
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
WASHINGTON, D.C. 20549

SCHEDULE 13E-3

RULE 13e-3 TRANSACTION STATEMENT UNDER SECTION 13(e) OF
THE SECURITIES EXCHANGE ACT OF 1934

SciPlay Corporation
(Name of the Issuer)

SciPlay Corporation
Light & Wonder, Inc.
Bern Merger Sub, Inc.
LNW Social Holding Company I, LLC
LNW Social Holding Company II, LLC
Light and Wonder International, Inc.
(Names of Persons Filing Statement)

Class A Common Stock, par value \$0.001 per share
(Title of Class of Securities)

809087109
(CUSIP Number of Class of Securities)

Joshua J. Wilson
SciPlay Corporation
6601 Bermuda Road
Las Vegas, Nevada 89119
(702) 897-7150

Matthew R. Wilson
Light & Wonder, Inc.
Bern Merger Sub, Inc.
LNW Social Holding Company I, LLC
LNW Social Holding Company II, LLC
Light and Wonder International, Inc.
6601 Bermuda Road
Las Vegas, Nevada 89119
(702) 897-7150

(Name, Address and Telephone Numbers of Person Authorized to Receive Notices and Communications on Behalf of the Persons Filing Statement)

With copies to

Audra D. Cohen
Melissa Sawyer
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004

Robert I. Townsend, III
Jin-Kyu Baek
Cravath, Swaine & Moore LLP
825 8th Avenue
New York, NY 10019

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THIS TRANSACTION, PASSED ON THE MERITS OR THE FAIRNESS OF THE TRANSACTION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This statement is filed in connection with (check the appropriate box):

- a. ☒ The filing of solicitation materials or an information statement subject to Regulation 14A (§§ 240.14a-1 through 240.14b-2), Regulation 14C (§§ 240.14c-1 through 240.14c-101) or Rule 13e-3(c) (§ 240.13e-3(c)) under the Securities Exchange Act of 1934 (the "Exchange Act").
- b. ☐ The filing of a registration statement under the Securities Act of 1933.
- c. ☐ A tender offer.
- d. ☐ None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies: ☒

Check the following box if the filing is a final amendment reporting the results of the transaction: ☐

INTRODUCTION

This Rule 13e-3 transaction statement on Schedule 13E-3, together with the exhibits hereto (this “Transaction Statement”), is being filed with the Securities and Exchange Commission (the “SEC”) pursuant to Section 13(e) of the Exchange Act, by (a) SciPlay Corporation, a Nevada corporation (the “Company”), the issuer of the shares of Class A common stock, par value \$0.001 per share (the “Class A Common Stock”), and Class B common stock, par value \$0.001 per share (the “Class B Common Stock” and, together with the Class A Common Stock, the “Common Stock”), that are the subject of the Rule 13e-3 transaction; (b) Light & Wonder, Inc., a Nevada corporation (“Parent”); (c) Bern Merger Sub, Inc., a Nevada corporation (“Merger Sub”); (d) LNW Social Holding Company I, LLC, a Nevada limited liability company (the “Principal Stockholder”); (e) LNW Social Holding Company II, LLC, a Nevada limited liability company; and (f) Light and Wonder International, Inc., a Delaware corporation. Collectively, the persons filing this Transaction Statement are referred to as the “filing persons.”

This Transaction Statement relates to the Agreement and Plan of Merger, dated as of August 8, 2023 (as amended or otherwise modified in accordance with its terms, the “Merger Agreement”), by and among Parent, Merger Sub and the Company. Pursuant to the Merger Agreement, Merger Sub will merge with and into the Company (the “Merger”), with the Company surviving the Merger as the surviving corporation (the “Surviving Corporation”).

Upon consummation of the Merger, on the terms and subject to the conditions set forth in the Merger Agreement and in accordance with the laws of the State of Nevada, each share of Class A Common Stock issued and outstanding immediately prior to the effective time of the Merger (the “Effective Time”) (other than (i) shares of Class A Common Stock held by the Company as treasury stock immediately prior to the Effective Time, (ii) shares of Class B Common Stock issued and outstanding immediately prior to the Effective Time and (iii) Class A Common Stock held by Parent, Merger Sub or any other direct or indirect wholly owned subsidiary of Parent as of immediately prior to the Effective Time not held on behalf of third parties) will be converted into the right to receive \$22.95 in cash, without interest (the “Merger Consideration”). Each share of Class B Common Stock issued and outstanding immediately prior to the Effective Time will remain in existence following the Effective Time as a share of Class B common stock, par value \$0.001 per share, of the Surviving Corporation. In accordance with Section (F) of Article VI of the Amended and Restated Articles of Incorporation of the Company and Section 11.01 of the Amended and Restated Operating Agreement of SciPlay Parent Company, LLC, a Nevada limited liability company (“SciPlay Parent LLC”), dated as of May 2, 2019 (as amended, restated or otherwise modified from time to time, the “SciPlay Parent LLC Agreement”), each holder of a unit of member’s interest in SciPlay Parent LLC that is authorized and issued under the SciPlay Parent LLC Agreement and that constitutes a “Common Unit” as defined in the SciPlay Parent LLC Agreement (such unit of member’s interest, a “Common Unit”), that is issued and outstanding immediately prior to the Effective Time will be entitled, upon the election of such holder exercisable no later than 10 business days after the Effective Time, to exchange each such Common Unit for the Merger Consideration that is payable with respect to one share of Class A Common Stock under the Merger Agreement. As part of the Written Consent (as defined below) executed and delivered by the Principal Stockholder on August 8, 2023, the Principal Stockholder, which on such date beneficially owned all of the issued and outstanding Common Units not owned by the Company, waived any entitlement it has as a holder of Common Units to receive the Merger Consideration that is payable under the Merger Agreement with respect to each Common Unit that it holds immediately prior to the Effective Time. Pursuant to the Merger Agreement, the Company also waived any entitlement it has as a holder of Common Units to receive the Merger Consideration that is payable under the Merger Agreement with respect to each Common Unit that it holds immediately prior to the Effective Time. Treatment of outstanding equity plan awards under the Company’s equity incentive plans and award agreements is described in greater detail in the Information Statement (as defined below) under “The Special Factors—Interests of Our Directors and Executive Officers in the Merger” and “The Merger Agreement—Consideration to be Received in the Merger.” Further, following completion of the Merger, the Class A Common Stock will be delisted from the Nasdaq Global Select Market and deregistered under the Exchange Act.

The board of directors of the Company (the “Board”) (acting, at least in part, based upon the receipt of the unanimous recommendation of a special committee of the Board, comprised solely of independent and disinterested directors (the “Special Committee”)) has (i) determined that the Merger Agreement, the Merger and the transactions contemplated by the Merger Agreement (the “Transactions”) are advisable and fair to, and in the best interests of, the Company and the holders of Common Stock (the “Stockholders”) (other than Parent and its subsidiaries), (ii) adopted and approved, pursuant to Nevada Revised Statutes (“NRS”) 92A.120, and declared advisable the Merger Agreement, the Merger and the other Transactions, (iii) directed the submission of the Merger Agreement to the Stockholders for approval and (iv) recommended that the Stockholders vote in favor of the approval of the Merger Agreement, the Merger and the other Transactions. Ms. Antonia Korsanos, who serves as Chair of the Board and who also serves as Executive Vice Chair of the board of directors of Parent and Ms. Constance P. James, who at the time served as a member of the Board and who was also the Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary of Parent, recused themselves from the deliberations and vote of the Board regarding the Merger Agreement, the Merger and the other Transactions.

Concurrently with the filing of this Transaction Statement, the Company is filing an information statement (the “Information Statement”) under Section 14(c) of the Exchange Act. A copy of the Information Statement is attached hereto as Exhibit (a)(1) and a copy of the Merger Agreement is attached as Annex A to the Information Statement. The approval of the Merger Agreement, the Merger and the other Transactions required the affirmative vote (at a meeting or by written consent) of a majority of the voting power of the Stockholders, with holders of Class A Common Stock and holders of Class B Common Stock voting together as a single class (the “Required Stockholder Approval”). Following the execution of the Merger Agreement, Parent caused the Principal Stockholder, which on such date beneficially owned all of the issued and outstanding shares of Class B Common Stock, representing a majority of the outstanding voting power of the issued and outstanding shares of Common Stock, to execute and deliver to the Company an irrevocable written consent approving the Merger Agreement, the Merger and the other Transactions (the “Written Consent”), thereby providing the Required Stockholder Approval for the Merger.

Pursuant to General Instruction F to Schedule 13E-3, the information contained in the Information Statement, including all annexes thereto, is expressly incorporated herein by reference in its entirety, and responses to each item herein are qualified in their entirety by the information contained in the Information Statement and the annexes thereto. The cross-references below are being supplied pursuant to General Instruction G to Schedule 13E-3 and show the location in the Information Statement of the information required to be included in response to the items of Schedule 13E-3. As of the date hereof, the Information Statement is in preliminary form and is subject to completion.

All information contained in this Transaction Statement concerning any of the filing persons has been provided by such filing person and no filing person has produced any disclosure with respect to any other filing persons.

ITEM 1. SUMMARY TERM SHEET

The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”

ITEM 2. SUBJECT COMPANY INFORMATION

(a) Name and Address. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“The Parties to the Merger Agreement”

(b) Securities. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“Market Information, Dividends and Certain Transactions in the Class A Common Stock”

(c) Trading Market and Price. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“Market Information, Dividends and Certain Transactions in the Class A Common Stock”

(d) Dividends. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“Market Information, Dividends and Certain Transactions in the Class A Common Stock”

(e) Prior Public Offerings. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”

“Market Information, Dividends and Certain Transactions in the Class A Common Stock”

(f) Prior Stock Purchases. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“Market Information, Dividends and Certain Transactions in the Class A Common Stock”

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSONS

(a)–(c) Name and Address; Business and Background of Entities; Business and Background of Natural Persons. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”

“The Parties to the Merger Agreement”

“Directors, Executive Officers and Controlling Persons of the Company”

“Where You Can Find More Information”

ITEM 4. TERMS OF THE TRANSACTION

(a)(1) Material Terms – Tender Offers. Not applicable.

(a)(2) Material Terms – Merger or Similar Transactions. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”

“Questions and Answers about the Merger”

“The Special Factors – Background of the Merger”

“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”

“The Special Factors – Required Stockholder Approval for the Merger”

“The Special Factors – Opinion and Materials of Lazard”

“The Special Factors – Certain Company Financial Forecasts”

“The Special Factors – Opinion and Materials of Macquarie Capital”

“The Special Factors – Position of the Company on the Fairness of the Merger”

“The Special Factors – Position of the LNW Entities in Connection with the Merger”

“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”

“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”

“The Special Factors – Accounting Treatment”

“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”

“The Special Factors – Delisting and Deregistration of Class A Common Stock”

“The Special Factors – Material United States Federal Income Tax Consequences of the Merger”

“The Merger Agreement”

“Annex A: Merger Agreement”

“Annex B: Lazard Opinion”

“Annex C: Macquarie Capital Opinion”

“Annex D: Written Consent”

(c) Different Terms. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
“The Merger Agreement – Consideration to be Received in the Merger”

(d) Appraisal Rights. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary – No Dissenter’s Rights”
“Questions and Answers about the Merger”
“No Dissenter’s Rights”

(e) Provisions for Unaffiliated Security Holders. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“No Dissenter’s Rights”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“Provisions for Unaffiliated Stockholders”

(f) Eligibility for Listing or Trading. Not applicable.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS

(a) Transactions. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“Market Information, Dividends and Certain Transactions in the Class A Common Stock”
“Transactions Between the Company and the LNW Entities”

(b)–(c) Significant Corporate Events; Negotiations or Contacts. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Required Stockholder Approval for the Merger”
“The Special Factors – Financing”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
“The Special Factors – Delisting and Deregistration of Class A Common Stock”
“The Special Factors – Fees and Expenses”
“The Merger Agreement – Form of Merger”

“The Merger Agreement – Consummation and Effectiveness of the Merger”
“The Merger Agreement – Consideration to be Received in the Merger”
“The Merger Agreement – Written Consent; Merger Sub Shareholder Consent”
“Market Information, Dividends and Certain Transactions in the Class A Common Stock”
“Annex A: Merger Agreement”
“Annex D: Written Consent”

(e) Agreements Involving the Subject Company’s Securities. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Required Stockholder Approval for the Merger”
“The Special Factors – Financing”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
“The Special Factors – Delisting and Deregistration of Class A Common Stock”
“The Special Factors – Fees and Expenses”
“The Merger Agreement – Form of Merger”
“The Merger Agreement – Consummation and Effectiveness of the Merger”
“The Merger Agreement – Consideration to be Received in the Merger”
“The Merger Agreement – Written Consent; Merger Sub Shareholder Consent”
“The Merger Agreement – Other Covenants and Agreements”
“Market Information, Dividends and Certain Transactions in the Class A Common Stock”
“Transactions between the Company and the LNW Entities”
“Annex A: Merger Agreement”
“Annex D: Written Consent”

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS

(b) Use of Securities Acquired. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Delisting and Deregistration of Class A Common Stock”
“The Special Factors – Plans for the Company After the Merger”
“The Merger Agreement – Form of Merger”
“The Merger Agreement – Consideration to be Received in the Merger”

(c)(1)–(8) Plans. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”

“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
“The Special Factors – Delisting and Deregistration of Class A Common Stock”
“The Special Factors – Plans for the Company After the Merger”
“The Special Factors – Fees and Expenses”
“The Merger Agreement”
“Annex A: Merger Agreement”

ITEM 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS

(a) Purposes. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
“The Special Factors – Plans for the Company After the Merger”

(b) Alternatives. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Opinion and Materials of Lazard”
“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Alternatives to the Merger”

(c) Reasons. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
“The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”

(d) Effects. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Financing”
“The Special Factors – Position of the Company on the Fairness of the Merger”

“The Special Factors – Position of the LNW Entities in Connection with the Merger”
 “The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
 “The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
 “The Special Factors – Accounting Treatment”
 “The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
 “The Special Factors – Delisting and Deregistration of Class A Common Stock”
 “The Special Factors – Plans for the Company After the Merger”
 “The Special Factors – Fees and Expenses”
 “The Special Factors – Material United States Federal Income Tax Consequences of the Merger”
 “The Merger Agreement – Form of Merger”
 “The Merger Agreement – Consummation and Effectiveness of the Merger”
 “The Merger Agreement – Consideration to be Received in the Merger”
 “The Merger Agreement – Charter; Bylaws”
 “The Merger Agreement – Directors’ and Officers’ Indemnification and Insurance”
 “The Merger Agreement – Continuing Employee Matters”
 “No Dissenter’s Rights”
 “Annex A: Merger Agreement”

ITEM 8. FAIRNESS OF THE TRANSACTION

(a)–(b) Fairness; Factors Considered in Determining Fairness. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
 “Questions and Answers about the Merger”
 “The Special Factors – Background of the Merger”
 “The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
 “The Special Factors – Opinion and Materials of Lazard”
 “The Special Factors – Position of the Company on the Fairness of the Merger”
 “The Special Factors – Position of the LNW Entities in Connection with the Merger”
 “The Special Factors – Purposes and Reasons of the Company in Connection with the Merger”
 “The Special Factors – Purposes and Reasons of the LNW Entities in Connection with the Merger”
 “The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
 “Annex B: Lazard Opinion”

The confidential discussion materials prepared by Lazard Frères & Co. LLC (“Lazard”) and provided to the Special Committee, dated June 12, 2023, July 12, 2023, July 19, 2023, July 26, 2023 and August 7, 2023, are attached hereto as Exhibits (c)(3) through and including (c)(7) and, in each case, is incorporated by reference herein.

(c) Approval of Security Holders. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
 “Questions and Answers about the Merger”
 “The Special Factors – Background of the Merger”
 “The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
 “The Special Factors – Required Stockholder Approval for the Merger”
 “The Merger Agreement – Written Consent; Merger Sub Shareholder Consent”
 “Annex A: Merger Agreement”
 “Annex D: Written Consent”

(d) Unaffiliated Representative. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Opinion and Materials of Lazard”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
“Annex B: Lazard Opinion”

(e) Approval of Directors. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”

(f) Other Offers. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Merger Agreement – No Solicitation”

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS

(a)–(c) Report, Opinion or Appraisal; Preparer and Summary of the Report, Opinion or Appraisal; Availability of Documents. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“The Special Factors – Background of the Merger”
“The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board”
“The Special Factors – Opinion and Materials of Lazard”
“The Special Factors – Opinion and Materials of Macquarie Capital”
“The Special Factors – Certain Company Financial Forecasts”
“The Special Factors – Position of the Company on the Fairness of the Merger”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“Annex B: Lazard Opinion”
“Annex C: Macquarie Capital Opinion”

The confidential discussion materials prepared by Lazard and provided to the Special Committee, dated June 12, 2023, July 12, 2023, July 19, 2023, July 26, 2023 and August 7, 2023, are attached hereto as Exhibits (c)(3) through and including (c)(7) and, in each case, is incorporated by reference herein.

The confidential discussion materials prepared by Macquarie Capital (USA) Inc. and provided to the Board of Directors of Parent, dated May 17, 2023, August 3, 2023 and August 7, 2023, are attached hereto as Exhibits (c)(8) through and including (c)(10) and, in each case, is incorporated by reference herein.

The reports, opinions or appraisals referenced in this Item 9 are filed herewith or incorporated by reference herein and will be made available for inspection and copying at the principal executive offices of the Company during its regular business hours by any interested holder of Class A Common Stock or representative who has been designated in writing, and copies may be obtained by requesting them in writing from the Company at the email address provided under the caption “Where You Can Find More Information” in the Information Statement, which is incorporated herein by reference.

ITEM 10. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION

(a)–(b) Source of Funds; Conditions. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Summary”
“Questions and Answers about the Merger”
“The Special Factors – Financing”
“The Special Factors – Position of the LNW Entities in Connection with the Merger”
“The Merger Agreement – Consummation and Effectiveness of the Merger”
“Annex A: Merger Agreement”

(c) Expenses. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

“The Special Factors – Fees and Expenses”

(d) Borrowed Funds. Not applicable.

ITEM 11. INTEREST IN SECURITIES OF THE SUBJECT COMPANY

(a) Securities Ownership. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“Directors, Executive Officers and Controlling Persons of the Company”
“Security Ownership”

(b) Securities Transactions. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

“The Special Factors – Background of the Merger”
“The Special Factors – Interests of Our Directors and Executive Officers in the Merger”
“The Merger Agreement”
“Market Information, Dividends and Certain Transactions in the Class A Common Stock”
“Annex A: Merger Agreement”

ITEM 12. THE SOLICITATION OR RECOMMENDATION

(d) Intent to Tender or Vote in a Going-Private Transaction. Not applicable.

(e) Recommendations of Others. Not applicable.

ITEM 13. FINANCIAL STATEMENTS

(a) Financial Statements. The audited financial statements set forth in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, originally filed on March 1, 2023 (see pages 58 to 86 therein), the unaudited consolidated statements of income, consolidated statements of comprehensive income, condensed consolidated balance sheets, consolidated statements of changes in stockholders' equity and condensed consolidated statements of cash flows set forth in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, originally filed on May 9, 2023 (see pages 6 to 19 therein), and the unaudited consolidated statements of income, consolidated statements of comprehensive income, condensed consolidated balance sheets, consolidated statements of changes in stockholders' equity and condensed consolidated statements of cash flows set forth in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, originally filed on August 8, 2023 (see pages 6 to 19 therein), are incorporated by reference herein. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

"Market Information, Dividends and Certain Transactions in the Class A Common Stock"
"Where You Can Find More Information"

(b) Pro Forma Information. Not applicable.

ITEM 14. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED

(a) Solicitations or Recommendations. Not applicable.

(b) Employees and Corporate Assets. The information set forth in the Information Statement under the following captions is incorporated herein by reference:

"Summary"
"Questions and Answers about the Merger"
"The Special Factors – Background of the Merger"
"The Special Factors – Recommendation of the Special Committee; Reasons for the Merger; Recommendation of the Board"
"The Special Factors – Opinion and Materials of Lazard"
"The Special Factors – Interests of Our Directors and Executive Officers in the Merger"
"The Special Factors – Fees and Expenses"

ITEM 15. ADDITIONAL INFORMATION

(b) Golden Parachute Compensation. The information set forth in the Information Statement under the following caption is incorporated herein by reference:

"The Special Factors – Interests of Our Directors and Executive Officers in the Merger"
"The Merger Agreement—Consideration to be Received in the Merger"

(c) Other Material Information. The information set forth in the Information Statement, including all annexes thereto, is incorporated herein by reference.

ITEM 16. EXHIBITS

Exhibit No.	Description
-------------	-------------

(a)(1)	<u>Preliminary Information Statement of SciPlay Corporation, incorporated herein by reference to the Information Statement.</u>
--------	---

- (a)(2) [Joint Press Release of SciPlay Corporation and Light & Wonder, Inc., dated August 8, 2023, incorporated herein by reference to Exhibit 99.1 to SciPlay Corporation's Form 8-K filed with the Securities and Exchange Commission on August 8, 2023.](#)
- (e)(1) [Opinion of Lazard Frères & Co. LLC to the Special Committee of the Board of Directors of SciPlay Corporation, dated August 8, 2023, incorporated herein by reference to Annex B to the Information Statement.](#)
- (e)(2) [Opinion of Macquarie Capital \(USA\) Inc. to the Board of Directors of Light & Wonder, Inc., dated August 7, 2023, incorporated herein by reference to Annex C to the Information Statement.](#)
- (e)(3)* [Discussion materials prepared by Lazard Frères & Co. LLC, dated June 12, 2023, for the Special Committee of the Board of Directors of SciPlay Corporation.](#)
- (e)(4)* [Discussion materials prepared by Lazard Frères & Co. LLC, dated July 12, 2023, for the Special Committee of the Board of Directors of SciPlay Corporation.](#)
- (e)(5)* [Discussion materials prepared by Lazard Frères & Co. LLC, dated July 19, 2023, for the Special Committee of the Board of Directors of SciPlay Corporation.](#)
- (e)(6)* [Discussion materials prepared by Lazard Frères & Co. LLC, dated July 26, 2023, for the Special Committee of the Board of Directors of SciPlay Corporation.](#)
- (e)(7)* [Discussion materials prepared by Lazard Frères & Co. LLC, dated August 7, 2023, for the Special Committee of the Board of Directors of SciPlay Corporation.](#)
- (e)(8)* [Discussion materials prepared by Macquarie Capital \(USA\) Inc., dated May 17, 2023, for the Board of Directors of Light & Wonder, Inc.](#)
- (e)(9)* [Discussion materials prepared by Macquarie Capital \(USA\) Inc., dated August 3, 2023, for the Board of Directors of Light & Wonder, Inc.](#)
- (e)(10)* [Discussion materials prepared by Macquarie Capital \(USA\) Inc., dated August 7, 2023, for the Board of Directors of Light & Wonder, Inc.](#)
- (d)(1) [Agreement and Plan of Merger, dated as of August 8, 2023, by and among Light & Wonder, Inc., Bern Merger Sub, Inc. and SciPlay Corporation, incorporated herein by reference to Annex A to the Information Statement.](#)
- (d)(2) [Amended and Restated Operating Agreement of SciPlay Parent Company, LLC, dated May 2, 2019, by and among SciPlay Parent Company, LLC, SciPlay Corporation and its Members \(as defined therein\), incorporated by reference to Exhibit 10.1 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)
- (d)(3) [Registration Rights Agreement, dated as of May 7, 2019, by and among SciPlay Corporation, SG Social Holding Company I, LLC \(as predecessor to LNW Social Holding Company I, LLC\) and such other persons from time to time party thereto, incorporated by reference to Exhibit 10.3 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)
- (d)(4) [Tax Receivable Agreement, dated as of May 7, 2019, by and among SciPlay Corporation, SciPlay Parent Company, LLC and each of the Members \(as defined therein\) from time to time party thereto, incorporated by reference to Exhibit 10.2 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)

- (d)(5) [License Agreement, dated as of May 7, 2019, by and between Bally Gaming, Inc. \(as predecessor to LNW Gaming, Inc.\) and SG Social Holding Company I, LLC \(as predecessor to LNW Social Holding Company I, LLC\), incorporated by reference to Exhibit 10.4 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)
- (d)(6) [Assignment Agreement, dated as of May 7, 2019, by and between SG Social Holding Company I, LLC \(as predecessor to LNW Social Holding Company I, LLC\) and SciPlay Holding Company, LLC \(as predecessor to SciPlay Games, LLC\), incorporated by reference to Exhibit 10.5 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)
- (d)(7) [First Amendment to IP License Agreement, dated as of May 6, 2022, by and between SciPlay Games, LLC and SG Gaming, Inc. \(as predecessor to LNW Gaming, Inc.\), incorporated by reference to Exhibit 10.1 to SciPlay Corporation's Current Report on Form 8-K filed on May 10, 2022.](#)
- (d)(8) [Services Agreement, dated as of May 7, 2019, by and among Scientific Games Corporation \(as predecessor to Light & Wonder, Inc.\), Scientific Games International, Inc. \(as predecessor to Light and Wonder International, Inc.\), Bally Gaming, Inc. \(as predecessor to LNW Gaming, Inc.\) and SciPlay Holding Company, LLC \(as predecessor to SciPlay Games, LLC\), incorporated by reference to Exhibit 10.6 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019.](#)

[107*](#) [Filing Fee Table](#)

* To be filed herewith

SIGNATURES

After due inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated as of September 11, 2023.

SCIPLAY CORPORATION

By: /s/ Daniel O'Quinn
Name: Daniel O'Quinn
Title: Interim Chief Financial Officer and Secretary

LIGHT & WONDER, INC.

By: /s/ James Sottile
Name: James Sottile
Title: Executive Vice President, Chief Legal Officer and Corporate Secretary

BERN MERGER SUB, INC.

By: /s/ James Sottile
Name: James Sottile
Title: President, Treasurer and Secretary

LNW SOCIAL HOLDING COMPANY I, LLC

By: LNW Social Holding Company II, LLC,
its sole member

By: Light and Wonder International, Inc.,
its sole member

By: /s/ James Sottile
Name: James Sottile
Title: Secretary

LNW SOCIAL HOLDING COMPANY II, LLC

By: Light and Wonder International, Inc.,
its sole member

By: /s/ James Sottile
Name: James Sottile
Title: Treasurer and Secretary

LIGHT AND WONDER INTERNATIONAL, INC.

