

SkyCity Entertainment Group Limited

SkyCity Expands Strategic Partnership with GiG Investor Presentation

23 December 2021



Executive Summary

Overview

- SkyCity expands strategic partnership with Gaming Innovation Group Inc (GiG)
 - Binding term sheet signed to provide GiG with €25m (around NZ\$40m) of new equity
 - Funding to support GiG's acquisition of 100% of France-Pari/Sportnco (Sportnco) for headline €70m (with an earn-out opportunity)
 - SkyCity to become GiG's largest standalone shareholder (around 11%) and have representative join GiG Board (subject to Board nomination and shareholder approval)
 - GiG a European-based online gaming platform provider and media services operator – strategic partner following launch of SkyCity online casino in August 2019
 - Sportnco a European-based B2B online sports and Player Account Management (PAM) provider
- Detailed due diligence completed, including legal, regulatory and financial
- Equity investment conditional on approval by GiG shareholders and completion of Sportnco acquisition
- Equity investment funded from combination of sale of non-core assets and existing debt facilities – settlement expected during Q1 2022

Strategic Rationale

- Consistent with Group strategic plan – “pursue the omnichannel opportunity”
- GiG an established platform and well known to SkyCity
- Builds digital capability and strengthens strategic alignment with B2B partner
- GiG acquisition of Sportnco strategic and expected to be value accretive
- Value enhancing transaction for SkyCity – expect risk-adjusted return on equity well in excess of cost of capital
- Considered relatively low cost/risk exposure to significant growth expected in online gaming globally
- Investment likely to provide visibility to other strategic opportunities in online gaming
- Capital being recycled from low-returning assets to high-growth online gaming opportunity

Who is GiG?

- Certified/licensed B2B online gaming operator in 14 jurisdictions globally (with 5 pending)
- Headquartered in Malta with offices in Spain, Latvia and Denmark – around 450 staff
- GiG Inc a Delaware (US) incorporated company – listed on Oslo and Stockholm stock exchanges (market capitalisation currently around €170m)
- Two operating segments (Media Services and Platform Services), but diversified business in terms of client coverage and jurisdiction
- Core strategy = facilitation of land-based operators moving online (across casino and sportsbetting) as markets regulate globally
- Improved financial performance over last 18 months and solid balance sheet position (gearing of 2.2x as at 30 September 2021) following sale of B2C business to Betsson in April 2020

SkyCity Strategic Partnership

- SkyCity online casino operated by GiG launched in August 2019
- Partnership provides SkyCity with turnkey online solution in NZ
- GiG provides technical platform, gaming content, managed services and front-end development
- Existing agreement allows SkyCity to assume B2C components in regulated NZ market
- Site has prioritised host responsibility/AML/compliance protocols and leveraged trusted brand name in SkyCity
- Platform resonating with customers – strong performance since inception (LTM⁽¹⁾ to 30 November 2021 GGR⁽²⁾ around \$37m)
- Partnership provides SkyCity with access into complementary, high-growth gaming category

(1) LTM = Last Twelve Months
(2) GGR = Gross Gaming Revenue

GiG Business & Financial Performance⁽¹⁾

GiG

GiG Platform

- Platform services to online gaming operators (casino and sportsbetting) with B2C brand
- PAM, GiG Sports, GiG Logic (real-time rules-based engine) and fully managed services, including CRM, operations and development

~35% of Q321 revenue

GiG Media

- Focuses on generating customer leads for online gaming operators
- Operates several media websites generating channels engaging with the end-user
- High traffic .com websites include casinotopsonline and wsn

