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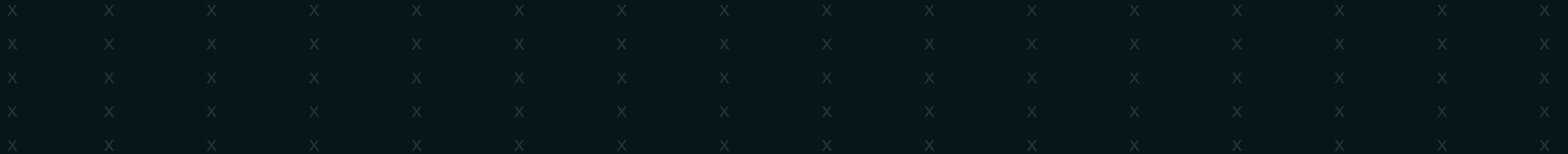
# 2021 Scorecard

Full Year Results | Year Ending 31 Dec 2021



# Sportech<sup>®</sup> PLC

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# 2021 Scorecard

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**Part 1 Financial Review 2021**

**Part 2 Operating Review 2021**

**Part 3 Playbook 2022**

**AJ Lindley**  
CEO

**Nicola Rowlands**  
CFO

# 2021 Scorecard

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## Core Actions

Completed transactions agreed in 2020

Disposed of Dominican Republic lottery contract for £9.4m of free cash

Moved from Main Market to AIM

Returned £35.5m from major transactions to shareholders

Managed the transition and reduction of core teams connected to disposals

Obtained sports betting in CT through CLC deal

Continued tight management of Operating costs and CapEx through Covid impact on Venues

Further improvement of online to maintain overall handle levels through Covid



# 2021 Scorecard

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## Financial Review

Nicola Rowlands  
CFO

# Financial Year Summary

## Continuing Business

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Revenue	22,942	17,372
Gross Profit	11,453	8,655
Adjusted EBITDA <sup>1, 2</sup>	(1,783)	(4,035)
Adjusted <sup>1</sup> loss before tax	(3,358)	(6,533)
Loss before tax	(246)	(11,923)
Profit/(loss) for the year <sup>3</sup>	34,563	(12,832)
Adjusted <sup>2</sup> cash	21,912	16,837

1. Adjusted profit measures exclude the effects of expenditure Management believes should be added back (separately disclosed items), other income and share option charges

2. Adjusted cash excludes customer balances

3. Including discontinued operations

# Revenue Components

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Venues - wagering revenue	19,515	14,796
Venues - F&B revenue	2,115	1,401
Sports betting commissions	280	-
<b>Total venues</b>	<b>21,910</b>	<b>16,197</b>
Digital revenues	1,032	295
<b>Total revenues</b>	<b>22,942</b>	<b>16,492</b>

Note: 2020 numbers are stated at constant currency using 2021 exchange rates.

# Digital Summary Financials

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Service revenue	1,032	295
Contribution	408	211
Contribution margin	39.5%	71.5%
Adjusted operated expenses	(987)	(984)
Adjusted EBITDA	(579)	(773)
Internal software capitalised	165	230
Purchase of PPE	4	-
Total capex in year	169	230

Note: 2020 numbers are stated at constant currency using 2021 exchange rates.



# Venues

## Summary Financials

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Food & beverage sales	2,115	1,401
Sports betting commission	280	-
Pari-mutuel wagering revenue	19,515	14,796
Total revenues	<u>21,910</u>	<u>16,197</u>
Contribution	10,769	7,734
Contribution margin	49.2%	47.7%
Adjusted operated expenses	(9,149)	(8,682)
Adjusted EBITDA pre sports	<u>1,620</u>	<u>(948)</u>
Sports betting investment costs	(260)	(245)
Adjusted EBITDA	<u>1,360</u>	<u>(1,193)</u>
PPE - Total	<u>27</u>	<u>27</u>

Note: 2020 numbers are stated at constant currency using 2021 exchange rates.

# Cash Flow

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Adjusted EBITDA (continuing and discontinued)	5,096	2,334
Acquisition and disposal	41,040	5,680
Purchase of property plant and equipment	(582)	(753)
Capitalised software	(1,012)	(1,650)
Lease Liabilities	(1,512)	(1,655)
Separately disclosed items paid net of other income received	76	(484)
Working capital	(2,418)	1,552
Tax and interest paid (net)	438	(1,100)
Share buy-back including costs	(35,880)	-
FX impact	(171)	(72)
Net cash flows for the year	5,075	3,852
Opening cash (excluding customer balances)	16,837	12,985
Closing cash (excluding customer balances)	21,912	16,837
Less cash held by assets for sale (excluding customer balances)	-	(5,481)
Add customer balances - continuing group	455	465
Cash at end of year on balance sheet	22,367	11,821

