MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET—Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market of the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for the distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPS REGULATION—PROHIBITION OF SALES TO EEA RETAIL INVESTORS—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached document (the "**document**") and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

The document and the offer when made are only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") who are "**qualified investors**" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) as amended (the "**Prospectus Directive**") ("**Qualified Investors**"). In addition, in the United Kingdom ("**UK**"), this document is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and Qualified Investors falling within Article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, relevant persons, and (ii) in any member state of the EEA other than the UK, Qualified Investors, and will be engaged in only with such persons.

THIS DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" TO PERSONS OTHER THAN U.S. PERSONS AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE US SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"). ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS OFFERING CIRCULAR SHALL BE INTERPRETED OR DEEMED AS CONTAINING AN OFFER OR INVITATION TO, OR SOLICITATION OF, ANY SUCH CIRCULATION, DISTRIBUTION, PLACEMENT, SALE OR OTHER TRANSFER OF ANY SECURITIES IN THE TERRITORY OF THE REPUBLIC OF CYPRUS.

Confirmation of your representation: The attached document is delivered to you at your request and on the basis that you have confirmed to Banco Santander, S.A., NatWest Markets Plc, UBS AG, London Branch and UniCredit Bank AG (the "**Joint Active Bookrunners**"), Citigroup Global Markets Limited (the "**Passive Bookrunner**" and, together with "Joint Active Bookrunners, the "**Joint Bookrunners**") and ABN AMRO Bank N.V., The Governor and Company of the Bank of Ireland and Goodbody Stockbrokers UC (the "**Co-Managers**") and the Issuer that (i) you are located outside United States and not a U.S. person (as defined in Regulation S under the Securities Act); and (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) if you are acting a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive), the securities acquired by you as a financial intermediary in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); or (v) you are outside of the UK or EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions) or (vi) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Joint Bookrunners, the Co-Managers, the Trustee, the Security Agent nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the linked document, you consent to receiving it in electronic form.

You are reminded that you have accessed the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person.

Restriction: Nothing in this electronic transmission constitutes an offer of securities for sale to persons other than the specified Qualified Investors described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

None of the Joint Bookrunners, the Co-Managers, the Trustee, the Security Agent or any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the offer. The Joint Bookrunners, the Co-Managers, the Trustee and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Joint Bookrunners, the Co-Managers, the Trustee, the Security Agent or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

The Joint Bookrunners and the Co-Managers are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You are responsible for protecting against viruses and other destructive items. **Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.**

PLAYTECH PLC

(incorporated in the Isle of Man as a company limited by shares with registered number 008505V)

€350,000,000 4.250 per cent. Senior Secured Notes due 2026

The €350,000,000 4.250 per cent. Senior Secured Notes due 2026 (the "**Notes**") will be issued by Playtech plc (the "**Issuer**" and, together with its Subsidiaries, the "**Group**") and initially guaranteed (each a "**Notes Guarantee**" and together, the "**Notes Guarantees**") by Playtech Software Limited ("**Playtech Software**"), TradeTech Holding Limited ("**TradeTech Holding**"), Technology Trading IOM Limited ("**Technology Trading**"), Pluto (Italia) S.p.A. ("**Pluto Italia**") and Playtech Services (Cyprus) Limited ("**Playtech Cyprus**" and, together with TradeTech Holding, Technology Trading, Playtech Software and Pluto Italia the "**Initial Guarantors**"). For the purposes of this Offering Circular, the term "**Guarantors**" shall mean the Initial Guarantors together with any Subsidiary of the Issuer which becomes a Guarantor pursuant to Condition 3(d) but excluding any Subsidiary of the Issuer which has ceased to be a Guarantor pursuant to Condition 3(e).

The issue price of the Notes is 100 per cent. of their principal amount. The Notes will bear interest from 7 March 2019 at the rate of 4.250 per cent. per annum payable semi-annually in arrear on 7 September and 7 March in each year commencing on 7 September 2019.

References in this Offering Circular to the "**Conditions**" or "**Terms and Conditions of the Notes**" are to the terms and conditions of the Notes set out in "*Terms and Conditions of the Notes*". Terms used but not defined in this Offering Circular shall have the same meaning as ascribed to them in the Conditions.

The Notes will mature on 7 March 2026, but may be redeemed before then at the option of the Issuer in whole or in part (i) from and including the Closing Date to, but not including, 7 March 2022, at a price equal to the Make Whole Amount, (ii) from and including 7 March 2022, to, but not including, 7 March 2023, at a price equal to 102.125 per cent. of the of the principal amount for each Note to be redeemed, (iii) from and including 7 March 2023 to, but not including, 7 March 2024, at a price equal to 101.063 per cent. of the principal amount for each Note to be redeemed, and (iv) from and including 7 March 2024 to, and including 7 March 2026 at a price equal to 100 per cent. of the principal amount for each Note to be redeemed, together with accrued interest. The Notes may be redeemed before then at the option of the relevant holder upon a Change of Control Event (as defined in the Conditions). The Notes are also subject to redemption in whole (but not in part), at their principal amount, together with accrued interest, at the option of the Issuer in the event of certain changes affecting taxes of the Isle of Man, the Republic of Italy and the Republic of Cyprus. See "*Terms and Conditions of the Notes—Redemption and Purchase*".

The Notes will constitute secured obligations of the Issuer, and the Notes Guarantees will constitute secured obligations of each of the Guarantors. See "*Terms and Conditions of the Notes—Guarantees, Security and Status*".

Payments on the Notes will be made without deduction for or on account of taxes of the Isle of Man, the Republic of Italy and the Republic of Cyprus as further described under "*Terms and Conditions of the Notes—Taxation*".

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (the "**Euronext Dublin**") for the approval of this Offering Circular as listing particulars ("**Listing Particulars**") and for the Notes to be admitted to the Official List of Euronext Dublin (the "**Official List**") and to trading on the Global Exchange Market which is the exchange-regulated market of Euronext Dublin (the "**Global Exchange Market**"). References in this Offering Circular to the Notes being "listed" (and all related references) shall mean that the Notes have been admitted to the Official List and admitted to trading on the Global Exchange Market. There can be no assurance that any such application will be successful or that any such listing will be granted or maintained. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**") of the European Parliament and of the Council on markets in financial instruments. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to trading on the Global Exchange Market.

This document constitutes the Listing Particulars in respect of the admission of the Notes to the Official List and to trading on the Global Exchange Market of Euronext Dublin. **Investors should note that securities to be admitted to the Official List and to trading on the Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.**

The denomination of the Notes shall be €100,000 and integral multiples of €1,000 in excess thereof.

The Notes and the Notes Guarantees have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

This document is an "offering document" for the purposes of section 45 of the Isle of Man Companies Act 2006 (the "IoM Act"). This document has not been approved or reviewed by the Isle of Man Financial Services Authority ("IOMFSA") or any other governmental or regulatory authority in the Isle of Man. It is not necessary for this document to be filed or registered with any governmental or regulatory authority in the Isle of Man and it is not intended that this document will be filed with the Registrar of Companies in the Isle of Man pursuant to section 45(5) of the IoM Act.

MiFID II professionals/ECPs-only/No PRIIPs KID—Manufacturer target market (MiFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA. See page ii of the Offering Circular, "*MiFID II Product Governance/Professional Investors and ECPs only Target Market" and "PRIIPS Regulation—Prohibition of Sales to EEA Retail Investors*" for further information.

JOINT BOOKRUNNERS

NatWest Markets **Santander Corporate & Investment Banking** **UBS Investment Bank** **UniCredit Bank** **Citigroup**

CO-MANAGERS

ABN AMRO **Bank of Ireland** **Goodbody**

The date of this Offering Circular is 5 March 2019

The Notes will initially be represented by interests in a global certificate in registered form (the "**Global Certificate**"). The Global Certificate will be delivered to a common depositary, and registered in the nominee name of a common depositary on behalf of the Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") systems, on or about 7 March 2019 (the "**Closing Date**"). The Global Certificate will be exchangeable for individual certificates in registered form (each a "**Certificate**") in the limited circumstances set out in it. See "*Summary of provisions relating to the Notes while in global form*".

The Notes are expected to be assigned on issue a rating of BB by S&P Global Ratings Europe Limited, UK Branch ("**S&P**") and Ba2 by Moody's Investors Service Ltd ("**Moody's**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As of the date of this Offering Circular, each of S&P and Moody's is established in the European Union and is registered under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). As such, each of S&P and Moody's is included in the list of credit rating agencies published by the European Securities Market Authority on its website in accordance with the CRA Regulation.

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*").

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors, the Joint Bookrunners or the Co-Managers (as defined in "*Subscription and Sale*" below) to subscribe or purchase, any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantors, the Joint Bookrunners and the Co-Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "*Subscription and Sale*" below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors, the Joint Bookrunners or the Co-Managers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantors since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each of the Issuer and the Guarantors accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer and each Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Joint Bookrunners, the Co-Managers, the Trustee or the Security Agent accept any responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by a Joint Bookrunner or a Co-Manager or on its behalf in connection with the Issuer, the Guarantors, or the issue and offering of the Notes. Each Joint Bookrunner, Co-Manager, the Trustee and the Security Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND FINANCIAL ADVISER AS TO TAX, LEGAL, FINANCIAL AND RELATED MATTERS CONCERNING THE PURCHASE OF THE NOTES.

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Unless otherwise specified or the context requires, references to "**dollars**", "**U.S. dollars**" and "**US$**" are to United States dollars, references to "**euro**", "**Euro**", "**EUR**" and "**€**" are to the lawful currency of the Member States of the European Union that have adopted the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and references to "**£**", "**Sterling**", "**pounds**" or "**pence**" are to the lawful currency of the United Kingdom.

In connection with the issue of the Notes, UBS AG, London Branch (the "**Stabilising Manager**") (or any person acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of

the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

MiFID II product governance/Professional investors and ECPs only target market—Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation/Prohibition of sales to EEA retail investors—The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO INVESTORS

THE NOTES AND THE NOTES GUARANTEES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

- the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2016 (with financial information for the financial year ended 31 December 2015 included as a comparator), together with the audit report thereon (the "**2016 Financial Statements**");
- the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2017 (with financial information for the financial year ended 31 December 2016 included as a comparator), together with the audit report thereon (the "**2017 Financial Statements**");
- the audited consolidated financial statements of Snaitech S.p.A. ("**Snaitech**") for the financial year ended 31 December 2017 (with financial information for the financial year ended 31 December 2016 included as a comparator), together with the audit report thereon (the "**Snaitech Financial Statements**"); and
- the results of the Issuer for the financial year ended 31 December 2018 (with financial information for the financial year ended 31 December 2017 included as a comparator) (the "**2018 Financial Statements**"), except that the information presented under the heading "Outlook" on page 2 of the 2018 Financial Statements shall not be incorporated into this Offering Circular. The 2018 Financial Statements shall, together with the 2016 Financial Statements, the 2017 Financial Statements and the Snaitech Financial Statements, be referred to as the "**Financial Statements**"),

each of which have been previously published or are published simultaneously with this Offering Circular and which have been approved by Euronext Dublin or filed with it. Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

The 2016 Financial Statements, the 2017 Financial Statements and the 2018 Financial Statements include both the Guarantors and non-guarantor subsidiaries of the Issuer (excluding, in the case of the 2016 Financial Statements and the 2017 Financial Statements, Snaitech and its subsidiaries). Results of Snaitech and its subsidiaries have been consolidated in the 2018 Financial Statements from 5 June 2018, the date of completion of the acquisition.

Copies of the Financial Statements incorporated by reference in this Offering Circular may be obtained (without charge) from the Issuer's website at http://playtech-ir.production.investis.com/results-centre/results/2018.aspx.

Copies of the Snaitech Financial Statements incorporated by reference in this Offering Circular may be obtained (without charge) from Snaitech's website at http://snaitech.it/en/investors/financial-statements-and-reports.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This Offering Circular contains or incorporates by reference forward-looking statements. The words "believe", "anticipate", "expect", "intend", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. These forward-looking statements include all matters that are not historical facts. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Business Description*", "*Industry and Regulation*", "*Material Contracts*" and "*General Information*" and regarding the Group's strategy and other future events or prospects are forward-looking statements. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Issuer's control. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Group will operate in the future. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances which may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual results, performance or achievements of the Group, or industry results, may be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In addition, even if actual performance, results of operations, internal rate of return, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the Issuer's or the relevant Guarantor's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other factors referenced in this Offering Circular:

- the Issuer's and/or the Guarantors' ability to integrate their newly-acquired operations and to expand their businesses in the future;
- the Issuer's and/or the Guarantors' ability to realise the benefits they expect from existing and future investments in their existing operations and pending expansion;
- the Issuer's and/or the Guarantors' ability to obtain external financing or maintain sufficient capital to fund their existing and future operations;
- changes in political, social, legal or economic conditions in the markets in which the Issuer, the Guarantors, their subsidiaries and their customers operate;
- changes in the competitive environment in which the Issuer, the Guarantors, their subsidiaries and their customers operate;
- the Issuer's and/or the Guarantors' ability to comply with regulations applicable to the Issuer's and/or the Guarantors' business;
- impact of changes in regulation on the Issuer's and/or Guarantors' businesses and results of operations;
- fluctuations in the currency exchange rates in the markets in which the Issuer, the Guarantors and their subsidiaries operate; and
- the impact of investigative and legal actions.

Additional risks, uncertainties and other factors that could cause actual results to differ from those expected are set out more fully in the section of this Offering Circular headed "*Risk Factors*". Investors should specifically and carefully consider these factors, which could cause actual results to differ, before making an investment decision.

In addition, this Offering Circular contains information concerning the Group's industry generally, which can be forward-looking in nature and based on a variety of assumptions regarding the ways such industry will develop. The Group has based these assumptions on information currently available to it including through industry reports referred to in this Offering Circular. The Group has not independently verified and cannot guarantee the accuracy or completeness of such information.

Forward-looking statements speak only as of the date of this Offering Circular and the Issuer and the Guarantors expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements in this Offering Circular to reflect any change in their expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward-looking statements, the Issuer and the Guarantors cannot assure potential investors that projected results or events will be achieved and the Issuer and the Guarantors caution potential investors not to place undue reliance on these statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Consolidated Financial Information

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. The financial year of the Group starts on 1 January and ends on 31 December.

Unaudited Pro Forma Financial Information

This Offering Circular includes:

- an unaudited pro forma statement of net assets of the Group as at 31 December 2018 that has been prepared to illustrate the effect on the consolidated net assets of the Group as if the proposed re-financing of the €297.0 million senior, unsecured convertible bonds due 2019 and convertible into fully paid ordinary shares of the Issuer, issued by PT Jersey Limited (the "**Convertible Bonds**") had taken place on 31 December 2018; and
- an unaudited pro forma income statement of the Group for the year ended 31 December 2018 that has been prepared to illustrate the effect on the consolidated income statement of the Group as if: (i) the acquisition of Snaitech; (ii) the issuance of the Existing Notes; (iii) the redemption of the Snaitech high yield bonds (the "**Snaitech HY Bonds**"); and (iv) the proposed re-financing of the Convertible Bonds had all taken place on 1 January 2018,

collectively comprising the "**Unaudited Pro Forma Financial Information**".

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The Unaudited Pro Forma Financial Information is based on:

- the consolidated income statement of the Group for the year ended 31 December 2018; and
- the consolidated net assets of the Group as at 31 December 2018,

as set out in the 2018 Financial Statements, and has been prepared in a manner consistent with the accounting policies adopted by the Group in preparing such information and on the basis set out in the notes set out therein.

Adjusted figures in the Unaudited Pro Forma Financial Information relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, additional consideration payable for put/call options, one off employee related costs, finance costs and contingent consideration movement on acquisitions, impairment of available-for-sale investments, deferred tax on acquisition, non-cash accrued bond interest and additional various non-cash charges.

B2B Gambling and B2C Gambling Revenue and Adjusted EBITDA

B2B Gambling and B2C Gambling actual and pro forma revenue figures have been presented in this Offering Circular gross of intercompany transactions between the two divisions in the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018. These gross revenue balances have in turn been used to calculate revenue concentration and actual and Adjusted EBITDA margins for both the B2B and B2C segments of the Gambling Division. Accordingly, all three years are presented on a consistent basis.

Similarly, B2B Gambling and B2C Gambling Adjusted EBITDA figures presented in this Offering Circular for the financial years ended 31 December 2017 and 31 December 2016 have been reclassified from those disclosed in the comparatives to the 2018 Financial Statements and 2017 Financial Statements respectively in order to present all three years on a consistent basis.

Rounding Adjustments

Certain amounts and percentages that appear in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the mathematical aggregation of the figures which precede them, and figures expressed as percentages in the text may not total 100 per cent. when aggregated.

Non-IFRS Financial Information

This Offering Circular presents certain supplemental measures not prepared in accordance with IFRS, including, without limitation, EBITDA, adjusted measures (including Adjusted EBITDA), net debt, total wagers and gross gaming revenue ("**GGR**") (such information, the "**Non-IFRS Financial Information**"). Non-IFRS Financial Information is presented as a supplemental measure of the Group's operating performance. The Group believes the Non-IFRS Financial Information is frequently used by securities analysts, investors and other interested parties to evaluate companies in the gambling industry.

The Group believes that Adjusted EBITDA more accurately represents the trading performance of the business and are the key performance metrics used by the Group when assessing its financial performance. A full reconciliation between EBITDA and Adjusted EBITDA is provided in "*Selected Historical Financial and Other Information—Consolidated Financial Information—EBITDA reconciliation"*.

Non-IFRS Financial Information has limitations as an analytical tool, and investors should not consider it in isolation, or as a substitute for analysis of the Group's operating results under IFRS. Some of these limitations are as follows:

- certain Non-IFRS Financial Information does not reflect the impact of financing costs on the Group's operating performance. Such costs can be significant and can increase if the Group incurs additional debt;
- certain Non-IFRS Financial Information does not reflect the impact of income taxes on the Group's operating performance;
- certain Non-IFRS Financial Information does not reflect the impact of depreciation and amortisation on the Group's operating performance. The Group's depreciated, depleted or amortised assets will have to be replaced in the future and the depreciation and amortisation expense may not approximate the future replacement cost of these assets. By excluding this expense from Non-IFRS Financial Information, Non-IFRS Financial Information does not reflect the Group's future cash requirements for these replacements; and
- other companies in the gambling industry may calculate Non-IFRS Financial Information differently or may use it for different purposes than the Group, limiting its usefulness as a comparative measure.

Non-IFRS Financial Information is not defined by, or presented in accordance with, IFRS. Non-IFRS Financial Information is not a measurement of the Group's operating performance under IFRS and should not be considered as an alternative to profit for the year/period (as applicable), net cash from operating activities, a measure of the Group's liquidity or any other measure of performance under IFRS. In particular, non-IFRS Financial Information should not be considered as a measure of discretionary cash available to the Group to invest in the growth of its business.

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SUMMARY

The following overview highlights significant aspects of the Group's business and regarding the issue of the Notes, but you should read the entire Offering Circular, including the information incorporated by reference herein, before making an investment decision. You should also carefully consider the information set out under "Risk Factors".

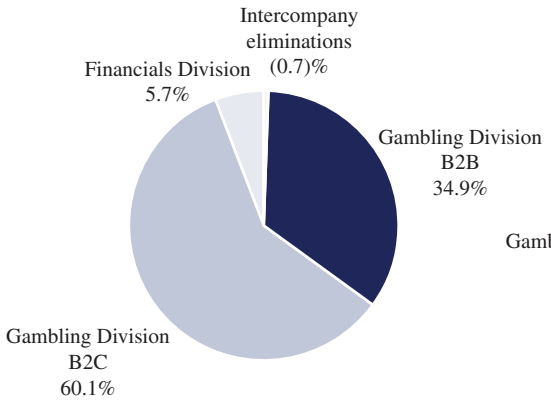
This section relies on and refers to information regarding the Group's business and the market in which it operates and competes. The market data and certain economic industry data and forecasts were obtained from publicly available information and independent industry publications and reports. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, requiring the Issuer and Guarantors to rely on the review of industry publications, including information made available to the public by the Group's competitors. Industry publications and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. The Issuer and the Guarantors have not independently verified such data and cannot guarantee their accuracy or completeness.

Overview

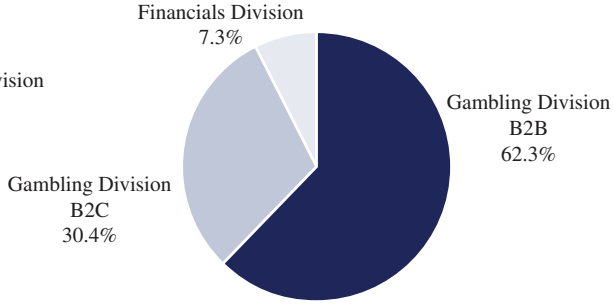
The Group is a leading technology company in the gambling and financial trading industries, with a focus on regulated and regulating markets. It counts more than 140 gambling operators as its customers, including many of the world's leading operators, with many key relationships extending over ten years. In addition, in select markets, the Group offers its products and services directly to end-users. Given the large number of customer relationships and its scale the Group is uniquely positioned to grow with the global gambling market. In the year ended 31 December 2018, the pro forma revenue and pro forma Adjusted EBITDA of the Group were €1,623.2 million and €405.3 million, respectively, with 84.7 per cent. of the pro forma revenue in this period attributable to regulated markets (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017).

The Group conducts its business through two divisions: the gambling division (the "**Gambling Division**") and the financials division (the "**Financials Division**") (operating under the TradeTech brand), both of which include business-to-business ("**B2B**") and business-to-customer ("**B2C**") segments. Given the relative size of the Gambling Division compared to the Financials Division, the Gambling Division also reports on a B2B and a B2C segmental basis. The following graphs set out the Group's pro forma revenue and pro forma Adjusted EBITDA by division for the year ended 31 December 2018:

Revenue by division
Total: €1,623.2m



Adjusted EBITDA by division
Total: €405.3m



Gambling Division

Through its Gambling Division, the Group develops software, content, platform technology and services for the gambling industry's key product verticals, including casino, live casino, sports betting, virtual sports, bingo and poker. The Group delivers its products and services either through licensing arrangements with operators, or to consumers directly in select markets, with a focus on regulated and regulating markets. Through Playtech ONE, a proprietary integrated platform, the Group has pioneered omni-channel gambling technology, which provides an integrated platform across online and retail gambling channels and a seamless customer experience. Playtech ONE enables the Group to deliver data-driven marketing expertise, single wallet functionality, sophisticated

client relationship management ("**CRM**") and responsible gambling solutions on a single platform across all product verticals and across retail and online.

B2B segment

In the B2B segment of the Gambling Division, the Group licences its products and services to operators and other entities ("**Licensees**") globally. The Licensees of the B2B segment of the Gambling Division include leading global online, retail and mobile operators, as well as land-based casino groups and government-sponsored entities such as lotteries. The Group's comprehensive and intuitive suite of tools and technology coupled with premium content and in-depth data-driven customer intelligence allows the B2B segment of the Gambling Division to offer its Licensees a compelling gambling experience. In addition to a robust product offering, the B2B segment of the Gambling Division also offers its marketing expertise, responsible gambling tools, CRM solutions and other services to its Licensees which enable them to deliver a comprehensive gambling experience to their end-users.

The Group generates revenue in the B2B segment of the Gambling Division primarily on a revenue sharing basis, with some arrangements with certain Licensees providing additional fees, for example in respect of specific hardware leased by such Licensee. The customer base of the Gambling Division is diverse, with more than 140 Licensees globally as at 31 December 2018, including a number of leading operators in the gambling industry, for example, Bet365, Caliente, Codere, GVC/Ladbrokes Coral, Fortuna and Sky Betting & Gaming.

The customer base exhibits low levels of turnover. The customer base is loyal because (i) the products and services offered by the B2B segment of the Gambling Division are critical for Licensees' businesses and not easily replaceable and (ii) the revenue sharing model ensures the interests of the Group and the Licensees are aligned, thereby developing a strong relationship focused on achieving common business objectives. Licensing agreements are typically entered into for an initial period of three to five years, however most agreements contain automatic renewal provisions (subject to variations on a licence-by-licence basis). In the year ended 31 December 2018, the top 10 Licensees (in terms of revenue generated) contributed 54.0 per cent. of the revenues of the B2B segment of the Gambling Division (compared with 60.0 per cent. of revenues of the B2B segment of the Gambling Division in the year ended 31 December 2017). See "*Risk Factors—Risks relating to the Issuer, the Guarantors and the Group—Gambling Division—The B2B segment of the Gambling Division is reliant on its top 10 Licensees*".

The operations of the B2B segment of the Gambling Division in Asia are different and isolated from the rest of the Group's business. It operates a different business model whereby it provides only content to the market. Due to the unregulated nature of the Asian market, this part of the business is also higher margin and more highly cash generative compared to other parts of the Group. This cash will continue to be used to execute the Group's strategy in regulated markets.

The B2B segment of the Gambling Division generated revenues of €566.0 million and Adjusted EBITDA of €252.6 million in the year ended 31 December 2018. Of these revenues, 30.9 per cent. were attributable to the UK, 32.3 per cent. were attributable to Asia and 36.8 per cent. were attributable to other countries (determined, in each case, by location of the relevant Licensee).

B2C segment

In the B2C segment of the Gambling Division, the Group utilises its proprietary technology and capabilities to operate either through joint ventures or white-label agreements with other operators or directly as a B2C operator in select markets. Snaitech represents the largest component of the B2C segment of the Gambling Division; in the year ended 31 December 2018, Snaitech accounted for 91.7 per cent. of the pro forma revenue and 126.1 per cent. of the pro forma Adjusted EBITDA of the B2C segment of the Gambling Division. Snaitech provides its brand, licensing, infrastructure and technology on a franchisee basis to retailers. In the year ended 31 December 2018, the Group had a market share of 19.1 per cent. by GGR of the Italian retail betting sector, making it the second largest retail betting operator in Italy, according to Agenzia delle Dogane e dei Monopoli ("**ADM**"), the Italian gambling regulator. In addition, the Group operates the second largest network of gaming machines in Italy which, according to MAG Consulenti Associati, a gambling consultancy, comprised 38,630 AWPs and 10,590 VLTs as at 31 December 2018. The Group's online activity comprises betting, bingo, casino, poker and skill games in Italy and had over 410,000 active players in 2018.

In addition, the Group conducts its B2C gambling operations through joint ventures and white-label agreements with media groups (such as News UK to operate the Sun Bingo brand) and existing retail brands by utilising its online capabilities and launching and operating their brand online on their behalf. In addition to Snaitech, the Group also operates its own brands directly in select markets, as well as operating a casual gaming business on a B2C basis.

The Group's B2C operations provide it with greater strategic optionality when devising its approach in regulated and regulating markets. For example, investing in B2C capabilities gives the Group greater access to consumers, which in turn acts as a catalyst for future technology and product development for the benefit of the Licensees of the B2B segment of the Gambling Division. In addition, the B2C capabilities of the Group act as a showcase and proof of concept for the Group's product and service offering.

The B2C segment of the Gambling Division generated pro forma revenue of €976.0 million and pro forma Adjusted EBITDA of €123.1 million in the year ended 31 December 2018.

Financials Division

Through its Financials Division, the Group offers B2B and B2C products and services in the contracts for difference (the "**CFD**") and financial trading segments. The Group diversified into the financial trading industry in 2015, utilising its expertise and experience in platform technology from the gambling industry. The Financials Division provides diversification of the Group's revenue base as well as further opportunities for the Group to leverage its expertise and experience in technology in an expanding industry.

The B2B offering in the Financials Division includes the Group's proprietary trading platform, CRM, risk management, trading solutions and back-office and business intelligence systems, as well as a liquidity technology platform which provides retail brokers with multi-asset execution, prime brokerage services, liquidity and complementary risk management tools. The B2B segment of the Financials Division operates on a revenue sharing basis.

The B2C offering in the Financials Division comprises primarily an established online CFD broker, operating under the brand "markets.com". The brand is operated by Safecap Investments Limited, a subsidiary of the Issuer, as a provider of CFD and foreign exchange trading platforms. Customers are able to trade CFDs in respect of a variety of underlying assets, including foreign exchange, crypto currencies, commodities, equities, indices and bonds. The direct B2C activity of the Financials Division derives revenue from trading commissions.

The Financials Division includes entities that are regulated by the Financial Conduct Authority in the UK (the "**FCA**"), the Cyprus Securities and Exchange Commission (the "**CySEC**"), the Financial Sector Conduct Authority in South Africa (the "**FSCA**"), the Australian Securities and Investments Commission (the "**ASIC**") and the British Virgin Islands Financial Services Commission (the "**BVI Financial Services Commission**").

In the year ended 31 December 2018, the Financials Division generated revenues of €92.9 million and Adjusted EBITDA of €29.5 million.

Competitive strengths

The Group believes it has a number of significant competitive advantages and strengths that will be important factors in maintaining and further developing its business, including the following:

Consistent strong growth in key operating markets, which is expected to continue in the future

The Group's core business is the development of products and services for the gambling industry's key product verticals. Through its offering, the Group has a strong presence in online gambling market as well as in a land-based gambling market, where it offers a wide range of gambling and betting products, including gaming machines, sports and horse race betting terminals and virtual sports events.

H2 Gambling Capital estimates that the total value of the global gambling markets was approximately €392 billion in the year ended 31 December 2018, of which the values of online and land-based gambling markets were approximately €45 billion and €347 billion, respectively. Both markets have historically enjoyed

steady growth, which is expected to continue. H2 Gambling Capital estimates that the online gambling market has grown at a compounded annual growth rate of approximately 9.7 per cent. between 2010 and 2018 (land-based gambling market: approximately 2.4 per cent. over the same period). H2 Gambling Capital expects this growth to continue at a rate of approximately 7.4 per cent. between 2018 and 2021 (land-based gambling market: approximately 2.0 per cent. over the same period).

The online gambling market has grown faster than land-based gambling, however the latter still accounts for 89 per cent. of the global gambling market in 2018, according to H2 Gambling Capital. Due to the increasing availability of internet connectivity and widespread use of mobile and tablet platforms, the convergence between online and land-based gambling operations has become one of the most relevant industry trends. The Group believes that its expertise in the online gambling market, combined with its comprehensive omni-channel technology and the scale of its land-based operations, positions it well to capitalise on the expected future growth and the convergence trend. See "—*Scalable proprietary technology*".

In addition to convergence between online and land-based gambling operations, a number of jurisdictions have recently started to regulate their gambling markets. The Group primarily operates in regulated and regulating jurisdictions, and believes that its experience in existing regulated jurisdictions positions it well to take advantage of this industry trend.

Scalable proprietary technology

The Group's technology is centralised and primarily built on one set of code. This means the Group's technology is highly scalable in terms of product development and distribution across verticals and channels. In addition, the scalable nature of its technology means the Group can generally on-board, integrate and launch new licensees and partners via its platform with limited further investment or technology development needed.

The scale of the Group's gambling platform allows it to collect non-personal and player behaviour data across more than 140 Licensees globally, which powers the intelligence-driven capabilities of its Information Management System (the "**IMS**") platform, which is one of the industry's most powerful player management systems and enabler to the Group's omni-channel offering. The capabilities of the IMS include marketing, bonusing and campaign manager tools as well as compliance and responsible gambling tools. Furthermore, the Group's technology is built to be robust and stable, as demonstrated by its ability to consistently and efficiently process a significant amount of simultaneous online "plays" without interruption.

The Group utilises an omni-channel technology referred to as Playtech ONE, which is based on one integrated CRM. This single CRM across all product verticals and channels allows for a single customer profile, and therefore a seamless customer experience. Central to this seamless customer experience is the Group's ability to offer products in each vertical. Not only are these products integrated from a branding point of view (e.g. the Age of the GodsTM suite available online and in retail across live casino, bingo and casino verticals), which allows it to drive player interaction across verticals, but also integrated in their use and collection of player data, allowing for more tailored, and successful, marketing and player cross-selling.

An important part of the Group's omni-channel offering is the ability to offer single platform access across retail and online channels. Through its retail software, the Group offers an entry point to its products across bingo, casino and sports verticals. Furthermore, in the Group's experience, there is an overlap in the demographics of retail and online customers. Traditional retail customers playing online are more valuable, demonstrate greater loyalty and the costs associated with acquiring such players via the retail channel are far lower when compared to acquiring new customers directly via the online channel. As a result, a number of retail businesses have recently been investing in growing their online business. Accordingly, the Group believes that most retail businesses that have or intend to launch online gambling operations will seek to implement omni-channel solutions.

Another strength of the Playtech ONE platform is its ability to use the data collected across verticals and channels. As the gambling market continues to mature, the focus for operators in developed markets such as the UK continues to move beyond player acquisition to focus on player retention and ultimately increasing player life time value. The platform allows for industry standard bonusing, together with more sophisticated mechanics, including automated cashback, free-spins, "Golden Chips" for table and card games and other types of bonuses. All these promotional methods can be controlled and configured by the operator, allowing for stringent liability and monetary control. The platform also includes Games Advisor, a real-time driven recommendation engine

based on sophisticated real time algorithms that suggests other games the player might be interested in, dependent on many game-specific variables, including volatility, win hit frequency and win distribution.

The Group believes that the combination of its proprietary technology and comprehensive product portfolio, as well as complementary service offering and expertise across multiple jurisdictions, makes it an attractive partner. The Group believes that the single most realistic alternative to partnering with it is for the operators to utilise their own proprietary platform together with proprietary and third-party software, which the Group believes is an increasingly unsustainable and costly business model. The Group enjoys significant scale advantages by being able to leverage operating and development costs across its global customer base. Furthermore, the Group believes it is the only supplier that can offer sophisticated marketing and operational services via modular technology combined with a fully flexible approach to how it partners with its customers, for example, joint ventures or structured agreements. This means that the Group is adaptable and able to partner or sign commercial agreements with a wide range of gambling providers, from Government sponsored entities to the leading independent brands in each jurisdiction.

Successful track record of innovation

The Group believes it is at the forefront of innovation in its industries. In the Gambling Division, product innovation is required in order to continue to deliver new ways of enhancing the end-customer experience and producing industry leading and engaging content which will drive player engagement. In order to continue innovating the Group invests significantly in R&D, for example in 2016, 2017 and 2018 the Group had an R&D spend of €123.5 million, €142.2 million and €145.2 million, respectively, or 17.4 per cent., 17.6 per cent. and 11.7 per cent. of revenue in each respective year (compared with 18.0 per cent. of the revenue of the Group in the year ended 31 December 2017, excluding Snaitech). This development cost is made possible due to the scale of the Group and is implicitly shared across the Licensee base, which makes it more cost-efficient compared with self-development. Furthermore, the Group's revenue sharing model makes continuing development mutually beneficial for the Group and the Licensees of the B2B segment of the Gambling Division.

The Group is a pioneer of omni-channel gambling technology, which has become an essential element of the Group's product offering. See "*—Scalable proprietary technology*". The use of omni-channel technology enables the Group to develop new content in a fast and more cost-effective manner. This approach to rapid omni-channel game deployment enables operators to integrate bespoke games in an expedient manner.

In 2018, the Group extended its agreement with Gala Leisure in order to launch a new omni-channel gaming brand across bingo and casino. The Group became a strategic partner to Gala Leisure and launched a full omni-channel solution in 2018, including retail products fully integrated with industry leading digital content and solutions.

The Group's approach to innovation has enabled it to organically develop and consistently deliver innovative technologies and content over recent years. For example, in 2011, the Group launched the industry's first seamless customer wallet, followed by the launch of the pioneering omni-channel platform in 2014. In 2015, the Group launched "Golden Chip", an alternative to traditional bonusing, which allows for the equivalent of free spins to be offered in other casino games, as well as in the live casino vertical. In 2017, the Group developed the Gaming Platform as a Service ("**GPAS**"), which provides the next step in the Group's relationship with Licensees, content providers and developers. See "*—Principal areas of operation—Gambling Division—Platforms and infrastructure—GPAS and marketplace*. Furthermore, in the course of 2018, the Group launched Marketplace, a content discovery platform where operators can access the Group's entire portfolio of content.

As well as driving innovation through internal R&D and product development, the Group uses M&A to acquire assets and employees with specialist expertise to further drive innovation. For example, the Group acquires IP and specialist expertise to allow faster creation and deployment of products, lowering costs for the Group and the Licensees.

Global and diversified technology company

The Group believes that its broad customer base and presence in all major verticals and numerous geographies allows it to minimise the impact on the overall business of any changes in the operating environment in a particular market and provides diversification to its business.

The business of the Group's Gambling Division is diversified across the B2B and B2C segments. In the year ended 31 December 2018, the B2B segment of the Gambling Division represented 34.9 per cent. of the Group's pro forma revenue and 62.3 per cent. of the Group's pro forma Adjusted EBITDA. During the same period, the B2C segment of the Gambling Division represented 60.1 per cent. of the Group's pro forma revenue and 30.4 per cent. of the Group's pro forma Adjusted EBITDA.

In the Gambling Division, the Group is further diversified across the leading verticals. In the B2B segment the Group generates its revenue from casino, sports, bingo, poker and services verticals. In the B2C segment the Group generates its revenue from gaming machines, retail betting and online gaming.

In addition to the core business of the Gambling Division, the Group offers both B2C and B2B products and services in the CFD and financial trading segments through the Financials Division. In the year ended 31 December 2018, the Financials Division represented 5.7 per cent. of the Group's pro forma revenue and 7.3 per cent. of the Group's pro forma Adjusted EBITDA.

As at 31 December 2018, the Group had over 140 Licensees globally. Agreements between the Group and its Licensees are typically multi-faceted. For example, a Licensee may request an increased product and service offering across a vertical in one jurisdiction, while asking for a reduced offering across another vertical in a different jurisdiction. In the year ended 31 December 2018, the UK contributed 15.8 per cent. to the pro forma revenue of the Group, Italy 56.9 per cent., the rest of Europe 10.4 per cent., Asia 11.5 per cent. and the rest of the world 5.4 per cent. While Italy is a significant contributor to the Group's pro forma revenue, the Adjusted EBITDA contribution is smaller given the type of business model that Snaitech employs in this market, while at the same time providing high quality revenue in a regulated market. As a result of the acquisition of Snaitech, in the year ended 31 December 2018, 84.7 per cent. of the Group's pro forma revenue was generated in regulated markets (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017). See "*—Gambling Division—Gambling Division-B2C Segment—Snaitech*".

Proficient in regulated markets and well-placed to begin operations in regulating markets

Having developed a market leading position in established regulated markets, the Group has expertise in operating under numerous regulatory regimes. The Group employs a dedicated regulatory compliance team consisting of 22 employees that monitors compliance with the necessary regulations. This team also works closely with regulators in advance of the opening of new markets. As a data-driven technology company, the Group can engage with regulators and government officials ahead of regulation, providing insightful data to help shape and inform policy. This expertise, combined with an existing, scalable technology and product offering afford the Group an advantage over its competitors in newly regulating and opening markets.

As described in "*—Consistent strong growth in key operating markets, which is expected to continue in the future*", an increasing number of jurisdictions are introducing gambling regulations. Over the years, the Group has established presence in various regulated markets worldwide, including key markets such as the UK, Spain, Greece, Denmark and Finland. More recently, the Group has established presence in newly regulated markets such as Sweden, Mexico, Bulgaria and Romania. In addition, the acquisition of Snaitech has given the Group greater access to the fully regulated Italian gambling market. In the year ended 31 December 2018, regulated markets accounted for 84.7 per cent. of the Group's pro forma revenue (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017).

A significant number of countries in Europe, Latin America and elsewhere are in the advanced stages of preparing legislation to allow gambling, and the Group believes that other important markets are considering introducing regulations in the near future. Licensing regimes have recently been introduced in the Czech Republic, Poland, Portugal and Sweden. In line with its strategy, the Group launched in Sweden on 1 January 2019, and was one of the first technology companies to launch industry-leading brands following the regulatory changes that came into effect at the start of 2019. The Group is partnering with leading betting platforms to bring its industry-leading products to Sweden. In addition, the Group's Swedish specialist content studio Quickspin launched 30 of its most popular titles on the first day of regulation on 1 January 2019.

The Group also expects significant steps forward in Slovakia, the Netherlands, Switzerland and Germany in 2019. The Group is leveraging its proficiency in regulated markets in order to build strategic positions in newly regulated markets or in markets that are about to introduce regulation. For example, the Group already has an

agreement in place with Holland Casino, the national operator in the Netherlands, and remains in discussions with potential customers in other jurisdictions.

The Group believes that recent changes to the regulatory landscape in the US represent a significant opportunity, despite the recent US Department of Justice opinion regarding the extent of the US Wire Act's application to online gambling. The Group has filed an application for a licence in the State of New Jersey and is in the process of applying for a licence in the State of Mississippi. The Group is also currently considering opportunities across the US and has strategic optionality within its technology platform in order to pursue joint ventures, partnerships and B2B deals with land-based casino groups, media groups and existing international clients.

Strong track record of profits and cash generation

The Group has a track record of significant profit and cash generation. For example, the Group's Adjusted EBITDA was €302.2 million in the year ended 31 December 2016, €322.1 million in the year ended 31 December 2017 and €343.0 million in the year ended 31 December 2018. The Group generated pro forma Adjusted EBITDA of €405.3 million in the year ended 31 December 2018. The Group's profit before taxation was €200.3 million in the year ended 31 December 2016, €266.6 million in the year ended 31 December 2017 and €183.4 million in the year ended 31 December 2018. Furthermore, the Group generated net cash from operating activities of €251.4 million, €306.7 million and €387.1 million in the years ended 31 December 2016, 31 December 2017 and 31 December 2018, respectively.

Highly experienced management team

The Group has a highly experienced senior management team with significant industry knowledge. The Group's management has demonstrated substantial experience in undertaking expansion of the Group, both organically and through acquisitions, and has a comprehensive understanding of the regulatory requirements of the jurisdictions in which the Group operates. The Group's management team is led by Mor Weizer, who was appointed Chief Executive Officer and Executive Director of the Issuer in May 2007. Highly experienced in the online gambling, technology and finance industries, he started his career as an accountant and Financial Consultant for PricewaterhouseCoopers before moving to software specialist Oracle. Prior to becoming Group CEO, Mor served as Chief Executive Officer of Techplay Marketing Ltd, a subsidiary of the Issuer.

Strategy

Set out below are descriptions of the key elements of the Group's strategy:

Further grow its business, with a focus on regulated and regulating markets, by leveraging a comprehensive and innovative technology offering

The Group believes that regulated and regulating markets will become the main source of income in the gambling industry. A significant number of jurisdictions are expected to introduce gambling regulations, and the Group believes this trend will continue. See "*—Competitive Strengths—Proficient in regulated markets and well-placed to begin operations in regulating markets*". The Group intends to expand its business in such regulated and regulating markets.

The Group approaches each prospective market individually, and conducts a thorough analysis of each market to determine the most appropriate entry channel. Due to its technology, comprehensive product and service offering, as well as land-based capabilities, the Group is able to enter new markets via either a B2B or B2C channel. The global nature of the Group's customer base allows it to capitalise on the expansion of the relevant Licensees' business into new territories and to secure a foothold in the new markets. In addition, the Group may enter new markets by entering into licensing arrangements, joint ventures or structured agreements with new customers that already have a presence in such market. For example, the Group entered the Mexican market by entering into a structured agreement with Caliente.

In the B2B segment of the Gambling Division, the Group focuses on higher margin opportunities across the Sports and Casino (including Live Casino) product verticals. In order to implement this strategy, the Group intends to acquire new Licensees across regulated and regulating markets, through structured agreements or otherwise, depending on the conditions in the relevant market. The Group will also continue to support existing Licensees with better tools and new technologies to provide them with greater flexibility in running their businesses.

The acquisition of Snaitech is another example of this growth strategy. The Italian market in which Snaitech operates is fully regulated and strategically important, as it is the largest gambling market in Europe, and continues to offer attractive opportunities for operators with scale. The Italian market is currently driven by retail activity but the online segment presents a significant opportunity and is expected to grow going forward, which is why the Group has chosen to establish a foothold in this market via the B2C channel. Snaitech's earnings are sourced wholly from Italy, a regulated and developed gambling market, and therefore the acquisition will positively impact the Group by increasing the proportion of revenues generated from regulated markets.

Further strengthen relationships with existing customers, and cross-sell products and services

In addition to entering new markets and securing new customer relationships as outlined in "*—Further expand the scale, with a focus on regulated and regulating markets through leveraging comprehensive and innovative technology offering*", the Group intends to strengthen its relationships with existing customers. The Group strives to identify growth areas in customers' businesses in order to offer tailored products and services which help customers grow. The Group's international expansion also provides existing customers with access to new markets. For example, the initial commercial relationship of the B2B segment of the Gambling Division in the UK market with Licensees such as Bet365, GVC/Ladbrokes Coral and William Hill and others led to these Licensees launching operations in newly regulated markets such as Italy and Spain.

As part of its expansion strategy, the Group uses some of its products as efficient cross-selling tools. By way of example, products within the bingo and sports verticals have traditionally been used as gateways to attract new players and cross-sell them to casino and other product verticals. In addition, the Group believes that its poker products can be used to access recreational players and raise their awareness of the other product verticals. The Group also believes that the live casino offering can be leveraged to cross-sell to a new demographic of player who otherwise would not have considered the products and services of the Group.

Expand its comprehensive product and service offering by further driving innovation and intelligent use of data

The Group believes it has historically been at the forefront of innovation, and will look to maintain this position in the future. See "*—Competitive Strengths—Successful track record of innovation*". The Group has a strong innovation pipeline. By way of example, the Group intends to trial new responsible gambling features in its Portal and Marketplace platforms, aimed at increasing both Licensee and player education and awareness of the Group's casino content, in the course of 2019. In addition, the Group expects further growth of Buzz Bingo, which was launched in September 2018.

The Group intends to continue to be the source of innovation in the gambling industry by further developing its technology platform and delivering new and innovative ways for end-users to experience content. In particular, the Group is focussed on improving end-user experience and driving overall customer value by adding new capabilities to its IMS platform and by producing industry leading and engaging content (including new games and integrated content), which will drive player engagement.

The Group maintains a data-driven approach to innovation. In particular, the Group collects non-personal data across the global Licensee base of the B2B segment of the Gambling Division and the geographical areas of operation in order to determine the prevalent trends and growth areas, and tailors the solutions for customers accordingly. This in turn enables the Group to provide intelligent services and add new capabilities to the Group's IMS platform in order to improve end customer experience, extend the end customer journey and improve the end customer value.

Continued commitment to responsible gambling

Protecting players from harmful play is critical for the long-term success of the Group's operations. The Group is therefore committed to ensuring that it enables a safe and responsible form of entertainment and takes action to reduce harmful play. In particular, the Group strives to create products and services that prevent gambling from becoming a source of crime and enable the Licensees to identify, minimise and reduce the harmful effects of gambling. The Group also engages and partners with governments and charities to research ways to prevent, reduce and treat the harmful effects of gambling.

When rolling out new products and services, the Group conducts responsible advertising campaigns, making sure that the products and services are advertised and marketed fairly, clearly and in a way that does not target children and young people. The Group also strives to ensure that player data is kept safe and secure, that gambling is conducted in a fair and open way and that young people and other vulnerable persons are protected from being harmed from, or being exploited by, gambling.

The Group is committed to expand the functionality of its products to further its responsible gambling capability. In addition to the organic development, the Group seeks appropriate acquisition targets to enhance its responsible gambling capability. For example, the Group acquired BetBuddy, the responsible gambling analytics solution provider, in October 2017, and integrated its behavioural identification and modification software into the Group's own IMS player management system. This acquisition allowed the Group to maintain its leading position in the delivery of responsible gambling products and services.

Complement existing capabilities with selective acquisitions

The Group has grown historically through a combination of organic development and acquisitions. The Group intends to continue this strategy as, in the Group's view, in certain circumstances, this is the most efficient way to deliver certain elements of its strategy. The Group will consider acquiring companies (or their assets) that possess technologies, products and distribution capabilities which will complement or enhance the Group's existing businesses. In particular, the Group may seek to acquire businesses that add new content and capabilities across the Group's product verticals (for example in the sports vertical) and enhance the Group's omni-channel capabilities. The Group may also consider acquiring businesses in order to access new markets and jurisdictions.

In delivering this strategy, the Group is committed to a selective and disciplined approach to acquisitions. The expansion potential of the target, the size and the growth potential of its end markets, the ability to integrate it into the Group's operating model and the profit and cashflow generation capability of the target are among the key criteria for the Group's acquisition strategy. Accordingly, the Group identifies potential acquisition targets by assessing their product and technology portfolio and overall strategic fit with the Group's growth strategy. The Group also compares its expected investment returns on potential acquisitions of products and technology with those likely to be realised through organic development before undertaking any acquisitions.

Recent developments

Asia

Competition in China increased in 2018 from new market entrants, resulting in downgrades to expectations announced to the market in July 2018. Activity in Malaysia, highlighted as a headwind due to a change in market conditions, continues to be significantly lower than its previous levels.

In Asia, the Group functions out of a base in the Philippines and is licensed as a B2B service provider by the Philippine regulator, PAGCOR. The Group works directly with large global B2C operators that it also works with in other jurisdictions, but the vast majority of activity in Asia is conducted through a third party distributor in order to access the fragmented market.

The increase in competition in China has resulted in a highly competitive pricing environment. The Group has taken the decision not to seek to compete on pricing of its premium content and instead has focused on underlining the premium position of its offering in the region. Increased competition in the region is likely to remain, and accordingly the Group has taken several actions to secure its position in the market.

These actions include appointing a new managing director for Asia who has responsibility for the Group's operations in the region, including managing relationships with the Group's distribution network. The Group has also launched multiple new games, focusing on branded content and has increased the support given to its partners in the region to enable them to offer progressive jackpots, another key strength of the Group. In addition to this, the Group has participated in promotions and provided incentive schemes to sub-Licensees to support their efforts in promoting the Group's content.

The Group continues to monitor developments in Asia closely and, at its current run rate, still sees commercial benefits to operating in the region. While operating at a lower run rate than before, the Group's Asia business remains high margin and highly cash generative. This cash will be continued to be used to execute the Group's strategy in regulated markets.

Israeli tax agreement

Following a civil tax audit, the Group reached an agreement with the Israeli tax authorities on 31 December 2018. The civil tax audit covered the 10 fiscal years from 2008 to 2017 (inclusive). As a result of the audit, the Israeli tax authorities made transfer pricing adjustments in relation to certain functions performed by the Group in Israel during this period. The agreement covers the full period from 2008 to 2017, and the Group will pay additional tax of approximately €28 million in respect of that period. No penalties were imposed as a result of the audit, and the agreement covers the entirety of the Group's activity in Israel.

This additional tax charge was included as an exceptional item in 2018. The cash payment related to the settlement was made in January 2019.

Sun Bingo

In February 2019, the Group agreed a multi-year extension of the Sun Bingo contract with News UK. Pursuant to the extension, the terms of the contract have been expanded to include new product verticals. The contract has been extended for a period of up to 15 years.

Current trading

B2B Gambling Division

As reported in the results of the Issuer for the year ended 31 December 2018, regulated revenue in the B2B segment of the Gambling Division for the first 49 days of 2019 was up 7 per cent. on the same period in 2018 at constant currency and excluding acquisitions and one-off items. Non-regulated revenue in the B2B segment of the Gambling Division for the first 49 days of 2019 was down 26 per cent. on the same period in 2018 at constant currency and excluding acquisitions.

B2C Gambling Division

Snaitech has had a strong start to 2019 with the underlying business trends in line with the Group's expectations albeit impacted by the recent negative legislative headwinds. See "*—Integration of Snaitech*".

Financials Division

The Financials Division has started 2019 in line with management's expectations.

Integration of Snaitech

In 2018, the Group completed the acquisition of Snaitech, a leading Italian gambling operator. The acquisition created a fully-integrated gaming company across retail and online and provides the Group with a cornerstone presence in one of its key target markets. The Group intends to utilise its omni-channel technology to capture the online growth opportunity in one of the largest gambling markets in the world where online market penetration remains low at approximately 8 per cent. of Gross Gaming Revenue as at 1 January 2019.

The acquisition of Snaitech has delivered a significant increase to the Group's scale and distribution capabilities in a high growth regulated market. Snaitech's results are included in the Group's consolidated financial statements from 5 June 2018, the date of completion of the acquisition.

Regulation in the gambling industry remains one of the key market dynamics shaping the development and growth of the industry. The Group has significant experience of driving growth in the highly regulated UK market, and Snaitech has considerable understanding and experience of working with the regulator in Italy. The Group believes that the combination of the legacy Group and Snaitech businesses can create value and execute on the significant opportunity for online growth.

This expertise is especially important given recent regulatory developments in Italy. In 2018, the government in Italy approved an advertising ban for all forms of gambling which will be fully active in July 2019. Part of the rationale for the acquisition of Snaitech was the strength of its retail network and resonance of the Snaitech brand. The Group believes that the ban on advertising will facilitate market consolidation in the fragmented

online market, with companies with a retail brand and presence set to benefit and gain online market share. As well as the advertising ban, there have been various increases in taxation on gambling activities in Italy. These are estimated to negatively impact Snaitech's EBITDA in 2019 by approximately €30 million (including the impact of the 2018 Dignity Decree as well as the 2019 budget law) before mitigation.

In 2018, Snaitech's total revenues grew 0.6 per cent. to €894.6 million. The growth in revenue was predominantly driven by growth in online, partially offset by a decline in gaming machines revenue. The Group consolidated €511.9 million of revenue and €93.0 million of EBITDA from Snaitech's 2018 performance in the 2018 Financial Statements.

Share buyback

On 21 February 2019, the Issuer announced that it was adopting a new policy to reallocate part of its shareholder distributions into share repurchases and confirmed its intention that the overall level of capital to be distributed to shareholders will continue to be progressive, in line with medium term earnings. An initial buyback programme to repurchase shares of up to €40 million on the London Stock Exchange commenced on 22 February 2019. All shares repurchased under this programme will be cancelled.

New agreement with GVC

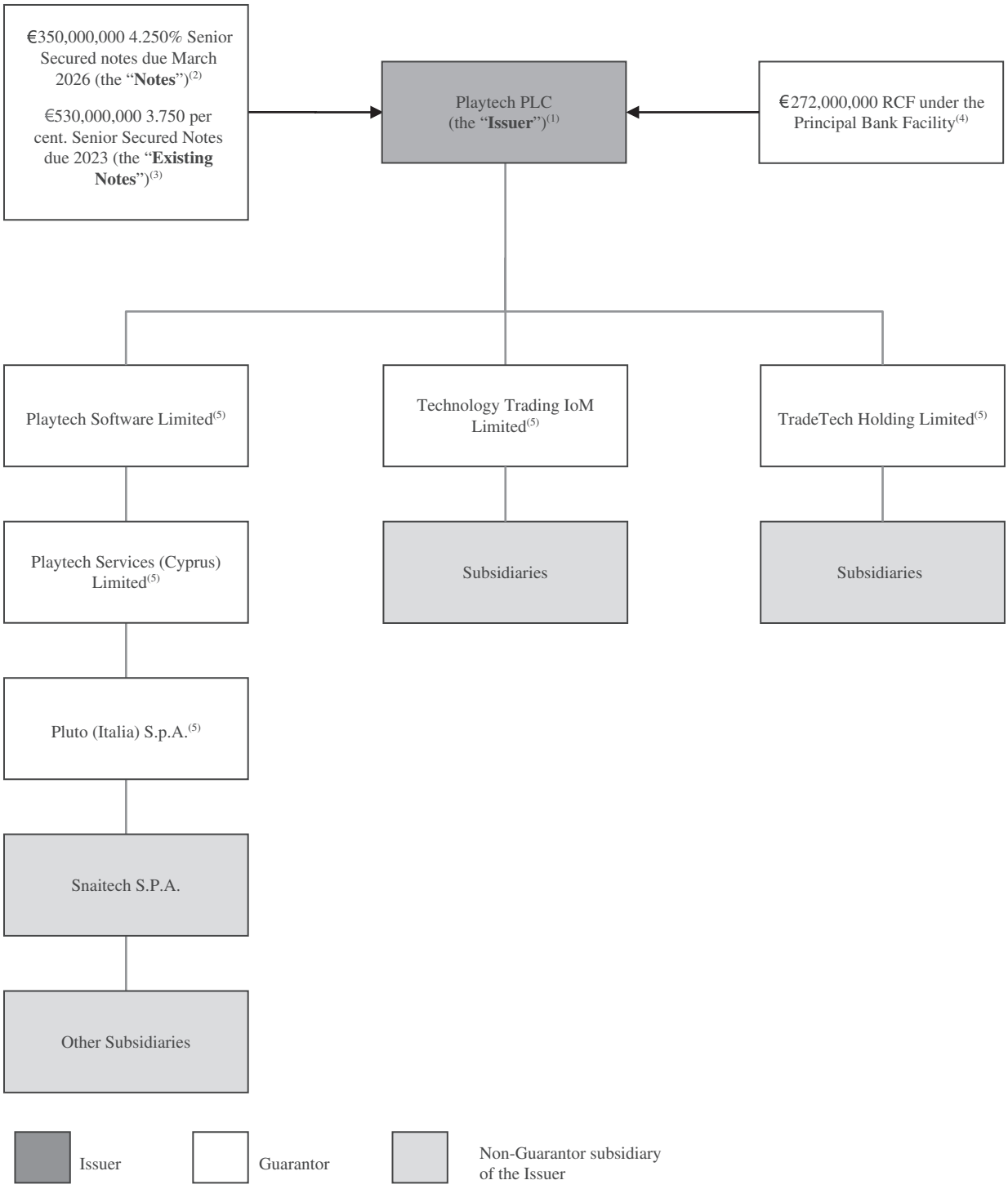
On 27 February 2019, the Issuer announced that it has signed a new agreement with GVC Holdings PLC ("**GVC**"). Pursuant to the terms of the agreement, the Group will provide services and products to all GVC brands, both in existing and new markets. The term of the agreement is until the end of 2025.

Entry into this agreement represents an extension in scope and duration to the current arrangements between the Group and GVC. Through a portfolio of global and local established brands, GVC has one of the largest online gaming businesses in the world. For the first time, many of GVC's brands will have access to the Group's suite of content and products. The Group and GVC have also agreed to work together to integrate the Group's products and services onto the GVC platform in order that they can be made available to the MGM-GVC joint venture, ROAR Digital.

SUMMARY CORPORATE AND FINANCING STRUCTURE

The following chart sets out a simplified structure of the Group as at the date of this Offering Circular.

Note: As at the date of this Offering Circular, the Issuer beneficially owns 100 per cent. of each of Playtech Software Limited, Technology Trading IOM Limited, TradeTech Holding Limited, Playtech Services (Cyprus) Limited and Pluto (Italia) S.p.A.



(1) The Issuer was incorporated and registered in the British Virgin Islands on 12 September 2002 under the International Business Companies Act (cap 291) of the BVI with registered no 513063 as a company limited by shares and was automatically re-registered under the BVI Business Companies Act, 2004 on 1 January 2007. On 21 June 2012, the Issuer was re-domiciled to the Isle of Man with registration number 008505V. The principal legislation under which the Issuer operates is the Isle of Man Companies Act 2006. The Issuer's sole activity is to act as the holding company of the Group and raise financing on behalf of the Group. The Issuer has no

independent operations of its own other than owning equity in its subsidiaries and raising finance. The Issuer has been listed on the Main Market of the London Stock Exchange since July 2012. For information regarding ownership of the Issuer, see "*Description of the Issuer and the Guarantors—The Issuer—Major Shareholders*".

(2) The Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu*, and without any preference or priority among themselves. The Notes rank *pari passu* in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the Notes save for such exceptions as may be provided by applicable legislation. Subject to the provisions of the Intercreditor Agreement, the obligations of the Issuer and the Guarantors under the Notes and certain other obligations of the Issuer and the Guarantors are secured by, inter alia, the Security Documents. The Noteholders and the other Secured Parties (as defined in the Intercreditor Agreement) will share in the benefit of the security constituted by the Security Documents, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents, as further described in Condition 3(c) (*Security*). The net proceeds of the issue of the Notes will be applied by the Issuer to redeem on maturity in November 2019 all of the then outstanding Convertible Bonds and/or, prior thereto, to purchase and cancel some or all of the outstanding Convertible Bonds, to pay accrued interest thereon and related redemption costs and to pay for other transaction-related costs and expenses. The remainder of the net proceeds of the issue of the Notes will be used for general corporate purposes. The Issuer will, on the Closing Date, place an amount of the net proceeds of the issuance of the Notes equal to the sum of (i) the principal amount outstanding under the Convertible Bonds as at the Closing Date and (ii) the amount of accrued interest which would be payable on the Convertible Bonds if they are redeemed in full on their scheduled maturity date (assuming for the purposes of (ii) that no Convertible Bonds are repurchased, redeemed or converted prior to their scheduled maturity date) into a segregated bank account in the name of the Issuer (or another member of the Group) and retain that amount in such account pending its application, and shall apply such proceeds in redeeming and/or purchasing and cancelling all of the outstanding Convertible Bonds as aforesaid.

(3) For details relating to the Existing Notes, please see "*Material Contracts—Existing Notes*".

(4) For details relating to the Principal Bank Facility and the Intercreditor Agreement, please see "*Material Contracts—Principal Bank Facility*" and "*Material Contracts—Intercreditor Agreement*".

(5) The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally, unconditionally and, subject to the provisions of Condition 3(e) (*Release of Guarantors*), irrevocably guaranteed by the Guarantors in the Trust Deed. Additional Guarantors may, subject to the terms of the Trust Deed and the Conditions, be added (as further described in Condition 3(d) (*Addition of Guarantors*)). Further, Guarantors may be removed in accordance with the terms of Condition 3(e) (*Release of Guarantors*). With respect to the limitation applicable to any Notes Guarantee, please see "*Risk Factors—Risks Relating to the Notes—The Notes Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*", "*Risk Factors—Risk Factors Relating to Cypriot Law and Regulation*" and "*Risk Factors—Risk Factors Relating to Italian Law and Regulation*". On enforcement of any of the Notes Guarantees or Transaction Security, the aggregate proceeds stemming from such enforcement will be shared and distributed to the holders of the Notes (and, in the case of the proceeds of enforcement of the Transaction Security, certain other secured creditors) on a *pro rata* basis in accordance with the terms of the Trust Deed and the Intercreditor Agreement.

THE OFFERING

Issuer:	Playtech plc.
Group:	The Issuer and its Subsidiaries.
Initial Guarantors:	Playtech Software Limited, TradeTech Holding Limited, Technology Trading IOM Limited, Pluto (Italia) S.p.A. and Playtech Services (Cyprus) Limited.
Additional Guarantors:	If at any time after the Closing Date, any Subsidiary of the Issuer provides a guarantee in respect of the Principal Bank Facility (as defined in Condition 3 (*Guarantees, Security and Status*)), the Issuer covenants that it shall procure that such Subsidiary of the Issuer shall, as soon as reasonably practicable but in any event no later than 14 days after the date of giving its guarantee in respect of the Principal Bank Facility, provide a Notes Guarantee in respect of the Notes on the terms set out in the Trust Deed, as described in Condition 3(d) (*Addition of Guarantors*). With respect to the limitation applicable to any Notes Guarantee, please see "*Risk Factors—Risks Relating to the Notes—The Notes Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*", "*Risk Factors—Risk Factors Relating to Cypriot Law and Regulation"* and "*Risk Factors—Risk Factors Relating to Italian Law and Regulation"*. Please also see "*Risk Factors—Risks Relating to the Notes—The Notes will not have the benefit of a Notes Guarantee granted by Snaitech*".
Description of Notes:	€350,000,000 4.250 per cent. Senior Secured Notes due March 2026 (the "**Notes**"), to be issued on the Closing Date.
Closing Date:	7 March 2019.
Issue Price:	The Notes will be issued at an issue price of 100 per cent. of the principal amount of the Notes.
Trustee:	The Law Debenture Trust Corporation p.l.c.
Security Agent:	The Law Debenture Trust Corporation p.l.c.
Joint Active Bookrunners:	Banco Santander, S.A., NatWest Markets Plc, UBS AG, London Branch and UniCredit Bank AG.
Passive Bookrunner:	Citigroup Global Markets Limited.
Co-Managers:	ABN AMRO Bank N.V., The Governor and Company of the Bank of Ireland and Goodbody Stockbrokers UC.
Principal Paying Agent, Registrar and Transfer Agent:	Banque Internationale à Luxembourg S.A.
Interest:	The Notes will bear interest from 7 March 2019 at a rate of 4.250 per cent. per annum payable semi-annually in arrear on 7 September and 7 March in each year, commencing on 7 September 2019.
Optional Redemption by Issuer for tax reasons:	Notes at any time, at their principal amount plus accrued interest, in the event of certain tax changes, as described in Condition 6(b) (*Redemption for Taxation and other Reasons*).

Optional Redemption by Issuer prior to maturity:	The Notes may be redeemed prior to maturity at the option of the Issuer in whole or in part either (i) from and including the Closing Date to, but not including, 7 March 2022, at a price equal to the Make Whole Amount, (ii) from and including 7 March 2022 to, but not including, 7 March 2023, at a price equal to 102.125 per cent. of the of the principal amount for each Note to be redeemed, (iii) from and including 7 March 2023 to, but not including, 7 March 2024, at a price equal to 101.063 per cent. of the principal amount for each Note to be redeemed, and (iv) from and including 7 March 2024 to, and including 7 March 2026, at a price equal to 100 per cent. of the principal amount for each Note to be redeemed, together with accrued interest, as set out in Condition 6(c) (*Redemption at the Option of the Issuer*).
Noteholders' put option upon Change of Control Event:	Upon the occurrence of a Change of Control Event (as defined in Condition 6(d) (*Redemption at the Option of Noteholders upon a Change of Control Event)* subject to the conditions therein), each Noteholder shall have the option to require the Issuer to redeem or purchase the Notes of such holder at a cash purchase price equal to 101 per cent. of the principal amount thereof plus accrued and unpaid interest up to (but excluding) such date of redemption, as described in Condition 6(d) (*Redemption at the Option of Noteholders upon a Change of Control Event*).
Events of Default:	Events of Default under the Notes include non-payment of principal for more than 7 days, non-payment of interest for more than 14 days, breach of other obligations under the Notes, the Trust Deed, the Intercreditor Agreement or any of the Security Documents (which breach is not remedied within 30 days), cross-acceleration relating to indebtedness for borrowed moneys of the Issuer, the Guarantors or any of their respective Subsidiaries (as defined in Condition 4 (*Covenants*)) subject to an aggregate threshold of €50,000,000 and certain events related to insolvency or winding up of the Issuer, the Guarantors or any of their respective Subsidiaries, as further described in Condition 9 (*Events of Default*).
Security:	Subject to the provisions of the Intercreditor Agreement, the obligations of the Issuer and the Guarantors under the Notes and certain other obligations of the Issuer and the Guarantors are secured by, inter alia, a number of documents (the "**Security Documents**") which provide the Noteholders with the benefit of a common security package (the "**Transaction Security**") alongside the other Secured Parties. On the Closing Date, the Transaction Security will comprise security over: (a) the issued share capital of Playtech Software, TradeTech Holding, Technology Trading, Playtech Cyprus, Pluto Italia and Snaitech; and (b) all receivables owed (i) to the Issuer by Playtech Cyprus; (ii) to Playtech Cyprus Limited by Pluto Italia; and (iii) to Pluto Italia by Snaitech, in each case, pursuant to an intra-group loan agreement between the relevant parties. The Noteholders and the other Secured Parties will share in the benefit of the Transaction Security constituted by the Security Documents, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents, as further described in Condition 3(c) (*Security*) and in "*Intercreditor Agreement*".

