

2021 First Half Consolidated Results

Ended June 30, 2021

Gamma Bidco S.p.A.



August 5, 2021

LOTTOMatica

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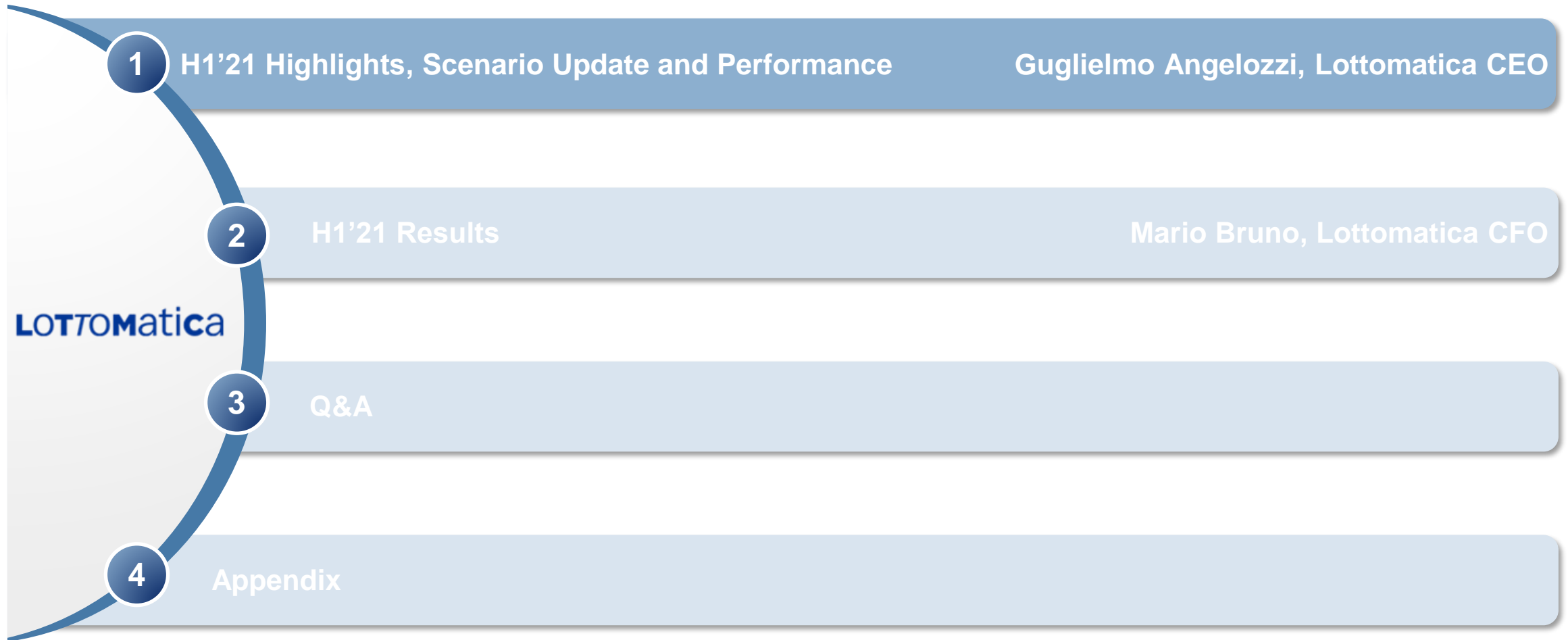
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The unaudited pro forma financial information has been prepared by management of Gamma Group. The unaudited pro forma financial information was not prepared with a view towards compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of pro forma financial information, GAAP or IFRS. Our independent auditors have not audited, reviewed, compiled or performed any procedures with respect to such unaudited financial information for the purpose of its inclusion herein and accordingly, they have not expressed an opinion or provided any form of assurance with respect thereto for the purpose of the Presentation. Furthermore, the unaudited financial information does not take into account any circumstances or events occurring after the period it refers to. The unaudited pro forma is for information purposes only and does not purport to represent or to be indicative of the consolidated financial position of consolidated results of operations of the Gamma Group and is not, and should not be taken as, representative of the Gamma Group's future consolidated financial position or results of operations, nor does it purport to project the Gamma Group's financial position as to any future date or results of operations for any future period and should be not used for such purpose. The unaudited pro forma financial information is based on a number of assumptions that are subject to inherent uncertainties subject to change. In addition, although we believe the unaudited pro forma financial information to be reasonable, our actual results may vary and such variations could be material. As such, you should not place undue reliance on such unaudited financial information and it should not be regarded as an indication that it will be an accurate prediction of future events.

Agenda



Highlights



Business performance

- Total EBITDA at €51.2M, -22.4% vs PY, due to **longer extension of lockdown**, partially compensated by sustained growth of online at €83.2M (+153% vs 2020) ⁽¹⁾
- **Strong restart of retail business** after second lockdown, **faster than 2020**
- **Continued leadership and market share gain in online**



Closing of IGT Italian B2C Acquisition

- **Acquisition** of the B2C gaming (non lottery) business of IGT plc in Italy **completed on May 10**



Integration

- **Integration Plan** completed and **new Target Operating Model** being implemented
- **Rebranded** to Lottomatica, most iconic brand in the market
- **HQ integration** completed



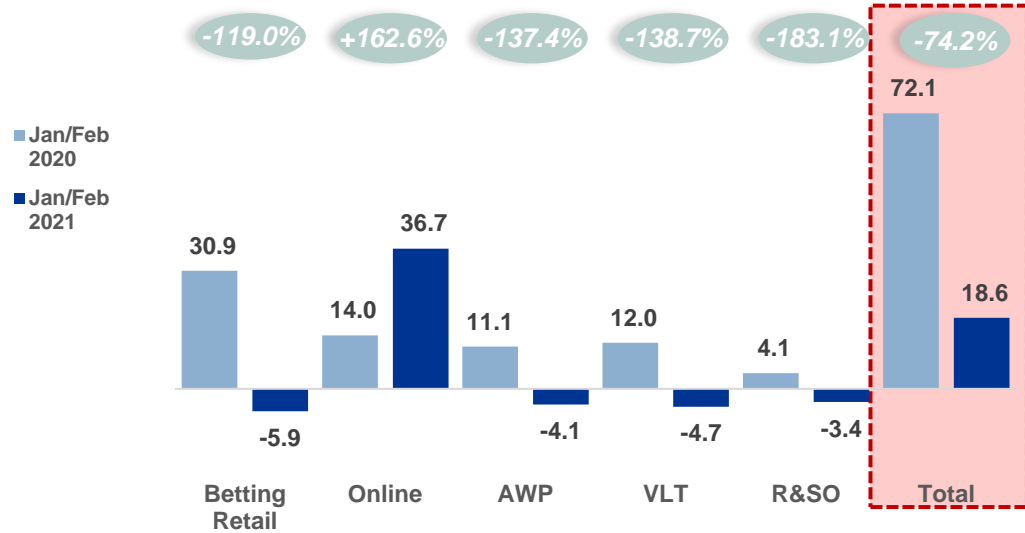
Synergies

- **Additional synergies identified:** new target **run-rate synergies of €70M** per year ⁽²⁾ (40% increase compared to initial estimate of €50M)
- **Implementation** on track
- **€30M of synergies already secured** (out of which c. €21M will be in 2021 P&L)