# Summary of Balance Sheet

	<b>Non-current £'000</b>	<b>Current £'000</b>	<b>Combined £'000</b>
Goodwill	604	-	604
Intangible fixed assets and PPE	10,618	-	10,618
Right of use assets	4,657	-	4,657
Cash, net of customer liabilities	-	21,912	21,912
Trade receivables	-	781	781
Other receivables	158	969	1,127
Inventories	-	124	124
Deferred tax liability	(43)	-	(43)
Tax liabilities	-	(4,718)	(4,718)
Trade and other payables	-	(7,490)	(7,490)
Lease liabilities	(6,091)	(923)	(7,014)
Provisions	-	(736)	(736)
	<u>9,903</u>	<u>9,919</u>	<u>19,822</u>



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## Operating Review

AJ Lindley  
CEO

# Continuing Divisions

## Venues

Operating bar /restaurants and leisure venues in the State of Connecticut USA which offer customers the ability to bet on sports and horseracing.

Sports betting is fixed odds and offered in partnership with the Connecticut Lottery Company.

Horse and greyhound racing is pari-mutuel and offered under an exclusive licence in the State owned by Sportech.

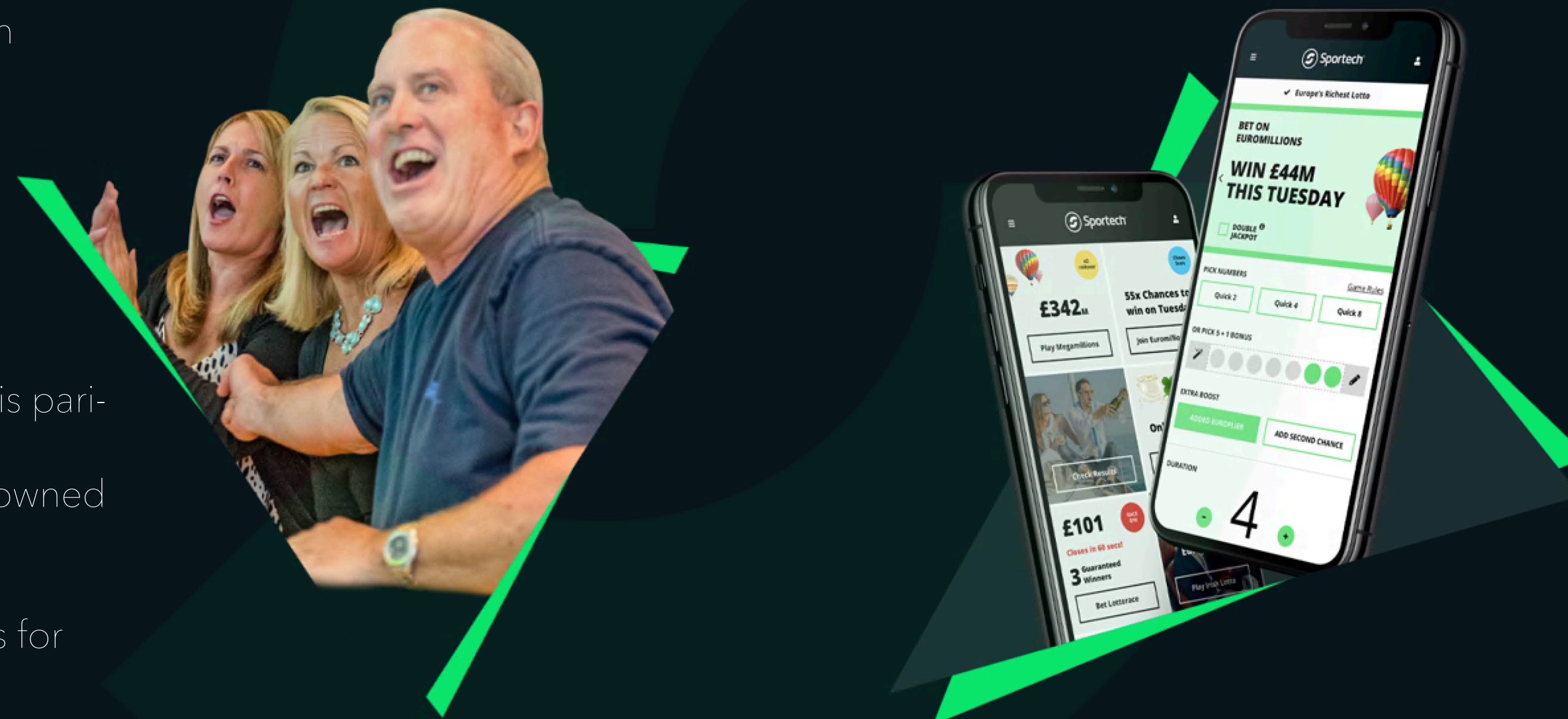
Complimentary online brands for pari-mutuel betting.

## Lottery

A digital technology platform with capabilities to manage any gambling vertical.

Proprietary lottery module.

UK based technology team.



# Venues

COVID-19 continued to impact the business through the majority of 2021

Total retail betting handle 12% lower than 2019 primarily due to covid and further reduction in number of venues to 10

Focus on cost & CapEx management to de-risk the business

Connecticut State issued 10 year licences to the two tribal casinos and the Connecticut Lottery Company (CLC). Sportech agreed deal to become a distributor for CLC - first bets taken in October.

