

# *SNAITECH*



**1<sup>st</sup> Italian PIR Bond Conference**



*Milan, 30 January 2018*

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This presentation includes certain forward looking statements, projections, objectives and estimates reflecting the current views of the management of the Company with respect to future events. Forward looking statements, projections, objectives, estimates and forecasts are generally identifiable by the use of the words “may”, “will”, “should”, “plan”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “goal” or “target” or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts, including, without limitation those regarding the Company's future financial position and results of operations, strategy, plans, objectives, goals and targets and future developments in the markets where the Company participates or is seeking to participate.

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# From SNAI to Snaitech: 2-year turnaround successfully completed



## September 2015 KPIs, mln €

Wagers	3,892.7
Revenues	375.3
<b>EBITDA</b>	<b>56.5</b>
Net income	(14.0)
Leverage	5x



## September 2017 KPIs, mln €

Wagers	7,678.0
Revenues	639.3
<b>EBITDA</b>	<b>85.9</b>
Net income	4.8
Leverage	3.9x

**After the Cogemat integration, the successful turnaround, completed in 24 months, led to the new Snaitech:**

- ❖ Outstanding integration of management, culture, people, concessions and technology
- ❖ Marginality improvement: +50% on EBITDA and break-even on Net Income
- ❖ Debt refinancing completed in 2016 (+17 mln € savings of annual interest costs)
- ❖ Effective deleverage due to strong cash generation: from 5x to 3.9x, with 2.4x target by year-end 2019
- ❖ +43% performance of Snaitech share over the same period
- ❖ Synergy program almost achieved (at 90%) with +20 mln € synergies
- ❖ Redundancy program completed in 2017: reduction of 80 employees without activation of lay-off procedures
- ❖ 50 shops ex-SIS re-opened, restructured and outsourced
- ❖ Leading operator in multi-concession segment in Italy

**Solid and scalable proprietary IT platform, leading brand and deep market know-how ready to international development**

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# New group structure reflects integration and development strategy

## SNAITECH S.p.A., a listed company leader in the Italian regulated Gaming market

### Shareholders

- ❖ 55.6% Global Games (Investindustrial & Palladio)
- ❖ 15.0% Ol-Games 2 (Orlando Fund)
- ❖ 29.4% free-float



### Organization & Tech

- ❖ 851 employees (as of today)
- ❖ 3 office locations: Milan, Roma and Porcari (Lucca)
- ❖ Proprietary IT technology, 2 proprietary data-centres
- ❖ Management mix from complementary expertise and know-how in gaming industry
- ❖ Successful M&A track record, including Ladbrokes Italy former merger in 2011

### Snaitech core business: Gaming concessions

- ❖ **Betting**: most extended physical network (1,600+ betting Points of Sales) for sports, horseraces and virtual bets on retail channels
- ❖ **Gaming Machines** network as of December 31, 2017: 10,000+ VLTs in more than 1,200 Arcades; 54,000+ AWP in ca. 14,000 PoS (the 2<sup>nd</sup> most extended gaming machines network)
- ❖ **Online**: betting, bingo, casino, poker and skill games offered on website and mobile apps (ca. 270,000 active players)
- ❖ Large landowner: 1.65+ mln m<sup>2</sup> (including 3% of Milan municipality) hosting 3 major racetracks (2 in Milan and 1 in Tuscany)
- ❖ Payment Services proprietary platform, supporting retail business

### Teleippica Srl

- ❖ Sat TV broadcasting and Radio channel for Horse Racing and Virtual Games

### Snai Rete Italia

- ❖ Direct PoS management (8 flagship stores)

### Snaitech Smart Technology

- ❖ Company dedicated to the sale of Snaitech proprietary technology

### Snaitech Iberia (newco)

- ❖ Snaitech Iberia is currently certifying Snaitech proprietary betting platform to offer B2B services in Spain

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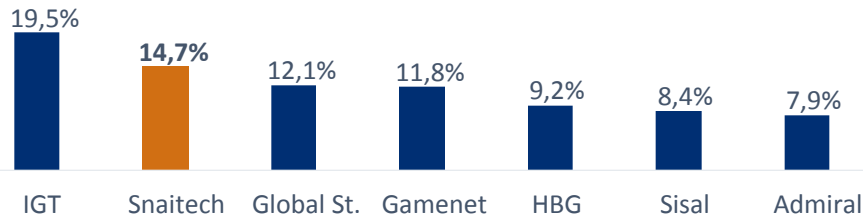
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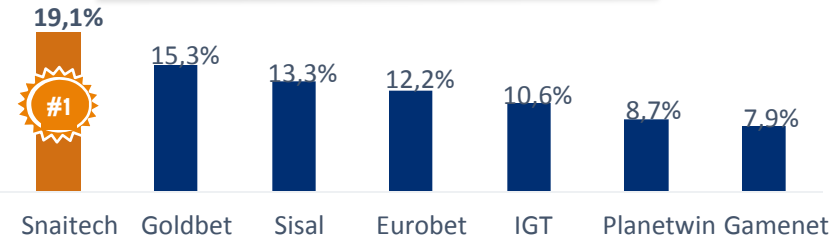
# Snaitech holds a leading market and brand position

- ❖ With € 7.7 bln wagers in the first 9 months of 2017, SNAITECH holds more of 12% of its addressable market
- ❖ Snaitech ranks #1 in Retail Betting and #2 in the Gaming Machines
- ❖ Based on GGR, Snaitech ranks #2 in Online Betting and #6 in Online Gaming

