

## **For Immediate Release**

**5 February 2021**

**SPORTECH PLC**  
(‘Sportech’ or the ‘Group’)

### **FY 2020 pre-close update**

Sportech, an international betting technology business, announces a pre-close update in respect of the financial year ended 31 December 2020 (‘FY 2020’).

The Board notes that the Group continues to drive operational efficiencies through all its business lines and anticipates that FY 2020 Group adjusted EBITDA will be in line with the Board’s expectations. During 2020, capital preservation and net cash position became more crucial metrics. The Group year-end cash (excluding customer balances) will be ahead of expectations at c.£10.2 million. <sup>(1)</sup>

During 2020 and into 2021, in line with strategy, the Group has exited certain businesses and assets to generate tangible investor returns, whilst continuing to evaluate further investment prospects within the Connecticut Venues business to support the potential sports betting opportunities. The Group continues to advance the Global Tote transaction with BetMakers and is also progressing the transition of the Bump 50:50 business to Canadian Bank Note Limited. Both transactions are expected to close in H1 2021.

The previously announced conditional sale of the Group’s New Haven, Connecticut property for US\$6.75 million required renegotiation following due diligence discovery that noted required certain environmental enhancements. The Group agreed a revised US\$6 million sale and an eighteen-month leaseback and is initiating a search for more appropriate replacement premises in the New Haven area. The sale is expected to complete in Q1 2021.

The projected aggregate net cash from the above corporate transactions is £36.1 million and the Board will continue to engage with shareholders to assess the optimal use of capital.

The Group plans to announce its FY 2020 Final Results on 8 April 2021.

**Richard McGuire, Chief Executive Officer of Sportech, said:**

"The Group was historically dependent on live spectator attendance at sporting events which were obviously heavily impacted by the global pandemic and we therefore took the necessary actions over the period to safeguard the Group. Sportech has delivered on key 2020 performance metrics - namely cash generation from operational activities, capex reductions and delivery of a lower operational cost base going forward - resulting in only a modest cash outflow since the outbreak of COVID-19.

"Following corporate activity announced in recent months, the Group structure and business will adjust during FY 2021. We remain focused on our US headquarters in Connecticut where management and personnel remain fully motivated to be part of the States' expanded gaming solution alongside our Connecticut gaming neighbours. We look forward to providing a further update when we report our results in April."

*(1) This excludes the £6.2 million initial deposit payment received in December 2020 from BetMakers Inc. as part of the disposal of the Group's Global Tote business to Betmakers Technology Group Ltd ('BetMakers'), however it includes the cash in the businesses being disposed (Global Tote and Bump 50:50) which will be retained by Sportech.*

## **Publication on website**

A copy of this announcement is also available on the Group's website at [www.sportechplc.com](http://www.sportechplc.com).

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## **For further information, please contact:**

### **Sportech PLC**

Giles Vardey, Chairman  
Richard McGuire, Chief Executive Officer  
Tom Hearne, Chief Financial Officer

**Tel: +44 (0) 117  
902 9000**

### **Peel Hunt LLP - Corporate Broker**

George Sellar / Andrew Clark / Will Bell

**Tel: +44 (0) 20  
7418 8900**

### **Buchanan**

Henry Harrison-Topham / Jamie Hooper /  
George Beale  
[sportech@buchanan.uk.com](mailto:sportech@buchanan.uk.com)

**Tel: +44 (0) 20  
7466 5000**

## **Notes to Editors:**

### **About Sportech**

Sportech PLC, an international betting technology business, delivers solutions and services for some of the world's best-known gaming companies, sports teams, racetracks, casinos and lottery clients as well as owning and operating its own gaming venues in Connecticut under exclusive licences.

The Group focuses on highly regulated markets worldwide. It has more than 29,000 betting terminals deployed to over 400 clients in 38 countries. Its global systems process US\$12.3 billion in betting handle annually. In the US, it operates across 36 states. The Group has invested over US\$60 million in the last five years in the successful expansion of its US gaming Venues, the diversification into raffle and lottery gaming platforms, and in developing its technology services, resulting in its proprietary Quantum™ System being the most widely

deployed pari-mutuel betting system globally.

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