MyWinners.com & 123Bet.com continued to perform strongly and helped mitigate COVID-19 impact on the physical venues



# Lottery

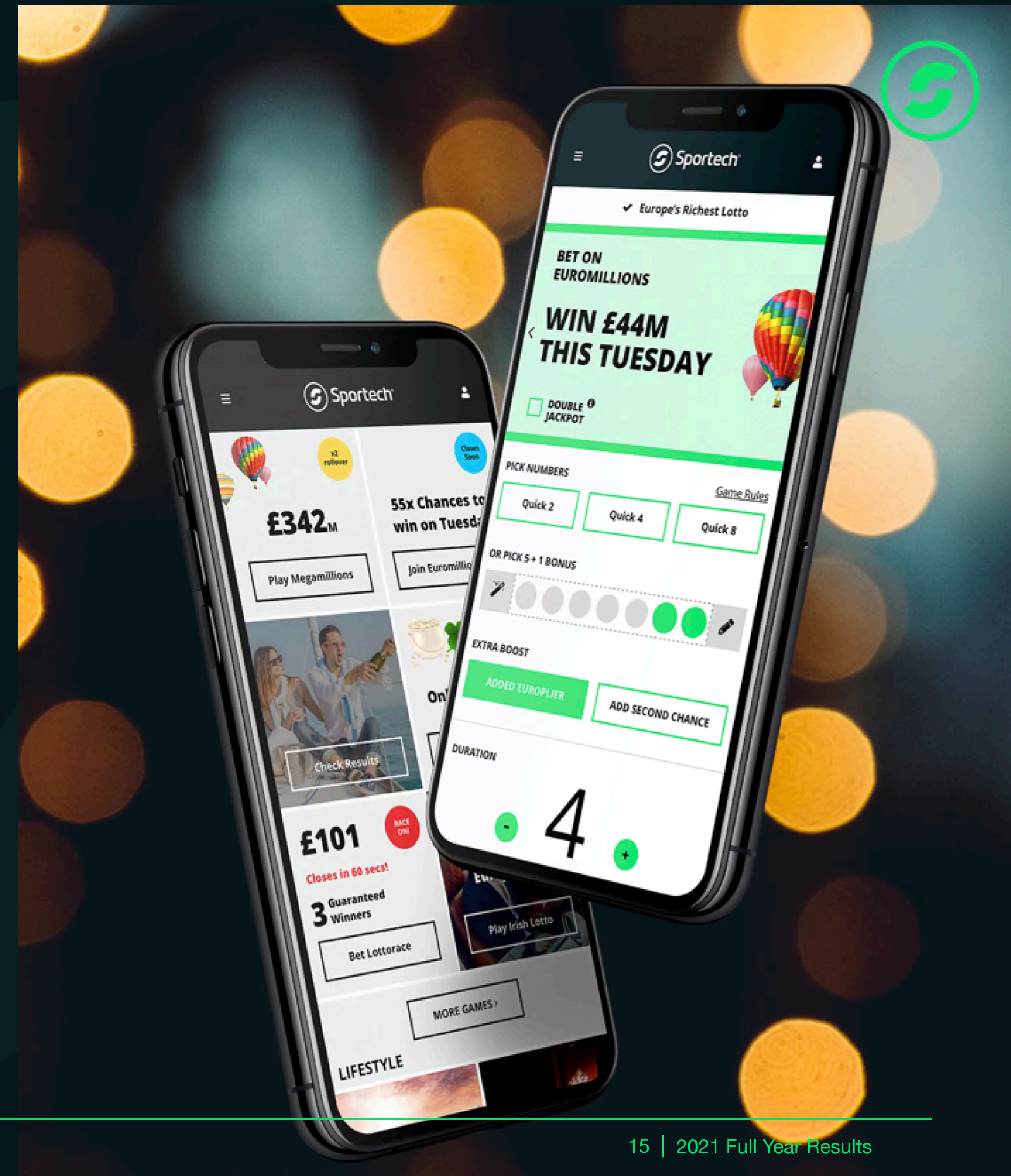
Disposal of the Dominican Republic (LEIDSA) contract marked the end of 24 years of direct customer relationships in lottery

Lottery team in UK, remains a supplier of a digital lottery platform

Ongoing supply to the buyer of the LEIDSA contract with royalty bearing arrangement

Sportech brand and legacy add future leverage to Lottery division

Opportunities lie primarily with private and national lotteries



# 2022 Playbook

Aim | Goal | Focus | Result

Remit further free capital to shareholders

Capitalise on sports betting and future expansion of gaming in the USA and in particular the State of Connecticut

Assess and take advantage of organic and complimentary growth opportunities that deliver high quality returns

Reduce the corporate cost base in line with the reduced business and new listing

Evaluate further corporate opportunities that deliver value and investor returns



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