



Chief Executive Officer's review

A year of significant progress across the Company



Mor Weizer
Chief Executive Officer



The Group made important financial, strategic and operational progress in 2023. Looking ahead, we remain very confident in our ability to execute our strategy and to deliver value for our shareholders."

Overview

2023 was a year of significant progress across Playtech. We delivered an excellent financial performance, with strong contributions from both the B2B and B2C businesses. We also remain firmly on track to meet our medium-term Adjusted EBITDA targets for B2B (€200–€250 million) and B2C (€300–€350 million), while we see further long-term upside given the favourable market dynamics and our competitive advantages.

Playtech's B2B business remains focused on regulated or soon-to-be-regulated markets. The division benefits from its exposure to high-growth markets across the Americas and Europe, which helped the B2B segment to deliver revenue growth of 8% (6% on a constant currency basis) to €684 million (FY 2022: €632 million). Strong operating leverage ensured Adjusted EBITDA margin expanded 130 bps, helping to deliver a 14% increase in B2B Adjusted EBITDA to €182 million (FY 2022: €160 million). Whilst being mindful that revenue has been recognised in full from Caliply despite a large debtor balance at year end (see Note 7 for more detail), this performance reflected broad-based growth across our portfolio of leading products and services.

The opportunity in the US is significant and we have worked hard to position Playtech as a leading technology partner of choice to operators. Playtech now holds licences in 11 US states, which include recent licence approvals in Maryland, West Virginia and Delaware, with applications underway in further states. Having signed deals with multiple operators in 2022, 2023 saw a shift in focus as we looked to execute on launching with these operators across multiple states. In 2023, we launched with Rush Street Interactive and PokerStars, while also expanding our presence with BetMGM and BetParx. Playtech also signed a Player Account Management + (PAM+), Casino and Live Casino deal with Ocean Resort and Casino in New Jersey. As our presence grows, so does our team and our physical footprint. We now have over 200 colleagues in the US, and were pleased to open our third Live facility in the US in Pennsylvania at the end of 2023, adding to our New Jersey and Michigan facilities.

We remain optimistic about the potential of our landmark agreement with Hard Rock Digital to provide Casino and Live, amongst other content, in North America. We finished 2023 by completing the first delivery milestone, launching Casino slots and





table and Live dealer games in New Jersey. 2024 will see us make further progress in rolling out Playtech's high-quality offering across North America. Under the terms of the agreement, Playtech has also invested \$85 million (€79.8 million) in exchange for a small minority stake in Hard Rock Digital.

Playtech is well positioned in Latin America, with established strategic agreements in Mexico and Colombia, which continue to show strong growth. At the same time, we have moved quickly to take advantage of newly regulated markets, such as Brazil. New legislation for sports betting and iGaming has now been signed into law by the President, and we have been encouraged by the early performance of our strategic agreement with Galerabet.

Within our medium-term guidance for B2B, we have set a medium-term SaaS revenue target of €60 million–€80 million. In 2023, we added over 100 new brands and grew revenue by over 50% to €50 million (FY 2022: €32 million), meaning we remain on track to meet this target. Attracting new brands through our SaaS business model is a key component of our strategy, helping to diversify our customer base and take advantage of the business model's inherent high operating leverage.

Snaitech powered the B2C business to another excellent performance in 2023. Revenues across the B2C division rose 5% to €1,037.0 million (2022: €983.1 million), exceeding €1 billion for the first time. Adjusted EBITDA increased 6% to €250.3 million (2022: €235.2 million). While Snaitech delivered another strong overall performance, the dynamics within 2023 were varied. In the first half of the year, within the betting segment, sales were up significantly across both retail and online due to pent-up demand after the football World Cup (given Italy was absent from the tournament). This was partly offset in the second half of the year due to the impact of customer-friendly sporting results in September and October, as has been well flagged by peers across the industry. The online segment continues to see good growth, with Snaitech well placed to benefit given the strength of the brand, the continuous improvements to apps and technology and a broadening of its content offering. The underpenetration of this segment continues to be a structural tailwind for the business.

