

A man with a beard is looking at a smartphone. The phone screen displays a Bally game interface with a large 'BALLY' logo and various game icons. The background is blurred, showing what appears to be a slot machine or another game screen.

Bally

Third Quarter 2021 Update
November 2021

BALLY'S CORP

Disclaimer

Forward-Looking Statements

This presentation includes forward-looking statements within the meaning of the securities laws. Forward-looking statements are statements as to matters that are not historical facts, and include statements about Bally's Corporation ("Bally's") plans, objectives, expectations, and intentions. Forward-looking statements are not guarantees and are subject to risks and uncertainties. Forward-looking statements are based on Bally's current expectations and assumptions. Although Bally's believes that its expectations and assumptions are reasonable at this time, they should not be regarded as representations that its expectations will be achieved. Actual results may vary materially. Forward-looking statements speak only as of the date of this presentation and Bally's does not undertake to update or revise them as more information becomes available, except as required by law.

Important factors beyond those that apply to most businesses, some of which are beyond the control of Bally's and Gamesys Group plc ("Gamesys"), that could cause actual results to differ materially from their expectations and assumptions include, without limitation: (1) Bally's ability to meet expectations regarding the accounting and tax treatments of the Gamesys acquisition; (2) the possibility that Bally's may be unable to achieve any expected synergies and operating efficiencies in connection with the Gamesys acquisition within the expected time-frames or at all and to successfully integrate the Gamesys' operations into those of Bally's; (3) uncertainties surrounding the COVID-19 pandemic, including limitations on Bally's operations, increased costs, changes in customer attitudes, impact on employees and the ongoing impact of COVID-19 on general economic conditions; (4) changes in the capital markets; (5) unexpected costs, difficulties integrating and other events impacting Bally's recently completed and proposed acquisitions and Bally's ability to realize anticipated benefits; (6) risks associated with Bally's rapid growth, including those affecting customer and employee retention, integration and controls; (7) risks associated with the impact of the digitalization of gaming on Bally's casino operations, Bally's expansion into iGaming and sports betting and the highly competitive and rapidly changing aspects of its new interactive businesses generally; (8) the very substantial regulatory restrictions applicable to Bally's, including costs of compliance; (9) restrictions and limitations in agreements to which Bally's is subject, including its debt, which could significantly affect Bally's liquidity and ability to operate; and (10) other risks identified in Part I. Item 1A. "Risk Factors" of Bally's Annual Report on Form 10-K for the fiscal year ended December 31, 2020 as filed with the Securities and Exchange Commission on March 10, 2021 and Bally's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2021 as filed with the Securities and Exchange Commission on May 10, 2021. The foregoing list of important factors is not exclusive and does not include matters like changes in general economic conditions that affect substantially all gaming businesses. You should not place undue reliance on Bally's forward-looking statements.

Non-GAAP Financial Measures

To supplement the financial information presented on a U.S. generally accepted accounting principles ("GAAP") basis, Bally's has included in this presentation certain non-GAAP financial measures, including Adjusted EBITDA and Total Further Adjusted EBITDA. The presentation of non-GAAP financial measures in this presentation is not intended to be considered in isolation or as a substitute for any measure prepared in accordance with GAAP. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included in this presentation. Bally's believes that presenting non-GAAP financial measures aids in making period-to-period comparisons and is a meaningful indication of its actual and estimated operating performance. Because not all companies use identical calculations, the Bally's and combined non-GAAP financial measures may not be the same as or comparable to similar non-GAAP measures presented by other companies.

Third Quarter 2021 Review

- Record revenue of \$315MM. Continued momentum in North America Interactive with revenue of \$11MM (up from \$6MM in 2Q21)
- Retail Casinos EBITDAR of \$106.5MM, EBITDAR Margin 35.3%
 - \$11.4MM triple net rent in 3Q21
- Adjusted EBITDA of \$78MM
 - Includes \$6MM of losses at North America Interactive and \$6MM of business interruption from Hurricanes and Nevada wildfires
- Closed Gamesys acquisition on October 1, 2021
 - Gamesys 3Q21 revenue \$279MM, +6% Y/Y on constant currency basis
 - UK +9%, Asia +10%, Europe -25% from geography exits
 - Gamesys Adjusted EBITDA of \$84MM. EBITDA Margin 30.1%



Bally's business model going forward

Three Core Segments. Significant FCF to Invest in North America Interactive, Track record of accretive M&A, High ROIC Property Capex and Share Buybacks

US Retail Casinos

- 14 casinos in 10 states
- Unified around the Bally's brand
- 500k+ unique monthlies

International Interactive

- Leading iCasino in UK and Asia
- Full iGaming tech stacks
- 700k+ unique monthlies

North America Interactive

- Online sports betting market access in 16 states
- Launching Bally Casino iCasino in New Jersey in 2021
- Significant media partnerships and content driving awareness of Bally's brand

**3Q21 annualized EBITDAR⁽¹⁾:
~\$415MM less \$46 million rent**

**3Q21 annualized EBITDA:
~\$330 million**

Corporate Expense: \$40 million

Cash Interest Expense: \$165 million

Maintenance Capex: \$80 million

Pre-Tax Free Cash Flow for Investment: ~\$410+ million per year

Shares Outstanding: ~68 million⁽²⁾

Free Cash Flow⁽³⁾ Per Share: ~\$5

Other Investment Opportunities

- Track record of accretive M&A
- High ROIC Property Capex
- Share Buybacks

(1) 3Q21 Adjusted Retail Casinos Property EBITDAR of \$106.5 million less \$3.0 million for Bally's Atlantic City.

(2) Includes common shares outstanding and full dilution for warrants, options and other contingent consideration that may result in the issuance of common shares in future periods.

(3) After-tax calculations should assume \$250 million of deductible D&A and 25% tax rate.

B North America Interactive

We are in the early days of the development of the North America interactive gaming market



Drive awareness of the Bally brand at a local level using proprietary assets and partnerships building structural cost advantages relative to the competition



Work hand in glove with our Retail teams to leverage our footprint and deliver an omni-channel experience that is both relevant and value-adding to the customer



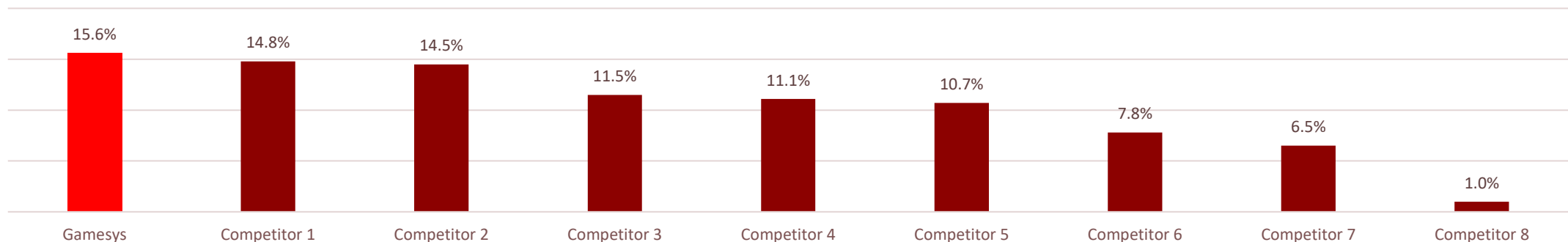
Launch iCasino and Online Sports Betting products that are loved by our customers



Developing content and consumer programming that creates unique opportunities for customer engagement with the Bally brand on a daily basis

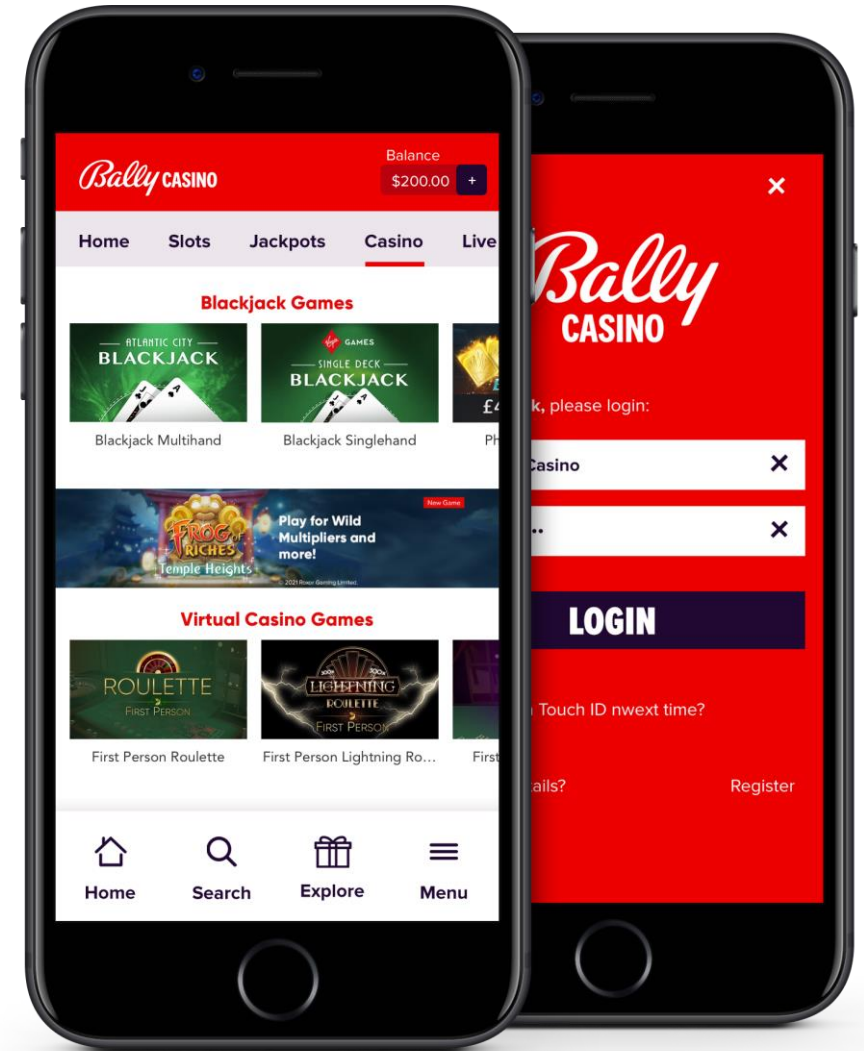
Gamesys growth in the UK outperformed peers and we see similarities of the opportunity set in North America to that Gamesys experienced in the UK market