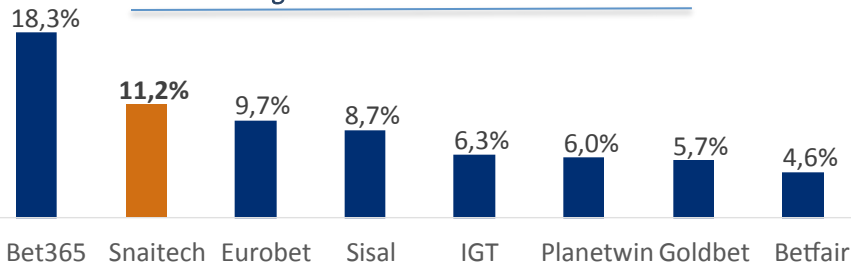
*Gaming Machines market share (Wagers)*



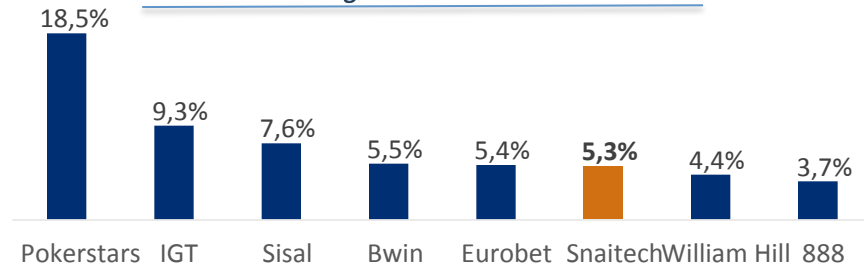
*Retail Betting market share (Wagers)*



*Betting Online market share (GGR)*



*Online Gaming market share (GGR)*



**Snaitech rank in online gaming expected to increase at the end of 2017 thanks to its improving performance**

2 out of 3 Italian aged 18 to 65 years know the SNAI brand as "The Betting Specialist" and "Italian, Safe, Reliable" (Astra Research)

# Italian market steady growth path since liberalisation

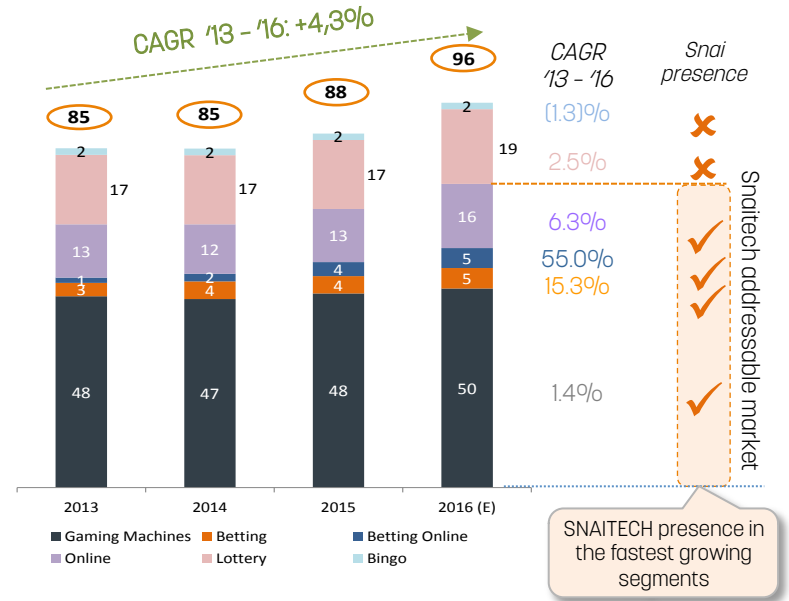
## Italian Gaming Market: 2013 - 2016 Wagers (€ bln)

- ❖ Italian Market grows stably (96 bln € in 2016, 4.3% 2013-16 CAGR) as the largest gaming market in Europe
- ❖ Online Betting driving the growth with 55% CAGR
- ❖ SNAITECH playing in the fastest growing segments of the gaming market

## SNAITECH Addressable Market: first 11 Months 2017 trends

€ million

Market wagers	November ytd			November ytd restated		
	2017	2016	delta %	2017	2016	delta %
AWP	22.990	23.821	-3,5%	22.990	23.821	-3,5%
VLT	21.297	20.860	2,1%	21.297	20.860	2,1%
<b>Gaming Machines</b>	<b>44.287</b>	<b>44.681</b>	<b>-0,9%</b>	<b>44.287</b>	<b>44.681</b>	<b>-0,9%</b>
Sport QF	3.927	3.074	27,8%	2.958	2.743	7,9%
Ippica	440	490	-10,3%	434	490	-11,5%
Eventi Virtuali	1315	975	34,8%	857	887	-3,4%
<b>Retail</b>	<b>5.681</b>	<b>4.539</b>	<b>25,2%</b>	<b>4.249</b>	<b>4.120</b>	<b>3,1%</b>
Betting	5.302	3.787	40,0%	4.546	3.654	24,4%
Games	17.868	14.544	22,9%	17.868	14.544	22,9%
<b>Online</b>	<b>23.170</b>	<b>18.331</b>	<b>26,4%</b>	<b>22.414</b>	<b>18.198</b>	<b>23,2%</b>
<b>Addressable market</b>	<b>73.139</b>	<b>67.552</b>	<b>8,3%</b>	<b>70.950</b>	<b>67.000</b>	<b>5,9%</b>



- ❖ As of November 2017, addressable market showing a **5.9% growth rate** (organic, net of «grey» operators accounted in 2017)
- ❖ Online still growing at double digit rate (+23.2%)
- ❖ Online Betting +24.4% without cannibalization of Retail Betting (+3.1%)
- ❖ Gaming machines (-0.9%) suffered from regulatory updates (payout reduction and limitations in opening hours)

Figures as of November, 2017 - Sources: ADM data and company analysis

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# Development drivers: Retail leadership spurs Online growth

