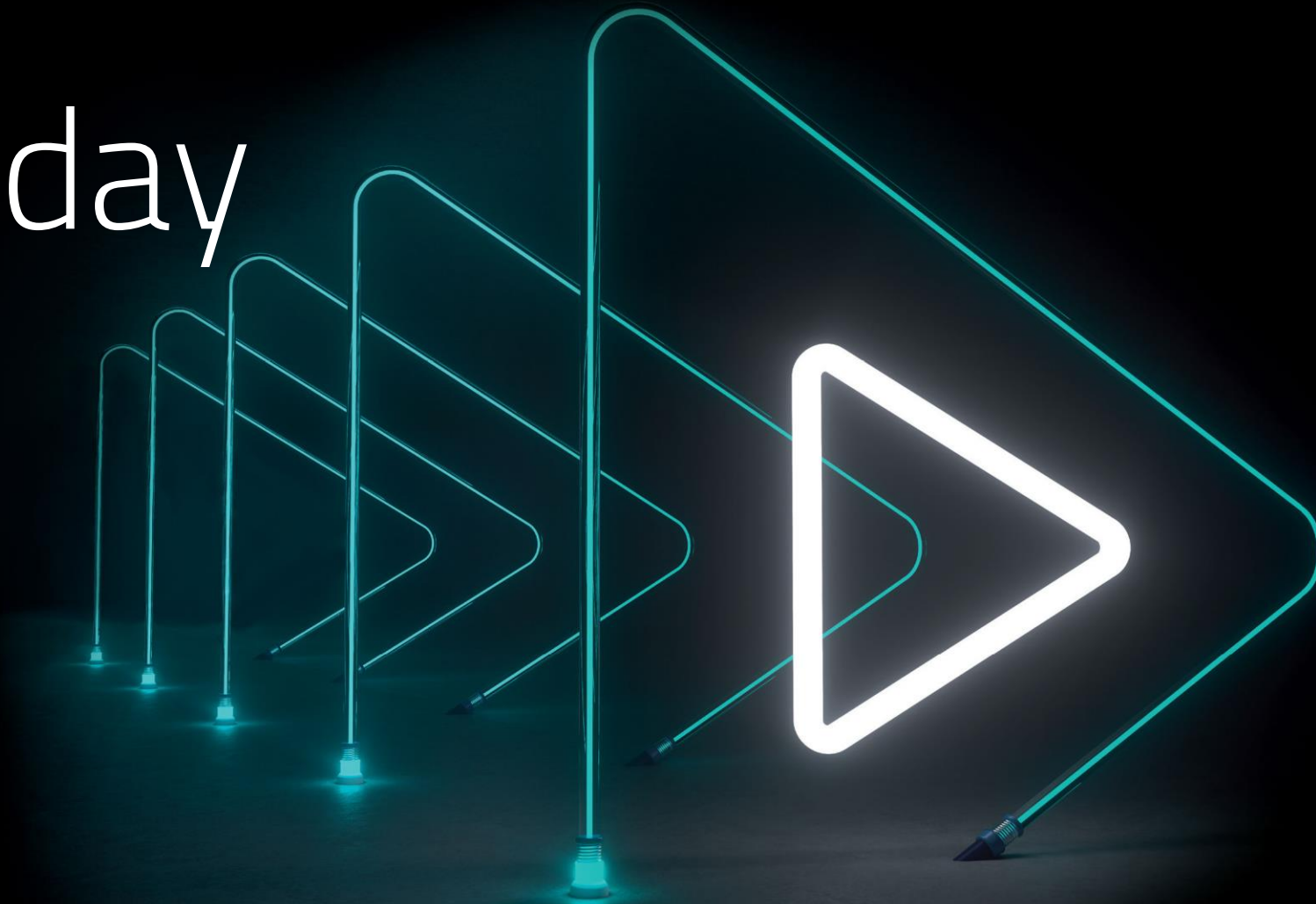


# B2B investor day

23 March 2023



***Hard Rock***™

**DIGITAL**

## Agenda

10:30–10:50

Hard Rock Digital – partnering with Playtech

**Rafi Ashkenazi**, Executive MD, Executive Chair of HRD



10:50–10:55

Introduction

**Mor Weizer**, Playtech CEO



10:55–11:00

Medium term financial targets

**Chris McGinnis**, Playtech CFO



11:00–11:20

Positioning B2B for growth

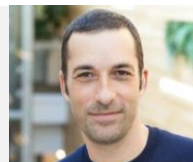
**Shimon Akad**, Playtech COO



11:20–11:45

Capitalising on the Live opportunity

**Edo Haitin**, Playtech Live CEO



11:45–12:10

Capturing the US and Canada opportunity

**Jonathan Doubilet** MD, Playtech USA



**Marcus Yoder**, CCO, Playtech USA



12:10–12:20

Replicating our success across LatAm

**Mor Weizer**, Playtech CEO



12:20–12:25

Wrap up

**Mor Weizer**, Playtech CEO



12:25–13:00: Q&A

13:00: Lunch and Networking

## Well-positioned to drive revenue growth and expand margins in the medium-term

- B2B has been transformed into a **higher-quality business**; diversified across geographies and products
- We have multiple business models that enable Playtech to **capture value and grow the addressable market**:
  - **Strategic agreements** offer a proven path to gain exposure to fast-growing, highly attractive markets
  - **Platform** model and **SaaS** gives Playtech access to the entire spectrum of operators
- We are hugely excited by the potential to build and expand our presence across the Americas :
  - Recent partnerships with **Hard Rock Digital** and **NorthStar** provide a tremendous platform for growth in North America
  - **Caliente** and **Wplay** continue to go from strength to strength, with **Galerabet** on track to establish a leadership position in Brazil
- We are in a strong position to take advantage of the rapid growth in **Live Casino**; an outstanding combination of physical infrastructure, leading content and expertise
- Confident in setting a B2B medium term Adjusted EBITDA target of €200 million - €250 million