UK iGaming - FY16-FY21 CAGR



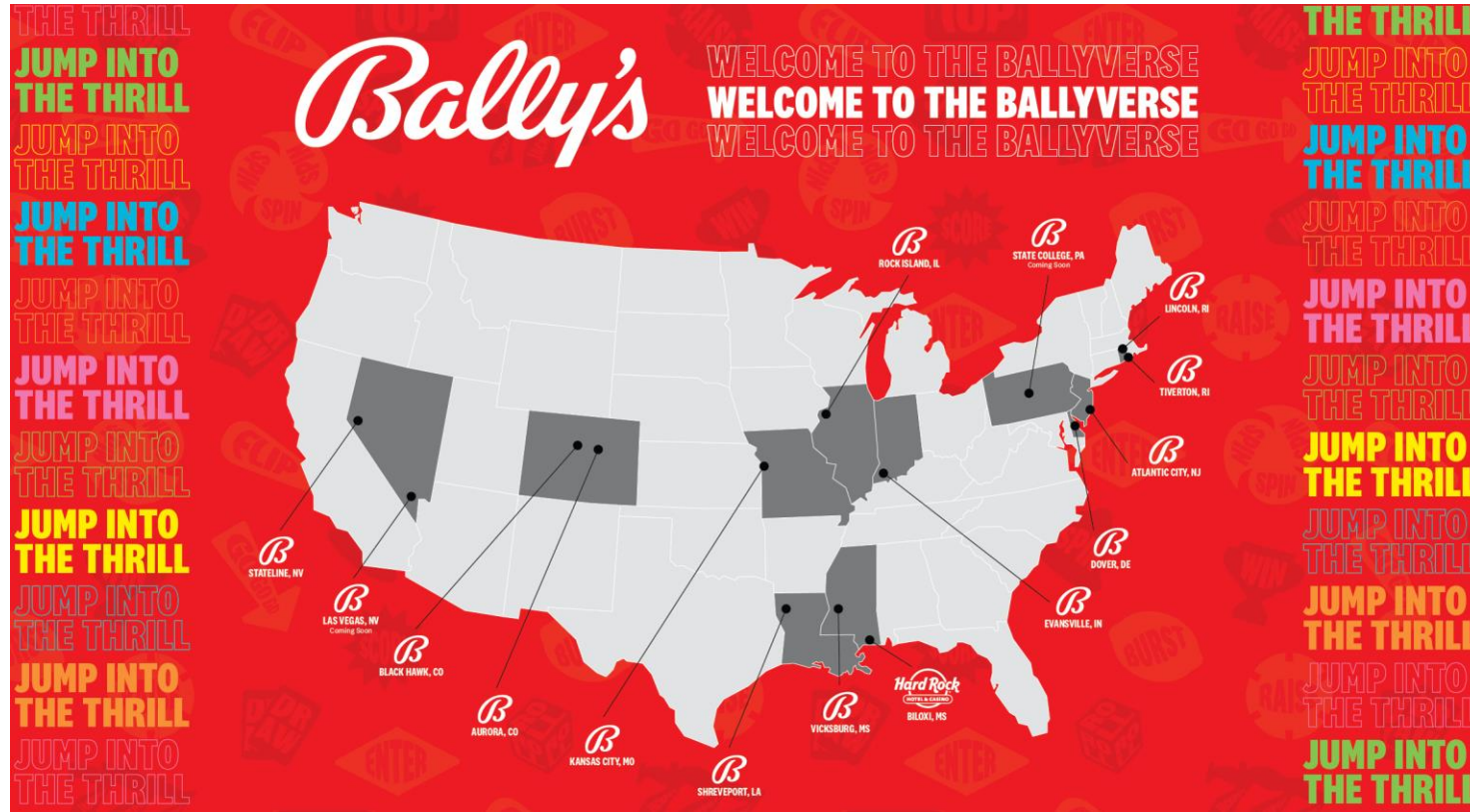


The Bally iCasino will launch by the end of 2021

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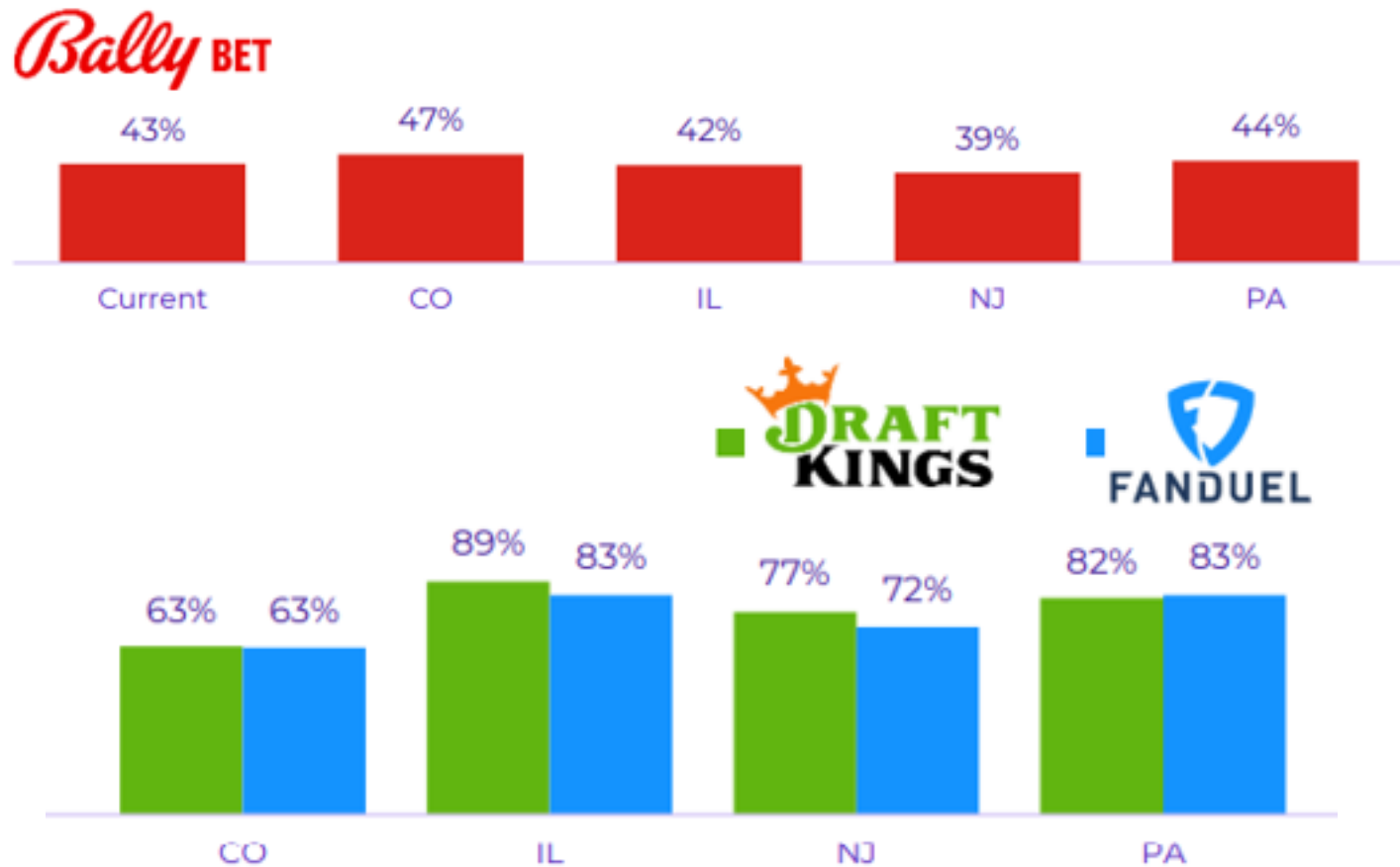