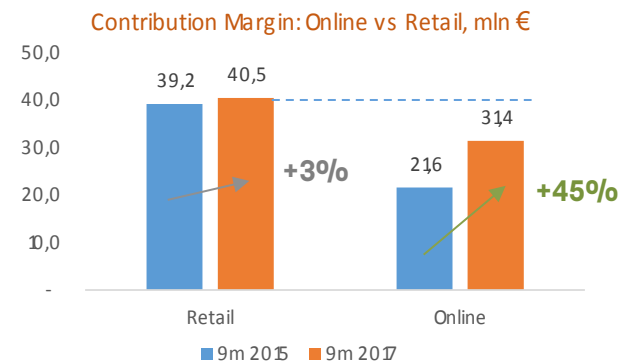
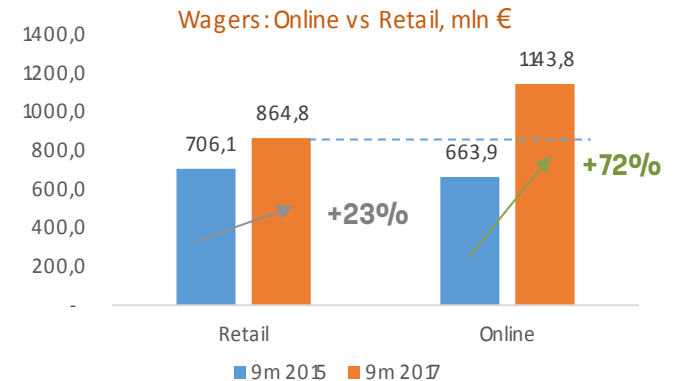
- ❖ Thanks to Snaitech development strategy, over the last 24 months **online wagers** have grown by **72%** and contribution margin by **45%**
- ❖ Online growth is **not cannibalising retail business**: retail wagers grew in the same period by **23%** and marginality by **3%**
- ❖ Key elements in Snaitech online strategy are:
  - Brand awareness
  - Innovation and service portfolio width
  - Cross strategy with retail business
- ❖ Cross strategy KPIs in first 9 months 2017:
  - **29 mln €** out of **52 mln (56%)** of Online NGR are coming from cross-selling players
  - **21%** of new players opened an account on Snaitech Web site thanks to cross selling campaign and **48%** totally brand driven

NGR (€ mln)	9m 2017	%
NGR from cross selling players	29	56%
NGR from pure online players	23	44%
<b>Total NGR</b>	<b>52</b>	<b>100%</b>

New Adds (#)	9m 2017	%
Cross Selling	1.186	2%
Brand Driven	30.334	48%
Online campaigns	1.050	30%
<b>Total New Adds</b>	<b>62.570</b>	<b>100%</b>

*Snaitech leadership in retail is a competitive advantage to expand in the online*

*Strong brand awareness is a driver for the acquisition of online players*



## Online turn-points:

- ❖ Online wagers largely overpassed retail wagers in 2017
- ❖ Online Contribution margin will likely exceed retail marginality before 2109 year end

# Snaitech is the largest multi-channel bookmaker in the Italian market



- ❖ New pre-match offer guarantees the largest betting offer with +500 markets per match
- ❖ New Scorecast Centre and Kombi bets: exclusive content, +100 additional markets
- ❖ New combination of In-Play solutions pushes the offer up to 1.000 events per day
- ❖ Exclusive content (basket 3x3, Premium e-sports events)



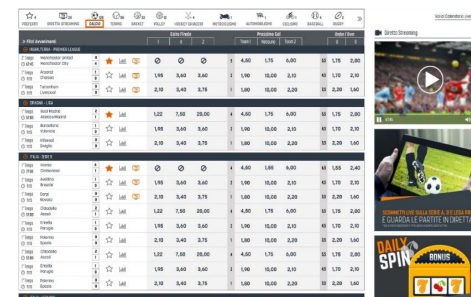
- ❖ New In-Play interface
- ❖ Exclusive content (Serie A, Serie B streaming)
- ❖ Fast growing customer base (+230,000 sport punters)



- ❖ 72% of sports wagers come from mobile vs a market average 51% (2017 market forecasts)
- ❖ Innovative full-screen streaming with overlay fast bet tool
- ❖ State of the art UX for additional markets



- ❖ New loyalty tools (Daily spin 2.0, Snai Runner Leaderboard, instant roulette)
- ❖ A suite of cross-selling tools, including sports widget for e-gaming clients
- ❖ Fantasy betting (Bet Club) and Daily Fantasy Sports



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# Snaitech development strategy: Technology and Innovation

Snaitech new Betting Technology

SMART TECHNOLOGY

## BETSMART



Self service betting terminal (SSBT) for retail network

## BETSMART MINI



SSBT customized for Virtual Events and Live

## SMART SOLUTION



Fully-Web interface for bookmaking

## SMART SHOW



Digital signage system based on SMART-TV technology

## MYBET



Bookmaking Webapp available on different devices

- ❖ Proprietary software platform wholly developed in-house
- ❖ SSBTs are showing interesting results in terms of functionality, productivity and performances
- ❖ Retailers are generally asking for more machines to be delivered and "Providers" (independent concessionaires linked to Snaitech) are asking for Snaitech SSBTs
- ❖ 3,000 SSBTs expected to be installed by 2018 (1,000 currently installed)
- ❖ € 18 -20 mln ordinary capex over 2017 and 2018, allotted to new investments on technology for betting PoS

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# Valuable Real Estate assets

## Real estate assets: Milan and Montecatini Horsetracks

1,650,000  
m<sup>2</sup>

- ❖ 1,650,000 m<sup>2</sup> area with historical assets
- ❖ 600,000 m<sup>2</sup> of race tracks
- ❖ 1,050,000 m<sup>2</sup> of training runs mainly on grass

3 Horse  
Tracks

- ❖ San Siro gallop horse track, Milano (1920)
- ❖ La Maura trot horse track, Milano (2015)
- ❖ Sesana trot horse track, Montecatini (1916)



## Process for potential disposal

3% of  
Milan land

- ❖ Set up of a formal process to dispose a portion of San Siro area assets
- ❖ The former trot area (current book value ca. 30 mln €) is the most attractive part, being free of any sport destination constraints
- ❖ Non-binding proposals expected in 1H 2018