By: /s/ James Sottile
Name: James Sottile
Title: Treasurer and Secretary

CONFIDENTIAL

12 JUNE 2023









SPECIAL COMMITTEE DISCUSSION MATERIALS

Project Sapphire

LAZARD

The Lazard Team for the Special Committee of Sapphire

Interactive Media & Technologies Team and Special Committee Expertise

<p>David Higley Managing Director, Global Head of Interactive Media & Technologies</p>  <ul style="list-style-type: none"> Based in Los Angeles, with 25+ years of investment banking experience Prior to Lazard, founded Bond Lane Partners, a boutique investment bank focused on interactive media and technologies and served as Managing Director and Global Head of Digital Media at UBS as well as a member of its Equity Commitment Committee Former securities lawyer Recent clients include Activision, Bungie, Capcom, Hearst, Lockwood Publishing (Tencent), Miximo (Adobe), OneTwoSee (Comcast), SciPlay, Sony, Unity Software <p>ACTIVISION BUNGIE CAPCOM HUUUGE SciPlay SONY Unity</p>	<p>Joe Cassanelli Managing Director, Co-Head of Financial Institutions Group North America</p>  <ul style="list-style-type: none"> Based in New York, with 25+ years of investment banking and advisory experience Member of Lazard's Fairness Opinion Committee and Lazard's Valuation Subcommittee Prior to joining Lazard, worked at Dresdner Kleinwort Wasserstein and Wasserstein Perella & Co. Special Committee expertise Recent clients include Allstate, American Express, Ameriprise, Apollo, Ares, Aviva, Blackstone, First Republic Bank, J.P. Morgan, KKR, Nestle, Western Union <p>Allstate. AMERIPRISE APOLLO ARES AVIVA BLACKSTONE FIRST REPUBLIC J.P.Morgan KKR Western Union</p>
<p>Vivienne Zhao Director</p>  <ul style="list-style-type: none"> Based in Los Angeles, with 8+ years of investment banking experience M: +1 847 924 9422 E: vivienne.zhao@lazard.com <p>BUNGIE HUUUGE SciPlay</p>	<p>Albert Toscano Senior Associate</p>  <ul style="list-style-type: none"> Based in Los Angeles, with 9+ years of financial advisory experience M: +1 562 447 9460 E: albert.toscano@lazard.com <p>BUNGIE HUUUGE SciPlay STARBREEZE</p>
<p>Selena Zhu Associate</p>  <ul style="list-style-type: none"> Based in Los Angeles, specializing in Interactive Media & Technologies T: +1 310 367 5015 E: selena.zhu@lazard.com <p>BUNGIE HUUUGE SciPlay STARBREEZE</p>	<p>Chandler Pearce Analyst</p>  <ul style="list-style-type: none"> Based in Los Angeles, specializing in Interactive Media & Technologies and Industrials T: +1 310 601 3460 E: chandler.pearce@lazard.com <p>HUUUGE STARBREEZE</p>
<p>Capital Markets Advisory</p> <div>  <p>Mary Ann Deignan Co-Head of Capital Markets Advisory New York</p> </div> <div>  <p>John Buchanan Managing Director New York</p> </div>	



Situation Update

LAZARD

Summary of Cobalt's Proposal to Acquire Public Shares of Sapphire

- **On May 18, 2023, Cobalt submitted to the Sapphire Board of Directors a proposal for Cobalt to acquire the 17% equity interest in Sapphire that it does not currently own for \$20.00 per share in cash**
 - Values Sapphire at \$2.1 billion in enterprise value and public shares at \$422 million¹
 - Implied multiple of 10.4x 2023E Adj. EBITDA based on consensus estimates as of May 17, 2023, the last trading day prior to the proposal (the "unaffected date")
 - Implies a premium of 28.5% based on Sapphire's closing stock price on the unaffected date
 - Implied premium of 17.9% based on Sapphire's 10-trading day VWAP as of unaffected date and 17.0% based on Sapphire's 30-trading day VWAP as of unaffected date
- **Cobalt's stated intent for the proposal based on unifying Cobalt businesses and combining balance sheets to enable greater flexibility to invest across the enterprise; not driven by cost synergy opportunities**
- **Proposal conditioned upon approval of special committee of independent directors**
- **Proposal not conditioned upon approval of independent shareholders**
 - As holder of ~83% of the economic interest and ~98% of the voting interest of Sapphire, Cobalt intends to vote in favor of the proposal; does not expect to vote in favor of any alternative sale, merger or other corporate transaction involving Sapphire nor divest or sell any portion of its ownership interest

Overview of Cobalt's Offer to Acquire Public Shares of Sapphire

(\$ in millions, except per share data)

		Unaffected Price (5/17/2023)	Current Offer Value ¹
		\$15.56	\$20.00
Implied Premium / (Discount) to:	<u>Reference Price:</u>		
Unaffected Closing Price of May 17, 2023	\$15.56	-	28.5%
10-Trading Day VWAP as of May 17, 2023	16.97	(8.3%)	17.9%
30-Trading Day VWAP as of May 17, 2023	17.10	(9.0%)	17.0%
Implied Equity Value¹		\$1,942	\$2,496
Net Cash		(358)	(358)
Implied Enterprise Value		\$1,584	\$2,138
Implied EV / Adj. EBITDA	<u>AEBITDA:</u>		
LTM (Actual)	\$196	8.1x	10.9x
NTM (Consensus)	211	7.5x	10.1x
2023E (Consensus)	205	7.7x	10.4x
Memo: Adj. EBITDA			
LTM (Actual)		\$196	\$196
NTM (Consensus)		211	211
2023E (Consensus)		205	205

LAZARD

Source: Public information, FactSet, Bloomberg

Note: Market data as of May 17, 2023. Unaffected date as of May 17, 2023 (last trading day prior to proposal by Cobalt).

1. Implied equity value excludes dilution from RSUs and PRSUs.

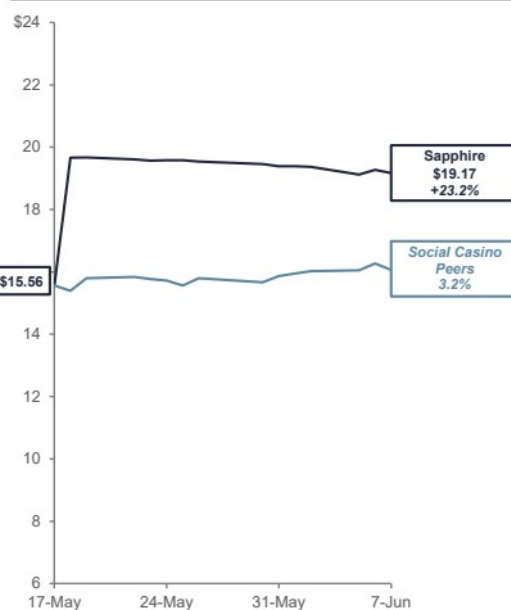
Sapphire: Share Price Performance Since 2022

(\$ in millions, except per share data)

Unaffected Share Price Performance (January 3, 2022 – May 17, 2023)



Affected Share Price Performance (May 17, 2023 – June 7, 2023)



Source: Public information, FactSet

Note: Market data as of June 7, 2023. Share price performance indexed to Sapphire's starting share price. Financial projections based on median consensus estimates; balance sheet and share count based on latest publicly available data as of share price date. Unaffected date as of May 17, 2023 (last trading day prior to proposal by Cobalt).

1. Financials and market data as of May 17, 2023.
2. Financials and market data as of June 7, 2023.
3. Social Casino peers consist of DoubleDown, Huuuge, Playstudios and Playtika.
4. Equity value on fully diluted basis, including dilution from RSUs and PRSUs.

Sapphire: Valuation Over Time Since 2022

EV / NTM EBITDA (January 3, 2022 – May 17, 2023)



LAZARD

Source: Public information, FactSet
Note: Market data as of May 17, 2023. Multiples represent averages over the period.
1. Social Casino peers consist of DoubleDown, Huuuge, Playstudios and Playtika.







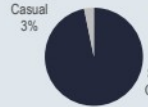

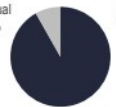
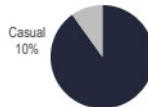
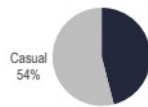

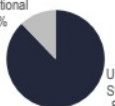
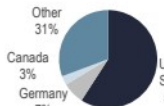
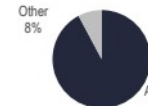
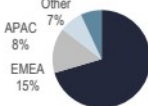
Preliminary Financial Analysis

LAZARD

Side-by-Side: Sapphire vs. Social Casino Peers

(\$ in millions)

Financial projections based on consensus estimates for 2023E

	Sapphire				
Key Financials (2023E)	Revenue \$730 Adj. EBITDA \$204 % Margin 28.0%	Revenue \$321 Adj. EBITDA \$103 % Margin 31.9%	Revenue \$286 Adj. EBITDA \$90 % Margin 31.4%	Revenue \$316 Adj. EBITDA \$56 % Margin 17.6%	Revenue \$2,611 Adj. EBITDA \$823 % Margin 31.5%
Business Overview	<ul style="list-style-type: none"> Developer and publisher of primarily mobile social casino games as well as casual games Has outpaced broader social casino market on growth based on performance from key titles "Controlled company" 	<ul style="list-style-type: none"> Korea-based developer and publisher of social casino and casual games <ul style="list-style-type: none"> Flagship game (DoubleDown Casino) accounts for over 95% of revenue Consistent revenue decline over last several quarters, with first quarter of sequential growth in Q1 2023 	<ul style="list-style-type: none"> Developer and publisher of social casino games on primarily mobile applications <ul style="list-style-type: none"> Core franchises of Huuuge Casino and Billionaire Casino generate 90% of revenue High player monetization but lack of growth 	<ul style="list-style-type: none"> Developer and publisher of social casino and casual games for mobile platforms Acquired Brainium in October 2022 to expand casual games portfolio "Controlled company" with ~70% of stock owned by founder group Went public through SPAC merger in June 2021 	<ul style="list-style-type: none"> Developer and publisher of casual and social casino games for mobile platforms Most diversified portfolio among social casino peers with more than 50% in casual games
Revenue by Type¹					
Revenue by Geography					

LAZARD

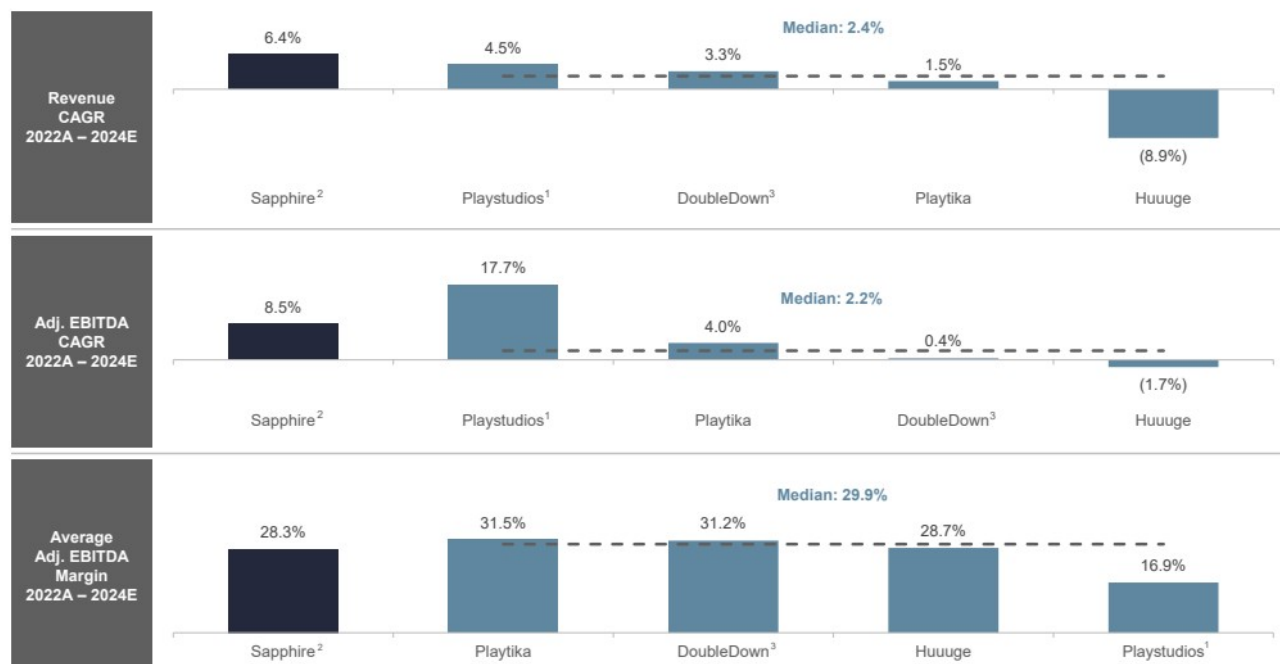
Source: Public information, FactSet, and Wall Street Research

Note: Market data as of June 7, 2023; financials converted to USD at current spot rate. Revenue breakdowns represent latest fiscal year.

1. Sapphire casual revenue represents advertising revenue. Huuuge casual revenue represents Traffic Puzzle revenue. Playstudios casual revenue represents advertising and other revenue.

Sapphire Benchmarking vs. Peers: Growth & Profitability

Financial projections based on consensus estimates



Source: Public information, FactSet

Note: Market data as of June 7, 2023. Adj. EBITDA CAGRs are pre-SBC.

1. Financials pro forma for acquisition of Brainium (closed October 2022); not pro forma for acquisition of WonderBlocks (closed August 2022). Revenue CAGR of 7.4% based on revenue as realized; EBITDA CAGR of 27.4% based on EBITDA as realized.

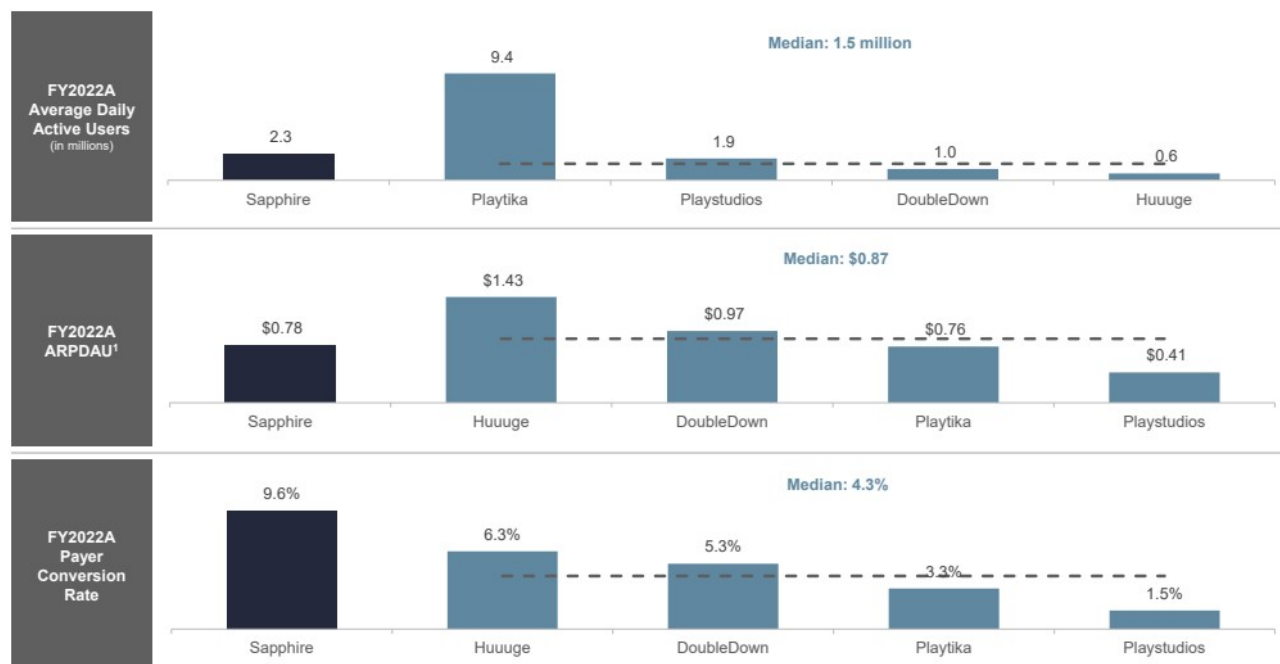
2. Financials as realized; not pro forma for acquisition of Alictus (closed March 2022).

3. Financials as realized; not pro forma for acquisition of SuprNation (expected to close in Q2 2023).

LAZARD

Sapphire Benchmarking vs. Peers: Selected KPIs

KPIs measured as of latest fiscal year

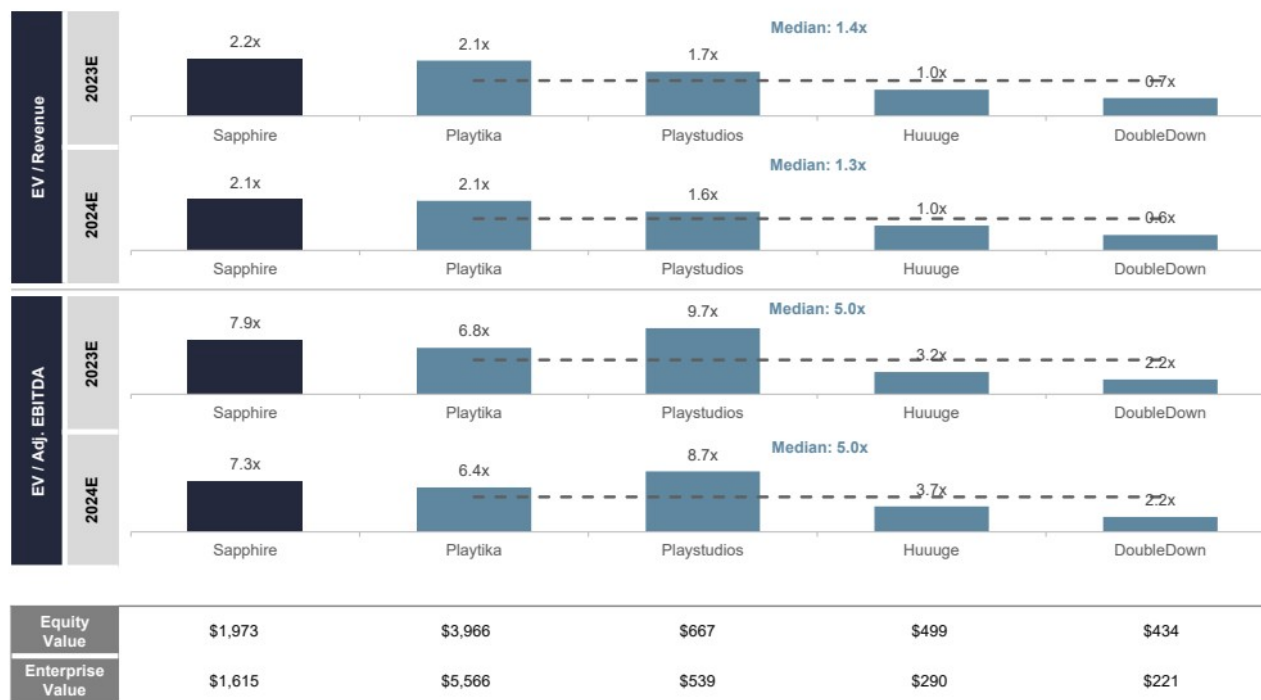


LAZARD

Source: Public information
1. Average Revenue Per Daily Active User.

Sapphire Benchmarking vs. Peers: Valuation

Valuation based on unaffected date; financial projections based on consensus estimates



LAZARD

Source: Public information, FactSet

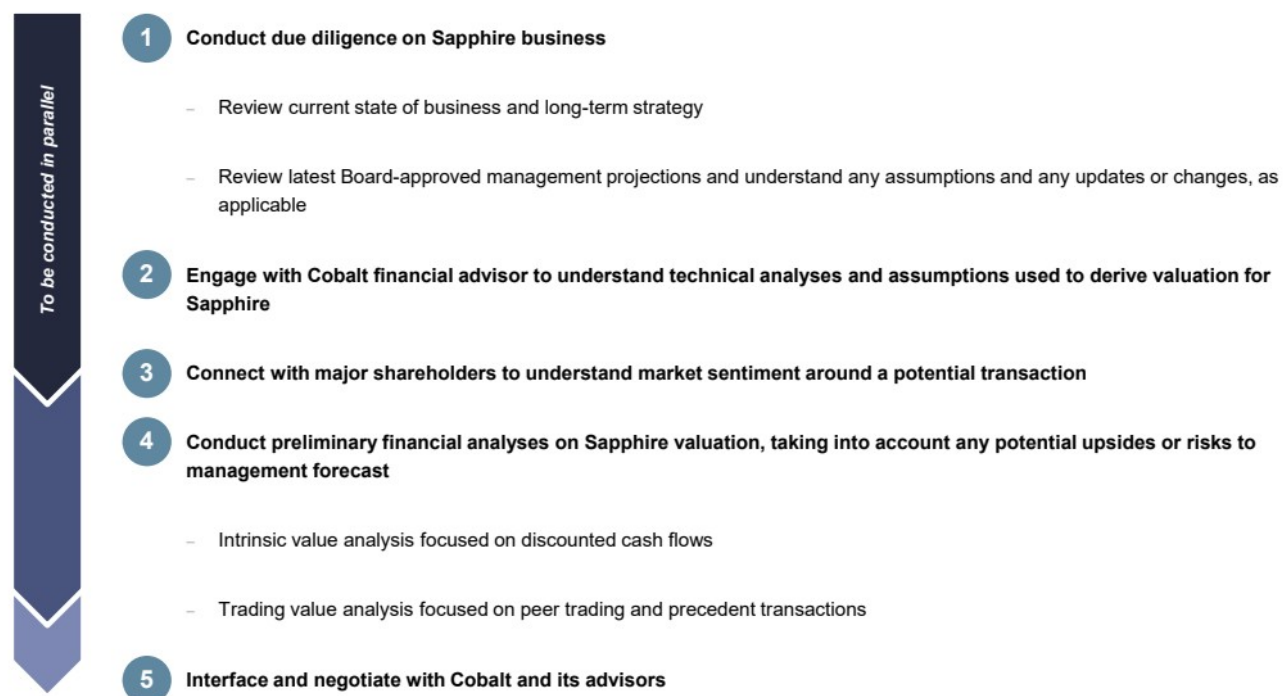
Note: Market data as of May 17, 2023. Unaffected date as of May 17, 2023 (last trading day prior to proposal by Cobalt). Adj. EBITDA multiples are pre-SBC. Equity value calculations include dilution from outstanding options, RSUs and PRSUs.



Key Process Workstreams

LAZARD

Next Steps & Key Workstreams











Appendix

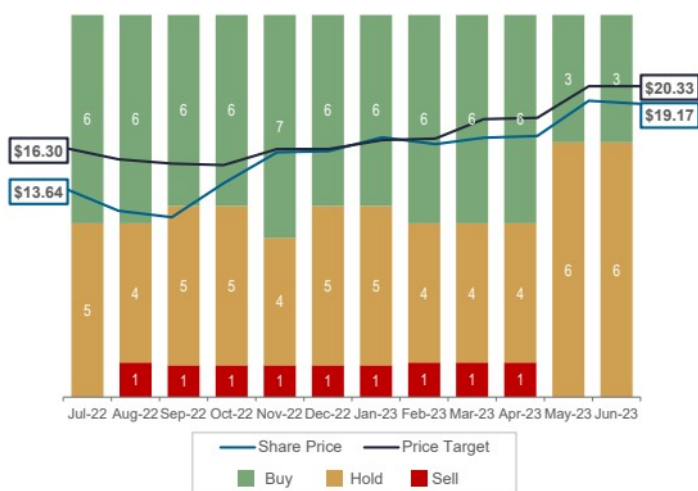
LAZARD

Sapphire: Analyst Price Targets

Target Price			
Broker	Target		Date
 D A DAVIDSON	<div><div></div></div>	\$23.00 ¹	5/18/2023
 WEDBUSH	<div><div></div></div>	\$23.00 ²	5/18/2023
 MACQUARIE	<div><div></div></div>	\$21.00	5/10/2023
 CRAIG-HALLUM <small>CAPITAL GROUP LLC</small>	<div><div></div></div>	\$20.00 ³	5/18/2023
 Deutsche Bank	<div><div></div></div>	\$20.00 ⁴	5/18/2023
Morgan Stanley	<div><div></div></div>	\$20.00 ⁵	5/22/2023
J.P.Morgan	<div><div></div></div>	\$19.00 ⁶	5/26/2023
STIFEL NICOLAUS	<div><div></div></div>	\$19.00 ⁷	6/3/2023
TRUIST 	<div><div></div></div>	\$18.00	5/15/2023
<div><div>Current: \$19.17</div><div>Cobalt Offer: \$20.00</div><div>Mean: \$20.33</div></div>			

Current Price Targets		
Target Price Range	\$18.00 - \$23.00	Buy: 33.3%
Mean Target Price	\$20.33	Hold: 66.7%
Current Price	\$19.17	Sell: 0.0%

Rating Evolution Over Time



Source: Wall Street Research, FactSet, Public information

Note: Price targets and share price as of June 7, 2023.

1. D.A. Davidson updated price target following the proposal from Cobalt (Previous Price Target: \$20).
2. Wedbush maintained price target and rating following the proposal from Cobalt.
3. Craig-Hallum updated rating following the proposal from Cobalt (Previous Rating: Buy).

4. Deutsche Bank updated price target and rating following the proposal from Cobalt (Previous Price Target: \$21; Previous Rating: Buy).
5. Morgan Stanley updated price target following the proposal from Cobalt (Previous Price Target: \$15).
6. J.P.Morgan updated price target following the proposal from Cobalt (Previous Price Target: \$18).
7. Stifel Nicolaus maintained price target and rating following the proposal from Cobalt.

LAZARD

Sapphire's Top 25 Shareholders

(\$ in millions, positions in thousands)

#	Shareholder	Ownership Stake and Cumulative Holdings	Current Position	Current Market Value	1yr Δ in % O/S
1	Vanguard	9.0%	1,922	\$37	+1.0%
2	Antara Capital	7.0%	1,486	28	+7.0%
3	Citigroup	6.6%	1,407	27	+6.6%
4	Mangrove Partners	5.5%	1,177	23	+2.9%
5	Manulife Asset Management	5.4%	1,152	22	+5.4%
6	Jane Street Group	3.5%	739	14	+3.5%
7	Renaissance Technologies	3.2%	672	13	+0.8%
8	GFH HFEVA	3.1%	652	12	+0.6%
9	Morgan Stanley	3.1%	652	12	(0.7%)
10	Millennium Management	2.9%	619	12	+0.3%
11	Bank of America	2.8%	605	12	(3.5%)
12	Caledonia Holdings	2.7%	566	11	(4.1%)
13	Franklin Resources	2.0%	432	8	+1.1%
14	Schroders	2.0%	427	8	+2.0%
15	Anqa Management	2.0%	421	8	(0.2%)
16	Arrowstreet Capital Holding	2.0%	420	8	+2.0%
17	BlackRock	1.9%	397	8	+0.5%
18	Engine Capital Management	1.8%	385	7	(6.3%)
19	Hillsdale Investment Management	1.8%	372	7	+1.5%
20	Dimensional	1.5%	326	6	+0.3%
21	Barry Cottle	1.5%	318	6	+0.2%
22	UBS	1.4%	303	6	+0.7%
23	Carlson Capital	1.4%	295	6	(2.6%)
24	Two Sigma Investments	1.3%	285	5	+1.2%
25	Geode Capital Management	1.3%	283	5	+0.2%

LAZARD

Source: FactSet as of June 7, 2023

Note: Ownership stake based on basic Sapphire Class A shares outstanding, consolidated across funds.