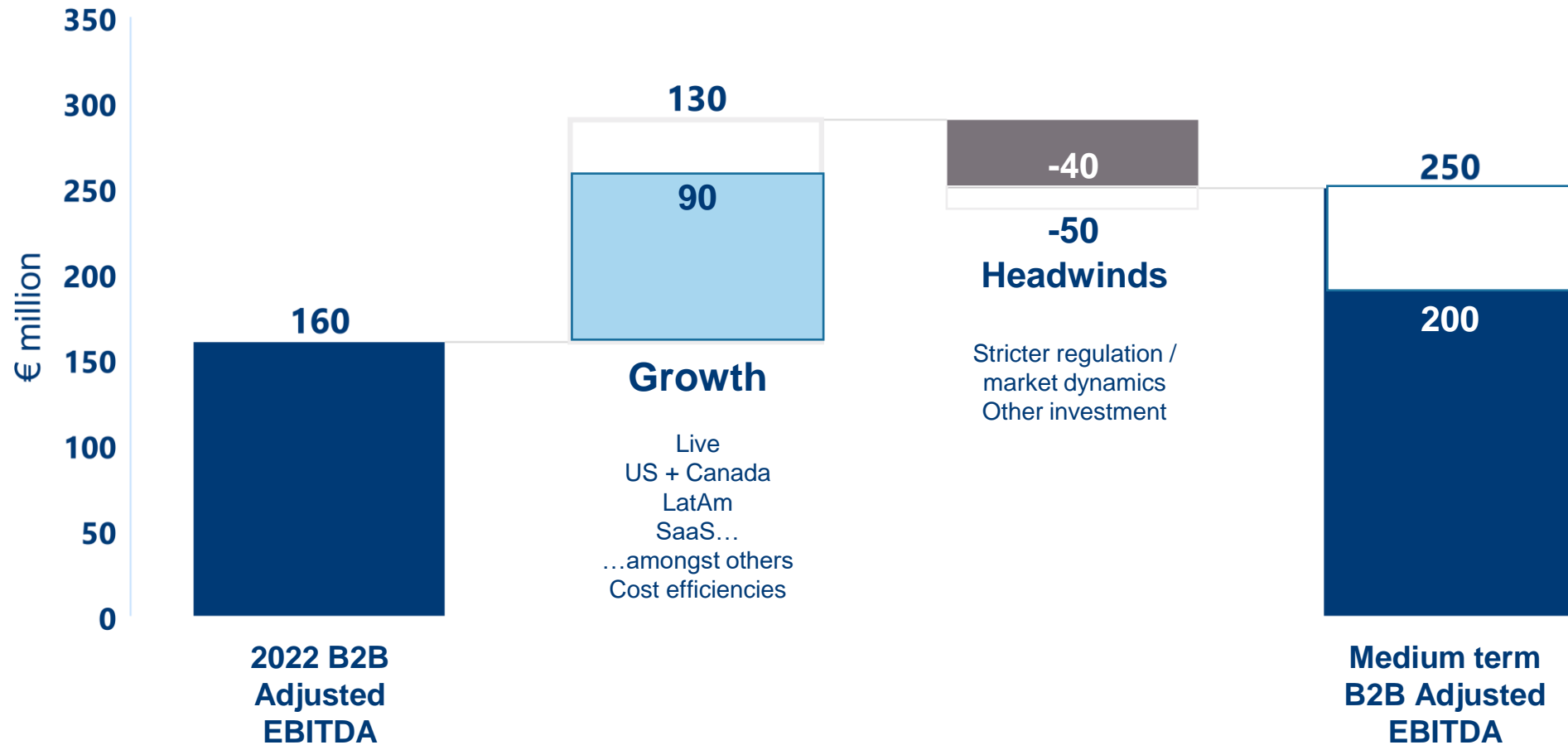
# Setting medium term B2B targets

Chris McGinnis, CFO



# B2B medium term Adjusted EBITDA target bridge

## Multiple growth levers to achieve medium term EBITDA target of €200 – 250 million



# Positioning B2B for growth

Shimon Akad, COO



# Positioning our B2B business for growth

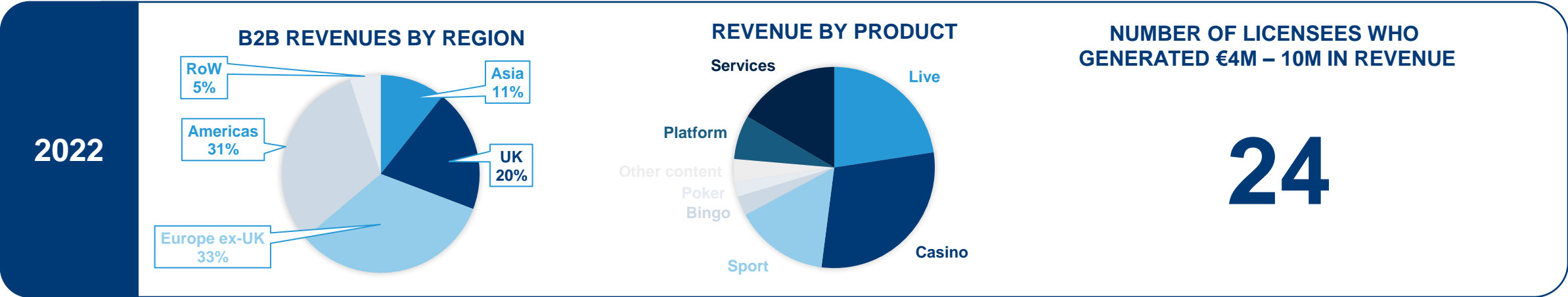
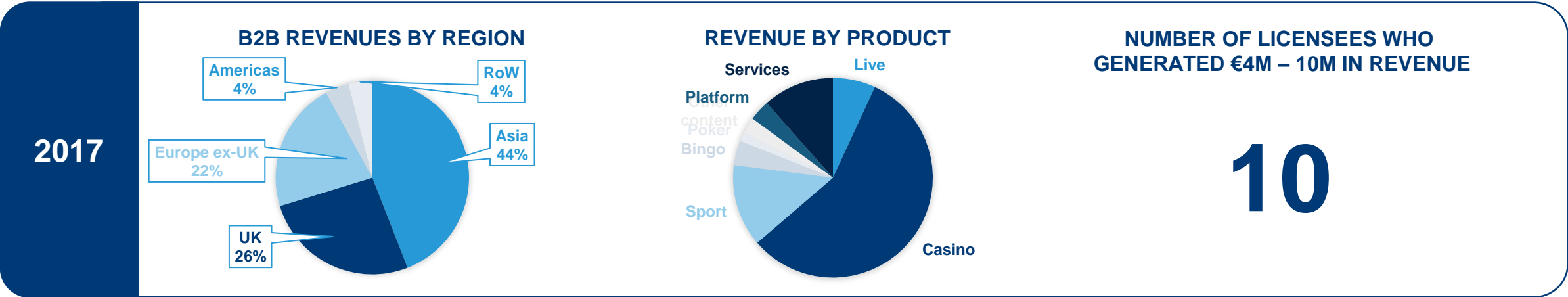
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## Higher quality, increasingly diversified, more collaborative with a focus on growth

- B2B business is higher quality, increasingly diversified, more collaborative than 5 years ago
- B2B division is more resilient in the face of a more uncertain macroeconomic environment
- Given our technology and experience, we aim to be the partner of choice for newly regulating markets
- Diversification of business model to capture value and increase addressable market
- The Americas, Live and SaaS present large opportunities for future growth

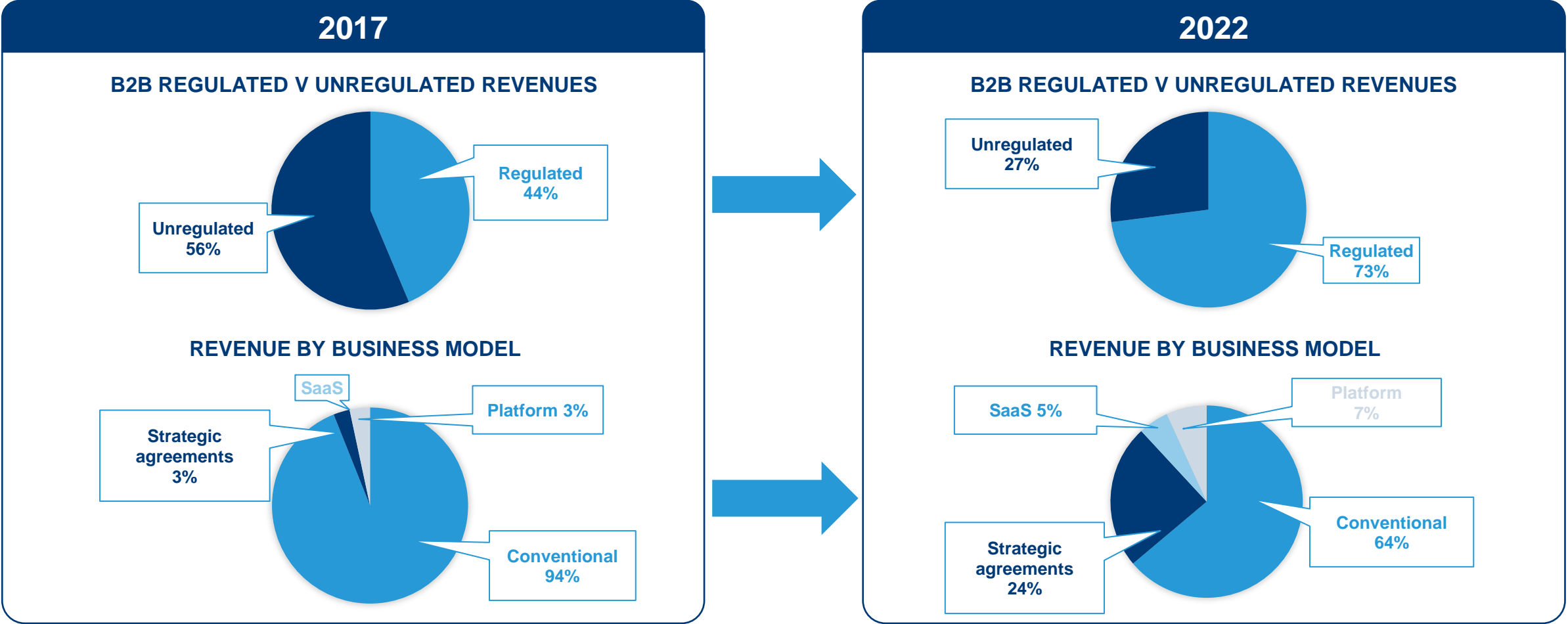
# The B2B business has changed

## A more diverse business, both regionally, by product and by customer



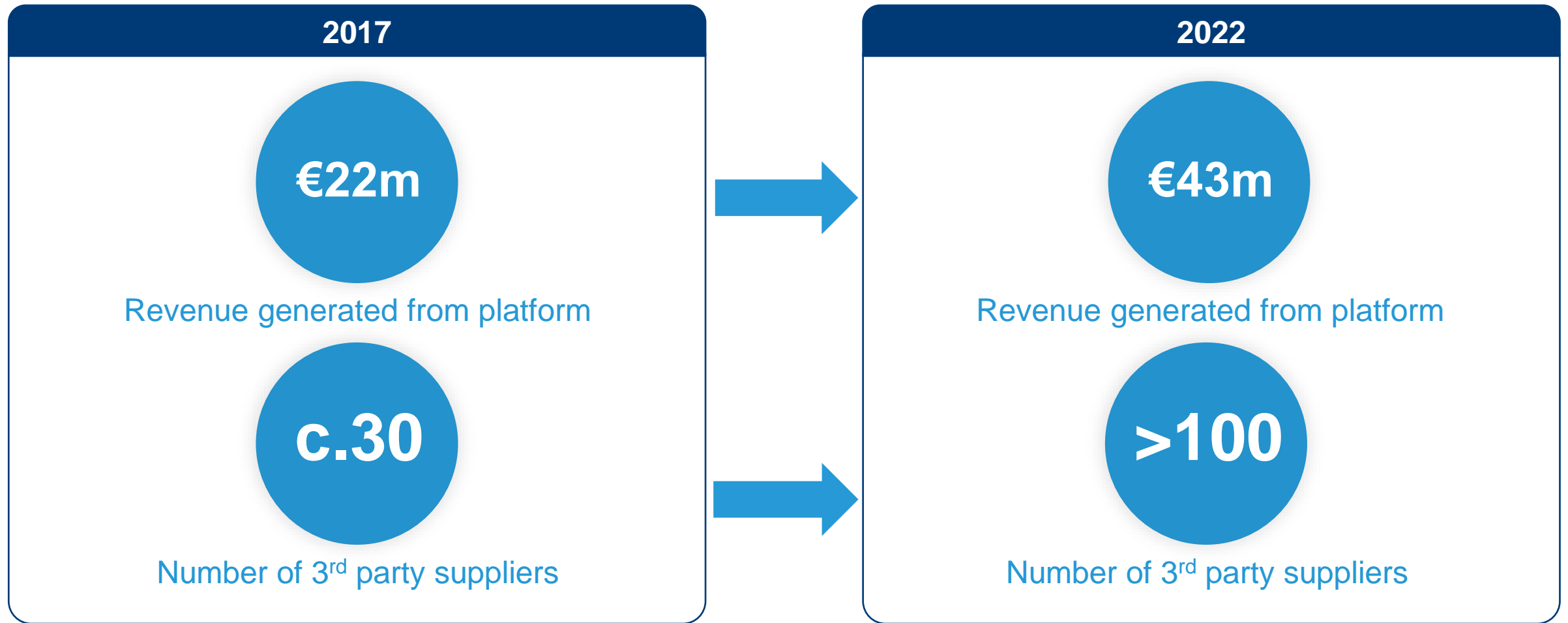
# The B2B business has changed

## A higher quality business: shift to regulated markets; new business models



# The B2B business has changed

A more collaborative business – a more open ecosystem with multiple 3<sup>rd</sup> parties



# The path to a transformed B2B business

## How we became an increasingly diversified, higher quality, collaborative B2B business

### Increasingly diversified

- Less reliance on Asia and UK
- Focus on the Americas
- Broader product offering with a particular focus on Live

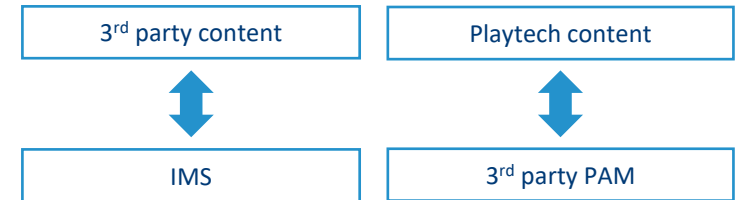


### Higher quality

- Increased proportion of revenue from markets that are regulated or on a path to regulation
- Strategic agreements to capture more value
- SaaS business model is higher margin
- Platform business model generates network effects