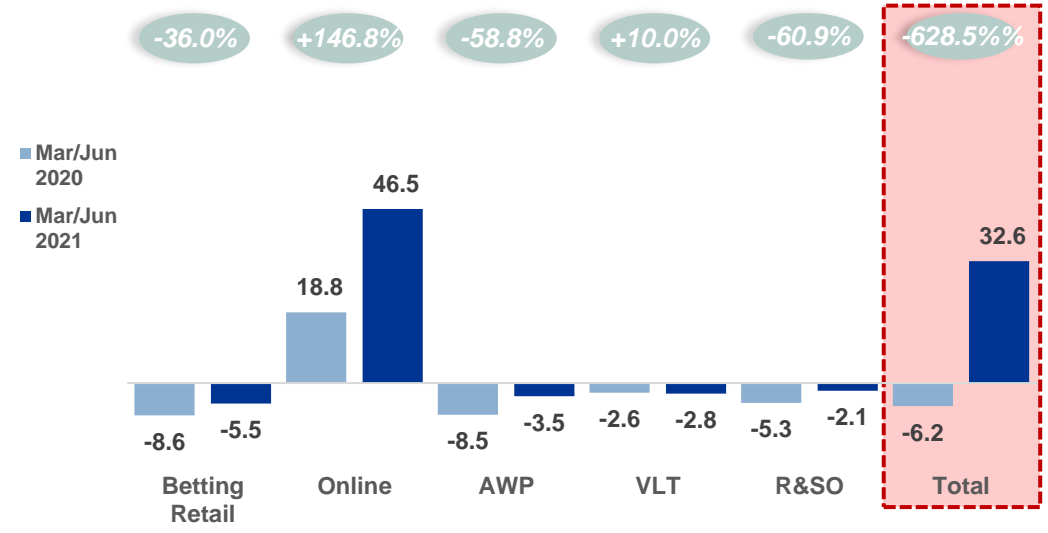
EBITDA evolution pre and post lockdown

(€ Million)

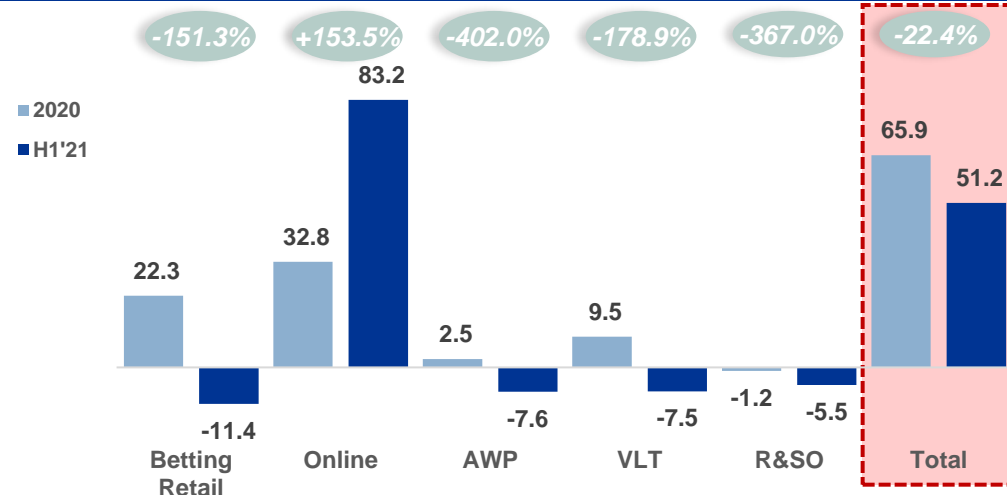
Jan/Feb 2020 vs Jan/Feb 2021



Mar/Jun 2020 vs Mar/Jun 2021



H1 2020 vs H1 2021



Network now fully up and running, after end of second lockdown

31 May

7 June

14 June

21 June ⁽¹⁾



■ Reopened regions

Number of POS fully operating network pre-Covid ⁽²⁾

- AWP: 15,156
- VLT: 1,277
- Betting Retail: 2,867



Number of POS operating as of 30 June

- AWP: 14,456
- VLT: 1,125
- Betting Retail: 2,714

From 6 August a **"green pass"** will be required to access venues. The Green Pass certifies that the holder has:

- (i) completed the first dose of a vaccine
- (ii) had a negative Covid test in the previous 48 hours or
- (iii) recovered from Covid in the previous 6 months

Source: Company information.

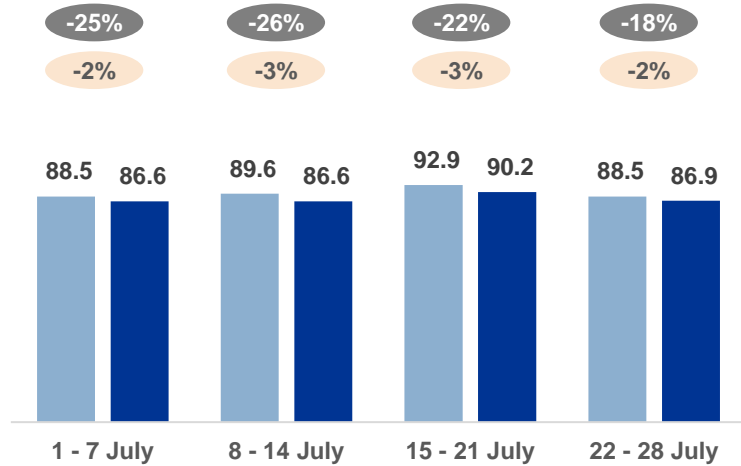
⁽¹⁾ Valle D'Aosta and Bolzano opened on June 28, 2021.

⁽²⁾ Pre-Covid refers to data as of February 23, 2020. For AWP and VLT, data refers to POS that registered Bet greater than zero. Including also the POS with nil Bet, the number of POS for AWP and VLT as of February 23, 2020 would be 19,105 and 1,390, respectively. Information provided on an aggregate basis for comparative purposes.

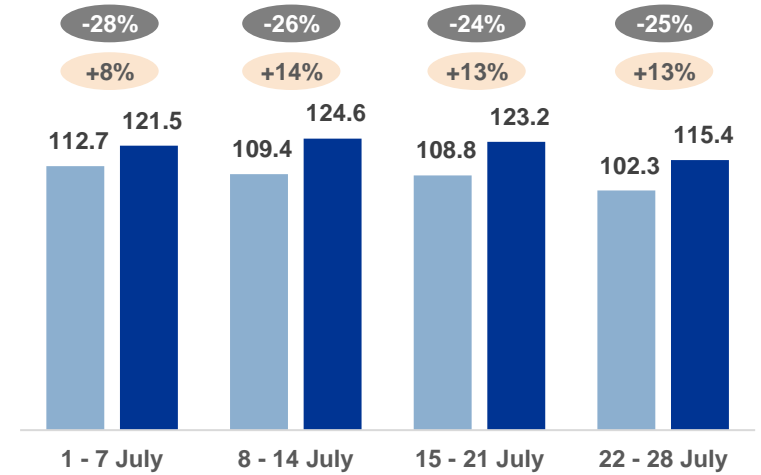
AWP/VLT - Stronger restart than after first lockdown

(€ Million)

