ACCELENTERTAINMENT®

Fourth Quarter and Full-Year 2020 Earnings Presentation

March 2021

Important Information

ACCELENTERTAINMENT®

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, contained in this presentation are forward-looking statements, including, but not limited to, statements regarding our strategy, prospects, plans, objectives, future operations, future revenue and earnings, projected margins and expenses, markets for our services, potential acquisitions or strategic alliances, financial position, and liquidity and anticipated cash needs and availability. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," and similar expressions or the negatives thereof are intended to identify forward-looking statements. However, not all forward-looking statements contain these identifying words. These forward-looking statements represent our current reasonable expectations and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors including, but not limited to: the existing and potential future adverse impact of the COVID-19 pandemic on Accel's business, operations and financial condition, including as a result the suspensions of all video gaming terminal operations by the Illinois Gaming Board between March 16, 2020 and June 30, 2020 and between November 19, 2020 and January 23, 2021, which suspensions could be reinstated; Accel's ability to operate in existing markets or expand into new jurisdictions; Accel's ability to manage its growth effectively; Accel's ability to offer new and innovative products and services that fulfill the needs of licensed establishment partners and create strong and sustained player appeal; Accel's dependence on relationships with key manufacturers, developers and third parties to obtain VGTs, amusement machines, and related supplies, programs, and technologies for its business on acceptable terms; the negative impact on Accel's future results of operations by the slow growth in demand for VGTs and by the slow growth of new gaming jurisdictions; Accel's heavy dependency on its ability to win, maintain and renew contracts with licensed establishment partners; unfavorable economic conditions or decreased discretionary spending due to other factors such as epidemics or other public health issues (including COVID-19), terrorist activity or threat thereof, civil unrest or other economic or political uncertainties, that could adversely affect Accel's business, results of operations, cash flows and financial conditions and other risks and uncertainties indicated from time to time in documents filed or to be filed with the Securities and Exchange Commission ("SEC").

Accordingly, forward-looking statements, including any projections or analysis, should not be viewed as factual and should not be relied upon as an accurate prediction of future results. The forward-looking statements contained in this presentation are based on our current expectations and beliefs concerning future developments and their potential effects on the Accel. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the sections entitled "Risk Factors" in the Quarterly Reports on Form 10-Q and in the Annual Report on Form 10-K filed by Accel with the SEC, as well as Accel's other filings with the SEC.

Except as required by law, we do not undertake publicly to update or revise these statements, even if experience or future changes make it clear that any projected results expressed in this presentation or future quarterly reports, press releases or company statements will not be realized. In addition, the inclusion of any statement in this presentation does not constitute an admission by us that the events or circumstances described in such statement are material. We qualify all of our forward-looking statements by these cautionary statements. In addition, the industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors including those described in the section entitled "Risk Factors." These and other factors could cause our results to differ materially from those expressed in this presentation.

Industry and Market Data

Unless otherwise indicated, information contained in this presentation concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity, and market size, is based on information from various sources, on assumptions that we have made that are based on those data and other similar sources, and on our knowledge of the markets for our services. This information includes a number of assumptions and limitations, and you are cautioned not to give undue weight to such information. In addition, projections, assumptions, and estimates of our future performance and the future performance of the industry in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the Quarterly Reports on Form 10-Q and in the Annual Report on Form 10-K filed by Accel with the SEC, as well as Accel's other filings with the SEC. These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us.

Important Information

Use of Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures, including Adjusted EBITDA. Adjusted EBITDA is defined as net (loss) income plus amortization of route and customer acquisition costs and location contracts acquired; change in fair value of contingent earnout A-2 shares; stock-based compensation expense; other expenses, net; tax effect of adjustments; depreciation and amortization of property and equipment; emerging markets; interest expense; and provision for income taxes. Management believes that these non-GAAP measures of financial results enhance the understanding of Accel's underlying drivers of profitability and trends in Accel's business and facilitate company-to-company and period-to period comparisons, because these non-GAAP financial measures exclude the effects of certain non-cash items or represent certain nonrecurring items that are unrelated to core performance. Management of Accel also believes that these non-GAAP financial measures are used by investors, analysts and other interested parties as measures of financial performance and to evaluate Accel's ability to fund capital expenditures, service debt obligations and meet working capital requirements. See the slide entitled "Non-GAAP to GAAP Reconciliation" on page 12 for additional information.

