



# WEEK 27

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## THIS WEEK

- **BGC updates**
- **Trouble in Macau?**
- **Allwyn appoints new CEO**
- **The Crown weighs heavy**

### GUEST INTERVIEW:

- **Simon Hammon,**  
**CPO, Relax Gaming**

## OPERATOR ENTAIN DISAPPOINTED BY TABCORP DEMERGER

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Kindred Group acquires  
Relax Gaming



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# THE INNOVATION GROUP

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## Entain was one of many suitors for Tabcorp's wagering arm and has had to admit defeat in its pursuit. Instead, BetMakers has stolen a march on its rivals

Entain has expressed its disappointment at the decision from Tabcorp to pursue a demerger of its Lotteries & Keno business.

Tabcorp this week announced it will pursue a demerger strategy with BetMakers, which will see all current bids for its wagering business rejected, and would result in two standalone ASX-listed businesses; Lotteries and KenoCo and Wagering and GamingCo.

Entain was one of a handful of groups that had declared interest in Tabcorp's Wagering and Media arm, as well as private equity group Apollo Global Management.

Both had made offers worth AU\$3.5bn (US\$2.7bn), with Entain's initial offer of AU\$3bn rejected by the Australian operator.

Australian technology company BetMakers had also offered to buy the struggling business, but today's announcement has put an end to any potential negotiations.

The two groups will instead, however, work together to discuss international commercial opportunities.

"Entain is disappointed by the decision of the Tabcorp board, as we believe our all-cash offer would have delivered superior outcomes for shareholders, customers, employees and the wider industry," a statement from Entain read.

"Price discipline is essential in building on the significant shareholder value that our global growth strategy will deliver for all our stakeholders and we have a healthy pipeline of opportunities."

***"Entain is disappointed by the decision of the Tabcorp board, as we believe our all-cash offer would have delivered superior outcomes for shareholders, customers, employees and the wider industry" – Entain statement***

Entain also stated that its Australian business – comprising the Ladbrokes, Neds, Betstar and Bookmaker brands – continues to build on a record year in 2020, with the company adding that it is confident of going "from strength to strength as it delivers innovative and highly engaging products for its customers, as well as supporting the health of the wider Australian racing industry."

BetMakers says these discussions are consistent with its plans to be the leading provider of B2B services to wagering operators across the globe.

Recently, BetMakers has seen its growth accelerate due to the announcement of fixed-odds progress through New

Jersey legislation and the completion of the acquisition of Sportech's assets.

BetMakers has a 10-year fixed-odds agreement on thoroughbred horseracing in New Jersey; the fixed odds bill has now progressed through the New Jersey Senate and General Assembly.

***"Having received clarity from Tabcorp regarding the planned direction for its wagering and media business, BetMakers will continue discussions with Tabcorp regarding international opportunities" – Tabcorp statement***

Meanwhile, the acquisition of Sportech's racing and digital assets includes its American and European Tote Businesses and Quantum Tote technology.

BetMakers CEO, Todd Buckingham, said: "Having received clarity from Tabcorp regarding the planned direction for its wagering and media business, BetMakers will continue discussions with Tabcorp regarding international opportunities, and we believe these opportunities have the potential to be significant.

"BetMakers remains firmly of the view that the company's opportunities in regulated wagering jurisdictions, and in particular Australia and the US, are a clear priority and we will continue to explore all opportunities that can accelerate or capitalise on this foundation."

**GI Verdict:** The decision looks to have come as somewhat of a surprise to Entain, and perhaps to the industry at large. Entain didn't hold back in expressing its disappointment at the decision, so it is now seemingly in the hands of Tabcorp's management team to prove to its shareholders it made the right decision.

It will also be a blow to Apollo, with BetMakers perhaps the only group to come out of the decision relatively relaxed and positive, given its agreement to continue to work with Tabcorp on an international scale. Australia undoubtedly has huge potential going forward, as does New Jersey.

For Entain, MGM Resorts International might feel the operator has received a taste of its own medicine, given the fact Entain rejected MGM Resorts' takeover offer earlier this year.

With so much industry consolidation, it is no surprise some deals will end up with winners and losers. On this occasion, BetMakers has landed its target.