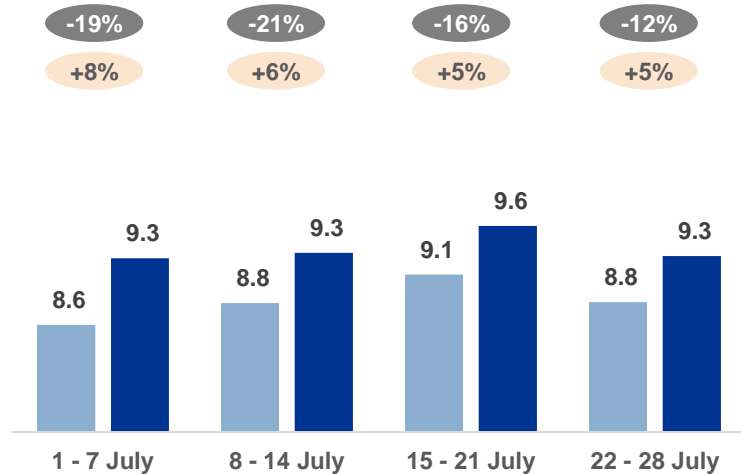
Weekly AWP BET post reopening



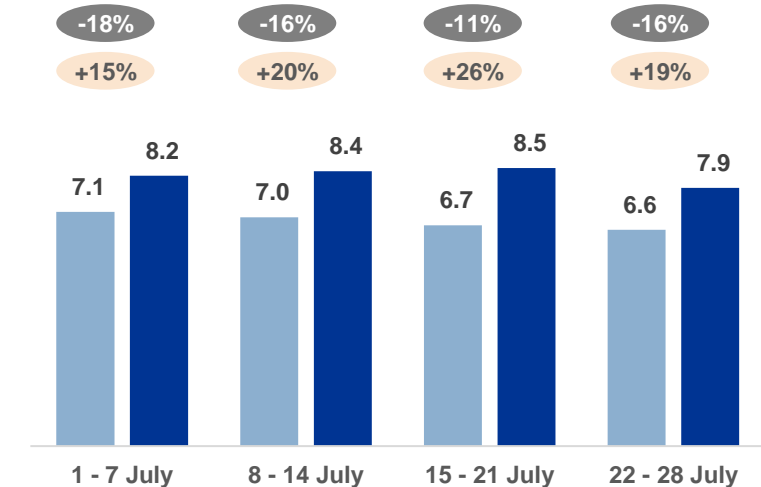
Weekly VLT BET post reopening



Weekly AWP NGR post reopening



Weekly VLT NGR post reopening



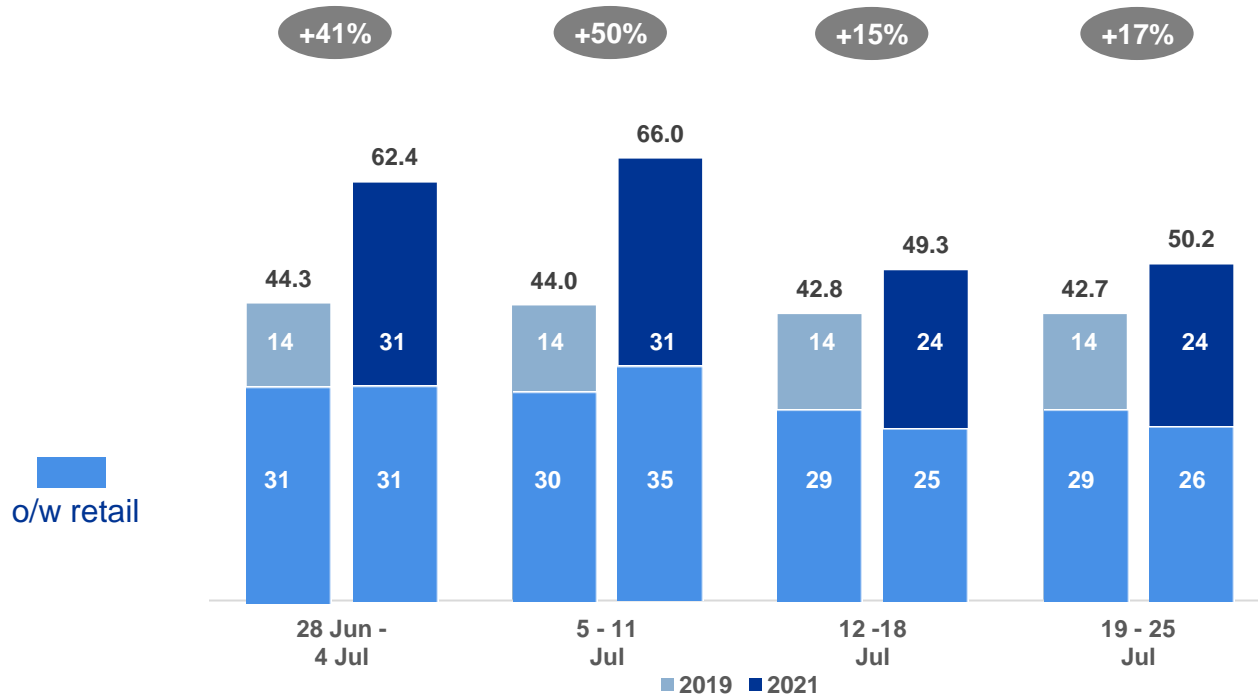
■ 2020
■ 2021

● % change vs. 2019
● % change vs. 2020

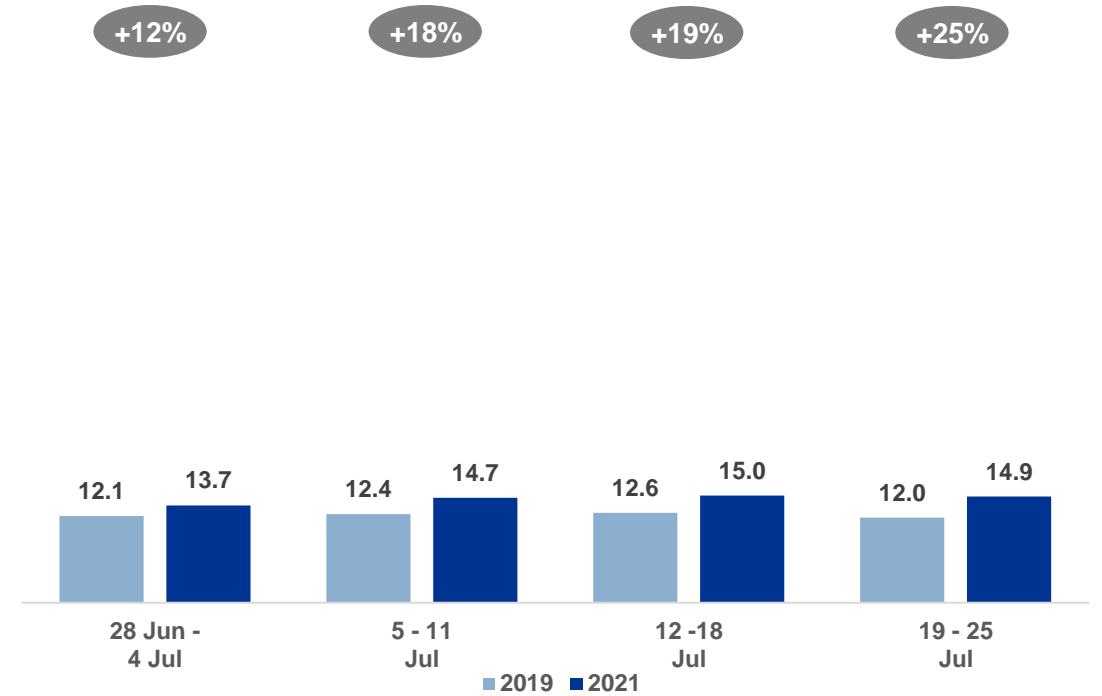
Along with online boost, solid performance of retail betting, with virtual highlighting robust traffic in the shops

(€ Million)