~65% of Q321 revenue

Key clients

slotbox

DUNDER

G·R·U·P·O
SLOTS

Megalotto

PLAYSTAR

RANK

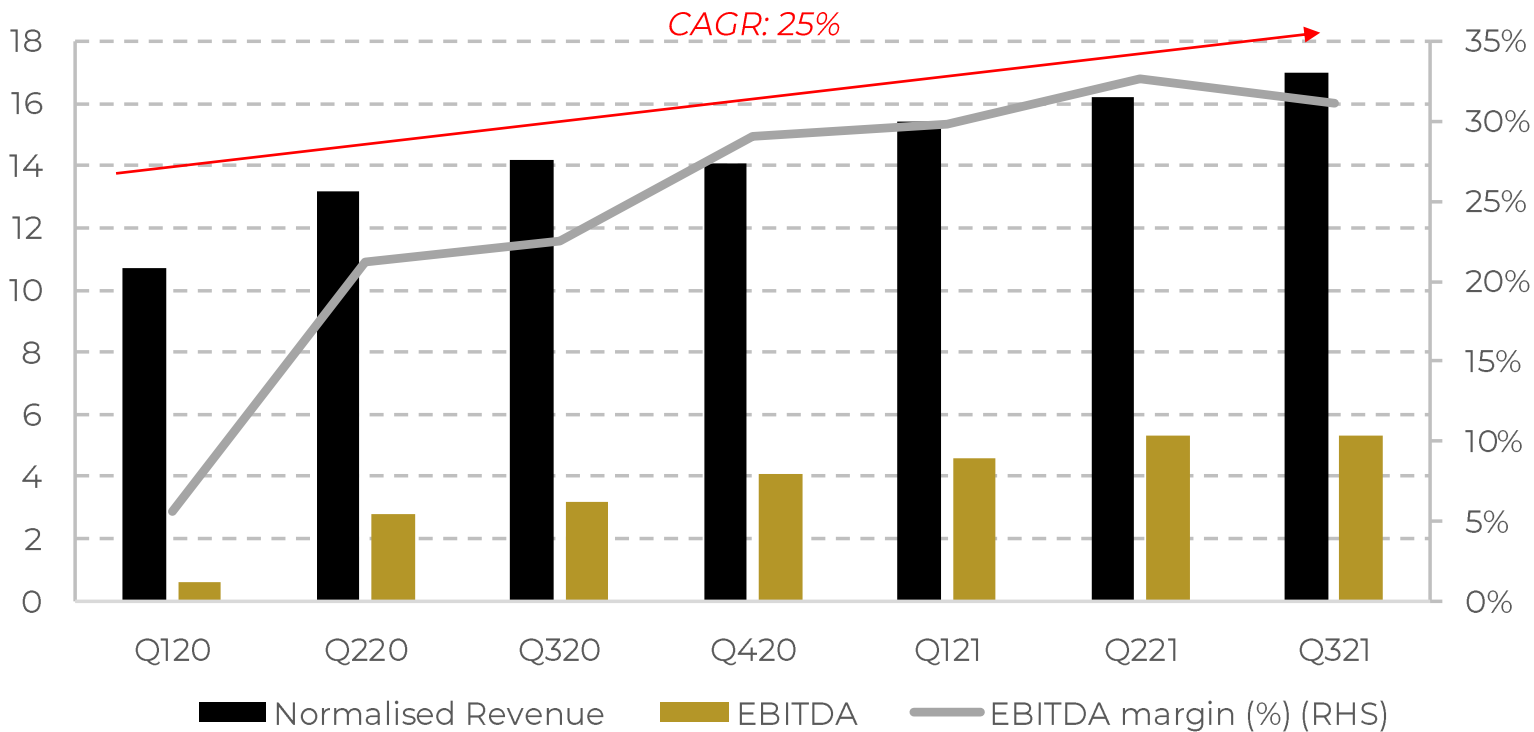
skyCITY

superbet

betsson

SuperSeven

GiG quarterly normalised revenue/EBITDA (€m) and EBITDA margin (%): Q120-Q321



- Strong financial performance over last 18 months, particularly from GiG Media (LTM revenue of €63m and EBITDA of €19m, at 31% margin)
- Several recent client wins, including Grupo Slots, Slotbox, Playstar (US) and Rank Entertainment
- Targeting double digit organic revenue growth per annum and an EBITDA margin of 40%+⁽²⁾

