



WEEK 18

FRIDAY 6 MAY 2022

Sponsored by

RELA:::
G A M I N G

IN THIS WEEK'S ISSUE:
EXCLUSIVE Q&A WITH KAMBI CEO

A vibrant, 3D-rendered promotional graphic for Dream Drop Jackpots. It features a central golden wheel with a crown on top, surrounded by floating golden coins and teal diamonds. The text 'DD' is prominently displayed in a golden box in the center of the wheel. Below the wheel, the words 'DREAM DROP JACKPOTS' are written in a bold, golden font. At the bottom, a white text box contains the headline 'RELAX GAMING TRANSFORMS THE JACKPOT LANDSCAPE' and the RELAX GAMING logo.

DD

DREAM DROP
JACKPOTS

**RELAX GAMING TRANSFORMS
THE JACKPOT LANDSCAPE**

RELA:::
G A M I N G



WEEK 18

FRIDAY 6 MAY 2022

Sponsored by

RELA:::
G A M I N G

THIS WEEK

- **LEOVEGAS TO ACCEPT \$607M MGM RESORTS OFFER?**
- **NEW CEO AT GENTING SINGAPORE**
- **MARCH MADNESS BOOST FOR LAS VEGAS**
- **AUSTRALIA: EX-SENATOR DEMANDS STRICTER GAMBLING ADS**
- **EX-STAR CEO ADMITS CASINO SHORTCOMINGS**

GUEST PANEL
IGA 2022

KRISTIAN NYLÉN EXCLUSIVE: ONTARIO, NEW YORK AND LIFE AFTER DRAFTKINGS



**GAMBLING
INSIDER**



DD
DREAM DROP
JACKPOTS

**THE MOST EXCITING
GAMBLING EXPERIENCE
ON THE MARKET**

RELA:::
G A M I N G

Following the publishing of the sports betting supplier's Q1 results, Kambi CEO Kristian Nylén speaks exclusively to *Gambling Insider* about the firm's overall performance

Although the company had planned for losing revenue from DraftKings, which migrated to its own proprietary platform, overall Q1 revenue still fell considerably without the US giant. But there was positive growth for Kambi elsewhere, while Nylén had particular praise for the provider's Super Bowl and March Madness offerings. We also discuss Kambi's share price - and the two hottest markets in North American gaming: New York and Ontario.

My first question, as you might guess, is about life after DraftKings. Kambi's Q1 operator turnover was down 15% year-on-year but, without DraftKings, it was up 25%. Where do you feel these results show Kambi as being without DraftKings long term?

Obviously, it's tough to compensate for the loss of DraftKings. But I think we're doing a great job already. As you said, we're 25% up without DraftKings, even though we have some other headwinds such as the Netherlands. From that perspective, we're doing quite well. There have been quite a few operators reporting tough numbers and I'm very pleased we are growing turnover by 25% if you take out DraftKings.

The share price has fallen since the results were published. What have you made of the investor response to the results?

It's really hard to have a view of the share price at the moment. There are many other things going into the share price and I think the reaction across the globe for companies in our industry is quite rough at the moment. But we are roughly on the same level as when we reported and it was quite expected; our numbers were 3% below consensus so very much in line with what the market believed we would deliver.

When we spoke to you in 2019, you said the legalisation of mobile sports betting was only a matter of time in New York. That has, of course, proven the case - also being accelerated by the Covid-19 pandemic; what do you make of early performance in the market? Similarly, how do you judge the 51% tax rate, because there has been a lot of discussion about how it affects the margins for suppliers and certainly operators?

For us, it's a little bit easier than it is for operators. Our revenues come after tax, so it has a big impact. But we don't have to do any market spend for future revenues. So, for operators, it's obviously quite tough to operate in New York but, hopefully, everyone will get a long-term gain in the market. For us, it is the biggest market in the US at the moment, so it's a very interesting market. It's working for us and our cost basis is very scalable.

Somewhere where marketing costs will hopefully be less of an issue is Ontario in Canada. You this week announced a partnership with Mohegan Sun in the province. How do you think mobile sports betting in Ontario will compare to other markets in North America; do you see it perhaps being in the top five and does Kambi have any specific targets for the region?