Underpinning this performance are our talented colleagues around the world. Despite the significant disruption from geopolitical conflict during the year, they have continued to deliver for our customers and we are truly grateful to them all.

Israel and Ukraine

Many of our colleagues continue to be affected by the Israel-Hamas war and war in Ukraine. Our number one priority has been the safety and security of our colleagues and their families, and we are assisting them with a range of support measures. In Israel, as was the case in Ukraine, we have extended support to aid local response efforts with in-kind donations and volunteering as well as donations to hospitals and charities. We are also providing colleagues and their families with mental health and trauma services, as well as, where appropriate, financial assistance. Finally, I want to extend my appreciation to those who have been volunteering and supporting our colleagues, friends and their families affected by these tragic events.

B2B

Core B2B

Regulated markets

Playtech's B2B business is one of the leading platform, content and services providers in regulated and soon-to-be-regulated markets. The majority of these are high-growth markets such as the US, Latin America and certain European countries.

Revenue from regulated markets grew by 18% (15% on a constant currency basis) in 2023, primarily driven by a very strong performance from Caliply in Mexico, albeit with a large outstanding debtor balance (see Note 7 for more details). There was also good growth from other regulated markets such as Poland, Spain and Canada.

The Americas

The Americas saw rapid growth once again, with 2023 revenue up 46% (35% on a constant currency basis) compared to 2022. This was largely driven by another strong performance from Caliply as well as growing contributions from other customers, including NorthStar in Canada and Wplay in Colombia.

US

We have dedicated significant resources to establishing and growing the Group's presence in the US and we are pleased with the progress to date. The Group has taken significant steps to capitalise on the favourable regulatory environment in the US, and there remain multiple opportunities ahead. Having signed deals with multiple operators in 2022, 2023 was a year where Playtech shifted its focus to executing on those agreements.

In 2023, we launched with several operators across multiple states. Rush Street Interactive went live in Michigan with its Betrivers brand and in New Jersey with its Sugarhouse brand, both for Casino. Furthermore, we expanded our partnership with BetMGM with the launch of Casino in Michigan and launched with PokerStars in Michigan for both Casino and Live.

In partnership with Aristocrat, Playtech introduced Class II mobile-on-premise gaming at WinStar World Casino and Resort in Oklahoma with the Chickasaw Nation, while also signing a PAM+ deal with Ocean Resort and Casino in New Jersey to relaunch its site as BetOcean.com.

Our relationship with BetParx has gone from strength to strength. In 2023, we successfully launched Live in our newest US studio in Pennsylvania, in addition to New Jersey, featuring Adventure Beyond Wonderland Live Casino. We also launched PAM+ in Ohio and Maryland, giving Playtech a presence with BetParx in five states: Michigan, Pennsylvania, New Jersey, Ohio and Maryland. Further product launches in additional states with BetParx are expected going forward.

One year on from signing a landmark strategic agreement with Hard Rock Digital (HRD), the exclusive Hard Rock International and Seminole Gaming vehicle for interactive gaming and sports betting on a global basis, we remain very optimistic about its potential to grow our presence in both the US and other markets. As part of the partnership, in the US and Canada, HRD's customers will enjoy a variety of Playtech's iGaming content offering including slots, RNG and live dealer table games through HRD's existing proprietary platform and technology offering.



Chief Executive Officer's review continued

B2B continued

Core B2B continued

Regulated markets continued

US continued

These products will also be supplied outside of North America in addition to PAM+ and services including marketing and operations. As part of establishing our agreement with HRD, Playtech invested \$85 million (€79.8 million) in exchange for a small minority equity ownership stake in HRD. In December 2023, Playtech completed the first delivery milestone, after launching online Casino slots and table and live dealer games in New Jersey.

During the course of last year, the Company also made good progress bringing its suite of innovative content to even more states. Adventures Beyond Wonderland Live Casino was launched in the New Jersey facility in July 2023, delivering the first true gameshow experience to the American market, and won the Gaming Product of the Year award in the 2023 American Gambling Awards. Mega Fire Blaze™ Roulette Live, a Playtech Live Casino hit in multiple countries, has opened in Michigan, while the Buffalo Blitz™ Live slot game has also launched in the US in Michigan. In addition, at the end of 2023, we launched a new Casino slot game in the US called Gold Rush™: Cash Collect™, based on the popular Discovery Channel reality TV show. Gold Rush™: Cash Collect™ has already launched in multiple European jurisdictions, proving successful.