Rebranding fuels both Retail Casinos and North America Interactive



Bally's brand awareness

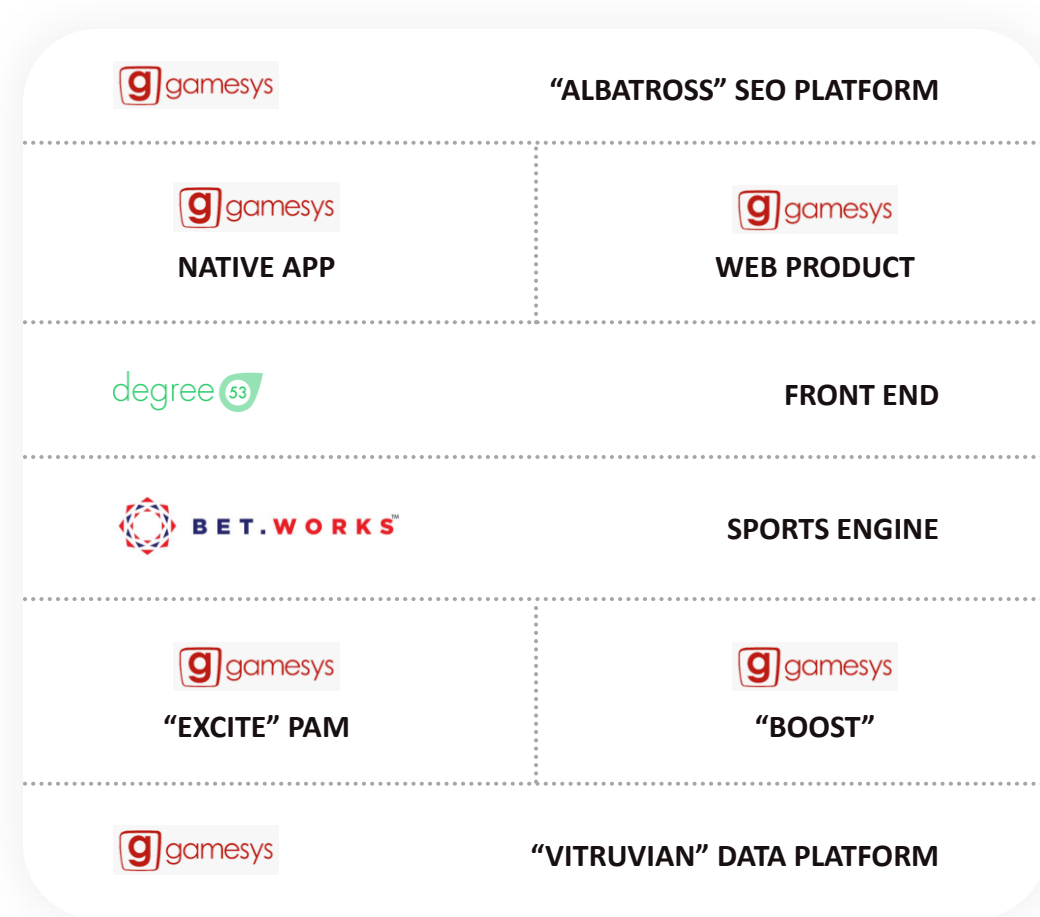
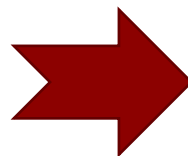
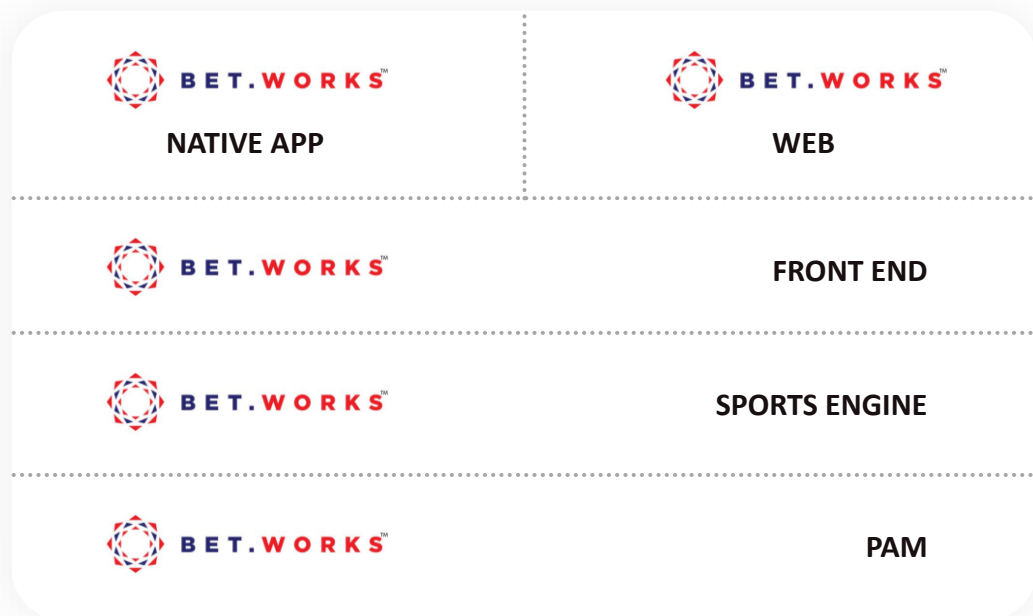
Awareness of the Bally's brand will continue to grow with our media and content partnerships



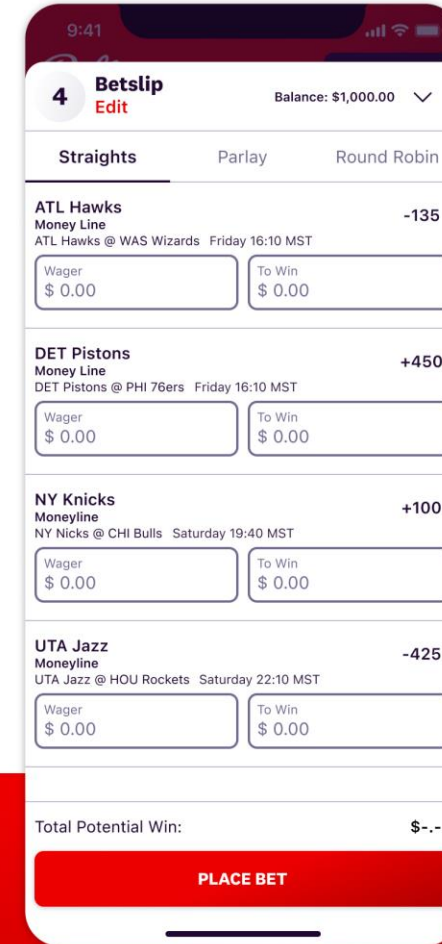
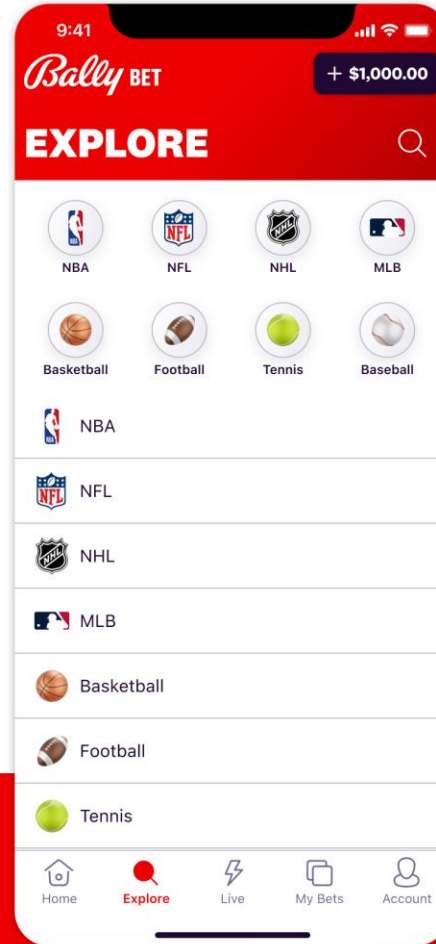
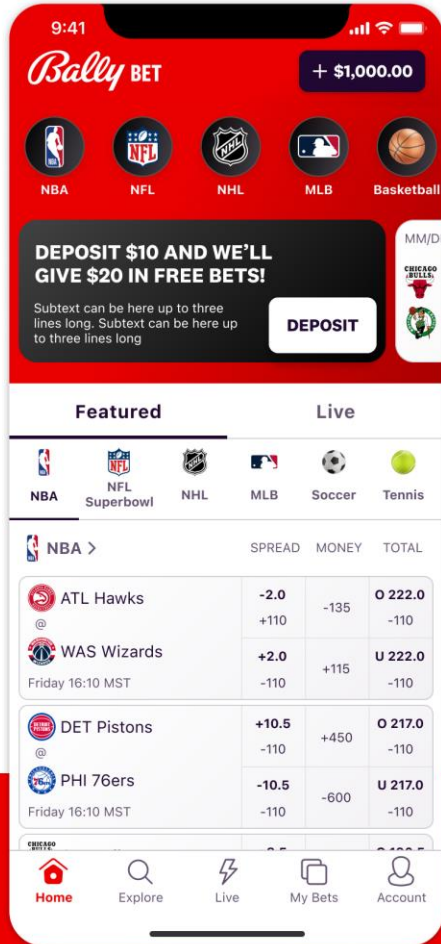
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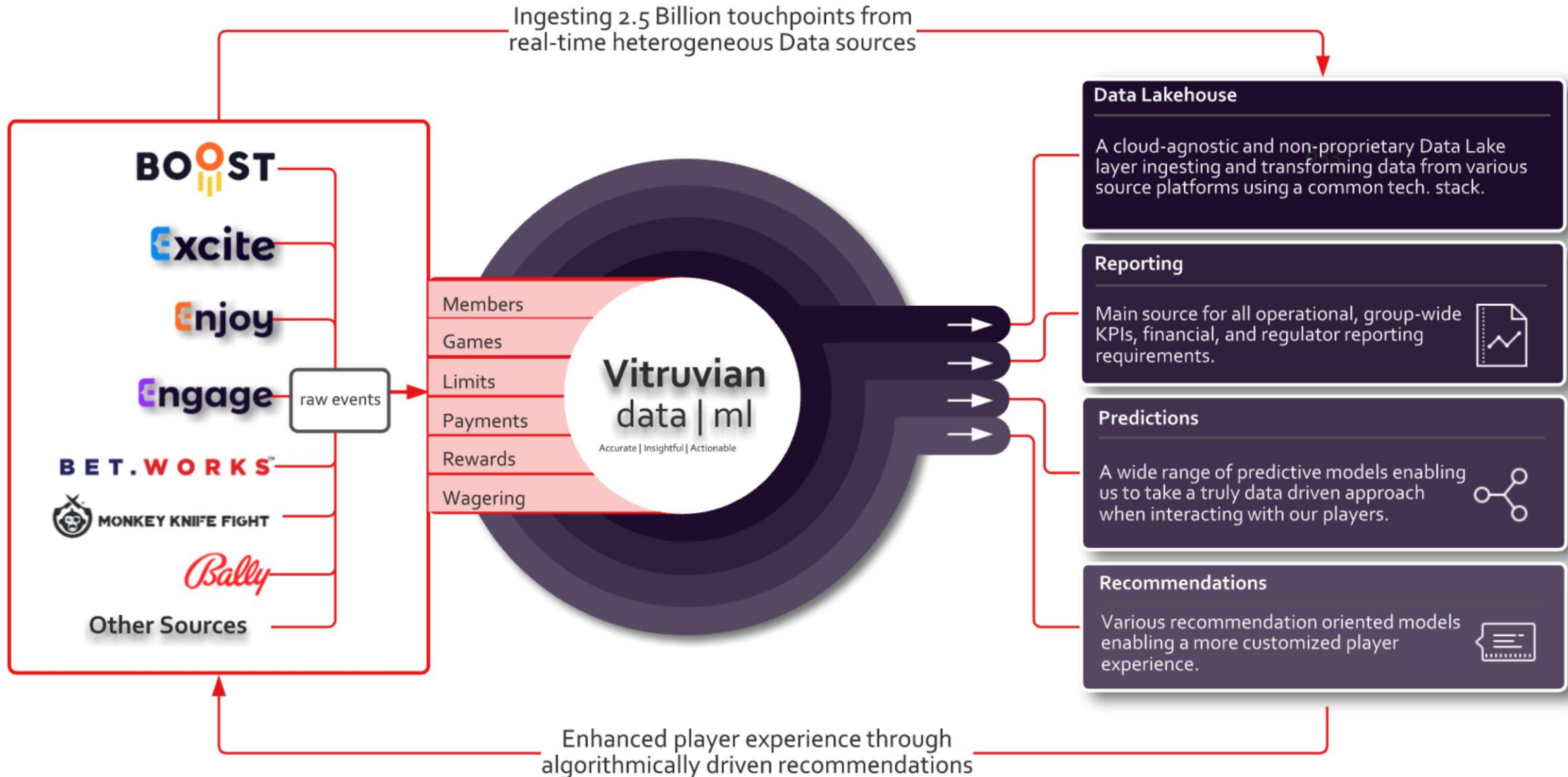
Bally Bet currently undergoing transformation from Bally Bet 1.0 to 2.0 that will be rolled out in 2022



