

Playtech - a platform for growth

Investor & analyst day
Riga, November 2017

TODAY'S AGENDA

12.45 pm to 1.15 pm

Shimon Akad

A platform for growth

1.15 pm to 2.00 pm

Anthony Evans

The power of Playtech ONE

2.00 pm to 2.30 pm

James Frendo

Driving content strategy

2.30 pm to 2.45 pm

Edo Haitin &
Kevin Kilminster

A world-leading offering

2.45 pm to 4.00 pm

Tours of live studio & refreshment break

4.00 pm to 4.30 pm

Armin Sageder

Disrupting the market

4.30 pm to 5.00 pm

Ian Ince

The regulatory landscape

5.00 pm to 5.15 pm

Andrew Smith

Business development and M&A

5.15 pm

Mor Weizer

Wrap-up

KEY TAKEAWAYS

- **Intelligence of the platform** continues to underpin Playtech ONE omni-channel offering
 - **GPAS** provides a further evolution of partnership with licensees
 - **scale & breadth** of offering remains unrivalled
- **Data is central** to Playtech's operations and supports all strategic initiatives
- Significant growth expected from **world's largest and most technologically advanced Live Casino** studio
- **Fully integrated front-to-back end Sports offering** will disrupt the market
- Regulation continues to shape the industry and **drive quality of earnings**
- Playtech has a **long and successful history of M&A** which remains a strategic priority
- **We have great confidence in our future**

ANOTHER REMINDER OF THE KEY PILLARS OF OUR STRATEGY

1

Support organic growth

4

Increasing product, service and distribution capabilities

2

Cross-sell products and services

5

Improve quality of earnings

3

Attract new licensees

6

Acquisitions remain key

Building the future of gaming - a platform for growth

Shimon Akad, COO

MARKET TRENDS

Landbased operators and media groups best positioned to lead industry

- Recognised brand – loyalty and footprint
- Retail to online acquisition
- Omni players are worth more

Betting and gaming smartly mixed with retail to online

- The common acquisition and flow of traffic is sportsbetting to casino for monetization

International expansion - expanding where it makes sense

- Multi-territory operators
- Growth in international – mature and young markets
- Expanding operations through M&A and new launches

MARKET TRENDS

Strength of a multi-regulated platform

- Active regulation / platform advantages

Content – only the best will stand out

- RGS and technology
- Unique content based on quality, branded, promotions and marketing
- Platform and context - Omni
- In-house content

Consolidation – what does it mean?

- In-house vs outsourcing
- Volume vs economies of scale

Innovation

- Playtech innovation lab
- Innovation is key for online/tech software houses
- GPAS

CONTENT ECOSYSTEM - GPAS

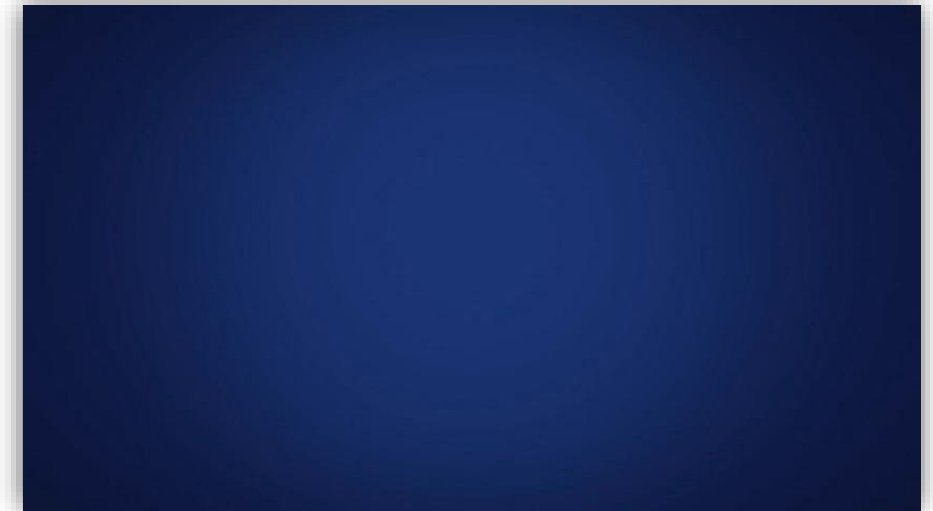
‘Playtech will develop a next generation content “ecosystem” with unified games delivery platform & developer program. Enabling accelerated maths creation for games and full licensee game discovery capabilities across all channels’



Desktop



Mobile



GPAS & RYOTA MATHS EDITOR

GPAS

- Successful launch
- Fast efficient flexible
- Constantly evolving



Highlights

- Drag and drop maths engine creation features
 - Slots (Including many slots features)
 - Picks
 - Compose any number of features
- Real-time stats (RTP) calculation
- Model sharing & collaboration
- Component reuse within and between games
- Immediate deployment

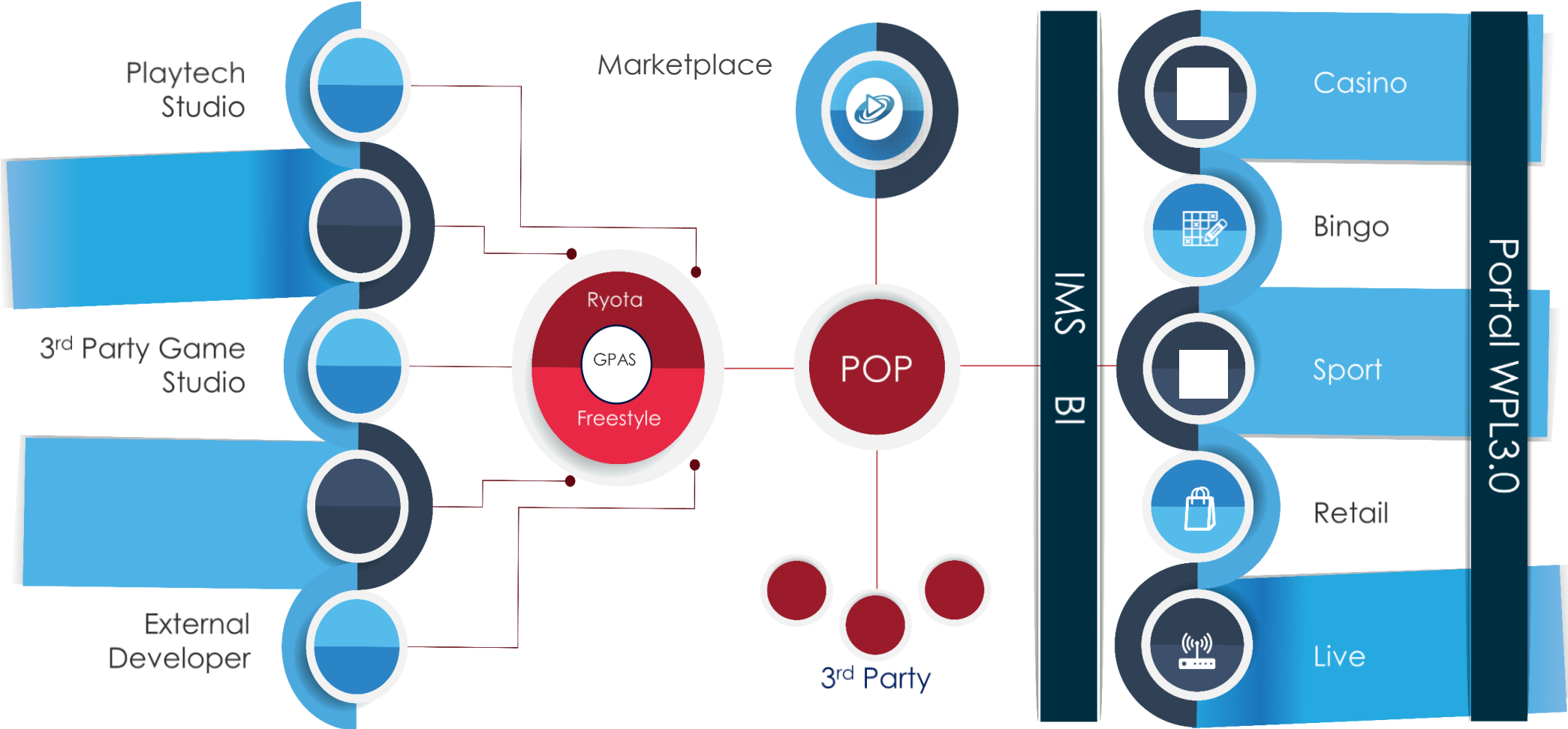
POP – PLAYTECH OPEN PLATFORM

- Playtech innovation lab product
- Cloud based
- Flexible and simple APIs
- An extension of our platform to run third party games
- Manage the operator's entire gaming floor