Entry into new markets and high demand for Live Casino content has led the Group to expand its physical footprint considerably in recent years. We were pleased to announce that our third Live facility in the US was opened at the end of 2023 in Pennsylvania, adding to our New Jersey and Michigan facilities, positioning us well for Live in all three major iGaming states. Behind the Company's growing physical presence are an increasing number of employees focused on sales, operations and back-office functions, taking total headcount in the US to more than 200 at the end of 2023.

The evolution of the regulatory landscape in the US continues apace. Since the repeal of PASPA in 2018, numerous states have approved legislation to legalise sports betting. Many of these markets have already launched in both online and retail channels, with others expected to launch soon, while in Florida, progress is being made in relation to mobile sports betting.

Online casino, which was not subject to PASPA, is allowed at the discretion of individual states. In 2023, Rhode Island was the only state to authorise online casino, taking the total number of regulated iGaming states to eight including Nevada (poker only).

However, there are several states where iGaming legislation is being considered.

Playtech now holds licences in 11 US states which include recent licence approvals in Maryland, West Virginia and Delaware.

Canada

We are delighted with the positive start to our expanded partnership with NorthStar, which saw strong revenue growth in 2023, albeit from a low base. The Company also made an investment, initially by way of a convertible debenture in December 2022, which subsequently was converted into equity in H1 2023. The agreement also expands the scope of Playtech's offering to NorthStar to include operational and marketing services, in addition to PAM+, Casino, Live, Poker and Bingo solutions already launched. NorthStar has since acquired Slapshot Media Inc. to open up the Canadian market to the NorthStar brand beyond Ontario, and raised additional capital in H2 2023 from Playtech and other investors to accelerate the growth of NorthStar's footprint across Canada. Aside from NorthStar, Playtech has further exposure to the Canadian market with more than ten other operators and launched with FanDuel, Entain via its SIA brand and Jumpman, all for Casino and Live in Ontario.

Latin America

Latin America remains a hugely important market and will be a key driver of growth for the foreseeable future. Whilst there is a large outstanding debtor balance, Caliplay in Mexico continues to grow strongly.

As detailed at the interim results, revenue from Wplay was impacted by certain activities in the first half of the year. However, the second half of the year saw very strong growth in Colombia, and we remain excited about the opportunity afforded by the Colombian market, with Wplay well positioned to grow its presence there further in the years ahead.



In memoriam: Jonathan Richter

It is with great sadness that we lost our dear friend, Jonathan Richter, who was one of Playtech's very first employees. Tragically, Jonathan was one of the many victims of the 7 October terrorist attack in Israel. He was attending the music festival supporting ELEM, a nonprofit committed to improving the lives of at-risk youth all around the country.

Jonathan played a pivotal role in making Playtech become a global leader in its field, establishing and managing the casino and content units for over a decade. Jonathan was a kind and generous person who cared deeply about peace, having lived a life full of community service and dedicating much of his personal time to volunteering.

Jonathan's legacy is a fundamental part of our story, and we will always remember and cherish his contributions.



Despite the significant disruption from geopolitical conflict during the year, our talented colleagues have continued to deliver for our customers and we are truly grateful to them all."



Having seen strong demand since opening our first Live Casino facility in Peru in 2022, last year we built and opened a second studio in Lima. This second facility will ensure we have the capacity to take advantage of further favourable regulation and strong growth in the region, such as in Brazil, in the years to come. Several customers, such as Wplay and Betano, have launched tables in the new Live facility with positive results so far.

We continue to see a shift towards regulation across Latin America, including in Brazil. 2023 saw the country take a crucial step with the President signing into law new legislation for online and retail sports betting and online casino at the end of 2023, and industry expectations are for a launch at some point in 2024.