# THIS WEEK IN NUMBERS

## 15

Kalamba Games slots to have been approved for the Greek market



## \$507m

May 2021 handle for Illinois sportsbooks, a 6% decline from April 2021



## 3

Black Hawk, Colorado casinos rebranded under the Bally's Corp. name: Golden Gates Casino, Golden Gulch Casino and Mardi Gras Casino



## 7%

Of players use sites that do not have a Swedish gaming licence, according to a new online gambling survey from Swedish regulator Spelinspektionen



## 288

Suspicious betting reports reported by the Malta Gaming Authority in its 2020 Annual Report



## KINDRED GROUP ACQUIRES RELAX GAMING

Change has come at Relax Gaming as the B2B multi-product provider signs its remaining shares over to Kindred Group.

Kindred has announced an agreement to acquire 66.6% of the outstanding shares in the supplier. The transaction values the company at up to €320m (\$378.9m) on a cash and debt-free basis, and a total value of the outstanding shares of approximately €295m.

Kindred will pay an initial consideration of €80m in cash upon closing on a cash and debt free basis, alongside a maximum potential earnout of €113m payable in 2022 and 2023, subject to Relax achieving certain earnings thresholds.

The transaction will be financed through Kindred's existing cash and credit facilities, with the company having been invested in Relax since 2013.

CPO of Relax Gaming, Simon Hammon, spoke exclusively to *Gambling Insider* on the acquisition: "As with any deal there is a process of both learning and understanding and necessary requirements. No deal happens overnight, of course, but given the history and synergy of the companies we have tried to optimise. Relax will continue to drive its network content for broad network release as it has done and will continue to do so. Relax will continue to facilitate for both Kindred and its network partners exclusive releases, as and when needed/desired by both our own productions and third-party partners".

Hammon also touched on Kindred's Nordic audience. "Relax has many customers that operate in these markets and is not necessarily tied in this area. We aim to make games with broad appeal and reach, and are not locked into theme direction in this nature. Our goal is to become a global player and naturally that means territorial expansion and appeal".

Patrik Österåker, Co-founder and

Chairman of Relax Gaming, said: "Joining Kindred Group comes as a natural next step in our long-standing cooperation with Kindred across all our product verticals. Kindred's strengthened presence will allow Relax Gaming to further invest in and accelerate the expansion of our B2B offering across the globe. We will continue the Relax Gaming journey as a separate B2B entity with unchanged product portfolio and overall strategy, staying true to our values and respecting the hard-earned trust of our customers. Our continued independence is a key element of the transaction, and I am happy to remain on the board of Relax Gaming."

The transaction is conditional to customary regulatory approvals, and is expected to be completed in the fourth quarter of 2021. JP Morgan and Cirio Advokatbyrå have acted as financial and legal advisors respectively to Kindred, while Roschier Attorneys Ltd acted as legal advisor to the Relax shareholders.

The decision comes as a strategic plan to increase "a rapidly growing and profitable B2B business with a world-class product portfolio giving us greater control over our casino, poker and bingo offering, putting Kindred in a significantly better position to achieve our long-term strategy to increase our focus on product differentiation and customer experience", said Kindred Group CEO Henrik Tjärnström.

**GI Verdict:** It's certainly been a hectic week for Relax Gaming as it signs over the rest of its shares to Kindred. The merger between the two seems to be a strategic decision all round enabling Kindred to successfully further its development and product portfolio, cementing a unique outlook in content creation, adhering to its strategic direction. With Relax Gaming as an innovative addition to the group, the acquisition accelerates Kindred's aims to expand its focus on customer experience by strengthening all aspects of the company's attributes and capabilities.

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## \$13.1m



In June 2021  
casino sales for  
South Korean  
operator Grand  
Korea Leisure

## 7

illegal online gambling  
operations in Phnom  
Penh shut down by  
Cambodian  
authorities



## \$10m

Guarantee from  
Americas Cardroom for  
the 2021 version of  
its Venom Tournament

### BGC CALLS FOR GAMBLING OMBUDSMAN, AND WELCOMES LIFTING OF RESTRICTIONS

The Betting and Gaming Council (BGC) has called for the UK Government to establish a Gambling Ombudsman. The new body would deal with customer concerns, with the BGC proposing it should be a legal requirement for all licensed operators to sign up to it. The BGC acknowledged that systems for dealing with customer complaints are already in place, but said an ombudsman would enhance the process.