bet xxx

Sports In-Play Casino

CONTENT ECOSYSTEM

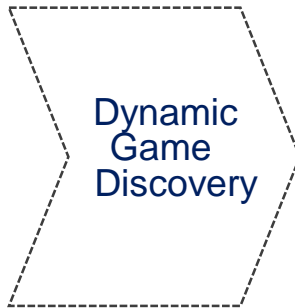


MARKETPLACE



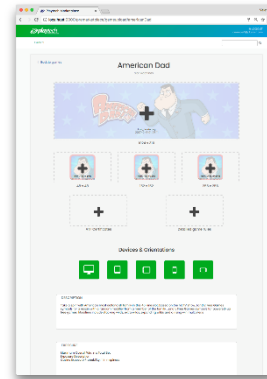
CONTENT PROVIDER

New game deployed



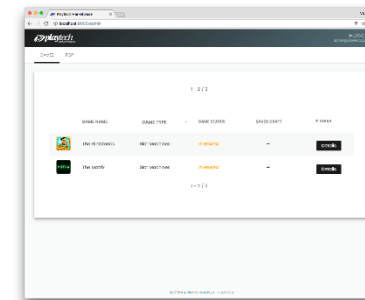
MARKETPLACE

New game discovered



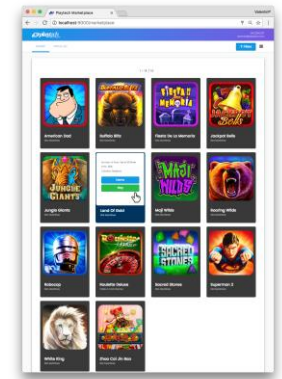
CONTENT PROVIDER

New game profile created



PLAYTECH CONTENT MANAGEMENT

Game reviewed and approved for qualifying licensees

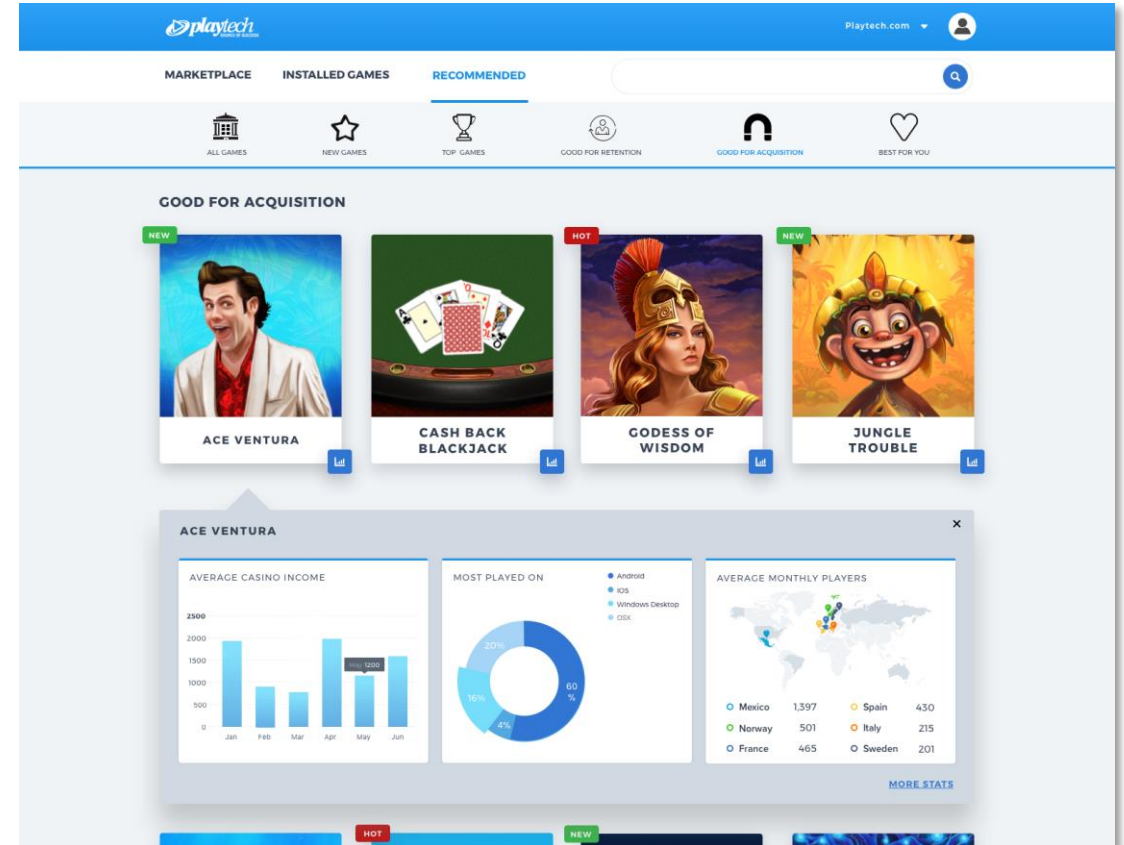


LICENSEE

Game is available for instant licensing by qualifying licensees

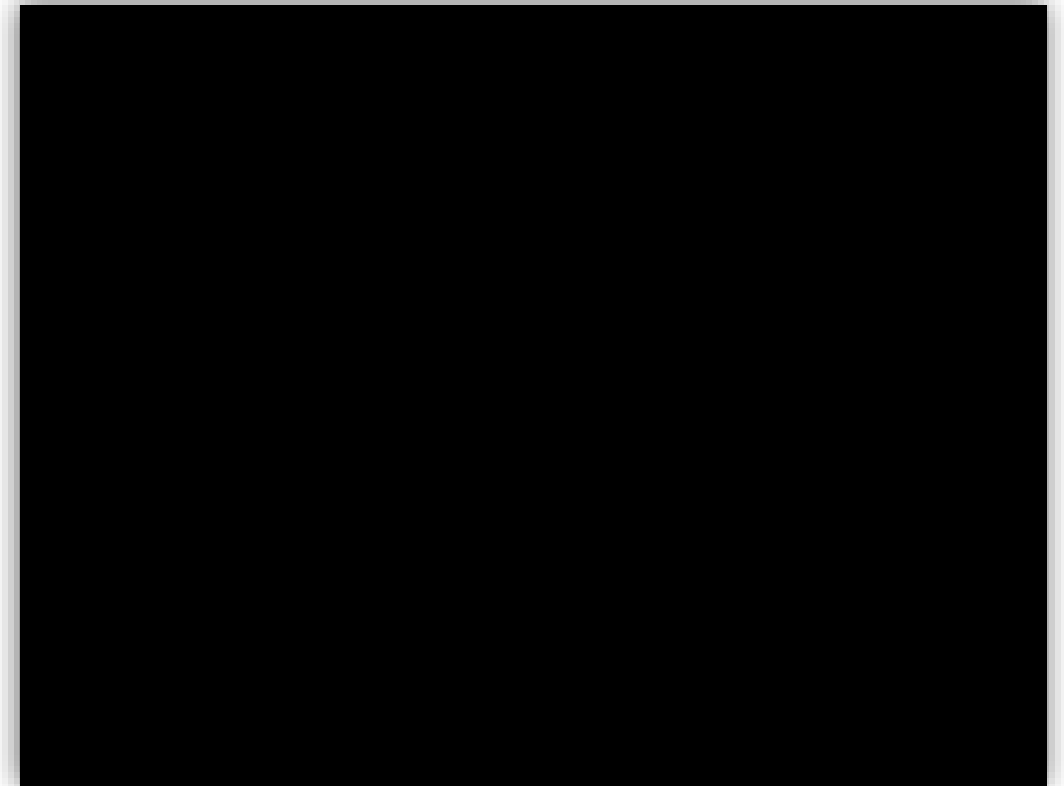
MARKETPLACE INTELLIGENCE

- Big data will provide licensees with targeted and specialised content recommendations
- Live search for games matching performance metrics and demographics
- Utilisation of big data to drive player acquisition and player retention



MARKETPLACE INTELLIGENCE

- High value reports only – users must have the information they need at their fingertips
- Dashboard that provides game performance, benchmarking, game clustering and activity reports
- Capability to provide users with ability to drill into details of interest



DA VINCI OMNI-CHANNEL CONTENT

Landbased sports

- SSBTs

Landbased bingo

- ECM

Landbased casinos

- VB
- IGS



CONTENT ECOSYSTEM - GPAS

“Playtech will develop a next generation content “ecosystem” with unified games delivery platform & developer program. Enabling accelerated maths creation for games and full licensee game discovery capabilities across all channels.”



