the attractive Live and SaaS segments should provide a further tailwind to margins.

Snaitech, our B2C business in Italy, has become a fundamentally higher quality business post pandemic due to the structural shift towards the underpenetrated, higher margin online business and this is expected to continue to deliver strong growth.

Playtech has the potential to deliver a powerful combination of top-line growth and margin expansion, which is expected to drive earnings momentum and high cash flow generation for the Group. As a result, further investments can be made to position ourselves advantageously in other newly regulating markets as well as delivering shareholder returns.

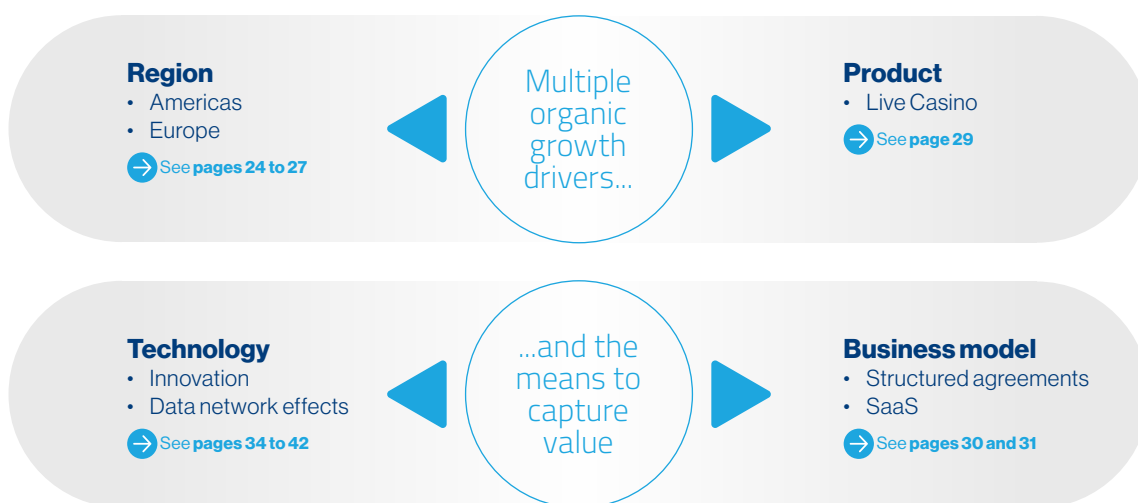
1

Attractive structural growth drivers in B2B Gambling

The gambling market is in the midst of a super-cycle (see page 24), driven by the expansion of regulated and regulating markets, with the Americas and Europe leading the way.

At the same time, rapidly shifting consumer and technology trends have grown the appeal of the Live segment.

Playtech is well placed to capture this considerable opportunity. Through its investments in innovation, Playtech possesses a strong technology offering and its sheer scale means it has access to vast amounts of data, allowing it to generate data network effects (see page 28), while the variety of its business model offering from structured agreements to SaaS allows it to serve almost any operator.



2

Underpenetrated online segment set to drive B2C growth

Underpenetrated Italian online market

Italy is one of the top two gambling markets in Europe, along with the UK. Unlike the UK, the online market is still underpenetrated at 26% versus 58% in the UK and thus we see scope for the addressable market to grow in Italy. With average revenue per online customer acquired from retail sites more than three times higher than those acquired directly through online channels. Snaitech's strong brand, retail presence and cross-selling approach means it is ideally positioned to benefit from this growth opportunity.

26%

Italy online penetration¹

58%

UK online penetration¹



¹ Source: H2GC (includes betting and gaming and excludes lotteries).

Further upside from European expansion

Outside of Italy, there is the potential to acquire retail-focused assets in neighbouring European countries with low online penetration at attractive multiples, with a view to growing the online business given the track record of existing Snaitech management.

3

Potential for margin expansion is significant

High operating leverage in Live and SaaS...

Within the Live Casino business, Playtech has already made significant investments in studio infrastructure. Within SaaS, Playtech has also invested heavily in data centres to be able to serve its customer base, while it has already signed up over 350 customers with scope to increase wallet share. Investment to date lays the groundwork for higher operating leverage going forward.



...coupled with the shift to the B2C online channel...

The Snaitech online business has a significantly higher margin than retail. As Snaitech looks to continue to migrate retail customers to online in addition to acquiring native online customers, we should continue to see the share of the online segment increase.

...to drive margin expansion across the Group

With both the B2B and B2C segments exposed to margin accretive factors, we expect Playtech to be able to deliver margin expansion in the years ahead. This, combined with accelerating top-line growth, will deliver earnings growth for Playtech's shareholders.

Our strategy

Delivering consistent growth in a sustainable way

Playtech has a clear plan to continue to drive growth in a responsible and sustainable way. Here we outline the medium-term strategic priorities for both the B2B and B2C divisions, which will enable us to deliver revenue growth, expand margins and generate shareholder and stakeholder value.

B2B: well positioned in markets set for growth

1

Be the partner of choice for newly regulating markets

Growth in the gambling industry is primarily driven by regulation – growth comes from markets that are early in the journey of regulating, which then moderates as markets progressively mature. We aim to be the partner of choice for operators in newly regulating markets, with a particular focus on the Americas and Europe.

The US represents a huge revenue opportunity of \$3 billion for Playtech on a per annum basis across iGaming, online sports and platform (see page 25).

The LatAm region has strong structural drivers (see page 26). With Caliente providing the blueprint for success in this region, Playtech is ideally positioned to deliver strong growth via its structured agreements in multiple countries, including Brazil.

Finally, there continues to be strong potential in European markets that are either regulating or underpenetrated online where Playtech can bring the strength of its offerings to bear such as the Netherlands and Spain.

Link to KPIs



Link to risks



2

Capitalise on Live and SaaS opportunities

Live represents an enormous opportunity (see page 29), in which Playtech has invested heavily. Ten studios are currently operational with a further one in Pennsylvania under construction. We have more than doubled the number of tables over the past four years and invested in both the latest cutting-edge technology and branded gaming rights such as Jumanji™. With significant operating leverage in the business, growth in Live is margin accretive.

The SaaS business model (see page 31) allows Playtech to serve those operators looking for Playtech's content without the platform, thus increasing the Company's total addressable market. With investments already made in building out infrastructure, such as data centres, SaaS is a high-margin segment. Although SaaS revenues have been growing strongly, revenue from each operator represents a small proportion of their wallet. Thus, we see ample scope to increase wallet share amongst these existing customers.

Link to KPIs



Link to risks



3

Realign resources to reflect B2B growth areas

With exciting areas of growth in regulated markets and several technology trends (see technology trends on page 28) maturing at the same time, there is a need to continue to invest in the B2B Gambling division to ensure Playtech maintains and grows its market share lead. We see opportunities across the B2B business where we can improve efficiencies and eliminate duplication, the savings of which can be used to fund any required investments.

Link to KPIs



Link to risks



Strategy in action

Case studies of executing in newly regulated markets

Holland Casino: very strong start

During 2021, Playtech signed a new, expanded long-term strategic software and services agreement with Holland Casino, the state-owned land-based casino operator in the Netherlands – a top ten market in Europe that opened its regulated online gambling market in October 2021. Playtech now supplies Holland Casino with a full turnkey, multi-channel technology package, as well as certain ancillary services.

Holland Casino is off to an impressive start given its first mover advantage and was the biggest driver of revenue growth in Europe in 2022, illustrating the significant growth opportunities of newly regulated markets. Combined with the launch of Casino and Poker with Bet365 in the Netherlands in early 2022, Playtech is well positioned to capitalise on the Netherlands market.

“Alongside Playtech’s unrivalled multi-channel technology, its strong track record in delivering industry-leading software to newly regulated markets makes it a trusted and experienced supplier.”

Erwin van Lambaart
CEO, Holland Casino

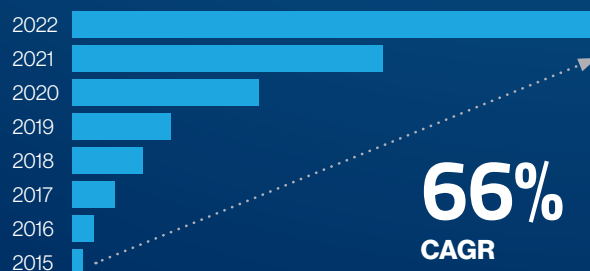
Caliente: successful blueprint

Caliente in Mexico provides the blueprint for executing on structured agreements (see business model section on page 30) in other markets. The idea is to select a “local hero” in a country with favourable market dynamics, and look to grow with that partner as the market grows. Playtech contributes its market-leading technology as well as expertise and experience in launching online businesses in newly regulating markets, while the partner typically has a strong brand and deep knowledge of local markets. The results, with aligned incentives, can be impressive.

Revenues within Mexico, the majority of which originate from Caliente, have grown at a CAGR of 66% between 2015 and 2022 and Caliente now represents our largest customer when measured by revenue. The attractive economics of a structured agreement, which typically includes a higher revenue share for Playtech, means that the profit margins are high.

With structured agreements signed in several other LatAm countries including Colombia with Wplay and Brazil with Galerabet, Playtech is in a strong position to build upon the Mexican success story across the LatAm region.

Mexico revenues
\$m (FY15–FY22)



Our strategy continued

B2C: build a pan-European B2C presence

4

Leverage retail presence to grow Snaitech's online business

Italy is one of the top two gambling markets in Europe, along with the UK. Unlike the UK, the online market in Italy is still underpenetrated – 26% currently versus 58% in the UK. As a result, we see significant scope for the higher margin online business to grow.

Snaitech's strong retail brand is critical to its success and a competitive advantage compared to online operators, particularly in light of the advertising ban in Italy. With average revenue per online customer acquired via retail sites more than three times higher than those acquired directly through online channels, Snaitech's cross-selling approach means it is ideally positioned to benefit from this growth opportunity.

Link to KPIs



Link to risks



→ See risk section on **pages 85 to 90**

→ See KPI section on **pages 16 and 17**

5

Optimise HAPPYBET for online

HAPPYBET now sits under the management of the Snaitech team which has initiated a process to optimise HAPPYBET's online business. This involves rationalising its retail footprint with significant investment in the online business, mirroring the successful Snaitech strategy.

With Germany moving towards legalising gambling, HAPPYBET is in a strong position, having been awarded one of the few available online sports betting licences in Germany.

Link to KPIs



Link to risks



6

Targeted M&A to expand Snaitech

The Snaitech management team transitioned the business to take advantage of the shift to online. With this high-quality management team in place, there is scope to utilise this skill set and experience outside of Italy, within neighbouring European countries. Consolidation of HAPPYBET's position in Germany and Austria through M&A looks attractive, while acquiring assets in other neighbouring European countries provides further opportunity.

Link to KPIs



Link to risks



Embedding sustainability into our culture

In 2021, Snaitech became a member of two leading Italian associations for DEI: Parks – Liberi e Uguali and Valore D.

Parks – Liberi e Uguali works with companies to understand and realise the full business potential of developing strategies and best practices that respect diversity and inclusion.

Valore D is the first association of companies in Italy that has been committed to gender balance and an inclusive culture in organisations in Italy for more than ten years.

In 2022, Snaitech continued its collaboration with the two associations to raise awareness of inclusion in the workplace and generate a corporate culture that is better able to channel, orient and welcome all diversity.

The goal of the campaign, "La consapevolezza prende forma", was to further grow and strengthen our commitment in this direction. Snaitech held training sessions on diversity and inclusion issues, which included three webinars in 2022.



Strategy in action

The transformation of Snaitech: a fundamentally higher quality business post pandemic

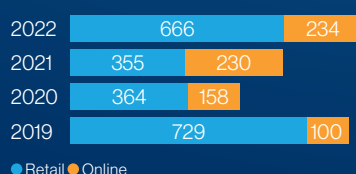
Larger addressable market

Since Playtech acquired Snaitech in 2018, it has transformed into a higher margin, less capital intensive business with a larger addressable market.

Snaitech's efforts to leverage its leading retail network and brand have created a larger online business. As the pandemic accelerated the shift to online, Snaitech capitalised on the opportunity by launching dedicated promotions to migrate customers to online from retail.

With online revenues in 2022 remaining stable despite retail having reopened, it's evident that some of these onboarded customers continue to spend at least part of their wallet online. New customers were also onboarded directly via the online channel, further increasing the addressable market.

Snaitech revenues by channel €'m



Higher margin

The pandemic accelerated the shift to the online segment.

Snaitech revenue mix (retail v online) %

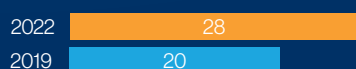


Given the lower overheads and greater share of Net Gaming Revenue (NGR), the online segment is a higher margin business. This has resulted in Snaitech becoming a higher margin business overall.

2022 Snaitech EBITDA margin %



Snaitech EBITDA margin %



Less capital intensive

The retail business requires more capital expenditure to grow, given the licence renewal fee is higher for retail compared to online, in addition to Snaitech owning a proportion of the gaming machines. As a result, online is a less capital intensive segment and thus benefits from a higher return on assets.

Snaitech 2018–2022 average capex to sales ratio %



Note: HQ Snaitech capex apportioned between retail and online by revenues.



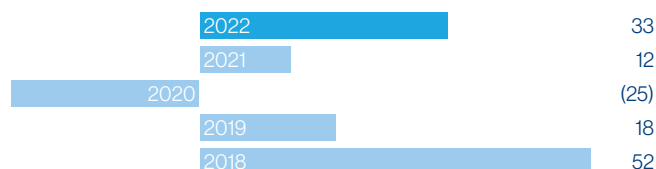
Key performance indicators

Financial

Group revenue growth¹

33%

%

**Definition**

Increase in revenue from continuing operations divided by prior year revenue.

Why are we focused on it?

Revenue is a key driver of the business and is reported in detail across geography and business unit. The measure enables us to track our overall success and our progress in increasing our market share.

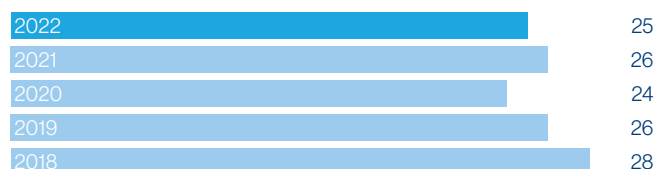
2022 performance

Group revenues grew 33% in 2022 driven by continued strength in regulated B2B markets and Snaitech.

Link to strategyAdjusted EBITDA margin¹

25%

%

**Definition**

Adjusted EBITDA shown as a percentage of revenue from continuing operations. We use adjusted EBITDA to aid comparison year to year.

Why are we focused on it?

Adjusted EBITDA margin is a measure of improving profitability in our business and helps to evaluate the leveraging of our operating assets. It also determines the quality of revenue growth.

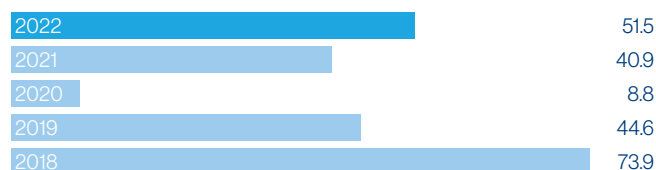
2022 performance

Adjusted EBITDA margin declined 90bps in 2022 due to the reopening of sites in the lower margin retail segment in Snaitech.

Link to strategyDiluted adjusted EPS¹

51.5c

c

**Definition**

Profit before exceptional items attributable to equity shareholders of the Group from continuing operations, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Why are we focused on it?

Earnings per share reflects the profitability of the business and how effectively we finance our balance sheet. It is a key measure for our shareholders.

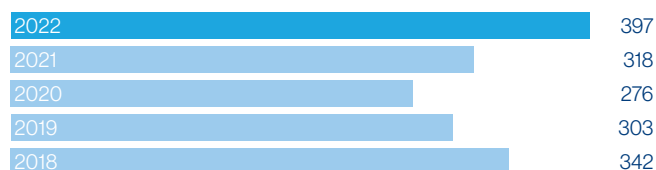
2022 performance

The increase is mainly driven by revenue and EBITDA growth in 2022 versus 2021, flowing through to earnings per share. The adjusted measure is used to ensure comparability between years.

Link to strategyAdjusted operating cash flow^{1,2}

€397m

€'m

**Definition**

Operating cash flow after adjusting for changes in jackpot balances, client deposits and client equity, professional expenses on acquisitions and ADM security deposit.

Why are we focused on it?

Delivery of increased cash generated from operations allows us to invest in further growth opportunities across our business as well as delivering shareholder returns.

2022 performance

The increase is mainly driven by growth in earnings in 2022 versus 2021.

Link to strategy

¹ From continuing operations.

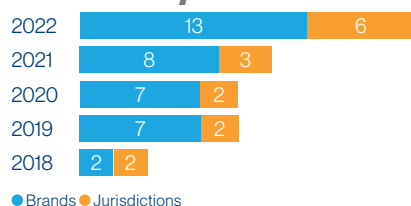
² Includes Finalto up to and including FY20. Adjusted for Snaitech's PREU tax payment of €90 million relating to 2020, which was paid in 2021 due to circumstances around COVID-19.

Non-financial

Powering licensees with safer gambling solutions 🌱

13 brands

Integrated with BetBuddy



Definition

Number of brands in jurisdictions that were integrated throughout each year with Playtech Protect solution, BetBuddy.

Why are we focused on it?

As a business, the most impactful contribution that Playtech can make to the industry and in society is through the provision of technology to advance safer gambling and player protection.

2022 performance

BetBuddy has expanded into three new jurisdictions, having been adopted by clients in Germany, Portugal and Switzerland. To cope with the growth of its customer base, the platform has been migrated to cloud architecture.

Link to Sustainability Success pillars

Pioneering safer gambling solutions

Scope 1 and 2 greenhouse gas (GHG) emissions 🌱

39.6%

Reduction since baseline year, 2018



Definition

Amount of carbon dioxide equivalent (CO₂e) emitted through the energy used within all our assets, including office buildings, racetracks, live studios and data centres. More details on the methodology can be found in the Responsible Business and Sustainability Addendum to the Annual Report 2022.

Why are we focused on it?

The environment, and particularly climate change, is a growing area of concern for Playtech, its investors and its other stakeholders. In 2019 Playtech introduced a GHG emissions target to guide its energy reduction efforts. The Company's ambition is to reduce its absolute Scope 1 and 2 GHG emissions (location based) by 40% by 2025, using 2018 as the baseline year.

2022 performance

Playtech's total Scope 1 and 2 (location-based) emissions decreased by 11.7% in 2022. Since 2018, they have decreased by 39.6%, meaning that Playtech is very close to achieving its 40% reduction target. One of the major areas of focus was to switch our material operations to renewable energy, where possible, with 56.4% of Playtech's total energy consumption derived from renewable energy sources, up from 10.8% in 2021. Another notable area of progress is the Company's formal commitment to set near-term and net zero targets through the Science Based Targets initiative (SBTi).

Link to Sustainability Success pillars

Powering action for positive environmental impact

Gender diversity at senior leadership level 🌱

26%/74%

Female/male ratio %



Definition

Percentage of male and female employees in senior leadership positions.

Why are we focused on it?

Playtech aims to foster a respectful and supportive workplace that enables every colleague to have the same opportunity regardless of background, gender, ethnicity, cultures, beliefs and other attributes that represent our customers and community. The Company has set out a specific diversity target to increase the representation of people who identify as female amongst its leadership population by 35% by 2025 against the 2021 baseline year, with an ultimate ambition to achieve equality in the workplace.

2022 performance

Playtech conducted a systematic review to strengthen our measurement and reporting methodologies and processes. This data has been instrumental in implementing a programme of improvements as we enhance diversity as part of recruitment and selection, development and succession planning, with a particular focus on leader and manager recruitment processes.

Link to Sustainability Success pillars

Promoting integrity and an inclusive culture



Chief Executive Officer's review

Strong momentum positions us well to deliver on 2023 strategic priorities



Mor Weizer
Chief Executive Officer

Overview

Playtech made excellent progress on its strategic priorities throughout 2022, with growth in both the B2B and B2C businesses. As a result, the Group enters 2023 well-positioned to execute on compelling market opportunities across both B2B and B2C.

Playtech's B2B Gambling business remains focused on opportunities in regulated or soon to be regulated markets. The Group continues to target high-growth markets including the US, Latin America and certain parts of Europe. In addition to growing in the attractive Live market, Playtech continues to expand its portfolio of strategic agreements. These helped the B2B segment to deliver revenue growth of 14% (+11% on a constant currency basis) in 2022. At the profit level, B2B Adjusted EBITDA grew a healthy 15% to €160.2 million in 2022 compared to €139.2 million in 2021.

In the US and Canada, Playtech made great strides to establish itself as one of the key players in this market. The long-term opportunity across Playtech's full product suite remains significant. In early 2023, a landmark agreement was signed with Hard Rock Digital to provide Casino and Live, amongst other content, in North America, accelerating our US strategy. In addition, having signed with Parx Casino in 2021 in the US, Playtech grew its footprint with Parx by launching its IMS platform in Pennsylvania and entered Ohio and Maryland in 2023.

Playtech also signed several new deals in the period, including Golden Nugget (Casino and Live in New Jersey and Michigan), and WynnBET (multi-state deal to launch Live and Casino), while 888 and Resorts Digital Gaming both signed up for Casino and Live in New Jersey. Good progress was also made in Canada where Ontario became the first province in Canada to regulate online gambling. This has continued into 2023 with Playtech announcing in February that it has taken an equity investment in NorthStar and extended the scope of its relationship.

Playtech's presence in Latin America continues to go from strength to strength as existing agreements with Caliente in Mexico and Wplay in Colombia continue to perform well. Playtech also opened a new Live Casino facility in Peru as it continues to extend its presence across the region. Looking ahead, the Company is looking forward to growing its presence in the exciting, soon to be regulated Brazil market.

Playtech remains committed to diversifying its B2B division by bringing on new brands and licensees. As well as making progress with new strategic agreements and joint ventures, Playtech also maintained its track record of attracting new brands to its SaaS offering. Playtech launched over 100 brands in the period, with more than 350 new brands now live since launching the SaaS offering back in 2019.

Playtech's B2C Gambling business, Snaitech, recorded another remarkable performance as revenue grew 54% compared to 2022. Adjusted EBITDA, meanwhile, was 39% higher than the previous year, benefiting from retail sites in Italy remaining open throughout the year as well as the strength of online. The online segment continues to see impressive growth, indicating that the addressable market has expanded post-pandemic. Snai maintained its number one market share position (retail and online combined measured by GGR) across Italian sports betting brands in 2022, cementing its reputation for consistent operational and brand strength, whilst also being a fast-growing player in Italy in the online sector when measured by GGR.

The sale of Finalto was completed in July 2022 for cash proceeds of \$228.1 million resulting in a profit on disposal of €15.1 million and represents a significant step forward in the Group's strategy to simplify the Group, allowing it to focus on the high-growth B2B gambling and B2C gambling markets.

Playtech's strong performance in 2022 was underpinned by the energy, enthusiasm and professionalism of the Company's employees. They are the lifeblood of the business and do an outstanding job supporting the Group's customers.

Supporting the Playtech family in Ukraine

It has been more than a year since Russia's invasion of Ukraine and unfortunately the conflict continues to have a devastating impact. While the Group's continuity plans mean that Playtech has experienced minimal disruption to its business activities, the c.700 employees based in Ukraine remain front of mind. Playtech is committed to doing everything it can to ensure the safety of them and their families.

The Board and management team continue to be moved by the generosity and support that the Group's colleagues have demonstrated in maintaining contact with those who remain in Ukraine. Despite the other pressures facing the business last year – including significant corporate activity – they have constantly sought to do whatever they can to provide assistance in the form of ongoing communications, logistics and financial support.

B2B Gambling

Core B2B Gambling

Regulated markets

Playtech's B2B Gambling business remains focused on opportunities in regulated or soon to be regulated markets. The Group continues to target high-growth markets, including the US, Latin America and certain parts of Europe.

Regulated markets delivered revenue growth of 22% (+18% on constant currency basis) compared to FY 2021, driven by strong revenue growth from the Group's partners in Latin America, Holland Casino in the Netherlands, as well as strong growth in other regulated markets such as Poland, Spain and Ireland.

The Americas

The Americas is at the centre of our strategy for Core B2B Gambling. The region maintained its impressive record of growth, with FY 2022 revenue up 43% (+27% at constant currency) compared to FY 2021. This was powered by strong growth from Caliente as well as increasing contributions from other customers, including Parx in the US.

Accelerating the Group's presence in the US remains a key strategic priority for Playtech, as proven by the strides taken last year to capitalise on the favourable regulatory environment. Having signed a strategic agreement with Parx Casino in 2021, Playtech has been increasing its footprint with Parx and this is starting to translate into greater revenue contribution. In 2022, Parx launched its IMS platform in Pennsylvania, which involved a complex migration, and will serve as a useful blueprint for future deals. In addition, Playtech launched its IMS, Casino and POP products in New Jersey, while in 2023, the IMS was rolled out in Ohio and Maryland. Playtech now has a presence with Parx in Michigan, Pennsylvania, New Jersey, Ohio and Maryland. Further product launches in additional states with Parx are expected going forward. Pokerstars also launched the Casino product in New Jersey, while 888 launched Live Casino in Michigan in 2023.

Several new deals were also signed in the US, including Golden Nugget (Casino and Live in New Jersey and Michigan), Rush Street Interactive (multi-state deal for Casino), and WynnBET (multi-state deal to launch Casino and Live), while 888 and Resorts Digital Gaming both signed up for Casino and Live in New Jersey.

In March 2023, Playtech signed a landmark agreement with Hard Rock Digital, the exclusive, global vehicle for online for Hard Rock International, to provide Casino and Live amongst other content, in North America. These products will also be supplied outside of North America in addition to the IMS and services including marketing and operations. As part of the agreement, Playtech has also invested €80 million in exchange for a low single digit % minority equity ownership stake, the proceeds of which will be used to help fund Hard Rock Digital's continued global expansion.



“Playtech's strong performance in 2022 was underpinned by the energy, enthusiasm and professionalism of the Company's employees.”

Chief Executive Officer's review continued

B2B Gambling continued

Core B2B Gambling continued

Regulated markets continued

The Americas continued

Meanwhile, Playtech delivered several significant product launches across core markets. In the newly regulated Canadian province of Ontario, NorthStar launched multiple products. In addition, Bet365 and 888 both went live in Ontario with Casino and Live on the first day the market became regulated. Towards the end of 2022, FanDuel, Mansion and Casumo all launched the Casino and Live products.

In February 2023, Playtech announced an expansion of its partnership with NorthStar. Playtech has taken an equity investment in NorthStar. The proceeds of this investment will be used to accelerate the growth of NorthStar's footprint across Ontario and future regulated markets across Canada. The agreement also expands the scope of Playtech's offering to NorthStar to include operational and marketing services, in addition to the IMS platform, Casino, Live, Poker and Bingo solutions already launched.

Playtech delivered against its commitment to further expand its infrastructure in high-growth markets, such as the US. Having already opened Live studios in New Jersey and Michigan, another Live facility is under construction in Pennsylvania and is expected to open in 2023. Behind the Company's growing physical presence are an increasing number of employees focused on sales, operations and back-office functions, taking head count to more than 130 at the end of 2022.

Following the repeal of PASPA in 2018, each year that passes has seen a growing number of states approve legislation to legalise sports betting. While 2022 saw further progress, California was notable in voting to reject the legalisation of online sports betting and in-person sports betting at tribal casinos and private horse tracks.

This may delay legislation in states that have yet to approve sports betting, but the expectation remains that these states will eventually look to approve legislation. In 2022, Playtech received licences for Pennsylvania, Colorado and Ohio with Maryland received in 2023, taking the total number of US states where Playtech has a licence to nine.

Online casino is allowed at the discretion of individual states. No new states have authorised Online casino in 2022, although there are several states where iGaming legislation is being considered.

Playtech's presence in Latin America continues to go from strength to strength, with existing agreements with Caliente in Mexico and Wplay in Colombia continuing to perform well. Looking further ahead, Playtech is well-positioned to continue its growth and capitalise on other strategic agreements in Latin America in the years ahead.

Playtech also opened a new Live Casino facility in Peru, giving the Company a strong base from which to serve both its existing clients in Latin America and prospective clients in newly regulated markets in the region. Several customers, such as Wplay, Bet365 and BetVictor, have launched tables in the new Live facility with demand proving strong so far. Given the success of legislation in markets like Colombia, Playtech anticipates continued favourable regulation and strong growth in the region in the years to come.

One example of this is in Brazil, where sports betting legislation has been passed and is expected to be implemented in the near future. Brazil is anticipated to be a significant market given the large population and love of sports. The Company has an exciting strategic agreement in place with Galerabet, with economics similar to its other arrangements in Latin America, in anticipation of regulation in this market.

Europe ex-UK

2022 B2B revenue growth in Europe ex-UK of 31% (+31% at constant currency) was driven by strong growth across several countries, including Netherlands, Spain, Poland and Ireland.

The move towards greater regulation in Europe continues to represent significant growth opportunities. The first full year of Playtech's new, expanded long-term strategic software and services agreement with Holland Casino has seen an impressive start. Playtech now supplies Holland Casino with a full turnkey multi-channel technology package, as well as certain ancillary services. The agreement includes the IMS platform, Sports betting, Online Casino, Live Casino, Poker and Bingo products, plus selected operational and marketing services. While growth rates moderated as the year went on, the partnership is continuing to see the benefits of its first mover advantage. It was a key driver of revenue growth in Europe in 2022, illustrating the significant growth opportunities of newly regulated markets. This agreement, as well as the launch of Casino and Poker with Bet365 and Unibet in the Netherlands in 2022, means Playtech is well positioned to capitalise on the newly regulated Netherlands market.

Elsewhere in Europe, the Company invested in its physical infrastructure by expanding its Live facility in Romania. The facility now also includes Blackjack and Poker studios, enabling Playtech to serve its customers with an even wider and more diverse suite of products. In terms of new customers, the Live business launched with, among others, Betsson in Italy and Pokerstars in Greece.

Playtech's Casino business made great progress opening up new territories with its existing customer base, such as Pokerstars and Betsson in Greece, Leo Vegas in Spain, Betway and 888 in Italy, Stoiximan in The Czech Republic, Betano in Bulgaria and Fortuna in Slovakia. This clearly demonstrates the scalability of Playtech's business model.



UK

The UK saw revenue decline 4% (-5% on a constant currency basis) compared to FY 2021, where the positive impact of the reopening of retail stores from mid-April 2021 was more than offset by a decline in revenue from Entain in addition to a slowdown in the online business caused by the uncertain regulatory climate.

The UK Government is currently undertaking a review into existing gambling laws in the UK. In response, several operators are taking pre-emptive measures such as stake limits and affordability checks in an attempt to show regulators that the industry is able to self-regulate.

In December 2020, the UK Government announced a call for evidence to review the existing gambling laws in the UK. Since the initial 16-week call for evidence, which ended on 31 March 2021, the Government has been assessing the evidence presented, alongside other data, with the aim of setting out conclusions and any proposals for reform in a White Paper. Playtech submitted data and evidence relating to the call and will support this wherever possible going forward. The White Paper was due to be published in 2022, but this has been delayed with media reports suggesting it is due to be published imminently.

Playtech remains committed to the UK market and will actively support its customers in implementing any necessary changes following the White Paper's expected publication. Playtech has been actively involved in discussions around safer game design and online advertising for some time. By using its technology and data to support its licensees in safer gambling, the Company is confident that it will remain the go-to platform for regulated markets including the UK.

Other unregulated (excl. Asia)

The Group's strategy to focus on both regulated and regulating markets includes unregulated markets which are expected to regulate in the near future. These are classified in the "Unregulated excl. Asia" line within B2B Gambling. These unregulated markets (excluding Asia) were up 11% year on year (+10% at constant currency) versus 2021, primarily driven by very strong growth in Brazil, offset in part by a decline in Germany, which saw regulatory changes, and Netherlands moving to a regulated market in 2021.