CONFIDENTIAL

JULY 2023

PRELIMINARY BENCHMARKING ANALYSIS







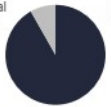
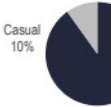
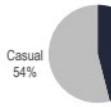

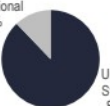

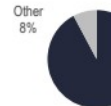
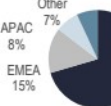
Project Sapphire

LAZARD

Side-by-Side: Sapphire vs. Social Casino Peers

(\$ in millions)

Financial projections for peers based on consensus estimates

	Sapphire				
Key Financials (2023E)	Revenue \$730 / \$754 ² Adj. EBITDA \$204 / \$220 ² % Margin 28.0% / 29.2% ²	Revenue \$321 Adj. EBITDA \$103 % Margin 31.9%	Revenue \$286 Adj. EBITDA \$93 % Margin 32.5%	Revenue \$318 Adj. EBITDA \$56 % Margin 17.6%	Revenue \$2,610 Adj. EBITDA \$823 % Margin 31.5%
Business Overview	<ul style="list-style-type: none"> Developer and publisher of primarily mobile social casino games as well as casual games Has outpaced broader social casino market on growth based on performance from key titles "Controlled company" 	<ul style="list-style-type: none"> Korea-based developer and publisher of social casino and casual games <ul style="list-style-type: none"> Flagship game (DoubleDown Casino) accounts for over 95% of revenue Consistent revenue decline over last several quarters, with first quarter of sequential growth in Q1 2023 	<ul style="list-style-type: none"> Developer and publisher of social casino games on primarily mobile applications <ul style="list-style-type: none"> Core franchises of Huuuge Casino and Billionaire Casino generate 90% of revenue High player monetization but lack of growth 	<ul style="list-style-type: none"> Developer and publisher of social casino and casual games for mobile platforms Acquired Brainium in October 2022 to expand casual games portfolio "Controlled company" with ~70% of stock owned by founder group Went public through SPAC merger in June 2021 	<ul style="list-style-type: none"> Developer and publisher of casual and social casino games for mobile platforms Most diversified portfolio among social casino peers with more than 50% in casual games
Revenue by Type¹					
Revenue by Geography					






LAZARD

Source: Public information, FactSet, Wall Street Research, Sapphire management

Note: Market data as of July 10, 2023; financials converted to USD at current spot rate. Revenue breakdowns represent latest fiscal year.

- Sapphire casual revenue represents advertising revenue. Huuuge casual revenue represents Traffic Puzzle revenue. Playstudios casual revenue represents advertising and other revenue.
- Financials represent consensus / management projections.

Overview of Broader Interactive Entertainment Players

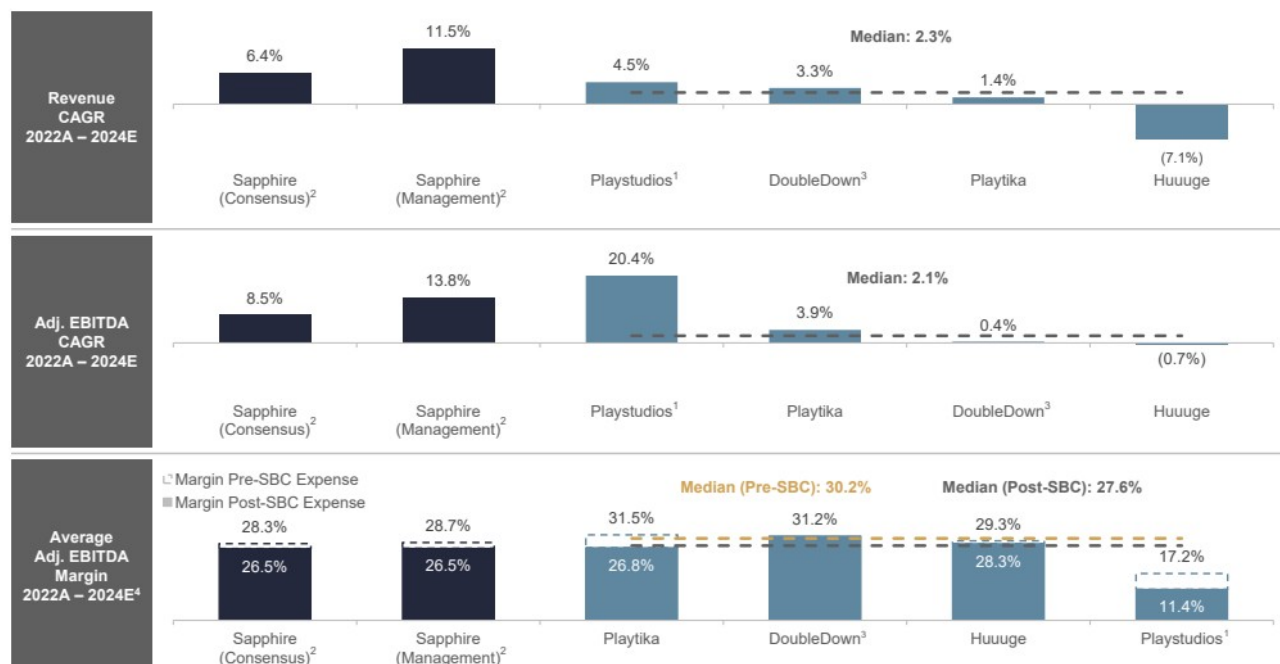
Company	HQ	Exchange Traded	Mobile Revenue %	Description
	Sydney, AU	Australian Securities Exchange	46% ¹	<ul style="list-style-type: none"> Engages in the design, development and distribution of gaming content, platforms and systems, including electronic gaming machines, casino management systems and free-to-play mobile games
	Redwood City, CA	NASDAQ	17%	<ul style="list-style-type: none"> Develops PC, console and mobile games across various genres such as sports, FPS, action, role-playing and simulation
Cobalt	Las Vegas, NV	NASDAQ	27% ²	<ul style="list-style-type: none"> Creates content and products for land-based casino gaming, digital gaming (iGaming) and mobile gaming
	Stockholm, SE	NASDAQ Stockholm	73%	<ul style="list-style-type: none"> Owns and operates gaming studios with popular global IPs across a wide range of casual and mid-core genres
ROBLOX	San Mateo, CA	NYSE	50%	<ul style="list-style-type: none"> Operates a free-to-play online gaming platform and game creation system
STILLFRONT GROUP	Stockholm, SE	NASDAQ Stockholm	76%	<ul style="list-style-type: none"> Owns and operates 23 studios that develop and publish games across various genres such as strategy, casual & mashup, simulation, RPG and action
	New York, NY	NASDAQ	47%	<ul style="list-style-type: none"> Develops and publishes PC, console and mobile games through Rockstar Games, 2K, Private Division and Zynga
	Saint-Mandé, FR	Euronext Paris	31%	<ul style="list-style-type: none"> Established video game developer and publisher that primarily focuses on AAA PC, console and mobile titles

LAZARD

Source: Public information, FactSet
 Note: Mobile revenue breakdowns represent latest fiscal year.
 1. Represents Pixel United revenue as a % of total Aristocrat revenue.
 2. Represents Sapphire revenue as a % of total Cobalt revenue.

Sapphire Benchmarking: Growth & Profitability

Financial projections for peers based on consensus estimates



Source: Public information, FactSet, Sapphire management

Note: Market data as of July 10, 2023. Adj. EBITDA CAGRs are pre-SBC.

1. Financials pro forma for acquisition of Brainium (closed October 2022); not pro forma for acquisition of WonderBlocks (closed August 2022). Revenue CAGR of 7.4% based on revenue as realized; EBITDA CAGR of 27.4% based on EBITDA as realized.

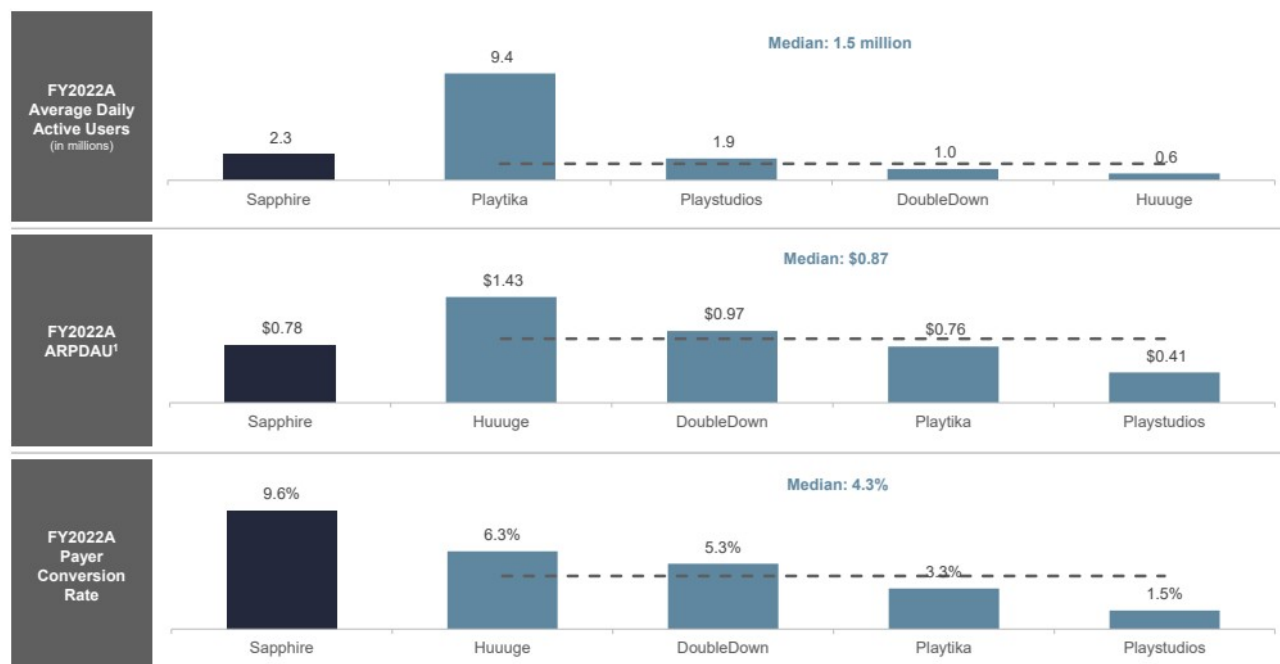
2. Financials as realized; not pro forma for acquisition of Alicitus (closed March 2022).

3. Financials as realized; not pro forma for acquisition of SuprNation (expected to close in Q2 2023). DoubleDown does not have SBC expense.

4. Projections for consensus SBC expense extrapolated using 2022A SBC as a % of revenue. Sapphire management SBC projections as per company management.

Sapphire Benchmarking vs. Peers: Selected KPIs

KPIs measured as of latest fiscal year

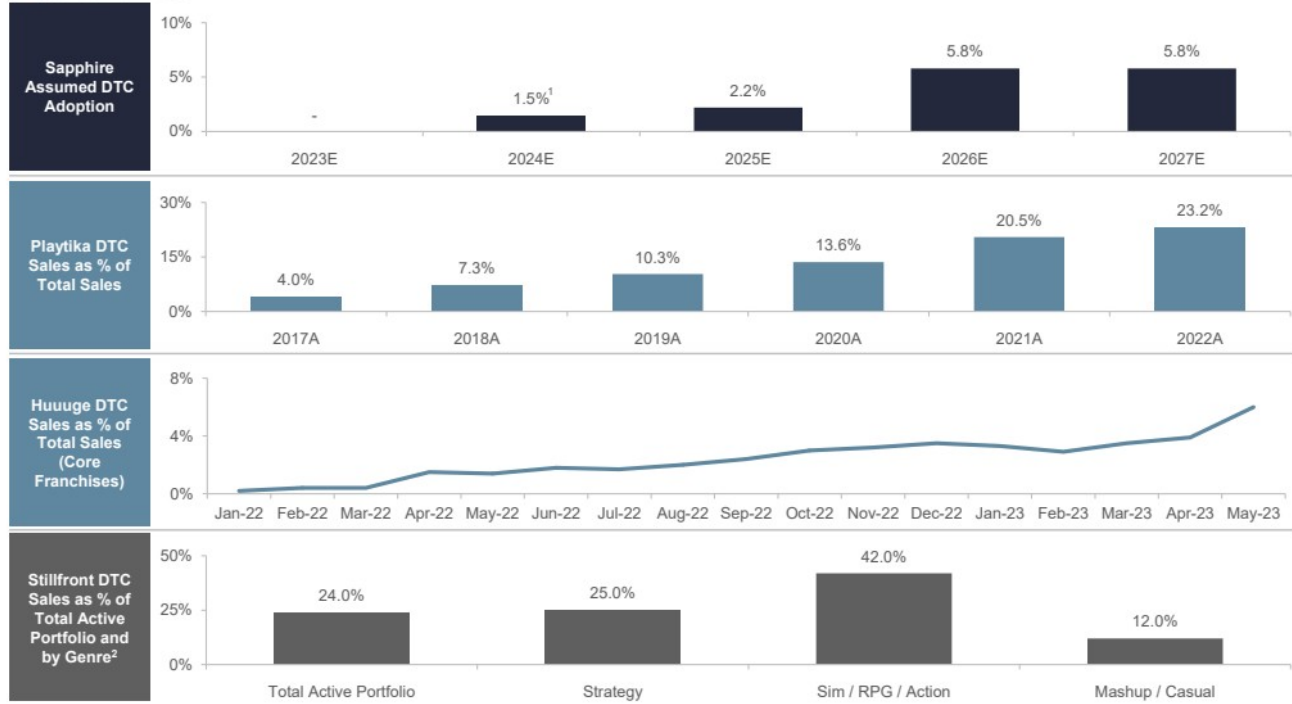


LAZARD

Source: Public information
1. Average Revenue Per Daily Active User.

Sapphire: Direct-to-Consumer Benchmarking

Sapphire DTC assumptions per management estimates; social casino peers and other interactive entertainment players DTC adoption based on public information



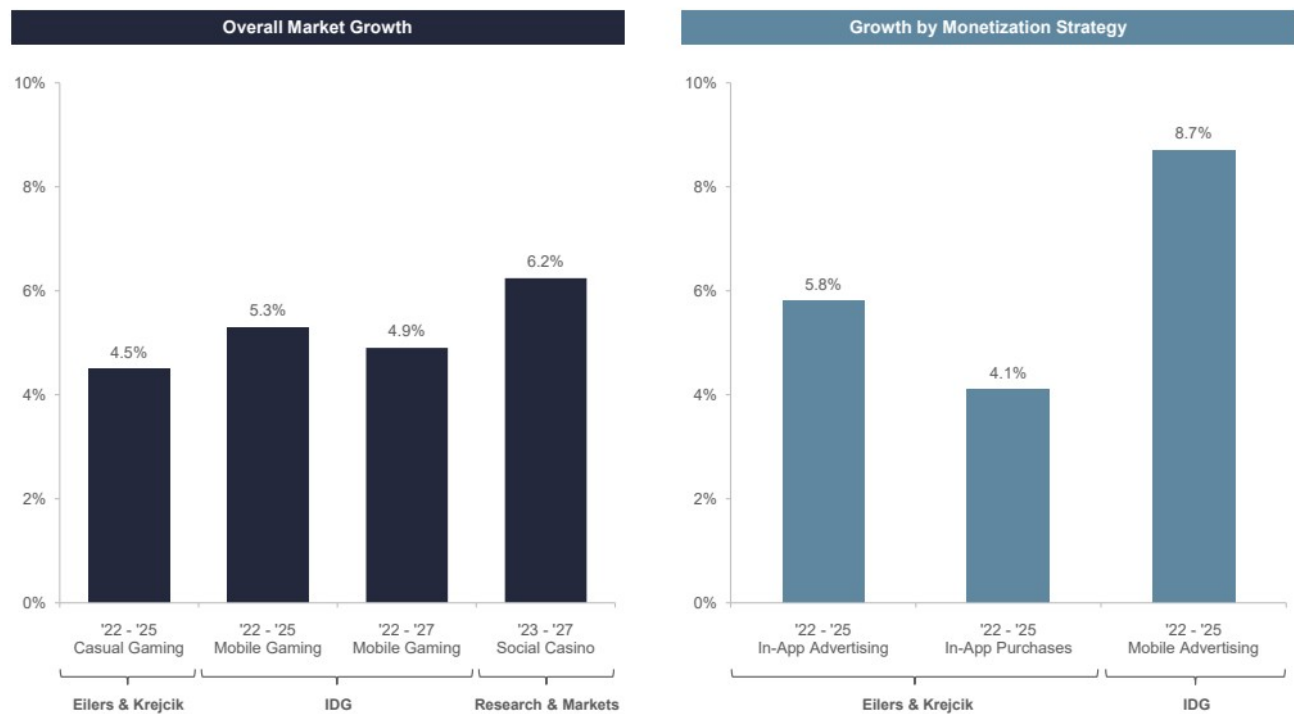
LAZARD

Source: Public information, Sapphire management

1. Estimate per discussion with management.

2. Data from Stillfront Q1 2023 Investor Presentation. Stillfront did not disclose direct-to-consumer revenue prior to Q1 2023.

For Reference: Forecasted Market Growth Rates



Sapphire: Public Trading Comparables

(\$ in millions, except per share data)

Financial projections calendarized and based on consensus estimates

Company	Stock Price 7/10/23	% of 52 Wk. High	Equity Value	Enterprise Value	Enterprise Value /				EBITDA Margin		CAGR ('23E – '25E)	
					Revenue		EBITDA		2023E	2024E	Revenue	EBITDA
					2023E	2024E	2023E	2024E				
Social Casino Peers												
DoubleDown Interactive	\$9.16	85%	\$454	\$187	0.6x	0.5x	1.8x	1.8x	32%	30%	4%	5%
Huuuge	Z26.20	88%	521	296	1.0x	1.1x	3.2x	3.6x	33%	29%	(4%)	(7%)
Playstudios	\$4.78	97%	720	593	1.9x	1.8x	10.6x	9.1x	18%	19%	6%	12%
Playtika	\$12.50	96%	4,767	6,367	2.4x	2.4x	7.7x	7.3x	32%	32%	3%	8%
Average					1.5x	1.4x	5.8x	5.5x	28%	28%	2%	4%
Median					1.4x	1.4x	5.5x	5.5x	32%	30%	4%	7%
For Reference Only: Other Interactive Entertainment Players												
Aristocrat	A\$36.49	92%	\$15,913	\$15,750	3.8x	3.7x	11.3x	10.6x	34%	35%	6%	8%
Electronic Arts	\$130.54	97%	35,653	35,109	4.7x	4.4x	14.1x	13.1x	33%	33%	6%	9%
Cobalt	\$64.86	94%	6,040	9,135	3.3x	3.1x	9.0x	8.0x	37%	39%	8%	14%
Modern Times Group	KR68.35	65%	754	431	0.8x	0.8x	3.6x	3.4x	23%	23%	5%	7%
Roblox	\$41.63	81%	25,423	24,717	7.2x	6.4x	NM	48.7x	10%	13%	10%	32%
Stillfront	KR18.00	61%	844	1,198	1.8x	1.7x	4.8x	4.5x	37%	37%	6%	5%
Take-Two Interactive	\$143.94	97%	24,374	26,539	4.9x	3.6x	34.9x	16.0x	14%	22%	23%	64%
Ubisoft Entertainment	€24.88	53%	3,415	4,485	2.0x	1.8x	4.4x	3.7x	46%	50%	8%	15%
Average					3.6x	3.2x	11.7x	13.5x	29%	32%	9%	19%
Median					3.6x	3.3x	9.0x	9.3x	34%	34%	7%	11%
Sapphire (Current)	\$19.61	99%	\$2,486	\$2,129	2.9x	2.8x	10.4x	9.7x	28%	29%	3%	8%
Sapphire (Unaffected) ¹	\$15.56	81%	1,973	1,615	2.2x	2.1x	7.9x	7.3x	28%	29%	3%	8%

LAZARD

Source: Public information, FactSet

Note: Market data as of July 10, 2023; financials converted to USD at current spot rate. Multiples greater than 50x or negative are designated as "NM". Balance sheets and consensus estimates as reported; not pro forma for any acquisitions or divestitures. EBITDA based on unadjusted consensus estimates.

1. Share price represents closing price as of unaffected date of May 17, 2023 (last trading day prior to proposal by Cobalt); balance sheet and consensus estimates as of current date.

Privileged & Confidential
Preliminary Analysis; to be Further Diligenced and Refined

CONFIDENTIAL

19 JULY 2023

PROJECT SAPPHIRE

Presentation to the Special Committee

LAZARD

Disclaimer

The information herein has been prepared by Lazard Frères & Co. LLC ("Lazard") based upon information supplied by you (the "Company") or publicly available information, and portions of the information herein may be based upon certain statements, estimates and forecasts provided by the Company with respect to the anticipated future performance of the Company. Lazard has relied upon the accuracy and completeness of the foregoing information, and has not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of the Company, or any other entity, or concerning solvency or fair value of the Company or any other entity. With respect to financial forecasts, Lazard has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of the Company. Lazard assumes no responsibility for and expresses no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, unless indicated otherwise. Lazard is not making any assessment regarding the impact or economic effects of the COVID-19 virus, including with respect to the potential impact or effects on the future financial performance of the Company. Subsequent developments, including, without limitation, in relation to COVID-19, may affect the forecasts and other information set out in this document and Lazard assumes no responsibility for updating or revising this document based on circumstances or events after the date hereof. These materials and the information contained herein are confidential and may not be disclosed publicly or made available to third parties without the prior written consent of Lazard; provided, however, that you may disclose to any and all persons the U.S. federal income tax treatment and tax structure of the transaction described herein and the portions of these materials that relate to such tax treatment or structure. Lazard is acting as financial advisor to the special committee of the board of directors of the Company, and will not be responsible for and will not provide any tax, accounting, actuarial, legal or other specialist advice.

LAZARD



Situation Update

LAZARD

Overview of Cobalt's Offer to Acquire Public Shares of Sapphire

(\$ in millions, except per share data)

On May 18, 2023, Cobalt submitted to the Sapphire Board of Directors and concurrently publicly announced a new proposal for Cobalt to acquire the 17% equity interest in Sapphire that it does not currently own for \$20.00 per share in cash

- Proposal conditioned upon approval of special committee of independent directors; not conditioned upon approval of independent shareholders

		Unaffected Price (5/17/2023)	Current Price (7/17/2023)	Current Offer Value
		\$15.56	\$19.81	\$20.00
Implied Premium / (Discount) to:	<u>Reference Price:</u>			
Unaffected Closing Price	\$15.56	-	27.3%	28.5%
Unaffected 10-Trading Day VWAP	16.97	(8.3%)	16.8%	17.9%
Unaffected 30-Trading Day VWAP	17.10	(9.0%)	15.9%	17.0%
Unaffected 60-Trading Day VWAP	16.96	(8.3%)	16.8%	17.9%
Implied Equity Value¹		\$1,973	\$2,512	\$2,536
Net Cash (3/31/2023)		(358)	(358)	(358)
Implied Enterprise Value		\$1,615	\$2,154	\$2,178
Implied EV / Adj. EBITDA (Consensus)	<u>Adj. EBITDA:</u> ²			
2023E	\$204	7.9x	10.5x	10.7x
2024E	220	7.3x	9.8x	9.9x
Implied EV / Adj. EBITDA (Management)	<u>Adj. EBITDA:</u>			
2023E	\$220	7.3x	9.8x	9.9x
2024E	242	6.7x	8.9x	9.0x

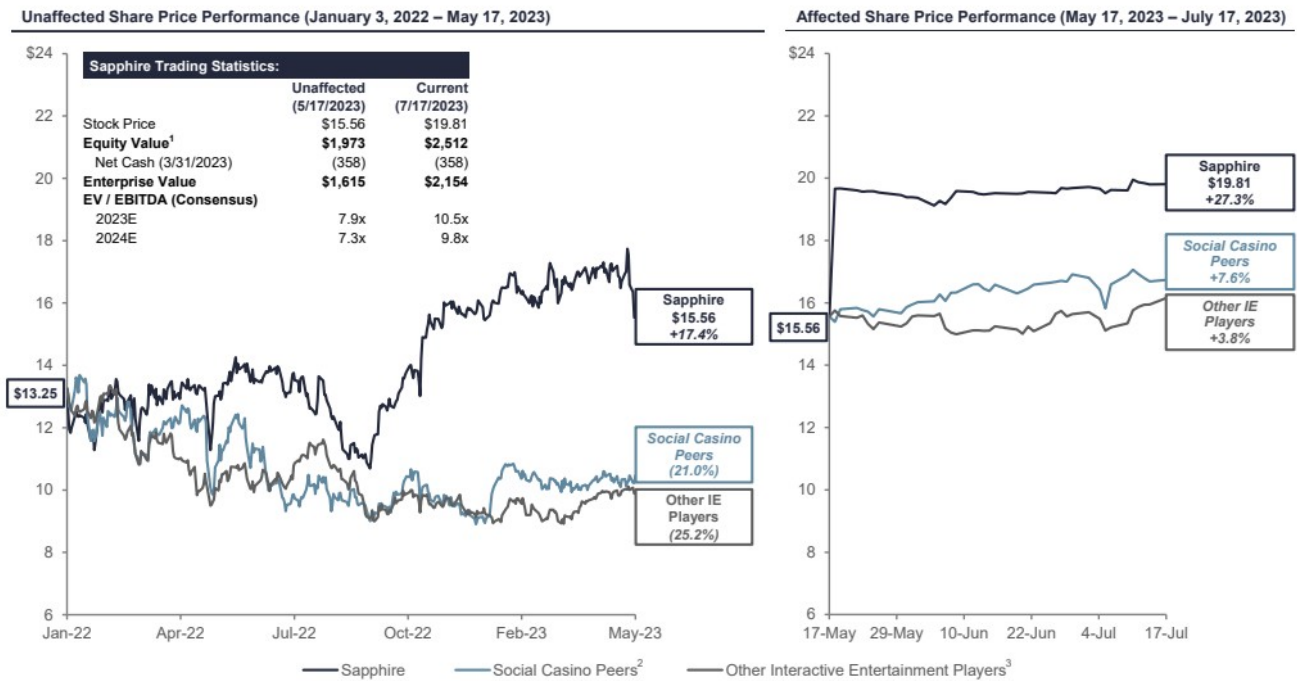
Source: Public information, FactSet, Bloomberg

Note: Unaffected date as of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt); current date as of July 17, 2023. Adj. EBITDA excludes stock-based compensation ("SBC") expense.

