



Sisal 2021 Three Months Results

Ended March 31, 2021

May 28, 2021

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Agenda

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1. Gaming Business Update
2. Financial Results
3. Q&A

Speakers



Emilio Petrone

Sisal Group CEO \ Mooney Group CEO



Francesco Durante

Sisal CEO



Roberto Di Fonzo

Sisal CFO

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1. Gaming Business update

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Key Highlights

In the 1st Quarter 2021 some important events have marked Gaming Business performance.

1

Lockdown restrictions continued to impact business performance

2

Macro environment slightly improved

3

Gaming market reflected Online further growth

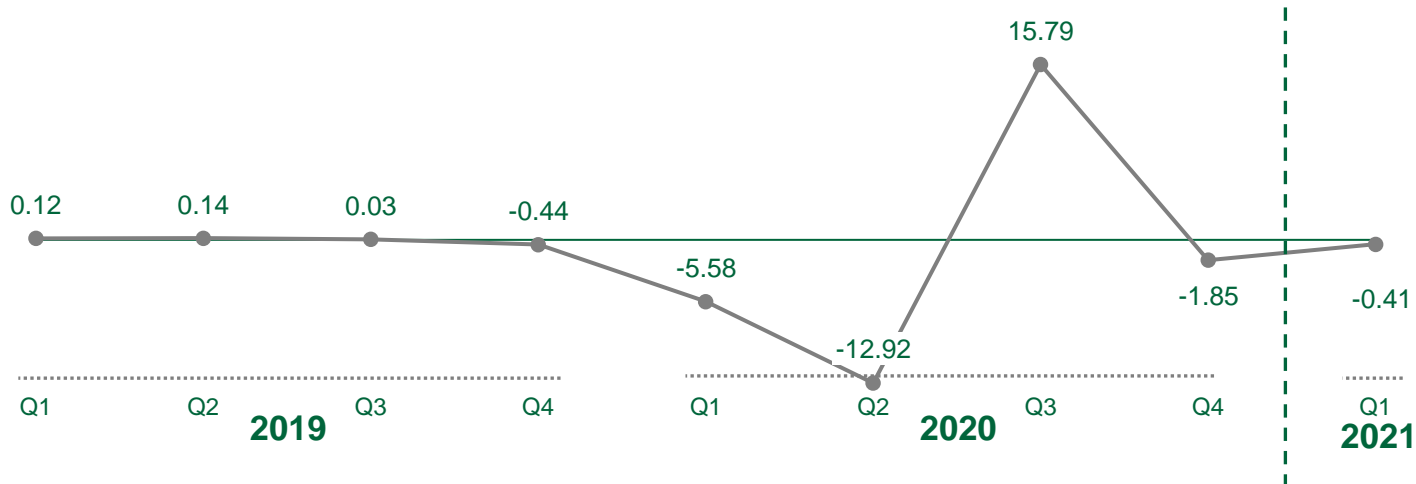
1

Lockdown restrictions continued to impact business performance

- **The second lockdown** imposed in Italy from November 6 2020 **is still in place.**
- **The restart of the gaming activity in the Retail channel in Italy has been set for July 1st**
- **The safety protocols for the gaming sector have been defined**, so that the reopening can take place in respect of the health of our employees and our customers.
- In **Morocco** the only remaining restriction is the curfew at 9pm.
- In **Turkey**, the restrictions imposed by the government led in the first phase in the curfew starting in the evening hours and in the total curfew on weekends, while when the contagion curve raised exponentially, the full lockdown was imposed till mid of May.

2 Macro environment

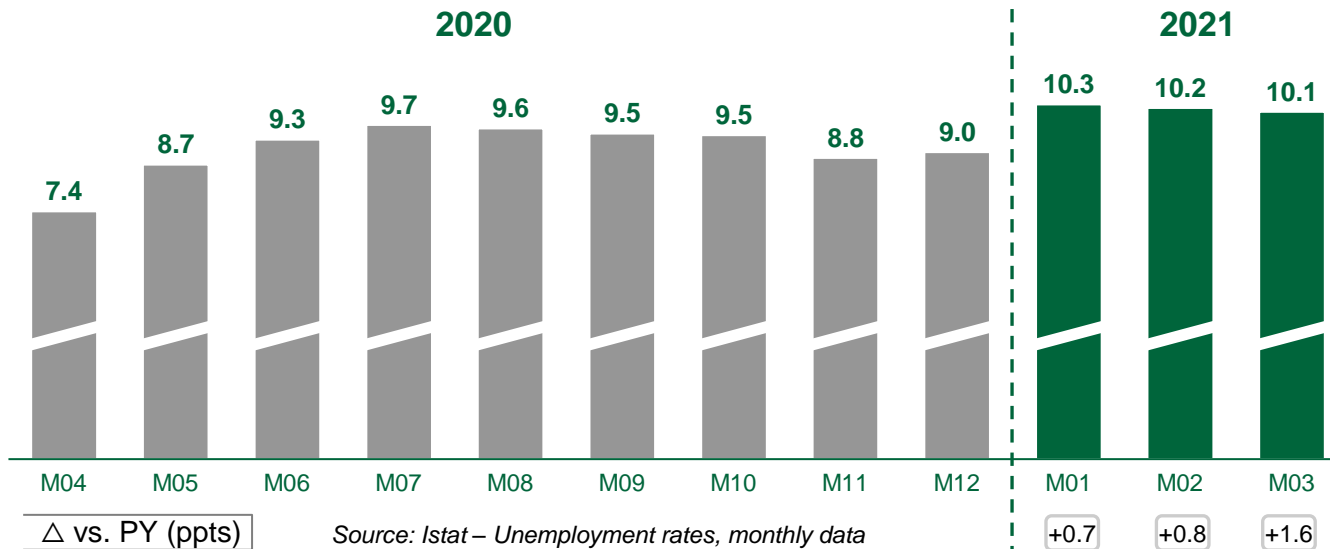
Italian GDP growth – Quarterly variation [2019-2021 Q1; %]