Total Retail and Online BET ⁽¹⁾ post reopening



Total Virtual Retail BET post reopening



o/w retail

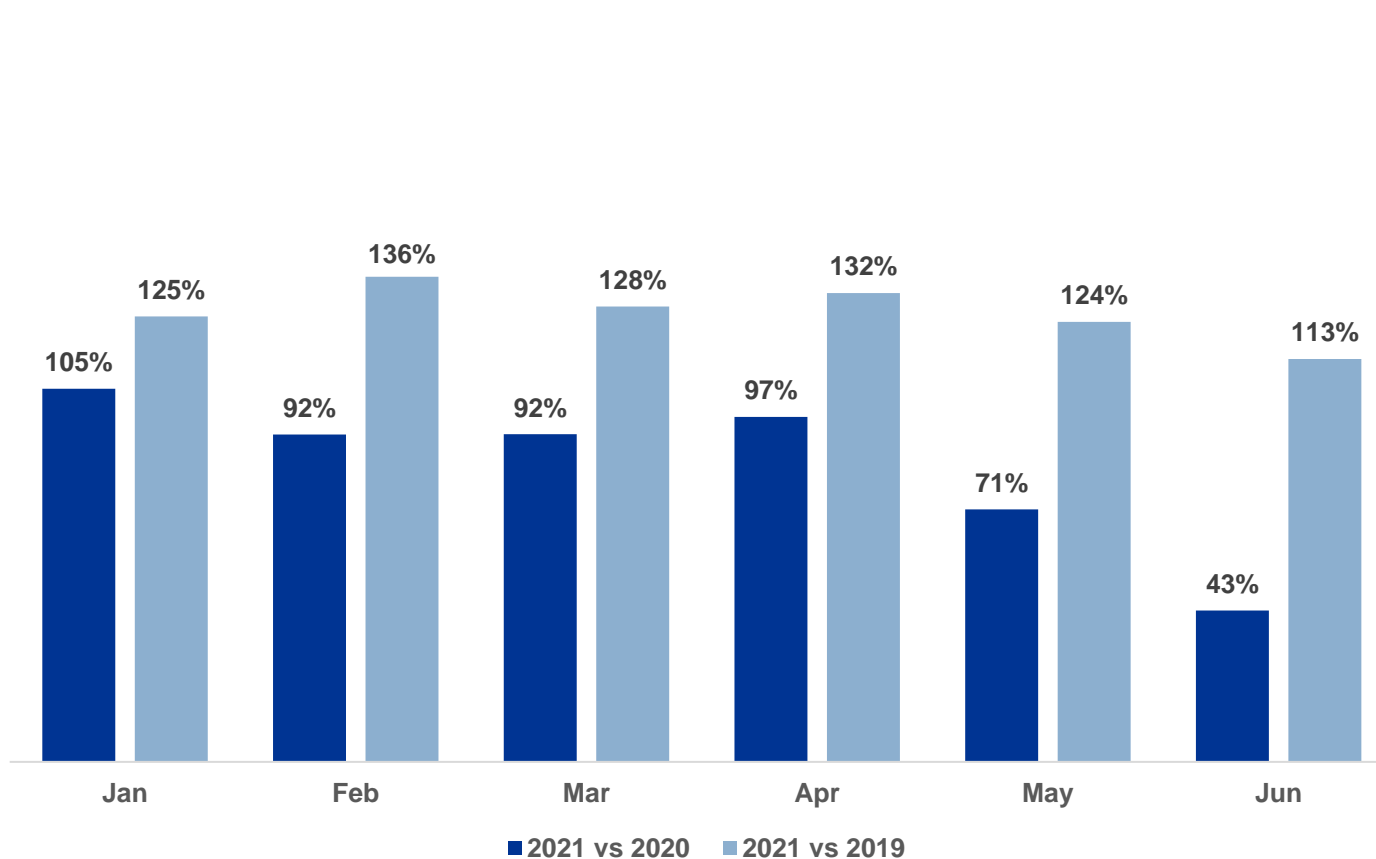
Retail Bet Change vs 2019 (%)	+3%	+16%	-15%	-9%
Online Bet Change vs 2019 (%)	+127%	+124%	+80%	+74%

% change vs. 2019

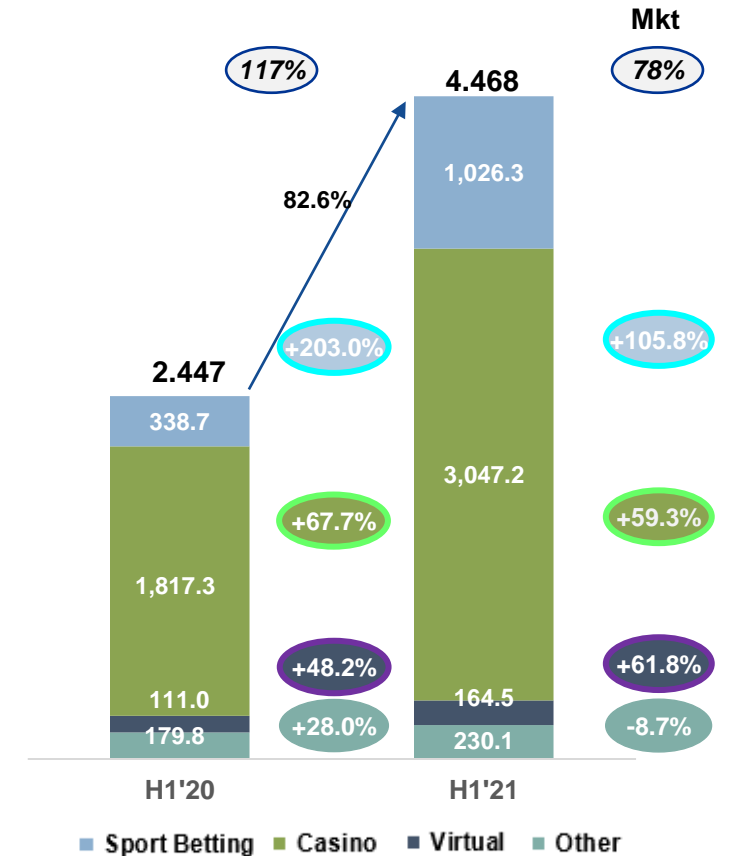
Online continues to outperform vs prior years and the market

(€ Million)

Online monthly YoY change in BET vs prior years (%)