In Canada, recent legislation means that single-game sports betting is now allowed at the discretion of individual provinces. Seven provinces, including the country's largest province, Ontario, began allowing bets to be placed on single-game sporting events. Since then, as of 4 April 2022, Ontario has become the first fully regulated online gambling market in Canada, with iGaming launched as well.

As other provinces across Canada introduce sports betting and iGaming, the market opportunity in North America will continue to grow. In line with the Company's strategy to target newly regulating markets, Playtech signed a strategic agreement with NorthStar Gaming in January 2022.

The Company also took steps to establish its presence in South Africa, a nascent but fast-growing market, which permits sports betting and Live casino. Towards the end of 2022, Playtech launched Casino and Live products with TsogoSun.

Unregulated Asia

Revenue from the Unregulated Asia business declined 18% (-21% on a constant currency basis) compared to 2021. The decline was largely the result of further lockdowns in China during the year. As it stands today, the Asia business is much more diversified in terms of both distributors as well as geographies compared to recent years. The Company incurred a bad debt provision of €15.4 million in H1 22 following continued collection delays in the region.

B2B – Product Developments

Playtech remains committed to diversifying its B2B Gambling division by bringing on new brands and licensees. As well as making progress with new strategic agreements and joint ventures, Playtech also maintained its track record of attracting new customers in both regulated and regulating markets to its SaaS offering. Playtech launched over 100 brands in the period, with more than 350 now live since the launch of its SaaS model in 2019.

In August 2022, Playtech launched The Walking Dead™ 2, taking advantage of the exclusive rights it acquired for Online Casino in 2021. A second title is planned to launch in 2023, with both expected to engage and retain a large audience. Alongside partnerships with major licensed brands, Playtech's Casino content strategy continues to focus on the development of original brand suites, known as Playtech power suites, with the likes of Age of the Gods™ and Fire Blaze™ producing some of Playtech's most popular slots. Leprechaun's Luck became Playtech's top-performing new game of 2022 and was shortlisted for Game of the Year in the 2022 EGR awards.

In terms of other notable product developments, the Live team launched Safari Riches Live, a live casino slot game created exclusively for 888. This marks a major milestone as it represents the first time a slot brand developed by 888 has been transformed into a bespoke live casino game. Elsewhere, the Live team also signed up the exclusive global rights to Jumanji, including for the US, and plans to launch a game in 2023. Other highlights include Everybody's Jackpot and The Greatest Cards Show, which have both broken new ground technologically. Everybody's Jackpot features first of its kind "Unreal engine" metaverse technology, while The Greatest Cards Show's augmented reality and horizontal wheel – a Live sector first – makes it one of Playtech's most sophisticated games yet.



Chief Executive Officer's review continued

B2C Gambling

Playtech's B2C business consists of Snaitech (including HAPPYBET) and the White Label operations, which is primarily Sun Bingo. Overall, B2C revenues grew 48% compared to FY 2021 at constant currency, while Adjusted EBITDA grew 38%.

Snaitech

Italy

Snaitech delivered another year of significant growth in FY 2022, with revenue up 54% compared to the prior year, while Adjusted EBITDA grew 39% versus FY 2021. This exceptional performance was primarily driven by the reopening of retail sites in Italy, which occurred at the end of June 2021 and have since remained open.

As a result, retail sales grew significantly in the period and are within 10% of pre-pandemic levels. This is a good performance given a small proportion of franchise retail shops closed permanently, some customers permanently transitioned to the online channel and new legislation – introduced in January 2020 – that requires customers to present ID card to enter retail shops. At the EBITDA level, the retail segment has now surpassed 2019 pre-pandemic levels on an absolute basis, while EBITDA margins are also higher than 2019 levels driven by an increasing proportion of revenue generated from the higher margin sports betting segment and a lower retail sports pay out in 2022 compared to 2019.

The online business grew 2% in 2022 versus 2021 despite retail shops being reopened in June 2021, suggesting a combination of a proportion of existing retail customers permanently shifting to online in conjunction with new customers being onboarded via the online channel. Adjusted EBITDA margins remained high at 56% in 2022 versus 59% in 2021.

As disclosed at the FY 2021 results, Snaitech has begun the formal sale process of La Maura Racetrack in Italy. €1 million was received on signing in July 2021, with the remaining €19 million expected to be received in instalments in 2024. We have now received €56 million from the sale of "non-core" land since the acquisition of Snaitech in 2018.

Snai maintained its number one market share position (retail and online combined measured by GGR) across Italian sports betting brands in 2022, cementing its reputation for consistent operational and brand strength, whilst also being a fast growing player in Italy in the online sector when measured by GGR.

Finally, the 2023 budget law postponed the expiration of all concessions such that all licenses in Italy, including online and retail, have been extended until December 2024 at a total cost of €24 million in 2023 and €34 million in 2024. Beyond 2024, talks are continuing to find an agreement with local authorities on a common and homogeneous set of rules.

Germany and Austria

HAPPYBET (now reported as part of Snaitech) saw revenue growth of 10% in 2022 compared to 2021. This was primarily driven by the reopening of retail sites and early progress after the Snaitech management team took control of HAPPYBET's operations. The business remains loss making with EBITDA of €-10.8 million in 2022 (2021: €-11.4 million), but strategic and operational measures have been taken.

In 2022, the team at Snaitech has already made good progress upgrading HAPPYBET's technology infrastructure, enhancing the product and services offering, deploying new marketing strategies and activities to increase brand awareness and realising costs synergies between HAPPYBET and Snaitech. This will in time drive the performance of both retail and online. Germany's Interstate Treaty regulated online slots, online poker and sports betting. Playtech has been awarded one of the few available online sports betting licenses in Germany through HAPPYBET and has already launched an online offering. With structural growth drivers and a turnaround strategy being implemented by a strong management team, the Group is confident of its prospects going forward.

Sun Bingo White Label

Sun Bingo White Label saw 5% revenue growth to €65.3 million (2021: €61.9 million) while Adjusted EBITDA was €2.0 million, down from €6.7 million in 2021. As disclosed at H1 2022 results, reported EBITDA includes a €10.4 million payment to terminate an onerous contract with a former service provider. The termination of the agreement has positively impacted the profitability of the business.



"We are committed to growing our business in a sustainable way, that builds long-term value for our stakeholders."



Safer gambling and sustainability

As a technology leader in the gambling sector, we are committed to growing our business sustainably and in a way that builds long-term value for our stakeholders. To meet this ambition we have set out a five-year strategy that sets out a roadmap that moves us towards fully integrating sustainability and responsible business into our culture, strategy and operations.

As I reflect on our sustainability journey over this past year, I am most proud of our efforts to safeguard and support our Ukrainian colleagues and their families. The strength and character shown by our people is truly humbling and inspiring. As the war continues, we remain steadfast in our support to our affected colleagues and their families – continuing to assist them in confronting the ongoing challenges they face in whatever way we can, as well as providing ongoing humanitarian aid across the country.

I am also pleased that we have continued to make progress in all areas relating to sustainability including safer gambling, diversity and climate change. We have taken significant steps to strengthen sustainability governance and accountability, as well as further enhancing our commitments on climate change and gender diversity. Highlights include:

- Strengthening governance with frequent engagement with the Board Sustainability and Public Policy Committee in addition to engagement with our external stakeholder advisory panel.
- Enhancing accountability by extending the application of sustainability-linked remuneration to executive management and selected leaders, focusing on delivery around safer gambling, reducing our environmental impact and diversity and inclusion.
- Expanding our engagement and partnership with our licensees and other partners on safer gambling technology solutions through Playtech Protect whilst also advocating for strong safer gambling policy and standards across regulated and emerging markets.

- Progressing towards our aspiration for workplace equality with female representation within our leadership population increasing to 26%.
- Reinforcing our commitment to contribute to a low carbon future with a significant shift to renewable energy and a formal commitment to the Science Based Target Initiative (SBTi) to set both near-term and net zero targets.

As we look to 2023, we will focus on further embedding sustainability into our culture and key decision-making processes.

Corporate activity

Completion of Finalto sale

Having completed the sale of Finalto to Gopher Investments in July 2022, Playtech has taken a significant step towards simplifying the Group and to focus on its technology-led offering as a pureplay business in the high-growth B2B and B2C gambling markets. The sale was agreed for an enterprise value of \$250 million, although this amount was reduced to \$228.1 million based on the performance of Finalto from 1 January 2021 to completion. Completion of the transaction also triggered payment of a break fee of \$8.8 million which Playtech is required to pay to the Consortium that had previously agreed to acquire Finalto, while profit on disposal of Finalto amounted to €15.1 million. The sale proceeds were partly used to repay the outstanding balance on Playtech's revolving credit facility with the remainder of proceeds used for general corporate purposes.

Mor Weizer

Chief Executive Officer

23 March 2023

Market trends

Regulation, technology and online: where the market is heading

Playtech operates in a dynamic, fast changing environment and is well placed to take advantage of marketplace trends. This section examines our operating environment across four trends around regulation, sustainability, technology and the shift to online.

1) A super-cycle driven by a trend towards regulation

Regulation is the key driver of growth in the gambling industry

Regulation is the key driver of growth in the gambling industry. Those countries that become newly regulated tend to see strong growth early on, which is why it is crucial for operators and technology partners to build a presence in a country that is about to be regulated or is newly regulated. However, growth typically slows down after a certain period. This tends to be driven by three main factors. Firstly, there is increased competition as new players enter the market, causing pricing pressure. Secondly, as markets mature, they become saturated due to limited demographic growth. Thirdly, regulation typically becomes more stringent over time. For example, in the mature UK market, we have seen a tightening of rules on age and identity checks and a ban on gambling using credit cards.

Deviations from the broad shape of the curve are mainly attributable to the stringency of regulations in a country. For example, Spain has implemented strict restrictions on advertising for the gambling sector.

At this point in time, we are in an advantageous position in multiple countries across the world which are moving towards regulating gambling or have newly regulated the sector. In the next section, we assess each of the major regions in the world and how Playtech has positioned itself.

Online growth rates moderate as regulation matures

Evolution of online gambling market growth rates following online regulation



Source: H2GC and Playtech estimates. Market growth based on 2022–2024e average online GGR; maturity of regulation is based on years since regulation of online adjusted for specifics of country.

US

State-by-state legislation in the US

The regulatory landscape in the US is subject to constant change and development. In the four years since the repeal of the Professional and Amateur Sports Protection Act of 1992 (PASPA) in 2018, regulation of sports betting has progressed with more than 30 states now offering or introducing legislation to allow sports betting. However, California recently voted to reject the legalisation of online sports betting and in-person sports betting at tribal casinos and private horse tracks. This may delay legislation in states that have yet to approve sports betting, but we expect these states to ultimately acquiesce.

iGaming, which was not subject to PASPA, is allowed at the discretion of individual states. In 2021, the Mohegan Tribe and the Mashantucket Pequot Tribe of Connecticut received federal approval to operate online casino games, while Michigan launched in 2021, joining New Jersey, Pennsylvania, Delaware and West Virginia, with Nevada allowing online poker only. No new states have authorised online casino in 2022, although legislation to regulate online casino is working its way through New York's legislature.

iGaming has not opened up at the same rate as sports betting...

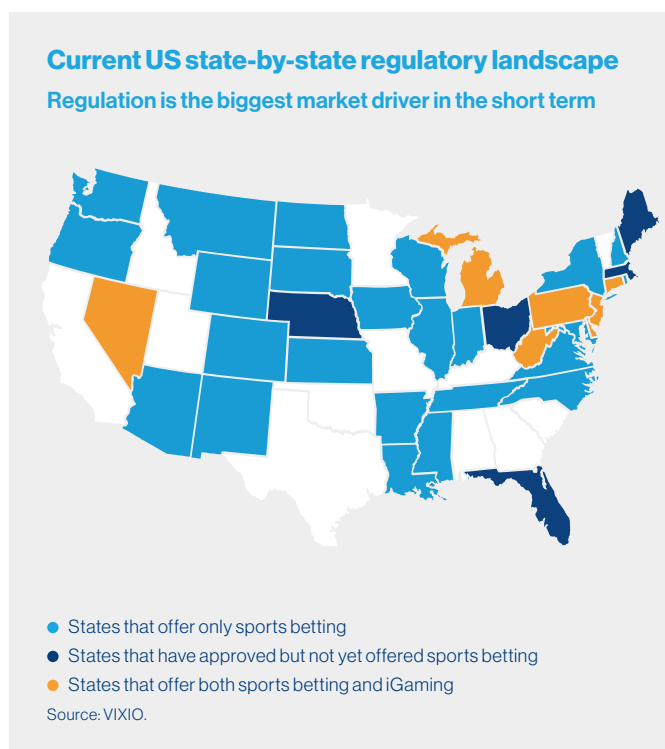
In the US, iGaming has not expanded at the same rapid pace as sports betting since the PASPA ruling in 2018 with just six states permitting iGaming compared to more than 30 states regulating sports betting.

...but this could change

As per VIXIO¹, the tax revenue generated from iGaming in these six states is nearly double that of the tax revenue generated from sports betting in 30 states, which could encourage state legislatures to consider regulating iGaming as these six states have already done.

Playtech is well placed to benefit from the trend towards regulating iGaming

This development bodes well for Playtech. We are very strong in this vertical and have been building the necessary foundations to ensure we can benefit when states begin to regulate iGaming. We have signed multi-state deals for iGaming with multiple key operators, while we see sports betting as strategically important for key partners in the US.



\$3bn

Revenue opportunity for Playtech

US B2B revenue opportunity

Total long-term B2B addressable market of c.\$3 billion

	Market size ¹	Third-party share	Royalty share	Revenue opp.
iGaming	\$18bn x	75% x	10%–15%	= c.\$1.7bn
Sports betting (online)	\$23bn x	33% x	10%–15%	= c.\$950m
Platform (PAM)	\$41bn x	25% x	3%–5%	= c.\$410m
Total B2B opportunity (excl. structured agreements)				c.\$3bn

¹ Market sizes are GGR based on forecasts for online sports betting/iGaming.

Source: FanDuel CMD (2022) and Jefferies research (2021).



¹ VIXIO is an independent source on fast-moving regulatory developments in the gambling sector.

Market trends continued

Latin America

A region trending towards regulation

The region is shifting towards regulating the gambling industry. In the past few years, Mexico and Colombia have both seen the regulation of the online segment, while Peru has recently enacted legislation that regulates sports betting and online gambling. Brazil and Chile have gambling regulation underway with expectations of enactment in the near future.

Several countries in LatAm with large populations and GDP

Significant opportunity in LatAm

Country	Population	GDP (million)
Brazil	213,000,000	1,600,000
Mexico	129,000,000	1,300,000
Colombia	51,000,000	314,000
Argentina	45,000,000	492,000
Peru	33,000,000	223,000
Chile	19,000,000	317,000
Guatemala	18,000,000	86,000
Costa Rica	5,000,000	64,000
Panama	4,000,000	64,000

Source: Worldometer, World Bank.

Well placed with our structured agreements

Playtech has structured agreements in place where we expect to see growth. Our success with Caliente in Mexico is well known (see page 13 in the "Our strategy" section), while Wplay in Colombia continues to perform well. To take advantage of the huge potential in the Brazilian market, we have signed a structured agreement with Galerabet in 2021. As with other partnerships, the Galerabet agreement includes the customer software licence agreement in addition to an option over a significant non-controlling equity stake in the operation.

Our structured agreement with Tenlot and the Red Cross brings exclusivity in Costa Rica, where Playtech operates under the only licence available. During 2021, we launched in Costa Rica and also launched our structured agreement in Panama with Onjoc, under the brand betcha, where we had the first to market advantage. Looking ahead, we are focused on executing these opportunities to drive growth in the region.

Several structured agreements in place in LatAm

Executing on our other structured agreements



Europe

Europe – a mix of newly regulating and mature markets

The market in Europe is more nuanced than the Americas region. Some countries are opening up their online gambling market such as the Netherlands and Germany while others are mature but still have an underpenetrated online market, such as Italy, Spain and France. And finally, there is the UK, which is the most mature market of all with high online penetration rates.

Well positioned in the Netherlands and Germany

During 2021, Playtech signed a new, expanded long-term strategic software and services agreement with Holland Casino, the state-owned land-based casino operator in the Netherlands. This agreement, as well as the launch of Casino and Poker with Bet365 in the Netherlands in early 2022, means Playtech is well positioned to capitalise on the newly regulated Dutch market.

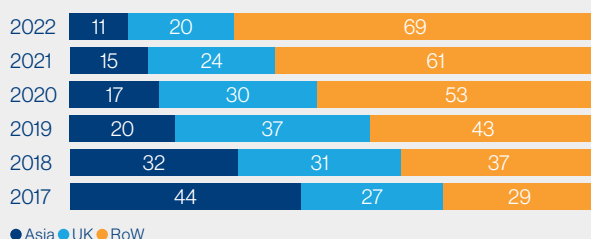
Playtech has significant exposure to the underpenetrated online Italian market, via Snaitech, and the German market, through our B2C HAPPYBET business. Although HAPPYBET has underperformed as a business, a turnaround plan is underway to focus the business on capturing the online opportunity.

The UK is reducing in importance

Although the UK has historically contributed a significant proportion of revenue to the B2B division, its importance is declining. In 2019, it made up 37% of B2B revenues, which has reduced to 20% in 2022 due to a maturing UK market and the faster growing Americas and European regions.

UK and Asia becoming a smaller proportion of B2B

Asia and UK as % of B2B revenues



Asia

Asia remains broadly unregulated

Gambling is a very popular pastime in Asia, which possesses structural growth drivers such as a passion for sport, large populations and above average GDP growth, not dissimilar to the LatAm region. However, the majority of markets remain unregulated. Over the long term, we see Asia following a similar path as the Americas towards regulating the sector, but the visibility of this path remains unclear at the present time.

Asia is increasingly a smaller part of B2B

While there have been issues in Asia with currency controls and volatile government attitudes towards the gambling sector, it is becoming an increasingly smaller part of the business – 44% of B2B revenues in 2017 compared to 11% in 2022 driven by a combination of declining Asia revenues and accelerated growth in other regions.



2) Growing importance of sustainability to build long-term value

ESG performance has moved from something that was of interest to a small number of investors to a subject that commands the attention of both the wider investment community and stakeholders more generally. The gambling sector is no exception and, alongside issues such as safer gambling, climate change and DEI, there is a particular focus on how companies are demonstrating their commitment to ethical and responsible behaviour across their business. Having comprehensive and effective policies and practices in place is therefore essential if the industry is to gain and retain the trust of customers and society at large.

Safer gambling is a material ESG topic for the gambling industry. Both regulators and the gambling industry recognise the

importance of developing safer gambling solutions, evaluating their effectiveness and helping support research that leads to the development of evidence-based regulation. Playtech has been at the forefront of this process to ensure gambling customers are able to enjoy the benefits of a safe and secure playing environment.

BetBuddy is becoming an increasingly important tool

As player protection tools become an increasingly important factor in a customer's decision in choosing where to play, Playtech's analytics-driven BetBuddy tool (see page 36) is an integral tool within the IMS platform.

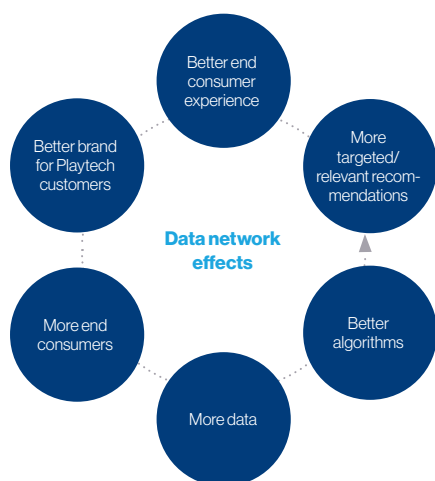
Market trends continued

3) Technology – multiple technologies about to hit mainstream adoption

Data and AI

Overview

The digitisation of the world is creating unimaginable amounts of data from all kinds of sources. More data is being generated every two years than in all of time before that point. However, the key to obtaining a competitive advantage is getting access to the right data sets and drawing insights from them. Those companies that are able to attract a large number of users gain access to the most data, which allows them to train their algorithms to give more accurate results. This in turn attracts more users, triggering data network effects that become difficult to compete against.



Impact on the industry/Playtech

The use of data to gain actionable insights into customers is a cornerstone of the online gaming industry. It facilitates:

- the delivery of a personalised experience for each user, thus increasing revenue per customer;
- new customers being acquired through intelligent marketing;
- players being verified and the detection of fraud; and
- tackling gambling addiction, encouraging a more responsible industry.

Given Playtech's sheer scale, it has access to vast amounts of data. Playtech is investing heavily in its analytics, business intelligence (BI) and safer gambling tools to ensure that it makes use of this data to retain its competitive advantage and ensures a sustainable future for the industry.

Link to strategy



Virtual reality/augmented reality

Overview

Augmented reality (AR) is focused on enhancing the real-world experience, with real-time, virtual information overlaying physical objects delivered through a device such as a headset or mobile phone. Virtual reality (VR) provides a completely immersive, computer-generated 3D environment that replaces the real world. With tech titans such as Apple and Meta releasing next generation headsets, we can expect to see significant, as yet unknown, new use cases arise within the gambling sector.

Impact on the industry/Playtech

- Should AR and VR gain broad adoption, they could be used to vastly improve the player experience.
- With VR, players will be able to engage with other players and experience walking the halls of a physical casino in the comfort of their own home.
- With AR, there is the ability to customise a player's experience in a physical casino, or within Live, to overlay real-time information on the video stream.
- Playtech has begun to incorporate some of these technologies in its offering. The Greatest Cards Show within Live has augmented reality features, while the Poker vertical has released customisable digital avatars.

Link to strategy



5G roll-out

Overview

5G is the latest new global wireless standard and enables a new kind of network that is designed to connect everyone and everything together including machines, objects and devices. It is predicted to deliver much higher data speeds, ultra-low latency, more reliability, a big increase in network capacity and a more uniform experience to more users. These benefits can usher in new immersive experiences such as VR and AR.

Impact on the industry/Playtech

- 5G is an enabler of VR and AR technologies and thus helps to create games that are richer and more immersive than before.
- Video streaming of Live dealer games can be of a much greater quality with higher speeds and a more reliable network.
- In-game sports betting will benefit, particularly on mobile. Inside stadiums, more devices can be connected at once with reduced latency, thus enabling fans to place bets as they watch the game. Outside stadiums, 5G enables fans to simultaneously make bets and stream the game on their mobile phones.
- The low latency of 5G could help to facilitate more social iCasino games, as players will be able to enjoy real-time interactions with other players.

Link to strategy



4) Shift to online continues, accelerated by the pandemic

Live

Overview

Live is an extremely attractive vertical that is expected to grow significantly over the coming years. This is driven by two major trends:

- Firstly, there is a shift to online from retail as the world digitises and this has accelerated due to the pandemic.
- Secondly, within online, there is a growing trend away from random number generation (RNG) towards Live, as players want more of an interactive, immersive experience. With the imminent launch of VR by tech companies such as Apple, we expect this shift to accelerate.

The combination of these drivers means industry analysts predict the Live market to reach \$18 billion based on GGR by 2025, up from \$6.9 billion in 2021, a CAGR of 28%.

Impact on industry/Playtech

Playtech has already made significant investments to capitalise on this attractive product vertical:

- Ten studios are currently operational with a further one in Pennsylvania under construction. The latest one to open is in Peru which was launched earlier this year and will help us to support growth within the attractive LatAm region, particularly Brazil.
- The number of tables has more than doubled over the past four years.
- Significant investment has been made to ensure we have the latest cutting-edge technology and access to branded gaming rights such as Jumanji™.

These investments have already been made, and the nature of the Live business model is such that additional players can be added to tables at minimal cost. This creates significant operating leverage and leads to Live being margin accretive to the overall B2B division.

Link to strategy

1 2 3 4 5 6



Underpenetrated online markets in Europe

Overview

The pandemic accelerated the shift towards online gambling as retail shops were closed during lockdown and customers, with plenty of time to pass, played online. We await to see how structural this shift is over the coming year. However, early indications suggest the migration to online has remained sticky post pandemic, with all major countries in the EU seeing at least a seven percentage point rise in online penetration from prior to the pandemic in 2019 compared to 2022.

There is ample scope for the migration to online to continue. Looking to the UK as an example of a mature market, online penetration in 2022 was just under 60%, far in excess of Spain, Italy and Germany.

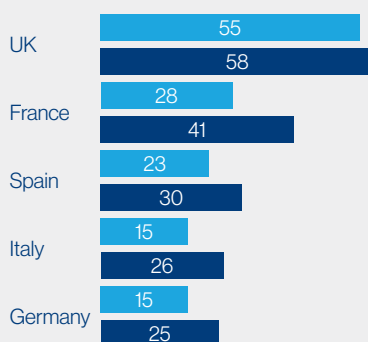
Impact on industry/Playtech

Within the B2C division, Playtech is very well placed to continue to benefit from an underpenetrated online market in Europe. In Italy, Snaitech gives Playtech exposure to a large market where online penetration remains at 26%, far below the UK at 58%. In addition, the online business is higher margin and less capital intensive, meaning it generates higher returns. Aside from Italy, Playtech is also well placed in Germany with HAPPYBET, which possesses one of the few available online sports betting licences in Germany.

Within the B2B division, Playtech has a strong presence in Spain across Live, Casino and Sports, and is well positioned to take advantage of the continued shift to online.

Several large European countries have an underpenetrated online market

Online penetration as % of GGR



● 2019 ● 2022

Source: H2GC (includes betting and gaming and excludes lotteries).

Link to strategy

1 2 3 4 5 6

Sports

Overview

As the market shifts to online, the Sports segment is impacted by multiple trends:

- convergence of sports betting, media streaming and social;
- emerging markets shifting towards embedded betting within streaming services;
- shift to in-play betting with the types of bets becoming more granular; and
- more and more data sources being used to come up with sports betting odds such as fitness of players.

Impact on industry/Playtech

- Our Sports offering is targeted at those areas where we see strategic benefits. One such region is LatAm, where many of the countries enjoy a rich sporting culture and we have made good progress in Mexico, Colombia and Panama.
- Our Betbuilder product, now available for football with other sports to follow, will be a focus of our Sports offering given the trend of shifting towards offering more granular types of bets.

Link to strategy

1 2 3 4 5 6



Business model

Flexibility to capture every opportunity

B2B

	Conventional	Structured agreement	SaaS
Services		✓	
Content	✓	✓	✓
Platform	✓	✓	
Clients	<ul style="list-style-type: none"> Entain Bet365 Parx Flutter WynnBET BetMGM 	<ul style="list-style-type: none"> Caliente Wplay Galerabet NorthStar 	<ul style="list-style-type: none"> Tipico Lowen Play Betway Novibet RET Leader-bet

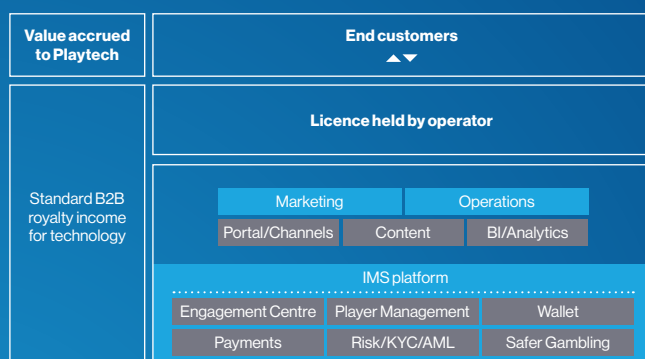
How we work

Conventional model

Platform + content

The conventional model involves us providing the operator with a platform-based solution, underpinned by Playtech's leading Information Management Solution (IMS) offering. The operator can then choose from a wide range of product verticals and content, including Live, Casino, Sports, Bingo, Poker and Virtual Sports.

The operator, which holds the gambling licence, is typically responsible for building and maintaining its brand in addition to customer services and marketing. In exchange for providing the technology, Playtech employs a revenue share model with the operator.



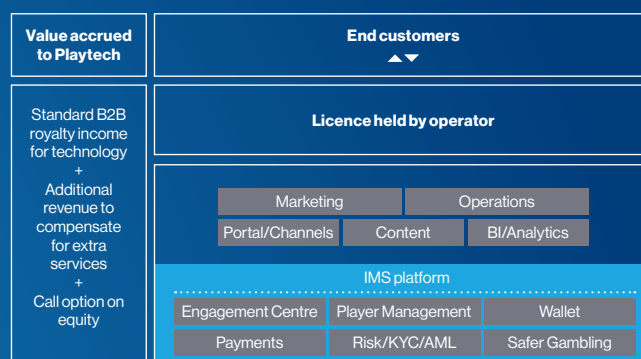
● Playtech provides/subcontracted ● Operator provides

Structured agreements

Platform + content + services

We also partner with "local heroes" with a strong retail brand and presence but without the necessary technological expertise to succeed online. Under a structured agreement, we provide a platform-based solution as per a conventional model, in addition to a range of marketing and operational services, some of which are subcontracted out to a third party.

This model also involves a revenue share framework with the operator, with Playtech's share typically higher than in a conventional model to compensate for the provision of these additional services. Playtech also typically injects capital into these operators to help facilitate growth and in return receives an equity call option which can be exercised should the operator be acquired.





SaaS

Content

For those operators that have their own platform, we also offer customers the ability to access our content, in a plug-and-play SaaS model. Operators benefit from low implementation costs and quick time to market, while Playtech is able to expand its addressable market and generates a recurring, monthly revenue stream at a higher margin.



B2C

Snaitech

- 1 Snaitech accrues all value.
- 2 Snaitech accrues a portion of value.

Our B2C division is comprised primarily of Snaitech in Italy and HAPPYBET, the retail and online Sports B2C business in Austria and Germany. Both businesses are led and operated by the Snaitech management team.

Snaitech is a leading operator in the Italian betting and gaming market, and generates revenues from gaming machines, retail betting and online gambling. The business was acquired by Playtech in 2018, bringing together Playtech's leading technology stack with Snaitech's powerful brand and local expertise in one of Europe's largest gambling markets.

Retail

The retail betting business predominantly operates a franchise model with franchisees responsible for staff costs, rent and facilities, while Snaitech itself provides the licence, content, technology and brand.

The franchise model generates growth with relatively low capital intensity, generating high return on capital. Meanwhile, the value sharing agreement with franchisees is at the revenue level, meaning Snaitech is less affected by rising cost pressures.

The Gaming Machine segment predominantly consists of Video Lottery Terminals (VLTs) and Amusement with Prizes (AWPs). Snaitech has a higher revenue share from VLTs but incurs the cost for content from operators, while for AWP, the machine owner takes a higher revenue share but incurs the cost of hardware and content. Further detail is provided in the table below.

Retail	Players in value chain	Share of NGR	Responsibilities
Sports betting	Franchisee	45%–50%	Staff, rent and facilities
	Licence holder ¹	55%–50% ¹	Licence, brand, content, technology, trading and risk ¹
Gaming machines			
VLT	Platform owner	10%–12%	Hardware, software and content
	Location owner	55%–50%	Security, location costs and staff
	Licence holder ¹	35%–38% ¹	Licence ¹
AWP	Machine owner ²	37%–40% ²	Machine installation and maintenance ²
	Location owner	55%–50%	Security, location costs and staff
	Licence holder ¹	8%–10% ¹	Licence ¹

Online

The online business operates a direct-to-consumer model, with Snaitech paying a share of revenue to the retail franchisee owners should they sign up customers at their retail site or to affiliates which direct customers to Snaitech's online site. Platform and content costs, part of which are supplied by Playtech, are incurred by Snaitech.

Online	Players in value chain	Share of NGR	Responsibilities
Sports betting and casino	Platform and content owner ²	10%–15% ²	Platform and content ²
	Affiliates/retail sites	20%–25%	Customer acquisition
	Licence holder ¹	70%–60% ¹	Licence, tech, trading, risk and customer services ¹

Business model continued

Our strengths

1 Unparalleled scale in the gambling industry

Playtech's global scale and distribution capabilities, with over 180 licensees operating in over 40 regulated markets and with offices in 20 countries, mean it is ideally positioned to provide its technology to operators in new regulated and regulating markets. Given its scale, the data that Playtech leverages enables it to improve product design, develop cutting-edge safer gambling tools and support regulatory requirements of operators in various jurisdictions. Together, this intelligence and insight leads to a safer gambling environment and an improved customer experience, as well as improved value for end users.

