GOVERNANCE

BUILDING ON OUR TRACK RECORD OF SHAREHOLDER ENGAGEMENT

Playtech believes that open and constructive dialogue has been central to Playtech's growth over the years and our aim is to continue progress on corporate governance to support our operational goals and deliver long term shareholder value.

CHAIRMAN'S INTRODUCTION TO GOVERNANCE

PROGRESS DRIVEN BY CONSTRUCTIVE & CONTINUED DIALOGUE

Alan Jackson
Chairman

The Board believes open and constructive dialogue with its shareholders has been central to Playtech's progress and growth, and in 2018 the Board has continued its track record of engagement.

Dear Shareholder

I am pleased to present Playtech's Governance Report to shareholders.

This has been an extremely important year in the growth and development of Playtech. The year has produced many challenges for Playtech and our industries, and the Board continues to evolve to ensure that we have the necessary skills and strategic leadership in order to continue to successfully shepherd the Company. I would like to pass on my gratitude for the enthusiasm and dedication which the Directors and senior management have demonstrated throughout 2018.

Central to Playtech's progress and growth has been a track record of open and constructive dialogue with its shareholders and 2018 has seen the Board continue high levels of engagement to continue important progress on Corporate Governance. Since the voting results on our Remuneration Report at the Annual General Meeting in May 2018 we have led focused engagement with our top institutional shareholders to fully absorb the reasons for the vote and have taken the feedback into account in the implementation of our remuneration policy for 2018 and beyond.

The Board is cognisant of the need to strike a careful balance to ensure that shareholders and other stakeholders are appropriately protected by robust processes and procedures while providing an environment that fosters an entrepreneurial spirit that allows our senior management team and employees to continue to deliver the year-on-year growth that we have achieved in recent years. This balance enables us to clearly focus on the key risks facing the Group but to be flexible enough in our approach to accommodate changes resulting from developments in our strategy or changes in the regulatory environment.

Playtech has grown rapidly since its inception and is now a company with more than 5,800 employees in 17 countries. To meet the changing demands of the Company, the Board has also evolved significantly in that time and has played an important role in shepherding the Company through its rapid change. As part of this ongoing progress it was announced, in July, that Susan Ball would join the Board and Chair the Audit Committee. Susan brings experience of the European online gambling space, having previously been on the board of Kambi Group plc and before that having served as CFO of Unibet Group plc. Further to the appointment of Susan, in August former Sportech PLC CEO Ian Penrose joined the Board and has taken over as Chair of the Remuneration Committee, leading high levels of shareholder engagement. Ian brings deep sector experience having led a strategic repositioning and business turnaround at Sportech PLC. Susan and Ian represent two important steps forward for the Board in 2018 and the Board continues to look to add high-quality non-executives in 2019 to match the Company's needs.

The Board has confidence in the future of the Group and sees significant growth opportunities ahead. The operational progress reported in 2018 in new and existing regulated markets is a testament to Playtech's leadership in regulation and compliance in the gambling industry, as well as our commercial capabilities. The Board plays an essential role in upholding the highest levels of regulations, compliance and responsibility and we continue to work closely with regulators in various markets to ensure our compliance with local laws and regulations. The Board continues to strive to ensure that the Group's governance structure protects the sustainability of its businesses and the communities in which it operates, while maximising shareholder value and treating all shareholders fairly. The Board also sets the tone for the Company. The way in which it conducts itself, its attitude to ethical matters, its definitions of success and the assessment of appropriate risk, all define the atmosphere within which the executive team works.

In keeping with our commitment to have a dedicated in-house function, we continued to strengthen our Internal Audit Team in 2018, and this underlines our focus on the increasing levels of complexity in relation to internal controls and processes. The historical Internal Audit Relationship with PricewaterhouseCoopers LLP (PwC) remains in place and Playtech is therefore a co-sourced arrangement, with PwC continuing to provide support to the Internal Audit Team given their experience of the Group and the specialist services they offer.

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

The Annual General Meeting (AGM) is an important opportunity for the Board to meet with shareholders, particularly those who may not otherwise have the chance to engage with the Board and senior management. Our 2019 AGM is scheduled for 10.00 am on 15 May 2019 at The Sefton Hotel, Douglas, Isle of Man and we look forward to seeing you there.

Alan Jackson
Chairman

20 February 2019

BOARD OF DIRECTORS

ENGAGEMENT & OVERSIGHT

Alan Jackson

Non-executive Chairman

Appointment to the Board:
Alan was appointed to the Board in 2006 on the Company's flotation on the Alternative Investment Market and became Chairman in October 2013.

Career:
Alan has over 40 years' experience in the leisure industry. From 1973 to 1991, he occupied a number of positions at Whitbread, both in the UK and internationally, principally as Managing Director of Beefeater Steak Houses and also the Whitbread restaurant division where he was responsible for the creation and development of the Beefeater, Travel Inn and TGI Friday brands and was responsible for Whitbread's international restaurant development. In 1991, he founded Inn Business Group plc, which was acquired by Punch Taverns plc in 1999. He was Chairman of The Restaurant Group plc from 2001 until he retired from this position in 2016. He stepped down from his role as Deputy Chairman and Senior Non-executive Director at Redrow plc in September 2014. He is currently non-executive Chairman of Bannatyne Group plc.

Skills, competences and experience:
Having held several Board positions in both an executive and non-executive capacity in a variety of listed companies in the UK, he brings substantial experience of working in public and private companies, along with strategic and leadership experience.

Board Committees:
He is Chairman of the Nominations Committee and a member of the Remuneration and Risk & Compliance Committees.

Mor Weizer

Chief Executive Officer

Appointment to the Board:
Mor was appointed as Playtech's Chief Executive Officer in May 2007.

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

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

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

Andrew Smith

Chief Financial Officer

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

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

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

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

Andrew Thomas

Senior Non-executive Director

Appointment to the Board:
Andrew was appointed to the Board in June 2012, shortly before the Company's admission to the Main Market.

Career:
Andrew has enjoyed a career as an accountant and businessman, much of which has been within the leisure industry. Andrew is currently Chairman of Randalls Limited, a family-owned pub company in Jersey, where he lives. Andrew previously served as Chairman of The Greenalls Group plc and as a Non-executive Director of a number of private and public companies. He is the founding partner of the Cheshire-based accounting firm, Moors Andrew Thomas & Co. LLP. Andrew is a member of the Institute of Chartered Accountants in England & Wales and a member of the Institute of Taxation.

Skills, competences and experience:
Andrew combines many years' detailed experience of advising on taxation matters, with financial expertise both as a Chartered Accountant and sitting as a Non-executive Director of a number of publicly listed companies.

Board Committees:
Andrew stepped down as Chair of the Audit Committee in November 2018. He remains a member of the Audit Committee and sits on the Remuneration Committee, Nominations Committee and Risk & Compliance Committee. He is also the Senior Independent Non-executive Director.

John Jackson

Non-executive Director

Appointment to the Board:
John was appointed to the Board in January 2016.

Career:
John is a qualified accountant and his previous roles include Group Chief Executive of Jamie Oliver Holdings Limited from 2007 to 2015, Group Retail and Leisure Director of Virgin Group Limited from 1998 to 2007, and Managing Director of Body Shop International from 1988 to 1994. He is currently Non-executive Chairman of Wilko Holdings Limited, Non-executive Chairman of Game Digital Limited and Non-executive Chairman of Rick Stein Group.

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

Board Committees:
John stepped down as a member of the Remuneration Committee in November 2018. He continues to sit on the Audit Committee, Risk & Compliance Committee and Nominations Committee.

Claire Milne

Non-executive Director

Appointment to the Board:
Claire was appointed to the Board in July 2016.

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

Skills, competences and experience:
Claire is a recognised industry expert in eGaming and technology law and regulation, with over 20 years' experience advising gaming and financial services clients as an in-house and private practice lawyer.

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

Susan Ball

Non-executive Director

Appointment to the Board:
Susan was appointed to the Board in August 2018.

Career:
Susan is a Chartered Accountant and her previous roles include being a Non-executive Director at Kambi Group plc from 2014 until June 2018 and CFO for Unibet Group plc from 2002 to 2007. She is currently a Non-executive Director at Gambling.com Group plc. Outside the gambling sector, Susan is a Non-executive Director of Bannatyne Group plc. She is a fellow of the ICAEW.

Skills, competences and experience:
With over 35 years of senior finance and board-level experience in listed and private companies across several geographies and sectors, Susan brings a wealth of knowledge of the global gambling market with a focus on digital growth strategies and expanding businesses.

Board Committees:
Susan is Chair of the Audit Committee and sits on the Remuneration Committee, Risk & Compliance Committee and Nominations Committee.

Ian Penrose

Non-executive Director

Appointment to the Board:
Ian was appointed to the Board in September 2018.

Career:
Prior to his appointment, Ian was CEO of Sportech plc from 2005 to 2017 and served as CEO of Arena Leisure plc from 2001 to 2005. Ian is currently Non-executive Chairman of the National Football Museum and a strategic adviser to Alizeti Capital and Weatherbys Limited.

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

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

DIRECTORS' GOVERNANCE REPORT

Introduction

Responsibility for corporate governance lies with the Board, which is committed to maintaining high standards of corporate governance and is ultimately accountable to shareholders. The report which follows explains our most important governance processes and how they support the Group's business. In particular, we have applied the principles of good governance advocated by the UK Corporate Governance Code 2016 (the "Code"). The Code applied to Playtech throughout the financial year ended 31 December 2018. A copy of the Code is available at www.frc.org.uk. The FRC published a revised UK Corporate Governance Code in July 2018, which applies to accounting periods beginning on or after 1 January 2019. It places a greater emphasis on relationships between companies, shareholders and stakeholders. It also promotes the importance of establishing a corporate culture that is aligned with the company purpose, business strategy, promotes integrity and values diversity. We will report on how we applied the principles of good governance advocated by the revised Code in next year's annual report and accounts.