Intercreditor Agreement:	On the Closing Date, the Trustee and the Security Agent will enter into a Creditor/Agent Accession Undertaking in order for the Trustee to accede to the intercreditor agreement that was entered into on 11 April 2018 by, amongst others, the Issuer, the Guarantors and the Security Agent (the "**Intercreditor Agreement**"). The Intercreditor Agreement governs the relative rights of the obligors and creditors under certain of the Issuer's existing and future financing arrangements (including the Convertible Bonds, the Existing Notes and the Principal Bank Facility). For further information see "*Material Contracts—Intercreditor Agreement*".
Negative Pledge:	The terms of the Notes contain a negative pledge provision pursuant to which none of the Issuer, the Guarantor and any of their respective Subsidiaries may create, assume or permit to subsist, as security for any Financial Indebtedness, any Security other than any Permitted Security (each as defined in Condition 4 (*Covenants*)), upon the whole or any part of its present or future undertaking, assets or revenues unless, in any such case, the Issuer and/or the relevant Guarantor and/or the other Subsidiary, as the case may be, shall simultaneously with, or prior to, the creation or assumption of such Security and, in any other case, promptly, take any and all action necessary to procure that all amounts payable in respect of the Notes by the Issuer and by the Guarantors in respect of the Notes Guarantees, are secured equally and rateably with the Financial Indebtedness secured by such Security, as further described in Condition 4(a) (*Negative Pledge*).
Covenants:	In addition to the Negative Pledge described above, the terms of the Notes contain (i) a restriction on the Issuer's ability to consolidate, merge or amalgamate with, or sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to another person as further described in Condition 4(b) (*Mergers and Consolidations*) of the Notes and (ii) a restriction on the Issuer's and the Issuer's Subsidiaries' ability to incur certain Financial Indebtedness unless, after giving effect to such incurrence, the Fixed Charge Coverage Ratio would be equal to or greater than 2.00 to 1.00 as further described in Condition 4(c) (*Limitation on Financial Indebtedness*).
Notes Guarantees:	The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally, unconditionally and, subject to the provisions of Condition 3(e) (*Release of Guarantors*), irrevocably guaranteed by the Guarantors in the Trust Deed. Additional Guarantors may, subject to the terms of the Trust Deed and the Conditions, be added (as further described in Condition 3(d) (*Addition of Guarantors*)). Further, Guarantors may be removed in accordance with the terms of Condition 3(e) (*Release of Guarantors*). With respect to the limitation applicable to any Notes Guarantee, please see "*Risk Factors—Risks Relating to the Notes—The Notes Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*", "*Risk Factors—Risk Factors Relating to Cypriot Law and Regulation"* and "*Risk Factors—Risk Factors Relating to Italian Law and Regulation"*.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu*,

	and without any preference or priority among themselves. The Notes rank *pari passu* in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the Notes save for such exceptions as may be provided by applicable legislation.
Status of the Notes Guarantees:	The obligations of the Guarantors under the Notes Guarantees will constitute direct and unconditional obligations of each Guarantor, and will rank *pari passu* in right of payment with all of the relevant Guarantor's existing and future debt that is not subordinated in right of payment to such Notes Guarantee save for such exceptions as may be provided by applicable legislation, and are secured in the manner set out in the Trust Deed, the Security Documents and the Intercreditor Agreement.
Modification, Waiver and Substitution:	The Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document, that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, in each case in the circumstances and subject to the conditions described in Condition 12 (*Meetings of Noteholders, Modification, Waiver and Substitution*).
Withholding Tax and Additional Amounts:	The Issuer or, as the case may be, any of the Guarantors will pay such additional amounts as may be necessary in order that the net amounts received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in the United Kingdom, the Isle of Man, Italy and Cyprus upon payments made by or on behalf of the Issuer or any of the Guarantors in respect of the Notes, will equal the amount which would have been receivable in the absence of any such withholding taxes, subject to customary exceptions, as described in Condition 8 (*Taxation*).
Meetings of Noteholders:	The Conditions will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.
Listing and admission to trading:	Application has been made to Euronext Dublin for the Notes to be admitted to listing on the Official List and to trading on the Global Exchange Market.
Governing Law:	The Notes will be governed by, and construed in accordance with, English law.
Form and Denomination:	The Notes will be issued in registered form in denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be initially evidenced by interests in the Global Certificate. The Global Certificate will be deposited on the Closing Date with, and registered in the name of a nominee of, the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg.

	The provisions governing the exchange of interests in the Global Certificate for Individual Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".
Credit Ratings:	The Notes are expected to be assigned an issue rating of BB by S&P and Ba2 by Moody's, each of which is established in the European Union and is registered under Regulation (EC) No. 1060/2009, as amended. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. The Notes may be sold in other jurisdictions (including the United Kingdom, the Isle of Man, the Republic of Italy and the Republic of Cyprus) only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.
MiFID II Product Governance/ PRIIPS Regulation:	Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. No PRIIPs Regulation key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA.
Use of Proceeds:	The net proceeds of the issue of the Notes will be applied by the Issuer to redeem on maturity in November 2019 all of the then outstanding Convertible Bonds and/or, prior thereto, to purchase and cancel some or all of the outstanding Convertible Bonds, to pay accrued interest thereon and related redemption costs and to pay for other transaction-related costs and expenses. The remainder of the net proceeds of the issue of the Notes will be used for general corporate purposes. The Issuer will, on the Closing Date, place an amount of the net proceeds of the issuance of the Notes equal to the sum of (i) the principal amount outstanding under the Convertible Bonds as at the Closing Date and (ii) the amount of accrued interest which would be payable on the Convertible Bonds if they are redeemed in full on their scheduled maturity date (assuming for the purposes of (ii) that no Convertible Bonds are repurchased, redeemed or converted prior to their scheduled maturity date) into a segregated bank account in the name of the Issuer (or another member of the Group) and retain that amount in such account pending its application, and shall apply such proceeds in redeeming and/or purchasing and cancelling all of the outstanding Convertible Bonds as aforesaid.
ISIN:	XS1956187550.
Common Code:	195618755.
CFI:	DBVXFR.
FISN:	PLAYTECH PLC/VAR BD 20250306.
Risk Factors:	Investing in the Notes involves risks. See "*Risk Factors*" for a discussion of certain risks you should carefully consider before investing in the Notes.

SELECTED HISTORICAL FINANCIAL AND OTHER INFORMATION

Consolidated financial information

Consolidated statement of comprehensive income (actual)

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
Revenue	**708.6**	**807.1**	**1,240.4**
Distribution costs before depreciation and amortisation	(345.9)	(412.9)	(796.5)
Administrative expenses before depreciation and amortisation	(70.8)	(117.1)	(156.1)
EBITDA	**291.9**	**277.1**	**287.8**
Depreciation, amortisation and impairment	(107.6)	(121.4)	(152.8)
Finance income	13.3	145.3	46.6
Finance cost	(61.1)	(34.2)	(59.5)
Other[1]	63.9	(0.2)	61.4
Profit before taxation	**200.3**	**266.6**	**183.4**
Tax expenses	(6.3)	(17.5)	(53.6)
Profit for the period	**194.0**	**249.1**	**129.8**

Note:

(1) Includes the following line items from the Financial Statements: Share of profit/(loss) from joint ventures, Share of profit/(loss) from associates, Unrealised fair value changes on equity investments and Realised fair value changes on equity investments disposed.

Consolidated statement of comprehensive income (adjusted)[1]

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
Revenue	**708.6**	**807.1**	**1,240.4**
Distribution costs before depreciation and amortisation	(340.8)	(405.7)	(791.5)
Administrative expenses before depreciation and amortisation	(65.5)	(79.4)	(105.9)
EBITDA	**302.2**	**322.1**	**343.0**
Depreciation, amortisation and impairment	(50.9)	(62.6)	(104.9)
Finance income	13.3	18.9	36.4
Finance cost	(50.5)	(24.0)	(40.4)
Other[2]	(0.6)	(0.2)	63.1
Profit before taxation	**213.5**	**254.3**	**297.2**
Tax expenses	(9.7)	(21.9)	(35.1)
Profit for the period	**203.9**	**232.4**	**262.1**

Note:

(1) Adjusted figures relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, additional consideration payable for put/call options, one off employee related cost, finance costs and contingent consideration movement on acquisitions, impairment of equity investments, deferred tax on acquisition, non-cash accrued bond interest and additional various non-cash charges. The Group believes that the adjusted profit measures represent more closely the trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 5 to the audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 and in Note 6 to the consolidated financial statements of the Group as at and for the year ended 31 December 2018.

(2) Includes the following line items from the Financial Statements: Share of profit/(loss) from joint ventures, Share of profit/(loss) from associates, Unrealised fair value changes on equity investments and Realised fair value changes on equity investments disposed.

Consolidated balance sheet

	As at 31 December		
	2016	2017	2018
		(€ million)	
Non-current assets	1,383.7	1,569.8	2,101.2
Total current assets	692.6	784.4	992.5
Total assets	**2,076.2**	**2,354.2**	**3,093.7**
Total equity	**1,099.7**	**1,358.5**	**1,350.5**
Non-current liabilities	716.3	447.8	725.7
Current liabilities	260.2	548.0	1,017.6
Total liabilities	976.5	995.8	1,743.2
Total equity and liabilities	**2,076.2**	**2,354.2**	**3,093.7**

Consolidated statement of cash flows

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
Net cash provided by operating activities	251.4	306.7	387.1
Net cash (used in)/from investing activities	(219.7)	(140.2)	49.2
Net cash (used in) financing activities	(300.0)	(107.7)	(393.6)
(Decrease)/increase in cash and cash equivalents	**(268.4)**	**58.8**	**42.8**
Cash and cash equivalents at beginning of the period	**857.9**	**544.8**	**584.0**
Exchange losses on cash and cash equivalents	(44.7)	(19.7)	(4.6)
Cash and cash equivalents at end of the period	**544.8**	**584.0**	**622.2**

Segmental information

	Year ended 31 December		
	2016	2017	2018
		(€ million, unless noted)	
Revenue			
B2B segment	594.3	656.7	566.0
B2C segment	54.7	70.3	593.2
Intercompany eliminations	(6.0)	(4.8)	(11.7)
Total Gambling	**643.0**	**722.2**	**1,147.5**
Financials Division	**65.6**	**84.9**	**92.9**
Total revenue	**708.6**	**807.1**	**1,240.4**
Total revenue by segment (%)			
B2B segment	83.8%	81.4%	45.6%
B2C segment	7.7%	8.7%	47.8%
Intercompany eliminations	(0.8)%	(0.6)%	(0.9)%
Financials division	9.3%	10.5%	7.5%
Adjusted EBITDA			
B2B segment	298.1	326.5	252.6
B2C segment	(11.3)	(31.4)	60.9
Intercompany eliminations	—	—	—
Financials Division	15.4	27.0	29.5
Total Adjusted EBITDA	**302.2**	**322.1**	**343.0**
Adjusted EBITDA margin (%)	**42.7%**	**39.9%**	**27.7%**
B2B Gambling	50.2%	49.7%	44.6%
B2C Gambling	(20.7)%	(44.7)%	10.3%
Financials Division	23.4%	31.8%	31.7%

Geographical information[1]

	Year ended 31 December		
	2016	2017	2018
	(€ million, unless noted)		
B2B Gambling Revenue			
UK	154.8	173.5	174.7
Other regulated	68.6	113.2	143.8
Total B2B Gambling regulated revenue	**223.5**	**286.7**	**318.5**
Asia	268.0	291.9	180.9
Other unregulated	102.7	78.1	66.6
Total B2B Gambling unregulated revenue	**370.8**	**370.0**	**247.5**

Note:
(1) Geographical revenue information presented on the basis of location of the end-user.

B2C Gambling performance

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
Revenue			
Snaitech	—	—	511.9
Sun Bingo	8.3	23.6	33.7
Casual Gaming & other B2C	46.4	46.7	47.6
Total revenue	**54.7**	**70.3**	**593.2**
Adjusted EBITDA			
Snaitech	—	—	93.0
Sun Bingo	(7.4)	(28.8)	(20.1)
Casual Gaming & other B2C	(3.9)	(2.6)	(12.0)
Total Adjusted EBITDA	**(11.3)**	**(31.4)**	**60.9**

Adjusted costs of operation

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
R&D[1]	82.3	87.4	80.5
Operations[2]	146.7	157.3	150.8
G&A	54.8	68.0	62.1
S&M[3]	12.4	17.6	20.0
Total B2B Gambling	**296.2**	**330.2**	**313.4**
B2C Gambling	65.9	101.7	532.2
Intercompany eliminations	(6.0)	(4.8)	(11.7)
Financials Division	50.2	57.9	63.5
Total adjusted costs of operation[4]	**406.3**	**485.0**	**897.4**

Note:
(1) Research and development (R&D) cost comprises of employee related costs, dedicated teams, their direct expenses and proportional office cost, and excluding capitalised development costs.
(2) Operations cost includes mainly employee related cost and their direct expenses, operational marketing cost, hosting, licence fees paid to third parties, branded content, terminal hardware cost & maintenance, feeds, chat moderators and proportional office cost.
(3) Sales and marketing cost mainly include employee related cost, their direct expenses, marketing and exhibition costs.
(4) Total adjusted costs of operation represent the sum of distribution costs and administrative expenses as found in the financial statements of the Group.

Other financial information

	Year ended 31 December		
	2016	2017	2018
	(€ million, unless noted)		
Regulated revenue (%)	48%	54%	80%
Capital expenditure			
Acquisition of property, plant and equipment	26.2	34.7	55.0
Acquisition of intangible assets	13.0	3.1	5.2
Capitalised development costs	36.2	50.7	58.3
Total capital expenditure (excluding acquisition of subsidiaries, minority interest and available for sale investments)	**75.4**	**88.4**	**118.4**
Acquisition of subsidiaries, minority interest and equity investments	247.6	59.1	487.6
Total capital expenditure	**323.0**	**147.5**	**606.0**

Adjusted EBITDA reconciliation

	Year ended 31 December		
	2016	2017	2018
		(€ million)	
EBITDA	291.9	277.1	287.8
Employee stock option expenses	6.9	15.1	13.7
Professional expenses on acquisitions	3.4	2.4	27.1
Irrecoverable deposit and professional fees on abandoned acquisitions	—	—	—
One off employee related costs	—	5.0	—
Additional consideration payable for Put/Call options	—	5.3	(2.4)
Cost of business reorganisation	—	1.1	2.4
Impairment of investment in equity-accounted associates and other non-current assets	—	14.9	8.0
Gain/(loss) from the disposal of equity-accounted associates	—	0.7	(0.9)
Amendment to deferred consideration	—	—	1.7
Provision for other receivables	—	—	5.6
Decline in the fair value of equity investments	—	0.5	—
Adjusted EBITDA	**302.2**	**322.1**	**343.0**

Summary combined Group financial information

***Pro forma income statement (adjusted)*[(1)]**

	Year ended 31 December 2018
	(€ million)
Revenue	**1,623.2**
Distribution costs before depreciation and amortisation	(1,049.0)
Administration expenses before depreciation and amortisation	(169.0)
EBITDA	**405.3**
Depreciation, amortisation and impairment	(129.0)
Finance income	36.6
Finance cost	(53.0)
Other[(2)]	63.1
Profit before taxation	**322.9**
Tax expense	(42.0)
Profit for the period	**280.9**

Note:

(1) Adjusted figures relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, additional consideration payable for put/call options, one off employee related cost, finance costs and contingent consideration movement on acquisitions, impairment of equity investments, deferred tax on acquisition, non-cash accrued bond interest and additional various non-cash charges. The Group believes that the adjusted profit measures represent more closely the trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 5 to the audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 and in Note 6 to the consolidated financial statements of the Group as at and for the year ended 31 December 2018.

(2) Includes the following line items from the Financial Statements: Share of profit/(loss) from joint ventures, Share of profit/(loss) from associates, unrealised fair value changes on equity investments realised fair value change on equity investments disposed.

Pro forma statement of net assets

	Year ended 31 December 2018
	(€ million)
Non-current assets	2,101.2
Current assets	1,042.9
Total assets	**3,144.1**
Total equity	**1,338.0**
Non-current liabilities	1,075.6
Current liabilities	730.5
Total liabilities	**1,806.1**
Total equity and liabilities	**3,144.1**

Summary combined financial information (adjusted)[(1)]

	Year ended 31 December 2018
	(€ million)
Pro forma revenue	1,623.2
Pro forma Adjusted EBITDA	405.3
Margin (%)	*25.0%*
Total Net Debt[(2)]	587.6
Total Cash Interest[(3)]	36.2
Ratio of Total Net Debt to pro forma Adjusted EBITDA	1.4x
Ratio of pro forma Adjusted EBITDA to Total Cash Interest	11.2x

Notes:

(1) Adjusted figures relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, additional consideration payable for put/call options, one off employee related cost, finance costs and contingent consideration movement on acquisitions, impairment of equity investments, deferred tax on acquisition, non-cash accrued bond interest and additional various non-cash charges. The Group believes that the adjusted profit measures represent more closely the trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 5 to the audited consolidated financial statements of the Group as at and for the year ended 31 December 2017 and in Note 6 to the consolidated financial statements of the Group as at and for the year ended 31 December 2018.

(2) Total Pro forma Net Debt includes €350.0 million notional amount of Notes, €530.0 million notional amount of Existing Notes and €0.7 million other debt, net of As adjusted available cash and cash for operations. As adjusted available cash and cash for operations include pro forma gross cash of €672.6 million (see "*Unaudited Pro Forma Financial Information*"), adjusted for €309.5 million funds attributable to clients and jackpots and €70.0 million cash for capital adequacy purposes, resulting in Available cash and cash for operations of €293.1 million.

(3) Represents the estimated Total Cash Interest on Total Debt. Includes estimated nominal interest on Existing Notes, RCF commitment fees (assuming undrawn), and interest expense on the Notes. Total Cash Interest is presented for illustrative purposes only and does not purport to represent what the Group's interest expense would have actually been had the issuance of the Notes occurred on 1 January 2018, nor does it purport to project the interest expense for any future period or the Group's financial position at any future date.

Reconciliation of unaudited combined financial information

	The Group – year ended 31 December 2018	Snaitech – 1 January 2018 to 4 June 2018[1]	Pro forma – year ended 31 December 2018
Segmental information			
Casino	320.1	—	320.1
Sport	98.0	—	98.0
Services	84.6	—	84.6
Bingo	26.3	—	26.3
Poker	9.6	—	9.6
Other B2B	27.4	—	27.4
Gambling Division B2B revenue	**566.0**	**—**	**566.0**
Snaitech	511.9	382.8	894.6
Sun Bingo	33.7	—	33.7
Casual Gaming and Other B2C	47.6	—	47.6
Gambling Division B2C revenue	**593.2**	**382.8**	**976.0**
Intercompany eliminations	(11.7)	—	(11.7)
Financials Division	**92.9**	**—**	**92.9**
Total revenue	**1,240.4**	**382.8**	**1,623.2**
Gambling Division B2B	252.6	—	252.6
Gambling Division B2C	60.9	62.2	123.1
Intercompany eliminations	—	—	—
Financials Division	29.5	—	29.5
Total Adjusted EBITDA	**343.0**	**62.2**	**405.3**
Geographical information			
UK	256.8	—	256.8
Italy	540.3	382.8	923.1
Rest of Europe	168.8	—	168.8
Asia	186.4	—	186.4
Other	88.0	—	88.0
Total revenue	**1,240.4**	**382.8**	**1,623.2**
Regulated revenue			
Regulated	992.6	382.8	1,375.4
Unregulated	247.8	—	247.8
Total revenue	**1,240.4**	**382.8**	**1,623.2**

Note:

(1) Represents Snaitech's results in the year ended 31 December 2018 before it was consolidated with the Group. Snaitech was consolidated with the Group on 5 June 2018.

Other financial information

Contingent consideration and redemption liabilities

	Contingent consideration and redemption liability as of 31 December 2018	Maximum payable earnout	Payment date
		(€ million)	
ACM Group	73.7	126.7	€2.4 million Q1 2019 €71.3 million Q1 2020
Playtech BGT Sports Ltd	25.7	100.0	€25.7 million Q2 2020
Consolidated Financial Holdings	21.8	63.9	Q2 2019
Destres	10.1	15.0	Q2 2021
Quickspin AB	14.6	14.6	Q1 2019
ECM Systems Holdings Ltd	0.8	0.8	Q1 2020
Bet Buddy	2.2	2.2	€0.8 million Q4 2019 €1.4 million Q4 2020
GenWeb	2.3	2.3	Q4 2019
Eyecon Limited	1.3	27.8	€1.3 million Q2 2021
Other	6.3	9.6	
Total	**158.8**	**362.9**	

RISK FACTORS

An investment in the Notes involves a variety of risks. The Issuer and the Guarantors believe that the following factors may affect their ability to fulfil their obligations under the Notes. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantors are in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer or the Guarantors may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer and the Guarantors do not represent that the statements below regarding the risks of holding the Notes are exhaustive. In particular, the Issuer's performance may be materially and adversely affected by changes in the market and/or economic conditions and by changes in the laws and regulations (including any tax laws and regulation) relating to, or affecting, the Group or the interpretation of such laws and regulations. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

If any of the following risks materialise, the business, financial condition, results or future operations of the Group could be materially and adversely affected. In such circumstances, the trading price of the Notes could decline and investors could lose part or all of their investment in the Notes. In addition, the risks below are not the only risks to which the Group may be subject. The Group may be unaware of certain risks or believe certain risks to be immaterial which later prove to be material.

Risks relating to the Issuer, the Guarantors and the Group—Gambling Division

The Group and the Licensees of the B2B segment of the Gambling Division operate in a heavily regulated environment and are and will be subject to constantly developing regulatory requirements, and failure to adhere to existing and new regulatory requirements can lead to enforcement action by relevant regulators

The Group and the Licensees of the B2B segment of the Gambling Division supply products and services subject to a number of licences and authorisations obtained from various regulators and/or licensing authorities around the world. Each such licence is subject to numerous compliance requirements, relating to matters such as anti-money laundering, responsible gambling, data protection, advertising and consumer rights issues. Compliance with such requirements can be incorporated into the relevant licence authorisation as a licensing condition (or similar) with corresponding obligations to comply with such requirements.

In the event that such compliance obligations are not met, the relevant regulator may commence enforcement action against a Licensee or members of the Group itself with potential adverse consequences. Such enforcement action has, in the UK particularly, led to significant fines (in some instances amounting to several million pounds) being levied by the British Gambling Commission on third party gambling operators and it is likely that such enforcement initiatives will not only continue but could potentially increase in frequency and scale and, potentially, result in the revocation of licences. Furthermore, enforcement action brought towards the end of 2018 by the British Gambling Commission resulted in individual senior management of third party gambling operators being personally sanctioned as well. It is expected that the trend of enforcement against both the operators and individuals fulfilling key functions at the operators will continue as part of the regulator's initiative to raise standards. To the extent that the Group or any of the Licensees of the B2B segment of the Gambling Division is affected by such enforcement action in the future, this could have a material adverse effect on their respective businesses, results of operation and financial condition.

In addition, applying for new licences and authorisations, as well as renewing or integrating existing ones can be costly and time consuming, and there is no assurance of success. Any failure by a Licensee or a member of the Group to renew or obtain any such licence and authorisation could have a material adverse effect on the business, results of operations and financial condition of the Group.

Finally, as was recently seen in Sweden as it transitions to a fully regulated market, where operators have been sanctioned for compliance failures in other jurisdictions, it can impact the duration of licences granted. In Sweden, certain operators who had been sanctioned for compliance failures in the UK were awarded licences of a shorter duration than other applicants.

Remote gambling legislation or regulation may be interpreted in such a way as to prohibit certain activities of the Group, the Licensees of the B2B segment of the Gambling Division or any of their respective agents or intermediaries, particularly in connection with remote gambling in certain territories

The B2B segment of the Gambling Division generates its income through licensing its proprietary software, and supplying related services, to remote gambling operators on a B2B basis in return for a share of the revenue such operators make by providing to customers gambling services using that software and the functionality it provides. One of the consequences of the supply of operational remote gambling products to Licensees by the B2B segment of the Gambling Division, in return for a share of revenue, is the potential regulatory risk associated with doing so. Whilst in many jurisdictions laws and regulations may not specifically apply to supplies by gambling software licensors (as distinct from the Licensees' supplies to customers), this is not universally the case and, indeed, a number of jurisdictions have sought to regulate (e.g., the UK) or prohibit (e.g., Singapore) such supply explicitly.

Furthermore, the Group relies on the continuity of supply by the Licensees of the B2B segment of the Gambling Division to their customers using the remote gambling products which the Group licences. Laws and regulations relating to the supply of remote gambling services are complex, inconsistent and evolving, and the Group may be subject to such laws either directly (through explicit service provision) or indirectly (insofar as the B2B segment of the Gambling Division has supplied Licensees who are themselves subject to such laws).

Operators within the remote gambling industry have sought, in the past, to justify their activities by asserting that if remote gambling is permitted from the country of origin (i.e. from the point of supply) then the laws in the country of receipt would either have to specifically outlaw the activity of the customer (remotely accessing online gambling services) or have the authority to implement laws that impacted outside the jurisdiction in order to render the activity illegal, or entitle the country of receipt to assert jurisdiction. Operators have sought to reduce any associated risks of jurisdictions forming a contrary view by limiting or omitting to have physical presence in jurisdictions where any remote gambling activities are not clearly legal.

There are a number of jurisdictions that consider this rationale to be unjustified. Indeed in some jurisdictions (such as Singapore) laws have been passed to expressly criminalise the provision of (and sometimes the participation in) remote gambling, irrespective of where the operator is located and licensed. For the greater part these laws have not been tested.

Some jurisdictions seek to regulate gambling; others seek to prohibit it. Contrasts in culture and socio-economics have created inconsistencies in the way in which gambling is both perceived and the way in which it is regulated, sometimes creating seemingly artificial distinctions between different gambling products. There is a corresponding, continuing risk to any participant in the remote gambling industry (be they an operator, supplier or other service provider) that jurisdictions in which customers are located may seek to argue that such a participant was acting illegally in accepting, or assisting in the acceptance of, wagers from its citizens or in the manner in which it operates gambling networks. This could lead to actions being brought against Licensees which, in turn, could have a detrimental effect on the financial performance and the reputation of the Group. Similarly, where supply by the B2B segment of the Gambling Division to a Licensee is critical to the gambling transaction, one cannot rule out the risk that direct enforcement action will be taken against a member of the Group or any of its directors.

Many jurisdictions have not updated their laws to address the supply of remote gambling. Moreover, the legality of remote gambling and the provision of products, services and gambling network management is subject to uncertainties arising from differing approaches by legislatures, regulators and enforcement agencies including in relation to determining in which jurisdiction the game or the bet takes place and therefore which law applies. This uncertainty creates a risk for the Group that even in instances where older laws have not been updated to address new technology, courts may interpret older legislation in an unfavourable way and determine Licensees' and/or the Group's activities to be illegal. This could lead to actions being brought against Licensees and/or the Group or any of its directors, all or any of which may, individually or collectively, have a detrimental effect on the financial performance and the reputation of the Group.

The Group closely monitors legal and regulatory developments in all of its material markets and generally seeks to keep abreast of legal and regulatory developments affecting the gambling industry as a whole. However, the Group does not necessarily monitor, on a continuous basis, the laws and regulations in every jurisdiction where its Licensees derive business and, correspondingly, from where the Group may derive revenue share. The Group adapts its regulatory policy and, therefore, the scope of its ongoing monitoring on the basis that an individual

market's materiality to both any relevant Licensee and to the Group may change. Typically if individual market revenue is (or, in the view of the Group, might become) material, the Group's Risk and Compliance Committee will commission local law advice (material in this regard would mean any jurisdiction which accounts for three per cent. or more of the Group's revenue). Despite this precaution, it nevertheless may continue to receive a revenue share from Licensees' dealing in jurisdictions where the Group may be unaware of the full extent of enforcement risk.

The directors of the Group are not located, nor does the Group have tangible assets or physical presence, in jurisdictions where the Group is aware of any material legal or regulatory risk associated with such location. Nor does it conduct activities where its support of Licensees is explicitly illegal. Where appropriate, the Group takes the additional precautionary step of requiring that its Licensees block the use of the Group's products in respect of wagers from such jurisdictions, as well as jurisdictions where there is no scope for a Licensee to argue that its activities are not illegal. The Group's Risk and Compliance Committee's duties include regularly evaluating regulatory developments to establish whether to augment the list of blocked territories. Furthermore, the Group regularly sense-tests the regulatory rationale of Licensees but, given that day-to-day management of operational risk will remain in the purview of Licensees, the Group protects itself through contractual mechanisms allowing it to suspend or terminate the provision of products and services (whether completely or partially) if a Licensee's risk position becomes untenable.

Despite the monitoring undertaken by the Group and the precautions it takes as to the location of personnel and assets, there remains a prospect that, in the event of legislation being interpreted in an unfavourable or unanticipated way, such measures are not sufficient and result in actions being brought against the Group or any of its directors, all of which would have a detrimental effect on the financial performance and the reputation of the Group. Furthermore, similar actions could be brought against Licensees with the consequence that revenue streams from such Licensees may be frozen or traced at the behest of authorities even if no Group entity is made a party to any legal proceedings against any such Licensee. Licensees may face problems in legitimately moving monies in and out of certain jurisdictions which will impact upon payments to the Group. Finally, there is also a risk that directors or employees of the Group or individuals engaged by it (or directors, employees or individuals connected to any Licensee) may face extradition, arrest and/or detention in (or from) such territories even if they are only temporarily present.

There are a number of jurisdictions in which Licensees may have online customers where it may be unlawful, or may become unlawful, for individuals to engage in remote gambling. In these circumstances, any attempt in the future by regulatory authorities to take enforcement action against such individuals could significantly affect demand for the products and services supplied to Licensees by the B2B segment of the Gambling Division and have a detrimental effect on its financial performance and reputation.

There are two territories from where certain Licensees derive business (and within which they do not hold a local licence) and which currently account (or have, in the recent past, accounted for) for more than three per cent. of the Group's revenue, in relation to which it is considered appropriate to draw specific attention to the associated risks. These are China and Malaysia.

In respect of both China and Malaysia, local counsel have confirmed that there is ambiguity as to the application of local laws to the provision of remote gambling services from outside the territories and such laws have dubious extraterritorial effect. Nevertheless, the enforcement agencies in the territories can be unpredictable.

With respect to other jurisdictions from where Licensees derive business and which account for three per cent. or more of the Group's revenue, the legal positions are more fully described in "*Gambling Industry and Regulation*" below, and any risks associated with those territories are covered by the more generic risk factors set out in this section.

Set out below are further details relating to the risks associated with supplying gambling products and related services to remote gambling operators whose end users are located in China and Malaysia.

*The People's Republic of China ("**PRC**" or "**China**")*

There are two primary laws regarding gambling in the PRC: the Criminal Law and the Law on Penalties. In the context of gambling, the Criminal Law focuses mainly on restricting the activities of gambling operators (and their agents) in the PRC (although it also restricts the activities of individuals that gamble as an occupation) and contains a general prohibition on gambling. The Law on Penalties extends the regulatory oversight of gambling activities from operators to participants and other individuals who "provide conditions for gambling".

Comparing the Criminal Law and the Law on Penalties, it is notable that (1) gambling is generally prohibited; (2) some gambling activities are classified as criminal activity pursuant to the Criminal Law while other gambling activities are defined as "illegal" (akin to an administrative offence) pursuant to the Laws on Penalties.

Although the Criminal Law and the Law on Penalties do not specifically address remote gambling activities, there are associated regulations, notices and interpretations in which the definition of "gambling" has been developed to encompass remote gambling as well as the services provided to support remote gambling. As a consequence, the setting up of a website for gambling has been prohibited since 2005.

The Criminal Law was extended in 2010 to prohibit activity which directly supports remote gambling, such as payment handling. In the case of the Law on Penalties, the provisions have also been extended to cover provision of internet access; payment support in connection with gambling; participation by an end user in China in gambling being organised outside China; and the settling of debts within China in connection with gambling carried out by Chinese nationals outside China. Therefore, PRC law is relatively well developed and its application to activities that take place within China is clear.

That said, the Group has been consistently advised by local counsel that there is no express PRC law that applies extra-territorially to the business of an operator that provides gambling services utilising a remotely served model and that, further, there is also no express PRC law that applies extra-territorially to suppliers who provide products and/or services to such operators where such suppliers are located offshore (i.e. outside of the PRC). On the basis that neither an operator nor its suppliers have a physical nexus with, or presence in, China and their supply is purely remote (in that a player interacts with computer servers located outside China) it is the view of local counsel advising the Group that PRC law does not clearly apply and practically cannot be applied by PRC regulatory authorities against such operators or suppliers (unless they were owned or managed by PRC nationals, in which case PRC law applies regardless of location). Suppliers and the operators they support, instead, should be subject to the jurisdiction in which they are located, as the gambling activity they undertake is located there and is outside the PRC.

In the case of an operator, the critical issue is whether it has a presence in the PRC such that it can be said to have undertaken a prohibited gambling activity in the PRC. The engagement of local agents in China or the establishment of internet cafes and establishments providing local residents with access to the operator's remote gambling services and collecting payments on behalf of the operator in China clearly creates local nexus that is likely to attract the application of the law to such onshore activities. Although the Group attempts to ensure, including by way of contractual restrictions, that the Licensees of the B2B segment of the Gambling Division do not participate in any illegal activity from within China (e.g. internet café promotions), there is no guarantee that the relevant Licensee will at all times remain in full compliance with its contractual restrictions prohibiting it to do so.

Furthermore, a number of sub-Licensees deriving revenue from the Chinese market utilising the Group's proprietary casino content obtain the right to do so via distributors of the Group rather than pursuant to direct contractual arrangements with the Group. The Group has limited, if any, visibility of the downstream activities of the ultimate operator and, instead, relies on the distributor to pass-on specific contractual restrictions of how the Group's casino content may be accessed. There is a risk that the business of a sub-Licensee may be shut down in China and individuals associated with that sub-Licensee arrested, which in turn will give rise to an economic as well as a reputational risk for the Group. That said, the Group has been advised that where supplies of products and/or services are effected offshore such that all the software and technical transactions take place offshore, then the Group is still arguably not subject to PRC jurisdiction simply because of the above local connection/presence established by either direct Licensees or sub-Licensees (being those operators obtaining the Group's proprietary casino content via the Group's distributors).

Enforcement action has been consistent with this legal differentiation, in that the focus of such enforcement has only been targeted at Chinese operators, players, agents and suppliers, and reinforced by the shutting down of websites in China and the seizure of related funds in China. The Group has no physical presence in China through employees or assets, and the Group has been advised that the risk of enforcement would also be remote for that reason. If PRC authorities look to enforce its gambling laws against offshore gambling operators and its service suppliers, international cooperation must be obtained. However, it is difficult to see how such cooperation would materialise if the offshore gambling operators/suppliers are legally established with proper licences obtained in jurisdictions outside of China.

The facilitation of payments from gambling is also an illegal activity and financial institutions and certain non-financial institutions must adhere to stringent reporting procedures in relation to any suspicious flow of

funds. Likewise, there are strict currency controls in remitting monies from China which prohibit the unauthorised movement of money.

It is understood that there have been occasions where the Chinese authorities have interfered with payment processing in relation to gambling. There remains a risk that a relevant Licensee's business may be disrupted by attempts by Chinese authorities to prevent monies being remitted from and to China in connection with gambling. Such prevention may have a negative financial impact upon the Group.

Malaysia

Under the Common Gaming Houses Act 1953 ("**CGHA**"), the provision, participation or facilitation of gambling in a "common gaming house" is prohibited. Gambling in public and advertising and promoting a common gaming house is also prohibited. The promotion of a public lottery, along with the sale of lottery tickets, is also illegal under The Lotteries Act 1952 ("**LA**") which prohibits any lottery promoted or conducted without a permit. The definition of "lottery" under the LA is wide and includes any game whereby money or money's worth is allotted in any manner depending upon, or to be determined by, chance or lot. The drafting of the legislation is sufficiently wide to catch any party in the supply chain.

However, the Group has been consistently advised by local counsel that it remains arguable whether the CGHA or LA would extend to the provision of remote gambling at all, on the basis the application of the term "common gaming house" to virtual environments remains untested in Malaysia. Furthermore, the focus of prosecution and enforcement has been on gambling activities conducted in physical premises within Malaysia (although there have been prosecutions brought against gamblers participating in remote gambling from within a public place, such as an internet café). This view is based on the fact the legislation was passed in a pre-internet age, and the legislature could not have anticipated any form of remote gambling that did not involve a physical presence of the operator. Unlike some other jurisdictions (notably Singapore, which updated its laws in 2015 to categorically apply them to the inward supply of remote gambling services), Malaysia has not updated its gambling laws since 1953. Despite this, we understand that local authorities have indicated (orally) that they are of the view that remote gambling does come within the purview of the existing laws, although there is no jurisprudence to support this view.

Furthermore, the Group has also been consistently advised by local counsel that the CGHA and LA apply only "throughout Malaysia", and therefore do not clearly have extraterritorial application and are only intended to impact on Malaysian end users and operators within Malaysia. Were an operator to locate its servers in Malaysia or if the operator carries out activities within Malaysia (e.g. taking bets over the telephone via local agents), there would be potential criminal liability for such an operator. The operator may also be deemed to be carrying on business in Malaysia, and may need to be registered as a foreign company under the Companies Act 2016. Conversely, a coherent argument may be run by an offshore operator that locates its servers outside Malaysia and that has no assets or physical presence in Malaysia, that the CGHA and LA do not technically apply to it.

In the case of a software supplier, on the basis of that legal advice obtained by the Group that states the CGHA and LA are not intended to have extra-territorial effect, there is a clearly coherent argument that such laws should not extend to service providers who provide services to operators located outside of Malaysia. Nevertheless, there remains the risk of service providers being implicated in an offence under local laws by virtue of the fact that the operators provide remote gambling services to end users located in Malaysia. If the provision of remote gambling services is deemed illegal under local laws, the service providers could correspondingly be committing an offence by assisting in the care and management of the remote gambling business. The Group has been advised that in the absence of activities in physical premises (e.g. an internet café or similar) and based on a purely remote supply, there would be a number of arguments which would have to be considered by the Malaysian Courts before they would be able to assert that the CGHA had been breached and/or for them to claim jurisdiction over any Licensees and likewise the Group. The Group, via its contractual obligations with its distributors and Licensees, seeks to ensure that no illegal activity is conducted in any jurisdiction where the enforcement risk may impact upon the Group, but there is no guarantee that this will not occur insofar as the Malaysian market is targeted by any Licensees, and this may lead to Licensees being prosecuted with the consequential financial and reputational risk for the Group.

Further, the Group has also been advised that there is a risk that internet service providers ("**ISPs**"), at the direction of the relevant authorities, could be obliged to restrict or prevent access to remote gambling websites operated by offshore operators. Indeed such actions occurred in 2017 and have had a significant financial impact upon the Malaysian revenues of Licensees and, therefore, the Group and these reduced revenue levels continue to subsist.

In addition, there are provisions under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 ("**AMLATFA**") which impact upon the handling of any proceeds of crime and which do purport to have an extra-territorial effect, albeit again there would need to be proof that any underlying activity was illegal which in the case of remote gambling would be moot. There are also currency control restrictions and credit card guidelines which would preclude money transfers in connection with gambling.

Malaysia also has international treaties in place pursuant to the Mutual Assistance in Criminal Matters Act in 2002 ("**MACMA**"). Other signatories of MACMA, including the Philippines, where some Licensees are based, permit the Malaysian authorities to assist in investigations in the recovery, forfeiture or confiscation of property in respect of any crime which could include gambling, providing the issues raised above are addressed. However, the Group has been advised by local counsel that this is dependent on the underlying activity being considered illegal.

The Group has been advised that the Malaysian government has a stated policy of not encouraging gambling, and the Malaysian authorities continue to take a hard-line approach to the prohibition of gambling within Malaysia which is underpinned by social and religious considerations that may influence Malaysian courts interpretation of legislation. Whilst there has been evidence of this policy having an adverse impact on the Group's revenue deriving from Malaysia (notably, since late 2017), local lawyers are not aware of this having been translated into enforcement action being brought against operators located outside the jurisdiction. It is difficult to predict how far the Malaysian authorities would be prepared to go to take enforcement action against internet gambling operators and suppliers, despite legal arguments that may be put forth to support the exclusion of remote gambling from the application of current laws.

Finally, there are proposed changes to the law in Malaysia which may specifically outlaw remote gambling. Clearly, therefore, at that juncture there is a risk that Licensees may need to stop taking wagers from end users in Malaysian markets and that will, in turn, negatively impact upon the Group's financial performance.

The distinction between remote gambling operators and their suppliers and the associated regulatory risks continues to evolve

Whilst from an enforcement perspective, remote gambling operators that directly provide gambling services to their customers are generally perceived to be exposed to a greater degree of enforcement risk than their suppliers, in some jurisdictions laws extend to directly impact such gambling suppliers. Furthermore, a supplier's nexus with a particular jurisdiction may expose it to specific enforcement risks, irrespective of whether there has been an attempt to bring proceedings against any supported operator.

The remote gambling market has developed such that the nature of some of the services undertaken by suppliers on behalf of operators places them closer to the actual customer transaction, arguably rendering them quasi-operators in their own right or, in certain regulated markets, requiring suppliers to hold certain licences themselves (as in the UK). A number of fundamental points have begun to emerge from these market developments:

- suppliers cannot claim ignorance of, or indifference to, the origin of an operator's business. Indeed, enforcement proceedings brought against an operator may result in action being taken against a supplier (and even brought in the absence of the former). From a reputational and risk perspective, therefore, it is not sufficient for a supplier to avoid evaluating the risks associated with the businesses of the entities it supplies;
- any income streams may prove vulnerable to freezing or tracing claims if an operator's wagering activity is construed as illegal;
- the fact that a supplier receives a revenue share may, in the view of some regulators, enhance culpability, given that the contractual arrangement enshrines a concept of risk and reward; and
- on the basis suppliers are in the technical position, in many cases, to deploy blocking techniques, it increases responsibility for determining from where its operators take business.

Ultimately, the regulatory risk associated with the business of supplying remote gambling products and services to online gambling operators could be considered comparable with the regulatory risk attaching to operators themselves.

The evolution of the gambling regulatory environment within the European Union, where a significant part of the Group's revenue is generated, may not result in an open and thriving online gambling market

The application of European laws designed to enshrine EU-wide trade freedoms is the subject of ongoing and developing jurisprudence which, ultimately, may result in a regulatory environment that impacts negatively on multi-national stakeholders in the gambling industry such as the Group and the Licensees of the B2B segment of the Gambling Division.

The Treaty on the Functioning of the European Union embodies the principle that, within the European Union, each Member State and their constituent citizens, can freely trade with other Member States and their constituent citizens. It arguably follows that restrictions on supply and movement of goods, services, labour and capital are not permitted unless certain justifications are evident. Accordingly, if a gambling operator licensed in one EU Member State is prohibited from freely operating across the EU by another Member State's domestic law, such an approach may be unlawful under EU law (which is supreme over a Member State's domestic law). However, Member States are permitted to derogate from such principles and to legislate and impose discriminatory restrictions where to do so would be justifiable to achieve the aim of safeguarding public interest. The ability for Member States to introduce, or seek to maintain, such restrictive legal systems, or to introduce punitive tax or duty regimes alongside new regulation of remote gambling could impede the financial growth of Licensees and, by implication, the Group.

A number of Member States (including Czech Republic, Poland and Portugal) have over recent years introduced local licensing regimes, some as a result of pressure brought by the European Commission. However, the way in which national laws are evolving is unpredictable and, in some instances, laws have been implemented by certain Member States in contravention of the jurisprudence of the European Court of Justice and in contravention of guidance given to Member States by the European Commission following review and comment on draft laws and regulations. As a result, the Group and the Licensees of the B2B segment of the Gambling Division remain subject to on-going uncertainty and to the associated risks that such laws may, ultimately, be interpreted and implemented in a disadvantageous way. The decision in December 2017 by the European Commission to abandon infringement proceedings instigated by it against certain Member States in respect of their gambling regulatory regimes may eventually embolden Member States in their approach to regulation and enforcement.

Legislation or regulation may develop in a way that requires the Group and/or the Licensees of the B2B segment of the Gambling Division to obtain a variety of local licences which could be detrimental to the long-term commercial interests of the Group

The law and regulation pertaining to gambling in both online and retail environments is in a constant state of change. Various jurisdictions, particularly those in Europe, have in recent years implemented (or are in the process of implementing) changes to their markets by introducing competitive licensing and regulatory frameworks. Whilst these developments may provide growth opportunities for Licensees, and hence for the Group, such new licensing regimes may evolve in such a way as to prove commercially disadvantageous.

New online licensing regimes may impose licensing conditions, such as the requirement to locate significant technical infrastructure within the relevant territory or establish and maintain real-time data interfaces with the regulator, that present operational challenges. The effect on Licensees' businesses may be exacerbated by commercially onerous taxes and/or duties or the requirement to pay retrospective taxes as a condition of licence grant, as has previously happened in Spain. Further, regulations may restrict Licensees' ability to offer certain of the Group's key products or may limit Licensees' scope to market such products in the way they would wish to do so, all of which may deter a Licensee from committing to an emerging local licensing regime. Further, Licensees may face a potential loss of competitiveness to the extent that restrictions are imposed on customer choice (e.g. deposit caps and pay-out limits). Those restrictions may combine with an incoherent and inconsistent policy of enforcement against entities without a licence, so as to reduce the perceived value of such a licence. Finally, jurisdictions may effectively limit access to their markets by establishing licensing regimes that only offer a finite number of licences and/or restrict online activity to those operators who already hold land-based licences. The clear consequence of this could be to preclude the Group from participating in such a market if it were unable to either obtain one of the finite number of licences or enter into a commercial partnership with a local land-based operator.

Moreover, online licensing regimes may require Licensees to ring-fence player liquidity, whereby end users of peer-to-peer games (such as poker) may only play against residents of certain jurisdictions. This occurred in the development of the French, Italian, Spanish and Portuguese licensing regimes which applied single country

liquidity, although all four jurisdictions subsequently signed an agreement with a view to achieving a shared regulated liquidity pool, and France, Portugal and Spain recently allowed cross-border liquidity sharing in poker. The Group's poker networks require high levels of customer liquidity and any future regulatory ring-fencing could have a detrimental effect on its wider business.

The opening of new markets, and the clarification of restrictions surrounding remote gambling in other markets where the legal position is currently unclear, may attract new entrants to the remote gambling sector or strengthen the position of competing suppliers. A significant failure by the Group to attract new entrants to a new market or failures by its existing Licensees to obtain a licence or compete effectively in a new market may have adverse effects.

In addition, local licence application procedures can be onerous. A degree of business disruption would likely to be caused by the requirement on Licensees to obtain any number of licences. Licensees' revenues could also be impacted by the imposition of licence fees (together with taxes) and, depending upon how the Group's revenue sharing arrangements with individual Licensees is calculated, such costs could impact the Group's revenues. Regulations can also be ill-considered, exposing Licensees to double taxation for the same transaction (in some jurisdictions the requirement to pay tax is determined where the customer is based and in others where critical equipment and functions are carried out). In addition, in some jurisdictions there is a requirement to register to pay taxes and/or duties with retrospective effect before an entity can qualify to apply for a licence. Even if this requirement is of questionable validity, it is a difficult one to challenge where an entity wishes to obtain a licence. Moreover, there is likewise no guarantee that the retrospective period currently required will not be extended.

Conversely, to the extent that local licences are not obtained by Licensees (whether through a strategic decision or as a result of limited availability), such Licensees may risk heightened enforcement exposure from local authorities in the relevant jurisdictions (not least in light of the probability of legislation expressly banning the offering of unauthorised remote gambling locally, thereby removing all ambiguity in preceding legislation). This may impact materially upon revenues and reputation where actions are brought directly against the Group and/or the Licensees of the B2B segment of the Gambling Division to prevent any unauthorised supplies.

In addition, the ongoing compliance costs associated with any licensing requirements may be significant (for example, despite having obtained a remote licence initially when France regulated in 2010 certain operators subsequently exited the market on the basis that continued compliance costs, coupled with operational restraints, rendered the market commercially unsustainable). Sums may be required by way of bonds (which under the Spanish licensing regime, for example, run to millions of Euros, depending upon which products are required to be licensed), and the requirement to provide security for customer deposits will likely become standard (so as to prevent the same problems arising as occurred when the Full Tilt poker operation, which was effectively closed by U.S. indictments, left customers unable to recover their unutilised deposits).

In short, the evolution of local licensing regimes, in any number of territories, may prove to be detrimental to the financial performance of Licensees and ultimately the Group on the basis of operational requirements, and associated restrictions and taxes.

If the current trend of consolidation in the gambling industry continues, the Group may be unable to renew or renegotiate agreements with the key Licensees on commercially acceptable terms, or at all

As described in "*Industry and Regulation*", evolving regulation and technology have led to a large-scale consolidation in the gambling industry. A merger of any of the key Licensees would enable them to exercise greater negotiating leverage when entering into new licensing agreements or extending the terms of the existing licensing agreements. The Group may therefore have to agree to terms of licensing agreements that would be less commercially beneficial to it compared to the terms it would have been able to negotiate had there been no consolidation among the Licensees. If the Group were to agree to such terms, it may have a material adverse effect on the Group's business, results of operation, financial position and prospects.

The B2B segment of the Gambling Division is reliant on its top 10 Licensees

The top 10 Licensees (in terms of revenue generated) in the year ended 31 December 2018 accounted for approximately 54.0 per cent. of the revenue of the B2B segment of the Gambling Division (compared with 60.0 per cent. of revenues of the B2B segment of the Gambling Division in the year ended 31 December 2017). To the extent that the businesses of these Licensees deteriorate, or are adversely affected by any of the issues

described in this section, the Group's revenue stream from these sources may also be adversely impacted. Furthermore, if any of these Licensees were to migrate to a competitor, this would have an adverse effect on the financial position of the Group.

There remains a risk of suitability and regulatory legacies crystallising, with a corresponding potential detriment to the Group's future commercial opportunities

The existing or former Licensees of the B2B segment of the Gambling Division accept (or have in the past accepted) gambling business from customers located in jurisdictions in which they do not hold a relevant licence or from jurisdictions where a licence is unavailable. There is a risk that such legacy activities could, in the future, harm the ability of those Licensees or, due to the provision of products and services by the Group to such Licensees, the Group to obtain licences in such jurisdictions to the extent they ever become available. Such jurisdictions could consider such historical activities to be illegal or, at best, uncertain as to their legality and, as a consequence, were the Licensees or the Group to seek to obtain a licence or authorisation from the relevant jurisdiction in the future, issues regarding suitability could be raised and "bad-actor" provisions in the relevant legislation and regulations could result in an application being refused.

The decision by the Supreme Court of the United States on 14 May 2018 to overturn the Professional and Amateur Sports Protection Act has led to a state-by-state approach to regulating (or continuing to prohibit) sports betting in one way or another. This has resulted in a further assessment of the suitability for licensure of many industry participants who currently remain entirely outside of the US market as they seek to gain from this development.

The inability of Licensees or the Group to obtain licences in any jurisdiction where there is a commercially viable opportunity due to its past activities could have a material adverse effect on the Group.

Gambling operators are reliant on third party affiliates to provide localised marketing services on their behalf. Such affiliates may become subject to prosecution or, indeed, regulation, both of which may affect their ability to conduct such marketing activity

The gambling industry relies on networks of marketing affiliates to promote its services, often by way of localised advertising initiatives, which are vital for maximising customer acquisition opportunities and assisting with customer retention programmes. As well as Licensees operating their own affiliate networks, certain Licensees outsource the provision of such to the Group, which it may provide itself or further sub-contract to third parties.

If local gambling laws or regulations are applied to prevent such affiliates from continuing to conduct business in any given territory, this would have a material adverse effect on the business of Licensees and on the Group. Alternatively, legislation may be passed that seeks to regulate and/or restrict such business activity which could render such affiliate networks less efficient or less effective. The Group's financial position may be adversely affected in such circumstances.

Furthermore, by their nature, affiliate networks operate in such a way that it can be a challenge to monitor their day-to-day activities. Whilst the Group seeks to impose terms and conditions on the affiliate networks it manages on behalf of Licensees, nevertheless there may be a commercial incentive in the networks' arrangements with Licensees for such affiliates to operate in a way that contravenes local laws and regulations, such as local data protection laws. Where such activity does occur, the Group has the ability to terminate such relationships but, in the interim, may suffer damage to reputation. Moreover, in such circumstances Licensees may choose to cease relying upon the Group for affiliate management services, thereby damaging its financial performance.

The UK provides an example of where certain legal and regulatory developments during 2017 have forced gambling operators to re-examine their affiliate marketing relationships which has resulted, in some cases, in such operators ceasing affiliate marketing activities altogether or curtailing the number and/or type of marketing affiliates with which they contract.

New legislation and/or continued inconsistency in legislation as to the legality of remote gambling may deter third party suppliers from dealing with Licensees

Legislation that aims to prohibit or restrict financial transactions with remote gambling operators will have a detrimental effect on the businesses of Licensees.

Such prohibition or restrictions may be imposed as a result of concerns relating to fraud, unauthorised payment processing and money laundering, or may follow the introduction of specific legislation aimed at preventing the supporting of financial transactions with gambling operators who do not possess the relevant jurisdictional licence. Not all such jurisdictions, however, will have implemented a licensing regime and yet may pressurise banks and other financial institutions to block wagering transactions as an alternative method of limiting offshore supply. Further details of issues around dependencies relating to the ongoing support of payment processors and other banking arrangements are set out below.

The introduction of legislation or regulations requiring internet service providers in any jurisdiction to block access to the Licensees' websites may restrict the ability of customers to access the Group's products and services. Any such developments will have a detrimental effect on the financial performance of Licensees and hence on the Group.

The remote gambling industry is dependent on the ongoing support of payment processors, card issuers and banks

Licensees are reliant on payment and multi-currency processing systems to facilitate the movement of funds between each of them and their customer bases. Anything that could interfere with Licensees' respective relationships with payment service providers could have a material adverse effect on their businesses and, consequently, that of the Group.

Any introduction of legislation or regulations restricting financial transactions with remote gambling operators or prohibiting the use of credit cards and other banking instruments for remote gambling transactions, or any other increase in the stringency of regulation of financial transactions, whether in general or in relation to the remote gambling industry in particular, may restrict the ability of the Licensees to accept payment from their customers, facilitate withdrawals by their customers or make payments to their suppliers (including the Group).

Certain governments may seek to impede the remote gambling industry by introducing legislation or through enforcement measures designed to prevent customers or financial institutions based in their jurisdictions from transferring money to remote gambling operations. They may seek to impose embargoes on currency use, wherever transactions are taking place. This may result in the providers of payment systems for a particular market deciding to cease providing their services for such market. This in turn would lead to an increased risk of payments due to Licensees being misappropriated, frozen or diverted by banks and credit card companies with a consequential financial impact on the Group. The likelihood of any such legislation or enforcement measures is greater in certain markets that seek to protect their state gambling monopolies and/or that have foreign currency or exchange control restrictions (as is the case with some countries in Asia).

Some remote gambling operators or payment processors may rely on improperly coded transactions in an attempt to circumvent such blocking and therefore may be exposed to monies being misappropriated by unreliable payment processors, which would reduce revenue. Furthermore, the use of certain payment processing mechanisms may give rise to allegations that any related proceeds are tainted or that a breach of card scheme rules have occurred. Where payment processors adopt methods to circumvent blocking initiatives, this could give rise to tracing activity by enforcement agencies, which may lead to business disruption for any suppliers of an implicated operator. Where the Group is required, as such a supplier, to assist with such investigations this may have a detrimental effect on the reputation of the Group.

Some Licensees additionally may rely upon syndicates or agents to generate business in certain markets. Underpinning these arrangements are cash transfers and credit structures (both of which can typically occur in a licensed betting office) but which may give rise to potential money laundering issues in an online environment, where there is no way to guard against the anonymity of participants, particularly in jurisdictions where such arrangements are more prevalent (as is the case in Asia). There is a risk that any action taken against any Licensees will impact upon the Group through tracing and freezing claims.

The tightening of money laundering regulations may also affect the speed and convenience of payment processing systems, resulting in added inconvenience to customers. Card issuers and acquirers may dictate how transactions and products need to be coded and treated which also may impact on acceptance rates.

Certain card issuers, acquirers, payment processors and banks may also cease to process transactions relating to the remote gambling industry as a whole (or elect not to provide services to certain remote gambling operators or suppliers) for reputational and/or regulatory reasons or in light of increased compliance standards of such third parties that seek to limit their business relationships with sectors which are considered as "high risk". Any such developments could have a material adverse effect on the Group.

Legislation may be introduced to effect taxation of newly regulated gambling activities in a way that is detrimental to the profitability of the Group

Generally speaking, regulated gambling activities will not only be subject to direct corporate taxation, but also indirect taxes and/or gambling duties. As the regulatory environment has developed, particularly in the European market, it is becoming clear that the favourable taxation environment to which Licensees have previously been subject in respect of online activities may become less favourable, as jurisdictions seek to impose their own regulation and taxation regimes on what was, traditionally, an offshore activity. As a consequence of an increased tax burden affecting Licensees, the Group may see a reduction in related revenue share or a pressure to re-negotiate with key Licensees.

Furthermore, although in many jurisdictions gambling winnings are currently not subject to income tax or are taxed at low rates, this is not the case universally and future regulatory regimes may introduce such taxation and make participation in the Group's products and services, as supplied by Licensees, less attractive for players in those jurisdictions.

The outcome of the Triennial Review may impact the British gambling industry in a way which is detrimental to the Group

The UK's Department for Digital, Culture, Media and Sport announced a review of gaming machines and social responsibility measures on 24 October 2016 (the "**Triennial Review**"). The Government's stated objective of the Triennial Review was to look across the industry to determine what, if any, changes are needed to strike the right balance between socially responsible growth and the protection of consumers and wider communities. Of particular note was the Government's assessment of the laws or regulations applicable to Class B2 Gaming Machines (or fixed-odds betting terminals ("**FOBTs**")).

On 17 May 2018, the result of the Triennial Review was published. Amongst other changes, the Government decided to lower the maximum stake from the current £100 to £2 on a FOBT, introduced further advertising restrictions and its intention to introduce other social responsibility measures. The changes to the stake limits are due to take effect in April 2019.

The reduction in the permitted maximum stake on FOBTs is widely considered likely to lead to significant closures of licensed betting offices, with certain operators including William Hill (a Licensee) having publicly stated that there will be closures of some of their offices. In view of the Group's activities in supplying software and content for FOBTs and self-service betting terminals ("**SSBTs**"), the changes to the stake limits may have a material adverse effect on the Group. It is too early to assess the extent of the impact on the Group as, in the short-term at least, operators are likely to move FOBTs and SSBTs (and also possibly change the mix of FOBT's and SSBT's in certain betting offices) as a result of closures.

In addition, the Government, in its published findings, stated that, in order to cover any negative impact on the public finances, the above changes would be offset with an increase in Remote Gaming Duty, paid by gambling operators. As of April 2019, this will increase from 15.0 per cent. to 21.0 per cent. of gross profits, and will inevitably negatively impact on the financial performance of certain Licensees and the B2C activities of the Gambling Division which, in turn, would negatively impact on the Group's financial performance.

The Group's B2C gambling business is subject to a number of additional risks which do not directly affect its B2B activities

The B2B segment of the Gambling Division operates as a B2B products and services provider to some of the gambling industry's leading B2C operators. The acquisition of Snaitech has significantly expanded the Group's B2C offering. Prior to the acquisition of Snaitech, the Group held remote operating licences in a number of territories (principally the UK, Italy and Spain), predominantly for the purposes of operating a customer facing white label business whereby the Group partnered with third party brand owners (such as News UK in respect of Sun Bingo). The end users accessing these services are almost exclusively in fully regulated gambling markets.

On 21 October 2016, the UK's Competition and Markets Authority ("**CMA**") announced an investigation into the remote gambling industry, focusing on potential unfair treatment of customers. This investigation was undertaken as part of a joint programme of work with the Gambling Commission on fairness and transparency in the remote gambling industry. The investigation resulted in the CMA requesting certain gambling operators (including PT Entertainment Services Limited (a member of the Group)) holding a remote operating licence to

agree to certain undertakings with regard to certain promotional business practices (such as the terms of any free bets) in the UK which were published by the CMA on 1 February 2018. All Gambling Commission-licensed operators (including the Group) are required to adhere to the same. Compliance with such undertakings could have a material adverse effect on the Group's business including in the case of the use of promotional offers.

In recent years, gambling regulators and other government bodies have sought to examine the need for further restrictions on the advertising of gambling services (whether broadcast or non-broadcast). This has included the Italian government's wide-ranging ban on gambling advertising, which principally took effect on 1 January 2019. The Belgian and Spanish governments have also announced restrictive regimes which are expected to take effect in the second half of 2019. In response to media and political pressure, the UK's Industry Group for Responsible Gambling has confirmed voluntary measures (supported by key UK operators) involving a "whistle to whistle" ban on sports-betting advertising on television before a 9pm watershed. These and other future legislative or voluntary restrictions in respect of gambling advertising may have an impact on the business of the Licensees and, consequently, the Group.

The Group's contractual arrangements with its white label partners may not be renewed and/or may include certain minimum payment guarantees granted by the Group to such third parties. If such arrangements are not renewed or if minimum payment guarantees are triggered, this could have a material adverse impact on the financial performance of the Group.

The Group, along with other market participants, is subject to increasing scrutiny by regulators of its compliance with global anti-money laundering and financial sanctions laws and regulations. In order to discharge its obligations under the anti-money laundering and counter-terrorist financing laws and regulations of the UK and other jurisdictions, the Group is required to perform adequate due diligence prior to accepting each new customer and ensure that it has proper systems and safeguards in place to prevent and detect money laundering and market abuse and comply with international financial sanctions, including, for example, maintaining mechanisms to report sanctions matches to Her Majesty's Treasury and suspicious activity and transactions to the FCA and the National Crime Agency ("**NCA**"), in the UK, reporting suspicious activity and transactions to the Unit for Combatting Money Laundering in Cyprus and submitting suspicious matter reports to the Australian Transaction Reports and Analysis Centre in Australia, detailing any financial activity which it considers to be suspicious. In addition, the Group is required to engage with third parties in the UK and abroad in a manner compliant with the anti-bribery and corruption laws, guided as a rule by the UK Bribery Act 2010, which has extraterritorial effect. While the Group devotes significant time and resources to remain compliant with all relevant anti-money laundering, anti-bribery and corruption and financial sanctions laws and regulations, and the Group is not aware of any violations of such laws or regulations having occurred by or within the Group, there can be no assurance that its systems and procedures will be deemed compliant with relevant laws, or the laws or standards of other regulators in the jurisdictions where its offering is available, or that individuals will not circumvent the Group's systems and procedures to engage in money laundering, market abuse, bribery and corruption or other prohibited activities.

If the Group is deemed to violate applicable anti-money laundering, financial sanctions, market abuse or anti-bribery and corruption laws and regulations, the Group and/or its directors and officers may be subject to financial penalties and criminal sanctions, be required to suspend some or all of its customer accounts or cease part or all of its operations (including as a result of the suspension or revocation of regulatory licences), any of which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

In addition, whilst consolidation in the industry is currently a prevalent trend in the B2B and B2C segments, the acquisition of Snaitech could potentially impact business relationships with certain existing B2B customers of the Group, and potential new B2B customers if they perceive that the Group is a competitor as a result of the Group having an established presence in the Italian B2C market. Whilst this risk has not materialised, this could have a material adverse effect on the operating results, business, financial condition and prospects of the Group.

There is a risk that more prescriptive regulations may be put in place with regard to casual gaming

The casual gaming business operated by the Gambling Division is not subject to the same level of industry specific regulation as is the case in connection with its real money gambling activities. However, issues such as the legal definition of "free" or "play for fun" and the wider social responsibility issues (including in connection with participation in the social media networks by minors) may vary from territory to territory. Gambling regulators in a number of jurisdictions (including the Gambling Commission of Great Britain) are actively

considering whether elements of social or casual gaming models, such as subscription play, the purchase of tokens for use in games and the trade value of virtual currencies, will bring such social or casual gaming activity within the definition of gambling within their territory. This has been highlighted recently by way of gambling regulators (notably in Australia, Belgium and the Netherlands) raising concerns in relation to "loot boxes", being a virtual box that gamers might purchase in order to obtain a randomised selection of further virtual items to enhance characters (such as weapons). There is a risk that ultimately more prescriptive regulations (for example in relation to advertising) will be put in place to address these issues which may require certain social games to be licensed or which may otherwise restrict the growth of the market. In addition, specific social or casual gaming taxes may be levied.

The Group's business may be affected by political uncertainty in Italy

On 4 March 2018, a general election was held in Italy where no political group or party won an outright majority, resulting in a hung parliament. Following a protracted period of negotiation, a coalition government comprising two Italian political parties (Five Star Movement and a LegaNord) was formed in late May 2018. Formation of a coalition government has given rise to speculations that Italy may decide to leave the Eurozone, which sent shockwaves across global financial markets. Whilst the leaders of the parties forming the coalition government have subsequently affirmed that no plans to exit the Eurozone exist, the political landscape in Italy remains uncertain.

In addition, in July 2018, the Italian government issued the so called "Dignity Decree", which included measures aimed at preventing gaming and betting advertising posted directly or indirectly on any media or through any other means, as well as a ban of sponsorship in the sports sector starting from January 2019. Furthermore, on 23 December 2018, the Italian Senate passed the government's 2019 budget which included legislation to increase taxation on various types of gambling activities.

Even if there is no current plan by the Italian government to create additional measures in relation to Italian gaming, the Group cannot rule out that this or another government might decide to issue new regulations aimed at increasing taxes or at, in other forms, reducing gambling activities.

Political uncertainty and instability, including the possibility of the Italian government taking positions or actions adverse to the gambling industry or the Italian economy as a whole (including a potential decision to withdraw from the Eurozone or to increase the anticipated costs for new concessions and for the gambling-related taxes), could have material adverse effects on the Group's business, results of operation and financial condition.

The Group may be subject to an unfavourable outcome with respect to pending litigation in relation to Snaitech

Snaitech operates in a market with a high level of litigation and regulatory and judicial scrutiny. As of the date of this Offering Circular, Snaitech is party to numerous administrative and civil proceedings, including a number of proceedings against it brought by ADM and is currently, and from time to time, subject to investigation by regulatory and tax authorities. For details of these proceedings, see "*General Information*". A negative outcome in one or more of these proceedings or investigations could require it to pay substantial monetary damages or penalties or could have a significant impact on its ability to operate its business or negatively impact its reputation or its relationships with its regulators.

Although Snaitech has made accounting provisions with respect to pending proceedings, the provisions set aside may not be sufficient to cover losses arising from outcomes in any existing proceedings that are not in its favour. If future losses arising from the pending proceedings are materially in excess of the provisions made, there may be a material adverse effect on the Group's business, results of operations and financial condition.

In addition, proceedings against regulatory authorities challenging public tender processes in respect of the award of concessions or the award of any contract, licence, concession, permit or approval to it could result in the denial, termination or revocation of such contract, licence, concession, permit or approval, which could have a material adverse effect on the Group's business, results of operations, and financial condition or prospects.

The Group's key Italian licences can be revoked or key conditions can be amended

Further to the acquisition of Snaitech, the Group has become subject to a variety of laws and regulations applicable to gambling activities in Italy. In particular, the Italian Ministerial Decree dated 25 July 2017 provided for a reduction of at least 34.9 per cent. of the total number of permits for AWPs, compared to the number of active permits for AWPs as at 31 December 2016. The Italian Stability Law of 2016 also provides that in the

period from 2017 to 2019, all the AWPs on the market will be substituted with new generation machines which can be controlled remotely (AWP-R also called "VLT-light"). Snaitech's compliance with this requirement in respect of its AWP concessions may incur material costs, that are more than currently estimated or quantified, given that, similar to VLTs, a fee for obtaining the relevant licences may be introduced.

The increase in taxes, costs of substituting AWPs with AWP-Rs and the legal reduction in the total number of AWPs set out by the Italian Stability Law 2016 may have an adverse effect on the Group's business and financial performance. Compliance with this extensive regulatory framework requires significant investments in infrastructure and personnel. In addition, failure to comply with applicable laws, regulations and rules could result in investigations and enforcement actions, concessions or licences that the Group needs to do business not being renewed or being revoked, criminal sanctions, administrative fines or the separation, suspension or termination of its operations. The Group cannot guarantee that it will not be subject to lengthy and costly legal proceedings in the future.