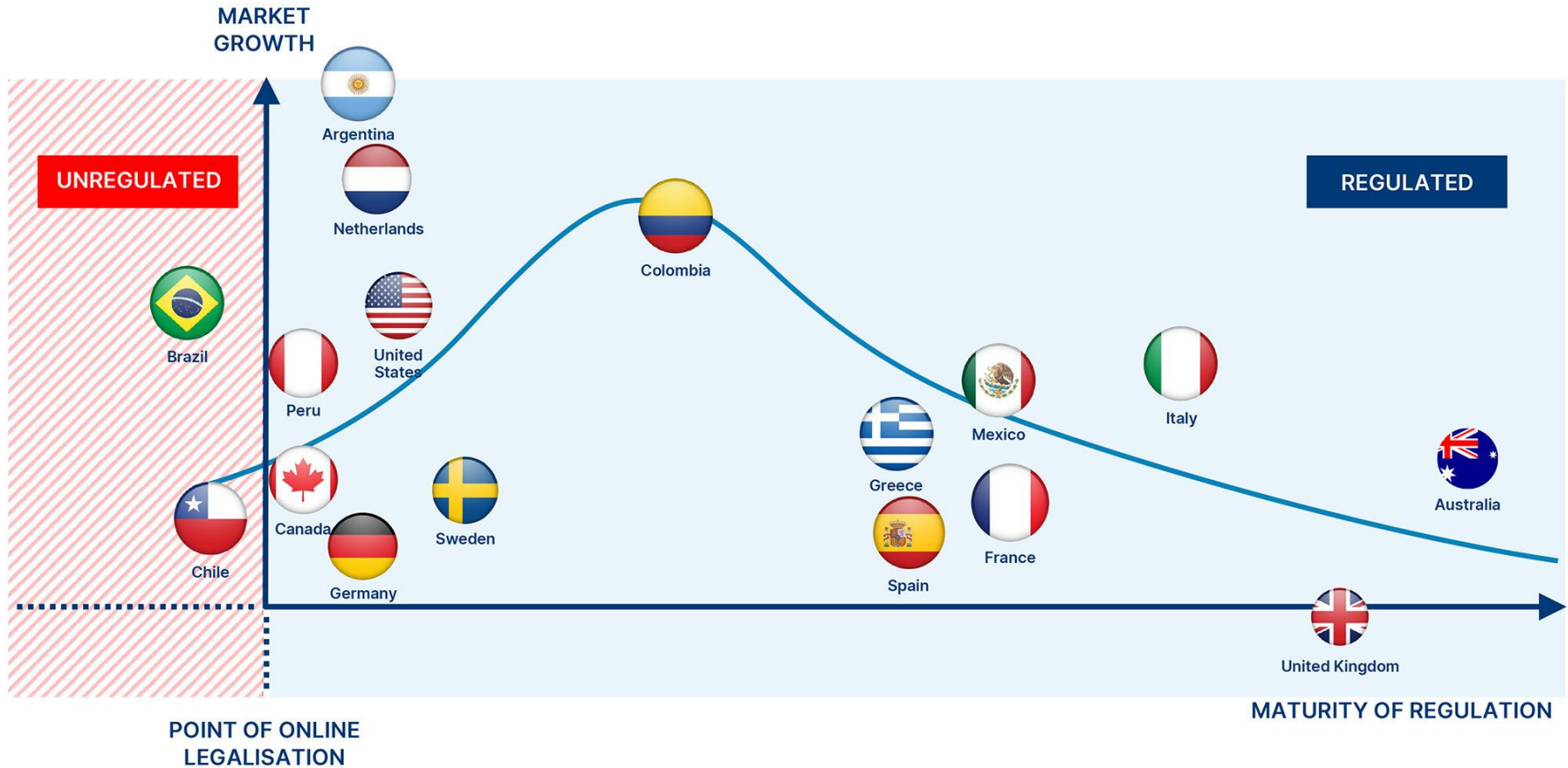
### More collaborative

#### Opened up content + platform



# Where we are going?

## In midst of a super cycle, we are the partner of choice for newly regulating markets



Regulation is the key driver of growth for the gambling industry.

Those countries that become newly regulated tend to see strong growth early on.

However, growth typically slows down after a certain period.

We have diverse exposure such that as markets mature, there are rapidly growing newly regulating markets to drive future growth

## Why we are the go to technology partner for newly regulating markets

Broadest product offering	<ul style="list-style-type: none"><li>• One-stop-shop for operators inexperienced in online</li></ul>
Strong Live offering	<ul style="list-style-type: none"><li>• Access to high quality offering for fastest growing product vertical</li></ul>
Leverage our expertise in services	<ul style="list-style-type: none"><li>• Make the most out of the opportunities of an expanding addressable market as online markets regulate</li></ul>
Regulatory knowhow	<ul style="list-style-type: none"><li>• Experienced in navigating the regulatory hurdles to ensure a smooth process prior to launching</li></ul>
Safer gambling tools	<ul style="list-style-type: none"><li>• Get ahead of rapidly evolving responsible gambling standards with our safer gambling tools</li></ul>

## Diversification of business model to capture value and increase addressable market

### Strategic agreements

- Targeted at operators inexperienced in online
- Typically involves a revenue share agreement and additional marketing and operational services
- Can involve injecting capital to help facilitate growth in exchange for equity

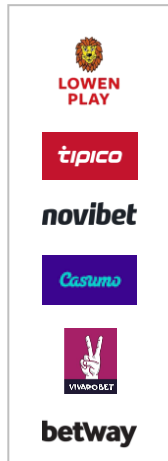
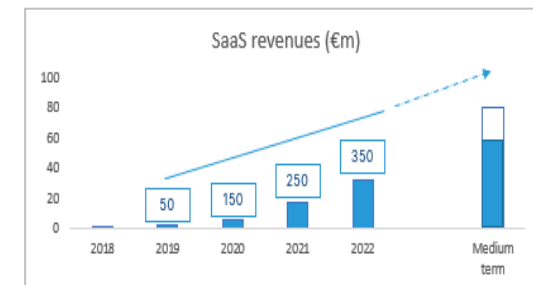


### Platform

- We have become a more collaborative business over past 5 years as we look to open up our ecosystem
- Playtech Open platform allows IMS licensees to access third party content where we take a small % revenue fee
- Marketplace business model allows for network effects
- Generated €43 million of revenue from our platform-based business model

### SaaS

- SaaS allows Playtech to serve operators quickly and smartly, increasing addressable market
- Provides “foot in door” to enable cross selling opportunities
- High margin business



# Where we are going?

Next presentations will go outline our most exciting growth opportunities

Live



Continuing to capitalise on a growing market

US + Canada



How we capture this huge opportunity

LatAm



Replicating our success in other markets



*playtech*

LIVE

B2B INVESTOR DAY

# Well-positioned to take advantage of growth in Live

- Live Casino represents an incredibly attractive opportunity, with industry analysts predicting the market to grow to \$18 billion by 2025\*
- Playtech is in a strong position to take advantage of this opportunity, by investing in:
  - Building out studio infrastructure and increasing capacity
  - Product innovation utilising proprietary and third-party IP
  - Our partnerships with operators, equipping them with the highest-quality products according to their requirements
  - Entertainment-led experiences
- We are focused on newly regulating or regulated markets, with a higher quality of revenue:
  - **US:** Significant preparation – multiple studios and leading content – to take advantage of substantial market opportunity
  - **LatAm:** New facility in Peru provides the platform to drive strong growth within LatAm, including the hugely attractive Brazil market
  - **Europe and RoW:** Continuing to expand our presence in Europe and RoW by investing in existing studio infrastructure
- Market-leading proposition, driven by strong content offering and execution, translates into #1 market share in several countries
- Also executing our strategy to cement Quickspin Live as the Premium Quality Live Casino games provider in the market, enabling us to take further market share while growing the core Quickspin Slot business

• Source: H2GC

# Live market set to expand rapidly

- Live market size estimated to reach GGR of \$18 billion by 2025\* with CAGR of 28%
- Playtech is focused on increasing its market share by:
  - Targeting expansion in further US states through new and existing Live studios
  - Offering creative and bespoke solutions for key clients
  - Tapping into new customer segments by capitalizing on cross-vertical Live Games which combine elements of sports, virtual sports and other
  - Focusing on recreational customers attracted by unrivalled suite of games (e.g., Jumanji) and opportunity to play in a safe, fun environment
- Globally, land-based operators are increasingly keen to add an online vertical, including exclusive tables (either in Playtech studio or in their own facilities)

• Source: H2GC



# Innovation in consumer entertainment

## Consumer trends:

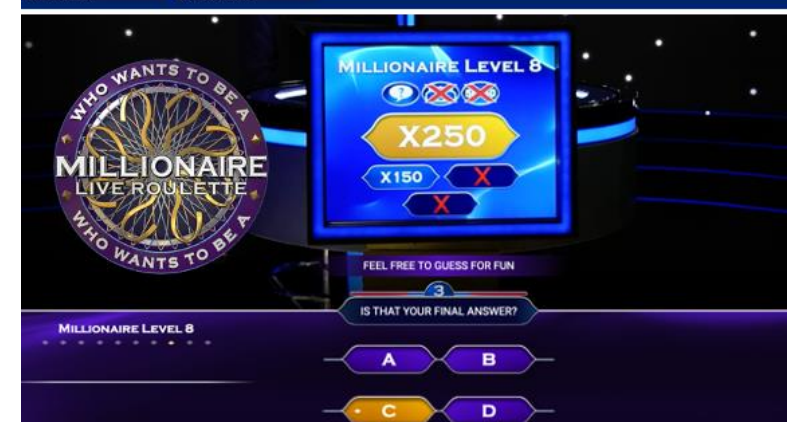
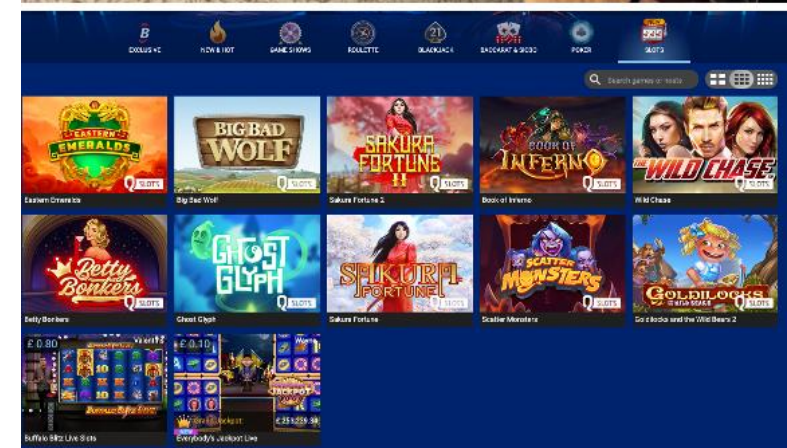
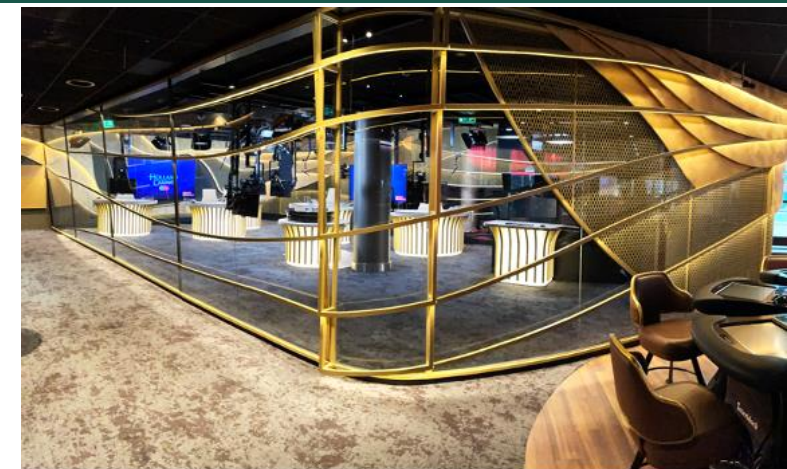
- Audiences are increasingly spending time watching streams, as well as betting
- Growing popularity of experience-led games that establish communities of players interacting with each other and the host
- Witnessing a shift from traditional RNG Games to Live Games and Hybrid Live/RNG concepts