"We hope the Government will look favourably on our calls for a Gambling Ombudsman to be established as soon as possible, following the conclusion of the gambling review, which we strongly support," said BGC Chief Executive Michael Dugher.

"The BGC and its members recognise the need for further change in our industry and a new Gambling Ombudsman would be a step forward in customer redress – I'm proud to be giving it our backing."

Dugher has also welcomed the news that social distancing restrictions will

be lifted on 19 July, meaning casinos and betting shops will no longer have to adhere to social distancing or the compulsory wearing of facemasks.

"We strongly welcome the Government's intention to remove the remaining Covid restrictions on July 19, which will provide a much-needed boost to the economy," said Dugher.

"It is particularly good news for hospitality venues like casinos and their staff, as the businesses have had to endure many, many months of closure and crippling restrictions."

**GI Verdict:** Dugher's strong feelings that casinos are more than ready to return to normal are evident, with his main argument that venues have spent millions on high-quality anti-Covid measures difficult for the Government to refute.

And while such venues contribute to the economy and provide thousands of jobs, there will remain an outside belief that they are not a priority.

## THE WEEK IN QUOTES

*“The CAP Code states ads must not portray, condone or encourage gambling behaviour that was socially irresponsible or could lead to financial, social or emotional harm.”*

**A statement from the Advertising Standards Authority after it banned a Ladbrokes advert for “displaying problem gambling”**

*“The launch of this new instant ticket management system is a testament to Swisslos’ vision for modernised, streamlined operations to expertly manage its products. We are honoured to continue our trusted relationship with Swisslos over the last three decades by continually advancing technologies to support Swiss players, retailers and maximise profits for the lottery’s beneficiary programs.”*

**Christian Kometer, Managing Director International Lottery Systems, for Scientific Games, after the company launched its instant ticket gaming system in Switzerland**

## MACAU DELAYS TRAVEL BUBBLE WITH HONG KONG

Macau has opted to delay its long-awaited travel bubble with Hong Kong due to a new case of Covid-19 within the region.

There were plans in place to allow quarantine-free travel between China and Macau but these faced several delays as the Macau authorities insisted that talks will resume only when Hong Kong can go 28 days without reporting an infection.

However, on 7 June, Hong Kong recorded a new Covid-19 case which meant Macau officials had no choice but to delay the travel bubble once more.

Currently, Macau has only eased travel with mainland China and authorities have said the lifting of travel restrictions for Hong Kong will require communication and cooperation with main authorities.

Analyst firm Sanford C. Bernstein predicts that the delayed travel bubble with Hong Kong will cost Macau a 13% increase in possible daily visitations (based on a figure of 3,000 visitors a day).

Local authorities and businesses

hoped that Macau tourism would recover with travellers arriving from other territories; however, with the travel bubble with Hong Kong delayed again, locals are left hoping again.

Macao Government Tourism Office Director Maria Helena de Senna Fernandes previously hoped hotel occupancy rate for July and August could reach 80%, from approximately 60% in May.

The delay in the Hong Kong travel bubble, though, coupled with existing restrictions to some of China’s provinces, will likely lower this estimation by some way.

**GI Friday:** As other countries ease out of lockdown and Covid -19 restrictions, it seems some regions aren’t as fortunate. The situation in Asia as a whole is quite dire as India and Indonesia are still suffering horribly with Covid cases, which summarises what the continent is dealing with.

China itself is currently reporting an increase in cases as cities are forced to continue with restrictions.



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## ALLWYN APPOINTS DAVID CRAVEN AS NEW CHIEF EXECUTIVE

Sazka Group's UK-facing brand, Allwyn, has revealed David Craven as its new Chief Executive.

Allwyn hopes Craven's appointment will further enhance its chance of winning the race for the next UK National Lottery licence.

Craven has previously run a number of major gaming software and gambling businesses, such as the Tote and World Gaming.

