



Twin River Worldwide Holdings, Inc.

TWIN RIVER CREATES PARTNERSHIP WITH CAMELOT LOTTERY SOLUTIONS TO OFFER COMPETING LOTTERY PROPOSAL AND REQUESTS OPPORTUNITY TO BID

PROVIDENCE, RHODE ISLAND, SEPTEMBER 18, 2019: Twin River Management Group (TRMG), in partnership with Camelot Lottery Solutions (Camelot), an international lottery company, has submitted to the offices of the Governor, Speaker of the House and Senate President a competing proposal to operate the State's lottery system that, among other things, provides 1,100 jobs backed by a \$100 million guarantee, saves the State and its taxpayers approximately \$500 million in fees, invests \$75 million in development and improvements including a new 50,000 square foot corporate headquarters in the state, and would limit the control of the casino slot floor to the current state law of 50 percent.

The proposal was developed to provide for a public, open bid process, one in which the State solicits proposals from interested vendors in order to secure the best deal, rather than simply renewing the existing billion dollar contract with IGT for a period of 20 years. A copy of the proposal is attached. Twin River and Camelot requested that the State comply with purchasing laws and proceed with a competitive bid process.

According to Marc Crisafulli, Executive Vice President of Twin River Worldwide Holdings, Inc. and President of Twin River Rhode Island, the binding partnership was formed to jointly respond to any RFP in Rhode Island that combines lottery systems (Camelot) and VLTs (Twin River). The highlights of the joint proposal include:

- A commitment to provide 1,100 jobs over the life of the contract, which is guaranteed by \$100 million to the State if provisions of the bid are not met;
- A contract term of 12 years versus the 20 years proposed by IGT which will allow the State to assess its market/technology needs and rebid the contract earlier;

- A total cost to the State of less than \$500 million which is approximately half of what is proposed by the \$1 billion IGT no-bid deal;
- 50% share of VLTs at the two Rhode Island casinos to stimulate increased competition among suppliers and preserve and/or enhance current State revenue of approximately \$300 million annually. This is in accordance with existing state law - in stark contrast to the 85% sought by IGT in its proposed deal which requires a change to existing law;
- As part of the commitment to invest \$150 million, \$75 million is committed to economic development including \$50 million at Twin River and the development of a 50,000 square foot new corporate headquarters in Rhode Island. Targeted communities include Providence, Pawtucket, Cranston, Warwick and Lincoln.

“We believed all along that Rhode Island would secure a much better deal through a competitive bid process and today’s bid submittal demonstrates exactly that,” said Mr. Crisafulli.

He continued, “As is evident, we have significantly improved upon the no-bid deal under consideration for IGT in many areas, notably in the shorter term, the lower fees to the State, meaningful investments in real estate development and a \$100 million guarantee to secure 1,100 new jobs, all while matching every other element of the proposed IGT deal.”

Crisafulli concluded, “We’re grateful the General Assembly will now take up this issue and can best decide for themselves, on behalf of their constituents, which is the better course for the State. Importantly, they can do so knowing that the 1,100 jobs thought to be in jeopardy if the IGT contract was not automatically renewed absolutely will be guaranteed.”

In Rhode Island this week, Wayne Pickup, CEO of Camelot Lottery Solutions said, “We’re excited about the possibility of teaming up with Twin River to compete for the State’s lottery business and strongly believe, if given the opportunity to do so, we will help the State secure a much better deal. We see a lot of opportunity to create more value for the State and its residents, and look forward to replicating the success we have delivered for our customers across the globe.”

Both TRMG and Camelot are experienced operators in the casino and lottery gaming industries respectively. Camelot has decades of lottery experience and has delivered outstanding results on contracts in Illinois, Arkansas, UK, Ireland and Switzerland.

Earlier this year, Camelot successfully delivered the largest retail and technology transformation (from IGT) in US lottery history for the Illinois Lottery, rolling out 50,000 pieces of equipment across more than 7,200 retailers and seamlessly converting the lottery gaming system.

Other recent achievements include:

- Record returns of \$731 million for Illinois Public Schools, following Camelot's first full year of operations in Illinois
- Record sales and returns for the Arkansas Scholarship Lottery in its most recent financial year, with 35% growth in net income since 2014, in partnership with Camelot
- Sales growth of over 20% for the Irish National Lottery since 2014, in partnership with Camelot.

TRMG is one of the lowest levered casino owner/operators in the United States. Its parent company, Twin River Worldwide Holdings, Inc., or TRWH, owns and manages four casinos; two casinos in Rhode Island, one in Mississippi, and one in Delaware, as well as a Colorado horse race track that has 13 authorized OTB licenses. Properties include Twin River Casino Hotel (Lincoln, RI), Tiverton Casino Hotel (Tiverton, RI), Hard Rock Hotel & Casino (Biloxi, MS), Dover Downs Hotel & Casino (Dover, DE) and Arapahoe Park racetrack (Aurora, CO). Its casinos range in size from 1,000 slots and 32 table games facilities to properties with over 4,100 slots, approximately 125 table games, and 48 stadium gaming positions, along with hotel and resort amenities. Its shares are traded on the New York Stock Exchange under the ticker symbol "TRWH."