Desktop



Mobile



Retail

PLATFORM EVOLUTION

- Flexible approach
- Third party supplier
- Data driven
- Real-time
- AI
- Cloud
- Superior ROI
- Self learning & intuitive
- Simplicity turns good into great

CASINO PLATFORM FOCUS

- Casino Platform focus
- Smart bonusing
- Real time reaction to player needs
- Smart content planning in advance
- Marketing of content
- Communications
- Excellence in quality

KEY TAKEAWAYS

- Landbased and online
- Content is more than just content
- Platform the key differentiator
- Internationalisation and consolidation
- Gaming ecosystem – GPAS, POP and MP
- Omni-channel focus
- Upside in the platform – big data / AI / simplicity of use
- Playtech products and services – a complete offering

The power of Playtech ONE

Anthony Evans, Head of Product Strategy

PLAYTECH ONE

playtech **ONE**

EXPERIENCE IS EVERYTHING



ONE Wallet

ONE View

ONE Platform

PLAYTECH ONE FOUNDATIONS



WALLET

ONE wallet,
ONE view,
ONE platform



PERSONALISATION & COMMUNICATION

Bespoke player experience, enabled by segmentation and supported by real-time communication tools



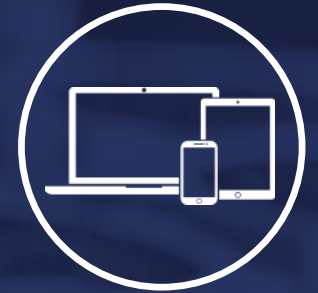
CONTENT

Play any product, all channels, locations and devices



CRM & LOYALTY

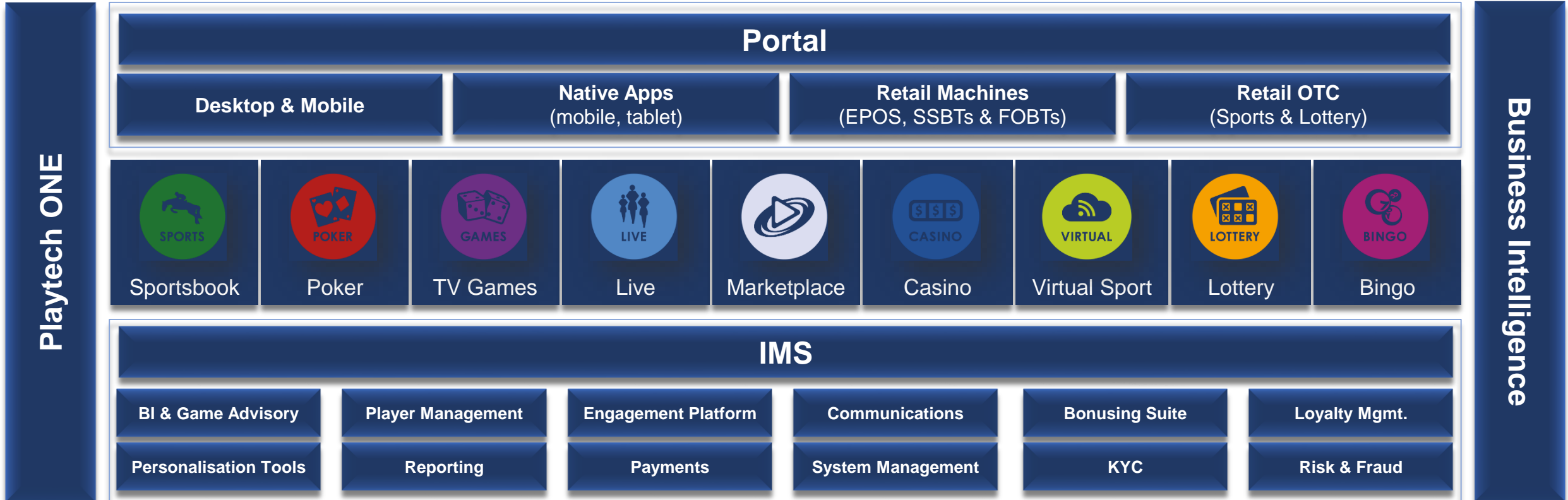
Automated data-driven, real-time, BI marketing tools and bonus engine



USER EXPERIENCE

Seamless, responsive, adaptive gameplay across all channels and devices

FULL SOLUTION



PLAYTECH ONE BETTING SHOP

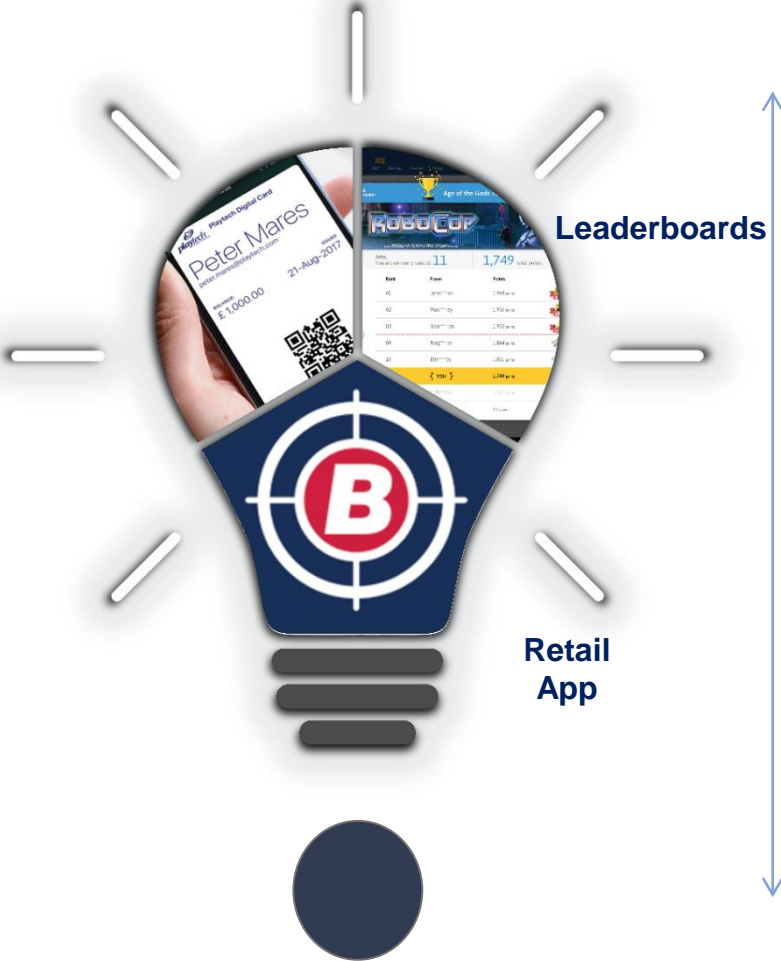


PLAYTECH ONE INNOVATIONS

Virtual Cards

Enhanced Modifier Games

Behavioural Analytics & BI



PLAYTECH ONE INNOVATIONS

SLOTS



LIVE ROULETTE



ROULETTE



AGE OF THE GODS

RETAIL GAME



POKER



BINGO
COMING
SOON

A DATA DRIVEN COMPANY

- Unique reporting & analytics for licensees
- Machine learning techniques for harm minimisation (BetBuddy) & fraud detection
- Behavioural analytics to drive marketing & personalisation – “smart platform”
- AI to drive marketing efforts: player segmentation, propensity modelling & real-time Interventions

Key 2017-18 Deliverables:

- Data driven marketing – engagement platform
- Content recommendations
- Smart clients - slots default bet & chip selection

CORE SYSTEM DEVELOPMENTS – SMART PLATFORM

BI

Engagement Platform

Content

- Modifier bonuses
- In-game messaging
- Cross product jackpots
- Cross product brands
- Engagement games

Loyalty Mgmt. & Gamification

- Central loyalty system
- Flexible usage
- Leader-boards
- Data driven
- Tax mitigation
- Omni-channel

Bonusing Suite

- Central bonusing engine
- Meta data
- Data driven
- Tax mitigation options
- Modifier bonus
- Omni-channel

Communications Tools

- Full suite of communications
- Real-time engagement
- In-game messaging
- Connected to chat
- Data driven
- Omni-channel

SMART PLATFORM

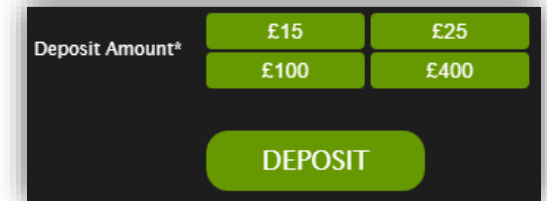
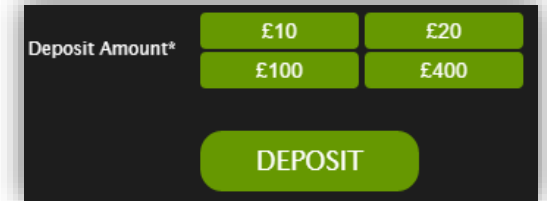