Compliance statement

We continued to make improvements during the year both to our Board structure and our governance procedures and I am delighted to be able to report that it is the view of the Board that the Company has been fully compliant with the principles of the Code during 2018.

Claire Milne was appointed as a Non-executive Director on 8 July 2016. Claire is a recognised expert in eGaming and technology law and regulation, with 20 years' experience advising gaming and financial services clients as an in-house and private practice lawyer and was, at the time of her appointment, and continues to be, a Partner and Team Leader within the Intellectual Property and Science and Technology teams for Appleby (Isle of Man) LLC (the "Firm"). The Firm has provided, and continues to provide, regulatory and legal advice to the Company from time to time; however, given the overall size of the Firm and the relatively small scale of fees received, this relationship was not considered to impact on her independence. In addition, in order to reinforce her independence, it was agreed that following her appointment, Claire would not be involved in the provision of advice by the Firm to the Group, her remuneration from the Firm would not be linked, directly or indirectly, to the receipt of fees from the Group, and that any potential residual conflicts will be managed carefully.

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

The Board is accountable to the Company's shareholders for good governance and the statement set out below describes how the Group applies the principles identified in the Code.

See also the period since last external audit tender on page 96.

The Board

Composition

As at 31 December 2018, the Board comprised the Non-executive Chairman, the Chief Executive Officer, the Chief Financial Officer, and five independent Non-executive Directors. The list of Directors holding office during the year to 31 December 2018 and their responsibilities are set out on pages 86 to 87.

Director's name	Title
Alan Jackson	Non-executive Chairman
Mor Weizer	Executive Director, Chief Executive Officer
Andrew Smith	Executive Director, Chief Financial Officer
Andrew Thomas	Non-executive Senior Independent Director
John Jackson	Non-executive Director
Claire Milne	Non-executive Director
Susan Ball	Non-executive Director (from 1 August 2018)
Ian Penrose	Non-executive Director (from 1 September 2018)
Paul Hewitt	Non-executive Director (1 January 2018 – 1 August 2018)

With the exception of Susan Ball who was appointed as a Non-executive Director on 1 August 2018, Ian Penrose who was appointed as a Non-Executive Director on 1 September 2018 and Paul Hewitt who stepped down as a Director on 1 August 2018, the Directors served throughout the financial year.

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

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

Board operation

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

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

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

Matters considered by the Board in 2018

Month	Material matters considered
January	▸ Acquisition of Snaitech ▸ Review of Asian Markets ▸ Review of Sun Bingo
February	▸ Review of the 2017 financial results and approval of the Annual Report and Accounts for 2017 ▸ Consideration of a final dividend ▸ Budget FY 2018 ▸ Review of Asian Markets
April	▸ Review of Asian Markets ▸ Acquisition of Snaitech ▸ Review of Sun Bingo
May	▸ Acquisition of Snaitech ▸ Class 1 Circular ▸ Review of operations ▸ Prepare for AGM and GM ▸ Review of mergers and acquisitions opportunities
June	▸ Review of banking arrangements ▸ Review of Sun Bingo ▸ Review of tax planning ▸ Review of current trading
July	▸ Trading update
August	▸ Review of interim results ▸ Consideration of interim dividend ▸ Review of tax planning
September	▸ Review of transaction with Totalizator Sportowy Sp ▸ Launch of Senior Secured Notes
October	▸ Investor Day ▸ Review of Sun Bingo ▸ Review of US Application ▸ Review of merger and acquisition opportunities
November	▸ Trading update ▸ Full-year forecast 2019 ▸ Board evaluation ▸ Review of GDPR

DIRECTORS' GOVERNANCE REPORT cont.

How the Board functions

In accordance with the Code, the Board is collectively responsible for the long-term success of the Company. The Board provides entrepreneurial leadership for the Company within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board sets the Company's strategic aims, and ensures that the necessary resources are in place for the Company to meet its objectives and reviews management performance.

The Board meets regularly and frequently, with 12 meetings scheduled and held in 2018. During the year, it was also necessary for the Board to hold three unscheduled Board calls (all in accordance with the articles of association), in connection with the trading update announced in July 2018 and the Israeli tax settlement in December 2018.

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

In addition to receiving reports from the Board's Committees, reviewing the financial and operational performance of the Group and receiving regular reports on M&A, legal, regulatory and investor relations matters at the Board meetings, the other key matters considered by the Board during 2018 are set out in the table on page 89.

Board meetings are generally held at the registered office of the Company on the Isle of Man, although during the year a meeting was held in Milan.

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

Details of the attendance of the Directors at meetings of the Board and its Committees are set out in the table below.

Responsibility and delegation

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

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

- Approval of the Group's long-term objectives and commercial strategy
- Approval of the annual operating and capital expenditure budgets and any changes to them
- Major investments or capital projects
- The extension of the Group's activities into any new business or geographic areas, or to cease any material operations
- Changes in the Company's capital structure or management and control structure
- Approval of the Annual Report and Accounts, preliminary and half-yearly financial statements, interim management statements and announcements regarding dividends
- Approval of treasury policies, including foreign currency exposures and use of financial derivatives
- Ensuring the maintenance of a sound system of internal control and risk management
- Entering into agreements that are not in the ordinary course of business or material strategically or by reason of their size
- Changes to the size, composition or structure of the Board and its Committees
- Corporate governance matters

Number of meetings	Board	Audit	Remuneration	Nominations	Risk
Alan Jackson	11 of 12	–	7 of 7	2 of 2	4 of 4
Mor Weizer	11 of 12	–	–	–	–
Andrew Smith	11 of 12	–	–	–	–
Claire Milne	11 of 12	4 of 4	7 of 7	2 of 2	4 of 4
John Jackson	11 of 12	4 of 4	7 of 7	2 of 2	4 of 4
Andrew Thomas	11 of 12	4 of 4	7 of 7	2 of 2	4 of 4
Paul Hewitt	5 of 12	2 of 4	5 of 7	1 of 2	2 of 4
Susan Ball	5 of 12	2 of 4	2 of 7	1 of 2	2 of 4
Ian Penrose	4 of 12	1 of 4	2 of 7	–	2 of 4

Note:
Paul Hewitt ceased to be a Director on 1 August 2018. Susan Ball was appointed as a Director on 1 August 2018.
Ian Penrose was appointed as a Director on 1 September 2018.

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

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

Audit Committee

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

The Audit Committee's report is set out on pages 94 to 96 and details the Audit Committee's membership, activities during the year, significant issues that it considered in relation to the financial statements and how those issues were addressed. The report also contains an explanation of how the Committee assessed the effectiveness of the external audit process and the approach taken in relation to the appointment or reappointment of the auditors.

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

Remuneration Committee

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

The Directors' Remuneration Report is set out on pages 97 to 111 and contains details of the Remuneration Committee's membership, activities during the year and the policy on remuneration. The Chairman of the Remuneration Committee attends the Annual General Meeting to respond to any questions that shareholders might raise on the Remuneration Committee's activities.

The Remuneration Committee comprises Ian Penrose (Chairman), Alan Jackson, Andrew Thomas, Claire Milne and Susan Ball.

Risk & Compliance Committee

Under the Code, the Board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. Through its role in monitoring the ongoing risks across the business, to include the Group Risk Register, the Committee advises the Board on current and future risk strategies. The Board should maintain a sound system of risk management and internal control systems (Main Principle C.2).

The Risk & Compliance Committee is chaired by Claire Milne. The other members of the Committee are Alan Jackson (Non-executive Chairman), Andrew Thomas (Non-executive Director), John Jackson (Non-executive Director), Susan Ball (Non-executive Director) and Ian Penrose (Non-executive Director). Ian Ince (Head of Regulatory and Compliance), Alex Latner (General Counsel), Steffen Latussek (Data Protection Officer) and Robert Penfold (Head of Internal Audit) attend the Committee. The Company Secretary, Brian Moore, is secretary to the Committee.

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

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

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

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

The Risk & Compliance Committee met formally four times during the year, and a summary of the key matters considered by the Committee during 2018 are set out below:

- Monitor the regulatory position in a number of jurisdictions including those which are of relative importance to the Group financially and those where changes may represent a risk or opportunity for the Group
- Consider the costs and regulatory requirements for the Group to seek relevant licences in newly regulating markets
- Applications by or on behalf of the Group for licences in existing or newly regulated markets
- Monitor developments in relation to changes in the regulatory regimes in all jurisdictions in which the Group operates and receiving reports in relation to the likely impact on the Group and the need for entities within the Group to apply for licences
- Consider the overall effectiveness of the compliance strategy and the regulatory risks to the Group's operations and revenues
- Receive and consider reports on discussions with, and the results of, audits by regulators
- Monitor compliance with regulatory licences held in all jurisdictions and adapting procedures, products and technology as appropriate
- Review reports by PwC as external advisers on risk management; consideration of the risks identified from the Group's risk register and of the effectiveness of actions taken to mitigate such risks
- Consideration of the key risks associated with the financials division
- Monitoring the GDPR programme across the Group
- Implementing compliance training for Board members and senior management

DIRECTORS' GOVERNANCE REPORT cont.

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

A table setting out the principal significant risks identified by the Group (including with the oversight and input of the Risk & Compliance Committee) and the mitigating actions that have been undertaken by the Group in relation to these is set out on pages 68 to 71 of this report.