Restatement of prior period financial statements

The restatement reflects adjustments to correct an error related to the accounting treatment of certain earn out arrangements issued in connection with the 2019 business combination with TPG Pace Holdings Corp., a special purpose acquisition company, that were previously presented as equity. Because the number of Class A-1 common stock (the "contingent earnout shares") the holder is entitled to under the agreement are dependent, in part, upon the occurrence of a change of control, which is not an input to the fair value of a fixed for fixed contract on equity shares, the Company determined that the contingent earnout share obligation should be presented as a liability and marked to fair value each period, not equity-classified as previously presented. The Company also concluded that Class A-2 common stock issued in the transaction does not represent an increase in equity due to the fact that such shares are not entitled to dividends, voting rights, or a stake in the Company in the case of liquidation. Accordingly, the contingent earnout is now reflected as a liability at fair value on the Company's consolidated balance sheets at December 31, 2020 and 2019, and the change in the fair value of such liability in each period is recognized as a gain or loss in the Company's consolidated statements of operations and comprehensive (loss) income. The contingent earnout liability does not constitute indebtedness of the Company and will only be satisfied, if earned, by settlement in the Company's Class A-1 common stock in a non-cash transaction. The existence of contingent earnout shares occurred as a result of the Company's merger and reverse recapitalization occurring on November 20, 2019 and did not impact any reporting periods prior to the merger and reverse recapitalization transaction. The Company also corrected certain classification errors impacting amusement revenue, ATM fees and other revenue, and cost of revenue that were previously presented net instead of gross, and certain revenue share expenses that were previously presented in general and administrative instead of cost of revenue. There is no impact to net income (loss) as a result of these reclassifications.

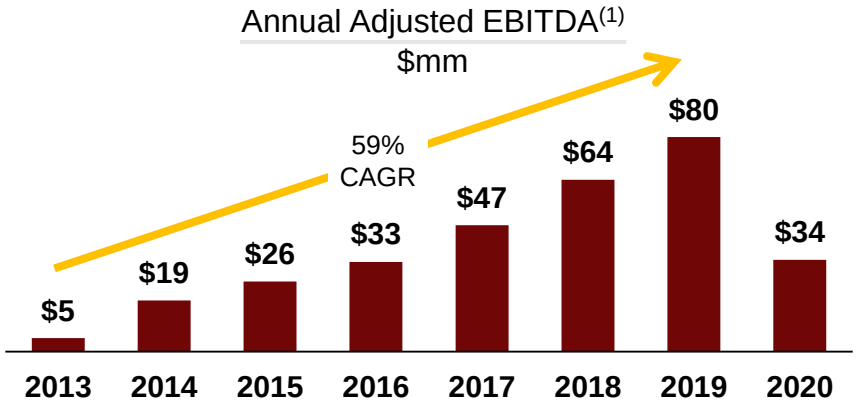
Introduction to Accel

ACCELENTERTAINMENT®

High Quality Service Company in Gaming Vertical

Accel owns and operates more than 12,200 Video Gaming Terminals ("VGTs") across 2,435 third-party licensed establishments in Illinois. Accel operates more VGTs than all 10 Illinois casinos combined

Strong Track Record of Growth



Contracted, Recurring Revenue

8 Year Contracts

Average Residual Contract Length:
6.8 Years

99% Contract Renewal Rate(2)

Strong backlog of contracted locations waiting to go-live

Disciplined Stewards of Capital

Balance Sheet Strength

Conservative Net Leverage

$176mm Net Debt(3)

Recent legislation provides significant embedded opportunity for additional growth

1. Adjusted EBITDA is a non-GAAP financial measures that may not be comparable to other similarly titled measures of other companies. Accel does not consider this non-GAAP measure in isolation or as an alternative to similar financial measures determined in accordance with GAAP. For more information with respect to these Non-GAAP financial measures, see page 2 "Use of Non-GAAP Financial Measures," and for a reconciliation of each of these measures to their most directly comparable GAAP measure, see page 12 "Non-GAAP to GAAP Reconciliation."
2. Voluntary contract renewal rate for the 3 years ending December 31, 2020.
3. Net Debt is Total Debt, less cash and $30mm of convertible notes.