2 Award-winning technology

Playtech's leading B2B technology offering has been driven by a history of innovation. Playtech has consistently invested in R&D to deliver its technological innovation and industry-leading products to the gambling industry. Innovations from Playtech include being the pioneer of omni-channel technology and content integration in the gambling industry. Playtech's scale allows it to consistently invest in R&D and product-related investment at higher levels than its peers. In the last five years Playtech has made over €674 million of R&D and product-related investments, which is significantly more than its peers, and ensures all Playtech customers will benefit from cutting-edge technology indefinitely.

€674m

Amount invested in R&D over the last five years

3 Flexibility to cater to almost any operator

Playtech's flexible B2B technology offering positions it well to partner with operators under most scenarios. Playtech's Information Management Solution (IMS) platform provides all the tools necessary to successfully run and manage every aspect of a licensee's business, while the modular architecture allows it to also address the bespoke needs of specific operators.

At the same time, Playtech has one of the broadest content portfolios in the gambling industry with a huge array of options, supplemented by access to third-party content via our Playtech Open Platform (POP).

4 Leader in highly attractive Italian market

Playtech's Italian B2C business, Snaitech, is a leading player in the highly attractive Italian online market. Italy is the second largest gambling market in Europe, with a total GGR of over €14 billion in 2022. The online segment has seen significant growth at a CAGR of 21% between 2019 and 2022, yet it remains less developed than retail, with online penetration at only 26% in 2022 (versus 58% in the UK). Snaitech's leading brand and retail presence in Italy, combined with Playtech's technology expertise, make it ideally positioned to continue capturing this market opportunity.

€14bn

Size of Italian retail and online market in 2022 (GGR)

5 Our people

Playtech's capable, dedicated and passionate colleagues are our greatest asset. The entrepreneurial culture that empowers its people to seek out growth opportunities sets it apart and helps to ensure Playtech is well positioned to deliver on its strategic objectives. We aim to attract and retain the very best by creating an environment for colleagues based on respect, personal growth, recognition and development of talent, and a sense of belonging and purpose.



6 Focus on sustainability

Playtech is committed to helping build a safer, more sustainable entertainment industry for the benefit of all stakeholders and in 2022 continued progressing on Sustainable Success, its five-year sustainable and responsible business strategy. A key focus for Playtech is to cement its position as an industry leader in safer products, data analytics and player engagement solutions. In 2022, Playtech continued to make progress in all areas relating to sustainability including safer gambling, diversity and climate change. We have taken significant steps to strengthen sustainability governance and accountability, as well as further enhancing our commitments on climate change and gender diversity.

Supporting our stakeholders



For customers

€152m

Amount invested in cash R&D including safer gambling initiatives

c.55m

Number of poker tournaments



For society and the environment

>100

Number of charities and community supported organisations

11.7%

Reduction in tCO₂ emissions in 2022 v 2021



For employees

c.7,000

Jobs (i.e. number of employees)

>100

Number of wellbeing initiatives



For shareholders

€397m¹

Adjusted operating cash flow

c.€1bn

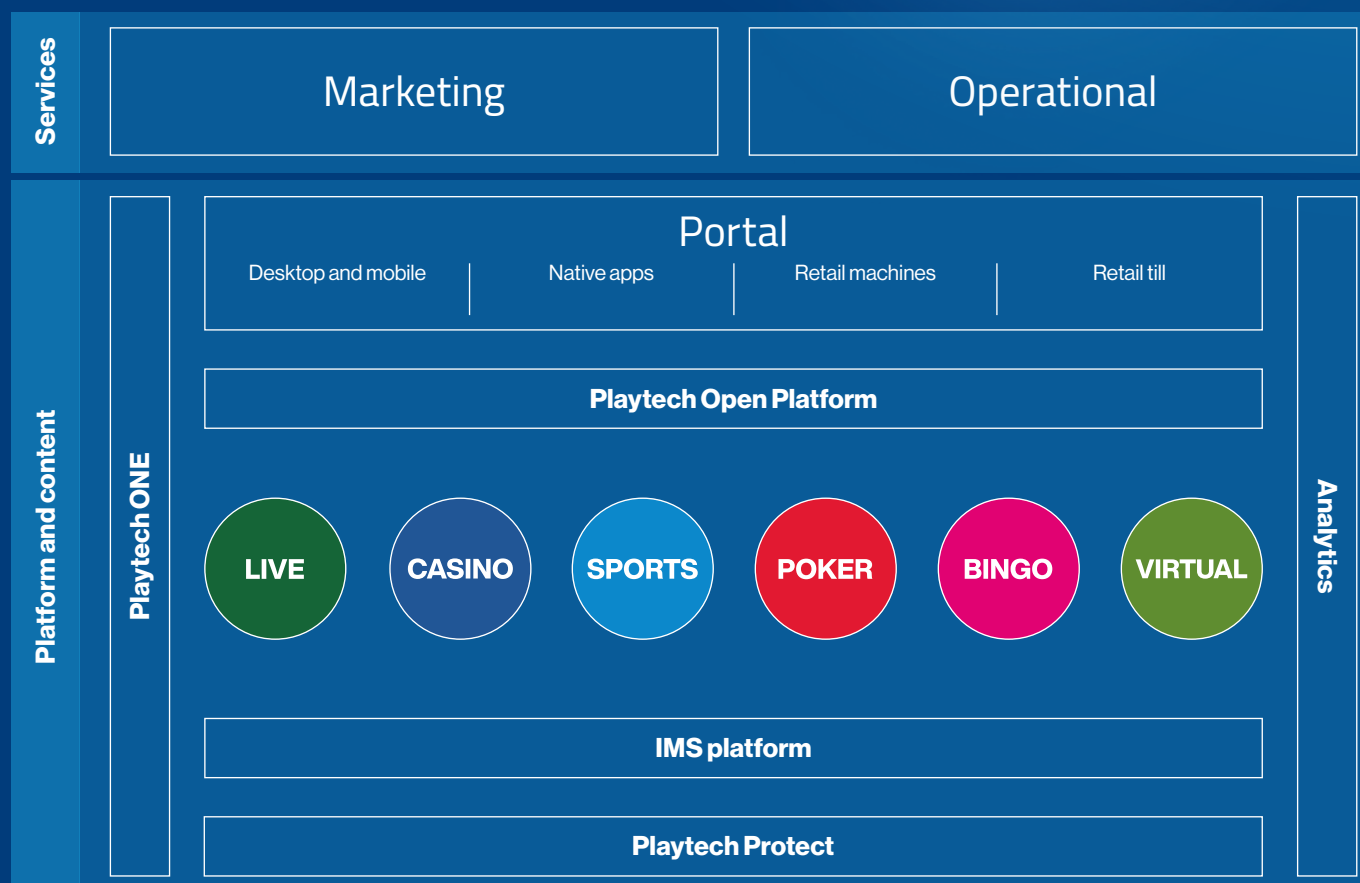
Cash returned to shareholders over past ten years

¹ Adjusting for changes in jackpot balances, client deposits and client equity, professional expenses on acquisitions and ADM security deposit.

Product and innovation

Award-winning technology delivering personalised solutions for operators and players

Through our proprietary technology solution, Playtech has pioneered omni-channel gambling technology which provides an integrated and open platform across retail and online for all key verticals, delivering a safe and seamless customer experience.



Platform

IMS platform

Our offering

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

IMS enables licensees to access all elements of Playtech's unique omni-channel capabilities allowing players to seamlessly transition across content verticals via a single account and single wallet, while providing operators with simple third-party integration and full visibility and control of the entire player lifecycle.

IMS unifies Playtech products across all channels, including retail, presenting operators with a single account overview and allowing them to streamline and optimise marketing spend, maximise cross-sell and conversion potential, leverage player loyalty and value and increase revenues by utilising data and automating key aspects of the player journey. The below graphic describes the key elements that sit within the IMS platform.

38m

New player accounts added to IMS in 2022

2022 highlights

- A new back-office user interface, deployed across all sites and offering an improved overall user experience, with single sign-on capabilities across multiple licensee sites and verticals (Sports, Casino, Live, etc.), offering easier management and greater security.
- Marketplace integration, allowing licensees to add games to their websites in just a few clicks, further speeding up time-to-market delivery.
- Our revamped CRM user experience simplifies processes for licensee admin teams and drives more effective player communication.
- Our integrated BI enables users to see data from multiple sources in one place, while the Dashboard Generator offers the power to build dedicated dashboards or to embed graphs into any IMS interface using any data source accessible in the Report Viewer.
- New security protocol support, including two-factor authentication and trusted devices, streamlines the ability to securely re-access the system if accidentally locked out.

Sitting within the IMS platform

Wallet – a single wallet per player account across all channels, including retail, creating an omni-channel experience for players and allowing licensees to centrally manage all financial transactions and bonuses.

Reporting – the tools necessary to produce both pre-set and custom reports, create dashboards and monitor KPIs, ensuring operators can monitor the performance of their business.

Engagement Centre – a comprehensive marketing and player engagement toolset, leveraging the full personalisation power of IMS.

Player Management – a single account overview gives licensees full visibility and control of the entire player lifecycle.

Payments – facilitates collection, processing, adjustments and corrections, plus payment method support and merchant integrations.

Risk/KYC/fraud – a comprehensive toolset covering source of funds checks, duplicate and multiple account checks, third-party integrations, automation rules, mass adjustments and more.



Product and innovation continued

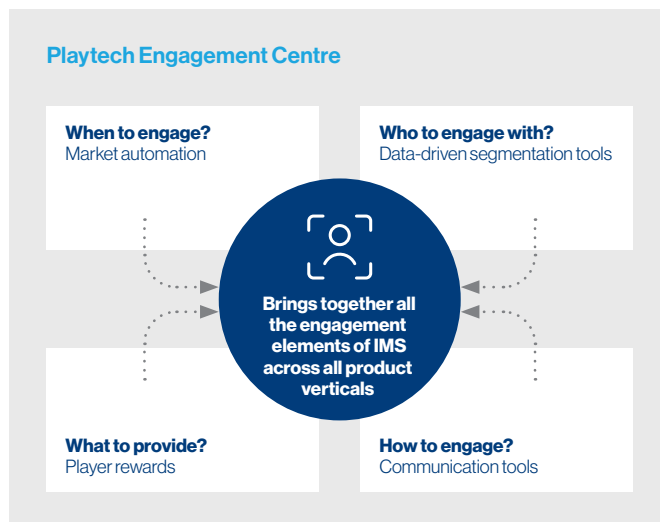
Platform continued

Engagement Centre

Part of the IMS platform, the Engagement Centre brings together Playtech's entire CRM toolset, some of the industry's most sophisticated player personalisation and communication products, designed to enable operators to engage with players as effectively as possible throughout the entire lifecycle. The Engagement Centre is also integrated with our Playtech Protect platform, creating opportunities for bespoke safer gambling messages and interactions.

2022 highlights

- Cross-vertical integration of the Engagement Centre continues, with key tools now available for Sports and Bingo in addition to Casino and Live.
- Additional integrations with third-party providers.
- Licensee uptake also continues to grow, with a more than 25% year-on-year increase and an average of 500,000 messages sent per day across email, SMS and inbox widget channels.
- Additionally, integration with third-party vendor Gift & Go enables licensees to offer physical prizes and rewards via Player Journey, with Amazon providing fulfilment.



500k

Messages sent per day across email, SMS and inbox widget channels

Safer gambling

Our offering

BetBuddy is our ground-breaking responsible gambling (RG) analytics platform, built around data mining and predictive analytics.

It combines the latest research into gambling behaviour patterns with the power of artificial intelligence, delivering a sophisticated solution to proactively identify and engage with players who might be at risk. BetBuddy has a strong academic curriculum, with over 60 peer-reviewed papers and conference presentations, focused on gambling harms, safer product design and AI.

BetBuddy segments players according to customisable criteria and tags them for clear differentiation. Thanks to these tags, operators can build Player Journeys, which enable personalised safer gambling interactions, both via automatic in-play messages and person-to-person conversations.

 **protect**

Highlights in 2022

- BetBuddy has expanded into three new jurisdictions in 2022, having been adopted by clients in Germany, Portugal and Switzerland.
- Scalable cloud architecture enables the platform to cope with the growth of its customer base. Additionally, BetBuddy's dashboard is now available through Microsoft Power BI, which can offer an endless combination of customised reports.
- A four-year breakthrough research project with two major European universities has launched, with the objective of building a library of player-tailored RG interventions. We have published two research briefings – one on the behavioural features that are the strongest markers of harm identified by BetBuddy, and one on the effect of the introduction of a stake limit for online slot games in Germany.
- The methodology and experience of the use of behavioural analytics have been shared with gambling regulators in Europe, North America and South America, and discussed with the European Commission.



Content

Playtech has one of the broadest content portfolios in the gambling industry with a huge array of options across the industry's most popular product verticals. The next section outlines Playtech's offerings across our six main verticals along with highlights in what has been an exciting year.



Our offering

Playtech's Live technology brings the real-life casino experience to the online environment. Live casino games, hosted by dealers in specially designed studios, are streamed online, where players can place bets on their computers and communicate with the dealer using the chat function.

We're dedicated to delivering the most authentic and engaging omni-channel Live experience for our partners, driven by a cutting-edge platform using the latest business intelligence data-driven technology. Our ten state-of-the-art studio spaces in key markets worldwide are home to industry-leading audio visual technology, combining networked tables and games with bespoke space for several tier one licensees.

Our extensive, entertainment-driven Live content offering, hosted by native-speaking dealers and presenters, ranges from casino classics such as Blackjack, Baccarat and Roulette, to innovative variants and gameshow-style content, including The Greatest Cards Show, Everybody's Jackpot Live, Quantum Blackjack and Roulette, Buffalo Blitz Live Slot, Football Roulette and Adventures Beyond Wonderland Live. Our range also includes popular cross-vertical Playtech brands such as Mega Fire Blaze™ Roulette and Age of the Gods™ and content designed around globally popular licences, including The Money Drop™, Who Wants to Be a Millionaire?™, Jumanji™ and Fashion TV™.

2022 highlights

In the busiest year yet for Live, the expansion and diversification of both our games portfolio and studio space have continued rapidly. Our flagship new games of the year, Everybody's Jackpot and The Greatest Cards Show, have both broken new ground technologically, with Everybody's Jackpot featuring first of its kind "Unreal Engine" Metaverse technology, while The Greatest Cards Show's augmented reality and horizontal wheel – a Live sector first – make it one of our most sophisticated games yet. With a clear focus and dedication to our partners, we launched several successful bespoke games including Well Well Well for Ladbrokes. Elsewhere, we continue to build major media partnerships, signing global rights (including in the US) for Jumanji™ in 2022.

On the studio side, our new Live facility in Peru provides bespoke products specifically for LatAm markets and has experienced strong initial demand with Brazil now one of Live's biggest markets. Our expanded facilities in Romania, led in part by demand for dedicated solutions, also include new Blackjack and Poker studios. We continue to grow our US infrastructure, opening our first dealer tables in New Jersey, with Adventures Beyond Wonderland Live soon to launch in that market, followed by Mega Fire Blaze™ Roulette Live in Michigan.

Mega Fire Blaze™ Roulette – building a global roulette brand

An ongoing success story for Live Casino has been the continued growth of Mega Fire Blaze™ Roulette Live. Based on one of Playtech's most popular slots suites, this multiplier-driven game has captured the attention of audiences worldwide since first launching in May 2021. In 2022 alone, the roulette ball in the original Mega Fire Blaze™ Roulette Live in the EuroLive studio in Riga has travelled the equivalent of 1.5 times around the world, with over 7 million multiplier prizes awarded.

In May 2022, Mega Fire Blaze™ Roulette Live launched in Spain, quickly becoming a market-leading product. Its continued success has captured the interest of many major partners, with William Hill and Entain both launching bespoke versions of this key table in 2022.

The success of Mega Fire Blaze™ Roulette Live has resulted in nearly 25% of all players on the Live network playing this product. As a result of this success, Mega Fire Blaze™ Blackjack Live and Mega Fire Blaze™ – Lucky Ball are due to launch in the future, in addition to our first Mega Fire Blaze™ Roulette Live table in the US. This extension of the franchise not only has the potential to build on the significant Roulette player base, but also creates an ideal cross-sell opportunity, attracting fans of the slots suite to the Live vertical.



Product and innovation continued

Content continued



Our offering

Playtech Casino offers one of the industry's most extensive range of "game of chance" based online slot games, delivering over 900 innovative in-house and premium branded titles through online or retail channels.

Major original brands include Cash Collect™, Age of the Gods™, Fire Blaze™ and the Blitz™ suite, while our range of exclusive film, sport and entertainment tie-ins includes the Sporting Legends™ series, plus titles from major Hollywood studios such as MGM, Universal, Paramount and AMC. With eight distinct global studios developing content under the Playtech umbrella, we offer an extensive selection of games to suit a range of demands. In-game engagement tools such as leaderboards, Mystery Parcels and engagement games empower licensees to increase player engagement through gamification.

>900

Titles in portfolio

8

Global studios developing content

We give customers the tools to build native apps that are iOS compatible by using a Software Development Kit (SDK) without the need for any additional software developers. The native SDK offers fast, straightforward game integration, allowing operators to incorporate Playtech Casino games directly into their app for delivery to the App Store, incredibly important for cross-sell activities between Sports and Casino.

2022 highlights

2022 proved to be a strong year for Casino. The "power suite" strategy continues to be a success, with the Cash Collect™ suite established as a top performer. Exciting expansions to our global brands portfolio include the new additions to our Sporting Legends™ suite, including Roberto Carlos and Frank Bruno, with Rocky™ and Gold Rush in the pipeline for the future, in addition to the expansion of our exclusive The Walking Dead™ series. A strong mix of content, from classic fruit machine-style games and innovative releases, such as the "crash" style Circus Launch™, and localised content tailored to specific regions, through to seasonal content around events such as St. Patrick's Day, the football World Cup, Halloween and Christmas, creates a diverse portfolio with a wide range of marketing opportunities for licensees.

The introduction of new functionality such as Engagement Games and Game Events visibility has led to increased feature adoption amongst licensees, including tier one partners such as Bet365 and Sky.

>60

Number of games launched in 2022

Cash Collect™ – Playtech's latest power suite

Alongside partnerships with major licensed brands, a key part of Playtech's Casino content strategy is the development of original brand suites, with the likes of Age of the Gods™ and Fire Blaze™ producing some of Playtech's most popular slots.

Known as Playtech power suites, these games combine innovative design with a distinctive look and feel, encouraging players to engage with the brand and look forward to new releases within the suite.

Launched in 2021, Cash Collect™ has become one of Playtech's most successful suites to date. The first release, Sahara Riches™, became Playtech's top-performing new game of 2021, while Leprechaun's Luck claimed the title for 2022 and was shortlisted for Game of the Year in the 2022 EGR Awards.

As Cash Collect™ is built around an engaging core mechanic rather than a central theme, the suite can be flexibly expanded to include seasonal and event-based content and, in a first for Playtech, games based on licensed brands. Recent new releases include Halloween launch Witches, Football!, launched in line with the 2022 World Cup, and the ground-breaking The Walking Dead™: Cash Collect™ – bringing together one of Playtech's best known licences and strongest in-house suites.





Our offering

Playtech's Sports delivers a full range of sports betting technology, managed trading services and physical equipment, catering to online operators and traditional retail/betting shop businesses of all sizes in major regulated markets worldwide.

A user-focused, data-driven design ensures the Sportsbook is tailored to our operator's audience. Playtech Sports boasts a wide distribution, with around 400 million sports bets placed via our technology on more than 500,000 events in 2022.

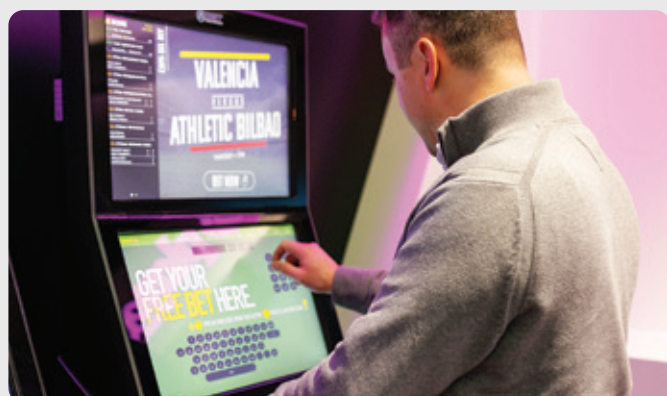
Including Snaitech, Playtech has c.60,000 bet entry points live in retail locations worldwide, including kiosks/self-service betting terminals (SSBTs), traditional over-the-counter (OTC) offerings and space-saving devices such as compact terminals and tablets, designed especially for smaller venues. Our shop TV solution also allows operators to display the latest odds for any sport and promote specific events.

2022 highlights

In a challenging market, 2022 has been a year of transition for Playtech's Sports vertical. Playtech has focused on modernising its product offering to take full advantage of major forthcoming opportunities, especially across the ever-expanding Americas market. A modernised code base, along with upgrades to our core GenBet and transaction system technology, is key to ensuring our platform is both highly scalable and more robust in preparation for the ongoing and long-term expansion of our customer base. We have also completed further integrations to the IMS, including Player Journey, part of the wider Engagement Centre toolset, for greater personalised customer communications and more flexible player rewards. This work also facilitates a more seamless user journey from a real-time CRM standpoint.

In terms of technological advances, Betbuilder for football is now available to go live, with other sports including basketball and American football soon to follow in a vital step forward for the US market.

Progress across the strategically important LatAm region has been strong, with successful launches including betcha in Panama and Codere in Mexico alongside a continued strong performance across retail sports from Mexico's Caliente and Colombia's Wplay. An impressive start from Holland Casino in Europe, which has taken Playtech's full suite of products, signals an encouraging trend for Playtech's Sports vertical in 2023.



Our offering

Playtech's Poker product features everything licensees need to launch their own fully branded, customisable online poker rooms, with multiple game types, table stakes and tournament buy-ins.

All iPoker networks, for international as well as ringfenced regulated markets, offer great liquidity pools and attracted an average of 330,000 players a month during 2022. Marketing and engagement tools such as hybrid missions, leaderboards and integrated player rewards are central to an evolving "gamified" experience, in line with our strategy to appeal to a wider demographic with long-term potential.

2022 highlights

Following a resurgence in the online poker market throughout 2020 and 2021 due to COVID-19, Playtech Poker has experienced record numbers again in 2022, with seven new operators joining the iPoker networks during the year. In line with customer preferences, Playtech has focused on an improved tournament offering, including more multi-table tournaments (MTTs), a revamped tournament schedule and more promotions for MTTs. These changes resulted in a boost in player engagement during the summer months, typically a quieter period for the Poker vertical.

Improvements to marketing and engagement tools have continued throughout 2022, including the introduction of features like player badges, animated 3D avatars and emoji packs, while new functionality such as the option for players to make a deal to split prize money in twister tournaments has created a more flexible experience.

We have implemented and delivered our mobile app across both iOS and Android, with an improved lobby look and feel, making it easier to find games and assets.



Product and innovation continued

Content continued



Our offering

Playtech's pioneering omni-channel Bingo solution allows players to enjoy the same seamless experience across any platform and on any device, including retail, all through a single wallet and a single account.

Playtech's platform acts as an aggregator for both content and wallet systems, allowing content suppliers to integrate seamlessly with it. Our UK Bingo network consists of more than 20 brands and manages more than 60,000 daily players and 20,000 daily concurrent players.

2022 highlights

In a major milestone for Playtech's long-term partnership with Buzz Bingo, Playtech's single wallet solution went live across Buzz's entire digital and retail estate in July 2022. This gives players the flexibility to deposit funds online and use them in a physical club (and vice versa) or withdraw winnings in any location. The launch of Buzz Live Bingo in September is already driving a strong incremental NGR uplift, with no cannibalisation of existing rooms.

Elsewhere, Playtech welcomed EPlay24 – the fastest growing operator in the history of the Italian Bingo market – to its network, whilst the relaunch of Britain's Got Talent Bingo for Mecca Bingo and the launch of Loyalty Rooms for Sky Bingo are among the major developments for Playtech's long-term partners.



Analytics

Business intelligence technology (BIT), built using artificial intelligence (AI), provides new and existing licensees with superior innovation for their next stage of growth.

Playtech's exclusive data-driven business intelligence marketing technology significantly enhances licensee revenues by improving player experience and increasing lifetime value. Added AI functionality gives licensees the tools to analyse big data and leverage real-time automated insights into players' behavioural patterns to create a personalised gaming experience.

We offer the ability to segment players and personalise communication based on their behaviours, improving player experience. At the same time, AI functionality enables personalised safer gambling interaction, powered by BetBuddy. AI functionality is now embedded across Playtech's IMS platform and is used by Playtech's leading tier one customers.



Our offering

Playtech's Virtual Sports technology fully simulates a range of internationally popular sports, including creating virtual leagues, venues and players by combining market-leading 3D game animation graphics and Hollywood motion capture technology.

Additionally, on-demand casino games and scheduled sports betting options including horse racing, greyhounds, football, ice hockey, basketball, tennis and motor sports ensure a continual stream of content. Virtual Sports provides a host of betting opportunities all year round, empowering licensees to deliver a compelling, diverse proposition across digital and retail channels even when real-world sporting markets are quiet.

2022 highlights

In February 2022, Playtech signed a ground-breaking five-year deal with The Jockey Club to develop an exclusive range of new Virtual Sports content. A prestigious and historic brand, The Jockey Club is home to some of the world's most iconic racecourses, and has the appeal to attract audiences internationally.

Built around real-life data, including meeting and course names, race names and distances, the first Virtual Sports game in the series, Epsom Downs, replicates the course layout, grandstand, finish and start lines and more in a ground-breaking 3D environment.

Further innovative game launches in 2022 include: Keno, a high value wins numbers game; and Football League, a season of matches played concurrently to facilitate accumulator game play.

2022 highlights

- The deployment of a new BI model helps operators predict which players are likely to leave the game, giving them the option to offer bonuses to encourage them to stay.
- Significant improvements to player segmentation enable targeting at a more granular level, for example based on which product verticals players prefer and how often they play.



Services

Making the most of Playtech's technology

Through partnering with over 180 licensees globally, Playtech has amassed a huge amount of knowledge on the gambling industry including customer acquisition and retention, how to manage risk and operational know-how. For those operators that are looking to launch online in newly regulating markets, this know-how can prove invaluable in ensuring that they make the most of the opportunities of an expanding addressable market. For those that are already established, our services can offer a way to get the most out of Playtech's technology to help deliver further growth. We break down our services offering into three segments: marketing services, operational services and consultancy and training.



Marketing services:

Our marketing services are typically targeted at those operators where we have a deep relationship such as strategic agreements.

Customer acquisition

Executing best practices and strategies in external marketing to execute and promote marketing campaigns in line with an agreed marketing plan and budget. We are experienced across all customer acquisition channels and look to build relationships with partners to ensure maximum value.

Customer retention

Developing and executing marketing strategies to retain, grow and maximise player value while achieving high levels of engagement and in line with regulatory and compliance frameworks and procedures. We have experience across all communication channels including social media and gamification and can deliver valuable bonus strategies across all product verticals.



Operational services:

Our operational services are typically available for those customers which use our technology under a conventional business model.

Customer onboarding

Assisting the operator in configuring their customers' onboarding journey/flow. We configure the technical set-up for the system and oversee ongoing results to ensure business performance.

Risk management

Delivering fraud prevention services for the operator to minimise reputational and financial losses. We also offer AML services to ensure operators adhere to regulatory requirements.

Customer experience services

By combining our expertise in regulatory frameworks, customer protection and leading delivery, we provide high-quality customer experience services using AI-driven solutions at scale.

Payments processing

Overseeing the processing of cash out requests by customers from the point of the request to the moment they leave our platform as an "approved" outgoing transaction in line with risk management/fraud prevention/AML controls.

Technical delivery services

Delivering the necessary back-office configurations in IMS to ensure operators optimise Playtech's technology.



Consulting and training:

Our consulting and training services ensure an easily accessible source of industry and operational knowledge to get the most out of Playtech's technology.

Playtech Academy and training

playtechacademy.com is the award-winning website that acts as a portal where operators and Playtech employees alike can self-serve a wide range of content including videos, presentations, podcasts, thought leadership and live webinars, to enhance their knowledge of Playtech products.

Consulting

Our experienced consultants, across a wide range of locations and covering multiple verticals, help support operators in implementing industry best practice to get the most out of Playtech's technology. Activities are linked to clearly defined and measurable KPIs.

Product and innovation continued

A flexible offering

A plethora of options to fit our licensees' needs

SaaS

For those operators that have their own platform, we also offer the ability to access our content, in a plug-and-play SaaS model. Operators benefit from the ability to access Playtech content without having to license the IMS platform with low implementation costs and quick time to market, while Playtech expands its addressable market.

The SaaS model can also be used to provide a low friction method of exposing as many operators as possible to Playtech's technology. Once operators see the quality of Playtech's content and technology, the path to offering additional Playtech products becomes easier.

Playtech has been building out the infrastructure for its SaaS business since 2017 including data centres in local markets. As a result, Playtech is ready to accommodate a large number of operators across its infrastructure and has added over 350 brands since launching the SaaS offering.

>350

Brands added since launch of the SaaS offering

Modular

Our IMS platform capabilities can also be broken down into a set of easily identifiable services with distinct integrations. This componentisation of our software allows the delivery of a more agile distribution of our technology – ultimately making the data-driven capabilities in IMS more modular and allowing more operators to access the capabilities they need. By delivering a more agile solution we are extending our reach to additional operators and allowing them to deploy our technology in a quicker and more cost-effective way. This increases our cross-sell capabilities with our licensees.

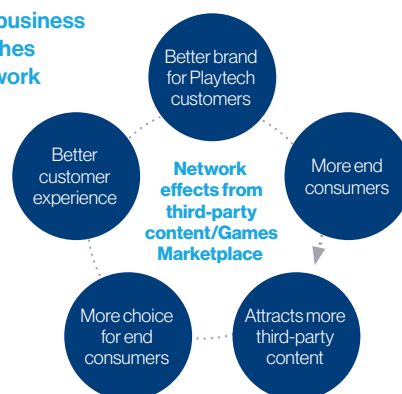
Componentising the IMS platform



Playtech Open Platform and Games Marketplace

Playtech Open Platform (POP) allows licensees to access more than 10,000 of the industry's most popular online and mobile in-house and third-party games at any time, across any channel and on any device, ensuring licensees can offer their players a broad range of content. The Games Marketplace allows operators to discover and configure Playtech and third-party content, and monitor their performance, regardless of the technology that the game was built in. This also increases the amount of data that Playtech can access, improving our analytics offering and increasing network effects.

Marketplace business model unleashes powerful network effects



Stakeholder engagement

Engaging constructively with all stakeholders

Playtech's success is reliant on maintaining strong relationships with stakeholders.

As a technology leader and trusted service provider in the gambling industry, Playtech's success is built upon maintaining strong relationships and trust with its stakeholders. As an Isle of Man registered company, we are not bound by the UK Companies Act 2006. However, we seek to adhere to best practices and, as such, the following section outlines how the Directors take into account their obligations under section 172(1) (a) to (f) of the Companies Act 2006.

Employees

Why we value them

We recognise our employees are fundamental to our success and, as such, we put our colleagues at the heart of everything that we do as a company. We strive to recognise and reward everyone's contributions appropriately and support our employees to ensure motivation and give people the opportunity to develop both personally and professionally. Playtech, therefore, needs to attract and retain top talent and a strategic and professional approach to recruitment is essential to achieve this.