Brazil is anticipated to be a significant, high-growth market given its large population and love of sports. Playtech is well positioned to benefit given its exciting strategic agreement with Galerabet, which migrated its Sports product onto Playtech's platform in 2023. In addition to Galerabet, Playtech also has exposure to Brazil via its other B2B partners in the country and launched with DoradoBet for both Casino and Live in H2 2023.

Peru has recently enacted legislation and published online gambling regulations for sports betting and online gambling, which are expected to come into effect in 2024, and Playtech is well positioned, launching with Atlantic City for Casino at the end of 2023.

Europe ex UK

In Europe ex UK, B2B revenue growth of 8% (8% on a constant currency basis) was driven by strong performances in several

countries including Poland, Spain and the Czech Republic. This was partly offset by lower revenue from the Netherlands due to increased competition and a strict regulatory environment, and the loss of two retail sports contracts in the year.

Elsewhere in Europe, there were several exciting launches in both Spain and Italy. In Spain, we saw Juegging and DAZNBET both go live with Casino and Live, KirolBet with Live, and Luckia and Platin Casino both with Casino. In Italy, Leo Vegas and StarVegas launched Casino and Live products and Betway launched Live in the year. Playtech also launched with Betway in the UK for Casino. This demonstrates the versatility and scalability of Playtech's business model and the trend to grow customer relationships over time.

We were pleased to extend our contract with the Polish state operator, Totalizator, following a competitive public tender in 2023. The contract, which sees PAM+ extended for multiple years, illustrates the strength of Playtech's offering and our successful strategy of partnering with leading brands and institutions in newly regulated online markets. In February 2024, Playtech also announced that it won the tender via a rigorous public procurement process to become the partner for Live Casino for Veikkaus, the Finnish state-owned and monopoly operator.

We are also growing our Live Casino infrastructure in Europe. Extensions to facilities in Romania and the Netherlands were completed in 2023, with the Les Ambassadeurs casino extension in the UK completed in early 2024, illustrating the growing demand across the segment.

France saw regulatory developments in 2023, with discussions about the regulation of the online casino market taking place with various key French stakeholders. At present, only poker, sports betting and horse race betting are regulated within the online sector, so the regulation of online casino would be a positive for Playtech, particularly as we have multiple customers already using our poker product.

UK

UK revenue in 2023 was flat (1% growth on a constant currency basis) compared to 2022 despite the impact of increased regulation.

Having called for evidence as part of its review into existing gambling laws, the UK Government set out its conclusions and proposals for reform in a White Paper, published in April 2023.

Currently, there is still some uncertainty about the impact of each of the Government's proposals on the industry. Whilst the Government has announced the introduction of stake limits for online slot games (£2 maximum stake for 18–24 year olds and £5 for all other customers), several other proposals are still subject to consultation or pending the publication of consultation responses. The introduction of Financial Risk Assessments (often referred to as "affordability checks"), which must be completed once customers have reached a defined loss level, are subject to the most uncertainty in terms of impact. Until the specifics of any measures that will be implemented and the precise mechanics required to adhere to them are known, it is difficult to assess the overall impact.



Chief Executive Officer's review continued

B2B continued

Core B2B continued

Regulated markets continued

UK continued

The UK remains an important market for Playtech and its customers, as well as being one of the largest and most mature regulated markets in the world. Playtech is already working with customers that took pre-emptive measures in advance of the publication of the White Paper and is committed to supporting its remaining clients as the proposals come into force.

Playtech is uniquely advantaged given its market-leading technology and data, which put safety and responsible gambling at the centre of everything. The Company remains heavily involved in discussions around safer game design and will continue to be following this next wave of regulation. This should further cement Playtech's reputation as the go-to platform for regulated markets.

Unregulated

The Group's strategy to focus on both regulated and regulating markets includes unregulated markets which are likely to regulate in the future. Revenue from these unregulated markets was down 19% (-17% on a constant currency basis) versus 2022, with underlying growth in Brazil more than offset by a decline in Asia, Canada and South Africa.

Asia saw revenue declines compared to 2022 due to continued pressures in the region. In Canada, Ontario transitioned to being regulated and, as a result, some revenue has shifted to regulated markets while other operators have reduced their exposure to the Canadian market. As regulation progresses across Canada, it will continue to add to the size of the North American market opportunity.