Recent Highlights

- February 2021 was the highest revenue month in Accel's history
  - Gaming revenue at locations open in February 2020 and 2021 up 20% YoY
- COVID-19 Update: currently operating at normal gaming hours
  - On November 19th, all VGTs were shut-down by the IGB
  - In mid-January, regions began to reopen – some restricted gaming hours
  - By January 23rd, all regions were open – some restricted gaming hours
  - By February 5th, all regions returned to full hours with limited indoor dining
- American Video Gaming (IL Operator) acquired on December 30th
  - Cash paid at closing: $30 million
  - 49 high-performing locations predominantly in the Chicagoland area
- Century Gaming acquisition announced March 2nd – expansion to MT and NV

Q4 2020 Results

$ in millions

	Q4 2019	Q4 2020	% Change
Locations	**2,312**	**2,435**	**+5%**
VGTs	**10,499**	**12,247**	**+17%**
Revenue	**$123M** (As Restated)	**$74M**	**-39%**
Adj EBITDA(1)	**$21M**	**$5M**	**-77%**

1. Adjusted EBITDA is a non-GAAP financial measures that may not be comparable to other similarly titled measures of other companies. Accel does not consider this non-GAAP measure in isolation or as an alternative to similar financial measures determined in accordance with GAAP. For more information with respect to these Non-GAAP financial measures, see page 2 “Use of Non-GAAP Financial Measures,” and for a reconciliation of each of these measures to their most directly comparable GAAP measure, see page 12 "Non-GAAP to GAAP Reconciliation."

Full-Year 2020 Results and 2021 Guidance

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$ in millions

	2019	2020	% Change	2021 Guidance[1]
Locations	2,312	2,435	+5%	2,550 - 2,575
VGTs	10,499	12,247	+17%	13,250 – 13,400
Revenue	$429 (As Restated)	$316	-26%	$580 - $600
Adj EBITDA[2]	$80	$34	-57%	$95 - $100
CapEx[3]	$21	$26	+24%	$20 - $25

1. 2021 guidance includes the January 2021 shutdown, assumes no M&A, and includes increased expenses for COVID-19
2. Adjusted EBITDA is a non-GAAP financial measures that may not be comparable to other similarly titled measures of other companies. Accel does not consider this non-GAAP measure in isolation or as an alternative to similar financial measures determined in accordance with GAAP. For more information with respect to these Non-GAAP financial measures, see page 2 “Use of Non-GAAP Financial Measures,” and for a reconciliation of each of these measures to their most directly comparable GAAP measure, see page 12 "Non-GAAP to GAAP Reconciliation.”
3. Presented as cash spend

Accel Quarterly KPIs

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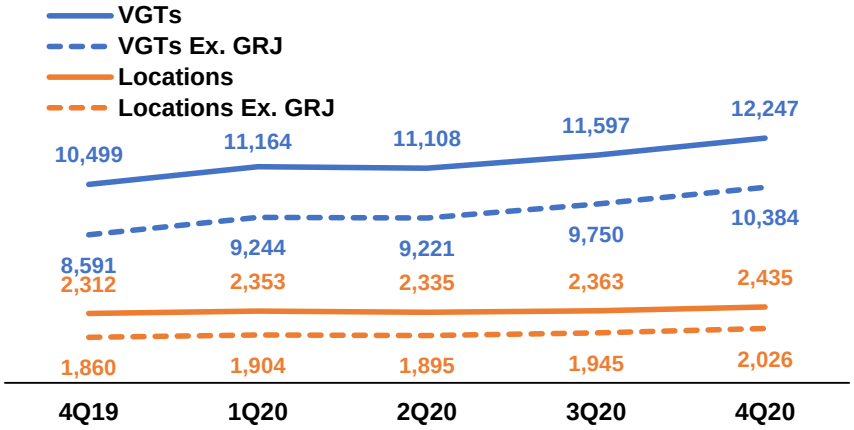
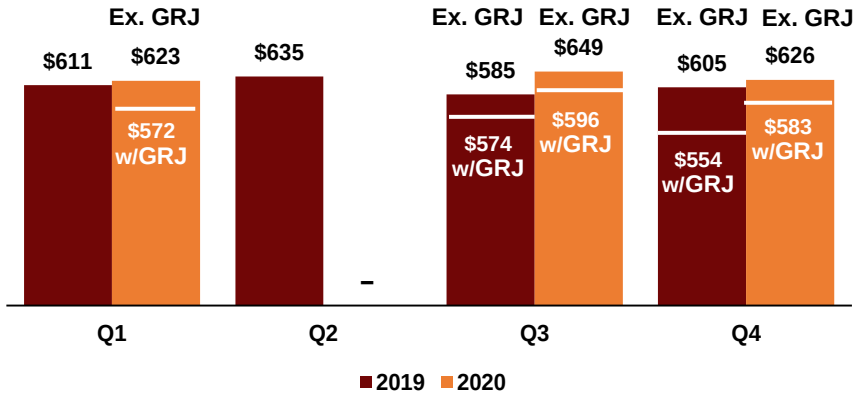
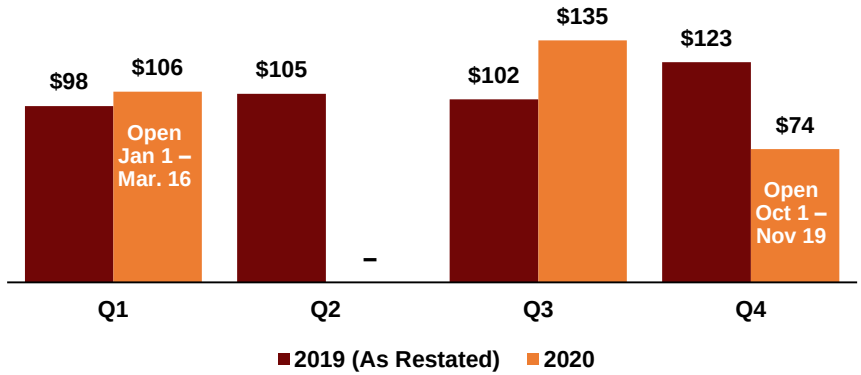
End of Period Live Locations / VGTs (#)