The TULPS Licences are personal in nature and cannot be transferred to another person. The change of the identity of third party operators holding TULPS Licences would also trigger a need to re-apply for a new TULPS Licence. There can be no certainty that such third party operator would obtain a new TULPS Licence and be able to continue providing betting activities and/or ADIs at the relevant POS. In the event that a significant number of third party operators were to change identity in any given period, any inability to renew the TULPS Licences and continuing betting activities and/or providing ADIs at such POS may impact on gambling revenues which could have a material adverse effect on the Group's business, results of operations and financial condition.

Snaitech currently holds a number of concessions granted by ADM. Applying for new concessions, rights, permits and approvals and renewing or integrating existing ones can be costly and time consuming, and there is no assurance of success. Any failure to renew or obtain any such concession, right, permit or approval could have a material adverse effect on the business, results of operations and financial condition of the Group. Snaitech can also from time to time experience delays in its application for new concessions or licences, or delays in obtaining regulatory approval or be the subject of legislative changes that may be required in order to modify certain attributes of a current product offered under an existing concession, such as the delay by ADM in approving new games for VLTs, and such delays could preclude Snaitech from taking advantage of attractive market opportunities or require it to temporarily cease operations. If it fails to maintain a constructive relationship with ADM, or if its relationship was to be adversely affected for any reason, including any action or omission on its part or negative publicity concerning it or the gambling and betting industry in general, the business, results of operations, and financial condition of the Group could be materially adversely affected.

For the year ended 31 December 2018, Snaitech generated approximately 96.6 per cent. of its total revenues from the concessions. The concessions held by Snaitech for the operation of a network of gaming machines (AWPs and VLTs), which represented 68.2 per cent. of its total revenues for the year ended 31 December 2018, expire in March 2022.

Upon the expiration of the concessions, new concessions may be awarded to one or more parties through an open competitive public tender process. The Italian gambling and betting market is fragmented with diverse competition meaning these bid processes are often contested. Renewing concessions can be costly and time consuming, and the Group cannot guarantee that Snaitech will be successful. While Snaitech has historically been able to renew its concessions, its concessions may not be renewed upon expiration on favourable terms or at all. Any failure to renew or obtain any such concession could have a material adverse effect on the Group's business, results of operations and financial condition.

New concessions may also be awarded on a trial basis, meaning that Snaitech could face penalties, or that ADM could revoke a concession within the first few years of its term, if certain conditions are not satisfied. The concessions are also subject to revocation upon the occurrence of certain events, which are different for each concession. Under certain circumstances, a concession could be revoked upon a change of control or if they are determined to be against the public interest. Concessions may also be revoked by ADM upon occurrence of certain events, which relate to failures by the concessionaire to comply with certain obligations. In addition, failure by its directors, officers and employees and its shareholders and beneficial owners owning directly and indirectly more than 2 per cent. of its shareholding (including its respective directors, officers and employees) to meet certain good standing requirements (including anti-mafia requirements) could result in concessions or licences being revoked or not being renewed, or could prevent it from being able to bid for new concessions or licences and could have a negative effect on its reputation and a material adverse effect on the Group's business, results of operations and financial condition.

Concessions awarded to Snaitech contain specific financial covenants and capital requirements that must be complied with in order to remain in good-standing with ADM, including a requirement on the concessionaire to maintain a debt/equity ratio below the threshold set out by the Italian Ministry of Economy and Finance ("MEF") (which shall not be higher than 4.0x) (rapporto di indebitamento), as measured using the concessionaire's year-end financial reports. Failure to maintain a debt/equity ratio below the threshold over the course of any three-year period can result in penalties imposed by ADM.

For example, during 2015, ADM sent a number of notices to Snaitech with regards to the non-compliance with respect to the required debt/equity ratio as set out above for financial year ended 31 December 2011. In October 2015, Snaitech responded that the integration of Cogemat S.p.A. would restore the required debt/equity ratio for the financial year ended 31 December 2015, which resulted in ADM confirming in April 2016 that no further action would be taken.

Any penalties imposed on Snaitech for a failure to satisfy the debt/equity ratio requirement or any other financial covenant in its concessions, including the revocation, or inability to renew, its concessions, would have a material adverse effect on the Group's business and results of operations.

Even after a concession is awarded, competitors may seek to challenge the validity of the concession by raising claims regarding the eligibility of the concession holder to participate in the relevant public tender or the procedural grounds by which ADM adjudicated such public tender. In this case, Snaitech may be required to spend additional capital and management time defending such concessions even if the challenges are without merit. Challenges to tender procedures or the award to it of any concession or other approval could result in the denial, termination or revocation of such concession or approval, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The B2B segment of the Gambling Division is reliant on Licensees maintaining and enhancing their brands

The future success of the B2B segment of the Gambling Division is dependent upon the Licensees' performance, maintenance and further building of their brands. Maintaining and enhancing these brands will require significant expense. As the market becomes more competitive, the value of these brands may not be maintained or enhanced and further legislation or regulation may impact on the ability of remote gambling operations to advertise and/or other promote their offerings.

In addition, the Group relies to a degree on its continued ability to secure branded content for some of its games. There can be no guarantee that it will be able to continue with such arrangements or will be able to do so on commercially viable terms, after the current contractual terms expire.

The Group is subject to on-going reputational challenge of dealing in the gambling industry

The gambling industry is subject to negative publicity relating to perceptions of gambling addiction, underage gambling, exploitation of vulnerable customers and the historic link of the gambling industry to criminal enterprise. As a supplier to the industry, such negative publicity can affect the reputation and correspondingly affect the financial performance of the Group.

Typically, remote gambling operators are required under the terms of the various regulatory licences they maintain to ensure their services are not accessible by minors and that they take steps to prevent individuals with actual or suspected gambling addiction from participating in their services. To the extent that remote gambling sites are accessed by minors and/or problem gamblers, brand reputation could be tarnished. Situations can arise where minors or compulsive gamblers could access such sites. Where they do so, as well as negative publicity and potential regulatory censure and substantial monetary fines, litigation by way of class action against the remote gambling operators for damages could ensue, all of which would have a corresponding detrimental effect on the Group.

Risks relating to the Issuer, the Guarantors and the Group-Financials Division

Breach of regulations to which the Financials Division is subject may result in the relevant regulators suspending the requisite licences, which will prevent the Financials Division from continuing its operations

The vast majority of the Financials Division's revenue depends upon the maintenance of licences from regulators.

Certain members of the Group operating within the Financials Division have obtained regulatory authorisation from CySEC in Cyprus and the FCA in the United Kingdom, respectively, to provide certain financial services throughout the EEA in reliance on "passports" granted in accordance with MiFID II and equivalent legislation. In addition, other entities forming part of the Financials Division are licensed by the FSCA in South Africa, the ASIC in Australia and the BVI Financial Services Commission in the British Virgin Islands.

If the Group were to fail to maintain one or more of the Financials Division's Cypriot, South African, UK, Australian or British Virgin Islands licences, it would be required to cease its operations in one or all of the core markets in which the Financials Division operates, which would result in a significant decrease in its revenues and, consequently, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Increased regulatory scrutiny of the industry in which the Financials Division operates could adversely affect the Group's revenue, business and profitability

The financial services industry generally, and the activities of online brokerage businesses in particular, have been the subject of increasing regulatory scrutiny at both a national and international level. The CFD market has experienced a recent wave of regulatory interventions and it is expected that the industry will continue to be a significant focus for regulators. In the EU, ESMA published a question and answer document on the application of MiFID to the marketing and sale of CFDs and other speculative products to retail clients in April 2016 (and which has subsequently been updated on a number of occasions). Whilst these Q&As have not directly resulted in any material changes needing to be made to the Financials Division's business or operations, it is possible that national regulators such as CySEC or the FCA could use them as the basis for changes to existing regulation or to their interpretation or application of existing regulation (and indeed CySEC has already endorsed certain of the recommendations from ESMA's Q&As by way of circulars).

In addition, under MiFID II, the Market in Financial Instruments and Amending Regulation (600/2014/EU) and their implementing legislation (together, the "**MiFID II legislation**"), national regulators and ESMA have been granted stronger product intervention powers, including the ability to ban or restrict the marketing or distribution of products where there is a "significant investor protection concern". On a pan-European level, ESMA announced on 27 March 2018 that it had agreed to make use of these powers in relation to the sale of CFDs and binary options to retail investors. On 1 June 2018, the final text of these measures was published in the Official Journal and took effect from 1 August 2018. Under these measures, the marketing, distribution and sale of CFDs to retail clients is restricted by the introduction of: (i) leverage limits on the opening of a position by a retail client, which vary according to the historical price behaviour of the different classes of underlying assets: 30:1 for major currency pairs; 20:1 for non-major currency pairs, gold and major indices; 10:1 for commodities other than gold and non-major equity indices; 5:1 for individual equities and other reference values and 2:1 for crypto currencies; (ii) a margin-close out rule on a per account basis; (iii) negative balance protection on a per account basis; (iv) a restriction on the use of incentives for trading being offered by CFD providers; and (v) standardised risk warnings to be included in any communications or published information accessible by retail clients relating to the marketing, distribution or sale of CFDs, including an indication of the range of losses on retail investor accounts. ESMA also stated in its 27 March announcement that, due to the specific characteristics of crypto currencies as an asset class, the market for financial instruments providing exposure to crypto currencies (such as CFDs) will be closely monitored and ESMA will assess whether additional stricter measures are required. The measures took effect from 1 August 2018 and lasted for an initial three-month period, after which they have been renewed twice to date with the current period lasting until 1 April 2019. It is anticipated that the ban will be renewed at the expiry of the current period. Although the Financials Division enjoyed continued revenue growth in a period where the ESMA new rules and regulations came into effect, as described in "*Business Description—Principal Areas of Operation—Financials Division*", there is a risk that they could have an adverse effect on the Group's business, prospects and overall profitability. This may be restricted to a short term impact, but it could have a more lasting impact upon the ongoing costs, product types and offering and/or profitability of the Financials Division.

At a national level, national regulators in certain jurisdictions, such as Poland, Belgium, France, Germany and the UK, have introduced, or have issued consultations or draft rules in respect of introducing, additional regulations applicable to the Financials Division's provision of financial services to retail clients resident in such jurisdictions. These requirements apply, or will if enacted apply, in addition to the rules applicable to firms providing financial services under the laws of the European Union. In addition, certain EEA regulators or legislators (including the UK and Spain) are consulting on whether to apply the product intervention measures referred to in the previous paragraph under national regulation on a permanent basis.

In view of the heightened regulatory focus on the industry, there is a risk that CFDs may become subject to a requirement to be centrally cleared (similar to that applying to certain over-the-counter derivative contracts under the European Market Infrastructure Regulation). Such a change could require the Financials Division to modify its operations which could have an adverse effect on the Group's business, prospects and overall profitability.

In addition, international regulators are giving increased attention to the use and promotion of CFDs based on the prices of crypto currencies. For example, between July to September 2017, risk warnings and statements were issued in the U.S. by the Securities and Exchange Commission, and separately authorities in Singapore, Canada and Hong Kong made similar statements. In October 2017, CySEC confirmed it was imposing additional requirements on the firms it regulates when they trade in crypto currencies or in CFDs or other derivatives relating to them. In March 2018, ESMA stated that it would be monitoring the market for financial instruments providing exposure to crypto currencies (such as CFDs) and that it may assess whether additional stricter measures are required. In the UK, the FCA has issued consumer warnings with respect to the potential risks of investing in CFDs referenced to crypto currencies. In December 2018, the FCA announced that it would issue a consultation in early 2019 on a potential ban on the sale of CFDs and other derivatives referencing crypto currencies to retail customers. Given the increased regulatory scrutiny, there is a risk that changes to the regulatory approach to CFDs on crypto currencies, which the Financials Division currently offers, may impact upon the manner in which the Financials Division conducts its business or upon the types of products that it can offer (whether generally or in certain jurisdictions).

More generally, changes in any jurisdictions (whether jurisdictions where the Financials Division is licensed or regulated or in other jurisdictions where customers may be based) to laws or regulations as a result of the increased regulatory scrutiny on the retail CFD sector, including the enactment of new requirements in relation to regulatory authorisation, financial promotions, the use of third party affiliates, taxation, the internet or e-commerce (or a change in the application or interpretation of existing regulations or laws by regulators or other authorities) or a re-classification of the Financials Division's offering as being subject to higher levels of oversight or supervision in any jurisdiction in which the Financials Division currently carries on business might oblige the Financials Division to cease conducting business, or modify the manner in which it conducts business, in that jurisdiction. Any such changes could impact the range of products that the Financials Division offers to customers and/or could restrict the types of customers in impacted jurisdictions that the Financials Division can accept. Such changes could also result in significant expense being incurred or investment of management time in order to interact with regulators, implement necessary changes, and/or subject the Group or its directors or customers to additional taxation or civil, criminal, regulatory or other action.

Changes to the EU regulatory framework and current and proposed EU regulations and directives could restrict the Financials Division's business, and the implementation and interpretation of necessary changes to comply with them could place a significant demand on the Group's resources

The EU financial services regulatory regime has recently undergone significant change, and is expected to see further significant change in the near and medium-term, as a result of the implementation of various EU regulations and directives, in particular relating to the MiFID II legislation, the updated EU market abuse regime, the Packaged Retail and Insurance-based Investment Products Regulation (1286/2014) (the "**PRIIPS Regulations**"), and the fourth money laundering directive (2015/849) ("**MLD4**").

The MiFID II legislation has applied to firms in EEA Member States since 3 January 2018. It has substantially altered and enhanced the previous regime under MiFID I and has made several significant changes affecting the business of the Financials Division. The new measures include changes to the existing trading and execution regimes, enhanced reporting and transparency requirements, non-discriminatory access to trading venues and central counterparties, and increased investor protection. As part of the package of investor protection measures, there have been changes to the rules governing the assessment of appropriateness of products and services for clients, enhanced information requirements for clients and restrictions on third-party inducements. There have also been changes to the requirements on firms' governance and compliance requirements, including a new product governance regime, and enhancements to the best execution and conflicts of interests requirements.

The Market Abuse Regulation ("**MAR**") and the Directive on Criminal Sanctions for Market Abuse ("**CSMAD**" and together with MAR, the "**MAD II legislation**") together updated the market abuse regime in Europe by recasting the 2003 Market Abuse Directive ("**MAD**"). CSMAD entered into force on 2 July 2014. MAR's provisions entered into force on 3 July 2016, which was also the deadline for Member States to transpose CSMAD's provisions into national law (although the UK decided to opt out of CSMAD). MAR considerably strengthened and extended the reach of the EU market abuse regime to allow supervisors to monitor for market abuse across a much wider range of different instruments and venues.

The PRIIPs Regulation came into force on 29 December 2014 and applied to firms from 1 January 2018. The PRIIPs Regulation applies to any manufacturer or provider of packaged retail and insurance based investment products ("**PRIIPs**") to retail investors. The PRIIPs Regulation requires PRIIPs manufacturers to put together a concise key information document for retail investors for each PRIIP that is provided. CFDs fall within the definition of PRIIPs and therefore the Financials Division, as provider of CFDs to retail investors within the EU, is subject to its requirements.

MLD4 entered into force on 25 June 2015 and amended and repealed the Third Money Laundering Directive (2005/60/EC). Member States were required to implement the provisions of MLD4 into national law by 26 June 2017. Although the scope of MLD4 is similar to the Third Money Laundering Directive (2005/60/EC), certain new provisions have been introduced, including changes to the scope of the AML regime, measures designed to provide enhanced clarity and accessibility with regard to beneficial owner information and a strengthening of the sanctioning powers of national supervisors through the introduction of a set of minimum principles-based rules.

Implementing these EU-wide legislative measures has resulted in additional compliance costs and management time being expended by the Group. As each of the measures described above (being the MiFID II legislation, MAR, the PRIIPs Regulation, and MLD4) are only recently implemented, it is expected that EU bodies such as ESMA, and individual national competent authorities may continue to adopt, issue or impose additional interpretative guidance (such as guidelines and question and answer documents) which may change or enhance the manner in which the Group, and the industry and sector as a whole, have interpreted and applied the relevant legislation. Additionally, over time national competent regulators and courts may issue regulatory sanctions, disciplinary notices, judgments or may otherwise seek to enforce the application of these measures in different ways. Furthermore, legislation, rules and guidance applicable to the Financials Division (including the rules and guidance of the FCA and CySEC) may diverge over time between the UK and the remaining EU27 Member States which could increase the Group's costs and compliance burden.

Regulated entities within the Financials Division are required to conduct "appropriateness tests" on customers

As CFDs are viewed as "complex products" from a regulatory perspective in the EEA and other jurisdictions, regulated entities within the Financials Division obtain information from prospective customers to enable an assessment of whether they have the knowledge and experience to understand the risks connected with the Financials Division's offering. If a customer is assessed as lacking in the relevant knowledge and experience, their application will either be rejected or they will be notified of their status and assurance will be sought from the applicant that they explicitly understand the risks involved and that they will familiarise themselves with the product before commencing trading. Regulatory authorities in multiple jurisdictions have recently shown a particular focus on enhanced requirements for "appropriateness tests" that regulated firms, such as the regulated firms within the Financials Division, must undertake to ensure that customers have the necessary experience and knowledge to understand the risks involved in the financial instruments and services they use.

As a result of increased scrutiny on the industry in which the Financials Division operates, future changes to applicable rules may also require the Financials Division to publish enhanced risk disclosures or "warning labels" that disclose the risks associated with its product in greater detail than previously undertaken, as well as impose additional restrictions on the Financials Division's ability to offer its product and services to retail clients for whom such product is deemed to be "non-appropriate".

"Appropriateness test" requirements differ in many of the jurisdictions in which the Financials Division's offering is available, and there can be no guarantee that the Financials Division's assessments or tests of a customer's appropriateness for its product will be adequate in all or any particular jurisdictions or will not be subject to regulatory scrutiny or challenge, which could lead to a loss of customers and/or restrict the Financials Division's ability to attract future customers and consequently have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The requirement to maintain regulatory capital may affect the ability of the Financials Division to distribute profits and/or may restrict expansion, which may affect the Financials Division's ability to conduct its business and may reduce profitability

Regulated entities within the Financials Division are required to meet capital adequacy tests in their respective jurisdictions in order to ensure that such entities have sufficient capital to assist in managing risk from market movements and customer and other counterparty defaults. Regulators such as CySEC, the FCA and the FSCA

have wide discretion to change the substantive information they require in satisfaction of the regulatory capital rules or the basis on which they calculate regulatory capital requirements, as well as the option to impose individual capital guidance on regulated firms if they consider the amount and type of capital that such firm holds not to be appropriate.

The minimum capital requirements to which regulated entities within the Financials Division are subject may affect its ability to distribute profits which it would otherwise be permitted to distribute. Any changes to such regulatory capital requirements could restrict the pace of the Financials Division's expansion or affect the financial instruments the Financials Division is able to offer and/or the jurisdictions in which it is allowed to offer them. In turn, this could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group believes that it has sufficient resources to satisfy any increase in the regulatory capital requirements to which the regulated entities within the Financials Division are subject, however any sustained, incremental increases in regulatory capital requirements in the future may mean that the Financials Division withdraws from offering its products in certain jurisdictions. This could have a material adverse effect on the Group's business, financial condition and results of operations.

Financial promotions regimes and other regulations may impact the Financials Division's ability to advertise

The Financials Division is reliant on a variety of marketing channels to advertise its business and increase its customer base. However, in certain jurisdictions, including in the EEA, the promotion of investment activities is regulated, which restricts the manner in which the Financials Division may advertise in that jurisdiction. Certain jurisdictions have also introduced additional marketing restrictions that specifically relate to the advertising of CFDs. For example, Belgium and France have each introduced prohibitions in respect of the marketing of certain types of CFD. There can also be no assurance that compliance with, for example, EEA laws and regulations regarding the promotion of investment activities will mean the Financials Division is in compliance with local laws and regulations outside the EEA.

Any non-compliance with laws or regulatory requirements relating to financial promotions could subject relevant members of the Financials Division or its directors and/or employees to disciplinary action, criminal penalties, civil lawsuits and/or fines. Regulated entities within the Financials Division that engage in promotion of investment activities may have been in breach of the laws and regulatory requirements regarding such activities in some of the jurisdictions in which it advertises and there can be no assurances that such entities will be in full compliance with, or will not breach, these applicable laws and regulations going forward.

Further, there is a heightened risk of a regulator imposing a sanction on the relevant regulated member of the Financials Division as a result of repeated instances of non-compliance with the financial promotions, or similar, regime. Any such action could have a material adverse effect on the Group's reputation, business, financial condition and operating results.

No assurance can be given that new laws, rules or regulations will not be enacted, or existing requirements applied, in a manner which would restrict or curtail the Financials Division's current advertising activities (including its offline marketing channels and its use of third party affiliates for advertising). For example, the PRIIPs Regulation has been recently implemented and has resulted in additional documentation being provided to retail clients in relation to the CFDs offered by the Financials Division in the European Union. In addition, as described above, the product intervention powers relating to CFDs were published in the Official Journal on 1 June 2018 and took effect on 1 August 2018. That measure lasted for an initial three month period, and has since been renewed twice, with the current period due to last until 1 April 2019, after which further extensions may be announced. In addition, national regulators and legislators in the EEA are consulting on, or have taken steps towards, applying these and other restrictions on a more permanent basis. Any further restrictions on the Financials Division's ability to advertise in a particular jurisdiction or jurisdictions could have a material adverse effect on the Group's business, financial condition and operating results.

Regulated entities within the Financials Division are subject to rules regulating how they hold client money

Various regulators in the jurisdictions in which the Financials Division's offering is available require regulated entities to institute systems for ensuring that client money is segregated from that of the regulated entity. Regulated entities within the Financials Division hold client money in segregated bank accounts in accordance with applicable regulatory requirements. Where these accounts need topping-up or reducing (as a result of trading activity, client withdrawal or otherwise), daily reconciliations and appropriate bank transfers are made.

There have been a number of enforcement cases relating to client money rule breaches on other grounds that have resulted in large fines for financial services firms. CySEC has also suspended the authorisation of certain Cyprus Investment Firms where it has had reason to believe that customer's ownership rights in relation to their funds and/or financial instruments, held by the firms on their behalf, have not been properly safeguarded.

In addition, regulators in other jurisdictions in which the Financials Division's offering is available are also increasingly focused on client money regulation and tightening rules relating to customer money segregation. Any fines imposed on regulated entities within the Financials Division by CySEC, the FCA, the FSCA or any other regulator, or the inability of the Financials Division to address future changes to any applicable customer money regulations could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

The revenue and profitability of the Financials Division is dependent on client activity and product demand, which are affected by market volatility and other factors outside of the Group's control

The revenue and profitability of the Financials Division largely depend on client activity and the demand for the products of the division. Periods of high volatility in financial markets typically increase client demand for the products of the Financials Division (although such events can also expose the Group to increased trading loss risk and bad debts). Conversely, in periods of low market volatility, client activity can decrease due to a perceived lack of attractive trading opportunities for clients. Regardless of market volatility, there can be no assurance that demand for the products of the Financials Division will grow or continue at current levels. In addition, the Financials Division is exposed to the fluctuations in fair value of financial assets and financial liabilities.

If products other than CFDs become preferred alternatives for clients, for example, due to negative publicity, political factors, changes in law or regulation that impose restrictions on their trading or tax treatment, or for any other reason, the business of the Financials Division would be significantly affected. The foregoing and other additional factors outside of the Group's control, such as declines in the disposable income of the clients of the Financials Division, may cause a substantial decline in client activity, which could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Risks relating to the Issuer, the Guarantors and the Group—other business risks

Competition may affect the Group's financial performance

The gambling industry is extremely competitive and so is the related products and services industry that supports it. Failure to compete effectively may result in the loss of Licensees and also the inability to attract new customers. In particular, 2018 saw a continued trend of increased competition in China from new market entrants resulting in downgrades to revenue expectations announced to the market in July 2018. Activity in Malaysia, highlighted as a headwind due to a change in market conditions, continues to be significantly lower than its previous levels. For details, see "*Summary—Recent Developments—Asia*". If the competition intensifies in any other of the Group's key markets, the Group's financial condition and results of operations can be materially and adversely affected.

In the B2B segment, such a competitive environment can lead to pressure from Licensees in respect of the royalty rates and other fees charged by the Group. In addition, Licensees might choose, when contractually permitted to do so, to migrate to competing software providers. New software providers may also enter the market, thereby increasing competition. As the trend of consolidation in the gambling market continues, it is possible that remote gambling operators will increasingly seek to differentiate their customer offering by developing their own technology and/or content which may represent a further risk to the Group.

Furthermore, the regulatory constraints to which the Group is subject and itself imposes are not universally applicable and, for various reasons, some of the Group's competitors may choose to assist their respective licensees with wagering with citizens in jurisdictions that the Group would not support. There is a risk that, if such competitors of the Group do not impose similar restrictions, then restrictions imposed by the Group on its Licensees may adversely affect its ability to retain existing Licensees or to attract new Licensees which, consequently, would have an adverse impact on the Group's financial position and growth prospects.

The provision of marketing and advertising services is also a competitive market. Operators rely on third party affiliate marketeers to assist in the acquisition and retention of customers. The Group undertakes such affiliate marketing activities for certain Licensees as an additional service to its licensing of software. In doing so, it relies

on third party affiliates itself, who may provide corresponding services to a variety of gambling solution providers and operators. There is a risk that the Group may not be able to offer remuneration for affiliates that is as attractive as that offered by competitive affiliate networks or by Licensees' directly and consequently, the Group may make its marketing services less attractive to operators.

The on-going evolution of gambling regulation could lead to increased competition, over time, as large land-based operators, games companies and other online entertainment companies may seek to enter the remote gambling market. Such organisations, with long established and trusted brands, may buy or build capabilities to allow them to effectively compete with the Group and/or its Licensees. This could lead to a reduction in Licensees' revenue and profitability, which would in turn negatively impact upon the Group's financial performance.

In Italy, the Group's Snaitech business is exposed to the competitive landscape of the Italian B2C gambling market. In particular, the Group faces competition from Italian domestic gaming and betting providers operating across both offline and online distribution channels. Competition in the Italian online sports betting market segment has been particularly intense in recent years due to new market entrants, including foreign operators. More generally, B2C gambling operations are susceptible to consumer trends, and the improvement and expansion of product offerings by the Group's competitors may attract customers away from those products we offer and reduce our market share. In addition, products such as virtual horse races and other "virtual events" could reduce the appeal and profitability of certain existing retail platforms, including those of the Group's sports and horse race betting business lines.

In addition, the financial trading industry in which the Financials Division of the Group operates is very fragmented, comprising a small number of large-scale providers and a large number of other significantly smaller providers. The fragmented nature of this industry may give rise to pricing pressures, which may in turn intensify the competition.

Commercial success of new products and services developed by the Group cannot be assured

The Group continuously develops new products and services in order to deliver new ways of enhancing the end customer experience and produces content in order to drive player engagement. There can, however, be no assurance that new products and services developed by the Group will be a commercial success and will compensate for the R&D expenses invested in their development. If the new products and services developed by the Group do not perform in line with expectation, this may have a material adverse effect on the Group's business, results of operation and financial condition.

Integration of future acquisitions, investments and joint ventures may not go as planned and could cause the B2B segment of the Gambling Division to lose Licensees

As part of the Group's business strategy, it has made and may continue to make acquisitions or investments in complementary businesses and/or enter into joint venture partnerships in regulated markets or otherwise. See "*Business Description-History*". Any such acquisitions, investments or joint ventures are and will be accompanied by risks, including the difficulty of integrating the operations and personnel of the acquired business, the inability to obtain a return from the investment or joint venture and the impairment of relationships with employees and Licensees as a result of poor integration of such businesses.

If the Group decides in the future to make further acquisitions or investments, to become an operator in a specific market or to enter into new joint venture arrangements the B2B segment of the Gambling Division may lose Licensees (or compromise its ability to attract new Licensees) if they consider the Group to be competing with them. Furthermore, in such circumstances, the Group will face similar risks to those outlined in this section as being faced by Licensees or other service providers.

In particular, the Group has recently acquired Snaitech. The Group may fail to achieve certain or all of the anticipated benefits that the Group expects to realise as a result of this acquisition, or it may take longer than expected to realise those benefits. If the anticipated benefits are not achieved, or take longer than expected to be realised, this could have a material adverse impact on the Group's businesses, financial conditions and results of operations.

The Group must continue to innovate in order to compete in its industries

The industries in which the Group operates are highly competitive. In particular, in the remote gambling industry, the Licensees of the B2B segment of the Gambling Division must offer, and therefore their suppliers

must develop, new products and services that will continue to attract and retain a broad range of players. The Group must continue to invest significant resources in research and development in order to enhance its technology, products and services. If the Group is unable to adapt its technology products to satisfy player demand, it may lose the confidence of Licensees who may choose to concentrate marketing efforts on products offered by the Group's competitors. Failure to adapt to changing market needs and developing opportunities will hamper the ability of the B2B segment of the Gambling Division to attract new Licensees or retain existing Licensees and the sustained loss of Licensees could lead to a reduction in revenues and profitability which would negatively impact upon the Group's financial performance.

With the emergence and development of new products, new technologies, or option of new player practices, there is a risk that the Group's existing products, services and proprietary technology may be considered obsolete. The Group's ability to compete in the market and its financial position would suffer were it unable to respond to technological advances, emerging industry standards or player tastes in a timely and cost-effective manner.

As an international business, the Group is subject to a variety of local laws and regulations, which are ever-evolving, in addition to the local laws and regulations directly relating to gambling

In addition to the laws and regulations directly relating to gambling, the Group is subject to a wide variety of laws and regulatory requirements which affect gambling businesses, non-compliance or deemed non-compliance with which could result in serious financial and other penalties for the Group. Compliance with all such laws and regulations laws is complex and expensive.

European legislation may develop in such a way that impacts delivery of products and services by certain media channels, even if there is no EU directive specific to remote gambling for the foreseeable future. Competition laws may impact the Group's business models and any acquisition strategy that the Group may choose to adopt in future. There is a risk that the most commercially sustainable growth strategy may be limited by such laws and regulations. See also "*—The evolution of the gambling regulatory environment within the European Union, where a significant part of the Group's revenue is generated, may not result in an open and thriving online gambling market*".

The Group is subject to evolving laws and regulation regarding privacy and the use of personal data

The Group is a data controller in respect of its B2C gambling and casual gaming activities, as well as in respect of the B2C operations of its Financials Division. Furthermore, it also acts as a data processor in respect of its B2B gambling activities. In view of its controlling and processing personal data, the Group is required to comply with strict data protection and privacy laws in a number of jurisdictions. Such laws will restrict the ability of the Group in the manner in which it collects, processes and uses personal data (including the marketing use of that information). In relation to certain areas of its activities, the Group will rely on third party contractors and employees to maintain its databases and seek to ensure that procedures are in place to comply with applicable data protection regulations. Notwithstanding such efforts, the Group is exposed to the risk that data it controls or processes could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulations, by or on behalf of the Group. If the Group or any of the third party service providers on which it relies fails to transmit customer information and payment details online in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Group could face liability under data protection laws. This could also result in the loss of the goodwill of its B2B or B2C customers and deter new B2B or B2C customers from engaging with the Group which could have a material adverse effect on the Group.

Furthermore, it is possible that laws in various jurisdictions may be introduced or interpreted in a manner which is inconsistent with the existing data practices of the Group, and which could, therefore, have a material adverse effect on the Group.

A current example of the regulatory evolution in this area is the General Data Protection Regulation ((EU) 2016/679) ("**GDPR**") which entered into force on 24 May 2016 and has begun to apply in all Member States from 25 May 2018. The GDPR has increased the territorial scope of the existing EU data protection framework and imposed stronger sanctions on those who breach it, amongst other things. It has also changed the ways in which personal data is collected and used, requiring data subjects to give unambiguous or explicit consent in some cases and introduce increased enforcement powers, empowering national data protection authorities to impose fines of up to 4 per cent. of annual turnover, or 20 million euros, whichever is greater. The Group will continue to assess its approach to data protection to ensure that personal data is processed in compliance with GDPR's requirements, to the extent they are applicable, and it may be necessary to expend significant capital or other resources and/or modify operation to meet such requirements, any or a combination of which could have a material adverse effect on the Group.

The Group is subject to varying taxation regimes across multiple jurisdictions

The Group's operations are principally located in Austria, Bulgaria, Cyprus, Estonia, Gibraltar, Israel, Latvia, The Isle of Man, Italy, the Philippines, the UK and Ukraine. The Group's operations in the various jurisdictions are subject to different rates of taxation than its Isle of Man operations.

For example, Italy has a particularly complex tax legislation that often requires taxpayers to make subjective determinations in relation to their applications. Under Italian tax law, the Group's business operations are subject to a number of taxes and fees, including value-added-tax (VAT) and specific gambling-related taxes calculated as a percentage of the bet or the net bet (calculated as bet minus pay-out). The levels of taxation to which the Group's Italian operations are subject could increase in the future. For example, the state budget law for 2019 set the tax rate on fixed-odds betting (excluding horse racing) at 20 per cent. and at 24 per cent. of net bet for online betting, starting from January 2019.

In December 2018, the State Budget for the 2019 financial year and the multi-year budget for the three-year period 2019 to 2021 reduced the AWP minimum pay-out from 70 per cent. to 68 per cent. and further increased the taxation on VLTs from 6.25 per cent. (previously 6.0 per cent.) to 7.5 per cent., as well as the taxation on AWPs from 19.25 per cent. (previously 19.0 per cent.) to 20.6 per cent. starting from 1 January 2019. In addition, in January 2019, the Council of Ministers approved a decree proposing to further increase the taxation on AWPs (to 21.25 per cent.) starting from 29 January 2019. Starting from 1 May 2019, by virtue of the 2018 Dignity Decree, the PREU tax rate in respect of AWPs will be set at 21.6 per cent., and in respect of VLTs will be set at 7.9 per cent. Changes in tax law or other laws supersede the terms of the Group's concessions and it is not entitled to additional compensation to offset such changes during the life of a concession.

The Group is subject to income tax in jurisdictions in which its companies are incorporated and registered and judgment is required in determining the provision for income taxes. The Group's tax returns could be subject to review and challenge by the tax authorities in the relevant territories in which it operates. Specifically, given the Group's international presence, if a member of the Group is found to be, or to have been, tax resident in any jurisdiction other than that in which it is incorporated or domiciled or to have a taxable permanent establishment or other taxable presence elsewhere, other than in the case of certain members of the Group providing services which may have permanent establishments in any of the countries mentioned above whether on the basis of existing law or the current practice of any tax authority or by reason of a change in law or practice, this may have a material adverse effect on the amount of tax payable by the Group. Similarly, if the Group's pricing of international transactions is found to not be in accordance with relevant arm's length principles this could also have a material adverse effect on the amount of tax payable by the Group.

Given the number of territories the Group operates in or has physical presence in, from time to time, the Group is subject to audits by relevant tax authorities. The Group currently has ongoing tax audits in certain territories in which it is present and/or operates although no significant assessments have been raised in respect of these audits. See also "*Summary—Recent Developments—Israeli tax agreement*".

Any change in taxation legislation, practice or its interpretation, could adversely affect the post-tax returns to shareholders. Specifically, there can be no assurance that the levels of taxation to which the Group is subject in the Isle of Man and other jurisdictions, including those referred to above, will not be increased or changed, which could have a material adverse effect on the amount of tax payable by the Group and its financial condition and results of operations. The Group constantly monitors changes in legislation and updates its accruals accordingly. See also "*Summary—Recent Developments—Integration of Snaitech*".

In addition, the Licensees' customers are located in a number of different jurisdictions. Revenues earned from customers located in a particular jurisdiction may give rise to the imposition of direct, indirect or turnover taxes in that jurisdiction. Furthermore, as Licensees need to continue to obtain local licences to enable them to target specific markets, they may be obliged to pay non-gambling local taxes too. This potentially could erode Licensees' margins for particular markets, which in turn may affect the financial viability of a specific market, and/or result in the Licensee wishing to re-negotiate its arrangements with the Group. This may, in turn, have a material adverse effect on the Group's financial position, results of operations and prospects.

The Group and its customers are vulnerable to hacking, DDoS attacks, malicious acts and other cybercrime

The businesses of the Group and its customers may be adversely affected by activities such as system intrusions, distributed denial of service attacks, virus spreading, and other forms of cybercrime. Such activities can disrupt internet sites, cause system failures, business disruption and may damage the computer equipment of the Group and/or its customers. Furthermore, as a provider to certain Licensees of technical support services, such as hosting or provision of other operational infrastructure, such cybercrime may lead to contractual claims by affected Licensees.

The Group adopts industry-standard protections to detect any intrusion or other security breaches, together with preventative measures safeguarding against sabotage, hackers, viruses and cybercrime. However, there can be no assurances that the Group and its customers will not be damaged by malicious viruses or worms, or that intrusions and attacks will or can be prevented in the future. If efforts to combat these attacks are unsuccessful, it may cause delay and business interruption, financial loss or damage to the Group or its customers reputations and customer relationships, which could damage the Group's reputation in the markets in which it operates and have a material effect on its relationships with its customers and therefore on its financial performance.

The technological solutions in place to block access to services by customers, in certain jurisdictions, may fail

The Group contractually obliges its Licensees to block access to its products by customers located in certain jurisdictions and also seeks to implement its own technological solutions to support such blocking. The Group currently adopts such a stance on a blanket basis in a number of significant jurisdictions (such as the United States, Israel, Hong Kong, Singapore and Turkey) and, unless the Licensee is the holder of a valid licence, in jurisdictions with valid licensing regimes (such as the UK, France, Italy and Spain).

There is no guarantee that the technical blocks the Licensees are required to implement (or which the Group implements) will be effective, which could place such Licensees (and potentially, the Group) in breach of the relevant laws and regulations and/or in breach of specific licences they hold, which would also have a detrimental effect on the financial position of such Licensees and the Group.

Moreover, there is an additional, ongoing risk that the current list of jurisdictions from which the Group must require its Licensees to block access is enlarged, as there is a possibility that regulators who grant licences to Licensees and/or the Group will require the blocking of specific additional jurisdictions. Similarly, jurisdictions may update their laws and regulations in such a way as to render the supply of gambling services into that jurisdiction legally unsustainable. In all such circumstances, additional blocking activity may have a detrimental effect on the financial position of the Group.

The Group's customers are vulnerable to player fraud and need to have effective internal controls

The gambling and financial trading industries may be vulnerable to attack by customers through collusion and fraud. Such attempts, if not detected and stopped, could result in a loss in confidence in the customer base of such websites. This could lead to customers leaving a Licensees' site in favour of a competitor, or the Group suffering a reputational damage. For example, collusion can be effected between online poker players by their adoption of sophisticated computer programmes to play games automatically. The Group has implemented detection and prevention controls to minimise the opportunities for fraudulent play, but is aware of the need to continually monitor and develop such protections.

In addition, the B2B segment of the Gambling Division is reliant on Licensees having effective internal controls to prevent fraud as it derives a significant part of its revenue from royalty arrangements with its Licensees that would be adversely impacted by such activities. The Group cannot ensure that the Licensees' financial processes and reporting systems provide reliable financial reports and effectively prevent fraud, however the Group does have its own systems in place and audit rights with Licensees, and also encourages the Licensees to enhance and develop their internal controls, including in the areas of access and security.

The Group, as a software business, relies on the ongoing stability of its products and the technology needed to support them

The Group's ability to provide its software depends upon the integrity, reliability and operational performance of its systems. Any major systems failure, including network, software, internet or hardware failure which causes material delay or interruption in the operation of the Group's systems, or of the software, could have an adverse effect on its B2B and B2C customers, which would in turn negatively impact upon the Group's financial performance. In addition, customers could have a direct claim against the Group as a result of such systems failure.

The Group has in place business continuity procedures, data and disaster recovery systems and security measures in the event of a failure or disruption of, or damage to, the Group's network or IT systems. Such procedures may not, however, be sufficient to ensure that the Group is able to carry on its business in the ordinary course if they fail or are disrupted, such that the Group may not be able to anticipate, prevent or mitigate any material adverse effect of any failure on its operations or financial performance.

In particular, the betting and games offered at the Group's POS depend to a great extent on the reliability and security of its IT system, software and network, which are subject to damage and interruption caused by human error, problems relating to the telecommunications network, software failure, natural disasters, sabotage, viruses and similar events. Any interruption in the Group's systems could have a negative effect on the quality of services offered and, as a result, on consumer demand and therefore volume of sales. Any such interruption may entitle ADM to revoke a concession or require the Group to pay damages or compensation under the concession.

As the Group also offers online access to games and betting, such services may be subject to attack by hackers or experience other network interruptions that interfere with provision of service and thereby subject the Group to liability for losses by players or to fines from the applicable governmental authorities for failure to provide the required level of service under their concessions. Finally, a technical error in its gambling systems could lead to significant litigation, lost revenues and/or administrative sanctions.

The Group is reliant on partners and retailers, as well as a number of third party suppliers, for the operation of its business, and issues with such partners, retailers or suppliers may adversely affect the Group

The Group and its customers all rely on hosting providers, marketing support services, communications carriers and other third parties for the day-to-day operation of their respective businesses. In particular, in Italy, third party retailers operate the majority of the POS in the Group's distribution network, and at certain partner-owned betting shops, betting corners and POS, the partner or retailer, as applicable, operates under the Snaitech brand. The Group also relies on a number of third party suppliers who provide it with products and services, including with software utilised for running the gaming machines. The Group does not control these partners, retailers and third party suppliers, and relies on them to perform their services in accordance with the terms of their contracts, which increases the Group's vulnerability to problems with the products and services these partners, retailers or third party suppliers provide. The Group may not be successful in recovering any losses which result from the failure of the partner, retailer or third party supplier to comply with their contractual obligations to it, and where a partner or retailer is operating under Snaitech's brand, such failure may also negatively impact its reputation and consumer loyalty. Partners, retailers and third party suppliers may also seek to recover losses from the Group under indemnities or in respect of breaches of obligations or warranties under their agreements with the Group. In addition, the Group's partners and retailers may suffer from weakening economic conditions which may adversely impact the creditworthiness of the Group's POS. The Group's partners and retailers could also choose to terminate the contractual relationship with it and/or join the Group's competitors. Any such events may jeopardise the business and operations of the Group and/or its customers. In turn, this would affect the ability of end users to access the products supplied by the Group and may have a material adverse impact on its financial performance.

The Group is reliant on its key personnel and employees

Whilst the Group has entered into employment and/or consulting arrangements with each of its executive directors, senior management and key personnel with the aim of securing their services, the Group's future success depends in large part on their continued service, the retention of which cannot be guaranteed. In particular, the loss of the Group's Chief Executive Officer and certain other members of senior management could materially adversely affect the Group's business. The loss of any such member could harm or delay the plans of the business either whilst management time is directed to finding suitable replacements (who, in any event, may not be available to the Group), or, if not, covering such vacancy until suitable replacements can be found. In either case, this may have a material adverse effect on the future of the Group's business.

The Group's ability to compete effectively in the markets in which it operates depends upon its ability to retain and motivate its existing workforce. The loss of a significant number of its employees or any of its key employees, or any increased costs that the Group may incur in order to retain any such employees, may adversely affect the business of the Group.

The Group may not be able to protect its intellectual property rights and could be at risk of infringing third party intellectual property rights

The Group's primary commercial activity is the licensing of remote gambling products and services. The Group predominantly owns the intellectual property rights in those remote gambling products and services (in addition to obtaining licences from third parties including for successful branded games). The Group's ability to compete effectively depends, amongst other things, on its ability to protect, register and enforce, (as appropriate), its intellectual property rights, including, in particular, its intellectual property rights relating to its proprietary software and its patents and trade mark rights. The Group's inability to protect these rights could reduce the value of the Group.

The Group faces the risk that the use and exploitation of its intellectual property rights, including, in particular, rights relating to its proprietary software, may infringe the intellectual property rights of a third party. The Group also faces the risk that its intellectual property rights may be infringed by a third party, and there can be no assurance that the Group will successfully prevent or restrict any such infringing activity. The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Group may result in royalties or damages being payable and/or the Group being required to cease using any infringing intellectual property or embodiments of any such intellectual property (such as software). If any of the Group's intellectual property is held to be infringing, there can be no assurance that the Group will be able to develop or obtain (on favourable terms or at all) alternative non-infringing intellectual property.

There can be no assurance that third parties will not independently develop or have not so developed similar or equivalent software to the Group's proprietary software, or will not otherwise gain access to the Group's source code, software or technology.

There can be no assurance that the Group's registered intellectual property is valid or enforceable and such intellectual property may be subject to challenge or circumvention by third parties. The Group has not registered all intellectual property rights that are registrable and which are material to its business and no assurance can be given that any applications for registration made by the Group will be successful, as applied for or at all.

The Group also seeks to protect its technology as trade secrets, where applicable. These trade secrets may cease to be protected if and to the extent that they have fallen into the public domain.

Failure by the Group to obtain appropriate trade mark protections worldwide may adversely impact the Group's business

The Group has a number of registered trademarks in the United Kingdom, the European Union and elsewhere. The Group may not be able to obtain trade mark registrations in other parts of the world, although it may have acquired common law rights in names it uses in the jurisdictions in which it operates through its use of its brands. The absence of a registered trade mark may make it more difficult for the Group to prevent others from using the same names.

Foreign exchange risks

The Group generates revenues predominantly in Euros and pounds sterling and prepares its financial statements in Euros. The Group also has exposure to the Chinese Yuan. Most of the Group's expenses are in Euros or currencies linked to the Euro. Nonetheless, the Group may be subject to foreign exchange risk which may arise because the Group has operations located in various parts of the world. However, the functional currency of these operations is the Euro and the Group is not substantially exposed to fluctuations in exchange rates in respect of assets held overseas. In addition, foreign exchange risk may also arise where Group revenues and expenses are paid in currencies other than Euros. Whilst the Group's policy is not to enter into any currency hedging transactions, the Group seeks to maintain appropriate treasury policies to manage currency fluctuations.

The global economy may have a material effect on the Group's performance

Demand for the Group's products and services is influenced by general economic and consumer trends beyond the Group's control. There can be no assurance that its business and corresponding financial performance will not be adversely affected by general economic or consumer trends. Adverse changes in the global economic conditions could result in reduced spending by customers on gambling and financial trading and may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may also be subject to market disruption and volatility. Should this happen, the Group might experience reductions in business activity, increased funding costs and funding pressures, a decrease in the market price of its Ordinary Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

The Euro is the Group's base currency and legal uncertainty about the satisfaction of obligations to fund commitments in Euro following any breakup of or exits from the Eurozone (particularly in the case of investors domiciled in affected countries) could also have a material adverse effect on the Group's financial condition.

Risks relating to the Notes

The Issuer is a holding company that has no material assets nor any revenue generating operations of its own and will depend on dividends and distributions from other members of the Group in order to be able to make payments on the Notes

The Issuer's sole activity is to act as the holding company of the Group and raise financing on behalf of the Group. The Issuer has no independent operations of its own rather than owning equity in its subsidiaries and raising finance. Therefore, the Issuer will be dependent upon payments from other members of the Group to meet its obligations, including its obligations under the Notes. The amounts available to the Issuer from the other relevant members of the Group will depend on the profitability and cash flows of such members of the Group and the ability of such members to make payments to it under applicable law or the terms of any financing agreements or other contracts that may limit or restrict their ability to pay such amounts. Applicable tax laws may also subject such payments to further taxation. In addition, the members of the Group that do not guarantee the Notes have no obligation to make payments with respect to the Notes.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Issuer's call option

The Notes contain an optional redemption feature, which may limit their market value.

The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes having taken into account the cost of redeeming the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Under the Intercreditor Agreement, Noteholders are required to share security recovery proceeds with other secured creditors, and are subject to certain limitations on their ability to enforce the Transaction Security, and other creditors may be entitled to recover against the Issuer and Guarantors

The Trustee is expected to enter into a Creditor/Agent Accession Undertaking in accordance with the terms of the Intercreditor Agreement with, among others, The Law Debenture Trust Corporation p.l.c. as security agent (the "**Security Agent**") on or around the Closing Date. Other creditors may become parties to the Intercreditor

Agreement or the Issuer may enter into additional intercreditor agreements in the future. Among other things, the Intercreditor Agreement will govern the enforcement of the Transaction Security and the sharing in any recoveries from such enforcement by the Security Agent.

The Intercreditor Agreement provides that the Security Agent will serve as a common security agent in respect of the Principal Bank Facility (as defined below), the Notes, the Existing Notes, the Convertible Bonds and other senior secured creditors who share in the Security Property (as defined in the Intercreditor Agreement) in accordance with the terms of the Intercreditor Agreement. Subject to certain limited exceptions and the satisfaction of certain conditions, the Security Agent will act with respect to such Security Property only at the direction of the Issuer's senior secured creditors. Noteholders will not have rights to enforce (directly or through the Trustee) the Security Property. As a result, Noteholders will not be able to instruct the Security Agent, force a sale of Security Property or otherwise independently pursue the remedies of a secured creditor under the Security Documents.

Disputes may occur between the holders of the Notes and other senior secured creditors who share in the Security Property as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Security Property. In such an event, Noteholders will be bound by any decision of the instructing group (being the majority of the Issuer's senior secured creditors), which may result in enforcement action in respect of the Security Property, whether or not such action is approved by Noteholders or may be adverse to such holders. The other senior secured creditors who share in the Security Property may have interests that are different from the interests of Noteholders and they may elect to pursue their remedies under the Security Documents at a time when it would otherwise be disadvantageous for Noteholders to do so.

The Intercreditor Agreement provides that any proceeds from an enforcement of security which are available to satisfy the obligations under the Notes will be paid pro rata in repayment of the Notes and any other obligations secured by the Security Property on a *pari passu* basis. For further information see "*Material Contracts—Intercreditor Agreement*".

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to the Notes from Noteholders without calling a resolution. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document that, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders, in each case in the circumstances and subject to the conditions described in Condition 12 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

The covenants contained in the Conditions are limited

In addition to the Negative Pledge described herein, the Conditions contain a restriction on (i) the Issuer's ability to consolidate, merge or amalgamate with or into, or sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of its assets to, another Person and (ii) the Issuer's ability to incur certain financial indebtedness. However, prospective investors should note that the Conditions do not restrict (among other things) the making of investments or the payment of dividends.

Change of law

The Conditions are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Notes, and any such change could materially adversely impact the rights under, and the value of, the Notes.

Denominations involve integral multiples: definitive Notes

The Notes have denominations consisting of a minimum of €100,000 plus one or more higher integral multiples of €1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of €100,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than €100,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to €100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

Because the Global Certificate representing the Notes will be held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the procedures of those clearing systems for transfer, payment and communication with the Issuer and/or the Guarantors

The Notes will be represented by a Global Certificate which will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are in global form, the Issuer or any Guarantor, as the case may be, will discharge its payment obligations under the Notes by making payments to the Common Depositary. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. Neither the Issuer nor any of the Guarantors has any responsibility or liability for the records held relating to, or payments made in respect of, beneficial interests in the Global Certificate by the Common Depositary.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg.

The Notes Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability

Pursuant to the Notes Guarantees, the Guarantors have fully, unconditionally, irrevocably and jointly and severally agreed that, among other matters, if the Issuer does not pay (or procure to be paid) any sum payable by it under the Trust Deed or the Notes by the time and on the date specified for such payment or delivery (whether on the normal due date, on acceleration or otherwise), the Guarantors will pay that sum to, or to the order of, the Trustee in the manner provided in the Trust Deed before close of business on that date in the city to which payment is so to be made. Enforcement of the Notes Guarantees against any Guarantor will be subject to certain defences available to Guarantors in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defences generally include, among others, those that relate to corporate interest or benefit, fraudulent assignment or transfer, voidable preference, insolvency, examinership or bankruptcy challenges, capital maintenance or similar laws, regulations or defences affecting the rights of creditors generally. Other defences may be open to Guarantors such as the illegality of the obligations of the Issuer which are being guaranteed, that the relevant Notes Guarantee has been secured by a misrepresentation, that the terms of the Notes have been varied without the consent of the Guarantor concerned, that the liability of the Issuer has been discharged, that security granted by the Issuer has been lost or parted with, that the Noteholders have done any act which is inconsistent with the rights of the Guarantor concerned and the eventual remedy of that Guarantor itself against the Issuer is thereby impaired, the surety is discharged, as well as the Noteholder giving time to, or agreeing not to sue the Issuer. If one or more of these laws and defences is applicable, the relevant Guarantor may have no liability or decreased liability under its Notes Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in English courts in such jurisdictions could limit the enforceability of any Notes Guarantee against any Guarantor. Under the laws of certain jurisdictions, a continuing guarantee may at any time be revoked by the guarantor concerned, as to future transactions.

Although laws differ among various jurisdictions, in general, under bankruptcy, examinership or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor's obligations under the Notes Guarantees, (ii) direct that the holders of the Notes return any amounts paid under the Notes Guarantees to the relevant Guarantor or to a fund for the benefit of a Guarantor's creditors or (iii) take other action that is detrimental to Noteholders.

The liability of each Guarantor under the Notes Guarantees will be limited to the amount that will result in the Notes Guarantees not constituting a preference, fraudulent transfer or assignment or improper corporate distribution (as applicable) or otherwise being set aside. However, there is no assurance as to what standard a court will apply in making a determination of the maximum liability of a Guarantor. There is a possibility that the Notes Guarantees may be set aside, in which case the entire liability may be extinguished.

Under Cyprus law, the following sections of the Cyprus Contracts Law Cap. 149, as amended, may prevail over any provision in a document providing a guarantee. Provisions in any such document inconsistent with the below may not be enforceable under Cyprus law:

- Any variance, made without the guarantor's consent, in the terms of the contract between the principal and the creditor, discharges the guarantor as to transactions subsequent to the variance.
- The guarantor is discharged by any contract between the creditor and the principal debtor, by which the principal debtor is released, or by any act or omission of the creditor, the legal consequence of which is the discharge of the principal debtor.
- A contract between the creditor and the principal debtor, by which the creditor makes a composition with, or promises to give time to, or not to sue, the principal debtor, discharges the guarantor, unless the guarantor assents to such contract.
- Where a contract to give time to the principal debtor is made by the creditor with a third person, and not with the principal debtor, the guarantor is not discharged.
- Mere forbearance on the part of the creditor to sue the principal debtor or to enforce any other remedy against him does not, in the absence of any provision in the guarantee to the contrary, discharge the guarantor.
- Where there are co-guarantors, a release by the creditor of one of them does not discharge the others; neither does it free the guarantor so released from his responsibility to the other guarantors.
- If the creditor does any act which is inconsistent with the rights of the guarantor, or omits to do any act which his duty to the guarantor requires him to do, and the eventual remedy of the guarantor himself against the principal debtor is thereby impaired, the guarantor is discharged.
- Where a guaranteed debt has become due, or default of the principal debtor to perform a guaranteed duty has taken place, the guarantor, upon payment or performance of all that he is liable for, is invested with all the rights which the creditor had against the principal debtor.
- A guarantor is entitled to the benefit of every security which the creditor has against the principal debtor at the time when the contract of guarantee is entered into, whether the guarantor knows of the existence of such security or not; and, if the creditor loses or, without the consent of the guarantor, parts with such security, the guarantor is discharged to the extent of the value of the security.
- A continuing guarantee may, at any time be revoked by the guarantor, as to future transactions, by notice to the creditor.
- Laws or principles relating to corporate benefit, capital, capital preservation, financial assistance, transactions at an under value or other similar laws may limit or expunge the obligations of the guarantor.
- Any guarantee which has been obtained by means of misrepresentation made by the creditor, or with his knowledge and assent, concerning a material part of the transaction is invalid.
- Any guarantee which the creditor has obtained by means of keeping silence as to material circumstances is invalid.
- The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract.
- Where a person gives a guarantee upon a contract that the creditor shall not act upon it until another person has joined in it as co-surety, the guarantee is not valid if the other person does not join in.

It is essential that when giving a guarantee, a Cypriot company does so in its commercial benefit and best interests in the pursuit of its objects. Having the requisite capacity as a company to provide such a guarantee through its constitution and objects and having the giving of such a guarantee falling within the powers and authority of the company's officers are essential to defending the validity of a guarantee in the future against a challenge arising by, for instance, a future liquidator.

See also "*—Risk Factors Relating to the Italian Law and Regulation*" for a description of the risks that may affect enforceability of a Notes Guarantee given by any Guarantor incorporated in Italy.

If a court decided that a Notes Guarantee was a preference, fraudulent transfer or assignment (as applicable) and voided such Notes Guarantee, or held it unenforceable for any other reason, Noteholders may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of any other Guarantor under the Notes Guarantee which has not been declared void. In the event that a Notes Guarantee is invalid or unenforceable, in whole or in part, holders of the Notes will have no claim against the applicable Guarantor, and if the Issuer is unable to satisfy its obligations under the Notes or the Notes Guarantees are found to be a preference, fraudulent transfer or assignment (as applicable) or is otherwise set aside, there is no assurance that the Issuer can ever repay in full any amounts outstanding under the Notes.

The Notes will not have the benefit of a Notes Guarantee granted by Snaitech

The terms of the concessions granted to Snaitech by ADM limit its ability to grant upstream guarantees. The explicit consent of ADM would therefore be required in order for Snaitech to validly provide a Notes Guarantee. As at the date of this Offering Circular, no such consent has been received by Snaitech from ADM, and the Issuer believes that Snaitech is unlikely to be able to obtain such consent at any time in the future.

Notwithstanding being a material subsidiary of the Issuer, Snaitech will not therefore be a Guarantor under the Notes on the Closing Date, nor is it likely to be at any time in the future. The Transaction Security will, however, include security over the entire issued share capital of Snaitech, granted by Pluto Italia.

Risks relating to Cypriot law and regulation

*The Notes Guarantees, Trust Deed and / or Paying Agency Agreement (the "**Transaction Documents**") may not be admissible before a Cypriot court*

The Stamp Duty Law, Law no. 19 / 1963, as amended, provides that every document is subject to stamp duty if it relates to any property situated in the Republic of Cyprus or to matters or things to be done or performed in the Republic of Cyprus irrespective of the place where such document is created. The Transaction Documents are executed by Playtech Cyprus, a company incorporated under the laws of the Republic of Cyprus and as such the execution of the Transaction Documents by Playtech Cyprus may be deemed to be subject to the payment of stamp duty under Cypriot law.

Stamp duty should be paid within 30 days from the execution of the document, unless the document is executed outside the Republic of Cyprus, in which case the payment of stamp duty may be made without the payment of a penalty until such document is first brought into the Republic of Cyprus. On the bringing any of the Transaction Documents by Playtech Cyprus into the Republic of Cyprus, such document will be deemed for the purposes of payment of stamp duty to have been executed on receipt of the document in the Republic of Cyprus.

Any failure by Playtech Cyprus to pay stamp duty on the Transaction Documents will affect the admissibility of the document before a competent Cypriot court, which may prevent the Noteholders (and the other contracting parties to the Transaction Documents) from recovering in part or in full any amount due from Playtech Cyprus in connection with the Notes and the Transaction Documents.

Rights under the Transaction Documents are subject to the solvency of Playtech Cyprus

There is a risk that the execution of the Transaction Documents was made in contravention of applicable insolvency laws. The Transaction Documents, including the Notes Guarantees, could be deemed void or be disclaimed by the liquidator of Playtech Cyprus. In the event of a finding that a contravention of these insolvency laws had occurred, Noteholders may not receive any payment under the Transaction Documents, including the Notes Guarantees.

The obligations of Playtech Cyprus in respect of the Notes may be subject to court review under the relevant insolvency laws of Cyprus. Examples of such risks are set out below:

- the Transaction Documents, including the Notes Guarantees, were entered into or realised with the intention to hinder, delay or defraud any present or future creditor or to prefer any creditor;

- Playtech Cyprus was or has become because of the Transaction Documents unable to pay its debts (and Playtech Cyprus shall be deemed to be unable to pay its debts if it is unable to pay them as they fall due taking into account its contingent and prospective liabilities or if the value of its assets is less than the amount of its obligations, taking into account its contingent and prospective liabilities);
- the Transaction Documents, including the Notes Guarantees were held not to be in the best interests or not to be for the corporate / commercial benefit or within the objects of Playtech Cyprus;
- Playtech Cyprus made any payment to or entered into any arrangement with any of its creditors for the purpose of putting that creditor in a better position than it would be in if Playtech Cyprus went into liquidation.

The Transaction Documents, including the Notes Guarantees, may be subject to hardening periods. Under Cyprus law, pursuant to section 301 of the Cypriot Companies Law, any conveyance, charge, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against a company within six months before the commencement of its winding up which, had it been made or done by or against an individual within six months before the presentation of a bankruptcy petition on which he is adjudged bankrupt, would be deemed in his bankruptcy a fraudulent preference, shall in the event of the company being wound up be deemed a fraudulent preference of its creditors and be invalid accordingly.

Enforcement of judgements in Cyprus

The courts of the Republic of Cyprus will not recognise and/or enforce any judgment obtained in a court established in a country other than the Republic of Cyprus unless such enforcement is envisaged by an international treaty to which the Republic of Cyprus is a party providing for enforcement of such judgments and then only in accordance with the terms of such treaty. The Recast Brussels Regulation No.1215/2012 is directly applicable in the Republic of Cyprus. Subject to its provisions, any final judgment obtained in a court of a Member State to which the aforementioned regulation applies coming within the scope of the regulations would be recognised and enforced in the Republic of Cyprus. The Republic of Cyprus is also party to the United Nations (New York) Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**"). Consequently, a foreign arbitral award obtained in a state which is party to the New York Convention should be recognised and enforced by a Cypriot court in accordance with the procedure and subject to the matters set out in the New York Convention and the Cypriot International Commercial Arbitration Law, Law No. 101/87, although a Cyprus court will not recognise as binding an arbitration award or issue an order for its enforcement under certain circumstances.

Risk Factors Relating to Italian Law and Regulation

The following is a summary of certain limitations on the validity and enforceability of the security interests governed by Italian law and of certain insolvency law considerations that apply in Italy. This summary does not purport to be complete or to present all relevant considerations of Italian law which may be relevant.

Limitations on granting guarantees under Italian Law: corporate benefit, corporate authorisation and financial assistance

Under Italian law, the entry into of a transaction (including the granting of a guarantee or a security interest) by a company must be permitted by the applicable laws and by its by-laws (*statuto sociale*) is subject to the compliance with the rules on corporate benefit, corporate authorisation and certain other Italian mandatory provisions. In addition, if a security interest or a guarantee is being provided in the context of an acquisition, group reorganisation or restructuring, financial assistance issues may also arise.

An Italian company granting a security interest or a guarantee must receive a real and adequate benefit in exchange for the guarantee or the security interest being provided by such company. This applies equally to down-stream, cross-stream and up-stream guarantees granted by Italian companies. Whilst the existence of a corporate benefit for a down-stream guarantee or security (i.e., a guarantee guaranteeing, or a security interest granted, to secure financial obligations of a direct or indirect subsidiary of the relevant guarantor or grantor) is usually self-evident, the existence of a corporate benefit in relation to an up-stream or cross-stream guarantee or security (i.e., a guarantee guaranteeing, or a security interest granted, to secure financial obligations of a direct or indirect parent company or sister company of the relevant guarantor or grantor) granted by an Italian guarantor or grantor has to be carefully assessed on a case-by-case basis. In particular, the guarantor or grantor will have to be in the position to prove that it legitimately expects to derive certain corporate benefits or advantages from the granting of the relevant guarantee or security.

The concept of "corporate benefit" is not expressly defined under Italian law and is determined on a case-by-case basis and its existence is purely a business decision of the directors and the statutory auditors, if any. As a general rule, corporate benefit has to be assessed by each company on a stand-alone basis. However, under certain circumstances the interest of the group to which such company belongs may also be taken into consideration, including in the case of up-stream and cross-stream guarantees or security for the financial obligations of group companies. In such regard, by way of example, financial benefits in the form of access to cash flows through intercompany loans from other members of the group may be taken into account. Transactions featuring debt financings of distributions to shareholders are still untested in Italian courts, therefore, limited guidance is provided as to whether and to what extent these transactions could be challenged for lack of corporate benefit and conflict of interest. In any event, the risk taken on by an Italian guarantor or grantor of security must not be disproportionate to the direct or indirect economic benefit it may gain from the transaction.

In principle, absence of a real and adequate benefit could make the guarantee or the security interest provided by an Italian company ultra vires and potentially affected by a conflict of interest. As a result, civil liabilities may be imposed on the directors of an Italian guarantor or grantor if a court assesses that they did not act in the best interests of the guarantor or grantor and that the acts carried out do not fall within the corporate purpose of the company or were against mandatory provisions of Italian law. The lack of corporate benefit could also result in the imposition of civil liabilities on those companies or persons ultimately exercising control over an Italian guarantor or grantor or having knowingly received an advantage or a profit from such improper control. Moreover, a guarantee or a security interest granted by an Italian company could be declared null and void if the lack of corporate benefit was known or presumed to be known by the third party and such third party acted intentionally against the interest of the Italian company.

As to corporate authorisations, the granting of guarantees or security interests by an Italian company in favour of third parties or other corporations, including those that belong to the same group of companies as the guarantor or grantor of security, must be permitted by the by-laws (*statuto*) of the Italian company providing such guarantee or security interest.

Finally, a company is forbidden from providing financing and/or granting guarantees and any security interest in relation to the acquisition, purchase or subscription of its own shares (or quotas, as the case may be) by a third party as it would result in unlawful financial assistance according to Section 2358 of the Italian Civil Code (and the corresponding provision applicable mutatis mutandis to Italian limited liability companies as set out under Section 2474 of the Italian Civil Code). Pursuant to the mentioned provisions of law, subject to specific exceptions, it is unlawful for a company to provide financial assistance (whether by means of loans, security, guarantees or otherwise) for the acquisition, purchase or subscription of its own shares by a third party (or, under certain circumstances, the acquisition of the shares of its, direct or indirect, holding company).

Financial assistance for the refinancing of indebtedness originally incurred for the acquisition, purchase or subscription by a third party of its own shares or quotas or those of any entity that (directly or indirectly) controls the Italian company may also be construed as a violation.

Any loan, guarantee or security given or granted in breach of these provisions is null and void. In addition, directors may be personally liable for failure to act in the best interest of the company.

Financial assistance transactions may not be unlawful if carried out in accordance with certain requirements set forth under Section 2358 of the Italian Civil Code, including, inter alia, if (i) such transactions are authorised by an extraordinary meeting of the shareholders and (ii) the total value of the relevant guarantee or security interest does not exceed the profits and the distributable reserves, as resulting from the approved financial statements of the guarantor or grantor.

In the light of the above, in no event shall the obligations and liabilities of an Italian guarantor (or grantor of security, as the case may be) under a guarantee (or security interest) include the obligation to guarantee financial indebtedness which was incurred, in full or in part, to purchase or subscribe for the shares (or quotas) of such Italian company and which would therefore constitute the provision of financial assistance within the meaning of Section 2358 or Section 2474, as applicable, of the Italian Civil Code or any other law or regulation having the same effect, as interpreted by Italian courts or resulting in the relevant Guarantee to be null and void.

Limitations relating to Notes Guarantees and Transaction Security granted by an Italian Guarantor

The obligations of a Guarantor incorporated in Italy, the enforcement of its Notes Guarantee and the ability to enforce on any Transaction Security granted by it will be limited to the maximum amount that can be guaranteed

or secured by such Guarantor under the applicable laws of Italy (as set out in paragraph "*—Limitations on granting guarantees under Italian Law: corporate benefit, corporate authorisation and financial assistance*" above), including limitations to the extent that the granting of security is not in the relevant grantor's corporate interests. As a result of the applicable limitations under Italian law with respect to financial assistance and corporate benefit, the Notes Guarantee and any Transaction Security granted by Pluto Italia will not include and shall not extend to any indebtedness the purpose of which is, or the proceeds of which are applied towards, in whole or in part, directly or indirectly, the financing or refinancing of the acquisition of, or subscription of shares in Pluto Italia and/or any entity of which Pluto Italia is a direct or indirect subsidiary and will be limited to: (A) the aggregate of the outstanding principal amount of any loan in any form (including, without limitation, any intercompany loan) or documentary credit (including any intercompany documentary credit or other form of financial support) in each case advanced from time to time to Pluto Italia or any of its subsidiaries, directly or indirectly, by the Issuer or any other Guarantor; less (B) the aggregate of any amounts that have been paid by, or demanded of, Pluto Italia pursuant to any other guarantees granted by Pluto Italia under each of the Principal Bank Facility, the Intercreditor Agreement and the trust deed in respect of the Existing Notes dated 12 October 2018.

