



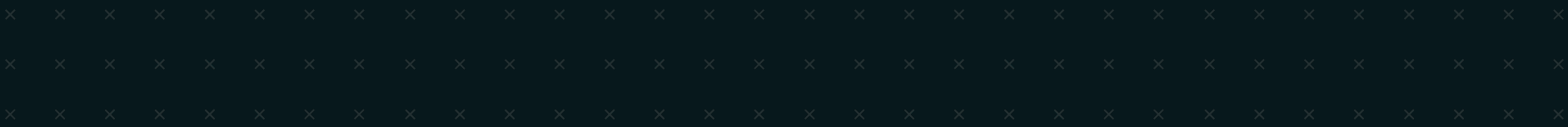
2020 Scorecard

Full Year Results | Year Ending 31 December 2020



Sportech[®] PLC

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2020 Scorecard

2020 Financial Review

2020 Operating Review

2021 Playbook

Richard McGuire

Chief Executive Officer

Tom Hearne

Chief Financial Officer

2020 Scorecard

Key Developments

Despite the challenging global environment, our performance in 2020 was better than initially forecast in March 2020, with the Group delivering on key performance metrics:

- Delivered significant business contract growth.
- Increased international commingling handle by 26%
- Reduced Group capex by 37%.
- Materially reduced separately disclosed items.
- Agreed sales of Global Tote, Bump 50:50 and a freehold property in Connecticut; potential capital returns to shareholders and investment capital to pursue Connecticut gaming expansion.
- Retail online betting handle growth +72%.



Financial Review

Tom Hearne
Chief Financial Officer

Financial Summary



Continuing Businesses

£000's	Continuing 2020 £'000	Discontinuing 2020 £'000	Total 2020 £'000	Continuing 2019 £'000	Discontinuing 2019 £'000	Total 2019 £'000
Revenue	19,966	25,755	45,721	33,571	31,212	64,783
Gross Profit	10,534	23,531	34,065	18,343	28,544	46,887
Adjusted EBITDA ¹ pre sports betting investment	(2,037)	4,632	2,595	3,422	5,891	9,313
Adjusted EBITDA ¹	(2,298)	4,632	2,334	1,649	5,891	7,540
Adjusted ¹ (loss)/profit before tax	(5,177)	(810)	(5,987)	(2,040)	1,235	(805)
(Loss)/profit before tax	(10,567)	(2,034)	(12,601)	(9,661)	1,231	(8,430)
(Loss)/profit for the year	(10,270)	(2,562)	(12,832)	(15,454)	990	(14,464)

1. Adjusted profit measures exclude the effects of expenditure Management believes should be added back (separately disclosed items) and share option charges; see note D of this announcement.

Revenue Components



£000's	2020	2019
Lottery service revenues	2,898	4,745
Total Lottery	2,898	4,745
Venues – wagering revenue	15,596	24,217
Venues – F&B revenue	1,472	4,348
Total Venues	17,068	28,565
Total revenues	19,966	33,310

* Presented using constant currency for 2019.



Lottery Summary Financials

£'000s	2020	2019
Total service revenues	<u>2,898</u>	<u>4,745</u>
Contribution	2,082	3,520
Contribution margin	71.8%	74.2%
Adjusted operated expenses, net	<u>(1,107)</u>	<u>(825)</u>
Adjusted EBITDA	<u>975</u>	<u>2,695</u>
Intangible assets capitalised	230	130
Purchase of PPE	<u>121</u>	-
Total capex in year	<u>351</u>	<u>130</u>

* Presented using constant currency for 2019.



Venues Summary Financials

£'000s	2020	2019
Food and beverage	1,472	4,348
Wagering revenue	15,596	24,217
Total revenues	17,068	28,565
Contribution	8,133	13,858
Contribution margin	47.7%	48.5%
Adjusted operated expenses, net	(9,218)	(11,631)
Adjusted EBITDA	(1,085)	2,227
Purchase of PPE	29	199

* Presented using constant currency for 2019.



Revenue Adjusted to EBITDA

£000's	2020	2019
Revenues	19,966	33,310
Cost of sales	(9,432)	(15,108)
Marketing & distributions	(319)	(824)
Contribution	10,215	17,378
Contribution margin	51.2%	52.2%
Staff costs	(8,218)	(10,493)
Property costs	(2,888)	(3,017)
Other costs	(1,146)	(468)
Total "adjusted" operating expenses	(12,252)	(13,978)
ADJUSTED EBITDA(1)	(2,037)	3,400

(1) Adjusted EBITDA excludes Sports Betting costs.

* Presented using constant currency for 2019.