## Operator trends:

- Land-based casinos looking to add online capabilities through dual installations
- Clients looking to stand out through bespoke and localised content

## Technology trends:

- Transition from using traditional casino equipment to advanced technologies like moving cameras, augmented reality (e.g., Everybody's Jackpot), horizontal & custom-made money wheels
- Robust proprietary video distribution system development in house by Live team



# Expanding existing sites and new studios under construction

>300 tables and >20 languages



**NEW JERSEY**



**SPAIN**



**ROMANIA**  
Extension underway



**MICHIGAN**




**SWITZERLAND**




**LATVIA**  
Extension underway




**PENNSYLVANIA**



**NETHERLANDS**  
Extension underway



**PERU**  
2<sup>nd</sup> studio location being established



**BELGIUM**



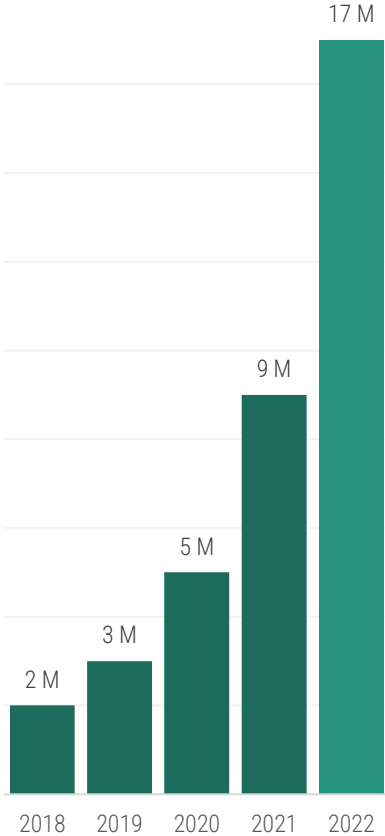
**UNITED KINGDOM**  
London studio underway



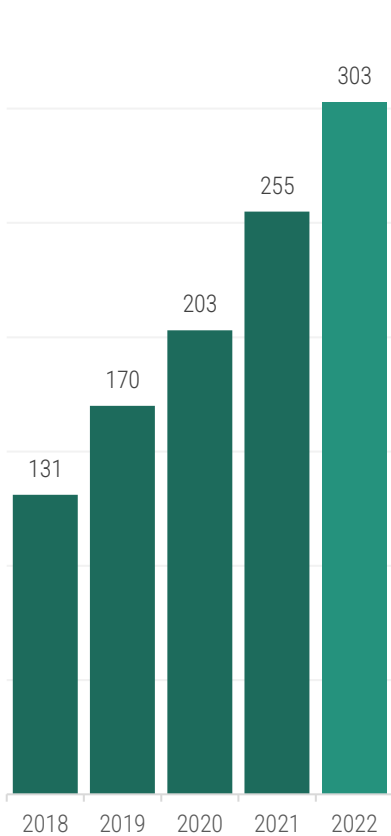
# Considerable growth set to continue in years to come

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues	47 M	62 M	90 M	114 M	143 M
EBITDA	11 M	23 M	36 M	43 M	54 M
Margin	23%	37%	40%	38%	38%
Wagering	22 B	27 B	37 B	55 B	65 B
Players	2 M	3 M	5 M	9 M	17 M
GGR	508 M	646 M	924 M	1 371 M	1 676 M
Hours of content streams	n/a	9.6 M	18 M	36 M	108 M

Live Players, YoY



Live Tables, YoY



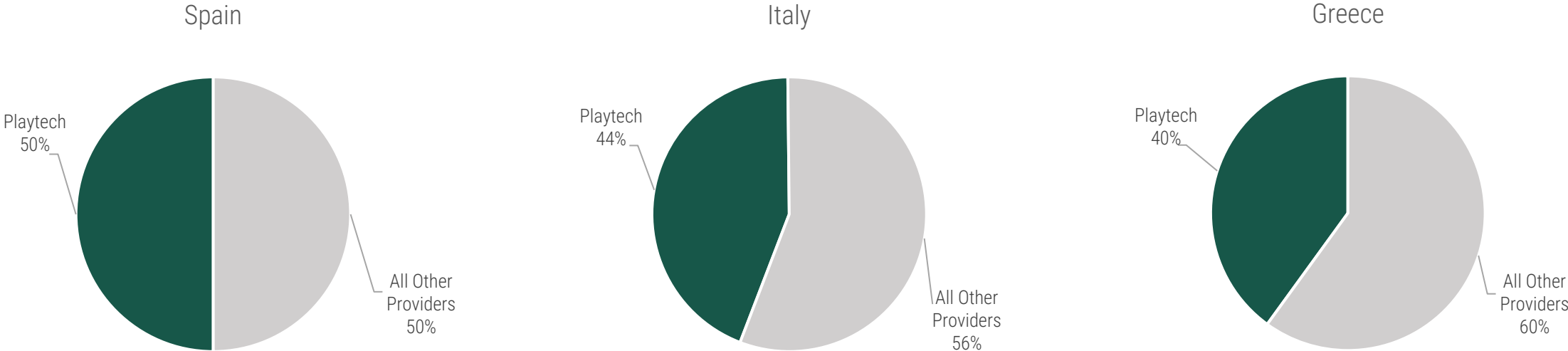
# Playtech's competitive advantage in Live

- We use our insights, gained from consumer research and other sources, to build an understanding of what customers want, so that we can develop and launch suitable products
- Set up to cater to the anticipated spike in demand for Live as consumer attitudes towards entertainment develop in the years ahead
- Focus on higher quality of revenue from regulated and soon-to-be-regulated markets, including the Americas and Europe
- Relationships with B2B clients established as “partnerships” rather than traditional client-supplier model
- Ability to provide bespoke enhancements, such as dedicated areas and sports products
- Constantly refreshing available content; between 9-12 new games concepts released every year
- Technological capabilities to support quick-to-market delivery of integrations and solutions
- Lobby of Playtech Live is the 2<sup>nd</sup> biggest visited real estate on the clients' sites, which has become an entertainment hub



# Market leader across multiple regulated markets in Europe...

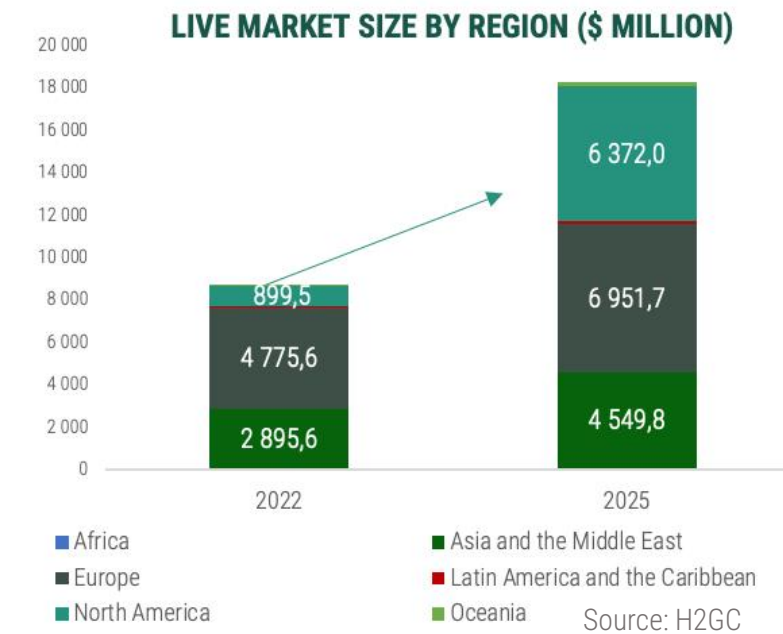
- We are seeing continued success and healthy market share gains in regulated markets where we have a presence
- Achieved by working with leading operators in those markets and leveraging our competitive advantages and expertise
- Impressive market share in countries where Playtech entered at a similar time to competition



Source: Playtech internal estimates

# The US market represents huge upside

- North America represents an incremental \$5.5 billion of the global Live market's expansion from \$8.5 billion to \$18 billion
- We have laid the foundations for success in US, with the required infrastructure, headcount, as well as being primed for further expansion
- Multiple tables already launched across the NJ and MI studios; with ready to be deployed to meet rising demand
- Each US studio designed to accommodate client requests for dedicated tables
- The only provider to offer bespoke games in the US



# Leading the exciting LatAm market

- LatAm represents another significant source of growth in the years ahead
- Existing market knowledge – derived from strategic agreements – positions us well to take advantage of the growing appetite for new verticals, such as Live
- Last year opened a new facility in Peru; initial demand has been strong, which bodes well for the future
- Plans underway to open a second site



# Our content-led innovation sets us apart

- Constant investment in product innovation through utilising proprietary and third-party IP:
  - Augmented Reality games
  - First ever Live Game game with Virtual Sports elements under casino license
  - Fire Blaze suite of games: Roulettes, Blackjack and Keno
  - AAA branded content including Jumanji-themed branded game
  - Live slots utilizing vast Playtech slot games library
- Encourages players to spend more time in the Playtech ecosystem, thus driving cross sell opportunity



# Leader in innovation entertainment

Market leadership is achieved through high-end technology utilisation, localisation, innovation and variety of available products. To cement this position, we provide:

- Bespoke games for Tier 1 licensees
- Localise generic network variants :
  - **Mega Fire Blaze Roulette** in Spain has reached more than 600 concurrent users and over 7 million of bets daily
  - **Who Wants to be a Millionaire? Roulette Live** in Greek offered as a bespoke game for key licensee in the market
  - **Spin a Win Wild** is a fully locally themed variant of a classical hit adapted for Brazil players
- Unique game concepts with registered patents (e.g. Live Slots and Jet Set Roulette)
- Rights for AAA brands that are used for Network and Dedicated bespoke developments



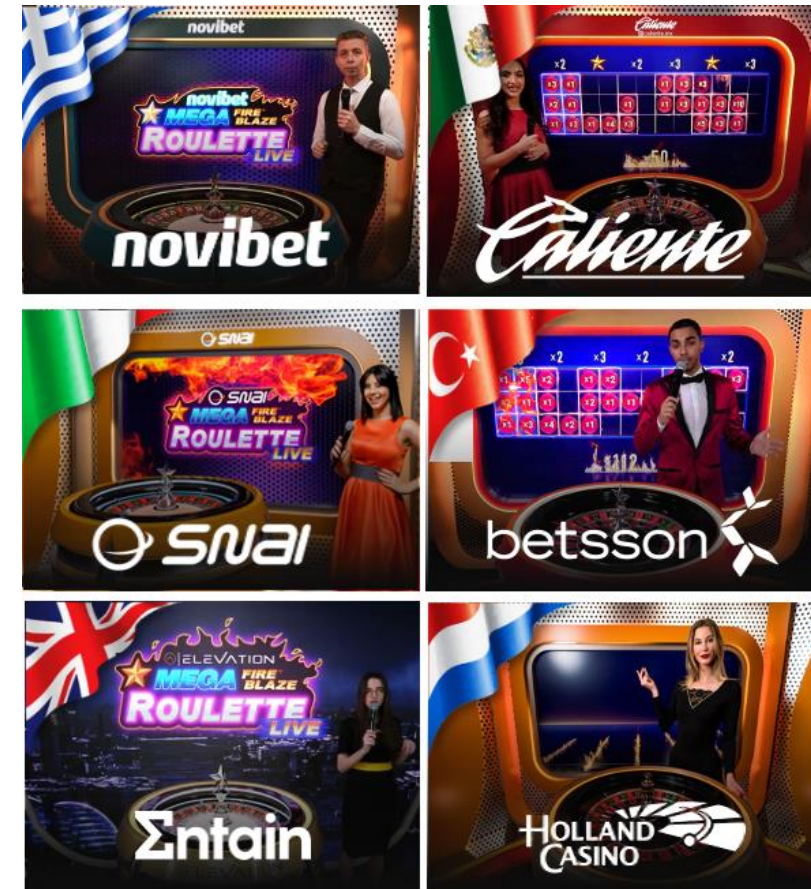
# Bespoke developments to drive engagement