If you look at numbers like population and GDP, it would be the second-largest market if it was in the US. So it's very exciting. It's hard to see how the market will pan out because there is a mix of strong American players coming into the market and strong European players who have already been operating in the market. It's a little bit tougher to know who will get good market share in Ontario.

“Last year [during the Super Bowl], we had an operational mistake that shouldn't have happened. But we have learnt from that and had very strong performance since”

Finally, Kambi mentioned the Super Bowl in its financial report. Did Kambi have a smoother Super Bowl this year and was there any significant year-on-year improvement?

I think we had absolutely perfect performance - not one single glitch. We also had a market-leading offering, so I'm very pleased with what we did for The Super Bowl. It continued for March Madness, when we had perfect performance. Since the Super Bowl last year, we have done really well. Last year, we had an operational mistake that shouldn't have happened. But we have learnt from that and had very strong performance since.

Q1 IN NUMBERS

6%

First quarter revenue rise reported by Flutter Entertainment



\$680m



Net loss for Q1 reported by Caesars Entertainment

32%

First quarter revenue growth for Aspire Global



€98.5m



LeoVegas' first quarter revenue (\$103.6m)

\$92m

Net income generated for Q1 by Red Rock Resorts



US ROUND-UP: MAINE, MISSOURI AND ATLANTIC CITY

► **Massachusetts** made a major step towards legal sports betting after the state's Senate approved a bill for the first time. Rather unusually, however, the Senate rejected several sections of the legislation, including the ability for bettors to place wagers on college sports. Of the 32 states which have approved sports betting to date, only Illinois has prohibited college sports betting. If the bill is signed into law, it is estimated that \$35m would be generated in annual state taxes.

In similar news, **Kansas** moved closer to approving a bill that would legalise sports betting, with both the Senate and House of Representatives voting in favour of the measure. It has now passed to Governor Laura Kelly, who has previously signalled her intentions to sign it into law. The Sunflower State, which has so far not allowed sports wagering in any form, introduced the bill to legislators back in 2020.

And continuing this theme, **Maine's** Governor Janet Mills signed into law a bill legalising both retail and tribal-run online sports betting. The Pine Tree State is home to four federally-recognised American Indian tribes: the Maliseet, Mi'kmaq, Penobscot and Passamaquoddy. Under this new legislation, Maine's tribes may now apply for a licence to offer online sports wagering. Casinos and off-track betting facilities are also authorised to accept in-person wagers under this new law.

A heated debate over the amount of gambling that should be legal continues to rage in **Missouri's** Senate. The odds that it will reach a definitive decision before its session ends on 13 May look slim. Part of the debate hinges on provisions that would allow the Missouri Lottery to install video gambling machines in truck stops, veterans halls and fraternal clubs, something casinos state-wide do not want to see. Moreover, some state prosecutors would prefer to see nothing pass due to the number of machines already installed that have been targeted as illegal gambling devices.

The **United Auto Workers** (UAW) added its voice to the chorus of campaigners calling for a smoking ban in **Atlantic City** casinos. The union said it will be "pushing" New Jersey legislators to hold hearings on a bill that would prohibit the activity in the state's nine brick-and-mortar gaming establishments. Atlantic City casinos operate under an exemption to the Garden State's Smoke-Free Air Act, but a coalition of anti-smoking campaigners and New Jersey politicians has sought to close this loophole.

Playstudios is offering customers an opportunity to view the works of renowned Dutch painter Vincent van Gogh, albeit with a twist. The company's loyalty marketing division, PlayAwards, has added Lighthouse Immersive to its roster of reward partners. Lighthouse uses projection mapping technology to display works of art, most notably those of Van Gogh, around a room. Under their agreement, Playstudios customers can now exchange their loyalty points for complimentary or specially priced tickets to Lighthouse's "Immersive Van Gogh" experience in Las Vegas.

SciPlay Corporation made three appointments to its Board of Directors, increasing the committee's size to nine. April Henry, Charles "CJ" Prober and Constance "Connie" P. James all joined the developer's Board, headed by Executive Chairman Barry Cottle. The company cited their "decades of relevant experience across the technology, gaming and digital entertainment industries" as its reason for their appointment. "I am excited to welcome a diverse group of proven leaders to SciPlay's Board," said Cottle.