# Key trends and results as of 30 September 2017

## Business and Financial Trends in 3Q 2017

- ❖ Wagers up by 2.4%, EBITDA 30.2 mln € (+0.3 mln vs 3Q 16), Net Result +2.8 mln € (vs -7.1 mln in 2016)
- ❖ Positive performance despite some unfavourable industry factors:
  - PREU increase [-2.1 mln € EBITDA impact in 3Q]
  - Absence of catalyst sport events (Euro Cup and Olympics in 2016)
  - Quarterly sport payout higher than 2016 (83.4% vs 82.8%)
- ❖ 37% Online wagers growth
- ❖ Virtual Events wagers growing up by 1% thanks to improvement of Inspired platform
- ❖ Sport wagers down by 1.3% (+1.6% on 9 months)
- ❖ -2.5% Gaming Machines wagers, recovering from -5.9% posted in 1H 17

## Financials after 9m 2017

- ❖ EBITDA € 85.9 mln vs € 97.6 mln in 2016, -11.7 mln due to Sport Betting unfavorable payout (-8.4 mln €) and PREU increase (-3.7 mln €)
- ❖ Break-even on Net Income: 4 mln € (-7.5 mln € in 9M 2016)
- ❖ NFP to 456 mln €, Leverage ratio 3.9x. Sound cash generation thanks to the new cost structure: ca. 33 mln € in first 9 months 2017
- ❖ +20 mln € synergy program close to completion: +2 mln € accounted in 3Q, 7.8 in 9M 17 and 17.8 mln since Cogemat integration; additional 3 mln synergy expected before 1H 18, mainly related to redundancy procedure started in July

## Action Plan

- ❖ VLT network integration and optimization as well as payout reduction to offset PREU increase
- ❖ Virtual Events: launch of a second platform in 1Q 2018
- ❖ Rejuvenation program (new Smart Technology provided to Betting PoS) up and running. To be completed by December 2018

## 4Q Market Trends

- ❖ 4Q 2017 Market Sport Wagers (Retail + Online) up to 2,775 bln €, +19% vs 4Q 2016, growth rate in line with first 9 months of 2017
- ❖ 4Q 2017 average Sport Payout 80.5% (89.5% in 4Q 2016)

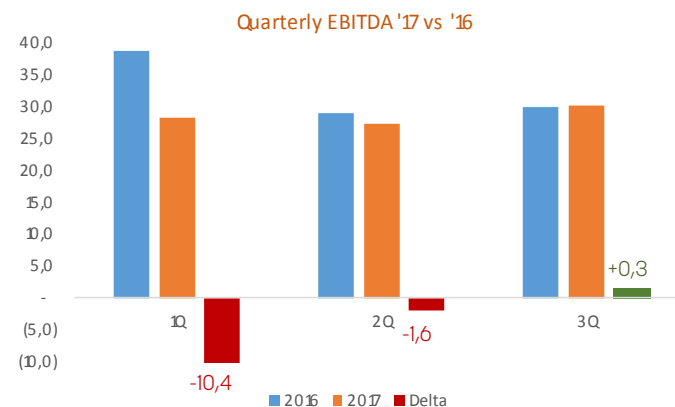
# Financial KPIs

€ million

S NAI TECH GROUP (€ m)	Q3 '17	Q3 '16	delta	9M 2017	9M 2016	delta
<i>Sport Payout</i>	83,4%	82,8%	0,6%	85,4%	83,2%	2,2%
<b>Wagers</b>	<b>2.456,4</b>	<b>2.409,6</b>	<b>46,8</b>	<b>7.678,3</b>	<b>7.765,5</b>	<b>-87,1</b>
- Gaming Machines	1702,2	1746,5	-44,2	5.279,5	5.546,6	-267,1
- Betting Retail	252,8	257,1	-4,3	864,8	898,3	-33,5
- Online	383,6	280,5	103,1	1143,8	879,2	264,6
- Other	17,7	25,5	-7,8	390,2	442,3	-52,1
<b>Total Revenues</b>	<b>200,6</b>	<b>216,8</b>	<b>-16,2</b>	<b>639,3</b>	<b>662,1</b>	<b>-22,8</b>
Contribution Margin	59,3	63,1	-3,8	182,1	203,0	-20,9
<b>EBITDA</b>	<b>30,2</b>	<b>29,9</b>	<b>0,3</b>	<b>85,9</b>	<b>97,6</b>	<b>-11,7</b>
<b>Net Income</b>	<b>2,8</b>	<b>-7,1</b>	<b>9,9</b>	<b>4,8</b>	<b>-7,5</b>	<b>12,4</b>
Capex	6,2	3,6	2,5	17,1	16,7	0,3
<b>NFP</b>	<b>456,2</b>	<b>450,1</b>	<b>6,1</b>	<b>456,2</b>	<b>450,1</b>	<b>6,1</b>
<b>Leverage (on LTMEBITDA)</b>				<b>3,9x</b>	<b>3,5x</b>	<b>-0,4x</b>

- ❖ Interest costs reduced to 30.8 mln € (vs 42.7 mln in first 9M 2016) after refinancing
- ❖ Net income 9m positive by 4.8 mln €
- ❖ Net Financial Position to 456.2 mln € (115 mln € cash available as of 30 September)
- ❖ Leverage ratio 3.9x (EBITDA LTM €116.6 mln)

- ❖ Sport Payout constantly recovering: 85.4% after 9m (from 86.2% in 1H 2017)
- ❖ 3Q Wagers up to 2,456 mln € (+47 mln) driven by online business performance
- ❖ Revenues reduction in 3Q (-16.2 mln) determined by PREU increase
- ❖ 9m EBITDA € 85.9 mln vs € 97.6 mln; -8.4 mln due to sport payout and -3.7 mln to PREU increase