Only for the purpose of Section 1938 of the Italian Civil Code, the guarantee obligations of Pluto Italia shall not exceed, in any case, an overall amount equal to 150 per cent. of the aggregate principal amount of the Notes.

Limitations on enforcement of security under Italian law

According to Italian law, the enforcement of any claims, obligations, security interest and rights in general may be subject to, inter alia, the following rules:

- the priority rights (so-called *prelazione*) granted by a pledge extend to interest accrued in the year in which the date of the relevant seizure/attachment or adjudication in bankruptcy falls extend, moreover, to interest accrued and to be accrued thereafter, but only to the extent of legal interest and contractual interests (if agree) within the applicable limits provided under Italian law and until the date of the forced sale in the context of the relevant foreclosure proceeding/bankruptcy proceedings;
- a security interest does not prevent creditors of the relevant debtor other than the pledgee from continuing enforcement proceedings on the assets secured by the relevant pledge;
- in case of bankruptcy of the grantor of the pledge over quotas or shares, the assets secured by the pledge could be freely sold to any third party in the context of the relevant bankruptcy proceeding and, as a consequence, the proceeds would be set aside for the prior satisfaction of the pledgee;
- pursuant to Section 2744 of the Italian Civil Code, any agreement according to which the ownership of the pledged asset would be transferred to the relevant creditor in the event of failure to pay a secured debt is considered null and void; and
- the extension of existing security or the granting of new security interests in connection with the issuance of new notes or in connection with modifications to the secured obligations may create hardening periods for such security interests. The applicable hardening period for such security interests would run from the moment each security interest has been granted, executed, extended or recreated.

Risks relating to the presentation of financial statements

The Issuer does not present stand-alone financial information for individual Guarantors and audited consolidated financial statements for the Issuer included in this Offering Circular may be of limited use in assessing the financial position of individual Guarantors

As at and for the year ended 31 December 2017 (being the year in respect of which the most recently audited consolidated financial information of the Group with an audit report thereon is available as at the date of this Offering Circular), the EBITDA of the Guarantors represented 150 per cent. of consolidated Group EBITDA (excluding Snaitech and its subsidiaries) and the net assets of the Guarantors represented 55 per cent. of consolidated Group net assets (excluding Snaitech and its subsidiaries). Under such circumstances, the rules of the Irish Stock Exchange require the Issuer to include stand-alone financial information of individual Guarantors in the listing particulars to be filed with the Irish Stock Exchange. The Issuer applied for an exemption from this requirement with the Irish Stock Exchange. On the basis of this application, the Issuer is not presenting stand-alone financial information for individual Guarantors.

The audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2017 (with financial information as at and for the year ended 31 December 2016 included as a comparator) and 31 December 2016 (with financial information as at and for the year ended 31 December 2015 included as a comparator) incorporated by reference into this Offering Circular are consolidated at the Issuer level and do not include standalone financial information of individual Guarantors. As the non-Guarantor subsidiaries of the Issuer represented -46 per cent. of the consolidated Group EBITDA and 44 per cent. of consolidated Group net assets as at and for the year ended 31 December 2017, such financial information may be of limited use in assessing the financial position of individual Guarantors. See also "*Presentation of Financial and Other Information" and "Description of the Issuer and the Guarantors—EBITDA and net assets*".

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Notes Guarantees in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. A drop in the level of interest rates prevailing in the market will have a positive impact on the price of the Notes, as the Notes pay a fixed annual rate of interest. Conversely, an increase in the interest rate level prevailing in the market will have an adverse impact on the price of the Notes. For investors holding the Notes until maturity, any changes in the interest rate level prevailing in the market during the term will not affect the yield of the Notes, as the Notes will be redeemed at par.

Credit ratings may not reflect all risks

S&P and Moody's have assigned credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Political, social and macroeconomic risks relating to the United Kingdom's exit from the European Union

On 23 June 2016, the UK voted in a national referendum to withdraw from the European Union and in March 2017 the UK invoked Article 50 of the Treaty of the Functioning of the European Union, which began the UK's withdrawal from the EU which is currently scheduled to occur on 29 March 2019 (but subject to a potential transitional period up to 31 December 2020). There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is in progress but it is not certain at this stage when that will be concluded, and is likely to increase volatility in global financial markets as well as in the European Union. The consequences of the referendum and the impact on markets, as well as the impact on the Group's operations, remain highly uncertain, in particular, in respect of the UK's future access to the EU Single Market, its future regulatory environment and the free movement of capital and labour. This market volatility may lead to an increase in the Group's cost of borrowing and/or restrictions on the availability of credit which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the Issuer or the Guarantors to fulfil their respective obligations under Notes and the Notes Guarantees, respectively. Furthermore, legislation, rules and guidance applicable to the Financials Division may diverge over time between the UK and the remaining EU27 Member States which could increase the Group's costs and compliance burden.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied by the Issuer to redeem on maturity in November 2019 all of the then outstanding Convertible Bonds and/or, prior thereto, to purchase and cancel some or all of the outstanding Convertible Bonds, to pay accrued interest thereon and related redemption costs and to pay for other transaction-related costs and expenses. The remainder of the net proceeds of the issue of the Notes will be used for general corporate purposes.

The Issuer will, on the Closing Date, place an amount of the net proceeds of the issuance of the Notes equal to the sum of (i) the principal amount outstanding under the Convertible Bonds as at the Closing Date and (ii) the amount of accrued interest which would be payable on the Convertible Bonds if they are redeemed in full on their scheduled maturity date (assuming for the purposes of (ii) that no Convertible Bonds are repurchased, redeemed or converted prior to their scheduled maturity date) into a segregated bank account in the name of the Issuer (or another member of the Group) and retain that amount in such account pending its application, and shall apply such proceeds in redeeming and/or purchasing and cancelling all of the outstanding Convertible Bonds as aforesaid.

The following table sets forth estimated sources and uses for the transaction. Actual amounts may vary from estimated amounts depending on several factors, including the differences in the Issuer's estimate of fees and expenses.

Sources		**Uses**	
	(€ million)		*(€ million)*
Notes offered hereby	350.0	Repayment of Convertible Bonds	297.0
		General corporate purposes	50.4
		Estimated fees and expenses	2.6
Total sources	**350.0**	**Total uses**	**350.0**

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's available cash and cash for operations, current borrowings and capitalisation, as at 31 December 2018, on an adjusted basis to give pro forma effect to issuance of the Notes and certain other events. Prospective investors should read this table in conjunction with "*Selected Historical Financial and Other Information*", "*Unaudited Pro Forma Financial Information*" and the financial information incorporated into this Offering Circular by reference. See "*Documents Incorporated by Reference*".

	As at 31 December 2018	
	Actual	**As Adjusted**
	(€ million)	
Available cash and cash for operations(1)	**(242.7)**	**(293.1)**
Loans and borrowings:		
Revolving credit facility(2)	—	—
Notes offered hereby	—	350.0
Existing Notes(3)	530.0	530.0
Convertible Bonds(3)	297.0	—
Other debt	0.7	0.7
Total loans and borrowings	**827.7**	**880.7**
Total equity(4)	1,350.5	1,338.0

Notes:

(1) Available cash and cash for operations is cash as defined in the Principal Bank Facility. Actual Available cash and cash for operations is based on €622.2 million of gross cash as of 31 December 2018, adjusted for €309.5 million funds attributable to clients and jackpots and €70.0 million cash for capital adequacy purposes, resulting in Available cash and cash for operations of €242.7 million. As Adjusted Available cash and cash for operations is based on €242.7 million of actual available cash and cash for operations and cash for general corporate purposes from the proceeds of the Notes of €50.4 million.

(2) €272.0 million is available for drawdown.

(3) Notional amounts are presented. Respective reported amounts recognised on balance sheet are €523.7 million and €287.1 million, respectively.

(4) Total equity is made up of the following line items in the consolidated financial statements of the Group as at 31 December 2018:

	€ million
Additional paid-in capital	*627.8*
Retained earnings	*726.3*
Convertible bond option reserve	*45.4*
Reserve for re-measurement of employee termination indemnities	*—*
Employee benefit trust	*(17.9)*
Put/call options reserve	*(30.8)*
Foreign exchange reserve	*(8.1)*
Equity attributable to equity holders of the parent	*1,342.7*
Non-controlling interest	*7.8*
Total equity	*1.350.5*

For a reconciliation of Actual and As Adjusted Total equity, see "Unaudited Pro Forma Financial Information".

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma information of the Group comprises the following:

- an unaudited pro forma statement of net assets of the Group as at 31 December 2018 that has been prepared to illustrate the effect on the consolidated net assets of the Group as if the proposed re-financing of the Convertible Bonds had taken place on 31 December 2018; and
- an unaudited pro forma income statement of the Group for the year ended 31 December 2018 that has been prepared to illustrate the effect on the consolidated income statement of the Group as if: (i) the acquisition of Snaitech; (ii) the issuance of the Existing Notes; (iii) the redemption of the Snaitech high yield bonds ("Snaitech HY Bonds"); and (iv) the proposed re-financing of the Convertible Bonds had all taken place on 1 January 2018,

collectively comprising the "**Unaudited Pro Forma Financial Information**".

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The Unaudited Pro Forma Financial Information is based on:

- the consolidated income statement of the Group for the year ended 31 December 2018; and
- the consolidated net assets of the Group as at 31 December 2018,

as set out in the 2018 Financial Statements, and has been prepared in a manner consistent with the accounting policies adopted by the Group in preparing such information and on the basis set out in the notes set out below.

Adjusted figures in the Unaudited Pro Forma Financial Information relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, additional consideration payable for put/call options, one off employee related costs, finance costs and contingent consideration movement on acquisitions, impairment of available-for-sale investments, deferred tax on acquisition, non-cash accrued bond interest and additional various non-cash charges.

Unaudited pro forma statement of net assets of the Group

The following unaudited pro forma statement of net assets of the Group has been prepared to illustrate the effect on the consolidated net assets of the Group as if the proposed re-financing of the Convertible Bonds had taken place on 31 December 2018.

	The Group as at 31 December 2018 (note 1)	Proposed refinancing (note 2)	Pro forma net assets of the Group
		(€ million)	
ASSETS			
Non-current assets			
Property, plant and equipment	410.1	—	410.1
Intangible assets	1,644.1	—	1,644.1
Investments in equity accounted associates and joint ventures	29.6	—	29.6
Equity investments	1.4	—	1.4
Other non-current assets	15.9	—	15.9
	2,101.2	—	2,101.2
Current assets			
Trade receivables	209.8	—	209.8
Other receivables	160.5	—	160.5
Cash and cash equivalents	622.2	50.4	672.6
	992.5	50.4	1,042.9
TOTAL ASSETS	**3,093.7**	**50.4**	**3,144.1**
LIABILITIES			
Non-current liabilities			
Loans and borrowings	0.2	—	0.2
Bonds	523.7	350.0	873.7
Deferred revenues	3.7	—	3.7
Deferred tax liability	73.4	—	73.4
Contingent consideration and redemption liability	110.5	—	110.5
Other non-current liabilities	14.1	—	14.1
	725.6	350.0	1,075.6
Current liabilities			
Loans and borrowings	0.5	—	0.5
Convertible bonds	287.1	(287.1)	—
Trade payables	73.6	—	73.6
Progressive operators' jackpots and security deposits	88.6	—	88.6
Client deposits	116.7	—	116.7
Client funds	104.2	—	104.2
Tax liabilities	144.9	—	144.9
Deferred revenues	3.9	—	3.9
Contingent consideration and redemption liability	48.3	—	48.3
Provisions	12.1	—	12.1
Other payables	137.7	—	137.7
	1,017.6	(287.1)	730.5
TOTAL LIABILITIES	**1,743.2**	**62.9**	**1,806.1**
TOTAL EQUITY	**1,350.5**	**(12.5)**	**1,338.0**
Non-controlling interest	(7.8)	—	(7.8)
NET ASSETS	**1,342.7**	**(12.5)**	**1,330.2**

Notes:

1. The net assets of the Group at 31 December 2018 have been extracted without material adjustment from the 2018 Financial Statements.

Adjustments:

2. An adjustment has been made to illustrate the proposed €350 million Note offering and repayment of the Convertible Bonds. This has been reflected in the pro forma statement of net assets as follows.

	€ million
Proposed Notes offering proceeds	350.0
Less: repayment of Convertible Bonds	(297.0)
Less: estimated fees and expenses	(2.6)
Estimated increase in cash	**50.4**

Differences arising between the fair value of the Convertible Bonds at 31 December 2018 (€287.1 million), and the repayment/ redemption amounts stated above (€297.0 million), have been taken directly to equity in the pro forma net asset statement.

For the purposes of this pro forma information, no adjustment has been made to the carrying value of the Notes to reflect their fair value taking into account the redemption premium. The carrying value of the Notes will be subject to a fair value restatement as at the effective date of the transaction. The amount included in the Group's next published financial statements may therefore be materially different from that included in the pro forma statement of net assets.

3. No adjustments have been made in relation to the financial performance of the Group since 31 December 2018, or of any other event save as disclosed above.

Unaudited pro forma income statement of the Group—year ended 31 December 2018

The following unaudited pro forma income statement of the Group has been prepared to illustrate the effect on the consolidated income statement of the Group as if: (i) the acquisition of Snaitech; (ii) the issuance of the Existing Notes; (iii) the redemption of the Snaitech HY Bonds; and (iv) the proposed re-financing of the Convertible Bonds had taken place on 1 January 2018.

	The Group for the year ended 31 December 2018		Snaitech for the period ended 4 June 2018		Acquisition of Snaitech		2018 refinancing and proposed refinancing		Pro forma income statement of the Group	
	ACTUAL (note 1)	ADJUSTED (note 1)	ACTUAL (note 2)	ADJUSTED (note 2)	ACTUAL (note 3)	ADJUSTED (note 3)	ACTUAL (notes 4, 5)	ADJUSTED (notes 4, 5)	ACTUAL	ADJUSTED
					(€ million)					
Revenue	1,240.4	1,240.4	382.8	382.8	—	—	—	—	1,623.2	1,623.2
Distribution costs before depreciation and amortisation	(796.5)	(791.5)	(257.5)	(257.5)	—	—	—	—	(1,054.0)	(1,049.0)
Administrative expenses before depreciation and amortisation	(156.1)	(105.9)	(65.0)	(63.1)	—	—	—	—	(221.1)	(169.0)
EBITDA	**287.8**	**343.0**	**60.3**	**62.2**	**—**	**—**	**—**	**—**	**348.1**	**405.3**
Depreciation, amortisation and impairment	(152.8)	(104.9)	(24.1)	(24.1)	(5.6)	—	—	—	(182.5)	(129.0)
Finance income	46.6	36.4	0.2	0.2	—	—	(8.4)	—	38.4	36.6
Finance cost	(59.5)	(40.4)	(20.1)	(19.2)	—	—	17.3	6.6	(62.2)	(53.0)
Share of profit from joint ventures	0.2	0.2	—	—	—	—	—	—	0.2	0.2
Share of loss from associates	(2.8)	(2.8)	—	—	—	—	—	—	(2.8)	(2.8)
Unrealised fair value changes on equity investments	(1.7)	—	—	—	—	—		—	(1.7)	—
Realised fair value changes on equity investments disposed	65.7	65.7	—	—	—	—	—	—	65.7	65.7
Profit before taxation	**183.4**	**297.2**	**16.3**	**19.1**	**(5.6)**	**—**	**8.9**	**6.6**	**203.0**	**322.9**
Tax expense	(53.6)	(35.1)	(6.9)	(6.9)	—	—	—	—	(60.5)	(42.0)
Profit for the year	**129.8**	**262.1**	**9.4**	**12.2**	**(5.6)**	**—**	**8.9**	**6.6**	**142.5**	**280.9**

Notes:

1. The income statement of the Group for the year ended 31 December 2018 has been extracted without material adjustment from the 2018 Financial Statements.

Adjustments:

2. The income statement of Snaitech for the period from 1 January 2018 to 4 June 2018 has been derived as set out below:

	As reported by Snaitech for the period ended 30 June 2018		Reclassification adjustments		Snaitech for the period from 5 June 2018 to 30 June 2018		Snaitech for the period from 1 January 2018 to 4 June 2018 under the Group's presentation	
	ACTUAL (note 2(a))	ADJUSTED (note 2(a))	ACTUAL (note 2(b))	ADJUSTED (note 2(b))	ACTUAL (note 2(c))	ADJUSTED (note 2(c))	ADJUSTED (note 2(d))	ADJUSTED (note 2(d))
					(€ million)			
Revenue	441.6	441.6	2.6	2.6	(61.3)	(61.3)	382.8	382.8
Other revenue and income	2.6	2.6	(2.6)	(2.6)	—	—	—	—
Raw materials and consumables	(1.2)	(1.2)	1.2	1.2	—	—	—	—
Distribution costs before depreciation and amortisation	—	—	(303.1)	(303.1)	45.6	45.6	(257.5)	(257.5)
Costs for services and use of third party assets	(326.2)	(326.2)	326.2	326.2	—	—	—	—
Costs of personnel	(24.2)	(24.2)	24.2	24.2	—	—	—	—
Administrative expenses before depreciation and amortisation	—	—	(69.0)	(67.1)	4.0	4.0	(65.0)	(63.1)
Other operating costs	(24.0)	(24.0)	24.0	24.0	—	—	—	—
Capitalised internal construction costs	0.3	0.3	(0.3)	(0.3)	—	—	—	—
EBITDA	**68.8**	**68.8**	**3.3**	**5.2**	**(11.7)**	**(11.8)**	**60.3**	**62.2**
Depreciation, amortisation and impairment	(25.4)	(25.4)	—	—	1.4	1.4	(24.1)	(24.1)
Gains and expenses from shareholdings	(0.0)	(0.0)	0.0	0.0	—	—	—	—
Finance income	0.2	0.2	—	—	(0.0)	(0.0)	0.2	0.2
Finance cost	(20.1)	(20.1)	(3.3)	(3.3)	3.3	4.2	(20.1)	(19.2)
Profit before taxation	**23.5**	**23.5**	**—**	**1.9**	**(7.2)**	**(6.3)**	**16.3**	**19.1**
Tax expense	(8.1)	(8.1)	—	—	1.2	1.2	(6.9)	(6.9)
Profit for the year	**15.4**	**15.4**	**—**	**1.9**	**(6.0)**	**(5.1)**	**9.4**	**12.2**

a. The actual consolidated income statement of Snaitech for the six month period ended 30 June 2018 has been extracted without material adjustment from the unaudited consolidated financial statements of Sanitech for the period ended 30 June 2018. Snaitech did not present adjusted numbers in its published interim financial statements, therefore the adjusted column above represents the actual consolidated income statement of Snaitech for the period ended 30 June 2018.

b. Certain reclassification adjustments have been made to accord with the Group's accounting presentation, as follows:
   i. Other revenue and income are included within revenue
   ii. Raw materials and consumables are included within administrative expenses before depreciation and amortisation
   iii. Costs for services and use of third party assets are included within distribution costs before depreciation and amortisation, administrative expenses before depreciation and amortisation and finance cost
   iv. Costs of personnel are included within administrative expenses before depreciation and amortisation
   v. Other operating costs are included within distribution costs before depreciation and amortisation, and administrative expenses before depreciation and amortisation
   vi. Capitalised internal construction costs are included within administrative expenses before depreciation and amortisation
   vii. Gains and expenses from shareholdings are included within finance income and finance cost

c. Snaitech was consolidated into the results of the Group from 5 June 2018. An adjustment has been made to deduct the results of Snaitech from 5 June 2018 to 30 June 2018, which have already been included in the Group's results.

d. Represents the sum of columns (a), (b) and (c).

3. An adjustment has been made to the amortisation charge to reflect the adjustments to fair value of the identifiable assets and liabilities acquired. This has resulted in an additional amortisation charge for the period 1 January 2018 to 4 June 2018 of €5.6 million.

4. An adjustment to reduce actual finance income of €8.4 million has been included to remove the gain recognised on early repayment of the Snaitech HY Bonds. This gain was not included in adjusted finance income.

5. An adjustment to increase actual finance costs by €30.2 million has been included to illustrate: (i) one year's interest in relation to the proposed €350 million Notes offering; and (ii) annualisation of the interest charge relating to the Existing Notes from 1 January 2018 to 11 October 2018.

   Additionally, an adjustment to reduce actual finance costs by €47.5 million has been included to illustrate: (i) removal of the 2018 interest charged on the Snaitech HY Bonds; (ii) removal of the interest charged on the Bridge Facility (as defined below); and (iii) removal of one year's interest charge relating to the Convertible Bonds. The equivalent reduction in adjusted finance costs is €36.8 million.

   In aggregate, these adjustments have had the net effect of reducing the pro forma actual finance costs by €17.3 million, and the pro forma adjusted finance costs by €6.6 million, as set out below.

Adjustment to actual finance costs

	€ million
Illustrative interest on proposed Notes offering at 4.25%	14.9
Existing Notes interest charge at 3.75% (1 January 2018 to 11 October 2018)	15.3
Additional interest on Existing Notes and proposed Notes	30.2
Snaitech HY Bonds interest charge (1 January 2018 to 7 November 2018)	31.8
Bridge Facility interest charge (6 June 2018 to 11 October 2018)	3.5
Convertible Bonds notional interest charge	10.7
Convertible Bonds nominal interest charge	1.5
Reduction in interest from financing replaced by the Existing Notes, or to be replaced by the proposed Notes	47.5
Net reduction in pro forma actual finance costs	**17.3**

Adjustment to adjusted finance costs

	€ million
Interest on proposed Notes offering at 4.25%	14.9
Existing Notes interest charge at 3.75% (1 January 2018 to 11 October 2018)	15.3
Additional interest on Existing Notes and proposed Notes	30.2
Snaitech HY Bonds interest charge (1 January 2018 to 7 November 2018)	31.8
Bridge Facility interest charge (6 June 2018 to 11 October 2018)	3.5
Convertible Bonds nominal interest charge	1.5
Reduction in interest from financing replaced by the Existing Notes, or to be replaced by the proposed Notes	36.8
Net reduction in pro forma adjusted finance costs	**6.6**

No adjustment has been included to reflect the income statement charge which is likely to be incurred on settlement of the Convertible Bond. This is on the basis that the pro forma income statement has been prepared to illustrate the annual effect of the Existing Notes and the proposed Notes only, and to exclude all interest and related charges in respect of redeemed/repaid financing, or financing being replaced by the proposed Notes.

6. No adjustments have been made in relation to the financial performance of the Group since 31 December 2018, or of any other event save as disclosed above.

INDUSTRY AND REGULATION

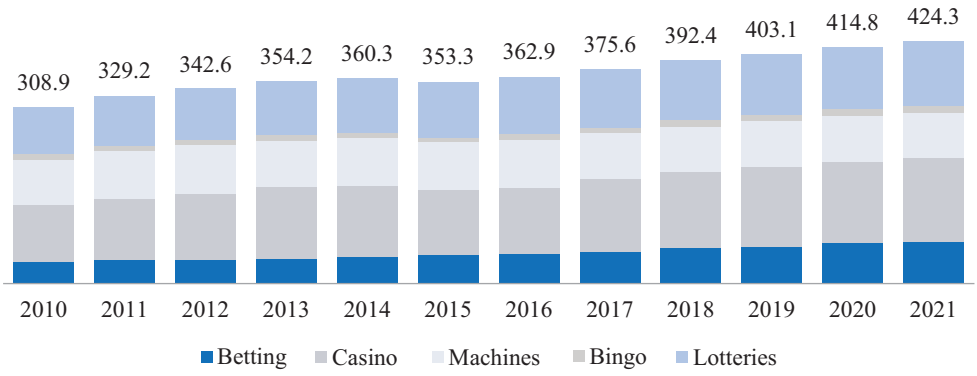
The Global Gambling Market

Overview

The global gambling market generally comprises lotteries, sports betting, casino, gambling machines, bingo and poker (together "**verticals**") and content is consumed offline (also referred as land-based which is typically played in dedicated spaces within shops or licensed gambling venues) and online (mobile or desktop).

According to H2 Gambling Capital ("**H2GC**"), Gross Gambling Revenues ("**GGR**"), which constitutes consumer spending on gambling calculated by amounts wagered less any amounts paid out to players as winnings, is estimated to have grown on a global scale, and across all channels, from €308.9 billion in 2010 to €392.4 billion in 2018, representing a compound annual growth rate ("**CAGR**") of approximately 3.0 per cent. H2GC further estimates that the global gambling market will continue to grow at a CAGR of approximately 2.6 per cent through to 2021. The chart below sets forth the evolution of GGR by vertical and geography for the years indicated.

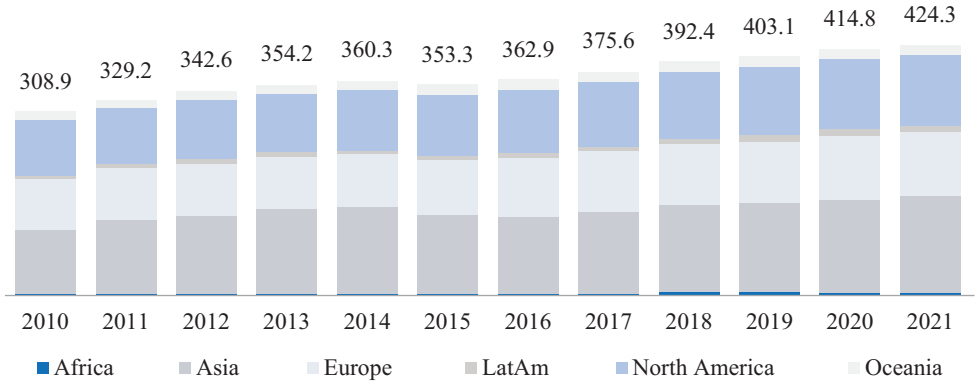
Gambling market by vertical (€ billion)



CAGR	
'10-18	**'18-21**
3.0	**2.6**
3.1	2.2
2.4	3.0
0.1	(0.3)
3.8	3.3
6.4	5.6

Source: H2GC

Gambling market by geography (€ billion)



CAGR	
'10-18	**'18-21**
3.0	**2.6**
3.1	1.5
2.3	2.9
6.2	4.2
2.3	1.5
3.9	3.3
6.2	2.5

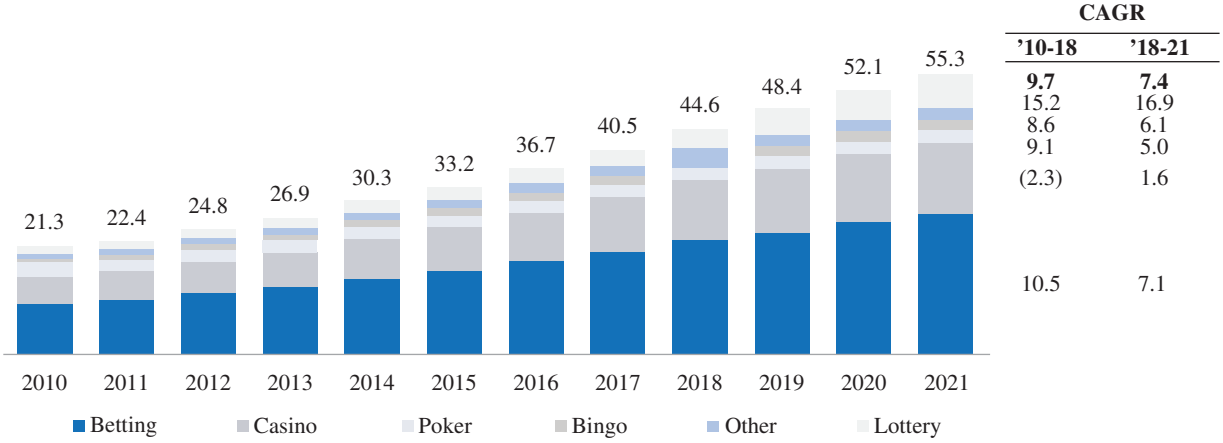
Source: H2GC

Online gambling

In 2018, the GGR of the global gambling industry was approximately 89 per cent. land-based and approximately 11 per cent. online. Although online gambling is the smaller segment based on total size, it is the largest driver of growth in the industry and continues to evolve through increasing penetration of mobile gambling, in-play gambling during live events and adjacencies such as casual gaming, e-sports and fantasy games. Online gambling is the most relevant segment for the Group's B2B operations. According to H2GC, the online gambling market grew at approximately 9.7 per cent. CAGR between 2010 and 2018 and is expected to grow at approximately 7.4 per cent. CAGR through to 2021.

The following graphs illustrate the historical and expected growth rates of the global online gambling market by vertical and geography:

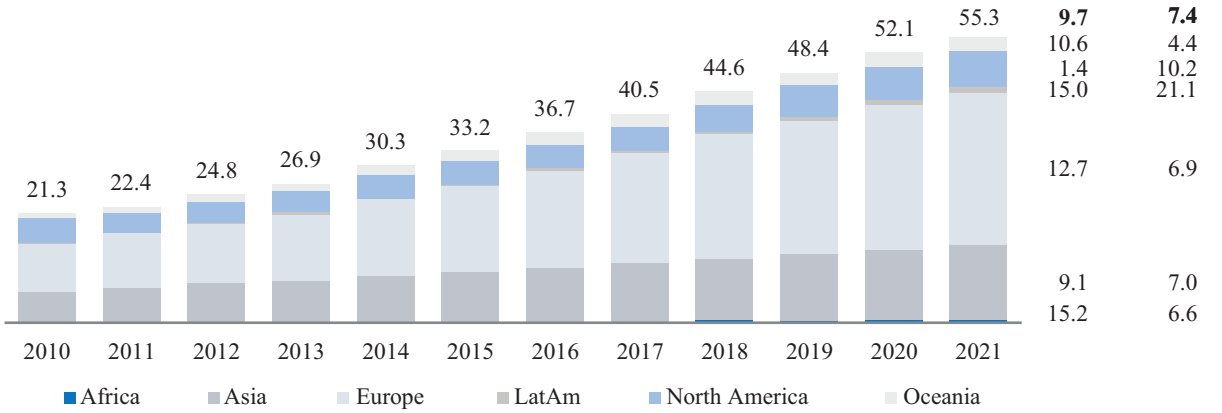
Online gambling market by vertical (€ billion)



	CAGR	
	'10-18	**'18-21**
	9.7	**7.4**
Betting	15.2	16.9
Casino	8.6	6.1
Poker	9.1	5.0
Bingo	(2.3)	1.6
Other	10.5	7.1
Lottery		

Source: H2GC

Online gambling market by geography (€ billion)



	CAGR	
	'10-18	**'18-21**
	9.7	**7.4**
Africa	10.6	4.4
Asia	1.4	10.2
Europe	15.0	21.1
LatAm	12.7	6.9
North America	9.1	7.0
Oceania	15.2	6.6

Source: H2GC

Key Market Trends

The various verticals within the gambling industry are at different stages of development and the gambling industry itself is at different stages of maturity when considered across geographies. This is attributable to macroeconomic factors and differences in propensity to gamble, regulation, product innovation and omni-channel offering in each market.

The underlying market dynamics within the broader gambling industry can be summarised as follows:

1. Regulation—Evolving regulatory regimes providing new opportunities for operators to enter new regulated markets as well as allowing for more consumer protection;
2. Technology—Shifts and improvements in technological innovation allowing for increased levels of online penetration and more consumer engagement;
3. Convergence—The convergence between the offline and the online markets via omni-channel solutions; and
4. Consolidation—Continued consolidation of gambling operators within the market.

Regulation

The regulatory environment to which the gambling industry is subject to is in a state of constant development and the regulation of, and regulatory aspects related to, gambling are key considerations (see also *"Risk Factors"*) for the industry. Regulation can offer new opportunities for the gambling industry (including by giving operators the opportunity to enter newly regulating markets). However, the success of certain participants in the sector can be heavily influenced by the nature of regulatory regimes, both upon their introduction, or as a result of subsequent regulatory changes (such as in relation to consumer protection initiatives or restrictions on advertising).

The regulation of land-based gambling in a jurisdiction is typically clear and less open to interpretation. However, online gambling regulation is more complex and the global online gambling regulatory environment can crudely be classified on a country by country basis, into the following four categories: (i) "Regulated Markets", (ii) "Regulating Markets", (iii) "Non-locally licensed Markets" and (iv) "Illegal (or prohibited) Markets".

A Regulated Market commonly refers to a country or a jurisdiction that has implemented legislation and a licensing regime whereby online gambling (across some or all verticals) is expressly permitted subject to obtaining a relevant licence, typically with oversight from a government appointed regulatory body. Examples are the UK and Italy. Stable regulatory regimes have typically proven to be favourable for licensed operators that comply with local regulation as well as for players in terms of providing a framework which includes measures designed to ensure player safety and protection.

Depending on the legal interpretation, a number of European jurisdictions can also be construed as being "regulated" in the sense that operators will supply their services cross-border into such territories on a point-of-supply basis, with such supplies being made pursuant to a valid licence issued in another EU Member State.

A Regulating Market typically refers to a country or a jurisdiction that does not have its own online gambling licensing regime but is expected to implement the same as part of gambling legislation in the short / medium term. Typically, gambling operators that are already active in providing services to players in those jurisdictions do so on a point-of-supply basis pursuant to a licence issued by one of the offshore licensing hubs (such as Malta, Gibraltar, the Isle of Man or Alderney). Operators will develop a risk rationale to support their activities in providing services to those markets on the basis of the applicability and enforceability of local legislation and, where relevant, supra-national arguments such as the freedom to provide services within the EU. The Netherlands and Hungary are examples of such markets, where there might be some specialised government entities in charge for the monitoring of the market or for the formulation and the implementation of potential or proposed legislation.

A Non-locally licensed Market typically refers to a country or a jurisdiction where online gambling is neither expressly regulated nor prohibited and where there is no expectation in the short to medium term of the introduction of new legislation and a licensing regime. Typically, gambling operators that are already active in providing services to players in those jurisdictions do so on a point of supply basis pursuant to a licence issued by one of the licensing hubs (such as Malta, Gibraltar, the Isle of Man or Alderney).

Such supplies are effected pursuant to an array of regulations that apply within such licensing hubs and, as such, to refer to such supplies as "unregulated" (as can happen) is somewhat misleading, rather such supplies are not validly licensed within the jurisdiction in which the end user resides. Operators will develop a risk rationale to support their activities in providing services to those markets on the basis of the applicability and enforceability of local legislation. Examples of those types of countries are China and Malaysia.

An Illegal (or prohibited) Market typically refers to a country or a jurisdiction which have laws that specifically criminalise the supply of online gambling services (both from within and into the territory). Examples of those types of countries are Turkey and Singapore.

Regulation remains a key opportunity for growth in markets, in particular for online gambling as this will allow for the entrance of new market players. Moving to a regulated regime presents numerous challenges to operators and suppliers but also creates opportunities, potentially opening up new product verticals and increasing marketing activity for operators. A combination of factors determines whether the opportunity will be attractive in the long term; including the tax rate, product availability and technical requirements.

The Group believes it is uniquely placed given its strength, geographic diversity and technical acumen to manage these challenges and continue to be the leading supplier in regulated markets. See *"Business Description—Competitive Strengths—Proficient in regulated markets and well-placed to begin operations in regulating markets"*.

European countries continue to lead the regulatory movement in terms of moving towards regulated regimes, with the Czech Republic, Poland, Portugal and Sweden recently moving from regulating to regulated. The Group believes that the Netherlands, Switzerland and Germany are regulating, or are expected to regulate, in the near future.

In the United States, the Supreme Court ruling in 2018 overturning the Professional and Amateur Sports Act ("**PASPA**") in its entirety could offer substantial commercial opportunities, the extent of which remains to be seen and it will be primarily a function of the type of access required to operate in the market (i.e. online vs. offline), the level of taxation and the timing for the implementation of the regulation will vary depending on whether it will be implemented via federal law vs. state by state resolutions.

In Latin America, Brazil represents a significant future opportunity if it presses ahead with often rumoured plans to regulate online gambling, whilst Peru and Uruguay are reviewing their historic positions and are now looking at regulating the sector.

Finally, the Indian sub-continent remains a lucrative long-term opportunity although, for now, few regulated opportunities exist. The Indian Law Commission has recently recommended the legalisation and regulation of online gambling, albeit in a relatively limited way.

Technology

Development of new products and technology are critical to the growth of the gambling industry as this entails (i) increased levels of customer engagement, (ii) better user experience and (iii) higher degrees of safety for customers.

Improved broadband penetration and capacity, faster mobile data transfer rates, increasing smartphone penetration and cutting edge software development tools foster innovation in the industry and are driving growth in the online segment as well as the overall industry

An example of product innovation is in-play or live sports betting where players can develop their bets during a live event such as a football match. Other examples of product innovation include live dealer casino games where a dealer runs the casino games in real time, which can be seen via a live streaming video link and players can make betting decisions online.

An example of technology innovation is represented by the cash-out option for sports betting that provide customers with the option to cash out their virtual wins prior to the completion of the event. Other examples of technology innovation are represented by the omni-channel shared wallet offering which allows customers to use their online accounts in order to bet in-store.

An example of improved safety to prevent addictive gambling are the various opt-out / maximum spending limits that provide customers with certain functions as to the maximum bets and total spending that they are allowed in a certain day or time period.

Control over technology and the ability to innovate are critical aspects for the success of any gambling operators and it is one of the major constituencies that underpins operators' competitive advantage.

Convergence

In line with the global growth of e-commerce across all consumer and leisure related sectors, a significant industry trend in gambling is the growing convergence between land-based and online segments that allow customers to play via an omni-channel single wallet across both retail and online platforms.

The convergence between online and retail gambling is primarily driven by large land-based operators which are trying to migrate and converge their customers both online and offline. While the online segment has grown faster than land-based, the land-based segment accounted for approximately 89 per cent. of the global gambling market in 2018 according to H2GC. Going forward, this will continue to represent an attractive opportunity for online operators as the shift online continues but also for land-based operators that leverage their existing retail businesses to capture the online opportunity while leveraging their brands and their existing customer base.

The operators able to provide omni-channel solutions to address the need of their customers while playing both online and offline are likely to continue to take advantage from this industry trend.

Consolidation

Over the past few years, evolving regulation (including tightening regulatory boundaries within those jurisdictions already regulated—see the UK Triennial Review) and technology have been two of the major

drivers that have led to a wave of consolidation within the broader industry. Examples of recent M&A have included the merger between GVC and Ladbrokes, the acquisition of Sky Betting & Gaming by Stars Group as well as the acquisition of FanDuel by PaddyPowerBetFair amongst others.

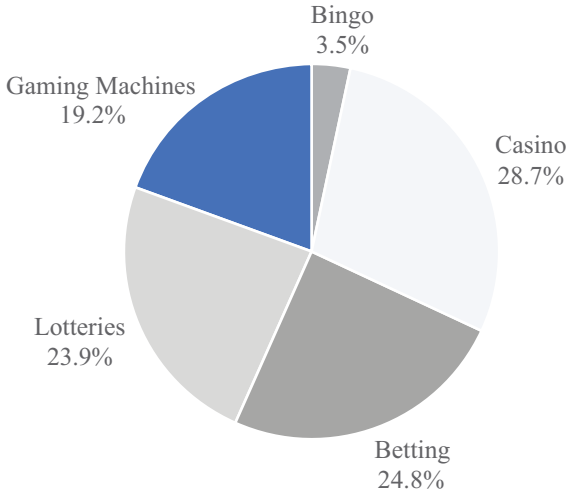
Apart from regulation and technology, other key drivers underpinning this spring of consolidation are the potential for high levels of synergies by significantly reducing overlapping cost bases, as well as generating substantial revenue synergies via cross-sell of products, improved marketing and higher customer stickiness.

The Group's Key Markets

UK

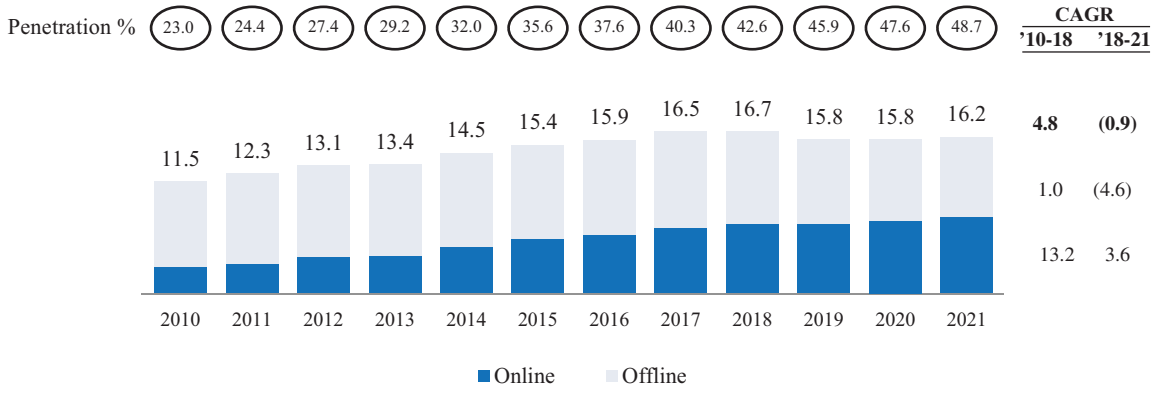
The UK gambling market is regulated by the Department for Digital, Culture, Media & Sport (DCMS) and monitored by the Gambling Commission. In 2018, the UK gambling market generated €16.7bn GGR with online gambling representing approximately 42.6 per cent. (€7.1 billion) of the total market as per H2GC. The UK gambling market is dominated by the Lotteries, Betting and Casino verticals. The total market accounted for approximately 18 per cent. of total GGR in the EU in 2018.

2018 UK gambling market (GGR)



Source: H2GC

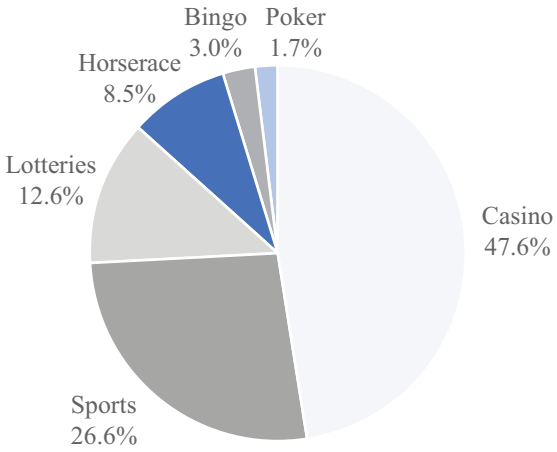
UK online vs. offline evolution (€ billion)



Source: H2GC

H2GC estimates that in 2018 the UK online gambling market grew by approximately 7 per cent. and accounted for approximately 16 per cent. of the overall online gambling market globally. Within online gambling, Betting and Casino account for approximately 83 per cent. of total GGR as shown in the chart below. The online gambling market is fragmented with a large number of mainstream and niche operators. Online gambling operators in the UK include Paddy Power Betfair, Bet365, GVC (including Ladbrokes Coral), William Hill, Sky Betting& Gaming, 888, Stars Group, etc.

2018 UK online gambling market (GGR)



Source: H2GC

The retail sports betting market in the UK is dominated by operators including Ladbrokes Coral (now part of GVC), William Hill, PaddyPowerBetfair and Betfred.

As per H2GC, the UK gambling market is expected to contract at approximately (0.9) per cent. CAGR between 2018 and 2021. As per the same source, the UK online gambling market is expected to grow at approximately 3.6 per cent. CAGR between 2018 and 2021.

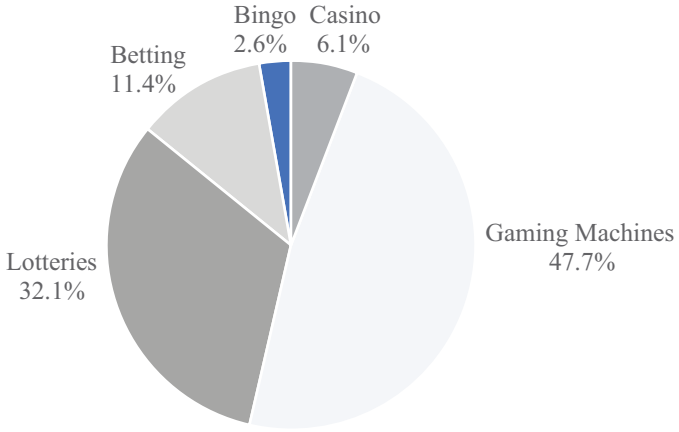
Given the large size of the UK gambling market and the large amount of competition in the industry, regulation has been a key topic of discussion in the market. On 17 May 2018, the DCMS announced that after a lengthy review of the UK retail gambling market, it has opted to implement various new measures in order to offer greater protection to customers including: 1) that B2 machine maximum stakes will be cut to £2, down from the current £100 maximum stake, 2) that the remote gaming duty will be raised at the UK government's next budget in order to offset the decrease from reduced B2 maximum stakes, 3) the imposition of tougher limit setting and affordability checks will be introduced online and 4) the imposition of player tracking and time limit setting measures to be investigated for other B categories. It is expected that this review will have a significant impact on the UK retail gambling market, notably with the potential for 3,700 existing shop closures over the next approximately 5 years, with the closures having the largest impact on independent operators.

Italy

The Italian market is regulated by ADM, and permission to operate in the industry is granted by a limited number of typically long-term concessions. The Italian gambling market is dominated by gaming machines and lottery, and as a whole accounted for approximately 20 per cent. of total EU gambling market by GGR in 2018 per H2GC.

Italy is the largest gambling market in Europe with an estimated GGR of €19.0 billion for 2018. Gambling has historically been one of the fastest growing sectors of the Italian economy with a robust track record of growth, even during periods of declining GDP, driven by a progressive liberalisation of the regulatory framework, modernisation of existing retail shops, adoption of online gambling and stricter controls over illegal gambling. From 2008 to 2018, during which time Italian GDP contracted at a CAGR of approximately 1.40 per cent., the Italian gambling and betting market GGR grew at a CAGR of approximately 1.9 per cent. according to H2GC. The Italian market is dominated by gaming machines and lotteries, which account for approximately 80 per cent. of the total GGR for 2018.

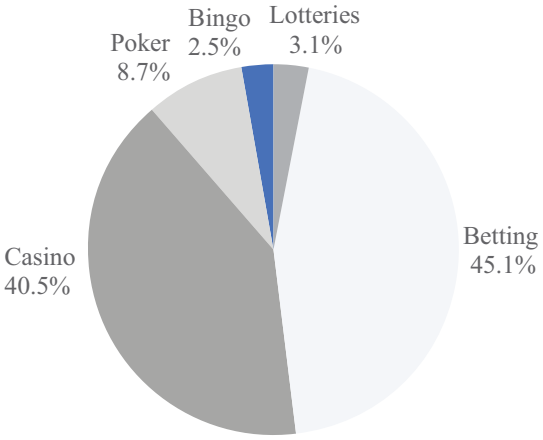
2018 Italian gambling market (GGR)



Source: H2GC

The Italian retail betting market is dominated by four key players, Gamenet, Snaitech, Eurobet and Sisal, which together account for approximately 68 per cent. of the betting retail market.

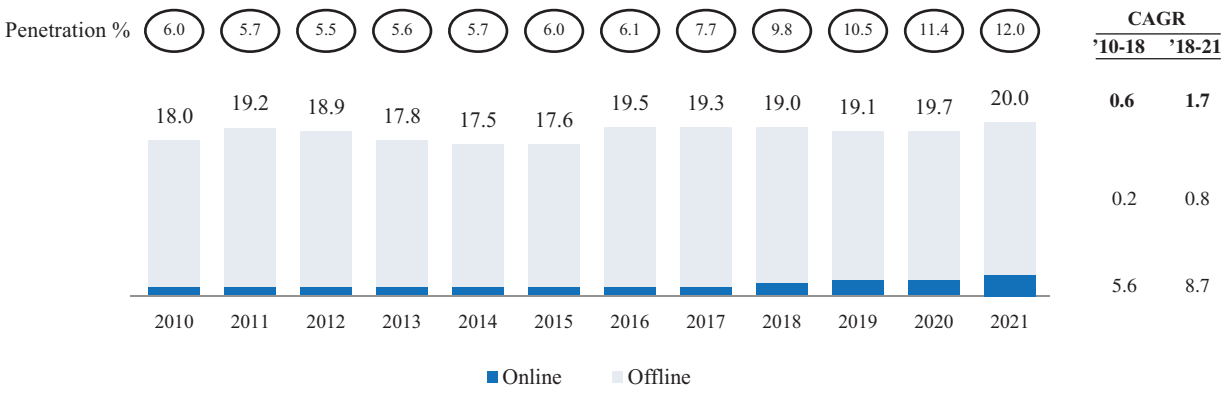
2018 Italian online gambling market (GGR)



Source: H2GC

By comparison to the UK market, the Italian market is still relatively underpenetrated with only approximately 10 per cent. online gambling penetration in 2018 vs. approximately 43 per cent. in the UK by GGR. In absolute terms, this represents €1.9 billion online GGR in Italy vs. €7.1 billion GGR for the UK in 2018. The evolution of online vs. offline can be seen in the chart below.

Italy online vs offline evolution (€ billion)



Source: H2GC

Lottery concessions are awarded on an exclusive basis through a competitive procurement process. There are three existing concessions, namely Lotto (traditional online lottery), Gratta & Vinci (instant tickets) and jackpot lottery (Superenalotto). The gaming machines market can be divided into two different segments, Amusement with Prizes ("**AWP**") and Video Lottery Terminals ("**VLT**"). Concessions for machine gaming have been awarded to a dozen operators, who have the right to operate both AWP and VLT machines. Key operators within this segment include IGT, Gamenet, Sisal, Snaitech and Novomatic. On the other hand, sports betting and online gambling markets operate based on a multi-concession system, where several operators can be awarded a concession. Key operators in this segment include, GVC, Snaitech, Stars Group and Sisal. The online gambling market in Italy is relatively small due to more recent regulation related to online gambling, but it continues to be a fast growing segment within the Italian gambling market due to the progressive digitisation and increasing mobile penetration levels of customers.

Competition

Competition in the gambling industry continues to increase due to entry of new market participants with niche product offerings as well as in house development, in particular within online gambling. However, within the B2B segment, the Group enjoys significant scale advantages through substantial investment in technology and thereby being able to leverage operating and development costs of more than 140 Licensees, including most of the leading European and UK online gambling operators.

B2B

The Group's key competitors in the B2B segment in addition to in-house development by operators are Scientific Games, IGT, NetEnt, Microgaming, and Evolution in gambling technology as well as Kambi and SBTech in sports betting. Within the Asian online gambling space, the competitors are content only, unlike the rest of the Group's markets. Historically the main competitor has been Microgaming. However in recent times competition has increased from both European players entering the Asian market as well as from local providers.

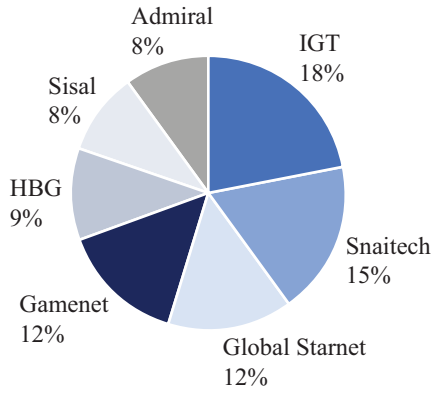
The rapid expansion of the Group has enabled it to develop an advanced platform, more relevant software, premium content and more products than other suppliers. The Group believes that the new B2B operators and licensees are not able to undertake significant proprietary product development in an efficient manner as they lack economies of scale. This is particularly relevant for new channels coming to market such as mobile or new products such as virtual sports. Moreover, bingo, poker and networked casino games rely on liquidity to satisfy player demand and the Group is able to offer one of the largest liquidity pools with access to concurrent users across the Group's licensees' network.

B2C

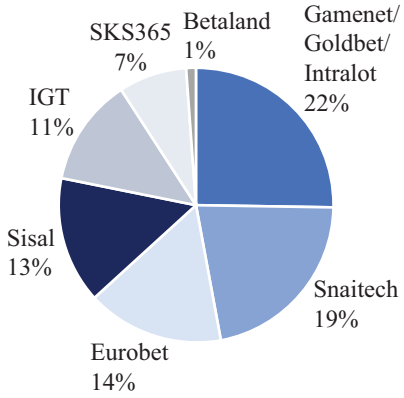
The key competitors of Group's recently acquired B2C business (Snaitech) in Italy are as per the charts shown below with market shares in 2018 as per ADM. Snaitech is a market leader in retail betting with approximately 19.1 per cent. market share in 2018 based on GGR and is the second largest operator within the gaming machines market with approximately 15.0 per cent. market share in 2018, as per MAG and ADM. Online gambling in Italy is a more fragmented market and hence competition is higher with entry of new market participants, both international and local operators. Snaitech's solid foundation and scale in the retail betting and gambling segments continues to drive growth of its online betting and gambling business through its omni-channel offerings.

Snaitech's key competitors (including market shares)

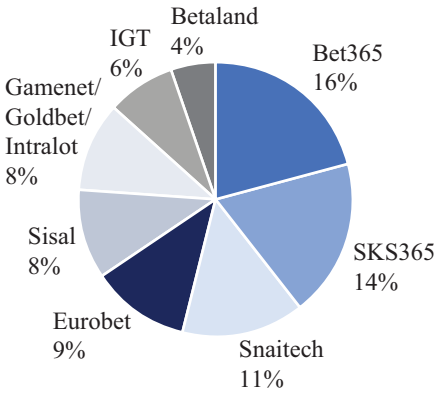
Gaming machines market share 2018



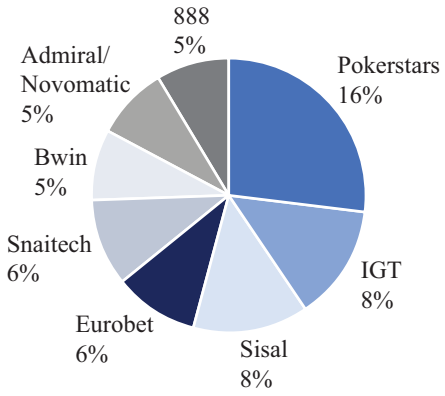
Retail betting market share 2018



Online betting market share 2018



Online gaming market share 2018



Source: MAG and ADM

For the Group's Sun Bingo white-label operation in the UK, the competition to win the contract was from companies such as Gamesys, 888 and Stride Gaming. Sun Bingo and the remaining B2C operations in the Group compete with a variety of B2C operators.

The Market for the Financials Division

Overview

Through its Financials Division, the Group operates an international B2C and B2B CFD financial business. It offers trading capabilities for forex, commodities, equities, indices and bonds, with customers in more than 150 countries. As part of its B2B offering, the Group also offers liquidity services to B2C operators through CFH (STP brokerage services).

The global CFD market has grown in recent years, and is expected to grow in the near future, driven by increasing customer awareness and acceptance of leverage trading, the ongoing growth in internet usage and the development of advanced online trading platforms, which, together, are enhancing the ability of retail customers to trade in an increasingly wider variety of more sophisticated financial assets and instruments that were previously inaccessible.

Competition

The Group perceives market participants such as Plus500, IG Group, CMC, Saxo and Gain Capital to be the primary competitors in the Financials Division.

Gambling regulation

Overview

The regulatory environment to which the gambling industry is subject is in a state of constant development. The relatively recent evolution of the remote gambling regulatory environment has seen the enactment and

implementation of new or updated laws and regulations as a variety of jurisdictions seek to regulate and tax remote gambling transactions with their citizens. Other jurisdictions, however, have sought to strengthen monopolistic regimes or, in the alternative, prohibit gambling generally or specifically remote gambling with their citizens altogether.

The B2B segment of the Gambling Division generates its income through licensing its proprietary software to remote gambling operators who, themselves, then supply to end users located in a variety of jurisdictions. Historically, remote gambling operators have sought to justify their activities by relying on the legality of their operations in their country of origin, and reducing any associated risks of jurisdictions in which their end users are based forming a contrary view, by limiting or omitting their physical presence in such jurisdictions, where any such activities were not clearly legal.

The Group has a policy of not locating tangible assets or maintaining a physical presence in jurisdictions where it has been made aware of any material legal or regulatory risk associated with such location or presence. The Group contractually obliges the Licensees of the B2B segment of the Gambling Division to block access to its products by customers located in certain jurisdictions altogether, particularly from such jurisdictions, as well as from jurisdictions where there is no scope for a Licensee to argue that its activities are not illegal. The Group currently adopts this blocked jurisdiction policy in relation to countries such as the United States, Israel, Hong Kong and Singapore. Furthermore, the Group operates a restricted territories policy where it contractually obliges Licensees to block access to its products by customers located in certain jurisdictions, unless the Licensee holds a valid local licence. The Group currently adopts this restricted jurisdiction policy in countries such as the UK, Italy and Spain.

As regulation continues to evolve, so too does the Group's on-going compliance. Whilst in many jurisdictions, laws and regulations may not specifically apply to supplies by gambling software licensors and service providers (as distinct from operators' supplies to end users), this is not universally the case and, indeed, a number of jurisdictions have sought to regulate such supply explicitly. The Group may therefore be obliged, given the nature of the technology it supplies, to obtain licences in a number of territories as regulation may require.

The Group currently holds a number of licences relating to the supply of gambling software and related services. The territories in which Group companies hold such licences or authorisations includes Alderney, Gibraltar, Great Britain, Kahnawake, Malta, Romania and Spain. The Group also holds B2C operating licences in Great Britain, Italy, Spain and Alderney. The Group is seeking and will seek to obtain any requisite licences in its targeted jurisdictions.

As legislation is introduced to regulate remote gambling, so related legislation will be enacted to effect taxation of such regulated gambling activities. The financial dynamics of the remote gambling industry are rapidly changing. As the regulatory environment has developed, particularly in the European market, the favourable taxation environments to which the Licensees of the B2B segment of the Gambling Division have previously been subject may be replaced by less favourable environments, as jurisdictions seek to impose taxation on what was, traditionally, an offshore activity.

European Union Countries

The Treaty on the Functioning of the European Union ("**TFEU**") embodies the principle that, within the European Union, each Member State and their constituent citizens, can freely trade with other Member States and their constituent citizens. It arguably follows that restrictions on supply and movement of goods, services, labour and capital are not permitted unless certain justifications are evident. Accordingly, if a remote gambling operator is prohibited from freely operating in Europe by a Member State's domestic law, such an approach may be unlawful under EU law (which is supreme over a Member State's domestic law). However, Member States are permitted to derogate from such principles and to legislate and impose discriminatory restrictions where to do so would be justifiable to achieve the aim of safeguarding public interest. The ability for Member States to introduce or seek to maintain restrictive legal systems forms the basis of the evolution of the remote gambling regulatory environment. The application of European laws designed to enshrine EU-wide freedoms is the subject of on-going and developing jurisprudence.

A number of Member States have introduced local licensing regimes in recent years. Yet, the way in which national laws are evolving is unpredictable, and in some instances laws appear to have been fully implemented by certain Member States in contravention of the jurisprudence of the ECJ, and also in contravention of guidance given to Member States by the European Commission following review and comment on draft laws and regulations.

A myriad of local regulations are having a substantial effect on the remote gambling industry as operators and suppliers alike count the cost of multi-jurisdictional regulation and compliance. Technical requirements and operational constraints, such as the requirement to ring-fence player liquidity, can impact the commercial appeal of operators and it follows that it may also impact financially upon their suppliers. Co-operation between Member States and their gambling regulators may develop towards harmonisation of sorts, be it in respect of uniform technical standards or common approaches towards player protection. However, it remains to be seen how beneficial this will ultimately be to the industry and its component parts.

Despite extensive case law on the gambling sector, Member States and licensed monopoly operators continue to bring legal actions against remote gambling operators licensed in other Member States aimed at safeguarding state-run monopoly operations. Further gambling-related referrals for preliminary rulings are currently pending before the ECJ.

Separately to the ECJ, the European Commission monitors the application of EU law in its role as the "guardian of the Treaties". In this role the European Commission initiated infringement proceedings pursuant to Art 258 TFEU against a number of Member States whose gambling legislation was perceived not to comply with EU law. Infringement proceedings are a pre-litigation procedure which can ultimately result in the offending Member State being referred to the ECJ by the European Commission. Following a political decision of the Juncker Commission, on 7 December 2017, the European Commission officially closed all pending infringement cases and complaints relating to gambling legislation. In its press release, the European Commission notes that the ECJ has recognised the Member States' rights to restrict gambling services where necessary to protect public interest objectives such as the protection of minors or combating gambling addiction. The Commission also notes that it will continue to support Member States in their efforts to modernise their national remote gambling legal frameworks. With regard to complaints in the gambling sector, the Commission states that it considers these can be handled more efficiently by national courts particularly in the light of the numerous ECJ judgements on national gambling legislation. As the European Commission encourages complainants to make use of national remedies when facing problems with EU law in the gambling sector, it is expected that the European Commission's closure of infringement cases and the treatment of complaints in the gambling sector will ultimately lead to an increase in litigation at a national as well as at the level of the ECJ. While the political decision that it is not a priority for the European Commission to use its infringement powers to promote the EU Single Market in the area of remote gambling comes without legal prejudice, Member States may interpret this as providing them greater leeway when restricting operators' rights under the EU internal market freedoms, which may result in negative consequences for the gambling industry.

While there is scope for challenging many of the more restrictive Member State remote gambling regimes under EU law, providing remote gambling services in the EU without complying with individual national licensing requirements remains is risky, even if such operations are based on the EU internal market freedoms. This is further prompted by Member States imposing sanctions directly or indirectly impacting remote gambling operators, such as fines or blocking measures (predominantly ISP- and PSP-blocking), despite the doubts as regards the compatibility of their national legislation with overriding EU law.

U.S.

Until the implementation of the Unlawful Internet Gambling Enforcement Act ("**UIGEA**") in the U.S. in October 2006 the Group supplied software to Licensees taking wagers from the U.S.. Since the passage of UIGEA, the Group has required all Licensees to block the use of its software in respect of all such wagers.

On 14 May 2018, the Supreme Court of the United States overturned the Professional and Amateur Sports Protection Act ("**PASPA**") in its entirety on constitutional grounds. The ruling has led to a state-by-state approach to regulating (or continuing to prohibit) sports betting in one way or another, with a number of states having already passed affirmative legislative authorising sports betting, and several others having either introduced legislation or known to be actively contemplating their position. The Group has filed an application for a licence in the State of New Jersey and is in the process of applying for a licence in the State of Mississippi.

Rest of the world

Gambling regulation continues to evolve rapidly in territories outside of Europe and the U.S.. In many cases, future regulation could represent significant opportunities for the Group in certain populous countries (e.g. Brazil). However, regulatory developments may also result in the closure of markets for legal or commercial reasons.

Country specific regulatory overview

The following sections provide a summary of the legal and regulatory issues relating primarily (with the exception of Italy) to remote gambling arising from the Group's material markets. For the purpose of this document, the Group's material markets are considered to be those jurisdictions from where, through Licensees' activities and/or, where relevant, the Group through its own B2C gambling activities, the Group believes that three per cent. or more of its revenue is ultimately derived (or was derived, in the recent past). All of these territories are within Europe and Asia and the following summaries in connection with such territories are in alphabetical order by continent.

For the purpose of this section, "gambling" is deemed to encompass all forms of real money wagering, whilst "gaming" encompasses real money casino, poker and bingo.

Asia

The People's Republic of China ("PRC" or "China")

There is a general prohibition of gambling in China whether offered online or through land-based channels, pursuant to Article 303 of the Criminal Law. Gambling is also subject to administrative penalties under the Law on Penalties for Administration of Public Security (the "**Law on Penalties**"). Whilst the laws themselves are silent on their applicability to remote gambling, notices regarding gambling have been published by the Ministry of Public Security that indicate the views of the authorities. A 2005 interpretive notice extended the definition of "gambling" to encompass remote gambling.

The Group has been advised by local counsel that the jurisdictional reach of the Chinese authorities to assert both the Criminal Law and the Law on Penalties is restricted. The authority to assert jurisdiction in relation to remote gambling follows the local legal principle that the illegal activity should be handled by authorities where the defendants are domiciled. In the context of remote gambling therefore, that location is identified by the establishment of servers of the gambling websites, the place where internet access is provided, places where the owners or management of the gambling website are domiciled, and the places where the agents of the gambling sites are located or where players are located.

Chinese authorities can prosecute Chinese nationals undertaking gambling activities wherever the illegal activity takes place although this is generally considered to be limited to professional gamblers. For foreign nationals, China could only assert authority if the crime or result of the crime occurs within China. The same is true in terms of servers or assets located outside of China. Thus for offshore operators or software suppliers with no local presence in China or non-Chinese employees, local counsel have advised that China does not have jurisdiction and such activities currently will not attract risk of enforcement.

Furthermore, due to the laws on the illegality of any form of gambling in China, it would not be prudent to pursue any civil legal action through the local court system and/or arbitration as the circumstances will be found in clear contradiction of the established laws. It would also not be effective to pursue international litigation and/or arbitration in an effort to gain a reprieve in China, as any foreign judgments and award would not be enforceable locally for the same reasons.

In 2010, the Ministry of Public Security issued an opinion stating that anyone providing software development services to a gambling operator was committing a crime. However, this is also subject to a limited territorial application.

Malaysia

The Common Gaming Houses Act 1953 ("**CGHA**") makes it an offence for a place to be kept or used as a "common gaming house". A common gaming house includes "any place kept or used for gaming to which the public or any class of the public may have access". Depending on the interpretation of a "place", the CGHA may cover the remote gambling environment. The participation, provision or facilitation of gaming is also illegal under the CGHA, as is gaming in a public place and the promotion of a public lottery. The CGHA criminalises unauthorised gambling for both players and operators.

The Lottery Act 1952 ("**LA**") also regulates gambling but more specifically, as the name suggests, lotteries. Construed widely, the definition of "lottery" under the LA may include bingo.

Although the CGHA does not specifically allude to the remote gambling environment, it does contain provisions relating to the prohibition of gaming machines. A "gaming machine" is defined as "*any mechanical, electrical or electronic machine or device (including any computer program used in such machine or device)...designed ...(or the purpose of playing a game of chance...*". Any type of dealing with a "gaming machine" including importing, manufacture, supply or operation is captured under the prohibition in the CGHA. Local counsel are of the view software used in the supply of remote gambling could fall into the definition of "gaming machine", but to the best of local counsel's knowledge the interpretation is untested in the Malaysian courts.

In the event the remote gambling operator's services are viewed as illegal under the CGHA or LA, a supplier's provision of services to such operators may be construed as an abetment of an offence and therefore a criminal offence under the Penal Code. This is predicated on the underlying offence being committed under the CGHA or LA.

As there is no specific legislation that governs remote gambling in Malaysia, it is a question of interpretation for Malaysian authorities as to whether any such remote gambling activity would fall under the ambit of the local laws.

The applicability of the CGHA or the LA to remote gambling operators and therefore to the suppliers of support services (both based outside Malaysia) appear to be untested and there is no published case law on the matter. If the CGHA provisions are wide enough to encompass a supplier's activities as a dealer in gaming machines or a party who plays a role in the operation of a common gaming house (if it was determined that definition applied to remote gambling websites), any sanction or penalty against such a supplier would be difficult to enforce, given the supplier had no assets or infrastructure located within Malaysia.

Based on the provisions which state that the CGHA and LA only apply "throughout Malaysia", local counsel's advice is that it would appear that the CGHA has no extraterritorial application. Therefore, if an operator's server is based in Malaysia, there would be obvious potential criminal liability for such operator. If, however; an offshore operator bases its servers outside Malaysia, the Malaysian authorities would have difficulty successfully enforcing any sanctions or penalties against the offshore operator (or their suppliers), assuming that such operator (or supplier) has no assets or physical presence in Malaysia. There is a risk that the Malaysian authorities may seek to direct ISPs to prevent or restrict access to remote gambling websites. However, to local counsel's knowledge the authorities have never taken such action in respect of gambling websites (although such action may not always be made public).