Prior to this potential announcement, Allwyn already recruited Sir Keith Mills as bid chair, along with a number of other UK business leaders like Sainsbury's Chief Executive, Justin King, and Lastminute.com Co-founder, Brent Hoberman.

According to reports, Craven's experience at "digitising gambling-related businesses" was a key factor in bringing him to Allwyn.

"National Lotteries are needed now more than ever," said Craven. "I've always focused on how technology can be used

to improve the customer experience, whether that be in-store or online.

"Not only does this mean making games fun and exciting, but I passionately believe technology is the best way to safeguard customers."

The Gambling Commission will decide later this year whether to renew its deal with current incumbent Camelot or pass on the licence to a different company, one of them being the Sazka Group and its UK brand Allwyn.

**GI Verdict:** It's clear Sazka Group is doing all it can to make sure it becomes the next licence holder of the National Lottery. The group already launched Allwyn to focus solely on UK operations and now it's managing to take industry veterans from UK companies.

With several names already announced, there may be more additions to the team, as the group continues to strengthen as the potential replacement of current licence holder Camelot.

*"Offering a safe and secure gaming experience and preventing minors from online gambling has always been our top priority. It is therefore reassuring that LeoVegas' work in this area has now been assessed and reviewed by an external, independent party that confirms we are in conformity with the Commission's recommendations."*

**Gustaf Hagman, Group CEO LeoVegas, after eCommerce Online Gaming Regulation and Assurance (eCOGRA) assessed and tested LeoVegas' framework and routines for the protection of consumers**

*"This is a major milestone for us. We're thrilled to be able to provide our games to the Greek market and it's great that we can do it with Novibet, one of the leading operators."*

**Lior Cohen, Co-founder and CTO of Betixon, after the mobile gaming company secured a deal with Novibet to launch in the new Greek licensing regime**



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# TAKING STOCK

SHARE PRICES COVER THURSDAY  
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(15.00PM GMT)

**Crown Resorts**  15%  
10.46 USD

**Elys Game Technology**  4%  
3.93 USD

**Kindred Group**  7%  
146.80 SEK

**Tabcorp**  7%  
4.80 AUD

**Entain**  1%  
1,792 GBp

## FIVE INSPECTORS BLOCKED FROM INVESTIGATIONS INTO SERIOUS CRIMINAL INFLUENCE

Inspectors believe regulators have been soft on Crown Resorts despite various attempts to start investigations into the casino operator's business over the years. Five casino inspectors have claimed they were blocked from investigating serious crime in Melbourne's Crown Casino. One inspector was former Victoria Police officer Danny Lakasas, who worked for the Victorian Commission for Gambling and Liquor Regulation (VCGLR), with former VCGLR Senior Inspector Peter McCormick also involved.

Lakasas told the show that despite having the power to keep out criminal influence and infiltration at the casino, his efforts proved futile when a 12-month operation to track counterfeit notes was passed up the chain of command with no end result.

"Somebody from intel came down, took all the information, said, 'Thanks very much.' That was the last I heard of it," said Lakasas.

Peter McCormick, a now-retired inspector, claims Crown was known

for its issues even prior to the Bergin inquiry, but that all previous reports led nowhere. As reported by ABC News, McCormick was interviewed by the Royal Commission, though authorities have yet to call on his official testimony.

Some of the criticism falls on Premier Daniel Andrews and his Government, as he allegedly went easy on Crown casinos. Premier Andrews assured that he will comply with the outcome of the investigation. "If the Royal Commission recommends to me that Crown is not fit to hold its licence, it will not hold a licence," he said. "We already know there are sufficient deficiencies in the way the regulator has operated; that's why we're rebuilding that."

**GI Verdict:** Again, Crown Resorts has been uncovered to have authorised problem gambling; with even its "suite of changes" slammed and branded too little too late, with the organisation being declared as irresponsible leading to debt and wrongdoing.

# GI HUDDLE

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## INDUSTRY LEADING PODCAST & INTERVIEWS



## MAY: LV LOOKIN' GOOD

Nevada reported record May gaming revenues, with all of Nevada enjoying a bang-up May. The Las Vegas Strip grew 26.70% over 2019 to \$655.469m; downtown Las Vegas jumped 37.22%, Reno 19.44% and the state as a whole 25.30% to \$1.23bn.