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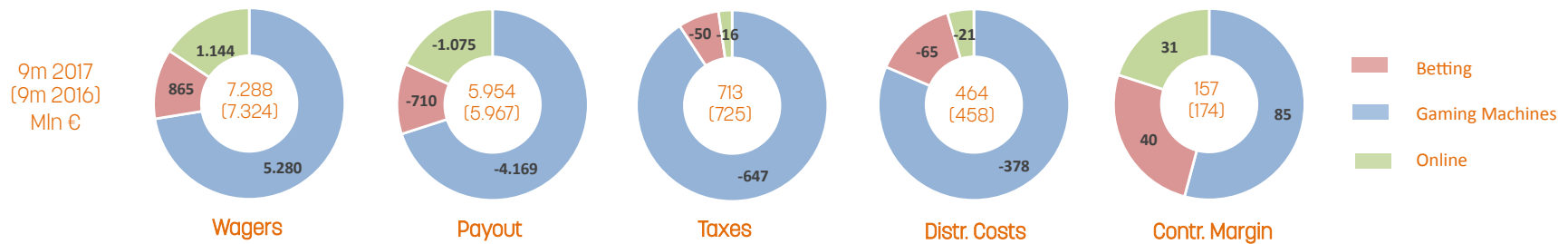
# Wagers and Contribution Margin breakdown

Euro million

SNAITECH	Wagers				Contribution Margin			
	3Q 17	3Q 16	delta	%	3Q 17	3Q 16	delta	%
Sports Betting	513	534	-2,0	-13%	10,3	10,2	0,2	19%
Horse Betting	40,5	43,4	-2,9	-6,7%	-0,2	0,5	-0,7	n.a.
Virtual Events	60,9	60,3	0,6	10%	3,6	4,9	-1,2	-25,0%
<b>Retail Betting</b>	<b>252,8</b>	<b>257,1</b>	<b>-4,3</b>	<b>-1,7%</b>	<b>13,8</b>	<b>15,5</b>	<b>-1,7</b>	<b>-10,8%</b>
AWPs	892,9	903,6	-10,8	-12%	10,2	11	-0,9	-8,1%
VLTs	809,4	842,8	-33,5	-4,0%	17,1	18,9	-1,8	-9,6%
<b>Gaming Machines</b>	<b>1702,2</b>	<b>1746,5</b>	<b>-44,2</b>	<b>-2,5%</b>	<b>27,3</b>	<b>30,0</b>	<b>-2,7</b>	<b>-9,0%</b>
Online Betting	12,3	69,9	32,4	46,3%	6,5	5,3	12	22,3%
Games	2813	210,6	70,8	33,6%	4,3	3,5	0,8	22,4%
<b>Online</b>	<b>383,6</b>	<b>280,5</b>	<b>103,1</b>	<b>36,8%</b>	<b>10,7</b>	<b>8,8</b>	<b>2,0</b>	<b>22,3%</b>
<b>Total Concession</b>	<b>2.338,7</b>	<b>2.284,1</b>	<b>54,6</b>	<b>2,4%</b>	<b>51,8</b>	<b>54,2</b>	<b>-2,4</b>	<b>-4,4%</b>
Other business	117,7	125,5	-7,8	-6,2%	7,5	8,9	-1,4	-15,6%
<b>Total Snaitech</b>	<b>2.456,4</b>	<b>2.409,6</b>	<b>46,8</b>	<b>1,9%</b>	<b>59,3</b>	<b>63,1</b>	<b>-3,8</b>	<b>-6,0%</b>

- ❖ **Retail Betting:** Sports betting wagers pretty stable despite of unfavourable seasonality, Virtual events wagers recovering (+10%) thanks to enhancement of existing platform
- ❖ **Gaming Machines:** wagers decreased as consequence of restriction on opening hours. Marginality affected by PREU increase.
- ❖ **Online:** sound growth of wagers (+37%) due to cross-selling initiatives on retail network and wider games portfolio
- ❖ **Concession Contribution Margin:** reduction by 2.4 mln € mainly due to Sports payout and PREU increase

## 9m 2017 Economics for Concession scope:



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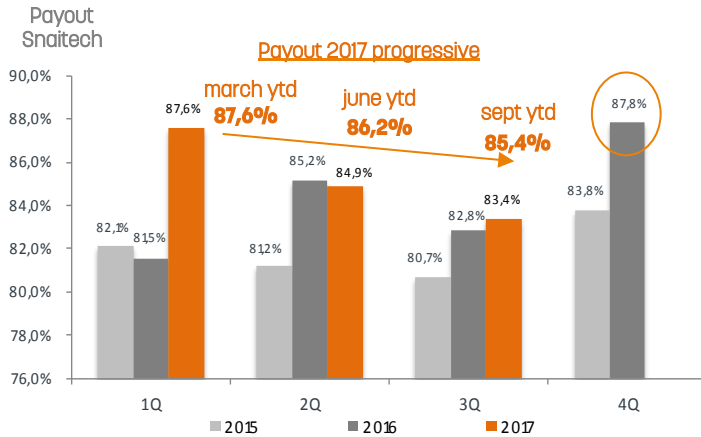
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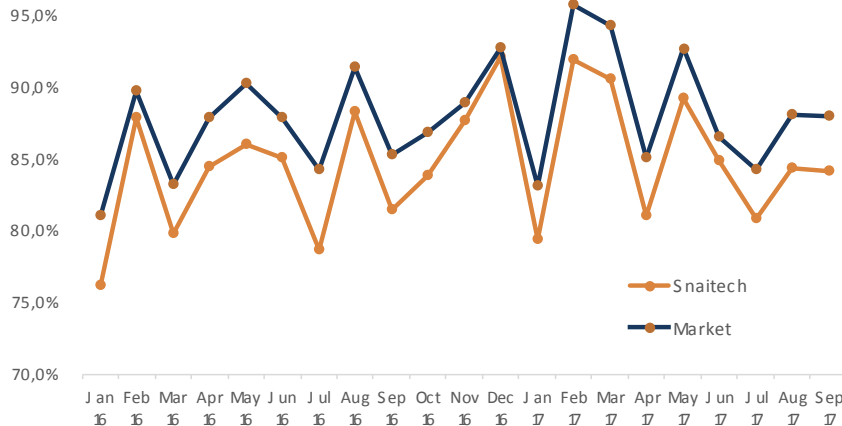
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# Snaitech Sport Payout performance