Nominations Committee

The Board is required by the Code to establish a Nominations Committee which should lead the process for Board appointments and make recommendations for appointments to the Board. A majority of members of the Nominations Committee should be independent Non-executive Directors. The Nominations Committee's key objective is to ensure that the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities.

The Nominations Committee comprises Alan Jackson (Chairman), Andrew Thomas, John Jackson, Claire Milne, Susan Ball and Ian Penrose.

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

The Nominations Committee has not set itself any formal targets for diversity, including gender, and believes that appointments should be based on merit, compared against objective criteria, with the ultimate aim of ensuring the Board has the right skills, knowledge and experience that enable it to discharge its responsibilities properly.

The Nominations Committee meets on an as-needed basis. Two formal meetings were held in 2018. The meetings focused on the consideration of candidates for the appointment of Non-executive Directors. This led, after a process involving the review of a number of potential candidates, to the appointment of Susan Ball in August 2018 and Ian Penrose in September 2018. No external search consultancy was used in these appointments; however, a list of candidates from a range of backgrounds was prepared. The Nominations Committee went on to recommend Susan Ball's and Ian Penrose's appointments as Non-executive Directors, having considered in detail their skills, knowledge, experience and ability to contribute to the business.

Disclosure Committee

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

Management Committee

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

Board tenure

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

Notwithstanding the provisions of the articles of association, the Board has decided to comply with the Code requirements that Directors of companies in the FTSE 250 Index submit themselves for re-election annually. Therefore, apart from Andrew Thomas, who has informed the Board that he does not intend to seek re-election at the forthcoming AGM, all Directors are seeking their reappointment at this year's AGM.

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

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

Balance of the Board

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

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

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

Evaluation

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

An independent external review of the Board's effectiveness commenced in late 2018. This review was carried out by Independent Audit Limited, using their Thinking Board online assessment service. Independent Audit Limited have no other connection to the Company and are considered by the Board to be independent. The Company Secretary is in the process of finalising this review, following which, the Board members will discuss the findings and will continue to adopt and implement plans to further develop the effectiveness of the Board during 2019.

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

Relationship with shareholders

Primary responsibility for effective communication with shareholders lies with the Chairman, but all the Company's Directors are available to meet with shareholders throughout the year. Alan Jackson, Mor Weizer, Andrew Smith, John Jackson, Susan Ball and Ian Penrose met with a number of shareholders to discuss the Company's business and remuneration strategies throughout the year. The Executive Directors prepare a general presentation for analysts and institutional shareholders following the interim and full-year announcements. Details of these presentations together with the Group's financial statements and other announcements can be found on the investor relations section of the Company's website. Further presentations are also prepared following significant acquisitions, as in the case of Snaitech, and whenever the Board considers it beneficial to shareholders to do so. Regular meetings with shareholders and potential shareholders are also held by the Head of Investor Relations and the Director of Corporate Affairs and in conjunction with either the Chief Executive Officer or the Chief Financial Officer. The Company held an Investor Day in November 2018.

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

Brickington Trading Limited ("Brickington"), a wholly owned subsidiary of a trust, the ultimate beneficiary of which is Tedi Sagi, one of the Group's founders, had a 6.3% shareholding at the beginning of 2018. During the year, Brickington sold its holdings and is no longer a shareholder of the Company.

As a result of Brickington no longer holding shares in the Company, the agreement entered into by Mr Sagi with the Company in 2012 pursuant to which he provided, as and when requested to do so by the Board, advisory services to the Company for a nominal fee of €1 per annum was automatically terminated on 22 November 2018.

Shareholders are encouraged to participate in the Company's AGM, at which the Chairman will present the key highlights of the Group's performance. The Board will be available at the AGM to answer questions from shareholders.

Investor relations and communications

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

The Head of IR provides regular reports to the Board on related matters, issues of concern to investors, and analysts' views and opinions.

Whenever required, the Executive Directors and the Chairman communicate with our joint brokers, Goodbody and UBS, to confirm shareholder sentiment and to consult on governance issues.

During 2018, 49 regulatory announcements were released informing the market of acquisitions, corporate actions, important customer contracts, financial results, the results of Annual General Meetings, the results of General Meetings and Board changes. Copies of these announcements, together with other IR information and documents, are available on the Group website www.playtech.com.

Summary

In presenting this report, and having monitored, reviewed or approved all shareholder communications in 2018 and since the end of the financial year, the Board is confident that it has presented a balanced and understandable assessment of the Company's position and prospects.

Alan Jackson
Chairman

20 February 2019

AUDIT COMMITTEE REPORT

Composition

The Audit Committee comprises five independent Non-executive Directors. Andrew Thomas stepped down as Chair of the Committee in November 2018 and was succeeded Susan Ball, who is a qualified Chartered Accountant. Therefore, Susan has recent relevant financial experience, in compliance with the Code provision C3.1. Andrew Thomas continues to be a member of the Committee and the other members are John Jackson, Claire Milne and Ian Penrose, all Non-executive Directors. The Committee is authorised to obtain independent advice if considered necessary.

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

During the year, Andrew Thomas and Susan Ball met, individually and in private, with members of the management team in order to understand more fully the context and challenges of Playtech's business operations and thereby ensure the Committee's time was used most effectively. The activities of the Committee members during the last year have enabled it to continue to understand the culture of the organisation, the risks and challenges faced and the adequacy and timeliness of the actions being taken to address them.

Responsibilities

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

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

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

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

- Monitoring and challenging the effectiveness of internal control and associated functions
- Approving and amending Group accounting policies
- Reviewing and ensuring the integrity of interim and annual financial statements, in particular the actions and judgements of management in relation thereto before submission to the Board
- Monitoring the implementation of the Company's Code of Business Ethics ("Code of Ethics") and compliance with their provisions
- Reviewing the Company's arrangements for its employees to raise concerns, anonymously or in confidence and without fear of retaliation, about possible wrongdoing in financial reporting or other matters arising under the Code of Ethics
- Reviewing promptly all reports on the Company from the internal auditors and reviewing and assessing the annual internal audit plan
- Monitoring the external auditor's independence and objectivity, including the effectiveness of the audit services
- Monitoring and approving the scope and costs of audit
- Ensuring audit independence and pre-approving any significant non-audit services to be provided by the auditor

Audit Committee's activities

In 2018, the Audit Committee met formally four times.

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

- Consideration of the Group's Risk Register
- Effectiveness of the Group's system of internal controls and risk management
- Updates on people risk, and cybersecurity risks
- Review of internal audit plan
- Results of internal audit reviews, management action plans to resolve any issues arising and the tracking of their resolution
- Post-acquisition reviews
- Review of Committee terms of reference

Its work also included reviewing the final and interim financial statements and matters raised by management and BDO. After discussions with both management and the external auditor, including the consideration of acquisition accounting relating to business combinations, and related contingent consideration and impairments, made in the current and prior years, the Committee determined that the key risks of misstatement of the Group's financial statements related to the following areas (which are described in the relevant accounting policies and detailed in the Notes to the financial statements on pages 134 to 177).

Revenue recognition

The Audit Committee reviewed the judgements made in respect of revenue recognition, in particular to assess the recognition of revenue from arrangements with customers and partners where the Group is to be remunerated other than by way of a simple revenue share arrangement and undertook a review of key contracts. Following this review, the Committee concluded that the timing of revenue recognition continues to be in line with IFRS requirements. BDO performed detailed audit procedures on revenue recognition and reported their findings to the Committee, which was satisfied as a result of the review process that the approach taken by the Group in the financial statements was appropriate.

Business combinations

The Audit Committee reviewed the judgements made in connection with the accounting treatment for business combinations during the year, together with the assessment of related liabilities in connection with deferred and contingent consideration, and any impairment of the underlying investments of previous years' acquisitions. The Committee reviewed the purchase price allocations (prepared by professional advisers) together with the underlying judgements and forecasts used to determine the fair value of intangible assets, put and call options, and contingent consideration, and satisfied itself that the approach to the accounting treatment taken by the Group was appropriate and in accordance with IFRS requirements and accounting practice. In particular, the Committee focused on the acquisition of Snaitech.

Goodwill and intangible assets

During the year, the Audit Committee also considered the judgements made in relation to the valuation methodology adopted by management to support the carrying value of goodwill and other intangible assets to determine whether there was a risk of material misstatement in the carrying value of these assets and whether an impairment should be recognised. The Committee considered the assumptions, estimates and judgements made by management to support the models that underpin the valuation of intangible assets in the balance sheet. Business plans and cash flow forecasts prepared by management supporting the future performance expectations used in the calculations were reviewed. The Committee considered the outcome of the impairment reviews performed by management. The impairment reviews were also an area of focus for the external auditor, who reported their findings to the Committee. The Committee satisfied itself that no material impairments were required to the carrying value of goodwill or other intangible assets.

Legal, regulatory and taxation

Given the developing nature of the gambling sector in many countries across the world, and evolving regulation in the financial trading sector, there is a risk that potential material legal or regulatory matters are not disclosed or provided for in the financial statements and therefore the Committee considered with the Group's compliance and legal departments whether there were any known instances of material breaches in regulatory and licence compliance that needed to be disclosed or other claims that required provisions to be made in the financial statements. In particular, the Committee considered forthcoming changes in the regulatory environment in a number of jurisdictions in which the Group's licensees operate, together with the implementation of revised financial services regulations.

The Committee considered the control systems adopted to identify potential regulatory issues and the compliance control systems operating in the Group. Discussions were held with the Head of Regulatory and Compliance. Following this review, the Committee was satisfied that adequate provisions and disclosures were being made for any potential contingent liabilities.