The Strip benefited from favourable baccarat hold as revenue almost doubled that of 2019, despite a 31.85% drop in play.

Strength in domestic play was evidenced by 24.46% growth in slot revenue.

The strong play came from fewer people as visitation declined 22% below 2019, though it rose 11.8% over April.

ALL-SOURCES REVENUE	REVENUE (M)	CHANGE VS. 2019
Nevada	\$1,230	+25.30
Las Vegas Strip	\$655.469	+26.70
Clark County	\$1,053	+25.94
Downtown LV	\$75.229	+37.22
North LV	\$26.799	+4.67
Laughlin	\$48.133	+5.91
Boulder Strip	\$88.946	+27.51
Mesquite	\$15.399	+29.99
Balance of County	\$142.707	+28.55
Las Vegas Locals Market	\$258.453	+25.23
Washoe County	\$91.982	+23.09
Reno	\$65.832	+19.44
Sparks	\$15.021	+27.30
North Lake Tahoe	\$2.382	+21.37
Balance of County	\$8.746	+49.58
South Lake Tahoe	\$20.293	+0.99
Elko County	\$33.405	+25.68
Wendover	\$22.454	+23.59
Balance of County	\$10.950	+30.19
Carson Valley Area	\$12.196	+24.09
Other Areas	\$19.607	+33.37

## GUEST INTERVIEW



### **GUEST INTERVIEW** *SIMON HAMMON, CPO, RELAX GAMING*

*Hammon speaks to  
Gambling Insider  
about the supplier's new  
integration overlay,  
Relax Apex™*

**We understand you've launched  
a new flagship technical product.  
Can you give us an overview of it?**

With an unwavering commitment to driving differentiation, our latest move feels like the next natural step for Relax Gaming.

In a historical first, we have augmented our aggregation and distribution capacity with the launch of Relax Apex™, a game-changing integration overlay – which will revolutionise how our operators receive content.

This is first and foremost a framework system that provides a scalable front-end integration and is designed specifically to address the present challenges brought about by fragmentation in the industry.

In this way, we believe it will transform the delivery of content while significantly diminishing QA and compliance efforts for operators.

The essence of Relax Apex™ is business simplicity – reducing costs and expediting speed-to-market for its operators and partners to an extent that has never been seen before.

Our core goal is that it mitigates the multiple regulatory regimes; not only does it provide a tool to cut through these complex challenges but it is also a living product that will constantly evolve to meet whatever shifts the industry experiences in the future.

### **What are the main benefits Relax envisages for operators and studio partners?**

The beauty is in its simplicity – providing a scalable front-end overlay ensures we're able to provide a faster route-to-market with next to no regulatory obstacles, ensuring a radical reduction in vetting requirements.

This will take countless game-by-game verification procedures down to just one.

In many ways this is unprecedented, and for the first time in B2B gaming history, our pioneering technology will deliver a variety of games packaged in such a way that it allows for them to meet the requirements of multiple markets, restrictions, customisations and promotions at once.

In essence, the overlay is set to embody the elements required to adhere to the task at hand and form a framework that encapsulates the content, thereby rendering the cluster fully compliant.

As a result of this harmonisation of content, operators will expend significantly less time and effort ensuring quality assurance while still attaining the required high standards.

Moreover, as a continually developing product based on solid technical architecture, the potential vested in the platform is boundless.

Game tools will shortly be made available to all operators of any size across Relax's entire portfolio of studio partners, pushing the boundaries of opportunity; while the increasingly complex jurisdictional hurdles, commonplace in today's ever-changing global markets, are rendered easily surmountable thanks to this single overlay.

### **How useful will this be in helping overcome some of the biggest challenges for games developers at the moment? And what are these main challenges?**

Ensuring compliance adherence for its partners across a range of markets and games – our launch is set to redefine jurisdictional support, providing top-tier operator access; a cutting-edge promotional suite available for any studio, deep compliance support, future-proofed games and reduced maintenance costs while at all times expanding opportunities through a faster route-to-market.

Simply put, it offers symmetry of all content and frees operators and partners to focus on running their businesses effectively.

We're excited to see the positive, streamlining impact it will bring to the industry.

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