- After a stable GDP over 2019, in **2020 the trend suffered material shocks due to Covid-19**, particularly relevant in Q1 and Q2, with material recovery in Q3 and in Q4 still negative due to Lockdown 2nd wave
- In **Q1 2021 there were signs of recovery vs. previous quarters**

Source: Istat – Quarterly economic accounts

Italian unemployment rate trend [2021 LTM; %]

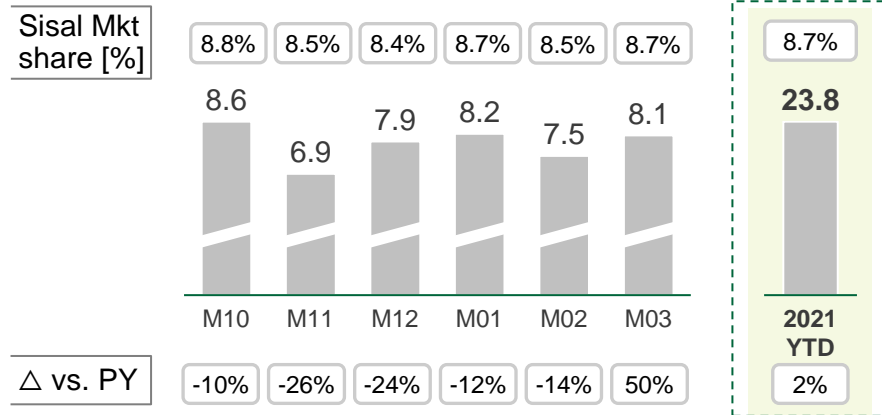


- In **Q1 2021**, unemployment rate was **stable over 10 ppts**, approx. +1ppt vs. 2020 average.
- In **March 2021 increased by 1.6 ppts** vs. prior year

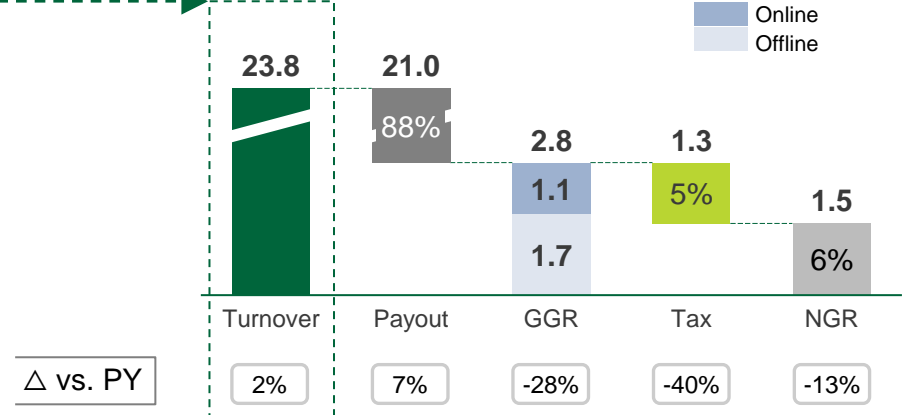
3 Gaming market reflected Online further growth

Gaming market Turnover above last year driven by Online volumes

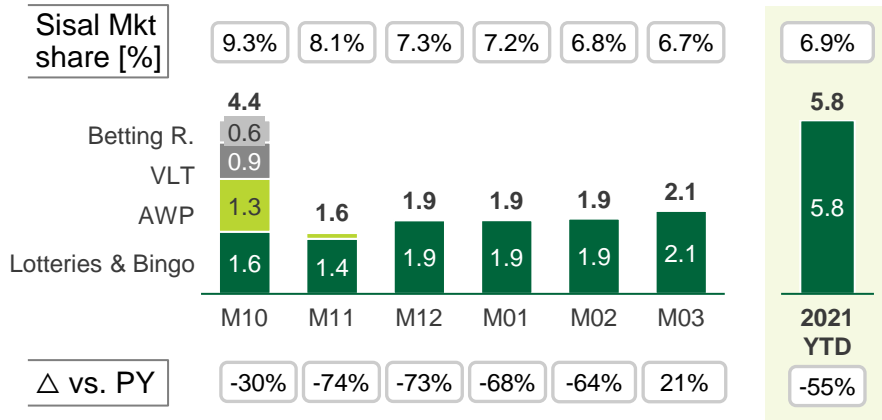
Total market turnover [EUR bn]



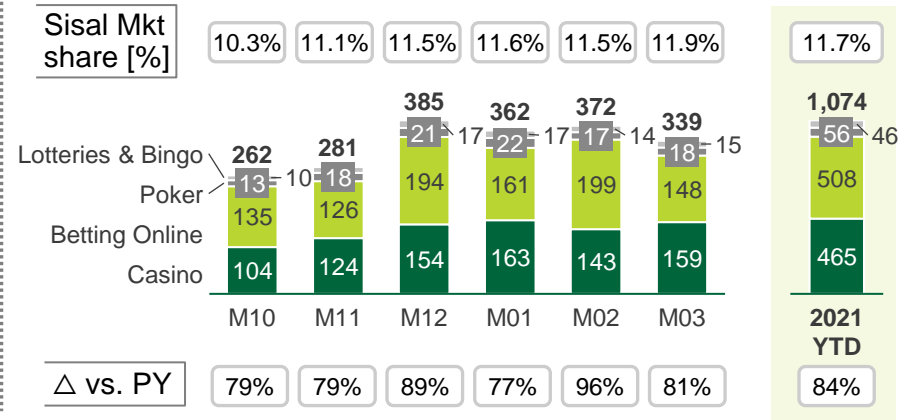
Gaming Value chain [EUR bn]