- Share count based on information from latest public filings; includes dilution from unvested stock units.
- Projections represent consensus Adj. EBITDA estimates as of July 17, 2023.

Sapphire: Share Price Performance Since 2022

(\$ in millions, except per share data)



Source: Public information, FactSet

Note: Market data as of July 17, 2023. Share price performance indexed to Sapphire's starting share price. Financial projections based on median consensus estimates as of share price date. Adj. EBITDA excludes SBC expense. Unaffected date as of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt).

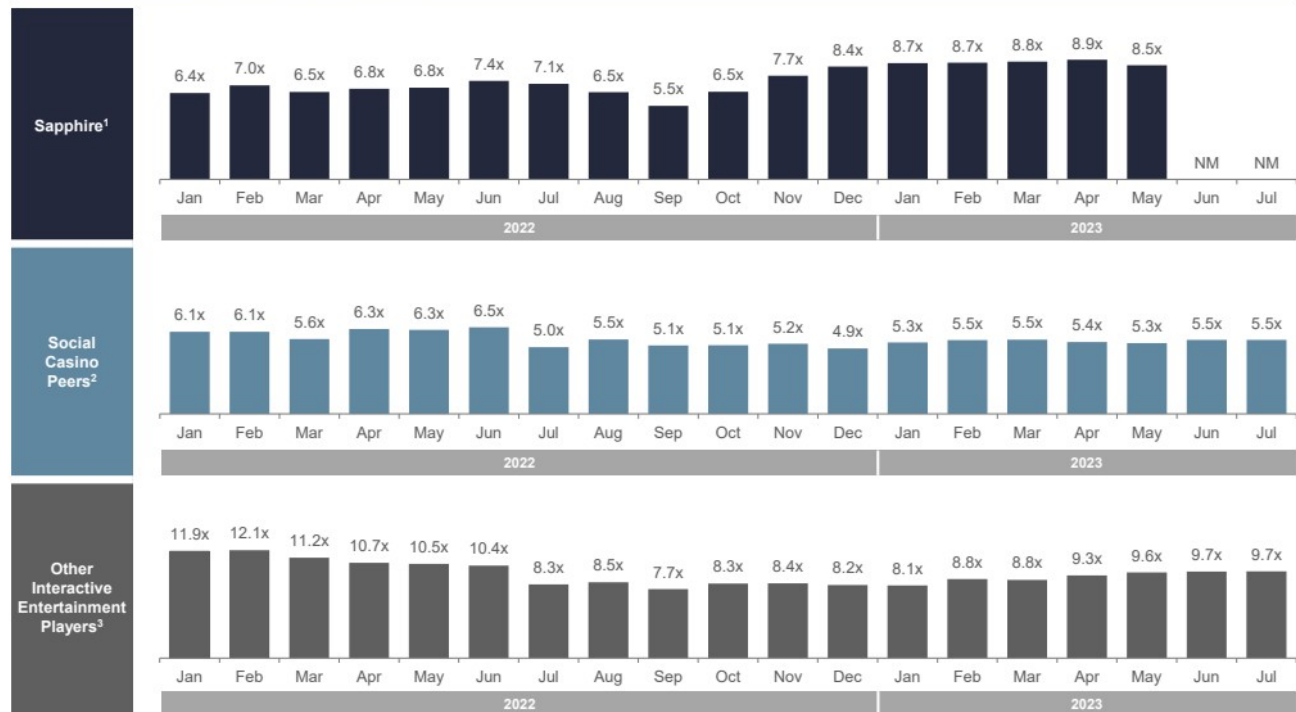
1. Share count based on information from latest public filings; includes dilution from unvested stock units.

2. Social Casino Peers consist of DoubleDown, Huuuge, Playstudios and Playtika.

3. Other Interactive Entertainment Players consist of Aristocrat, Electronic Arts, Cobalt, Modern Times Group, Roblox, Stillfront, Take-Two Interactive and Ubisoft.

Sapphire: Valuation Over Time Since 2022

EV / NTM EBITDA (January 3, 2022 – July 17, 2023)



Source: Public information, FactSet

Note: Market data as of July 17, 2023. Multiples represent averages over the period. Multiples greater than 25x or negative are designated as "NM" and not included in valuation over time calculations. NTM EBITDA projections based on unadjusted consensus estimates.

1. Sapphire market data as of unaffected date of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt). Excludes values following proposal by Cobalt.

2. Social Casino Peers consist of DoubleDown, Huuuge, Playstudios and Playtika.

3. Other Interactive Entertainment Players consist of Aristocrat, Electronic Arts, Cobalt, Modern Times Group, Roblox, Stillfront, Take-Two Interactive and Ubisoft.









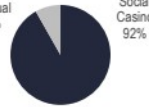

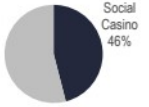


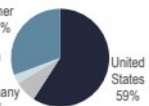


Preliminary Financial Analysis

LAZARD

Side-by-Side: Sapphire vs. Social Casino Peers

(\$ in millions)

Financial projections for peers based on consensus estimates

	Sapphire				
Key Financials (2023E)	Revenue \$730 / \$754 ¹ Adj. EBITDA \$204 / \$220 ¹ % Margin 28.0% / 29.2% ¹	Revenue \$321 Adj. EBITDA \$103 % Margin 31.9%	Revenue \$286 Adj. EBITDA \$93 % Margin 32.5%	Revenue \$318 Adj. EBITDA \$56 % Margin 17.6%	Revenue \$2,610 Adj. EBITDA \$823 % Margin 31.5%
Business Overview	<ul style="list-style-type: none"> Developer and publisher of primarily mobile social casino games as well as casual games <ul style="list-style-type: none"> Top 3 titles account for ~80% of revenue Has outpaced broader social casino market on growth based on performance from key titles "Controlled company" 	<ul style="list-style-type: none"> Korea-based developer and publisher of social casino and casual games <ul style="list-style-type: none"> Flagship game (DoubleDown Casino) accounts for over 95% of revenue Consistent revenue decline until Q1 2023 Expansion into real-money gaming with acquisition of SuprNation in January 2023 	<ul style="list-style-type: none"> Developer and publisher of social casino games on primarily mobile applications <ul style="list-style-type: none"> Core franchises of Huuuge Casino and Billionaire Casino generate 90% of revenue High player monetization but lack of growth 	<ul style="list-style-type: none"> Developer and publisher of social casino and casual games for mobile platforms, enhanced by playAWARDS loyalty system "Controlled company" with ~70% of stock owned by founder group Went public through SPAC merger in June 2021 	<ul style="list-style-type: none"> Developer and publisher of casual and social casino games for mobile platforms Largest and most diversified portfolio among social casino peers with more than 50% in casual games Recent underperformance and scale back of new game development
Revenue by Type^{2,3}					
Revenue by Geography²					

LAZARD

Source: Public information, FactSet, Wall Street Research, Sapphire management

Note: Market data as of July 17, 2023; financials converted to USD at current spot rate. Revenue breakdowns represent latest fiscal year. Adj. EBITDA excludes SBC expense.

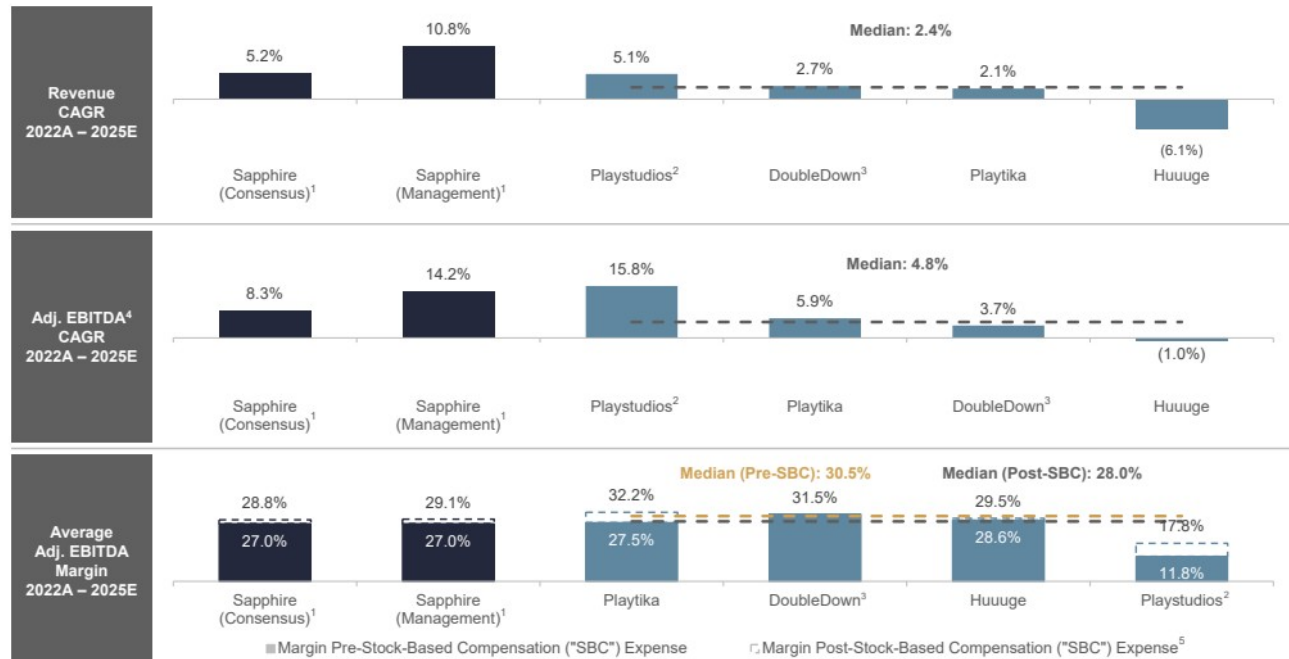
1. Financials represent consensus / management projections.

2. Revenue split as reported for latest fiscal year.

3. Sapphire casual revenue represents advertising revenue. Huuuge casual revenue represents Traffic Puzzle revenue. Playstudios casual revenue represents advertising and other revenue.

Sapphire Benchmarking: Growth & Profitability

Financial projections for peers based on consensus estimates



Source: Public information, FactSet, Sapphire management

Note: Market data as of July 17, 2023.

1. Financials as realized; not pro forma for acquisition of Alictus (closed March 2022).

2. Financials pro forma for acquisition of Brainium (closed October 2022); not pro forma for acquisition of WonderBlocks (closed August 2022). Revenue CAGR of 7.1% based on revenue as realized; Adj. EBITDA CAGR of 22.1% based on Adj. EBITDA as realized.

3. Financials as realized; not pro forma for acquisition of SuprNation (not yet closed).

4. Adj. EBITDA excludes SBC expense.

5. Projections for consensus SBC extrapolated using 2022A SBC expense as a percentage of revenue. Sapphire management SBC projections per Sapphire management.

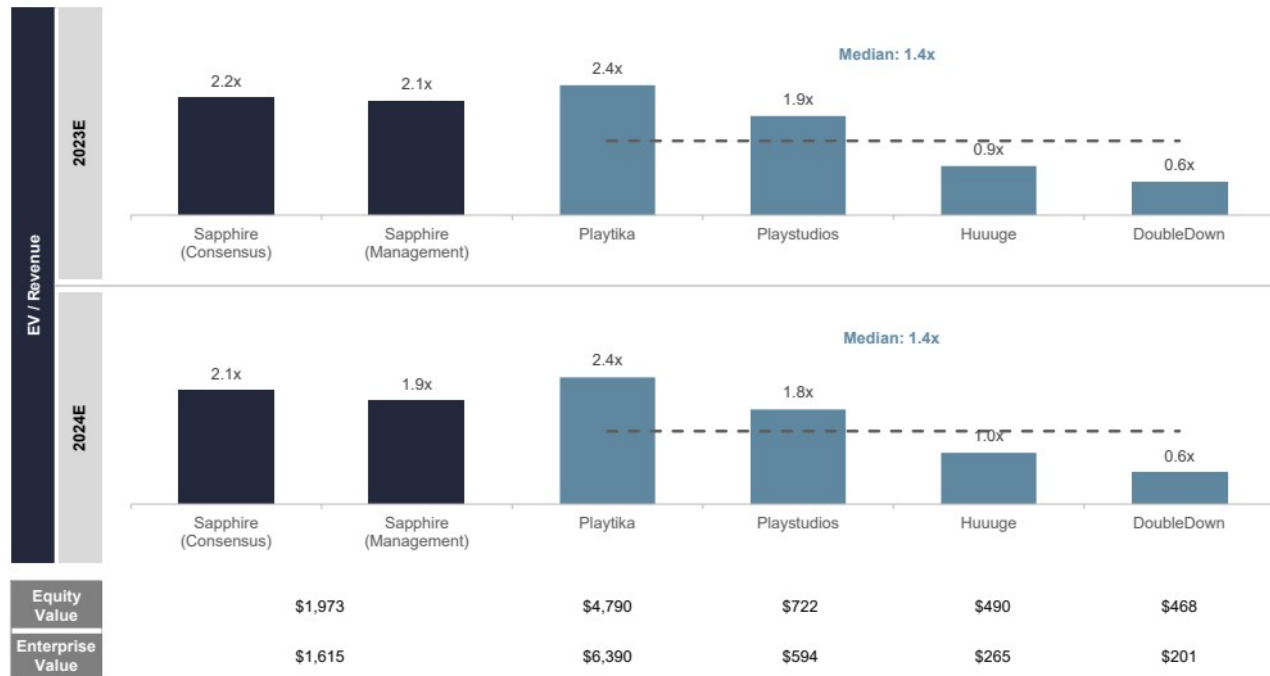
Sapphire Benchmarking vs. Peers: Selected KPIs

KPIs as reported for latest fiscal year



Sapphire Benchmarking vs. Peers: Valuation (EV / Revenue)

Financial projections for peers based on consensus estimates



LAZARD

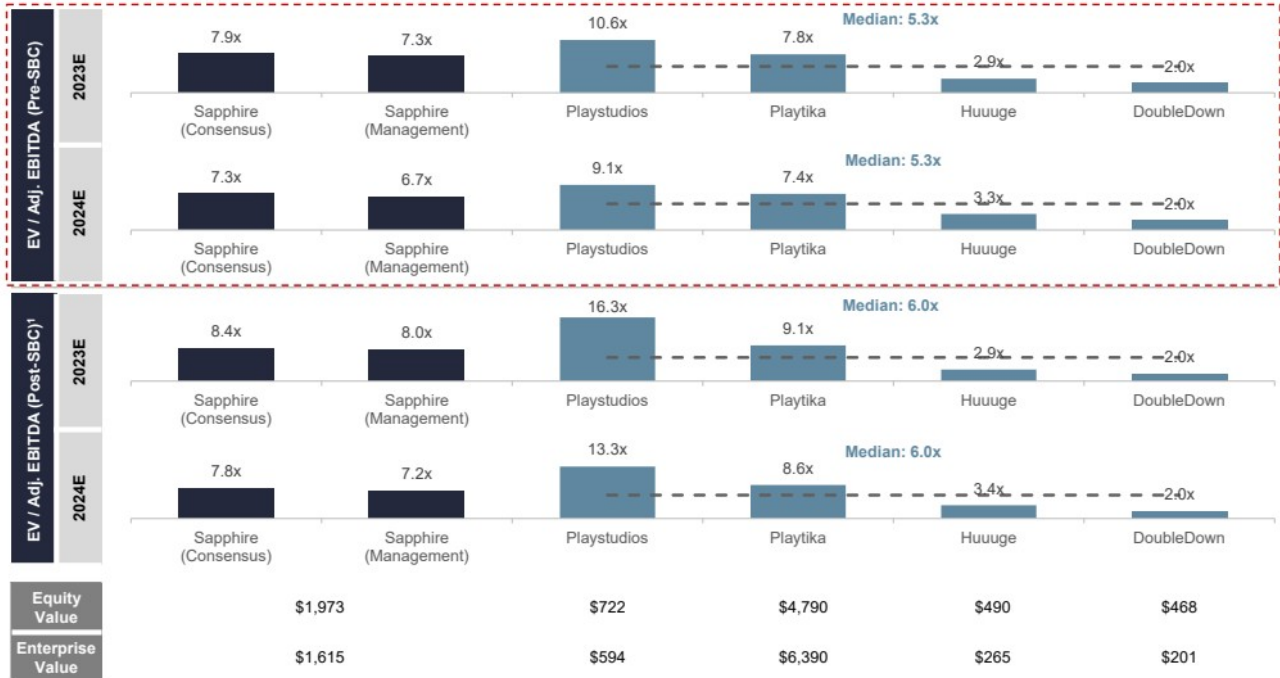
Source: Public information, FactSet, Sapphire management

Note: Sapphire valuation as of unaffected date of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt); peer valuation as of July 17, 2023. Balance sheet and share count data based on public information. Equity value calculations include dilution from outstanding options and unvested stock units.

Sapphire Benchmarking vs. Peers: Valuation (EV / Adj. EBITDA)

Financial projections for peers based on consensus estimates

Sapphire and social casino peers trade on EV / Adj. EBITDA (pre-SBC) basis



LAZARD

Source: Public information, FactSet, Sapphire management

Note: Sapphire valuation as of unaffected date of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt); peer valuation as of July 17, 2023. Balance sheet and share count data based on public information. Equity value calculations include dilution from outstanding options and unvested stock units.

1. Projections for consensus SBC extrapolated using 2022A SBC expense as a percentage of revenue. Sapphire management SBC projections per Sapphire management.

Sapphire: Summary of Financial Projections

(\$ in millions)

Historical financials as reported; financial projections based on Sapphire management projections as presented to the Sapphire special committee on July 12, 2023 and approved for our use by the Sapphire special committee ("Sapphire Projections")

FYE 12/31	Historical	Management Projections					CAGR	
	2022A	2023E	2024E	2025E	2026E	2027E	'22A - '25E	'22A - '27E
Revenue								
Sapphire Core	\$649	\$738	\$800	\$856	\$898	\$925	9.7%	7.4%
New Games	1	0	12	26	39	56	232.4%	140.1%
Alictus	22	15	22	30	38	45	11.7%	15.9%
Total Revenue	\$671	\$754	\$833	\$912	\$975	\$1,027	10.8%	8.9%
% Growth	10.7%	12.3%	10.6%	9.4%	7.0%	5.2%		
Adjusted EBITDA¹								
Sapphire Core	\$193	\$226	\$254	\$285	\$305	\$317	14.0%	10.5%
New Games	(7)	(6)	(15)	(11)	(6)	4	NM	NM
Alictus	1	0	2	5	8	10	86.4%	70.1%
Total Adjusted EBITDA¹	\$187	\$220	\$242	\$278	\$306	\$332	14.2%	12.2%
% Margin	27.8%	29.2%	29.0%	30.5%	31.4%	32.3%	+264bps	+446bps

LAZARD

Source: Public information, Sapphire management, Sapphire Projections

Note: Financials as realized; not pro forma for Alictus acquisition (closed in March 2022).

1. Adj. EBITDA calculated as net income plus D&A, income tax, stock-based compensation and other income / expense, per Sapphire management. Also includes addback of non-recurring restructuring and other expenses, per Sapphire management.

Sapphire: Preliminary Estimated Standalone Value

(\$ per share, unless otherwise noted)

Historical financials as reported; financial projections based on Sapphire Projections and extrapolations based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee



Public Trading Comparables (EV / 2024E Revenue)	Public Trading Comparables (EV / 2024E Adj. EBITDA)	Precedent Transactions ¹	Discounted Cash Flow Analysis
<ul style="list-style-type: none"> Balance sheet date of March 31, 2023² Enterprise value multiple range of 1.5x – 2.5x 2024E revenue of \$833 million based on peer group trading Implied enterprise value range of \$1,250 – \$2,080 million 	<ul style="list-style-type: none"> Balance sheet date of March 31, 2023² Enterprise value multiple range of 7.0x – 9.0x 2024E Adj. EBITDA of \$242 million based on peer group trading Implied enterprise value range of \$1,690 – \$2,180 million 	<ul style="list-style-type: none"> Balance sheet date of March 31, 2023² Enterprise value multiple range of 9.5x – 11.5x LTM 3/31/2023A Adj. EBITDA of \$196 million based on selected precedent transactions Implied enterprise value range of \$1,860 – \$2,260 million 	<ul style="list-style-type: none"> Valuation and balance sheet date of June 30, 2023³ WACC range of 9.5% – 10.5% Terminal multiple range of 7.0x – 9.0x 2028E Adj. EBITDA of \$355 million⁴ Implied enterprise value range of \$2,260 – \$2,810 million

Source: Sapphire management, Sapphire Projections, public information

Note: Basic shares outstanding as of June 30, 2023, per Sapphire management. Fully diluted shares outstanding includes unvested stock units as of June 30, 2023, per Sapphire management. Adjusted EBITDA figures pre-SBC. Enterprise values rounded to nearest \$10 million; per share values rounded to nearest \$0.10.

- Potential acquisition of public shares of Sapphire by Cobalt would not be a change-of-control transaction.
- Analysis based on net cash balance of \$358 million as of March 31, 2023, per Sapphire public filings.
- Analysis based on net cash balance of \$395 million as of June 30, 2023, per Sapphire management.
- Extrapolation based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee.

Sapphire: Key Risks and Upsides to Financial Plan






Key Risks	Key Upside Opportunities
<ul style="list-style-type: none">— Core title risk given majority of revenues concentrated in a small number of franchises— Ability to continue growth significantly above market given competitive dynamics within mobile gaming— Ability to successfully launch new titles given historical focus on core franchises— Changes to data privacy and security laws / regulations could increase operating costs<ul style="list-style-type: none">– Changes in distribution platform user transparency policies could increase user acquisition costs (e.g., potential change in Google user privacy settings, similar to change in Apple Identifier for Advertisers policy)— Potential litigation, restrictions or increased compliance costs from further regulatory scrutiny for social casino games	<ul style="list-style-type: none">✓ Additional margin enhancement from accelerated user adoption of DTC initiatives✓ Reduction in platform fees on Apple / Google due to regulatory or general market pressure✓ New games from Sapphire, including within Alictus business, outperform expectations<ul style="list-style-type: none">– Current forecast model assumes steady growth in new games but no "hits"✓ Strong balance sheet provides potential for inorganic growth



Appendix

LAZARD

Overview of Broader Interactive Entertainment Players

Company	HQ	Exchange Traded	Mobile Revenue %	Description
	Sydney, AU	Australian Securities Exchange	46% ¹	• Engages in the design, development and distribution of gaming content, platforms and systems, including electronic gaming machines, casino management systems and free-to-play mobile games
	Redwood City, CA	NASDAQ	17%	• Develops PC, console and mobile games across various genres such as sports, FPS, action, role-playing and simulation
Cobalt	Las Vegas, NV	NASDAQ	27% ²	• Creates content and products for land-based casino gaming, digital gaming (iGaming) and mobile gaming
	Stockholm, SE	NASDAQ Stockholm	73%	• Owns and operates gaming studios with popular global IPs across a wide range of casual and mid-core genres
ROBLOX	San Mateo, CA	NYSE	50%	• Operates a free-to-play online gaming platform and game creation system
STILLFRONT GROUP	Stockholm, SE	NASDAQ Stockholm	76%	• Owns and operates 23 studios that develop and publish games across various genres such as strategy, casual & mashup, simulation, RPG and action
	New York, NY	NASDAQ	47%	• Develops and publishes PC, console and mobile games through Rockstar Games, 2K, Private Division and Zynga
	Saint-Mandé, FR	Euronext Paris	31%	• Established video game developer and publisher that primarily focuses on AAA PC, console and mobile titles

LAZARD

Source: Public information, FactSet
 Note: Mobile revenue breakdowns represent latest fiscal year.
 1. Represents Pixel United revenue as a percentage of total Aristocrat revenue.
 2. Represents Sapphire revenue as a percentage of total Cobalt revenue.

Sapphire: Public Trading Comparables

(\$ in millions, except per share data)

Financial projections calendarized and based on consensus estimates

Company	Stock Price 7/17/23	% of 52 Wk. High	Equity Value¹	Enterprise Value	Enterprise Value /				EBITDA Margin		CAGR ('23E ~ '25E)	
					Revenue		EBITDA		2023E	2024E	Revenue	EBITDA
					2023E	2024E	2023E	2024E				
Social Casino Peers												
DoubleDown Interactive	\$9.44	88%	\$468	\$201	0.6x	0.6x	2.0x	2.0x	32%	30%	4%	5%
Huuuge	Z24.15	81%	490	265	0.9x	1.0x	2.9x	3.3x	33%	29%	(4%)	(7%)
Playstudios	\$4.79	98%	722	594	1.9x	1.8x	10.6x	9.1x	18%	19%	6%	12%
Playtika	\$12.56	96%	4,790	6,390	2.4x	2.4x	7.8x	7.4x	32%	32%	3%	8%
For Reference Only: Other Interactive Entertainment Players												
Aristocrat	A\$39.39	99%	\$17,591	\$17,424	4.1x	4.0x	12.2x	11.5x	34%	35%	6%	8%
Electronic Arts	\$138.25	100%	37,758	37,214	5.0x	4.6x	14.9x	13.9x	33%	33%	6%	8%
Cobalt	\$70.16	100%	6,526	9,661	3.5x	3.3x	9.6x	8.4x	37%	39%	9%	14%
Modern Times Group	KR66.75	63%	776	435	0.8x	0.8x	3.5x	3.2x	23%	23%	5%	7%
Roblox	\$44.46	87%	27,151	26,445	7.7x	6.8x	NM	NM	10%	13%	10%	32%
Stillfront	KR18.70	63%	924	1,297	1.8x	1.7x	4.9x	4.7x	37%	37%	6%	5%
Take-Two Interactive	\$152.71	100%	25,859	28,024	5.1x	3.8x	36.8x	16.9x	14%	22%	23%	64%
Ubisoft Entertainment	€26.02	56%	3,597	4,692	2.0x	1.9x	4.5x	3.7x	46%	51%	8%	15%
Sapphire (Current)	\$19.81	98%	\$2,512	\$2,154	3.0x	2.8x	10.5x	9.8x	28%	29%	3%	8%
Sapphire (Unaffected)²	\$15.56	81%	1,973	1,615	2.2x	2.1x	7.9x	7.3x	28%	29%	3%	8%

Source: Public information, FactSet

Note: Market data as of July 17, 2023; financials converted to USD at spot rate as of July 17, 2023. Multiples greater than 50x or negative are designated as "NM". Share count and balance sheets based on latest publicly reported information; not pro forma for any acquisitions or divestitures. Projections for revenue and EBITDA based on unadjusted consensus estimates. Equity value calculations include dilution from outstanding options and unvested stock units.

1. Trading data as of unaffected date of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt); balance sheet and consensus estimates as of unaffected date.