Money laundering in Malaysia is legislated for by the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 ("**AMLATFA**") and makes it an offence for a person to engage, directly or indirectly, in a transaction that involved the proceeds of any unlawful activity. "Unlawful activity" for these purposes includes any activity that is related directly or indirectly to any serious offence or any foreign serious offence. This would include money generated from remote gambling contrary to the CGHA or LA and therefore such a breach may have corresponding consequences under the AMLATFA. Those involved in remote gambling activities and the removal of funds from Malaysia will be engaging in money laundering activities under Malaysian law. The AMLATFA purports to have extra territorial effect insofar as an offshore operator acting in contravention of the CGHA or LA is committing a money-laundering offence by facilitating the remittance of funds to and from players in Malaysia. Additionally, obligations are placed upon reporting institutions such as banks and financial institutions to identify large or suspicious transactions.

The Ministry of Finance in Malaysia have previously indicated that remote gambling legislation is being considered, but such laws did not come to fruition. It is anticipated however that such legislation would impose an absolute prohibition for both the provision and participation of remote gambling activities and may remove the ambiguity over the application of the laws to the operation of a gambling website from outside the jurisdiction, as happened, for example, when Singapore updated its laws in 2015.

Until that happens, a supplier of software to remote gambling operators targeting Malaysia from outside the territory is potentially contravening the CGHA and the LA, although the application of such laws to activities occurring outside Malaysia remains debatable and the enforcement risk and enforcement may be difficult for that reason.

Europe

Great Britain

The Gambling Act 2005 ("**Gambling Act**") is the primary legislation in relation to both land-based and remote gambling in Great Britain. The Gambling Act is relatively sophisticated with different levels of regulation for different product types. There is no restriction on the number of private operators who can apply for licences, save the National Lottery which is reserved to the operator of the National Lottery, currently Camelot. The Gambling Act codifies several of the provisions that had evolved from extensive case law on the subject, and also attempts to address the issues of overlapping product definitions.

Since 1 November 2014, remote gambling has been regulated on a point of consumption basis making it necessary for all operators transacting with or advertising to players in Great Britain to obtain the requisite operating licence from the Gambling Commission, the gambling regulator.

Section 41 of the Gambling Act requires that gambling software suppliers hold a gambling software licence from the Gambling Commission for the "manufacture, supply, installation or adaptation" of gambling software. "Gambling software" is defined under the Gambling Act as computer software that is used in connection with remote gambling but does not include anything for use solely in connection with a gaming machine. The Gambling Commission makes it a condition that operators source their gambling software from a supplier that holds a gambling software licence. As a result, whether based in Great Britain or overseas, software licensors that supply to operators that hold British licences are required to hold a gambling software licence.

Where a software supplier also hosts the software on behalf of the operators it supports (such as is the case with the Group's remote gambling system), the supplier will be considered as providing "facilities for gambling" and therefore require additional remote operating licences (or, where conditions apply, a host licence), in addition to a gambling software licence. The Group holds an umbrella software licence together with various other licences through a number of subsidiary companies all of which together regulate its B2B supplier of gambling software.

The Group also holds a number of remote operating licences which regulate the Group's B2C online gambling business with customers in Great Britain.

The Gambling Act also requires that gaming machine suppliers obtain a licence if they manufacture, supply, install, adapt, maintain or repair a gaming machine or part of a gaming machine. The licence requirement will apply if such activities are undertaken with a view to making supplies to Commission-licensed operators. There is also a requirement to comply with the Gaming Machine Technical Standards in relation to each category of machine, in addition to the testing strategy requirements for the same. There are a number of operating licences available for the supply of gaming machines in Great Britain.

There are a number of locations in which gaming machines are permitted to be made available for use. The majority of gambling and betting establishments in Great Britain have an allowance for a certain number of a particular category or categories of gaming machines which they can site on their premises. As such, no one operating licence is specifically allied to gaming machine operation; it is the operational licence held which dictates the number and category of machines an operator can offer. The Group's umbrella licence also covers its gaming machine supply activities in Great Britain.

The UK's Department for Digital, Culture, Media and Sport announced the Triennial Review on 24 October 2016. The Government's stated objective of the Triennial Review was to look across the industry to determine what, if any, changes were needed to strike the right balance between socially responsible growth and the protection of consumers and wider communities. Of particular note was the Government's assessment of the laws or regulations applicable to FOBTs.

On 17 May 2018, the result of the Triennial Review was published. Amongst other changes, the Government decided to lower the maximum stake from the current £100 to £2 on a FOBT, introduced further advertising restrictions and its intention to introduce other social responsibility measures. These changes are due to take effect in April 2019.

The reduction in the permitted maximum stake on FOBTs is widely considered likely to lead to significant closures of licensed betting offices, and has also led to an increase in Remote Gaming Duty (from 15.0 per cent. to 21.0 per cent.) payable by remote operators in order to cover any negative impact on the public finances. This duty rise also comes into effect in April 2019.

Italy

Italy has gradually evolved as a regulated market following the implementation of the Bersani Decree in 2006. It represents one of the first major European territories to embrace the regulation of online gambling albeit that regulations have evolved in a very piecemeal fashion, on a product by product basis.

Article 4 of Law 13 December 1989 No. 401 ("**Law 13**") permits the remote organisation, management and offering of games regulated by ADM, where it has issued the remote gambling operator with the required licence. Most forms of gambling that have developed in today's market are licensable. Gambling software suppliers are not required to obtain a licence. Operating licences awarded by ADM (often referred to as a concession), both in the Italian retail and remote markets, are granted for fixed periods, after which a further bid must submitted through a competitive public bidding process in order to renew them. Any arguments that the regime is challengeable under EU laws are very difficult to sustain. For this reason the Group only supports operators holding the requisite licence issued by ADM.

Snaitech holds several concession rights for sport and horseracing betting events which enabled it to operate over 1,600 active POS (approximately 700 betting shops and 900 corners) as at 31 December 2018. These rights expired but pursuant to the Budget Laws 2018 and 2019, these have been extended to 31 December 2019 pending a public tender process to take place during the year. In January 2019, Snaitech extended its betting rights to 2,049, of which 971 are corners, 1,068 are betting shops and 10 are collection points. Snaitech also holds gambling concessions rights for retail and online gambling. The retail gambling machine concession rights permit Snaitech to operate approximately 49,000 VLTs and AWPs (after taking into account a 34.9 per cent. reduction in AWPs which each concession holder was required to make by 30 April 2018 pursuant to The Italian Ministerial Decree of 25 July 2017). The online gambling concession rights permit Snaitech to operate online sports and horseracing betting and other online games within Italy.

In addition to an operating licence issued by ADM, a company wishing to carry out retail betting and gambling business activities is required to obtain a TULPS licence (under article 88 TULPS) for each POS site at which betting takes place. The TULPS licences are personal in nature and cannot be transferred to another person. The change of identity of third party operators holding TULPS licences would trigger a need to re-apply for a new TULPS license. Carrying out a gambling activity without complying with the requirements set out in a TULPS licence is a criminal offense. If AWPs are installed in a POS site not dedicated to betting or gambling (for example, in bars or tobacco shops) a permit is also required from the relevant local municipality.

There have also been a number of recent regulatory changes or proposals impacting the gambling and betting industry in Italy.

Stability Law 2016 and resolution of the United Conference State-Regions

Several national, regional and local restrictions on gambling from the Stability Law 2016 and the resolution of the Unified Conference State-Regions (*Conferenza Unificata Stato Regioni ed enti locali*) held on 7 September 2017 have yet to be implemented. These include potential restrictions on the location and opening hours for AWPs and a proposed reduction in the number of POS sites where AWPs are installed from 98,600 to 55,000 over the next three years).

Budget Law 2018

The Budget Law 2018 introduced several provisions relating to gambling aimed at regulating concessions by balancing the need to preserve competition whilst making changes to the geographical distribution of POS sites.

Local Regulations

A high number of local regulations (both at regional and municipal level) have been issued with the aim of counteracting gambling diseases. However, these regulations are affecting the gambling industry (both with new and existing players). The restrictions under the regulations are mainly related to a) minimum distances from "sensitive places" and b) opening hour limitations, and one of the main issues with the local regulations is the different criteria applied to setting such minimum distances, the sensitive places definition and opening hour limitations. The most relevant regions being affected by such local regulations are Piedmont, Emilia Romagna, Puglia, Valle D'Aosta and Sardinia.

Dignity Decree

The Italian Government approved D. L. No. 87 dated 12 July 2018 "Urgent provisions for the dignity of workers and companies" (published in the official journal no. 161 of 13-07-2018), commonly referred to as the Dignity Decree, which includes a prohibition on gambling-related advertising and increases the Prelievo Unico Erariale ("**PREU**") tax on gambling machines to recover any potential reduction in tax revenue resulting from the advertising ban (see below for further details in relation to recent increases of the PREU tax). Advertising pursuant to contracts which were in place on 14 July 2018 are exempt from the prohibition for up to one year. From 1 January 2019 the advertising ban was extended to cover gambling-related sponsorship. Any breach of the ban may result in an administrative fine of 20 per cent. of the advertisement value and, in any case, not lower than €50,000 per violation. The Government has also committed to put forward proposals to reform the gambling industry, with the aim to reduce "gambling diseases" and counteract illegal gambling.

From 1 January 2020, in order to help prevent underage gambling, all gaming machines (AWPs and VLTs) will also be required to request social security cards from players before they can access gaming content. Accordingly, all gaming machines without this feature (underage prevention) will be required to be removed from 1 January 2020.

The Dignity Decree changes the PREU tax rate for AWPs and VLTs, respectively, as follows:

- 19.25% and 6.25% of wagers, from 1 September 2018 to 30 April 2019;
- 19.6% and 6.65% of wagers, from 1 May 2019;
- 19.68% and 6.68% of wagers, from 1 January 2020;
- 19.75% and 6.75% of wagers, from 1 January 2021; and
- 19.6% and 6.6% of wagers, from 1 January 2023.

The increases of PREU tax enforced by the Dignity Decree are cumulative, in addition to the increase imposed by the Budget Law 2019 and Decree "Urgent provisions on basic income guarantee and pensions" (see below for further details). The following PREU tax rates are therefore valid for 2019:

- from 1 January to 28 January: 20.60% for AWPs and 7.50% for VLTs;
- from 29 January to 30 April: 21.25% for AWPs and 7.50% for VLTs; and
- from 1 May to 31 December: 21.60% for AWPs and 7.90% for VLTs.

On 10 December 2018, Autorità per le Garanzie nelle Comunicazioni, the regulator and competition authority for the communication industries in Italy ("**AGCOM**")started to acquire all relevant information needed by AGCOM to implement the Dignity Decree. This procedure shall terminate 45 days after the date the proceedings have been published on AGCOM's website, and guidelines shall be released thereafter.

Budget Law 2019

The "Budget Law 2019"—Law no. 145 of 30 December 2018—which was published in the official journal on 31 December 2018 and titled "Budgetary Plan for 2019 and three-year Budget Plan 2019-2021" includes several provisions on gambling including the increase of PREU tax rate on gaming machines and gambling taxation on betting (online and retail), virtual events and online games; concessions are furthermore postponed by one year. The main provisions include the following:

- PREU tax increase and payout reduction: starting from 1 January 2019 the PREU rate is increased as stated above. Payout has reduced down to 68% for AWPs and 84% (a 1% reduction) for VLTs. ADM has 18 months to implement all necessary measures required to update the payout level.
- Tax on bets and online gambling: from 1 January 2019, the new taxation levels are set at 25% for online skill games (cash and casino games) and online bingo (a 5% increase), 20% for sports fixed-odd bets on retail channels (a 2% increase) and 24% on online channels (a 2% increase), and 22% on virtual events (a 2% increase).
- Extension of concessions (Superenalotto, bingo and betting): licences of games with national totalisator have been extended to 30 September 2019. 210 concessions related to bingo shall be tendered during the year. Furthermore, the current betting rights on horseracing, sports and virtual events have been extended to 31 December 2019.

- Paper-based licences for AWP: in accordance with the reduction which occurred last year, the new deadline to issue licences is now set to 31 December 2019. Furthermore, these machines shall be dismissed by 31 December 2020. The new remote-AWPs shall comply with current limitations applied to existing AWPs.
- Measures to prevent gambling diseases: starting from 1 July 2019, ADM shall provide local authorities with timetables for gaming machines. The new machines will be able to save and transmit operating times and ADM, supported by Sogei, shall provide local authorities with operating time limits for VLTs and AWPs.

Decree "Urgent provisions on basic income guarantee and pensions"

On 17 January 2019, the Cabinet approved the decree "Urgent provisions on basic income guarantee and pensions" which had a commencement date of 29 January 2019. It includes an additional increase of PREU tax rate on AWPs of 0.65% additional to the Budget Law 2019 measure for a final level of 21.25%.

The release of paper-based licences for AWPs is subject to the payment of 100 Euro one-off levy, which is raised to €200 only for 2019.

Additionally, the new remote-AWPs are required to request social security cards from players before accessing game content. This differs from the Dignity Decree provision which applied only to existing AWPs. Furthermore, online "totem" and illegal gaming machines are subject to higher sanctions. ADM, supported by the fiscal police, shall implement an extraordinary plan to control and counteract illegal gambling.

Implementation of IV Directive on Anti-Money Laundering

The Decree n. 90 dated 25 May 25 2017 came into force on 4 July 4 2017 and includes several provisions on online games, VLTs, bingo and any type of bets, including requirements for providers and owners of betting shows to carry out customer identification and verification if the games purchased exceed €2,000 and providers and owners of point of sales with VLTs to comply with certain provisions if the nominal amount of tickets exceeds €500. Concessioners must also provide owners and providers with specific tools to monitor tickets which embed zero payout or a very low level.

Pursuant to art. 52, par. 4 of the D.Lgs. no. 231/2007, ADM will also shortly publish guidelines to prevent money laundering specifically for concessioners.

Spain

Online gambling in Spain is regulated by Act no. 13/2011, dated 27 May 2011, entitled the Regulation of Gambling Activities ("**RGA**"). Article 9 of the RGA requires operators to obtain the requisite licences in order to offer "gambling" activities in Spain. "Gambling" under the RGA includes casino games and betting, an "operator" is an entity that has its revenue connected with the exploitation of gambling in Spain and the gambling activities offered to Spanish residents are operated or commercialised by that entity.

Royal Decree 1614/2011 developed the RGA further and extended the definition of "gambling" to include gambling networks. Article 3.3 states that operators "managing gambling networks to which other gambling operators are members of or are adhered to and that allow their respective users betting amounts in common" will be considered as gambling operators. It is therefore only operators and network providers that require a licence in order to operate remote gambling websites or networks in Spain. Although no provisions are in place for the supply of software in to the jurisdiction, supplying to unlicensed operators may be construed as aiding and abetting and accordingly attract its own sanctions.

Spain's move to a regulated environment criminalises the offering of unlicensed gambling activities for both operators and network providers meaning that operators of a poker network will need to obtain a licence in order to take business from Spain legally. The Group has secured a network licence in Spain. The Group also blocks wagers from Spain unless the relevant Licensee has a local licence.

The Group also holds Spanish remote operating licences which regulate the Group's B2C online gambling business with Spanish customers.

Financial trading regulation

Overview

The Financials Division is regulated in the EEA, South Africa, Australia and the British Virgin Islands.

The Group has seven subsidiaries which have been granted licences by regulators:

- Safecap Investments Limited and Magnasale Trading Limited (together, the "**CySEC Regulated Firms**"), each of which are authorised and regulated in Cyprus by CySEC and has obtained "passports" which allow them to offer their services across the EEA;
- TradeTech Alpha Limited and CFH Clearing Limited (together, the "**FCA Regulated Firms**"), which are authorised and regulated in the United Kingdom by the FCA and have similarly obtained "passports" allowing them to offer their services across in the EEA;
- TradeTech Markets (Australia) Pty Limited, which is authorised in Australia by the ASIC;
- TradeTech Markets (South Africa) Pty Limited, which is authorised in South Africa by the FSCA; and
- Capital Market Services (BVI) Limited, which is authorised in the British Virgin Islands by the BVI Financial Services Commission.

Failure to operate in accordance with required authorisations, approvals, licences, permits and/or the regulatory framework as a whole in any jurisdiction gives rise to a number of significant risks. For more detail please see "*Risk Factors*".

Regulatory framework in Cyprus

In Cyprus, the provision of investment services and/or the performance of investment activities as a regular occupation or business is, unless an exemption applies, subject to a prior authorisation requirement under the Investment Services and Activities and Regulated Markets Law of 2017 (Law No. 87(I)/2017) (the "**ISLawCY**", which has implemented MiFID II in Cyprus). In the case of firms other than credit institutions, the authorisation required under the ISLawCY is issued by the CySEC. Firms that have obtained an authorisation from the CySEC under the ISLawCY are known as investment firms and are subject to ongoing regulation and supervision by the CySEC.

Carrying on activities regulated under the ISLawCy without authorisation may lead to the imposition of an administrative sanction, including a fine, by the CySEC. The business undertaken by the CySEC Regulated Firms involves carrying on the specific regulated activities for which they have obtained CySEC's authorisation pursuant to the ISLawCY. Safecap Investments Limited was granted an investment firm authorisation by the CySEC on 28 July 2008. Magnasale Trading Limited was granted an investment firm authorisation by the CySEC on 7 January 2015.

In order for an investment firm authorisation to be issued, the CySEC must be satisfied that the applicant firm complies with all requirements under the provisions of the ISLawCY. For this purpose, the applicant firm must provide to the CySEC all necessary information, including the programme of its operations. In order to remain authorised, the investment firm is required to comply on an on-going basis with the conditions for its initial authorisation, as well as with the operating conditions set out in the ISLawCY.

CySEC authorised investment firms, such as the CySEC Regulated Firms, also have to ensure that they comply with all applicable provisions of the ISLawCY and CySEC directives issued pursuant to the ISLawCY, along with circulars and guidelines that may be issued by the CySEC. In addition, they must ensure that they comply with the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007 to 2018 (Law No. 188(I)/2007 as amended) (the "**AML Law**") and any CySEC directives issued pursuant to the AML Law. Furthermore, they are required to comply with several directly applicable EU regulations, such as Regulation (EU) No 600/2014 on markets in financial instruments ("**MiFIR**"), Commission Delegated or Implementing Regulations on MiFIR or MiFID II, Regulation (EU) No 596/2014 on market abuse (MAR), Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms ("**CRR**"), as these are amended or replaced from time to time.

Authorised investment firms are required, inter alia, to establish adequate policies and procedures to ensure compliance with the firms' obligations; to maintain and operate effective organisational and administrative arrangements with a view to preventing conflicts of interest; to ensure that the persons managing the firm are of sufficiently good repute and possess sufficient knowledge, skills and experience to perform their functions in the firm; and to make adequate arrangements, when holding financial instruments or funds belonging to clients, so as to safeguard the rights of clients.

In addition, investment firms are required to have in place sound, effective and comprehensive strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital necessary to cover the risks to which they might be exposed. Investment firms authorised to provide the service of safekeeping and administration of client financial instruments, such as the CySEC Regulated Firms, are subject to regulatory capital requirements set out in the CRR. The said regulatory capital requirements are applied to each of the CySEC Regulated Firms on an individual basis. They include a requirement to maintain on an ongoing basis own funds that meet the initial capital requirement of €730,000.

The CySEC is empowered to investigate compliance by investment firms with their regulatory obligations and such investigations have related to, inter alia, the offer of investment services and products to retail customers, including CFD and Forex products. Investigations which have revealed an infringement of such obligations have primarily resulted in the CySEC levying administrative fines on the relevant investment firms and in some instances the investment firm authorisation has been withdrawn. The CySEC has emphasised the requirement for investment firms to comply with their obligations in relation to, inter alia, marketing communications, protection of customers' assets and the requirement for investment firms to act in their customers' best interests. The CySEC has also emphasised the requirement for investment firms to comply with the provisions of the AML Law in the context of customer due diligence and the Know-Your-Customer measures undertaken by investment firms.

The CySEC has placed particular emphasis on investor protection, particularly in the context of retail investors. Guidance is published by the CySEC from time to time on matters such as the risks associated with investment in complex products, including CFDs, investment firm responsibilities regarding their customers and handling and reporting of customer complaints. Other matters addressed in CySEC circulars include the remuneration policies of investment firms, particularly for staff whose professional activities have a material impact on the investment firm's risk profile. The introduction of new rules and proposed changes to the regulatory framework is often preceded by a consultation paper which enables interested parties to submit their observations to the CySEC.

The CySEC regulatory requirements aim, inter alia, to ensure that customers, including customers of the CySEC Regulated Firms, are provided with an appropriate degree of protection and that the CySEC Regulated Firms are able to manage regulatory and compliance risk, and help to maintain confidence in the financial system.

If a CySEC authorised investment firm breaches any regulatory requirements, the CySEC has various powers under the CySEC law (Law No. 73(I)/2009 as amended) and the ISLawCY to deal with such breaches. These include the power to impose administrative fines, to issue an order requiring the cessation of the breach, to suspend or withdraw an investment firm's authorisation and to make a public statement indicating the nature of the breach and the persons who were involved. In addition, the CySEC may take action against members of the investment firm's board of directors and any other natural or legal persons who are responsible for the breach, which includes the power to impose administrative fines, to demand a person's removal from the firm's board of directors and to impose a ban against such a person's exercise of management functions in investment firms.

Regulatory framework within the United Kingdom

In the United Kingdom, firms providing financial services are subject to authorisation and regulation by the FCA under FSMA. Under FSMA, persons carrying on "regulated activities" by way of business in the United Kingdom require, in the absence of an exemption or exclusion, authorisation by the FCA. Carrying on regulated activities without authorisation is a criminal offence and agreements made in the course of the carrying on of regulated activities by unauthorised persons are unenforceable without an order of the court.

CFH Clearing Limited was granted authorisation by the Financial Services Authority ("**FSA**"), the FCA's predecessor regulator in the UK, on 8 September 2008. TradeTech Alpha Limited (previously known as Epsilon Finance Capacity Limited) was authorised on 4 September 2014. Each firm is now solely authorised and regulated by the FCA.

In order for a firm to be authorised and regulated by the FCA, the FCA must be satisfied that the firm meets certain threshold conditions prescribed by FSMA. The firm must also provide the FCA with a viable and sustainable business model. In order to remain authorised, the firm needs to demonstrate its continuing compliance with these threshold conditions.

An FCA authorised firm also has to ensure that it complies with the Principles for Businesses along with the FCA Rules. The FCA Rules seek to ensure that authorised and regulated firms have appropriate resources, are

managed and controlled by fit and proper persons, have adequate senior management arrangements, systems and controls, have appropriate safeguards in place to protect customer money and assets and are able to comply with certain minimum conduct of business standards (the "**UK Conduct of Business Rules**"). Since the implementation of the MiFID II legislation in the United Kingdom in January 2018, there are also a number of applicable conduct and other rules and requirements imposed directly upon the FCA Regulated Firms through that MiFID II legislation. Further information on the MiFID II legislation more generally is set out below under the heading "*Regulatory framework at a pan-EEA level*".

These regulatory requirements aim to ensure that consumers, including customers of the FCA Regulated Firms, are provided with an appropriate degree of protection and that they are able to manage regulatory and compliance risk, and help to maintain confidence in the financial system.

If an FCA regulated firm breaches any of the FCA Rules, the FCA has various powers under FSMA to deal with these breaches. These include the power to impose fines, to vary the regulated firm's permissions to carry on regulated activities, to ban the regulated firm from selling particular products, to issue public censures, to make restitution orders and to suspend or terminate a firm's authorisation. In addition, the FCA may take action against approved persons, which similarly includes the power to impose fines, issue public censures, withdraw approval and issue an order prohibiting them from working in the financial services industry.

Following the referendum on the UK's membership of the European Union ("**EU**") (held on 23 June 2016), the terms under which the UK will leave the EU remain uncertain at the date of this Offering Circular and are subject to ongoing negotiation and agreement by the remaining EU member states. In particular, it is uncertain whether or not the FCA Regulated Firms will be able to provide services through the EEA in reliance on the passports that it holds under the MiFID II legislation (and in turn whether the CySEC Regulated Firms will be able to continue to provide services to UK based customers). Whilst the Financials Division does not anticipate this having a significant impact on the business, it may be necessary to transfer customers in the EEA or the UK to, or ask them to re-register with, other firms in the Financial Division, for example if it is no longer possible for TradeTech Alpha Limited or CFH Clearing Limited to trade with customers in the remaining EU Member States.

Regulatory framework at a pan-EEA level

In addition to the Cypriot and UK regimes described above, there is a pan-EEA regime set out in the MiFID II legislation which regulates the provision of "investment services and activities" in relation to MiFID financial instruments throughout the EEA. The MiFID II legislation requires all EEA persons who are "investment firms" (i.e. persons whose regular occupation or business is the provision of one or more investment services or activities) to be authorised in their state of incorporation (their "**home member state**"). The CySEC Regulated Firms and the FCA Regulated Firms are MiFID investment firms and are therefore subject to its requirements.

The MiFID II legislation gives investment firms the right to be able to provide investment services and activities on a cross- border services basis to customers located in other member states of the EEA ("**host member states**") without the need for separate authorisation by the competent authorities in those host member states. The MiFID II legislation also grants MiFID investment firms a right to establish a branch in those host member states without the need for any separate authorisation. These rights to provide cross-border services and activities and to establish branches are commonly referred to as the MiFID "passport".

Each of the CySEC Regulated Firms and the FCA Regulated Firms have made the required notifications to allow them to provide investment services on a cross-border basis into all current EEA countries. The scope of the "passports" include in particular, dealing in, receiving and transmitting, and executing client orders in respect of transferable securities; money market instruments; and derivatives such as options, futures, swaps, forward rate agreements, other derivative contracts, and financial contracts for differences.

There remains uncertainty as to how the MiFID II legislation requirements will be interpreted in practice both within and across different EEA jurisdictions. In particular, EU bodies such as ESMA, and individual national competent authorities may seek to adopt or impose additional interpretative guidance and may seek to enforce the application of these measures in different ways.

The regulatory framework for the provision of CFDs to retail clients has also been developed at a pan-EEA level by ESMA.

On 27 March 2018, ESMA announced that it had agreed to make use of its product intervention powers under the MiFID II legislation to restrict the marketing, distribution and sale of CFDs to retail clients. ESMA published its

final rules on 1 June. These include measures introducing: (i) leverage limits on the opening of a position by a retail client, ranging from 30:1 to 2:1 to reflect the historical price behaviour of different classes of underlying assets; (ii) a margin-close out rule on a per account basis, which standardises the percentage of margin at which providers are required to close out a retail client's open CFD at 50 per cent. (iii) negative balance protection on a per account basis, providing an overall guaranteed limit on retail client losses; (iv) a restriction on the use of incentives for trading being offered by CFD providers; and (v) standardised risk warnings to be included in any communications or published information accessible by retail clients relating to the marketing, distribution or sale of CFDs, including an indication of the range of losses on retail investor accounts. These measures took effect from 1 August 2018 and lasted for an initial three-month period. They have subsequently been renewed twice, the current period due to expire on 1 April 2019, after which they may again be renewed. As the CySEC Regulated Firms and the FCA Regulated Firms are authorised firms in the EEA, these measures are applicable to all relevant transactions they enter into (regardless of whether their customers are resident inside or outside the EEA).

At a national level, a number of EEA jurisdictions have introduced additional regulatory measures in relation to the provision of CFDs to retail clients. Furthermore, some EEA regulators or legislators are consulting on whether to apply the ESMA product intervention measures into national regulation on a permanent basis.

Regulatory framework of other jurisdictions

The Financials Division also has customers in jurisdictions outside the EEA, the UK and Cyprus. The regulatory and legal framework in these jurisdictions is complex and varies significantly.

The Group decides to make available its offering in such jurisdictions based on its view of: (a) the local legal and regulatory regime in the relevant jurisdiction (in relation to which local advice is commonly sought by the Group); and (b) the Group's assessment of the legal, regulatory and commercial risk in the relevant jurisdiction (including the likelihood of enforcement action being taken against the Group and/or its directors).

The Financials Division has, in the past, commenced trading in a limited number of jurisdictions where its services have subsequently been found to constitute, or were likely to constitute, an offence and the penalties (whether civil, criminal, regulatory or other) against the Group or its directors were unknown. The Group subsequently took measures to mitigate these risks including obtaining local legal opinions and putting in place blocks for IP addresses registered in those restricted jurisdictions.

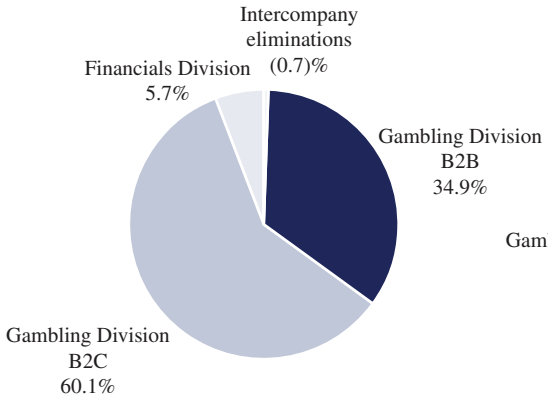
BUSINESS DESCRIPTION

Overview

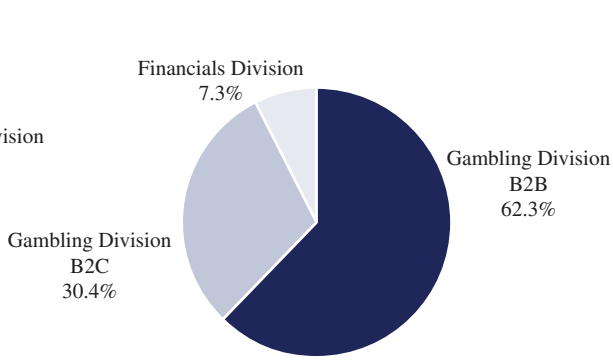
The Group is a leading technology company in the gambling and financial trading industries, with a focus on regulated and regulating markets. It counts more than 140 gambling operators as its customers, including many of the world's leading operators, with many key relationships extending over ten years. In addition, in select markets, the Group offers its products and services directly to end-users. Given the large number of customer relationships and its scale the Group is uniquely positioned to grow with the global gambling market. In the year ended 31 December 2018, the pro forma revenue and pro forma Adjusted EBITDA of the Group were €1,623.2 million and €405.3 million, respectively, with 84.7 per cent. of the pro forma revenue in this period attributable to regulated markets (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017).

The Group conducts its business through two divisions: the gambling division (the "**Gambling Division**") and the financials division (the "**Financials Division**") (operating under the TradeTech brand), both of which include business-to-business ("**B2B**") and business-to-customer ("**B2C**") segments. Given the relative size of the Gambling Division compared to the Financials Division, the Gambling Division also reports on a B2B and a B2C segmental basis. The following graphs set out the Group's pro forma revenue and pro forma Adjusted EBITDA by division for the year ended 31 December 2018:

Revenue by division
Total: €1,623.2m



Adjusted EBITDA by division
Total: €405.3m



Gambling Division

Through its Gambling Division, the Group develops software, content, platform technology and services for the gambling industry's key product verticals, including casino, live casino, sports betting, virtual sports, bingo and poker. The Group delivers its products and services either through licensing arrangements with operators, or to consumers directly in select markets, with a focus on regulated and regulating markets. Through Playtech ONE, a proprietary integrated platform, the Group has pioneered omni-channel gambling technology, which provides an integrated platform across online and retail gambling channels and a seamless customer experience. Playtech ONE enables the Group to deliver data-driven marketing expertise, single wallet functionality, sophisticated client relationship management ("**CRM**") and responsible gambling solutions on a single platform across all product verticals and across retail and online.

B2B segment

In the B2B segment of the Gambling Division, the Group licences its products and services to operators and other entities ("**Licensees**") globally. The Licensees of the B2B segment of the Gambling Division include leading global online, retail and mobile operators, as well as land-based casino groups and government-sponsored entities such as lotteries. The Group's comprehensive and intuitive suite of tools and technology coupled with premium content and in-depth data-driven customer intelligence allows the B2B segment of the Gambling Division to offer its Licensees a compelling gambling experience. In addition to a robust product offering, the B2B segment of the Gambling Division also offers its marketing expertise, responsible gambling tools, CRM solutions and other services to its Licensees which enable them to deliver a comprehensive gambling experience to their end-users.

The Group generates revenue in the B2B segment of the Gambling Division primarily on a revenue sharing basis, with some arrangements with certain Licensees providing additional fees, for example in respect of specific

hardware leased by such Licensee. The customer base of the Gambling Division is diverse, with more than 140 Licensees globally as at 31 December 2018, including a number of leading operators in the gambling industry, for example, Bet365, Caliente, Codere, GVC/Ladbrokes Coral, Fortuna and Sky Betting & Gaming.

The customer base exhibits low levels of turnover. The customer base is loyal because (i) the products and services offered by the B2B segment of the Gambling Division are critical for Licensees' businesses and not easily replaceable and (ii) the revenue sharing model ensures the interests of the Group and the Licensees are aligned, thereby developing a strong relationship focused on achieving common business objectives. Licensing agreements are typically entered into for an initial period of three to five years, however most agreements contain automatic renewal provisions (subject to variations on a licence-by-licence basis). In the year ended 31 December 2018, the top 10 Licensees (in terms of revenue generated) contributed 54.0 per cent. of the revenues of the B2B segment of the Gambling Division (compared with 60.0 per cent. of revenues of the B2B segment of the Gambling Division in the year ended 31 December 2017). See "*Risk Factors—Risks relating to the Issuer, the Guarantors and the Group—Gambling Division—The B2B segment of the Gambling Division is reliant on its top 10 Licensees*".

The operations of the B2B segment of the Gambling Division in Asia are different and isolated from the rest of the Group's business. It operates a different business model whereby it provides only content to the market. Due to unregulated nature of the Asian market, this part of the business is also higher margin and more highly cash generative compared to other parts of the Group. This cash will continue to be used to execute the Group's strategy in regulated markets.

The B2B segment of the Gambling Division generated revenues of €566.0 million and Adjusted EBITDA of €252.6 million in the year ended 31 December 2018. Of these revenues, 30.9 per cent. were attributable to the UK, 32.3 per cent. were attributable to Asia and 36.8 per cent. were attributable to other countries (determined, in each case, by location of the relevant Licensee).

B2C segment

In the B2C segment of the Gambling Division, the Group utilises its proprietary technology and capabilities to operate either through joint ventures or white-label agreements with other operators or directly as a B2C operator in select markets. Snaitech represents the largest component of the B2C segment of the Gambling Division; in the year ended 31 December 2018, Snaitech accounted for 91.7 per cent. of the pro forma revenue and 126.1 per cent. of the pro forma Adjusted EBITDA of the B2C segment of the Gambling Division. Snaitech provides its brand, licensing, infrastructure and technology on a franchisee basis to retailers. In the year ended 31 December 2018, the Group had a market share of 19.1 per cent. by GGR of the Italian retail betting sector, making it the second largest retail betting operator in Italy, according to ADM, the Italian gambling regulator. In addition, the Group operates the second largest network of gaming machines in Italy which, according to MAG Consulenti Associati, a gambling consultancy, comprised 38,630 AWPs and 10,590 VLTs as at 31 December 2018. The Group's online activity comprises betting, bingo, casino, poker and skill games in Italy and had over 410,000 active players in 2018.

In addition, the Group conducts its B2C gambling operations through joint ventures and white-label agreements with media groups (such as News UK to operate the Sun Bingo brand) and existing retail brands by utilising its online capabilities and launching and operating their brand online on their behalf. In addition to Snaitech, the Group also operates its own brands directly in select markets, as well as operating a casual gaming business on a B2C basis.

The Group's B2C operations provide it with greater strategic optionality when devising its approach in regulated and regulating markets. For example, investing in B2C capabilities gives the Group greater access to consumers, which in turn acts as a catalyst for future technology and product development for the benefit of the Licensees of the B2B segment of the Gambling Division. In addition, the B2C capabilities of the Group act as a showcase and proof of concept for the Group's product and service offering.

The B2C segment of the Gambling Division generated pro forma revenue of €976.0 million and pro forma Adjusted EBITDA of €123.1 million in the year ended 31 December 2018.

Financials Division

Through its Financials Division, the Group offers B2B and B2C products and services in the contracts for difference (the "**CFD**") and financial trading segments. The Group diversified into the financial trading industry

in 2015, utilising its expertise and experience in platform technology from the gambling industry. The Financials Division provides diversification of the Group's revenue base as well as further opportunities for the Group to leverage its expertise and experience in technology in an expanding industry.

The B2B offering in the Financials Division includes the Group's proprietary trading platform, CRM, risk management, trading solutions and back-office and business intelligence systems, as well as a liquidity technology platform which provides retail brokers with multi-asset execution, prime brokerage services, liquidity and complementary risk management tools. The B2B segment of the Financials Division operates on a revenue sharing basis.

The B2C offering in the Financials Division comprises primarily an established online CFD broker, operating under the brand "markets.com". The brand is operated by Safecap Investments Limited, a subsidiary of the Issuer, as a provider of CFD and foreign exchange trading platforms. Customers are able to trade CFDs in respect of a variety of underlying assets, including foreign exchange, crypto currencies, commodities, equities, indices and bonds. The direct B2C activity of the Financials Division derives revenue from trading commissions.

The Financials Division includes entities that are regulated by the FCA, the CySEC, the FSCA, the ASIC and the BVI Financial Services Commission.

In the year ended 31 December 2018, the Financials Division generated revenues of €92.9 million and Adjusted EBITDA of €29.5 million.

Competitive strengths

The Group believes it has a number of significant competitive advantages and strengths that will be important factors in maintaining and further developing its business, including the following:

Consistent strong growth in key operating markets, which is expected to continue in the future

The Group's core business is the development of products and services for the gambling industry's key product verticals. Through its offering, the Group has a strong presence in online gambling market as well as in a land-based gambling market, where it offers a wide range of gambling and betting products, including gaming machines, sports and horse race betting terminals and virtual sports events.

H2 Gambling Capital estimates that the total value of the global gambling markets was approximately €392 billion in the year ended 31 December 2018, of which the values of online and land-based gambling markets were approximately €45 billion and €347 billion, respectively. Both markets have historically enjoyed steady growth, which is expected to continue. H2 Gambling Capital estimates that the online gambling market has grown at a compounded annual growth rate of approximately 9.7 per cent. between 2010 and 2018 (land-based gambling market: approximately 2.4 per cent. over the same period). H2 Gambling Capital expects this growth to continue at a rate of approximately 7.4 per cent. between 2018 and 2021 (land-based gambling market: approximately 2.0 per cent. over the same period).

The online gambling market has grown faster than land-based gambling, however the latter still accounts for 89 per cent. of the global gambling market in 2018, according to H2 Gambling Capital. Due to the increasing availability of internet connectivity and widespread use of mobile and tablet platforms, the convergence between online and land-based gambling operations has become one of the most relevant industry trends. The Group believes that its expertise in the online gambling market, combined with its comprehensive omni-channel technology and the scale of its land-based operations, positions it well to capitalise on the expected future growth and the convergence trend. See "—*Scalable proprietary technology*".

In addition to convergence between online and land-based gambling operations, a number of jurisdictions have recently started to regulate their gambling markets. The Group primarily operates in regulated and regulating jurisdictions, and believes that its experience in existing regulated jurisdictions positions it well to take advantage of this industry trend.

Scalable proprietary technology

The Group's technology is centralised and primarily built on one set of code. This means the Group's technology is highly scalable in terms of product development and distribution across verticals and channels. In addition, the scalable nature of its technology means the Group can generally on-board, integrate and launch new licensees and partners via its platform with limited further investment or technology development needed.

The scale of the Group's gambling platform allows it to collect non-personal and player behaviour data across more than 140 Licensees globally, which powers the intelligence-driven capabilities of its Information Management System (the "**IMS**") platform, which is one of the industry's most powerful player management systems and enabler to the Group's omni-channel offering. The capabilities of the IMS include marketing, bonusing and campaign manager tools as well as compliance and responsible gambling tools. Furthermore, the Group's technology is built to be robust and stable, as demonstrated by its ability to consistently and efficiently process a significant amount of simultaneous online "plays" without interruption.

The Group utilises an omni-channel technology referred to as Playtech ONE, which is based on one integrated CRM. This single CRM across all product verticals and channels allows for a single customer profile, and therefore a seamless customer experience. Central to this seamless customer experience is the Group's ability to offer products in each vertical. Not only are these products integrated from a branding point of view (e.g. the Age of the GodsTM suite available online and in retail across live casino, bingo and casino verticals), which allows it to drive player interaction across verticals, but also integrated in their use and collection of player data, allowing for more tailored, and successful, marketing and player cross-selling.

An important part of the Group's omni-channel offering is the ability to offer single platform access across retail and online channels. Through its retail software, the Group offers an entry point to its products across bingo, casino and sports verticals. Furthermore, in the Group's experience, there is an overlap in the demographics of retail and online customers. Traditional retail customers playing online are more valuable, demonstrate greater loyalty and the costs associated with acquiring such players via the retail channel are far lower when compared to acquiring new customers directly via the online channel. As a result, a number of retail businesses have recently been investing in growing their online business. Accordingly, the Group believes that most retail businesses that have or intend to launch online gambling operations will seek to implement omni-channel solutions.

Another strength of the Playtech ONE platform is its ability to use the data collected across verticals and channels. As the gambling market continues to mature, the focus for operators in developed markets such as the UK continues to move beyond player acquisition to focus on player retention and ultimately increasing player life time value. The platform allows for industry standard bonusing, together with more sophisticated mechanics, including automated cashback, free-spins, "Golden Chips" for table and card games and other types of bonuses. All these promotional methods can be controlled and configured by the operator, allowing for stringent liability and monetary control. The platform also includes Games Advisor, a real-time driven recommendation engine based on sophisticated real time algorithms that suggests other games the player might be interested in, dependent on many game-specific variables, including volatility, win hit frequency and win distribution.

The Group believes that the combination of its proprietary technology and comprehensive product portfolio, as well as complementary service offering and expertise across multiple jurisdictions, makes it an attractive partner. The Group believes that the single most realistic alternative to partnering with it is for the operators to utilise their own proprietary platform together with proprietary and third-party software, which the Group believes is an increasingly unsustainable and costly business model. The Group enjoys significant scale advantages by being able to leverage operating and development costs across its global customer base. Furthermore, the Group believes it is the only supplier that can offer sophisticated marketing and operational services via modular technology combined with a fully flexible approach to how it partners with its customers, for example, joint ventures or structured agreements. This means that the Group is adaptable and able to partner or sign commercial agreements with a wide range of gambling providers, from Government sponsored entities to the leading independent brands in each jurisdiction.

Successful track record of innovation

The Group believes it is at the forefront of innovation in its industries. In the Gambling Division, product innovation is required in order to continue to deliver new ways of enhancing the end-customer experience and producing industry leading and engaging content which will drive player engagement. In order to continue innovating the Group invests significantly in R&D, for example in 2016, 2017 and 2018 the Group had an R&D spend of €123.5 million, €142.2 million and €145.2 million, respectively, or 17.4 per cent., 17.6 per cent. and 11.7 per cent. of revenue in each respective year (compared with 18.0 per cent. of the revenue of the Group in the year ended 31 December 2017, excluding Snaitech). This development cost is made possible due to the scale of the Group and is implicitly shared across the Licensee base, which makes it more cost-efficient compared with self-development. Furthermore, the Group's revenue sharing model makes continuing development mutually beneficial for the Group and the Licensees of the B2B segment of the Gambling Division.

The Group is a pioneer of omni-channel gambling technology, which has become an essential element of the Group's product offering. See "*—Scalable proprietary technology*". The use of omni-channel technology enables the Group to develop new content in a fast and more cost-effective manner. This approach to rapid omni-channel game deployment enables operators to integrate bespoke games in an expedient manner.

In 2018, the Group extended its agreement with Gala Leisure in order to launch a new omni-channel gaming brand across bingo and casino. The Group became a strategic partner to Gala Leisure and launched a full omni-channel solution in 2018, including retail products fully integrated with industry leading digital content and solutions.

The Group's approach to innovation has enabled it to organically develop and consistently deliver innovative technologies and content over recent years. For example, in 2011, the Group launched the industry's first seamless customer wallet, followed by the launch of the pioneering omni-channel platform in 2014. In 2015, the Group launched "Golden Chip", an alternative to traditional bonusing, which allows for the equivalent of free spins to be offered in other casino games, as well as in the live casino vertical. In 2017, the Group developed the Gaming Platform as a Service ("**GPAS**"), which provides the next step in the Group's relationship with Licensees, content providers and developers. See "*—Principal areas of operation—Gambling Division—Platforms and infrastructure—GPAS and marketplace*. Furthermore, in the course of 2018, the Group launched Marketplace, a content discovery platform where operators can access the Group's entire portfolio of content.

As well as driving innovation through internal R&D and product development, the Group uses M&A to acquire assets and employees with specialist expertise to further drive innovation. For example, the Group acquires IP and specialist expertise to allow faster creation and deployment of products, lowering costs for the Group and the Licensees.

Global and diversified technology company

The Group believes that its broad customer base and presence in all major verticals and numerous geographies allows it to minimise the impact on the overall business of any changes in the operating environment in a particular market and provides diversification to its business.

The business of the Group's Gambling Division is diversified across the B2B and B2C segments. In the year ended 31 December 2018, the B2B segment of the Gambling Division represented 34.9 per cent. of the Group's pro forma revenue and 62.3 per cent. of the Group's pro forma Adjusted EBITDA. During the same period, the B2C segment of the Gambling Division represented 60.1 per cent. of the Group's pro forma revenue and 30.4 per cent. of the Group's pro forma Adjusted EBITDA.

In the Gambling Division, the Group is further diversified across the leading verticals. In the B2B segment the Group generates its revenue from casino, sports, bingo, poker and services verticals. In the B2C segment the Group generates its revenue from gaming machines, retail betting and online gaming.

In addition to the core business of the Gambling Division, the Group offers both B2C and B2B products and services in the CFD and financial trading segments through the Financials Division. In the year ended 31 December 2018, the Financials Division represented 5.7 per cent. of the Group's pro forma revenue and 7.3 per cent. of the Group's pro forma Adjusted EBITDA.

As at 31 December 2018, the Group had over 140 Licensees globally. Agreements between the Group and its Licensees are typically multi-faceted. For example, a Licensee may request an increased product and service offering across a vertical in one jurisdiction, while asking for a reduced offering across another vertical in a different jurisdiction. In the year ended 31 December 2018, the UK contributed 15.8 per cent. to the pro forma revenue of the Group, Italy 56.9 per cent., the rest of Europe 10.4 per cent., Asia 11.5 per cent. and the rest of the world 5.4 per cent. While Italy is a significant contributor to the Group's pro forma revenue, the Adjusted EBITDA contribution is smaller given the type of business model that Snaitech employs in this market, while at the same time providing high quality revenue in a regulated market. As a result of the acquisition of Snaitech, in the year ended 31 December 2018, 84.7 per cent. of the Group's pro forma revenue was generated in regulated markets (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017). See "*—Gambling Division—Gambling Division-B2C Segment—Snaitech*".

Proficient in regulated markets and well-placed to begin operations in regulating markets

Having developed a market leading position in established regulated markets, the Group has expertise in operating under numerous regulatory regimes. The Group employs a dedicated regulatory compliance team

consisting of 22 employees that monitors compliance with the necessary regulations. This team also works closely with regulators in advance of the opening of new markets. As a data-driven technology company, the Group can engage with regulators and government officials ahead of regulation, providing insightful data to help shape and inform policy. This expertise, combined with an existing, scalable technology and product offering afford the Group an advantage over its competitors in newly regulating and opening markets.

As described in "*—Consistent strong growth in key operating markets, which is expected to continue in the future*", an increasing number of jurisdictions are introducing gambling regulations. Over the years, the Group has established presence in various regulated markets worldwide, including key markets such as the UK, Spain, Greece, Denmark and Finland. More recently, the Group has established presence in newly regulated markets such as Sweden, Mexico, Bulgaria and Romania. In addition, the acquisition of Snaitech has given the Group greater access to the fully regulated Italian gambling market. In the year ended 31 December 2018, regulated markets accounted for 84.7 per cent. of the Group's pro forma revenue (compared with 54.0 per cent. of revenues of the Group in the year ended 31 December 2017).

A significant number of countries in Europe, Latin America and elsewhere are in the advanced stages of preparing legislation to allow gambling, and the Group believes that other important markets are considering introducing regulations in the near future. Licensing regimes have recently been introduced in the Czech Republic, Poland, Portugal and Sweden. In line with its strategy, the Group launched in Sweden on 1 January 2019, and was one of the first technology companies to launch industry-leading brands following the regulatory changes that came into effect at the start of 2019. The Group is partnering with leading betting platforms to bring its industry-leading products to Sweden. In addition, the Group's Swedish specialist content studio Quickspin launched 30 of its most popular titles on the first day of regulation on 1 January 2019.

The Group also expects significant steps forward in Slovakia, the Netherlands, Switzerland and Germany in 2019. The Group is leveraging its proficiency in regulated markets in order to build strategic positions in newly regulated markets or in markets that are about to introduce regulation. For example, the Group already has an agreement in place with Holland Casino, the national operator in the Netherlands, and remains in discussions with potential customers in other jurisdictions.

The Group believes that recent changes to the regulatory landscape in the US represent a significant opportunity, despite the recent US Department of Justice opinion regarding the extent of the US Wire Act's application to online gambling. The Group has filed an application for a licence in the State of New Jersey and is in the process of applying for a licence in the State of Mississippi. The Group is also currently considering opportunities across the US and has strategic optionality within its technology platform in order to pursue joint ventures, partnerships and B2B deals with land-based casino groups, media groups and existing international clients.

Strong track record of profits and cash generation

The Group has a track record of significant profit and cash generation. For example, the Group's Adjusted EBITDA was €302.2 million in the year ended 31 December 2016, €322.1 million in the year ended 31 December 2017 and €343.0 million in the year ended 31 December 2018. The Group generated pro forma Adjusted EBITDA of €405.3 million in the year ended 31 December 2018. The Group's profit before taxation was €200.3 million in the year ended 31 December 2016, €266.6 million in the year ended 31 December 2017 and €183.4 million in the year ended 31 December 2018. Furthermore, the Group generated net cash from operating activities of €251.4 million, €306.7 million and €387.1 million in the years ended 31 December 2016, 31 December 2017 and 31 December 2018, respectively.

Highly experienced management team

The Group has a highly experienced senior management team with significant industry knowledge. The Group's management has demonstrated substantial experience in undertaking expansion of the Group, both organically and through acquisitions, and has a comprehensive understanding of the regulatory requirements of the jurisdictions in which the Group operates. The Group's management team is led by Mor Weizer, who was appointed Chief Executive Officer and Executive Director of the Issuer in May 2007. Highly experienced in the online gambling, technology and finance industries, he started his career as an accountant and Financial Consultant for PricewaterhouseCoopers before moving to software specialist Oracle. Prior to becoming Group CEO, Mor served as Chief Executive Officer of Techplay Marketing Ltd, a subsidiary of the Issuer.

Strategy

Set out below are descriptions of the key elements of the Group's strategy:

Further grow its business, with a focus on regulated and regulating markets, by leveraging a comprehensive and innovative technology offering

The Group believes that regulated and regulating markets will become the main source of income in the gambling industry. A significant number of jurisdictions are expected to introduce gambling regulations, and the Group believes this trend will continue. See "*—Competitive Strengths—Proficient in regulated markets and well-placed to begin operations in regulating markets*". The Group intends to expand its business in such regulated and regulating markets.

The Group approaches each prospective market individually, and conducts a thorough analysis of each market to determine the most appropriate entry channel. Due to its technology, comprehensive product and service offering, as well as land-based capabilities, the Group is able to enter new markets via either a B2B or B2C channel. The global nature of the Group's customer base allows it to capitalise on the expansion of the relevant Licensees' business into new territories and to secure a foothold in the new markets. In addition, the Group may enter new markets by entering into licensing arrangements, joint ventures or structured agreements with new customers that already have a presence in such market. For example, the Group entered the Mexican market by entering into a structured agreement with Caliente.

In the B2B segment of the Gambling Division, the Group focuses on higher margin opportunities across the Sports and Casino (including Live Casino) product verticals. In order to implement this strategy, the Group intends to acquire new Licensees across regulated and regulating markets, through structured agreements or otherwise, depending on the conditions in the relevant market. The Group will also continue to support existing Licensees with better tools and new technologies to provide them with greater flexibility in running their businesses.

The acquisition of Snaitech is another example of this growth strategy. The Italian market in which Snaitech operates is fully regulated and strategically important, as it is the largest gambling market in Europe, and continues to offer attractive opportunities for operators with scale. The Italian market is currently driven by retail activity but the online segment presents a significant opportunity and is expected to grow going forward, which is why the Group has chosen to establish a foothold in this market via the B2C channel. Snaitech's earnings are sourced wholly from Italy, a regulated and developed gambling market, and therefore the acquisition will positively impact the Group by increasing the proportion of revenues generated from regulated markets.

Further strengthen relationships with existing customers, and cross-sell products and services

In addition to entering new markets and securing new customer relationships as outlined in "*—Further expand the scale, with a focus on regulated and regulating markets through leveraging comprehensive and innovative technology offering*", the Group intends to strengthen its relationships with existing customers. The Group strives to identify growth areas in customers' businesses in order to offer tailored products and services which help customers grow. The Group's international expansion also provides existing customers with access to new markets. For example, the initial commercial relationship of the B2B segment of the Gambling Division in the UK market with Licensees such as Bet365, GVC/Ladbrokes Coral and William Hill and others led to these Licensees launching operations in newly regulated markets such as Italy and Spain.

As part of its expansion strategy, the Group uses some of its products as efficient cross-selling tools. By way of example, products within the bingo and sports verticals have traditionally been used as gateways to attract new players and cross-sell them to casino and other product verticals. In addition, the Group believes that its poker products can be used to access recreational players and raise their awareness of the other product verticals. The Group also believes that the live casino offering can be leveraged to cross-sell to a new demographic of player who otherwise would not have considered the products and services of the Group.

Expand its comprehensive product and service offering by further driving innovation and intelligent use of data

The Group believes it has historically been at the forefront of innovation, and will look to maintain this position in the future. See "*—Competitive Strengths—Successful track record of innovation*". The Group has a strong innovation pipeline. By way of example, the Group intends to trial new responsible gambling features in its

Portal and Marketplace platforms, aimed at increasing both Licensee and player education and awareness of the Group's casino content, in the course of 2019. In addition, the Group expects further growth of Buzz Bingo, which was launched in September 2018.

The Group intends to continue to be the source of innovation in the gambling industry by further developing its technology platform and delivering new and innovative ways for end-users to experience content. In particular, the Group is focussed on improving end-user experience and driving overall customer value by adding new capabilities to its IMS platform and by producing industry leading and engaging content (including new games and integrated content), which will drive player engagement.

The Group maintains a data-driven approach to innovation. In particular, the Group collects non-personal data across the global Licensee base of the B2B segment of the Gambling Division and the geographical areas of operation in order to determine the prevalent trends and growth areas, and tailors the solutions for customers accordingly. This in turn enables the Group to provide intelligent services and add new capabilities to the Group's IMS platform in order to improve end customer experience, extend the end customer journey and improve the end customer value.

Continued commitment to responsible gambling

Protecting players from harmful play is critical for the long-term success of the Group's operations. The Group is therefore committed to ensuring that it enables a safe and responsible form of entertainment and takes action to reduce harmful play. In particular, the Group strives to create products and services that prevent gambling from becoming a source of crime and enable the Licensees to identify, minimise and reduce the harmful effects of gambling. The Group also engages and partners with governments and charities to research ways to prevent, reduce and treat the harmful effects of gambling.

When rolling out new products and services, the Group conducts responsible advertising campaigns, making sure that the products and services are advertised and marketed fairly, clearly and in a way that does not target children and young people. The Group also strives to ensure that player data is kept safe and secure, that gambling is conducted in a fair and open way and that young people and other vulnerable persons are protected from being harmed from, or being exploited by, gambling.

The Group is committed to expand the functionality of its products to further its responsible gambling capability. In addition to the organic development, the Group seeks appropriate acquisition targets to enhance its responsible gambling capability. For example, the Group acquired BetBuddy, the responsible gambling analytics solution provider, in October 2017, and integrated its behavioural identification and modification software into the Group's own IMS player management system. This acquisition allowed the Group to maintain its leading position in the delivery of responsible gambling products and services.

Complement existing capabilities with selective acquisitions

The Group has grown historically through a combination of organic development and acquisitions. The Group intends to continue this strategy as, in the Group's view, in certain circumstances, this is the most efficient way to deliver certain elements of its strategy. The Group will consider acquiring companies (or their assets) that possess technologies, products and distribution capabilities which will complement or enhance the Group's existing businesses. In particular, the Group may seek to acquire businesses that add new content and capabilities across the Group's product verticals (for example in the sports vertical) and enhance the Group's omni-channel capabilities. The Group may also consider acquiring businesses in order to access new markets and jurisdictions.

In delivering this strategy, the Group is committed to a selective and disciplined approach to acquisitions. The expansion potential of the target, the size and the growth potential of its end markets, the ability to integrate it into the Group's operating model and the profit and cashflow generation capability of the target are among the key criteria for the Group's acquisition strategy. Accordingly, the Group identifies potential acquisition targets by assessing their product and technology portfolio and overall strategic fit with the Group's growth strategy. The Group also compares its expected investment returns on potential acquisitions of products and technology with those likely to be realised through organic development before undertaking any acquisitions.

History

The Group's business was founded in 1999 by entrepreneurs from the casino, software engineering and multi-media industries. The Group has historically grown through a mixture of organic growth coupled with strategic acquisitions and investments. Organic growth has been driven by a strong focus on product innovation and

development of cross-platform capabilities, and the ability of the Group to cross-sell a wider range of products across its more diverse Licensee base. The Group's strategic acquisitions and investments (including in joint ventures) have complemented this organic growth by expanding the Group's products and services range as well as its number of Licensees.

The key events in the Group's history include:

March 2006	—	Issuer's shares admitted to trading on AIM.
October 2008	—	The Group entered into a joint venture with the William Hill Group to form William Hill Online ("**WHO**").
July 2012	—	Issuer's shares admitted to trading on the Main Market of the London Stock Exchange.
March 2013	—	The Group entered into five year marketing services and software licensing contracts with Ladbrokes (subsequently renewed on current terms).
April 2013	—	William Hill PLC completed the exercise of a call option to acquire the Group's 29 per cent. stake in William Hill Online.
May 2015	—	The Group acquired approximately 95.6 per cent. of the issued share capital of TradeTech Markets Limited (formerly TradeFX Limited) to establish the Financials Division.
July 2016	—	The Group acquired a 90 per cent. stake in Best Gaming Technology GmbH for €138 million, with put and call option arrangements to acquire the remaining 10 per cent.
April 2018	—	The Group entered into an agreement to acquire 70.561 per cent. shareholding in Snaitech, for a cash consideration of €291 million. Snaitech became a wholly-owned subsidiary of the Group and was delisted from Borsa Italiana on 3 August 2018.

Gambling Licences

The Group currently holds a number of licences relating to the supply of remote gambling products and related services. The territories in which Group companies hold such licences or authorisations includes Alderney, Gibraltar, Great Britain, Kahnawake, Malta, Romania and Spain. In addition, the Group holds B2C remote operating licences in Great Britain, Italy, Spain and Alderney, predominantly for the purposes of operating a customer facing white label business whereby the Group partners with third party brand owners.

Principal areas of operation

The Group conducts its business through two divisions: the Gambling Division and the Financials Division.

Gambling Division

The Gambling Division operates via B2B and B2C segments. In the B2B segment of the Gambling Division, the Group licences its products and services to more than 140 Licensees globally. In addition to a robust product offering, the Group also offers its marketing expertise, responsible gambling tools, CRM solutions and other services to its Licensees which enables them to deliver a comprehensive gaming experience to their end customers. In the B2C segment of the Gambling Division, the Group utilises its proprietary technology and capabilities to operate either through joint ventures or white-label agreements with other operators or, increasingly, directly as a B2C operator in select markets. The Group has recently significantly expanded its B2C capability by acquiring Snaitech, one of the leading B2C operators in the Italian gambling and betting market, with a broad portfolio of long-term concessions granted to it by ADM, the Italian gambling industry regulator.

The business of the Gambling Division is conducted on a sophisticated platform that enables the operators to provide their customers with access to the Group's contents.

Platforms and infrastructure

The Gambling Division operates on the basis of a sophisticated technology platform, as described below.

Information Management System platform

All of the products of the Group can be incorporated into the Information Management System (the "**IMS**") platform. The IMS can enable each application to be accessed by players through a single user account using the

same username-password combination for all products offered by that Licensee. This assists Licensees in managing their operations by way of a single management interface, allowing opportunities for cross-selling from one product to another and improving player loyalty and yield.

The IMS provides Licensees with a variety of features including big data-driven customer relationship tools, affiliate and web tracking, transaction processing and system security, a suite of responsible gambling tools and extensive reporting capabilities. The IMS's modular architecture and scalability enable it to grow with a Licensee's business and accommodate future product diversification.

The Group's cross-platform capability is a fundamental element of its product offering and links various distribution channels for gambling content (online, live and TV, mobile and land-based channels) on the same operator platform. Players can transition between products and platforms, playing the same games at home, on the move or in a land-based venue, whilst enjoying a unified bonus and loyalty programme. The ability to maintain a consistent offering across all platforms allows Licensees to leverage their brands in new channels, increase retention across their entire business and deliver additional ways of playing.

In the first half of 2018, the Group introduced "Smart Limits" to the data-driven services within the business intelligence tools available on the IMS. The industry standard in gaming is to have rigid predetermined game value limits. The business intelligence tools introduce a system that derives the optimal limits for the specific player, on a specific game, from multiple data parameters and inputs, such as player history, current balance and bonuses active. This is a further innovation in the Group's ability to deliver a fully bespoke customer journey, across channels and product verticals driven by the powerful data captured across the Playtech ONE eco-system.

In 2018, the Group launched its new player engagement platform as the next phase of IMS development. The new engagement platform allows B2C brands to respond to user data in real-time with in-game live messaging and across multiple offline channels. This project was completed in conjunction with the new UK Competition and Markets Authority requirements around bonus communication and continues the Group's commitment to deliver technology in line with, and ahead of, regulation.

In the first half of 2018, the Group completed integration of BetBuddy, a provider of the industry's leading responsible gambling technology, into the IMS. The integration of BetBuddy has formed a central part of the launch of the engagement platform's new in-game messaging capabilities. In particular, BetBuddy's risk ratings and data analytics now allow B2C brands to respond to user behavior and communicate in real time with end customers, creating a safer and more efficient customer journey.

Playtech Open Platform

The Group's omni-channel Open Platform (the "**POP**") allows Licensees to access more than 600 online and mobile in-house and third-party casino games at any time, across any channel and on any device.

The POP content library also includes a comprehensive selection of classic slot games, multi-line video and premium branded slots developed by the Group's in-house studios. All new POP titles are launched simultaneously across mobile and desktop and can be fully integrated into the Licensees' websites.

In addition to the comprehensive content library, the POP includes a number of player support tools, as well as provides access to real-time content and competitor performance league tables. The platform also offers games development kit, multiple game integration frameworks, seamless third-party wallet integration, single player account across all products, as well as data integration and warehousing and support for all gaming standards.

The Group completed the integration of 35 brands into the POP in 2018, enabling access to a selection of third-party games on any channel or platform, of which there were 16 specific third party integrations. The Group intends to continue with further integrations in order to free up more resource in 2019.

In addition to the POP and third-party integrations, the Group is now also able to offer access to the IMS bonusing and engagement tools.

Playtech Portal

Playtech Portal is an open framework designed to integrate content and deliver an unparalleled experience for operators and their players. It affords operators complete control and flexibility and all the tools they need to configure their customer-facing front-end solutions across any channel and device. The Portal is fully optimised

across all platforms allowing a seamless offering and experience and is fully integrated into the IMS player management system. The Portal supports a multitude of languages and markets and comes complete with full CRM and personalisation, reporting and analytics and player communication tools.

Business Intelligence Technology

The business intelligence technology ("**BIT**") provides new and existing Licensees with superior innovation for their next stage of growth. BIT significantly enhances Licensee revenues by increasing player experience and lifetime value. BIT revolves around a series of game-changing features. In particular, it enables day-to-day and high-level decisions by comparing key metrics against competitors, automates and personalises every major aspect of the player experience, allows real-time tracking and reporting to maximise player value and brand profitability, as well as affords real-time, easy-to-use personalisation and optimisation engine, powering all of the Group's offering across all channels.

GPAS and Marketplace

Gaming Platform as a Service ("**GPAS**") provides the next step in the Group's relationship with Licensees, content providers and developers. GPAS technology and its proprietary math engine allows third parties (operators, content providers and developers) to use a simple drag and drop user interface to build high quality HTML5 games or submit their own existing content for distribution across the Group's global network on any channel. GPAS technology is developed using Playtech ONE's omni-channel approach and can be seamlessly developed for retail and online, whereas traditionally converting popular online games into retail games was expensive and inefficient involving two sets of technology and two sets of developers.

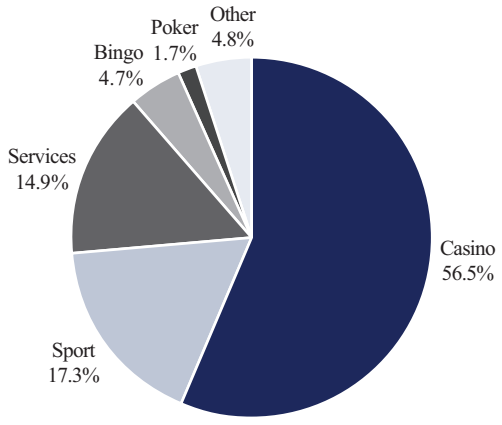
GPAS has been developed with the aim of continuing to evolve the way that gaming content is designed and created, ultimately extending the use of the Group's technology across the industry and increasing the scale and reach of the Group's platform. Historically, converting popular online games into retail games involved two sets of technology and two sets of developers, which made this process costly and inefficient. GPAS allows the Group to deliver traditional online games to retail in a quick and efficient manner, which offer offers a strategic advantage for the Group and facilitates the player journey across channels. GPAS also provides the Group's customers with more flexibility, allowing them to develop bespoke games to support their promotions.

Marketplace, launched in the second half of 2018, is the name of the Group's content discovery platform where operators can access the Group's portfolio of content. As new content providers or partners develop games on GPAS, they will be able to place their games onto the Marketplace, gaining immediate access to all the Group's distribution network. In 2018, over 30 Licensees of the B2B segment of the Gambling Division were using this platform. In the course of 2019, the Group intends for Marketplace to become the new industry standard of content aggregation. The Group has developed a roadmap that leverages its business intelligence system to deliver insights to content and marketing teams.

Gambling Division—B2B segment

The B2B segment primarily generates revenue from the casino (including live casino), services, sports, bingo and poker product verticals. The following chart sets out the revenue of the B2B segment of the Gambling Division by product vertical in the year ended 31 December 2018:

B2B Gambling revenues by vertical
Total: €566.0m



Casino

The Group's comprehensive casino offering includes, where permitted, access to all the main suite of the Group's casino games including classic table and card games such as roulette, blackjack and baccarat; multi-line and multi-spin slots; video poker and keno; progressive bonus-stage jackpot games; and other games that are continually refreshed with the launch of new products playable in multiple languages and currencies. The Licensees can choose from a wide range of games content to stimulate player activity.

The casino vertical is available through various formats and platforms including the traditional web-based online version, a standalone games tab and live dealer and TV offerings which consist of live video streaming from centres designed as real land-based casinos or television studios. The live format attracts players who enjoy the interaction with the dealers and the enhanced community feel of the playing experience.

A variety of the casino games are available on the Group's mobile platform where automatic bonuses, loyalty points and VIP levels are configured and integrated on the IMS. The mobile platform enables Licensees to use tools such as push advertising and SMS messaging to improve their marketing and player acquisition. In addition, casino games are offered to Licensees as side games embedded into, and played concurrently with, the Group's poker and bingo offerings, giving Licensees the ability to optimise revenue streams in parallel to poker and bingo revenue streams.