Smart Default Bet

Smart Chip Selection



Smart Deposit Buttons

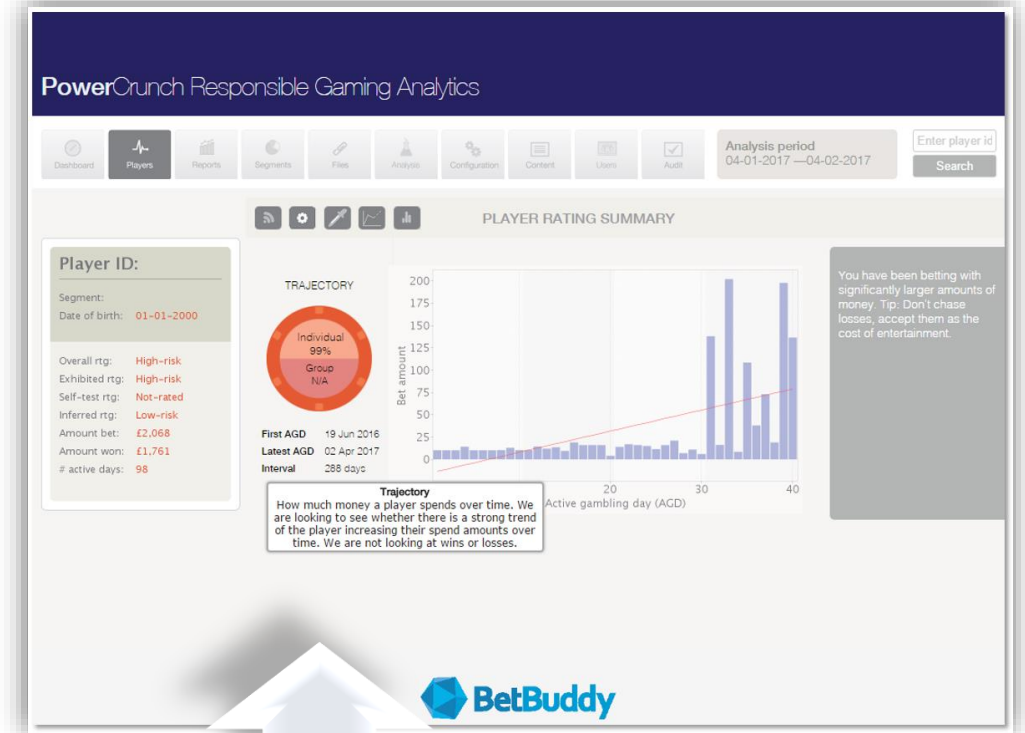
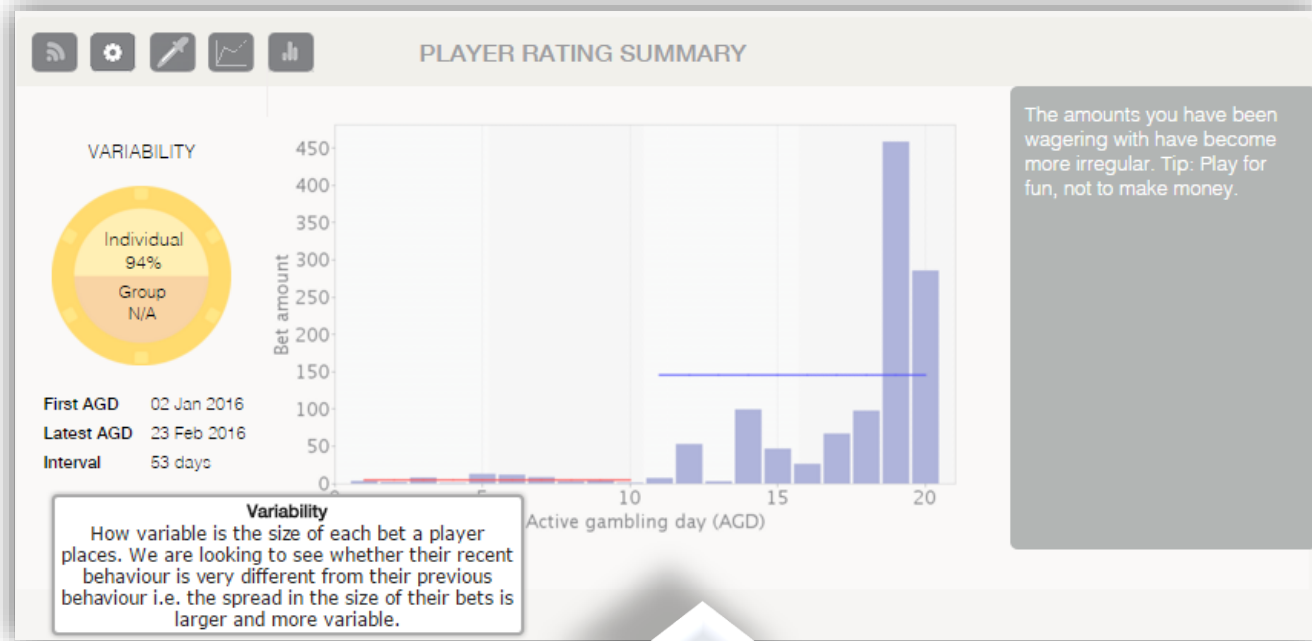


SMART PLATFORM

Additional algorithms available for licensees

- Churn detection (Casino & Poker)
- LTV
- Fraud detection (Live)
- Abandoned games
- Segmentation models (Casino & Poker)
- First time depositors (in progress)

BETBUDDY: RESPONSIBLE GAMING AI



IMS

Driving content strategy

James Frendo, Director of Casino

A B2C PERSPECTIVE

My Background

- 12 years in industry
- Roles in customer management, VIPs, operations, CRM, product and commercial
- Experienced two mergers & casino strategy

Objectives

- Increase share of wallet
- Acquire and retain efficiently
- Act responsibly, develop USPs, build bespoke customer experiences
- Flexible marketing tools and best content

Industry trends & adjusting to the “new normal”

- **More costs & suppressed margins**
POC on free bets, horseracing levy, steeper acquisition costs, FOBT stake reductions, adjusting to multi-jurisdiction regulations
- **More Restrictions**
ASA, CMA, UKGC, CAP, Responsible Gaming, stake factoring, context wagering
- **More sophisticated & demanding customers**
UX design, CX, higher customer standards

CONTENT CONSIDERATIONS

Did well

- Started delivery of more synchronised releases (desktop and mobile versions)
- Conversion of 100+ flash games to desktop
- Delivered new games in order to mitigate Marvel end of license
- Launched royalty free brand – Age of the Gods
- Ramped up high visibility network promotions
- Scored better on licensees satisfaction and game quality
- Began the shift from Waterfall to Agile methodology
- Scoped & initiated plans to remove games from platform

In progress

- Communicate our games more effectively
- Measure/map games success criteria (indexing)
- Focus launches before key marquee dates (Cheltenham, Grand National etc)
- QA of important titles and priority escalations
- Expand certifications & translations for regulated

CONTENT STUDIOS



CONTENT PILLARS



CONTENT STRATEGY

Aim

- Reinforce trust
- Local heroes
- Best value for money

Guidance

- Anticipate the market
- Use R&D team & focus groups
- Collaborate with your licensees
- Be daring! Innovate

Operational

- Leverage scale, use the shared resources
- Deconflict
- Agile builds

Measuring the success criteria

- Costs / attributes / relative distribution multiplier
- True ROI

Distribution

- Marketplace
- Self-service for marketing teams
- Test, configure, publish, track

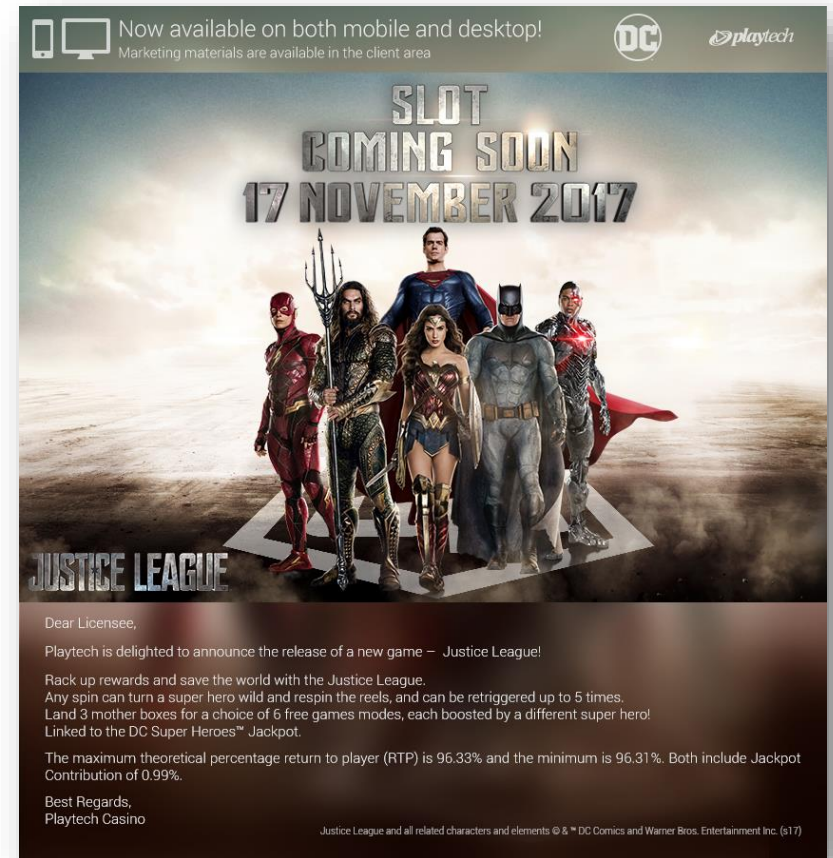
Sales

- Intelligent, data driven approach



JUSTICE LEAGUE

- Launching in time with the film release on the 17th Nov
- Significant promotional spend
- Multi-jurisdictional, for all regulated regions
- Several brand approved asset packs to choose from
- Released to licensees in production environments, under password lock screens
- Jackpot game based