- ❖ Snaitech Sport Payout constantly recovering over 2017:
  - 87.6% in 1Q 2017
  - 86.2% in 1H 2017
  - 85.4% after 9m 2017
- ❖ Room to align 2017 full year payout to 2016 performance (84.5%)

## Sport Payout performance : Snaitech vs Market



Sports Payout Retail	2016	9M17	LTM
Snaitech - Retail	83,5%	84,0%	85,0%
Market - Retail	83,2%	85,2%	85,7%

Sports Payout Online	2016	9M17	LTM
Snaitech - Online	87,1%	88,1%	88,3%
Market - Online	91,4%	91,7%	91,8%

Sports Payout Total	2016	9M17	LTM
Snaitech - Total	84,5%	85,4%	86,0%
Market - Total	87,6%	88,9%	89,1%

Snaitech showing a better payout performance vs market (> 3 bps) stably keeping a strong growth rate

Sources: ADM data and company analysis

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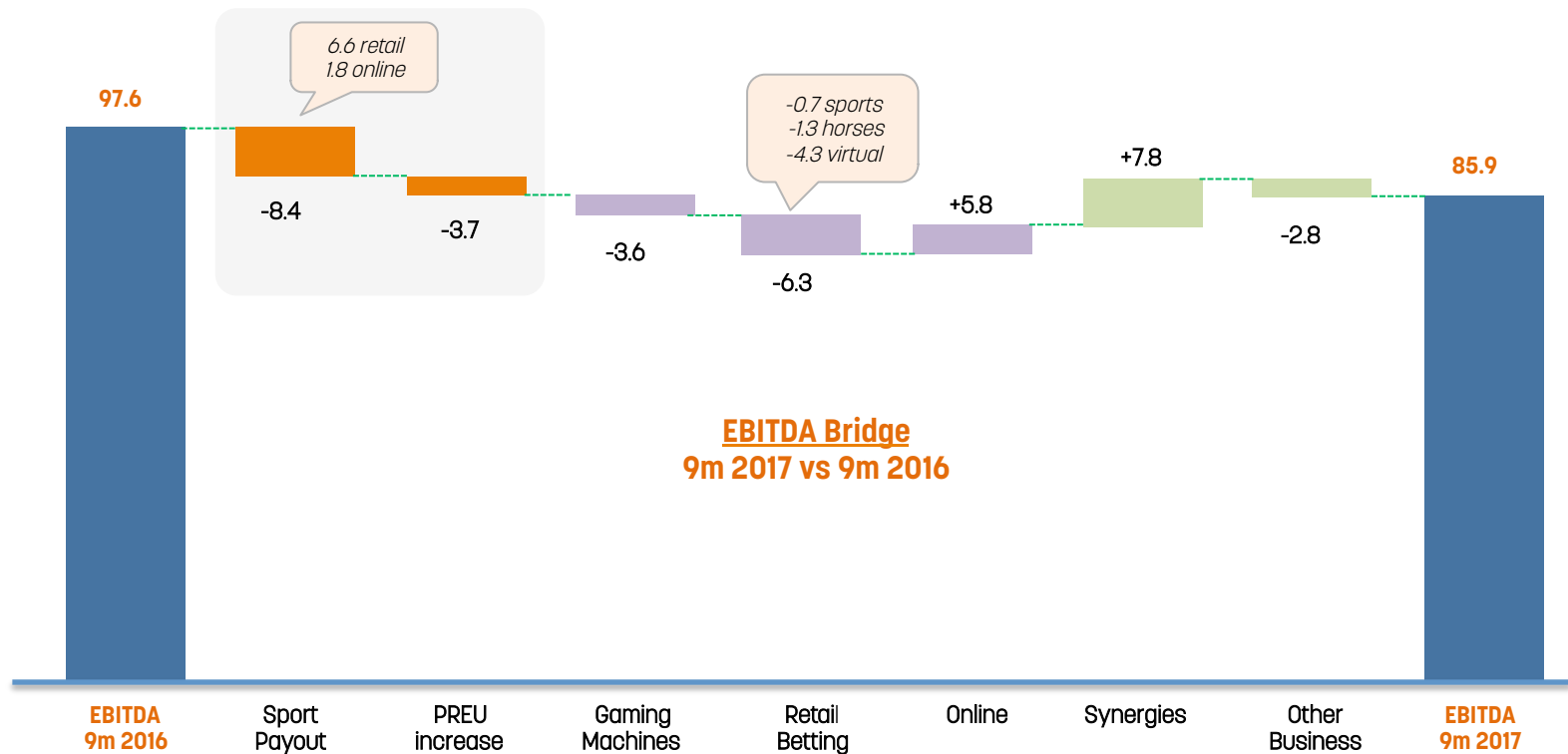
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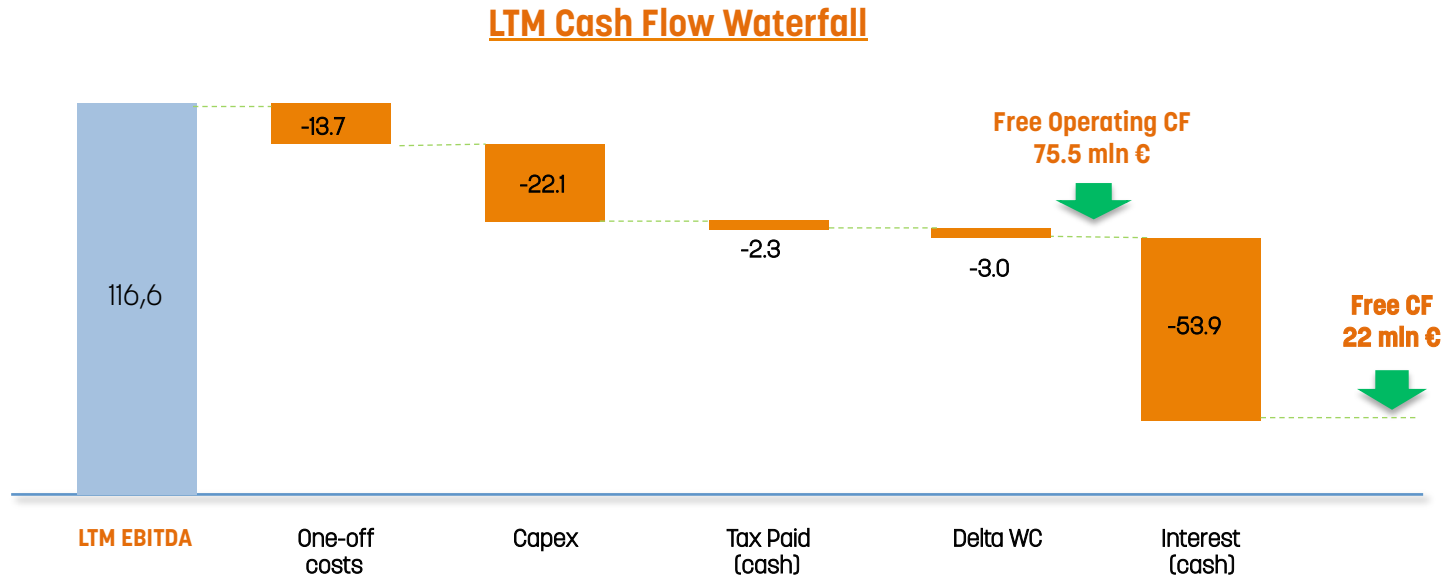
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# EBITDA Bridge 9M 2016 – 9M 2017