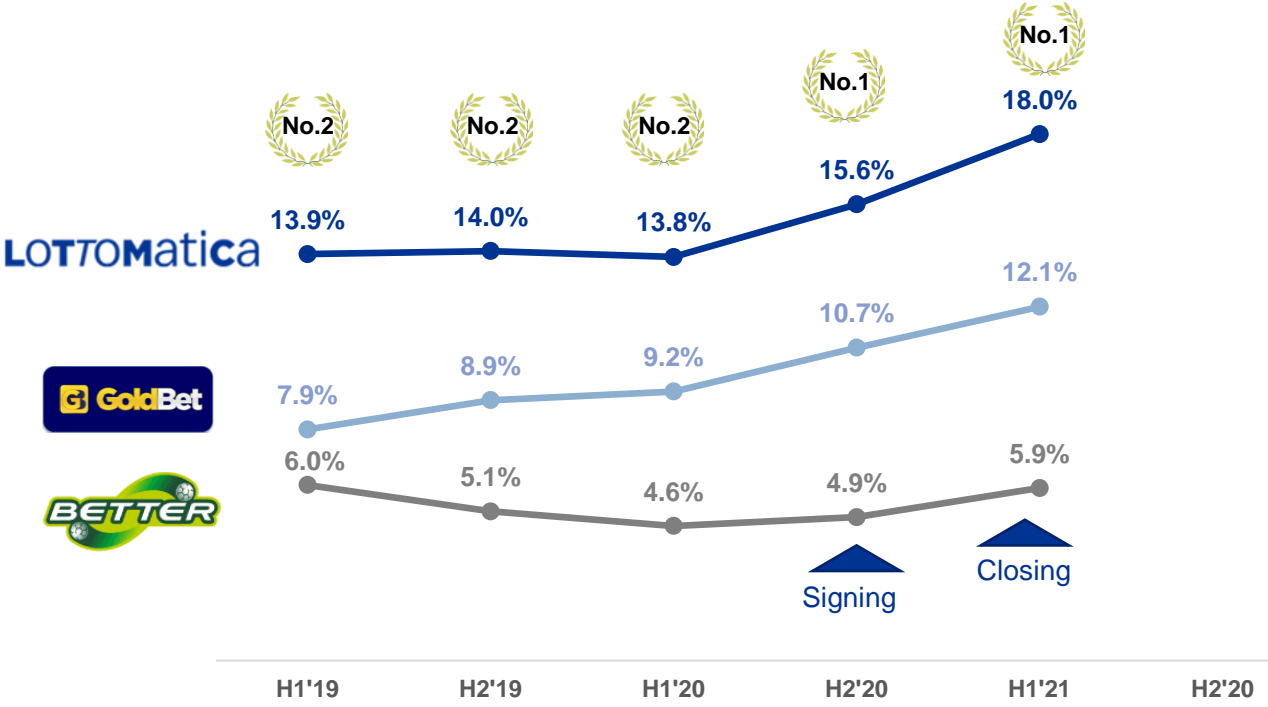
H1'21 Online BET vs PY



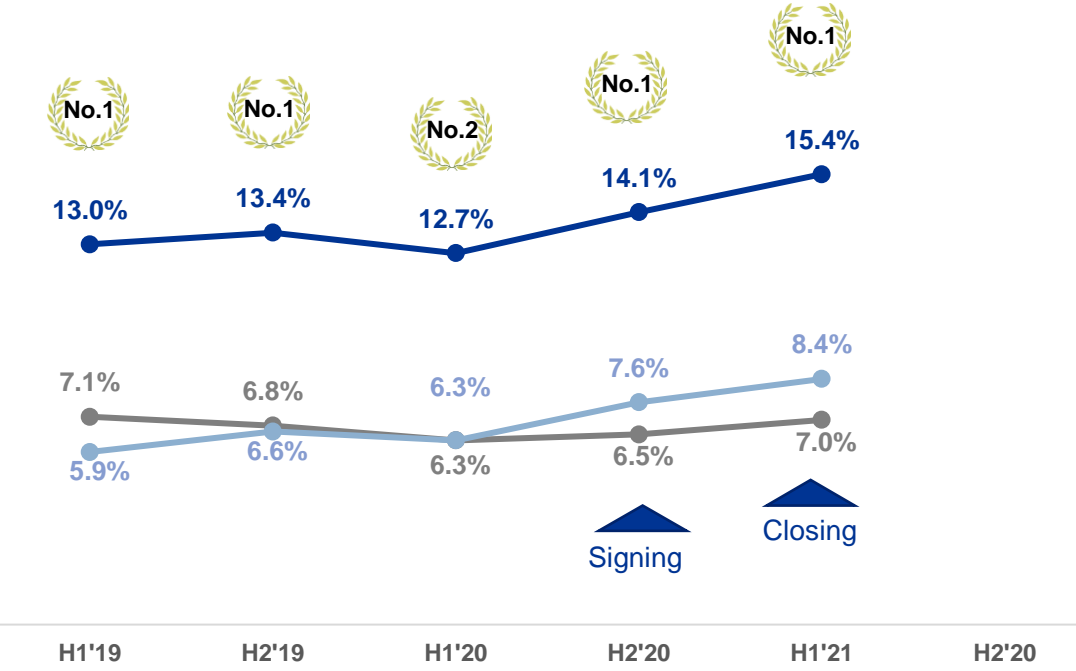
...and remains at high levels also following the reopening of the retail channel in June

Lottomatica constantly increasing Online market share

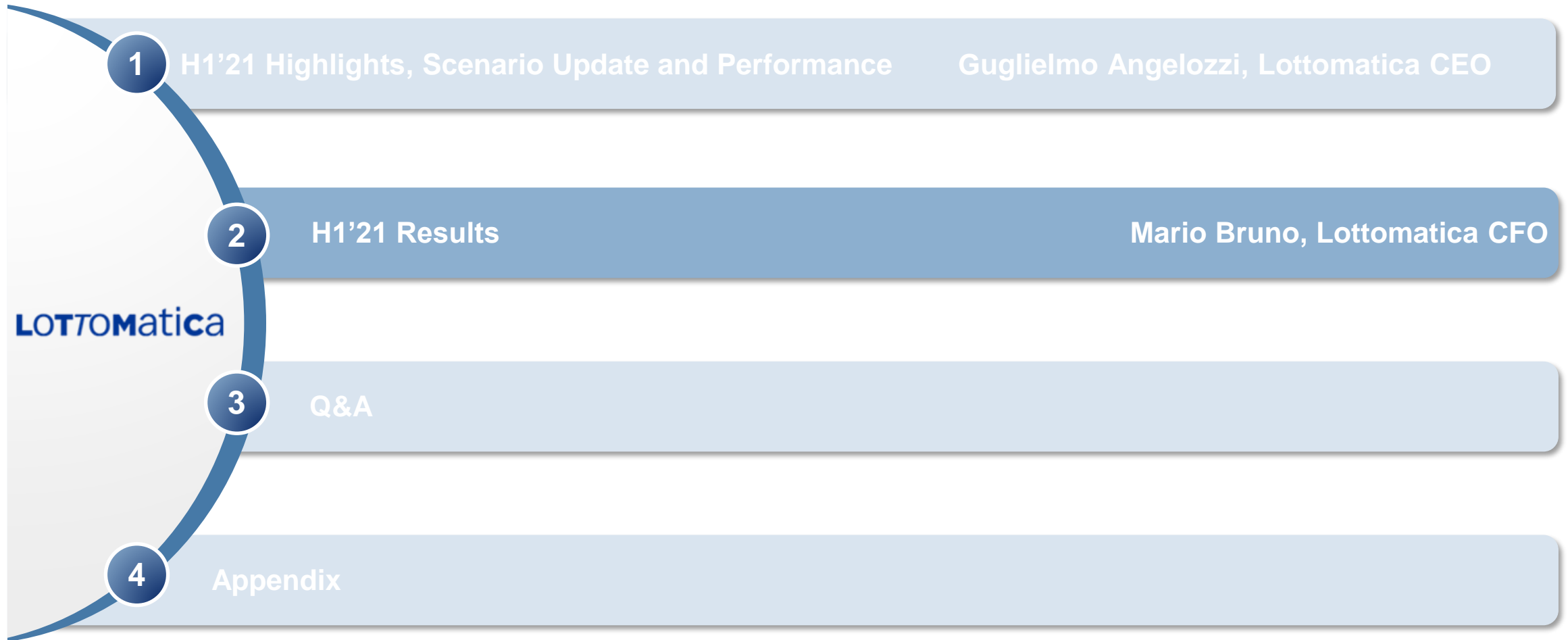
Online Sport Betting Market share based on GGR



Online Overall Market share based on GGR⁽¹⁾



Agenda



Key events



Payment to IGT for LVR/LS acquisition

- **€725M paid** at closing
- In connection with the acquisition by Lottomatica S.p.A. of 100% of the share capital of Lottomatica Videolot Rete S.p.A. and Lottomatica Scommesse S.r.l. pursuant to the share sale and purchase agreement dated December 6, 2020, entered into with Lottomatica Holding S.r.l. and International Game Technology PLC, as further amended from time to time (the “SPA”), Lottomatica **paid on August 5, 2021 the first tranche** of the deferred consideration in the amount of €100M. The second tranche of the deferred consideration in the amount of €125M is payable, under the SPA, on or prior to September 30, 2022



Reorganisation

- **Reverse merger** of Gamma Bidco into Lottomatica SpA: process progressed with merger plan approved by the Board of Directors on May 25 and nomination of the expert communicated by the court on July 20
- **Reorganisation** of activities under 2 new subholdings commenced with the creation of GGM S.p.A. and GBO S.p.A.



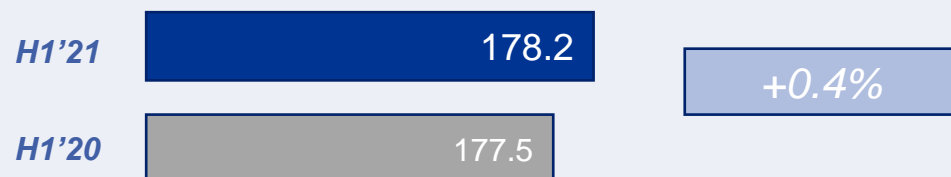
Bond issuance / RCF Upsizing

- **€575M Bond issued** on April 1, 2021
- **RCF upsized** by €137M (including €25M of guarantee facilities) to a total of €237M, effective following the completion of the acquisition

H1 2021 Reported Results - Key Highlights

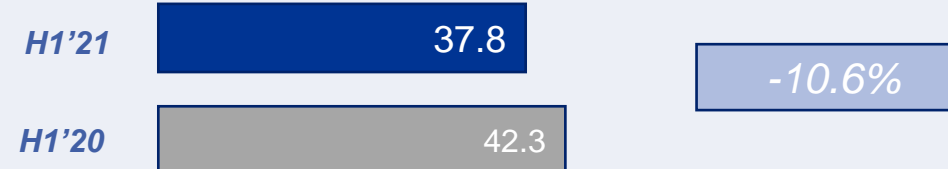
(€ Million)

Revenues



Broadly unchanged to H1'20
Strong online performance and contribution of LVR and LS despite year on year difference on lockdown duration