The Audit Committee reviewed and approved the overall tax management and strategy of the Group during the year in light of external and internal advice sought by management and reviewed how the Group considers tax as part of its overall business planning. Consideration was given to transfer pricing studies carried out on behalf of the Group in the period, and assessed, in respect of earlier studies, whether there had been any change in the basis of operations in the relevant territories. Furthermore, given that the tax rules and practices governing the e-commerce environment in which the Group operates continue to evolve, based on the aforementioned external and internal advice received, the Audit Committee considered developments and pending changes in domestic and international tax laws and was satisfied that adequate tax provisions and disclosures were being made for any potential liabilities.

Related party transactions

The Audit Committee examined the practices and procedures adopted by the Group to ensure that related party transactions are conducted on arm's length terms. The Committee considered the processes followed in relation to such transactions that were entered into during 2018 and concluded that these processes had worked effectively and that the related party transactions with entities that are related by virtue of a common significant shareholder had been properly conducted on an arm's length basis and appropriately disclosed in the financial statements. On 27 June 2017, Brickington Trading Limited ("Brickington") decreased its holding to 6.3% and from this date Brickington no longer met the definition of a related party. In addition, Brickington sold its entire holding on 12 November 2018. BDO undertook a review of this area as part of its audit work.

Financial statements

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

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

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

AUDIT COMMITTEE REPORT cont.

Internal control

In recognition of the increasing levels of complexity in relation to internal controls and a desired commitment to have a dedicated in-house function, our Internal Audit Team was further strengthened during 2018. The historical Internal Audit relationship between PricewaterhouseCoopers LLP (PwC) and Playtech continues and is therefore a co-sourced arrangement, with PwC continuing to provide support to the Internal Audit Team given their experience of the Group and the specialist services they offer.

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

An Internal Audit Plan for 2019 was developed by the Internal Audit Team and agreed with the Audit Committee at the November 2018 Audit Committee meeting. Internal Audit will carry out audits in accordance with this plan using a risk-based approach and continue to maintain effective lines of communication with the Audit Committee and key management. The Internal Audit Team will also be utilised to provide assurance over corporate governance matters and for ad hoc projects, where necessary.

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

Auditor's independence

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

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

During the year the auditors undertook certain specific pieces of non-audit work, (including work in relation to tax matters, the evaluation of potential acquisition targets and as reporting accountants on the Class 1 Circular in connection with the Snaitech acquisition). BDO were selected to undertake these tasks due to their familiarity with the gambling industry, in particular their familiarity with the unique Italian B2C gambling industry where they have a strong local presence and prior M&A experience in that market. In order to maintain BDO's independence and objectivity, BDO undertook its standard independence procedures in relation to those engagements. Further details of the non-audit fees are included in Note 6 to the financial statements on pages 148 to 149.

The Audit Committee continually assesses the effectiveness and independence of the external auditors. During the year, the Committee considered a formal tender process in accordance with the provisions of the Code, and in compliance with the Competition Commission Order relating to the statutory audit market for FTSE 350 companies. Given the current uncertainties around the CMA review of Audit Reform and the material acquisition made during the year, the Committee concluded that BDO remained the optimal provider of audit services and should remain as auditor for 2018. The position will continue to be monitored throughout the year as new regulations and guidance emerge.

Susan Ball
Chairman of Audit Committee

20 February 2019

STATEMENT BY THE COMMITTEE CHAIRMAN

SIMPLE & TRANSPARENT PLANS

Ian Penrose
Non-executive Director

We have a fixed remuneration policy coupled with simple and transparent incentive-based plans.

Dear Shareholder

On behalf of the Board, I welcome the opportunity to present the Remuneration Committee's report on Directors' remuneration for the year to 31 December 2018. This is my first report since joining the Board and the Remuneration Committee on 1 September 2018. I was appointed Chairman of the Committee on 1 November 2018.

The Committee has reflected at length on the strength of investor feelings on our approach to executive remuneration in FY 2017, which led to our Remuneration Report vote being defeated at the AGM in May 2018.

Since joining the Board and the Committee, I and other Board members have met several of our largest shareholders to better understand their concerns. The Committee has also undertaken a full review of the entire Directors' remuneration policy and practice, as part of our response to the 2018 vote result, and we will give shareholders the opportunity to vote on a new policy at the 2019 AGM. We believe that the proposed new policy and, more importantly, how we propose to operate it, will ensure that the pay our executives receive is aligned to our shareholders' long-term interests. I am confident that the changes we are making are right for Playtech and for our shareholders and will help reduce the level of concern that has been identified in previous years.

There will also be the usual advisory vote on the adoption of the Annual Report on Remuneration and this Statement.

Remuneration philosophy

Our Remuneration Policy is designed to reward the contributions of senior management as well as incentivise them to maintain and enhance Playtech's position as the software and services provider of choice to the gambling sector and deliver in line with Playtech's M&A strategy.

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

How we operated our policy in 2018

In our 2017 Annual Report on Remuneration we set out a statement of how we intended to operate the remuneration policy in 2018. More recently, the Committee has determined the following:

- There should be no LTIP award in 2018, in view of market uncertainty
- The Committee determined in May 2018 that the Chief Financial Officer's salary should be increased from £350,000 to £400,000 as part of a phased approach to deliver the required market positioning and in recognition of the CFO's continued growth in the role. Since his appointment in January 2017, the CFO has performed to a high standard and is important to the Company's development and strategy. The Committee has been keen to ensure that this is recognised with a salary which is appropriate for a CFO of a FTSE 250 company in our sector

STATEMENT BY THE COMMITTEE CHAIRMAN cont.

Performance and pay outcome for 2018

The financial performance of the business fell below the minimum threshold for EBITDA performance. Therefore, from a bonus perspective, no bonus will be payable under the 70% of the bonus attributed to financial performance.

In relation to the 30% of the bonus given over to the achievement of strategic objectives, the Committee believes that there has continued to be strong delivery against the business strategy. During the year the Executive Directors have delivered the sale of Playtech's remaining stakes in both GVC and Plus500 with good timing and excellent returns, launched a successful bond issue, made the balance sheet more efficient, concluded the challenging acquisition of Snaitech and started its integration into the Group. The Committee believes that management's performance has again been very good in difficult market conditions. On this basis the Committee determined that 25% (out of the maximum of 30%) of the bonus given over to strategic measures should be paid. In all, the bonus payable is 25% of the maximum (which compares to 93% of the maximum for 2017). Of the bonuses paid, 25% will be payable in deferred shares in line with the remuneration policy.

The 2016-2018 LTIP award will vest at a level of 21.82%. This reflects partial vesting of the EPS element of the award. The minimum performance threshold for TSR was not met and this element of the award lapsed.

The Committee is comfortable that the remuneration paid to Executive Directors for 2018 is appropriate.

New remuneration policy for the three years 2019-2021

We believe that our current policy, approved by shareholders in 2017, remains well aligned to the business strategy. In presenting a revised policy, we are also confident that, with a few modest changes, the policy will also be in line with investor guidelines and the new UK Corporate Governance Code.

The changes are highlighted in the policy section of this report on pages 99 to 104 and include the following:

- For new Directors, pension provision will be in line with the workforce in the jurisdiction in which they are located
- Malus and clawback provisions have been broadened to include reputational damage and corporate failure
- We have added a two year post vest holding period to vested PSP awards
- We have added a requirement for shares to be held for two years after cessation of employment at the lower of the executive's shareholding at the time of departure and the shareholding guideline of 200% of base salary

On this basis we believe that the policy complies in all respects with the new Code.

How we will operate the policy in 2019

Base salary

To align with the Company's financial year, we have changed the date of salary reviews from June to January. The Committee reviewed the Executive Directors' salaries with effect from 1 January 2019.

There will be no change to Mor Weizer's salary for FY 2019. The salary for Andrew Smith, our Chief Financial Officer, will increase by 5% to £420,000 with effect from 1 January 2019. This represents the final phased increase to attain the desired position for the role.

Annual bonus

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

25% of any bonus earned will continue to be payable in deferred shares.

LTIP award

In view of the current share price level and significant market uncertainty we have made some changes to how we will operate the LTIP in 2019.

Following the Committee's decision that there should be no award in 2018, awards in 2019 will be made at the normal level of 200% and 150% of base salary for the CEO and CFO respectively. Taking into account the lack of an award in 2018, in practice this is equivalent to a 50% 'scale back' of awards over the two years.

The most recent LTIP award (made in 2017) was granted with performance conditions based on EPS growth for 70% of the award and relative TSR against the FTSE 250 for the remaining 30%. For the 2019 award, we have decided to use relative TSR as the performance metric for the whole of the award.

One half of the award will depend on performance relative to the FTSE 250 (excluding investment trusts). The other half will involve measuring Playtech's TSR against a bespoke comparator group of 11 listed sector peers, as set out in the Annual Report on Remuneration. In both cases, median performance will result in a vesting level of 25%, rising to full vesting for upper quartile performance, with straight-line vesting between these points.

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

The Committee believes that these measures remain aligned with Playtech's long-term growth strategy. TSR is a fundamental reflection of our ability to generate attractive returns for shareholders which are better than our peers and the wider market. We also believe that the targets we have chosen are challenging but achievable, and that meeting the maximum targets will justify vesting of the full award.

In line with the new remuneration policy, any shares which vest after the end of the three-year performance period must be held for a further two years (subject to any sales required to meet tax due on vesting).

Concluding remarks

I hope you will agree that we have made significant progress since the AGM vote in 2018 and that our remuneration policy and structure for 2019 puts us in a better place to meet the expectations of our shareholders.