Most pertinent issues in 2022

- Impact of the war in Ukraine on our colleagues and the community
- Flexibility, autonomy and being able to work from home
- Employee wellbeing, work-life balance and career progression
- Diverse and inclusive workplace
- Competitive remuneration and benefits
- Communications about strategy and priorities
- Rising cost of living

How the Board and management engage and respond

In 2022, the Board and executive team took steps to strengthen the quality and frequency of colleague engagement which will continue into 2023. Specific methods of engagement include:

- Employee engagement surveys
- Town halls and office visits – structured and informal format to:
 - Understand and listen to ideas, issues and concerns
 - Increase awareness and understanding of the corporate strategy and priorities
 - Establish meaningful, two-way engagement with colleagues
 - Foster a culture of listening, openness and consultation
 - Ensure employees are aware of actions as a result of engagement
- Independent Speak Up mechanism allowing employees to raise issues
- Qualitative and quantitative data and recommendations frequently presented to the Board, Sustainability and Remuneration Committees on employee turnover, engagement, reward and benefits, talent development, and diversity and inclusion

Shareholders

Why we value them

Continued access to capital is vital to the long-term success of our business. Furthermore, Company Directors can better understand shareholder concerns and the driving forces behind their voting decisions. Engagement with experienced investors can be valuable for the Company in providing feedback on key strategic decisions, whilst also helping to anticipate any issues that may arise in areas such as governance and sustainability.

Most pertinent issues in 2022

- Strategic priorities following unsuccessful acquisition of Playtech plc
- Simplification of the Group including disposal of Finalto
- US and Latin America strategy
- Capturing the market opportunity in Italy
- Corporate governance
- ESG strategy and progress on safer gambling, climate and diversity and inclusion

How the Board and management engage and respond

- Annual Report and AGM
- Structured programme of communications between Board members and Investor Relations and existing and prospective investors and analysts
- Results presentations and post-results engagement with major shareholders
- Capital Markets Days
- Board receives regular updates on investor relations
- Engagement with ESG indices
- Chair of the Remuneration Committee engages with shareholders on Remuneration Policy and practice

→ Read more on [pages 56 to 63](#)

Stakeholder engagement continued

Licensees and customers

Why we value them

We seek to understand our licensees' and customers' needs and challenges so that we can develop products and services and enter strategic partnerships that will add value. Regularly engaging with licensees and customers also highlights opportunities for innovation to ensure we can stay ahead of the competition, and respond to challenges.

Most pertinent issues in 2022

- Innovation across content, products and platform
- Data protection
- Compliance
- Business and operational continuity during the Ukraine war
- Competitive pricing
- Service reliability and scalability
- Solutions and support to meet and anticipate regulatory developments and sustainability topics – including safer gambling

How the Board and management engage and respond

- Face-to-face engagement at trade shows
- Executive Management team regularly meets with our customers to ascertain how Playtech is delivering as a partner and how we can improve
- The Board regularly receives updates on licences signed and progress on implementations
- Management teams use account management structures and CRM tools across our business to ensure we are delivering to our licensees' and customers' expectations
- We aim to apply best practices, develop skills and capabilities, and deliver continuous improvement in execution to enhance the overall customer experience



Suppliers and technology partners

Why we value them

Playtech's Procurement function identifies key suppliers and maintains partnership relationships to ensure its supply chain is aligned with the Company's core values and supports business continuity. Our suppliers and technology partners play a crucial role in supporting our operational excellence as well as the success of our commercial teams, product units and, ultimately, our licensees. Our customers benefit from high-quality provision of technical services as well as the suppliers' and partners' geographic reach, industry-specific and functional domain expertise and implementation support.

Most pertinent issues in 2022

- Complexity and speed of onboarding process for new suppliers
- Impact of the pandemic on supply chain continuity and timely delivery
- Consistent and regular communication and engagement with key suppliers
- On-time payments
- Fair terms
- Ensure suppliers (including small suppliers) have access to new business opportunities
- Ethical behaviour and supplier compliance with sustainability criteria on climate and human rights
- Innovation partnerships

How the Board and management engage and respond

- Presentations to the Board Sustainability Committee on sustainable procurement risk assessment and sustainable supply chain strategy
- The Procurement function undertakes actions to ensure open communication with vendors and suppliers
- Playtech initiates supplier briefings and brainstorming sessions to help create new solutions aligned with Playtech requirements
- Playtech ensures its suppliers comply with regulatory requirements, through due diligence checks, GDPR reviews and information security checks
- Playtech works with suppliers to ensure compliance with human rights and climate requirements
- Despite disruption due to the Ukraine crisis, Playtech managed to deliver hardware on time and meet project deadlines
- The Board has directed Playtech to partner selectively with those that are leaders in their own field and share Playtech's standards and values



Regulators and policymakers

Why we value them

Engagement with regulators plays an important role in, and can be valuable to, facilitating a fairer, safer and more sustainable sector. The Company continues to actively advocate for regulation in existing, future and evolving markets and recognises that one-on-one engagements with regulators and policymakers are vital to raise industry standards and better understand regulator concerns and decision making. Through increased engagement with regulators and policymakers, the Company is well positioned to achieve one of its key commitments to share knowledge and have an even greater influence on the regulatory environment and drive greater levels of industry collaboration.

Most pertinent issues in 2022

- Developing effective regulations for new jurisdictions
- Improving existing regulations and compliance with a greater focus on safer gambling and AML
- New regulatory and legislative developments to promote player and consumer protections
- Monitoring AML compliance failings
- Industry-wide changes to legislation to restrict advertising in new and established jurisdictions
- Implementing industry-wide safer game design
- Adequate industry contributions to charities providing research, education and treatment
- Use of technology and data analytics to enable player protection

How the Board and management engage and respond

- Board member participation in trade body and one-to-one meetings with regulators and policymakers
- Chief Compliance Officer provides the Board with regular updates on developments
- The Board is engaged with the licensing processes in several new jurisdictions to better understand regulatory requirements
- The Board continues to actively promote further regulation in the US via meetings with state regulators
- The Board receives ongoing updates including the review of the UK Gambling Act and regulatory developments in the US and Latin America
- Playtech delivers training to the Board every 12–18 months, including legal requirements related to anti-money laundering and anti-corruption, as well as regulatory developments

Society and communities

Why we value them

We are committed to operating and growing our business in a way that has a positive impact on the communities and environment where we operate. We also recognise that the challenges facing the sector and communities cannot be solved by one organisation alone. Driving positive social change requires collaboration and partnership.

Most pertinent issues in 2022

- Societal concerns about the impact of gambling on digital wellbeing and mental health
- Financial and in-kind investments in safer gambling research, education and treatment
- Action to reduce the risks and impacts on climate change and nature
- Action to tackle modern slavery and human and labour rights issues
- Equality, diversity and inclusion
- The impacts of the war in Ukraine
- Partnership, engagement and support for local community organisations and causes

How the Board and management engage and respond

- Engagement of the Sustainability and Public Policy Board Committee along with the CEO with Playtech's external Stakeholder Advisory Panel to challenge and inform the Company's sustainability strategy
- The Board is provided with updates from the Chair of the Sustainability Committee on a wide range of societal and environmental topics including:
 - The Company's safer gambling strategy with a specific focus on Playtech Protect, Playtech's safer gambling technology solutions offering
 - Climate change
 - Human rights
- The Board is provided with regular updates on community-related efforts led by Playtech employees, such as the response to the Ukraine war
- The Board participated in climate change training and endorsed the Company's climate change strategy
- The Board Sustainability and Public Policy Committee reviewed and approved targets for increasing female representation in leadership roles

→ See our response to Ukraine on [pages 8 and 9](#)

→ See KPI section on [page 17](#)



Responsible business and sustainability

Sustainable Success

The war in Ukraine, rising cost of living, economic downturn, continued impacts of climate change and lasting impacts of the pandemic on employee working life and wellbeing, coupled with increased regulatory and disclosure requirements, have all had a profound influence on how a business responds and manages societal and environmental impacts and opportunities. For the online gambling sector, there is a continued focus on the role that technology can play in understanding and reducing risk as well as supporting a safer gambling experience. However, the growth of online gambling and increasing regulatory developments continue to prompt debate and concerns about the impact of online gambling on the health and wellbeing of consumers. All of these developments have influenced the Company's decisions about its commitments and actions to grow in a responsible and sustainable way.

Sustainability framework, commitments and targets



Pioneering safer gambling solutions

Commitments

- Expand the portfolio of safer gambling technology, tools and solutions
- Harness investment in R&D to advance the next generation of safer solutions
- Strengthen operational safer gambling standards and technology across our operations

Performance measures

- Engagement and collaboration with licensees
- Research and partnerships
- Safer gambling certification



Promoting integrity and an inclusive culture

Commitments

- Promote integrity, uphold human rights and reduce compliance risk across our operations and supply chain
- Ensure equal opportunity and equality for all employees
- Support employee wellbeing

Targets and performance measures

- Increase gender diversity amongst our leadership population to 35% by 2025 against a 2021 baseline
- Supply chain risk assessment on human rights
- Employee engagement



Powering action for positive environmental impact

Commitments

- Reduce greenhouse gas (GHG) emissions within own operations and supply chain
- Build capability and climate resilience through decisive actions in both own operations and supply chain
- Align to global climate efforts to transition into a low carbon economy, in accordance with the latest climate science, and prioritise climate innovation

Targets and performance measures

- Reduce Scope 1 and 2 carbon footprint by 40% by 2025 against a 2018 baseline
- Switch all offices, wherever possible, to renewable energy
- Secure approval of near-term and net zero targets by Science Based Targets initiative (SBTi)



Partnering on shared societal challenges

Commitments

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

Targets and performance measures

- Reach 415,000 people with digital wellbeing programmes by 2025
- Engage 30,000 people in community and mental health programmes to improve livelihoods by 2025
- 5% year-on-year increase in employees' contributions (skills, time or money) to the community, reaching a global average of 10% by 2025

Group Sustainability Scorecard

Playtech uses a Group Sustainability Scorecard to assess performance against key non-financial metrics. In 2022, Playtech enhanced the scorecard by revising the performance measures against each goal. The scorecard is designed to monitor, inform and assess progress towards safer gambling, climate, diversity, wellbeing, supply chain and community investment goals.

Goals	Commitment	KPI	2022 progress
1 Operational excellence in safer gambling	Strengthen operational safer gambling standards and technology across our operations	Safer gambling independent certification or assurance	GamCare B2B Safer Gambling Standard G4 international certification of responsible online gambling (Snaitech)
		Safer gambling training delivery to workforce	Customer Interactions (B2C) training completion rate: 96%
2 Engagement on safer gambling solutions	Expand the portfolio of safer gambling technology, tools and solutions	Brands deployed and integrated with Playtech Protect solution, BetBuddy	13 brands in six jurisdictions
	Harness investment in R&D to advance the next generation of safer solutions	New policy and research (practical and theoretical) papers	Publication of two research papers
3 Low carbon business	Reduce greenhouse gas (GHG) emissions within own operations and supply chain	Reduce Scope 1 and 2 carbon footprint by 40% by 2025 against a 2018 baseline	6,970 tCO ₂ , absolute decrease by 11.7% since 2021 and 39.6% since 2018 (baseline)
		Track Scope 3 reductions with focus on key material categories	109,100 tCO ₂
	Build capability and climate resilience through decisive actions in both own operations and supply chain	Switch all offices, wherever possible, to renewable energy	56.4% of energy consumption is from renewable sources
	Align to global climate efforts to transition into a low carbon economy, in accordance with the latest climate science, and prioritise climate innovation	Get near-term and net zero targets approved by Science Based Targets initiative (SBTi)	Submitted commitment letter to set near-term and net zero targets for approval by SBTi
4 Attracting and retaining a diverse workforce	Ensure equal opportunity and equality for all employees	Increase gender diversity amongst our leadership population to 35% by 2025 against a 2021 baseline	Increased female representation amongst leadership population to 26%
		Reduction in gender pay gap and gender bonus gap (UK)	Mean gender pay gap: 27% Median gender pay gap: 27% Mean bonus gender pay gap: 41% Median bonus gender pay gap: 37%
	Support employee wellbeing	Employee participation in wellbeing initiatives	Rolled out >100 wellbeing initiatives and 3,400 employees participating in at least one initiative
		Improvement of NPS from employee engagement surveys	NPS: 54%
5 Embedding sustainability and compliance into supply chain operations and management	Promote integrity, uphold human rights and reduce compliance risk across our operations and supply chain	Reports raised through Playtech's Speak Up whistleblowing hotline and incidents identified and resolved	Two incident reports raised and resolved
		Completion of mandatory training on compliance, data privacy and cybersecurity, information security, human rights and modern slavery	Training completion rates on: Compliance: 94% Data protection: 96% Information security: 95% Human rights: 96%
6 Ensuring transparent spend and maximising impact of community investment	Empower charities, community groups and social enterprises to deliver a positive impact to local communities	Number of people engaged through community investment and mental health programmes	>70,000 people engaged ¹ ¹ Engaged is defined as an individual that has directly benefited and/or has interacted with the programme supported from financial and/or in-kind support.
	Help people live healthier online lives and adopt digital resilience and safer gambling behaviours	Number of people reached with the healthy online living initiatives	>370,000 people reached ² ² Reached is defined as an individual that has directly and indirectly benefited and/or interacted with the programme.
	Contribute to and support research, education and training to prevent, reduce and address gambling-related harm	Total amount invested	> £1,010,000

Responsible business and sustainability continued

A message from the Chair of the Committee

As a Non-executive Board member and Chair of the Board's Sustainability and Public Policy Committee, I am delighted to share the progress and highlights of our sustainability performance for 2022. This was the first full year that the Committee has been operational and it held six meetings to review and monitor progress and challenge the business to accelerate action across safer gambling, diversity and inclusion, climate change, procurement and human rights. These sessions enabled the Committee to better understand areas of progress and the challenges ahead. The outcome of our meetings included an endorsement of strategies to leverage technology to advance safer gambling solutions, combat climate change, contribute to a more inclusive business culture and support communities and our workforce. The Committee is also working with the Remuneration Committee and Executive Management to link ESG performance to remuneration for Executives and selected leaders. Additionally, the Committees are working with Executive Management to develop a framework for embedding sustainability into performance management across the Group.

Linda Marston-Weston
Chair of the Sustainability and
Public Policy Committee
23 March 2023



The below highlights our progress in 2022

Safeguarding our people

With over 700 colleagues based in Ukraine, our key priority remains the safety of our people. We continue to provide essential support to our colleagues as well as humanitarian support to communities across the country.

Strengthening governance

Alongside the CEO and executive team, the Committee members have actively engaged with the external Stakeholder Advisory Panel. This engagement has been instrumental in helping us challenge ourselves to continuously improve our strategy and consider future trends and developments as well as understand how other companies across sectors are tackling environmental, social and governance considerations. During the year, the Company also appointed a new Chief Sustainability and Corporate Affairs Officer, who is a member of the Company's Executive Management Committee.

Enhancing our safer gambling technology offering and partnerships

Through our Playtech Protect division, we continued to enhance the technology and service offering for our licensees, expand our research portfolio and our partnerships to empower our licensees to enhance player protection measures and raise industry standards.

Taking action to tackle climate change

The Company recognises that urgent action is required to substantially reduce the risks and impacts of climate change and, therefore, made a formal commitment to set near-term and net zero science-based targets through the Science Based Targets initiative (SBTi). 2022 also saw the Company make significant progress in shifting to renewable energy across the Group's assets.

Advancing equality and inclusion

The Group has set out an ambition for equality in the workplace and has begun to make progress on gender diversity within its leadership population. In addition, we have taken action to embed diversity as part of leadership development and succession planning.

As we look to 2023 and beyond, our priorities will be to continue to deliver against our commitments whilst also focusing on how we can embed sustainability into our culture, decision making and performance management.

Sustainability governance and oversight

Playtech officially formed its Sustainability and Public Policy Board Committee in 2021. Since then, the Committee has played an important role in reviewing the implementation of the sustainability strategy, recommending enhancements on measuring progress, setting achievable targets and reviewing implementation and actions to meet the Company's commitments. The Committee also oversees the Company's key non-financial commitments, strategy, targets and reporting from Board level.

The day-to-day responsibility for sustainability governance sits within the Sustainability and Corporate Affairs function. In practice, this function co-ordinates action, provides subject matter expertise, delivers support to other relevant functions, business units and country management, manages and tracks performance, and leads engagement and partnerships with external stakeholders. The team is working closely with the Regulatory Affairs and Compliance function to align and integrate compliance and regulatory considerations into planning and decision making.

The Group's governance processes are supported by the Internal Audit and Risk function, providing assurance to the Board and Executive Management team that effective systems and controls are in place to manage significant risks within the business. The Regulatory Affairs and Compliance function is subject to recurring annual reviews, the scope of which is dynamic and varies from year to year. Internal Audit also ensures that compliance-related areas are integrated into other operational audits, as and when applicable, and scrutinises the processes and data used to populate KPIs.

The Regulatory Affairs and Compliance function continued to lead the Compliance Council and other internal governance forums. The key objectives are to:

- inform Playtech's product teams, business units and projects of current and evolving regulatory affairs and compliance topics;
- review and assess the impact of regulatory and compliance developments;
- proactively engage on opportunities and shape debates on regulatory affairs;
- discuss and co-ordinate regulatory and compliance positions; and
- share information and raise awareness of progress, challenges and/or resource concerns that may impact Playtech's compliance and regulatory position.

Action and accountability

In response to the evolving expectations regarding Board and executive accountability on environmental, social and governance performance, the Board has agreed to link executive remuneration to year-on-year progress against the Company's 2025 sustainability commitments, effective from 2022 with an expansion to Executive Management Committee and selected senior leaders in 2023. The KPIs used to assess year-on-year performance cover safer gambling, diversity and inclusion and climate change.

During the year, the Board endorsed the Company's commitment to set near-term and net zero targets in line with climate science with the Science Based Targets initiative (SBTi). The Company is developing its roadmap and transition plan to meet these targets. During 2022, the Board and members of the Executive Management have also participated in climate change training.

The Board Sustainability and Public Policy Committee reviewed, approved and monitor the Company's diversity, equity and inclusion strategy, including targets to increase female representation in leadership roles. In December 2022, the Board approved a new Board Diversity Policy outlining its commitment to ensure that diversity is a key factor in the recruitment and succession planning at the Board and executive levels.

Stakeholder engagement

In 2022, Playtech continued to challenge its approach to sustainability and the way we do business through an external Stakeholder Advisory Panel. The Panel was established in 2021 to help inform and advance the strategy and raise standards for responsible business practices within the gaming and betting sector. The Stakeholder Advisory Panel has brought together external subject matter experts and senior internal decision makers, including the Company's CEO and other relevant senior leaders. This forum complements Playtech's existing and regular stakeholder engagement mechanism. The Panel discussed the Company's approach to safer gambling, diversity, equity and inclusion as well as climate change. During the course of 2022, the Panel's insight, engagement and challenges provided an invaluable perspective to help Playtech accelerate and mature its approach going forward.

Key themes raised during the sessions included recommendations for embedding sustainability into the Company's purpose and ambition, clarifying the business case for change and action, harnessing employee engagement and insight, and leveraging the Company's role as a catalyst for greater collaboration in the sector. Detailed summaries of the Panel meetings and the actions that Playtech is taking forward can be found at www.playtech.com/sustainable-success.

In 2023, Playtech intends to continue with a formalised external engagement panel as part of its continued efforts to evolve and inform its future sustainability strategy.



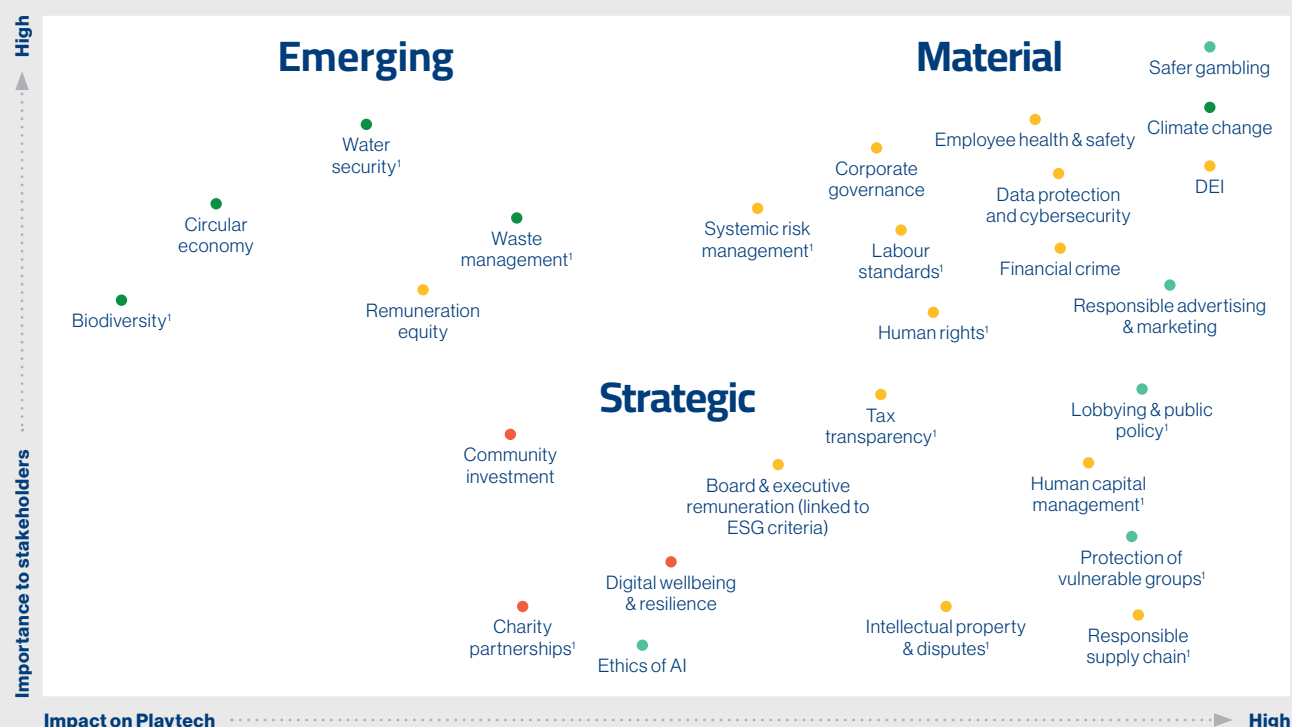
Responsible business and sustainability continued

Sustainability materiality

In 2022, Playtech conducted a refresh of its materiality assessment to ensure that the Company prioritises the environmental, social and governance issues that both internal and external stakeholders consider to be important for Playtech, the industry and society. The assessment was conducted by engaging internal and external stakeholders, desktop research and analysis of evolving stakeholder expectations, as well as regulatory and compliance developments.

Sustainability materiality matrix

This section outlines the material and emerging issues of interest to stakeholders, including topics that are related to wider community investment activities and water usage within the Group's Italian operations.



Issues that matter to Playtech and society

The Company recognises that standards, requirements and expectations about the role of business in tackling environmental, social and governance topics continue to evolve. Regularly assessing which issues are material to the business and industries it operates in is essential to successfully test and develop the Group's responsible business strategy and reporting. Playtech defines an issue as being material if it is considered important by key stakeholders and could have a significant financial impact on the business. As such, the business considers both risks and opportunities as part of the materiality assessments.

In 2022, we updated our Group's materiality assessment by conducting a refreshed systematic scan of the priority issues for the betting and gaming and software and services sectors. We reviewed the frameworks defined by investors and the wider financial community, employees, licensees, gambling charities, regulators and the media in order to conduct this analysis. We then grouped a long list of issues into more meaningful clusters, which were prioritised through a variety of exercises, including internal interviews.

The diagram below provides a visual overview of the material concerns, segmented into strategic, material and emerging issues. Strategic issues typically represent challenges that may not be on the stakeholders' radar yet but are instrumental in the Group's planning for the future. Emerging issues typically represent challenges that are rising up on the stakeholders' radar but are not yet instrumental in the Group's planning for the future. Four out of the five emerging issues are challenges related to the environment, and thus we will monitor and explore these within our new pillar, "Powering action for positive environmental impact", to assess how we can mitigate these risks and reduce our impact on the environment.

While this may break with usual conventions around materiality assessments, Playtech is a unique business, spanning both the technology and gambling industry classifications for ESG benchmarks. To that end, the Company has taken into account material issues from both sectors in its materiality assessment.

The issues identified as being the most material are:

Safer gambling

Embraces areas such as games design and product safety, marketing, investment in research, education and treatment (RET), customer engagement, regulation, data analytics and the use of AI.

Climate change

Covers policies, existing and impending regulations, initiatives and performance relating to climate change prevention, mitigation and adaptation.

Diversity, equity and inclusion

Covers increased representation and inclusivity for various groups, including gender, culture, identity and disability, directly linked to talent attraction, retention, employee engagement, training and development.

Responsible advertising and marketing¹

Refers to adopting a socially responsible approach to advertising and marketing, such as ensuring that adverts do not exploit the susceptibilities of young or vulnerable people.

Employee health and safety

Relates to looking after the mental and physical health of employees – a concern that has come further to the fore following the pandemic.

Data protection and cybersecurity

Relates to policy, governance and resourcing as well as operational KPIs related to security strategies, data protection and security controls, vulnerability monitoring and risk assessments and risk management as well as data governance.

Corporate governance

Refers to elements of governance that relate to the social and environmental aspects of sustainability such as Board diversity and experience, incentives and remuneration, as well as integration of sustainability into decision making.

Financial crime

Focuses on anti-money laundering (AML), anti-bribery and corruption (ABC), tax evasion and professional integrity.

Human rights¹

Focuses on recognising the rights of all people regardless of race, sexuality, nationality or any other status. It also includes specific reference to modern slavery.

Labour standards¹

Relates to basic worker rights, working conditions, adequate wages and job security.

Systemic risk management¹

Refers to ensuring risks associated with business collapse are managed, such as ensuring there is clear accountability and reporting.

The approach to materiality is dynamic and will continue to evolve and adapt, ensuring assessments help the business to capture changes in the business and in society, as well as focusing on reporting and ESG disclosures.

Responsible business and sustainability continued



Pioneering safer gambling solutions

As a business, the most impactful contribution that Playtech can make to the industry and in society is through the provision of technology to advance safer gambling and player protection.

Commitments

Pioneering safer gambling solutions has always been a vital area for Playtech – and the sector it operates in – and will only become more important in the years ahead as the Company works to:

- Expand the portfolio of safer gambling technology, tools and solutions
- Harness investment in R&D to advance the next generation of safer solutions
- Strengthen operational safer gambling standards and technology across our operations

Performance measures



Engagement and collaboration with licensees



Research and partnerships



Safer gambling certification

→ More information on methodology and KPIs at www.playtech.com

13

Brands deployed and integrated with BetBuddy

6

Number of jurisdictions

11

Compliance and safer gambling SaaS partnerships

Safer gambling – the changing landscape and approach

Across all markets, including jurisdictions where online gambling is newly and/or in the process of being regulated, the importance of safer gambling continues to be the most material challenge and concern for the gaming and betting sector. With its unique reach, data capabilities and investments in safer gambling technologies, we have taken the conscious decision to lead and pioneer technological solutions to help our licensees improve safeguards as part of the gambling experience for consumers. A key principle of the Company's approach has been collaboration. Playtech has partnered across its operations and externally, with academics, non-profit organisations, licensees and think tanks, to further develop and advance the delivery of safer gambling solutions and standards as well as broaden its safer gambling product portfolio under Playtech Protect. In 2022, Playtech continued to integrate safer gambling technology and solutions as a core part of its products and solution offerings to licensees.

Innovation and development of Playtech Protect – Playtech's safer gambling offering

Playtech Protect was established to offer licensees a wide range of responsible gambling and compliance technology, tools and solutions as well as its research partnerships. The solutions are embedded into Playtech's technology including Playtech's Information Management Solution (IMS) platform and Engagement Centre.

In 2022, we saw continued interest and uptake of safer gambling technology tools and solutions by licensees. With more jurisdictions introducing specific requirements on the use of behavioural analytics to detect players at risk, Playtech expects an increase in demand for technology solutions, identifying, engaging and reducing gambling-related risk. During 2022, 13 brands were integrated with the Playtech Protect solution, BetBuddy, compared to 8 brands in 2021.

By the end of 2022, Playtech Protect has expanded into three new jurisdictions, having been adopted by clients in Germany, Portugal and Switzerland. During the year, Playtech also continued the development of its offering. The tools have been redeveloped on a better performing cloud architecture to ensure the Company has the bandwidth to scale the offering with operators and support a larger customer base. Additional improvements include a wider range of customised reports. To date, it is estimated that over 2 million players have been monitored and risk assessed for responsible gambling across 13 brands.

In addition to Playtech's core offering under Playtech Protect, the Company continues to maintain compliance and safer gambling SaaS partnerships which play an important role to support more licensees to compete, grow and thrive in the changing regulatory landscape. These partnerships offer licensees a broader range of quality technology solutions as well as making access easier via the Playtech integration. One particular area of focus in mature markets, such as the UK, is the role that technology solutions can play in assessing the affordability of a player. Playtech continued to engage with third-party providers to ensure it is well positioned to support licensees with technology solutions to assess customer affordability voluntarily as well as when regulatory regimes mandate affordability checks. In 2022, Playtech increased its compliance and safer gambling SaaS partnerships to 11 from 9 in 2021. These partnerships play an important role in supporting more licensees to compete, grow and thrive in the changing regulatory landscape, by giving them more choices of best-in-class solutions and making access easier via the Playtech integration.

The Playtech Engagement Centre offering can be used by licensees to create bespoke safer gambling journeys, interact with their players and provide information, or encourage them to undertake a specific action. More information can be found at www.playtech.com/playtech-protect. The Company has promoted the use of Player Journeys as part of an operator's safer gambling strategy and provided training and demonstrations to licensees throughout 2022.

In 2022, Playtech has continued to strengthen collaboration across all its operations and business units to standardise its delivery of safer gambling solutions to all its B2B and B2C brands. Playtech carried out player engagement for operators in various markets in partnership with the Playtech Managed Services (PTMS) division. PTMS collaborates with Playtech Protect to inform how customer insights can be used to improve interaction with at-risk players.

Collaboration with licensees

Playtech recognises that the key challenge ahead is to identify the most meaningful metrics to measure player protection across the industry. In 2022, Playtech launched a four-year research partnership with Holland Casino, Erasmus University and the University of Amsterdam. This partnership will explore how to measure player risk and behavioural impacts from safer gambling interactions through BetBuddy. It will develop a library of interventions which will be made publicly available.

As Shimon Akad, COO, says: "We are investing in data analytics and digital solutions to promote responsible gambling and deliver solutions to reduce gambling-related harm. While there are already tools to help customers gamble safely, we want to significantly improve the effectiveness and use of these tools amongst customers. We believe the best way to achieve this goal is to work collaboratively with academic experts who can identify and evaluate new approaches based on scientific theory. The goal of this research collaboration is to develop a range of effective tools and interventions that can be shared with all stakeholders and adopted by industry and regulators globally."

As Playtech's strategic focus continues to expand to other markets such as the US, Canada and Latin America, where individual states and provinces are regulating online gambling for the first time, the Company will use its experience in compliance and safer gambling to support its licensees in those markets. This will ensure that the opportunities that regulation creates are balanced with the need to protect consumers.



Examining player protection and responsible gambling behaviours in Latin America

As part of Playtech's aspiration to build greater confidence in the benefits of regulation and find solutions to advance responsible gambling, Playtech commissioned a regional research and insights study in 2021 to examine player attitudes towards responsible gambling. In 2022, Playtech commissioned research for a second year. In a region where many countries are discussing online gambling regulation, it is notable that players have a positive view of rules and guidelines on responsible gambling to help them stay safe. The study, conducted in collaboration with a third-party survey company (Toluna), explores the key issues related to responsible gambling in the region. The study surveyed consumer views on responsible gambling across Argentina, Brazil, Chile, Colombia and Peru, and examined aspects of responsible gambling, notably player preferences when gambling, the acceptance of protection messages along the playing journey, perceptions of regulation, expectations of operators and a view on how players perceive their behaviours.