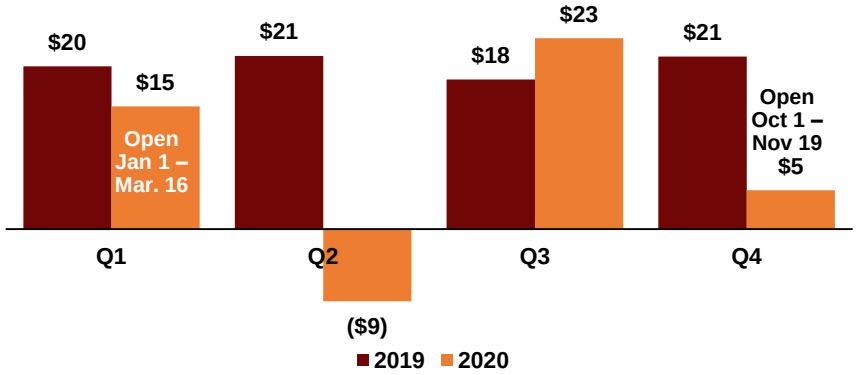
Location Hold per Day(1) ($)



Revenue ($mm)



Adjusted EBITDA(2) ($mm)



1. Hold-per-day (HPD) is calculated by dividing the difference between cash deposited in all VGTs at each licensed establishment and tickets issued to players at each licensed establishment by the number of locations in operation each day during the period being measured. Then divide the calculated amount by the number of operating days in such period. Hold per day for the three months ended March 31, 2020 and December 31, 2020 are computed based on 76 and 50, respectively, eligible days of gaming (excludes 15 and 42, respectively, non-gaming days due to the IGB mandated COVID-19 shutdowns).
2. Adjusted EBITDA is a non-GAAP financial measure that may not be comparable to other similarly titled measures of other companies. Accel does not consider this non-GAAP measure in isolation or as an alternative to similar financial measures determined in accordance with GAAP. For more information with respect to these Non-GAAP financial measures, see page 2 “Use of Non-GAAP Financial Measures,” and for a reconciliation of each of these measures to their most directly comparable GAAP measure, see page 12 "Non-GAAP to GAAP Reconciliation.”

Regulatory Update

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COVID-19	• On November 19th, all VGTs were shut-down • In mid-January, regions began to re-open – some had restricted gaming hours • By January 23rd, all regions were open – some had restricted gaming hours • By February 5th, all regions returned to normal gaming hours with limited indoor dining
6th VGT	• IL Legislation allows for the addition of a 6th machine at each location, and up to 10 total machines at certain qualified truck stops • The IGB gave approval to start installing 6th machines on January 13th • Accel has installed more than 1,100 6th machines and expects to install a total of 1,300 by June
Increased Bet Limits / New Software	• IL Legislation increases the max bet from $2 to $4, and increases the max payout from $500 to $1,199 • Higher bet/win limits require a software update to be developed by each VGT manufacturer • Upgrades were near-complete
Georgia Expansion	• Georgia currently allows coin-operated skill-based games, primarily in convenience stores • On July 22nd, Accel acquired Tom's Amusements Company, Inc., a Southeastern U.S. amusement operator and Master Licensee in the state of Georgia • Georgia lottery currently piloting a single-load, physical Visa prepaid card as a redemption option
Pennsylvania Legislation	• On November 28th, Accel received its four-year Terminal Operator License in Pennsylvania • The PA Senate is expected to reintroduce legislation to expand video gaming to bars, taverns, veteran, fraternal, and other establishments in Pennsylvania during the current session