Cash flow



£000's	2020	2019
Adjusted EBITDA (continuing and discontinued)	2,334	7,540
Acquisition and disposal	5,680	(677)
Purchase of property plant and equipment	(753)	(1,168)
Capitalised software	(1,650)	(2,648)
Lease Liabilities	(1,655)	(1,879)
Separately disclosed items paid (net)	(484)	(1,731)
Working capital	1,552	545
Tax and interest paid (net)	(1,100)	(1,318)
FX impact	(72)	(407)
Net cash flows for the year	3,852	(1,743)
Opening cash (excluding customer balances)	12,985	14,728
Closing cash (excluding customer balances)	16,837	12,985
Less cash held by assets for sale (excluding customer balances)	(5,481)	-
Add customer balances – continuing group	465	2,580
Cash at end of year on balance sheet	11,821	15,565

Balance Sheet



£000's	Non-current	Current	Combined
Goodwill	604	-	604
Intangible, PPE, Right-of-use	13,553	-	13,553
Cash	-	11,821	11,821
Trade and other receivables	156	1,517	1,673
Assets classed as held for sale less directly associated liabilities	-	20,164	20,164
Inventories	-	120	120
Deferred tax asset/(liability)	4	(94)	(90)
Net tax liabilities	-	(3,258)	(3,258)
Trade payables	-	(14,104)	(14,104)
Lease liabilities	(3,059)	(823)	(3,882)
Provisions	(1,121)	(321)	(1,442)
Net assets	10,137	15,022	25,159

Operating Review

Richard McGuire
Chief Executive Officer

2020 Operating Divisions



GLOBAL TOTE

Leading supplier of betting technology solutions to the global gaming industry.



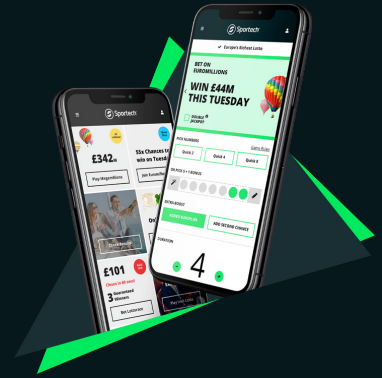
BUMP 50:50

Innovative digital fundraising raffle solutions for charitable foundations.



VENUES

Hold rights to conduct online and retail pari-mutuel betting in Connecticut, USA.



LOTTERY

Supplier of retail and online lottery solutions to the global gaming industry.



Global Tote

Terminal Strategy

- Launched new terminal software and hardware initiative.
- Introduced new and updated mobile betting options.

Global Commingling Strategy

- Delivered growth in Tote Superpool at Royal Ascot, generating £137 million in handle (2019: £92 million) despite COVID-19.
- Extended commingling and core Tote services agreements with UK Tote Group, Danske Spil and Veikkaus, among others.
- Began offering popular French Quinté+ pool to global partners.

Integration Strategy

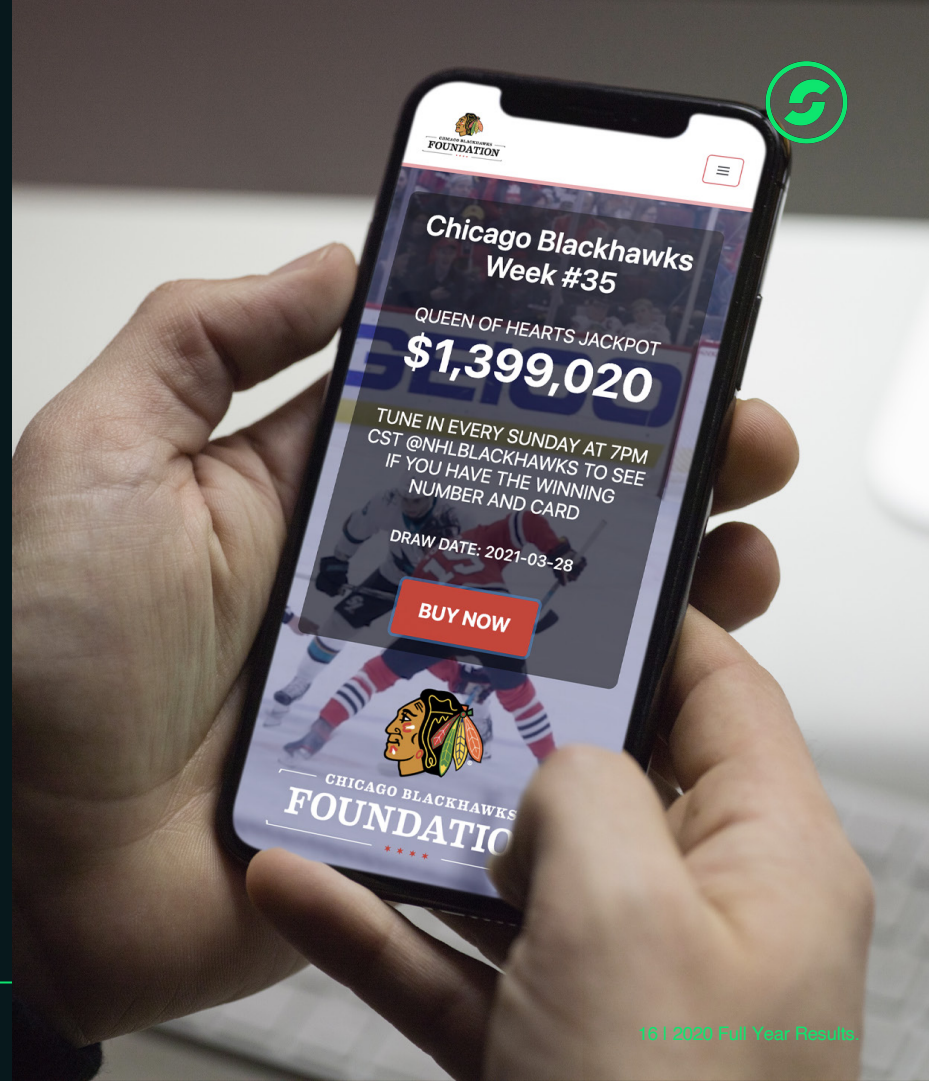
- Integrated Quantum™ System with lottery sales networks.