1 Off-line turnover trend by product [EUR bn]

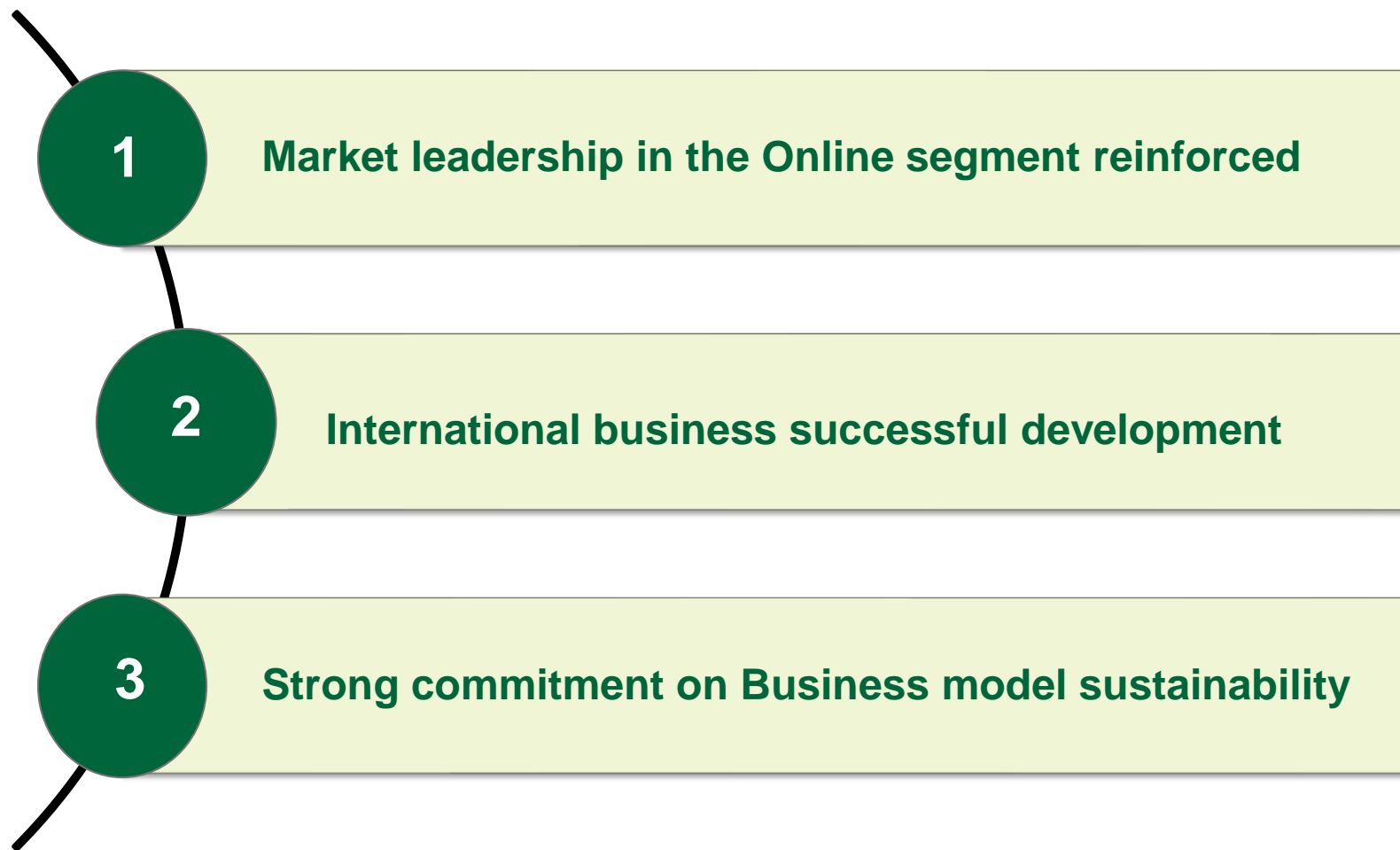


2 Online GGR trend by product [EUR m]



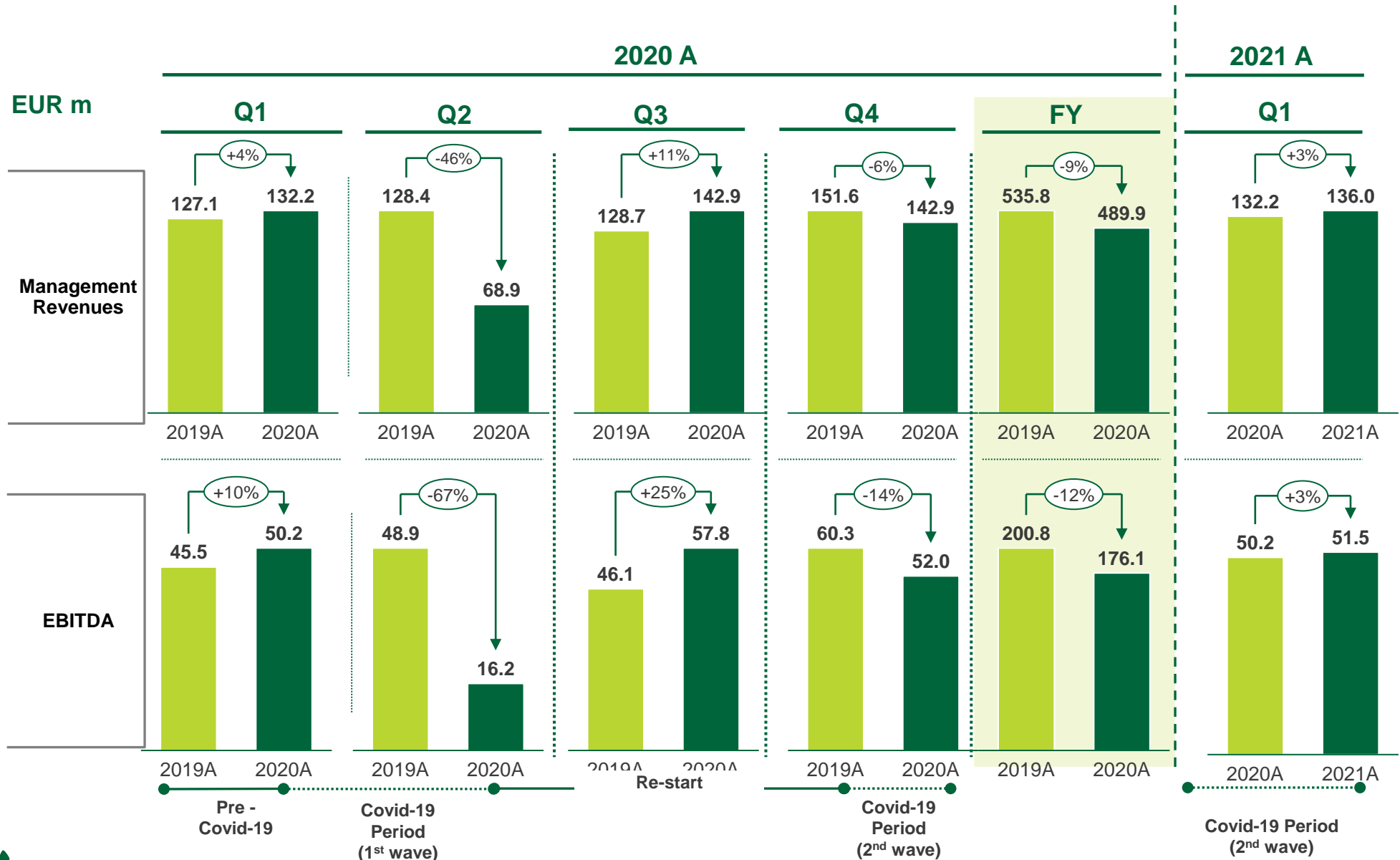
Gaming Business Key Achievements

In the first quarter 2021, in spite of Covid 19 restrictions, we have recorded a **very positive financial performance with €136 m of Management Revenues and €51.5 m Ebitda, both growing vs last Year by 3%**, and this thanks to the successful execution of our Key strategic pillars.



Very positive 1st Quarter performance

The business confirms strong resilience delivering Revenues and Ebitda growth



1 Market leadership in the Online segment reinforced

2020 2021

Δ% vs. PY +2.2% +32.1% +69.4% +68.6% +27.1% +33.9% +79.9% +85.4% +124.7% +103.1% +114.0% +119.2%



KPIs (# k)	2020												2021		
	M04A	M05A	M06A	M07A	M08A	M09A	M10A	M11A	M12A	M01A	M02A	M03A			
Active customers	217	250	263	257	248	260	305	343	402	402	403	446			
Monthly ARPU (€)	50	53	54	58	53	55	61	64	79	72	75	63			
Market Share %	10.2%	10.6%	10.7%	10.4%	10.1%	10.7%	10.3%	11.1%	11.5%	11.6%	11.5%	11.9%			