Historical Financial Summary

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$ in millions	Twelve Months Ended December 31,					Three Months Ended December 31,		Q4 YoY Growth
	2016	**2017**	**2018**	**2019**	**2020**	**2019**	**2020**	
				(As Restated)		(As Restated)		
# Locations	1,162	1,442	1,686	2,312	2,435	2,312	2,435	5%
# VGTs	4,947	6,439	7,649	10,499	12,247	10,499	12,247	17%
Net Video Gaming Revenue	168	240	322	411	301	117	69	(41%)
Other Revenue	5	8	13	18	16	5	5	(6%)
Gross Revenues	**173**	**248**	**335**	**429**	**316**	**123**	**74**	**(39%)**
% YoY Growth		*43%*	*35%*	*28%*	*(26%)*		*(39%)*	
less: Cost of Revenue[1]	(110)	(157)	(217)	(282)	(211)	(82)	(49)	(40%)
Gross Profit	**64**	**91**	**118**	**147**	**105**	**41**	**25**	**(39%)**
% Margin	*37%*	*37%*	*35%*	*34%*	*33%*	*34%*	*34%*	
less: G&A Expenses	(31)	(45)	(54)	(69)	(77)	(22)	(22)	1%
EBITDA	32	46	63	77	28	19	3	(86%)
Adj. EBITDA[2]	**33**	**47**	**64**	**80**	**34**	**21**	**5**	**(77%)**
% Margin	*19%*	*19%*	*19%*	*19%*	*11%*	*17%*	*6%*	
% YoY Growth		*41%*	*36%*	*25%*	*(57%)*		*(77%)*	
less: D&A of Property & Equipment	(13)	(17)	(21)	(26)	(21)	(8)	(6)	
less: Amortization of Op Routes	(6)	(10)	(15)	(18)	(23)	(5)	(6)	
EBIT	**14**	**20**	**28**	**33**	**(16)**	**7**	**(9)**	
less: Other Expenses, net	0	(1)	(3)	(20)	(9)	(12)	(3)	
less: Interest Expense, net	(5)	(8)	(10)	(13)	(14)	(3)	(4)	
less: Income tax benefit (expense)	(3)	(2)	(4)	(5)	17	(2)	3	
less: Gain (loss) on change in fair value of contingent earnout A-2 shares[3]	--	--	--	(10)	8	(10)	2	
less: Loss on debt extinguishment	--	--	--	(1)	--	(1)	--	
Reported Net Income (Loss)	5	8	11	(16)	(13)	(22)	(10)	
Adjusted Net Income (Loss)[2]	**9**	**17**	**23**	**23**	**6**	**1**	**(4)**	

1. Cost of Revenue includes Illinois state gaming taxes, Scientific Gaming revenue sharing, Location revenue sharing, ATM and amusement commissions payable to locations, ATM and amusement fees, and licenses and permits for the operation of VGTs and other equipment
2. Adjusted EBITDA and Adjusted Net Income are non-GAAP financial measures that may not be comparable to other similarly titled measures of other companies. Accel does not consider these non-GAAP measures in isolation or as an alternative to similar financial measures determined in accordance with GAAP. For more information with respect to these Non-GAAP financial measures, see page 2 “Use of Non-GAAP Financial Measures,” and for a reconciliation of each of these measures to their most directly comparable GAAP measure, see page 12 "Non-GAAP to GAAP Reconciliation.”
3. Gain (loss) on change in fair value of contingent earnout A-2 shares represents an unrealized fair value adjustment at each reporting period end related to the value of these contingent shares. Upon achieving such contingency, A-2 shares convert to A-1