Selected Precedent Transactions

(\$ in millions)

Acquiror	Target	Announcement Date	Enterprise Value (excl. / incl. Earn-Out)	EV / Adj. EBITDA
Sega	Rovio	4/17/2023	\$599	9.5x
Savvy Games Group	Scopely	4/5/2023	4,900	NA
Playstudios	Brainium	10/13/2022	70 ¹	8.0x ¹
Take-Two	Zynga	1/10/2022	12,692 ²	21.7x
Scopely	GSN Games	10/18/2021	1,000	NA
Aristocrat Leisure	Playtech	10/18/2021 ³	3,675	11.4x ⁴
Playtika	Reworks	8/31/2021	400 / 600 ⁵	NA
Netmarble	SpinX Games	8/2/2021	2,190	NA
Electronic Arts	Playdemic	6/23/2021	1,400	NA
Bally's Corporation	Gamesys Group	4/13/2021	3,189	11.1x ⁶
Electronic Arts	Glu Mobile	2/8/2021	2,088	32.5x
Embracer	Gearbox	2/3/2021	363 / 1,378 ⁷	NA
Zynga	Peak Games	6/1/2020	1,800	NA
Stillfront	Storm8	1/21/2020	300 / 400 ⁸	4.6x / 6.2x ⁸

Source: Public information

Note: Financials converted to USD at spot rate as of announcement date. All figures based on financials as reported; not pro forma for acquisitions or divestitures. Multiples based on LTM Adj. EBITDA pre-SBC, unless otherwise noted.

1. Represents upfront cash value; excludes contingent consideration tied to performance of Brainium following acquisition closing. Multiples based on 2022E Revenue and Adj. EBITDA, per Playstudios investor presentation.

2. Value assuming Take-Two share price within collar range.

3. Transaction terminated.

4. EV / LTM Adj. EBITDA per Aristocrat investor presentation.

5. Initial acquisition of 80% of Reworks business for \$400 million in cash with remaining 20% to be purchased for up to \$200 million based on 2022 Reworks EBITDA; remaining 20% to transfer to Playtika for \$1 if 2022 EBITDA target not exceeded.

6. Adj. EBITDA not adjusted for SBC.

7. Upfront consideration of \$363 million and maximum earn-out consideration of \$1.015 billion.

8. Upfront consideration of \$300 million and maximum earn-out consideration of \$100 million.

Sapphire: Preliminary WACC Analysis

(\$ in millions)

Weighted Average Cost of Capital Analysis					
Company Name	Market Value ¹	Capital Structure		Barra Predicted Beta	
		Debt/Cap Ratio	Debt/Equity Ratio	Levered Beta ²	Unlevered Beta ³
Social Casino Peers					
DoubleDown Interactive	\$468	7.6%	8.2%	0.704	0.663
Huuuge	490	2.7%	2.8%	0.582	0.569
Playstudios	722	-	-	1.057	1.057
Playtika	4,790	33.6%	50.5%	1.390	1.024
Sapphire	\$2,512	-	-	0.839	0.839
Assumptions		Sensitivity Range		Implied WACC ⁸	
		Low	High	Low	High
Unlevered Beta	0.839	0.569	1.057	7.9%	11.4%
Target Debt / Capitalization Ratio	-	-	20.0%	9.8%	10.4%
Target Debt / Equity Ratio	-				
Marginal Tax Rate	7.0%				
Levering Factor ⁴	1.000				
Levered Beta	0.839	0.569	1.303		
Risk-Free Rate of Return ⁵	3.8%				
Equity Risk Premium ⁶	7.2%				
Cost of Equity ⁷	9.8%				
Pre-Tax Cost of Debt	7.8%				
WACC ⁸	9.8%				

1. Source: Public information, FactSet as of July 17, 2023.
2. Source: Barra (local predicted beta).
3. Unlevered Beta = Levered Beta / [1 + (1 - Tax Rate)(Debt / Equity)].
4. Levering Factor = [1 + (1 - Tax Rate)(Debt / Equity)].
5. Source: U.S. 10-Year Treasury Yield as of July 17, 2023.
6. Source: Kroll as of December 31, 2022. Represents large company stock total returns minus long-term government bond income returns.
7. Cost of Equity = (Risk-Free Rate of Return) + (Levered Beta)(Equity Risk Premium).
8. Weighted Average Cost of Capital = (After-Tax Cost of Debt)(Debt / Cap.) + (Cost of Equity)(Equity / Cap.).

Sapphire: Preliminary Discounted Cash Flow Analysis

(\$ in millions, except per share data)

Financial projections based on Sapphire Projections and extrapolations based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee; discounted to June 30, 2023

Free Cash Flow

	6 ME 12/2023E	12/2024E	12/2025E	12/2026E	12/2027E	TV 12/2027E
Sales	\$379	\$833	\$912	\$975	\$1,027	\$1,027
% Growth		10.6%	9.4%	7.0%	5.2%	-
Adjusted EBITDA (excl. stock-based compensation)	\$109	\$242	\$278	\$306	\$332	\$332
Stock-Based Compensation	(7)	(19)	(20)	(21)	(22)	(22)
Adjusted EBITDA (incl. stock-based compensation)	\$102	\$223	\$258	\$285	\$310	\$310
% Margin	27.0%	26.8%	28.3%	29.3%	30.2%	30.2%
Depreciation & Amortization	(\$13)	(\$26)	(\$26)	(\$26)	(\$27)	(\$18) ¹
Adjusted EBIT	\$90	\$197	\$232	\$259	\$283	\$292
Tax Expense	(\$6)	(\$14)	(\$16)	(\$18)	(\$20)	(\$56) ²
Tax Rate	7.0%	7.0%	7.0%	7.0%	7.0%	19.0% ²
Unlevered Net Income	\$83	\$184	\$216	\$241	\$263	\$237
Plus: Depreciation & Amortization	\$13	\$26	\$26	\$26	\$27	\$18
Less: Change in Net Working Capital	6	-	1	2	4	- ³
Less: Capital Expenditures	(8)	(16)	(16)	(17)	(18)	(18)
Less: Payments on License Obligations	(3)	(5)	(5)	(5)	(5)	(5) ²
Less: TRA Payments	(4)	(4)	(4)	(4)	(4)	- ²
Less: Pari Passu Distributions to Cobalt	(22)	(25)	(30)	(34)	(38)	- ²
Unlevered Free Cash Flow	\$65	\$159	\$188	\$210	\$230	\$232

Valuation Sensitivities

Discount Rate	PV of Future Cash Flows			Terminal Value at Exit Multiple of: ⁴			Enterprise Value at Exit Multiple of:		
	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x
9.50%		\$685		\$1,650	\$1,886	\$2,122	\$2,336	\$2,571	\$2,807
10.00%		678		1,617	1,848	2,079	2,295	2,526	2,757
10.50%		671		1,584	1,811	2,037	2,255	2,481	2,708
=									
Discount Rate	TV as % of EV at Exit Multiple of:			Implied PGR at Exit Multiple of:			Equity Value at Exit Multiple of:		
	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x
9.50%	70.7%	73.4%	75.6%	0.2%	1.2%	2.1%	\$2,730	\$2,966	\$3,202
10.00%	70.5%	73.2%	75.4%	0.6%	1.7%	2.6%	2,690	2,921	3,152
10.50%	70.3%	73.0%	75.2%	1.1%	2.2%	3.0%	2,650	2,876	3,103
Discount Rate	EV / 2023E AEBITDA at Exit Multiple of:			EV / 2024E AEBITDA at Exit Multiple of:			Value per Share at Exit Multiple of:		
	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x	7.0x	8.0x	9.0x
9.50%	10.6x	11.7x	12.8x	9.7x	10.6x	11.6x	\$21.40	\$23.26	\$25.13
10.00%	10.4x	11.5x	12.5x	9.5x	10.4x	11.4x	21.08	22.90	24.73
10.50%	10.3x	11.3x	12.3x	9.3x	10.3x	11.2x	20.77	22.55	24.34

LAZARD

Source: Sapphire management, Sapphire Projections, Kroll, Barra, public information, FactSet

Note: Valuation and balance sheet date of June 30, 2023. Analysis based on net cash balance 1. of \$395 million as of June 30, 2023, per Sapphire management. Basic shares 2. outstanding as of June 30, 2023, per Sapphire management. Fully diluted shares 3. outstanding includes unvested stock units as of June 30, 2023, per Sapphire management. 4.

Normalized terminal year depreciation and amortization to equal CapEx.

Normalized structure and tax rate based on 2022 effective tax rate.

Normalized change in net working capital.

Assumes exit multiple range of 7.0x – 9.0x applied to estimated 2028E Adj. EBITDA (pre-SBC) of \$355 million.

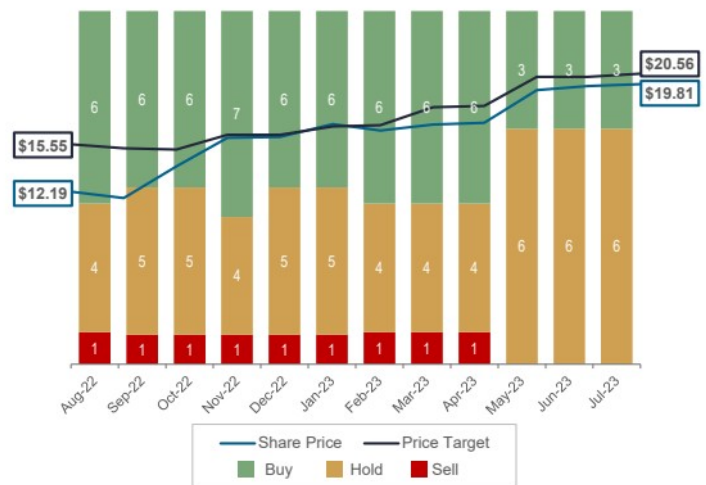
Sapphire: Analyst Price Targets

Target Price				
Broker	Target		Date	
D A DAVIDSON	\$23.00 ¹		7/10/2023	
WEDBUSH	\$23.00 ²		5/18/2023	
MACQUARIE	\$21.00		5/9/2023	
CRAIG-HALLUM	\$20.00 ³		5/18/2023	
Deutsche Bank	\$20.00 ⁴		5/18/2023	
Morgan Stanley	\$20.00 ⁵		5/22/2023	
TRUIST	\$20.00 ⁶		7/11/2023	
J.P.Morgan	\$19.00 ⁷		5/26/2023	
STIFEL NICOLAUS	\$19.00 ⁸		6/3/2023	
Unaffected:		\$15.56	Current:	
			\$19.81	
			Cobalt Offer:	
			\$20.00	
			Mean:	
			\$20.56	

Source: Wall Street Research, FactSet, Public information
Note: Price targets and current share price as of July 17, 2023. Unaffected date as of May 17, 2023 (last trading day prior to receipt of proposal from Cobalt).
1. D.A. Davidson updated price target following the proposal from Cobalt (Previous Price Target: \$20). D.A. Davidson reiterated \$23 price target on July 10, 2023.
2. Wedbush maintained price target and rating following the proposal from Cobalt.
3. Craig-Hallum updated rating following the proposal from Cobalt (Previous Rating: Buy).

Current Price Targets		
Target Price Range	\$19.00 - \$23.00	Buy: 33.3%
Mean Target Price	\$20.56	Hold: 66.7%
Current Price	\$19.81	Sell: 0.0%

Rating Evolution Over Time



- Deutsche Bank updated price target and rating following the proposal from Cobalt (Previous Price Target: \$21; Previous Rating: Buy).
- Morgan Stanley updated price target following the proposal from Cobalt (Previous Price Target: \$15).
- Truist maintained price target and rating following the proposal from Cobalt. Truist raised price target to \$20 on July 11, 2023 (Previous Price Target: \$18).
- J.P. Morgan updated price target following the proposal from Cobalt (Previous Price Target: \$18).
- Stifel Nicolaus maintained price target and rating following the proposal from Cobalt.

LAZARD

Sapphire's Top 25 Shareholders

(\$ in millions, positions in thousands)

#	Shareholder	Ownership Stake and Cumulative Holdings	Current Position	Current Market Value	1yr Δ in % O/S
1	Vanguard	9.0%	1,922	\$38	+0.9%
2	Antara Capital	7.0%	1,486	29	+5.3%
3	Citigroup	6.6%	1,407	28	+4.6%
4	Mangrove Partners	5.5%	1,177	23	+1.5%
5	Manulife Asset Management	5.4%	1,152	23	+5.4%
6	Jane Street Group	3.5%	739	15	+1.3%
7	Renaissance Technologies	3.2%	672	13	+0.6%
8	GFH HFEVA	3.1%	652	13	+1.0%
9	Morgan Stanley	3.1%	652	13	+1.4%
10	Millennium Management	2.9%	619	12	+2.2%
11	Bank of America	2.8%	605	12	(0.4%)
12	Caledonia Holdings	2.7%	566	11	(4.3%)
13	Franklin Resources	2.0%	432	9	+0.5%
14	Schroders	2.0%	427	8	+1.9%
15	Anqa Management	2.0%	421	8	(0.3%)
16	Arrowstreet Capital Holding	2.0%	420	8	+2.0%
17	BlackRock	1.9%	397	8	+0.3%
18	Engine Capital Management	1.8%	385	8	(5.5%)
19	Hillsdale Investment Management	1.8%	372	7	+0.1%
20	Dimensional	1.5%	326	6	+0.2%
21	Barry Cottle	1.5%	318	6	+0.2%
22	UBS	1.4%	303	6	(0.1%)
23	Carlson Capital	1.4%	295	6	(2.2%)
24	Two Sigma Investments	1.3%	285	6	+0.7%
25	Geode Capital Management	1.3%	283	6	+0.1%

Source: FactSet as of July 17, 2023

Note: Ownership stake based on basic shares outstanding, consolidated across funds. Ownership stake based on Sapphire Class A shares only, based on latest publicly available information.

Privileged & Confidential
Preliminary Analysis; to be Further Diligenced and Refined

CONFIDENTIAL

JULY 2023

PROJECT SAPPHIRE

Sensitivity Analysis

LAZARD

Disclaimer

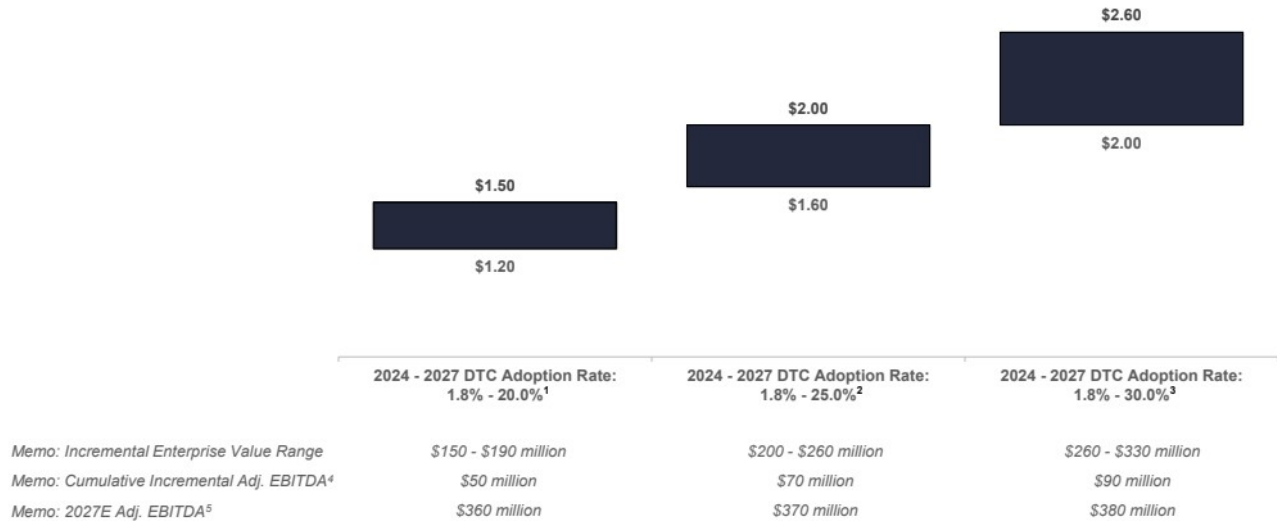
The information herein has been prepared by Lazard Frères & Co. LLC ("Lazard") based upon information supplied by Sapphire (the "Company") or publicly available information, and portions of the information herein may be based upon certain statements, estimates and forecasts provided by the Company with respect to the anticipated future performance of the Company. Lazard has relied upon the accuracy and completeness of the foregoing information, and has not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of the Company, or any other entity, or concerning solvency or fair value of the Company or any other entity. With respect to financial forecasts, Lazard has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of the Company. Lazard assumes no responsibility for and expresses no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, unless indicated otherwise. Lazard is not making any assessment regarding the impact or economic effects of the COVID-19 virus, including with respect to the potential impact or effects on the future financial performance of the Company. Subsequent developments, including, without limitation, in relation to COVID-19, may affect the forecasts and other information set out in this document and Lazard assumes no responsibility for updating or revising this document based on circumstances or events after the date hereof. These materials and the information contained herein are confidential and may not be disclosed publicly or made available to third parties without the prior written consent of Lazard; provided, however, that you may disclose to any and all persons the U.S. federal income tax treatment and tax structure of the transaction described herein and the portions of these materials that relate to such tax treatment or structure. Lazard is acting as financial advisor to the special committee of the board of directors of the Company, and will not be responsible for and will not provide any tax, accounting, actuarial, legal or other specialist advice.

LAZARD

Sapphire: Estimated Incremental Value From Improved DTC Adoption

(\$ per share, unless otherwise noted)

Sensitivity analysis assumes low-end DTC adoption rate of 1.8% in 2024 (per management estimates) and high-end DTC adoption rate of 20.0% - 30.0% in 2027 with linear increase in DTC adoption rate between 2024 and 2027



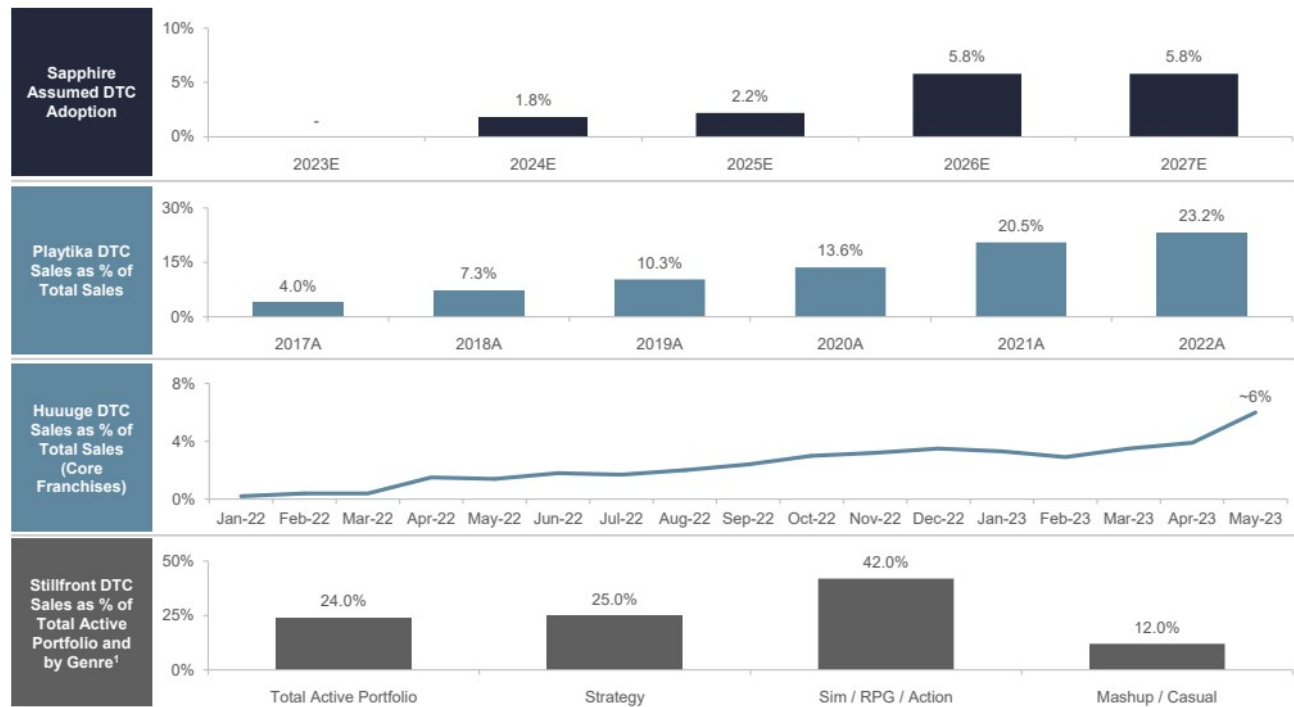
Source: Public information, Kroll, Barra, FactSet, Sapphire management, Sapphire Projections (financial projections based on Sapphire management projections as presented to the Sapphire special committee on July 12, 2023 and approved for our use by the Sapphire special committee)

Note: Valuation date of June 30, 2023. Basic shares outstanding as of June 30, 2023, per Sapphire management. Fully diluted shares outstanding includes unvested stock units as of June 30, 2023, per Sapphire management. DTC adoption applied only to Sapphire Core. Analysis assumes WACC range of 9.5% - 10.5%. Analysis assumes exit multiple range of 7.0x - 9.0x applied to estimated 2028E incremental Adj. EBITDA. 2028E incremental Adj. EBITDA extrapolated using 2027E DTC adoption rate improvement and applying margin uplift to 2028E Sapphire Core revenue of \$953 million; 2028E Sapphire Core revenue extrapolation based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee. Per share values rounded to nearest \$0.10. Enterprise value and Adj. EBITDA figures rounded to nearest \$10 million.

- Assumes DTC adoption rate grows from 1.8% in 2024E to 20.0% in 2027E. YoY growth in DTC adoption rate based on linear growth rate. Exit multiple applied to estimated 2028E incremental Adj. EBITDA of \$27 million.
- Assumes DTC adoption rate grows from 1.8% in 2024E to 25.0% in 2027E. YoY growth in DTC adoption rate based on linear growth rate. Exit multiple applied to estimated 2028E incremental Adj. EBITDA of \$37 million.
- Assumes DTC adoption rate grows from 1.8% in 2024E to 30.0% in 2027E. YoY growth in DTC adoption rate based on linear growth rate. Exit multiple applied to estimated 2028E incremental Adj. EBITDA of \$46 million.
- Represents cumulative incremental Adj. EBITDA from 2024E to 2027E.
- Base plan Sapphire 2027E Adj. EBITDA of \$332 million.

Sapphire: Direct-to-Consumer Sales Forecast in Context

Sapphire DTC assumptions per management estimates; peer DTC adoption based on latest available public filings



LAZARD

Source: Public information, Sapphire management, Sapphire Projections

1. Data from Stillfront Q1 2023 Investor Presentation. Stillfront did not disclose direct-to-consumer revenue prior to Q1 2023.

CONFIDENTIAL

7 AUGUST 2023

PRESENTATION TO THE SPECIAL COMMITTEE

Project Sapphire

LAZARD

Disclaimer

These materials have been prepared by Lazard Frères & Co. LLC ("Lazard") for the information and assistance of the Special Committee of the Board of Directors of Sapphire in connection with their consideration of the matters referred to herein. These materials are based upon information supplied by you (the "Company") or publicly available information, and portions of the information herein may be based upon certain statements, estimates and forecasts provided by the Company with respect to the anticipated future performance of the Company. Lazard has relied upon the accuracy and completeness of the foregoing information, and has not assumed any responsibility for any independent verification of such information or any independent valuation or appraisal of any of the assets or liabilities of the Company, or any other entity, or concerning solvency or fair value of the Company or any other entity. With respect to financial forecasts, Lazard has assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of the Company. Lazard assumes no responsibility for and expresses no view as to such forecasts or the assumptions on which they are based. The information set forth herein is based upon economic, monetary, market and other conditions as in effect on, and the information made available to us as of, the date hereof, unless indicated otherwise. Lazard is not making any assessment regarding the impact or economic effects of the COVID-19 virus, including with respect to the potential impact or effects on the future financial performance of the Company. Subsequent developments, including, without limitation, in relation to COVID-19, may affect the forecasts and other information set out in this document and Lazard assumes no responsibility for updating or revising this document based on circumstances or events after the date hereof. These materials and the information contained herein are confidential and may not be disclosed publicly or made available to third parties without the prior written consent of Lazard; provided, however, that you may disclose to any and all persons the U.S. federal income tax treatment and tax structure of the transaction described herein and the portions of these materials that relate to such tax treatment or structure. Lazard is acting as financial advisor to the special committee of the board of directors of the Company, and will not be responsible for and will not provide any tax, accounting, actuarial, legal or other specialist advice.

LAZARD

Analysis of Cobalt's Final Negotiated Offer

(\$ in millions, except per share data)

Final value of \$22.95 per share in cash for outstanding public shares of Sapphire not owned by Cobalt

- Over the course of July and August 2023, the special committee of Sapphire and management of Cobalt held negotiations regarding the proposed acquisition by Cobalt of the public shares of Sapphire not owned by Cobalt (the "Proposed Transaction")
 - On May 18, 2023, Cobalt submitted to the Sapphire Board of Directors and concurrently publicly announced its initial offer price of \$20.00 in cash per Sapphire share ("Initial Cobalt Proposal")
 - On July 21, 2023, Sapphire indicated to Cobalt that the value delivered to Cobalt from the Proposed Transaction, including elimination of estimated public company costs, would be ~\$26.20 per share
 - On July 25, 2023, Cobalt verbally communicated an increased offer price of \$21.50 in cash per share ("First Cobalt Counterproposal")
 - On July 28, 2023, Sapphire verbally communicated its counterproposal of \$23.75 in cash per share
 - On July 30, 2023, Cobalt verbally communicated its updated offer price of \$22.25 in cash per share ("Second Cobalt Counterproposal")
 - On August 2, 2023, Sapphire and Cobalt verbally negotiated a purchase price of \$22.95 in cash per share ("Final Offer"), subject to approval by the Sapphire Special Committee, Sapphire Board of Directors and Cobalt Board of Directors

		Initial Cobalt Proposal	First Cobalt Counterproposal	Second Cobalt Counterproposal	Final Offer
		\$20.00	\$21.50	\$22.25	\$22.95
Implied Premium / (Discount) to:	Reference Price:				
Unaffected Closing Price	\$15.56	28.5%	38.2%	43.0%	47.5%
Unaffected 10-Trading Day VWAP	16.97	17.9%	26.7%	31.1%	35.3%
Unaffected 30-Trading Day VWAP	17.10	17.0%	25.8%	30.1%	34.2%
Unaffected 60-Trading Day VWAP	16.96	17.9%	26.7%	31.2%	35.3%
Implied Equity Value¹		\$2,532	\$2,722	\$2,816	\$2,905
Net Cash (6/30/2023)		(395)	(395)	(395)	(395)
Implied Enterprise Value		\$2,137	\$2,327	\$2,422	\$2,510
Implied EV / Adj. EBITDA	Adj. EBITDA:				
LTM 6/30/2023A	\$214	10.0x	10.9x	11.3x	11.7x
2023E ²	220	9.7x	10.6x	11.0x	11.4x
2024E ²	242	8.8x	9.6x	10.0x	10.4x

LAZARD

Source: Sapphire management, public information, FactSet, Bloomberg

Note: Unaffected date as of May 17, 2023 (last trading day prior to receipt and public announcement of proposal from Cobalt). Adj. EBITDA excludes stock-based compensation ("SBC") expense.