The Remuneration Committee encourages dialogue with the Company's shareholders and would welcome any comments or questions from investors ahead of the 2019 AGM. The Committee and I hope we can count on your support at the 2019 AGM for a remuneration policy which supports the business strategy and will reward the long-term success of the business.

Ian Penrose
On behalf of the Remuneration Committee

20 February 2019

REMUNERATION POLICY REPORT

At the 2018 AGM a majority of shareholders voted against the advisory vote to approve the Annual Report on Remuneration. Although Playtech is not a UK-incorporated company, we seek to follow UK practice and, accordingly, this means that Playtech must seek shareholder approval for a new remuneration policy at the 2019 AGM. Having last approved our policy at a general meeting held immediately after the 2017 AGM, this means that we are seeking shareholder approval for a new remuneration policy a year earlier than we would normally do so. We have conducted a thorough review of the remuneration policy and we are satisfied that the remuneration framework remains effective in supporting the Company's strategic objectives. Accordingly, the changes proposed primarily bring the policy in line with best practice and ensure compliance with the new UK Corporate Governance Code.

If approved by shareholders, the revised policy will take effect immediately after the AGM on 15 May 2019.

The Committee believes that the individual contributions made by Executive Directors and senior management are fundamental to the successful performance of the Company. The policy therefore has the following objectives. It seeks to:

- Pay executives competitively, recognising that they have highly marketable skills to companies already in (and those considering entry to) the online gambling industry, but acknowledge local market levels, and where appropriate, practices
- Incentivise and reward behaviours that will contribute to superior Company performance
- Enable the Company to attract and retain international executives of the required calibre, particularly in potential new markets
- Be simple and understandable
- Provide good lock-in of key employees through deferred elements
- Avoid reward for failure

The proposed changes to the policy are as follows:

- We reflect the Remuneration Committee's new approach of applying basic salary changes effective from January rather than June, to coincide with the Company's financial year
- For new Directors, pension provision will be in line with the workforce in the jurisdiction in which they are located
- Malus and clawback provisions have been broadened to include reputational damage and corporate failure
- We have added a two-year post vest holding period to vested LTIP awards
- We have added a requirement for shares to be held for two years after cessation of employment at the lower of the executive's shareholding at the time of departure and the shareholding guideline of 200% of base salary

Remuneration policy for Executive Directors

The following table sets out the remuneration policy for the Executive Directors:

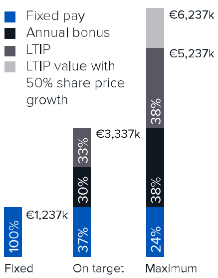
Salary	To attract, retain and motivate high calibre individuals for the role and duties required To provide market competitive salary relative to the external market To reflect appropriate skills, development and experience over time	Normally reviewed annually by the Remuneration Committee, typically effective in January Takes account of the external market and other relevant factors including internal relativities and individual performance In reviewing salary levels, the Remuneration Committee may take into account the effect of any exceptional exchange rate fluctuations in the previous year Executive Directors decide the currency of payment once every three years (which can be in Pound sterling, US dollars or Euros) with the exchange rate being fixed at that time	Other than when an executive changes roles or responsibilities, or when there are changes to the size and complexity of the business, annual increases will not exceed the general level of increases for the Group's employees, taking into account the country where the executive ordinarily works If a particularly large adjustment is required, this may be spread over a period of time	N/A

REMUNERATION POLICY REPORT cont.

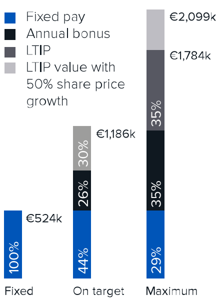
Bonus	Clear and direct incentive linked to annual performance targets Incentivise annual delivery of financial measures and personal performance Corporate measures selected consistent with and complement the budget and strategic plan	Paid in cash and shares Clawback and malus provisions apply whereby bonus payments may be required to be repaid for financial misstatement, misconduct, error, serious reputational damage and corporate failure	200% of salary for the CEO and 150% of salary for other Executive Directors 25% of any payment is normally deferred into shares for two years which is subject to recovery provisions	Performance measured over one year Based on a mixture of financial performance and performance against strategic objectives Normally no less than 70% of the bonus will be dependent on financial performance Bonus is paid on a sliding scale of 0% for threshold increasing to 100% for maximum performance
Long Term Incentive Plan (LTIP)	Aligned to key strategic objective of delivering strong returns to shareholders and earnings performance	Grant of performance shares, restricted shares or options Two-year holding period will be applied to vested shares (from 2019 awards), subject to any sales required to satisfy tax obligations on vesting Clawback and malus provisions apply whereby awards may be required to be repaid for instances of financial misstatement, misconduct, error, serious reputational damage and corporate failure	Maximum opportunity of 250% of salary with normal grants of 200% and 150% of salary in performance shares for the CEO and CFO respectively	Performance measured over three years Performance targets aligned with the Group's strategy of delivering strong returns to shareholders and earnings performance 25% of the awards vest for threshold performance
Pension	Provide retirement benefits	Provision of cash allowance	Up to 20% of salary Pension for new Executive Directors will be in line with the pension plan operated for the majority of the workforce in the jurisdiction where the director is based	N/A
Other benefits	To help attract and retain high calibre individuals	Benefits may include private medical insurance, permanent health insurance, life insurance, rental and accommodation expenses on relocation and other benefits such as long service awards Other additional benefits may be offered that the Remuneration Committee considers appropriate based on the Executive Director's circumstances Non pensionable	N/A	N/A

Share ownership guidelines	The Company has a policy of encouraging Directors to build a shareholding in the Company	Executive Directors are expected to accumulate a shareholding in the Company's shares to the value of at least 200% of their base salary Executive Directors are required to retain at least 50% of the net of tax out-turn from the vesting of awards under deferred bonus plan and the LTIP until the minimum shareholding guideline has been achieved Shares must be held for two years after cessation of employment (at lower of the 200% of salary guideline level, or the actual shareholding on departure)	N/A	N/A
Non-executive Directors	To provide a competitive fee for the performance of NED duties, sufficient to attract high calibre individuals to the role	Fees are set in conjunction with the duties undertaken Additional fees may be paid on a pro-rata basis if there is a material increase in time commitment and the Board wishes to recognise this additional workload Any reasonable business related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed The Chairman is entitled to be provided with a fully expensed Company car	Other than when an individual changes roles or where benchmarking indicates fees require realignment, annual increases will not exceed the general level of increases for the Group's employees	N/A

REMUNERATION POLICY REPORT cont.



CEO



CFO

Footnotes:

1. Assumptions when compiling the charts are:
   Threshold = fixed pay only (base salary, benefits and pension).
   Target = fixed pay plus 50% of annual bonus payable and 55% of LTIP vesting.
   Maximum = fixed pay plus 100% of annual bonus payable and 100% of LTIP vesting.
2. Share price appreciation has been taken into account for the Maximum column on the basis of a 50% increase in the share price across the performance period.

Explanation of chosen performance measures and target setting

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

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

Remuneration scenarios for Executive Directors at different levels of performance

The Company's policy results in a significant proportion of remuneration received by Executive Directors being dependent on Company performance. The graph left illustrates how the total pay opportunities for the Executive Directors for 2019 vary under three performance scenarios: minimum, on-target and maximum.

Policy on recruitment or promotion of Executive Directors

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

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

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

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

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

Service contracts and exit payments

Executive Directors

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

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

Provision	Detail
Remuneration	Salary, bonus, LTIP, benefits and pension entitlements in line with the above Directors' Remuneration Policy Table
Change of control	No special contractual provisions apply in the event of a change of control
Notice period	12 months' notice from Company or employee for the CEO and six months' notice for the CFO ▸ CEO contract signed on 1 January 2013 ▸ CFO contract signed on 10 January 2017
Termination payment	The Company may make a payment in lieu of notice equal to basic salary plus benefits for the period of notice served subject to mitigation and phase payments where appropriate
Restrictive covenants	During employment and for 12 months thereafter

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

Non-executive Directors

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

On his appointment as Chairman of the Board being announced, Alan Jackson entered into a new letter of appointment (effective from 9 October 2013) when Roger Withers announced his decision to retire as Chairman of the Board in August 2013.

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

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

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

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

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

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

The Committee will consider the most appropriate way to engage with the wider workforce to explain the alignment of the Directors' Remuneration Policy to the wider Group. We will report more fully in next year's Annual Report on Remuneration.

Consideration of shareholder views

The Company is committed to engagement with shareholders and has engaged extensively on remuneration issues since the 2018 AGM.

Legacy arrangements

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

Name	Date	Term	Termination
Alan Jackson[1]	29 August 2013	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
Andrew Thomas[1]	19 June 2012	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
John Jackson	1 January 2016	Until third AGM after appointment unless not re-elected	90 days' notice on either side or if not re-elected, disqualification or commits gross misconduct
Claire Milne	8 July 2016	Until third AGM after appointment unless not re-elected	
Susan Ball	1 August 2018	Until third AGM after appointment unless not re-elected	
Ian Penrose	1 September 2018	Until third AGM after appointment unless not re-elected	

1. The notice periods were incorrectly reported in prior years' Annual Reports as being 120 days. The correct notice period is six months in each case.

REMUNERATION POLICY REPORT cont.

Discretion vested in the Remuneration Committee

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

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

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

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

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

External directorships

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

ANNUAL REPORT ON REMUNERATION

The sections of this report subject to audit have been highlighted.