Client Growth Strategy

- Renewed contracts with twenty-four Racing and Digital clients.
- Joined World Tote Association.
- Successfully launched Tote betting for live racing at Moscow.

Bump 50:50

- Strengthened leadership team.
- Further expanded into non-sports markets with significant growth in non-profit charity clients.
- Significantly increased sales of progressive jackpot raffle variation.
- Introduced new online raffles for clients in several states.
- Deployed contactless tap-and-pay technology with Paysafe to enable safe in-person raffle tickets sales.
- Significant client growth, core new licenses, and initial success with online progressive jackpots led to interest from various parties, ultimately resulting in the sale announced in Q1 2021.





Venues

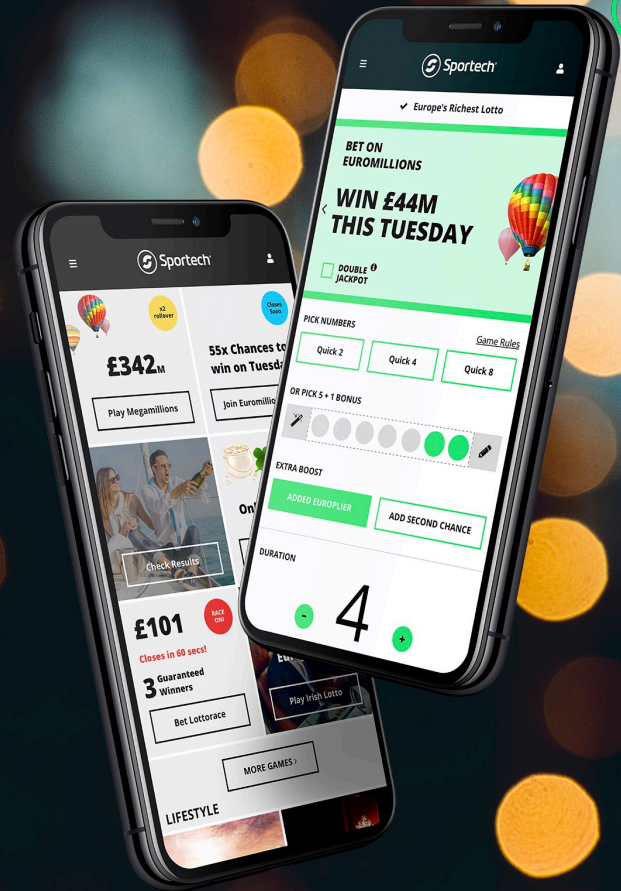
- 2020 operations significantly impacted by COVID-19 with venues closed for nearly six months.
- Being part of Connecticut expanded gaming initiative remains paramount.
- Digital platforms rose to prominence with 42% growth in handle over prior year in Connecticut and 72% overall online retail growth.
- Implemented new digital marketing and CRM tools to manage and sustain online growth.
- Reduced venue footprint to 11 locations but remain in key markets and population centres.
- Agreed sale of a freehold property and initiated search for a suitable replacement.
- Focus in 2021 on managing the fixed cost base and assessing options to enhance profitability.



MYWINNERS.COM

Lotteries

- COVID-19 challenged Lottery client operations and impacted sales for several months in 2020.
- Progressed online lottery platform for key client.
- Joined the North American Association of State and Provincial Lotteries (NASPL).
- Pursuing opportunities with private and national lotteries, drawing on the Sportech brand, legacy, products, and digital expertise to offer enhanced lottery capabilities.



2021 Playbook

Deliver shareholder capital returns.

Secure position in CT expanded gaming.

Execute corporate opportunities.

Materially reduce corporate cost base.

Assess new growth opportunities.



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