

2022

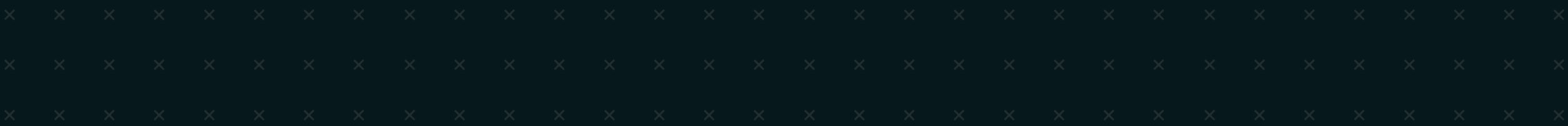
Half Time Scorecard

Six months ended 30 June 2022



Sportech[®] PLC

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2022 Half Time Scorecard

2022 H1 Developments

Financial Summary

Operating Review

H2 2022 Playbook

Richard McGuire

Executive Chair

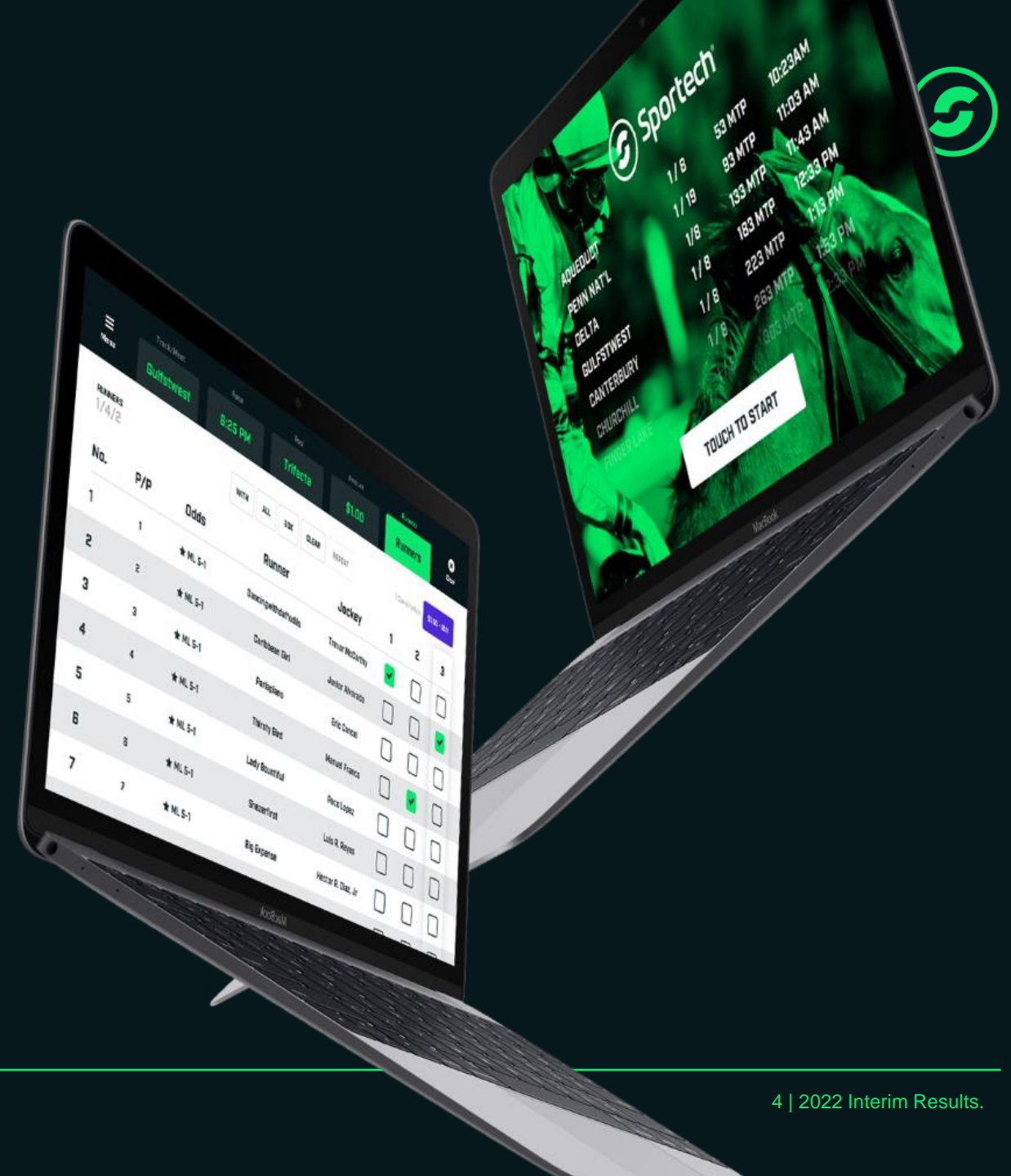
Nicola Rowlands

Chief Financial Officer

H1 2022 Scorecard

Key Developments

- Stabilised Revenues from operational business
- Delivered positive Group EBITDA (H1 21 loss £0.8m)
- Aligned business to focus on substantial growth opportunities
- Returned £7 million to shareholders
- Successfully deployed Retail Sports Betting across Connecticut
- Reduced Corporate costs further
- Built on recent developments to deliver a less capital-intensive business going forward
- Reduced Group capex to £0.1 million in H1 2022 (2021: £1.1 million)
- Eliminated unprofitable California division and third-party licensing costs



Financial Review

Nicola Rowlands

Chief Financial Officer

Financial Summary



Continuing Businesses

£000's	2022	Constant Currency vs 2021	Reported Currency vs 2021	Constant Currency 2021 ⁴	Reported Currency 2021 ⁴
Revenue	12,571	(0.1%)	6.3%	12,586	11,827
Gross Profit	6,528	5.7%	11.7%	6,229	5,845
Contribution ¹	6,294	5.1%	12.0%	5,991	5,621
Adjusted EBITDA ²	311			(775)	(896)
(Loss)/profit before tax from continuing operations	(802)				253
Adjusted loss before tax from continuing operations ³	(427)				(1,722)

1. Contribution is defined as gross profits, less marketing and distribution costs.
2. Adjusted EBITDA is earnings from continuing operations before interest, taxation, depreciation and amortisation, share option charges, impairments and separately disclosed items as reported in note 1 of the Interim Financial Statements.
