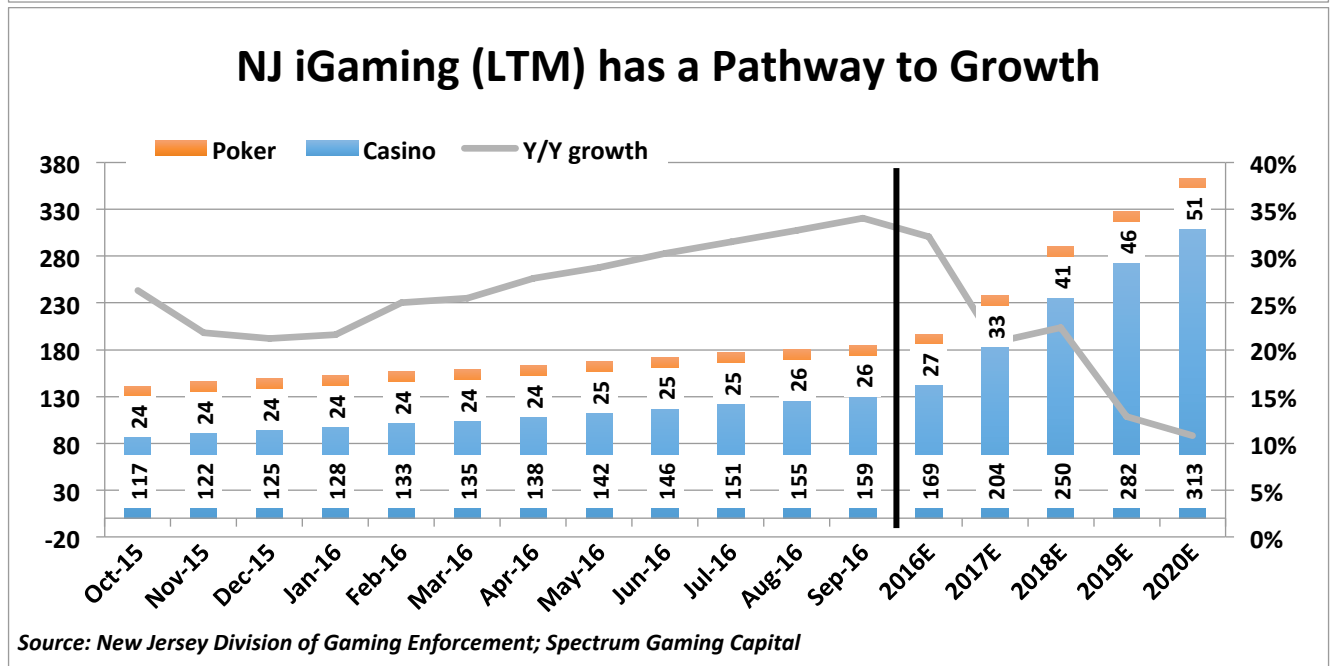
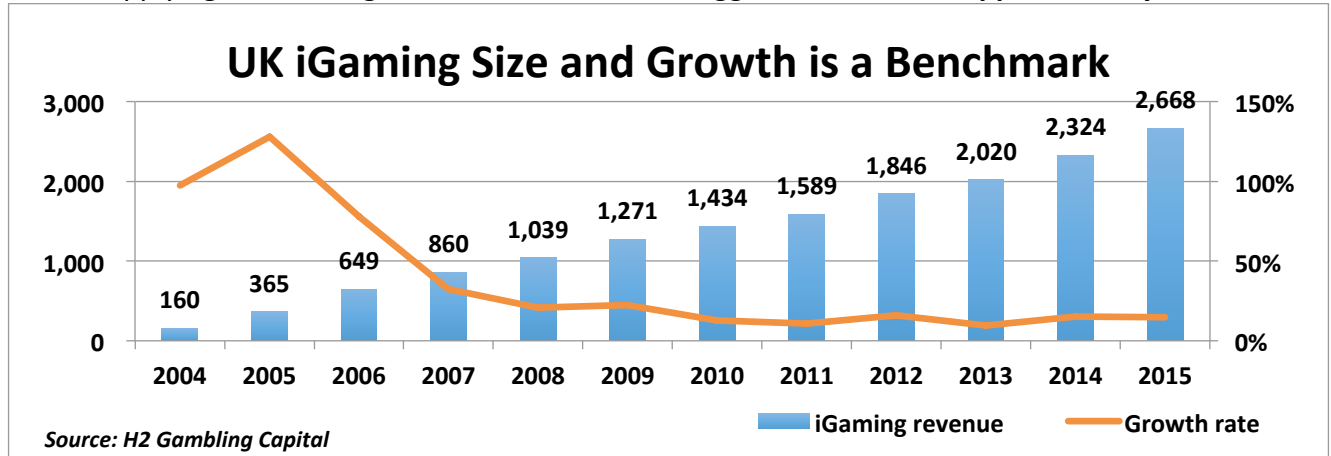


Insight: New Jersey iGaming Revenue to Double by 2020 with Upside from Poker

Approaching its Second Anniversary, NJ iGaming is Growing Rapidly

- iGaming GGR in the 12 mos. ended 9/2016 is \$185m, up 34% Y/Y; \$28 per capita (6.6M adults)
- iGaming in the UK (12 years history) generated \$2.7B GGR, \$53 per capita
 - NJ and UK markets are similar - slots, table games and poker - with a low 15% tax on GGR
- In 2007, the UK iGaming GGR reached \$860m, up 33% from 2006
 - Over the next four years, the market grew at a CAGR of 17%
 - Applying that same growth rate to NJ would suggest **2020 GGR of approximately \$365m**



Significant Upside in Poker from Pooling and Amaya Impact

- In July 2016, NJ and the UK discussed an agreement to share poker liquidity between their markets.
 - LTM NJ online poker revenue grew 8%, compared with 40% for casino games
 - Online poker is 20% of the UK market GGR, but only 14% of NJ iGaming GGR
 - If NJ online poker was 20% of market GGR, vs. current 14%, iGaming GGR would now be \$200m
- PokerStars partnered with Resorts Digital and began offering online gaming in March 2016
 - PokerStars controls ~70% of the worldwide online poker market and is already NJ leader