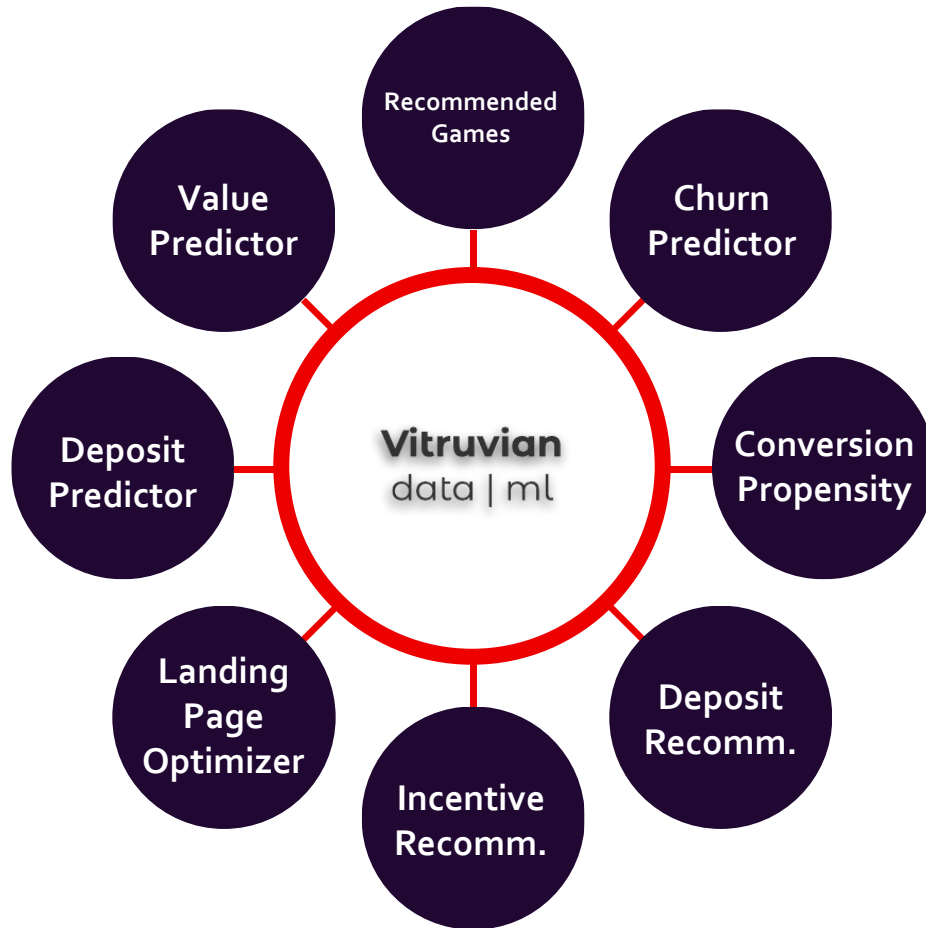
Bally Bet 2.0



Tech stack powering data driven customer journeys



B Tech stack powering data driven customer journeys

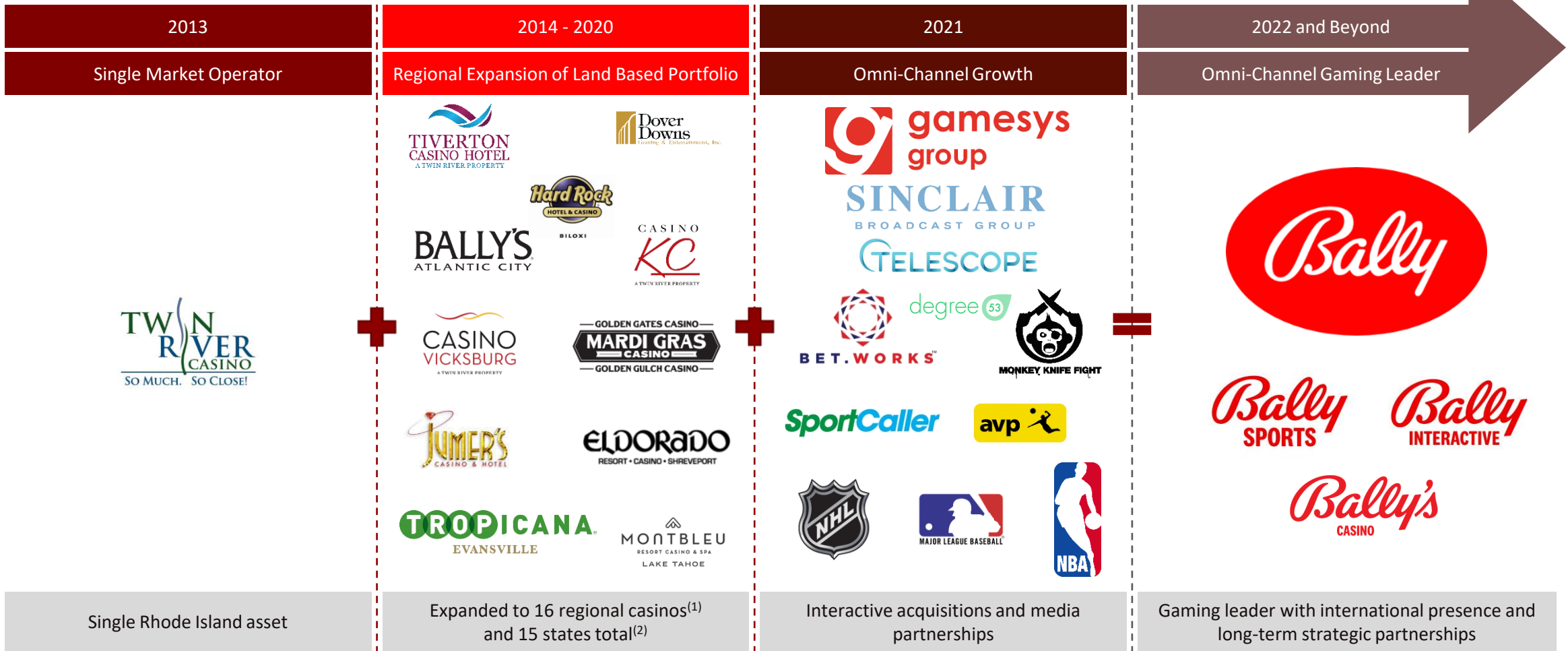


- **Recommended Games Engine** - Recommends a set of player specific games.
- **Churn Predictor** - Predicts whether a player will churn.
- **Conversion Propensity** - Predicts whether a player will deposit within the first 3 days of registering.
- **Deposit Recommendation** - Recommends a deposit amount based on the player's historical patterns.
- **Deposit Predictor** - Predicts the player's net deposits for a given period.
- **Incentive Generator** - Predicts the optimal reward type (cash, bonus, freespins etc.) and value that a player should receive, on a campaign basis.
- **Landing Page Optimizer** - Test landing pages created by the SEO team and recommends the best page.
- **Lifetime Deposit Predictor** - Predicts the player's lifetime deposit amount.
- **Lifetime Value Predictor** - Predicts the player's lifetime value based on initial activity.



