

2021
Half Time Scorecard
Interim Results | September 2021



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2021 Half Time Scorecard

2021 H1 Developments

Financial Summary

Operating Review

H2 2021 Playbook

Richard McGuire
Chief Executive Officer

Andrew Lindley
Chief Operating Officer

Tom Hearne
Chief Financial Officer

Nicola Rowlands
Group Financial Controller

H1 2021 Scorecard

Key Developments

- Completed key corporate transactions.
- Successfully managed *discontinued operations*.
- Aligned business to focus on substantial growth opportunities.
- Significantly enhanced Group cash position.
- Initiated substantial capital return plan.
- Set out move to AIM market, completed July.
- Progressed role in Connecticut expanded gaming initiative.
- Built on recent developments to deliver a less capital-intensive business going forward.
- Built upon 2020 online retail betting handle growth +16% (2020: +45% on 2019).



Financial Review

Nicola Rowlands
Group Financial Controller

Tom Hearne
Chief Financial Officer



Financial Summary

Continuing Businesses

£000's	H1 2021	Reported Currency vs 2020	Constant Currency vs 2020	Constant Currency H1 2020	Reported Currency H1 2020
Revenue	13,445	70.3%	60.5%	7,893	8,377
Gross Profit	7,075	59.4%	77.3%	4,439	3,990
Contribution ¹	6,848	62.6%	85.3%	4,212	3,695
Adjusted EBITDA before sports betting investments ²	457			(2,245)	(2,380)
Adjusted EBITDA ³	266			(2,391)	(2,537)
Profit/(loss) before tax from continuing operations	1,240			(9,240)	(8,996)
Adjusted LBT from continuing operations ⁴	(735)			(4,342)	(4,076)

1. Contribution is defined as gross profits, less marketing and distribution costs.
2. Excludes sports betting investments during the period, amounting to £191k (2020: £157k).
3. Adjusted EBITDA is earnings before interest, taxation, depreciation and amortisation, share option charges and separately identifiable items as reported in Note 1 of the financial statements.
4. Adjusted loss before tax ("LBT") from continuing operations is the aggregate of adjusted EBITDA, share option charges, depreciation, amortisation (excluding amortisation of acquired intangibles), and normal finance charges.

Revenue Components



£000's	H1 2021	H1 2020
Lottery service revenues	1,940	1,108
Total Lottery	1,940	1,108
Venues – Wagering revenue	10,681	6,020
Venues – F&B revenue	824	765
Total Venues	11,505	6,785
Total Revenues	13,445	7,893

* Presented using constant currency for 2020.



Lottery Summary Financials

£'000s	H1 2021	H1 2020
Total service revenues	1,940	1,108
Contribution	1,342	441
Contribution margin	69.2%	39.8%
Adjusted operated expenses, net	(561)	(378)
Adjusted EBITDA	781	63
Intangible assets capitalised	95	-
Purchase of PPE	2	-
Total capex in year	97	-

* Presented using constant currency for 2020.



Venues Summary Financials

£'000s	H1 2021	H1 2020
Food and beverage	824	765
Wagering revenue	10,681	6,020
Total revenues	11,505	6,785
Contribution	5,506	3,347
Contribution margin	47.9%	49.3%
Adjusted operated expenses, net	(4,314)	(4,482)
Adjusted EBITDA	1,192	(1,135)
Purchase of PPE	-	29

* Presented using constant currency for 2020.



Revenue Adjusted to EBITDA

£000's	H1 2021	H1 2020
Revenues	13,445	7,893
Cost of sales	(6,370)	(3,454)
Marketing & distributions	(227)	(227)
Contribution	6,848	4,212
Contribution margin	50.9%	53.4%
Staff costs	(3,320)	(3,504)
Property costs	(1,434)	(1,324)
Other costs	(1,828)	(1,775)
Total "adjusted" operating expenses	(6,582)	(6,603)
ADJUSTED EBITDA	266	(2,391)

* Presented using constant currency for 2020.

Cash flow



£000's	2021	2020
Adjusted EBITDA continuing operations	266	(2,537)
Adjusted EBITDA discontinued operations	5,430	1,315
	5,696	(1,222)
Lease Liabilities	(778)	(759)
Adjusted EBITDA after lease payments	4,918	(1,981)
Acquisition and disposal	27,739	(500)
Purchase of property plant and equipment	(146)	(525)
Capitalised software	(920)	(798)
Separately disclosed items paid (net)	(634)	(283)
Working capital and other	(249)	943
Tax refund net of tax paid	1,064	(263)
Net cash flows for the year	31,772	(3,407)
Opening cash (excluding customer balances)	16,837	12,985
Closing cash (excluding customer balances)	48,609	9,578

Balance Sheet



£000's	Non-current	Current	Combined	31 Dec 2020 Combined
Intangible, PPE, Right-of-use	13,272	-	13,272	14,157
Cash (excl customer cash)	-	48,609	48,609	11,356
Trade and other receivables	154	5,694	5,848	1,673
Assets classed as held for sale less directly associated liabilities	-	-	-	20,164
Inventories	-	128	128	120
Deferred tax asset/(liability)	-	(46)	(46)	(90)
Net tax liabilities	-	(4,871)	(4,871)	(3,258)
Trade payables	-	(9,096)	(9,096)	(13,639)
Lease liabilities	(2,852)	(1,099)	(3,951)	(3,882)
Provisions	-	(1,402)	(1,402)	(1,442)
Net assets	10,574	37,917	48,491	25,159