Directors' emoluments (in €) (Audited)

Executive Director	Mor Weizer 2018	Mor Weizer 2017	Andrew Smith 2018	Andrew Smith 2017
Salary[1]	1,128,460	950,336	432,294	385,235
Bonus[2]	556,506	1,746,034	159,995	533,949
Long-term incentives	1,065,759	1,296,787	254,610	139,170
Benefits[3]	40,640	43,854	22,431	22,177
Pension	225,620	154,565	92,986	58,279
Total emoluments	**3,016,985**	**4,191,576**	**962,316**	**1,138,810**

1 Basic salary of the Executive Directors is determined in Pounds Sterling and then converted into euros at the average exchange rate applicable during the relevant financial year for the purpose of this report. Mor Weizer's salary was set at £1,000,000 in June 2017 and there was no further increase during 2018. As noted on page 97, the salary for Andrew Smith was increased from £350,000 to £400,000 with effect from 1 May 2018. This was part of a phased approach to deliver the required market positioning and in recognition of the CFO's continued growth in the role. Since his appointment in January 2017, the CFO has performed to a high standard and is important to the Company's development and strategy. The Remuneration Committee has been keen to ensure that this is recognised with a salary which is appropriate for a CFO of a FTSE 250 company in Playtech's sector.
2 The figure for bonuses in 2018 above represents a payment as determined by the Remuneration Committee for the Executive Directors given the Company's performance during the period and by reference to their actual salary earned during the year to 31 December 2018. The bonuses were determined in Pounds Sterling and then converted into euros at the exchange rate applicable as at 31 December 2018. Details of (a) how the annual performance bonus for the Executive Directors was determined; and (b) the timing of bonus payments, is set out below.
3 Benefits include private medical insurance, permanent health insurance, car and life assurance.

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

Director	Fees 2018	Fees 2017	Annual bonus 2018	Annual bonus 2017	Benefits 2018	Benefits 2017	Pension 2018	Pension 2017	Total emoluments 2018	Total emoluments 2017
Alan Jackson	433,867	438,864	–	–	9,022	10,459	–	–	442,889	449,323
Andrew Thomas	118,563	117,104	–	–	–	–	–	–	118,563	117,104
Paul Hewitt	69,532	117,104	–	–	–	–	–	–	69,532	117,104
John Jackson	118,563	117,104	–	–	–	–	–	–	118,563	117,104
Claire Milne	118,563	117,104	–	–	–	–	–	–	118,563	117,104
Susan Ball	49,031	–	–	–	–	–	–	–	49,031	–
Ian Penrose	39,261	–	–	–	–	–	–	–	39,261	–

Note:
Alan Jackson was provided with a Company car during the year. Susan Ball joined the Board on 1 August 2018. Ian Penrose joined the Board on 1 September 2018. Paul Hewitt stepped down from the Board on 1 August 2018.

Determination of 2018 bonus

In accordance with the Company's Remuneration Policy, the CEO and CFO had the opportunity to earn a bonus in respect of 2018 of 200% and 150% of salary respectively. 2018 performance was assessed against a mixture of financial and non-financial targets.

The financial targets (representing 70% of bonus opportunity) used Adjusted EBITDA as a reference point, payable on a sliding scale of 0% for threshold to 100% for maximum performance.

Adjusted EBITDA was selected as an appropriate measure as it is the key financial performance metric of the Company, most closely representing the underlying trading performance of the business and is calculated after adding back certain non-cash charges, cash expenses relating to professional costs on acquisitions, gains on sale of investments and certain one-off charges as set out in the financial statements on pages 148 to 149.

The non-financial performance targets (representing 30% of bonus opportunity), were selected to underpin key strategic objectives of the Group aligned with the business strategy. Specific non-financial performance targets included the sale of our holdings in GVC and Plus500 (subject to favourable market conditions), an improvement in our balance sheet efficiency, progress in regulated markets and the acquisition of Snaitech together with its integration into the Group.

When reviewing 2018 performance the Committee noted that the Adjusted EBITDA for the financial year ended 31 December 2018 was €343.0 million, which was below the minimum threshold set for this element of the bonus. As a result, no element of the bonus was payable for financial performance.

The operational highlights set out in the Strategic Report on page 1 to 81 demonstrate that a number of the key strategic objectives set for executives were successfully achieved. In particular, the Committee took account of the successful sale of the Group's holdings in GVC and Plus500, the successful bond issue, greater balance sheet efficiency, progress in regulated markets and the conclusion and continuing integration of the Snaitech acquisition.

ANNUAL REPORT ON REMUNERATION cont.

The Committee considered that the targets for the strategic objectives element of the bonus had been met in part, and resolved to pay a bonus at a level of 25% (out of a maximum of 30%). This resulted in a payment of €556,506 for the CEO (25% of salary earned in 2018) and a figure of €159,995 for the CFO (25% of salary earned in 2018).

25% of this amount will be deferred in shares for two years.

The Committee is satisfied that the annual bonus payments to Executive Directors are a fair reflection of corporate and individual performance during the year.

LTIP awards (Audited)
During the year, the Committee met to review proposals for granting awards of LTIPs to the Executive Directors. In view of market uncertainty, it was resolved not to make any awards for 2018. The Committee considered all relevant factors and felt that this was the correct decision.

The LTIP awards granted in December 2016 vested subject to performance conditions measured over a three-year period from 1 January 2016 to 31 December 2018. The outcome was as follows:

Measure	Weighting	Performance condition	Performance achieved	% of this element of the award vesting
EPS	70%	Compound growth in EPS between 6% p.a. (for 25% vesting) and 15% p.a. (for 100% vesting)	6.74% p.a.	31.17%
Relative TSR[1]	30%	TSR performance between median (for 25% vesting) and upper quartile (for 100% vesting)	Below median	0%

1 Measured against the FTSE 250 (excluding investment trusts).

As a result of the performance conditions being partially met, the 2016 LTIP award will vest at a level of 21.82%.

Termination payments (Audited)
No termination payments to Directors were made in 2018.

Payments to past Directors (Audited)
There were no payments made to past Directors in 2018.

Implementation of policy for 2019

Salary review
Historically, salary reviews for the Executive Directors took place mid-year. For 2019 and subsequent years, the Committee has decided to conduct these reviews at the beginning of the calendar year as this will result in the alignment of salary reviews with the Company's financial year.

Accordingly, the Committee reviewed the salaries for both Mr Weizer and Mr Smith in January 2019. It was decided that Mr Weizer's salary would remain unchanged for 2019.

In Mr Smith's case, the Committee resolved to increase his salary from £400,000 to £420,000 with effect from 1 January 2019.

The current basic salary levels of the Executive Directors are:

- M. Weizer: £1,000,000 (equivalent to €1,113,011 at 31 December 2018 exchange rate between Sterling and Euro used in the accounts)
- A. Smith: £420,000 (equivalent to €467,464 at 31 December 2018 exchange rate between Sterling and Euro used in the accounts) which was effective from 1 January 2019

Fees currently payable to Non-executive Directors are:

- Chairman: £384,000 (equivalent to €427,396 at 31 December 2018 exchange rate between Sterling and Euro used in the accounts)
- Non-executive Director base fee: £105,000 (equivalent to €116,866 at 31 December 2018 exchange rate between Sterling and Euro used in the accounts)

Non-executive Director fees will not increase for 2019.

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

Benefits and pension
Benefit and pension provision will continue to be set in line with the approved policy.

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

For 2019, bonuses for the Executive Directors will be based on the following:

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

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

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

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

Long Term Incentive Plan (LTIP)
The Remuneration Committee has decided to grant LTIP awards in 2019 at 200% of salary and 150% of salary for the CEO and CFO respectively.

Awards made to Executive Directors will vest on the third anniversary of grant subject to (i) participants remaining in employment (other than in certain 'good leaver' circumstances) and (ii) achievement of challenging performance targets.

Awards granted in 2019 will vest subject to the satisfaction of targets based on relative TSR performance. Threshold performance will result in 25% vesting.

One half of the award will be measured against the companies comprising the FTSE 250 Index (excluding investment trusts) as at grant. The other half will measure Playtech's TSR against a bespoke comparator group of 11 listed sector peers as follows:

GVC Holdings
Sportech
Paddy Power Betfair
William Hill
888 Holdings
JPJ
Rank Group
Betsson
International Game Tech
Kindred Group
OPAP

For both groups, median performance will result in a vesting level of 25%, rising to full vesting for upper quartile performance, with straight-line vesting between these points.

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

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

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

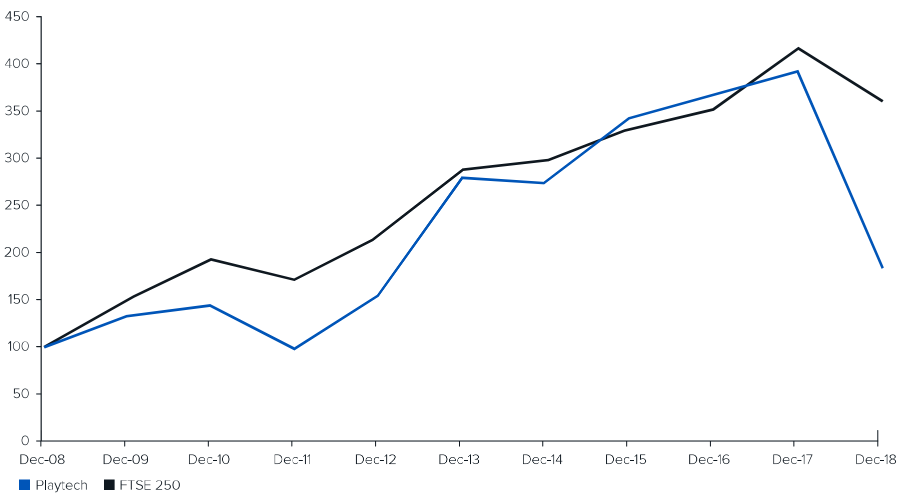
Dilution limits

All of the Company's equity-based incentive plans (other than the Option Plan which was established before the Company's admission to AIM in 2006) incorporate the current Investment Association Guidelines on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital (or reissue of treasury shares), with a further limitation of 5% in any ten-year period for executive plans. The Committee monitors the position and prior to the making of any award considers the effect of potential vesting of options or share awards to ensure that the Company remains within these limits. Any awards which are required to be satisfied by market purchased shares are excluded from such calculations. No treasury shares were held or utilised in the year ended 31 December 2018.