Note: Numbers may not total due to rounding

Accel Balance Sheet

$ in millions	December 31, 2019	December 31, 2020
Assets	(As Restated)	
Current Assets:		
Cash and cash equivalents	$125	$134
Investment in convertible notes (current)	$11	–
Other current assets	$15	$18
Total current assets	**$151**	**$152**
Property and equipment, net	$119	$144
Route and customer acquisition costs, net	$17	$15
Location contracts acquired, net	$167	$168
Goodwill	$35	$46
Investment in convertible notes, less current portion	$19	$30
Deferred income tax asset	–	$4
Other assets	$1	$2
Total assets	**$509**	**$560**
Liabilities and Stockholders' Equity		
Current liabilities:		
Short Term Debt and Current Maturities	$15	$18
Accrued state and location gaming expense	$8	–
Other Current Liabilities	$32	$34
Total current liabilities	**$55**	**$52**
Long-term liabilities:		
Long-term debt	$335	$322
Contingent earnout A-2 share liability	$61	$33
Other liabilities	$34	$25
Total liabilities	**$485**	**$432**
Total stockholders' equity	**$24**	**$128**
Total liabilities and stockholders' equity	**$509**	**$560**

Note: Numbers may not total due to rounding

Non-GAAP to GAAP Reconciliation

$ in millions	Twelve Months Ended December 31,					Three Months Ended December 31,	
Standalone Accel	**2016**	**2017**	**2018**	**2019**	**2020**	**2019**	**2020**
				(As Restated)		(As Restated)	
Reported Net Income (Loss)	5	8	11	(16)	(13)	(22)	(10)
(+) Amortization of Op Routes	6	10	15	18	23	5	6
(+) Stock Based Comp[1]	1	1	0	2	6	2	1
(+) (Gain) loss on change in fair value of contingent earnout A-2 shares[2]	–	–	–	10	(8)	10	(2)
(+) Other Expenses, net	(0)	1	3	20	9	12	3
(+) Tax effect of adjustments[3]	(3)	(3)	(6)	(11)	(10)	(5)	(2)
Adjusted Net Income (Loss)	**9**	**17**	**23**	**23**	**6**	**1**	**(4)**
(+) D&A of Property & Equipment	13	17	21	26	21	8	6
(+) Interest Expense, net	5	8	10	13	14	3	4
(+) Emerging Markets[4]	–	–	–	–	1	–	0
(+) Income Tax (Benefit) Expense	6	5	10	17	(7)	7	(1)
(+) Loss on debt extinguishment	–	–	–	1	–	1	–
Adjusted EBITDA	**33**	**47**	**64**	**80**	**34**	**21**	**5**

$ in millions	Three Months Ended				Three Months Ended			
Standalone Accel	**March 31, 2019**	**June 30, 2019**	**Sep. 30, 2019**	**Dec. 31, 2019**	**March 31, 2020**	**June 30, 2020**	**Sep. 30, 2020**	**Dec. 31, 2020**
				(As Restated)	(As Restated)	(As Restated)	(As Restated)	
Reported Net Income (Loss)	4	4	(2)	(22)	20	(30)	8	(10)
(+) Amortization of Op Routes	4	5	4	5	6	6	6	6
(+) Stock Based Comp[1]	0	0	0	2	1	1	2	1
(+) (Gain) loss on change in fair value of contingent earnout A-2 shares[2]	–	–	–	10	(17)	7	4	(2)
(+) Other Expenses, net	1	1	6	12	1	3	1	3
(+) D&A of Property & Equipment	6	6	7	8	5	5	5	6
(+) Interest Expense, net	3	3	3	3	4	2	3	4
(+) Emerging Markets[4]	–	–	–	–	–	–	0	0
(+) Income Tax (Benefit) Expense	2	2	(1)	2	(5)	(3)	(6)	(3)
(+) Loss on Debt Extinguishment	–	–	–	1	–	–	–	–
Adjusted EBITDA	**20**	**21**	**18**	**21**	**15**	**(9)**	**23**	**5**

1. Stock-based compensation consists of options, restricted stock units and warrants
2. (Gain) loss on change in fair value of contingent earnout A-2 shares represents an unrealized fair value adjustment at each reporting period end related to the value of these contingent shares. Upon achieving such contingency, A-2 shares convert to A-1
3. Calculated by excluding the impact of the non-GAAP adjustments from the current period tax provision calculations
4. Emerging markets consist of the results, on an adjusted EBITDA basis, for non-core jurisdictions where our operations are developing. Markets are no longer considered emerging when Accel has installed or acquired at least 500 gaming terminals in the jurisdiction, or when 24 months have elapsed from the date Accel first installs or acquires gaming terminals in the jurisdiction, whichever occurs first.

Note: With respect to Non-GAAP financial measures, see page 2 "Use of Non-GAAP Financial Measures" under Important Information. Numbers may not total due to rounding