⁽¹⁾ Sourced from various GiG company information

⁽²⁾ Q221 report dated 18 August 2021

GiG Acquisition Of Sportnco (1 of 2)

Sportnco Overview

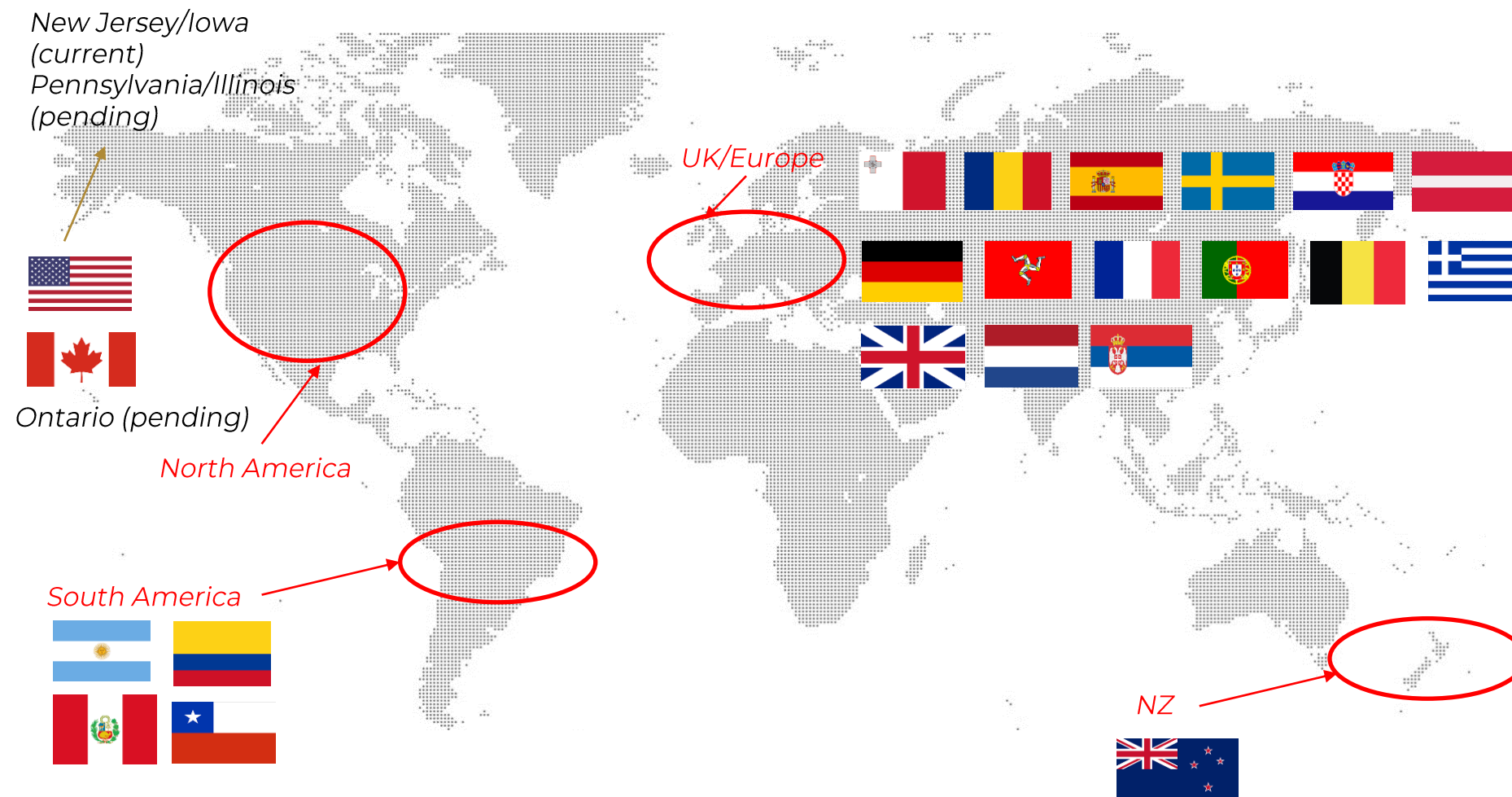
- Headquartered in Spain and France – around 130 staff
- Leading European-based B2B online sportsbetting and PAM provider
- Operates/licensed in 11 regulated and high-growth markets (with 5 pending) – mainly Europe and Latin America, recently licensed in US (with SuperDraft)
- Tier 1 clients, including land-based wagering and casino operators in Europe (i.e. Joa Casinos and Casino Barcelona)
- “Tech-focused” – priority on development and expansion into regulated markets
- Proprietary/in-house technology stack deployed successfully across range of clients and jurisdictions