EBITDA



Driven by lockdown
Online reported EBITDA growth >100% reaching €50.0M (vs €18.2M of PY)

Net Financial Debt



The increase in net financial debt mainly relates to the acquisition of LVR and LVS. Cash outflow for the acquisition in H1'21 was €632M (net of cash acquired). The first instalment of the purchase price was financed through bond issuance of €575M (gross of issuance costs) and equity contribution of €175M and a liability of €214M has been recorded for the deferred consideration

Operating Cash Flows

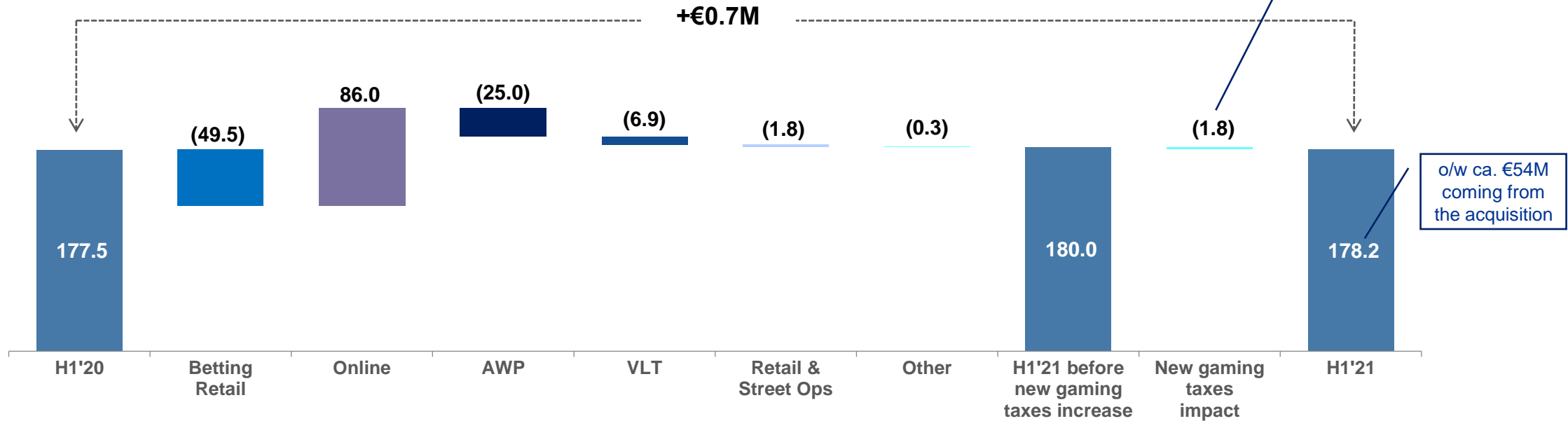


H1'21 operating cashflows driven by marginal decrease in EBITDA, extraordinary costs and movements in working capital primarily related to payment of prior years' PREU payments and re-opening of the network

Revenues - H1'21 vs H1'20 (As Reported)

(€ Million)

- **AWP PREU increase** from 23.85% in H1'20 to **24%** in H1'21 (starting from January 1, 2021)
- **VLT PREU increase** from 8.5% in H1'20 to **8.6%** in H1'21 (starting from January 1, 2021)



Betting Retail

Decrease driven by lockdown

AWP

Decrease driven by lockdown

Online

Increase attributable to the strong traction of the business. continuous improvements in the customer portfolio (including promotional activities of retention / reactivation) as well as the constant improvement of offer

VLT

Decrease driven by lockdown

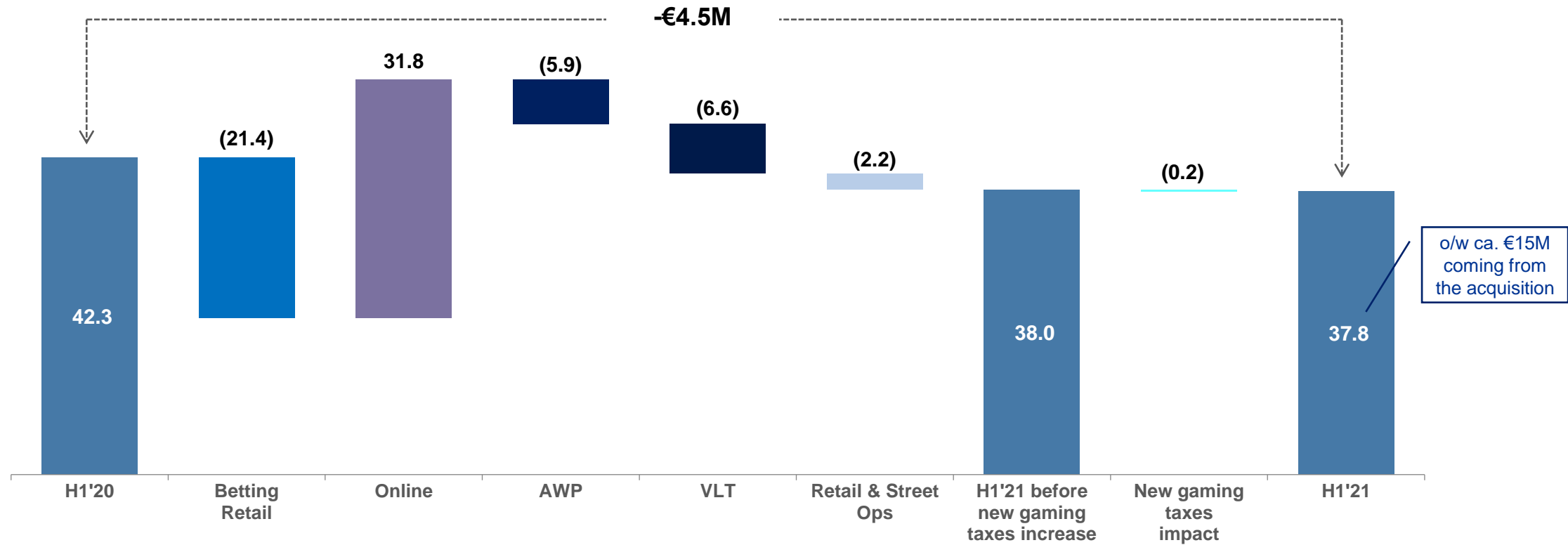
Retail & Street Operations

Please refer to the AWP and VLT segments

o/w ca. €54M coming from the acquisition

EBITDA - H1'21 vs H1'20 (As Reported)

(€ Million)



