



Market Release
SkyCity Entertainment Group Limited
(SKC.NZX/SKC.AX)

23 December 2021

SkyCity Expands Strategic Partnership with Gaming Innovation Group Inc

SkyCity Entertainment Group Limited (**SkyCity**) advises that it has expanded its strategic partnership with Gaming Innovation Group Inc (**GiG**) having signed a binding term sheet to provide €25 million of new equity to support the funding of GiG's acquisition of France-Pari/Sportnco (**Sportnco**).

GiG is a European-based online gaming platform provider and media services operator (listed on the Oslo and Stockholm stock exchanges) and a strategic partner to SkyCity following the launch of the SkyCity Online Casino in August 2019.

GiG has entered into a Sale and Purchase Agreement to acquire 100% of Sportnco for a headline price of €70 million (with potential for an earn-out payment to Sportnco if certain profit targets are met). Sportnco is a European-based business-to-business online sports and player account management provider, licensed in regulated and high-growth markets globally.

Key features of SkyCity's equity investment:

- €25 million of equity funding for GiG (equivalent of around NZ\$40 million);
- SkyCity to become GiG's largest standalone shareholder (around 11% of issued capital);
- a SkyCity representative to join the GiG Board (subject to Board nomination and shareholder approval);
- settlement is conditional on approval of the transaction by GiG's shareholders and completion of the Sportnco acquisition;
- intend to fund the investment from a combination of sale of non-core assets and existing debt facilities (within the parameters of covenant waivers/relief secured in November 2021); and
- settlement expected during Q1 2022.

Commenting on the announcement, SkyCity's Chief Executive Officer, Michael Ahearne, said "we are excited that SkyCity is expanding its strategic partnership with the GiG team. GiG is an established online operator who we have come to know well since partnering in mid-2019 to launch the SkyCity Online Casino. The partnership has provided SkyCity with access to a complementary and high-growth gaming category and has enabled us to pursue an omnichannel strategy.

The combined GiG/Sportnco business will be licensed or certified in over 20 jurisdictions, including growth markets such as the US, Canada and Latin America. We are delighted to support GiG in the financing of the transaction, becoming a major shareholder and helping

GiG execute on its strategic vision through representation on the Board. Importantly, the equity investment builds our digital capability and strengthens our strategic alignment with GiG. Overall, we view the equity investment in GiG as both strategic and value accretive for SkyCity shareholders.”

Commenting on the announcement, GiG’s Chief Executive Officer, Richard Brown, said “we are delighted to bring on SkyCity, a company held in high-regard within the land-based segment of the industry, as a GiG shareholder and Board member. Both companies’ outlook and focus around the ever-evolving digitalisation of gambling is expected to enable strategic gains, with GiG benefiting from decades of retail experience to finetune our offering and SkyCity benefiting from first-hand digital experience that GiG holds, and new opportunities brought about by the transaction with Sportnco. Similarly, both parties expect to benefit from a deeper strategic partnership with a focus on long-term value creation – thank you to the SkyCity team for making the equity investment happen.”

Further information on today’s announcement can be found in the attached investor presentation.

An investor presentation which details GiG’s acquisition of Sportnco has been released to the Oslo and Stockholm stock exchanges and is available at <https://www.gig.com/ir/#news-module>.

SkyCity intends to release its FY22 interim result on 14 February 2022.

For more information, please contact:

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