- ❖ 9m EBITDA decrease (-11.7 mln €) mainly driven by PREU e Payout negative impacts
- ❖ Online growth (+5.8 mln €) and synergy program (+7.8 mln €) offset Gaming Machines and Retail Betting soft performances
- ❖ Synergy program close to completion: additional 3 mln € synergy expected before 1H 18, mainly related to redundancy procedure started in July 17

# Cash Flow LTM



- ❖ One off items include SIS acquisition costs and synergy activation costs
- ❖ LTM cash Interests include former bonds interests paid in 4Q 16. Interest costs in 2017 (full year) will decrease to ca. 42 mln €
- ❖ Free Cash Flow 22 mln € (before refi costs)
- ❖ Deferred Tax Asset (76 mln € as of 31 December 2016) mitigating taxes cash-out
- ❖ Expected impacts on Cash Flow over next 6-9 months:
  - ca 3 mln € additional savings from synergy program (+)
  - ca 11 mln € lower interest costs (in 4Q 2017) (+)
  - progressive reduction of one-off costs (+)
  - ca 6.5 mln euro from PREU increase (-)



# Regulatory framework update

## ❖ PREU increase and AWP's reduction

- ❖ The Government decree issued on 24th April (extraordinary ruling to provide extra budget to EU) increased PREU by 0.5% on VLTs and 1.5% on AWP's: the estimated impact on Snaitech marginality is 10 mln € (6,2 mln in 2017)
- ❖ Law n. 96 of 21 June 2017 provided guidance on the reduction by 35% of the AWP's as of 31 December 2016 to be applied proportionally to single concessioner: within December 2017, the number of AWP's must be lower than 345K and, within April 30 2018, lower than 265K
- ❖ Potential impact (without wagers redistribution) on Snaitech EBITDA lower than 4 mln €

Before 30% reduction no cap was applied. AWP rights now becoming a valuable asset for Concessionaires

## ❖ "Conferenza Unificata" Agreement

- ❖ In September 2017, Central Government and Local Authorities defined a common framework to rule the gaming offering at national level
- ❖ Key points of the agreement:
  - Cap of 6 hours per day of closing time limitation that local authorities may apply on gaming shops
  - Minimum distances from sensible points to be locally defined by Regions adopting necessary rules to save exiting investments on points of sales
  - Concentration of gaming offering (currently spread over 100K PoS) into 55K certified locations
  - Full replacement of current AWP's with new remote AWP's ("Mini-VLT") within 2019
- ❖ Main risk represented by extreme decisions on local limits: Piedmont region adopting new rules against existing AWP's located in bars under 500 mt from sensible points

State-Regions agreement to be revised and reinforced after March election

# New Betting tender scenario defined in 2018 Budget Law

- ❖ Betting Tender postponed to September 2018 in 2018 Budget Law
- ❖ Extension of current betting rights until 31 December 2018: 3.5K € for corners and 6K € for betting Shops.
- ❖ Betting Tender Framework:
  - Number of rights to be issued: 10,000 shops + 5,000 corners, higher than existing points of sales (<10K)
  - Minimum bid prices of 32K for single shop e 18K for single corner
- ❖ Thanks to its own liquidity, stably over 100 mln € since June '17, Snaitech will not draw the SSRCF for the tender
- ❖ It is of common understanding that the timing of the Tender remains quite uncertain being subject to the full adoption of homogeneous rules by Local Authorities
- ❖ No other tenders expected for Snaitech until 2022

Ca. 8-10 mln € capex of rights extension expected in 2018 for Snaitech

Segment	Key products	Expiring date	Concession scheme	SNAITECH rights	SNAITECH presence
Slot machines	• AWP	Mar-22	Multi-providing	Ca. 39.000 after 30% cut	✓
Video Lotteries	• Platforms/games	Mar-22	Multi-providing	10,400	✓
Betting	• Sport betting • Horse betting • Virtual race	Jun-16 Betting tender expected not before than 4Q 2018	Multi-providing	1,716	✓
Online games	• Betting • Poker and skill games • Casino/Slots/Quick games • Lotteries and bingo	Sep-20 Estimated Snaitech capex: €300-500K	Multi-providing	Single concession to operate different games	✓
Lotteries	• Lotto • NTNG ("Superenalotto") • S&W ("Gratta e Vinci")	Jun-25 Jun-18 Jun-19	Exclusive concessions	Snaitech not exposed to renewal risk of exclusive concessions	✗
Bingo	• Bingo	2016	Multi-providing	-	✗