- Based on basic shares outstanding as of August 3, 2023, per Sapphire management. Fully diluted shares outstanding includes unvested stock units as of August 3, 2023.
- Adj. EBITDA based on Sapphire management projections.

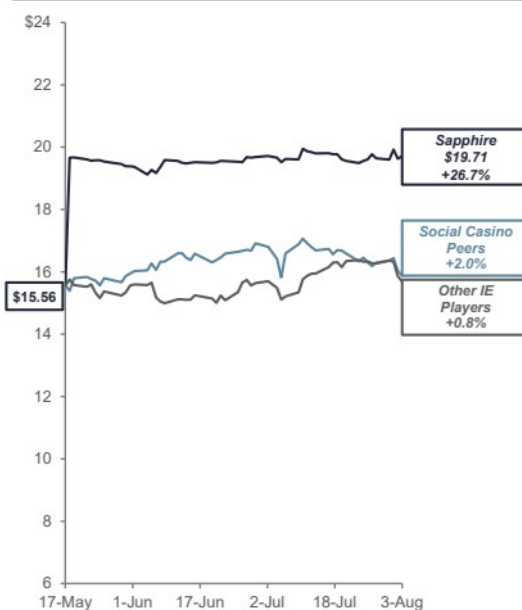
Sapphire: Share Price Performance Since 2022

(\$ in millions, except per share data)

Unaffected Share Price Performance (January 3, 2022 – May 17, 2023)



Affected Share Price Performance (May 17, 2023 – August 3, 2023)



Source: Public information, FactSet

Note: Market data as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance. Share price performance indexed to Sapphire's starting share price. Financial projections based on median consensus estimates as of share price date. Adj. EBITDA excludes SBC expense. Unaffected date as of May 17, 2023 (last trading day prior to receipt and public announcement of Initial Cobalt Proposal).

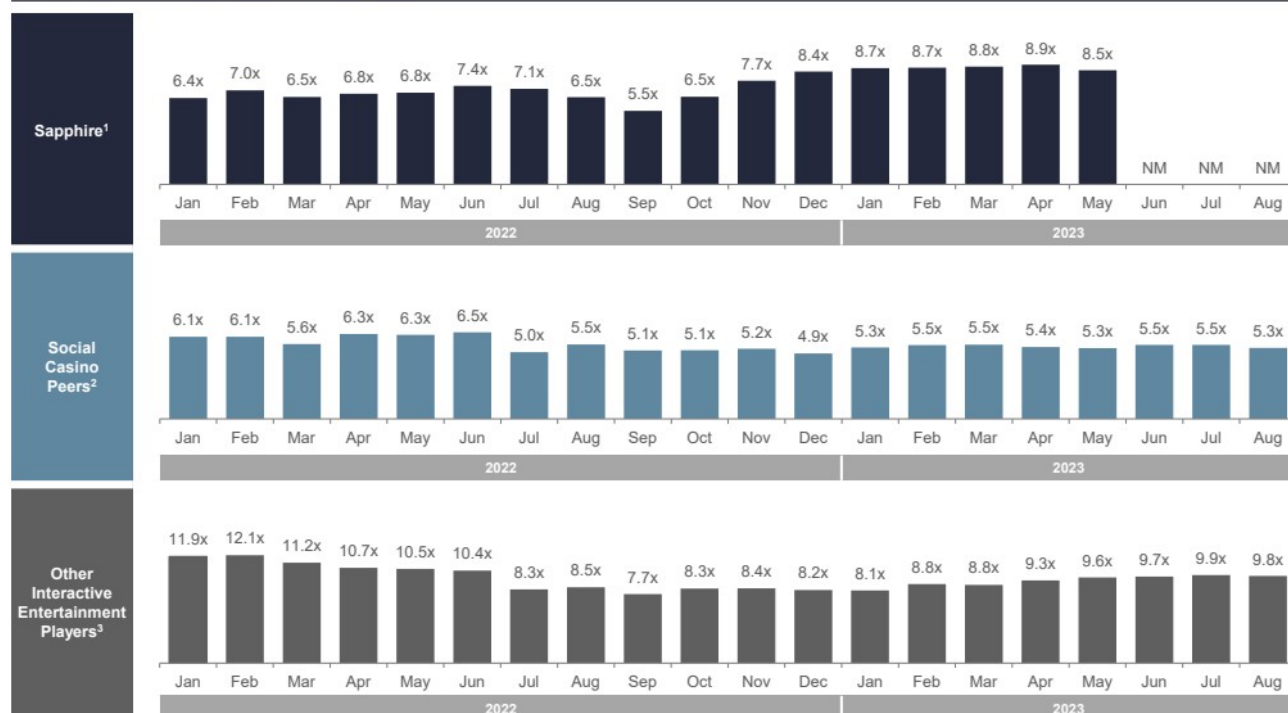
1. Share count based on information from latest public filings; includes dilution from unvested stock units.

2. Social Casino Peers consist of DoubleDown, Huuuge, Playstudios and Playtika.

3. Other Interactive Entertainment Players consist of Aristocrat, Electronic Arts, Cobalt, Modern Times Group, Roblox, Stillfront, Take-Two Interactive and Ubisoft.

Sapphire: Valuation Over Time Since 2022

EV / NTM EBITDA (January 3, 2022 – August 3, 2023)



Source: Public information, FactSet

Note: Market data as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance. Multiples represent averages over the period. Multiples greater than 25x or negative are designated as "NM" and not included in valuation over time calculations. NTM EBITDA projections based on unadjusted consensus estimates.

1. Sapphire market data as of unaffected date of May 17, 2023 (last trading day prior to receipt and public announcement of Initial Cobalt Proposal). Excludes values following Initial Cobalt Proposal.

2. Social Casino Peers consist of DoubleDown, Huuuge, Playstudios and Playtika.

3. Other Interactive Entertainment Players consist of Aristocrat, Electronic Arts, Cobalt, Modern Times Group, Roblox, Stillfront, Take-Two Interactive and Ubisoft.

LAZARD

Sapphire: Summary of Financial Projections

(\$ in millions)

Historical financials as reported; financial projections based on Sapphire management projections as presented to the Sapphire special committee on July 12, 2023 and approved for our use by the Sapphire special committee ("Sapphire Projections")

FYE 12/31	Historical	Management Projections					CAGR	
	2022A	2023E	2024E	2025E	2026E	2027E	'22A - '25E	'22A - '27E
Revenue								
Sapphire Core	\$649	\$738	\$800	\$856	\$898	\$925	9.7%	7.4%
New Games	1	0	12	26	39	56	232.4%	140.1%
Alictus	22	15	22	30	38	45	11.7%	15.9%
Total Revenue	\$671	\$754	\$833	\$912	\$975	\$1,027	10.8%	8.9%
% Growth	10.7%	12.3%	10.6%	9.4%	7.0%	5.2%		
Adjusted EBITDA¹								
Sapphire Core	\$193	\$226	\$254	\$285	\$305	\$317	14.0%	10.5%
New Games	(7)	(6)	(15)	(11)	(6)	4	NM	NM
Alictus	1	0	2	5	8	10	86.4%	70.1%
Total Adjusted EBITDA¹	\$187	\$220	\$242	\$278	\$306	\$332	14.2%	12.2%
% Margin	27.8%	29.2%	29.0%	30.5%	31.4%	32.3%	+264bps	+446bps

LAZARD

Source: Public information, Sapphire management, Sapphire Projections

Note: Financials as realized; not pro forma for Alictus acquisition (closed in March 2022).

1. Adj. EBITDA calculated as net income plus D&A, income tax, stock-based compensation and other income / expense, per Sapphire management. Also includes addback of non-recurring restructuring and other expenses, per Sapphire management.

Sapphire: Financial Analysis Summary

(\$ per share, unless otherwise noted)

Historical financials as reported; financial projections based on Sapphire Projections and extrapolations based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee

	Methodology	Intrinsic Value per Share		Implied EV / 2024E Adj. EBITDA Range	Comments
For Reference Only	Public Trading Comparables Analysis	\$16.50	\$20.30	7.0x – 9.0x	<ul style="list-style-type: none"> Enterprise value multiple range of 7.0x – 9.0x 2024E Adj. EBITDA of \$242 million Based on peer group multiples Balance sheet date: June 30, 2023
	Discounted Cash Flow Analysis	\$20.90	\$25.30	9.3x – 11.6x	<ul style="list-style-type: none"> WACC range of 9.5% – 10.5% Assumed terminal multiple range of 7.0x – 9.0x 2028E Adj. EBITDA of \$355 million² Implied perpetuity growth rate of 0.2% – 3.0% Valuation and balance sheet date: June 30, 2023
	Precedent Transactions Analysis ¹	\$19.20	\$22.60	8.4x – 10.2x	<ul style="list-style-type: none"> Enterprise value multiple range of 9.5x – 11.5x LTM 6/30/2023A Adj. EBITDA of \$214 million Based on selected precedent transactions; excludes broader analysis due to variability of transactions within interactive entertainment and lack of comparability with other transactions Balance sheet date: June 30, 2023
	Equity Analyst Estimates (Price Target)	\$19.00	\$23.00	8.3x – 10.4x	<ul style="list-style-type: none"> Low: J.P. Morgan (5/26/2023) High: D.A. Davidson (7/10/2023) & Wedbush (8/3/2023) 8 equity analysts reporting price targets³ Equity analyst estimates affected by Cobalt proposal
	52-Week Trading Range	\$10.60	\$20.19	3.9x – 8.9x	<ul style="list-style-type: none"> Low: \$10.60 (9/26/2022) High: \$20.19 (7/12/2023)
Final Offer Value: \$22.95					

Source: Sapphire management, Sapphire Projections, public information, FactSet

Note: Market data as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance. Analyses based on net cash balance of \$395 million as of June 30, 2023, per Sapphire management. Basic shares outstanding as of August 3, 2023, per Sapphire management. Fully diluted shares outstanding includes unvested stock units as of August 3, 2023. Adjusted EBITDA excludes SBC expense. Per

share values rounded to nearest \$0.10, except for 52-week trading range.

Potential acquisition of public shares of Sapphire by Cobalt would not be a change-of-control transaction.

Extrapolation based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee.

Excludes Macquarie due to suspension of coverage following announcement of Cobalt proposal.

LAZARD



Appendix

LAZARD

Sapphire: Public Trading Comparables

(\$ in millions, except per share data)

Financial projections calendarized and based on consensus estimates

Company	Stock Price 8/3/23	% of 52 Wk. High	Equity Value¹	Enterprise Value	Enterprise Value /				EBITDA Margin		CAGR (²3E – ²5E)	
					Revenue		EBITDA		2023E	2024E	Revenue	EBITDA
					2023E	2024E	2023E	2024E				
Social Casino Peers												
DoubleDown Interactive	\$8.77	82%	\$435	\$168	0.5x	0.5x	1.6x	1.6x	32%	30%	4%	5%
Huuuge	Z24.45	82%	481	256	0.9x	0.9x	2.8x	3.2x	33%	29%	(4%)	(7%)
Playstudios	\$4.61	93%	694	567	1.8x	1.7x	10.0x	8.7x	18%	19%	6%	11%
Playtika	\$11.33	89%	4,321	5,921	2.3x	2.2x	7.2x	6.8x	32%	32%	3%	8%
For Reference Only: Other Interactive Entertainment Players												
Aristocrat	A\$40.24	100%	\$17,109	\$16,949	4.2x	4.0x	12.4x	11.7x	34%	34%	6%	8%
Electronic Arts	\$123.83	89%	33,944	33,222	4.4x	4.1x	13.3x	12.3x	33%	34%	6%	8%
Cobalt	\$69.61	98%	6,475	9,610	3.5x	3.3x	9.5x	8.4x	37%	38%	8%	10%
Modern Times Group	KR68.60	65%	759	443	0.8x	0.8x	3.5x	3.4x	24%	24%	4%	5%
Roblox	\$36.68	72%	22,400	21,694	6.3x	5.6x	NM	NM	10%	13%	10%	34%
Stillfront	KR17.99	63%	846	1,240	1.8x	1.8x	4.8x	4.6x	38%	38%	5%	5%
Take-Two Interactive	\$145.75	95%	24,753	26,918	4.9x	3.6x	NM	16.4x	14%	22%	23%	62%
Ubisoft Entertainment	€28.87	62%	3,949	5,014	2.2x	2.1x	5.1x	4.3x	44%	48%	8%	16%
Sapphire (Current)	\$19.71	98%	\$2,499	\$2,142	2.9x	2.8x	10.5x	9.7x	28%	29%	3%	8%
Sapphire (Unaffected)²	\$15.56	81%	1,973	1,615	2.2x	2.1x	7.9x	7.3x	28%	29%	3%	8%

Source: Public information, FactSet

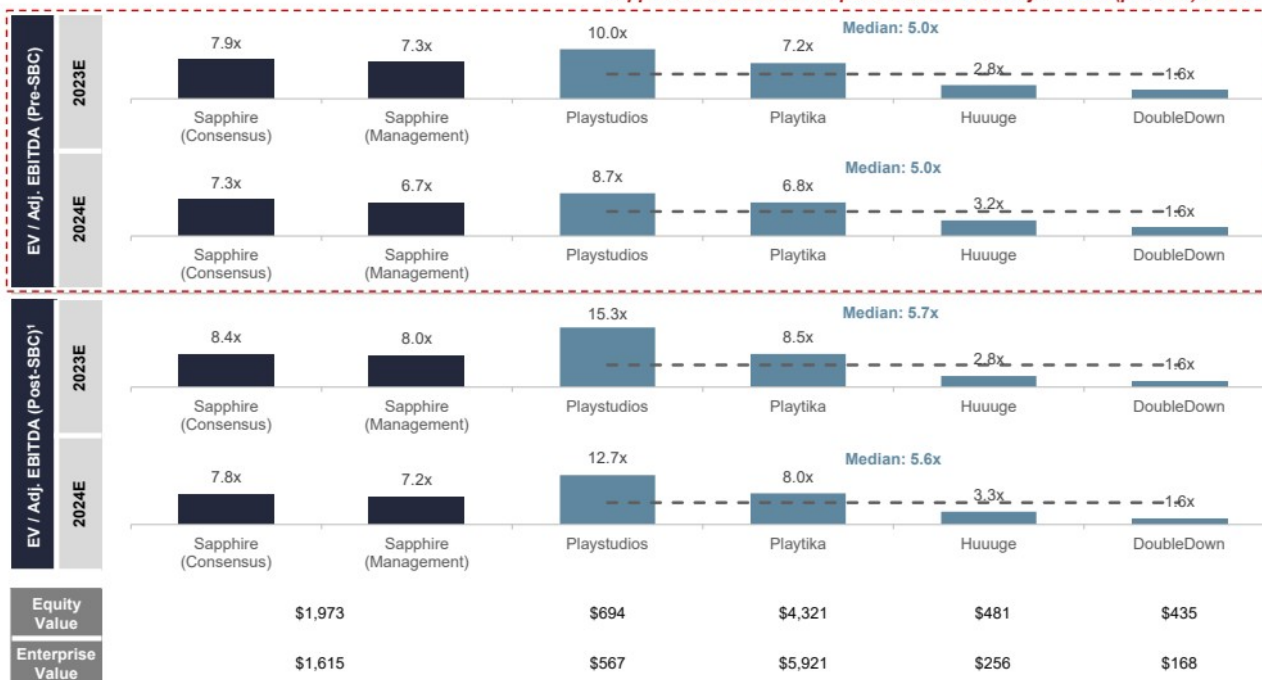
Note: Market data as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance. Financials converted to USD at spot rate as of August 3, 2023. Multiples greater than 25x or negative are designated as "NM". Share count and balance sheets based on latest publicly reported information; not pro forma for any acquisitions or divestitures. Projections for revenue and EBITDA based on unadjusted consensus estimates.

1. Equity value calculations include dilution from outstanding options and unvested stock units.

2. Trading data as of unaffected date of May 17, 2023 (last trading day prior to receipt and public announcement of Initial Cobalt Proposal); balance sheet and consensus estimates as of unaffected date.

For Reference: Sapphire Valuation vs. Peers (EV / Adj. EBITDA)

(\$ in millions)

Financial projections for peers based on consensus estimates*Sapphire and social casino peers trade on EV / Adj. EBITDA (pre-SBC) basis*

Source: Public information, FactSet, Sapphire management

Note: Sapphire valuation as of unaudited date of May 17, 2023 (last trading day prior to receipt and public announcement of Initial Cobalt Proposal). Peer valuation as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance. Balance sheet and share count data based on public information. Equity value calculations include dilution from outstanding options and unvested stock units.

1. Projections for consensus SBC expense extrapolated using 2022A SBC expense as a percentage of revenue. Sapphire management SBC projections per Sapphire management.

Sapphire: WACC Analysis

(\$ in millions)

Weighted Average Cost of Capital Analysis					
Company Name	Market Value¹	Capital Structure		Barra Predicted Beta	
		Debt/Cap Ratio	Debt/Equity Ratio	Levered Beta²	Unlevered Beta³
Social Casino Peers					
DoubleDown Interactive	\$435	8.1%	8.8%	0.704	0.660
Huuuge	481	2.7%	2.8%	0.582	0.569
Playstudios	694	-	-	1.057	1.057
Playtika	4,321	35.9%	56.0%	1.390	0.993
Sapphire	\$2,499	-	-	0.839	0.839
Assumptions		Sensitivity Range		Implied WACC⁸	
		Low	High	Low	High
Unlevered Beta	0.839	0.569	1.057	8.1%	11.6%
Target Debt / Capitalization Ratio	-	-	20.0%	10.1%	10.6%
Target Debt / Equity Ratio	-				
Marginal Tax Rate	7.0%				
Levering Factor⁴	1.000				
Levered Beta	0.839	0.569	1.303		
Risk-Free Rate of Return⁵	4.1%				
Equity Risk Premium⁶	7.2%				
Cost of Equity⁷	10.1%				
Pre-Tax Cost of Debt	7.8%				
WACC⁸	10.1%				

- Source: Public information, FactSet as of August 3, 2023; there have been no material changes in share prices of Social Casino Peers or Other Interactive Entertainment Players since such date, with the exception of a decline in the trading price of Playstudios due to company-specific factors unrelated to broader market performance.
- Source: Barra (local predicted beta).
- Unlevered Beta = Levered Beta / [1 + (1 - Tax Rate)(Debt / Equity)].
- Levering Factor = [1 + (1 - Tax Rate)(Debt / Equity)].
- Source: U.S. 10-Year Treasury Yield as of August 3, 2023.
- Source: Kroll as of December 31, 2022. Represents large company stock total returns minus long-term government bond income returns.
- Cost of Equity = (Risk-Free Rate of Return) + (Levered Beta)(Equity Risk Premium).
- Weighted Average Cost of Capital = (After-Tax Cost of Debt)(Debt / Cap.) + (Cost of Equity)(Equity / Cap.).

Sapphire: Discounted Cash Flow Analysis

(\$ in millions, except per share data)

Financial projections based on Sapphire Projections and extrapolations based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee; discounted to June 30, 2023

Free Cash Flow

	6 ME 12/2023E	12/2024E	12/2025E	12/2026E	12/2027E	TV 12/2027E
Sales	\$377	\$833	\$912	\$975	\$1,027	\$1,027
% Growth		10.6%	9.4%	7.0%	5.2%	-
Adjusted EBITDA (excl. stock-based compensation)	\$107	\$242	\$278	\$306	\$332	\$332
Stock-Based Compensation	(4)	(19)	(20)	(21)	(22)	(22)
Adjusted EBITDA (incl. stock-based compensation)	\$103	\$223	\$258	\$285	\$310	\$310
% Margin	27.3%	26.8%	28.3%	29.3%	30.2%	30.2%
Depreciation & Amortization	(\$13)	(\$26)	(\$26)	(\$26)	(\$27)	(\$18) ¹
Adjusted EBIT	\$90	\$197	\$232	\$259	\$283	\$292
Tax Expense	(\$6)	(\$14)	(\$16)	(\$18)	(\$20)	(\$56)
Tax Rate	7.0%	7.0%	7.0%	7.0%	7.0%	19.0% ²
Unlevered Net Income	\$84	\$184	\$216	\$241	\$263	\$237
Plus: Depreciation & Amortization	\$13	\$26	\$26	\$26	\$27	\$18
Less: Change in Net Working Capital	6	-	1	2	4	- ³
Less: Capital Expenditures	(7)	(16)	(16)	(17)	(18)	(18)
Less: Payments on License Obligations	(3)	(5)	(5)	(5)	(5)	(5)
Less: TRA Payments	(4)	(4)	(4)	(4)	(4)	- ²
Less: Pari Passu Distributions to Cobalt	(22)	(25)	(30)	(34)	(38)	- ²
Unlevered Free Cash Flow	\$66	\$159	\$188	\$210	\$230	\$232

Valuation Sensitivities

Discount Rate	PV of Future Cash Flows			+	Terminal Value at Exit Multiple of: ⁴			=	Enterprise Value at Exit Multiple of:		
	7.0x	8.0x	9.0x		7.0x	8.0x	9.0x		7.0x	8.0x	9.0x
9.50%			\$687		\$1,650	\$1,886	\$2,122		\$2,337	\$2,573	\$2,809
10.00%			679		1,617	1,848	2,079		2,296	2,527	2,758
10.50%			672		1,584	1,811	2,037		2,257	2,483	2,709
Discount Rate	TV as % of EV at Exit Multiple of:				Implied PGR at Exit Multiple of:				Equity Value at Exit Multiple of:		
	7.0x	8.0x	9.0x		7.0x	8.0x	9.0x		7.0x	8.0x	9.0x
9.50%	70.6%	73.3%	75.6%		0.2%	1.2%	2.1%		\$2,732	\$2,968	\$3,204
10.00%	70.4%	73.1%	75.4%		0.6%	1.7%	2.6%		2,691	2,922	3,153
10.50%	70.2%	72.9%	75.2%		1.1%	2.2%	3.0%		2,652	2,878	3,104
Discount Rate	EV / 2023E AEBITDA at Exit Multiple of:				EV / 2024E AEBITDA at Exit Multiple of:				Value per Share at Exit Multiple of:		
	7.0x	8.0x	9.0x		7.0x	8.0x	9.0x		7.0x	8.0x	9.0x
9.50%	10.6x	11.7x	12.8x		9.7x	10.6x	11.6x		\$21.58	\$23.44	\$25.31
10.00%	10.4x	11.5x	12.5x		9.5x	10.4x	11.4x		21.26	23.09	24.91
10.50%	10.3x	11.3x	12.3x		9.3x	10.3x	11.2x		20.95	22.73	24.52

Source: Sapphire management, Sapphire Projections, Kroll, Barra, public information, FactSet

Note: Valuation and balance sheet date of June 30, 2023. Analysis based on net cash balance of \$395 million as of June 30, 2023, per Sapphire management. Basic shares outstanding as of August 3, 2023, per Sapphire management. Fully diluted shares outstanding includes unvested stock units as of August 3, 2023.

1. Normalized terminal year depreciation and amortization equal to CapEx.

2. Normalized structure and tax rate based on 2022 effective tax rate.

3. Normalized change in net working capital.

4. Assumes exit multiple range applied to estimated 2028E Adj. EBITDA (excluding SBC expense) of \$355 million (extrapolated based on discussions with, and guidance from, Sapphire management and approved for our use by the Sapphire special committee).

LAZARD

Selected Precedent Transactions

(\$ in millions)

Acquiror	Target	Announcement Date	Enterprise Value (excl. / incl. Earn-Out)	EV / Adj. EBITDA
Sega	Rovio	4/17/2023	\$599	9.5x
Savvy Games Group	Scopely	4/5/2023	4,900	NA
Playstudios	Brainium	10/13/2022	70 ¹	8.0x ¹
Take-Two	Zynga	1/10/2022	12,692 ²	21.7x
Scopely	GSN Games	10/18/2021	1,000	NA
Aristocrat Leisure	Playtech	10/18/2021 ³	3,675	11.4x ⁴
Playtika	Reworks	8/31/2021	400 / 600 ⁵	NA
Netmarble	SpinX Games	8/2/2021	2,190	NA
Electronic Arts	Playdemic	6/23/2021	1,400	NA
Bally's Corporation	Gamesys Group	4/13/2021	3,189	11.1x ⁶
Electronic Arts	Glu Mobile	2/8/2021	2,088	32.5x
Embracer	Gearbox	2/3/2021	363 / 1,378 ⁷	NA
Zynga	Peak Games	6/1/2020	1,800	NA
Stillfront	Storm8	1/21/2020	300 / 400 ⁸	4.6x / 6.2x ⁸

Source: Public information

Note: Financials converted to USD at spot rate as of announcement date. All figures based on financials as reported; not pro forma for acquisitions or divestitures. Multiples based on LTM Adj. EBITDA pre-SBC, unless otherwise noted.

1. Represents upfront cash value; excludes contingent consideration tied to performance of Brainium following acquisition closing. Multiples based on 2022E Revenue and Adj. EBITDA, per Playstudios investor presentation.

2. Value assuming Take-Two share price within collar range.

3. Transaction terminated.

4. EV / LTM Adj. EBITDA per Aristocrat investor presentation.

5. Initial acquisition of 80% of Reworks business for \$400 million in cash with remaining 20% to be purchased for up to \$200 million based on 2022 Reworks EBITDA; remaining 20% to transfer to Playtika for \$1 if 2022 EBITDA target not exceeded.