"We believe that gambling can be an important and enjoyable part of the leisure industry and, more importantly, society. We also believe that to ensure that gaming benefits all stakeholders, it is essential that the industry leverages the technology and tools available to put player protection and trust at the heart of any customer experience."

Mor Weizer
CEO

Responsible business and sustainability continued

Safer gambling insights and solutions

Playtech has continued to expand its research programme portfolio to cover a variety of topics, including Data Analytics, Product Safety, Ethics and AI, and Digital Resilience. The programme builds on the ongoing efforts to understand and address behavioural gambling risk factors and convert those insights into player engagement. In 2022, Playtech published two research reports as part of its collaboration with the Responsible Gambling Council of Canada (RGC) and Demos, a UK think tank. The reports generated insights about behavioural features that are the strongest markers of harm and the effect of the introduction of a stake limit for online slot games in Germany.

Playtech also presented two papers at the prestigious European Association for the Study of Gambling (EASG) conference. The RGC published two research papers as part of the ongoing collaboration. The first was on Digital Wellbeing and Online Gambling, and the second looked at the promising practices identified in digital gambling tools that are designed to support users across the player spectrum. All are available on Playtech's website, www.playtech.com/playtech-protect/research.

Safer gambling standards and certification

Playtech's commitment to safer gambling solutions and the vital importance it has for the business have been demonstrated by the external recognition Playtech received year on year. In 2022, Playtech initiated the GamCare B2C Safer Gambling Standard independent assessment to add to the B2B Safer Gambling Standard that was achieved in April 2021, www.safergamblingstandard.org.uk. Playtech was the first company to receive the GamCare B2B Safer Gambling Standard. GamCare is the UK's leading provider of information, advice and support for anyone affected by problem gambling. The GamCare Safer Gambling Standard is an independent quality standard, which assesses the quality of controls that companies put in place to protect customers from experiencing gambling-related harm. The accreditation process involved an in-depth review of Playtech's business, including governance, culture and executive support for safer gambling, as well as safer game design and product development.

The Snaitech Group is committed to implementing new initiatives dedicated to responsible gaming and player protection. The Snaitech division achieved the G4 international certification of responsible online gambling in 2020, which remains valid until 2023.

Responsible gambling escalation to licensees – iPoker

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

The table below summarises the percentage of unique cases escalated to licensees on AML, collusion and safer gambling over the past three years. In 2022 several new licensees joined iPoker and as result there was a significant increase in the number of players and responsible gambling escalations. There was a drop in the number of collusion escalations. This is predominantly due to Playtech liaising with a specific licensee to strengthen security of their sign-up process. There were a number of developments in 2022, which included processes dedicated to the identification of Real Time Assistance software and also advancements in the Company's existing prohibited software investigation methods.

Responsible gambling escalation to licensees – Live Casino

Playtech's Live Casino operations continued to provide licensees with information about player behaviour that could indicate players at risk and/or displaying behaviour that could be harmful. Similar to the iPoker team, the Live operation does not have access to player accounts, money or personal information.

The Live team uses a machine learning application, which analyses chat for words and phrases indicating potential at-risk behaviour. This year, Playtech is reporting on safer gambling escalations to include data from its Live Casino operations in Spain, Romania, Belgium, Latvia, the US and Lima. In 2022, Playtech at-risk escalations from its Live operations totalled 53,085 cases, compared to 23,802 in 2021 and 19,558 in 2020. This number has increased due to new products, the launch of new tables, entering new markets and the continuous upgrade of the chat analyser tool resulting in increased player chat activities.

Escalations to licensees – iPoker

AML (%)



Collusion (%)



Responsible gambling (%)



Strengthening safer gambling in B2C operations

Throughout 2022, Playtech B2C operations initiated several projects to continuously improve the quality and accuracy of Playtech's models to identify at-risk players as well as customer interaction procedures. These projects included updates to its technology infrastructure to strengthen the accuracy and use of near-real-time identification of at-risk players. Additionally, the B2C operations initiated over 100 actions to strengthen player identification and engagement procedures. Major workstreams include development of a new internal single customer view tool to assess player risk and a new segmentation engine to enhance categorisation of gambling risk categories using a combination of risk factors. The latter project will enable Playtech to also strengthen its capability to direct players towards specific player journeys based on this segmentation. The UK B2C division has also introduced enhanced measures to improve the efficacy of its control framework in managing regulatory risks and will be further enhanced with the use of new risk management software. These projects will be implemented during the course of 2023 and 2024.

Safer gambling performance – B2C

	2022	2021	2020 ³
Proportion of customers self-excluding (%) ¹	13%	10%	9%
Proportion of customers using RG tools (%) ²	33%	32%	29%

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

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

3 Transposition error in 2020.

Customer interactions

In 2022, the B2C Operations team engaged with customers on safer gambling through several channels including 263,762 emails; 12,730 person-to-person interactions via phone, email or live chat; pop-up messages; and customer clicks on SmartTips, the brand's consumer facing hub for tips and advice on safer gambling. Even though the number of emails has reduced, the number of person-to-person interactions has significantly increased, due to more targeted customer interactions rather than providing all information to all customers.

	2022	2021	2020
Total number of emails sent	263,762	529,244	420,071
Total number of person-to-person interactions (phone/email/live chat)	12,730	5,314	6,478

Playtech continues to monitor the number of self-exclusions and use of responsible gambling tools within the UK B2C operations in 2022 as a proportion of the total unique customers. The proportion of customers self-excluding increased by approximately 3% to 13% in 2022. This was due to the business being more active in self-excluding customer accounts proactively. The number of customers using responsible gambling tools has also risen since 2021 to 33% due to operations broadening the reach of players receiving interactions and safer gambling information, focusing on targeted communications. This increase is encouraging as it demonstrates that the B2C operations' responsible gambling communications strategy may be persuading customers to adopt positive gambling behaviours.

Responsible business and sustainability continued



Promoting integrity and an inclusive culture

Playtech has refined its focus under this pillar on people, compliance, culture and responsible supply chain commitments. Recognising the importance of climate as a material issue, Playtech has created a new standalone pillar that outlines its targets and ambition to decarbonise and contribute to environmental protection.

Commitments

- Promote integrity, uphold human rights and reduce compliance risk across our operations and supply chain
- Ensure equal opportunity and equality for all employees
- Support employee wellbeing

Targets and performance measures



Increase gender diversity amongst our leadership population to 35% by 2025 against a 2021 baseline



Employee engagement



Supply chain risk assessment on human rights

26%

Female

Amongst leadership population

74%

Male

Reducing compliance risk

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

Taking action to reduce compliance and financial crime risk

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

This includes regular licensee and third-party risk assessment and monitoring, including reviewing compliance risks across the lifecycle of relationships supported by automated monitoring of entities and third parties. The system monitors for historical and real-time considerations such as PEP, sanctions, legal action, insolvency and disqualifications. In addition, the Compliance and Regulatory Affairs function provides input to the Group's quarterly risk management process. This process document is supported by a risk register, risk matrix, assessment guide, interview schedule and Group risk management processes.

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



Policies

In 2022, Playtech reviewed its policies to align with evolving legislation and industry best practice. This included updates to its anti-money laundering, anti-bribery and corruption and business ethics policies as well as its safer gambling and responsible advertising and marketing policies.

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

Training

Each year, Playtech deploys a wide range of training for employees covering compliance topics including anti-money laundering, anti-bribery and corruption, safer gambling, data protection and anti-facilitation of tax evasion. All employees are required to complete test-based e-learning training. In 2022, the Company expanded the modern slavery and human rights training across all employees. Playtech also deploys data protection and information security awareness training modules. For more information on cybersecurity and data protection, refer to the relevant sections. The modules include a test to help the Company understand the levels of understanding and awareness in Playtech's workforce. Employees who fail to complete the module will lose their eligibility for bonuses

within the financial year. Participation in core compliance, data protection and information security training offered to employees is available in the supplement. In 2022, the Company also provided training to its B2C customer service team around meaningful responsible gambling interactions, in the form of a workshop, where participants were simulating real customer emotions. The workshop was followed by a 20-minute one-on-one coaching session with each participant during which they received feedback on their interactions handling.

Playtech also delivers training to the Board every 12–18 months. This includes briefings and legal requirements related to corporate governance, sustainability, anti-money laundering and anti-corruption, as well as regulatory developments. During 2022, the Board and members of the Executive Management have also participated in climate change training. The next Board training is planned for H1 2023.

In 2022, Playtech continued with the excellence awards programme, which included an "Engagement and Impact Champion" to recognise employees helping to advance its sustainability strategy.

Training overview

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

Training type	Total number of eligible		Total number completing the training		Completion rate	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Compliance essentials ¹	6,423	220	6,063	213	94%	97%
Human rights	4,560	220	4,387	213	96%	97%
Customer interactions (B2C)	26	N/A	25	N/A	96%	N/A

¹ Snaitech employees also completed training relating to Italian Legislative Decrees 231/01 and 231/07, in light of regulatory changes.

Responsible business and sustainability continued

Reducing compliance risk continued

Speaking up

An important aspect of Playtech's commitment to conducting its business with integrity and promoting a culture of openness and accountability is providing a channel for employees to voice concerns about anything they find unsafe, unethical or unlawful. The Company's Speak Up line is instrumental in ensuring that employees have access to an independent channel to raise concerns confidentially and without fear of criticism or retaliation. Since 2017, Playtech has offered an independent Speak Up hotline to enable employees to raise their concerns confidentially and anonymously. During 2022, Playtech had two incident reports, anonymously submitted in writing via the Speak Up platform. These incidents triggered the internal review and escalation process to the Chief Compliance Officer and General Counsel for review and have now been resolved.

Data protection

Playtech is committed to protecting and respecting the personal data it holds, in accordance with the laws and regulations of the gaming markets in which it operates. The Company's systems, software, technologies, controls, policies and processes have been adjusted to ensure appropriate management of privacy risk. Personal data processing is crucial to Playtech's business model, with customers and clients trusting the Company with their personal data every day. Ultimately, they only trust Playtech as a business partner and supplier when they have confidence that their personal data is safe and understand how and why it is used by the Company.

Playtech's Group-wide security and privacy policies support the management of data privacy risk and are accessible to and applied by all its global businesses units. Playtech provides transparency to its players, employees and stakeholders on how it collects, uses and manages their personal data and their associated rights.

Following the implementation of the EU General Data Protection Regulation (GDPR) in May 2018, and numerous regulatory requirements for the gambling industry, Playtech has embedded a tested and verified as well as robust and consistent approach to data protection and security across all of its jurisdictions. Playtech takes all possible steps to safeguard personal data by adhering to the principles contained within the GDPR and other relevant data protection legislation.

Playtech has established a dedicated Data Protection team that reports monthly to the Board on data privacy risks and issues. The Data Protection team's work focuses on driving privacy by design and monitoring of policies as well as conducting reviews and data privacy impact assessments. The Group implemented procedures set out clearly the actions required when dealing with a data privacy incident. These include notifying regulators, clients or data subjects as required under applicable privacy laws and regulations. Over the past year, Playtech has matured the depth and frequency of data protection and cybersecurity reporting to maintain high visibility for its senior management team and the Board.

Playtech is proactive in refining its approach to data privacy. Acknowledging the evolving regulatory and technological landscape and changing customer habits and trends, the Company seeks continuous improvement both in its policy and its application. All Playtech employees and partners are required to comply with confidentiality requirements, and legal and regulatory obligations, with contractual terms such as data processing agreements and EU model clause agreements governing the use, disclosure and protection of information. Each year, employees and contractors are also required to complete test-based data protection and security awareness training.

Training overview

The following outlines participation and completion rate in data protection and security training offered to employees and contractors in the organisation.

Training type	Total number of eligible		Total number completing the training		Completion rate	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Data privacy and protection	4,560	220	4,387	213	96%	97%
Information security	5,176	300	4,935	296	95%	99%



Cyber and physical security

The Playtech Security team's mission is providing business enablement for the gaming platform, licensees and players in a secure, non-intrusive and scalable manner. The global technological environment is ever evolving, and so are cyber and physical security threats. The gaming and betting industry is a highly lucrative target for malicious parties, ranging from individuals operating by themselves to highly sophisticated organised crime groups, which drives Playtech Security to constantly strive for improved technologies, processes and skills to address these challenges.

The Playtech Security team oversees the operational, technical and organisational measures taken to protect the organisation from both cyber and physical security risks. Domains such as infrastructure, application, compliance and physical facilities are covered by a comprehensive security programme, which assures the safe and secure operation of Playtech's business. The global Security team has a strong customer-centric approach manifested by:

- emphasis on securing customer data at rest and in transit;
- educating licensees on the security capabilities of the Playtech platform;
- monitoring activities around production applications and infrastructure;
- assuring suppliers and third parties undergo due diligence process before integration with the Company's infrastructure; and
- performing ongoing security audits and tests to verify the security controls in place.

Furthermore, the Playtech Security team feeds into the corporate risk register and provides monthly updates to the Board about the security programme, which includes:

- annual audit activities, in house and by licensees (ISO 27001, ISAE 3402, PCI-DSS, global regulations, etc.);
- network security architecture, automation and governance; and
- state-of-the-art protection of the Company's devices from malware, in-depth scanning of application code across development teams to find security bugs and a 24/7 SOC team which monitors the security incidents across the Company.

Compliance and responsible supply chain management

In 2022, Playtech initiated the review of its procurement policy to strengthen oversight and mitigate compliance, ethical and climate-related risks, to ensure minimum standards are adhered to when entering joint ventures. Compliance continues to work closely with the Procurement function to review risks in the supply chain. Supply chain issues, including human rights and climate related, were specifically examined as part of the compliance health check process and risk assessment.

Human rights

Playtech is committed to upholding the principles embodied in the Universal Declaration of Human Rights, as well as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Playtech's most salient human and labour rights issues relate to employment, data protection, procurement of goods and services, and AML, specifically ensuring that individuals involved in human trafficking and slavery are not laundering their money through Playtech's operations.

In 2022, Playtech published its sixth Modern Slavery Act statement, outlining the initiatives the Company is undertaking to understand and assess potential risks of modern slavery and human trafficking, available at www.playtech.com.

Key areas of focus for 2022 included the reinforcement of processes and procedures for managing third parties used in employment practices, reviewing and strengthening audit procedures, and strengthening supplier human rights assessments. In 2022, Playtech enhanced its supplier risk profile to identify sectoral risks as well as risks from their geographical location. A risk assessment matrix was used, looking at sectoral risk, country risk and spend data to prioritise next steps. The Company has reviewed 133 supplier sectoral categories and has given a human rights and modern slavery risk rating from "low" to "high" to each category. The Group has identified 57 "high" and "medium" categories as priority categories. To identify country-specific risks, the Company took account of a number of external indices in its process, including the UN Human Development Index, Freedom House's Freedom in the World Civil Liberties, the US State Department's Trafficking in Persons Report, the Global Slavery Vulnerability Index and the World Bank Worldwide Governance Indicators – Regulatory Quality, with the addition of the UNICEF Child Rights Atlas – Workplace Index. In 2023, Playtech will engage with its suppliers identified as being in a high-risk sector and located in a high-risk country through a self-assessment questionnaire to confirm that they continue to uphold the same standard as Playtech. The Company will also continue an in-depth review of its internal processes to ensure any gaps are identified and corrected.

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



Championing diversity, equity and inclusion in Estonia

In 2022, Playtech Estonia engaged its employees across different initiatives to raise awareness around diversity, equity and inclusion (DEI) and to foster an organisational culture where every employee feels welcome and valued.

In May, Playtech Estonia celebrated Diversity Day in collaboration with other local companies. All activities were planned and organised by the local diversity champions with the aim to make employees think more about the value of having diverse teams and encouraging openness. Employees participated in a gamified session about nationalities and raised donations for the Estonian Human Rights Center. Playtech Estonia also put together an action plan for DEI-related activities for the next two years, which was positively received by the Estonian Human Rights Center. The plan includes the following focus areas:

1. **raise awareness about the values of a diverse workplace among our managers and employees;**
2. **assure that the recruitment process is open for all candidates and free from discrimination;**
3. **continue to support the career development of youth in IT;**
4. **empower women in IT; and**
5. **maintain a family-friendly Company culture.**

The Diversity Label for Playtech Estonia was extended for an additional two years, and Playtech Estonia publicly announced this in September.

Responsible business and sustainability continued

Equality in the workplace

Playtech aims to foster a respectful and supportive workplace that enables every colleague to have the same opportunity regardless of backgrounds, cultures, beliefs, genders and ethnicities, or any other attributes. The Company has set out specific diversity commitments and a target to increase female representation amongst its leadership population, including Executive Management and senior management, to 35% by 2025 against a 2021 baseline year, with an ultimate ambition to achieve equality in the workplace.

At the core of Playtech's diversity, equity, inclusion and belonging strategy, the Company made the following commitments:

1. promote an inclusive culture across the organisation;
2. build a more gender diverse workforce, increasing representation of gender at all levels of the organisation and across all functions;
3. increase leadership representation of underrepresented groups; and
4. adopt a data-driven approach to increase workforce diversity at all levels of the organisation and across all functions.

Playtech's strategy is formed to foster inclusion, improve gender diversity and reduce the gender pay gap across our workforce. The Board Sustainability and Public Policy Committee played and will continue to play a key role in engaging with business leaders on inclusion, challenging management to deliver against these commitments and monitoring progress against the stated targets.

Playtech recognises that a diverse mixture of skills, professional and industry backgrounds, geographical experience and expertise, gender, tenure, demographics, disability, ethnicity and diversity of thought is instrumental for the long-term success of the Company.

In 2022, the Board approved a Board Diversity Policy, setting out its approach to ensure that diversity and inclusion is a core part of recruitment and succession planning at the Board. To support the implementation of the strategy, the Group has also deployed a refreshed global recruitment policy as well as a new wellbeing, bullying and harassment policy. The policies confirm Playtech's commitment to recruit from a diverse, qualified group of candidates, thus increasing our diverse talent pool and broadening the Company's diversity of thought. In 2022, the FCA finalised new rules on board and executive committee diversity disclosures. In 2023, we will be setting targets on this and will report on the relevant ethnicity data.

In 2022, the Group also launched its first online unconscious bias training, which had an 80% completion rate. This training remains open for all employees, which can be accessed and completed in their own time. Playtech also launched bullying and harassment training for managers, which had a 75% completion rate.

Workforce engagement and development

It is important for the Group that its employees feel fulfilled, are satisfied with their working environment and feel like they have been given the right tools and guidance to develop their skills, experience and career. During the year, Playtech launched its first global mentorship programme, which aimed at matching mentors and mentees based on the needs of each mentee. The programme is designed to run for 12 months with a plan to continue a second phase in 2023. The Company has set out its future focus to enhance leadership development and embed diversity and inclusion as a core part of the development programme for current and future leaders and managers. To support this aspiration, in 2023 Playtech will also launch a new Learning and Development policy and programme.

In 2022, the Company utilised a new element of the performance management tool to measure employee engagement and satisfaction across its global workforce. With this tool, Playtech is able to assess its performance using a Net Promoter Score (NPS) approach, an established metric for measuring satisfaction. In this first baseline exercise, the Company received a 70% response rate on overall engagement, with a score of 8.2 out of 10. Playtech had an NPS of 54% ("I would recommend Playtech as a great place to work").

In the first survey, the highest rated categories were crisis handling (i.e. the war in Ukraine), teamwork and manager support. Results from the survey also highlighted opportunities for enhancement around learning, development and professional growth and support for employee wellbeing, as well as increased frequency and improved quality of communications about strategy and priorities. This exercise also enabled Playtech to understand employees' position and views on how the Company can champion and enhance diversity across the Group. On the question of diversity, equity and inclusion, employees felt that people from all backgrounds have equal opportunity to succeed at Playtech with a score of 8.6 out of 10. Additionally, employees felt that "Playtech does a good job at fostering a diverse and inclusive environment" rating the Company with 8.3 out of 10. However, Playtech recognises that there is more to be done to foster equality across the business.

As a result of the survey, the Company is implementing a number of workstreams to review the ideas and areas for improvement from the survey, including establishing a Global Engagement Working Group to identify wins that will have an immediate impact, the development of business unit and country action plans to address concerns in the medium to longer term and strengthening two-way communications with its workforce.

Measuring progress on gender diversity

Playtech has conducted a systematic review to ensure it strengthens its measurement and reporting methodologies and processes. Playtech has implemented a new "business intelligence" (BI) tool to monitor global human resources data, such as recruitment, promotion, mobility, etc. This provides us greater flexibility to identify opportunities for improvement and plan targeted actions to continue to foster an inclusive culture with equal opportunities.

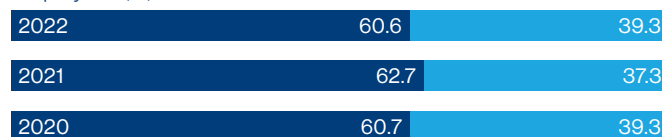
This data has been instrumental in implementing a programme of improvements as we enhance diversity as part of recruitment and selection, development and succession planning, with particular focus on leader and manager recruitment processes. This led to Playtech's progress against our global target to reach 35% female representation in leadership positions by 2025 reaching 26%, compared to 23% in 2021. In 2023, Playtech will continue to use data analytics to refine its understanding of gaps in female talent across the Group and take action to increase female retention.

The FTSE Women Leaders Review, launched in 2016 as a follow up to the Davies Review, is an independent review body which followed the work of the Davies Review to increase the number of women on FTSE 350 boards. Although it started off as a voluntary independent review, Playtech continued its participation in 2022, with the appointment of one additional female on the Executive Committee. The metrics reflect Playtech's efforts to encourage the leadership to enhance our processes and procedures within recruitment and internal mobility.

We continue to strengthen the rigour in performance management processes, including efforts to ensure that remuneration and promotion processes are fair and consistent. The key focus in 2023 is to continue to collect and monitor our data in the UK and beyond, gain local business unit and country accountability globally and enhance the right behaviours in our leaders which in turn will promote a more inclusive culture and workforce.

Global gender splits: The following charts illustrate the global diversity data and trends from 2020 to 2022.

Employees (%)¹



Senior managers (%)²



Leadership population (%)⁴

Female (target: 35% by 2025)



Directors (%)⁵



■ Male ■ Female

1 Employees are defined as the total number of employees on the payroll on 31 December. Out of 7,160 employees, 7 preferred not to disclose their gender.

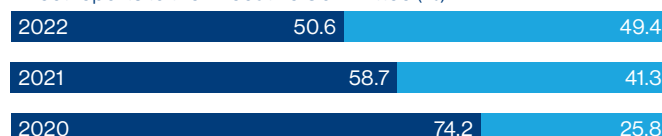
2 From 2021 onwards, senior managers are defined as the leadership population excluding any Board members (e.g. CEO, CFO). In 2022, there are 195 senior managers in total.

3 In 2020, senior managers were defined as the top 500 highest earning employees at Playtech.

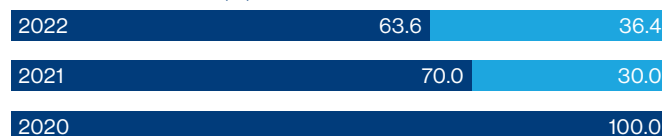
4 Leadership population is defined as Executive Management and senior management, which includes managers with multiple departments or departments with complex and more highly technical responsibilities.

5 Directors are defined as Board Directors on 31 December.

Direct reports to the Executive Committee (%)^{1,2}



Executive Committee (%)²



■ Male ■ Female

1 Excludes administrative support staff.

2 Data as at 31 October of the reporting year.

Responsible business and sustainability continued

Measuring progress on gender diversity continued

UK gender pay gap data

One of the Group's priorities is to review and reduce the gender pay gap (GPG) with a focus on reducing the median gender pay gap, which is the middle pay point for males and females. The Company currently reports on the gender pay gap in the UK and will be looking to conduct this exercise in other markets starting in 2023.

This year is the fifth anniversary of publishing UK GPG data for Playtech. The data analysis and graphical representations indicate a significant reduction of the median pay gap from 60.4% in 2018 to 26.5% in 2022. However, compared to last year, there has been an increase from 18.9% in 2021 to 26.5% in 2022. When reviewing the data for the relevant period, it is clear this is due to the number of male leavers in lower paid positions. This is also reflected in the bonus median pay gap figure. In addition, the Company continues to see higher representation of men in the higher salaried roles, with 81% males and only 19% females in the upper quartile, although this year there is a slight improvement compared to 2021 where the split was 83% males and 17% females. The proportion of males and females receiving a bonus has improved compared to the previous year (65% males and 57% females in 2022 vs 81% males and 69% females in 2021) following improvements to our internal processes and policies to reduce any possible bias and discrimination. Playtech acknowledges the gap remains and is committed to the necessary focus on gender pay gap and continuing to promote a culture of diversity and inclusion.

Gender pay gap¹

Median gender pay gap (%)²

2022	26.5
2021	18.9
2020	21.0

Mean gender pay gap (%)²

2022	27.4
2021	27.5
2020	25.5

Median gender bonus gap (%)³

2022	36.5
2021	11.4
2020	31.1

Mean gender bonus gap (%)³

2022	41.4
2021	44.7
2020	49.6

■ Male ■ Female

- 1 Based on UK employees only. The numbers were calculated in line with the UK Government's requirements for reporting gender pay figures and cover payroll and bonuses paid up to 5 April 2020, 5 April 2021 and 5 April 2022 respectively.
- 2 Based on hourly rate of pay. In line with the UK Government's guidance for gender pay gap reporting, furloughed employees are excluded from the calculation.
- 3 Based on total bonuses received. In line with the UK Government's guidance for gender pay gap reporting, furloughed employees are included in the calculation.

Human capital metrics

In 2022, Playtech is reporting for the first time its global retention and turnover rates as well as the total number of new hires, split by gender and age groups.

Playtech has reported for the first time this year its global employee retention rate and turnover figures. The Group's retention rate has remained over 65% over the last three years with 2020 having the highest figure mainly due to the pandemic and the stability of the employment market at that time (68% in 2022, 65% in 2021 and 77% in 2020). The Company's global turnover rate has increased slightly from 28% in 2021 to 38% in 2022, which has been partly driven by divestments in the year and an increase in the number of employees in its Live studios. The table below shows the global retention and turnover figures by gender and age groups, both of which were slightly higher for women than men. In 2023, we will do a deep dive on those numbers to understand how to improve them and strengthen the Group's talent retention strategy. Playtech's continuing investment in human capital and attractiveness of our employment proposition is evidenced by the recruitment of 3,155 new hires (43% women and 57% men) in 2022.

	2022
Global employee retention rate	68%
Male employees	67%
Female employees	70%
Under 30 years old	66%
30–50 years old	88%
Above 50 years old	93%
Global employee turnover rate	38%
Male employees	34%
Female employees	45%
Under 30 years old	63%
30–50 years old	23%
Above 50 years old	15%
Total number of new hires	3,155
Male employees	57%
Female employees	43%



Health, safety and wellbeing

The wellbeing of Playtech's workforce and their families and communities continues to be a key priority as they all continue to deal with the ongoing impacts of the pandemic. During the year, Playtech continued to prioritise workplace wellbeing and continued to implement a flexible working model to support work/life balance and flexibility for its employees, particularly those caring for friends and family in these challenging times.

In 2022, Playtech continued to implement and scale its global wellbeing framework with a focus on physical, mental, financial and social wellbeing. We continued to cultivate a culture of support for its employees, ensuring they have access to a suite of support, advice and networking opportunities to help them be resilient, grow and succeed at work. In 2022, Playtech rolled out more than 100 wellbeing initiatives with a focus on physical, mental, financial and social wellbeing. Over 3,400 employees participated in one or more of these sessions.

Line managers have played an instrumental role in supporting the Group's commitments to employee wellbeing. They have led efforts to initiate and support team and individual wellbeing discussions and build awareness to break down stigmas about mental health, including discussions on gambling-related harm.

Snaitech operational health and safety

Snaitech's business operations are unique within Playtech's operations. The Italian operations comprise retail shops and racetracks, meaning the physical health and safety challenges are different and more material as compared with an office environment. Snaitech is committed to developing and promoting a culture of worker health and safety and implementing a management system to ensure full compliance with local Italian legislation.

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

Occupational health and safety data¹

	2022	2021	2020
Total number of accidents	8	10	4
Accident ratio			
Total number of accidents/working hours x 200,000 ²	1.1	1.6	0.7
Number of days lost to accidents	224	266	88
Severity of accident index			
Total days lost for accidents/working hours x 200,000 ²	31.9	41.3	14.8
Number of days of absence³	10,747	6,836	40,131

1 Covers Snaitech operations only.

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

3 Number of days of absence in 2020 is defined as total hours of absence/8 (hours of work per day); 31,942 days of absence are due to furloughed absences. Number of days of absence in 2021 is defined as hours lost due to illness, which includes COVID-19.

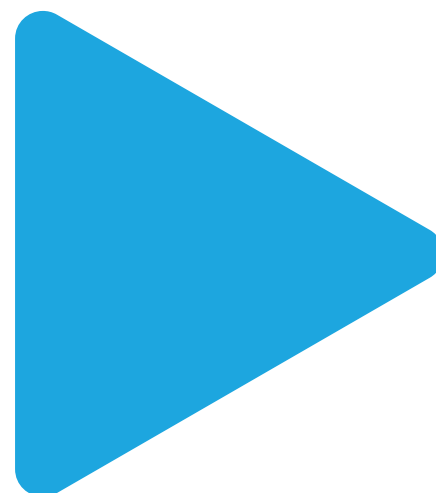
Economic footprint

Playtech is head quartered in the UK, where the Parent Company, Playtech plc, is tax resident. Playtech engages in tax planning that supports its business and reflects commercial and economic activity. Playtech selects the location of its operations based on commercial and operational factors that extend well beyond tax, including: the prevailing regulatory environment available, a widely available pool of technical talent, the linguistic capabilities in these jurisdictions, the location of the Group's licensees, and labour and operational cost factors. The Group is committed to complying with all tax regulations in jurisdictions in which it operates and seeks to minimise the risk of uncertainty and disputes through proactive dialogue with the tax authorities and by obtaining third party expert advice, where appropriate.

Playtech has offices in 20 countries, with offices and commercial activities in multiple jurisdictions, with the majority of its development and technical operations in Ukraine, Estonia, Latvia, Bulgaria and Gibraltar. These locations are well known as technology hubs with a large population of highly skilled experts. The Group's presence in some markets, such as Austria, Australia and Italy, is a result of acquisitions.

Given the dynamic nature of tax rules, guidance and tax authority practice, the business is exposed to continuously evolving rules and practices governing the taxation of e-commerce and betting and gaming activities in countries in which the Group has a presence. Such taxes may include corporate income tax, withholding taxes and indirect taxes. The Head of Tax keeps the Board and Executive Management fully informed of developments in domestic and international tax laws within jurisdictions where the Group has a presence. The Group has an appropriately qualified Tax team to manage its tax affairs.

During the year, the Board reviewed and adopted the Group's UK Tax Strategy Statement (available at www.playtech.com/responsibility-regulation/tax-strategy). The total adjusted tax charge for 2022 is €54.9 million (2021: tax credit of €7.1 million) and the effective tax rate for the current period is 25.5%.



Responsible business and sustainability continued



Powering action for positive environmental impact

In 2022, Playtech evolved its sustainability framework to include a new pillar that outlines its commitment to climate change. The Board and leadership recognise that urgent action is required to substantially reduce the risks and impacts of climate change, that climate change is a material issue and that the Company has an important role to play in the sector and the countries and communities where it operates. Additionally, the Company is impacted by existing and potential future regulations to limit GHG emissions from the corporate sector and exposed to the impacts that climate change can have on its operations, employees and customers. As a large company with significant B2B operations, Playtech has an opportunity to scale action on climate through partnership and engagement with its value chain – from its customers to its suppliers.