xx% Increase xx% Decrease

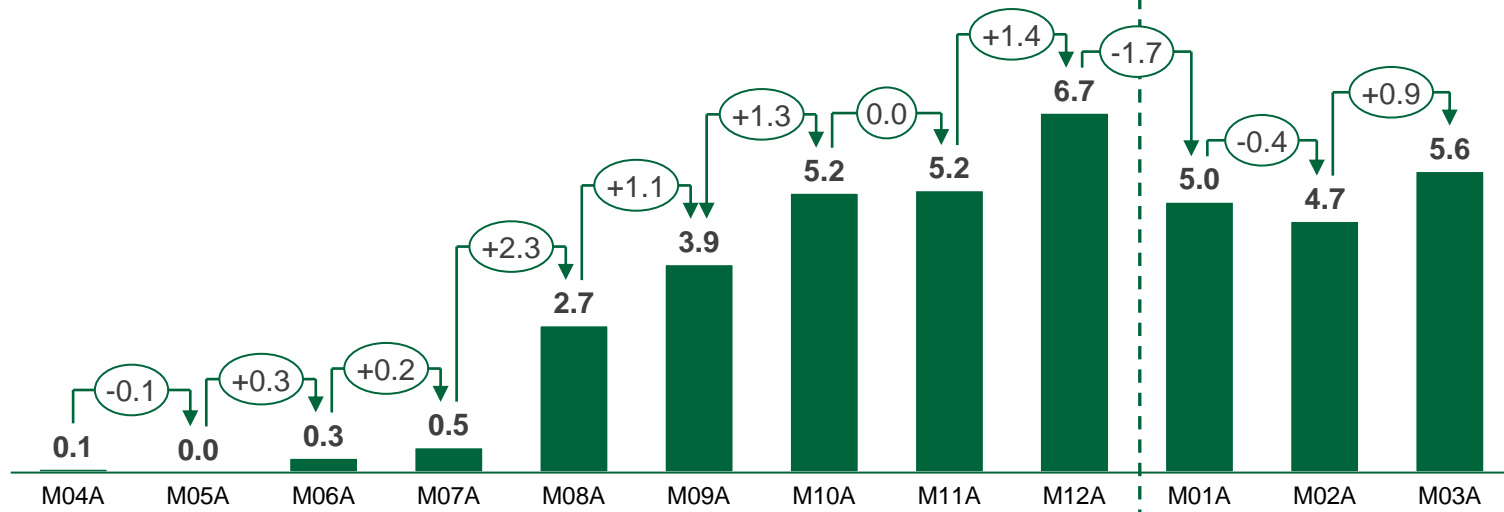


2 International business successful development

Δ% vs. PY

-82.6%	-93.1%	-17.8%	+18.6%	+566.8%	+755.3%	> 1,000%	+934.2%	> 1,000%	+740.1%	+590.8%	> 1,000%
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Revenues €



KPIs [#k]

Total network [active PoS]

Online active customers

-	-	1,093	1,161	6,648	6,884	7,141	7,543	7,973	8,073	8,223	8,703
0.5	0.4	1.7	2.6	146.3	174.4	261.3	294	517	400.5	321.8	327.9

xx% Increase xx% Decrease



3 Strong commitment on Business model sustainability

1

New Innovative Responsible Gaming Program

2

Engage People with a Safe, Inclusive and Fair Workplace

3

Foster Social Innovation

- ✓ **New management incentive system** including ESG performance
- ✓ **New communication campaign** on responsible gaming education
- ✓ **New mandatory training program** on responsible gaming for all employees
- ✓ **Problem gambling research** on Online customer base
- ✓ **Online support for problem gamblers** in cooperation with Federserd

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Financial Presentation

- Considering that, following the reorganization of the Payment Business occurred at the end 2019, the outstanding portion of Sisal Group's bond will be repaid with the cash flow generated by the Gaming business, **this presentation focuses only on the Gaming Business performances and results.**
- Moreover, starting from Q1 2020 and with the exception of the annual financial statements, the Sisal Group's consolidated financial statements only reported the results of the Gaming Business, while the investment in Mooney Group (formerly SisalPay Group) has been accounted for at cost. **This approach allows the Sisal Group's bondholders to get a better and easier understanding of the Gaming Business's performances and results.**
- Therefore, in this presentation the **Consolidated Balance Sheet, the Cash Flow and the Consolidated Income Statement** are only referred to the **Gaming Business perimeter** for both first three months FY 2021 and FY 2020.