3. Adjusted loss is the aggregate of Adjusted EBITDA, share option charges, depreciation, amortisation (excluding amortisation of acquired intangibles) and certain finance charges.
4. Prior year comparatives have been adjusted for discontinued operations (LEIDSA contract).

Revenue Components



£000's	2022	2021
Digital service revenues	857	351
Total Digital	857	351
Venues – wagering revenue	9,412	11,358
Venues – sports betting commission	718	-
Venues – F&B revenue	1,584	877
Total Venues	11,714	12,235
Total revenues	12,571	12,586

* Presented using constant currency for 2021.



Digital Summary Financials

£'000s	2022	2021
Service revenue	857	351
Contribution	355	127
Contribution margin	41.4%	36.2%
Adjusted operated expenses, net	(462)	(502)
Adjusted EBITDA	(107)	(375)
Intangible assets capitalised	97	95
Purchase of PPE	22	2
Total capex in year	119	97

* Presented using constant currency for 2021.



Venues

Summary Financials

£'000s	2022	2021
Wagering revenue	9,412	11,358
Sports betting commission	718	-
F&B revenue	1,584	877
Total revenues	<u>11,714</u>	<u>12,235</u>
Contribution	5,939	5,864
Contribution margin	50.7%	47.9%
Adjusted operated expenses, net	<u>(4,414)</u>	<u>(4,767)</u>
Adjusted EBITDA	<u>1,525</u>	<u>1,097</u>
Purchase of PPE	15	-

* Presented using constant currency for 2021.



Revenue Adjusted to EBITDA

£000's	2022	2021
Revenues	12,571	12,586
Cost of sales	(6,043)	(6,357)
Marketing & distributions	(234)	(238)
Contribution	6,294	5,991
Contribution margin	50.1%	47.6%
Staff costs	(3,072)	(3,456)
Property costs	(1,201)	(1,463)
Other costs	(1,710)	(1,847)
Total "adjusted" operating expenses	(5,983)	(6,766)
ADJUSTED EBITDA	311	(775)

* Presented using constant currency for 2021.

