

**PRESS RELEASE**

**GAMENET GROUP AGREES TO ACQUIRE THE ITALIAN ONLINE, SPORTS  
BETTING AND GAMING MACHINES  
B2C BUSINESSES OF INTERNATIONAL GAME TECHNOLOGY PLC**

- **Following the transaction, Gamma Bidco, through its controlled company Gamenet Group, becomes the Italian leader in the gaming market and in all segments of operations (online, sports betting and gaming machines)**
- **Acquisition to significantly increase the group's size and profitability (approximately Euro 1.6 billion revenues and approximately Euro 370 million EBITDA on a 2019 aggregated pre-synergies basis)**
- **The agreed purchase price is Euro 950 million**

Rome, December 7, 2020 – Gamma Bidco S.p.A. (the “**Company**” and, together with the companies controlled by it, the “**Gamma Group**”), a company controlled by funds managed by Apollo Management IX, L.P. (together with Apollo Global Management, Inc. and its subsidiaries and affiliates, “**Apollo**”), announces that Gamenet Group S.p.A. (“**Gamenet Group**”), a wholly-owned subsidiary of the Company, has signed on December 6, 2020 an agreement for the acquisition of 100% of the participation held by International Game Technology PLC through Lottomatica Holding S.r.l. in Lottomatica Scommesse S.r.l. and Lottomatica Videolot Rete S.p.A. (together the “**Target Companies**”), leading B2C operators respectively of online/sports betting and gaming machines in the Italian market.

The purchase price of Euro 950 million is an all-cash offer consisting of Euro 725 million to be paid at closing, and Euro 225 million to be paid in two subsequent tranches on or prior to September 30, 2022.

With this transaction Gamenet Group becomes the undisputed leader in the Italian gaming market with pro forma aggregated revenues and EBITDA of approximately Euro 1.6 billion and approximately Euro 370 million, respectively, for the year ending December 31, 2019 (of which approximately Euro 850 million of revenues and Euro 205 million of EBITDA pertaining to the Target Companies).

*“We are thrilled by this transaction, which allows us to achieve a clear leadership position in all segments of operations – online, sports betting, gaming – and become one of the key players at the European level in this market.”* commented Guglielmo Angelozzi, Chief Executive Officer of Gamenet Group. *“We have always been committed to providing excellent and safe product experiences to our customers. Through this transformational acquisition, the quality of the assets and of the people coming from Lottomatica will further strengthen Gamenet Group’s extraordinary operations, human capital and portfolio of brands. We remain committed to supporting our selection of brands, which is now unparalleled in the Italian market and, while delivering substantial cost synergies, we will always remain focused on the quality of our products and services and on the growth of our business and of our partners.”*

*“Through this acquisition we significantly accelerate our plans in the Italian market. The Apollo Funds will continue to support Gamenet Group’s growth strategy while maintaining a disciplined approach to leverage.”* commented Andrea Moneta, Chairman of Gamenet Group and senior advisor at Apollo Management International, LLP. *“As a global leader in alternative investments, our conviction in this*

*transaction, despite significant market uncertainty during the Covid-19 pandemic, also demonstrates our belief in the country, its regulation and its resilience.”*

*“I am very excited about this transformational acquisition, backed by a significant equity injection from Apollo, which will make Gamenet Group the Italian gaming champion and one of the leading European players in the sector,”* commented Michele Rabà, Partner at Apollo Management International, LLP. *“When the Apollo Funds acquired Gamenet Group, we believed the platform was uniquely well positioned to grow in the gaming sector, both organically and through acquisitions. This deal confirms our investment thesis and is a significant move in that direction.”*

The transaction is subject to customary closing conditions, including the authorization of the Italian Customs and Monopolies Agency and the approval of the relevant competition authority, and is expected to close in the first half of 2021.

Mediobanca, Paul, Weiss, Rifkind, Wharton & Garrison LLP, the Italian offices of Cleary, Gottlieb, Steen & Hamilton LLP, and Latham & Watkins, LLP are advising the Gamma Group in the transaction.