MGM Resorts International said the previously announced transactions with **VICI Properties** and MGM Growth Properties (MGP) have closed. The parties noted VICI redeemed a majority of the MGP operating partnership units held by MGM Resorts for \$43 per unit, or approximately \$4.4bn in cash. Following the transactions, MGM Resorts owns an approximately 1% stake in the VICI operating partnership.

The easiest way
to source casino content

175+
studios
with one integration

ZERO platform fees

Powered by
Every Matrix



185%

Q1 revenue
rise reported by
Bally's Corporation

HK\$1.3bn

First quarter
losses reported
by SJM Holdings
(US\$165.6m)



\$364m

Record-breaking
net revenue
generated for Q1
by Churchill Downs

MGM RESORTS MAKES \$607M OFFER FOR LEOVEGAS

MGM Resorts International has commenced a recommended public tender offer for 100% of the shares of LeoVegas AB at a value of \$607m.

The acquisition is to be financed with existing cash, and is expected to be accretive to MGM Resorts' earnings and cash flow per share. As noted by MGM Resorts, the acceptance period of the offer is expected to commence around June 2022, and expire around August 2022.

"An offer document regarding the offer is expected to be made public shortly before the commencement of the acceptance period. Assuming that the offer is declared unconditional no later than around end of August 2022, settlement is expected to begin around early September 2022," a statement from the group read.

"The offer is subject to certain regulatory approvals, the receipt of valid tenders of more than 90% of LeoVegas' shares and customary closing conditions."

MGM Resorts explained that the acquisition will provide a unique opportunity for the company to create a scaled global online gaming business, with

attributes such as strategic opportunities to accelerate growth and product offerings, an experienced online gaming management team and superior technology capabilities, and the commitment to continued profitable growth.

MGM Resorts CEO and President Bill Hornbuckle commented: "Our vision is to be the world's premier gaming entertainment company, and this strategic opportunity with LeoVegas will allow us to continue to grow our reach throughout the world."

GI Verdict: Who saw this one coming? The surprise move from MGM Resorts should strengthen its global reach, but where does it leave the joint venture with Entain Group? That remains to be seen.

With the LeoVegas Board of Directors already unanimously recommending the shareholders of the group to accept the public offer, it seems like all will go swimmingly, and MGM Resorts' European ambitions will get underway in no time. Given the fact LeoVegas has won Online Casino of the Year no less than five times at the Global Gaming Awards, it seems an obvious bet for MGM Resorts in hindsight.

THE WEEK IN QUOTES

“As we continue to grow our business and increase our market share, David will bring a keen eye for how we can continuously improve our financial approach and discipline, a hallmark of Flutter and FanDuel’s strength.”

**Amy Howe, FanDuel Group
President and CEO, on David Jennings’
appointment as Chief Financial Officer**

“The Hippodrome has long led the way in the casino landscape, and the next phase of our development strategy is focused on elevating our position as a competitive lifestyle brand by enhancing the guest experience.”

**The Hippodrome’s Executive Chairman
Simon Thomas on a £3m (\$3.8m)
investment in new dining facilities**

TAN HEE TECK APPOINTED GENTING SINGAPORE CEO

Genting Singapore Limited has announced that President and COO Tan Hee Teck has been appointed as the new CEO of the company.

Concurrent to his appointment as CEO, Tan has ceased to be President and COO. He has held those roles since 2010, as well as the role of CEO of Resorts World at Sentosa since 2007.

Tan was then appointed Chairman of RWS in 2015, and was responsible for its successful bidding of the integrated resort at Sentosa in 2006.

Genting noted that the CEO is responsible for executing the Board’s approved strategies, as well as managing and developing the group’s businesses. He will also provide leadership to the management team of the company in order to “ensure effective day-to-day operational performance and organisational excellence.”

Genting added: “The Nominating Committee and the Board have assessed and are satisfied that Mr Tan has the

qualifications and experience to be appointed as the Chief Executive Officer of the company.”