Cash flow



£000's	2022	2021
Adjusted EBITDA (continuing and discontinued)	311	4,694
Acquisition and disposal	26	27,739
Purchase of property plant and equipment	(38)	(146)
Capitalised software	(97)	(920)
Lease Liabilities	(691)	(778)
Separately disclosed items paid (net) and other income received	(1,119)	423
Working capital and other	(850)	(110)
Net tax (paid)/received	(4,843)	1,064
Distributions to shareholders	(7,000)	-
FX impact	527	(194)
Net cash flows for the year	(13,774)	31,772
Opening cash (excluding customer balances)	21,912	16,837
Closing cash (excluding customer balances)	8,138	48,609

Balance Sheet



£000's	Non-current	Current	Combined
Goodwill	604	-	604
Intangible, PPE, Right-of-use	16,161	-	16,161
Cash (excluding customer balances)	-	8,138	8,138
Trade and other receivables	176	1,393	1,569
Inventories	-	140	140
Deferred tax liability	(11)	-	(11)
Net current tax asset	-	54	54
Trade payables (excluding customer cash liability)	-	(6,509)	(6,509)
Lease liabilities	(6,477)	(678)	(7,155)
Provisions	-	(17)	(17)
Net assets	10,453	2,521	12,974

Operating Review

Richard McGuire
Executive Chairman

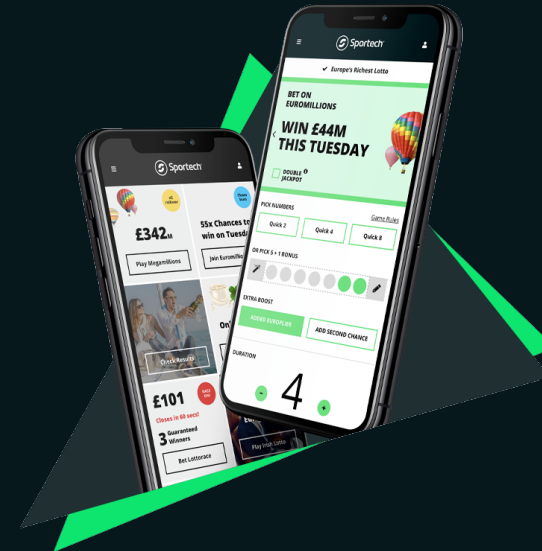


2022 Operating Divisions



VENUES

Operates 10 Sports Bar/ Restaurant venues. Holds exclusive rights to conduct online and retail pari-mutuel betting in Connecticut, USA. Entered agreement with the Connecticut Lottery Corporation to provide Sports Betting across retail estate late 2021.



DIGITAL - CORE GAMING PLATFORM / LOTTERY

The Sportech Core Gaming Platform (SCGP) is a proprietary, cloud-based PAM (player account management) and iGaming system that's engineered for speed and scale.



Venues

- Advanced Sports Betting under CLC licence
- Increased division EBITDA contribution + 39%*
- Food & Beverage + 81% *
- Developed further licensing opportunities
- Implemented new digital marketing and CRM tools to support online
- Reduced adjusted operating expenses by 7%*
- Reduced venue footprint to 10 locations but remain in key markets and population centres

* versus H1 2021, constant currency

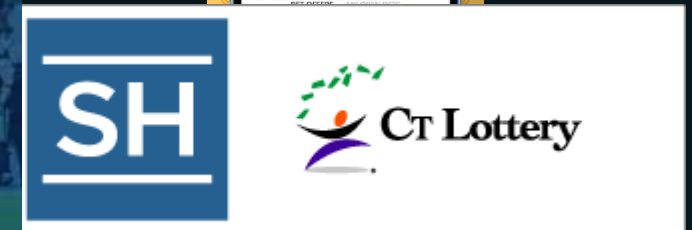


Connecticut Sports Betting

Continued retail rollout of Sports Betting across the Estate

- Developed commercial relationships with Connecticut State Lottery and Rush Street Interactive
- Continued to invest in employee training and advancement
- Progressed Sports Betting marketing initiatives
- Exciting campaign for American Football season
- Clear strategy to invest for growth

Sports Betting its what we do !