Gaming Group Key Results 3M 2021



2.3Bn€
Turnover



127.0M€
Revenues



51.5M€ \ 40.6 %
EBITDA Adj. (a) \ MARGIN



327.2M€
NFP with a Leverage 1.84

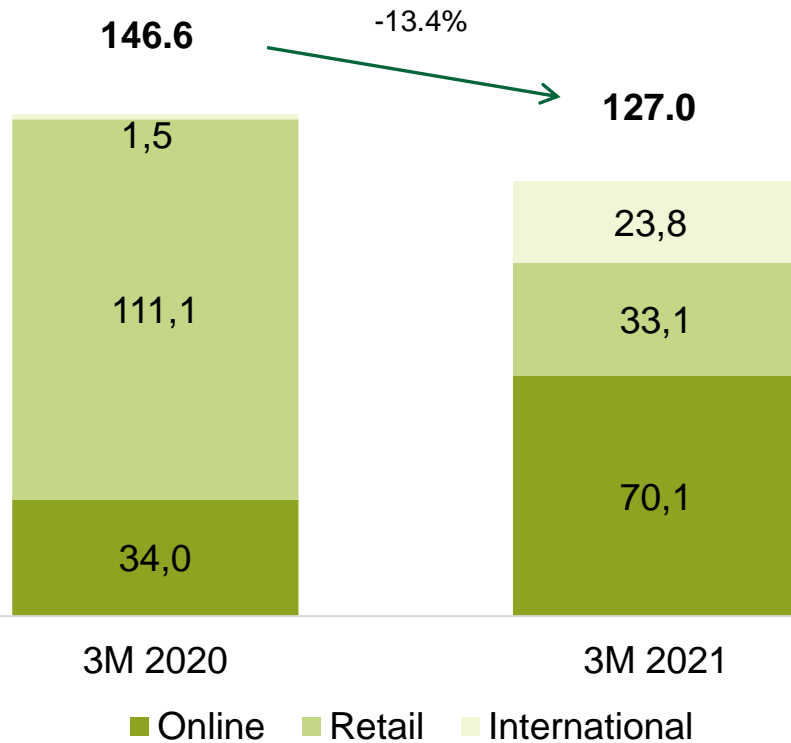


117.5M€
Cash position

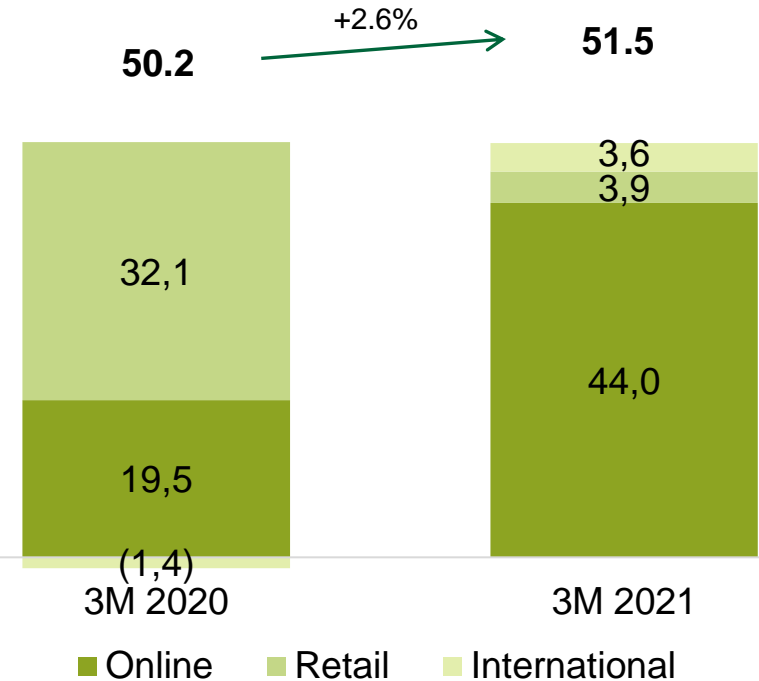
(a) Adjusted EBITDA means EBITDA before charges deriving from corporate reorganisation, before charges not considered as recurring and before "special items"

Gaming Segments Results Highlights – 3M 2021

Revenues



Operating Segments Ebitda



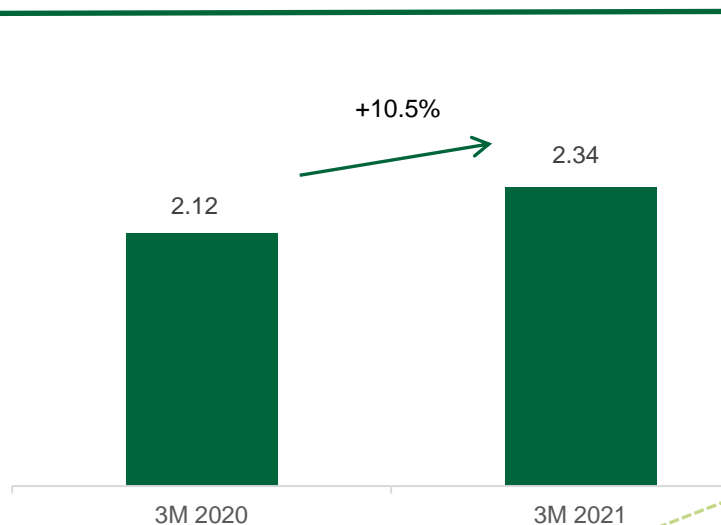
Operating Segments Ebitda Margin %

Total	34.3%	40.6%
Retail	28.9%	11.8%
Online	57.4%	62.8%
International	n.a.	15.1%

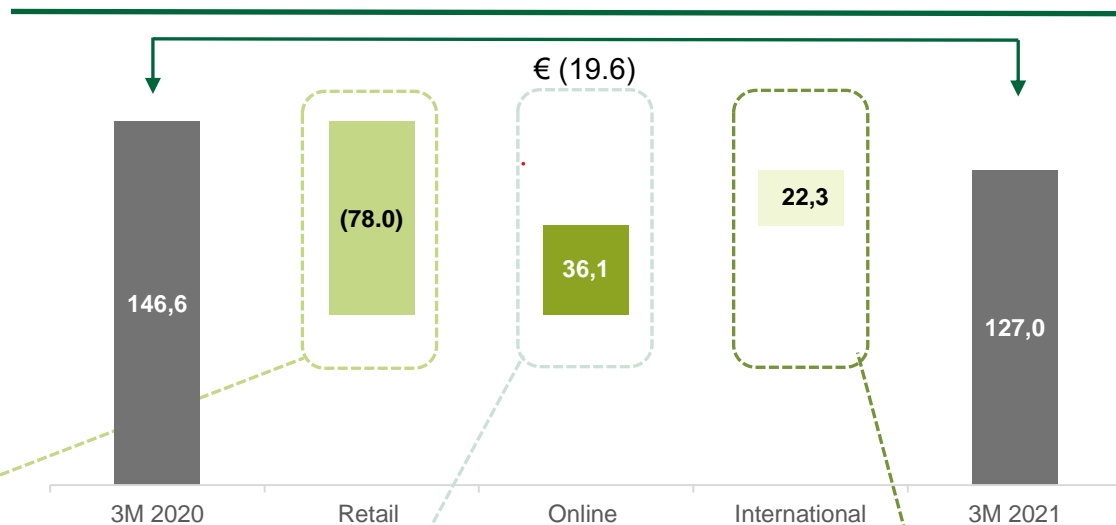
Figures in € M

Gaming Turnover & Revenues: 3M 2021 vs 3M 2020

Gaming Turnover (€ bn)