- Emphasis on offering bespoke developments for major licensees to help differentiate themselves from the competition
- Hard coded footprint of our games surfacing on site
- Option to adapt network games or to create completely new concepts tailored to the client's needs
- Successful bespoke games already launched for several clients, including Entain, Flutter, 888, Stoiximan and others
- Added value through utilizing Playtech branded IP rights for bespoke developments
- Team of professional Live-focused Account Managers that enhance growth through proactive and tailored solutions; key selling point in the US market



# Case study: Mega Fire Blaze success story

- Mega Fire Blaze Roulette, a Playtech Live Casino hit, has evolved with multiple language variants to extend its success globally
- Fire Blaze Roulette is now considered the quality standard for dedicated roulette offers across the industry
- Mega Fire Blaze franchise continued its success with the Mega Fire Blaze Blackjack game, and the release of Lucky Ball in Q2 2023



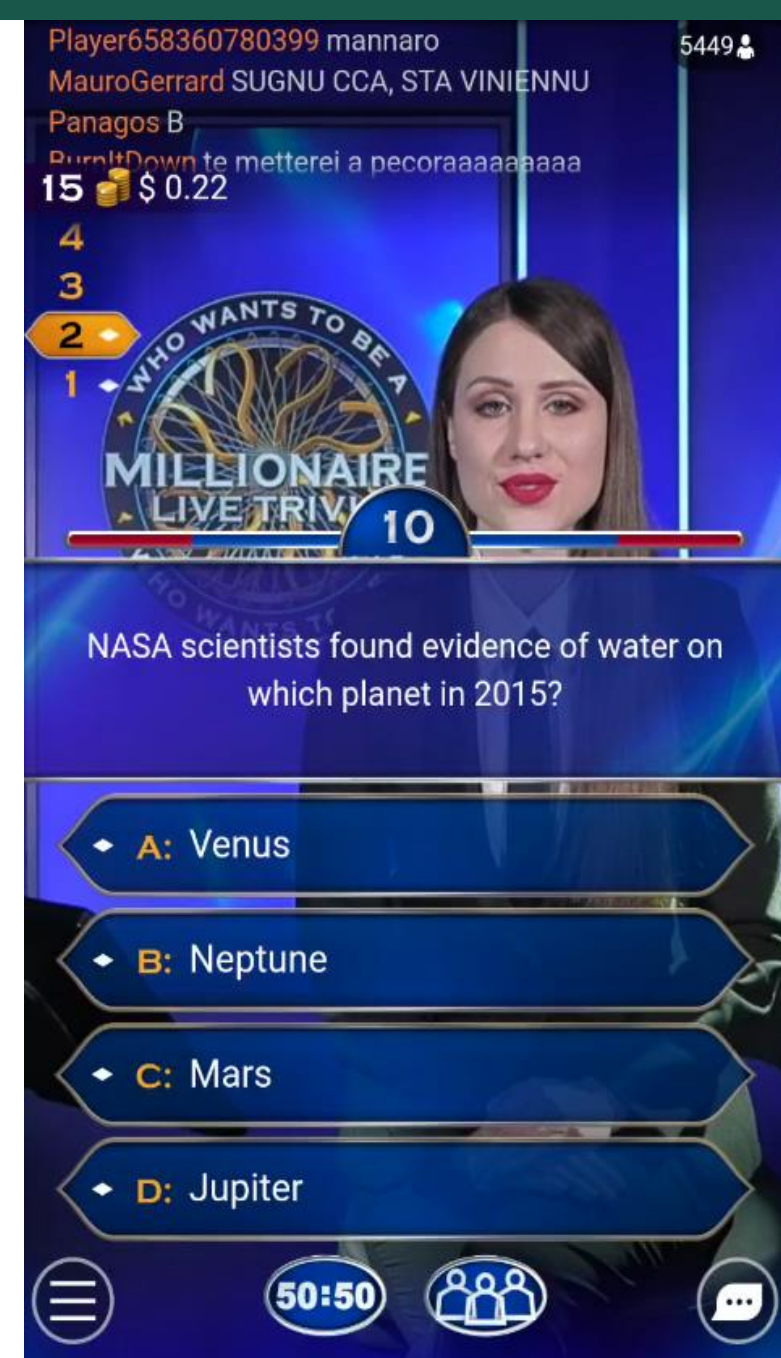
Mega Fire Blaze Blackjack & Mega Fire Blaze Keno



Coming in Q2

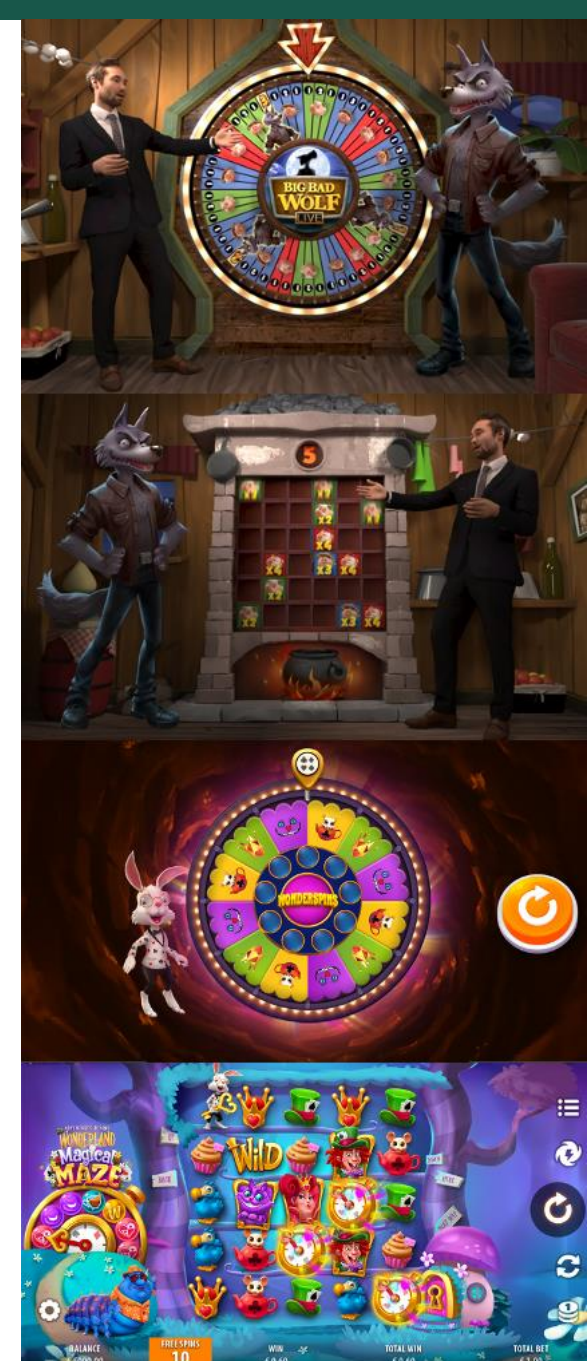
# Opening up skill-based gaming with Live Trivia

- The only free to play Live skill game in the industry
- Multiple types of Live Trivia offered across all jurisdictions
- Fully customisable products, which can be streamed either from Playtech or client premises
- USP for the US market
- Recent World Cup Network Trivia:
  - 58 shows throughout 29 days
  - 20,000 concurrent players daily
  - 550,000 players



# Quickspin Live another source of growth

- Playtech Live's RNG arm, with a focus on premium Live games
- 3 Live games already planned for the next 12 months, with the Big Bad Wolf Live Slots first to launch
- Distribution through existing and new direct integrations, as well as strategic placement in Live Lobby
- Rapidly taking market share from the competition
- Leveraging Quickspin's unique positioning in the Nordic markets
- Bespoke content for new and existing clients
- More resources allocated for the development of innovative new concepts



# Thank You!

# Capturing the US and Canada opportunity



Jonathan Doubilet

Marcus Yoder



- **Presence established:** Multiple US offices, infrastructure (Live studios), marketing and PR activity
- **Focus on what we know:** iCasino at center of strategy and will spearhead growth
- **iGaming TAM of \$12.8bn by 2027** up from \$5.3bn in 2022
- **Access to 79% of the current iGaming market:** Signed/pending US licensees represent \$4.2bn GGR in 2022
- **US games performing in line with/ahead of** competitors, mirroring EU/UK markets; IMS advantages recognized
- **Capture wallet share** - our next focus is on releasing premium games with existing customers
- **Targeting “top 5” status** in iCasino states; opportunity for further strategic expansion
- **Retail potential** demonstrated via rollout of SSBTs with Goldrush Gaming
- **Investment in HRD** demonstrates commitment and creates a tremendous platform for growth in the US

# Foundations in place for future success

- **Grown headcount to over 130:**
  - Studio staff in Michigan and New Jersey, while Pennsylvania under construction and awaiting certification
  - Mixture of existing Playtech colleagues and local experts
- **Server installations in 6 states:** Installations built to scale, as well as to host new product verticals, as they are legalized



# Growing our reputation as the partner of choice

- **Increasing visibility at awards and conferences:** Presence at G2E, iGamingNext NYC, IAGA and SBC Americas
- **Engaging with leading media outlets:** CNBC, WSJ and GGB, among others
- **Shaping policy and regulatory discussions through work with:** AGA, AGEM, iDEA, Indian Gaming Association as well as state regulators and policymakers
- **Championing safer gambling by engaging with:** UNLV, Responsible Gambling Council of Canada (RGC, Nat'l Center for Problem Gambling, Kindbridge)



- “Playtech provides the tech and talent globally for casino games with a dealer...”