The Company is also excited about the potential of the South African market as it takes steps towards regulating. At present, it is a nascent but fast-growing market, which permits sports betting and Live Casino and Playtech launched Casino and Live products with TsogoSun at the end of 2022.



I am pleased we have continued to make progress in all areas relating to sustainability including safer gambling, diversity and climate change."

B2B – driving growth through innovation SaaS

As part of our strategy to grow B2B revenue by €200–€250 million in the medium term, Playtech is also looking to diversify its revenue base through the SaaS business model, which targets the long tail of providers that don't have access to PAM+. At the FY 2022 results, we announced a medium-term SaaS revenue target of €60 million–€80 million, and we are pleased to report that we are making very good progress towards achieving this target, with the SaaS business seeing revenue growth of more than 50% in 2023 versus 2022.

We target growth by looking to increase our wallet share with existing brands on our SaaS platform, as well as attracting new customers in both regulated and regulating markets. Playtech launched over 100 brands in the period, with notable progress in the US as Rush Street Interactive launched in Michigan and New Jersey. We now have more than 450 brands live since the launch of our SaaS model in 2019.

As the SaaS model provides a low friction method of exposing operators to Playtech's content, we have the ability to cross and upsell other Playtech products over time. Meanwhile, a broad range of customers from multiple countries across different product sets means our revenue base is more diversified, ensuring our B2B revenues are more resilient to any changes in our operating environment.

Product developments

Online gaming has undergone significant change in recent years. The combination of Playtech's strong technology, content offering and market-leading position means we are well placed to cater to the ever-increasing demand to deliver new, engaging and immersive entertainment experiences for consumers. In August 2023, Playtech announced the launch of Jumanji™ The Bonus Level Live, a new game within Live that combines cutting-edge technology with the cinematic qualities of the famous movie. Following a complex development process, Jumanji™ The Bonus Level Live is the first-ever Live game inspired by a Hollywood blockbuster, marking a key milestone in the gaming industry.

Playtech has a long history of launching branded content, and the continued demand for themed games inspired the launch of Breaking Bad™: Cash Collect & Link™ in December 2023 within Casino. The game features all the show's key talent and is part of Playtech's award-winning Cash Collect™ suite. Another exclusively licensed branded game from the Cash Collect™ power suite is Gold Rush™, which has been particularly noteworthy as it achieved the fastest return on investment in the history of Playtech Casino for branded games, breaking even just two months after launch.

In July 2023, Playtech also announced the launch of Big Bad Wolf Live, an innovative experience that combines a slot game with elements of a Live experience, released from Quickspin Live, the RNG arm of our Live division. The game, which stands apart due to its artwork and unique features, sets a new industry standard for Live Casino gaming. Having signed the exclusive US rights to Family Feud (®/© Fremantle), one of US television's longest-running and highest rated gameshows, Playtech expects to launch a gameshow next year. Within Live, there were also developments rolled out to update the in-house video technology.

Finally, we were delighted that Playtech's Live product was recognised as a leading solution in the industry, winning the EGR Live supplier of the year for 2023, acknowledging the achievements of its extremely talented team.

B2C

Playtech's B2C business spans Snaitech, HAPPYBET, and Sun Bingo and Other B2C operations. Overall B2C revenues grew 5% to €1,037.0 million (2022: €983.1 million). Adjusted EBITDA grew 6%, rising to €250.3 million (2022: €235.2 million).

Snaitech

Revenue from Snaitech in Italy increased by 5% compared to 2022, while Adjusted EBITDA also grew 5% versus 2022. This overall performance saw differing dynamics across the period, with a very strong start to the year driven by pent-up demand following the football World Cup, whilst being partly offset by customer-friendly sporting results in the second half of the year. The retail segment saw revenue and Adjusted EBITDA growth of 4% and 6% versus 2022, respectively, and the online business saw revenue and Adjusted EBITDA growth of 8% and 4% versus 2022, respectively.