The Group's casino platform enables the Licensees to maximise player value by offering a full suite of real-time player incentives and engagement tools. The platform allows for industry standard bonusing, such as deposit match bonuses, together with more sophisticated mechanics, including automated cashback, free-spins, golden chip (for table and card games) and game play bonuses. These promotional methods can be controlled and configured by the Licensee, allowing for stringent liability and monetary control. By way of example, gameplay bonuses allow the Licensees to incentivise players based on the outcome of a specific hand of black jack or spin of a roulette wheel. All promotional types can be triggered by a player event, but the Group has also developed the ability to automate some of the player journeys by developing business intelligence algorithms to trigger the qualification of such incentives. Furthermore, players can be targeted with personalised login/logout messages and communications, segmented cross promotion messages in-game and "game adviser". Game adviser is a real-time business intelligence-driven recommendation engine that suggests other games the player might be interested in, dependent on many game specific variables, including volatility, win hit frequency and win distribution.

In the course of 2018, the Group launched 62 new games across the casino vertical, including the Sporting Legends progressive jackpot suite rolled out across the Frankie Dettori, Ronnie O'Sullivan and Football Stars games. These new launches were designed to foster sportsbook cross-sell during the football World Cup.

In 2018, the Group fully implemented the unification of its eight content studios onto its agile development platform. The Group is shifting the studios towards leveraging new tailored jackpots, a new game suite, in-game innovations and a greater focus on platform features that will benefit licensees. A new game suite to be launched in 2019, Kingdom's Rise, will showcase these features. The Group expects the Licensees to experience improved retention rates and enhanced customer experience while lowering bonus costs.

In addition to the mainline casino offering, the Group continues to develop its live casino products. In the course of 2017, the Group completed the full migration of existing live casino rooms to a new studio facility. This has enabled the Group to drive product innovation in the live casino with new concepts, games and features. Driven by the IMS player management platform and data-driven business intelligence technology, the live casino is fully integrated into the Group's platform and the casino vertical. The Group believes that its live casino offering therefore delivers greater cross-sell opportunities through a seamless user experience from slots to live table games in conjunction with branded live games and pooled jackpot experiences.

The completion of the migration to a new studio facility enabled the Group to renew existing agreements for long term deals, and increased the number of dedicated tables hosted in its studio. Moreover, the Group secured commitments for dedicated tables in the second half of 2017 from Betfred and BGO Entertainment and launched new Licensees Sports Interaction and Stoiximan in Greece at the end of 2017. In the first half of 2018, Ladbrokes Coral launched a dedicated sports area for the World Cup with an integrated bet slip. This was in addition to seasonal experiences such as Cheltenham roulette and Chinese New Year. Furthermore, in 2018, the Group launched new additional dedicated tables with Sisal, Sports Interaction, Mansion and Casino.com. In the same period, Betfred partnered with Playtech Live to deliver a bespoke dedicated area for roulette and blackjack.

The Group's live casino platform and products are designed to provide the most authentic, omni-channel gaming experience supported by a new user interface and experience and cutting-edge platform that uses the latest business intelligence data-driven technology.

In line with the Group's growth strategy, the Group's live casino secured new territory launches for the Licensees, including the launch of live casino on Sky Betting & Gaming's 'Sky Italy' gaming sites. Sky Bet went live in April 2017 and won the award for offering players an enhanced omni-channel experience, product enhancements and richer gameplay. The move to a new studio facility has continued to foster an increase in the number of dedicated tables and new Licensees. The Group's live casino product portfolio grew throughout 2018 with Spin a Win and Live Trivia, which both have received a positive response from customers. Live Trivia is the first online gaming Trivia product enabling customers a free to play experience, where their general knowledge is tested as they look to win a variety of prizes. Utilising the omni-channel technology, the Group launched a "live from" experience in 2018, allowing customers to play Roulette from a land based casino. In addition, key products such as Roulette, Blackjack and Baccarat all saw extensive UX overhauls providing a more immersive feel in line with the Group's approach in leading UX solutions.

Sports

The Group's sports offering was established following the acquisition of Geneity in January 2012, and comprises a fully integrated retail, online and mobile solution allowing Licensees to offer a seamless customer journey through online and in-store integration. In 2017, the Group launched and completed the integration of Playtech BGT Sports ("**PBS**"). PBS brings together the Group's Sports companies (including BGT, Geneity, Mobenga and Unilogic) and the Group's internal sports trading team. PBS provides a 'bricks-to-clicks' fully integrated sports betting technology solution based on Playtech ONE, offering single-betting accounts across the web, mobile, self-service betting terminals ("**SSBTs**") and over the counter ("**OTC**") in retail betting shops.

Along with the completion of the PBS integration, the Group focuses on growing the retail and online customer base of the sports vertical in the key fast growing markets in Europe and Latin America, in line with its overall strategy. In early 2017, PBS announced a three-year agreement with OPAP, the leading Greek betting and lottery operator, for the supply of SSBTs, relevant products and services, and the introduction of an OTC sports betting solution. In the second half of 2017, the PBS solution went live across the 4,500 estate with approximately 10,000 OTC tills and approximately 39,000 SSBTs active by the end of 2018.

Key contract extensions were also secured in 2018. PBS extended its agreement to supply Paddy Power Retail with the software for its suite of self-service betting terminals. PBS also extended its agreement to supply Ladbrokes Coral with the software for its suite of self-service betting terminals throughout the UK and Northern Ireland, the Republic of Ireland, and Belgium until the end of 2020. This will cover over 12,000 terminals as well as new content and features. In addition, PBS also signed a new Sportsbook contract with Codere until October 2022, which includes all jurisdictions (Spain, Mexico, Colombia and Panama), currently 8,500 betting entry points worldwide (7,622 SSBTs and 864 tills).

In the first half of 2018, PBS delivered a landmark agreement to supply Sociedade de Apostas Sociais ("**SAS**"), Portugal's largest gaming and betting operator with its new sportsbook offering and IMS platform. SAS's major shareholder is Santa Casa da Misericórdia de Lisboa, Portugal's national lottery provider. The PBS online sportsbook went live with SAS in June 2018 following an accelerated project to go live ahead of the FIFA World Cup 2018. In its first month of trading, SAS acquired 20,000 new registered first time depositors. Also, in Europe, PBS continued the roll-out started in Spain with Codere Andalusia and now has more than 1,000 terminals in the region.

In the first half of 2018, PBS signed an agreement to supply an integrated retail and digital sportsbook to Sportium Colombia through the provision of self-service betting terminals ("**SSBTs**"), over the counter ("**OTC**") services and online sportsbook. The PBS offering has been approved by the Columbian regulator as fully complaint. Columbia first announced its plan to regulate online gambling in 2016 with the first licences issued in 2017. The Group also deepened its relationship with its key Licensee Caliente in Mexico. The Group has worked with Caliente since 2014 in online casino and, since the integration of PBS, has rolled out its digital sportsbook in 2017 and in 2018 integrated retail SSBTs into the offering with the first SSBTs placed in Caliente casinos.

In line with the Group's strategy to deliver responsible gambling tools to support Licensees PBS has agreed a development roadmap with the UK Gambling Commission to deliver Anti Money Laundering and Fraud prevention identification tools across the retail and online platform.

The Group intends to continue to drive product development to retain operator and customer engagement with retail in the sports vertical. In addition, following the integration of PBS with the Group's IMS platform PBS is able to offer an omni-channel sports product across retail and online that is unique to the industry. "Track my SSBT Bet" and "Cash out" functionality is now available across all operators globally, either through integration with the operators own app or through the PBS "Bet Tracker" product. Moreover, in time for the FIFA World Cup, PBS launched its new "Match Acca" product across retail and digital sportsbook. The "Match Acca" product allows end customers to combine multiple markets within the same event to create an accumulator bet with one single price, which was not previously possible due to the related contingencies of events. For example, during Manchester United vs. Watford, a customer can bet on a 2:2 correct score, Manchester United to score first, Deeney to score any time and under 10.5 corners. The Group also developed Tap2Bet, which enables customers to stake bets quickly and easily with their debit cards by tapping their card on the terminal, as well as Bet Recommender, an intelligent recommendation engine using advanced AI algorithms, which suggests relevant content to customers on the terminals. Recommendations are based on the behavior of other customers in comparable selections, similar to Amazon's recommendation feature.

Bingo

The Group offers a bingo software platform connected to one of the largest bingo networks in the online gambling industry. As bingo operates on a pari-mutuel basis with prizes derived from the game stakes, the participation of a large number of players in each game on the bingo networks allows sizeable prizes for low individual stakes.

The Group's bingo offering is available in multiple languages and currencies and, similar to poker, includes a wide variety of embedded casino side games, which can be played concurrently with the bingo games, giving Licensees the opportunity to optimise revenue streams. Under licensing arrangements, the Group can offer bingo games based on popular television programmes.

The Group perceives the bingo vertical as a key customer acquisition channel at the operator level. The Group's bingo offering allows Licensees to offer seamless cross-sell and movement between channels and verticals, but more importantly bingo slot and casino integrated content. The integration of retail products and services supplier ECM, onto the Group's Bingo platform has created an ecosystem for Licensees to retain players regardless of channel or vertical. Omni-channel, integrated content, such as Tiki Paradise, allows operators to drive player traffic to other verticals and importantly track the behavioural analytics across those channels and verticals.

In 2018, the Group launched Age of the Gods™ Bingo for the network. The Group also developed six exclusive Bingo variants for certain customers. To supplement these new Bingo variants, three new Bingo features were also introduced including "Flip N Win" which gives paying players a chance of getting free tickets. Product development also extended to side games, with four new network slot titles including Age of the Gods™ branded games and 11 operator exclusive side games launched in 2018. In addition, in 2018 Bingo started to shift to an agile development methodology which will reduce delivery cycles going forward.

In the end of September 2018, the Group launched Buzz Bingo. The Group expects further growth on Buzz Bingo as the project to integrate retail ECM wallet into the IMS wallet is completed and the dedicated Bingo development allocation is used to replicate the retail Bingo features when used online.

The Group is at the final stages of migration of the Bingo vertical from Flash to HTML5, with the migration expected to be completed by the middle of 2019. The migration is intended to dramatically improve the mobile performance of Bingo games and ultimately the end customer experience. In addition, with the Italian PBAD3 regulations finalised, the Group has updated its Bingo platform to support the regulations. The work was finalised in the beginning of 2019, enabling the Group to re-launch the Italian bingo at the start of February 2019.

Poker

The Group's poker product offers several different game types (including Texas Hold'em, Omaha and Omaha Hi-Lo), playable in multiple languages and currencies and enabling full-screen play, multi-table gameplay, detailed in-game statistics, hand strength display and a wide variety of embedded casino side games which can be played concurrently with the poker games, giving Licensees the ability to optimise revenue streams.

Licensees of the poker product have access to the Group's iPoker network which allows Licensees' players to play against each other, increasing the pool of players available at any particular time (referred to in the online gambling industry as player "liquidity"), a key marketing advantage for an online poker operator. Tournaments on the iPoker network include online satellites to land-based events and daily, weekly and monthly tournaments.

In addition, iPoker provides centralised table and tournament management, designed to provide Licensees with protection against the threat of player collusion and aims to ensure a fair and secure playing environment to support a successful and reputable poker gaming operation.

In the second half of 2018, the Group launched its shared liquidity poker network in France and Spain. Partnering with Betclic and Unibet in France, and Bet365, Betfair, Casino Barcelona and Sportium in Spain, the Group's network has become the first B2B poker network across the two territories, which both represent major regulated poker markets. The network significantly boosts marketing and revenue potential for operators across France and Spain, through larger-scale cross-territory network partnerships and promotions. It will also significantly expand on the offering for players in both markets, with greater guaranteed prize pools and an increased array of cash game tables. This marks the introduction of the first B2B Poker network since the industry-wide shared liquidity agreement across France, Spain, Italy and Portugal in 2017, and highlights the Group's continued strength in regulated markets.

Poker remains an important part of the full product offering of operators. In particular, the Group uses poker as a tool to cross-sell its casino offering. Furthermore, certain jurisdictions in which the Group operates (including France) have introduced stringent gambling laws, and as a result poker is among the few products the Group can legally offer in those jurisdictions. The Issuer believes that Poker will continue to attract recreational players to the product and is utilising it cross-product expertise to develop new poker experiences such as an Age of the Gods™ themed poker experience.

Services

The Group provides a range of complementary services alongside its products offering. These operations are principally based in the Philippines and Bulgaria and comprise marketing services, operational and support services, payment advisory services, network management services, fraud prevention services and financial services.

Marketing services comprise affiliate management, customer management, data mining and statistical analysis, advertising and marketing services, including search engine optimisation. These services are important for the successful and cost effective acquisition of new players. The Group has access to an extensive affiliate marketing network and affiliates are incentivised for driving players to Licensees' operations.

Operational and support services comprise 24 hour player support and co-location hosting services for Licensees' game servers and player databases. The support services are designed to support Licensees' retention of, and cross selling to, its players.

Payment advisory services comprise advice to Licensees in relation to payment processing providers and transactions monitoring, including reconciling transactions from data in their back-end systems.

Network management services comprise managing the day to day operation of the iPoker network including fraud and collusion prevention and a dedicated 24 hour online support team, to ensure the smooth operation of each poker room on the iPoker network. In addition, the Group provides DDoS prevention and DNS management services, as well as geo-location services, maintenance services and client and banner hosting. Furthermore, the Group's tracking technology allows for the rapid detection of suspicious behaviour and the prevention of illegal activity, while our top tier management tools monitor deposits and withdrawals, track player activity and deliver automated alerts.

The Group's advanced financial reporting and analysis tools offer its customers a comprehensive portfolio of financial services coupled with the ability to review and monitor in real time a selection of online activities. The financial tools offered by the Group include payer payout approval/decline, dispute withdrawal requests, wagering calculations, procedure submittal and document review.

As the gaming industry continues to grow, so too does the number of fraudsters keen to take advantage of the revenues earned by operators. The Group's robust tracking technology allows for the rapid detection of suspicious behaviour and the prevention of illegal activity, while the Group's management tools monitor deposits and withdrawals, track player activity and deliver automated alerts.

As part of the Group's overall strategy, the services vertical is seeking to increase focus on regulated markets where the Group perceives a momentum in activity. The Group strives to enhance its services offering in existing regulated markets, and to extend its reach into other regulated and regulating markets.

Other

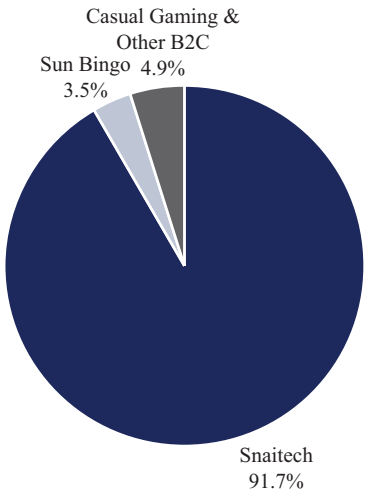
In the retail sphere, the Group offers a comprehensive suite of next-generation, omni-channel software, content and systems for land-based venues with seamless player access between each channel. The Group powers more than 58,000 betting entry terminals offering a full enterprise management system for land-based venues and providing operators with complete operational control. Using powerful back office management tools, the system provides operators with all the tools they require to successfully run and manage their businesses giving them full site control and control of their estate and player base. These tools include player, content and multimedia management, rules-based rewards, jackpots, tournaments, bonusing, loyalty, cash desk facilities, responsible gaming, security and monitoring. The Group also creates exciting and innovative games suitable for all types of retail venues.

The Group also utilises its robust lottery technology to deliver player visibility across online, mobile, and retail channels, which provides lottery operators with the ability to better understand player behaviours. The Group is a Platinum Partner with the European Lotteries, along with other industry leaders. A key role in ensuring the ongoing work of the organisation is to create an open forum for discussion, debate and sharing of ideas within the lottery sector. In addition, as a Gold Level Contributor to the World Lottery Association, the Group works alongside other corresponding parties to guarantee the constant work of the Association in educating and challenging the member lotteries as the industry continues to expand.

Gambling Division—B2C segment

Historically, the B2C segment of the Gambling Division focussed principally on white-label gambling operations in regulated markets and casual gaming. The acquisition of Snaitech has significantly expanded the B2C operations of the Gambling Division. The following chart sets out the pro forma revenue of the B2C segment of the Gambling Division by product vertical in the year ended 31 December 2018:

B2C Gambling pro forma revenues by vertical
Total: €976.0m



Snaitech

Snaitech is one of the leading operators in the Italian gambling and betting market with a broad portfolio of long-term concessions granted to it by ADM, the Italian gambling industry regulator. Snaitech's heritage dates back to 1906. Snaitech offers a wide range of gambling and betting products, including gaming machines, sports and horse race betting and virtual events and online sports betting and skill and casino games. Snaitech's horse race betting, gaming machines and online skill and casino games businesses generate stable revenues as the pay-out levels are generally set by applicable law or regulation which reduces its exposure to sports betting, where pay-out levels fluctuate over time and bookmaking risk is incurred. Snaitech is also a major landowner which owned, as at 31 December 2018, over 1.65 million square metres of land (including 3 per cent. of the Milan municipality, and two race tracks).

On 19 November 2015, Snaitech acquired Cogemat S.p.A. (the "**Cogemat Acquisition**"), another significant gambling and betting operator in Italy. Prior to the Cogemat Acquisition, Cogemat S.p.A. and its subsidiaries operated independently in certain of the same market segments as Snaitech. The Cogemat Acquisition enhanced Snaitech's market position across each of its primary business lines and was complementary to both product

range and geography. Snaitech provides its brand, licensing, infrastructure and technology on a B2B2C basis to retailers. Snaitech operates the second largest gaming machine network in Italy which, as at 31 December 2018, comprised 38,630 AWPs (after the reduction of the number of its AWPs in line with the Italian regulatory requirements, as described in "*Industry and Regulation*") and 10,590 VLTs. As at 31 December 2018, Snaitech had a market share in Italy of 15.0 per cent. by GGR from gaming machines, according to MAG Consulenti Associati srl. Furthermore, it had a market share of 19.1 per cent. by GGR of the Italian retail betting sector, according to ADM, making it the second largest retail betting operator in Italy. In addition, Snaitech had an 11.25 per cent. market share by GGR in online betting market sector and a 6.0 per cent. market share by GGR in the Italian online skill and casino games market sector, according to ADM. With an overall market share of 8.3 per cent. by GGR, Snaitech was the second largest online operator in Italy in 2018.

Snaitech offers its customers a broad range of products, from offline and online betting, to gaming machines (AWPs and VLTs) and online skill and casino games. The Group believes Snaitech has been able to adapt its product offering to evolving customer trends and to successfully diversify its revenue streams, creating a more stable revenue base. See "*Selected Historical Financial and Other Information—Snaitech—Segmental Information*".

In the retail segment, Snaitech primarily operates a franchise model with few directly owned retail locations. The B2B2C business model provides a lean and flexible cost structure, with limited maintenance and capital expenditure requirements, that helps to shield operating and financial performance from swings in volumes and temporary market shocks. In contrast to some of its competitors, Snaitech neither owns nor operates the majority of its shops and it does not incur any substantial rental and personnel expense, and its payments to its network partners (distribution costs and concession fees) are linked to wagers and hence variable in nature. Snaitech has limited vertical integration with its gaming machines (VLTs and AWPs) primarily located in third party retail outlets including arcades, bars, restaurants, betting shops and betting corners. Approximately 15.0 per cent. of its AWPs are directly operated, reducing the effect from potential regulatory changes and limiting its capital expenditures for any roll-out of new AWP machines. In addition, its large AWP and VLT networks allows it to exploit economies of scale, spreading the cost of providing coin collection and outage response over more machines (minimising machine downtime and maximising revenue potential). In the betting segment, as at 31 December 2018, Snaitech's retail betting network consisted of approximately 1,600 active betting shops and corners with only 10 directly operated shops with the remainder operated by franchisees.

Alongside Snaitech's operations in the retail gambling sector, it is also involved in the supply of specialised services for betting to independent concession holders; the provision of commercial services (such as phone top-ups and payment of bills of public administration authorities) and horse racing television and radio broadcasting.

Casual gaming and other B2C

The remainder of the B2C business of the Gambling Division includes B2C gambling operations and casual gaming operations. As part of the B2C gambling operations, the Group either operates its own B2C offering in certain regulated markets directly to end-users (such as under the "Winner" brand) or as part of a white label offering, whereby the Group manages and runs the customer's B2C gambling business whilst operating under such customer's brand.

In the Group's casual gaming operations, it offers non-gambling games such as the popular Narcos branded game. The Group is also focussed on marketing and developing of a wider portfolio of games in this segment.

Sun Bingo

The Group's largest white label agreement is with News UK, through which it operates the Sun Bingo brand, a popular bingo website. The Group entered into the agreement in respect of Sun Bingo in 2015, and has been operating the website since 2016. The agreement was initially signed for a 5 year term.

Recently, the Group agreed a multi-year extension of the Sun Bingo contract with News UK. Pursuant to the extension, the terms of the contract have been expanded to include new product verticals. The contract has been extended for a period of up to 15 years. The Group believes that the new terms will help to enhance the Sun Bingo customer offer, while delivering greater value to both the Group and News UK over the long term. It also follows strong performance from the operation across 2018, driven by the continued focus on targeted and data-driven marketing.

Minimum guarantee cash payments under the Sun Bingo contract will continue until mid-2021. From a P&L perspective, the minimum guarantee payments will be spread over life of the extended contract. The new extended contract is a joint commercial collaboration with no further minimum guarantees from mid-2021. From 2019 onwards, Sun Bingo contract should no longer be loss making from a P&L perspective.

Financials Division

The Financials Division was established in May 2015 following the acquisition of TradeTech Markets Limited. The Group subsequently expanded the Financials Division via acquisitions of majority stake in Consolidated Financial Holdings A/S ("**CFH Clearing**") in November 2016 and acquisition of technology, intellectual property and certain customer assets of ACM Group Limited ("**Alpha**") in October 2017. The Group announced the "TradeTech Group" brand name in August 2017.

The Financials Division's B2C offering is an established and rapidly growing online CFDs broker, operating the brand Markets.com where customers can trade shares, indices, currency and commodity CFDs rapidly and securely using any device on the Group's advanced trading platforms.

The Financials Division's B2B offering enables a comprehensive B2B solution for retail brokers. By licensing the Financials Division's proprietary trading platform, CRM software, back-office and business-intelligence systems, and utilising its exclusive liquidity technology, the Financials Division is able to provide retail brokers with multi-asset execution, prime brokerage services, liquidity and risk management tools.

Whilst the Financials Division is separate from the Gambling Division, the Group is utilising common online marketing software and CRM tools in order to operate both segments. The Group may increase the Financials Division's product offering through a combination of organic growth and acquisitions.

The Financials Division's B2C brand, Markets.com, enjoyed continued revenue growth in 2018 of 12 per cent. in a period where the implementation of the European Securities and Markets Authority's ("**ESMA**") new rules and regulations came into effect in August 2018. In addition, while it's still too early to properly evaluate the long-term impact of ESMA's new measures, given the continued healthy revenue generation post ESMA's implementation the Group commenced a gradual increase on marketing spend and new customers numbers are now returning to a growth trajectory.

TradeTech Alpha

The acquisition of Alpha provided the Financials Division with access to a proprietary technology which enables the Financials Division to offer an enhanced suite of products and services, such as market leading B2B risk management and bespoke trading solutions.

The Group believes that success for brokers in the financial trading industry is driven by the ability to acquire customers directly, monitor their performance and monetise their order flows through enhanced risk management. The acquisition of Alpha enables has enabled the Financials Division to offer a comprehensive B2B solution to brokers covering the entire lifecycle of a trade, from front end technology to CRM and platform management, to liquidity technology, and risk management and professional trading services.

In addition to intellectual property and sophisticated proprietary technology, the Alpha dealing, risk and business development teams have a significant track record and reputation in the financial trading industry. As well as their institutional relationships, the Alpha teams will deepen the Financials Division's offering to professional and high net worth traders allowing it to launch a dedicated high-net worth professional brand called MarketsPro.

Online trading platform

Markets.com is the proprietary web and mobile trading platform of TradeTech Markets Limited, available to use online or downloadable for Android and Apple devices, on Google Play and the App Store. It is available in 15 languages. The platform is aimed for both individual and corporate customers. The platform offers interactive user interface and advanced trading tools, pivot points and over 50 other studies. Platform's customers benefit from access to education materials, as well as a free demo account and regular customer support.

Corporate customers of the platform benefit from robust, reliable technology coupled with access to competitive spreads and exceptional, round-the-clock customer support.

CFH Clearing

The Group offers a comprehensive solution for CFD products via CFH Clearing. CFH Clearing utilises its own sophisticated technology which enables its customers to access the whole interbank market, in turn allowing them to run their own business effectively. CFH Clearing has strong relationships with its liquidity providers and prime brokers (such as BNP Paribas and Jefferies), and can therefore give its customers access to a wide range of liquidity providers and accommodate multiple third party platforms. In addition, the technology utilised by CFH Clearing enables its customers to benefit from fast execution, low rejection and slippage rates, as well as from dedicated fibre lines enhancing execution speed and reliability.

TradeTech 360 Solution

The Group believes its technology and services give it a strategic advantage in the financial trading industry. To increase the profile and recognition of its B2B technology offering, Management has branded it as "TradeTech 360", representing the most comprehensive B2B management system and data driven business intelligence tools—the equivalent of the Group's IMS platform in the Gambling division.

Tradetech 360 enables brokers to efficiently operate a complex multi-brand, multi-licence, multi-channel, and multi-risk model across the globe. The Group has a strong pipeline of brokers looking to improve their business operationally by migrating to TradeTech's systems and infrastructure and the Group believes this will become a significant growth factor of the B2B proposition.

Other services

The Financials Division offers certain other services to B2B professional and institutional customers, such as back office systems, business intelligence reporting and market automation solutions.

Risk management

Regulatory

The Group faces a variety of regulatory risks across the segments of its operations. In order to address these risks, the Group has a fully resourced compliance team, which constantly monitors the Group's activities and advises the business and the management to ensure compliance with regulatory and licensing requirements. The Group pays particular attention to local regulatory and licensing requirements, such as requirements to locate significant technical infrastructure within the relevant territory or to establish and maintain real-time data interfaces with the regulators.

In addition, the Group uses a proprietary automated reporting system to monitor capital adequacy 24 hours a day on a real-time basis. This is considered within pre-determined limits, set by the risk management committee, which include an approved level of "buffer" to ensure that levels determined by the relevant regulators are not breached. Where the capital adequacy levels approach the pre-determined limits, necessary steps are taken to ensure that exposures are managed so as to not fall foul of regulatory requirements, including sale of unwanted risk to liquidity providers such as Macquarie, Maybank, BNP Paribas, Jefferies and Deutsche Bank.

In order to ensure that it is in compliance with the applicable data protection laws and regulations, the Group appointed a new data protection officer in 2016, who works closely with the chief security office and risk committee to continuously strengthen its defences against cybercrime and comply with future regulatory changes, including the GDPR. The Group has established a project that encompasses all of its operations to ensure compliance with the GDPR. This project covers governance, risk assessment, policies and processes, training, incident management, monitoring and data cleansing.

Responsible gambling

Responsible gambling is a material concern to society as well as a regulatory priority. Licensing requirements are regularly updated to ensure that companies in the sector provide a safe environment for consumers. Recent trends have seen an additional regulatory focus on treating customers fairly and conducting marketing and advertising in a responsible manner.

The Group is committed to provide a safe, fun and empowering consumer experience and continuously strives to enhance its responsible gambling capability in both B2C and B2B operations. The Group provides a wide range of tools to help its Licensees protect players and enable responsible gambling control. The effectiveness of these

tools are monitored and use of data analytics to enhance player protection in both B2C and B2B markets is being explored. New policies and guidance in B2C operations for responsible advertising and marketing have been developed and supported by training delivered by legal and compliance teams. Promotions and advertisements are also reviewed by the Group's legal and compliance teams to ensure they adhere to regulatory requirements.

The Group's long-term strategic objective is to develop and offer robust tools and data than can help raise standards in operations and across the industry to promote safe and responsible play, empower Licensees and players with advanced customer engagement and responsible gambling tools to reduce harm, and to improve the quality and use of data to reduce harm. Following the integration of BetBuddy to IMS in the first half of 2018, the Group is currently deploying this solution to Licensees, including Buzz Bingo. The combination of BetBuddy's applied artificial intelligence to assess risk, working seamlessly with Engagement 360's real-time player messaging, will allow operators to implement personalised messaging that empowers consumers to make safe choices. In addition, new Responsible Gambling features in the Group's Portal and Marketplace platforms, aimed at increasing both licensee and player education and awareness of Playtech's casino content, are planned to be trialled in 2019.

Financial crime

Regulations requiring companies to take action in preventing financial crime are continuously evolving. These include a new Anti-Money Laundering ("**AML**") directive that came force on 26 June 2017 and calls for improved Anti-Bribery and Corruption ("**ABC**") regulations. The Board and Risk Committee have oversight of AML and ABC risk. The compliance and regulatory affairs team have day to day oversight of AML and ABC policy and implementation. Training is provided to all levels of employee throughout the year. The Group regularly reviews and refreshes its strategic and operational policies and procedures to take into account changes in regulatory and policy landscape, best practices, business changes and changes in risk appetite. The Group also participates in an industry wide initiative to combat money laundering, Gambling Anti-Money Laundering Group.

Taxation

Regulations requiring companies to take actions in preventing tax evasion, the Criminal Finances Act 2017, came into force on 30 September 2017. The Board and Risk Committee have oversight of the associated risk. The head of tax has day to day oversight of the tax policy and implementation. Training is provided to all levels of employees throughout the year. The Group regularly reviews and refreshes its strategic and operational policies and procedures to take into account changes in tax laws and business changes.

The Group's business is subject to continuously evolving rules and practices governing the taxation of e-commerce activity in various jurisdictions. Adverse changes to tax rules may increase the Group's underlying effective tax rate and reduce profits available for distribution. In conjunction with consultation with the Group's professional advisers, the Group's head of tax and management seek to ensure that evolving tax rules and practices are carefully considered in advance of actual enactment and implementation of changing laws and practices which, together with ensuring that appropriate discipline is strictly adhered to, minimises the risk that potentially adverse consequences will significantly impact the Group's underlying effective tax rate.

Economic environment, market exposure and trading volume

The Group closely monitors business performance and, should a downturn in a specific market occur, remedial measure commensurate with the nature and scale of the slowdown will be implemented.

In addition, the Group monitors its market exposure and trading volumes of the Financials Division 24 hours a day on a real-time basis, using its proprietary automated reporting systems to measure client exposure on all open positions. In respect of the Financials Division, the number of instruments available for clients to trade continues to increase in order to make sure that potential for market volatility is captured within the Group's offering. Where exposure levels and client behaviour reaches certain levels, whether in total or on specific instruments, the Group's risk management policy requires that mitigating actions, such as reducing exposure through hedging or liquidity arrangements, are considered. In addition, where markets become volatile within specific instruments, the technology utilised by the Group within the Financials Division allows for specific and tailored material to be released which highlights such instances to attract trading volume.

Cash management

The Group runs an ongoing cash management programme to ensure adequate liquidity levels across the business. In terms of currency exposure, the Group relies on the natural matching of revenues and costs in various currencies, although some mismatches remain in terms of revenues and costs. In the past, the Group considered implementing a currency hedging programme. Following a cost-benefit analysis, the Group has decided that the cost of implementing and maintaining such programme would outweigh the potential benefits. As such, no currency hedging programme is currently in place. The Group continuously monitors its currency exposures, and will re-examine currency hedging programmes going forward on an as-needed basis.

The Group manages its cash balances across its divisions and markets on an ongoing basis to ensure that all parts of the Group have the required cash liquidity to run their businesses. The Group holds its cash balances predominantly with Tier 1 financial institutions, and holds the balances across a number of different currencies and jurisdictions.

IT security and business continuity planning

System downtime or a security breach, whether through cyber and distributed denial of service (DDoS) attacks or technology failure, could significantly affect the services offered to the Group's Licensees. The Group has adopted industry standard protections to detect any intrusion or other security breaches, together with preventative measures safeguarding against sabotage, hacking, viruses and cybercrime. The Group works continuously to improve the robustness and security of the Group's information technology systems.

In addition, loss of revenue, reputational damage or breach of regulatory requirements may occur as a result of a business or location disruptive event. Business continuity plans are in place for all key sites, covering the significant majority of the Group. The remaining sites will be provided with a fully functioning business continuity plan in line with the project roadmap. Completed plans are tested to ensure effectiveness and training will be provided to key staff members as part of the business continuity program. The Group hired a dedicated business continuity specialist in October 2016 to increase the focus on ensuring all business continuity plans are up to date and complete.

In addition, the Group is continuously investing in the security of its systems and processes to meet the needs of its business customers. A continual assessment of information security risks has resulted in the implementation of multiple layers of assurance and audit activities leading to an enhancement of the Group's security controls and the Group's ability to reduce the likelihood of unauthorised access and to reduce the impact of any successful attack.

Intellectual property

As part of its research and development activities the Group develops software internally as well as acquires businesses that have developed their own software or technology solutions.

The Group relies on the protection of trademark and copyright law, trade secret protection, contractual protection and licence agreements with its employees, customers and others to protect its proprietary rights and seeks to ensure (as far as it reasonably can) that software acquired from third parties, or through acquisition of a business, has been adequately protected prior to its acquisition. For example, the Group includes non-compete and non-solicitation clauses in the contracts with its key employees.

The Group monitors infringement of its intellectual property rights and takes appropriate actions to enforce and protect such rights.

Key employees

The Group's future success depends in large part on the continued service of a broad leadership team including executive directors, senior managers and key personnel. The development and retention of these employees, along with the attraction and integration of new talent, cannot be guaranteed. The Group provides a stimulating professional environment and has a comprehensive performance evaluation system to identify key talent and to ensure that key personnel are appropriately rewarded and incentivised through a mixture of salary, annual bonuses and long-term incentives linked to the attainment of business objectives and revenue growth.

Employees and office locations

The Group is headquartered in the Isle of Man and has offices in 17 countries. The Group's sales teams (including commercial directors and account managers) work from various locations reflecting the diverse, global nature of the Group's customer and licensee base.

The Snaitech team is based in offices in Milan, Porcari and Rome. The Group's software development and technical operations employees are based in Estonia, Cyprus, Bulgaria, Gibraltar and Ukraine. The Group employs approximately 5,800 employees in total.

DESCRIPTION OF THE ISSUER AND THE GUARANTORS

The Issuer

General

The Issuer (formerly known as Playtech Limited) was incorporated and registered in the British Virgin Islands on 12 September 2002 under the International Business Companies Act (cap 291) of the BVI with registered no 513063 as a company limited by shares and was automatically re-registered under the BVI Business Companies Act, 2004 on 1 January 2007. On 21 June 2012, the Issuer was re-domiciled to the Isle of Man with registration number 008505V. The principal legislation under which the Issuer operates is the Isle of Man Companies Act 2006.

The registered office of the Issuer is Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE, and its telephone number is +44 (0) 1624 645 999.

Principal activities

The Issuer's sole activity is to act as the holding company of the Group and raise financing on behalf of the Group. For information on the Group's activities, see "*Business Description*". The Issuer has no independent operations of its own other than owning equity in its subsidiaries and raising finance.

Major shareholders

The Issuer has been listed on the Main Market of the London Stock Exchange plc since July 2012. To the extent known to the Issuer, no shareholder controls more than 10 per cent. of the issued share capital of the Issuer as at the date of this Offering Circular. No single shareholder can, therefore, directly or indirectly exercise control over the Issuer.

Directors

The following table sets out the names of the Issuer's directors, their functions and principal business activities outside the Issuer, as well as the years of their initial appointment as directors (collectively referred to as the "**Board**"):

Director	Year of appointment to the Board	Role	Principal activities outside the Issuer
Alan Jackson	2006	Non-executive Chairman	None.
Mor Weizer	2007	Chief Executive Officer	None.
Andrew Smith	2017	Chief Financial Officer	None.
Andrew Thomas	2012	Senior Non-executive Director	Randalls Limited, chairman. Moors Andrew Thomas & Co. LLP, founding partner.
Susan Ball	2018	Non-executive Director	Gambling.com Group plc, non-executive director. Bannatyne Group plc, non-executive director. ICAEW, fellow.
John Jackson	2016	Non-executive Director	Rick Stein Group, non-executive chairman. Game Digital plc, senior independent director. Wilkinson's Hardware Stores Limited, non-executive director.
Claire Milne	2016	Non-executive Director	Appleby (Isle of Man), partner and team leader within the Intellectual Property and Science & Technology teams. Institute of Directors, member. Licensing Executive Society, member. Society for Computers and the Law, member. International Masters of Gaming Law, general member.
Ian Penrose	2018	Non-executive Director	None.

Alan Jackson was appointed to the Board in 2006 on the Issuer's flotation on the AIM Market of the London Stock Exchange and became Chairman in October 2013. Alan has over 40 years' experience in the leisure industry. From 1973 to 1991, he occupied a number of positions at Whitbread, both in the UK and internationally, principally as Managing Director of Beefeater Steak Houses and also the Whitbread restaurant division where he was responsible for the creation and development of the Beefeater, Travel Inn and TGI Friday brands and was responsible for Whitbread's international restaurant development. In 1991, he founded Inn Business Group plc, which was acquired by Punch Taverns plc in 1999. He was Chairman of The Restaurant Group plc from 2001 until he retired from this position in 2016. He stepped down from his role as Deputy Chairman and Senior Non-executive Director at Redrow plc in September 2014. Having held several Board positions in both an executive and non-executive capacity in a variety of listed companies in the UK, he brings substantial experience of working in public and private companies, along with strategic and leadership experience. He is Chairman of the Nominations Committee and a member of the Remuneration & Risk Compliance Committee.

Mor Weizer was appointed as the Chief Executive Officer in May 2007. Prior to being appointed to its current position, Mor was the Chief Executive Officer of one of the Issuer's subsidiaries, Techplay Marketing Ltd., which required him to oversee the Group's licensee relationship management, product management for new licensees and the Group's marketing activities. Before joining the Group, Mor worked for Oracle for over four years, initially as a development consultant and then as a product manager, which involved creating sales and consulting channels on behalf of Oracle Israel and Oracle Europe, the Middle East and Africa. Earlier in his career, he worked in a variety of roles, including as an auditor and financial consultant for PricewaterhouseCoopers and a system analyst for Tadiran Electronic Systems Limited, an Israeli company that designs electronic warfare systems. Mor is a qualified accountant and brings considerable international sales and management experience in a hi-tech environment and extensive knowledge of the online gambling industry. Until June 2013 he was a Non-executive Director of Sportech PLC as the Issuer's representative, and resigned when the Group disposed of its shareholding. He chairs the Management Committee and attends the Remuneration, Risk & Compliance and Nominations Committees at the invitation of the Chairs of those Committees.

Andrew Smith was appointed as the Chief Financial Officer on 10 January 2017, having joined the Group in 2015. Having qualified as a solicitor with Ashurst in 2001, Andrew moved into investment banking, first with ABN AMRO and then with Deutsche Bank, specialising in both the Technology and Leisure sectors. Andrew joined the Group in 2015 as Head of Investor Relations. Andrew brings a wealth of financial, capital markets and M&A experience to the Board and has been integral to the Group's operational and strategic progress since joining the business. Andrew sits on the Management Committee and attends meetings of the Audit Committee and the Risk & Compliance Committee at the invitation of the Chairs of those Committees.

Andrew Thomas was appointed to the Board in June 2012, shortly before the Issuer's admission to the Main Market of the London Stock Exchange. Andrew has enjoyed a career as an accountant and businessman, much of which has been within the leisure industry. Andrew is currently Chairman of Randalls Limited, a family-owned pub company in Jersey, where he lives. Andrew previously served as Chairman of The Greenalls Group plc and as a Non-executive Director of a number of private and public companies. He is the founding partner of the Cheshire-based accounting firm, Moors Andrew Thomas & Co. LLP. Andrew is a member of the Institute of Chartered Accountants in England & Wales and a member of the Institute of Taxation. Andrew combines many years' detailed experience of advising on taxation matters, with financial expertise both as a Chartered Accountant and sitting as a Non-executive Director of a number of publicly listed companies. Andrew chairs the Audit Committee, which oversees the work of the internal auditors and sits on the Remuneration, Nomination and Risk & Compliance Committees. On 21 February 2019, the Issuer announced that Andrew Thomas has given notice to the board of directors of the Issuer of his intention not to stand for re-election at the annual general meeting scheduled for 15 May 2019, and will cease to be non-executive director of the Issuer from that date.

Susan Ball was appointed to the Board in August 2018. Susan is a Chartered Accountant with over 35 years' senior finance and board level experience in the gambling, leisure and consumer industries, with a focus in the last 15 years on online, high-growth businesses, data analytics and digital strategies. Susan's previous gambling sector experience includes being a Non-Executive Director at sportsbetting company, Kambi Group plc, from 2014 until June 2018, where she was Chair of the Audit Committee. Prior to that, Susan was CFO for Swedish-listed online gambling group, Unibet Group plc from 2002 to 2007, and CFO at the AIM-listed, European gambling business, Praesepe plc from 2007 to 2009. She is currently Non-Executive Director at Gambling.com Group plc, where she also sits on the Remuneration and Audit Committees. Outside the gambling sector, Susan is a Non-Executive Director of Bannatyne Group plc, and mentors online scale-up businesses. She is a fellow of the ICAEW.

John Jackson was appointed to the Board in January 2016. John is a qualified accountant and his previous roles include Group Chief Executive of Jamie Oliver Holdings Limited from 2007 to 2015 and Group Retail and Leisure Director of Virgin Group Limited from 1998 to 2007. He is currently Nonexecutive Chairman of Rick Stein Group, a senior independent director of Game Digital plc; and a Non-executive Director of Wilkinson's Hardware Stores Limited. John brings a wealth of consumer industry experience combined with a strong accountancy and finance background. John is Chair of the Remuneration Committee and sits on the Audit Committee, Risk & Compliance Committee and Nominations Committee.

Claire Milne was appointed to the Board in July 2016. Claire has a master's degree from The Johns Hopkins University, Baltimore, is a member of The Law Society of Scotland, a Manx Advocate and a Writer to Her Majesty's Signet. She is a member of the Institute of Directors, the Licensing Executive Society and the Society for Computers and the Law, a General Member of the International Masters of Gaming Law and was Chair of the Isle of Man Gambling Supervision Commission from 2007-2012. She is currently a Partner and Team Leader within the Intellectual Property and Science & Technology teams for Appleby in the Isle of Man. Claire is a recognised industry expert in eGaming and technology law and regulation, with over 20 years' experience advising gambling and financial services clients as an in-house and private practice lawyer. Claire sits on the Remuneration Committee, Risk & Compliance Committee, Audit Committee and Nominations Committee.

Ian Penrose was appointed to the Board in September 2018. Ian has more than 20 years of global gaming, technology and leisure sector experience. He has deep sector experience and strategic and operational knowledge of international regulated gaming markets, particularly in the US, where he has led a number of strategic initiatives. He was previously CEO of Sportech, where he led its strategic repositioning from a UK-focused company to a global gaming and technology business, primarily based in North America. Prior to Sportech, Ian was CEO of Arena Leisure, where he led the development of the business into the UK's largest racecourse and media group. Ian is a member of the Audit, Risk, Remuneration and Nominations committees.

The business address of each of the directors of the Issuer is Ground Floor, St. George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE.

As of the date of this Offering Circular, the Issuer is not aware of any actual or potential conflicts of interest between the duties of any of the members of the Board of Directors of the Issuer and their respective private interests and/or other duties.

Financial statements and auditors

For details of the Issuer's financial statements, see "*Presentation of Financial and Other Information*". BDO LLP of 55 Baker St, London W1U 7EU, UK are the Issuer's auditors.

Corporate governance

As of the date of this Offering Circular, the Board comprises the Non-executive Chairman, the Chief Executive Officer, the Chief Financial Officer, and five independent Non-executive Directors.

The Board has delegated certain of its responsibilities to a number of committees of the Board to assist in the discharge of its duties. The principal committees currently are the Audit Committee, the Remuneration Committee, the Risk & Compliance Committee and the Nominations Committee.

The Audit Committee's key objectives are the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures, the performance of both the internal and external audit function, and the management of the Group's systems of internal control, business risks and related compliance activities.

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policy for the Chairman, Executive Directors and senior management.

The primary responsibilities delegated to, and discharged by, the Risk & Compliance Committee include reviewing management's identification and mitigating key risks to the achievement of the Issuer's objectives, monitoring incidents and remedial activity, agreeing and monitoring the risk assessment programme including, in particular, changes to the regulation of online gambling and the assessment of licensees' suitability, agreeing on behalf of the Board and continually reviewing a risk management strategy and relevant policies for the Group,

including the employee code of conduct, anti-bribery policy, anti-money laundering policy and wider social responsibility issues, satisfying itself and report to the Board that the structures, processes and responsibilities for identifying and managing risks are adequate, and monitoring and procuring ongoing compliance with the conditions of the regulatory licences held by the Group.

The Nominations Committee reviews the structure, size and composition of the Board and its Committees and makes recommendations with regard to any changes considered necessary in the identification and nomination of new Directors, the reappointment of existing Directors and appointment of members to the Board's Committees. It also assesses the roles of the existing Directors in office to ensure that there continues to be a balanced Board in terms of skills, knowledge, experience and diversity. The Nominations Committee reviews the senior leadership needs of the Group to enable it to compete effectively in the marketplace. The Nominations Committee also advises the Board on succession planning for Executive Director appointments although the Board itself is responsible for succession generally.

Guarantors

General

The business address of each Guarantor's directors is the relevant Guarantor's registered office as set out below. As at the date of this Offering Circular, no Guarantor is aware of any actual or potential conflict of interests between the duties their directors owe, on the one hand, and their private interests or the duties owed by any of them to any other person, on the other.

TradeTech Holding Limited

Legal and commercial name	TradeTech Holding Limited	
Registration number	010667V	
Date and place of incorporation	9 January 2014—Isle of Man	
Duration of existence	Indefinite	
Place of domicile	Isle of Man	
Applicable law	Isle of Man	
Legal form	A company limited by shares	
Registered office	Ground Floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man	
Telephone number	01624 645999	
Principal place of business	Isle of Man	
Directors	Name	Relevant other activities
	Mor Weizer	None
	Ron Hoffman	None
	Neil Offord	None
Statutory auditors	N/A—no audit requirement	
Principal activities	TradeTech Holding Limited is the holding company of the Financials Division	

Playtech Software Limited

Legal and commercial name	Playtech Software Limited	
Registration number	014453V	
Date and place of incorporation	26 May 2006—British Virgin Islands (continued into the Isle of Man on 14 February 2017)	
Duration of existence	Indefinite	
Place of domicile	Isle of Man	
Applicable law	Isle of Man	
Legal form	A company limited by shares	
Registered office	Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	
Telephone number	01624 645999	
Principal place of business	Isle of Man	
Directors	Name	Relevant other activities
	Mor Weizer	None
	Andrew Smith	None
Statutory auditors	N/A—no audit requirement	
Principal activities	Playtech Software Limited is the principal trading company of the Group	

Technology Trading IOM Limited

Legal and commercial name	Technology Trading IOM Limited	
Registration number	124217C	
Date and place of incorporation	3 December 2009—Isle of Man	
Duration of existence	Indefinite	
Place of domicile	Isle of Man	
Applicable law	Isle of Man	
Legal form	A company limited by shares	
Registered office	Ground Floor, St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE	
Telephone number	01624 645999	
Principal place of business	Isle of Man	
Directors	Name	Relevant other activities
	Mor Weizer	None
	Andrew Smith	None
Statutory auditors	N/A—no audit requirement	
Principal activities	Technology Trading IOM Limited is the holding company for some of the operating companies of the Group	

Playtech Services (Cyprus) Limited

Legal and commercial name	Playtech Services (Cyprus) Limited	
Registration number	HE224317	
Date and place of incorporation	29 February 2008—Cyprus	
Duration of existence	Indefinite	
Place of domicile	Cyprus	
Applicable law	Cyprus	
Legal form	A private company limited by shares	
Registered office	146-148 Strovolos, Petousis House, 2nd Floor, Strovolos, 2048 Nicosia, Cyprus	
Telephone number	+35722024750/755	
Principal place of business	Cyprus	
Directors	Name	Relevant other activities
	Jeremy Schlachter	None
	Moran Weizer	None
	Andrew Smith	None
Statutory auditors	KPMG Limited	
Principal activities	Playtech Services (Cyprus) Limited is a holding company of Pluto Italia S.p.A. Activates the ipoker network in regulated markets. Owns the intellectual property of GTS, ASH and Geniety businesses	

Pluto (Italia) S.p.A.

Legal and commercial name	Pluto (Italia) S.p.A.	
Registration number	MI—2519558	
Date and place of incorporation	23 March 2018—Italy	
Duration of existence	Indefinite	
Place of domicile	Italy	
Applicable law	Italy	
Legal form	A company limited by shares	
Registered office	Viale Abruzzi 94, 20131 Milan, Italy	
Telephone number	+1624 645999	
Principal place of business	Italy	
Directors	Name	Relevant other activities
	Jeremy Schlachter	None
	Moran Weizer	None
	Andrew Smith	None
Statutory auditors	BDO Italia S.p.A.	
Principal activities	Pluto (Italia) S.p.A. is a holding company of Snaitech	

Major shareholders

The Issuer beneficially owns 100 per cent. of the issued share capital of each Guarantor. See "*Summary Corporate and Financing Structure*".

Applicable law

TradeTech Holding Limited and Playtech Software Limited operate under Isle of Man Companies Act 2006. Technology Trading IOM Limited operates under the Isle of Man Companies Act 1931 – 2004, Pluto (Italia) S.p.A. operate under the Italian Civil Code. Playtech Services (Cyprus) Limited operates under the Companies Law, Cap. 113.

EBITDA and net assets

Guarantors

Based on the 2017 Financial Statements (being the latest year in respect of which an audit report has been published by the Issuer):

- EBITDA of the Guarantors represented €441 million, or 150 per cent. of consolidated Group EBITDA for the year ended 31 December 2017;
- Adjusted EBITDA of the Guarantors represented €441 million, or 137 per cent. of consolidated Group Adjusted EBITDA for the year ended 31 December 2017; and
- net assets of the Guarantors was €745 million, or 55 per cent. of consolidated Group net assets for the year ended 31 December 2017.

The Guarantors' share of net assets, EBITDA and Adjusted EBITDA has been calculated on an aggregated basis for the Guarantors.

Non-Guarantor subsidiaries (excluding the Issuer)

Based on the 2017 Financial Statements (being the latest year in respect of which an audit report has been published by the Issuer):

- EBITDA of the non-Guarantor subsidiaries of the Issuer represented -€135 million, or -46 per cent. of consolidated Group EBITDA for the year ended 31 December 2017;
- Adjusted EBITDA of the non-Guarantor subsidiaries of the Issuer represented -€108 million, or -34 per cent. of consolidated Group Adjusted EBITDA for the year ended 31 December 2017; and
- net assets of the non-Guarantor subsidiaries of the Issuer was €599 million, or 44 per cent. of consolidated Group net assets for the year ended 31 December 2017.

The share of net assets, EBITDA and Adjusted EBITDA of the non-Guarantor subsidiaries of the Issuer has been calculated on an aggregated basis for the non-Guarantor subsidiaries of the Issuer.

Issuer

Based on the 2017 Financial Statements (being the latest year in respect of which an audit report has been published by the Issuer):

- EBITDA of the Issuer represented -€13 million, or -4 per cent. of consolidated Group EBITDA for the year ended 31 December 2017;
- Adjusted EBITDA of the Issuer represented -€11 million, or -3 per cent. of consolidated Group Adjusted EBITDA for the year ended 31 December 2017; and
- net assets of the Issuer was €14 million, or 1 per cent. of consolidated Group net assets for the year ended 31 December 2017.

The Issuer's sole activity is to act as the holding company of the Group and raise financing on behalf of the Group. For information on the Group's activities, see "*Business Description*". The Issuer has no independent operations of its own other than owning equity in its subsidiaries and raising finance.

Financial statements of the Guarantors

Each Guarantor produces individual financial statements in accordance with the local GAAP (on an unconsolidated basis) as required by the regulatory or tax authorities in the jurisdiction of their incorporation.

Contributions of individual Guarantors

Playtech Software represented €409.4 million, or 139 per cent. of consolidated Group EBITDA for the year ended 31 December 2017, and €617 million, or 45 per cent. of consolidated Group net assets for the year ended 31 December 2017.

TradeTech Holding represented -€0.2 million, or 0 per cent. of consolidated Group EBITDA for the year ended 31 December 2017 and €76 million, or 6 per cent. of consolidated Group net assets for the year ended 31 December 2017.

Technology Trading represented €1.5 million, or 1 per cent. of consolidated Group EBITDA for the year ended 31 December 2017 and -€81 million, or -6 per cent. of consolidated Group net assets for the year ended 31 December 2017.

Playtech Cyprus represented €30.1 million, or 10 per cent. of consolidated Group EBITDA for the year ended 31 December 2017 and -€38.8 million, or -3 per cent. of consolidated Group net assets for the year ended 31 December 2017.

Pluto Italia represented €0 million, or 0 per cent. of consolidated Group EBITDA for the year ended 31 December 2017 and €0 million, or 0 per cent. of consolidated Group net assets for the year ended 31 December 2017.

For information relating to the address of registered office, registration number, date of incorporation and description of business activities of Playtech Software, TradeTech Holding, Technology Trading, Playtech Cyprus and Pluto Italia, see "*—Guarantors—General*" above. For information on risks specific to Playtech Software, TradeTech Holding, Technology Trading, Playtech Cyprus and Pluto Italia that could impact on their Notes Guarantees, see "*Risk Factors— Risks Relating to the Notes—The Notes Guarantees will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit their validity and enforceability*".

Except for the security created pursuant to the Security Documents and expressed to secure the obligations of the Issuer and the Guarantors under the Notes, the Trust Deed and certain other obligations of the Issuer and the Guarantors, there are no encumbrances on the assets of any Guarantor that could materially affect their ability to meet their obligations under the Notes Guarantees. See "*Terms and Conditions of the Notes—Guarantees, Security and Status*".

MATERIAL CONTRACTS

The Issuer believes that neither it nor any Guarantor has entered into any material contracts (being contracts that are not entered into in the ordinary course of the Issuer's or any Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the holders of the Notes and to the Guarantors' ability to meet their obligations under the Notes Guarantees, as the case may be), except as described below.

Principal Bank Facility

The following is a summary of the principal terms of the Principal Bank Facility. The Principal Bank Facility currently solely consists of a revolving credit facility ("**RCF**") of €272 million (which can, if requested by the Issuer and agreed to by the relevant lenders, be increased to €300 million).

Purpose

The RCF was originally drawn down in part for the purpose of refinancing the Issuer's then existing revolving credit facility and is currently able to be drawn down for the general corporate and working capital purposes of the Group or financing the purchase price (or the payment of fees, costs and expenses incurred) in connection with an acquisition permitted under the Principal Bank Facility.

Security

The facilities under the Principal Bank Facility are secured by way of security over:

(a) the issued share capital of Playtech Software, TradeTech Holding, Technology Trading, Playtech Cyprus Limited, Pluto Italia and Snaitech; and

(b) all receivables owed (i) to the Issuer by Playtech Services (Cyprus) Limited; (ii) to Playtech Services (Cyprus) Limited by Pluto Italia; and (iii) to Pluto Italia by Snaitech, in each case, pursuant to an intra-group loan agreement between the relevant parties.

Drawdown

The RCF has been made available from and including the date of the Principal Bank Facility to the date falling one month prior to the RCF Termination Date, as defined below (the "**RCF Availability Period**").

The lenders will be obliged to make RCF utilisations available to the Issuer during the RCF Availability Period provided that:

(a) no event of default (in the case of a rollover loan) or no default (in the case of any other loan) is continuing or would result from the proposed utilisation; and

(b) all repeating representations are true in all material respects.

Term

The RCF is due to terminate on the third anniversary of the date of the Principal Bank Facility (the "**RCF Termination Date**"), unless the lenders exercise their discretion to approve a one year extension. The Issuer has exercised its right to request a one year extension of the RCF Termination Date and each Lender is required to notify the Agent of its decision whether or not to accept that request by no later than the date 10 days before the first anniversary of the date of the Principal Bank Facility. The extension will only take effect if, on the third anniversary of the date of the Principal Bank Facility, no event of default is continuing or would result from the proposed extension and the repeating representations are true in all material respects.

Repayment and prepayment

Loans made under the RCF are repayable at the end of each interest period, but the RCF may be re-drawn for successive interest periods until the RCF Termination Date.

In addition:

- Illegality – if a lender notifies the Issuer that it is unlawful for that lender (or any of its affiliates) to perform its obligations under the Principal Bank Facility or to fund or maintain its participation in any loan made under the Principal Bank Facility, the Issuer must repay any outstanding amounts owed to that lender (including accrued interest and any break costs) and any commitments of that lender will be cancelled.
- Change of Control or sale of assets – upon the occurrence of a change of control (i.e. any person or group of persons acting in concert gains direct or indirect control of the Issuer) or the sale of substantially all of the assets of the Group (whether in a single transaction or a series of related transactions), a lender will not be obliged to make further funds available (except for a rollover loan in relation to the RCF) and the Issuer and the lenders will negotiate in good faith for up to 30 days with a view to agreeing alternative terms for continuing the RCF. If no agreement is reached at the end of the negotiation period and a lender so requests, then the Issuer must repay any outstanding amounts owed to that lender (including accrued interest and any break costs) and any commitments of that lender will be cancelled.
- Online gambling activities – if, in any jurisdiction where the Group conducts online gambling activities, any law is enforced in a manner which prohibits, prevents or restricts the provision of online gambling in that jurisdiction, or in the reasonable opinion of a lender (having taken advice from external legal counsel) certain changes are made to online gambling policy (or its application) or online gambling law (or its interpretation), in each case that result in:
  - potential liability for a lender which is directly related to the Group's business as an online gambling operator; or
  - a lender receiving a formal notice or order from a regulatory or judicial authority alleging (i) that a member of the Group has breached laws prohibiting or restricting gambling or related financial services in the applicable jurisdiction or (ii) that it is or will become unlawful or contrary to a requirement, voluntary code or direction emanating from such an authority for the lender to perform any of its obligations under, or in relation to, the Principal Bank Facility or for that lender to allow its loans to remain outstanding under the Principal Bank Facility,

  then the lender may request that the relevant Group member ceases its operations as an online gambling operator in that jurisdiction or otherwise complies with the law. If the Group member does not comply with that request within 60 days and if a lender so requests within 10 business days of that date, then the Issuer must, upon not less than 30 days' notice (or such shorter period that is determined (on legal advice) to be necessary to prevent the lender from being in breach of any relevant law), repay any outstanding amounts owed to that lender (including accrued interest and any break costs) and any commitments of that lender will be cancelled.

Interest and fees

Interest under the Principal Bank Facility in relation to the RCF will be charged on each loan and the applicable interest rate will be the aggregate percentage rate per annum of the applicable margin and EURIBOR (with respect to loans in euro) or LIBOR (with respect to loans in other currencies).

In relation to the RCF, the margin varies between 1.30 per cent. per annum and 2.10 per cent. per annum, depending on the ratio of the Group's consolidated total net debt to its adjusted consolidated EBITDA measured at the end of each financial year and at the end of each twelve-month period ending on the Issuer's financial half-year.

Restrictive covenants

The Issuer and certain subsidiaries of the Issuer are subject to a number of customary restrictive covenants, such that particular acts are prohibited unless they are expressly permitted under the Principal Bank Facility including, amongst others, (in each case subject to certain exceptions and carve outs):

(a) a negative pledge whereby the members of the Group are not permitted to create any security over their assets;

(b) a restriction in respect of making disposals of assets;

(c) a restriction on incurring financial indebtedness in subsidiaries of the Issuer that are not obligors under the Principal Bank Facility; and

(d) a restriction on making acquisitions.

Financial Covenants

The Principal Bank Facility contains the following financial covenants which are tested semi-annually for each twelve-month period ending on the Issuer's financial year and financial half-year:

(a) leverage test – leverage is defined as the ratio of the Group's consolidated total net debt to adjusted consolidated EBITDA. The leverage ratio for, or by reference to, the relevant twelve-month test periods ending on or prior to the date falling 18 months after the date of the Principal Bank Facility (which is 11 October 2019) shall be no greater than 3.25:1 and for, or by reference to, each relevant period thereafter the leverage ratio shall be no greater than 3.00:1; and

(b) interest test – for any relevant twelve-month testing period during the term of the Principal Bank Facility, the ratio of adjusted consolidated EBITDA to consolidated net finance charges for any such relevant period shall not be less than 4.00:1.

The Principal Bank Facility otherwise contains customary warranties, representations, covenants and events of default for a facility of its nature.

Intercreditor Agreement

On 11 April 2018, the Issuer entered into the Intercreditor Agreement with, amongst others, Santander UK plc as facility agent under the Principal Bank Facility, The Law Debenture Trust Corporation p.l.c. as security agent and the lenders under the Principal Bank Facility.

The Intercreditor Agreement sets out, among other things:

(a) the relative ranking of certain debt (including debt incurred under the Principal Bank Facility, the Existing Notes and the Notes) of the debtors;

(b) the relative ranking of Transaction Security (defined below) granted by certain members of the Group;

(c) when payments can be made in respect of certain indebtedness of the Group;

(d) when enforcement action (including acceleration and/or demand for payment and certain similar actions) can be taken in respect of certain indebtedness of the Group;

(e) the terms pursuant to which certain indebtedness will be subordinated upon the occurrence of certain insolvency events;

(f) the order for applying proceeds from the enforcement of security and other amounts received by the Security Agent;

(g) turnover provisions;

(h) the terms of appointment of the Security Agent; and

(i) the rights and obligations of the Hedge Counterparties (as defined below).

The Intercreditor Agreement contains provisions related to future indebtedness that may be incurred by the Group which may be secured by the collateral securing the Notes including any future indebtedness by way of senior secured notes or loans in each case to the extent permitted by any finance documentation then existing (including the Trust Deed). Once the Trustee has acceded to the Intercreditor Agreement, the holders of the Notes will have equivalent rights to (i) the finance parties under the Principal Bank Facility, (ii) the holders of the Existing Notes, (iii) the holders of the Convertible Bonds and (iv) hedge counterparties which have acceded to the Intercreditor Agreement (such hedge counterparties being "**Hedge Counterparties**") under the Intercreditor Agreement and the holders of the Notes will vote in the same class of creditors as the finance parties under the Principal Bank Facility, holders of the Existing Notes, holders of the Convertible Bonds and the Hedge Counterparties in respect of enforcement (the indebtedness under the Notes, the Principal Bank Facility and certain indebtedness owed to the Hedge Counterparties and certain other debt (the "**Pari Passu Debt**"), being the "**Senior Secured Debt**" and the creditors thereof being the "**Senior Secured Creditors**").

By agreeing to purchase Notes, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety and holders of the Notes are urged to read the document in full because it, and not the discussion that follows, defines certain rights of the holders of the Notes.

Ranking and Priority

The Intercreditor Agreement provides that the liabilities owing to the holders of Senior Secured Debt rank pari passu in right and priority of payment between themselves and in priority to all intra-group liabilities and liabilities owed by any member of the Group to any subordinated creditor.

The Intercreditor Agreement does not purport to rank the intra-group liabilities or the liabilities owed by any member of the Group to any subordinated creditor as between themselves.

Guarantees and Security

The lenders under the Principal Bank Facility, the Hedge Counterparties, the holders of the Notes (once the Notes have been issued and the Trustee has acceded to the Intercreditor Agreement), the holders of the Existing Notes, the holders of the Convertible Bonds (in each case, for as long as they remain outstanding) and the Pari Passu Creditors will benefit from a common guarantee and security package (the "**Transaction Security**"). The liabilities owing to the Principal Bank Facility lenders, the Hedge Counterparties, the holders of the Notes, the holders of the Existing Notes, the holders of the Convertible Bonds and the Pari Passu Creditors will, to the extent permitted under applicable law, be guaranteed by the same debtors and will be secured by the same Transaction Security (subject to certain exceptions). To the extent permitted by the Trust Deed, holders or, as the case may be, creditors of other Senior Secured Debt are entitled under the Intercreditor Agreement to receive the benefit of Transaction Security on the basis set forth in "*—Ranking and Priority*" above. The Intercreditor Agreement contains covenants restricting holders or, as the case may be, creditors of Senior Secured Debt from taking any additional guarantees or security from the Group unless given for the benefit of all holders or, as the case may be, creditors of Senior Secured Debt (subject to certain exceptions). Unless there is a legal restriction on doing so, the Security Agent shall hold the Transaction Security for the benefit of the holders of Senior Secured Debt to the extent each has the benefit of Transaction Security.

No Transaction Security will become enforceable until the occurrence of an applicable acceleration event.

Priority of Security

The Transaction Security shall rank and secure the liabilities in respect of Senior Secured Debt (but only to the extent such Transaction Security is expressed to secure those liabilities and irrespective of the date on which such Transaction Security was created and/or perfected) pari passu and without any preference between them, with the proceeds of the Transaction Security to be applied as described under "*—Application of Recoveries*" below.

Restrictions on Payments

Prior to the final discharge date of all Senior Secured Debt, there shall be no restrictions under the Intercreditor Agreement on payments to be made to holders or, as the case may be, creditors of Senior Secured Debt, save that the Intercreditor Agreement contains customary provisions regulating payments in respect of hedging liabilities to the Hedge Counterparties.

Payments of liabilities to intra-group lenders and subordinated creditors shall be permitted to the extent expressly permitted in the circumstances contemplated by the Intercreditor Agreement or if the consent of an instructing group is obtained as contemplated in the Intercreditor Agreement.

Entitlement to Enforce Transaction Security

There are no restrictions on enforcement of Transaction Security by holders or, as the case may be, creditors of Senior Secured Debt (other than in the case of the Hedge Counterparties as described under "*—Additional Restrictions*" below), provided that no such creditor may enforce Transaction Security other than in accordance with the Intercreditor Agreement.

Additional Restrictions

The Intercreditor Agreement restricts (among other things) with respect to the Group:

(a) the ability of the Hedge Counterparties to take any enforcement action except for certain specified permitted enforcement actions;

(b) the ability of intra-group debtors to pay, prepay, repay, redeem, defease or discharge or acquire intra-group liabilities except for certain specified permitted payments;

(c) the ability of the intra-group lenders to take any enforcement action except for certain specified permitted enforcement actions;

(d) the ability of the intra-group lenders to take the benefit of any guarantees or security except under certain circumstances;

(e) the ability of members of the Group to pay, prepay, repay, redeem, defease or discharge or acquire any liabilities owing to the subordinated creditors except for certain specified permitted payments/acquisitions;

(f) the ability of subordinated creditors to take enforcement action except for certain specified permitted enforcement action; and

(g) the ability of the subordinated creditors to take the benefit of any guarantees or security except under certain circumstances.

In addition, the Intercreditor Agreement provides that the Transaction Security and guarantees relating to Senior Secured Debt will be released in certain circumstances described further below in "*—Release of Security and Guarantees—Non-Distressed Disposals*" and "*—Release of Security and Guarantees—Distressed Disposals*". Moreover, certain proceeds received by holders of Senior Secured Debt must be turned over to the Security Agent pursuant to the Intercreditor Agreement for application in accordance with the Intercreditor Agreement. See further below in "*—Turnover*."