- “...a gambling technology company which offers live dealing...”
- “...a big player in online gambling...providing a variety of license companies around the world”

# Access to nearly two-thirds of the current iGaming market

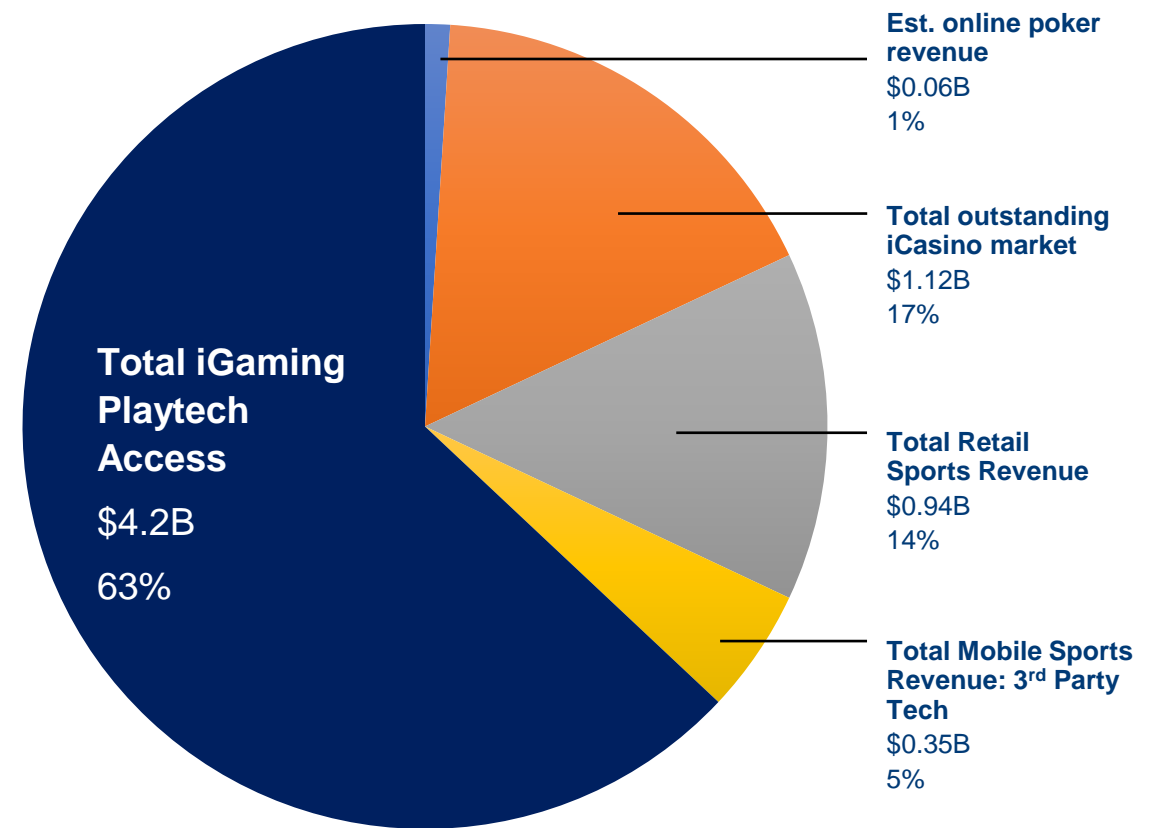
- US iGaming and Sports betting market worth \$6.6bn GGR in 2022<sup>1</sup>, excluding in-house sports betting of \$6.2bn
- Ontario adds an additional c. \$1.8bn<sup>2</sup>
- **Playtech has signed agreements or is pending signature for access to 79% of the US iGaming (RNG + Live Dealer) market, representing \$4.2bn GGR**
- Playtech still to secure access to:
  - Non-secured iGaming access in 5 states, at \$1.1bn
  - Outsourced retail sports betting, 3rd party online sports betting and poker, at \$1.3bn.

1. AGA commercial gaming revenue tracker CY 2022

2. Forecast based on run-rate for previous 3 quarters, as reported by iGaming Ontario. Includes in-house sports betting

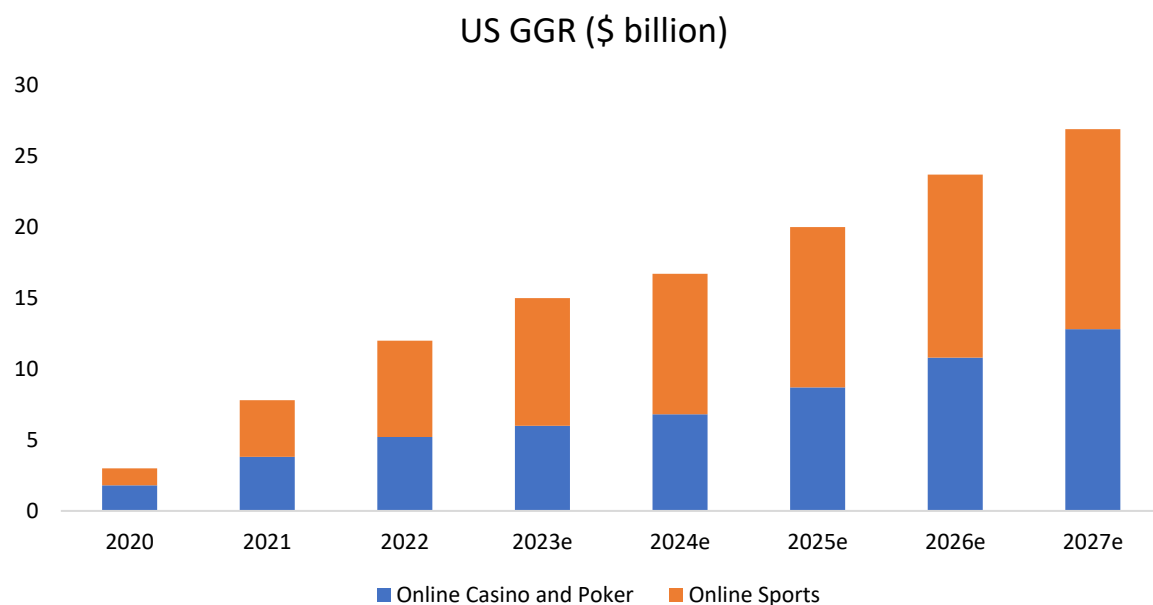
3. In-house sports betting-derived GGR of \$6.21bn is not included in PT's B2B target TAM

## Available US iGaming & Sports GGR 2022<sup>3</sup>



Source: AGA commercial gaming revenue tracker CY 2022

# US market expected to more than double from FY22 to FY27

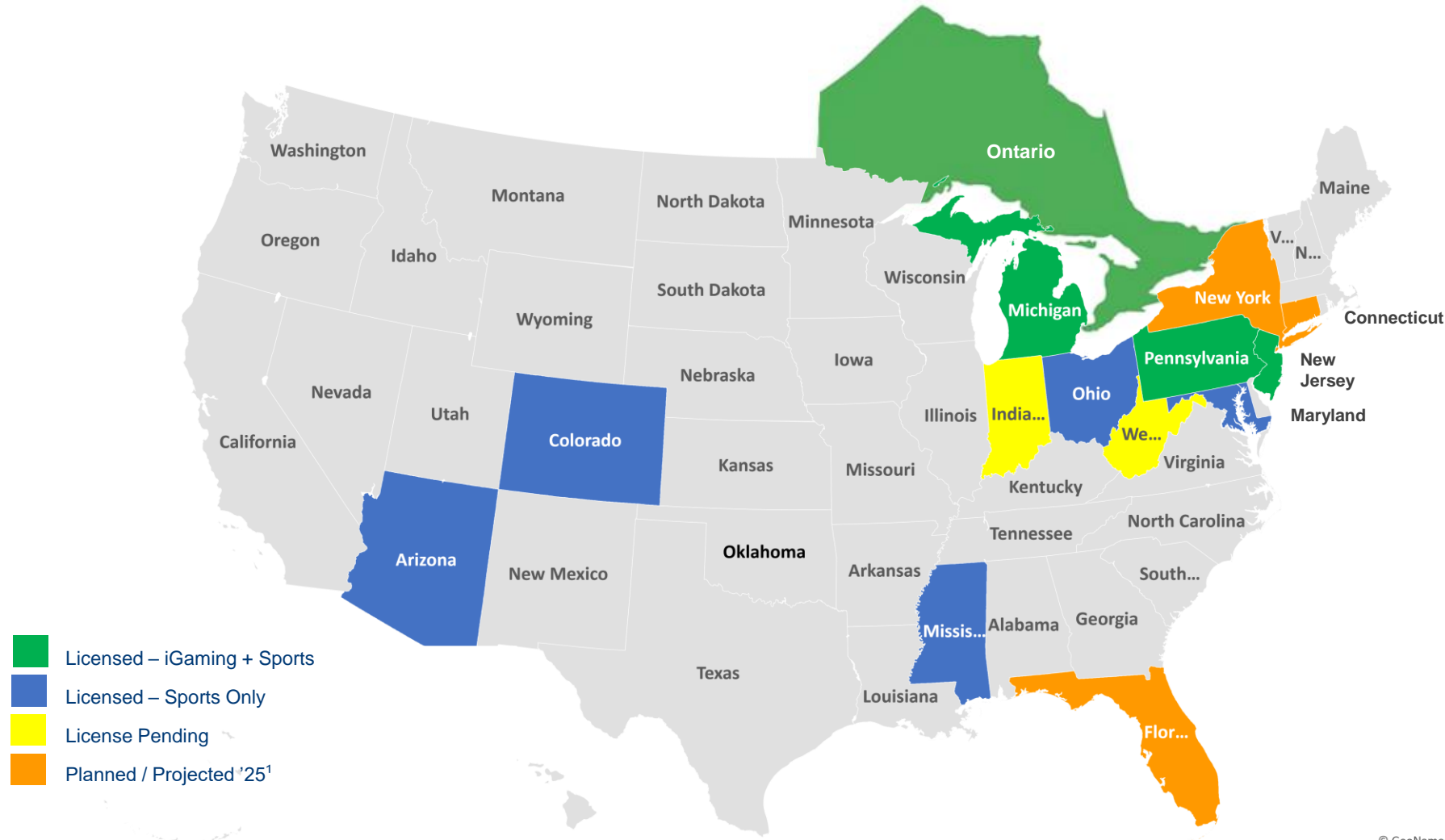


Eilers & Krejcik - U.S. Sports Betting And Online Casino Outlook – Jan '23

- FY 2027 expectations:
  - iGaming in 12 states, generating \$12.8bn GGR (NY alone expected to generate \$2.8bn)<sup>1</sup>
  - Sports betting in 47 states, generating \$14.1bn GGR online
  - Key states to come are NY, IN, CA, FL, and TX
- Continue to expect sports betting states to outnumber iGaming states 5:1
- **iGaming GGR will remain c. 40-50%+ of total GGR**

1. Eilers & Krejcik: U.S. Sports Betting And Online Casino Outlook – Jan. 2023

# US & Canada licensing status: current & projected



1. Tribal licensing in Florida and Connecticut  
 2. Eilers & Krejcik: U.S. Sports Betting And Online Casino Outlook – Jan. 2023