Commitments

- Reduce greenhouse gas (GHG) emissions within own operations and supply chain
- Build capability and climate resilience through decisive actions in both own operations and supply chain
- Align to global climate efforts to transition into a low carbon economy, in accordance with the latest climate science, and prioritise climate innovation

Targets and performance measures



Reduce Scope 1 and 2 carbon footprint by 40% by 2025 against a 2018 baseline



Switch all offices, wherever possible, to renewable energy



Secure approval of near-term and net zero targets by Science Based Targets initiative (SBTi)

Policy and commitments

Playtech's Group environmental policy outlines the Company's commitment to reducing its environmental footprint as well as to buying renewable energy and engaging suppliers to reduce its supply chain emissions. In 2022, the Company circulated an environmental procedure document to support the implementation of the policy within its existing and new operations.

In 2022, one of the major areas of focus was to switch its material operations to renewable energy, where possible. Another notable area of progress is the Company's formal commitment to set near-term and net zero targets through the Science Based Targets initiative (SBTi). Finally, the Company continued to improve its understanding of its Scope 3 GHG emissions and its climate-related risks and opportunities and started considering the levers it has to influence those areas. The Board and members of the Executive Management have also participated in climate change training during 2022.

Environment metrics

As per the UK SECR requirements for 2022, Playtech has reported its Scope 1 and Scope 2 GHG emissions and energy consumption figures for the UK.

In 2019 Playtech introduced a GHG emissions target to guide its energy reduction efforts. The Company's ambition is to reduce its absolute Scope 1 and 2 GHG emissions by 40% by 2025, using 2018 as the baseline year. To make this happen, Playtech is working with key site operations, supported by environmental specialists, to reduce energy usage and address other environmental impacts. In addition, Playtech has a central fund to support energy reduction projects.

Playtech's total Scope 1 and 2 (location-based) emissions decreased by 11.7% in 2022. Since 2018, they have decreased by 39.6%, meaning that Playtech is very close to achieving its 40% reduction target. The decrease in emissions is explained mainly by the decreasing emission intensity of the electricity grids in the countries where the Company operates, which averaged -14.1% (weighted by total electricity consumption per country) in 2022. Normalised per full-time equivalent (FTE) employees, emissions decreased by 12.5%. Total energy consumption increased by 3.2% in 2022, explained by the continued rebounding of activities following the COVID-19 pandemic.

6,970 tCO₂
Scope 1 and 2 (location-based) emissions

39.6%
Reduction since 2018 (baseline)

During 2022, Playtech drove forward its transition to renewable electricity in the key markets where the Company operates. This has resulted in 56.4% of the Company's total energy consumption now coming from renewable sources, backed up by energy attribute certificates, up from 10.8% in 2021. This has led to a decrease of Playtech's Scope 2 (market-based) emissions of 77.0% compared to 2021.

Playtech recognises the environmental impact across its global value chain. The Company therefore conducts an annual Scope 3 footprint. In the process, the Group has followed the GHG protocol guidance to calculate those emissions, based on a combination of financial and actual supplier data. The Company is committed to increasing engagement with key suppliers on their emissions and gathering more actual data to continuously improve the accuracy of Scope 3 figures in future years. Playtech determined which of the 15 categories listed by the GHG Protocol Corporate Value Chain (Scope

3) Standard are relevant to the Company and therefore should be included in its Scope 3 footprint. 13 out of the 15 categories were identified as being relevant to the Company and two were not relevant for Playtech. All relevant categories have been calculated, although "employee commuting" has only been calculated for Snaitech, which represents around half of the Group's total employees, due to data availability. The Company aims to collect sufficient data to include a full Group footprint on employee commuting in future reporting.

Playtech's Scope 3 GHG emissions are over 90% of its total carbon footprint and out of the 15 Scope 3 categories, the Company's top three material categories are "products and services", "capital goods" and "franchises". Further details on the methodology behind the environment metrics, such as emission factors used, and the breakdown of Scope 3 GHG emissions can be found in the Sustainability Reporting and Data section at www.playtech.com/sustainable-success.

Environment metrics

Greenhouse gas emissions

Key performance indicator	Independent limited assurance	Unit	2022	2021	2020
Energy use					
Global total energy consumption	—	kWh	27,243,173^{1,2}	26,404,609	27,677,113
UK total energy consumption	—	kWh	1,733,605^{1,2}	1,672,350	1,556,362
GHG emissions					
Global Scope 1	3	tonnes CO ₂ e	1,237^{1,2}	1,171	1,155
UK Scope 1	—	tonnes CO ₂ e	67^{1,2}	69	48
Global Scope 2 (location-based)	3	tonnes CO ₂ e	5,733^{1,2}	6,720	8,161
UK Scope 2 (location-based)	—	tonnes CO ₂ e	274^{1,2}	281	302
Global Scope 2 (market-based)	3	tonnes CO ₂ e	1,631^{1,2}	7,078	—
UK Scope 2 (market-based)	—	tonnes CO ₂ e	77^{1,2}	212	—
Global Scope 3⁴	—	tonnes CO ₂ e	109,100	80,420	—
Category 1: Purchased goods and services	3	tonnes CO ₂ e	32,138	41,031	—
Category 2: Capital goods	3	tonnes CO ₂ e	22,364	14,842	—
Category 3: Fuel and energy-related activities	3	tonnes CO ₂ e	2,552	2,610	—
Category 14: Franchises	3	tonnes CO ₂ e	45,957	17,972	—
Global total Scope 1 and 2 (location-based)	—	tonnes CO ₂ e	6,970	7,892	9,316
UK total Scope 1 and 2 (location-based)	—	tonnes CO ₂ e	341	350	350
Global total Scope 1 and 2 (market-based)	—	tonnes CO ₂ e	2,869	8,249	—
UK total Scope 1 and 2 (market-based)	—	tonnes CO ₂ e	144	281	—
Global Scope 1, 2 (location-based) and 3	—	tonnes CO ₂ e	116,070	88,312	—
Global Scope 1, 2 (market-based) and 3	—	tonnes CO ₂ e	111,969	88,669	—
Carbon intensity					
Scope 1 and 2 (location-based) GHG intensity	3	tonnes CO ₂ e/employee	1.00	1.14	1.37
Scope 1 and 2 (market-based) GHG intensity	—	tonnes CO ₂ e/employee	0.41	1.19	—

1 2022 absolute data is an estimate based on 99.7% actual data coverage by headcount. Coverage has been above 99% for all three years.

2 Due to reporting timelines, data for November and December 2022 has been estimated using November and December 2021 actual data, except for sites where actual 2022 data was already available. This is the same methodology that was applied for all three years.

3 Indicates data subject to independent limited assurance by PricewaterhouseCoopers LLP (PwC). The full assurance statement over 2022 data can be found at www.investors.playtech.com/shareholder-information/sustainability-strategy-and-esg-reporting.aspx. The data for previous years, where assured, is detailed in the respective Annual Reports.

4 Detailed breakdown on the Scope 3 categories can be found in the Responsible Business and Sustainability Addendum to the Annual Report 2022.

Responsible business and sustainability continued

Environment metrics continued

The consumption of water across the Playtech Group decreased by 16.1% in 2022. The racetracks saw a 22.7% increase in water consumption because of the continued rebounding of activities post pandemic.

Playtech continues to manage and report on a wider set of environmental KPIs for Playtech's Italian operations, Snaitech. Snaitech runs a retail operation and three racetracks, which means the environmental impact profile is different from the rest of the Company's markets. In 2022, Snaitech's total non-hazardous waste production decreased by 25.1%. The volume sent to landfill has decreased to 5.69 tonnes compared to 7.44 tonnes in 2021. Even though the volume that is reused or recycled also decreased by 25.1%, this is proportionate with the overall decrease. The volume of hazardous waste also decreased by 30.3%. Of Snaitech's total waste production, 96.0% was produced by the racetracks. 99.9% of total waste was reused or recycled.

Water consumption¹

	2022 ²	2021 ³	2020 ⁴
Total water consumption (m ³)	578,150	688,707	611,629
Water consumption for watering racetracks (m ³)	230,871	188,150	167,831
Water consumption for watering racetracks (% of total)	39.9%	27.3%	27.4%

1 Data covering all of Playtech's operations.

2 2022 estimate based on 78% actual data coverage by headcount.

3 2021 estimate based on 73% actual data coverage by headcount.

4 2020 estimate based on 84% actual data coverage by headcount.

Waste and effluent⁵

	2022	2021	2020
Total non-hazardous waste production (tonnes)	5,288	7,056	7,665
Of which:			
– Sent to landfill (tonnes)	6	7	5
– Reused or recycled (tonnes)	5,282⁶	7,048 ⁷	7,660
Hazardous waste (tonnes)	34	49	66

5 Data covering Snaitech operations only.

6 This figure is split between racetracks (manure/by-product of animal origin – 4,292), racetracks (other – 779), and offices (212).

7 This figure is split between racetracks (manure/by-product of animal origin – 6,946), racetracks (other – 358) and offices (195).

External assurance and benchmarking

To increase transparency around its climate change performance and strategy, Playtech completed the CDP Climate Change 2022 Questionnaire and received a "B" rating, maintaining the rating achieved in 2021 under strengthened scoring criteria. The Company intends to continue improving its rating in future years. Playtech has embraced the recommendations of the TCFD, a framework that allows it to report consistently on the opportunities and challenges presented by climate change and provide information on how these might impact strategy and financial performance. Our approach in this area is evolving in line with developing best practice. Playtech's 2022 GHG reporting (Scope 1 emissions, Scope 2 (location-based) emissions, Scope 2 (market-based) emissions, Scope 1 and 2 intensity per FTE employee and Scope 3 emissions, categories 1, 2, 3 and 14) have been subject to independent limited assurance by PwC. We engaged PricewaterhouseCoopers LLP (PwC) to undertake a limited assurance engagement, reporting to Playtech plc only, using International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and ISAE 3410: Assurance Engagements on Greenhouse Gas Statements over Playtech's 2022 GHG reporting (Scope 1 emissions, Scope 2 (location-based) emissions, Scope 2 (market-based) emissions, Scope 1 and 2 intensity per FTE employee and Scope 3 emissions, categories 1, 2, 3 and 14). For more details, please refer to the "Environment metrics" table on page 65.


PwC has provided an unqualified opinion in relation to the relevant KPIs and data and its full assurance opinion is available on the Playtech website, <http://www.investors.playtech.com/shareholder-information/sustainability-strategy-and-esg-reporting.aspx>. Non-financial performance information, including greenhouse gas quantification in particular, is subject to more inherent limitations than financial information. It is important to read the selected GHG information contained in this Annual Report in the context of PwC's full limited assurance opinion and the reporting criteria found in the Responsible Business and Sustainability Addendum to the Annual Report 2022, which are also available on the Playtech website, <https://www.playtech.com/sustainable-success>.

Engaging colleagues to reduce our environmental footprint

In 2022, Playtech continued and expanded its cross-functional Environment Forum chaired by the Head of Sustainability. The forum meets quarterly and its remit includes the development and maintenance of an environmental policy for the Group (available at <https://www.playtech.com/sustainable-success>) as well as setting, co-ordinating and overseeing the strategy and response to the challenges posed by climate change. The policy sets out the commitment to sourcing renewable energy and engaging suppliers to reduce Playtech's supply chain emissions. Its work on climate change includes reviewing the current GHG targets and strategy to ensure it aligns with the latest science on limiting the level of global warming below 1.5°C and evolving regulatory and reporting frameworks. In 2022, this forum along with selected senior management participated in a series of refreshed climate scenario workshops to identify new and provide an update on existing short, medium and long-term climate-related risks and opportunities, which can have a material impact on the business, running climate change scenarios and building risk management strategies across its key markets and operations. This was done in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework (see TCFD table).


TCFD statement



This section sets out Playtech's climate-related financial disclosures, current approach and future plans, consistent with all of the Task Force on Climate-related Financial Disclosures (TCFD) recommended disclosures, in compliance with The Financial Conduct Authority (FCA) Listing Rule 9.8.6R(8). In the following statement, we outline our compliance with all the elements of the TCFD, including the four TCFD recommendations and the 11 recommended disclosures. For Strategy disclosure (b), Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, Playtech has not yet been able to quantify the impact of all identified risks and opportunities. The Company will continue to work on quantifying those risks and opportunities in future years.

TCFD element	TCFD disclosure	Current approach	Future plans	Read more
Governance 	a) Describe the Board's oversight of climate-related risks and opportunities.	<p>In 2021, Playtech's Board of Directors officially formed a Sustainability and Public Policy Board Committee with the first meeting in November 2021. Since then, this Committee sets the agenda and monitors the implementation of the responsible business and sustainability strategy.</p> <p>The Sustainability and Public Policy Committee of the Board has responsibility for overseeing sustainability – including climate-related matters – and reviewing the strategies, policies and performance of the Playtech Group. In 2022, the Committee held six meetings and considers the climate change aspects of business plans, internal resourcing, expansion and disposal of activities and capital expenditure. Oversight of climate-related risks, opportunities and strategy sits with this Committee. This Committee will continue to meet quarterly and review climate-related issues as part of the standing agenda. The Chair of the Committee serves as the Board-level champion on these topics and reports to the Board on climate-related issues annually.</p> <p>The Risk & Compliance Board Committee also reports to the Board on climate-related issues annually.</p> <p>The frequency with which the full Board considers climate-related risks and opportunities was agreed in 2022 with these matters now discussed biannually.</p> <p>Each member of the Sustainability and Public Policy Committee received training covering ESG and regulatory developments (page 57). In 2022, the Board participated in a detailed climate tutorial covering the physical science basis and regulatory, investor and corporate trends, delivered by external advisers specialised in sustainability.</p>	The full Board will receive further training on climate change in 2023 that will provide information on the latest climate science and how the public policy agenda is developing in this area.	Sustainable Success Governance Structure (page 49) Training (page 57)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	<p>During the year, the Company appointed a new Chief Sustainability and Corporate Affairs Officer, who is a member of the Company's Executive Management Committee and attends the Sustainability and Public Policy Board Committee. The Sustainability function sits within the Corporate Affairs and Sustainability function and holds the day-to-day responsibility and oversight of regulatory compliance and responsible business, along with the Regulatory Affairs and Compliance function. The Chief Compliance Officer is also a member of the Executive Management Committee and attends the Risk & Compliance as well as Sustainability and Public Policy Board Committees.</p> <p>Playtech has a cross-functional Environment Forum which is chaired by the Head of Sustainability, who reports to the Chief Sustainability and Corporate Affairs Officer. This Forum is attended by senior representatives from Audit/Risk; the Chief Operating Officer's office; infrastructure and technology; Investor Relations; procurement; site operations; and other functions. It meets quarterly, to:</p> <ul style="list-style-type: none"> develop, review and update as necessary Playtech's climate policies and targets; identify climate risks and opportunities and develop risk management strategies; review and define actions to comply with evolving regulatory reporting requirements and voluntary reporting frameworks; and allocate the annual environmental budget. 	Continue to review and, if necessary, adapt the Group's governance process to ensure alignment with emerging good practice.	

Responsible business and sustainability continued

TCFD statement continued

TCFD element	TCFD disclosure	Current approach	Future plans	Read more
Strategy 	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Playtech has identified various climate-related risks and opportunities following the scenario analysis exercise that was completed in 2021 and updated in 2022. Please see Table A: Climate scenarios and sources and Table B: Climate-related risks and opportunities for more detail.	Playtech plans to undertake a further scenario exercise in 2024.	Scenario analysis and climate-related risks and opportunities (pages 70-73) Risk management, principal risks and uncertainties' (pages 85-90)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Playtech has identified various climate-related risks and opportunities and quantified their impact where possible, following the scenario analysis exercise that was completed in 2021 and updated in 2022. Please see Table A: Climate scenarios and sources and Table B: Climate-related risks and opportunities for more detail.		
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Playtech has identified various climate-related risks and opportunities following the scenario analysis exercise that was completed in 2021 and updated in 2022. Please see Table A: Climate scenarios and sources and Table B: Climate-related risks and opportunities for more detail on the resilience of Playtech's business strategy and management approach for each identified risk or opportunity.	Continue to monitor external tools and the latest climate science to assess the physical and transition risks associated with climate change. Continue to report on how this has guided our strategy in future reports.	
Risk Management 	a) Describe the organisation's processes for identifying and assessing climate-related risks.	<p>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, the Risk & Compliance Committee advises the Board on current and future risk strategies. The primary responsibilities delegated to, and discharged by, the Risk & Compliance Committee include:</p> <ul style="list-style-type: none"> • reviewing management's identification and mitigation of key risks to the achievement of the Company's objectives; • monitoring incidents and remedial activity; • agreeing and monitoring the risk assessment programme including, in particular, changes to the regulation of online gambling and the assessment of licensees' suitability; • reviewing and assessing climate-related risks in the context of Group-wide risk; • agreeing on behalf of the Board and continually reviewing the risk management strategy and relevant policies for the Group; • satisfying itself and reporting to the Board that the structures, processes and responsibilities for identifying and managing risks are adequate; and • monitoring and procuring ongoing compliance with the conditions of the regulatory licences held by the Group. <p>Climate-related risks are identified through various channels including quarterly Environment Forum meetings and the climate scenario analysis exercise completed in 2021 and updated in 2022. Presentations for these meetings include reviews of current national climate policies in the key markets where Playtech operates. The identified risks are assessed by the Head of Sustainability with support from external sustainability advisers and the relevant functions within Playtech. The Head of Sustainability is responsible for updating the Group Internal Audit and Risk function on climate-related risks, which includes a description of the risk, risk categorisation, type, impact and likelihood, mitigation and validity. This information is approved by the Company's Director of Internal Audit and Risk.</p> <p>All types of climate-related risks and opportunities are considered through the above process, including transition risks (policy and legal, technology, market, reputation); physical risks (acute, chronic); and opportunities (resource efficiency, energy source, products/services, markets, resilience).</p>		Scenario analysis and climate-related risks and opportunities (pages 70-73)

TCFD element	TCFD disclosure	Current approach	Future plans	Read more
Risk Management continued 	b) Describe the organisation's processes for managing climate-related risks.	<p>The Head of Sustainability is responsible for co-ordinating the management of climate-related risks across Playtech's business. This includes setting the Company's climate strategy, which includes its GHG reduction targets; Environment Policy; collecting and analysing environmental data to identify hotspots; defining and agreeing reduction plans; and engaging country leadership teams and key asset managers.</p> <p>Playtech began assessing climate-related risks and opportunities specifically in 2020 and completed its first scenario analysis in 2021. In 2022, the Company adopted a more systematic approach to reviewing, updating and monitoring climate risks as governance and management processes were further embedded and matured. The Company's focus was also on shifting sites to renewable electricity where possible and starting to engage with the Company's Procurement function, including through a climate change due diligence questionnaire for new suppliers. Additionally, the Company incorporated climate change into its consideration of risk and viability for the business as a whole.</p>		
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	<p>Climate-related risks are considered as part of the overall risk process. The Group Internal Audit and Risk function collects information on risks from stakeholders across the business, which is then presented to the Group Risk Management Committee (Executive Management Committee) and Board Risk & Compliance Committee (Board Committee).</p> <p>Climate-related risks are monitored as part of the sustainability strategy and Compliance and Regulatory Affairs risk processes. The Sustainability and Public Policy Committee of the Board feeds into the identification, assessment and management of climate-related risks, which are integrated into the Group risk process by the Head of Sustainability.</p>		Risk management, principal risks and uncertainties' (pages 85-90)
Metrics and Targets 	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>In 2021, Playtech has started to quantify the financial impact of climate-related risks. Please see Table A: Climate scenarios and sources and Table B: Climate-related risks and opportunities for more detail.</p> <p>In 2022, Playtech strengthened the methodology and approach around quantification of climate-related risks and broadened the number of quantified risks and opportunities. This has provided the Company with a clearer understanding of the nature and scale of the challenges it faces.</p>	We will continue to refine our approach to quantification of climate risk. We will also look to develop a suite of indicators that will provide the Board and senior management with a view of how those risks impact the delivery of our strategy over the short, medium and long term.	Scenario analysis and climate-related risks and opportunities (pages 70-73)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Playtech has disclosed its Scope 1 and 2 (location-based) emissions annually in the environment section of the Annual Report and to CDP. The Company started disclosing Scope 2 (market-based) and Scope 3 emissions in 2021. Playtech continues to disclose this information in this report.		Scope 1, 2 and 3 emissions (page 65)
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<p>Playtech has set a target to reduce its absolute Scope 1 and 2 GHG emissions by 40% by 2025 from a 2018 baseline. Progress is monitored annually as part of the year-end non-financial reporting process and captured as one of the seven areas of performance in the Board Sustainability Scorecard.</p> <p>In 2021, Playtech carried out its first Scope 3 footprint and calculated market-based Scope 2 emissions, which were prerequisites for setting a science-based target (SBT) – that is, an emissions reduction target that aligns with the latest climate science.</p> <p>In 2022, Playtech publicly committed to setting a near-term (emissions reduction) and long-term (net zero) SBT, to be validated by the SBTi.</p>	In 2023, Playtech will submit its near-term and net zero targets to the SBTi for external validation.	Group scorecard (page 47)

Responsible business and sustainability continued

Scenario analysis and climate-related risks and opportunities

In 2022, Playtech conducted its second scenario analysis, building on the extensive scenario analysis conducted in 2021. The scenarios used in 2021 were updated based on the latest information from the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA). Three workshops were held with subject matter experts from across the different business units and countries where Playtech operates to consider the outcomes from the 2021 analysis and identify any changes. The Company was again supported by Carnstone, a management consultancy specialised in sustainability and ESG. Playtech's scenarios and the external scenarios that fed into Playtech's scenarios are summarised in Table A: Climate scenarios and sources and comply with the TCFD guidelines to use a range of scenarios that provide a reasonable diversity of potential future climate states, including a 2°C scenario or lower. They draw on the IPCC's Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs); IEA's World Energy Outlook scenarios; and the Principles for Responsible Investment's (PRI) Inevitable Policy Response (IPR) scenarios.

Because scenarios are models of the future and not precise predictions, the scenarios refer to global warming outcomes and the path towards those outcomes on a decadal level. The scenarios use a mix of qualitative and quantitative information and were applied through three lenses: operations (key markets and assets); supply chain; and customers and consumers. As Playtech is a global company with assets in 20 markets, the scenarios considered both global climate impacts as well as specific local impacts in its key markets.

		1.5°C Scenario	2°C Scenario	3°C Scenario
Playtech's scenarios	Summary: physical aspects	Increase in heatwaves, extreme weather events (precipitation, droughts, storms), floods, species extinctions and wildfires over current conditions, but slow and broadly manageable across most geographies.	Increase in heatwaves, extreme weather events and wildfires which reach unmanageable levels in some geographies by the 2040s. Water availability for agriculture, hydropower and human settlements severely diminished from the 2040s. High flood damages. Significant adaptation necessary and frequent disruption expected.	Various areas of the world become uninhabitable due to intense heatwaves, droughts or combinations of both. Heavy precipitation events and longer and more intense wildfire seasons covering more areas of the globe lead to a constant state of disruption. Floods cause widespread disruption, including to coastal infrastructure such as ports. Species extinctions and severe water shortages prevent the production of key commodities including foods. By 2100, sea level rise is becoming a problem for low-lying coastal areas.
	Summary: transition aspects	Significant, rapid and disruptive policy change across carbon pricing, energy, transport, buildings and deforestation. Rapid phase out of fossil fuels in the 2030s and 2040s. Every policy decision has a climate angle. Global GHG emissions peak by 2025 and reach net zero by the early 2050s.	New policies are implemented over current levels, in a slow and inconsistent manner. Carbon prices and other limits on emissions are implemented, but the cost of emitting grows in a slow and steady manner. The electrification of transport and buildings does not pick up much pace. Global GHG emissions peak in the 2020s and reach net zero in the 2070s.	Climate policies are maintained at current levels, with major economies reducing emissions gradually over the next 30 years and reach net zero around 2050. New technologies are not deployed as fast as predicted and the world remains reliant on fossil fuels with widespread use of carbon capture and storage (CCS) by the second half of the century. Globally, GHG emissions continue to rise.
External scenarios	IPCC scenarios	RCP2.6/SSP1	RCP4.5/SSP2	RCP6.0/SSP5
	IEA scenarios	Sustainable development	New policies	Current policies
	Other scenarios	PRI IPR: 1.5C Required Policy Scenario	PRI IPR: Forecast Policy Scenario	
	Other data sources	Climate Analytics, Climate Impact Explorer; Climate Interactive, EN-ROADS Climate Change Solutions Simulator; Network for Greening the Financial System, Climate Scenarios Phase 2; World Bank, Climate Knowledge Portal; World Resources Institute, Aqueduct Water Risk Atlas.		

Table A: Climate scenarios and sources.

Climate-related risks are regularly monitored by the executive cross-functional Environment Forum, the Sustainability and Public Policy Committee of the Board, as well as the Risk & Compliance Committee of the Board. They are also considered as part of the Risk & Compliance Committee's biannual review of risks across the Group. Playtech routinely monitors the status of climate regulation in its key markets to ensure that its GHG reduction targets keep pace with regulatory changes.

The risks and opportunities that were identified as part of the climate scenario analysis are summarised in the below table. The Company defines short term as less than one year; medium term as one to five years; and long term as more than five years. The Group defines the impact as material when it is larger than the Group materiality as set out in the Independent Auditor's Report on pages 136-137. The Company attempted to calculate the financial impact of each risk and opportunity. For some, however, this was not yet possible due to a lack of data. Playtech will aim to increase the number of risks and opportunities for which impacts are quantified, year on year as more data becomes available. For the risks and opportunities where the financial impact was determined and quantified, it was calculated based on a combination of projections on the physical impacts of climate on specific locations, projections on the societal responses to certain future climate states, both from reputable data sources described in the table Table A: Climate scenarios and sources and information gathered from within the business.

Physical risks

Category	Type	Description	Applicable scenario(s)	Materiality	Management approach
Acute	Risk	Cancellation of sports events due to high temperatures or extreme weather events. Likelihood: very likely. Timeframe: medium and long term. Impact: loss of revenue and/or higher operating costs.	1.5°C	Immaterial.	Move to night time events, which would result in higher operating costs due to the necessary lighting. Invest in the most energy-efficient lighting available and/or on-site renewables. Renew racetracks with more resilient all-weather surfaces.
			2°C	Immaterial.	
			3°C	Immaterial.	
Acute	Risk	Water stress causing disruption to horse racetracks and third-party data centres. Likelihood: very likely. Timeframe: medium and long term. Impact: higher operating costs, temporary disruption to operations.	2°C	Not yet quantified.	IT risk assess and stress test data centres, based on age, location and in-person visits. Invest in water-efficient equipment; rainwater treatment and storage facilities; and water-saving measures. Discussing changes in calendar to not plan any races from June.
			3°C	Not yet quantified.	
Chronic	Risk	Higher energy costs to cool buildings, including third-party data centres, Live studios and offices due to higher temperatures. Likelihood: very likely. Timeframe: short, medium and long term. Impact: higher operating costs.	1.5°C	Immaterial.	Invest in energy-saving measures and on-site renewables.
			2°C	Immaterial.	
			3°C	Immaterial.	
Acute	Risk	Reduced employee productivity and ability to commute during heatwaves. Likelihood: unlikely. Timeframe: medium and long term. Impact: disruption to operations and higher operating costs.	1.5°C	Not yet quantified.	Playtech already has a strong hybrid working culture and demonstrated an ability to perform while large parts of the business were fully working from home during the COVID-19 pandemic. Emergency air-conditioned transport could also be offered to employees where working from home is not an option (for example dealers in Live studios). Increase budgets to support employee benefits, if necessary.
			2°C	Not yet quantified.	
			3°C	Not yet quantified.	
Acute	Risk	Disruption to supply chains of key IT equipment due to extreme weather events. Force majeure clauses being used more, making it more difficult to be nimble. Likelihood: likely. Timeframe: medium and long term. Impact: disruption to operations.	1.5°C	Not yet quantified.	Key business units are already stocking up on hardware and components to ensure business continuity and building price premiums for priority delivery into budgets. Additional investments to quickly relocate stocks, where needed.
			2°C	Not yet quantified.	
			3°C	Not yet quantified.	
Chronic	Risk	Temporary or permanent closure, or investment in adaptation, of owned assets and third-party data centres due to unsuitability for climate impacts. Likelihood: likely. Timeframe: long term. Impact: higher capital investment or write-off of assets; higher operating costs.	2°C	Immaterial.	When expanding into new markets or planning new assets, the resilience of those locations to the impacts of climate change will need to be taken into account. Feasibility studies on the adaptability of current buildings for projected climate impacts. Maintenance and periodic update of business continuity plans. Risk assess and stress test data centres, based on age, location and in-person visits.
			3°C	Immaterial.	
			3°C	Immaterial.	
Chronic	Risk	Higher employee-related costs due to inflationary pressures from climate change and health impacts. Likelihood: likely. Timeframe: long term. Impact: higher operating costs.	2°C	Not yet quantified.	Monitor the business and political climate in key markets on an ongoing basis.
			3°C	Not yet quantified.	

Responsible business and sustainability continued

Physical risks continued

Category	Type	Description	Applicable scenario(s)	Materiality	Management approach
Chronic	Risk	Global economic, political and societal instability, for example due to migration, unavailability of key life goods, culture change. Likelihood: unlikely. Timeframe: long term. Impact: disruption of operations and higher taxation.	3°C	Not yet quantified.	Monitor and adapt employee-related budgets as necessary.
Chronic	Risk	Extreme weather events and sea level rise would lead to high investment required to keep vulnerable assets operational, including the Italian retail network and Live studios in North and South America, including in New Jersey. Likelihood: likely. Timeframe: long term. Impact: higher capital investment; write-off of assets; disruption to operations.	3°C	Not yet quantified.	Factor future investment into financial planning; consider future suitability of locations when expanding; invest in flood defences where possible or absorb costs of relocation where not.

Transitional risks

Category	Type	Description	Applicable scenario(s)	Materiality	Management approach
Policy and Legal	Risk	Carbon taxes could pose an additional cost to the business and limit high-emission activities such as flying, which would lead to a need to recruit expertise locally. Likelihood: very likely. Timeframe: medium term. Impact: higher operating costs.	1.5°C	Immaterial.	Set and review emission reduction targets. Expand local recruitment networks and invest in local talent pools. Relocate employees.
			2°C	Immaterial.	
Market	Risk	As the impacts of climate change disrupt key commodity supply chains and agricultural production, the cost of living is expected to rise. This would lead to consumers having less disposable income and would lead to lower revenue for the consumer-facing business. Likelihood: about as likely as not. Timeframe: long term. Impact: loss of revenue.	2°C	Material.	Monitor the situation and maintain capacity to supply increases in demand.
			3°C	Material.	
Market	Opportunity/ Risk ¹	As heatwaves, extreme weather events and wildfires force consumers to stay home for periods of the year, there may be growth in online gambling. Likelihood: likely. Timeframe: long term. Impact: increase in revenue.	2°C	Not yet quantified.	Monitor the situation and maintain capacity to supply increases in demand. Shift business units which mainly rely on physical gambling activities to offer online products.
			3°C	Not yet quantified.	
Products and Services	Opportunity	If casinos are forced to relocate due to the physical effects of climate change, this could lead to increased demand for products used by casinos produced by IGS. Likelihood: unlikely. Timeframe: long term. Impact: increase in revenue.	3°C	Immaterial.	Monitor the situation and maintain capacity to supply increases in demand.

Category	Type	Description	Applicable scenario(s)	Materiality	Management approach
Markets	Opportunity	<p>If large parts of the tropics and Southern Europe become less desirable to live in due to the effects of climate change in these regions, it could lead to increased attractiveness of key cities in the Northern Hemisphere where Playtech has large operational footprints, such as Riga and London.</p> <p>Likelihood: likely. Timeframe: long term.</p> <p>Impact: increase in attractiveness to prospective employees.</p>	3°C	Not yet quantified.	Monitor the situation; maintain and expand, if necessary, operations in more attractive locations.

