

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**Playtech plc**

("Playtech", the "Company", the "Group" or the "Playtech Group")

**Strategic agreement with Caliplay**

**Revised strategic agreement set to drive further growth**

Playtech is pleased to announce it has reached agreement on the terms of its strategic agreement with Tecnología en Entretenimiento Caliplay, S.A.P.I. de C.V. ("Caliplay"), a subsidiary of Corporación Caliente, S.A. de C.V. ("Caliente").

Under the amended terms, Playtech will:

- Hold a 30.8% equity interest in Caliente Interactive, Inc. ("Cali Interactive"), which will be the new holding company of Caliplay (the "Caliplay Group"), incorporated in the United States
- Be entitled to receive dividends alongside other shareholders in Cali Interactive. Playtech will also have the right to appoint a Director to the Board of Cali Interactive
- Enter into a revised eight-year B2B software licence and services agreement
- Receive from Cali Interactive an additional US 140m paid in cash, phased over a four-year period

In addition, Caliplay has resumed paying the Playtech Group its software and services fees with more than €150 million (amounting to more than 80%) of the unpaid fees due from Caliplay to the Group having now been received. The balance has been paid into escrow and is to be released either on the closing of the revised arrangements (expected in Q1 2025) or by the end of 2025 at the latest.

The revised arrangements are conditional upon Mexican antitrust approval and closing is expected to take place in Q1 2025. There is an agreed standstill of all current legal proceedings between Caliente, Caliplay and Playtech, and those proceedings will be dismissed in full once the revised arrangements come into effect.

**Caliplay trading update**

Playtech has now received updated information on Caliplay's financial performance and confirms that Caliplay has continued to perform strongly in the first half of 2024.

**Mor Weizer, CEO of Playtech, said:**

*"During the past nine years, we have worked closely with Caliplay to create a successful and rapidly growing digital business in Mexico. The revised arrangements mark the beginning of an exciting new chapter that will build on the impressive progress to date, with a view to driving significant further growth for Cali Interactive in the future."*

*"The agreement with Caliente and Caliplay underlines the attractiveness of Playtech's leading proprietary technology. With a strong position in Mexico and exposure to other fast-growing markets in the Americas and Europe, we remain well-placed to deliver strong growth in our B2B business in the coming years."*

**Emilio Hank, Chairman of Caliplay, said:**

*"We are delighted to finalise this renewed agreement which shows the inherent strength of the strategic relationship between Caliplay and Playtech. We are focused on growing Caliplay, leveraging our core strengths and Playtech's*

between Caliploy and Playtech. We are focused on growing Caliploy, leveraging our core strengths and Playtech's leading technology to broaden our geographical footprint, as we continue in our mission to give the best gaming experiences to our customers in Mexico and beyond."

**For further information contact:**

<b>Playtech plc</b> Sandeep Gandhi, Head of Investor Relations c/o Headland	+44 (0) 20 3805 4822
<b>Headland (PR adviser to Playtech)</b> Lucy Legh, Jack Gault	+44 (0) 20 3805 4822

This announcement contains inside information for the purposes of the UK Market Abuse Regulation. The person responsible for releasing this announcement is Sandeep Gandhi (Head of Investor Relations).

## **About Playtech**

Founded in 1999 and listed on the Main Market of the London Stock Exchange, Playtech is a technology leader in the gambling industry with over 7,700 employees across 19 countries.

Playtech is the gambling industry's leading technology company delivering business intelligence driven gambling software, services, content and platform technology across the industry's most popular product verticals, including, casino, live casino, sports betting, virtual sports, bingo and poker. It is the pioneer of omni-channel gambling technology through its integrated platform technology, Playtech ONE. Playtech ONE delivers data driven marketing expertise, single wallet functionality, CRM and responsible gambling solutions across one single platform across product verticals and across retail and online.

Playtech partners with and invests in the leading brands in regulated and newly regulated markets to deliver its data driven gambling technology across the retail and online value chain. Playtech provides its technology on a B2B basis to the industry's leading retail and online operators, land-based casino groups and government sponsored entities such as lotteries. Playtech directly owns and operates Snaitech, the leading sports betting and gaming company in online and retail in Italy.

## **Further information on the revised strategic agreement**

### *Cali Interactive*

Cali Interactive will be the new holding company incorporated in the United States which will own Caliploy. Upon the revised arrangements coming into effect, Playtech will have a 30.8% shareholding in Cali Interactive. Playtech will have certain customary shareholder rights, including the right to appoint a Director to the Board of Cali Interactive for so long as Playtech's equity interest is at least 15% of Cali Interactive. Subject to available cash and applicable law, Playtech and all other Cali Interactive stockholders will receive dividends, at least quarterly, pursuant to an agreed dividend policy.

### *Software and services agreements - Mexico*

The software and services arrangements under the original strategic agreement, which ran until 2034, will be replaced by revised agreements between the Playtech Group and the Caliploy Group for its existing Mexican business.

Revised B2B software licence and services agreements will be entered into between the Playtech Group and the Caliploy Group for an eight-year period to 31 December 2032, which will include exclusivity and/or prominence commitments from the Caliploy Group for the software products which the Playtech Group currently provides (excluding sports) for varying periods of up to five years.

Further, and in consideration of the Playtech Group affording the Caliploy Group more flexible terms (including as regards exclusivity) than under the current software and services arrangements, Cali Interactive has agreed to pay the Playtech Group additional fees of US 140 million phased over a four-year period with US 12 million due to be received shortly following closing, and the balance to be paid in 16 equal quarterly instalments of US 8 million.

The Caliploy Group has also agreed to provide certain capped revenue protections to Playtech for a five-year period until 31 December 2032, with the revenue protection capped at US 10 million per quarter.

31 December 2029 in the event of a migration away from certain software products of the Playtech Group. To the extent that Playtech has otherwise received certain minimum returns (whether through B2B software fees or dividends as a 30.8% shareholder) in a relevant year, these revenue protections shall not apply.

The Playtech Group will no longer receive the additional B2B services fee and will cease to be obliged to provide certain services to which those fees relate but will continue to make available other customary B2B ancillary services to the Caliply Group, the majority of which will continue to be charged on a cost plus basis as is the case currently. These services are expected to be relatively limited in scope.

#### *Financial implications*

The revised agreement with Caliply sets a strong foundation for the medium and long-term growth of the business, and for the cash flows which are expected to be generated for Playtech. However, the overall impact of the revised strategic agreement is likely to result in total cash flows received by Playtech in 2025 being lower than under the terms of the current agreement. Based on our assumptions for Caliply's ongoing operations, as well as around the potential quantum and timing of dividend payments from Cali Interactive, Playtech anticipates that total cash flow relating to Caliply is likely to be approximately €30 million - €40 million lower for 2025, versus 2024 on a normalised basis.

While the accounting treatment for certain of Playtech's receipts from the revised agreement is broadly agreed, some items are still being finalised and so will be communicated in due course and once settled. Playtech plans to update its previous medium-term B2B Adjusted EBITDA target (€200-250 million) at that time, to take account of the cash flows which will be received (including through dividends) under the revised strategic agreement with Caliply.

#### *Conditions and closing*

The revised arrangements are subject to COFECE, the Mexican anti-trust authority's approval. This is expected to take up to approximately six months and closing is currently expected in Q1 2025.

- ENDS -

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

AGRMZGMLRKGGDZM