### Legal Snapshot

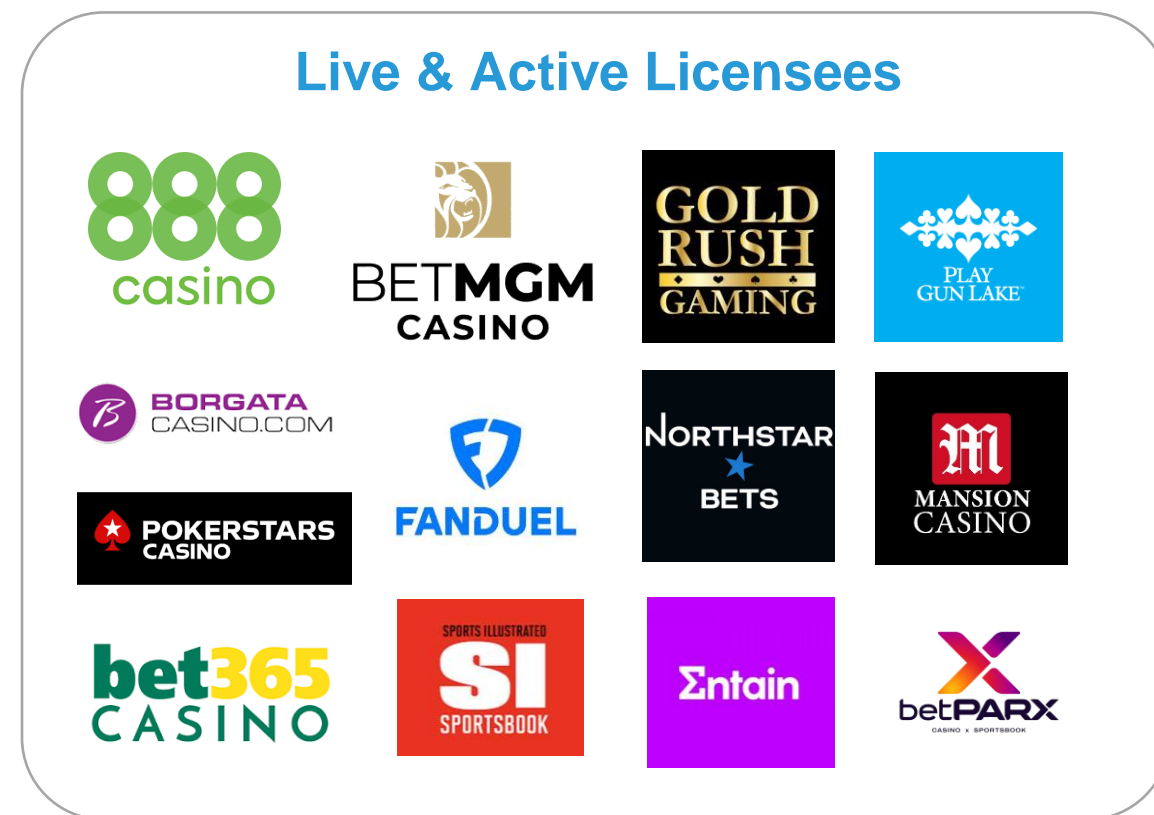
Product	States Live	Addtl. by '27	Total in '27
Online Casino	6	3-6	9-12
Online Sports	26	10	36
Retail Sports	33	13	46

- Indiana & NY expected to legalize Online Casino in 2024
- 48 states expected to legalize sports betting by 2027
- CA, OK, TX & FL may be retail-only in medium term

Powered by Bing  
 © GeoNames, Microsoft, TomTom

# Significant progress in US & Canada since launch

- Launched IMS Platform, RNG Casino content, Live Dealer and Sports Betting in 6 jurisdictions (including Ontario) with over a dozen brands
- Q1 2023 US launches included:
  - PokerStars in Michigan
  - SI Casino (888) in Michigan
  - betPARX in Ohio
- Retail Sports introduced via Gold Rush Gaming in Ohio, with 100+ SSBTs launched or rolling out
- **Upwards of a dozen projects underway for remainder of year, including new state expansions for current licensees, as well as new licensee launches**

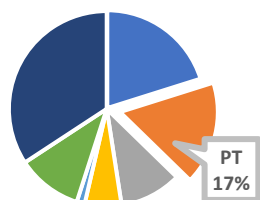


# Market-leading content already delivering successful results

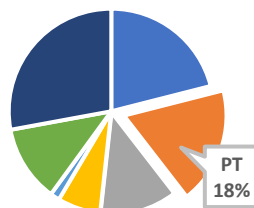
- When analysing slot wallet-share of US and Canada platform customers, 4 of the top 10 games are from Playtech
- Playtech games out performing established and land-based classics:
  - US-focused Eilers & Krejciak's "February Top 25 Online Slots" ranked 88 Fortunes #2, Capital Gains #9 and Cleopatra #11
  - Playtech's GPAS Fireblaze series outperforms all but Capital Gains on a turnover-basis
- **Huge potential for further growth when premium content is released this year, with at least 2 of the "Big 3" operators**
- Playtech has 4 out of the top 10 slot games where operators are using Playtech's PAM

## PT IMS Wallet Share – US + Canada

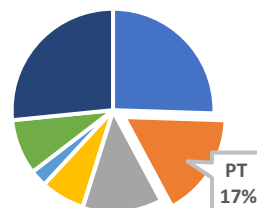
December 22



January 23



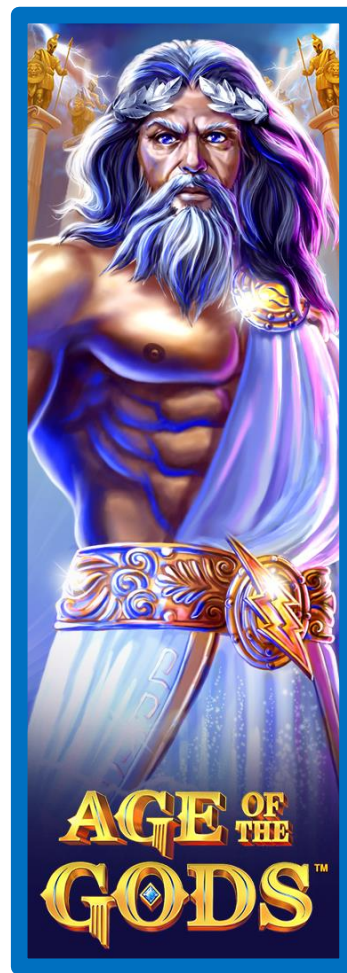
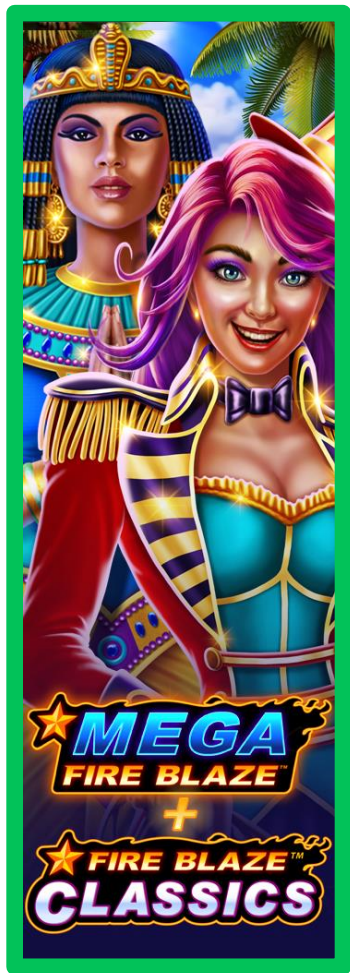
February 23



Source: Playtech internal data and estimates



# Power suites: Coming to America!



# Branded games: Coming to America!



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# Live dealer / live casino: preparing for growth

- Completed Live Studios:
  - New Jersey
  - Michigan
  - Pennsylvania (2023)
- Huge growth potential
- Focused on:
  - Growing operator partnerships
  - Growth of casual players with gameshows, trivia
  - Capability to deliver bespoke Live games



**Operates  
24/7, 365 days**



**Local  
dealers**

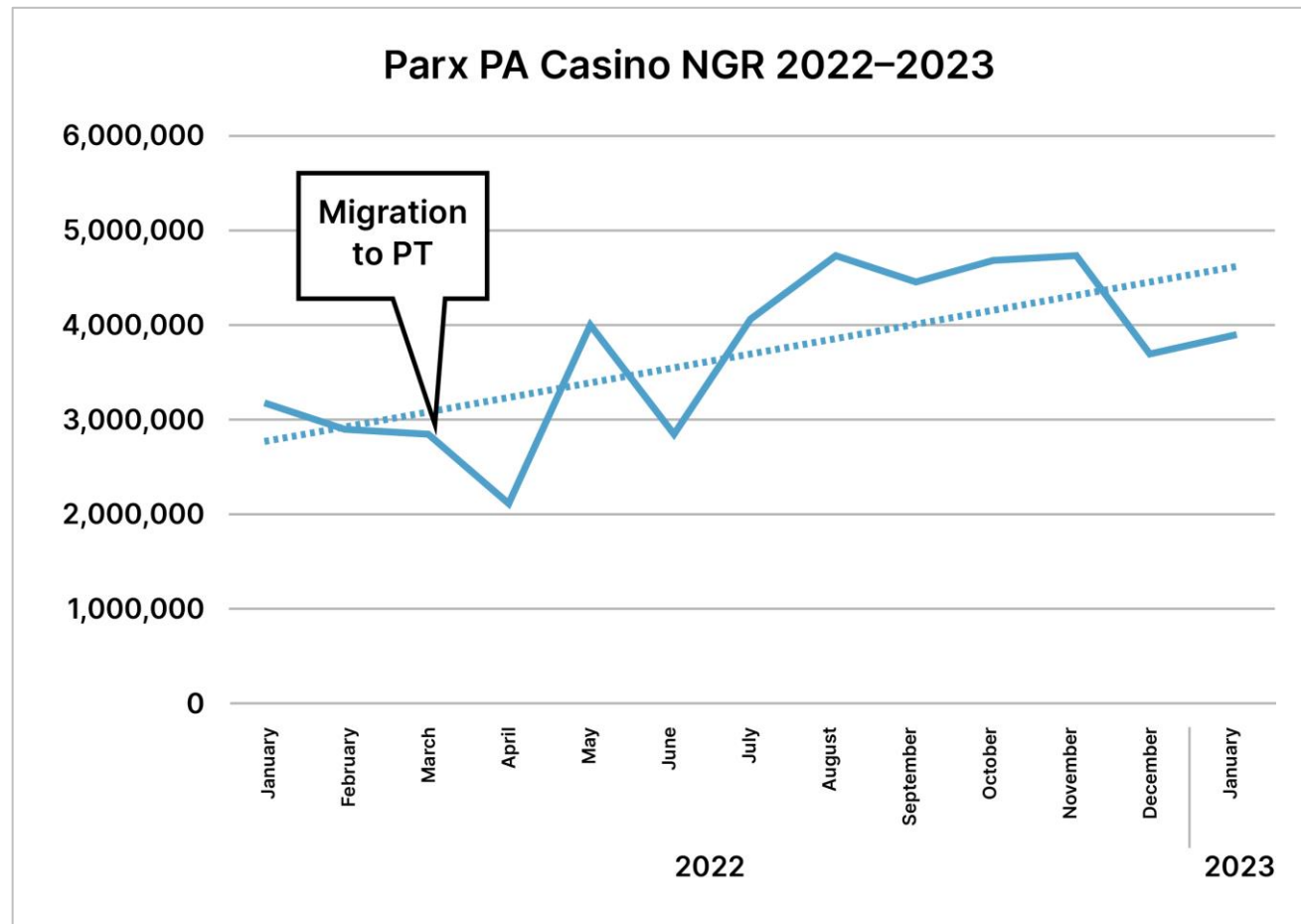


**Culturally diverse dealers**



# IMS/PAM is a major competitive advantage

- PAM replacement cycles underway
- Leveraging experience of GAN to Playtech migration for Parx
- IMS Customer Engagement Center is market-leading
- Customer Journeys raise lifetime value of a player
- BetBuddy is the most advanced platform for responsible gaming and player protection