BESPOKE CONTENT & EXCLUSIVES

Playtech open Platform (POP)

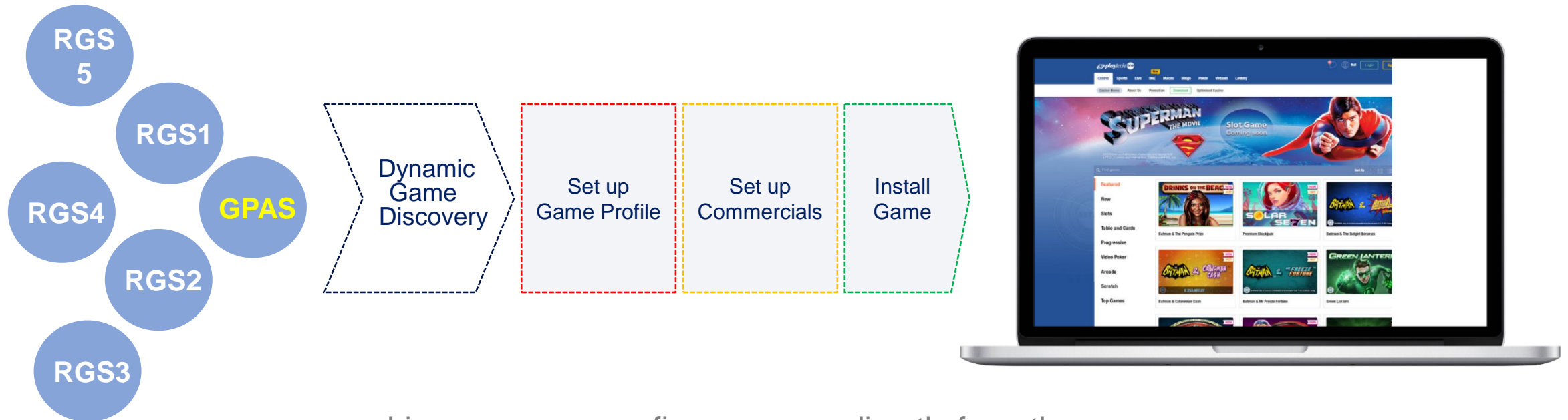
- Serves as an integration hub for 3rd party Gaming systems (RGS) and Playtech Gaming Platform

Game Platform As a Service (GPAS)

- Provides the ability for internal and external content units to author games
- Handles all platform functions to manage the game
- Allows games to be authored once and deployed into multiple channels and verticals
- GPAS Core Services (RNG, persistence, game history, etc.)
- Ryota maths editor and run-time engine
- Game Development Kit (GDK), client framework
- GPAS connects to POP as a Remote Gaming Server (RGS)

MARKETPLACE: HAVE IT YOUR WAY

The solution to manage content from multiple RGS providers



Licensees can configure games directly from the Marketplace similar to the App Store concept

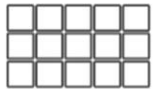
MARKETPLACE

A new game! 

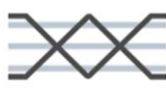


I want to push a free spins promotion, but need to control costs. <=25 lines

GAME DETAILS



3 x 5
LAYOUT



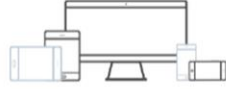
20
NUMBER OF PAYLINES



RTP & VOLATILITY



HTML5
CLIENT TECHNOLOGY



DESKTOP - MOBILE
DEVICES & ORIENTATION



JACKPOT
Discover

GAME FEATURES

- Split Symbol
- Extra Wild
- Lucky Spins
- Mixed Play

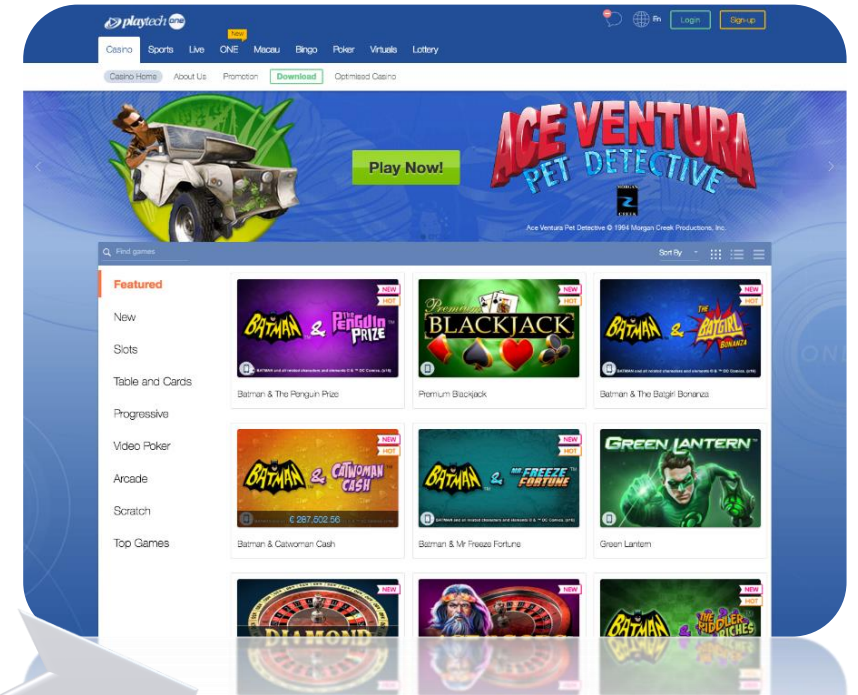
My customer base AVPU's increase well with sticky wilds

I need to increase my margin

I have a high roller cohort, configure higher limits for them

Deploy

Configure

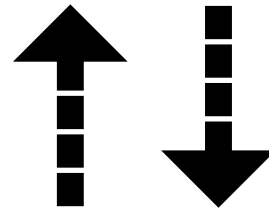


Branded Jackpot games are great for acquisition, I'll deploy on homepage

PLATFORM: REMOVING DEPENDENCY



Platform stream

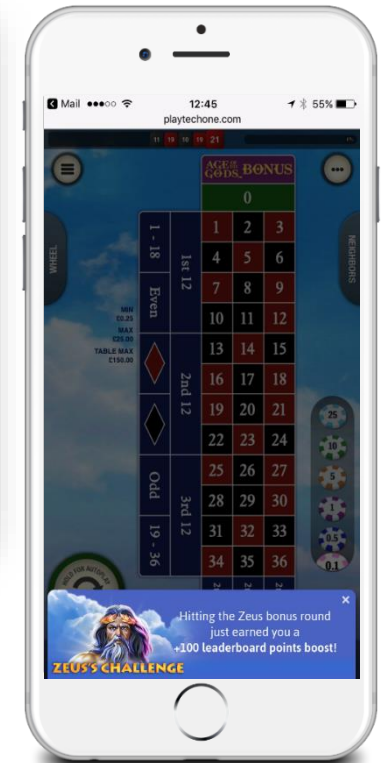
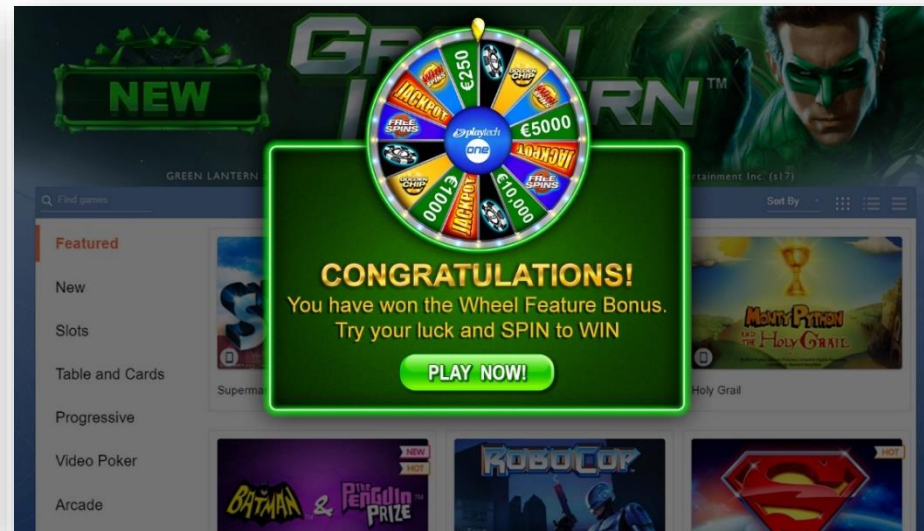
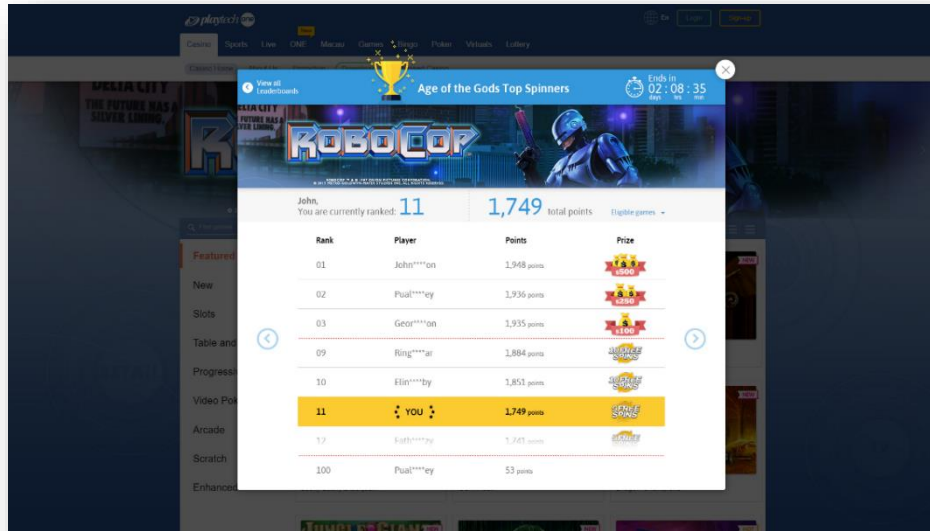