Betting Retail

Please refer to revenue evolution commented on the previous page

Online

Please refer to revenue evolution commented on the previous page

AWP

Please refer to revenue evolution commented on the previous page

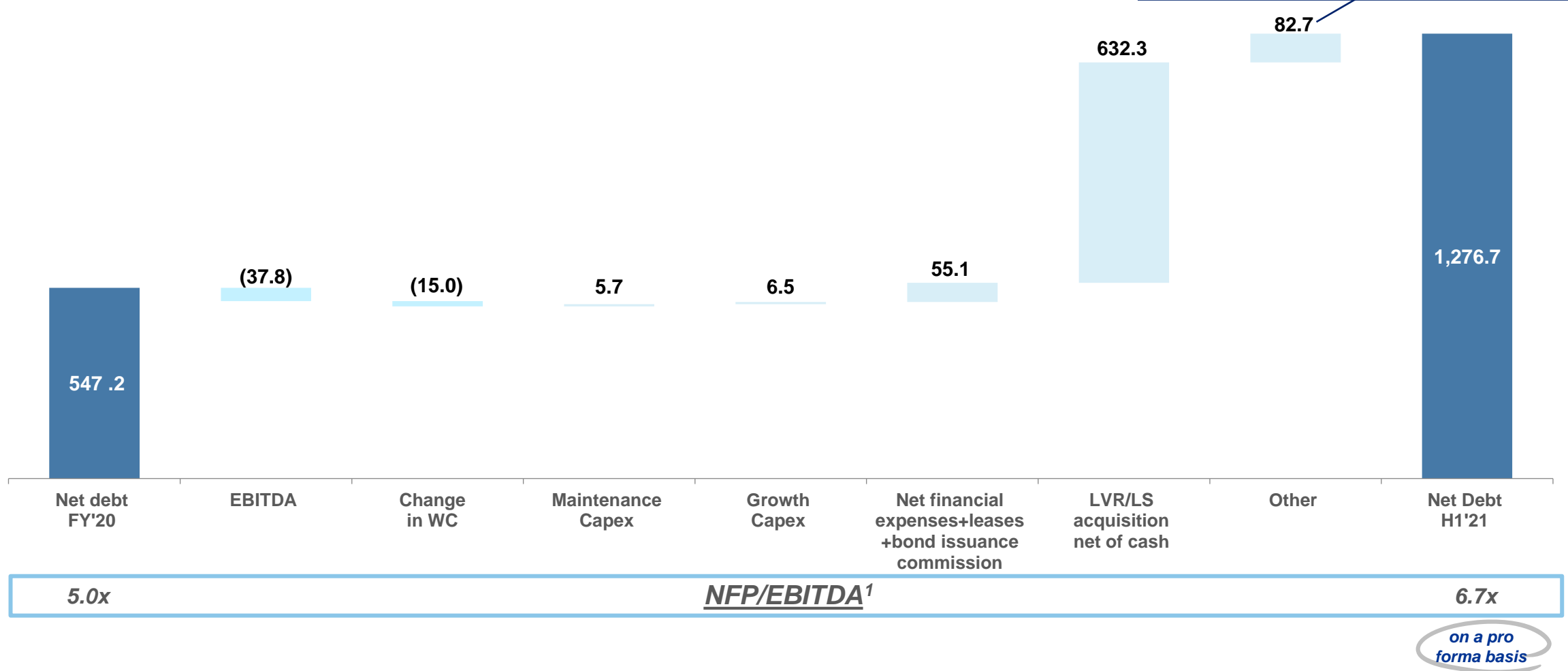
VLT

Please refer to revenue evolution commented on the previous page

Debt and Leverage Profile (As Reported)

(€ Million)

Includes mainly:
 -€175.0M of Shareholder capital injection
 -€12.5M bond issuance net of changes in NFP
 +€41.1M payable for leasing (o/w €34.8M attributable to LVR/LS)
 +€213.6M LVR/LS deferred purchase price
 +€7.7M payable for interest on new bond
 +€5.7M Income taxes paid



1. (1) Calculated as NFP/PF LTM EBITDA. H1'21 PF LTM EBITDA, that consider as if the acquired entities had been consolidated from July 1, 2020 (so to contribute to the Group's EBITDA on a 12 months basis), is equal to €191.5M.
 On a reported basis, NFP/H1'21 LTM EBITDA at 12.1x, reflects the increase in net debt from the LVR/LVS acquisition and the decrease in EBITDA related to the lack of EBITDA contribution from the retail network following the restrictions from November 3, 2020 until the gradual re-opening from June 1, 2021. H1'21 LTM EBITDA equal to €105.3M.
 FY'20 EBITDA equal to €109.7M.
 Lottomatica B2C Italian business has been consolidated from April 30, 2021.

Cash flow (As Reported)

(€ Million)

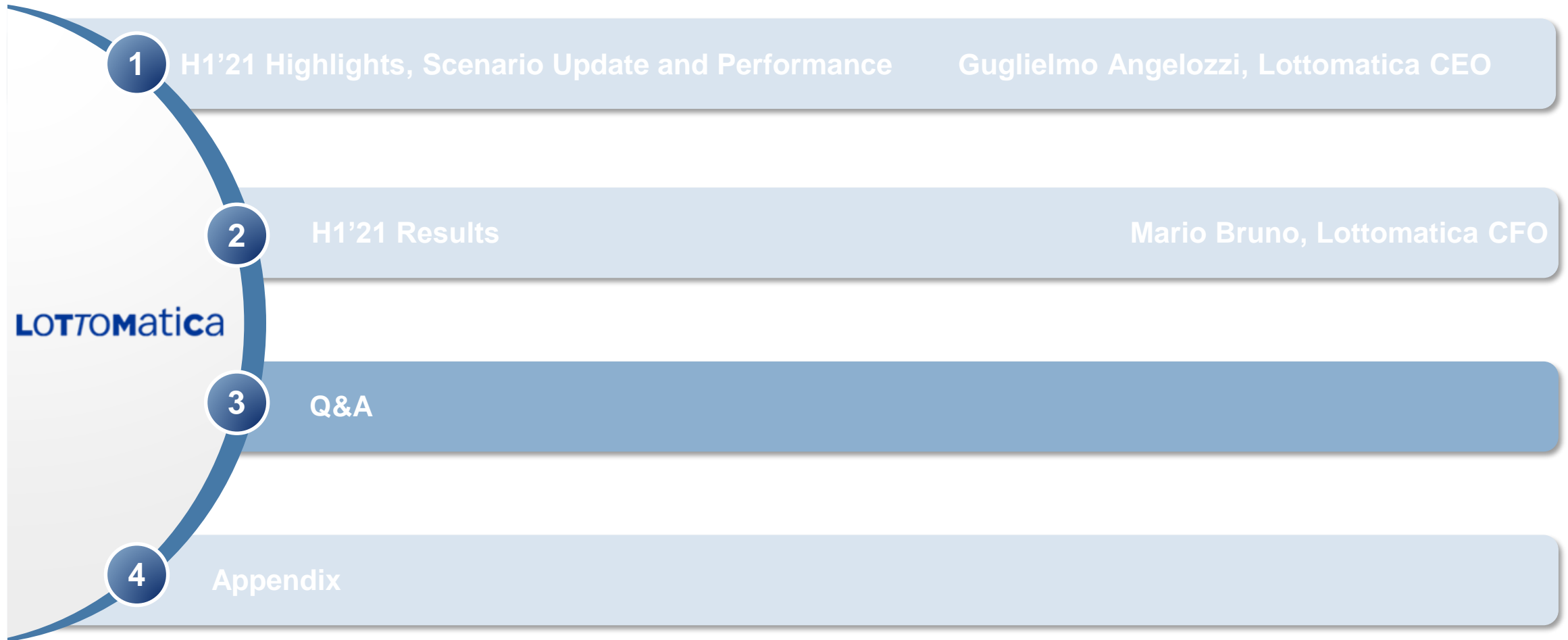
	H1'20	H1'21
Total EBITDA	42.3	37.8
Other costs not included in EBITDA	(1.2)	(16.5)
Taxes	(1.7)	(5.7)
Delta NWC & Other Assets/ Liabilities	38.8	16.8
Cash flow from operating activities	78.2	32.4
Capex	(11.1)	(12.3)
Acquisitions net of cash and cash equivalents ⁽¹⁾	(0.9)	(634.1)
Betting licenses renewal	(12.4)	-
Cash flow from investing activities	(24.3)	(646.4)
Financial income/expenses	(13.3)	(50.5)
Lease payment	(2.0)	(4.7)
Financial assets/liabilities (increase/(decrease))	0.3	572.0
Bank loans	(0.2)	(0.1)
Bond	-	575.0
Financial assets & liabilities	0.5	(2.9)
Cash flow from financing	(15.0)	516.8
FCFE	38.9	(97.2)
Dividends, treasury shares (purchase and assignment) and Shareholders contribution	8.4	175.0
Net Cash flow	47.3	77.8

Net Financial Position evolution (As Reported)