Source: PGCB Interactive Gaming Revenue 2022/2023



**Infrastructure  
established**

**Secured iCasino  
and Live market  
access**

**Land and expand**

# LatAm – replicating our success

Mor Weizer, CEO



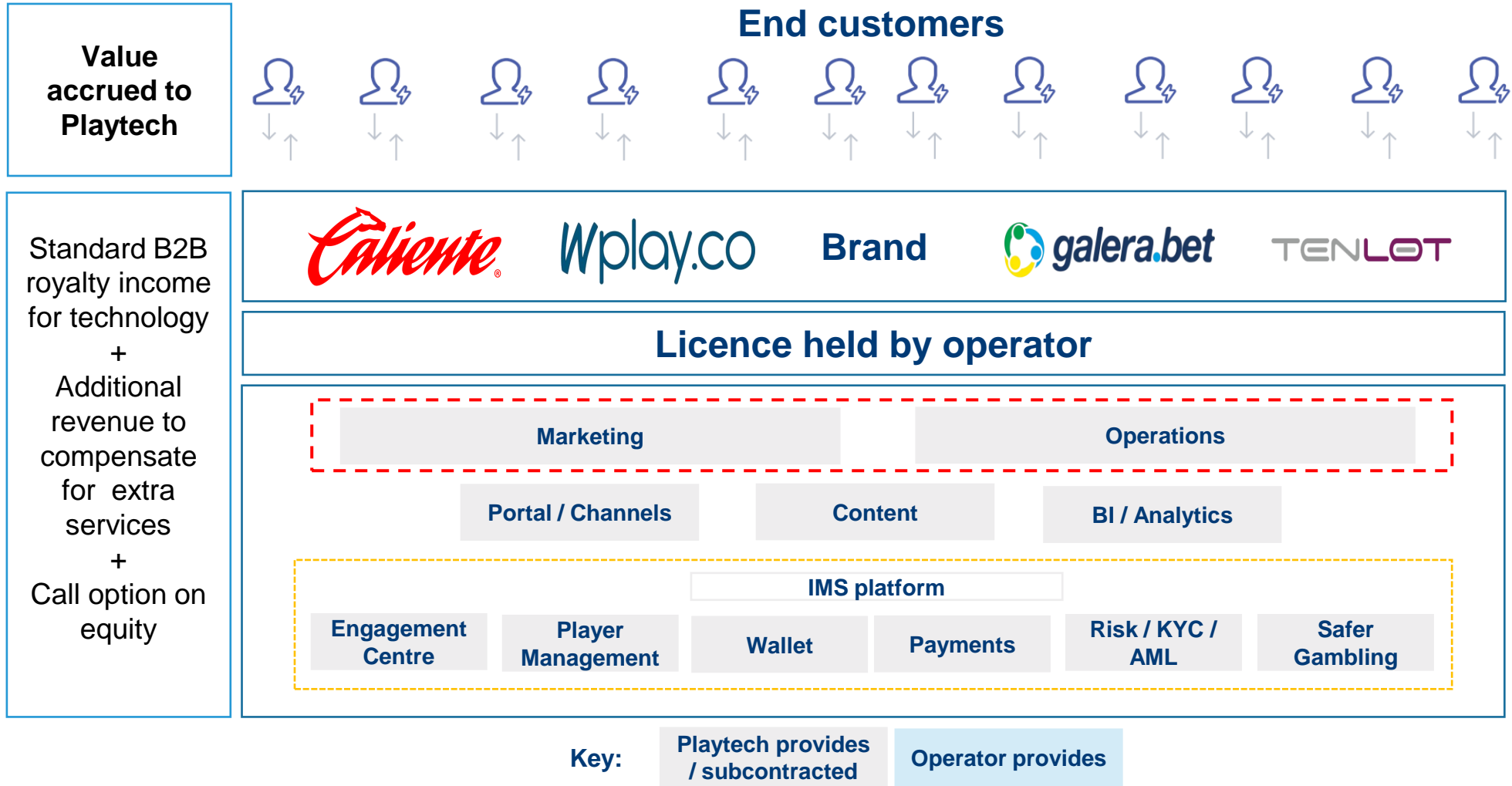
## LatAm: attractive demographics and regulatory trends



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

Source: worldometers, worldbank

## Utilising Playtech’s expertise in online to rapidly gain market share



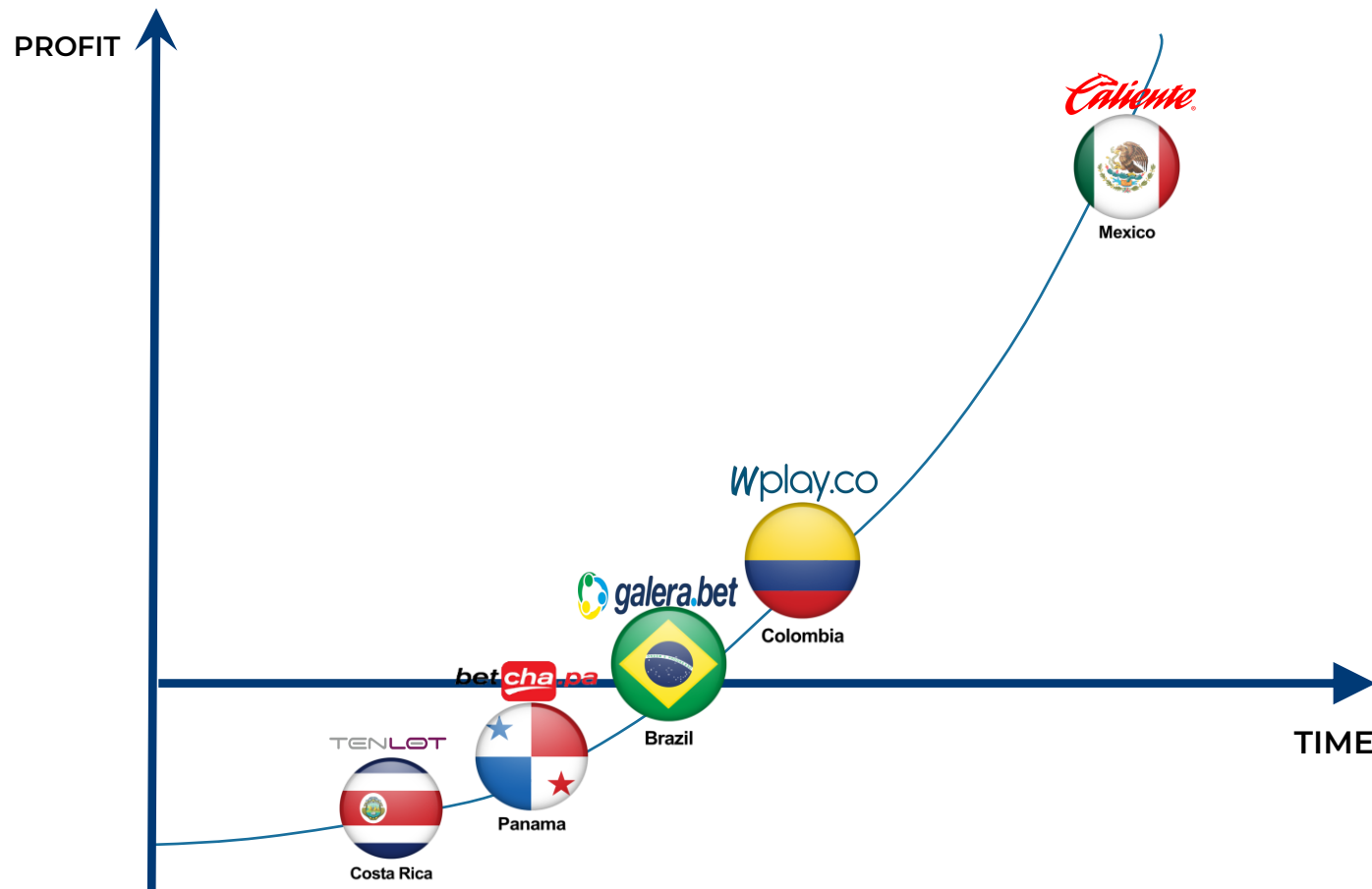
Partner with “local heroes” with strong retail brand but lack online expertise

Allows operators to take advantage of being first-to-market

Able to capture more of the value, in return for investing capital to help facilitate growth

# What is the revenue and profit profile of structured agreements?

## LatAm: structured agreements at different stages of their life cycle; room for growth



- At the start of the agreement, the venture is usually loss making as funds are used for establishing an online presence such as marketing.
- As the partnership progresses and is successful, operational leverage can mean a steep increase in earnings
- Further structured agreements are being pursued in those countries that are the path towards regulating,



## Structured agreements to date

Successful track record of material cash generation



>€900m

and counting...



>€550m

and counting...



>€350m

and counting...

## We are most excited about Galerabet in Brazil and Wplay in Colombia



- Strategic agreement with Caliente has been a big success
- Dominant local partner and attractive market dynamics



- Brazil is 6<sup>th</sup> most populous country in the world...
- ...and 8<sup>th</sup> largest by GDP
- On the path towards regulation, with sports betting expected to be regulated in 2023
- At present, significant competition from unregulated players. Playtech expects to benefit from the move towards regulation



- Wplay a leading brand in Colombia
- Strong growth trajectory in Colombian market as players shift to online
- Attractive demographics with growing middle class and youthful, sports-mad country
- Profitable from 2020. Expected to continue to increase its contribution to the growth of B2B

# Concluding remarks



Mor Weizer, CEO



## Well-positioned to drive revenue growth and expand margins in the medium-term

- B2B has been transformed into a **higher-quality business**; diversified across geographies and products
- We have multiple business models that enable Playtech to **capture value and grow the addressable market**:
  - **Strategic agreements** offer a proven path to gain exposure to fast-growing, highly attractive markets
  - **Platform** model and **SaaS** gives Playtech access to the entire spectrum of operators
- We are hugely excited by the potential to build and expand our presence across the Americas :
  - Recent partnerships with **Hard Rock Digital** and **NorthStar** provide a tremendous platform for growth in North America
  - **Caliente** and **Wplay** continue to go from strength to strength, with **Galerabet** on track to establish a leadership position in Brazil
- We are in a strong position to take advantage of the rapid growth in **Live Casino**; an outstanding combination of physical infrastructure, leading content and expertise
- Confident in setting a B2B medium term Adjusted EBITDA target of €200 million - €250 million

Q&A