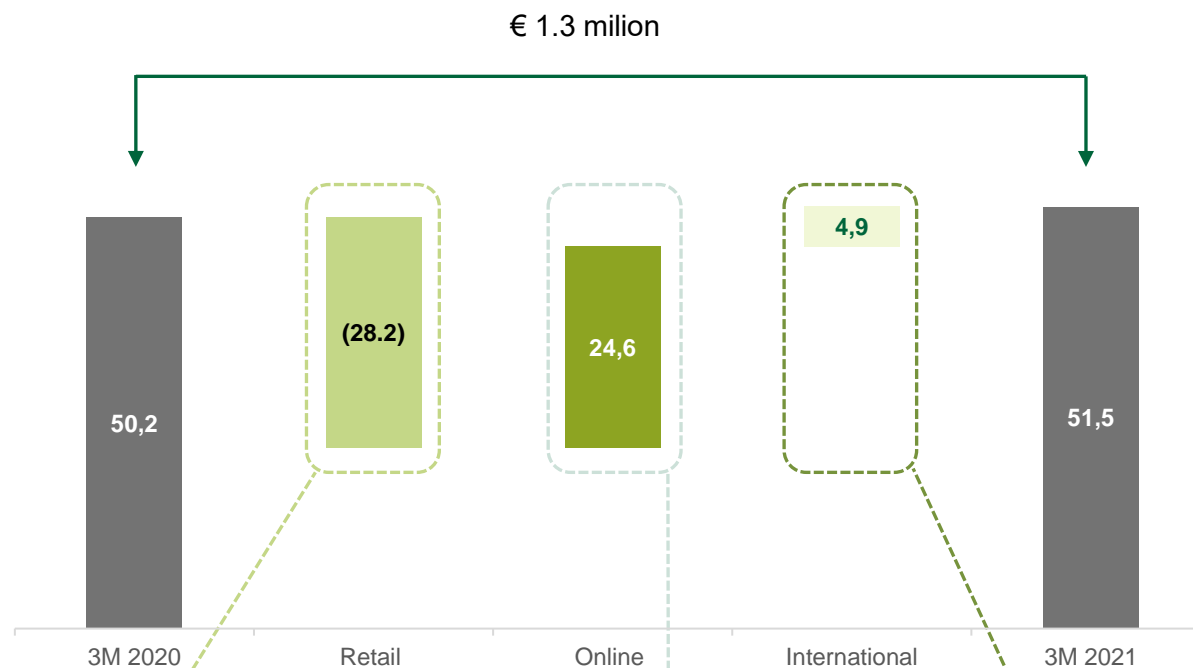
Gaming Revenues (€ m)



€ M	Primary drivers	€ M	Primary drivers	€ M	Primary drivers
Gaming machines (47.9)	<ul style="list-style-type: none"> Negatively impacted by the Retail network lockdown due to restriction measures caused by Covid-19 pandemic. 	Digital games 15.2	<ul style="list-style-type: none"> The growth was driven by the successful customers' acquisition strategy via SEO and to the effective Affiliation activities. 	Turkey 22	<ul style="list-style-type: none"> Positive performance in both retail and online channel after the launch of the Lottery business on August 1st, 2020.
Lottery 4.2	<ul style="list-style-type: none"> Positive performance thanks to volume increase driven by higher Jackpot level and the positive contribution of affiliation fees generated by MySisal program. 	Betting & Virtual races online 20.9	<ul style="list-style-type: none"> Benefitting from the shift of players spending from retail to online 	Spain (0.2)	<ul style="list-style-type: none"> Performance negatively impacted by higher pay-out
Sport Betting (24.7)	<ul style="list-style-type: none"> Decrease due to the Retail network lockdown caused by Covid-19 restriction measures 			Morocco 0.5	<ul style="list-style-type: none"> Positive performance mainly driven by the expansion of retail distribution network and higher Lottery's Super Jackpot.
Virtual Races and Others (9.6)					

Gaming Profitability: 3M 2021 vs 3M 2020

Gaming Operating Segments Ebitda (€ M)



- Mainly due to the Retail network lockdown due to restriction measures caused by Covid-19 pandemic, partially offset by the positive lottery performance driven by higher Jackpot level and the positive contribution of affiliation fees generated by MySisal program.

- Mainly driven by top line growth.

- Positive performance in Turkey, in spite of Covid-19 restrictions, fully incremental in comparison with first quarter of 2020.
- Positive performance in Morocco thanks to retail distribution network enlargement and the Lottery's higher Super Jackpot.
- Spanish business negatively impacted by higher payout.

Gaming Cash Flow – 3M 2021

(€m)	31.03.2021	31.03.2020
Ebitda	51.5	50.1
Non cash items	-	0.1
Non-recurring costs	(2.7)	(1.8)
Change in trade W/C	(0.3)	(10.4)
Change in other assets and liabilities	(33.3)	30.0
Capex and acquisition	(23.9)	(34.9)
Net Interest exp.	(11.5)	(11.1)
Leasing reimbursement	(6.1)	(5.3)
Proceeds/(repayments) of loans	(2.8)	103.2
Total	(29.1)	119.9
Cash at the beginning of the period	146.6	102.5
Cash at the end of the period	117.5	222.4

- **Non-recurring costs:** mainly related to UKNL tender, Covid-19 related costs and reorganization;

- **Trade working Capital:** mainly related to collection of Turkish subsidiary trade receivables counterbalanced by trade payable disbursement.

- **Other Assets and Liabilities:** payment of gaming machines taxes postponed from 2020; payment of gaming concession fees; decrease in other payables mainly related to the payment of retail gaming M&A.

- **Capex:** mainly related to investments in equipment for terminals required by the new NTNG concession, and to intangible assets mostly related to software developments.