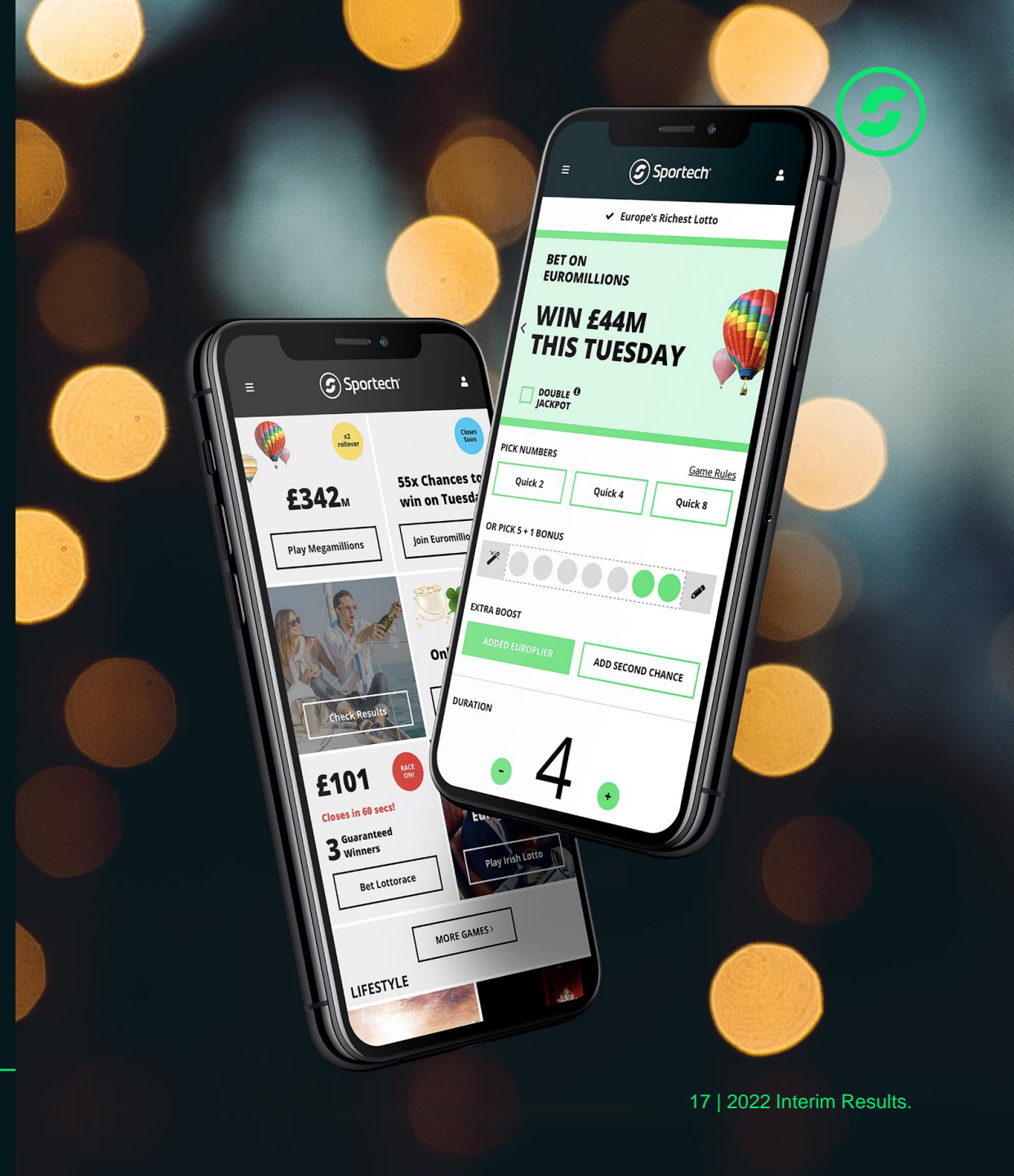
Digital - Core Gaming Platform / Lotteries

Following sale of terrestrial lottery division, the team focused on advancing the Sportech Core Gaming Platform (SCGP).

The SCGP has been deployed on three continents by multiple clients and delivered scale and trusted technology.

A multilingual, multi currency platform enabling rapid configuration, deployment and ongoing management of both frontend and backend requirements.

The SCGP integration solution supports the delivery of pools, betting, gaming, lottery, sports and casino products through digital and retail channels with a modular plug-in and play design.



2022 Playbook

Secure position within Connecticut, USA expanded gaming initiative

Reduce corporate cost base and deliver more efficient growth business.

Develop and execute further licensing opportunities across all businesses

Evaluate and execute material corporate opportunities

Deliver tangible investor returns



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