Effect of an Insolvency Event

After the occurrence of an insolvency event in relation to any member of the Group, any debtor, intra-group lender, subordinated creditor and creditor in respect of the Senior Secured Debt entitled to receive a distribution out of the assets of that member of the Group in respect of liabilities owed to it shall, subject to receiving payment instructions and certain other information and to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to pay that distribution to the Security Agent until the liabilities owing to the secured parties have been paid in full. After the occurrence of an insolvency event in relation to any member of the Group, each debtor, intra-group lender, subordinated creditor and creditor in respect of the Senior Secured Debt irrevocably authorises the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) to:

(a) take any enforcement action (in accordance with the terms of the Intercreditor Agreement) against that member of the Group;

(b) demand, sue, provide and give receipt for any or all of that member of the Group's liabilities;

(c) collect and receive all distributions on, or on account of, any or all of that member of the Group's liabilities; or

(d) file claims, take proceedings and do all other things the Security Agent considers reasonably necessary to recover that member of the Group's liabilities.

Each of the creditors in respect of the Senior Secured Debt and the subordinated creditors shall (a) do all things the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) requests in order to give effect to the above actions and (b) if the Security Agent is not entitled to take any of the above actions or requests that a creditor takes that action, undertake that action itself in accordance with the instructions of the Security Agent (acting in accordance with the terms of the Intercreditor Agreement) or grant a power of attorney to the Security Agent to enable it to take such actions.

Release of Security and Guarantees—Non-Distressed Disposals

The Security Agent shall be permitted to release Transaction Security over any asset if, in respect of a disposal of an asset by a debtor or an asset which is subject to the Transaction Security or in respect of any other transaction:

(a) prior to the discharge date in respect of the Senior Secured Debt, such disposal is not prohibited under the terms of any agreement or instrument in respect of Senior Secured Debt and the Issuer has confirmed to the Security Agent that such disposal is not so prohibited;

(b) the Issuer confirms (acting in good faith) that the release of Transaction Security is permitted under the relevant secured debt documents; and

(c) such disposal is not a distressed disposal (as set out more fully in "*—Release of Security and Guarantees—Distressed Disposals*" below).

Release of Security and Guarantees—Distressed Disposals

In relation to the disposal of an asset of a member of the Group or any asset of a non-debtor security provider which is subject to Transaction Security which is (i) being effected at the request of an instructing group in circumstances where the Transaction Security has become enforceable, (ii) being effected by the enforcement of the Transaction Security or (iii) being effected, after the occurrence of an acceleration event or the enforcement of any Transaction Security, by a debtor to a person or persons which is not a member of the Group (a "**Distressed Disposal**"), the Security Agent is irrevocably authorised (at the cost of the relevant debtor or the Issuer and without any consent, sanction, authority or further confirmation from any creditor, subordinated creditor, non-debtor security provider or debtor) to:

(a) release the Transaction Security or any other claim over that asset and execute and deliver or enter into any release of that Transaction Security or claim and issue any letters of non-crystallisation of any floating charge or any consent to dealing that may, in the discretion of the Security Agent, be considered necessary or desirable;

(b)

(i) if the asset which is disposed of consists of shares in the capital of a debtor, to release:

(A) that debtor and any subsidiary of that debtor from all or any part of:

(1) its borrowing liabilities;

(2) its guarantee liabilities; and

(3) its other liabilities;

(B) any Transaction Security granted by that debtor, non-debtor security provider or any subsidiary of that debtor over any of its assets; and

(C) any other claim of a subordinated creditor, an intra-group lender or another debtor or non-debtor security provider over that debtor's assets or over the assets of any subsidiary of that debtor,

on behalf of the relevant creditors, subordinated creditors, non-debtor security provider and debtors;

(ii) if the asset which is disposed of consists of shares in the capital of any holding company of a debtor, to release:

(A) that holding company and any subsidiary of that holding company from all or any part of:

(1) its borrowing liabilities;

(2) its guarantee liabilities; and

(3) its other liabilities;

(B) any Transaction Security granted by the holding company of that holding company over shares in that holding company or granted by that holding company or any subsidiary of that holding company over any of its assets; and

(C) any other claim of a subordinated creditor, an intra-group lender or another debtor over that holding company's assets and the assets of any subsidiary of that holding company,

on behalf of the relevant creditors, subordinated creditors, non-debtor security providers and debtors;

(iii) if the asset which is disposed of consists of shares in the capital of a debtor or the holding company of a debtor and the Security Agent is instructed to dispose of all or any part of the rights in respect of:

(A) the liabilities; or

(B) the debtor liabilities,

owed by that debtor or holding company or any subsidiary of that debtor or holding company:

(1) (if the transferee of the rights in respect of those liabilities or debtor liabilities (the "**Transferee**") will not be treated as a Senior Secured Creditor or a secured party for the

purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of all or part of the rights in respect of those liabilities or debtor liabilities provided that the Transferee shall not be treated as a Senior Secured Creditor or a secured party for the purposes of the Intercreditor Agreement; and

(2) (if the Transferee will be treated as a Senior Secured Creditor or as a secured party for the purposes of the Intercreditor Agreement), to execute and deliver or enter into any agreement to dispose of:

(a) all (and not part only) of the rights in respect of the liabilities owed to the Senior Creditors; and

(b) all or part of the rights in respect of any other liabilities and the debtor liabilities, on behalf of, in each case, the relevant creditors, subordinated creditors and debtors;

(iv) if the asset which is disposed of consists of shares in the capital of a debtor or the holding company of a debtor (the "**Disposed Entity**") and the Security Agent is instructed to transfer to another debtor (the "**Receiving Entity**") all or any part of the Disposed Entity's obligations or any obligations of any subsidiary of that Disposed Entity in respect of:

(A) the intra-group liabilities;

(B) the debtor liabilities; or

(C) the subordinated liabilities,

to execute and deliver or enter into any agreement to:

(1) agree to the transfer of all or part of the obligations in respect of those intra-group liabilities, debtor liabilities or subordinated liabilities on behalf of the relevant intra-group lenders, debtors or, as the case may be, the subordinated creditors to which those obligations are owed and on behalf of the debtors which owe those obligations; and

(2) to accept the transfer of all or part of the obligations in respect of those intra-group liabilities, debtor liabilities or subordinated liabilities on behalf of the Receiving Entity or Receiving Entities to which the obligations in respect of those intra-group liabilities, debtor liabilities or, as the case may be, subordinated liabilities are to be transferred.

The proceeds in connection with the realisation or enforcement (or any transaction in lieu thereof) of any Transaction Security shall be paid to the Security Agent for application as described under "*—Application of Recoveries*" below.

In the case of a Distressed Disposal (or a disposal of liabilities as described in paragraph (b)(iii)(B)(II) above) effected by or at the request of the Security Agent, unless the requisite majority of holders or, as the case may be, creditors of the Senior Secured Debt otherwise agree, it is a further condition to any release or disposal described above that:

(a) the proceeds of such disposal are in cash (or substantially in cash);

(b) all claims of the Senior Secured Creditors against any member of the Group and any subsidiary of that member of the Group, debtor or non-debtor security provider which are sold or disposed of pursuant to such Distressed Disposal, are unconditionally released and discharged concurrently with such sale (and are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released and discharged concurrently with such sale, provided that in the event of a sale or disposal of any such claim (instead of a release or discharge):

(i) the applicable instructing group determine acting reasonably and in good faith that the Senior Secured Creditors will recover more than if such claim was released or discharged; and

(ii) the applicable instructing group serve a notice on the Security Agent notifying the Security Agent of the same, in which case the Security Agent shall be entitled immediately to sell or dispose such claim to such purchaser (or an affiliate of such purchaser); and

(c) such sale or disposal is made:

(i) pursuant to a public auction; or

(ii) a fairness opinion in respect of such sale or disposal is obtained and delivered to, amongst others, the Security Agent.

Turnover

Subject to certain exclusions, if at any time prior to the final discharge date of the Senior Secured Debt, any subordinated creditor, intra-group lender or any Senior Secured Creditor receives or recovers:

(a) any amount which is not a permitted payment or made in accordance with the enforcement proceeds waterfall described below under "—*Application of Recoveries*";

(b) any amount by way of set off in respect of any of the liabilities owed to it which does not give effect to a permitted payment;

(c) any amount on account of, or in relation to, or by way of set off in respect of any liabilities after an acceleration of Senior Secured Debt or enforcement of the Transaction Security or as a result of any litigation or other proceeding against a member of the Group (other than after the occurrence of an insolvency event in respect of such member of the Group) other than in accordance with the enforcement proceeds waterfall described below under "—*Application of Recoveries*";

(d) the proceeds in connection with the realisation or enforcement (or any transaction in lieu thereof) of any Transaction Security other than in accordance with the enforcement proceeds waterfall described below under "—*Application of Recoveries*"; or

(e) any distribution in cash or in kind or payment of, or on account of or in relation to, any of the liabilities owed by any member of the Group, in each case where such payment is not made in accordance with the enforcement proceeds waterfall described below under "—Application *of Recoveries*" and which is made as a result of, or after the occurrence of an insolvency event in respect of that member of the Group,

then that creditor or subordinated creditor will (a) in relation to receipts and recoveries not received or recovered by way of set-off, hold the relevant portion of an amount of that receipt or recovery on trust for the Security Agent and subject to receiving payment instructions and certain other information, promptly pay the relevant portion of that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement and (b) in relation to receipts and recoveries received or recovered by way of set-off and subject to receiving payment instructions and certain other information, promptly pay the relevant portion of an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Recoveries

Subject to certain exceptions, proceeds of enforcement (or any transaction in lieu thereof) of Transaction Security or a Distressed Disposal, any other amounts received by the Security Agent from time to time pursuant to the provisions described under "—*Effect of an Insolvency Event*" and "—*Turnover*" above shall be held by the Security Agent on trust and applied in the following order of priority:

(a) *first, pro rata* and pari passu to each representative, agent and/or trustee of Senior Secured Debt and the Security Agent (including any receiver or delegate thereof) in respect of their costs and expenses and any other amounts due and payable to them at such time;

(b) *second, pro rata* and pari passu to (i) the agent of the Senior Credit Facilities on behalf of the Senior Credit Facilities lenders in respect of all amounts due and payable to them at such time, (ii) the Hedge Counterparties in respect of the hedging liabilities due and payable to them, (iii) the arrangers as referred to in the Intercreditor Agreement in respect of any amounts due and payable to them at such, (iv) each trustee of and on behalf of the holders of the Senior Secured Noteholders it represents in respect of all amounts due and payable to them at such time, and (v) each agent of and on behalf of the Pari Passu Creditors in respect of all amounts due and payable to them at such time;

(c) *third*, to any person to whom the Security Agent is obliged to pay in priority to any debtor; and

(d) *fourth*, the balance, if any, in payment to the relevant debtor.

Consultation and enforcement of Transaction Security

The Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by an instructing group, provided that the Security Agent may refrain from acting in accordance with such instructions until it has received any indemnification, security and/or prefunding that it may in its discretion require.

Subject to the Transaction Security having become enforceable in accordance with its terms, an instructing group may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as it sees fit.

Prior to giving any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security, the agent(s) of the creditors represented in the applicable instructing group concerned shall consult with each other agent of the other Senior Secured Creditors and the Security Agent (together, the "**Consulting Parties**") in good faith about the instructions to be given by the applicable instructing group for a period of 30 days from the date the details of the proposed instructions are received by such agents and the Security Agent (or such shorter period as agreed by each relevant agent and the Security Agent (the "**Consultation Period**")) and only following expiry of a Consultation Period, the applicable instructing group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or refrain or cease from enforcing the Transaction Security.

The above consultation obligations shall not apply if an event of default is continuing and:

(i) the Transaction Security has become enforceable as a result of an insolvency event; or

(ii) the instructing group or one of the representatives of the Senior Secured Creditors determines in good faith (and confirms the same to the Security Agent in writing) that delaying the enforcement of Transaction Security could reasonably be expected to affect the ability to enforce, or realise proceeds of, the Transaction Security materially and adversely, in which case the Security Agent shall, subject to the immediately following sentence, act in accordance with the enforcement instructions of the instructing group or, as the case may be, the representative of the Senior Secured Creditors. Where the foregoing applies, (i) any enforcement instructions shall be limited to that necessary to protect or preserve the interests of the members of the instructing group or, as the case may be, the Senior Secured Creditors on behalf of which the relevant representative thereof is acting, (ii) at the same time as any enforcement instructions are provided, the instructing group or, as the case may be, the relevant representative of the Senior Secured Creditors shall provide a copy of such enforcement instructions to the other agents and the hedge counterparties and (iii) the Security Agent shall act in accordance with the Enforcement Instructions first received.

Following the expiry of the Consultation Period, there shall be no further obligation on the Consulting Parties to consult.

The "**instructing group**" means:

(x) in relation to any consent or instructions relating to enforcement those creditors whose commitments and obligations owed in respect of the Senior Secured Debt (the "**Senior Secured Credit Participations**") at that time aggregate more than 50.1 per cent. of the total Senior Secured Credit Participations at that time and for the purposes of and in accordance with the preservation of security provision in the Intercreditor Agreement, a representative of the Senior Secured Creditors in relation to any of the liabilities owed to such creditors; and

(y) where any matter requires the consent of or instruction from (but excluding any in relation to enforcement as set out in paragraph (x) above) an instructing group, the requisite majority of the lenders under the Principal Bank Facility and certain other Senior Secured Debt credit facilities, Noteholders holding at least the principal amount of the Notes required to vote in favor of such consent under the terms of the applicable Trust Deed and holders of other classes of Senior Secured Debt securities holding at least the principal amount of such securities required to vote in favor of such consent under the terms of the relevant debt documents.

Existing Notes

On 12 October 2018, the Issuer issued €530.0 million 3.750 per cent. senior secured notes due 2023 (the "**Existing Notes**"). The Existing Notes were initially guaranteed by Playtech Software, TradeTech Holding, Technology Trading, Pluto Holdings (Italia) S.p.A. ("**Pluto Holdings**"), Pluto Italia and Playtech Cyprus. Following its merger with Pluto Italia, Pluto Holdings ceased to provide a guarantee in respect of the Principal Bank Facility and, by virtue of their terms, in respect of the Existing Notes, with effect from 31 December 2018.

The net proceeds of the issue of the Existing Notes were applied by the Issuer to repay certain amounts outstanding under the bridge facility made available to the Issuer under the Principal Bank Facility (and to pay accrued interest thereon and any break costs) (the "**Bridge Facility**"), to cancel the outstanding tranches under the Bridge Facility, to redeem the outstanding €570,000,000 aggregate principal amount of senior secured notes issued by Snaitech on 7 November 2016 under an indenture entered into between, among others, Snaitech, The Law Debenture Trust Corporation p.l.c. as trustee, Deutsche Bank Luxembourg S.A. as registrar and transfer

agent and UniCredit Bank AG, Milan Branch as security agent (and to pay accrued interest thereon and related redemption costs), and to pay for other transaction-related costs and expenses.

The Existing Notes are listed and traded on the Global Exchange Market of Euronext Dublin.

Convertible Bonds

On 12 November 2014, PT (Jersey) Limited, a wholly-owned subsidiary of the Issuer incorporated in Jersey issued €297.0 million of senior, unsecured convertible bonds due 2019 and convertible into fully paid ordinary shares (the "**Ordinary Shares**") of the Issuer (the "**Convertible Bonds**"). The net proceeds of issuing the Convertible Bonds, after deducting commissions and other direct costs of issue, totalled €291.1 million. The Convertible Bonds are listed and traded on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange.

The Convertible Bonds were issued at par and will be redeemed (if not converted before) on 19 November 2019 at their principal amount. The Convertible Bonds bear interest at 0.5 per cent. per annum, payable annually in arrears on 19 November. Upon conversion, holders of the Convertible Bonds are entitled to receive Ordinary Shares at the conversion price (currently €8.4387 per Ordinary Share), subject to certain adjustments described in the terms and conditions of the Convertible Bonds.

ACM Acquisition

ACM Share Acquisition Agreement

On 23 August 2017, Tradetech Limited ("**Tradetech**"), entered into a conditional share acquisition agreement with various sellers (the "**ACM Sellers**") for the purchase by TradeTech of the entire issued share capital of ACM IOM Limited ("**ACM**").

The initial consideration, payable on completion of the acquisition which took place on 1 October 2017, was US$5 million and additional deferred payments of US$1.914 million in aggregate were satisfied by the issue of loan notes. The final tranche of the consideration will be payable in early 2020 based on 5.2 times 2019 EBITDA minus the previous payments with all payments capped at €124.1 million.

The ACM Share Acquisition Agreement contains warranties, indemnities and limitations of liability given by each of the ACM Sellers and ACM Group Limited ("**ACM Group**") which are customary for a transaction of this type.

Playtech Software has agreed to provide a guarantee in favour of the ACM Sellers, and in the case of payment due to ACM Group under the ACM Call Option Agreement (summarised below) only, to ACM Group, on demand the performance by Tradetech of the due and punctual payment of all sums now or subsequently payable by Tradetech to ACM Group and/or the ACM Sellers under the ACM Share Acquisition Agreement, loan notes and the ACM Call Option Agreement.

Guarantees have also been provided in favour of Tradetech in respect of all the obligations of certain corporate ACM Sellers, respectively, under the ACM Share Acquisition Agreement, certain reorganisation documents and any other documents entered into in connection with them.

The ACM Sellers have also guaranteed the obligations of ACM Group of all its obligations under the ACM Call Option Agreement, certain reorganisation documents and the ACM Share Acquisition Agreement.

ACM Call Option Agreement

On 23 August 2017 and in connection with the entry into the ACM Share Acquisition Agreement, Tradetech Holding and, *inter alios*, the ACM Sellers and ACM Group entered into a call option agreement relating to the entire issued share capital and/or business and assets of ACM Group.

The call option agreement grants Tradetech Holding the option to, at any time from the date of completion of ACM Share Acquisition Agreement, being 1 October 2017, up to and including 31 December 2019, serve a notice in writing that it wishes to conduct due diligence on ACM Group and its subsidiaries and their respective business.

Following the service of the due diligence notice, Tradetech Holding shall have a specified period of time to complete its due diligence and serve a further written notice confirming that it wishes to exercise the option. Following the service of such notice, the parties shall be legally obliged to complete the sale and shall follow a specified process to finalise all sale documentation.

The aggregate consideration for the acquisition of the entire issued share capital and/or business and assets of ACM Group shall be a total one off sum of US$ 1 million subject in the case of the acquisition of the entire issued share capital of ACM Group to a US dollar for US dollar adjustment for net debt and working capital, based on a target net debt amount of US$ nil and a target working capital of US$ nil, pursuant to a customary mechanism in the sale documentation.

The ACM Call Option Agreement contains warranties given by, inter alios, each of the ACM Sellers in favour of Tradetech Holding in respect of their capacity to enter into the ACM Call Option Agreement and their title to the shares the subject of the ACM Call Option Agreement. The ACM Sellers have also agreed to indemnify Tradetech Holding against all losses suffered or incurred by Tradetech Holding or any of its associates as a result of a breach of certain of the warranties and undertakings given by the ACM Sellers.

CFH Acquisition

CFH Sale and Purchase Agreement

On 14 November 2016, Dowie Investments (UK) Limited ("**Dowie**"), Playtech Software and, inter alios, various shareholders in Consolidated Financial Holdings A/S (the "**CFH Sellers**") entered into a conditional share acquisition agreement in relation to the entire issued share capital of Consolidated Financial Holdings A/S ("**CFH**").

Initial consideration of US$43.4 million, on a cash free, debt free basis, was paid on completion on 30 November 2016 for 70 per cent. of CFH fully diluted share capital.

The CFH Share Acquisition Agreement contains warranties given by each of the CFH Sellers in favour of Dowie in respect of their capacity to enter into the CFH Share Acquisition Agreement, title to the shares to be transferred by them to Dowie as well as other general business warranties and indemnities given by certain of the CFH Sellers (the "**CFH Executives**") in favour of Dowie that are customary for a transaction of this nature.

The liability of the CFH Executives in relation to the warranties and indemnities referred to above is subject to limitations on liability customary for a transaction of this type.

Playtech Software has agreed to irrevocably and unconditionally guarantee to the CFH Sellers on demand the performance by Dowie of the due and punctual payment of all sums now or subsequently payable by Dowie under the CFH Share Acquisition Agreement.

CFH Shareholders Agreement

On 14 November 2016, each of Dowie, CF, PSL, the CFH Executives and CFH entered into a shareholder agreement in respect of CFH.

Dowie acquired 70 per cent. of the issued share capital of CFH pursuant to the CFH Sale and Purchase Agreement and a further 5.9 per cent since, with the remaining 24.1 per cent. of the issued share capital of CFH held by the CFH Executives. The CFH Shareholders Agreement governs the on-going management and affairs of CFH and its subsidiaries and includes put and call option arrangements pursuant to which the CFH Executives' respective interests in CFH may be purchased by Dowie in 2019 at a multiple of 6.0x CFH's adjusted EBITDA for 2018 subject to an agreed cap.

PBS Shareholders Agreement

On 19 December 2017 (as subsequently amended by two amendment deeds dated 12 September 2018), each of Playtech Cyprus, Dr Armin Sageder ("**AS**"), Playtech BGT Sports Limited ("**PBS**") and PSL entered into a shareholders agreement in relation to certain arrangements in relation to the restructuring and running of the principally B2B sports vertical of the Group.

As a result of the restructuring, PBS is held as to 90 per cent. of the issued share capital by Playtech Cyprus through the holding of A Shares and 10 per cent. of the issued share capital by AS through the holding of B Shares. Both A Shares and B Shares shall rank *pari passu* in all respects save that PBS shall be entitled to distribute dividends to shareholders in a non-pro-rata manner.

Pursuant to the PBS Shareholders Agreement, PBS will, directly or indirectly, manage, own and/or operate the part of the business of the Group which principally comprises developing and offering sports and virtual sports betting software solutions and associated services principally on a B2B basis for gambling operators in online and/or retail gambling environments (the "**Business**"). The Business will, subject to the terms of the PBS Shareholders Agreement, be managed on a day-to-day operational basis by AS and AS shall be entitled to receive a dividend to be distributed by PBS by reference to the Business' profitability.

For so long as AS is the CEO of the Company, Playtech Cyprus undertakes to grant the Company with a credit line in respect of the Business in a total amount of €50,000,000, that can be used for the benefit of the PBS Group and the Business in connection with different operational investments and opportunities identified by the Company's management and approved by the board.

Playtech Cyprus and AS have agreed put and call option arrangements pursuant to which AS's 10 per cent. interest in PBS may in the future be purchased by Playtech Cyprus based on the overall performance of the Business. Under these arrangements, AS will be rewarded for the EBITDA of the BGT standalone business (BGT being the company which AS founded and owned a direct 10 per cent. interest in prior to completion of the PBS Shareholders Agreement) as well as the incremental growth of the non-BGT business with the amount payable calculated by reference to 7.2 x the 2019 EBITDA of the Business less the pre-agreed existing EBITDA of the non-BGT businesses which form part of the Business. The maximum amount payable pursuant to these arrangements is €95 million.

TERMS AND CONDITIONS OF THE NOTES

The issue of the €350,000,000 4.250 per cent. senior secured notes due 2026 (the "**Notes**") was authorised by a resolution of the board of directors of Playtech plc (the "**Issuer**") passed on 19 February 2019. The giving of the guarantee by Playtech Software Limited ("**Playtech Software**") in respect of the Notes was authorised by a resolution of the board of directors of Playtech Software on 25 February 2019 and a resolution of the sole shareholder of Playtech Software on 24 February 2019. The giving of the guarantee by TradeTech Holding Limited ("**TradeTech Holding**") in respect of the Notes was authorised by a resolution of the board of directors of TradeTech Holding on 25 February 2019 and a resolution of the sole shareholder of TradeTech Holding on 24 February 2019. The giving of the guarantee by Pluto (Italia) S.p.A. ("**Pluto Italia**") in respect of the Notes was authorised by a resolution of the board of directors of Pluto Italia on 25 February 2019. The giving of the guarantee by Playtech Services (Cyprus) Limited ("**Playtech Cyprus**") in respect of the Notes was authorised by a resolution of the board of directors of Playtech Cyprus on 25 February 2019 and a resolution of the sole shareholder of Playtech Cyprus on 25 February 2019. The giving of the guarantee by Technology Trading IOM Limited ("**Technology Trading**" and, together with Playtech Software, TradeTech Holding, Pluto Italia and Playtech Cyprus, the "**Initial Guarantors**" and the term "**Guarantors**" shall mean the Initial Guarantors together with any Subsidiary of the Issuer (as defined in Condition 4) which becomes a Guarantor pursuant to Condition 3(d) but excluding any Subsidiary of the Issuer which has ceased to be a Guarantor pursuant to Condition 3(e)) in respect of the Notes was authorised by a resolution of the board of directors of Technology Trading on 25 February 2019 and a resolution of the sole shareholder of Technology Trading on 24 February 2019. The Notes are constituted by a trust deed (the "**Trust Deed**") dated 7 March 2019 (the "**Closing Date**") between the Issuer, the Initial Guarantors and The Law Debenture Trust Corporation p.l.c. (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Notes. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes. Copies of the Trust Deed, and of the paying agency agreement (the "**Paying Agency Agreement**") dated the Closing Date relating to the Notes between the Issuer, the Initial Guarantors, the Trustee, the registrar (the "**Registrar**"), the initial principal paying and transfer agent and any other agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the principal paying and transfer agent for the time being (the "**Principal Paying and Transfer Agent**") and the Registrar. "**Agents**" means the Principal Paying and Transfer Agent, the Registrar and any other agent or agents appointed from time to time with respect to the Notes (which shall include any transfer agent (a "**Transfer Agent**").

The obligations of the Issuer and the Guarantors under the Notes and the Trust Deed will be secured in favour of the Security Agent (as defined below), the Noteholders and the other Secured Parties (as defined below), as further described in Condition 3(c). The security arrangements are governed by and subject to the Intercreditor Agreement dated on or around 11 April 2018 by and between, *inter alios*, the Issuer, the Guarantors, Santander UK PLC, as facility agent, The Law Debenture Trust Corporation p.l.c. as security agent (the "**Security Agent**") and the Trustee (who acceded to the Intercreditor Agreement on the Closing Date) (the "**Intercreditor Agreement**").

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Intercreditor Agreement and the Security Documents (as defined below) and are deemed to have notice of those applicable to them of the Paying Agency Agreement.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

The Notes are issued in the specified denomination of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Notes by the same holder.

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Paying Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" and "**holder**" means the person in whose name a Note is registered.

2 Transfers of Notes

(a) Transfer

A holding of Notes may, subject to Condition 2(e), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Principal Paying and Transfer Agent. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(b) Exercise of Options in Respect of Notes

In the case of an exercise of an Issuer's or a Noteholders' option in respect of a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a) or 2(b) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Change of Control Put Exercise Notice (as defined in Condition 6(d)) and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Change of Control Put Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or Change of Control Put Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Transfer or Exercise Free of Charge

Certificates, on transfer, or exercise of an option, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) after any Note has been called for redemption in accordance with Condition 6(b) or 6(c), or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)).

3 Guarantees, Security and Status

(a) Status

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The Notes rank *pari passu* in right of payment with all of the Issuer's existing and future debt that is not subordinated in right of payment to the Notes save for such exceptions as may be provided by applicable legislation. The Notes are secured in the manner set out in the Trust Deed, the Security Documents and the Intercreditor Agreement.

(b) Guarantees

The Initial Guarantors have in the Trust Deed jointly and severally, fully, unconditionally and, subject to the provisions of Condition 3(e), irrevocably, guaranteed the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes, and each Subsidiary of the Issuer which becomes a Guarantor pursuant to Condition 3(d) will, jointly and severally, fully, unconditionally and, subject to the provisions of Conditions 3(e), irrevocably, guarantee the due and punctual payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Notes. Each of their obligations in that respect (each a "**Notes Guarantee**" and together the "**Notes Guarantees**") are contained in the Trust Deed. The obligations of the relevant Guarantor under the relevant Notes Guarantee rank *pari passu* in right of payment with all of the relevant Guarantor's existing and future debt that is not subordinated in right of payment to such Notes Guarantee save for such exceptions as may be provided by applicable legislation, and are secured in the manner set out in the Trust Deed, the Security Documents and the Intercreditor Agreement.

(c) Security

Subject to the provisions of the Intercreditor Agreement, the obligations of the Issuer and the Guarantors under the Notes and the Trust Deed and certain other obligations of the Issuer and the Guarantors are secured by, *inter alia*, the Security Documents. The Noteholders and the other Secured Parties will share in the benefit of the Transaction Security, upon and subject to the terms and conditions of the Intercreditor Agreement and the Security Documents.

(d) Addition of Guarantors

If at any time after the Closing Date, any Subsidiary of the Issuer provides a guarantee in respect of the Principal Bank Facility, the Issuer covenants that it shall procure that such Subsidiary of the Issuer shall, as soon as reasonably practicable but in any event no later than 14 days after the date of giving its guarantee in respect of the Principal Bank Facility, provide a Notes Guarantee in respect of the Notes on the terms set out in the Trust Deed. The Issuer shall provide written notice to the Trustee of the proposed accession of any Subsidiary of the Issuer as a guarantor under the Principal Bank Facility. The Trust Deed provides that the Trustee shall agree to any such Notes Guarantee being provided by any such further Guarantor, subject to the execution of a guarantor accession memorandum by such further Guarantor in accordance with the terms of the Trust Deed and such other conditions as are set out in the Trust Deed (including the delivery to the Trustee of a legal opinion of counsel of recognised status as to the capacity of the relevant Subsidiary of the Issuer to enter into such accession memorandum and the validity and enforceability of such accession memorandum (and such other matters as the Trustee may require)), but without the consent of the Noteholders provided that nothing in these Conditions shall oblige the Trustee to consent to any guarantee being provided by a further Guarantor if to do so would, in the sole opinion of the Trustee, have the effect of (i) exposing the Trustee to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing its obligations or liabilities, or decreasing its rights or protections, under the Trust Deed.

(e) Release of Guarantors

A Guarantor which is no longer providing a guarantee in respect of the Principal Bank Facility shall be immediately, automatically and (subject always to Condition 3(d) and the following provisions of this Condition 3(e)) irrevocably released and relieved of all of its obligations under the relevant Notes Guarantee and all of its present and future obligations as a Guarantor under the Trust Deed and the Notes, but without prejudice to any obligations or liabilities which may have accrued prior to such release, upon the Issuer giving written notice to the Trustee signed by two directors of the Issuer to that effect. Any such notice must also contain the following certifications to the Trustee:

(i) that no Event of Default or Potential Event of Default (as defined in the Trust Deed) is continuing, or is expected to result from the release of that Guarantor;

(ii) that no part of the financial indebtedness in respect of which that Guarantor is or was providing a guarantee in respect of the Principal Bank Facility is at that time due and payable but remains unpaid in circumstances where any obligation to make payment has arisen under the relevant guarantee in respect of the Principal Bank Facility; and

(iii) that such Guarantor is no longer providing (or will be ceasing to provide), in accordance with the terms of the Principal Bank Facility, any guarantee, indemnity, security, surety or other form of collateral or credit support arrangement in respect of the Principal Bank Facility.

If any Guarantor or any other Subsidiary of the Issuer released from providing a Notes Guarantee as described above subsequently provides a guarantee in respect of the Principal Bank Facility, the relevant Subsidiary of the Issuer will, in accordance with the Trust Deed, be required again to provide a Notes Guarantee as described in Condition 3(d).

(f) Notice of Change of Guarantors

Notice of any release or addition of a Guarantor at any time pursuant to the foregoing provisions of this Condition 3 will be given by the Issuer to the Noteholders in accordance with Condition 16 as soon as practicable after such release or addition.

(g) Trustee not obliged to monitor

The Trustee shall not be obliged to monitor compliance by the Issuer or any other Subsidiary of the Issuer with Condition 3(d) or 3(e) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely, without liability to any person and without investigation, on a notice of the Issuer provided under this Condition 3, and, until it receives any such notice, it shall assume that no other Subsidiary of the Issuer has provided a guarantee in respect of the Principal Bank Facility.

In these Conditions:

"**Intercreditor Agreement**" has the meaning given to it in the Trust Deed;

"**Principal Bank Facility**" means the €1,290,000,000 term and multicurrency revolving facility agreement dated 11 April 2018 between (among others) the Issuer as the borrower, the guarantors named therein, National Westminster Bank Plc, Santander UK plc, UBS Limited and UniCredit Bank AG, London Branch as arrangers and Santander UK plc as agent (which, following the repayment and/or cancellation in full of the term facilities originally made available under such facility agreement, currently comprises solely a €272,000,000 multicurrency revolving credit facility) as amended and/or restated from time to time or any facility (or facilities) which in turn refinances or replaces such facility as the primary working capital and standby facility (or facilities) of the Group (as defined in Condition 4(a)), however many times such refinancing or replacement may occur;

"**Secured Parties**" has the meaning given to it in the Intercreditor Agreement;

"**Security Documents**" has the meaning given to it in the Intercreditor Agreement (but only including such documents and Security (as defined in the Intercreditor Agreement) to the extent they are expressed to secure the Notes and/or the Notes Guarantees); and

"**Transaction Security**" has the meaning given to it in the Intercreditor Agreement (but only including such Security to the extent it is expressed to secure the Notes and/or the Notes Guarantees).

4 Covenants

(a) Negative Pledge

So long as any Note remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will, and they will each ensure that none of their respective Subsidiaries will create, assume or permit to subsist, as security for any Financial Indebtedness, any Security other than any Permitted Security, upon the whole or any part of its present or future undertaking, assets or revenues unless, in any such case, the Issuer and/or the relevant Guarantor and/or the other Subsidiary, as the case may be, shall simultaneously with, or prior to, the creation or assumption of such Security and, in any other case, promptly, take any and all action necessary to procure that all amounts payable in respect of the Notes and the Trust Deed by the Issuer and by the Guarantors in respect of the Notes Guarantees, are secured equally and rateably with the Financial Indebtedness secured by such Security to the satisfaction of the Trustee or that such other Security is provided or such other arrangement (whether or not including the giving of Security) is made as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

"**Accounting Principles**" means, as applicable, (a) IFRS or (b) generally accepted accounting principles, standards and practices in the jurisdiction of incorporation of the relevant Group company (which may include IFRS);

"**Existing Notes**" means the €530,000,000 3.750 per cent. senior secured notes due 2023 issued by the Issuer on 12 October 2018;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with Accounting Principles in force immediately before the adoption of IFRS 16 (Leases), have been treated as an operating lease);

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) any amount raised by the issue of redeemable shares (other than where such shares are redeemable at the option of the issuer);

(j) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance;

(k) any amount of any liability that represents deferred consideration in respect of a corporate, business or similar acquisition (except to the extent that such liability is contingent or dependent on the financial performance of the assets or business acquired); and

(l) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.

"**Group**" means the Issuer and its Subsidiaries for the time being;

"**IFRS**" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

"**Permitted Security**" means any Security constituting:

(a) any Security securing the Notes, the Existing Notes, the Convertible Bond (as defined below) and the Principal Bank Facility and any Refinancing Financial Indebtedness in respect of any of the foregoing;

(b) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;

(c) any payment or close-out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:

  (i) hedging any risk to which any member of the Group is exposed in its ordinary course of trading; or

  (ii) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,

  excluding, in each case, any Security under a credit support arrangement in relation to a hedging transaction;

(d) any Security which is limited to an arrangement whereby a member of the Group creates security over its interest in collateral provided by a counterparty in a hedging transaction to secure the

obligation to return such collateral to such counterparty upon the termination, completion or performance by such counterparty of its obligations pursuant to such hedging transaction;

(e) any lien arising by operation of law and in the ordinary course of trading;

(f) any Security over or affecting any asset acquired by a member of the Group after the Closing Date if:

(i) the Security was not created in contemplation of the acquisition of that asset by a member of the Group;

(ii) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by a member of the Group; and

(iii) the Security is removed or discharged within three months of the date of acquisition of such asset;

(g) any Security over or affecting any asset of any company which becomes a member of the Group after the Closing Date, where the Security is created prior to the date on which that company becomes a member of the Group, if:

(i) the Security was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; and

(iii) the Security is removed or discharged within three months of that company becoming a member of the Group;

(h) any Security created by any member of the Group in favour of the issuer of any surety, performance or other bonds, guarantees, letters of credit or bankers' acceptances (not issued to support Indebtedness for Borrowed Money) that have been issued on behalf of any member of the Group in the ordinary course of business, provided that:

(i) any such Security is granted over, or in respect of, a bank account in the name of the relevant member of the Group into which amounts are required (by the issuer of the relevant instrument) to be deposited by way of cash cover for the relevant instrument; and

(ii) the aggregate principal amount of indebtedness or other liabilities secured by such Security pursuant to this paragraph (h) does not exceed €50,000,000 (or its equivalent in another currency or currencies);

(i) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group;

(j) any Escrow Security (as such term is defined in the Intercreditor Agreement);

(k) any Security under workmen's compensation laws, unemployment insurance laws, social security laws or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested taxes or import or customs duties or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;

(l) any Security for taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; provided that appropriate reserves required pursuant to the relevant Accounting Principles have been made in respect thereof; or

(m) any Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (l) above) does not exceed €100,000,000 (or its equivalent in another currency or currencies).

"**Quasi-Security**" means any arrangement or transaction where the Issuer, any Guarantor or any of their respective Subsidiaries:

(a) sells, transfers or otherwise disposes of any of its assets on terms whereby they are or may be leased to or reacquired by the Issuer, any Guarantor or any member of the Group;

(b) sells, transfers or otherwise disposes of any of its receivables on recourse terms (and, for the avoidance of doubt, customary warranties and associated indemnities relating to the receivables as at the date of sale shall not constitute recourse terms for these purposes);

(c) enters into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(d) enters into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset;

"**Security**" means any mortgage, charge, lien, pledge or other security interest and any Quasi-Security; and

"**Subsidiary**" means any person (referred to as the "**first person**") in respect of which another person:

(a) has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of, more than 50 per cent. of the maximum number of votes that might be cast at a general meeting of the first person:

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the first person; or

(iii) give directions with respect to the operating and financial policies of the first person with which the directors or other equivalent officers of the first person are obliged to comply; or

(b) holds beneficially more than 50 per cent. of the issued share capital of the first person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

(b) Mergers and Consolidations

The Issuer may not, directly or indirectly: (1) consolidate, merge or amalgamate with or into another Person (whether or not the Issuer is the surviving corporation); or (2) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(i) either: (a) the Issuer is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, assignment, transfer, conveyance, lease or other disposition shall have been made (the "**Successor Issuer**") is a company organised or existing under the laws of England and Wales, any member state of the European Union as of 1 January 2004 or the Isle of Man;

(ii) the Successor Issuer (if other than the Issuer) assumes all the obligations of the Issuer under the Notes, the Trust Deed and the Security Documents (to which the Issuer is a party) pursuant to agreements satisfactory to the Trustee;

(iii) immediately after such transaction, no Event of Default shall have occurred;

(iv) each Guarantor (unless it is the other party to the transactions above, in which case paragraph (i) shall apply) shall have by a supplement to the Trust Deed confirmed that its Notes Guarantee shall apply to such Person's obligations in respect of the Trust Deed and the Notes and the Security Documents to which it is a party remain in full force and effect; and

(v) the Issuer shall have delivered to the Trustee (i) a certificate signed by two directors of the Issuer stating that such consolidation, merger, amalgamation, sale, assignment, transfer, conveyance, lease or other disposal and such supplement to the Trust Deed (referred to in paragraph (iv) above) complies with the provisions of this Condition 4(b) and (ii) an opinion(s) of legal advisers of recognised standing as to all relevant laws in a form(s) satisfactory to the Trustee and opining as to the matters referred to in (b)(i) above and that any supplement to the Trust Deed or other agreement executed in connection with this Condition 4(b) has been duly authorised, executed and

delivered by the Successor Issuer and the Guarantors and constitutes the legal, valid, binding and enforceable obligations of such parties and provided that in giving an opinion, legal counsel may rely on the certificate in (i) as to any matter of fact.

For purposes of this Condition 4(b), the sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of a Person, which properties and assets, if held by such Person instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of such Person on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of such Person. In this Condition 4, "**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company or government or other entity. The Trustee shall be entitled to rely, without liability to any person and without investigation, on a certificate of the Issuer provided under this Condition 4(b).

(c) Limitation on Financial Indebtedness

(i) **Fixed Charge Coverage Ratio**

The Issuer will not, and will not permit any Subsidiary of it to, directly or indirectly, Incur any Financial Indebtedness including Acquired Financial Indebtedness; provided, however, that the Issuer, any Guarantor or any Financing Subsidiary may Incur Financial Indebtedness (including any Acquired Financial Indebtedness) if, on the date of such Incurrence and after giving effect thereto (and the application of the proceeds thereof) on a pro forma basis, the Fixed Charge Coverage Ratio would be equal to or greater than 2.00 to 1.00.

(ii) Notwithstanding the foregoing, the above covenant will not prohibit the Incurrence of any of the following Financial Indebtedness:

(A) Financial Indebtedness of the Issuer, any Guarantor or any Financing Subsidiary (including, if applicable, reimbursement obligations in respect of guarantees or letters of credit issued thereunder but excluding any unutilised or undrawn amount) Incurred pursuant to any Credit Facility and/or any related "parallel debt" obligations under the Intercreditor Agreement in an aggregate principal amount at any one time outstanding not to exceed the sum of (a) €300,000,000 plus (b) in the case of any refinancing of Financial Indebtedness Incurred under this subparagraph (A) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(B) the Incurrence by the Issuer, any Guarantor or any of the Issuer's other Subsidiaries of intercompany Financial Indebtedness between or among the Issuer, any Guarantor or any of the Issuer's other Subsidiaries provided, however, that (a) any subsequent issuance or transfer of any Capital Stock which results in any such Subsidiary ceasing to be a Subsidiary of the Issuer and any such Financial Indebtedness thus being held by a Person other than the Issuer, any of the Guarantors or any of the Issuer's other Subsidiaries or any subsequent transfer of such Financial Indebtedness (other than to the Issuer or a Subsidiary of the Issuer), shall be deemed, in each case in respect of such Financial Indebtedness, to constitute the Incurrence of such Financial Indebtedness which was not permitted by this subparagraph (B), and (b) for any Financial Indebtedness of the Issuer or any of the Guarantors and owing to any member of the Group (other than the Issuer or any of the Guarantors), such Financial Indebtedness shall be unsecured and subordinated in right of payment to the payment and performance of the Issuer and the Guarantors' obligations under the Notes and the Notes Guarantees;

(C) Financial Indebtedness outstanding as of the Closing Date (and for the avoidance of doubt, including Financial Indebtedness under committed but undrawn facilities, the Notes, the Existing Notes and the Convertible Bond but excluding any such Financial Indebtedness outstanding under the Principal Bank Facility);

(D) Refinancing Financial Indebtedness Incurred in order to refinance Financial Indebtedness previously Incurred pursuant to subparagraph (i) of this Condition 4(c) or Financial Indebtedness described in this subparagraph, subparagraph (C) above or subparagraph (M) below; provided, however, that if such Refinancing Financial Indebtedness directly or indirectly refinances Financial Indebtedness of the Issuer, a Financing Subsidiary or any of the Guarantors, such Refinancing Financial Indebtedness shall be Incurred only by the Issuer, a Financing Subsidiary or any Guarantor or any one or more of them;

(E) Hedging Obligations entered into in the ordinary course of business and not for speculative purposes as determined in good faith by senior management of the Issuer or a responsible accounting or financial officer of the Issuer, including without limitation any such Hedging Obligations Incurred in connection with the issuance of the Notes;

(F) Financial Indebtedness in respect of bid, performance, completion, surety or appeal bonds or Guarantees of any of the foregoing, or similar instruments, in each case given in the ordinary course of business (including the expansion of business into new territories);

(G) Financial Indebtedness in respect of (a) workers' compensation claims, self-insurance obligations, performance, indemnity, surety, judgement, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion or performance or other similar guarantees and warranties provided by the Issuer, any Guarantor or any Subsidiary of the Issuer or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (b) letters of credit, bankers acceptances, guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course (including in respect of the expansion of business into new territories) of business or in respect of any governmental requirement, provided, however, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, and (c) the financing of insurance premiums in the ordinary course of business;

(H) Financial Indebtedness arising from the honouring by a bank or other financial institution of a cheque, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Financial Indebtedness is extinguished within 30 Business Days of Incurrence;

(I) Financial Indebtedness consisting of advance or extended payment terms in the ordinary course of business (including Trade Payables);

(J) Financial Indebtedness owed to banks or other financial institutions Incurred in the ordinary course of business of the Issuer and its Subsidiaries maintained with such banks or financial institutions and which arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Subsidiaries and any customary treasury and/or cash management services, including treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer, the collection of cheques and direct debits, cash pooling and other cash management arrangements, in each case, in the ordinary course of business;

(K) Financial Indebtedness under ancillary facilities (including, but not limited to, letter of credit facilities, bank guarantees and overdraft arrangements) (being arrangements which are repayable on demand) in an aggregate principal amount at any one time outstanding not to exceed €50,000,000;

(L) the Guarantee by any of the Guarantors or the Issuer of Financial Indebtedness of the Issuer or any Subsidiary of the Issuer that was permitted to be Incurred by another provision of this covenant; provided that if the Financial Indebtedness being Guaranteed is subordinated in right of payment to the Notes or the Notes Guarantees, then such Guarantee shall be subordinated to the same extent as the Financial Indebtedness Guaranteed;

(M) Financial Indebtedness of any other Person Incurred and outstanding on or prior to the date on which such other Person was acquired by the Issuer or a Subsidiary of the Issuer (the "**Acquiring Subsidiary**"); provided, however, that on the date that such Person is acquired by the Issuer or the Acquiring Subsidiary, such Person becomes a Subsidiary of the Issuer and either (a) the Issuer or any of the Guarantors would at the time of such acquisition have been able to Incur €1.00 of additional Financial Indebtedness pursuant to subparagraph (i) of this Condition 4(c) after giving pro forma effect to the relevant acquisition and the Incurrence of such Indebtedness pursuant to this subparagraph (M), or (b) the Fixed Charge Coverage Ratio, after giving pro forma effect to the relevant acquisition and the Incurrence of such Financial Indebtedness pursuant to this subparagraph (M), would not be less than it was immediately prior to giving effect to such acquisition and Incurrence of Financial Indebtedness;

(N) Financial Indebtedness arising from agreements of the Issuer or a Subsidiary of it providing for indemnification, obligations in respect of earnouts, adjustments of purchase price or

similar obligations, in each case Incurred or assumed in connection with any acquisition or disposition of any business, assets or a Subsidiary of the Issuer, other than Financial Indebtedness Incurred by any Person acquiring all or a portion of such business, assets or a Subsidiary of the Issuer for the purpose of financing such acquisition and provided that the maximum aggregate liability of the Issuer and its Subsidiaries in respect of all such Financial Indebtedness permitted pursuant to this subparagraph (N) in connection with a disposition will at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (the Fair Market Value of such non-cash proceeds being measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Subsidiaries in connection with such disposition;

(O) Financial Indebtedness Incurred on behalf of, or representing guarantees of Financial Indebtedness of, joint ventures of the Issuer or any Subsidiary of the Issuer provided that, at the time of Incurrence of such Financial Indebtedness, the aggregate amount of Financial Indebtedness outstanding pursuant to this subparagraph (O) shall not exceed €25,000,000; and

(P) additional Financial Indebtedness of the Issuer or any Subsidiary of it (which is not included in subparagraph (A) above) in an aggregate principal amount which does not exceed €100,000,000 at any one time outstanding.

For the purposes of determining compliance with this covenant, in the event that an item of proposed Financial Indebtedness meets the criteria of more than one of the categories described in subparagraphs (A) through (P) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, the Issuer will be permitted to classify such item of Financial Indebtedness on the date of its Incurrence, or later reclassify all or a portion of such item of Financial Indebtedness, in any manner that complies with this covenant except that all Financial Indebtedness outstanding on the Closing Date under the Principal Bank Facility shall be deemed Incurred under subparagraph (ii)(A) of this Condition 4(c) and may not be reclassified. The accrual of interest, the accretion or amortisation of original issue discount, the payment of interest on any Financial Indebtedness in the form of additional Financial Indebtedness with the same terms, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an Incurrence of Financial Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; provided, in each such case, that the amount thereof is included in Consolidated Net Finance Charges of the Issuer as accrued. Notwithstanding any other provision of this covenant, the maximum amount of Financial Indebtedness that the Issuer or any Subsidiary of it may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Financial Indebtedness outstanding as of any date will be:

(A) the accreted value of the Financial Indebtedness, in the case of any Financial Indebtedness issued with original issue discount;

(B) in respect of Financial Indebtedness of a Person secured by Security on the assets of that Person, the lesser of:

  (1) the fair market value of such assets at the date of determination; and

  (2) the amount of the Financial Indebtedness of such Person;

(C) the greater of the liquidation preference or the maximum fixed redemption or repurchase price of the Disqualified Stock, in the case of Disqualified Stock; and

(D) the principal amount of the Financial Indebtedness, in the case of any other Financial Indebtedness.

For the purposes of the foregoing, the "**maximum fixed redemption or repurchase price**" of any Disqualified Stock that does not have a fixed redemption or repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed or repurchased on any date of determination.

For the purposes of determining compliance with this covenant, the Euro Equivalent of the principal amount of Financial Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Financial Indebtedness was Incurred, in the case of term Financial Indebtedness, or first drawn, in the case of Financial

Indebtedness Incurred under a revolving credit facility; provided that (a) if such Financial Indebtedness is Incurred to refinance other Financial Indebtedness denominated in a currency other than Euro, and such refinancing would cause the applicable Euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Euro-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Financial Indebtedness does not exceed the principal amount of such Financial Indebtedness being refinanced, (b) the Euro Equivalent of the principal amount of any such Financial Indebtedness outstanding on the Closing Date shall be calculated based on the relevant currency exchange rate in effect on the Closing Date, and (c) if any such Financial Indebtedness is subject to a Currency Exchange Protection Agreement with respect to the currency in which such Financial Indebtedness is denominated covering principal, premium, if any, and interest on such Financial Indebtedness, the amount of such Financial Indebtedness and such interest and premium, if any, shall be determined after giving effect to all payments in respect thereof under such Currency Exchange Protection Agreements.

The principal amount of any Financial Indebtedness Incurred to refinance other Financial Indebtedness, if Incurred in a different currency from the Financial Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Financial Indebtedness is denominated that is in effect on the date of such refinancing.

For the purposes of determining compliance with this covenant, there shall be no double counting of any Financial Indebtedness.

(d) Covenant Suspension

If, on any date following the Closing Date, the Notes have an Investment Grade rating from at least two of the Rating Agencies and no Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred and is continuing (a "**Suspension Event**"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have an Investment Grade rating from at least two of the Rating Agencies (at which point the Suspension Event shall cease to be in effect):

(A) the covenant contained in Condition 4(c) (Limitation on Financial Indebtedness) will not apply; and

(B) without prejudice to the provisions set out in Condition 4(a) (Negative Pledge), and provided that the Principal Bank Facility has then been refinanced on an unsecured basis, (A) the provisions of Condition 3(c) (*Security*) shall not apply to the Notes, (B) the Transaction Security securing the Notes will be released; and (C) (for so long as the Suspension Event is in effect) all other provisions of these Conditions and the Trust Deed shall be construed accordingly.

However, the provisions disapplied in subparagraphs (A) and (B) above of this Condition 4(d) will be reinstated and apply according to their original terms, and the relevant Transaction Security shall be re-granted, as of and from the first day on which a Suspension Event ceases to be in effect. The covenant referred to in subparagraph (A) above of this Condition 4(d) will not, however, be of any effect with regard to actions of the Issuer or any of the Guarantors properly taken in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event and no Event of Default or Potential Event of Default will be deemed to have occurred solely by reason of any Incurrence of Financial Indebtedness during that period. In addition, for the purpose of the covenant contained in Condition 4(c) (Limitation on Financial Indebtedness), all Financial Indebtedness Incurred (or contractually committed to be Incurred pursuant to the paragraph below) during the continuance of the Suspension Event shall be deemed Incurred pursuant to subparagraph (ii)(C) of Condition 4(c) above.

For the avoidance of doubt, the Issuer is entitled to honour any contractual commitment in the future after any date on which the Notes cease to have an Investment Grade rating from at least two of the Rating Agencies, without it causing an Event of Default or Potential Event of Default, as long as the contractual commitments were entered into in good faith and in compliance with the provisions of the Trust Deed during the continuance of the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade rating.

The Issuer shall notify the Trustee in writing upon (i) the occurrence of a Suspension Event and (ii) a Suspension Event ceasing to have effect.

In these Conditions:

"**Acceptable Bank**" means a bank or financial institution which has a rating for its long-term unsecured and non-credit-enhanced debt obligations of BBB or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or Baa2 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;

"**Acquired Financial Indebtedness**" means Financial Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of the Issuer, whether or not such Financial Indebtedness is Incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, the Issuer;

"**Affiliate**" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under indirect common control with such specified Person. For the purposes of this definition "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have the meanings correlative to the foregoing;

"**Average Life**" means, as of the date of determination, with respect to any Financial Indebtedness, the quotient obtained by dividing:

(a) the sum of the products of (i) the numbers of years from the date of determination to the date of each successive scheduled principal payment of such Financial Indebtedness or scheduled redemption and (ii) the amount of such payment, by

(b) the sum of all such payments;

"**Business Day**" means, in this Condition 4, a day (other than a Saturday or Sunday) on which banks are open for general business in London and the Isle of Man and:

(a) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country that currency; and

(b) (in relation to any date for payment or purchase of Euro) any TARGET Business Day;

"**Capital Stock**" of any Person means any and all shares, interests, participations or other equivalents of or interests (including partnership interests, whether general or limited) in (however designated) equity of such Person, including any Preferred Stock, and all rights to purchase, warrants, options or other equivalents with respect to any of the foregoing, but excluding any debt securities convertible into or exchangeable for such equity, whether now outstanding or issued after the Closing Date;

"**Capitalised Lease Obligation**" means, with respect to any Person, any obligation of such Person under a lease of (or other agreement conveying the right to use) any property (whether real, personal or mixed), which obligation would, immediately before the adoption of IFRS 16 (Leases), have been required to be classified and accounted for as a finance lease under IFRS, and, for the purposes of these Conditions, the amount of such obligation at any date will be the capitalised amount thereof at such date, determined in accordance with IFRS and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty;

"**Cash**" means, at any time, cash denominated in sterling, dollars or euro in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with an Acceptable Bank and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

(a) that cash is repayable on demand or within three days after the relevant date of calculation;

(b) that cash is not client monies which a member of the Group holds or receives for or from a client and which is not immediately due and payable to such member of the Group for its own account;

(c) that cash does not form part of any member of the Group's regulatory capital adequacy requirement;

(d) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever;

(e) there is no Security over that cash except for any Security constituted by a netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements or Transaction Security; and

(f) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Notes;

"**Cash Equivalent Investments**" means at any time:

(a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;

(b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, an EU Member State or by an instrumentality or agency of any of them having an equivalent credit rating and not convertible or exchangeable to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

(i) for which a recognised trading market exists;

(ii) issued by an issuer incorporated in the United States of America, the United Kingdom or an EU Member State;

(iii) which matures within one year after the relevant date of calculation; and

(iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating; or

(d) any investment in money market funds which (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (c) above and (iii) can be turned into cash on not more than 30 days' notice,

in each case, denominated in sterling, dollars or euro and to which any member of the Group is alone (or together with other members of the Group) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security (other than Transaction Security);

"**Consolidated EBITDA**" means, in respect of any Measurement Period, the consolidated operating profit of the Group before taxation (excluding the results from discontinued operations):

(a) before deducting any Consolidated Net Finance Charges;

(b) not including any accrued interest owing to any member of the Group;

(c) after adding back the non-cash charge to profit represented by expensing stock compensation or similar long-term incentive plan expenses;

(d) after adding back any amount attributable to the amortisation, or depreciation or impairment of assets of members of the Group (and taking no account of the reversal of any previous impairment charge made in that Measurement Period);

(e) before taking into account the amortisation of costs arising on any actual or attempted acquisitions or Joint Venture or issue costs (as defined in IAS 32) relating to Financial Indebtedness incurred;

(f) after adding back (to the extent otherwise deducted) any loss against book value incurred by the Group and after deducting (to the extent otherwise included) any gain over book value arising in favour of the Group (in each case) on the disposal or write-down or revaluation of an asset (other than trading stock);

(g) excluding any adjustments to the carrying value of assets or liabilities arising from purchase price or acquisition accounting adjustments made in accordance with the Accounting Principles in connection with any acquisition to the extent any such adjustment (in whole or in part) is ultimately recorded in consolidated operating profit (or loss);

(h) before taking into account any Exceptional Items;

(i) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;

(j) after deducting the amount of any profit of any entity which is not a member of the Group in which any member of the Group has an ownership interest to the extent that the amount of the profit included in the financial statements of the Group exceeds the amount actually received in cash by members of the Group through distributions by such entity; and

(k) before taking into account any unrealised or realised gains or losses on any financial instrument (other than any derivative instrument which is accounted for on a hedge accounting basis),

in each case, to the extent added, deducted or taken into account, as the case may be, for the purposes of determining operating profits of the Group before taxation;

"**Consolidated Net Finance Charges**" means, in respect of any Measurement Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment penalties or premiums and other finance payments (which do not constitute payments of principal or amounts analogous to principal) in respect of Indebtedness for Borrowed Money whether paid or payable by any member of the Group in cash or capitalised by any member of the Group in respect of that Measurement Period:

(a) excluding any such obligations owed to any other member of the Group;

(b) only including the interest element of payments in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than any lease or hire purchase contract which would, in accordance with Accounting Principles in force immediately before the adoption of IFRS 16 (Leases), have been treated as an operating lease);

(c) including any accrued commission, fees, discounts and other finance payments payable by any member of the Group under any interest rate hedging arrangement;

(d) deducting any accrued commission, fees, discounts and other finance payments owing to any member of the Group under any interest rate hedging instrument;

(e) deducting any interest payable in that Measurement Period to any member of the Group (other than by another member of the Group) on any cash or Cash Equivalent Investment; and

(f) only including, in respect of the Convertible Bond, the interest which is actually paid in cash;

"**Convertible Bond**" means the €297,000,000 guaranteed convertible bond due 2019 dated 19 November 2014 issued by PT (Jersey) Limited;

"**Credit Facilities**" or "**Credit Facility**" means one or more debt facilities or other financing arrangements (including, without limitation, commercial paper facilities or indentures) (in each case, whether drawn or otherwise) providing for revolving credit loans, term loans (including, for the avoidance of doubt, the Principal Bank Facility), bonds or letters of credit together with any documents related thereto (including, without limitation, any guarantee agreements and security documents), in each case as such arrangements or documents may be amended (including through any amendment and restatement thereof), supplemented or otherwise modified from time to time, including through any agreements extending the maturity of, refinancing, replacing (whether or not contemporaneously) or otherwise restructuring all or any portion of the Financial Indebtedness under such arrangements or documents or any successor or replacement agreements and whether by the same or any other agent, lender or group of lenders or investors and whether such refinancing or replacement is under one or more debt facilities or commercial paper facilities, indentures or other agreements or deeds (including through any agreement or instrument increasing the amount of Financial Indebtedness incurred thereunder or available borrowings thereunder (provided that, for the avoidance of doubt, such increase in borrowings is permitted by the covenant described under Condition 4(c) (Limitation on Financial Indebtedness)) or adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder);

"**Currency Exchange Protection Agreement**" means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract,

currency derivative or other similar agreement or arrangement designed to protect against fluctuations in currency exchange rates to which such Person is a party or beneficiary;

"**Debt**" means, with respect to any Person on any date of determination, without duplication:

(a) the principal of indebtedness of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services, excluding any trade payables and other accrued current liabilities Incurred in the ordinary course of business;

(b) the principal of obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(c) all reimbursement obligations of such Person in connection with any letters of credit, bankers' acceptances or other similar facilities (the amount of such obligation being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed);

(d) all debt of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such property), which is due more than one year after its incurrence but excluding trade payables arising in the ordinary course of business;

(e) all Capitalised Lease Obligations of such Person;

(f) all obligations of such Person under or in respect of any hedging agreements (the amount of any such obligation to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time);

(g) all Debt referred to in (but not excluded from) subparagraphs (a) through (f) of other Persons and all dividends of other Persons, the payment of which is secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured);

(h) all guarantees by such Person of Debt referred to in this definition of any other Person;

(i) all Redeemable Capital Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price and involuntary maximum fixed repurchase price; and

(j) Preferred Stock of any Subsidiary of the Issuer,

in each case to the extent it appears as a liability on the balance sheet in accordance with IFRS; provided that the term "**Debt**" shall not include: (i) non-interest bearing instalment obligations and accrued liabilities Incurred in the ordinary course of business that are (a) not more than 180 days past due or (b) more than 180 days past due but with the consent of the payee or as the result of a bona fide ongoing negotiation over such liabilities; (ii) anything accounted for as an operating lease in accordance with IFRS immediately before the adoption of IFRS 16 (Leases); (iii) any pension obligations of the Issuer or a Subsidiary of the Issuer; (iv) obligations under a Tax Sharing Agreement, up to an amount not to exceed, with respect to such obligations, the amount of such taxes that the Issuer and its Subsidiaries would have been required to pay on a separate company basis, or on a consolidated basis if the Issuer and its Subsidiaries had paid tax on a consolidated, combined, group, affiliated or unitary basis on behalf of an affiliated group consisting only of the Issuer and its Subsidiaries; (v) any guarantee, indemnity, bond, standby letter of credit or similar instrument in respect of commercial obligations of the Issuer or any Subsidiary of the Issuer in the ordinary course of business to the extent such guarantees, indemnities, bonds or letters of credit are not drawn upon or, if and to the extent drawn upon are honoured in accordance with their terms and if to be reimbursed, are reimbursed no later than the fifth business day following receipt by such Person of a demand for reimbursement following payment on the guarantee, indemnity, bond or letter of credit and (vi) in connection with any previous or future purchase by the Issuer or any Subsidiary of the Issuer of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment

is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; provided, however, that, at the time of closing, the amount of any such payment is not definitively determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 60 days thereafter.

For purposes of this definition, the "**maximum fixed repurchase price**" of any Redeemable Capital Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Redeemable Capital Stock as if such Redeemable Capital Stock were purchased on any date on which Debt will be required to be determined pursuant to these Conditions, and if such price is based upon, or measured by, the Fair Market Value of such Redeemable Capital Stock, such Fair Market Value will be determined in good faith by the board of directors of the issuer of such Redeemable Capital Stock; provided, that if such Redeemable Capital Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price shall be the book value of such Redeemable Capital Stock as reflected in the most recent financial statements of such Person;

"**Disqualified Stock**", with respect to any Person, means any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

(a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise prior to the stated maturity of the Notes;

(b) is convertible or exchangeable at the option of the holder for Financial Indebtedness or Disqualified Stock; or

(c) is mandatorily redeemable or must be purchased, upon the occurrence of certain events or otherwise, in whole or in part, in each case on or prior to the first anniversary of the stated maturity of the Notes,

and any Preferred Stock of a Subsidiary of the Issuer, provided, however, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Issuer or a Subsidiary of it to purchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the stated maturity of the Notes shall not constitute Disqualified Stock if:

(a) the "change of control" provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes and described under Condition 6(d) (Redemption at the Option of Noteholders upon a Change of Control Event); and

(b) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the redemption or purchase of any Notes tendered pursuant thereto.

If Capital Stock is issued to any plan for the benefit of directors, officers or employees of the Issuer or any of its Subsidiaries or by any such plan to such directors, officers or employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary of it in order to satisfy applicable statutory or regulatory obligations;

"**Euro**" or "**€**" means euros, the lawful currency of the European Union;

"**Euro Equivalent**" means, with respect to any monetary amount in a currency other than Euro, at any time of determination thereof by the Issuer, the amount of Euro obtained by converting such currency other than Euro involved in such computation into Euro at the spot rate for the purchase of Euro with the applicable currency other than Euro as published in The Financial Times in the "Currency Rates" section (or, if The Financial Times is no longer published, or if such information is no longer available in The Financial Times, such source as may be selected in good faith by the Issuer) on the date of such determination;

"**Exceptional Items**" means any exceptional, one-off, non-recurring or extraordinary items in respect of any member of the Group including, without limitation, any costs relating to any long term incentive plan of any member of the Group and any costs relating to any actual or attempted acquisition (and any integration costs in relation thereto) or any actual or attempted Joint Venture (and any integrations costs in relation thereto);

"**Fair Market Value**" means the value that would be paid by a willing buyer to a willing seller which is not an Affiliate of the buyer in a transaction not involving distress of either party (such value to be determined on the date that contractually binding commitments in respect of the relevant transaction are entered into), determined in good faith by the board of directors of the Issuer;

"**Financing Subsidiary**" means a wholly-owned Subsidiary of the Issuer established for the purpose of and engaged exclusively in the business of Incurring Financial Indebtedness and ancillary activities (including, for the avoidance of doubt, the issuing of debt securities convertible into equity of the Issuer) Guaranteed by any of the Guarantors and loaning the proceeds thereof to the Issuer or another Subsidiary of the Issuer and whose only material liabilities are the Financial Indebtedness so Incurred by it from time to time and any hedging or other liabilities ancillary to that Financial Indebtedness and whose only material assets are such loans made by it from time to time;

"**Fixed Charge Coverage Ratio**" as of any date of determination (the "**Transaction Date**") means the ratio of (x) the aggregate amount of Consolidated EBITDA of the Group for the most recent Measurement Period to (y) Consolidated Net Finance Charges of the Group for such Measurement Period; provided that:

(a) if the Issuer or any Subsidiary of it has Incurred any Financial Indebtedness (other than revolving credit borrowings) since the beginning of such period that remains outstanding on such Transaction Date or if the transaction giving rise to the need to calculate the Fixed Charge Coverage Ratio is an Incurrence of Financial Indebtedness, or both, Consolidated EBITDA and Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period shall be calculated after giving effect on a pro forma basis to (i) such Financial Indebtedness as if such Financial Indebtedness had been Incurred on the first day of such period and (ii) the discharge of any other Financial Indebtedness repaid, repurchased, defeased or otherwise discharged with the proceeds of such new Financial Indebtedness as if such discharge had occurred on the first day of such period;

(b) if the Issuer or any Subsidiary of it has repaid, repurchased, defeased or otherwise discharged any Financial Indebtedness since the beginning of such period or if any Financial Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case other than Financial Indebtedness Incurred under any revolving credit facility unless such Financial Indebtedness has been permanently repaid and has not been replaced) on the Transaction Date, Consolidated EBITDA and Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period shall be calculated on a pro forma basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Subsidiary had not earned the interest income actually earned during such period in respect of cash or Cash Equivalent Investments used to repay, repurchase, defease or otherwise discharge such Financial Indebtedness;

(c) if since the beginning of such period, the Issuer or any Subsidiary of it shall have made any asset disposition, the Consolidated EBITDA of the Issuer and its Subsidiaries for such period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) of the Issuer and its Subsidiaries directly attributable to the assets which are the subject of such asset disposition for such period or increased by an amount equal to the Consolidated EBITDA (if negative) of the Issuer and its Subsidiaries directly attributable thereto for such period and Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period shall be reduced by an amount equal to the Consolidated Net Finance Charges of the Issuer and its Subsidiaries directly attributable to any Financial Indebtedness of the Issuer or any Subsidiary of it repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and its continuing Subsidiaries in connection with such asset disposition for such period (or, if the Capital Stock of any Subsidiary of it is sold, the Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period directly attributable to the Financial Indebtedness of such Subsidiary to the extent the Issuer and its continuing Subsidiaries are no longer liable for such Financial Indebtedness after such sale);

(d) if since the beginning of such period the Issuer or any Subsidiary of it shall have made an investment in any Subsidiary of the Issuer (or any Person who becomes a Subsidiary of the Issuer) or an acquisition of assets, including Cash Equivalent Investments, and such transaction gives rise to the need to calculate the Fixed Charge Coverage Ratio, Consolidated

EBITDA and Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Financial Indebtedness in accordance with paragraph (a) above and the increase to the Consolidated EBITDA (if positive) of the Issuer and its Subsidiaries directly attributable to such investment or acquisition or a reduction of the Consolidated EBITDA (if negative) of the Issuer and its Subsidiaries directly attributable to such investment or acquisition) as if such investment or acquisition occurred on the first day of such period; and

(e) if since the beginning of such period any person that subsequently became a Subsidiary of the Issuer or was merged with or into the Issuer or any Subsidiary of it since the beginning of such period shall have made any asset disposition, investment or acquisition of assets that would require an adjustment pursuant to paragraph (c) or d) above if made by the Issuer or a Subsidiary of it during such period, Consolidated EBITDA and Consolidated Net Finance Charges of the Issuer and its Subsidiaries for such period shall be calculated after giving pro forma effect thereto (including the Incurrence of any Financial Indebtedness in accordance with paragraph (a) above) as if such investment or acquisition occurred on the first day of such period.