Games stream

- ✓ Reduces operational overhead
- ✓ Better scheduling & promo planning

- ✓ Builds roadmap confidence
- ✓ Games less impacted by code freezes

LOOKING AHEAD



- **Customer profiles:** Deal chasing, snacking, play to win
- **Source:** Direct, xsell, trialists (1-day players)
- **Value banding:** VIPs, higher roller, causal etc



A world leading offering

Edo Haitin, CEO Playtech EuroLive

Kevin Kilminster, Head of Live Innovation

OVERVIEW OF PLAYTECH LIVE DEALER

- Playtech Live is the complete end-to-end market leading solution
- Extensive functionality and tools capability, unmatched within the Live market
- Market leading & seamless UX, with omni-channel capability
- Fastest developing Live supplier on the market
- Tier 1 sportsbook preferred supplier of choice
- Global presence with 5 operational facilities
- Solid platform with a yearly uptime of 99.98%
- Engaging products supporting cross-sell



INTRODUCING RIGA

- 260+ million cards dealt in 2017 so far
- 1,600+ hours of uninterrupted gameplay daily
- Roulette balls spun this year have travelled over 385,000 kilometers - enough to get to the moon
- 1.2 km sq. used on dealer uniforms
- 720 hours spent rewarding our dealers with team building events
- Milk - 17,000 litres per year
- Coffee - 2.2 tons per year



RIGA: FACTS AND FIGURES

- Purpose built, advanced tailor made Live dealer
- Largest migration and investment into Live dealer
- Seamless migration over 7 months
- Mission control center to facilitate operational standards
- Network operations center to monitor and ensure a safe and secure solution
- Extension technology improvements, embedded within the facility
- Re-engineered training facility capable of handling our extensive hiring requirements
- Visible improvement of staff morale, growing retention and organic acquisition of live dealers
- New facility presents us with significant capability for growth and advanced services



CORE FOUNDATIONS

Experience is everything

- First class 24/7 service experience for our customers
- Multi-layer segmented experiences, offering a greater diversity in choice

Customer led decisions

- 3rd Party validation ensuring our product remains market leading
- Power of Playtech in the players hand

Inspired to innovate

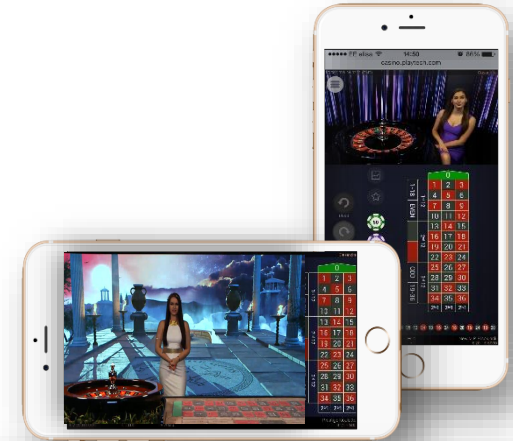
- Extensive portfolio of existing in-house innovations
- Capability to mould our own vision

Playtech ONE

- Unique solution only Playtech has the capability to deliver
- Creating a seamless experience through our own liquidity

NEXT GENERATION

- Multi segmented experience portfolio (Product / Live / ONE)
- Extensive and ambitious product investment for our long-term strategy
- 'Live 2' enabling faster to market delivery, presenting a feature rich tool and functionality capability
- New UI solution, improving players experience and performance
- Augmented and video wall technology, the new standard in Live casino
- Investment in the future of our customers
- Unique data content management ability
- New application to studio management technology



CORAL

CORAL

CHELTHENHAM

BET & GET

CLUB

BET AND GET CLUB

**BET £/€25 ON ANY CHELTHENHAM
FESTIVAL RACE & GET £/€5 ONLINE
AND £/€5 IN-SHOP FREE BETS**

CORAL

LIVE WITHIN PLAYTECH ONE

- Ability to take Live dealer in a new content direction only Playtech can deliver
- Delivers a product for the next generation of Live casino customer
- Jackpot solution unique to Playtech, improving liquidity and increasing customers cross-sell capability
- Life changing amounts for the first time to Live Dealer
- 600 Content titles within Playtech for Live to utilise for long-term strategy plans
- New way to harness dealer capability, outside the VIP format





A SIGNIFICANT OPPORTUNITY

- Expand game portfolio to further strengthen market leading position
- Strengthen tools and functionality to grow market share, and further develop customers
- Invest further in innovative products and experiences
- Strong continuation in 2018 of the Playtech ONE vision and strategy
- Utilise new space capability to acquire new clients with fast delivery to market



Live studio tour

Two groups please

PBS: disrupting the market

Dr Armin Sageder, CEO Playtech
BGT Sports

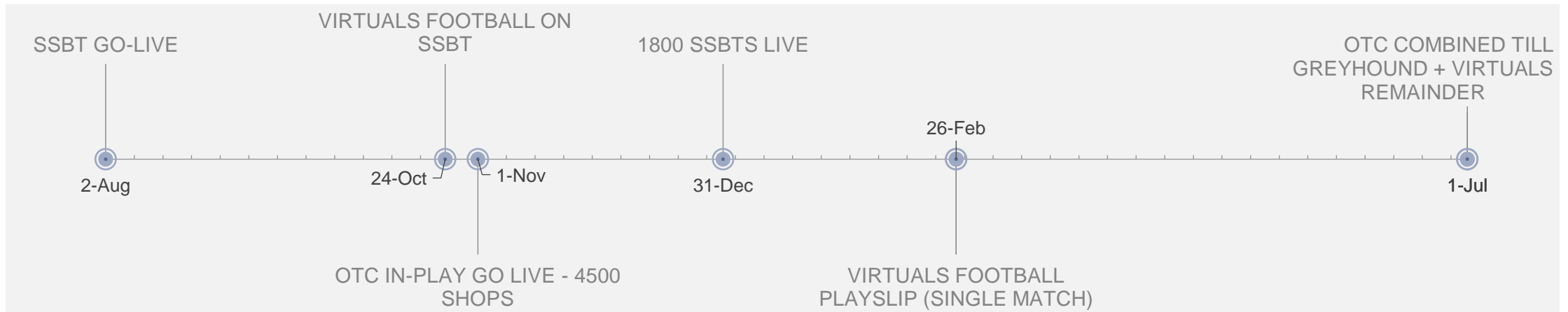
2017 HIGHLIGHTS: UK

- **Contract extensions agreed** with Paddy Power, BetFred, Boyles, Jennings & 10+ independents
- **20%+ increase** in sited terminals despite the removal of William Hill terminals
- By year end, terminals in every Ladbrokes, PP, Coral, BetFred, Boyles & Stan James shop
- **Racing now established** on SSBTs via exclusive Racing Post app - only football has higher turnover than Racing
- Leading the omni channel experience for mid-sized and independent operators via the deployment of market leading **Bet Tracker app**

2017 HIGHLIGHTS: REST OF THE WORLD

- **Developments in Columbia**
 - Codere
 - Sportium
 - Megared
- Easybet 7 in **Austria** signed
 - Tills and terminals
- **Spain and Andalucia**
 - Codere
 - Winner
- **Betting in Belgium**
 - Digital sportsbook

OPAP



PBS CORE COMPETENCIES



PRODUCT UPDATE

Achieved

- First version of **new PBS Online**
- **Mobile product is available!**
- **IMS Digital integration**
- **Statscore content** integration
- **Free bets** bonusing & promotions pages