There have also been further changes within the Genting Board, with Chan Swee Liang Carolina re-appointed as Lead Independent Director for another three-year term. She has been appointed as Chairman of the Nominating Committee (NC) in place of Jonathan Asherson, who will remain as a member of the NC.

Hauw Sze Shiung Winston has been appointed as a member and Chairman of the Remuneration Committee (RC) in place of Chan, who has ceased to be a member.

GI Verdict: It’s a safe but sensible choice from Genting, given Tan’s longstanding history with the company.

There is no sign of who will replace Tan as group President and COO, but whoever it is, if anyone, will have big shoes to fill. The appointments elsewhere will, however, ensure much stability in this period of change.

SCCG MANAGEMENT

STEPHEN A. CRYSTAL

Founder and CEO, SCCG Management

Email stephen.crystal@sccgmanagement.com
Mobile / WhatsApp +1 (702) 427-9354

On the Web at sccgmanagement.com
igaminglaw.online
stephenacrystalesq.com

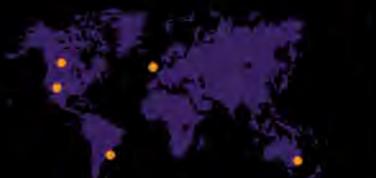
On LinkedIn at [linkedin.com/company/sccg-management](https://www.linkedin.com/company/sccg-management)
[linkedin.com/in/stephenacrystalesq](https://www.linkedin.com/in/stephenacrystalesq)



LEADERSHIP AND INNOVATION IN THE GAMBLING INDUSTRY FOR OVER 30 YEARS

ABOUT US

SCCG Management is a consultancy that specializes in sports betting, iGaming, sports marketing, affiliate marketing, technology, intellectual property protection, product commercialization, esports, capital formation, M&A, joint ventures, casino management, and governmental and legal affairs for the casino and iGaming industry.



UNITED STATES
105 E. Reno Avenue, Suite 8
Las Vegas, NV 89119
702-427-9354



CANADA
310 1010 8 Ave. S.W.
Calgary, AB T2P1LZ



UK
Gateway House
Milverton Street
London
SE11 4AP



AUSTRALIA
Sydney 557/243 Pyrmont Street
Pyrmont Sydney, NSW 2009



BRAZIL
Souza Dutra Street, 145
Office 1003, Estreito,
Florianópolis, SC, Brazil

"I look forward to representing it and its stakeholders to improve welfare, safeguard integrity and raise competition standards. Greyhound racing remains a hugely popular British tradition; on the latest figures the sixth-biggest spectator sport, welcoming millions of enthusiasts through its doors."

Lord Lipsey on his appointment as Chairman of Entain's Premier Greyhound Racing

"The AGCO holds all registered operators to high standards of responsible gambling, player protection and game integrity, and monitors their activities to ensure they are meeting their obligations under Ontario's Gaming Control Act and the Standards."

Tom Mungham, CEO and Registrar for the Alcohol and Gaming Commission of Ontario (AGCO), after issuing fines to BetMGM Canada and PointsBet

LAS VEGAS ECONOMY RECEIVES MARCH MADNESS BOOST

Nevada casinos have reported a near-record level of winnings for March, whilst at the same time, the Las Vegas airport announced that passenger traffic almost reached pre-pandemic levels.

With such high attendance, the Nevada Gaming Control Board (NGCB) announced a total for casinos statewide of \$1.35bn, nearing the best-ever monthly record of \$1.36bn that was achieved last July.

Overall, all-time records for house slot machine winnings were achieved, whereas the Las Vegas Strip gained the third highest monthly slot winnings to date.

In terms of sports betting, March featured a NASCAR race, mixed martial arts fights and NCAA basketball events. Almost \$40m was won by sportsbooks from \$863m of wagers.

According to the Las Vegas Convention and Visitors Authority, March also saw an increase of almost 50% in visitors to Las Vegas, with numbers reaching 3.3 million. Moreover, this observation noted

a return to more trade shows and that hotel occupancy in and around Las Vegas exceeded 80%.