Table B: Climate-related risks and opportunities

1 Depending on the business unit: it's a risk for business units dependent on physical gambling activities and an opportunity for business units dependent on online gambling activities.

The outcomes of the climate scenario analysis are reflected in the risk management, principal risks and uncertainties section (pages 85-90). The management approaches identified for likely risks and opportunities are being explored, such as investment in renewable energy generation at key assets. Going forward, Playtech will update its scenario analysis on an annual basis as more information becomes available on the possible climate futures that humanity faces and their impacts on business. The results of these exercises will be reported to the Board at least annually through the Sustainability and Public Policy Committee.



Live Casino championing environmental action

In 2022, the Live team in Latvia implemented several initiatives to reduce the environmental footprint of the operation. The operation in Latvia is unique, as it serves as both an office and Live Casino studio, which operates 24/7. During the summertime, the electricity consumed by the central cooling system is one of the high-emitting sources of the office's carbon footprint. To address this challenge, the team installed a sun-reflective film on the main facade of the building. This helped to reduce the temperature of the premises, thereby reducing the amount of energy needed to cool the building.

The team also expanded its waste recycling efforts through the implementation of a waste disposal system for employees to recycle plastic bottles and cans.

The most significant initiative in 2022 was switching to renewable energy. The Live facility switched its electricity to renewable power sources, including hydro energy. The shift to renewable energy was a significant step towards reducing the site's and Group's carbon emissions.

Responsible business and sustainability continued



Partnering on shared societal challenges

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

Playtech is working with a diverse range of partners to:

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

Targets and performance measures



Reach 415,000 people with digital wellbeing programmes by 2025



Engage 30,000 people in community and mental health programmes to improve livelihoods by 2025



5% year-on-year increase in employees' contributions (skills, time or money) to the community, reaching a global average of 10% by 2025

Our approach

A guiding principle for Playtech's philanthropic and volunteering activities is collaboration and partnership. Playtech employees around the world dedicate their time, skills, money and, most importantly, passion to support the communities and causes that are important in their local markets. Playtech established a formal global programme in 2017 to align its activities around common themes and outcomes including mental health, digital wellbeing and safer gambling as well as humanitarian causes, material to the communities where Playtech operates.

Additionally, we established a Global Community Investment Committee to oversee and monitor the strategy and governance of the charity and volunteering activities across the world. In 2022, Playtech worked with more than 100 local charities in ten markets. Through the programmes supported, Playtech engaged with more than 46,000 people in 2022¹. This is more than a 3.5x increase from >12,600 people reached in 2021. Community investment includes gifts in kind, monetary donations and employee volunteering. The total value of monetary donations totalled over €650,000. Of the ten countries that took part in the community investment programme, there was an average of 5% uptake of employees contributing their time, money or skills in their community.

Building strong and enduring partnerships is central to our approach in addressing shared societal challenges and making an impact. The Company is continuously investing in a range of partnerships with charities, research organisations and social enterprises to explore how to positively contribute to societal challenges in its local communities. The following case studies sections provide an overview of flagship programmes and partnerships designed to make a difference in the communities where we operate.

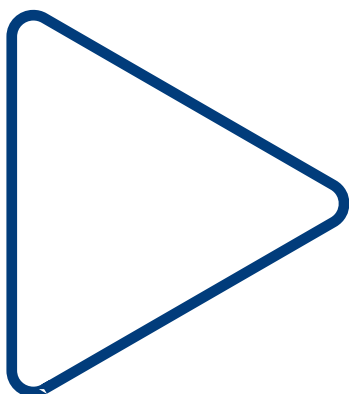
¹ Engaged is defined as an individual that has directly benefited and/or has interacted with the programme, supported from financial and/or in-kind support. Community programmes include all remaining causes except mental health and digital wellbeing, e.g. health and hardship.

>370,000

People reached

>70,000

People engaged through community investment and mental health programmes



Supporting our colleagues and communities in Ukraine

The war in Ukraine had an unprecedented impact on the lives of our employees and country. During the year, Playtech provided a wide range of support to its employees as well as charities delivering humanitarian aid to communities across the country. From the inception of the war in early 2022, the Company rapidly mobilised its skills, community budgets, assets and technology to support employees, their families and local communities.

Across the Group, Playtech donated over €250,000 to eight different humanitarian organisations, which delivered lifesaving medical equipment and supplies, essential items and psychological support to people across the country. Over 300 employees from 14 different countries volunteered to support their Ukrainian colleagues. Support included establishing a 24/7 hotline group chat, maintaining daily contact with designated employees and co-ordinating the transportation and accommodation outside of Ukraine. In addition, local “essential items” drives were organised by employees across five Playtech offices, with over 100 boxes including food, clothing, portable chargers and hygiene products shipped to Ukraine. A Company-wide fundraising initiative raised over €10,000 and was donated to an additional three humanitarian charities.

In the autumn, colleagues in Ukraine initiated a special initiative called the “cold winter project”. This initiative is supporting Ukraine-based charities which are delivering a combination of medical emergency support, housing, five ambulances and hot meals, supporting thousands of vulnerable children and families this winter. Playtech continues to support this initiative and has deployed an additional €100,000 at the beginning of 2023.

Further information on Playtech’s charitable and humanitarian efforts are located on pages 8-9.



Delivering positive impact through Playtech’s Recovery and Resilience Fund

In 2020, Playtech partnered with Charities Aid Foundation (CAF) to launch the £3 million COVID-19 Recovery and Resilience Fund. The fund provided both immediate and long-term support to charities, social enterprises and not-for-profit organisations that were dedicated to delivering mental health services.

The fund has awarded 56 grants to organisations in 10 different locations including: Bulgaria, Cyprus, Estonia, Gibraltar, IOM, Italy, Latvia, Philippines, UK and US. These grants supported 18 different causes, with the top 4 causes being frontline workers (23%), mental health patients (23%), domestic violence (10%) and at-risk youth (10%). So far, the fund has collectively reached over 24,000 people directly and over 1.4 million people indirectly.

One project example is Crisis Text Line, Inc., a US non-profit organisation dedicated to providing support to people in crisis through text conversations. In 2020, it saw a 19% increase in volume compared to 2019, and 19% of its US texters self-identified as frontline workers. This project helped cover the costs associated with supporting these texters in crisis and a total of 4,226 people directly benefited from this funding. A quote from a beneficiary highlights the positive impact this service has on so many people: “I really appreciate what you all are doing. It was very nice to talk to someone who gave me validation in the way I feel and actually took the time to listen. It means a lot. Keep doing what you’re doing – you’re an amazing individual.”

Responsible business and sustainability continued

Partnering for change: Playtech Cyprus and Generation for Change CY collaboration for inclusion and equality

In 2022, Playtech Cyprus continued its partnership with Generation for Change CY, an organisation committed to supporting vulnerable and marginalised communities, including refugees, migrants and asylum seekers. Individuals from these communities experience significant societal challenges including cultural differences and understanding new traditions. The initiatives delivered included the Let's Play Together Intercultural 3x3 Basketball Tournament, a Humanitarian Aid Programme and IT donations. The organisation Generation for Change CY and 22 Playtech employees worked together throughout the year to deliver events and initiatives, all focusing on different aspects of inclusion.

The basketball tournament helped people from all walks of life come together to compete in good spirit and with the utmost respect for one another. The aim of the initiative was to bring people from different backgrounds together, allowing them to interact with each other on equal grounds, fostering familiarity, exchange and appreciation and forming friendships. This initiative brought together more than 76 players from 21 different countries.

The Humanitarian Aid Programme resulted in the collection of a large range of products including food, hygiene essentials, clothes, bedding and kitchen utensils. These collections directly helped approximately 240 households around Cyprus. This initiative highlighted the importance of equality and inclusion for all, as no one should be without the necessities.

Playtech donated five laptops in support of Generation for Change CY's educational and skills development programmes. The laptops helped provide IT skills courses to 13 participants to develop their digital literacy. In addition, the laptops allowed the organisation to deliver employability activities, which included CV writing, job search sessions and IT skills courses and were delivered to more than 130 job-seeking individuals from vulnerable communities. Due to the overall success of the Playtech and Generation for Change CY partnership, there will be plans for future collaborations.

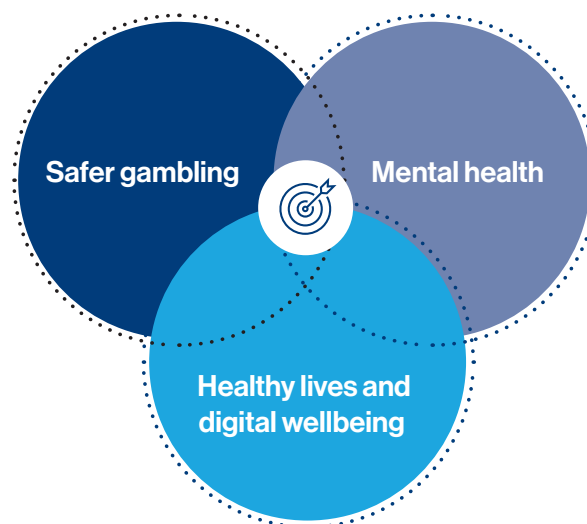


Investing in safer gambling research, education and treatment

Healthy online lives and digital wellbeing

The impacts of gambling-related harm, particularly mental health impacts, have been rising up the agenda and informing actions amongst health agencies, politicians, regulators, activists and charities. Scrutiny and pressure on the sector to act have added urgency, visibility and relevance for addressing the intersection of these issues. The enormity of the current situation also serves as an opportunity and platform for bringing together interested organisations to make a difference across the issues.

The intersection of gambling, online life and mental health



In 2020, Playtech announced a commitment to supporting programmes and partnerships designed to reduce gambling-related harm and promote positive digital wellbeing and health outcomes. In doing so, Playtech formally announced and committed £5 million over five years in five areas of focus, to support partnerships and initiatives that can make a positive difference at the intersection of gambling, online life and mental health. Playtech has established strategic partnerships with a growing number of organisations including Betknowmore, Epic restart foundation, Kindbridge, RG+, the National Centre for Suicide Prevention, YGAM and more. To date, over 470,000 beneficiaries were reached, both directly and indirectly. A summary of each of these partnerships is available on the Playtech website.

Playtech has continued its investment in research, education and treatment programmes designed to reduce gambling-related harm. In 2022, Playtech invested over £1,010,000 in such programmes and initiatives. Below are a few examples of programmes supported during the year.

Collaborating to reduce gambling-related financial harm

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

The initiative helps organisations better understand the links between gambling-related financial harm, in particular debt, and enables them to better help the individuals affected. It has launched a comprehensive toolkit for financial institutions, gambling businesses and debt advice agencies across the UK to help them recognise, support and refer people experiencing GRFH. This ensures that common language is used and GRFH interventions are built into processes and cascaded to frontline staff. Various virtual and in-person workshops and networking events were organised for frontline workers who might encounter debt and other gambling-related financial harms. In total, 338 professionals were reached directly in 2022, with 222 of those receiving wider learning or engagement under the programme.

Worksafe

Playtech is funding the development of Worksafe by Betknowmore UK and GamCare. Worksafe is a workplace wellbeing programme focused on the prevention and reduction of harms linked to gambling and related digital behaviours. The programme aims to fill the gap in relation to gambling, in the training, resources and care provided to employees to maintain positive mental health through enhanced resilience in the workplace.

The programme accelerated in 2022, after being delayed due to the COVID-19 pandemic. The programme's strategy focuses on three priority areas: awareness raising, capability building and research. A workshop was created to improve people's ability to recognise and respond to gambling in the workplace. The workshop is flexible so that it can apply to SMEs and multinationals in every conceivable sector. Content includes lived experience of people with gambling harms and others who have been affected in the most sensitive but impactful way possible. It has been piloted with 34 different organisations, which have in turn provided feedback on the content and structure of the programme. There are four bespoke packages offered and the resources will be City & Guilds quality assured. In the meantime, the Worksafe team has developed partnerships with umbrella organisations for the sectors it intends to prioritise. These include gambling operators, local and central government, housing associations, finance and retail. Worksafe will be formally launched into the marketplace in early 2023, with a view to becoming self-sustaining in the future.



Chief Financial Officer's review

Record performance with continued strength in B2B and B2C

Overview

Group performance

Overall, Playtech had an excellent 2022, with Adjusted EBITDA of €405.6 million (2021: €317.1 million), an increase of 28% (22% on a constant currency basis) compared to 2021. Similarly, reported EBITDA increased by €91.2 million to €372.5 million (2021: €281.3 million). Total reported revenue from continuing operations was €1,601.8 million (2021: €1,205.4 million), representing a 33% increase (31% on a constant currency basis) compared to 2021. The excellent overall results in 2022 were driven by continued strength in the Group's online businesses as well as retail reopening following pandemic-related closures in parts of 2021 in many of the Group's markets.



Chris McGinnis
Chief Financial Officer

The strong performance was driven by both the B2C and B2B divisions. In B2C, Snaitech had an excellent 2022 performance as the strong results in its online business continued and its retail shops were open for the entirety of 2022, following the pandemic-related closures for most of H1 2021. This led to B2C Adjusted EBITDA of €245.4 million, an increase of 38% compared to 2021.

In B2B, the results were driven by strong growth in regulated markets, with revenues growing by 22% from €378.7 million to €461.6 million (18% on a constant currency basis), led by Caliente in the Americas and Holland Casino in Europe, validating the strategy of focusing on opportunities in regulated and soon to be regulated markets.

Reported and adjusted profit

Adjusted profit before tax from continuing operations increased by 79% to €215.4 million (2021: €120.4 million), driven by the rise in Adjusted EBITDA, decrease in depreciation and amortisation and increase in finance income due to favourable EUR/USD FX movements.

Reported profit before tax from continuing operations decreased to €95.6 million (2021: €605.0 million), mainly due to the €583.2 million of unrealised fair value gains on derivative financial assets recognised in the prior year with the current year fair value gain being only €6.0 million.

This led to a total post-tax reported profit from continuing operations of €40.6 million (2021: €686.7 million).

Balance sheet, liquidity and financing

The Group continues to maintain a strong balance sheet with Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, of €272.4 million as at 31 December 2022 (31 December 2021: €434.3 million). The decrease is a result of fully paying down the outstanding Revolving Credit Facility (RCF) balance of €166.1 million in July 2022, as well as the €330.0 million part repayment of the 2018 Bond, offset by the €223.9 million cash consideration received on the disposal of Finalto and the positive cash generation due to the performance of the Group during the year. The Group now has a reduced leverage position with net debt decreasing by €332.6 million to €275.2 million as at 31 December 2022 (31 December 2021: €607.8 million). Net debt/Adjusted EBITDA was 0.7x as at the year end, a significant improvement to the ratio at 31 December 2021 of 1.9x.

Finalto sale

The sale of the Finalto division to Gopher Investments completed in July 2022. The final cash proceeds from the disposal were \$228.1 million (€223.9 million), which includes an enterprise value of US\$250 million offset by a completion accounts adjustment.

Playtech used part of these proceeds to repay its RCF in full in July 2022 with the remainder used for general corporate purposes.

Group summary (continuing operations)³

	2022 €'m	2021 €'m
B2B Gambling	632.4	554.3
B2C Gambling	983.1	663.7
Intercompany	(13.7)	(12.6)
Total Group revenue from continuing operations	1,601.8	1,205.4
Adjusted costs	(1,196.2)	(888.3)
Adjusted EBITDA from continuing operations	405.6	317.1
Reconciliation from EBITDA to Adjusted EBITDA:		
EBITDA	372.5	281.3
Employee stock option expenses	8.0	13.1
Professional fees	15.7	14.4
Fair value change of redemption liability	(4.3)	1.3
Ukraine employee support costs	3.3	—
Onerous contract	10.4	—
Provision for other receivables	—	1.2
Charitable donation	—	3.5
Settlement of legal matter	—	2.3
Adjusted EBITDA	405.6	317.1
Adjusted EBITDA margin	25%	26%

Overall, the Group's total revenue from continuing operations increased by 33% to €1,601.8 million (2021: €1,205.4 million), mostly driven by retail reopening following COVID-19 related restrictions which impacted H1 2021 in many of the Company's main markets, including Italy, as well as its continued growth in regulated B2B markets.

In B2B, revenue increased by 14% from €554.3 million in 2021 to €632.4 million in 2022, driven by Mexico, where Caliente continued its strong growth, as well as increases seen in other countries such as the Netherlands, Poland and Brazil, partly offset by a decrease in the UK and Asia.

The Group's total reported revenues from its B2C operations increased by 48% to €983.1 million (2021: €663.7 million). Snai.tech had an excellent performance as the strong results in its online business continued and its retail shops were open for the entirety of 2022, following the pandemic-related closures for most of H1 2021.

The Group's Adjusted EBITDA from continuing operations increased to €405.6 million (2021: €317.1 million), representing a 28% and 22% increase on an actual and constant currency basis, respectively. Adjusted EBITDA margin decreased by only 90bps in 2022 versus 2021 due to a change in channel mix, with the return of the lower margin retail segment for the full year 2022, versus closures during the first half of 2021 due to COVID-19, as well as increased bad debt provision in the B2B business in Asia, recognised in H1 2022.

The Group's total reported EBITDA increased by 32% to €372.5 million (2021: €281.3 million). The adjusted items between reported and Adjusted EBITDA are explained in Note 10 of the financial statements.

Divisional performance**B2B Gambling****B2B Gambling revenue**

	2022 €'m	2021 €'m	Change %	Constant currency %
Regulated – Americas	144.7	101.3	43%	27%
Regulated – Europe (excluding UK)	184.6	141.4	31%	31%
Regulated – UK	126.7	132.1	(4)%	(5)%
Regulated – Rest of the world	5.6	3.9	44%	44%
Total regulated B2B revenue	461.6	378.7	22%	18%
Unregulated excluding Asia	103.6	93.7	11%	10%
Total core B2B revenue	565.2	472.4	20%	16%
Asia	67.2	81.9	(18)%	(21)%
Total B2B Gambling revenue	632.4	554.3	14%	11%

Overall, B2B Gambling revenues increased by 14% (11% on a constant currency basis), largely due to an increase in the regulated B2B business.

Core B2B Gambling revenues² increased by 20%, driven by an increase in regulated markets in the Americas and Europe (excluding the UK), as well as unregulated markets (excluding Asia) of 43%, 31% and 11% respectively (27%, 31% and 10% respectively on a constant currency basis). This was offset by a 4% decrease in revenues from UK (5% on a constant currency basis), and an 18% (21% on constant currency basis) decline in revenues from Asia.

The increase in the Americas was primarily driven by Mexico, due to revenue growth from Caliente while in Europe (excluding the UK) the growth was driven by the Netherlands, Poland, Spain and Ireland. The increase in the Netherlands was driven by the expanded long-term strategic software and services agreement with Holland Casino, which successfully launched in October 2021. In unregulated markets excluding Asia, the increase was driven by very strong growth in Brazil, offset in part by a decline in Germany, which saw regulatory changes in 2021, and the Netherlands moving to a regulated market. Asia revenue decreased mainly due to the lockdowns in China and other parts of Asia in the period, whereas in the UK our partnership with Entain continues to reduce in scope.

B2B Gambling costs

	2022 €'m	2021 €'m	Change %
Research and Development	87.5	78.2	12%
General and Administrative	82.6	67.2	23%
Sales and Marketing	16.8	13.5	24%
Operations	285.3	256.2	11%
Total B2B Costs	472.2	415.1	14%

Total B2B Revenue and Costs

B2B revenue	632.4	554.3	14%
B2B Costs	(472.2)	(415.1)	14%
Total B2B Adjusted EBITDA Margin	160.2	139.2	15%
	25%	25%	

28%

**Growth in Group
Adjusted EBITDA**

Chief Financial Officer's review continued

Divisional performance continued

B2B Gambling continued

B2B Gambling costs continued

Research and Development (R&D) costs include, among others, employee-related costs and proportional office expenses. Expensed R&D costs increased by 12% to €87.5 million (2021: €78.2 million), driven by the increase in employee-related costs. Capitalised development costs were 39% of total B2B R&D costs in 2022, which is in line with the prior year.

General and Administrative costs include employee-related costs, proportion of office expenses, consulting and legal fees, and corporate costs such as audit and tax fees and listing expenses. These costs increased by 23% to €82.6 million (2021: €67.2 million), due to a new bonus scheme provision for employee retention, increase in consulting fees and post COVID-19 costs.

Sales and Marketing costs increased by 24% to €16.8 million (2021: €13.5 million), mainly due to increased marketing activity following the end of the COVID-19 crisis as well as higher bonus provisions.

Operations costs include costs relating to infrastructure and other operational projects, IT and security and general day-to-day operational costs, including employee and office-apportioned costs and branded content fees. These costs increased by 11% to €285.3 million (2021: €256.2 million), driven mainly by an increase in employee related costs relating to live operations and the provision of additional B2B services, mainly under the Group's structured agreement arrangements, as well as sport hardware costs.

B2B Adjusted EBITDA

Total B2B Adjusted EBITDA increased by 15% to €160.2 million (2021: €139.2 million), while EBITDA margin remained steady at 25% (2021: 25%). The B2B Adjusted EBITDA in the period was impacted by the €15.4 million doubtful debt provision in Asia recognised in H1 2022 (2021: €7.5 million), which was offset by the increase in performance from Brazil and Mexico and more generally the sports product.

B2C Gambling

	2022 €'m	2021 €'m	Change
Snaitech			
Gambling revenue ¹	899.8	584.7	54%
Gambling costs	645.6	402.1	61%
Adjusted EBITDA	254.2	182.6	39%
Margin	28%	31%	
Sun Bingo White Label			
Gambling revenue	65.3	61.9	5%
Gambling costs	63.3	55.2	15%
Adjusted EBITDA	2.0	6.7	(70)%
Margin	3%	11%	
HAPPYBET			
Gambling revenue	20.1	18.2	10%
Gambling costs ²	30.9	29.6	4%
Adjusted EBITDA	(10.8)	(11.4)	5%
Margin	NA	NA	
B2C Adjusted EBITDA	245.4	177.9	38%
Margin	25%	27%	

1 Includes intercompany revenue from HAPPYBET of €2.1 million (2021: €1.1 million).

2 Includes intercompany costs from Snaitech of €2.1 million (2021: €1.1 million).

Snaitech

Snaitech revenues increased 54% from the prior year to €899.8 million (2021: €584.7 million), with operating costs seeing a similar increase of 61% to €645.6 million (2021: €402.1 million). The retail network in Italy was shut for almost the entirety of H1 2021 due to the COVID-19 pandemic. The relaxing of COVID-19 restrictions at the end of June 2021 enabled retail sites to reopen, which drove the increase in revenues and costs in 2022. The online segment continues to see impressive growth, indicating that the addressable market has expanded post-pandemic.

Snaitech's Adjusted EBITDA increased by 39%, while revenue increased 54%. As a result, Snaitech's Adjusted EBITDA margin decreased 300 bps to 28% (2021: 31%), due to the return of the lower margin retail business.

Sun Bingo White Label

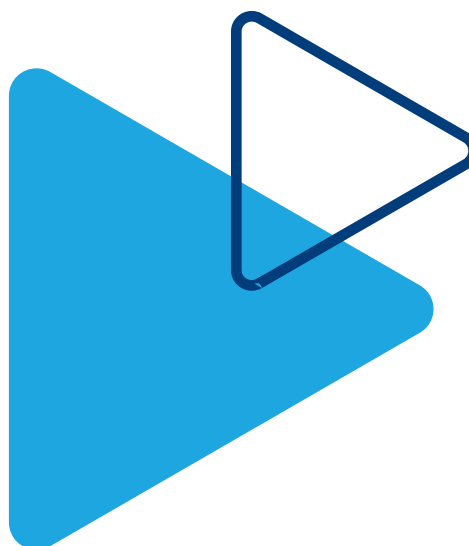
Revenue from the Sun Bingo business increased by 5% to €65.3 million (2021: €61.9 million). However, operating costs within Sun Bingo increased by 15% to €63.3 million (2021: €55.2 million). The main reason for the increase is that, following the commencement of the new contract with News UK, the cost structure of the business changed. From July 2021, Playtech incurs the marketing costs (previously they were recharged to News UK) and furthermore, there is now a brand fee being charged by News UK (previously this was covered by the minimum guarantee).

This led to Adjusted EBITDA of €2.0 million (2021: €6.7 million). Adjusted EBITDA still includes the unwinding of the minimum guarantee prepayment of €5.4 million in the current year (2021: €11.9 million) over the new period of the contract which was renegotiated in 2019.

On a reported basis Playtech incurred a one-off cost of €10.4 million in H1 2022 to terminate an onerous contract with a service provider. The termination of the agreement will improve the profitability of the business going forward.

HAPPYBET

The Sport B2C business, saw year-on-year revenue growth of 10% to €20.1 million (2021: €18.2 million), with costs increasing by 4%. The business remains loss making, with Adjusted EBITDA loss in the current period of €10.8 million (2021: loss of €11.4 million). The small improvement is primarily driven by the reopening of retail sites and early progress after the Snaitech management team took control of HAPPYBET's operations.



Below EBITDA items

Depreciation and amortisation

Reported and adjusted depreciation decreased by 3% to €41.5 million (2021: €42.9 million). After deducting amortisation of acquired intangibles of €42.0 million (2021: €34.8 million), Adjusted amortisation decreased by 9% to €67.8 million (2021: €74.5 million) as the Italian gaming machine licences useful life has been extended to June 2023 at no cost. The remainder of the balance under depreciation and amortisation of €18.8 million (2021: €16.9 million) relates to IFRS 16 Leases and the recognition of the right-of-use asset amortisation.

Impairment of tangible and intangible assets

The reported impairment of tangible and intangible assets of €38.5 million (2021: €21.6 million) mostly relates to:

- the impairment of the Eyecon cash-generating unit (CGU) of €13.6 million, driven by the fact that its operations are highly concentrated in the UK online market which has seen a slowdown due to the uncertain regulatory climate;
- the impairment of the Quickspin CGU of €7.0 million, given the risk the CGU bore from the proportion of revenues being generated from the Group's B2B customers choosing to operate in areas with geopolitical tension, and the resulting 1% increase on the post-tax discount rate of the CGU to mitigate that factor;
- the impairment of the Bingo VF CGU of €12.5 million (2021: €6.4 million) due to slower than expected growth in the business, following plans to recover from the termination of a significant licensee in the prior year; and
- the impairment of the IGS CGU of €5.6 million, which was severely affected by COVID-19 and until recently had not managed to bring revenue up to pre-COVID-19 levels with the business suffering from cancelled or postponed projects.

The prior period impairment of €21.6 million mainly relates to:

- €12.3 million impairment resulting from the disposal of some real estate in Milan. The recoverable amount (being net sales proceeds as per the binding sale agreement) was compared to the property's net book value which led to the impairment;
- €6.4 million impairment in the Bingo VF cash-generating unit mainly driven by the termination of one of the biggest customer contracts; and
- €2.7 million of development workforce aborted projects.

Finance income and finance costs

Reported and adjusted finance income of €11.6 million (2021: €1.1 million) mainly relates to a €9.2 million foreign exchange gain, driven primarily by the favourable movement in the USD to EUR rate during 2022. In the prior year, this was an overall loss of €0.5 million and hence included in finance costs. The remainder of the finance income is interest received.

Reported finance costs includes interest payable on the bonds and other borrowings, bank facility fees, bank charges, interest expense on lease liabilities, the movement in contingent consideration and redemption liabilities, fair value loss of convertible loans and expected credit losses on loan receivables. Reported finance costs increased by 8% to €73.0 million (2021: €67.7 million), mainly due to the €3.0 million (2021: €Nil) fair value loss on the GameCo convertible loan immediately before it was converted to equity and the first time recognition of €1.6 million of expected credit losses on the loans receivable. This was offset by a reduction in the movement in

contingent consideration and redemption liability to €0.1 million (2021: €4.8 million). Adjusted finance costs increased by 11% to €69.9 million (2021: €62.9 million). The difference between adjusted and reported finance costs is the movement in contingent consideration and redemption liability of €0.1 million (2021: €4.8 million) and fair value loss of the GameCo convertible loan of €3.0 million.

Unrealised fair value changes of derivative financial assets

The unrealised fair value changes of derivative financial assets of €6.0 million (2021: €583.2 million) is due to the recognition of the fair value of the various call options held by the Group in Latin America which fall under the definition of derivatives within IFRS 9 Financial Instruments. Further details on the fair value of the various call options are disclosed in Note 20, which includes a significant judgement made in relation to the valuation of the Playtech M&A Call Option.

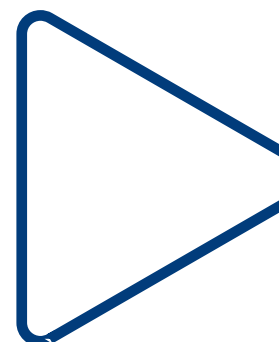
Taxation

A reported tax expense from continuing operations of €55.0 million (2021: tax credit of €81.7 million) arises on a profit before tax of €95.6 million (2021: €605.0 million) compared to an expected charge of €18.2 million based on the UK statutory rate of 19%. The key items for which the reported tax charge has been adjusted are the provision of €8.4 million in respect of overseas tax audits and the reversal of deferred tax liabilities of €8.3 million in respect of intangibles assets acquired through business combinations.

The Group's reported effective tax rate for the current period is 39.5%. This rate is higher than the UK statutory rate of 19%. The key reasons for the differences are profits of subsidiaries located in territories where the tax rate is higher than the UK statutory tax rate (which predominately relates to Snaitech based in Italy) and expenses not deductible for tax purposes including professional fees, impairment of intangible assets and loss on disposal of subsidiaries.

The total adjusted tax expense is €54.9 million (2021: tax credit of €7.2 million) which arises on an adjusted profit before tax of €215.4 million (2021: €120.4 million). The total adjusted tax expense of €54.9 million consists of an income tax expense of €20.4 million (2021: tax charge of €14.6 million) and a deferred tax expense of €34.5 million (2021: deferred tax credit of €21.8 million). The total adjusted deferred tax expense mainly consists of a deferred tax expense of €44.7 million relating to the Snaitech group including the use of Snaitech tax losses and a credit of €16.7 million relating to UK tax losses for which a tax benefit is recognised in the current year.

The Group's effective adjusted tax rate for the current period is 25.5%. This rate is higher than the UK statutory rate of 19% as there are profits within subsidiaries located in territories where the tax rate is higher than the UK statutory tax rate (which predominately relates to Snaitech based in Italy).



Chief Financial Officer's review continued

Discontinued operations

Casual and Social Gaming segment

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

The Adjusted EBITDA relating to the Casual and Social Gaming business was €Nil in both periods being presented as operations were completely wound down in 2020.

Finalto (formerly TradeTech Group)

Finalto was disposed of in July 2022 with cash proceeds of \$228.1 million (€223.9 million) and transaction costs of €1.6 million resulting in a profit on disposal of €15.1 million.

In terms of performance, revenue up until the point of disposal was €74.5 million (2021 full year revenue: €46.6 million). The improved performance was due to higher market volatility during 2022, which in turn increased both Reported and Adjusted EBITDA to €24.4 million for the period up to the point of disposal (2021 full year loss: €30.9 million) and €33.8 million (2021 full year loss: €23.0 million), respectively.

Adjusted profit

	2022 €'m	2021 €'m
Reported profit from continuing operations attributable to the owners of the Company	40.6	686.7
Employee stock option expenses	8.0	13.1
Professional fees	15.7	14.4
Fair value change and finance cost on redemption liability and contingent consideration	(4.2)	6.1
Ukraine employee support costs	3.3	—
Onerous contract	10.4	—
Charitable donation	—	3.5
Settlement of legal matter	—	2.3
Provision for other receivables	—	1.2
Fair value change of equity instruments	0.3	1.6
Fair value change of derivative financial assets	(6.0)	(583.2)
Fair value loss on convertible loans	3.0	—
Amortisation of intangibles on acquisitions	42.0	34.8
Impairment of tangible and intangible assets	38.5	21.6
Loss on disposal of subsidiary	8.8	—
Deferred tax on acquisitions	(8.3)	(9.1)
Deferred tax on reorganisation	—	(63.6)
Deferred tax on asset held for sale	—	(1.8)
Tax related to uncertain positions	8.4	—
Adjusted Profit from continuing operations attributable to the owners of the Company	160.5	127.6

The reconciling items in the table above are further explained in Note 10 of the financial statements. Reported profit before tax from continuing operations was €95.6 million (2021: €605.0 million), mainly due to the €583.2 million of unrealised fair value gains on derivative financial assets recognised in the prior year with the current year gain being only €6.0 million.