Bally's Corporation Overview

Bally's evolution into a premier, omni-channel gaming leader



(1) Including pending acquisitions of Tropicana Las Vegas and construction of a land-based casino in Centre County, PA.
 (2) Inclusive of Arizona, Iowa, Virginia and Kansas where Bally's has market access.

B Completed \$3 billion acquisition of Gamesys on October 1, 2021

Bally





Creating a global, vertically integrated omni-channel gaming leader



Accelerates growth strategy to be a premier, global omni-channel gaming company



Creates one of the broadest portfolios in market of omni-channel cross-sell opportunities with land-based gaming, online sports betting, iCasino, poker, bingo, DFS, and free-to-play



Integrates Gamesys' market-leading iGaming tech with Bally's U.S. gaming platform, creating a vertically integrated company that is poised to capitalize on the rapidly growing U.S. market



Strong balance sheet and significant cash flow generation providing capital for the future growth opportunities

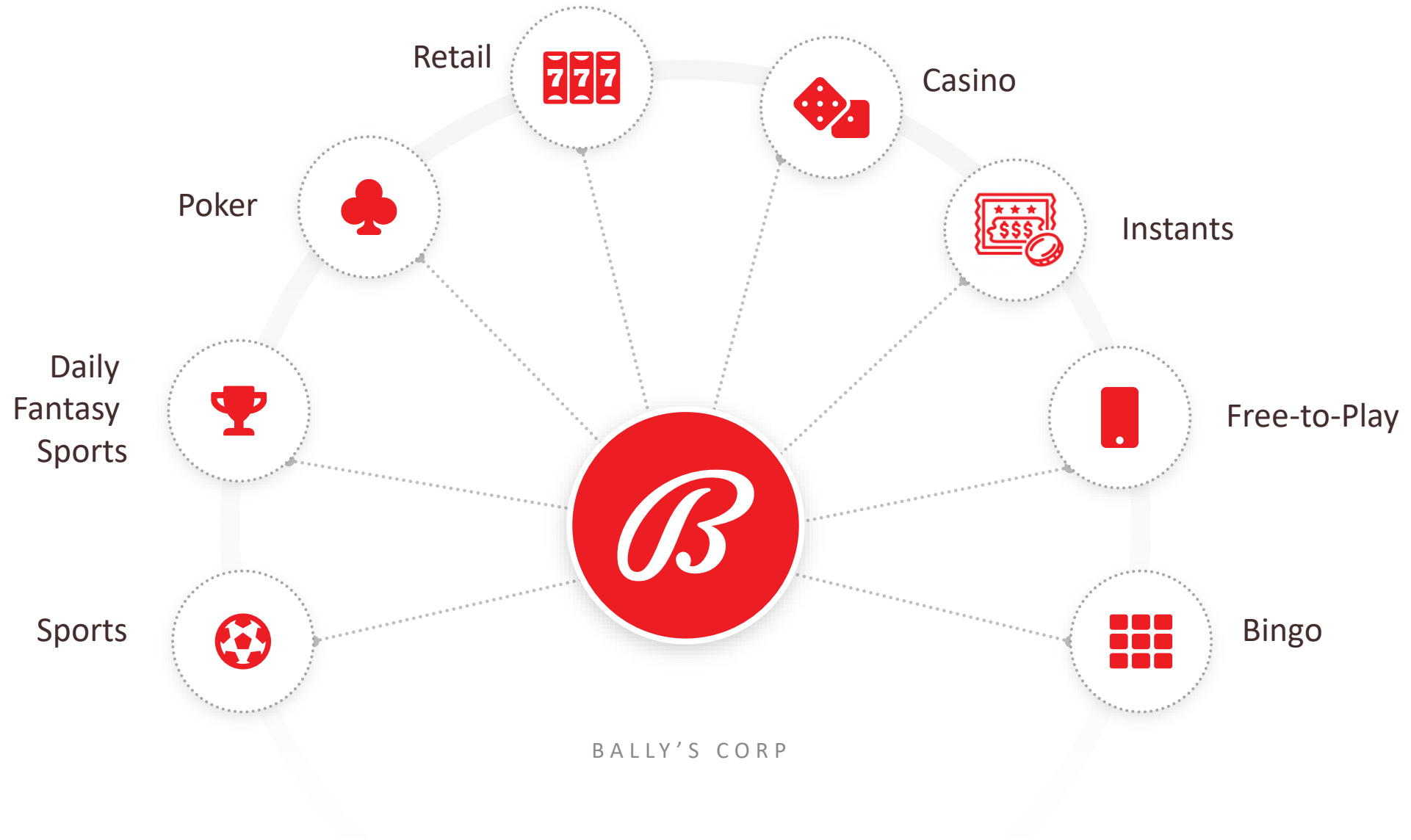


Pro-forma company led by a management team with decades of both iGaming and land-based experience and a track record of successfully developing online gaming operations in highly competitive markets



Combined unwavering commitment to responsible gaming and industry leadership in ESG efforts, including targeting carbon neutrality and good corporate governance

Diverse gaming offering with omni-channel capabilities



B Sinclair partnership combines national leaders in U.S. gaming and media

Bally Sports Network Launched March 31, 2021



INTEGRATED

A truly
omni-channel
gaming company

21⁽³⁾

Regional Sports Networks



REACH

Robust local media
coverage with
national footprint

45

Professional Sports Teams



GAMIFIED

National integration
opportunities across
media and gaming

4.8K

Live Games



MAGNIFIED

~14mm⁽¹⁾ Bally's
database with ~70%
coverage across U.S.
households ⁽²⁾

80mm

Household Reach



ALIGNED

Sinclair has meaningful
minority equity stake in
Bally's

13.4Bn

Impressions ⁽⁴⁾

Source: Sinclair Broadcast Group

(1) Database size based on best estimates by management including pending acquisitions.

(2) Reflects unduplicated % of Total U.S. HHs based on RSN and broadcast station coverage per Nielsen Universe estimates as of 9/30/2020; includes YES Network and Marquee which are not included in the Bally's / Sinclair partnership.

(3) 19 of which are Bally's Sports.

(4) Per Nielsen Local, Gross Impressions (avg. quarter hour ("QH") impressions multiplied by # of QH), P2+, Live+SD, Jan 2019 – Dec. 31 2019. Impression sub-totals represent combined impressions.

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Bally's national footprint and market access

~\$5Bn Total 2020 U.S. Sports Betting & iGaming market ⁽¹⁾

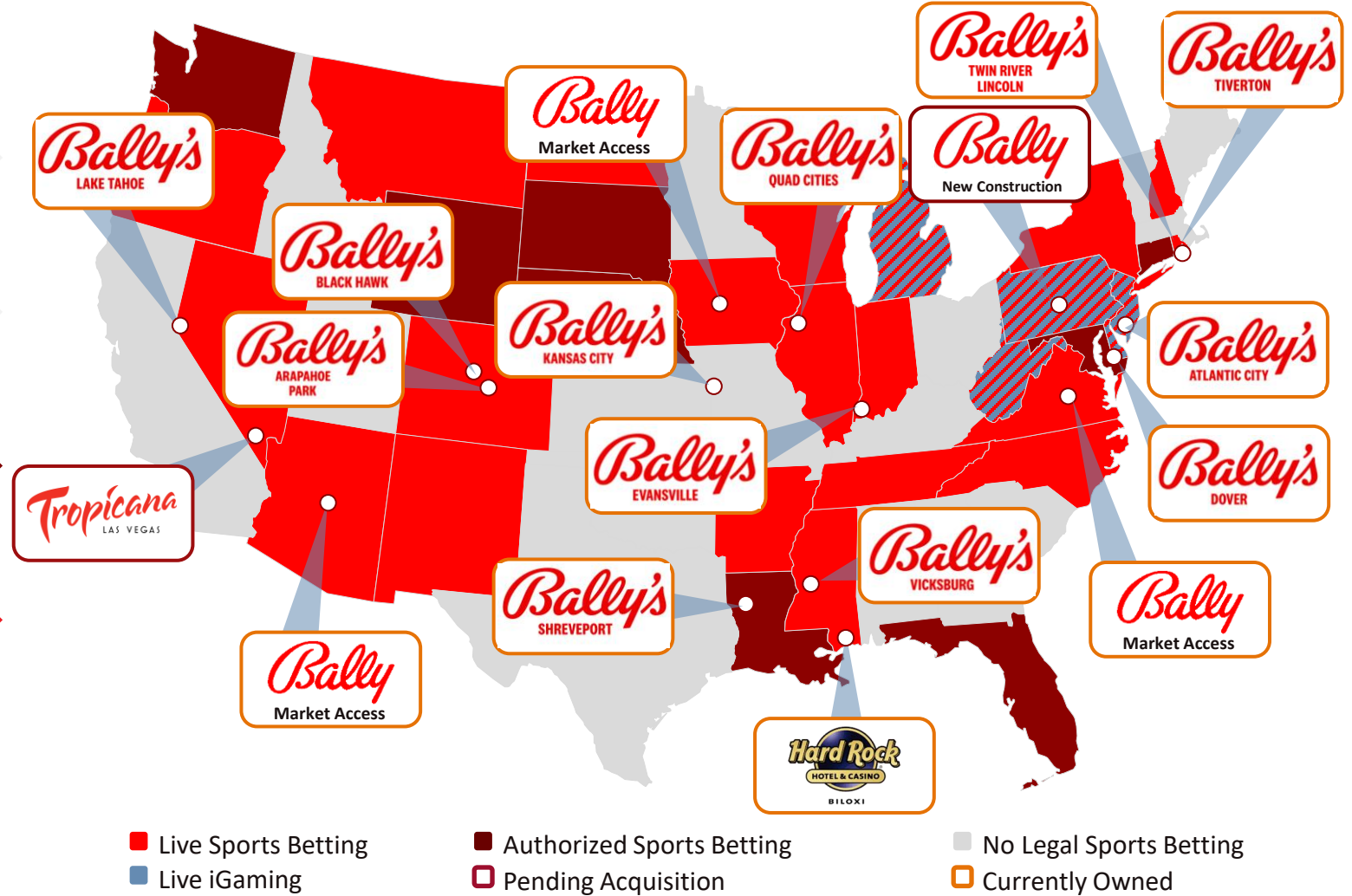
~\$20 – \$50Bn+ Estimated U.S. Sports Betting & iGaming market at maturity ⁽²⁾