Operating Review

Andrew Lindley
Chief Operating Officer

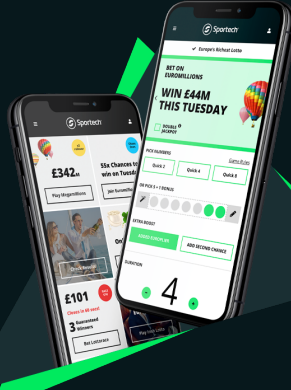
Richard McGuire
Chief Executive Officer

H1 2021 Business Units



VENUES

Operates 11 Sports Bar/
Restaurant venues and holds
exclusive 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.

2021 Discontinued Operations



GLOBAL TOTE BUSINESS

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



BUMP 50:50

Innovative digital fundraising
raffle solutions for charitable
foundations.



Venues

- 2021 operations improved from challenging 2020 period.
- Role in Connecticut expanded with Sports Betting arrangement.
- Built on the Digital platform growth +16% vs H1 2020.
(2020 was +42% handle growth in Connecticut and 72% overall online retail, vs 2019).
- Sub licensing our exclusive licence to approved ADW operators delivered results and continues to remain a focus.
- Implemented new digital marketing and CRM tools to manage and sustain online growth.
- Reduced venue footprint to 11 locations, during H1, but remain in key markets and population centres.
- Completed sale of a New Haven freehold property and initiated search for a suitable replacement.



MYWINNERS.COM



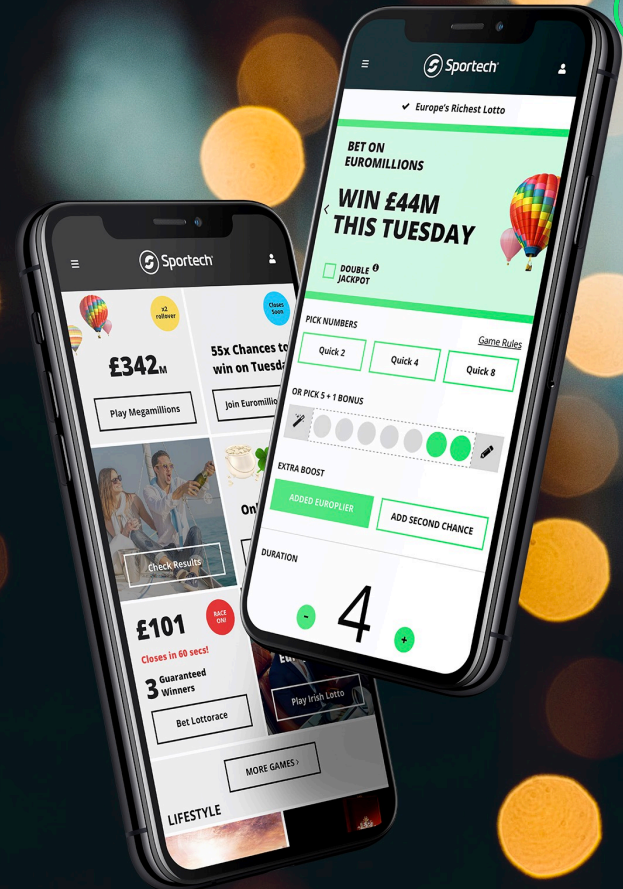
Connecticut Gaming Expansion

- During H1 the Group sustained a strategic advocacy campaign to promote gaming expansion in Connecticut.
 - Government Relations / Lobbying
 - Public testimony
 - Targeted Marketing Campaigns
 - Media Relations – TV, radio, opinion pieces
- Despite disappointment at not being awarded a sports betting licence, the Group proactively engaged lawmakers and the State's Administration seeking a key role in Connecticut's gaming expansion.
- Agreed a positive arrangement with the Connecticut State Lottery in August 2021.
- For status of the deployment and more information, visit sportsbettingforct.com.



Lotteries

- Sportech is a member of the World Lottery Association (WLA) and the North American Association of State and Provincial Lotteries (NASPL).
- COVID implications challenged Lottery client operations and impacted sales for several months in 2021.
- Terrestrial sales recovered in recent months to 2019 comparisons.
- Advanced digital lottery capabilities further, including platform licensing potential.
- Engaged in potential sale of terrestrial lottery contract.
- Pursuing licensing opportunities drawing on the Sportech brand, legacy and digital expertise to deliver an enhanced consumer experience.





Discontinued Operations

Concluded the disposals and announced June 2021

- Continued key Global Tote business contract renewals and extensions preceding the completion of the sale to BetMakers Technology Group, including long-term extensions with Monmouth Park and Kentucky Downs.
- Sustained momentum in raffle business new client acquisitions preceding the completion of the sale to Canadian Bank Note, including new contracts with the Miami Marlins and Arizona Diamondbacks, both MLB®.
- Strong business relationship with Buyers of each business unit and evaluating further business opportunities.



2021 Playbook

Deliver significant capital return to shareholders

Execute delivery of the leading retail Sports Betting business in CT

Deliver licensing opportunities within digital lottery

Materially reduce the corporate cost base

Assess growth opportunities that deliver superior returns





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