For purposes of this definition, whenever pro forma effect is to be given to an investment or an acquisition or disposition of assets, the amount of income or earnings relating thereto and the amount of Consolidated Net Finance Charges associated with any Financial Indebtedness Incurred or repaid, repurchased, defeased or otherwise discharged in connection therewith, the pro forma calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer, to reflect operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable pro forma event. If any Financial Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Financial Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Financial Indebtedness if such Hedging Obligation has a remaining term as at the Transaction Date in excess of 12 months);

"**Guarantee**" means, in this Condition 4, any guarantee or obligation of any Person directly or indirectly guaranteeing any Financial Indebtedness of any other Person and any obligation, direct or indirect, of such Person:

(a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Financial Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or

(b) entered into for purposes of assuring in any other manner the obligee of such Financial Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

The term "**Guarantee**" used as a verb has a corresponding meaning;

"**Hedging Obligations**" of any Person means the obligations and rights of such Person pursuant to any Interest Rate Protection Agreement or Currency Exchange Protection Agreement or other similar agreement or arrangement involving interest rates, currencies, commodities or otherwise;

"**Incur**" means, with respect to any Financial Indebtedness or other obligation, to incur (including by conversion, exchange or otherwise), create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Financial Indebtedness, including, for the avoidance of doubt, by acquisition of Subsidiaries or by the acquisition of any asset securing any Financial Indebtedness (and "**Incurrence**", "**Incurred**" and "**Incurring**" shall have meanings correlative to the foregoing);

"**Indebtedness for Borrowed Money**" means Financial Indebtedness save for any indebtedness for or in respect of paragraph (g) of the definition of "Financial Indebtedness" and, insofar as the underlying instrument(s) to which the relevant counter-indemnity obligation(s) relates (or relate) is (or are) issued to support trade credit arising in the ordinary course of business, paragraph (h) of the definition of "Financial Indebtedness";

"**Interest Rate Protection Agreement**" means, in respect of any Person, any interest rate protection agreement, interest rate future agreement, interest rate swap agreement, interest rate

option agreement, interest rate cap agreement, interest rate collar agreement, interest rate floor agreement interest rate hedge agreement or other similar agreement or arrangement designed to protect against fluctuations in interest rates to which such Person is a party or beneficiary;

"**Investment Grade**" means, with respect to a rating given by a Rating Agency, an investment grade credit rating (Baa3 or BBB-, as the case may be, or equivalent, or better) from such Rating Agency;

"**Joint Venture**" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity;

"**Measurement Period**" means the most recently ended four fiscal quarters for which consolidated financial statements or management accounts of the Issuer are available;

"**Officer**" means, with respect to any Person (a) the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel or the Secretary (i) of such Person or (ii) if such Person is owned or managed by a single entity, of such entity, or (b) any other individual designated as an "Officer" by the board of directors of such Person and whose designation as an Officer has been notified in writing to the Trustee by the Issuer or the relevant Guarantor (as applicable);

"**Officers' Certificate**" means with respect to any Person a certificate signed by two Officers of such Person;

"**Preferred Stock**", as applied to the Capital Stock of any corporation, means Capital Stock of any series (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other series of such corporation;

"**Qualified Capital Stock**" of any Person means any and all Capital Stock of such Person other than Redeemable Capital Stock;

"**Rating Agency**" means Moody's Investors Service, Inc., Fitch Ratings Ltd. or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. or any of their respective subsidiaries or successors from time to time;

"**Redeemable Capital Stock**" means any class or series of Capital Stock that, either by its terms, by the terms of any security into which it is convertible or exchangeable or by contract or otherwise, is, or upon the happening of an event or passage of time would be, required to be redeemed prior to the maturity of the Notes or is redeemable at the option of the holders thereof at any time prior to such final maturity (other than upon a change of control of the Issuer in circumstances in which the holders of the Notes would have similar rights), or is convertible into, or exchangeable for, debt securities at any time prior to such final maturity; provided that any Capital Stock that would constitute Qualified Capital Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of any "change of control" occurring prior to the maturity of the Notes will not constitute Redeemable Capital Stock if the "change of control" provisions applicable to such Capital Stock are no more favourable to the holders of such Capital Stock than the provisions contained in Condition 6(d);

"**Refinancing Financial Indebtedness**" means Financial Indebtedness that refunds, refinances, replaces, renews, repays or extends (including pursuant to any defeasance or discharge mechanism) (collectively, "**refinances**" and "**refinance**" and "**refinanced**" shall each have a correlative meaning) already existing Financial Indebtedness; provided that:

(a) if the Refinancing Financial Indebtedness is Subordinated Debt, such Refinancing Financial Indebtedness has a Stated Maturity not earlier than any Stated Maturity of the Financial Indebtedness being refinanced;

(b) if the Refinancing Financial Indebtedness is Subordinated Debt, such Refinancing Financial Indebtedness has an Average Life at the time such Refinancing Financial Indebtedness is Incurred that is equal to or greater than the Average Life of the Notes;

(c) such Refinancing Financial Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of:

(i) the aggregate principal amount (or, if issued with original issue discount, the aggregate accreted value) of the Financial Indebtedness being refinanced (including, with respect to both the Refinancing Financial Indebtedness and the Financial Indebtedness being refinanced, amounts then outstanding and amounts available thereunder); plus

(ii) unpaid interest, prepayment penalties, redemption or repurchase premiums, defeasance costs, fees, expenses and other amounts owing with respect thereto, plus reasonable financing fees and other reasonable out-of-pocket expenses incurred in connection therewith; and

(d) if the Financial Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to, or secured on a junior lien basis relative to, the Notes (whether pursuant to contract, due to the status or ranking of any Subordinated Debt or otherwise), such Refinancing Financial Indebtedness shall be subordinated in right of payment to, or secured on a junior lien basis relative to, (as applicable) the Notes, on terms at least as favourable to the Noteholders as those contained in the documentation governing the Financial Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

"**Stated Maturity**" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the redemption or repurchase of such security upon the happening of any contingency);

"**Subordinated Debt**" means Debt of the Issuer or any of the Guarantors that is expressly subordinated in right of payment to, or secured on a junior lien basis relative to, the Notes or the Notes Guarantees of such Guarantors (in each case whether pursuant to contract, due to the status or ranking of any Subordinated Debt or otherwise), as the case may be;

"**Tax Sharing Agreement**" means any tax consolidation agreement or any similar arrangements in respect of any consolidated, combined, affiliated or unitary tax group or an arrangement relating to the surrender of group relief to which the Issuer or any of its Subsidiaries is a party; and

"**Trade Payables**" means, with respect to any Person, any accounts payable or any indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person arising in the ordinary course of business in connection with the acquisition of goods or services.

5 Interest

The Notes bear interest on their outstanding principal amount from and including the Closing Date at the rate of 4.250 per cent. per annum, payable semi-annually in arrear in equal instalments of €21.25 per Calculation Amount (as defined below) on 7 September and 7 March in each year (each an "**Interest Payment Date**"). Each Note will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Note, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying and Transfer Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) the number of Interest Periods normally ending in any year.

In these Conditions, the period beginning on and including the Closing Date and ending on but excluding the first Interest Payment Date (being 7 September 2019) and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Note shall be calculated per €1,000 in principal amount of the Notes (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 7 March 2026.

(b) Redemption for Taxation and other Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it (or, if the Notes Guarantees were called, the Guarantors) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of any Relevant Jurisdiction or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 5 March 2019, and (ii) such obligation cannot be avoided by the Issuer (or the applicable Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the applicable Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Notes Guarantees, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee (x) a certificate signed by two directors of the Issuer (or the applicable Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the applicable Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above and may rely on such certificate without liability to any person and without further investigation, in which event it shall be conclusive and binding on the Noteholders and (y) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or the applicable Guarantor (as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such opinion as sufficient evidence of the conditions precedent set out in (i) above and may rely on such opinion without liability to any person and without further investigation.

In these Conditions:

"**Relevant Jurisdiction**" means:

(a) in respect of the Issuer, Playtech Software and TradeTech Holding (for so long as Playtech Software and/or TradeTech Holding are Guarantors), the Isle of Man, the Republic of Italy or the Republic of Cyprus;

(b) in respect of Pluto Italia (for so long as it is a Guarantor), the Republic of Italy;

(c) in respect of Playtech Cyprus (for so long as it is a Guarantor), the Republic of Cyprus; and

(d) in respect of any other Subsidiary of the Issuer that becomes a Guarantor pursuant to Condition 3(d) (and for so long as it is a Guarantor), the jurisdiction in which that Subsidiary is incorporated.

(c) Redemption at the Option of the Issuer

The Issuer may, at any time, on giving not more than 60 nor less than 30 days' irrevocable notice to the Noteholders, redeem some or all of the Notes at the redemption price set forth below:

(i) from and including the Closing Date to, but not including, 7 March 2022 at a price equal to the Make Whole Amount;

(ii) from and including 7 March 2022 to, but not including, 7 March 2023 at a price equal to 102.125 per cent. of the principal amount for each Note to be redeemed;

(iii) from and including 7 March 2023 to, but not including, 7 March 2024 at a price equal to 101.063 per cent. of the principal amount for each Note to be redeemed; and

(iv) from and including 7 March 2024 to, and including, 7 March 2026 at a price equal to 100 per cent. of the principal amount for each Note to be redeemed,

together in each case with interest accrued to the date fixed for redemption (the "**Call Date**").

In these Conditions:

"**Make Whole Amount**" means, in respect of each Note, (a) the principal amount of such Note or, if this is higher, (b) the price, expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards), at which the annual yield to redemption on such Note on the Reference Date (assuming for this purpose that the Notes are to be redeemed at their principal amount on 7 March 2026) is equal to the Reference Bond Yield (determined by reference to the middle market price) at 11.00 a.m. (Frankfurt time) on the Reference Date of the Reference Bond plus 0.50 per cent., all as determined by the Financial Adviser. For the purposes of the definition of Make Whole Amount:

(a) "**Financial Adviser**" means a financial adviser or bank which is independent of the Issuer and the Guarantors, appointed by the Issuer (acting reasonably) for the purpose of determining the Make Whole Amount;

(b) "**Primary Bond Dealer**" means any credit institution or financial services institution that regularly deals in bonds and other debt securities;

(c) "**Reference Bond**" means the 0.5 per cent. German Bundesobligation due February 2026 or if such security is no longer in issue such other German Bundesobligation with a maturity date as near as possible to 7 March 2026 as the Financial Adviser may, with the advice of the Reference Bond Dealers, determine to be appropriate by way of substitution for the 0.5 per cent. German Bundesobligation due February 2026;

(d) "**Reference Bond Dealer**" means either the Financial Adviser or any other Primary Bond Dealer selected by the Financial Adviser after consultation with, and approval of, the Issuer (acting reasonably);

(e) "**Reference Bond Dealer Quotations**" means the average, as determined by the Financial Adviser, of the bid and ask prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Financial Adviser by such Reference Bond Dealer at 11.00 a.m. (Frankfurt time) on the Reference Date;

(f) "**Reference Bond Price**" means (i) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest such Reference Bond Dealer Quotations, or (ii) if the Financial Adviser obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations;

(g) "**Reference Bond Yield**" means the rate per annum equal to the annual yield to maturity of the Reference Bond, assuming a price equal to the Reference Bond Price for the Reference Date; and

(h) "**Reference Date**" means the date which is three TARGET Business Days prior to the date fixed for redemption pursuant to this Condition 6(c) by the Issuer;

(d) Redemption at the Option of Noteholders upon a Change of Control Event

Following the occurrence of a Change of Control Event, unless notice of redemption of all of the Notes has previously been given pursuant to Condition 6(b) or Condition 6(c), each Noteholder will have the right to require the Issuer to redeem their Notes on the relevant Change of Control Put Date at 101 per cent. of their principal amount, together with accrued and unpaid interest up to (but excluding) such date.

Promptly upon the Issuer becoming aware that a Change of Control Event has occurred, and in any case no later than 30 days thereafter, the Issuer shall, and at any time upon the Trustee receiving express written notice of the occurrence of a Change of Control Event from the Issuer, the Trustee may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall, (subject in each case to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 16 specifying the nature of the Change of Control Event.

To exercise their put right, the holder of the relevant Note must deliver such Note to the specified office of the Principal Paying and Transfer Agent, together with a duly completed and signed notice of exercise in the form for the time being currently obtainable from the specified office of the Principal Paying and Transfer Agent (a "**Change of Control Put Exercise Notice**"), at any time during the Change of Control Period.

Payment in respect of any such Note shall be made by transfer to a euro account with a bank in a city in which banks have access to the TARGET System as specified by the relevant Noteholder in the relevant Change of Control Put Exercise Notice.

Except where the Issuer has issued a redemption notice with respect to all of the Notes in accordance with Condition 6(c) during a Change of Control Period, a Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Notes the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date. Where the Issuer has issued a redemption notice with respect to all of the Notes in accordance with Condition 6(c) during a Change of Control Period, all Change of Control Put Exercise Notices shall be deemed to be automatically cancelled and Notes will instead be redeemed in accordance with the terms of Condition 6(c).

In these Conditions:

a "**Change of Control**" will be deemed to occur if:

(a) any person or persons, acting in concert (as this term is defined in the City Code on Takeovers and Mergers), acquire(s) or becomes entitled to control more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Issuer; or

(b) an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer or if any person proposes a Scheme of Arrangement with regard to such acquisition and (such offer or Scheme of Arrangement having become or been declared unconditional in all respects or having become effective) the right to cast more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in the offeror(s) or such person and/or any associate (as defined in Section 988(1) of the Companies Act) of the offeror(s) or such person, as the case may be.; or

(c) there is the direct or indirect, sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any person;

a "**Change of Control Event**" will be deemed to occur if:

(a) a Change of Control has occurred; and

(b) on the date (the "**Relevant Announcement Date**") that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), either (A) the Notes carry a credit rating from any Rating Agency at the invitation of the Issuer and such rating is, within the Change of Control Period, either downgraded by one or more rating categories or withdrawn and is not, within the Change of Control Period, subsequently upgraded or restored to at least the Minimum Rating by such Rating Agency, or (B) the Notes do not carry a credit rating from any Rating Agency and a Negative Rating Event occurs within the Change of Control Period, and, in either case, in making any decision to downgrade or withdraw a credit rating, or not to award a credit rating of at least the Minimum Rating, as applicable, the relevant Rating Agency announced publicly or confirms in writing to the Issuer (the Issuer to use reasonable endeavours to obtain such confirmation within a period of seven days from such downgrade, withdrawal or failure to award, as applicable, occurring) that such decision(s) resulted, in whole or in part, from the relevant Change of Control.

a "**Change of Control Period**" means the period commencing on the occurrence of a Change of Control and ending 90 calendar days following the Change of Control or, if later, 90 calendar days following the date on which a Change of Control Notice is given to Noteholders (or such longer period for which the Notes are under consideration (such consideration having been announced publicly

within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 90 days after the public announcement of such consideration);

a "**Change of Control Put Date**" shall be the fourteenth business day (as defined in Condition 7) after the expiry of the Change of Control Period;

a "**Minimum Rating**" is a long-term secured and unsubordinated debt rating of at least BB- and/or Ba3;

a "**Negative Rating Event**" shall be deemed to have occurred if, (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other secured and unsubordinated debt of the Issuer from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating from a Rating Agency of at least the Minimum Rating by the end of the Change of Control Period;

a "**Scheme of Arrangement**" means a share for share exchange or analogous proceeding;

"**Shareholders**" means the holders of fully paid ordinary shares in the capital of the Issuer with, on the Closing Date, no par value, and having the ticker "PTEC" on the London Stock Exchange;

a "**Relevant Potential Change of Control Announcement**" means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

(e) Purchases

The Issuer and any Guarantor and their respective Subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer, any Guarantor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 12(a).

(f) Cancellations

All Certificates representing Notes purchased by or on behalf of the Issuer, any Guarantor or any of their respective Subsidiaries may be held and/or subsequently resold or surrendered for cancellation to the Registrar and, upon surrender thereof, all such Notes shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments

(a) Method of Payment

(i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in the manner provided in paragraph (ii) below.

(ii) Interest on each Note shall be paid to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

(b) Payments subject to Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(c) Payment Initiation

Where payment is to be made by transfer to an account in euros, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Principal Paying and Transfer Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying and Transfer Agent is open for business and on which the relevant Certificate is surrendered.

(d) Appointment of Agents

The Principal Paying and Transfer Agent and the Registrar, initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying and Transfer Agent and the Registrar act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying and Transfer Agent or the Registrar, provided that the Issuer shall at all times maintain (i) a Principal Paying and Transfer Agent (ii) a Registrar, and (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day, if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) arrives after the due date for payment.

(f) Non-Business Days

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and which is a TARGET Business Day.

In these Conditions:

"**TARGET Business Day**" means a day on which the TARGET System is open for the settlement of payments in Euro; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or any Guarantor in respect of the Notes or under the Notes Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any Relevant Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as

would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

(a) **Other connection**: held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note; or

(b) **Surrender more than 30 days after the Relevant Date**: in respect of which the certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Note for payment on the last day of such period of 30 days.

In these Conditions:

"**Relevant Date**" in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding any other provision of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer and any Guarantor, will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the Code, or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). None of the Issuer, any Guarantor nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

9 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer that the Notes are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

(a) Non-Payment

The Issuer fails to pay the principal of or any interest on any of the Notes when due and such failure continues for a period of more than seven days in the case of principal or more than 14 days in the case of interest; or

(b) Breach of Other Obligations

The Issuer or any Guarantor does not perform or comply with any one or more of their respective other obligations in the Notes, the Trust Deed, the Intercreditor Agreement or any of the Security Documents or under the Notes Guarantees which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer and the Guarantors by the Trustee; or

(c) Cross-Acceleration

(i) any other present or future indebtedness of the Issuer or any Guarantor or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity or required to be redeemed by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer or any Guarantor or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds €50,000,000 or its equivalent; or

(d) Enforcement Proceedings

A distress, attachment, execution or other legal process is levied, enforced or sued out on or against a (in the opinion of the Trustee) substantial part of the property, assets or revenues of the Issuer or any Guarantor or any of their respective Material Subsidiaries and is not discharged, dismissed or stayed within 30 days; or

(e) Security Enforced

Any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Guarantor or any of their respective Material Subsidiaries over all or (in the opinion of the Trustee) any substantial part of the assets of the Issuer, the Guarantors or any of their respective Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person in relation to all or (in the opinion of the Trustee) any substantial part of the assets of the Issuer, the Guarantors or any of their respective Material Subsidiaries) and such enforcement step (or steps) is (or are) not discontinued or stayed within 30 days; or

(f) Insolvency

The Issuer or any Guarantor or any of their respective Material Subsidiaries is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Trustee) a substantial part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, any Guarantor or any of their respective Material Subsidiaries; or

(g) Winding-up

An administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any Guarantor or any of their respective Material Subsidiaries, or the Issuer or any Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or any Guarantor (as the case may be) or another of its Subsidiaries; or

(h) Ownership

Any Guarantor ceases to be a Subsidiary of the Issuer; or

(i) Authorisation and Consents

Any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and any Guarantor to lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes, the Trust Deed, the Intercreditor Agreement and the Security Documents, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Notes, the Trust Deed and the Intercreditor Agreement admissible in evidence in the courts of England and Wales and the Security Documents admissible in evidence in the courts of the relevant jurisdiction, is not taken, fulfilled or done and such failure is incapable of remedy or is not remedied within 30 days; or

(j) Illegality

It is or will become unlawful for the Issuer or any Guarantor to perform or comply with any one or more of their respective obligations under any of the Notes, the Trust Deed, the Intercreditor Agreement or the Security Documents; or

(k) Analogous Events

Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 9;

(l) Notes Guarantees

Any Notes Guarantee is not (or is claimed by any Guarantor not to be) in full force and effect in relation to any Guarantor except in accordance with Condition 3(e); or

(m) Security Interest

Any Transaction Security shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement and the Trust Deed) with respect to any assets subject to the Transaction Security having an aggregate Fair Market Value in excess of €50,000,000 for any reason other than the satisfaction in full of all obligations under these Conditions and the Trust Deed or the release or amendment of any such security interest in accordance with the terms of the Trust Deed, the Intercreditor Agreement or the relevant Security Document or the Issuer shall assert in writing that any such security interest is invalid or unenforceable, and any such event or circumstance is incapable of remedy or is not remedied within 10 days, provided that in the case of Condition 9(b) and Condition 9(i), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of Noteholders.

The Issuer has undertaken in the Trust Deed that, within 14 days after any request by the Trustee, it will send to the Trustee a certificate signed by two directors of the Issuer to the effect that as at a date not more than five days prior to the date of the certificate no Event of Default or Potential Event of Default has occurred. The Trustee shall be entitled to rely, without liability to any person and without investigation, on a certificate of the Issuer provided under this Condition 9.

In these Conditions, "**Material Subsidiary**" means, at any time, the Guarantors and any other Subsidiary of the Issuer which:

(a) has profits before interest and tax (calculated on the same basis as Consolidated EBITDA) representing 10 per cent or more of the Consolidated EBITDA of the Group; and/or

(b) has gross assets representing 10 per cent, or more of the consolidated gross assets of the Group.

Compliance with the conditions set out in paragraphs (a) and (b) above shall be determined by reference to the latest audited financial statements of that Subsidiary and the latest audited consolidated financial statements of the Group (in each case produced on the basis of the Accounting Principles) but if a Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Group were prepared, the financial statements shall be adjusted in order to take into account the acquisition of that Subsidiary (that adjustment being certified by the Group's auditors as representing an accurate reflection of the revised Consolidated EBITDA or gross assets of the Group), provided that, in determining whether or not any lease constitutes an asset for the purposes of paragraph (b), the Accounting Principles in force immediately before the adoption of IFRS 16 (Leases) shall apply.

An Officers' Certificate of the Issuer that a Subsidiary of it is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or the Intercreditor Agreement. Such a meeting may be convened by Noteholders holding not less than 10 per cent in principal amount of the Notes for

the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to modify the circumstances in which the Issuer or Noteholders are entitled to redeem the Notes pursuant to Conditions 6(b), 6(c) or 6(d), (iii) to reduce or cancel the principal amount of, or interest on, the Notes or to reduce the amount payable on redemption of the Notes, (iv) to modify the basis for calculating the interest payable in respect of the Notes, (v) to change the currency of the Notes or any payment in respect of the Notes, (vi) to modify the governing law of the Notes, the Trust Deed, the Paying Agency Agreement or the Intercreditor Agreement (other than in the case of a substitution of the Issuer or any of the Guarantors (or any previous substitute or substitutes) under the provisions of the Trust Deed), (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or (viii) to release any Transaction Security and/or any of the Notes Guarantees to the extent not expressly contemplated in these Conditions, the Intercreditor Agreement and/or the Security Documents, in which case the necessary quorum will be one or more persons holding or representing not less than two thirds, or at any adjourned meeting not less than 25 per cent, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document, that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Intercreditor Agreement or any Security Document that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require and subject to the terms of the Intercreditor Agreement, but without the consent of the Noteholders, to the substitution of certain other companies in place of the Issuer or any Guarantor, or of any previous substituted company, as principal debtor or a guarantor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

13 Enforcement

Subject always to the terms of the Intercreditor Agreement, at any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings, actions and/or steps against the Issuer and/or any Guarantor as it may think fit to enforce the terms of the Trust

Deed and the Notes and/or the Notes Guarantees and/or to require the enforcement of the Transaction Security through the Security Agent (but only in accordance with the terms of the Trust Deed, the Security Documents and the Intercreditor Agreement), but it need not take any such proceedings, actions and/or steps unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in principal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder may proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity related to the Issuer or the Guarantors without accounting for any profit.

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantors, the Trustee and the Noteholders.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise and, for the avoidance of doubt, other than references to the Notes in subparagraph (i) of the definition of Permitted Security and subparagraph (c)(ii)(C) of Condition 4) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides. For the avoidance of doubt, any further securities issued in accordance with this Condition 15 may only be issued to the extent that such securities, once issued, would not result in a breach by the Issuer or the Guarantors of the terms of these Conditions (including, without limitation, the terms of Condition 4) assuming for such purposes that references in these Conditions (including, without limitation, Condition 4) to the Notes do not include such securities.

16 Notices

Notices required to be given to the holders of Notes pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Notices required to be given to the holders of Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of the stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not, in the opinion of the Trustee, practicable, notice will be given in such other manner, and shall be deemed to be given on such date, as the Trustee may approve.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

(a) Governing Law

(i) The Trust Deed, the Notes and the Intercreditor Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law; and

(ii) The Security Documents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the relevant jurisdiction as expressed therein.

(b) Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes, the Trust Deed or the Notes Guarantees and accordingly any legal action or proceedings arising out of or in connection with any Notes, the Trust Deed or the Notes Guarantees ("**Proceedings**") may be brought in such courts. Pursuant to the Trust Deed, each of the Issuer and the Initial Guarantors has irrevocably submitted to the jurisdiction of such courts.

(c) Agent for Service of Process

Pursuant to the Trust Deed, each of the Issuer and the Initial Guarantors has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Notes or the Notes Guarantees.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Certificates

The Notes will be evidenced on issue by the Global Certificate. The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the Closing Date.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

3 Exchange

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

(i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

4 Delivery

In circumstances described above, the Global Certificate shall be exchangeable for Individual Certificates and the Issuer will, free of charge to the Noteholders (but against such indemnity as the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed on such Registrar in connection with such exchange), cause sufficient Individual Certificates to be executed by the Issuer and delivered to the Registrar for completion and despatch to the relevant Noteholders in accordance with the Conditions.

A person having an interest in the Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates representing its ownership of Notes.

5 Amendment to Conditions

The Global Certificate contains provisions that apply to the Notes that it represents, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

5.1 Payments

All payments in respect of Notes represented by the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

5.2 Cancellation

Cancellation of any Note required by the Terms and Conditions of the Notes to be cancelled will be effected by the Registrar making a notation of such cancellation in the Register, and by a corresponding reduction in the principal amount of Notes represented by the Global Certificate.

5.3 Meetings

For the purposes of any meeting of Noteholders, the holder of the Notes represented by the Global Certificate shall (unless the Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each integral currency unit of the currency of the Notes.

5.4 Trustee's Powers

In considering the interests of Noteholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by the Global Certificate.

5.5 Notices

So long as any Notes are evidenced by the Global Certificate and the Global Certificate is held by or on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions, except that so long as the Notes are listed, traded or quoted on any stock exchange or securities market, notices shall also be published in a manner which complies with the rules and regulations of the relevant listing authority, stock exchange, securities market and/or quotation system. Any such notice shall be deemed to have been given to Noteholders on the day on which the said notice was given to the relevant clearing system.

6 Electronic Consent and Written Resolution

For so long as the Notes are in the form of a Global Certificate registered in the name of any nominee for one or more of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, then, in respect of any resolution proposed by the Issuer, the Guarantors or the Trustee:

(a) *Electronic Consent:* where the terms of the resolution proposed by the Issuer, the Guarantors or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer, the Guarantors and the Trustee shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Principal Paying and Transfer Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes outstanding (the "**Required Proportion**") ("**Electronic Consent**") by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Noteholders even if the relevant consent or instruction proves to be defective. None of the Issuer, the Guarantors or the Trustee shall be liable or responsible to anyone for such reliance;

(i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

(ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the "**Proposer**") so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 19.1.1 above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer, the Guarantors or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 3 of Schedule 3 to the Trust Deed, unless that meeting is or shall be cancelled or dissolved; and

(b) *Written Resolution:* where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer, the Guarantors and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantors and/or the Trustee, as the case may be, (a) by accountholders in the clearing system with entitlements to the Global Certificate or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, for the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Guarantors and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing systems for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer, the Guarantors nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

TAXATION

General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.

Isle of Man

The comments in this part are based on current Isle of Man tax law as applied in the Isle of Man and are intended only as a general guide to current aspects of Isle of Man taxation. The summary does not purport to be an exhaustive analysis of all potential Isle of Man tax issues. If you are in any doubt as to your tax position or if you may be subject to tax in any other jurisdiction, you are strongly recommended to consult an appropriate professional adviser. The standard rate of corporate income tax in the Isle of Man is zero per cent. However, with effect from 6 April 2006 a 10 per cent. rate of tax applies to income received by a company from banking business and to income received by a company from land and property in the Isle of Man. With effect from 6 April 2015 the rate of tax applying to income from land and property in the Isle of Man was increased to twenty per cent. A 10 per cent. rate of tax also applies to companies which carry on retail business in the Isle of Man and have taxable income of more than £500,000 from such business.

As neither the Issuer nor Guarantors receive income from these sources, they are liable to income tax at a rate of zero per cent. on their profits in the Isle of Man.

Interest on the Notes

The Issuer is not required as a matter of Isle of Man law to withhold tax on payments of interest on the Notes.

Payments in respect of the Notes Guarantees

As the Guarantors are liable to income tax at a rate of zero per cent. in the Isle of Man, they are not required to withhold tax from the payment of any amount due from the Guarantors under the terms of the Notes Guarantees in respect of interest on the Notes.

There are no Isle of Man registration taxes, stamp duty or similar taxes or duty (other than court fees) payable in the Isle of Man in respect of the payment of any amounts due from the Guarantors under the terms of the Notes Guarantees.

Italy

Payments in respect of the Notes Guarantees

The Italian tax authorities have never expressed their view on the Italian tax regime applicable to payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that an Italian court would not support such an alternative treatment.

With respect to payments on the Notes made to Italian non-resident holders of the Notes by an Italian resident guarantor, in accordance with one interpretation of the Italian tax law, any payment of liabilities equal to interest and other proceeds from the Notes may be subject to a final withholding tax at a rate of 26 per cent. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax. Alternatively, in accordance with another interpretation, any such payments made to Italian non-resident holders of the Bonds by Italian resident guarantors are treated as a payment by the relevant Issuer, such payments should not be subject to Italian withholding tax and instead be subject to withholding or deduction relating of tax imposed or withdrawn by or on behalf of any competent authority, to the extent such withholding or tax deduction is due by law.

Cyprus

Certain Tax Considerations in Cyprus

The following is a summary based on the laws and practices currently in force in the Republic of Cyprus and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Cypriot Withholding Tax on Guarantee Payments

It is not entirely clear as to how payments made under the Notes Guarantee to be paid by a Cyprus tax resident corporate guarantor, such as Playtech Cyprus, to the Noteholders could be legally characterised for Cypriot withholding tax purposes and a specific advance ruling is recommended. To the extent that payments made under the Notes Guarantee represent interest payments, then Cyprus levies withholding tax in the form of special contribution for defence ("**Defence Tax**") at the rate of 30 per cent. on interest payments made by Cyprus tax resident companies to persons who are tax resident of Cyprus as follows:

(a) individuals who have a Cypriot domicile (as defined in the Defence Tax Law, Law No. 117(I)/2002, as amended (the "**Defence Tax Law**")) in case the interest is considered to arise neither in the ordinary course of their business nor closely connected therewith;

(b) companies in case the interest is considered to arise neither in the ordinary course of their business nor closely connected therewith.

Cyprus does not levy any withholding tax on interest payments made to persons not being resident for tax purposes of Cyprus.

Tax Residency and Domicile for Individuals

An individual is considered to be a tax resident of Cyprus if he or she is physically present in the Republic of Cyprus for an aggregate total of more than 183 days in a tax year.

As of 1 January 2017, an individual is also recognised as a Cypriot tax resident for a tax year, if he or she meets all of the following requirements:

1 does not spend more than 183 days in total in any other single state within the tax year;

2 is not recognised as a tax resident of another state in the same tax year;

3 stays in Cyprus for at least 60 days in the tax year;

4 pursues a business or is employed in Cyprus or holds an office with a company that is a Cypriot tax resident at any time during the tax year;

5 maintains a permanent home in Cyprus that is either owned or rented.

If an individual terminates his or her employment/winds up his business or ceases to hold office as per (4) above, he or she cannot be considered a Cypriot tax resident for the respective tax year.

The Defence Tax Law contains the following term and definition:

Resident in the Republic, when applied to an individual, means a person who is resident in the Republic as defined in accordance with the provisions of the Income Tax Law, Law No. 118 (I)/2002, as amended (the "**Income Tax Law**") and who also has domicile in the Republic.

For the purposes of this Law a person has a "domicile in the Republic" if he or she has a domicile of origin in the Republic based on the provisions of the Cyprus Wills and Succession Law, Cap. 195, as amended (the "**Wills and Succession Law**") except for:

(i) a person who has acquired and maintains a domicile of choice outside the Republic based on the provisions of the Wills and Succession Law, provided that he or she was not resident in the Republic as defined in accordance with the provisions of the Income Tax Law for any period of at least 20 consecutive years before the tax year, or

(ii) a person who was not resident in the Republic as defined in accordance with the provisions of the Income Tax Law for a period of at least 20 consecutive years before the entry into force of the provisions of this Law

It is provided that regardless of the domicile of origin, any person who is resident in the Republic, as defined in accordance with the provisions of the Income Tax Law for at least 17 out of the last 20 years before the tax year, will be deemed domiciled in the Republic for the purposes of this Law.

Tax Residency for Companies

A company is considered to be tax resident in the Republic of Cyprus if its management and control is exercised in Cyprus. There is no definition in the Cyprus income tax laws as to what constitutes "management and control".

It is generally accepted and in line with international tax practices that the following conditions should be considered to determine if a company classifies as a resident of Cyprus for tax purposes:

1. Majority of the Board of Directors meetings are held in Cyprus;
2. Majority of important decisions are taken in Cyprus;
3. The majority of the directors are residents of Cyprus.

In addition to the above, for the purposes of obtaining tax residency certificates from the Cyprus tax authorities, the following factors are also considered:

1. Whether the Board of Directors exercises control and makes key management and commercial decisions necessary for the company's operations and general policies;
2. Whether Shareholders' meetings are held in Cyprus;
3. Whether any general powers of attorney are issued to non-Cyprus tax residents;
4. Whether the corporate seal and all statutory books and records are maintained in Cyprus;
5. Whether corporate filing and reporting functions are performed by representatives located in Cyprus; and
6. Whether agreements relating to the company's business or assets are executed or signed in Cyprus.

Stamp Duty

In general, Cyprus levies stamp duty on every instrument if:

(a) it relates to any property situated in Cyprus; or

(b) it relates to any matter or thing which is performed or done in Cyprus. The stamp duty obligation arises irrespective of whether the document is executed in Cyprus or abroad.

There are instruments which are subject to stamp duty at a fixed fee (ranging from 5 cents to €35) and instruments which are subject to stamp duty based on the value of the instrument (0.15 per cent. for amounts exceeding €5,000 and 0.20 per cent. for amounts exceeding €170,000) with a maximum stamp duty payable of €20,000 per instrument.

SUBSCRIPTION AND SALE

Banco Santander, S.A., NatWest Markets Plc, UBS AG, London Branch and UniCredit Bank SA, (the "**Joint Active Bookrunners**"), Citigroup Global Markets Limited (the "**Passive Bookrunner**" and, together with the Joint Active Bookrunners, the "**Joint Bookrunners**") and ABN AMRO Bank. N.V. ("**ABN AMRO**") have, pursuant to a Subscription Agreement dated 5 March 2019, jointly and severally agreed with the Issuer and the Guarantors, subject to the satisfaction of certain conditions, to subscribe the Notes at 100 per cent. of their principal amount, plus accrued interest, if any. In addition, the Issuer has agreed to reimburse the Joint Bookrunners and ABN AMRO, The Governor and Company of the Bank of Ireland and Goodbody Stockbrokers UC (the "**Co-Managers**") for certain of their expenses in connection with the issue of the Notes. The Issuer has agreed to pay to the Joint Bookrunners and the Co-Managers a combined management and underwriting commission. The Subscription Agreement entitles the Joint Bookrunners and the Co-Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Co-Managers (other than ABN AMRO) have no obligation pursuant to the Subscription Agreement to subscribe for the Notes.

General

Neither the Issuer nor the Guarantors nor any Joint Bookrunner or any Co-Manager has made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners, the Co-Managers or the Issuer or the Guarantors that would permit a public offering of the Notes, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Bookrunner and each Co-Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer, the Guarantors or any other Joint Bookrunner or any Co-Manager in any such jurisdiction as a result of any of the foregoing actions.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner and each Co-Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States

The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Bookrunner and each Co-Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes and the Notes Guarantees (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Notes Guarantees during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Notes Guarantees within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes and the Notes Guarantees are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes and the Notes Guarantees, an offer or sale of Notes and the Notes Guarantees within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Bookrunner and each Co-Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Isle of Man

Any offer for subscription, sale or exchange of the Notes within the Isle of Man must be made (i) by an Isle of Man financial services licence holder licensed under section 7 of the Isle of Man Financial Services Act 2008 to do so or (ii) in accordance with any relevant exclusion contained in the Regulated Activities Order 2011 (as amended 2013, 2016 and 2018) or exemption contained in the Financial Services (Exemptions) Regulations 2011 (as amended 2013, 2016, 2017 and 2018).

Italy

Each Joint Bookrunner and each Co-Manager has represented and agreed that the offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular nor any other document relating to any Notes be distributed in Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each Joint Bookrunner and each Co-Manager has represented and agreed that it will not offer, sell or deliver any Notes or distribute any copies of this Offering Circular and/or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*) pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**") and Article 100 of the Legislative Decree No. 58 of 24 February 1998, as amended ("**Consolidated Financial Act**"); or

(b) in other circumstances which are exempted from the rules on public offerings, as provided under the Consolidated Financial Act and Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended and Legislative Decree No. 385 of 1 September 1993 ("**Banking Act**") (in each case, as amended) and any other applicable laws or regulation; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Cyprus

Each Joint Bookrunner and each Co-Manager has represented and agreed that:

(a) it has not and will not, offer, sell or deliver the Notes, and has not distributed and will not distribute in the Republic of Cyprus this Offering Circular or any document, circular, advertisement or other offering material, except under circumstances which will result in compliance with the Public Offer and Prospectus Law, Law 114(I)/2005, as amended, (the "**Prospectus Law of Cyprus**") and any other applicable laws and regulations in effect at the relevant time under the laws of the Republic of Cyprus;

(b) it has complied and will comply with all applicable provisions of the Prospectus Law of Cyprus with respect to anything done by it in relation to the Notes in, from or otherwise involving the Republic of Cyprus; and

(c) it has not and will not provide from within the Republic of Cyprus any "investment services" and/or "ancillary services" and/or perform any "investment activities" (as these are defined in the Investment Services and Activities and Regulated Markets Law, Law 87(I)/2017 (the "**Investment Services Law**"), nor has it or will it do anything, including the provision and/or performance of any services or activities, which caused it or may cause it to fall within the scope of the Investment Services Law, or in relation to "financial instruments" as defined in the said Law, or if it provides investment services and/or "ancillary services" and/or perform any "investment activities" from outside the Republic of Cyprus it will be regulated accordingly from the relevant jurisdiction except under circumstances which will result in compliance with the Investment Services Law and any other applicable laws and regulations in effect at the relevant time.

GENERAL INFORMATION

1 Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to be admitted to trading on the Global Exchange Market.

2 Each of the Issuer and the Guarantors has obtained all necessary consents, approvals and authorisations in the Isle of Man, Italy and Cyprus in connection with the issue and performance of the Notes and the Notes Guarantees. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 19 February 2019.

The giving of the Notes Guarantee by Playtech Software was authorised by a resolution of the Board of directors of Playtech Software on 25 February and a resolution of the sole shareholder of Playtech Software on 24 February 2019.

The giving of the Notes Guarantee by TradeTech Holding was authorised by a resolution of the board of directors of TradeTech Holding on 25 February 2019 and a resolution of the sole shareholder of TradeTech Holding on 24 February 2019.

The giving of the Notes Guarantee by Pluto Italia was authorised by a resolution of the board of directors of Pluto Italia on 25 February 2019.

The giving of the Notes Guarantee by Playtech Cyprus was authorised by a resolution of the board of directors of Playtech Cyprus on 25 February 2019 and a resolution of the sole shareholder of Playtech Cyprus on 25 February 2019.

The giving of the Notes Guarantee by Technology Trading was authorised by a resolution of the board of directors of Technology Trading on 25 February 2019 and a resolution of the sole shareholder of Technology Trading on 24 February 2019.

3 The yield of the Notes is 4.250 per cent. on an annual basis. The yield is calculated as at 7 March 2019 on the basis of the issue price. It is not an indication of future yield.

4 Except as described in "*Summary—Recent Developments*", "*Summary—Integration of Snaitech*" and in the 2018 Financial Statements, there has been no significant change in the financial or trading position of the Issuer or of the Group or each of the Guarantors since 31 December 2018 and no material adverse change in the financial position or prospects of the Issuer or the Guarantors or of the Group since 31 December 2017.

5 Except as disclosed in "*Material Contracts*", there are no material contracts entered into other than in the ordinary course of the Issuer's or any Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or any Guarantor's ability to meet its obligations to Noteholders in respect of the Notes being issued or the Notes Guarantees.

6 The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 195618755. The International Securities Identification Number (ISIN) for the Notes is XS1956187550.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

7 Except as disclosed below, neither the Issuer nor any of its subsidiaries nor any Guarantor is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any Guarantor is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group or any Guarantor.

*The Italian Stability Law of 2015 ("**Stability Law 2015**")*

The Stability Law 2015 included an obligation on concession holders to pay the entire amount of a "Stability Tax" related to VLTs and AWPs, regardless of whether or not the machines were operated directly by the concession holder.

The aggregate amount of Stability Tax payable for 2015 by Snaitech (including Cogetech) and its operators was determined by an ADM decree implementing the Stability Law 2015 to be €84.8 million, to be paid in two instalments:

- 40 per cent. by 30 April 2015; and
- 60 per cent. by 31 October 2015.

In February 2015 (jointly with other concession holders of VLTs and AWPs), Snaitech brought a claim before the Lazio Regional Administrative Court requesting a suspension of the ADM decree and a referral of the issue to the Constitutional Court due to the lack of proportionality and reasonableness of the Stability Tax.

On 22 October 2015, such requests of the suspension of the decree were rejected by the Lazio Regional Administrative Court. This rejection was upheld on appeal.

On 16 December 2015, the Lazio Regional Administrative Court referred the issue of the alleged breach of the Italian Constitution in respect of the Stability Law 2015 to the Constitutional Court.

In the meantime, the judgement of the Lazio Regional Administrative Court has been suspended.

The Constitutional Court hearing was held on 8 May 2018 and, by means of decision of 13 June 2018, the Constitutional Court has referred again the issue to the Lazio Regional Administrative Court, asking the latter to assess whether the alleged unconstitutionality of the Stability Law 2015 still persists or if this has to be considered as repealed ex tunc, as a consequence of the provisions introduced by the Stability Law 2016.

The 2016 Stability Law provided further clarity in respect of the obligation introduced by the 2015 Stability Law and its redistribution between all the interested stakeholders of the value-chain. In particular, the distribution should have been proportional to the revenues of each stakeholder for the relevant period in 2015. Such interpretation set the independence of debts of each stakeholder.

Based on several opinions issued by advisors, Snaitech deems not to be liable for those amounts unpaid by the different stakeholders of the value-chain. Snaitech has therefore paid its own contribution and those amounts received by the stakeholders.

Snaitech has therefore notified ADM those operators with missing payments. As at 31 December 2018, the amounts missing from its own value-chain and due to ADM total € 27.651.081,88

Related proceedings brought by the operators

On 17 December 2015, Acilia Games S.r.l. (together with another 435 POS operators in the legal gambling segment) launched proceedings against Snaitech (together with other concession holders) requesting the following:

- a declaration that the POS operators are not bound to pay their share of the Stability Tax as notified to them by Snaitech and the other concession holders;
- a declaration that Snaitech and other concessions holders had carried out illegal actions against the POS operators resulting from, inter alia, anti-competitive agreements and/or abuse of a dominant market position and/or abuse of economic dependency and/or abuse of rights. The POS operators have also requested that the Court prevent the concession holders from performing such actions under penalty of payment of €10,000 for each alleged breach and for each single claimant;
- a declaration that the attempted renegotiation of the POS operator agreements by Snaitech and the other concessions holders were unilateral and are against the general duty of good faith;
- a declaration that the POS operator agreements between the concessions holders and the POS operators are valid and effective as they were in force on the effective date of the Stability Law 2015; and
- that Snaitech and the other concessions holders are required to renegotiate the POS operator agreements in good faith and without imposing unilateral terms and conditions on the operators. To this effect, the POS operators have requested that the Court require Snaitech and the other concessions holders to pay the amount of €10,000 for each breach and for each single claimant.

The Court hearing was held on 27 March 2018. The court held the judgement and allowed both parties to file their final memorandum. A determination from the Court is awaited.

2015 Budget Law: Snaitech—other party—vs. A.G.C.A.I, and others

With 6 separate claims, the A.G.C.A.I. association, representative of the AWP concession holders, has summoned before the Lazio Regional Administrative Court and the President of the Republic both Snaitech and the former Cogetech (now Snaitech).

Pursuant to the terms of the concession, concession holders of the online network of gaming machines with winnings in money ordered the operators of AWP gaming machines to pay the related contribution to the additional charge, introduced by Art. 1, par. 649, Law no. 190/2014, for the reduction of the fees of the gaming machine industry. The plaintiffs claim that such terms should be declared null and void, while suspending their enforceability pending the final decision.

The competent authority rendered a judgement declaring the appeals to be late and non-admissible for contested jurisdiction. For the motions notified subsequently, the scheduling of the hearings are pending.

Lodo di Majo (Di Majo award)

At the end of the 1990's, various horse betting concession holders (including Snaitech) brought proceedings against the Finance Ministry and the Agriculture Ministry (the "**Ministries**"), alleging various payment delays and breaches by the Ministries.

The proceedings were first heard in 2003, when an Arbitration Panel found that the Ministries were liable and ordered them to compensate the concession holders (the "**Di Majo Award**").

The compensation awarded to Snaitech for the period up to 30 June 2006 was €2,498,000. The compensation payable to Snaitech for the following years has not yet been determined.

The Ministries filed an appeal against that decision before the Rome Court of Appeal.

Outside of the legal proceedings, on 22 June 2010 Assosnai (the trade body of the relevant concessionaires) proposed a settlement of the dispute consisting of:

- an off-set of the damages awarded against the Ministries against the amounts payable to ADM by the horse betting concessionaires under the terms of their concessions; and
- the withdrawal of the appeal by the Ministries to the Rome Court of Appeal,

(the "**Settlement Proposal**").

In 2011, ADM issued a decree which authorised Snaitech to set off the amounts receivable from the Di Majo Award against amounts payable to ADM by Snaitech as a concession holder. Accordingly, Snaitech set off the €2,498,000 that it had been awarded in respect of the period up to 30 June 2006 against the amounts payable to ADM under the relevant concessions.

As a result of the decree, some of the original horse betting concession holders assigned their potential receivables arising from the Di Majo Award to Snaitech, so as to allow Snaitech to set-off these receivables with the amounts payable to ADM by said concession holders. Snaitech paid the consideration for these receivables which was put into an escrow account pending the final judicial determination of the issue. On 21 November 2013, the Court of Appeal in Rome declared that the Di Majo Award was void because the Arbitration Panel had adjudicated upon matters outside its competence. Snaitech appealed that judgement to the Supreme Court (Cassazione) and the judgement is pending and the date for the hearing is still yet to be fixed.

In the event that the Supreme Court upholds the verdict of the Rome Court of Appeal, Snaitech, absent any final agreement on the Settlement Proposal or other agreements to settle the dispute, will be required to repay the amount Snaitech has offset against payments due to ADM on the basis of the Di Majo Award (which includes the amount of receivables that the original concession holders assigned to Snaitech). In these circumstances, Snaitech may seek to recover some of these amounts by releasing back to it the amount held in the escrow account.

Following the verdict of the Rome Court of Appeal, ADM reclaimed repayment of €3,702,000, representing part of the amount Snaitech had already set-off against monies it owed to ADM. Snaitech filed a motion to request either the dismissal or the suspension of the ADM claim for repayment until the verdict of the Supreme Court is given.

Additionally, on 26 October 2018, under two separate notices, ADM sent a request for payment of sums (i) related to the years 2012 to 2013 for a total amount of €18,201,045.71 and (ii) related to the years 2000 to 2013, for the minimum guaranteed sums related to the years 2004 to 2011 and for the minimum guaranteed sums up to December 2005 for a total amount of €3,497,156.62. The notices provided were general and conflicting, for example on the basis that they refer to the same debts which were contained in previous communications from ADM which have since been declared void, and neither notice mentions the number of each concessions in respect of which the debts relate.

Accordingly, Snaitech sent ADM a request for a formal meeting in order to better understand the matter and such meeting was held on 13 November 2018. In the meeting, ADM acknowledged that their notices had not attached the lists of the licences and have since provided these lists to Snaitech. The lists however have not provided much further clarity as, for example, they do not record the fact that Snaitech have in fact paid all tranches of minimum guaranteed sums related to the years 2006 to 2011 for a total amount €20,649,499.99. Snaitech has prepared responses and communications in respect of this matter and has challenged the notices before the Regional Administrative Tribunal.

Malfunctioning of the Barcrest VLT platform

On 16 April 2012, Snaitech experienced a severe malfunction on the Barcrest gaming system (one of the VLT platforms Snaitech was using at the time) which caused the issue of an exceptionally high number (242) of alleged "jackpot" tickets for differing amounts, many of which were significantly higher than the regulatory limit for a winning ticket (of €500,000). Subsequently, a number of players holding such "jackpot" tickets sued Snaitech, claiming payment of the amounts indicated on the "jackpot" tickets and/or compensation for damages. Snaitech has contested a number of these claims in Court both in fact and law and contested that, as already communicated to the market and to ADM, that no "jackpot" was validly awarded at any time on 16 April 2012.

To date, around one hundred lawsuits have been filed against Snaitech by such ticketholders. As at 31 December 2018 (being the latest practicable date prior to the date of this Offering Circular), more than 60 per cent. of those proceedings have been either (i) adjudicated in Court in favour of Snaitech (in each of these proceedings, the Court ruled that on 16 April 2012 there was no "jackpot"), (ii) settled by the parties; or (iii) discontinued (and not capable of being continued) because either the ticketholder did not appeal the judgement issued by the Court of first instance or did not resume the case after the declaration by the Court of a lack of competence of the claimant. As at 31 December 2018 (being the latest practicable date prior to the date of this Offering Circular), 21 of the lawsuits filed against Snaitech are still ongoing. After 31 December 2018, 1 of these proceedings were settled.

Civil claim filed against Snaitech by Prestige Potenza S.r.l.s. and Prestige Barbera S.r.l.s.

On 28 April 2014, Prestige Potenza S.r.l.s., and on 9 June 2014, Prestige Barbera S.r.l.s. (Prestige Potenza S.r.l.s. and Prestige Barbera S.r.l.s., together the "**Prestige Claimants**"), brought actions against Snaitech (formerly Cogetech Gaming S.r.l.) before the Court of Milan requesting (i) the declaration of a breach by Snaitech of its performance obligations under certain agreements entered into between the parties relating to the transfer of two business branches; (ii) the termination of the relevant agreements; and (iii) the payment of damages by Snaitech arising from such breaches in an amount of approximately €30,000,000.

Snaitech submitted a counterclaim to the proceedings and requested the joinder to the proceedings of certain third parties who originally undertook to buy the relevant business branches.

In 2017, the Courts rejected both the claims bought by the Prestige Claimants and Snaitech's counterclaims and request for joinder. As a result, Snaitech has been ordered to repay (i) the Prestige Claimants' legal fees in relation to both legal proceedings; and (ii) the lawsuit expenses only with reference to the Prestige Barbera S.r.l.s legal proceedings.

Snaitech has appealed the two judgements and the Prestige Claimants' have also filed an appeal against such judgements. The two appellate proceedings were combined into one proceeding by the appellate judge and, at the hearing of 6 June 2018, the court suspended the proceedings to allow parties to file conclusions and other documents. In the judgment subsequently published on 25 October 2018, the Court of Appeal rejected both the Prestige Claimants' claims and Snaitech's counterclaims, and Snaitech was ordered to repay approximately €30,000 of costs for the termination of the relevant agreements.

Disputes with ADM relating to the betting business: guaranteed minimum amount/services

Snaitech has previously received several notices from ADM regarding reduced activities on certain of its horse racing and sports concessions for the period from 2007 to 2013. These notices requested further payments from Snaitech to ADM to supplement the annual guaranteed minimum amount payable to ADM pursuant to certain provisions included in such concessions.

These payment claims have always previously been successfully challenged by Snaitech. The Constitutional Court ruled on 20 November 2013 that such payment claims were inconsistent with the Italian Constitution. ADM have not appealed such ruling.

In order to extend the relevant limitation period for such claims by ADM against Snaitech (i) in respect of the period from 2006 to 2013 (relating to the former Cogetech Gaming concessions), ADM made a further claim against Snaitech on 5 December 2017 for approximately €3.2 million and (ii) in respect of the period from 2008 to 2009 (relating to the former Snaitech concessions), ADM issued a further claim against Snaitech on 24 October 2018 for approximately €153,650. Snaitech has responded to both of these claims stating their illegitimacy and awaits a response from ADM.

Snaitech has challenged a similar claim by ADM (notified on 14 June 2013) for approximately €300,000 in respect of such payments relating to Cogetech's activities in 2012. A hearing in relation to this claim has yet to be scheduled.

Civil claim filed against Snaitech by Ainvest Private Equity

By a writ of summons served on 14 March 2012, Ainvest Private Equity S.r.l. summoned Snaitech to appear before the Court of Lucca, which was petitioned to order Snaitech to pay alleged brokerage fees related to Snaitech obtaining certain bank loans, in an amount of approximately €4 million. Snaitech appeared in Court in due form, stating its own defence and objecting that the plaintiff's claims were groundless.

The lawsuit proceeded and after the appointment of an expert by the Court (for the translation of the documents produced by the counterparty), the excussion of the texts, the Court rescheduled the hearing initially on 6 December 2017 and subsequently on 7 February 2018.

At the hearing held on 7 February 2018, the Court rejected the claim and ordered the plaintiff to reimburse the expenses.

On 20 March 2018, the plaintiff notified its appeal against the Court sentence and summoned Snaitech to appear again before the court on 16 July 2018, which was rescheduled by the chairman of the Appeal Court to 25 February 2020.

Giga sas + F.C. snc + D & D srl + Individual business

These companies appealed against the payment injunction achieved by Snaitech for a total amount of €2,200,000. These companies claimed the non-existence of the receivables and required compensation for damages for a total amount of €1,000,000 plus interest and expenses. The next hearing will be held in March 2019.

Employment lawsuit

This lawsuit relates to five pending appeals served by Snaitech's former advisors, who claimed the recognition of an employment relationship (that lasted several years and terminated in September 2016) and the damages suffered as well as any salary integration due (including holidays and employment termination indemnities). Four out of five appealed against the withdrawal of the advisory mandate and claimed, under art. 18 of the Employees statute, both damages and re-establishment of the work agreement. Settlement agreements have now, however, been signed with three of the advisors and so only two claims remain open. The next hearings are scheduled for 27 February and 2 May 2019.

Claim by Fiom-Cgil in relation to the collective discipline applied to employees

As a result of the series of mergers by incorporation of Snaitech, the companies of the Cogemat group and Trenno S.r.l, the enlarged Snaitech group is currently applying several different national collective agreements ("**NCBA**") in respect of its employees. In order to standardise the collective discipline applied to employees across the group, Snaitech's aim, as previously expressed prior to the merger with the Cogemat Group, is to extend the discipline contained in the NCBA for the "Commercial Sector" to employees who currently see their contract regulated by the discipline contained in the NCBA for the "Industrial Sector", which has not yet expired.

The Fiom-Cgil, one of the trade unions which signed the NCBA for the "Industrial Sector" applied to the ex Snai employees, however, did not take part in the negotiations (with the other trade unions) in order to homogenise the collective discipline currently applied in Snaitech, claiming that Snaitech does not have the right to extend the discipline contained in the NCBA for the "Commercial Sector" to the employees which currently see their labour contract regulated by the NCBA for the "Industrial Sector". Additionally, Fiom-Cgil is of the view that Snaitech would be obligated to continue applying the NCBA for the "Industrial Sector" following its expiration in November 2019.

Snaitech, in agreement with the other unions (excluding Fiom-Cgil), proceeded to apply the discipline provided by the NCBA for the "Commercial Sector" to all employees. As a result, Fiom-Cgil filed a claim, which requires a special procedure reserved to trade unions, requesting that the judge verify whether Snaitech's actions (concerning the termination of the NCBA for the "Industrial Sector" prior to its expiration) is in breach of the trade unions' rights.

Pursuant to a decree dated 20 November 2018 n.4595 ("**Executive Decree**"), the Court of Lucca notified Snaitech on 21 November 2018 that it had upheld the claims of the recurring syndicate, declaring the anti-indemnity of Snaitech's conduct in the application of the collective regulation contained in the Metalworking Collective Labor Agreement before the expiry of the NCBA for the "Industrial Sector" and has ordered Snaitech to remove the effects of such conduct by applying, until its expiration, the CCNL of Metalworkers towards the workers registered with Fiom-Cigl and all additional workers specified (who are not registered with any trade union).

Snaitech challenged the Executive Decree on the basis that an agreement has been made with the other trade unions and that the vast majority of employees have expressly accepted the change of collective discipline applied to their work contracts through an appropriate referendum.A determination from the Court of Lucca is awaited.

Ruling on reporting procedures and accounting-related judgement

These proceedings relate to regularity of judicial accounts for the years 2004/2009. The object of the judgement is the audit on the correct contents of the accounts submitted by concession holders of legal gaming through AWPs and VLTs.

In addition to the Ruling on reporting procedures, in 2012, the Accounting-related Judgement proceeding was initiated to verify the regularity of the accounts submitted by the concession holders, including Snaitech and Cogetech (merged by incorporation on 1 November 2016). The judgement, still pending before the Court of Auditors, concerns the alleged non-endorsement of judicial accounts for the years 2004/2009 (the endorsement is made by the Court of Auditors through the reporting subject, and consists in an audit, both formal and on accounts, of items reported in the statements transmitted to the Administration).

In first instance, the Lazio Court of Auditors' Jurisdictional Section, with the respective decisions stated that the accounts-related judgement was ineffective and its decision was transmitted to the Regional Prosecutor for assessing any possible administrative liabilities.

Snaitech and Cogetech have both appealed the judgements rendered by the Court of Auditors.

The Appeal section of the Court of Auditors, with the respective judgements no. 304/2015 and 373/2015, cancelled the previous objected decisions deeming that the case could not be concluded with an accounting-related judgement indicating the impossibility of bringing further proceedings without performing first a detailed audit of the reporting filed for the case. Therefore, the Section of Appeal of the Court of Auditors, with appropriate judgement, ordered the Lazio Regional Section to review the audit in order to reach a final decision whether to discharge or not from the accounts the items that were not equivalent (the related amount is unavailable). Upon order of the Section of Appeal of the Court, all documents related to judicial reporting, already returned to ADM, were retransmitted to the Lazio Regional Section.

The appeals being exhausted, the case continued before the Lazio Regional Section of the Court. The case is awaiting the judicial proceeding acts from the Public Prosecutor.

For this reason, the risk of a negative outcome, already deemed as remote by the respective concession holders' legal advisers, can by described as clearly remote, at the moment. In keeping with that conclusion, Snaitech has recognised a provision only for the estimated legal costs of the technical defence.

2011 quotes—Head office—Shared premises

With notice dated 21 June 2012, ADM required the concession holders to pay, on a *pro rata* basis according to the number of gaming machines that they were formally managing, the amount of €300 for the machines that, at completion of the survey (related to the period from January to August 2011), were exceeding in number with respect to the law on applicable quotas. ADM has quantified and informed Snaitech about the total amount to pay, i.e. approximately €3.8 million.

After the access to records and out of Court correspondence with the Administration, the latter expressed its requests once again with notice dated 5 August 2013. The above-mentioned deed was challenged by both companies before the Lazio Regional Administrative Court and we are awaiting the dates to be set for the hearing.

The risk of an unfavourable outcome can be deemed as merely possible, taking into account the investigation performed by ADM and the issue, which is relatively new.

8 Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

9 For as long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market, copies of the following documents will be available in physical form, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer and the Principal Paying Agent:

(a) the Trust Deed (which includes the form of the Global Certificate and the Certificates);

(b) the Paying Agency Agreement;

(c) the Memorandum and Articles of Association of the Issuer and each of the Guarantors;

(d) the Financial Statements; and

(e) a copy of this Offering Circular together with any further Offering Circular.

10 BDO LLP of 55 Baker Street, London W1 7EU, England have audited, and rendered unqualified audit reports on the 2016 Financial Statements and the 2017 Financial Statements. BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales. PricewaterhouseCoopers S.p.A. of Via Monte Rosa, 91, 20149 Milano MI, Italy have audited and rendered unqualified audit reports on the Snaitech Financial Statements. PricewaterhouseCoopers S.p.A. is registered under No. 119644 in the Register of Accountancy Auditors (Registro dei Revisori Legali) by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., which is located at Via Monte Rosa 91, 20149 Milan, Italy, is also a member of ASSIREVI (the Italian association of audit firms).

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GLOSSARY OF TECHNICAL TERMS

The following table sets out some definitions of technical terms that are used in this Offering Circular.

Term	Definition
"ADI"	gaming machines including AWPs and VLTs.
"AWP"	amusement with prize, an industry term commonly used to refer to an electronic slot machine game device, which in Italy must comply with the technical requirements issued by ADM.
"AWP-R"	new AWP which can be controlled remotely.
"B2B"	business to business.
"B2C"	business to customer.
"betting"	making or accepting a bet on: (i) the outcome of a race, competition or other event or process; (ii) the likelihood of anything occurring or not occurring; or (iii) whether anything is true or not.
"bricks-to-clicks"	a business model by which the Group aims to integrate both offline (bricks) and online (clicks) presences.
"CFD" or "contract for difference"	a contract in which payments are made between the parties so as to put one of the parties into the economic position that party would have been in if that party had borrowed money and used it to purchase an underlying product and the other party into the economic position it would have been in if it had sold the underlying product and lent the proceeds.
"CRM"	client relationship management.
"DDoS"	Distributed Denial of Service, an attempt to make a network resource unavailable to its intended users.
"DNS"	domain name system.
"ePOS"	electronic point of sale.
"FOBTs"	fixed odds betting terminals.
"ITL"	International Terminal Leasing
"gambling"	both betting and gaming.
"gaming"	playing a game of chance for a prize, and a game of chance also includes: (i) a game that involves an element of chance and an element of skill; (ii) a game that involves an element of chance that can be eliminated by superlative skill; and (iii) a game that is presented as involving an element of chance but does not include a sport.
"GGR"	gross gaming revenue, which constitutes consumer spending on gambling calculated by amounts wagered less any amounts paid out to players as winnings.
"iPoker network"	the poker platform hubs hosted by the Group on an inter and intra jurisdiction basis for and on behalf of Licensees.

Term	Definition
"ISP"	internet service provider.
"live casino"	a sub-category of gaming activities which includes traditional casino games, slot machines and skill games.
"omni-channel"	a multichannel approach that seeks to provide the customer with a seamless experience whether the customer is engaging online from a desktop or mobile device, by telephone or in a land-based venue.
"online trading platform"	a computer software program that can be used to place orders for financial products over a network with a financial intermediary.
"POS"	the point of sale whereby betting and ADI services are provided.
"pari-mutuel"	a betting system in which all bets of a particular type are placed together in a pool; taxes and the "house-take" or "vigorish" are removed, and payoff odds are calculated by sharing the pool among all winning bets.
"PSP"	payment service provider
"remote gambling"	gambling by online means which, unless the context otherwise requires, shall include communications using the internet, mobile or tablet.
"sportsbook"	bets accepted on sport and other events.
"SSBT"	self-service betting terminals.
"STP" or "straight through processing"	an initiative that financial companies use to optimise the speed at which they process transactions.
"TULPS"	the Royal Decree No. 773/1931 (*Testo Unico di Pubblica Sicurezza*).
"TULPS Licence"	the licence issued under the TULPS to the relevant applicant for the carrying out of betting and gaming activity and the installation of gaming machines inside the POS.
"VLT"	an industry term commonly used to refer to an electronic video lottery game device, which in Italy must comply with the technical requirements issued byADM.
"VLT-light"	synonymous to AWP-R.
"white label partners"	third parties which participate in white labelling.
"white labelling"	the offering of some or all of the Group's products on the Group's platforms which are branded and distributed in the name of third parties.

ISSUER

Playtech plc
St George's Court
Upper Church Street, Douglas, IM11EE, Isle of Man

GUARANTORS

Playtech Software Limited
St George's Court
Upper Church Street, Douglas IM11EE, Isle of Man

Technology Trading IOM Limited
St George's Court
Upper Church Street, Douglas IM11EE, Isle of Man

TradeTech Holding Limited

St George's Court
Upper Church Street, Douglas
IM11EE, Isle of Man

Playtech Services (Cyprus) Limited
146-148 Strovolos,
Petousis House, 2nd Floor,
Strovolos, 2048
Nicosia, Cyprus

Pluto (Italia) S.p.A.
Viale Abruzzi 94
20131 Milan
Italy

AUDITORS OF THE ISSUER

BDO LLP
55 Baker Street
London W1 7EU, United Kingdom

TRUSTEE AND SECURITY AGENT

The Law Debenture Trust Corporation p.l.c.
Fifth Floor, 100 Wood Street
London EC2V 7EX
United Kingdom

PRINCIPAL PAYING AGENT, REGISTRAR AND TRANSFER AGENT

Banque Internationale à Luxembourg S.A.
69, route d'Esch
2953 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS

To the Joint Bookrunners, the Co-Managers and the Trustee and Security Agent as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ, United Kingdom

To the Issuer and the Guarantors as to English law

Bryan Cave Leighton Paisner LLP
Adelaide House, London Bridge
London EC4R 9HA, United Kingdom

To the Issuer and the Guarantors as to Isle of Man law

Appleby (Isle of Man) LLC
33-37 Athol Street
Douglas
IM 1 1LB, Isle of Man

To the Issuer and the Guarantors as to Italian law

Allen & Overy Studio Legale Associato
Via Manzoni 41
Milan
20121, Italy

To the Issuer and the Guarantors as to Cypriot law

Georgiades & Pelides LLC
16 Kyriakos Matsis Avenue
Eagle House 9th Floor
Agioi Omoloyites
1082 Nicosia, Cyprus

To the Joint Bookrunners and the Co-Managers as to Isle of Man law

Cains Advocates Limited
Fort Anne
Douglas
Isle of Man IM1 5PD

To the Joint Bookrunners and the Co-Managers as to Italian law

Linklaters LLP Studio Legale Associato
Via Broletto 9
20121 Milan, Italy

To the Joint Bookrunners and the Co-Managers as to Cypriot Law

Aristodemou Loizides Yiolitis LLC
Omrania Cenre
313, 28th October Avenue
3105 Limassol, Cyprus

JOINT ACTIVE BOOKRUNNERS

Banco Santander, S.A.
S.A. Ciudad Grupo
Santander Avenida de
Cantabria s/n 28660
Boadilla del Monte
Madrid, Spain

NatWest Markets Plc
250 Bishopsgate
London EC2M 4AA
United Kingdom

UBS AG, London Branch
5 Broadgate
London EC2M 2QS
United Kingdom

UniCredit Bank AG
Arabellastrasse 12
81926 Munich
Germany

PASSIVE BOOKRUNNER

Citigroup Global Markets Limited
Citigroup Centre,
33 Canada Square,
Canary Wharf,
London E14 5LB

CO-MANAGERS

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

Bank of Ireland
Bow Bells House
1 Bread Street, London, EC4M 9BE

Goodbody Stockbrokers UC
2 Ballsbridge Park
Ballsbridge, Dublin 4, Ireland