Footprint in states that have generated **90%** of U.S. Sports Betting revenues ⁽³⁾

Footprint in states that have generated **93%** of U.S. iGaming revenues ⁽⁴⁾

16
Casino Properties ⁽⁴⁾

15
Total States ⁽⁴⁾



Source: NJ Department of Gaming Enforcement; U.S. Census Bureau; U.S. Bureau of Economic Analysis; Wall Street research; H2GC research

(1) Based on H2GC research as of July 15, 2021 for US OSB and iGaming markets.

(2) Based on Wall Street research.

(3) Data on sports betting and iGaming revenue from 2018 – March 2021. Footprint includes states with pending acquisitions.

(4) Inclusive of pending acquisitions and construction of a land-based casino in Centre County, PA. and Iowa, Arizona, Virginia, and Kansas where Bally's has market access.

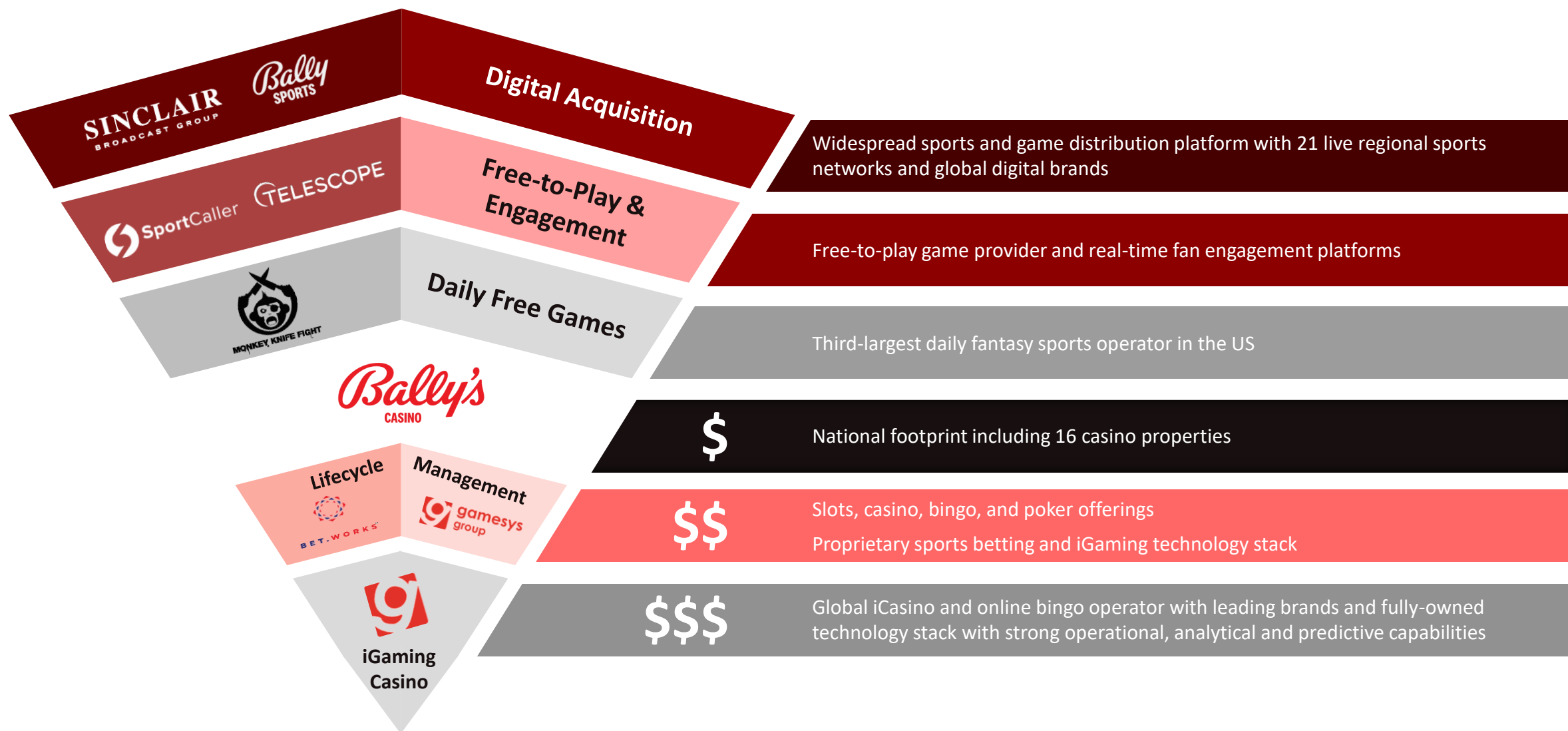
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Gamesys data and decision making