Ongoing

- **SaaS** Portal integration, B2C requirements
- **Tier 1 Product**
 - Cashout enhancements
 - Optimised navigation, CMS controls
 - Horse racing & greyhounds
 - Virtuals
 - Bet recommendation engine, request a bet
- **Advanced Bonus Engine**
 - Pre-wager deposit bonus integration

DISRUPTING THE MARKET

Expertise across all elements of the supply chain

PBS is the only real omni-channel system on the market

**Cross-channel BI
Big data built-in**

Key content distribution agreements

2018 PLANS

UK

- Contract extensions / additional terminals
- Build on the Racing Post model
- In-game features
- Development of hardware options

Australia

- Maximise Generation Web acquisition
- Actively target EBT operators

Greece and SE

- Massive roll out with OPAP 4700 Tills, 15.000 BEPS
- Italy

LATAM

- Mexico omnichannel
- Columbia omni-channel

Germany & Austria

- Omnichannel Germany

CEE

- Expand with Novomatic omnichannel

ICE 2018

PBS on the Playtech stand



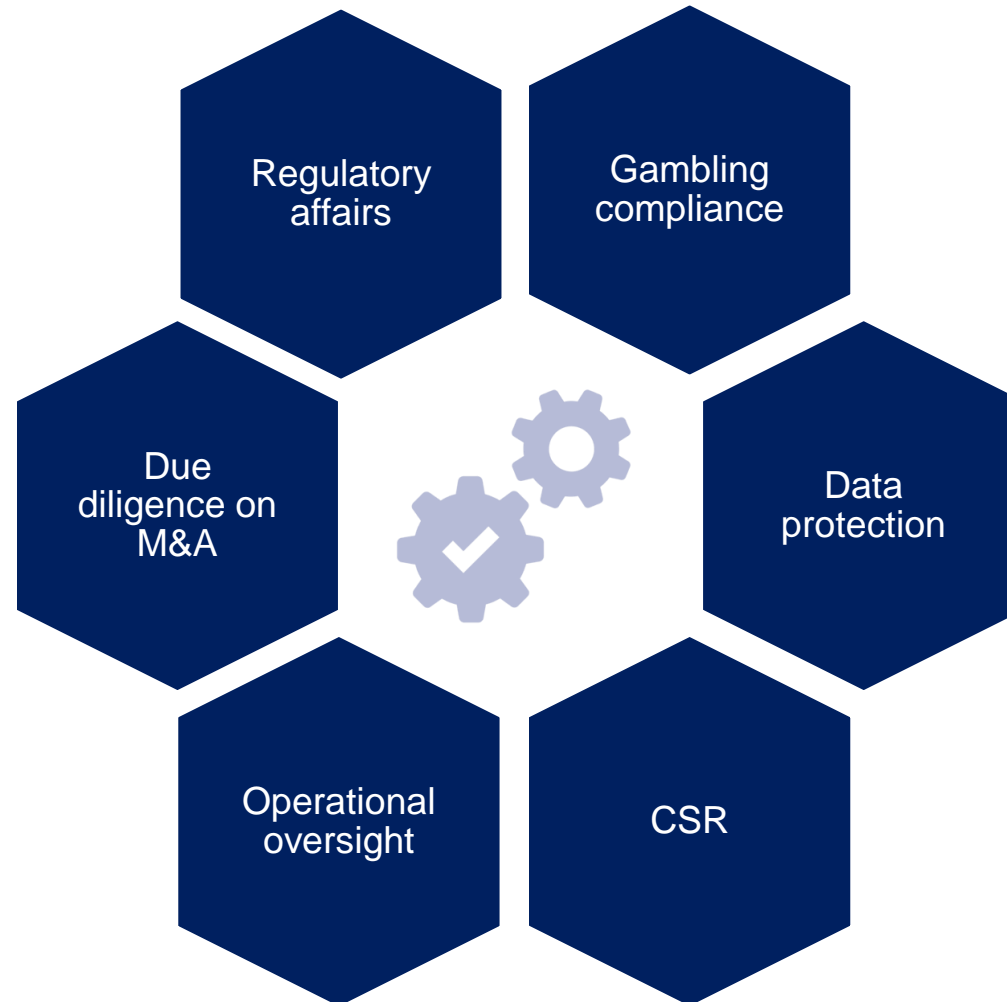
PBS stand



The regulatory landscape

Ian Ince, Head of Regulatory Affairs and
Compliance

COMPLIANCE AT PLAYTECH



GOVERNANCE AND OVERSIGHT

Board risk committee
Annual reports on AML

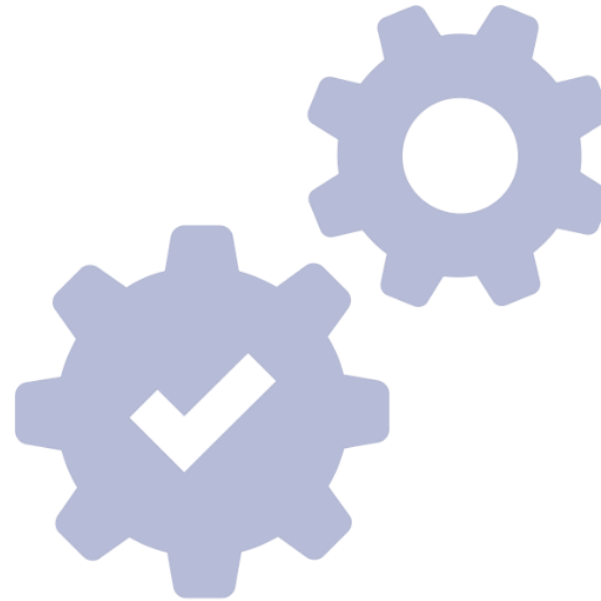
Board sponsors

Internal audit

**External risk assesment &
assurance**

RESPONSIBLE GAMBLING

- CMA
- ASA
- FOBT
- UKGC



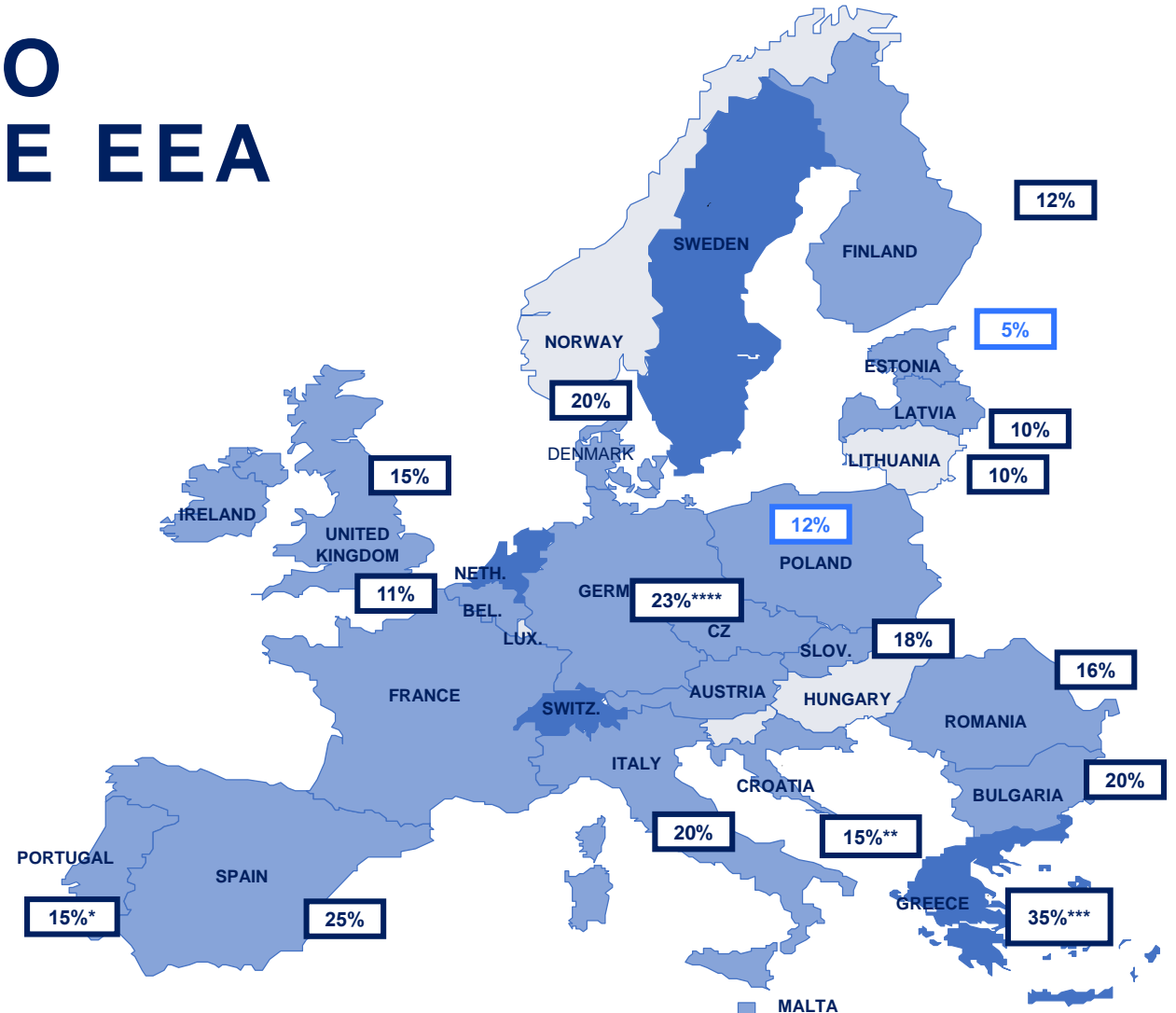
BETBUDDY

- Utilising data in IMS
- Lead industry in creating safe and fun gambling ecosystem
- Will influence games design and development in future