The Harry Reid International Airport counted almost 4.3 million passengers for March, which is a reduction of only around 140,000 from its pre-pandemic total in March 2019. International traveller numbers reached 154,000, which is up more than 50% since February.

GI Verdict: Where to start with Vegas? What an extraordinary month for the Silver State. After a hugely tough time throughout the height of the pandemic, where people chose to stay at home instead of venturing to the bright lights of Vegas, March has proven to be one of the best months of all time.

The removal of all Covid restrictions combined perfectly with the return of March Madness, with spirits certainly lifted after a gloomy period. Vegas is coming back to life. Whether or not it can build on this success will be an interesting story to keep an eye on.

ΩMEGA SYSTEMS

PLATFORM MANAGEMENT SOFTWARE

iGaming NEXT

**NEW
YORK
CITY '22**



Stand 9

**TALK TO US.
TAKE CONTROL.**

TAKING STOCK

SHARE PRICES COVER THURSDAY
28 APRIL TO THURSDAY 5 MAY
(10:00AM GMT)

DraftKings 15.73 USD  12%

Caesars Entertainment 66.39 USD  1%

Kambi Group 166.60 SEK  8%

Playtech 543.50 GBp  7%

Light & Wonder 59.00 USD  2%

FORMER SOUTH AUSTRALIAN SENATOR CALLS FOR GAMBLING ADVERTISING OVERHAUL

Former South Australian Senator Nick Xenophon has called for tighter controls on gambling TV advertising, as well as the banning of gambling sponsorship within sports clubs.

Xenophon, who is once again running for the Senate, says sports betting ads should be restricted on TV to the same time as alcohol ads, as reported by Yahoo News. Such restrictions are between noon and 3pm on school days and 8:30pm to 5am on any day.

Sports betting ads are currently allowed to be played at all times except during children's programming. But news, current affairs and sports programmes are exceptions to this rule.

Xenophon has proposed that sports betting companies provide 20% of the amount spent on advertising to a gambling hard reduction fund, while he also suggested that Australia should follow the likes of Spain and Italy in banning the gambling industry from sponsoring sporting clubs.

"Given that Australians lose more than AU\$1.2bn (US\$850m) on sports betting (excluding horse racing) each year, and the increasing levels of harm, particularly amongst young people, these restrictions are long overdue," said Xenophon.

In the UK, the Committee for Advertising Practice (CAP) last month announced that it will introduce new rules for gambling ads as part of its commitment to safeguarding young people from 1 October 2022.

GI Verdict: Australia seemingly has no shortage of issues when it comes to the gambling industry, but Xenophon is adamant about reducing at least one of them. But sports betting in particular is booming in the country, and it will be difficult to fight the industry on that front.

Problem gambling reduction is, however, a growing priority for the industry, and this may help Xenophon's case. Whether or not Australia will follow in the footsteps of Italy, Spain, and the UK is hard to tell.

SUZOHAPP

Your Trusted Hardware Partner!
Sports Betting · Cashless · Gaming



EX-CEO OF THE STAR ADMITS CASINO SHORTCOMINGS

Former CEO of The Star Entertainment Group Matt Bekier has admitted shortcomings within the group's international arm, as reported by The Canberra Times.

A New South Wales gaming regulator inquiry is currently assessing the suitability of the company to hold a Sydney casino licence, and Bekier - who recently resigned from his role - was taking the stand on Monday afternoon. His resignation at the end of March was accepted by the company's board.

Speaking at the inquiry, Bekier detailed the shortcomings within the company's international arm, and in particular its China Union Pay debit card scheme, as well as its assessment of junket operators and the problems in its exclusive gaming room, Salon 95.

"If the Board of Directors had known about any of these things they would have supported me in shutting down that business a long time ago," said Bekier.

The inquiry heard that the former CEO felt let down by senior managers at the

casino, including lawyer Oliver White, Chief NSW Casino Officer Greg Hawkins and CFO Harry Theodore.

"It seemed like a bit of a dark art, we didn't challenge them, I didn't challenge them," Bekier continued. By this, he noted the acquisition of customers and flying them long-range to Star casinos, before entertaining them and collecting money, adding that it was very different to how the rest of the company was run.