# Snaitech Business Outlook

## ❖ Strategy and outlook in the short and medium term

- In December 2017 Trenno srl was incorporated into Snaitech and the redundancy program terminated: **following these actions, the turnaround program, launched with the Cogemat integration, was definitively completed**
- **Betting segment:**
  - good market performance of Sport wagers and payout in 4Q 2017 will likely support quarterly Snaitech results versus 4Q 2106
  - gradual deployment of new smart technology, including BetSmart® throughout the whole betting network will increase attractiveness of Snaitech offer and marginality in shop operations
- **Gaming Machines:**
  - **AWPs 35% cut** will probably have a light impact after April 2018 when the second step of reduction will be effective. Maximum impact for Snaitech marginality should be approximately. **4 mln € without wagers redistribution**
  - Snaitech performance on **VLTs** will benefit of internal asset management on the whole network (following ADM authorization) and payout reduction completed in Q3 2017
- **Virtual Events:** launch of second platform expected in 1H 2018 will likely drive an increase in wagers
- Strategic **bolt-on integrations**
  - **AWPs market:** integration of several strategic distributors in search of economies of scale after the AWP regulatory reduction
  - **Online arena:** looking for opportunity of integration with specific content developers able to enhance Snaitech portfolio
- **International development:** B2B business model to leverage proprietary technology and know-how (mainly in betting segment)

## ❖ Business Plan Targets

- **Break-even** on Net Income in 2017
- **Target Leverage NFP/EBITDA 2.4x in 2019**
- Double digit growth expected in the **Online business** over 2018-2019

**SNAITECH**

 **SNAI**

 **vincendo**

 **Ziplay**

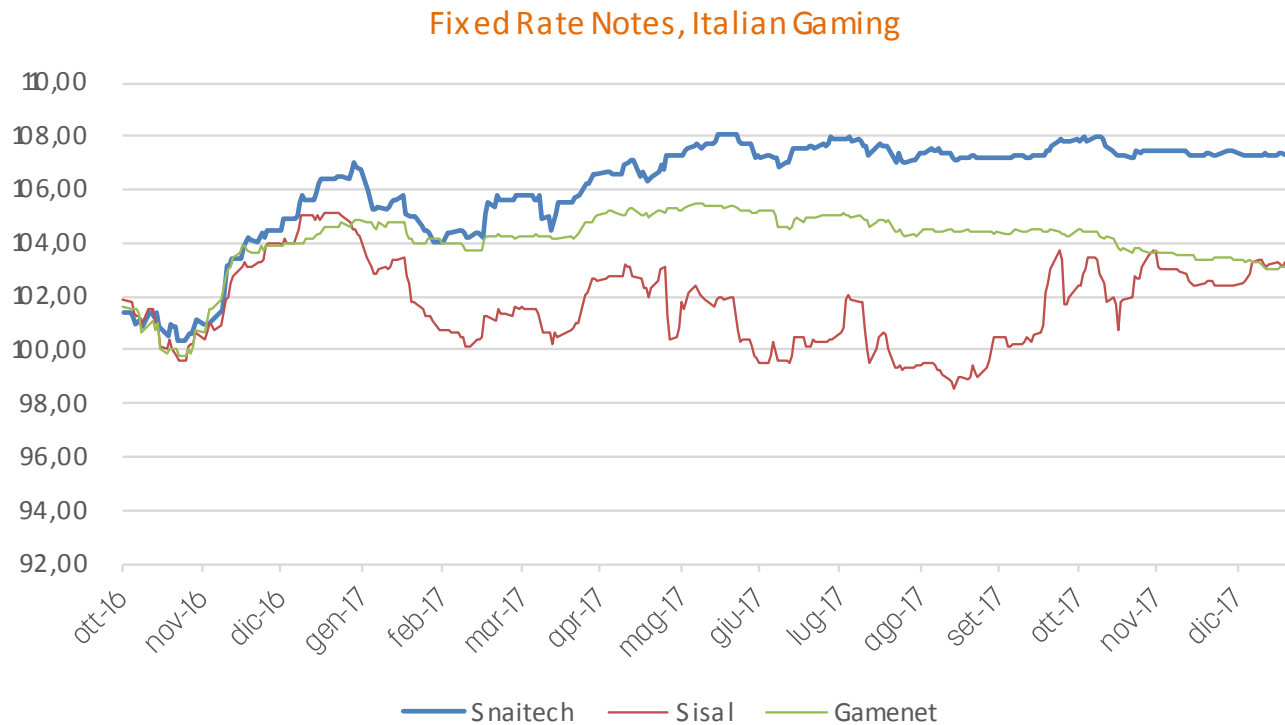
 **Paymat**

## *Capital Structure and Bond Trading*

# Capital Structure

Key Terms	SNAITECH FIXED RATE NOTES	SNAITECH FLOATING RATE NOTES
<b>Issue Date</b>	7 November 2016	7 November 2016
<b>Notional Amount</b>	€ 320,000,000	€ 250,000,000
<b>Issue price</b>	100%	99%
<b>Ranking of the Notes</b>	Senior Secured	Senior Secured
<b>Coupon</b>	6.375% per annum	Three-month Euribor (with a 0% floor) plus 6.0% per annum, reset quarterly
<b>Interest Payment Date</b>	7 May and 7 November	7 February, 7 May, 7 August and 7 November
<b>Maturity Date</b>	7 November 2021	7 November 2021
<b>Redemption prices</b>	7 Nov 2018: 103.188%	7 Nov 2017: 101.000%
	7 Nov 2019: 101.594%	7 Nov 2018: 100.000%
	7 Nov 2020: 100.000%	
<b>Rating</b>	S&P B Moody's B2	S&P B Moody's B2

# Snaitech Fixed Rate Notes trend



❖ **Snaitech bond trading**

- Snaitech fixed rate Notes are stably trading in the range 107-108 bps
- Best performance since issuance among Italian Gaming operators