6. Adj. EBITDA not adjusted for SBC.

7. Upfront consideration of \$363 million and maximum earn-out consideration of \$1.015 billion.

8. Upfront consideration of \$300 million and maximum earn-out consideration of \$100 million.

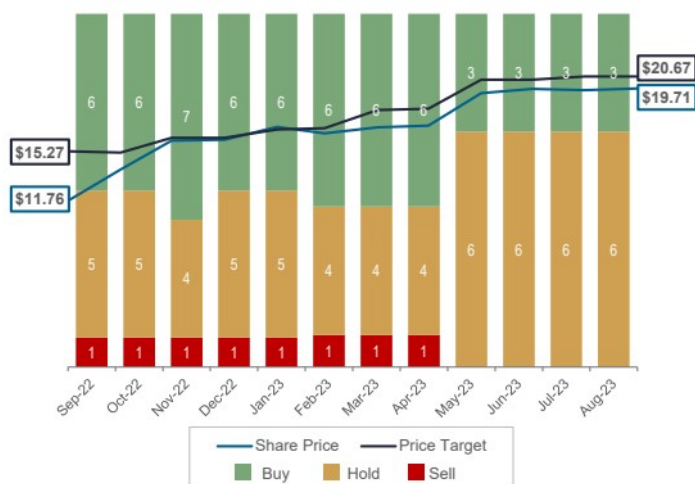
Sapphire: Analyst Price Targets

(\$ per share)

Target Price		
Broker	Target	Date
 D/A DAVIDSON	\$23.00	7/10/2023
 WEDBUSH	\$23.00	8/3/2023
 MACQUARIE	\$21.00 ¹	5/9/2023
 CRAIG-HALLUM	\$20.00	5/18/2023
 Deutsche Bank	\$20.00	5/18/2023
Morgan Stanley	\$20.00	5/22/2023
STIFEL NICOLAUS	\$20.00	7/26/2023
TRUIST 	\$20.00	7/11/2023
J.P.Morgan	\$19.00	5/26/2023
Mean: \$20.67		

Current Price Targets		
Target Price Range	\$19.00 - \$23.00	Buy: 33.3%
Mean Target Price	\$20.67	Hold: 66.7%
Current Price	\$19.71	Sell: 0.0%

Rating Evolution Over Time



LAZARD

Source: Wall Street Research, FactSet, public information

Note: Price targets and current share price as of August 3, 2023.

1. Price target prior to public announcement of proposal from Cobalt. Macquarie has since suspended coverage as it is currently providing financial advisory services to Cobalt.

Sapphire's Top 25 Shareholders

(\$ in millions, positions in thousands)

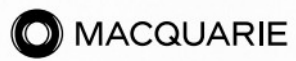
#	Shareholder	Ownership Stake and Cumulative Holdings	Current Position	Current Market Value	1yr Δ in % O/S
1	Vanguard	9.0%	1,922	\$38	+0.9%
2	Antara Capital	7.0%	1,486	29	+5.3%
3	Citigroup	6.6%	1,407	28	+4.6%
4	Mangrove Partners	5.5%	1,177	23	+1.5%
5	Manulife Asset Management	5.4%	1,152	23	+5.4%
6	Jane Street Group	3.5%	739	15	+1.3%
7	Renaissance Technologies	3.2%	672	13	+0.6%
8	GFH HFEVA	3.1%	652	13	+1.0%
9	Morgan Stanley	3.1%	652	13	+1.4%
10	Millennium Management	2.9%	619	12	+2.2%
11	Bank of America	2.8%	605	12	(0.4%)
12	Caledonia Holdings	2.7%	566	11	(4.3%)
13	Franklin Resources	2.0%	432	9	+0.5%
14	Schroders	2.0%	427	8	+1.9%
15	Anqa Management	2.0%	421	8	(0.3%)
16	Arrowstreet Capital Holding	2.0%	420	8	+2.0%
17	BlackRock	1.9%	397	8	+0.3%
18	Engine Capital Management	1.8%	385	8	(5.5%)
19	Hillsdale Investment Management	1.8%	372	7	+0.1%
20	Dimensional	1.5%	326	6	+0.2%
21	Barry Cottle	1.5%	318	6	+0.2%
22	UBS	1.4%	303	6	(0.1%)
23	Carlson Capital	1.4%	295	6	(2.2%)
24	Two Sigma Investments	1.3%	285	6	+0.7%
25	Geode Capital Management	1.3%	283	6	+0.1%

Source: FactSet as of August 3, 2023

Note: Ownership stake based on basic shares outstanding, consolidated across funds. Ownership stake based on Sapphire Class A shares only, based on latest publicly available information.

LAZARD

Preliminary Draft; Subject to Continued Review and Revision



Project Bern

Discussion Materials

May 17, 2023



Important Notice and Disclaimer

The following presentation contains material provided to the Board of Directors (the "Board") of Light & Wonder, Inc. (the "Company") by Macquarie Capital (USA) Inc. ("Macquarie Capital") in connection with the acquisition of SciPlay Corporation ("Bern").

This presentation was prepared on a confidential basis in connection with an oral presentation to the Board and not with a view toward complying with the disclosure standards under federal or state securities laws. This presentation is solely for use of the Board and may not be used for any other purpose or disclosed to any party without Macquarie Capital's prior written consent.

The information provided herein comes or has been derived from several sources, but Macquarie Capital does not warrant its accuracy or completeness. In preparing these materials, Macquarie Capital has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Without limiting the generality of the foregoing, no audit or review has been undertaken by an independent third party of the financial assumptions, data, results, calculations and forecasts contained, presented or referred to in this presentation. You should conduct your own independent investigation and assessment as to the validity of the information contained in this presentation and the economic, financial, regulatory, legal, tax, investment and accounting implications of that information. Macquarie Capital, its affiliates and any of its and their respective employees, directors, officers, contractors, consultants, advisors, members, successors, representatives and agents make no representation or warranty as to the accuracy or completeness of the information contained in this presentation, and take no responsibility under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this presentation.

Neither Macquarie Capital nor any of its affiliates is an advisor as to regulatory, legal, tax, investment or accounting matters in any jurisdiction. Any recipient of the information contained herein should seek advice from its own independent tax advisor, legal counsel and/or other advisor with respect to such matters. These materials are not and should not be construed as a fairness opinion.

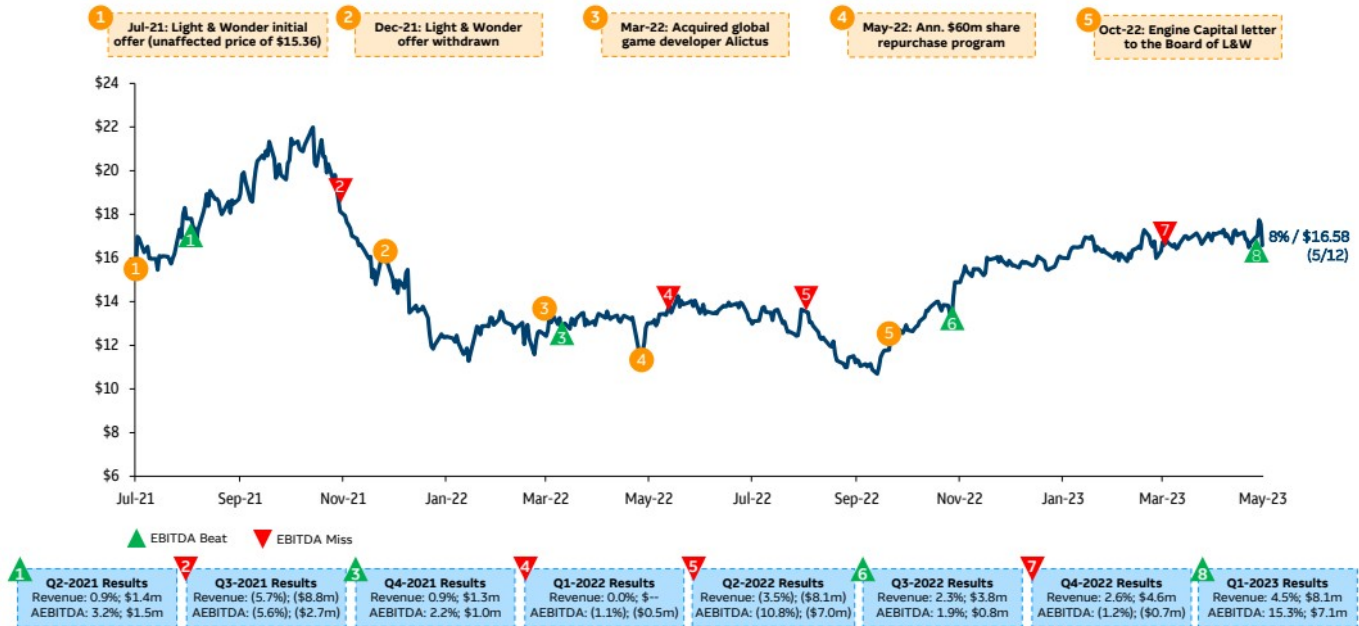
Macquarie Capital is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of Macquarie Capital do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Capital.

© 2023 Macquarie Capital (USA) Inc.

SciPlay Share Price Performance

SciPlay's share price has increased 8% since Light & Wonder (i) submitted its initial offer in July 2021, and (ii) withdrew its offer in December 2021

Share Price Performance Since Initial Offer for SciPlay



Source: FactSet as of May 12, 2023. Note: Shows share price from July 14, 2021 to May 12, 2023.

Strictly confidential | © Macquarie Group Limited

Illustrative SciPlay Analysis at Various Prices

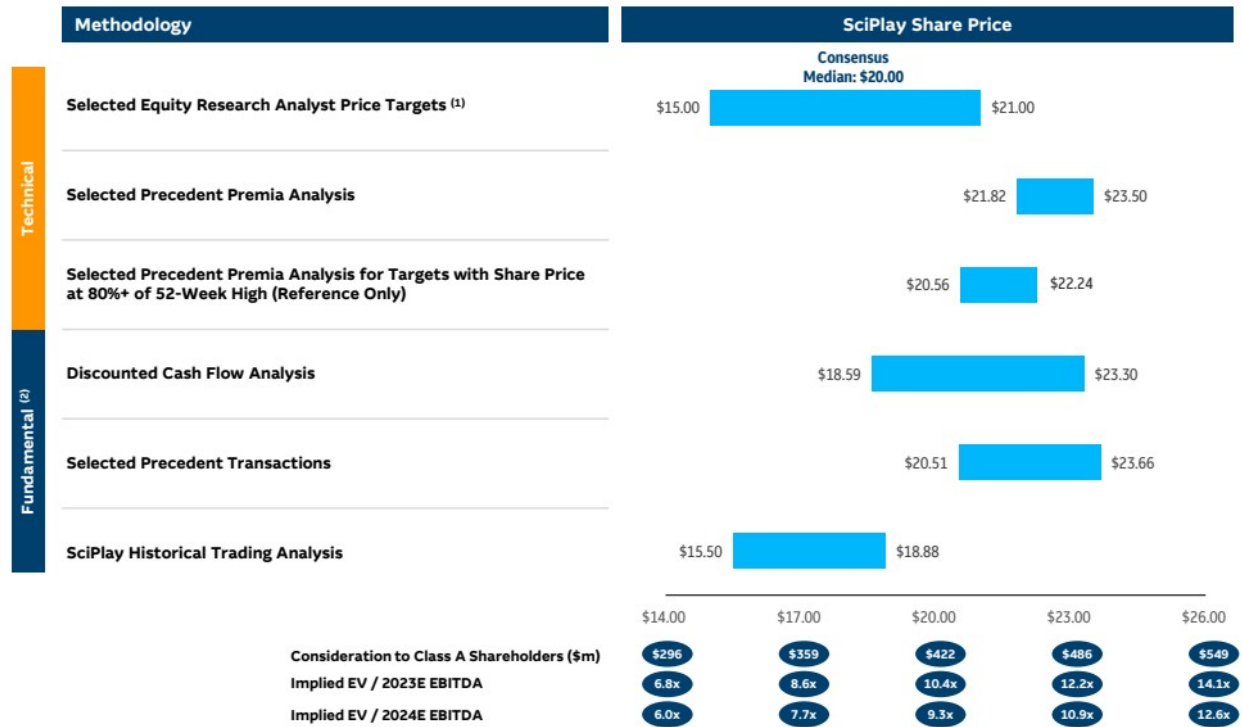
Every \$0.50 increase in purchase price per share results in ~\$11 million of additional consideration to SciPlay public shareholders

(\$ in millions, except per share data)	Current	SciPlay Analysis at Various Prices					
	Share Price						
Illustrative SciPlay Offer Price	\$16.58	\$20.50	\$21.00	\$21.50	\$22.00	\$22.50	\$23.00
Premium / (Discount) to Share Price on 05/12/2023 (\$16.58)	-	23.6%	26.7%	29.7%	32.7%	35.7%	38.7%
Premium / (Discount) to 30-day VWAP (\$17.16)	(3.4%)	19.5%	22.4%	25.3%	28.2%	31.1%	34.0%
Premium / (Discount) to VWAP since Q1 2023 earnings (05/09/2023) (\$17.61)	(5.9%)	16.4%	19.2%	22.1%	24.9%	27.8%	30.6%
Consideration to SciPlay Public Shareholders ⁽¹⁾	\$350	\$433	\$443	\$454	\$464	\$475	\$486
Implied Enterprise Value ⁽²⁾	\$1,709	\$2,198	\$2,260	\$2,323	\$2,385	\$2,447	\$2,510
SciPlay Management Estimates - Excluding / Including Synergies ⁽³⁾							
Implied LTM 1Q23 EBITDA Multiple (LTM 1Q23 EBITDA: \$196m / \$201m)	8.7x / 8.5x	11.2x / 10.9x	11.5x / 11.2x	11.8x / 11.5x	12.2x / 11.9x	12.5x / 12.2x	12.8x / 12.5x
Implied 2023E EBITDA Multiple (FYE 2023 EBITDA: \$205m / \$210m)	8.3x / 8.1x	10.7x / 10.5x	11.0x / 10.7x	11.3x / 11.0x	11.6x / 11.3x	11.9x / 11.6x	12.2x / 11.9x
Implied 2024E EBITDA Multiple (FYE 2024 EBITDA: \$229m / \$235m)	7.5x / 7.3x	9.6x / 9.4x	9.9x / 9.6x	10.1x / 9.9x	10.4x / 10.2x	10.7x / 10.4x	10.9x / 10.7x

Note: Company filings, FactSet and Bloomberg as of May 12, 2023. (1) Based on 21,113,186 Class A common shares outstanding as of May 10, 2023 per L&W management. (2) Implied enterprise value based on SciPlay Class A and B shares; assumes net cash of \$358m as of 3/31/2023. (3) Assumes illustrative cost synergies of \$5 million based on preliminary L&W management estimates. Excludes any potential additional EBITDA benefits.

Preliminary SciPlay Valuation Summary

Analysis excludes potential synergies; valuation methodologies and assumptions subject to further review and refinement



Strictly confidential | © Macquarie Group Limited (1) Excludes low and high equity research analyst price targets. (2) Analysis based on the February 2023 Board approved LRP (assuming 100% forecast achievement).

Selected SciPlay Equity Research Perspectives

Median consensus price target of \$20.00 represents a 20.6% ⁽¹⁾ premium to current share price

(\$ in millions, except per share data)

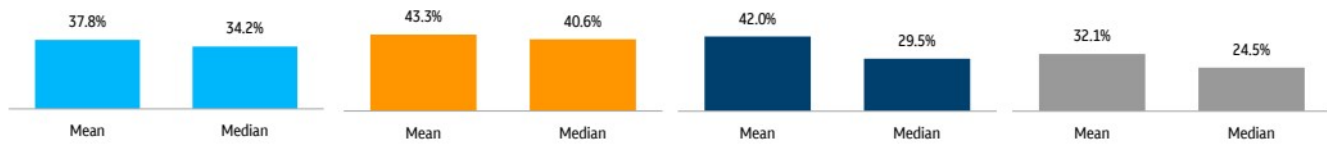
Firm	Date of Report	Rating	Price Target			Premium / (Discount) ⁽¹⁾	Revenue		Adjusted EBITDA	
			Mar-22 ⁽²⁾	Current	Δ		2023E	2024E	2023E	2024E
Goldman Sachs	5/11/23	Buy	NA	\$22.00	NA	32.7%	\$730	\$770	\$201	\$224
BofA Securities	5/11/23	Underperform	10.00	12.00	20.0%	(27.6%)	680	707	175	202
Craig Hallum	5/10/23	Buy	14.50	20.00	37.9%	20.6%	725	752	203	220
Macquarie Research	5/10/23	Outperform	14.00	21.00	50.0%	26.7%	730	751	204	224
DA Davidson	5/10/23	Buy	14.00	20.00	42.9%	20.6%	735	765	206	220
Deutsche Bank	5/10/23	Buy	13.00	21.00	61.5%	26.7%	735	759	213	222
Stifel Nicolaus	5/10/23	Hold	NA	19.00	NA	14.6%	732	758	205	217
Morgan Stanley	5/10/23	Neutral	16.00	15.00	(6.3%)	(9.5%)	693	714	191	198
Consensus Median			\$14.00	\$20.00	40.4%	20.6%	\$730	\$755	\$204	\$220
Consensus Mean			\$13.58	\$18.75	34.3%	13.1%	\$720	\$747	\$200	\$216

Note: Includes selected equity research analyst reports published post Q1 2023 earnings. (1) Based on May 12, 2023 closing price of \$16.58. (2) March 2022 price target based on research published post Q1 2022 earnings.

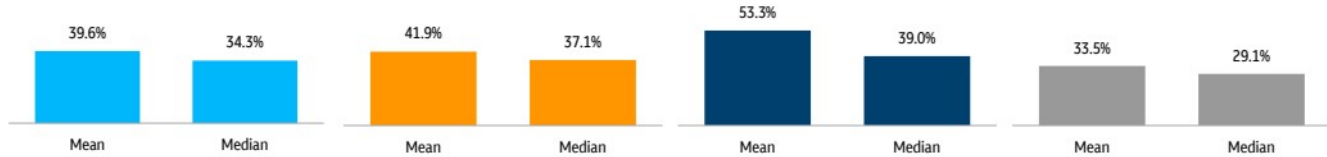
Selected All-Cash Precedent Premia Analysis

Insider Take Private Transactions 30%+ Target Ownership	Insider Take Private Transactions 50%+ Target Ownership	All Transactions	All Transactions with Target Share Price at 80%+ of 52-Week High
<ul style="list-style-type: none"> Includes US-listed companies ⁽¹⁾ over the last 10 years where an insider with 30%+ ownership acquired the remaining shares in an all-cash transaction ⁽²⁾ 	<ul style="list-style-type: none"> Includes US-listed companies ⁽¹⁾ over the last 10 years where an insider with 50%+ ownership acquired the remaining shares in an all-cash transaction ⁽²⁾ 	<ul style="list-style-type: none"> Includes US-listed companies ⁽¹⁾ acquired in all-cash transactions with a total transaction value of \$1.0 - \$4.0 billion over last 5 years 	<ul style="list-style-type: none"> Includes US-listed companies ⁽¹⁾ acquired in all-cash transactions with a total transaction value of \$1.0 - \$4.0 billion over last 5 years where the target share price was 80%+ of its 52-week high

1-Day Premia



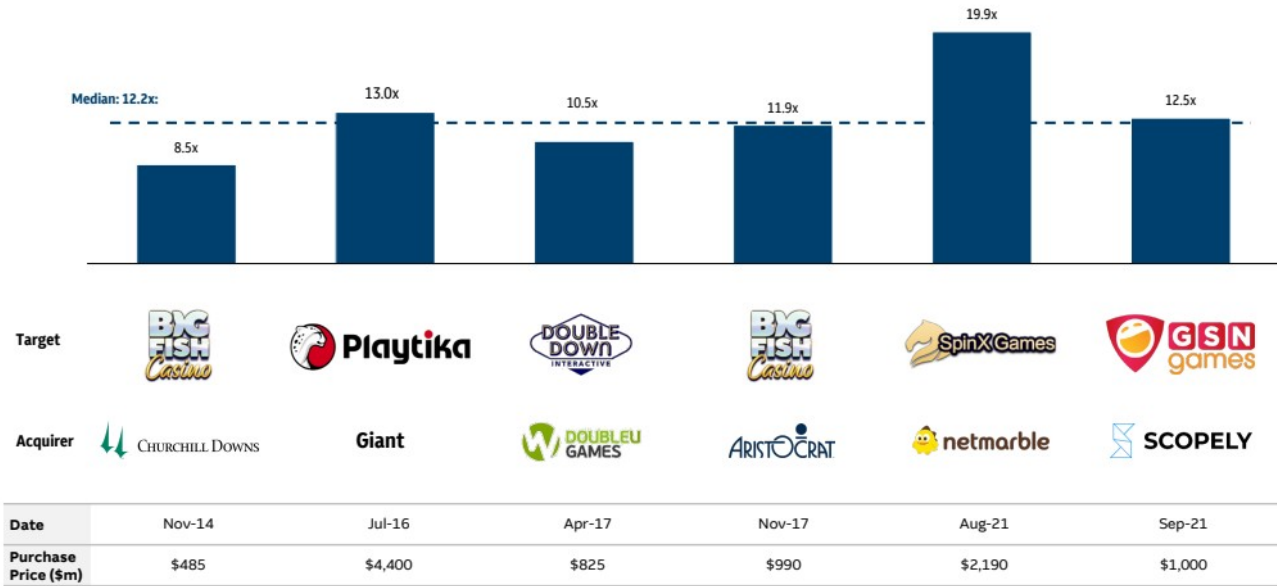
30-Day Premia



Source: FactSet. Note: All-cash insider take-private transactions with 30%+ target ownership include 44 transactions over the last 10 years. All-cash insider take-private transactions with 50%+ target ownership include 30 transactions over the last 10 years. All-cash transactions include 168 transactions over the last 5 years. ⁽¹⁾ Includes US-listed companies headquartered outside the US. ⁽²⁾ Includes transactions where implied enterprise value was greater than \$500 million.

Selected Precedent Transaction Analysis

Social Casino Precedent Transactions



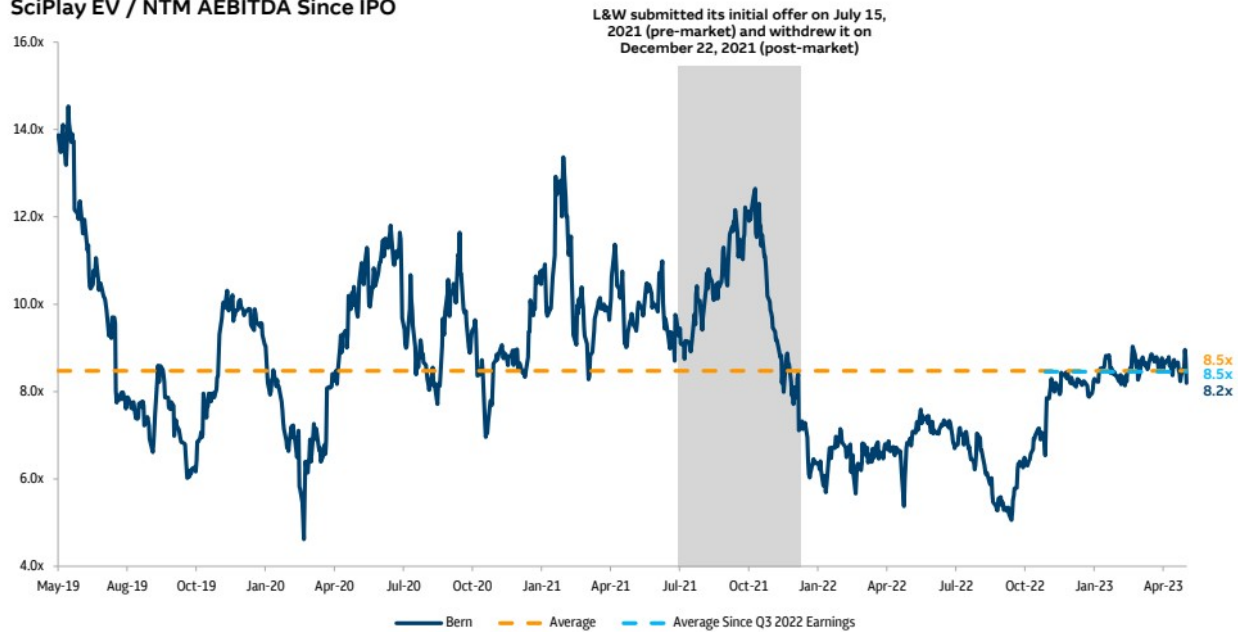
Note: Includes transactions with a purchase price greater than \$400 million. Source: Company filings, Eilers & Krejcik and FactSet.

Strictly confidential | © Macquarie Group Limited

SciPlay Historical Trading Analysis

Average EV / NTM AEBITDA of 8.5x excludes period during which L&W's initial offer was outstanding

SciPlay EV / NTM AEBITDA Since IPO

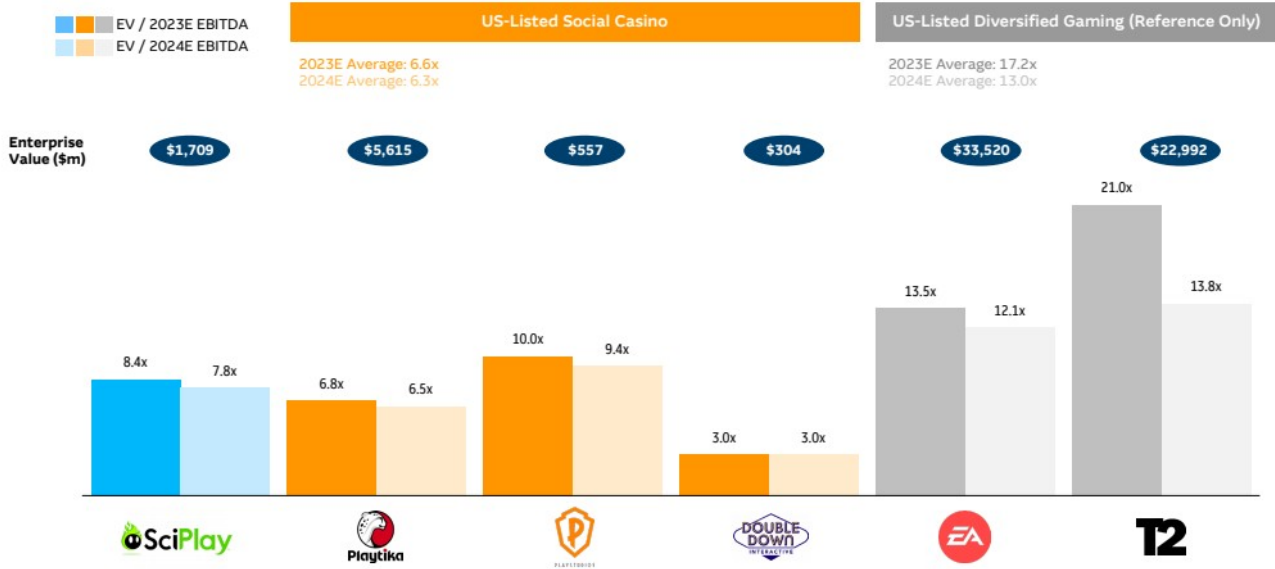


Source: FactSet and public filings as of May 12, 2023.

Strictly confidential | © Macquarie Group Limited

Selected SciPlay Trading Comparables

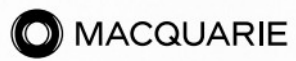
EV / EBITDA Multiples



Source: FactSet and public filings as of May 12, 2023. Note: SciPlay EBITDA based on median consensus estimates.