The inquiry, which was prompted by reports of the group enabling suspected

money laundering, organised crime and foreign interference, continues this week before Adam Bell SC.

GI Verdict: The Star had been enjoying a bit of hush of late, but the latest hearings from the inquiry continue to do damage to the company's name.

The inquiry will continue, and no doubt further shocks will be revealed. As Bekier also noted within the hearing, a fresh perspective is very much needed, but a new face in charge will need years before fully repairing the damage that has been done.



FANTINI'S GAMING REPORTS

HELPING YOU MAKE MONEY

"I am an avid reader of your report. You do a great job day in and day out. Reading your report is more important to my day than my morning coffee"

David Cordish - CEO & Chairman
of The Cordish Companies



**More important than
your morning coffee!**

Find out why C-Level gaming Industry Executives and Investors depend on Fantini's Reports

Try it **FREE** for a month, email us at subscriptions@fantiniresearch.com
302-730-3793

www.fantiniresearch.com



MGM RESORTS INTERNATIONAL REPORTS Q1 REVENUE RISE OF 73%

MGM Resorts International has reported net revenue of \$2.85bn for the first quarter of 2022, a 73% increase from the first quarter of 2021.

Las Vegas Strip Resorts represented \$1.66bn of total revenue, with Regional Operations and MGM China amounting to \$890m and \$268m respectively.

Management and other operations accounted for \$32m of total revenue.

And when broken down into vertical, casino accounted for most of the revenue at \$1.42bn, followed by rooms at \$557m. Food and beverage represented \$492m of total revenue, with entertainment, retail and other amounting to \$371m, and reimbursements amounting to \$11.9m.

The group offered a reason for such results, noting: "The current quarter benefited from the inclusion of the operating results of Aria and Vdara due to its consolidation in September 2021 and was negatively affected by a decrease in business volume and travel due to the spread of the omicron variant in the early part of the quarter; however, results

improved over the prior-year quarter which was negatively affected by midweek property and hotel closures, lower business volume and travel activity and operational restrictions due to the Covid-19 pandemic primarily at the Las Vegas Strip Resorts."

Net loss attributable to MGM Resorts was \$18m, compared to \$332m in the prior-year period. The group also reported adjusted EBITDAR of \$670m for the period, with a margin of 23.5%.

"We delivered a strong first quarter in our domestic operations driven by weekend demand and a better mix of business," said MGM Resorts International CEO and President Bill Hornbuckle.

GI Verdict: A strong start to 2022 for MGM Resorts, despite a few early setbacks related to Covid-19. Off the back of its healthy Q1 financials, the company experienced a modest stock price bump, reversing a downward trend that had plagued MGM Resorts since 20 April. And in a bold move, this came alongside an offer to acquire LeoVegas. Having

weathered the storm of Covid-19, the company seems to have fixed its sights firmly on the horizon and future growth.



GLOBAL
GAMING
AWARDS
LAS VEGAS

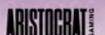
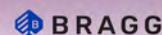
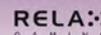
SELF
NOMINATIONS
NOW
OPEN

TELL US WHY
YOUR COMPANY
IS ONE OF THE
INDUSTRY'S BEST

Lead Partner

BETCONSTRUCT

Category Sponsors



Official Accounting Firm



Official Partner



MARCH REVENUE REPORTS: OR, RI

OREGON:

OREGON	MARCH REVENUE (M)	% CHANGE (YEAR-ON-YEAR)
Sports	\$3.304	+141.36
Video Lottery Terminals	\$114.186	+4.55
State Total	\$117.490	+6.24

RHODE ISLAND:

ALL-SOURCES REVENUE	MARCH REVENUE (M)	% CHANGE (YEAR-ON-YEAR)
Twin River (BALY)	\$44.249	+26.61
Tiverton (BALY)	\$12.518	+15.98
Total	\$56.768	+24.10

SLOTS	MARCH REVENUE (M)	% CHANGE (YEAR-ON-YEAR)
Twin River (BALY)	\$36.178	+23.90
Tiverton	\$10.538	+15.50
Total Slots	\$46.715	+21.90