Adjusted EPS (in Euro cents)

	2022 €'m	2021 €'m
Adjusted basic EPS from continuing operations	53.5	42.8
Adjusted diluted EPS from continuing operations	51.5	40.9
Basic EPS from profit attributable to owners of the Company	29.2	226.3
Diluted EPS from profit attributable to owners of the Company	28.1	216.2
Basic EPS from profit attributable to the owners of the Company from continuing operations	13.5	230.3
Diluted EPS from profit attributable to the owners of the Company from continuing operations	13.0	220.1

Basic EPS is calculated using the weighted average number of equity shares in issue during 2022 of 300.1 million (2021: 298.2 million). Diluted EPS also includes the dilutive impact of share options and is calculated using the weighted average number of shares in issue during 2022 of 311.9 million (2021: 312.1 million).

Cash flow

Cash conversion (including discontinued operations)

Playtech continues to be cash generative and delivered operating cash flows of €410.9 million (2021: €314.6 million after adjusting for the €89.6 million deferred payment of gaming duties in Italy). The increase is primarily due to Snaitech's retail locations being fully operational in 2022 as opposed to the prior period where COVID-19 related restrictions meant retail sites were closed for most of H1 2021, as well as a better performance from the rest of the business, including Finalto, compared to the prior year.

	2022 €'m	2021 €'m
Adjusted EBITDA (including discontinued operations)	439.4	294.1
Net cash provided by operating activities	410.9	225.0
Deferred payment of gaming duties	—	89.6
Net cash provided by operating activities after deferred payment of gaming duties	410.9	314.6
Cash conversion	94%	107%
Change in jackpot balances and security deposits	(3.6)	(10.5)
Change in client deposits and client funds	15.3	(21.7)
Professional fees	24.4	21.5
ADM security deposit (Italian Regulator)	11.5	(1.7)
Adjusted net cash provided by operating activities	458.5	302.2
Adjusted cash conversion	104%	103%

Adjusted cash conversion at 104% (2021: 103%) is shown after adjusting for the deferred payment of gaming duties in the prior year, as well as jackpots, security deposits, client deposits and client funds, professional fees and ADM security deposit.

Adjusting for the above cash fluctuations is essential in order to truly reflect the quality of revenue and cash collection. This is because the timing of cash inflows and outflows for gaming tax duties in Italy, jackpots, security deposits and client funds only impact the reported operating cash flow and not Adjusted EBITDA, while professional fees are excluded from Adjusted EBITDA but impact operating cash flow.

Cash conversion (excluding discontinued operations)

	2022 €'m	2021 €'m
Adjusted EBITDA	405.6	317.1
Net cash provided by operating activities	382.7	227.6
Deferred payment of gaming duties	—	89.6
Net cash provided by operating activities after deferred payment of gaming duties	382.7	317.2
Cash conversion	94%	100%
Change in jackpot balances and security deposits	(3.6)	(10.5)
Change in client funds	(9.4)	(1.5)
Professional fees	15.7	14.4
ADM security deposit (Italian Regulator)	11.5	(1.7)
Adjusted net cash provided by operating activities	396.9	317.9
Adjusted cash conversion	98%	100%

If we exclude the impact of Finalto cash flow, the adjusted cash conversion reduces to 98% (2021: 100%).

Cash flow statement analysis

Net cash outflows used in investing activities totalled €358.3 million (2021: €127.6 million) of which:

- €30.4 million (2021: €16.7 million) relates to loans granted. Of the total granted in 2022, €18.0 million (2021: €8.1 million), relates to the Galera Group which has a total loan facility of \$45 million (refer to Note 20) and €8.4 million is related to NorthStar;
- €54.0 million (2021: €49.6 million) was used in the acquisition of property, plant and equipment;
- €10.1 million (2021: €7.2 million) was used in the acquisition of intangible assets;
- €61.3 million (2021: €57.4 million) was spent on capitalised development costs;
- €29.2 million relates to the payment for the acquisition of LSports (Note 20A) and contingent consideration paid to Wplay of €1.0 million (2021: €4.2 million relates to the payment of the call option held for Ocean Holdings Ltd and contingent consideration paid to Wplay of €4.1 million); and
- net cash outflow in relation to the Financial segment disposal of €169.8 million (2021: Cash inflow of €10.7 million mostly relating to the disposal of the casual business).

Net cash outflows used in financing activities totalled €566.9 million (2021: €218.4 million) of which:

- €36.7 million (2021: €39.4 million) relates to interest payments on bond loans and bank borrowings;
- €166.1 million (2021: €150.0 million) related to the repayment of the RCF;
- in 2022 €330.0 million related to the part repayment of the 2018 Bond;
- €5.9 million (2021: €0.7 million) are payments of contingent consideration and redemption liability; and
- €28.2 million (2021: €28.3 million) is principal and interest lease liability payments.

Balance sheet, liquidity and financing

	2022 €'m	2021 €'m
Cash and cash equivalents	426.5	575.4
Cash held on behalf of clients, progressive jackpots and security deposits	(154.1)	(141.1)
Adjusted gross cash and cash equivalents (excluding assets and liabilities held for sale)	272.4	434.3
Loans and borrowings (RCF)	—	167.1
Bonds	547.6	875.0
Gross debt (excluding liabilities held for sale)	547.6	1,042.1
Net debt (excluding assets and liabilities held for sale)	275.2	607.8
Adjusted EBITDA	405.6	317.1
Net debt/Adjusted EBITDA ratio	0.7	1.9

Cash

The Group continues to maintain a strong balance sheet with total cash and cash equivalents, excluding cash held for sale, of €426.5 million at 31 December 2022 (2021: €575.4 million). Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, decreased to €272.4 million as at 31 December 2022 (2021: €434.3 million), due to the €166.1 million RCF repayment, €330.0 million part repayment of the 2018 Bond, both offset by the net proceeds from the Finalto disposal as well as the solid performance of the Group during 2022.

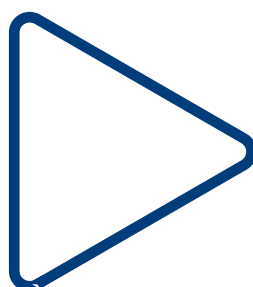
Financing

The Group's total gross debt decreased to €547.6 million as at 31 December 2022 (2021: €1,042.1 million), with net debt, after deducting Adjusted gross cash, decreasing to €275.2 million (2021: €607.8 million).

The Group issued a five-year senior secured note of €530.0 million (3.75% coupon), which was raised in October 2018 to support the acquisition of Snaitech and is maturing in October 2023. During the year, the Group made a €330.0 million partial repayment of the 2018 Bond. The remaining outstanding balance of €200.0 million is expected to be repaid through cash resources and/or proceeds from the Group's RCF and/or new financing.

The Group has also issued a seven-year senior secured note to the value of €350.0 million (4.25% coupon, maturity 2026), which was raised in March 2019.

Finally, the Group also has an RCF which has been restructured during the year. The revised facility is now €277.0 million (previously €317.0 million) and is available until October 2025, with an option to extend by 12 months. As at the reporting date the credit facility drawn amounted to €Nil (2021: €167.1 million).



Chief Financial Officer's review continued

Balance sheet, liquidity and financing continued

Net debt

Net debt decreased in the period by €332.6 million to €275.2 million as at 31 December 2022 (2021: €607.8 million), while net debt/Adjusted EBITDA was 0.7x (31 December 2021: 1.9x).

Finalto sale

The sale of the Finalto division to Gopher Investments, which was first presented by the Group under discontinued operations at 31 December 2020, completed in July 2022. The cash proceeds from the disposal were \$228.1 million (€223.9 million), which includes an enterprise value of US\$250 million, offset by a completion accounts adjustment.

Playtech used part of these proceeds to repay its RCF in full in July 2022.

Contingent consideration

Contingent consideration and redemption liability decreased to €2.9 million (2021: €11.0 million) mostly due to the completed payment relating to Eyecon Limited, Wplay and Statscore. The existing liability as at 31 December 2022 comprised the following:

Acquisition	Maximum payable earnout (per terms of acquisition)	Contingent consideration and redemption liability as at 31 December 2022	Payment date (based on maximum payable earnout)
AUS GMTG PTY Ltd	€46.7 million	€2.1 million	Q4 2025
Other	€0.8 million	€0.8 million	Various

Going concern

In adopting the going concern basis in the preparation of the financial statements, the Group has considered the current trading performance, financial position and liquidity of the Group, the principal risks and uncertainties together with scenario planning and reverse stress tests completed for a period of no less than 15 months from the approval of these financial statements.

At 31 December 2022, the Group held total cash (excluding cash included in assets held for sale) of €426.5 million (2021: €575.4 million) and Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, of €272.4 million (2021: €434.3 million).

Furthermore, the Group has reduced its total debt to €547.6 million (2021: €1,042.1 million), as a result of using the Finalto proceeds to fully repay its RCF (31 December 2021: €167.1 million), and a €330.0 million partial repayment of its 2018 Bond. The rest of the 2018 Bond of €200.0 million is repayable in October 2023, and the Directors are confident that the company will be able to settle this amount. During 2022, the RCF was restructured with a new facility of €277.0 million being available until October 2025, with an option to extend by 12 months. As at 31 December 2022 the RCF is fully undrawn.

The payment related to the renewal of the Italian concessions is expected to be incurred in 2025 and therefore is outside of the going concern period.

Management concluded that the risk of a covenant breach over the next 15-month period from the date of releasing this report is low and as such, has a reasonable expectation that the Group will have adequate financial resources to continue in operational existence.

- 1 Adjusted numbers relate to certain non-cash and one-off items, as well as material reorganisation and acquisition related costs. The Board of Directors believes that the adjusted results represent more closely the consistent trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 10 of the financial statements.
- 2 Core B2B Gambling refers to the Company's B2B Gambling business excluding unregulated Asia.
- 3 Totals in tables throughout this statement may not exactly equal the components of the total due to rounding.

Chris McGinnis
Chief Financial Officer
23 March 2023

Risk management, principal risks and uncertainties

Risk on the agenda



“Operating in a rapidly changing environment, we recognise the increasing importance of risk management activities to successfully deliver our strategic objectives.”

Anna Massion
Chair of the Risk & Compliance Committee

A message from the Chair of the Risk & Compliance Committee

2022 has been challenging with another period of uncertainty. We entered the year still feeling the after effects of the pandemic while the conflict in Ukraine exacerbated inflationary pressures and increased political volatility across the globe. Operating in this macroeconomic environment, we recognise the increasing importance of risk management activities to successfully deliver our strategic objectives. As a Non-executive Board member and Chair of the Risk & Compliance Committee, my role is to oversee the risk management activities of Playtech. Here, I present an overview of the principal risks we face as a Company and, while it is impossible to eliminate these entirely, how we mitigate these risks to manage our exposure to an acceptable level and, equally, capture opportunities where possible.

Mitigating geopolitical tensions and inflationary pressures

As a Company we have responded to the ongoing conflict in Ukraine, prioritising our people and their families by initiating evacuation plans with resounding support from the rest of the Company. Led by our CEO and COO, we initiated dedicated business continuity planning protocols and continue to conduct regular risk assessments to monitor the ongoing situation.

The conflict has also contributed to the economic volatility that we are faced with across the globe. Rising interest and inflation rates and the global threat of recession contribute to difficulties in managing the economic climate and meeting the expectations of our stakeholders, particularly supporting our globally positioned staff. We are closely monitoring the economic environment and preparing appropriate responses and action plans to mitigate the risks to an acceptable level and support our staff as best we can.

Managing cyber threats in a data driven world

Data is our most valuable asset and with it comes significant responsibility and vulnerability. The increasing threat to our security network is twofold: our internal systems being breached resulting in unauthorised access to our proprietary data and our sensitive employee and customer information being accessed externally. Ensuring that we are up to date with the most robust tools builds our strength and resilience to protect our security environment.

Keeping up to date with an evolving regulatory landscape

Regulations are continuing to evolve as the industry matures, which can change at short notice; therefore, it is vital we keep abreast of these changes in a time-sensitive manner.

Risk management, principal risks and uncertainties continued

Keeping up to date with an evolving regulatory landscape continued

Existing markets are tightening regulation to support a more sustainable regulatory environment. New and emerging markets are also evolving and learning, which can make it challenging both operationally and commercially to keep ahead of all these changes.

Our presence in Italy has been of increasing strategic importance to us over the years. With the growing success in this jurisdiction, we have been exposed to headwinds of increasing taxes and the economic pressures that have come from increased regulation in areas such as key social-related elements like AML, GDPR and responsible gambling.

It is vital we seek to respond appropriately to regulatory changes. As a business, we have launched a number of initiatives through the year such as: investing in safer gambling research and tools, enhancing the cyber protection levels we can offer our customers and staff and building an in-house Regulatory Intelligence team.

Prioritising our people and helping them achieve their potential

Our people make Playtech the success it is today. Talent is coming at a premium and it is important that we balance the pressures of inflation with the recessionary environment. With the financial pressures placed on our people, we see this as an opportunity to provide assistance to our staff to make their life easier and ensure their welfare is prioritised. In the race for talent, we have introduced initiatives concentrating on both supporting and maintaining the valuable talent we have, while focusing recruiting efforts on talent that will maximise our potential as a business.

Balancing industry pressure and competition

As markets mature, growth normalises and regulatory changes impose higher operating costs, our industry continues to consolidate. We are faced with the constant threat of staying competitive in an industry with a constant flow of innovation and new entrants, as well as facing cost pressures from our customers who continue to consolidate.

To respond to this, we are investing our resources in staying on top of the technological changes in the industry and extending our platform to be more nimble and agile to address the evolving needs, desires and jurisdictions of our customers.

“Regulations are continuing to evolve as the industry matures, which can change at short notice; therefore, it is vital we keep abreast of these changes in a time-sensitive manner.”

Dealing with the impacts of climate change

The financial impact of both physical and transitional risks related to climate change continue to be of importance to ourselves and our stakeholders. Playtech's TCFD statement and long-term strategy to address climate change risks and opportunities are extensively examined on pages 67 to 73 of the Annual Report. This year, climate risks have been specifically referenced in two principal risks “Building a sustainable business” and “Complying with a changing landscape in legal, regulatory, licensing and tax requirements” where we consider the risks and mitigative actions in further detail.

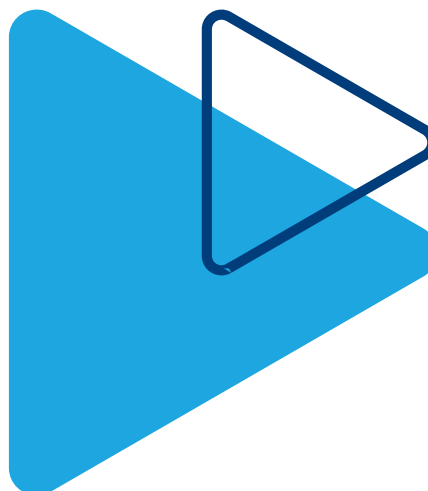
A focus on newly regulating markets

We make developing business in a sustainable way and meeting our business objectives our priority by applying a risk-based approach. Focusing on regulated markets and diversifying revenue streams across customer, product and geography allows us to limit our exposure. There remains plenty of growth opportunities for us in countries that are starting to regulate online gambling. For example, many states in the US have introduced regulation with others considering it and Brazil has also introduced regulation, even if the implementation itself seems an extra step away. As we head into 2023, we anticipate that the growth in appetite of these countries will increase, providing further opportunities for us to offer our market-leading software as we apply our balanced risk approach.

Anna Massion

Chair of the Risk & Compliance Committee

23 March 2023



Risk management, principal risks and uncertainties continued

Outlining our principal risks

During the year, the Company undertook a review of the principal risks facing Playtech while considering those that might threaten the delivery of its strategy and performance for the upcoming year.

The Board considered Playtech's principal risks in relation to its risk approach, to ensure an appropriate response is in place which effectively mitigates any exposure facing our operations.

The integrity of our business is critical and cannot be put at risk. We operate in a challenging and highly competitive market and, as a result, recognise that an appropriate balance needs to be made to achieve our objectives as a business and deliver sustainable growth. Playtech's acceptance of risk is dependent on the assurance that the potential benefits are realised and risks are mitigated and monitored effectively.

Our principal risks continue to evolve in response to our changing risk environment. This year, based on our current assessment of their materiality, we have highlighted seven principal risks as a consolidation from last year and assess the evolution from 2021 to appreciate the current risk environment and our strategy. We have presented our principal risks under categorisation, considering key macroeconomic, strategic and operational elements.



1) Recessionary risk

Risk category	Macroeconomic
Likelihood	Medium
Impact	High
Trend	↑ Rising
Link to strategy	1 2 3 4 5 6

Principal risk

The following factors pose a risk in the current macroeconomic environment: rising inflation, increasing interest rates, recession and foreign exchange fluctuations. End customers are facing financial pressures reducing disposable income and incentives to gamble. With rising inflation, increasing interest rates and refinancing burdens, this increases the pressure on our staff and customers and influences our investment decisions. From a cost perspective, our B2B business is directly impacted by rising wage pressure and the economic climate; Snaitech's retail business is less affected due to the value sharing agreement with franchisees being based on revenues, rather than profit.

Fluctuations in foreign exchange rates also pose a risk as we expand into jurisdictions with volatile currencies, such as in the Americas. However, this is not as significant across most of the business as our revenue and cost bases are evenly matched.

Mitigation

We have implemented some monitoring tactics to keep abreast of the ongoing situation and the impact on our operations by:

- actively monitoring the economic environment as it evolves;
- preparing appropriate responses for action plans that we can take that mitigate the risks to an acceptable level; and
- creating internal remuneration and training schemes to retain and support existing employees.

Strategic considerations

Protecting the long-term future of the Company and delivering on our vision is our priority as the uncertain economic climate can adversely impact this.

Risk management, principal risks and uncertainties continued

Outlining our principal risks continued

2) Geopolitical unrest

Risk category	Macroeconomic
Likelihood	Medium
Impact	High
Trend	→ Stable
Link to strategy	N/A

Principal risk

We are entering 2023 with the war in Ukraine still active, but the situation at present is stable. In addition to the safety of our staff, there is the risk that regional conflicts will constrain energy supplies and disrupt major transportation routes, raising prices across the board and affecting business operations.

Mitigation

The past year has highlighted how resilient our organisation can be when we have to prioritise and respond to a crisis. We developed an effective response to the risks posed on us by the war in Ukraine by:

- protecting our people and their families which has included financial support as well as flexible working arrangements;
- ensuring capacity and continuity by managing and relocating key infrastructure and sharing knowledge and teams inside and outside of Ukraine; and
- reviewing reliance on critical supply chains through effective business continuity planning which has included implementing backup generators and evacuation plans.

Strategic considerations

Key staff that are critical to delivering our strategic objectives are still based in Ukraine. We have contingency plans on standby in case we have to react with immediate notice and are actively monitoring the situation.

3) Building a sustainable business

Risk category	Strategic
Likelihood	Low
Impact	High
Trend	↑ Rising
Link to strategy	1 2 3 4 5 6

Principal risk

Growing awareness and visibility on sustainability-related considerations, such as long-term viability of the operations, safer gambling and social impacts, add pressure and increase expectations from stakeholders.

Mitigation

The sustainability of our business is a priority and, while we have several means to ensure we deliver on this, some of the key measures we have taken include:

- promoting a safer gambling environment at the forefront of our operations;
- ensuring our business processes support our sustainable and responsible business strategy;
- reviewing expectations on key business strategic areas such as our joint venture agreements and third parties to assess the sustainable viability of our partners to assure the ongoing success of the products we offer;
- establishing a Sustainability and Public Policy Board Committee to oversee and monitor the delivery and evolution of ESG risks and opportunities, alongside topic specific governance forums; and
- continuing to review our requirements and expectations of third parties to assess the sustainable viability of our partners.

Strategic considerations

The above elements and our mitigation responses enforce our commitment to maintaining a safe and successful environment that our stakeholders can have confidence in. This will elevate us in delivering our vision and meeting our strategic targets to drive the business forwards.

4) Complying with a changing landscape in legal, regulatory, licensing and tax requirements

Risk category	Strategic
Likelihood	Medium
Impact	High
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

We operate in a constantly changing landscape when it comes to regulation and legislative requirements. These can evolve at short notice; therefore, it is vital we keep abreast of these fluctuations in a time sensitive manner as not only can short notice variations in legislative requirements restrict market opportunities, they can also result in market closures and cause loss of revenue to Playtech. We need to be dynamic when we enter new jurisdictions, which are also evolving and learning, as it can make it challenging both operationally and commercially to be ahead of all the legislative requirements. We are also seeing evolution across environmental, social and governance regulation and disclosure requirements, with application to both direct operations and supply chain.

Mitigation

It is vital we react appropriately to regulation in an effective and responsible way, and we have done so by:

- promoting a safer gambling environment at the forefront of our operations;
- establishing a Playtech Regulatory Intelligence team which monitors all regions and ensures our processes and controls are up to date and relevant;
- utilising external advisers and engaging with partners which are familiar with the landscape where possible, to reduce any unknown exposure;
- updating the Board fully on all regulatory matters which provides visibility and consultation from the top; and
- reviewing and regularly assessing our climate-related risks and opportunities and engaging with our value chain to mitigate and manage the effects.

Strategic considerations

Increasing regulation puts pressure on new and existing jurisdictions and therefore the marketplace itself. These regulations are wide ranging and relate to gambling, listing rules and financial regulation as well as requirements under relevant environmental, social and governance-related regulations. This can lead to higher consolidation in the marketplace; therefore, keeping informed helps us to remain competitive and supports our growth.

5) Remaining competitive

Risk category	Strategic
Likelihood	High
Impact	High
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

We find ourselves with stronger, more robust competition which can reduce our market share and limit our potential for growth. Our market thrives on the presence of active participants to keep us innovative and relevant and helps us advance as an industry.

Mitigation

With technology rapidly advancing, industry consolidation and new and emerging markets on the table, this gives us further opportunity to build on our strategies of:

- working with innovation at the core of our offering evolving our products and delivering exciting offerings, from both a technology and product perspective;
- exploring new and emerging markets to accelerate B2B and B2C growth; and
- dedicating time to retaining and acquiring core talent to help us drive our strategies.

Strategic considerations

If we do not respond to the market dynamics, it will be more challenging to achieve our objectives as well as meet and exceed stakeholder expectations.



Risk management, principal risks and uncertainties continued

Outlining our principal risks continued

6) Data breach, technical systematic failure or security incident

Risk category	Operational
Likelihood	Medium
Impact	Critical
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

Our operational activities depend on our infrastructure and production facilities to ensure the availability, integrity and confidentiality of our service, assets and personally identifiable data that we hold. A compromise of services or data through a technical system failure, cyber-attack or breach of security would adversely impact our Company, including disruptions to operations, regulatory penalties and prosecution.

Mitigation

Implementing the optimal technology and security strategy is essential to mitigate this risk. This involves us:

- testing business continuity plans in place to respond to potential technical failures or incidents;
- establishing technology resilience through a robust security-focused team which operates under an ISO 27001 Information Security Management standard; and
- building a dedicated Data Protection specialist team that offers key support to the operational staff.

Strategic considerations

We could be exposed to significant reputational and operational damage which could limit Playtech's growth potential but, with the mitigation features in place, we are well placed to respond.

7) Attracting and retaining key talent

Risk category	Operational
Likelihood	Medium
Impact	High
Trend	↑ Rising
Link to strategy	1 2 3 4 5 6

Principal risk

Failure to retain and attract the appropriate people, as well as not adequately planning for the unanticipated departure of key people, will result in operational deficiencies and hinder our ability to deliver Company objectives.

Mitigation

Ensuring correct acquisition, retention and management of key talent across Playtech is a priority to help us achieve our vision. To help us deliver on this, we ensure we:

- maintain a strong internal recruitment team which directs focus to key talent pools to attract the right talent for Playtech;
- build customised strategies to grow existing talent and concentrate on their wellness, allowing us to sustain the present and future of Playtech;
- create internal remuneration and training schemes to retain and support existing employees;
- promote a diverse and inclusive culture through our Company values to promote sustainable success; and
- establish effective business continuity planning in place to ensure effective succession.

Strategic considerations

Our Company thrives on the innovation of our people and it would be impossible for us to achieve our vision without the support of our employees. Our robust mitigation strategies ensure we remain a core employer of choice across the industry.



Viability statement

The UK Corporate Governance Code requires the Board to explain how it has assessed the prospects of the Group and state whether it has a reasonable expectation that the Group can continue to operate and meet its liabilities, taking into account its current position and principal and emerging risks.

The Group's principal markets and strategy are described in detail in the Strategic Report on pages 24 to 29 and pages 12 to 15, respectively.

The key factors affecting the Group's prospects are:

- Playtech is a global business and a leading technology provider in the gambling industry;
- Playtech is well positioned to meet the growing demand for technology in regulated and regulating markets;
- Playtech has a clear vision for its technology-centric growth strategy, driven by new licensee and partnership agreements in the newly regulated markets in the US and LatAm and expanding with existing customers with additional products and into new markets;
- Playtech through its B2B division has a diverse portfolio with over 180 licensees across retail and online, in over 40 regulated jurisdictions; and
- Playtech through its B2C division is a leader in the second largest European Gambling market with Snaitech in Italy; with this leading brand and Playtech's technology it is ideally positioned to continue its success in this market whilst also being a fast growing player in Italy in the online sector when measured by Gross Gaming Revenue (GGR).

The Directors believe that a five-year period is appropriate for their viability assessment as it is supported by a five-year plan adopted by the Board, which covers Playtech's strategy to continue to penetrate the newly regulated markets in the US and LatAm. This is the longest timeframe over which the Directors believe they can reasonably forecast the Group's performance. This plan relies on certain key milestones being met in the initial years (including successful entry in the US and certain LatAm countries), which would then drive further growth in the latter years. This plan is revised as required to take into account known facts that will have an impact to the existing forecasts.

In making this statement, the Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This includes the availability and effectiveness of mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk management and internal control systems, as described on pages 85 to 90 are considered.

Base case five-year projections

As set out in the Chief Financial Officer's review (pages 78 to 84), the Group had excellent overall results which were driven by continued strength in the Company's online businesses as well as retail reopening following pandemic-related closures in H1 2021 in many of the Group's markets, including Italy. Base case projections for viability purposes have been made using the Directors' best estimate including the following key assumptions:

- Modest Adjusted EBITDA growth beyond FY 2023 on existing business;
- Constant growth in the US;
- High levels of growth in new markets in LatAm;
- Significant cash outlay in the region of €250 – €300 million payable across 2025 and 2026 in relation to the renewal of the Snai gaming and betting licenses;
- No major changes in working capital;
- No further impact of COVID-19; and
- No significant changes to Group structure.

The Group has the following borrowing facilities in place (as further described in Notes 27 and 28 of the Annual Report):

- A revolving credit facility (RCF) of €277.0 million is undrawn as of 31 December 2022 and available until October 2025, with an option to extend by 12 months;
- The 2018 Bond, issued 12 October 2018 as €530 million of senior secured notes, maturing in October 2023 (of which €330 million was repaid in 2022, see below); and
- The 2019 Bond, issued 7 March 2019 as €350 million of senior secured notes maturing in March 2026.

The resulting financial model assesses the ability of the Group to remain within the financial covenants and liquidity headroom of its existing borrowing facilities. Within the five-year assessment period, the revolving credit facility (RCF) expires as do the 2018 Bond and 2019 Bond. During 2022, the RCF was fully repaid and €330 million of the 2018 Bond was also repaid, leaving a balance of €200 million that is due in H2 2023.

Within the five-year plan, the Group assumed that the €200 million balance left on the 2018 Bond and the €350 million 2019 Bond will be repaid on maturity. Furthermore, the RCF facility will be utilised based on the operational and investment needs of the business during the five-year period, however repaid when free cash is available, in order to minimise interest costs.

Despite the assumptions made in the five-year plan, the Directors are confident that if refinancing is required it can be achieved at acceptable terms, and, even though currently no formal proposal has been put forward to the Board, the Group is in regular dialogue with its existing banks, and is continuously reviewing its options.

Climate change impact

Included within our TCFD statement on pages 67 to 69 is the Group's second scenario analysis building on the extensive scenario analysis conducted in 2021, to identify the resilience of the Group's strategy under three different possible climate change scenarios (global warming of 1.5°C/2°C/3°C above pre-industrial levels by 2100) and where possible were able to quantify the impact as material or immaterial. In the instances where it was assessed as material, the impact was assessed as long term, which is defined as more than five years. Therefore, these impacts are currently not considered to impact the conclusions made in our viability statement period.

A third-party company with expertise in TCFD was appointed to assist with the analysis, and key management across the business is engaged in the assessments made to date and going forward. The key findings are summarised in the TCFD statement. While environmental risk was added to our emerging risks register for the first time in 2021, this has been addressed through the establishment of the Sustainability and Public Policy Committee of the Board and also through regular monitoring by the executive cross-functional Environment Forum, as well as the Risk & Compliance Committee of the Board. They are also considered as part of the Risk & Compliance Committee's biannual review of risks across the Group. The Board is committed to continue to assess the situation and the financial and other implications as quantification becomes possible over the viability statement period and beyond.

Viability statement continued

Climate change impact continued

From a viability perspective, in the instances where we cannot yet quantify the impact under each of the scenarios because of the lack of data, this is considered in the overall reverse stress test analysis (see below). Furthermore, we are closely monitoring how the risks will progress over the next few years, meaning that we are already trying to mitigate our potential exposure, and at this point in time are comfortable that any climate change over the viability assessment period will not impact the conclusions being made in our scenario analysis below.

Scenario analysis

Two scenarios were applied to the base case as follows:

1. the stress-test scenario: encompass the principal and emerging risks which were applied to the base case; and
2. the reverse stress-test scenario: to illustrate the Adjusted EBITDA reduction required that could result in either a liquidity event or breach of the bond covenant.

Under Scenario 1, the following risks were factored in:

- building a Sustainable Business (risk number 3) being the risk of delays in launching in US and certain LatAm countries due to regulation or competition; it was specifically considered because even though it has been allocated a low likelihood, the impact could be high; and
- complying with a changing landscape in legal, regulatory, licensing and tax requirements (risk number 4) by considering the impact of potential changes in taxes across some of our key markets (such as Italy).

The impacts applied to this scenario were offset by potential savings such as reducing capital expenditure. In this scenario, monthly average decrease in Adjusted EBITDA was 20% over the five-year period. Despite this, the Group was still able to meet its financial covenants under its RCF until the point it is repaid, further noting that the probability of all risks applied happening simultaneously is considered remote.

Scenario 2 was specifically looked at because should we breach the covenants under the RCF, the Group would have sufficient funds to repay the outstanding balance. However, if we were to breach the interest cover covenant under the bonds, which would mean the bonds might subsequently be called for repayment, the Group will not be able to repay without raising further finance. This scenario indicated that Adjusted EBITDA would need to decrease on average by 93% over the five-year period at each bank reporting date for us to breach the covenant, noting that it did not consider any mitigating actions the Board can take. The probability of this scenario materialising is therefore considered remote, given the excellent overall results in 2022 as discussed in the Chief Financial Officer's review.

Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period to 31 December 2027.

The Strategic Report on pages 2 to 92 was approved by the Board and signed on its behalf by Mor Weizer and Chris McGinnis.

Mor Weizer
Chief Executive Officer
23 March 2023

Chris McGinnis
Chief Financial Officer