ANNUAL REPORT ON REMUNERATION cont.

Review of performance

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



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

	Year ending 31 December									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	**2018**
Total remuneration (€'000)	636	826	808	800	1,381	1,740	2,449	2,346	4,192	3,292
Annual bonus (%)	54%	48%	34%	150%	150%	200%	175%	200%	186%	50%
LTIP vesting (%)	–	–	–	–	–	–	–	–	70%	22%

Percentage change in remuneration of Chief Executive Officer

In the financial year ended 31 December 2018, Mr Weizer's salary wasn't increased. He was awarded an exceptional bonus of 50% of salary compared with 186% of salary in the year ended 31 December 2017. On a value basis the increase was 19%, which reflects the 67% increase in salary awarded on mid-year 2017 and also in part reflected movements in exchange rates. The average percentage changes for all UK-based full-time employees were a 2% increase and a 194% increase in salary and benefits respectively, mainly due to the annual salary review process and the fact that healthcare is considered a benefit in 2018 while it was part of the salaries in 2017, and 12% decrease in bonus payments. The UK workforce was chosen as a comparator group as the Remuneration Committee looks to benchmark the remuneration of the Chief Executive Officer with reference mainly to the UK market (albeit that he has a global role and responsibilities, and remuneration packages across the Group vary widely depending on local market practices and conditions).

Relative importance of spend on pay

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

Payouts (€m)	**2018 €m**	2017 €m	Change %
Dividends[1]	75.9	113.2	-33%
Share buybacks	–	–	N/A
Total employee remuneration[2]	302.8	279.6	8.2%

1 The total dividend in respect of the year ended 31 December 2018 is calculated on the basis that the shareholders approve the proposed final dividend of 12.0 €cents per share.
2 Total employee remuneration for continuing and discontinued operations includes wages and salaries, social security costs, share-based payments and pension costs for all employees, including the Directors. The average number of employees, including Executive Directors and part-time employees in continuing and discontinued operations, was 5,303 during the financial year to 31 December 2018.

Directors' interests in ordinary shares (Audited)

	Ordinary shares		Share awards and share options		**Total interests at 31 December**
Director	**2018**	2017	**2018**	2017	**2018**
Executive Directors[1,2,3,4]					
Mor Weizer	91,000	36,000	389,796	420,908	480,796
Andrew Smith	17,500	2,500	77,046	77,046	94,546
Non-executive Directors					
Alan Jackson	25,000	15,000	–	–	25,000
Andrew Thomas	10,000	7,500	–	–	10,000
John Jackson	–	–	–	–	–
Claire Milne	–	–	–	–	–
Susan Ball	7,360	–	–	–	7,360
Ian Penrose	17,500	–	–	–	17,500

1 Mor Weizer and Andrew Smith currently hold shares to the value of 35% and 17% of salary (based on salaries as of 31 December 2018 respectively and based on the closing share price on 31 December 2018). The Committee will continue to monitor progress towards the share ownership guidelines of 200% of salary.
2 Share options are granted for Nil consideration.
3 These options were granted in accordance with the rules of the Playtech Long Term Incentive Plan 2012 (the "Option Plan"). Options under the Option Plan are granted as Nil cost options and in the case of Executive Directors exclusively, the options vest and become exercisable on the third anniversary of the notional grant date. Unexercised options expire ten years after the date of grant, unless the relevant employee leaves the Group's employment, in which case the unvested options lapse and any vested options lapse three months after the date that the employment ends.
4 Mr Weizer received an award in 2015 over 103,708 shares. Performance conditions were based over the three years 2015, 2016 and 2017 with normal vesting scheduled for 1 March 2018. As disclosed in last year's report, 30% (31,112 shares) of the award did not meet the performance conditions and lapsed.

ANNUAL REPORT ON REMUNERATION cont.

Role and membership

The Remuneration Committee is currently comprised entirely of five independent Non-executive Directors as defined in the Code. John Jackson resigned as Chairman on 1 November 2018 and stepped down as a member of the Committee on 21 November 2018. Ian Penrose was appointed as a member of the Committee on 1 September 2018 and as Chairman on 1 November 2018. The other members are Andrew Thomas, Alan Jackson, Claire Milne and Susan Ball.

Details of attendance at the Remuneration Committee meetings are set out on page 90 and their biographies and experience on pages 86 to 87.

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

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

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

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

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

The Remuneration Committee has a planned schedule of at least four meetings throughout the year, with additional meetings and calls held when necessary. During 2018, the Committee met in person seven times and these meetings, together with a number of conference calls, addressed a wide variety of issues, including:

Month	Principal activity
January	Review of bonus and other incentivisation arrangements in relation to Executive Directors and certain members of senior management
February	Finalise bonus payments for Executive Directors
March	Review of remuneration policy for Non-executive Directors
April	Review of Executive Directors' remuneration Review of performance share plan
July	Approval of grant of Nil cost options for a limited number of Group personnel Review of AGM voting results
October	Review of bonus and LTIP arrangements for Executive Directors
November	Review of Executive Directors' remuneration

External advisers

Korn Ferry is the Committee's independent adviser. Korn Ferry does not provide any other services to the Company. Korn Ferry was paid €57,872 in relation to advice provided during 2018.

Engagement with shareholders and shareholder voting

The Remuneration Committee is committed to ensuring open dialogue with shareholders in relation to remuneration. In advance of the AGM in May 2018, the Company conducted an in-depth shareholder engagement programme in order to better understand shareholders' opinions on both the overall scope of the remuneration policy and its implementation.

The voting outcome at the AGM held on 16 May 2018 in respect of the Directors' Remuneration Report for the year ended 31 December 2017 was as follows:

	For	Against	Withheld
Approval of Remuneration Report	93,840,469 (40.62%)	137,203,120 (59.38%)	1,773,241

The Company has considered carefully the reasons for the voting result at the AGM. As explained in the Annual Statement from the Chairman of the Remuneration Committee, the issues raised by shareholders have been taken into account in the development of a new remuneration policy and the decisions we have taken regarding the implementation of the policy for 2019. In addition, the composition of the Remuneration Committee was refreshed during the year and now includes Ian Penrose as Committee Chairman and Susan Ball as an additional Committee member.

The table below shows the voting outcome at the general meeting held on 17 May 2017 in respect of the Directors' Remuneration Policy:

	For	Against	Withheld
Approval of Remuneration Policy	189,349,986 (83.89%)	36,346,573 (16.11%)	706,475

By order of the Board

Ian Penrose
Chair of the Remuneration Committee

20 February 2019

DIRECTORS' REPORT

The Directors are pleased to present to shareholders their report and the audited financial statements for the year ended 31 December 2018.

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

The following also form part of this report:

- The reports on corporate governance set out on pages 84 to 111
- Information relating to financial instruments, as provided in the Notes to the financial statements
- Related party transactions as set out in Note 31 to the financial statements

Annual Report and Accounts

The Directors are aware of their responsibilities in respect of the Annual Report. The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Statement of Directors' Responsibilities appears on page 118.

Principal activities and business review

The Group's principal activities are the development and licensing of software and the provision of ancillary services for the online and land-based gambling industries and, through its expanding financial division, provides an online trading platform to retail customers as well as providing retail brokers with multi-asset execution, prime brokerage services, liquidity and complementary management tools. During 2018 we acquired Snaitech, one of the leading operators in the Italian gaming and betting market with a broad portfolio of concessions. Playtech plc is a public listed company, with a premium listing on the Main Market of the London Stock Exchange. It is incorporated and domiciled in the Isle of Man.

The information that fulfils the requirement for a management report as required by Rule 4.1.5 of the Disclosure Guidance and Transparency Rules applicable to the Group can be found in the Strategic Report on pages 1 to 81 which also includes an analysis, the development, performance and position of the Group's business. A statement of the key risks and uncertainties facing the business of the Group at the end of the year is found on pages 68 to 71 of this Annual Report and details of the policies and the use of financial instruments is set out in Note 2 to the financial statements.

Directors and Directors' indemnity

The Directors of the Company who held office during 2018 and to date are:

	Appointed	Resigned
Alan Jackson	28.03.2006	–
Mor Weizer	02.05.2007	–
Andrew Thomas	19.06.2012	–
Andrew Smith	10.01.2017	–
Paul Hewitt	27.08.2015	01.08.2018
John Jackson	01.01.2016	–
Claire Milne	08.07.2016	–
Susan Ball	01.08.2018	–
Ian Penrose	01.09.2018	–

With the exception of Andrew Thomas, who has informed the Board that he does not intend to seek re-election at the forthcoming AGM, all of the current Directors will stand for re-election at the forthcoming Annual General Meeting.

Save as set out in Note 31 to the financial statements, no Director had a material interest in any significant contract, other than a service contract or contract for services, with the Company or any of its operating companies at any time during the year.