Retail betting sales were up 15% versus 2022, driven by a strong performance in the first half of the year as customers returned to betting shops after the football World Cup in the final quarter of 2022 (Italy was absent from the tournament). This was partly offset in the second half of the year due to the impact of customer-friendly sporting results in September and October, as has been well flagged by peers across the industry. Gaming machines revenue was flat versus 2022 as this business normalises post-pandemic. At the Adjusted EBITDA level, retail margins expanded 30 bps versus 2022, with operating leverage on strong revenue growth in H1 2023 partly offset by the impact of customer-friendly sporting results in H2 2023.

The online business followed a similar pattern, seeing strong growth in the first half of the year led by good performances across sports betting and casino. The second half of the year saw customer-friendly sporting results impact both revenues and EBITDA margins. The underlying performance of the online segment remains healthy. The underpenetration of this segment continues to be a structural tailwind for the business, with Snaitech well placed to benefit given the strength of the brand, the continuous improvements to apps and technology and a broadening of its content offering.

As announced at the time of our interim results in September 2023, Snaitech last year acquired Giove Group, a well-established betting operator in the Puglia region (southern Italy), the integration of which has now been completed. Giove holds licences for both retail betting and online and directly manages 18 betting shops. The acquisition, while small, illustrates the appetite to grow the Snaitech business in Italy.

In 2023, the Snai brand was ranked number one in sports betting (retail and online combined, as measured by GGR), which is a testament to its consistently strong operational performance and unique brand identity.

HAPPYBET

HAPPYBET revenues were down 9% in 2023 compared to 2022, driven by a rationalisation of retail sites in Germany. Adjusted EBITDA losses narrowed to €9.8 million in 2023, when excluding a €2 million historical litigation settlement expense. Including the historical litigation settlement, Adjusted EBITDA saw a loss of €11.8 million (2022: €-10.8 million).

The Snaitech management team has taken on responsibility for HAPPYBET and we are seeing early signs of improvement across the retail and the online segments. Within retail, less profitable stores have been rationalised in Germany with plans to open new shops in 2024 underway. In online, work on optimisation of the player bonus policy and improvements in the approach to risk and trading around the sportsbook are ongoing.

Sun Bingo and Other B2C

Sun Bingo and Other B2C saw 12% revenue growth in 2023 to reach €73.4 million (2022: €65.3 million) while Adjusted EBITDA grew to €6.0 million, up from €2.0 million in 2022. The primary reasons for the improvement in performance were the increased marketing spend at the end of 2022 around the time of the football World Cup, resulting in higher revenue growth in 2023 at a high contribution margin, in addition to more effective marketing spend throughout 2023 and higher retention of customers due to improved product user experience.

Responsible business and sustainability

In 2023, we continued to execute against our five-year sustainability strategy. I am both proud and pleased to be able to report progress across all our commitments.

- We strengthened our portfolio of safer gambling technology and solutions under Playtech Protect with the development of personalised responsible gambling journeys to help operators enhance safer gambling interactions with their players. Playtech was also awarded the Advanced Level Three of the GamCare B2B Safer Gambling Standard – the highest possible level of award.

- In 2023, Playtech also made progress against its global target to reach 35% female representation in leadership positions by 2025. At the end of the year, Playtech reached 30% female representation amongst leadership positions as compared to 26% in 2022. In 2024, Playtech will continue to refine its understanding of gaps in female talent across the Group and take action to increase female retention.
- We initiated our net zero by 2040 plan, and in early 2024, the Science Based Targets initiative (SBTi) approved Playtech's near-term science-based emissions target, a 50.4% reduction in its Scope 1, 2 and 3 emissions by 2032. Playtech has also committed to set long-term emissions reduction targets with SBTi in line with reaching net zero by 2040.
- We supported a wide range of charitable and volunteering activities, exceeding our community target set for 2025 by the end of 2023, with over 160,000 people engaged through community investment and mental health programmes over the past three years.
- We are honoured to be included in the S&P Global Sustainability Yearbook 2024 for our sustainability efforts. By championing sustainability and operating responsibly, we continually strive to make a positive impact on our customers, colleagues, communities and the environment.
- In August 2023, we established a Global Employee Benevolent Fund to provide support to colleagues and their immediate families who may encounter unforeseen, severe, life-changing challenges.

Mor Weizer

Chief Executive Officer

26 March 2024