Transaction Features

- GiG has entered into a Sale & Purchase Agreement to acquire 100% of Sportnco for headline €70m (with an earn-out if certain profit targets met)
 - Settlement funded by combination of cash consideration (including SkyCity's €25m equity), scrip for Sportnco shareholders (subject to 6-month lock-up period) and rollover of existing Sportnco debt (at attractive rates)
- Sportnco management (including CEO, Herve Schlosser) to transition to GiG
- Sportnco required to sell existing B2C business (in France and Spain) – sale cashflow neutral for GiG
- Settlement conditional on regulatory and certain other approvals
 - Funding not condition of settlement – transaction expected to settle during Q1 2022

GiG Acquisition Of Sportnco (2 of 2)

GiG/Sportnco global market coverage post-transaction



Strategic Rationale for GiG

- 20+ licences/certifications
 - High-growth and complementary jurisdictions – significant global addressable market
 - Immediate scale in online sportsbetting
- Opportunity to cross-sell and deliver omnichannel – highly complementary technology
- Strong earnings outlook post-transaction for GiG/Sportnco – new client wins, access to high-growth markets, cross-sell and scale benefits delivering margin expansion
- Addresses earnings concentration for GiG – targeting 50/50 mix of earnings between Marketing and Platform Services
- Cost synergies available – integration of technology and elimination of GiG Sports
- Strong corporate and cultural fit

Acquisition to transform GiG into global, vertically integrated B2B operator in online casino and sportsbetting

Equity Investment with GiG

Transaction Features

- €25m of new equity for equivalent of around 11% of issued capital – SkyCity representative to join GiG Board (subject to Board nomination and shareholder approval)
- Value enhancing transaction for SkyCity
 - Equity price of 18 NOK a nil-premium to 90-day volume weighted average price on Oslo Stock Exchange prior to term sheet becoming binding
 - Expect risk-adjusted return on equity well in excess of cost of capital
- Intend to fund transaction from combination of sale of non-core assets and existing debt facilities – no additional capital required
 - Transaction within parameters of covenant waivers/relief secured from banking syndicate and USPP investors in November 2021
- Investment to be equity accounted as deemed significant influence (shareholding and Board seat) of GiG post-transaction – pro-rata share in GiG's net profit recognised in financial statements
- Preserved ability to participate in future equity issues on at least pro-rata basis

Other

- SkyCity able to terminate agreement if material adverse event occurs, GiG's acquisition of Sportnco becomes voidable (or amended in material way without consent) and/or certain other items (e.g. issuing shares to another party without consent)
- Appropriate vendor warranties provided (e.g. capacity and authority to act, information/representations and financial capacity)
- Settlement to occur with completion of Sportnco acquisition – expected during Q1 2022



Disclaimer

- All information included in this presentation is provided as at 23 December 2021
- This presentation includes a number of forward-looking statements. Forward-looking statements, by their nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond SkyCity's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative
- This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of SkyCity
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- All figures in this presentation are in NZ Dollars (NZ\$) unless otherwise stated