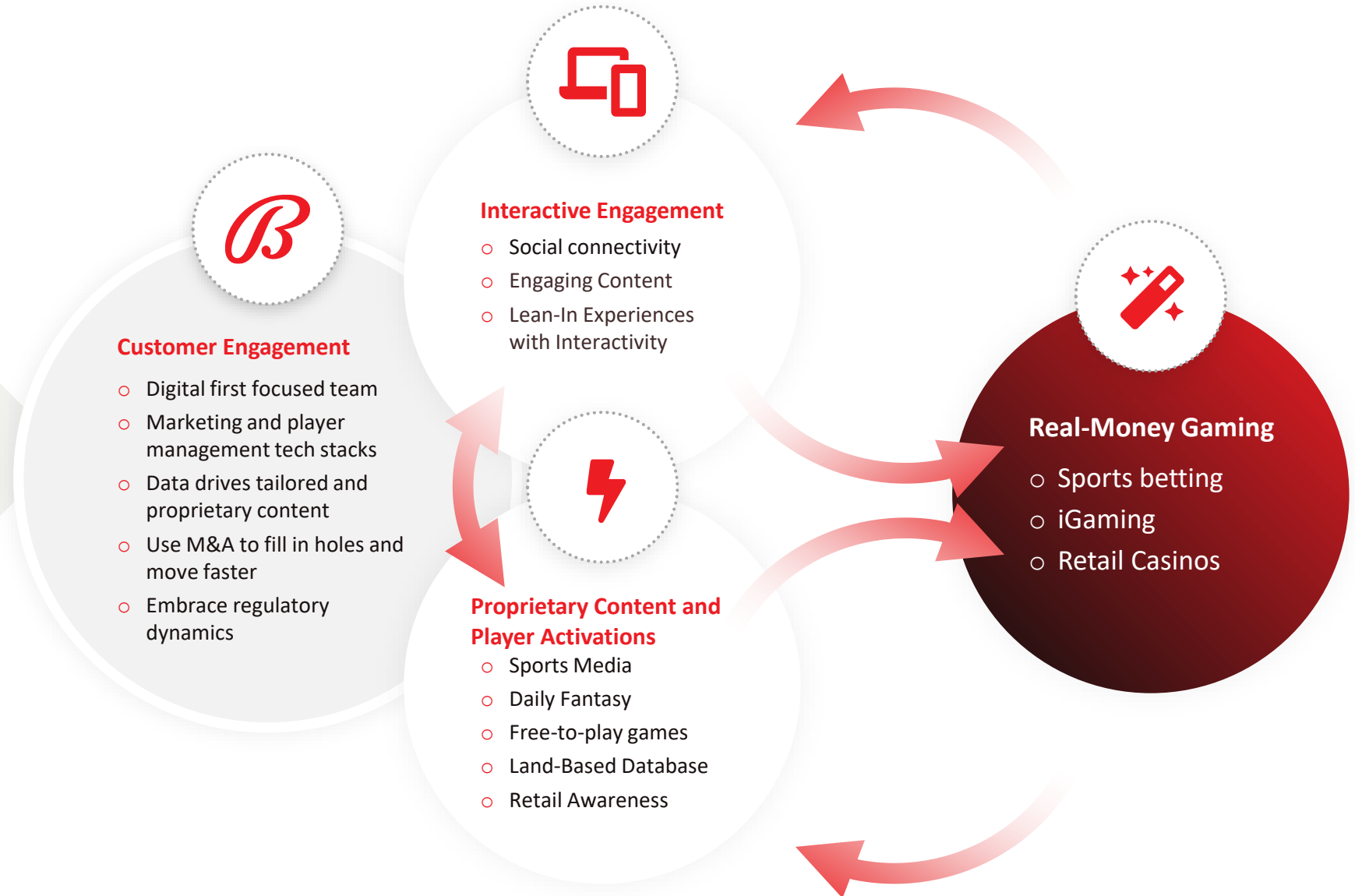
B The player funnel





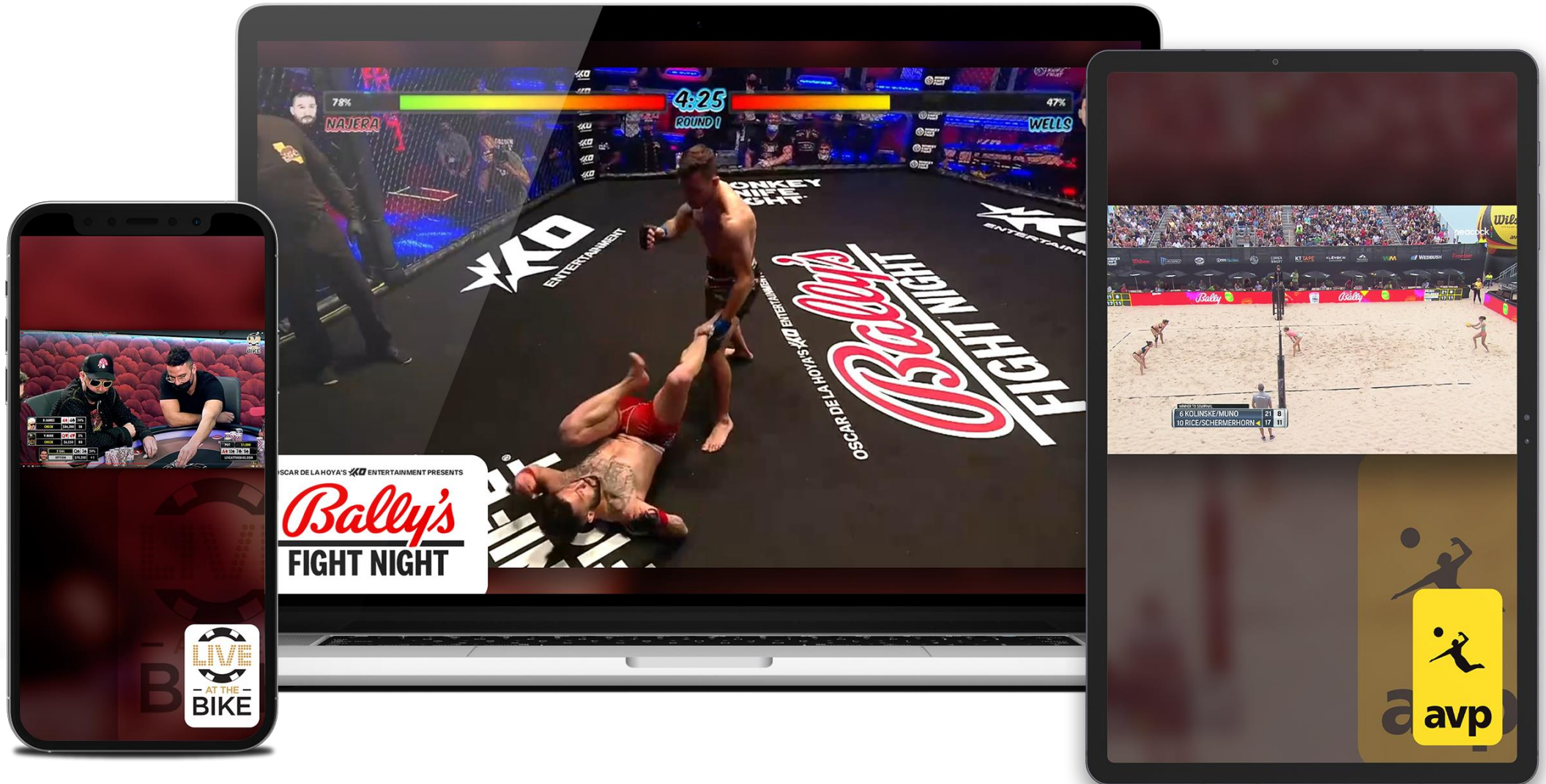
Diverse asset portfolio creates a dynamic unique customer journey within our ecosystem

We provide our customers unique content in our owned ecosystem enhancing the customer journey driving real-money gaming.



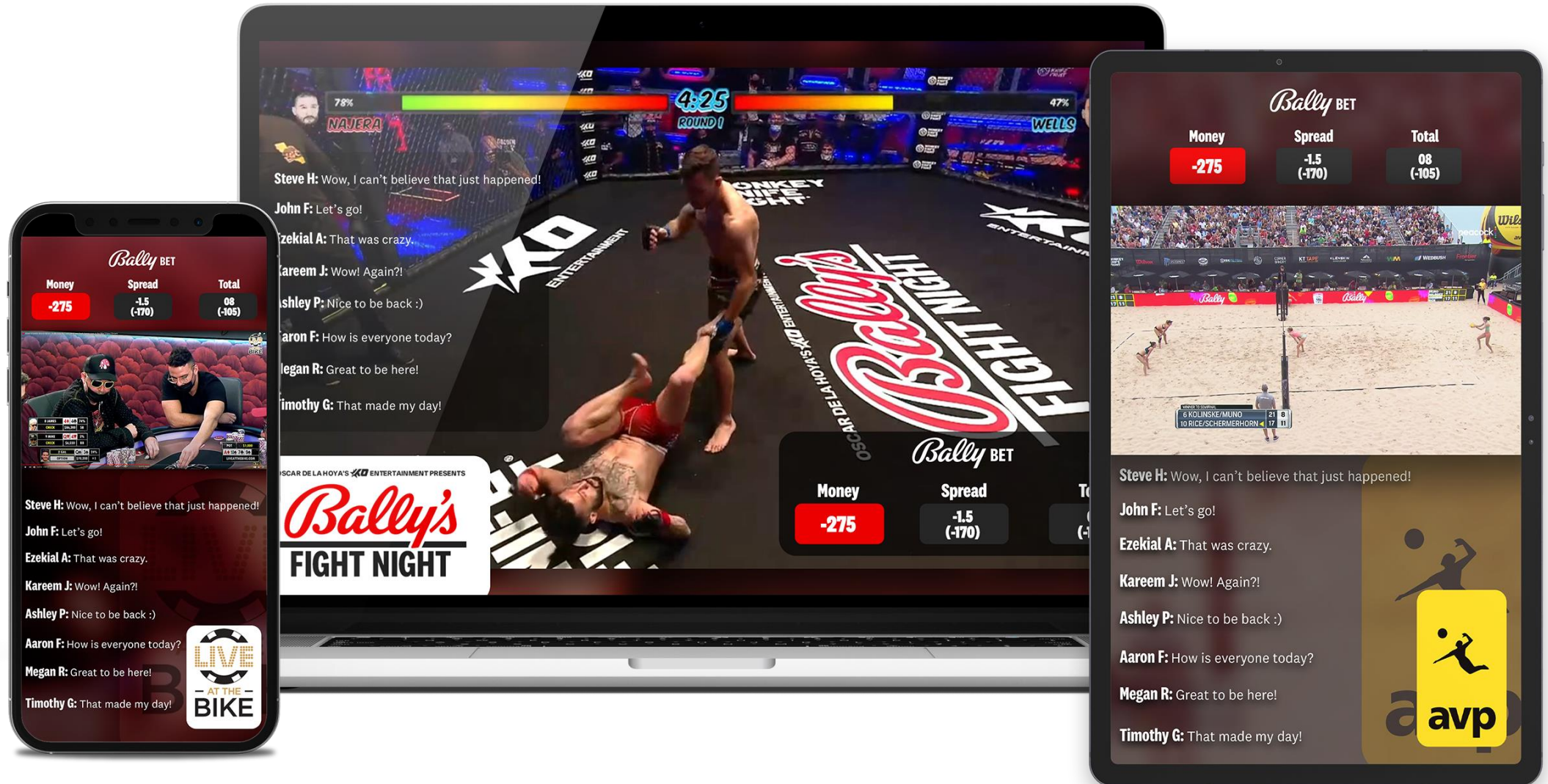


Building a portfolio of unique content assets...