ONLINE CASINO REGULATION IN THE EEA

- Multi-licensing regime
- Restricted and/or unregulated
- Legislation in process
- Turnover
- Gross Gaming Revenue



* 15% up to gross revenues of 5M euros. Exceeding revenues are taxed using the following formula:
 Tax = [15% c (annual gross revenues/5M euros)]. This flexible tax rate is limited to 30% of GGR.

** Tournament-type games are taxed at 25% GGR.

*** The current regulations in Greece do not explicitly state that online casino is permitted, however, it does not prohibit it either. Transitional licences have been issued to operators and are valid until an international bidding competition occurs.

**** Technical games are taxed at 35% GGR

FUTURE GAMBLING REGULATION: EUROPE

- Netherlands - Passed 2018 - license award Q1 2019
- Switzerland - In process now pending referendum - Q3/4 2018 tbc
- Germany - Federal Court Internet ban - catalyst for change?
- Others - Q1 Sweden 2019 tbc

FUTURE REGULATION: ASIA

NO EXPECTATION OF CHANGE

China / Malaysia

- Risk-based approach
- Payment processing

Philippines

- Playtech licensed by PAGCOR
- Uncertain political climate
- Contingency plans in place

FUTURE REGULATION: INDIA

- Nagaland open to skill games (poker / rummy)
- Sikkim
- State model - no federal legislation expected
- Very slow burn
- Working with the British Council of India

FUTURE REGULATION: LATAM

- Colombia – regulated 1st Jan 2017
- Brazil – market estimation c. €3bn, elections Nov 2018
- Chile – potential for 2018
- Peru – bill to be proposed by end 2017
- Mexico – update to regulation stalled

FUTURE REGULATION: UNITED STATES

- No gambling presence
- PASPA repealed - 2021 tbc but still no casino?
- Potential retail opportunity
- New Jersey / Nevada / Delaware / Pennsylvania - no commercial argument to obtain licence
- Complicated market - different lobbying activities, added factor of Tribal issues to overcome
- No expectation of it changing in next 12 months
- We continue to monitor
- Ability to penetrate should a commercial opportunity presents itself

FUTURE REGULATION: AFRICA

- Reduced on-line Playtech activity - consolidation of sport under PBS
- Currently supporting licensees in:
 - Nigeria
 - Kenya
 - South Africa
 - Ghana
- Retail opportunities
- Low regulatory risk, higher AML / ABC risk
- High levels of due diligence and local legal opinions

Business development and M&A strategy

Andrew Smith, CFO

BUSINESS DEVELOPMENT AND M&A TEAM

The team

- Team of eight
- Supported by other teams from within Playtech as appropriate (finance, tax, legal, compliance)

Responsibilities

- Implementing the board's high level strategy
- Identifying and pursuing opportunities in new and existing markets, including soon to be or newly regulated markets
- Increasing our landbased penetration and B2C opportunities in certain markets
- Sourcing and creating opportunities for collaborations, acquisitions and investments in companies
- Creating and maintaining relationships with studios and rights owners to enhance our brands portfolio
- M&A

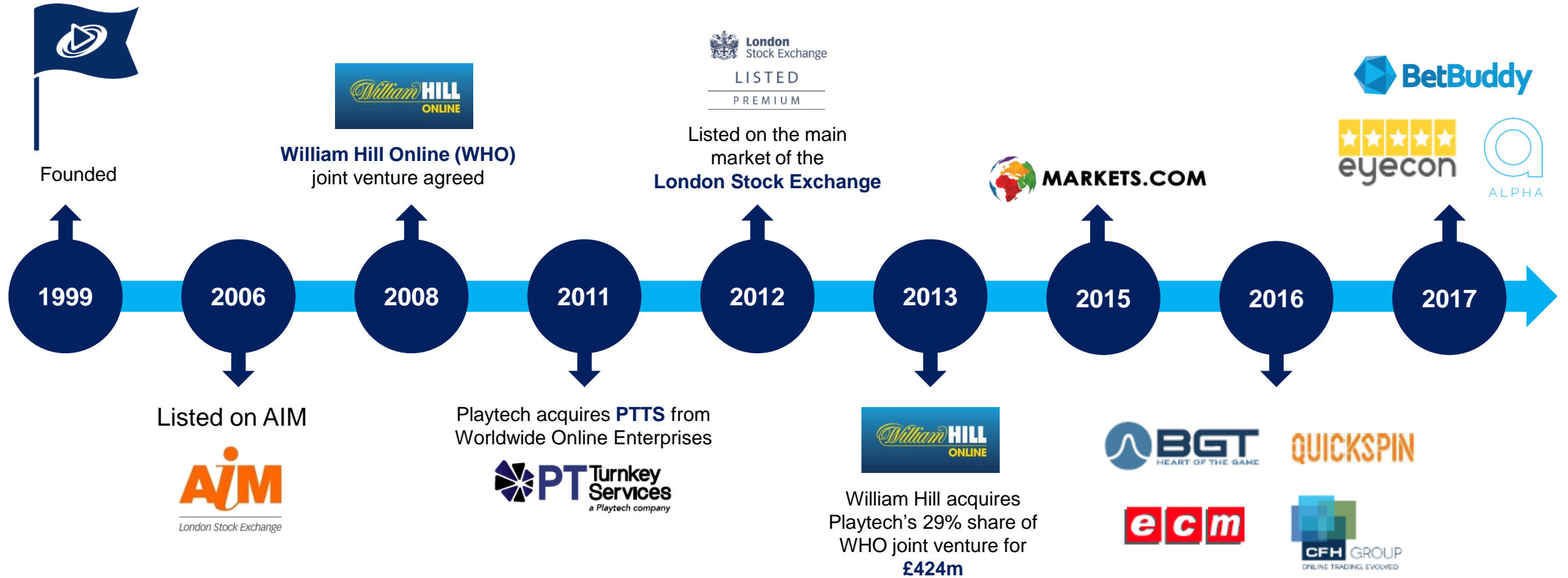
JOINT VENTURES & STRUCTURED AGREEMENTS

- Benefits of JVs and structured agreements include
 - Allows Playtech to partner with the best brands and operators in any given jurisdiction
 - Great involvement in operations – more than just a software provider
 - Approaching B2C economics in a B2B context
- Examples to date include:
 - William Hill Online
 - Ladbrokes
 - Caliente
 - Marca
- Many other opportunities being evaluated

BRANDED CONTENT

- Benefits both Playtech and its licencees
 - Playtech's scale allows it to purchase branded content for the benefit of ALL licencees
 - Branded content is a key marketing tool for operators
- Playtech maintains key relationships with film studios and other brands
- Examples include Marvel, DC Comics and numerous films (Gladiator, Top Gun, Dirty Dancing to name but a few)
- Potential for broadening the future approach such as sports, music and even more films

18 YEAR TRACK RECORD OF SUCCESS



EVALUATING M&A TARGETS

Profitable, highly cash generative businesses with a focus on high quality regulated revenue

Ability to leverage revenue and cost synergies

Driven by similar DNA, core competencies, with a strong cultural fit

Well-invested assets at a strategic or operational inflection point in their development

Strong management with proven track record, incentivised to grow the business post-acquisition

Strong financial metrics earnings accretion returns vs WACC, etc.

GAMING ACQUISITION OPPORTUNITIES



Content



Geographies



Sport



Omni-channel

Wrap-up

Mor Weizer, CEO

KEY TAKEAWAYS

- **Intelligence of the platform** continues to underpin Playtech ONE omni-channel offering
 - **GPAS** provides a further evolution of partnership with licensees
 - **scale & breadth** of offering remains unrivalled
- **Data is central** to Playtech's operations and supports all strategic initiatives
- Significant growth expected from **world's largest and most technologically advanced Live Casino** studio
- **Fully integrated front-to-back end Sports offering** will disrupt the market
- Regulation continues to shape the industry and **drive quality of earnings**
- Playtech has a **long and successful history of M&A** which remains a strategic priority
- **We have great confidence in our future**

Thank you