As at the date of this report, an indemnity is in place under which the Company has agreed to indemnify Alan Jackson, who held office during the year ended 31 December 2018, to the extent permitted by law and by the Company's articles of association, in respect of all liabilities incurred in connection with the performance of his duties as a Director of the Company or its subsidiaries. A copy of the indemnity is available for review at the Company's registered office. The Company also purchased, and maintained throughout 2018, Directors' and Officers' Liability Insurance in respect of itself and its Directors.

Corporate governance statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on pages 84 to 111 and is incorporated into this report by reference.

Disclaimer

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

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

Results and dividend

The results of the Group for the year ended 31 December 2018 are set out on pages 122 to 178. On 19 February 2019, the Board recommended the payment of a final dividend for the year ended 31 December 2018 of 12.0 €cents per share which will be paid to shareholders on the register as at 3 May 2019. The payment of the final dividend requires shareholder approval, which will be sought at the Company's Annual General Meeting to be held at the Sefton Hotel, Douglas, Isle of Man on 15 May 2019. If approved, the final dividend will be paid on 31 May 2019 and together with the interim dividend of 12.1 €cents per share paid on 23 October 2018 makes a total dividend (expressed in €) of 24.1 €cents per share for the year.

Shareholders who wish to receive their final dividend in Sterling rather than Euros will be required to return currency election forms to the Company's registrars by 10 May 2019. Currency election forms are contained with the notice of Annual General Meeting that accompanies the Annual Report and further copies are available from the Company's website www.playtech.com.

Going concern, viability, responsibilities and disclosure

The current activities of the Group and those factors likely to affect its future development, together with a description of its financial position, are described in the Strategic Report. Principal risks and uncertainties affecting the Group, and the steps taken to mitigate these risks, are described on pages 68 to 71. Critical accounting estimates affecting the carrying values of assets and liabilities of the Group are discussed in Note 3 to the financial statements.

During 2018, the Board carried out a robust assessment of the principal risks facing the Group, including those factors that would threaten its future performance, solvency or liquidity. This ongoing assessment forms part of the Group's three-year strategic plan.

After making appropriate enquiries and having regard to the Group's cash balances and normal business planning and control procedures, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and meet their liabilities for a period of at least 12 months from the date of approval of the financial statements. As part of this assessment, the Directors reviewed a three-year forecast considering the going concern status for the period to December 2021 in accordance with the Company's three-year plan, which is considered to be an appropriate period over which the Group can predict its revenue, cost base and cash flows with a higher degree of certainty, as opposed to more arbitrary forms of forecasts based solely on percentage increases. Notwithstanding, due to the significant cash reserves and projected profitability over the forecast period, the Directors have no reason to believe that the Group's viability will be threatened over a period longer than that covered by the positive confirmation of long-term viability above. Given the above, the Directors continue to adopt the going concern basis in preparing the accounts.

Significant shareholdings

As of 31 January 2019, the Company had been advised of the following significant shareholders each holding more than 3% of the Company's issued share capital, based on 317,344,603 ordinary shares in issue:

Shareholder	%	No. of ordinary shares
T Rowe Price International	9.87	31,307,008
Setanta Asset Management	5.10	16,193,645
Boussard & Gavaudan Asset Management	4.90	15,556,588
BlackRock	4.70	14,900,791
Fidelity Management & Research	3.70	11,734,952
Vanguard Group	3.17	10,061,275

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

The Company has not been notified of any changes to the above shareholders between 31 January 2019 and the date of this report.

DIRECTORS' REPORT cont.

Capital structure

As at 31 January 2019, the Company had 317,344,603 issued shares of no par value. The Company has one class of ordinary share and each share carries the right to one vote at general meetings of the Company and to participate in any dividends declared in accordance with the articles of association. No person has any special rights of control over the Company's share capital.

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

Articles of association

The Company's articles of association do not contain any specific restrictions on the size of a shareholder's holding.

Voting rights

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

Restrictions on voting

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

Transfer

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

Amendment of the Company's articles of association

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

Appointment and removal of Directors

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

Powers of Directors

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

Appointment of Directors

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

Retirement of Directors

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

Removal of Directors

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

Significant agreements

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

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

Related party transactions

Details of all related party transactions are set out in Note 31 to the financial statements. Internal controls are in place to ensure that any related party transactions involving Directors or their connected persons are carried out on an arm's length basis and are disclosed in the financial statements.

Political and charitable donations

During the year ended 31 December 2018, the Group made charitable donations of €584,000 (2017: €406,911), primarily to charities that fund research into, and for the treatment of, problem gambling but also to a variety of charities operating in countries in which the Company's subsidiaries are based.

The Group made no political donations during this period (2017: Nil).

Sustainability and employees

Information with respect to the Group's impact on the environment and other matters concerning sustainability can be found on pages 72 to 81. Applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitude and ability of the applicant concerned. The Group places considerable value on the involvement of its employees and has continued to keep them informed of matters affecting them as employees and on the performance of the Group and has run information days for employees in different locations across the Group during the year. Some employees are stakeholders in the Company through participation in share option plans. Information provided by the Company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and the Company's website, www.playtech.com.

Branches

The Company's subsidiaries Playtech Retail Limited and PT Turnkey Services Limited have established branch offices in the Philippines. PT Turnkey Services Limited and Playtech Software have established branches in Gibraltar.

Regulatory disclosures

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

The DTRs also require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on pages 84 to 111 and is incorporated into this Directors' Report by reference.

DIRECTORS' REPORT cont.

Disclosure table pursuant to Listing Rule 9.8.4C

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

Additional information provided pursuant to Listing Rule 9.8.6

Listing Rule	Information included	Disclosure
9.8.6(1)	Interests of Directors (and their connected persons) in the shares of the Company at the year end and not more than one month prior to the date of the notice of AGM	See page 109
9.8.6(2)	Interests in Playtech shares disclosed under DTR5 at the year end and not more than one month prior to the date of the notice of AGM	See page 113
9.8.6(3)	The going concern statement	See page 113
9.8.6(4)(a)	Amount of the authority to purchase own shares available at the year end	31,734,460 ordinary shares which authority will expire at the AGM and is proposed to be renewed
9.8.6(4)(b)	Off market purchases of own shares during the year	None
9.8.6(4)(c)	Off market purchases of own shares after the year end	None
9.8.6(4)(d)	Non pro-rata sales of treasury shares during the year	None
9.8.6(5)	Compliance with the main principles of the UK Corporate Governance Code	See the statement on page 88
9.8.6(6)	Details of non-compliance with the UK Corporate Governance Code	Not applicable
9.8.6(7)	Re Directors proposed for re-election: the unexpired term of their service contract and a statement about Directors without a service contract	The Chairman and the Non-executive Directors serve under letters of appointment described on page 103

Additional information under Rule 4.1 of the Disclosure and Transparency Rules

DTR	Requirement	How fulfilled
4.1.3	Publication of Annual Financial Report within four months of the end of the financial year	This document is dated 20 February 2019, being a date less than four months after the year end
4.1.5	Content of Annual Financial Report	The audited financial statements are set out on page 122 to page 177 The information that fulfils the requirement for a management report can be found in the Strategic Report on pages 1 to 81 The Statement of Directors' Responsibilities can be found on page 118
4.1.6	Audited financial statements	The audited financial statements set out on page 122 to page 177 comprise consolidated accounts prepared in accordance with IFRS and the accounts of the Company
4.1.7	Auditing of financial statements	The financial statements have been audited by BDO LLP
4.1.8 & 4.1.9	Content of management report	The Strategic Report on pages 1 to 81 includes an analysis, using financial key performance indicators, of the development, performance and position of the Company's business, a review of the Company's business and on pages 68 to 71 a description of the principal risks and uncertainties
4.1.11(1)	Important events since the year end	The Strategic Report on pages 1 to 81 gives details of important events since the year end
4.1.11(2)	Future development	The Strategic Report on pages 1 to 81 gives an indication of the likely future development of the Company
4.1.11(3)	Research & development	The Strategic Report on pages 1 to 81 gives an indication of ongoing research and development activities
4.1.11(4)	Purchase of own shares	See disclosure pursuant to LR9.8.6(4) above
4.1.11(5)	Branch offices	See the statement on page 115
4.1.11(6)	Use of financial instruments	See Note 2 to the audited financial statements on pages 134 to 143
4.1.12 & 13	Responsibility statement	See the statement of the Directors on page 118

DIRECTORS' REPORT cont.

Statement of Directors' responsibilities

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Website publication

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

Directors' responsibilities pursuant to DTR4

Each of the Directors, whose names and functions are listed within the Governance section on pages 84 to 111 confirm that, to the best of their knowledge:

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

Annual General Meeting

The Annual General Meeting in 2018 was held in May in Douglas, Isle of Man. All Directors were present and made themselves available to answer questions from shareholders. The Annual General Meeting provides an opportunity for the Directors to communicate personally the performance and future strategy to non-institutional shareholders and for those shareholders to meet with and question the Board. All Directors plan to be present at the 2019 Annual General Meeting. All results of proxy votes are read out, made available for review at the meeting, recorded in the minutes of the meeting and communicated to the market and via the Group website.

The Annual General Meeting for 2019 will be held at the Sefton Hotel, Douglas, Isle of Man, IM1 2RW on Wednesday 15 May 2019 at 10.00 am. The notice convening the Annual General Meeting for this year, and an explanation of the items of non-routine business, are set out in the circular that accompanies the Annual Report.

Auditors

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

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

Approved by the Board and signed on behalf of the Board

Andrew Smith
Chief Financial Officer

20 February 2019