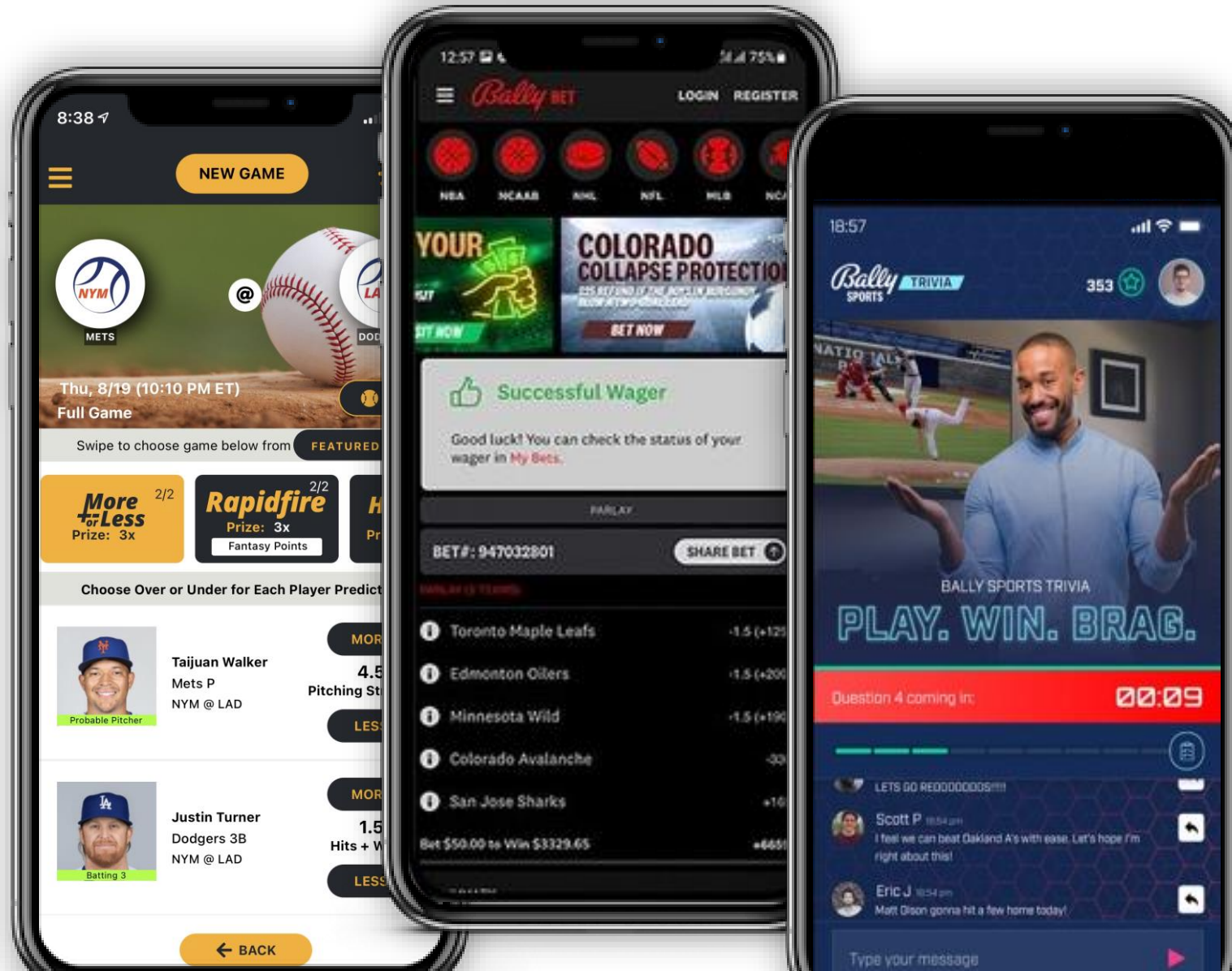




...That will provide our customers unique customer experience



Different platforms provides more points of engagement





Gamesys deal brings together best-in-class Digital & Retail Casino Operators



George Papanier
President, Retail

- Began with Bally's in 2004
- 35-year career in the gaming industry with extensive experience in managing growth initiatives, and strategic and tactical property planning

Bally's
CASINO



Lee Fenton
Chief Executive Officer

- Began with Gamesys in 2008
- Deep experience of working with global brands and managing operations across multiple markets

Bally



Robeson Reeves
President, Interactive

- Began with Gamesys in 2005
- Has built a strong record in cohesively connecting player and product experiences to marketing and business KPIs, ensuring sustainable growth

Bally
INTERACTIVE



Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA

Three Months Ended September 30, 2021				
(in thousands, except percentages)	East	West	Other	Total
Revenue	\$ 176,975	\$ 124,603	\$ 13,201	\$ 314,779
Net income (loss)	\$ 25,386	\$ 24,001	\$ (64,134)	\$ (14,747)
Interest expense, net of interest income	6	(1)	31,301	31,306
Provision (benefit) for income taxes	9,077	7,217	(21,694)	(5,400)
Depreciation and amortization	5,763	8,279	14,958	29,000
Non-operating (income) expense ⁽¹⁾	—	—	16,575	16,575
Acquisition, integration and restructuring	—	—	6,797	6,797
Share-based compensation	—	—	5,449	5,449
Other ⁽¹⁾	1,397	(5,853)	13,453	8,997
Allocation of corporate costs	11,686	8,165	(19,851)	—
Adjusted EBITDA	\$ 53,315	\$ 41,808	\$ (17,146)	\$ 77,977

Three Months Ended September 30, 2020				
(in thousands, except percentages)	East	West	Other	Total
Revenue	\$ 59,065	\$ 55,900	\$ 1,659	\$ 116,624
Net income (loss)	10,702	11,381	(15,360)	6,723
Interest expense, net of interest income	30	(12)	16,890	16,908
Provision (benefit) for income taxes	3,846	3,155	(7,249)	(248)
Depreciation and amortization	5,571	4,279	82	9,932
Acquisition, integration and restructuring	—	—	2,740	2,740
Share-based compensation	—	—	1,799	1,799
Other ⁽¹⁾	(330)	(154)	635	151
Allocation of corporate costs	2,591	2,453	(5,044)	—
Adjusted EBITDA	\$ 22,410	\$ 21,102	\$ (5,507)	\$ 38,005



Reconciliation of Net Income (Loss) to Adjusted Retail Casino EBITDAR

Three Months Ended September 30, 2021				
(in thousands, except percentages)	East	West	Total	
Revenue	\$ 176,975	\$ 124,603	\$ 301,578	
Net income (loss)	\$ 25,386	\$ 24,001	\$ 49,387	
Interest expense, net of interest income	6	(1)	5	
Provision (benefit) for income taxes	9,077	7,217	16,294	
Depreciation and amortization	5,763	8,279	14,042	
Other ⁽¹⁾	1,397	(5,853)	(4,456)	
Allocation of corporate costs	11,686	8,165	19,851	
Adjusted EBITDA	\$ 53,315	\$ 41,808	\$ 95,123	
Rent expense associated with triple net operating leases ⁽¹⁾	9,996	1,415	11,411	
Adjusted EBITDAR	\$ 63,311	\$ 43,223	\$ 106,534	
Net income margin	14.3 %	19.3 %	16.4 %	
Adjusted EBITDAR margin	35.8 %	34.7 %	35.3 %	

(1)

See descriptions of adjustments in the "Reconciliation of Net Income (Loss) and Net Income (Loss) Margin to Adjusted EBITDA and Adjusted EBITDA Margin" table in the Q3 2021 Earnings Release.

B Other GAAP Reconciliations

Reconciliation of Net Income (Loss) to Adjusted EBITDA - Bally's Atlantic City

(in millions)	Q3 2021	
Revenue	\$	12.8
Net loss	\$	(1.2)
Benefit for income taxes		(0.6)
Depreciation and amortization		0.8
Other ⁽¹⁾		0.9
Allocation of corporate costs		3.1
Adjusted EBITDA*	\$	3.0

Reconciliation of Net Income (Loss) to Adjusted EBITDA - North America Interactive

(in millions)	Q3 2021	
Net loss	\$	(19.2)
Benefit for income taxes		(5.8)
Depreciation and amortization		6.3
Other ⁽¹⁾		12.6
Allocation of corporate costs		0.7
Adjusted EBITDA*	\$	(5.5)
*may not sum due to rounding		

Reconciliation of Net Income (Loss) to Adjusted EBITDA - Retail Casinos excluding Bally's AC Run Rate

(in millions)	Three Months Ended September 30, 2021					
	Retail Casinos		Bally's AC		Net	Run-Rate
Adjusted EBITDA	\$	95.1	\$	3.0	\$	368.4
Rent expense associated with triple net operating leases ⁽¹⁾		11.4		—	\$	45.6
Adjusted EBITDAR	\$	106.5	\$	3.0	\$	414.0

Gamesys Revenue and Reconciliation

(Amounts in thousands, except percentages and foreign exchange rate)	Three Month Period Ended						
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
Revenue	\$ 278,624	\$ 280,957	\$ 272,682	\$ 261,100	\$ 245,248	\$ 229,194	\$ 198,995
Net income (loss)	\$ (8,731)	\$ (13,571)	\$ 32,842	\$ 24,264	\$ 32,975	\$ 23,588	\$ 5,447
Interest expense, net of interest income	26,294	6,886	6,916	7,362	7,259	7,419	8,126
Provision (benefit) for income taxes	5,291	19,425	6,142	(5,054)	2,437	2,876	1,438
Depreciation and amortization	31,976	31,300	31,969	37,844	28,658	27,470	27,848
Non-operating (income) expense	5,004	2,105	(5,849)	(1,785)	(824)	2,694	5,169
Acquisition, integration and restructuring	23,803	27,883	3,714	96	1,059	686	2,882
Share-based compensation	1,088	853	860	2,295	925	1,210	309
Other ⁽¹⁾	(920)	(714)	(499)	6,386	—	—	—
Adjusted EBITDA	\$ 83,805	\$ 74,167	\$ 76,095	\$ 71,408	\$ 72,489	\$ 65,943	\$ 51,219
Net income (loss) margin	(3.1)%	(4.8)%	12.0 %	9.3 %	13.4 %	10.3 %	2.7
Adjusted EBITDA margin	30.1 %	26.4 %	27.9 %	27.3 %	29.6 %	28.8 %	25.7
Foreign exchange rate ⁽²⁾	1.379	1.398	1.379	1.281	1.241	1.291	1.321

(1) Other includes the following non-recurring items for the applicable periods: (i) Financial asset impairment on certain balances held by payment service providers, (ii) intangible asset impairment for partnership agreements that expired or were terminated, and (iii) one-off tax charges.

(2) Amounts reported in the table above were translated to USD from GBP using the average exchange rate for the respective quarterly period.