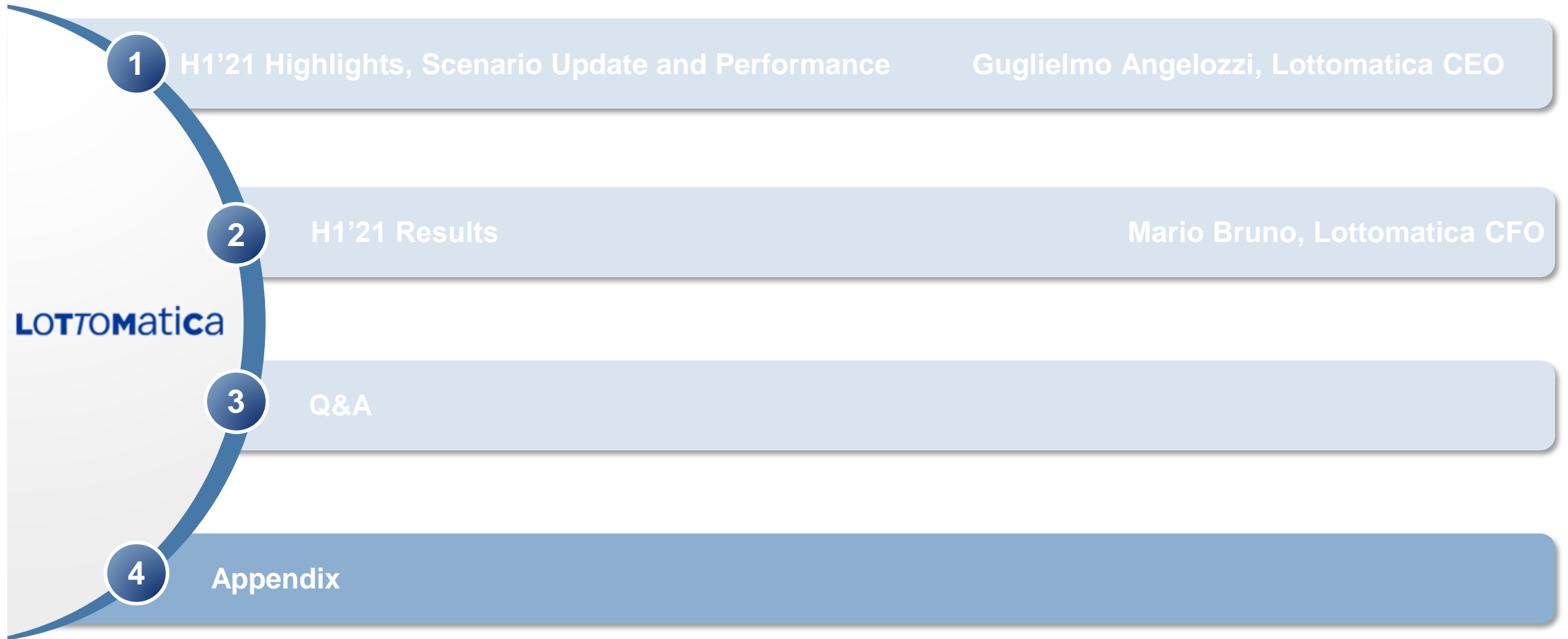
(€ Million)

	H1'20	FY'20	H1'21
Financial Debt	490.2	707.7	1,531.4
Bank loans	0.7	0.8	0.7
Other financial liabilities	60.6	60.6	314.3
Bond	424.9	633.1	1,195.6
Interests	4.0	13.1	20.8
Cash	(124.0)	(145.8)	(223.6)
Other financial assets	(16.9)	(14.7)	(31.1)
Other current financial assets	(7.5)	(8.0)	(24.8)
Other non current assets	(1.3)	(1.5)	(0.9)
Non current financial assets	(8.1)	(5.2)	(5.4)
NFP	349.3	547.2	1,276.7

Agenda



Agenda

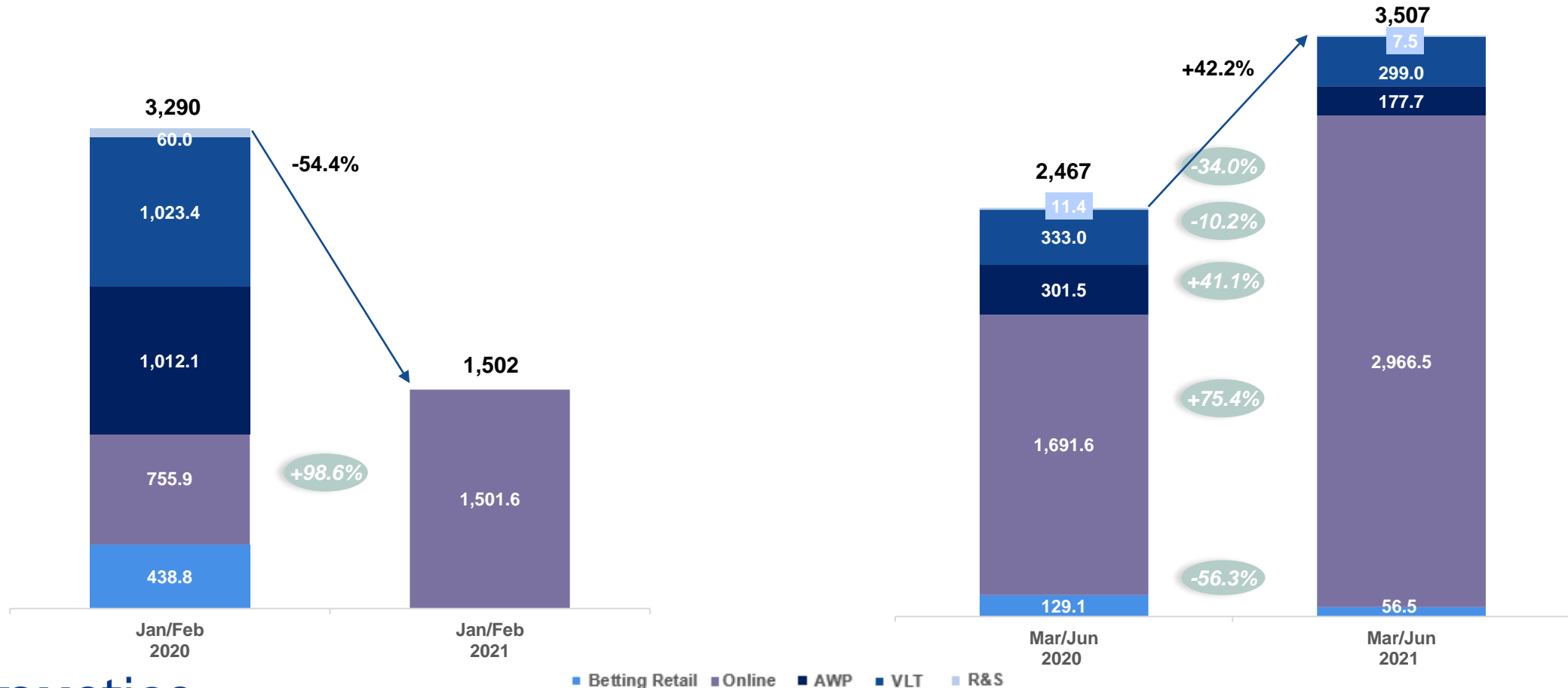


Bet evolution pre and post lockdown

(€ Million)

Strong performance from the online network in early 2021 with bet doubling.
Network closed in Jan and Feb 2021

In 2020 the network was closed from Mar 8 and gradually began to re-open between 15 and 20 June. In 2021 the network was closed until gradual re-opening from 31 May and was fully operational from 28 June. The comparison of the two lockdown periods (Mar - Jun 2020 vs 2021) shows **strong period on period improvement led by online**



Source: Company information. Aggregated data.

P&L - H1'21 vs H1'20 (As Reported)

(€ Million)

	H1'20	H1'21
Revenues	177.5	178.2
Other Income	2.2	2.9
Total Revenues and Other Income	179.8	181.0
Contribution Margin	64.3	79.5
EBITDA	42.3	37.8
D&A (exc . PPA)	-32.8	-35.0
EBIT (excl. PPA)	4.9	-15.9
Financial Charges, Net (excl. PPA)	-15.0	-42.3
Income (Loss) Before Tax (excl. PPA)	-10.1	-58.3
Income tax expense (excl. PPA)	1.2	4.8
Net Profit (Loss) for the period (excl. PPA)	-8.9	-53.6
D&A related to PPA	-10.5	-15.0
Taxes related to PPA	3.1	4.4
Net Profit (Loss) for the period	-16.3	-64.2