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## **Gamma Group**

Gamma Bidco, through Gamenet Group, is one of the leading gaming operators in Italy, with revenues equal to Euro 738 million in 2019. It offers, through a network of more than 8,400 points of sales, a wide and diversified set of products, operated under a multi-license regime in three segments: (i) online sports betting and gaming; (ii) retail sports betting; and (iii) gaming machines (amusement with prize machines – AWP – and video lottery terminals – VLTs).

## **Apollo**

Apollo is a leading global alternative investment manager with offices in New York, Los Angeles, San Diego, Houston, Bethesda, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong, Shanghai and Tokyo. Apollo had assets under management of approximately \$433 billion as of September 30, 2020 in credit, private equity and real assets funds invested across a core group of nine industries where Apollo has considerable knowledge and resources.

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## **Annex**

The purchase price of Euro 950 million is an all-cash offer consisting of Euro 725 million to be paid at closing, Euro 100 million to be paid on or prior to December 31, 2021, and the remaining Euro 125 million to be paid on or prior to September 30, 2022. The deferred payments are not subject to any conditions other than closing and are supported by an equity commitment letter from funds managed by affiliates of Apollo. The transaction will be financed through a mix of debt and equity and it is expected that Gamma Group’s pro forma leverage will remain on or below current levels following closing of the transaction.

After adjusting for different accounting methods applied by the Target Companies and the Gamma Group, the Target Companies revenues were approximately Euro 850 million and EBITDA approximately Euro 205 million in the year ending December 31, 2019. Together with the Gamma Group, the pro forma

combined group would have produced aggregated revenues and EBITDA of approximately Euro 1.6 billion and approximately Euro 370 million, respectively, for the year ending December 31, 2019.

The Gamma Group envisages significant cost synergies from the integration of the Target Companies, with target cost synergies up to Euro 50 million per year 24 months after closing. Considering such target synergies, the combined group would have generated up to approximately Euro 420 million of EBITDA on a 2019 aggregated basis.

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This press release contains non-International Financial Reporting Standards (“IFRS”) and non-Italian GAAP industry benchmarks and terms, including “EBITDA”. The non-IFRS financial measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. The Gamma Group uses the foregoing measures to help evaluate its performance. As an indicator of the Gamma Group’s performance, these measures should not be considered as an alternative to, or more meaningful than, measures of performance as determined in accordance with IFRS and non-Italian GAAP. The Gamma Group believes these measures to be key measures as they demonstrate the Gamma Group’s underlying ability to generate the cash necessary to fund operations and support activities related to its major assets.

This press release may include forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Gamma Group’s or its affiliates’ intentions, beliefs or current expectations concerning, among other things, the Gamma Group’s or its affiliates’ results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Particularly, there are uncertainties with respect to the successful closing of the transaction as such closing is subject to certain customary closing conditions, including the authorization of the Italian Customs and Monopolies Agency and the approval of the relevant competition authority. The authorities may prohibit the transaction from taking place, or, alternatively, the authorities may permit the transaction but demand that the Gamma Group implement certain remedies which may make the transaction less attractive. In addition, Gamma Group has made certain assumptions relating to the forecast level of cost savings, synergies and associated costs of the transaction which were made based on the information available. These assumptions and forecasts may prove to be inaccurate, and Gamma Group may suffer from any of: a failure to realize the expected benefits of the transaction, higher than expected transaction and integration costs, costs related to unknown liabilities, and a deterioration of Gamma Group’s business due to general economic and business conditions. Readers are cautioned that forward-looking statements are not guarantees of future performance and that the Gamma Group’s or its affiliates’ actual results of operations, financial condition and liquidity, and the development of the industries in which they operate may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if the Gamma Group’s or its affiliates’ results of operations, financial condition and liquidity, and the development of the industries in which they operate are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods. By reading or accessing this press release you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Gamma Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Gamma Group’s business. The information included in this press release may be subject to updating, completion, revision and amendment and such information may change materially. No person is under any obligation to update or keep current the information contained in this press release and any opinions expressed relating thereto are subject to change without notice.

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