Camelot/Twin River Partnership:

A BETTER DEAL FOR RHODE ISLAND

SEPTEMBER 17, 2019

Camelot/Twin River partnership formed to bid on RI contracts



- ▶ **Camelot Lottery Solutions (Camelot) is wholly owned by Ontario Teacher's Pension Plan which has Net Assets of \$142 billion**
- ▶ Camelot has decades of lottery experience and has delivered outstanding results on several contracts including the UK, Illinois and Arkansas
- ▶ In Illinois, Camelot successfully delivered **the largest transition (from IGT) in US lottery history**, rolling out 50,000 pieces of equipment across 7,200+ retailers and seamlessly converting the lottery gaming system
- ▶ Other notable recent achievements:
 - ▶ **Illinois Lottery:** First full year of operations resulted in delivering a record of \$731M for Illinois Public Schools
 - ▶ **Arkansas Lottery:** Camelot partnered to help grow net income by over 35% since 2014; last year delivered a record \$98.4M to scholarships
 - ▶ **Irish National Lottery:** Camelot has partnered to help grow sales by over 20% since 2014 and INL is on target to have a record year

Camelot/Twin River Key Partnership Elements

- ▶ Partnership is **binding through 2022** and requires Camelot and Twin River **to jointly bid any RFP in RI that combines lottery systems and VLTs**
- ▶ Camelot and Twin River have committed to **investing the necessary capital and creating 1100 jobs in RI**
- ▶ Camelot will be primarily responsible for all lottery and systems components; Twin River will lead VLTs

Camelot/Twin River bid is significantly better for Rhode Island

Rhode Island would secure a much better deal through a competitive bid process and it should follow the law and allow Camelot/Twin River and others to submit bids

Critical Terms	Camelot/Twin River Bid	IGT Deal	Better Value to State
Contract Term	12 years	20 years (plus 4)	Allows RI to assess market/technology needs and rebid contract earlier
Total Cost to State	Less than \$500 million	Over \$1 billion	\$500+ million lower cost to RI
VLT Share	50%	85%	No change to RI law; perpetual competition on VLTs protects integrity of State's VLT revenues (over \$300 million annually)
Financial Guarantee: Jobs and Performance	20% at risk -- \$100 million based on achievement of all commitments including jobs	None	Up to \$100 million at risk to guarantee satisfaction of all commitments and performance including 1100 jobs for 12 years
New Development & Construction	<ul style="list-style-type: none"> \$50 million at Twin River for development and amenities New Corporate Headquarters of 50,000 sq. ft. in RI 	None	~\$75 million of economic development; Twin River improvements will enhance ability to compete with MA, driving State gaming revenues

Key value drivers of the Camelot and Twin River bid

1 SIGNIFICANTLY BETTER DEAL FOR THE STATE

Camelot and Twin River will create 1100 new jobs, backed by a \$100 million guarantee, with better economic development, a shorter term, and over \$500 million less in total fees – a tremendous value for the State -- **while matching every other element of the IGT deal**

2 FINANCIAL STRENGTH

Both are well funded organizations with strong and healthy balance sheets

- **Camelot**: Owned by Ontario Teachers' Pension Plan (net assets of \$142 billion)
- **Twin River**: One of the lowest levered casino owner/operators in US

3 OPERATOR EXPERIENCE



Both Camelot and Twin River are experienced operators in the casino and lottery gaming industries respectively

Combined company brings many years of experience operating and managing lotteries and casinos in the US

Camelot/Twin River partnership will deliver 1 100 new RI jobs

Camelot and Twin River investors manage over \$150 billion of assets and are committed to bid in RI for lottery contracts

The jobs created by the partnership would be in the following areas

RI Lottery Contract

- Jobs created by replacing IGT to service RI contracts
- ***Preference would be given to hiring RI-based IGT employees and vendors impacted by transition***

Partner Operations

- Twin River, Camelot and its investors and partners will create or move additional jobs to RI
- We will also acquire, relocate and/or grow businesses adjacent to lottery and gaming

TRWH National Growth

- TRWH will continue to add jobs in RI as it expands nationally with pending acquisitions under contract
- TRWH has a strong pipeline and desire for additional growth through mergers and acquisitions

New Development

- As part of the capital commitment by the partnership in the development and expansion of amenities, additional jobs will be created
- Camelot and Twin River each earn equity shares in the partnership by creating jobs

\$100 million guarantee that 1 100 jobs will be created & maintained in RI

Additional value created by the Camelot/Twin River bid

- ▶ *Open and transparent relationship with the State with clear alignment of incentives where the public has access to all relevant information throughout the life of the contract*
- ▶ Increased performance of VLTs where State earns \$3 million more for every 1% improvement in VLT play¹
 - ▶ Better floor performance with an optimal product and portfolio mix of games
 - ▶ Increased competition for the term: no one company receives more than 50%
- ▶ Camelot maximizes player engagement both online and at retail with proven brand marketing, digital expertise and game content
- ▶ Camelot's lottery intelligence and data platform connects multiple channels and systems to deliver real-time business insights to maximize growth

RI should follow existing law and proceed with an open competitive bidding process to secure the best deal for RI

¹ Using FY19 NTI of \$522.7M and 59.91% transfers to the general fund