TABLE GAMES	MARCH REVENUE (M)	% CHANGE (YEAR-ON-YEAR)
Twin River	\$8.071	+40.34
Tiverton	\$1.981	+18.62
Total Table Games	\$10.052	+35.46

SPORTS BETTING	MARCH REVENUE (M)	% CHANGE (YEAR-ON-YEAR)	OPERATORS
Twin River	\$1.515	+2.93	CZR
Online	\$1.827	-2.34	IGT / CZR
Tiverton	\$0.396	-37.47	CZR
Total Revenue	\$3.738	-5.98	

IGA PANEL: SPORTS BETTING PARTNERSHIPS - LET'S MAKE A DEAL

Vice President of Victor Strategies, **Gene Johnson**, moderates a discussion on sports betting partnerships and how choosing the right technology partner can either be the key to success, or the start of longstanding consequences.

Gene Johnson: Tell us about the current market landscapes. What kinds of markets are currently out there; what deals could be made?

Jessica Feil, VP Licensing and Regulatory Compliance, OpenBet: There is a library of deals out there. The question I think all operators should ask is what are we trying to get out of it? Is the deal just for one jurisdiction or is it across different regions? Are you looking at your brand or a partner brand? There are many variables, and a lot of operators and suppliers work together in different ways.

A key element of the partnership comes down to how this partnership navigates regulatory space. This is especially important for US markets, and operators and regulators have to be aware of these different regulations when entering the US market, and how they can affect a partnership. A partnership needs to educate your consumer, as well as inform your regulator and push business growth.

Johnson: What are some of the differences between tribal and state regulators?

Jonathan Edson, SVP of Business Development, DraftKings: I think we find it easier to work with tribal regulators. It's partly down to the fact they're not regulating the entire state, and therefore more focused on what needs to happen at specific properties on tribal lands.

With all regulators, whether state or tribal, there's an educational process. For example, if you install a server at a data centre, does the technician who installs the server need to have a licence? And because these technicians aren't always used to the latest gaming equipment, they're not part of it, so they

shouldn't need a licence. The guy that comes in to install the gaming software on the machine does need a licence, as they know the ins and outs and how the software works and the purpose it serves. Things are always different enough where everyone is in that place where things are a bit of a learning curve, and there's an argument to say a constant dialogue is needed between regulators and operators to find the right middle ground. Sometimes people aren't already talking the same language, so things can get muddled there. But, as I said, I normally find tribal regulators to be very open-minded. And, of course, ensuring all the regulations and policies around responsible gambling are followed.

Johnson: FanDuel and DraftKings have recently been rated as tied in terms of the best app. You're both (FanDuel and DraftKings) in Connecticut where there are two tribal locations. Can tribes leverage the competition between DraftKings and FanDuel to try and get a better deal?

Edson: These tribal destinations in Connecticut are true gaming destinations; they're stalwarts of the state. So there was just so much more at stake with regard to what we could do. A lot depended on how customers both inside and outside Connecticut would want to do at those properties, so coming up with a good deal with these tribal locations for our product was crucial. Getting the brand right was important there. What was great to hear was that these tribal locations loved the idea of having a DraftKings database on their site. So, in this case, as in others, it's a perfect deal for both online operators and tribal casinos.

Johnson: What about the regulatory side of things? Have you had to do a quick education on tribal law before going into such deals?

Feil: I think issues around tribal gaming are unique, and the legal speech around this is fascinating. The nuances around contracts are so essential to a successful partnership with a tribal operator, as something slightly wrong with some oversight can turn things south. It's all-out getting it right, especially as tribal gaming is so important to the communities in which they operate and reside.



LATEST ISSUE OUT NOW

Click HERE to view



The background is a dark teal space filled with glowing blue and white lines that form a complex, futuristic grid or circuit pattern. In the center, there are three vertical columns of glowing white circles, with binary code (0s and 1s) floating around them. The overall aesthetic is high-tech and digital.

RELA ∴ ∴ ∴
G A M I N G

TECHNICAL EXCELLENCE

Robust, reliable and scalable technology
brings you the best content, faster.

DRIVING DIFFERENTIATION

For content from Relax Gaming and our partners, please visit relax-gaming.com or contact: sales@relax-gaming.com