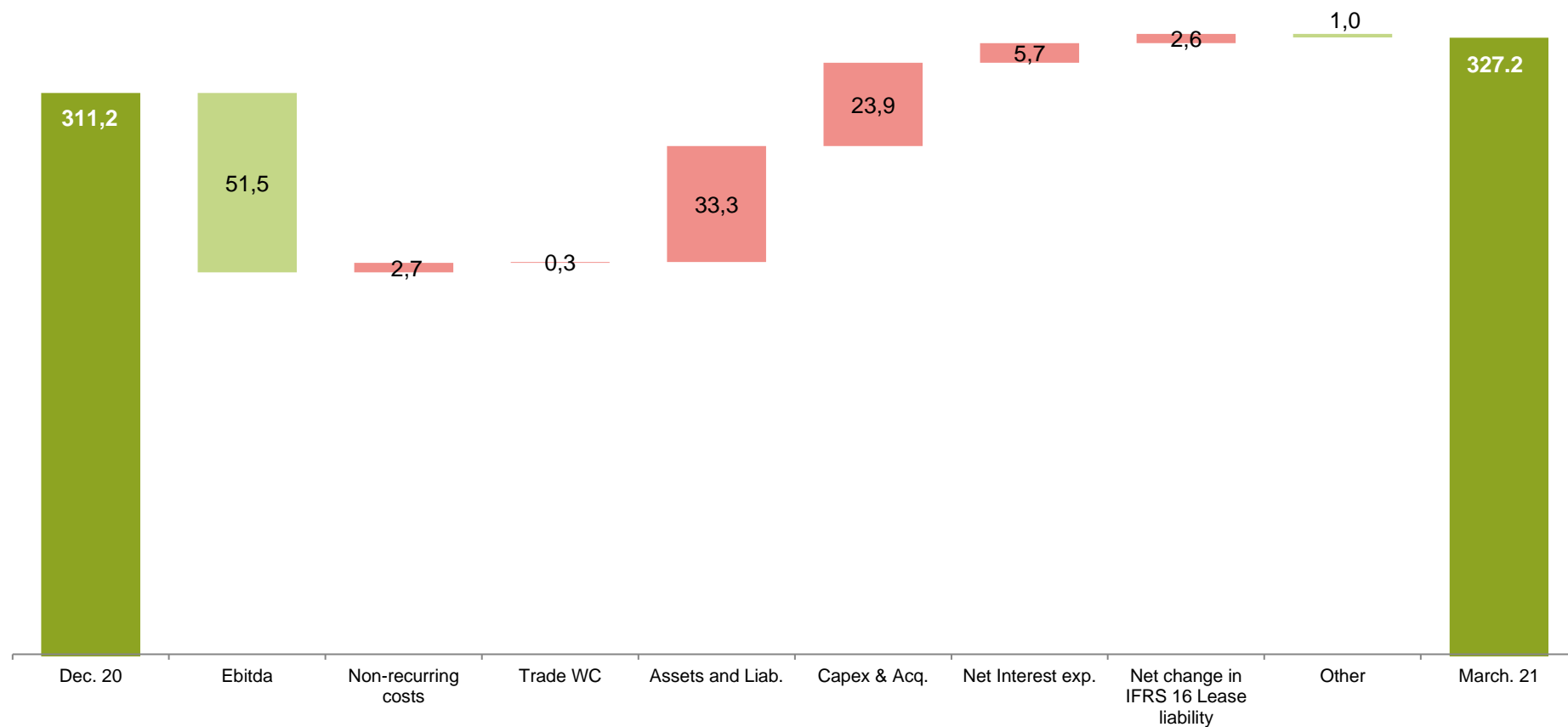
- **Net Interest exp:** refers to interests paid in the period mainly related to the Senior Secured Notes of € 275m and ssRCF

- **Leasing reimbursement:** repayment of financial liabilities recognized in application of the IFRS 16 accounting standard.

- **Proceeds/(repayments) of loans:** repayment of the loan granted by the minority Turkish shareholder Şans Digital .

Net Financial Position Bridge (Gaming) – 3M 2021

Figures in € M



Covenant leverage ratio (Gaming) – 3M 2021

(€m)	
EBITDA LTM Adjusted Statutory	177.7
NFP	327.2
Leverage Ratio	1.84
EBITDA LTM Adjusted Statutory w/o IFRS 16	156.2
NFP w/o IFRS 16	267.6
Leverage Ratio w/o IFRS 16	1.71

Gaming Consolidated Income Statement – 3M 2021

Figures in € M (except ratios)

Income Statement	3M 2021	3M 2020	% Change
Revenues	91.8	105.5	(13.0)%
Fixed odd betting income	35.1	40.9	(14.2)%
Other revenues and income	0.1	0.2	(39.8)%
Total revenues and Income	127.0	146.6	(13.3)%
Adj. Ebitda^(a)	51.5	50.1	2.8%
<i>Margin (%)</i>	40.6%	34.2%	
Ebitda	48.8	48.3	1.1%
<i>Margin (%)</i>	38.4%	32.9%	
Ebit	15.8	16.0	(1.6)%
Net financial expenses and similar	5.4	3.6	50.5%
Income before tax	10.4	12.4	(16.6)%
Net Income	7.4	8.0	(7.6)%

(a) Adjusted EBITDA means EBITDA before charges and revenues deriving from corporate reorganisation, before charges and revenues not considered as recurring and before "special items".

Note:

-EBITDA means the profit/(loss) for the year before depreciation, amortisation, writedowns, financial expense and income, share of profit/(loss) of equity-accounted companies and before taxes.

Gaming Consolidated Balance Sheet – 3M 2021

Figures in € M

Balance Sheet	3M 2021	12M 2020
Non-Current Assets	884.0	891.8
Goodwill	261.0	261.0
Net Working Capital/Other ^(a)	(81.3)	(112.3)
Total assets	1,063.8	1,040.5
Net Financial Position ^(b)	322.0	305.4
Total Equity	741.7	735.1
Total Liabilities and Equity	1,063.8	1,040.5
Payables for unpaid winnings	254.5	199.7
Restricted cash balance	237.0	179.4

(a) Includes Payables for unpaid winnings

(b) Net of upfront fees not included in NFP covenant

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