Strictly confidential | © Macquarie Group Limited

Preliminary Draft; Subject to Continued Review and Revision



Project Bern

Discussion Materials for the Board of
Light & Wonder, Inc.

August 3, 2023



Important Notice and Disclaimer

"Macquarie Capital" refers to Macquarie Corporate Holdings Pty Limited and its worldwide direct and indirect subsidiaries. Macquarie Corporate Holdings Pty Limited is an indirect, wholly-owned subsidiary of Macquarie Group Limited.

The following presentation contains material provided to the Board of Directors (the "Board") of Light & Wonder, Inc. ("Light & Wonder", the "Company") by Macquarie Capital in connection with the acquisition of the publicly held shares of SciPlay Corporation ("Bern").

This presentation was prepared on a confidential basis in connection with an oral presentation to the Board and not with a view toward complying with the disclosure standards under federal or state securities laws. This presentation is for use of the Board and may not be used for any other purpose or disclosed to any party without Macquarie Capital's prior written consent.

The information provided herein comes or has been derived from several sources, but Macquarie Capital does not warrant its accuracy or completeness. In preparing these materials, Macquarie Capital has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Without limiting the generality of the foregoing, no audit or review has been undertaken by an independent third party of the financial assumptions, data, results, calculations and forecasts contained, presented or referred to in this presentation. You should conduct your own independent investigation and assessment as to the validity of the information contained in this presentation and the economic, financial, regulatory, legal, tax, investment and accounting implications of that information. Macquarie Capital, its affiliates and any of its and their respective employees, directors, officers, contractors, consultants, advisors, members, successors, representatives and agents make no representation or warranty as to the accuracy or completeness of the information contained in this presentation, and take no responsibility under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this presentation.

This presentation includes preliminary financial analysis and does not constitute a fairness opinion of Macquarie Capital as to the value of Bern, and as such, should not be relied on by the Company or by any other person as such.

Neither Macquarie Capital nor any of its affiliates is an advisor as to regulatory, legal, tax, investment or accounting matters in any jurisdiction. Any recipient of the information contained herein should seek advice from its own independent tax advisor, legal counsel and/or other advisor with respect to such matters.

Macquarie Capital is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of Macquarie Capital do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Capital.

© 2023 Macquarie Capital (USA) Inc.

Situation Update

Transaction Background

- On May 18, 2023, Light & Wonder publicly announced an offer to acquire Bern's publicly held shares in an all-cash transaction for \$20.00 per share
 - Offer represented a 17.0% premium to Bern's 30-day VWAP as of the last trading day prior to the proposal
 - Bern's Board of Directors subsequently formed a special committee (the "Special Committee") and hired legal and financial advisors to evaluate the proposal
- Following Light & Wonder's initial offer and Bern's continued outperformance compared to budget in the first half of 2023, Bern's management revised their 2023 forecast and long-range plan
 - The revised LRP was completed in July 2023 and reflected ~\$15-\$20 million of additional AEBITDA from 2023-2025 and included projections for 2026-2027
- After factoring in the revised projections and following a series of negotiations, Light & Wonder and the Special Committee agreed to a purchase price of \$22.95, subject to the approval of Light & Wonder's Board of Directors

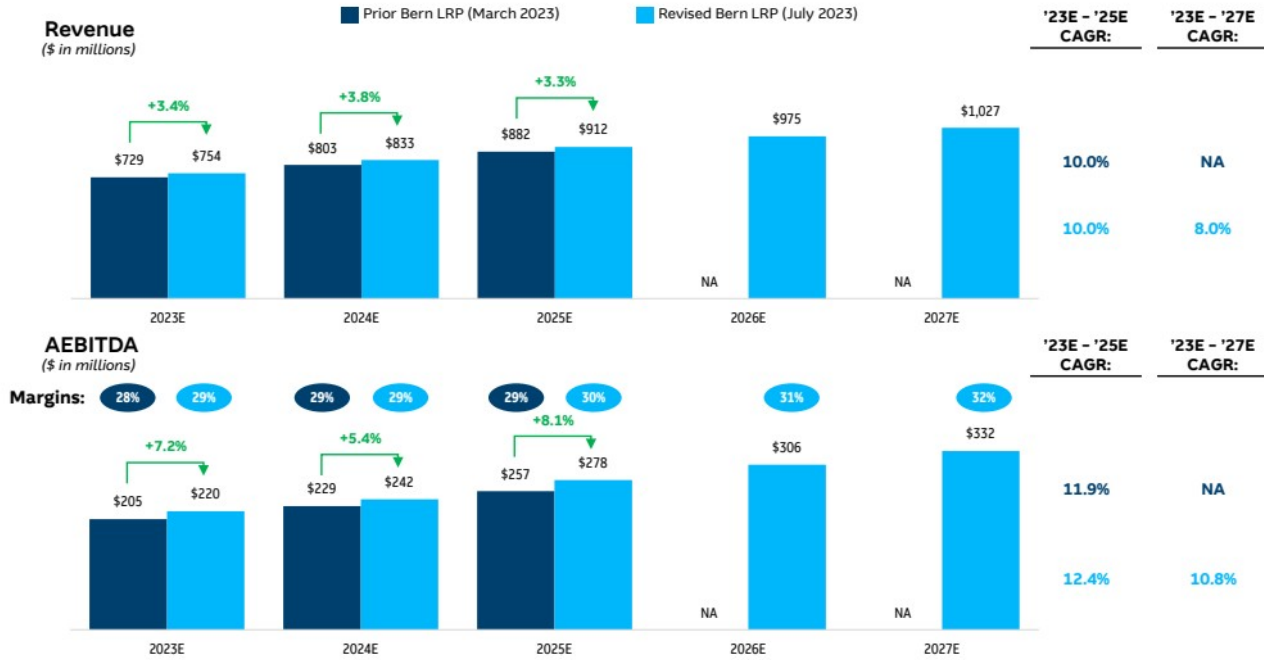
Revised Bern Proposal Overview

Offer Price / Consideration	<ul style="list-style-type: none">• \$22.95 per Class A share• 100% cash consideration
Implied Offer Premium	<ul style="list-style-type: none">• 34.3% implied offer price premium to Bern 30-day VWAP as of May 17, 2023 (\$17.09) ⁽¹⁾
Implied Transaction Value	<ul style="list-style-type: none">• Implied Enterprise Value: \$2.5 billion<ul style="list-style-type: none">– EV / Revised LRP 2023E AEBITDA (\$220 million): 11.4x– EV / Revised LRP 2024E AEBITDA (\$242 million): 10.4x
Total Consideration Paid to Bern Class A Shareholders	<ul style="list-style-type: none">• \$498 million in cash ⁽²⁾

Source: Bloomberg. (1) VWAP calculated based on number of trading days. (2) Total consideration paid to Bern Class A shareholders based on 21.2 million Class A shares outstanding as of July 31, 2023 and includes 499,118 RSUs and PRSUs that are expected to vest before transaction close per Light & Wonder management.

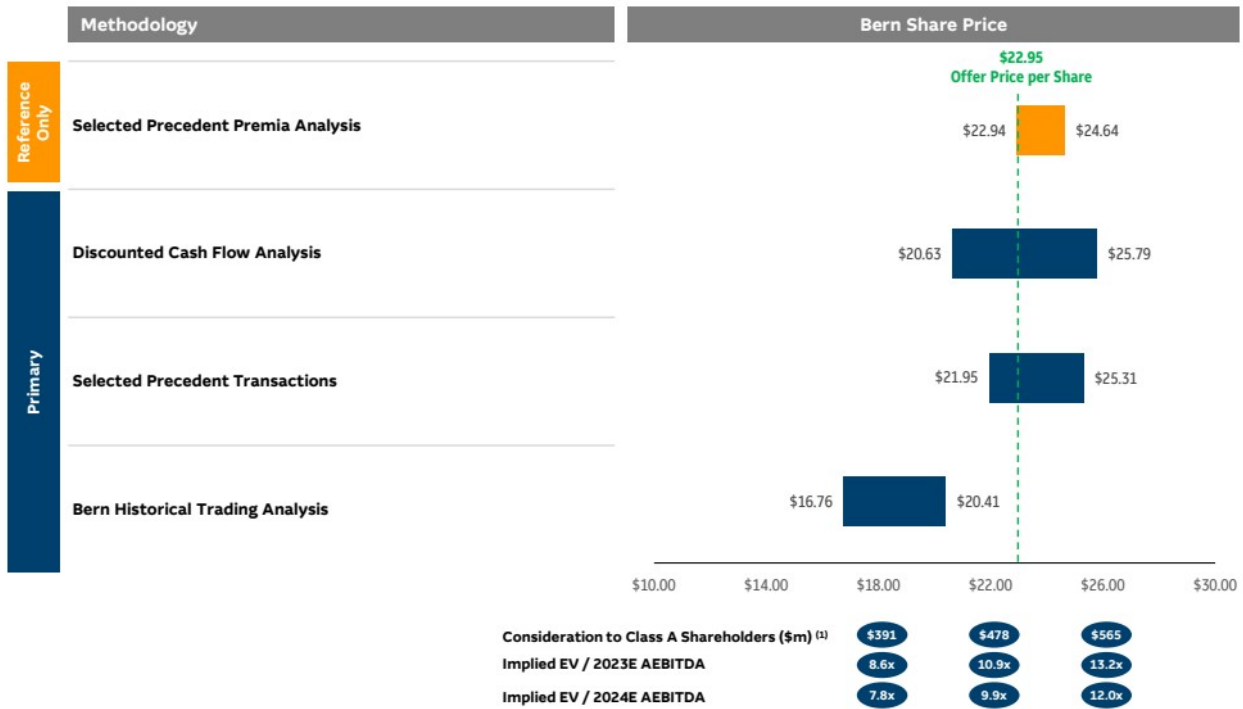
Bern Financial Comparison

Comparison of Bern's July 2023 Revised LRP to March 2023 LRP



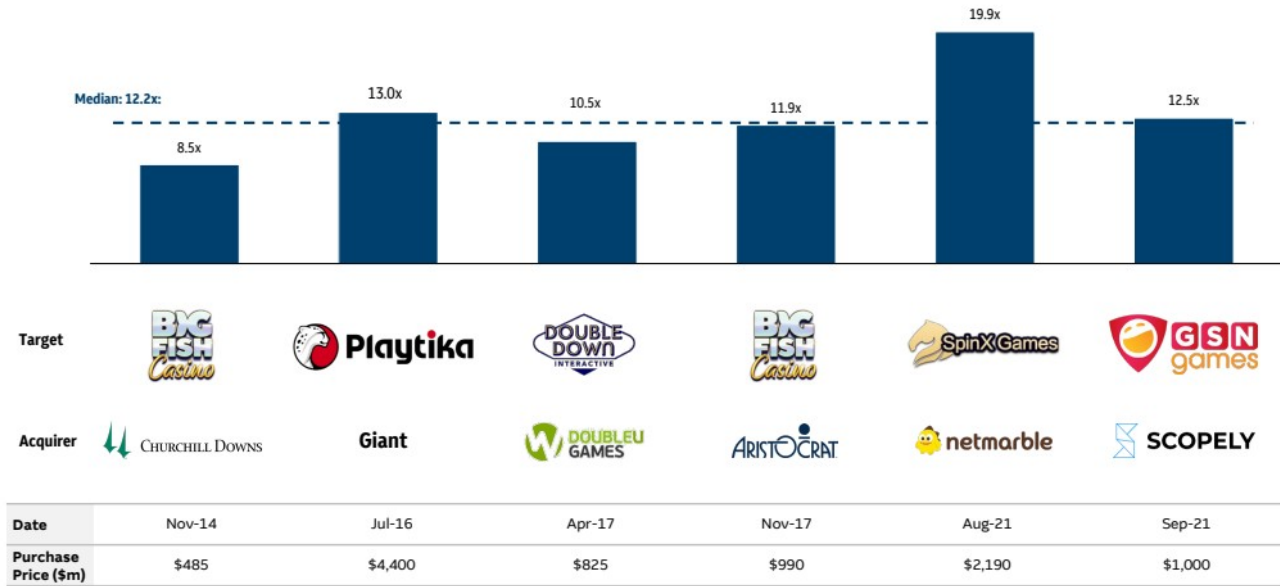
Preliminary Bern Summary Valuation Analyses

Analysis is based on Bern's July 2023 revised LRP and excludes potential synergies; valuation methodologies and assumptions subject to further review and refinement



Selected Precedent Transaction Analysis

Social Casino Precedent Transactions – EV / LTM EBITDA Multiples



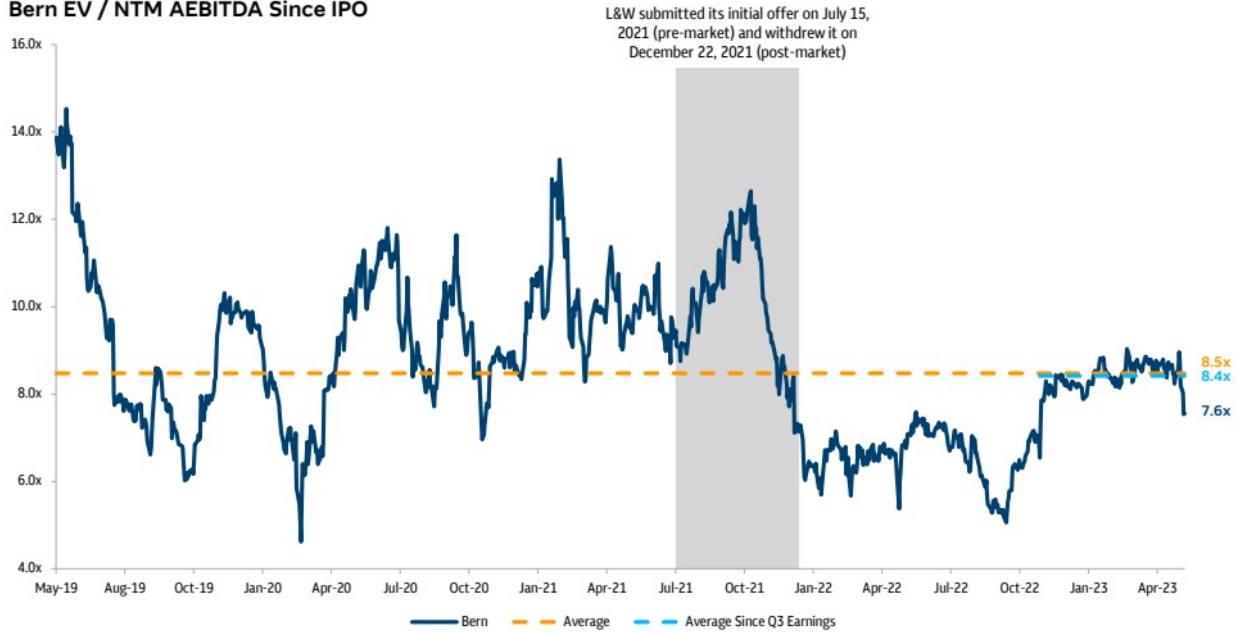
Note: Analysis includes transactions with a purchase price greater than \$400 million; purchase price excludes earnout consideration. Source: Company filings, Eilers & Krejcik and FactSet.

Strictly confidential | © Macquarie Group Limited

Bern Historical Trading Analysis

Average EV / NTM AEBITDA of 8.5x excludes the periods during which L&W's prior and current offers were outstanding

Bern EV / NTM AEBITDA Since IPO

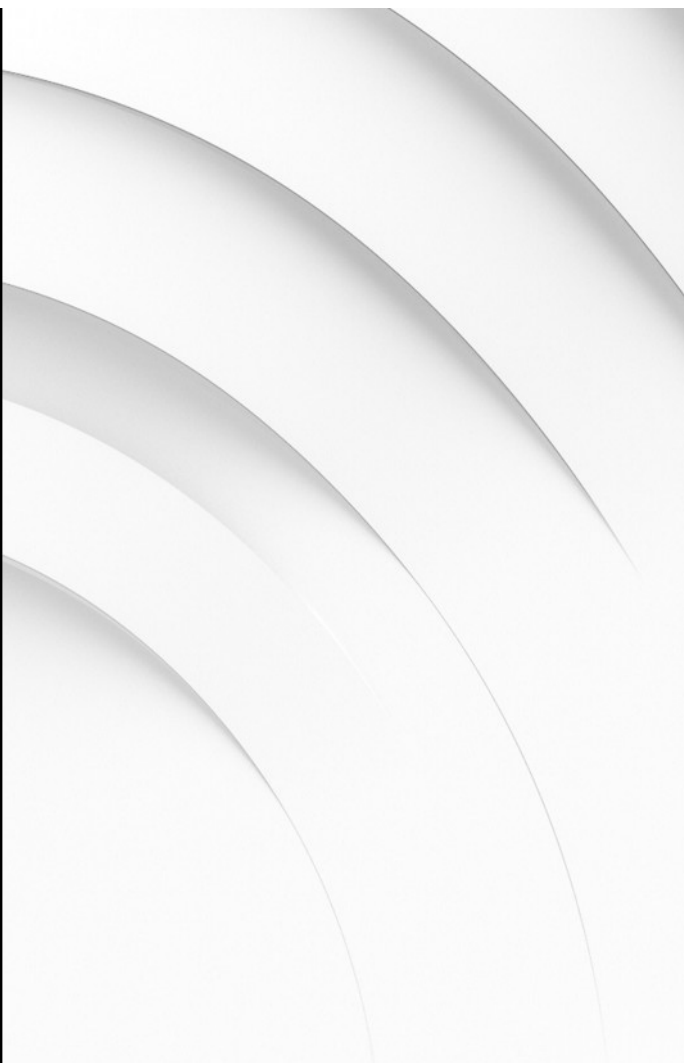


Source: FactSet and public filings as of May 17, 2023. Note: Shows EV / NTM AEBITDA multiples from May 3, 2019 to May 17, 2023.

Strictly confidential | © Macquarie Group Limited

A

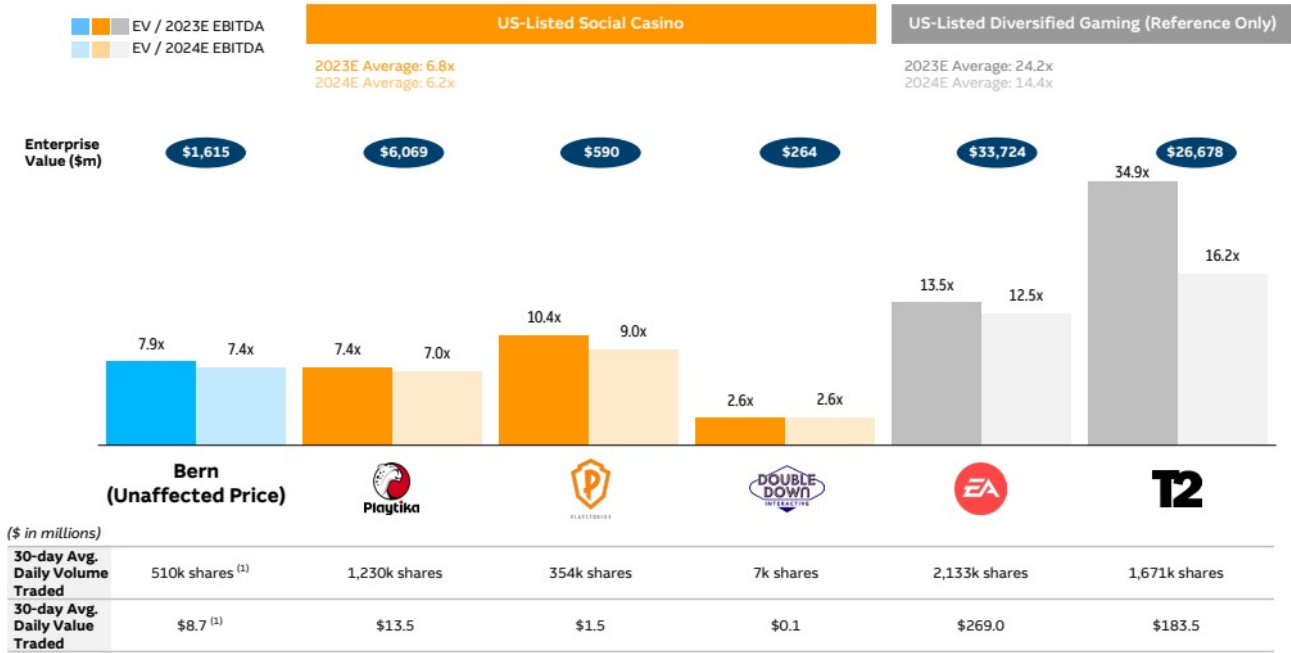
APPENDIX
Appendix



Selected Companies Trading Analysis

Illustrative Purposes Only

EV / EBITDA Multiples



Source: FactSet and public filings as of August 2, 2023. Note: Bern as of unaffected share price on 5/17/2023. EBITDA based on median consensus estimates. (1) Reflects Bern trading volume statistics prior to Light & Wonders offer on May 18, 2023.



Project Bern

Board Materials

August 7, 2023



Important Notice and Disclaimer

"Macquarie Capital" refers to Macquarie Corporate Holdings Pty Limited and its worldwide direct and indirect subsidiaries. Macquarie Corporate Holdings Pty Limited is an indirect, wholly-owned subsidiary of Macquarie Group Limited.

The following presentation contains material provided to the Board of Directors (the "Board") of Light & Wonder, Inc. ("Light & Wonder", the "Company") by Macquarie Capital in connection with the acquisition of the publicly held shares of SciPlay Corporation ("Bern").

This presentation was prepared on a confidential basis in connection with an oral presentation to the Board and not with a view toward complying with the disclosure standards under federal or state securities laws. This presentation is for use of the Board and may not be used for any other purpose or disclosed to any party without Macquarie Capital's prior written consent.

The information provided herein comes or has been derived from several sources, but Macquarie Capital does not warrant its accuracy or completeness. In preparing these materials, Macquarie Capital has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources. Without limiting the generality of the foregoing, no audit or review has been undertaken by an independent third party of the financial assumptions, data, results, calculations and forecasts contained, presented or referred to in this presentation. You should conduct your own independent investigation and assessment as to the validity of the information contained in this presentation and the economic, financial, regulatory, legal, tax, investment and accounting implications of that information. Macquarie Capital, its affiliates and any of its and their respective employees, directors, officers, contractors, consultants, advisors, members, successors, representatives and agents make no representation or warranty as to the accuracy or completeness of the information contained in this presentation, and take no responsibility under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this presentation.

Neither Macquarie Capital nor any of its affiliates is an advisor as to regulatory, legal, tax, investment or accounting matters in any jurisdiction. Any recipient of the information contained herein should seek advice from its own independent tax advisor, legal counsel and/or other advisor with respect to such matters. These materials are not and should not be construed as a fairness opinion.

Macquarie Capital is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of Macquarie Capital do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Capital.

© 2023 Macquarie Capital (USA) Inc.

Executive Summary

- This presentation summarizes the financial analysis conducted by Macquarie Capital (USA) Inc. ("Macquarie Capital" or "we") pertaining to the acquisition (the "Acquisition") of the outstanding Class A shares of SciPlay Corporation ("SciPlay" or "Bern") not owned by Light & Wonder, Inc. ("Light & Wonder"), in accordance with the terms of the August 7, 2023 execution version of the merger agreement
- The Board of Directors of Light & Wonder (the "Board") has requested that Macquarie Capital render its opinion to the Board (in its capacity as such), as to whether the consideration to be paid by Light & Wonder in the Acquisition is fair, from a financial point of view, to Light & Wonder

Transaction Overview (Based on the August 7, 2023 Execution Version of the Merger Agreement)

Structure	<ul style="list-style-type: none"> • Merger of Merger Sub, a wholly owned subsidiary of Parent, with and into SciPlay
Offer Price / Consideration	<ul style="list-style-type: none"> • \$22.95 per Class A share • 100% cash consideration
Implied Offer Premium	<ul style="list-style-type: none"> • 34.3% implied offer price premium to Bern 30-day VWAP as of May 17, 2023 (\$17.09) ⁽¹⁾
Implied Transaction Value ⁽²⁾	<ul style="list-style-type: none"> • Implied Enterprise Value: \$2.5 billion <ul style="list-style-type: none"> – EV / Bern Management 2023E AEBITDA (\$220 million): 11.4x – EV / Bern Management 2024E AEBITDA (\$242 million): 10.4x
Total Consideration Paid to Bern Class A Shareholders	<ul style="list-style-type: none"> • \$498 million in cash ⁽³⁾
Sources of Funding	<ul style="list-style-type: none"> • Cash and cash equivalents on balance sheet and existing revolver availability (\$1.3 billion as of March 31, 2023) • No financing condition
Key Provisions of Definitive Agreement	<ul style="list-style-type: none"> • SciPlay stockholder approval: Light & Wonder to provide written consent by majority SciPlay stockholder (a wholly-owned subsidiary of Light & Wonder) within 2 business days of signing merger agreement • Key closing conditions: (i) information statement will be mailed to SciPlay stockholders at least 20 calendar days before closing; and (ii) customary closing conditions regarding the accuracy of each party's representations and warranties and compliance with covenants • Deal protection: SciPlay may not solicit any acquisition proposals from or negotiate with other potential buyers
Closing	<ul style="list-style-type: none"> • Outside date: 6 months

Note: Terms to be confirmed subject to review of final merger agreement. Source: Bloomberg. (1) VWAP calculated based on number of trading days. (2) Implied valuation multiples based on Bern management July 2023 forecast. (3) Total consideration paid to Bern Class A shareholders based on 21.2 million Class A shares outstanding as of July 31, 2023 and 499,118 RSUs and PRSUs that are expected to vest before transaction close per Light & Wonder management.

Bern Financial Summary

Based on revised Bern financial projections received on July 20, 2023

Bern Financial Summary

(\$ in millions)

	2021A	2022A	2023E	2024E	2025E	2026E	2027E	CAGR '23E - '27E
Revenue	\$606	\$671	\$754	\$833	\$912	\$975	\$1,027	8.0%
% Growth	4.1%	10.7%	12.3%	10.6%	9.4%	7.0%	5.2%	
AEBITDA	\$186	\$187	\$220	\$242	\$278	\$306	\$332	10.8%
% Margin	30.7%	27.8%	29.2%	29.0%	30.5%	31.4%	32.3%	
% Growth	(1.5%)	0.5%	17.8%	9.9%	14.9%	10.2%	8.3%	
Depreciation & Amortization	\$16	\$21	\$25	\$26	\$26	\$26	\$27	
% Revenue	2.6%	3.2%	3.3%	3.1%	2.9%	2.7%	2.6%	
Capital Expenditures ⁽¹⁾	\$15	\$16	\$22	\$21	\$21	\$22	\$23	
% Revenue	2.4%	2.4%	3.0%	2.5%	2.3%	2.2%	2.2%	

(1) Includes minimum guaranteed license payments.

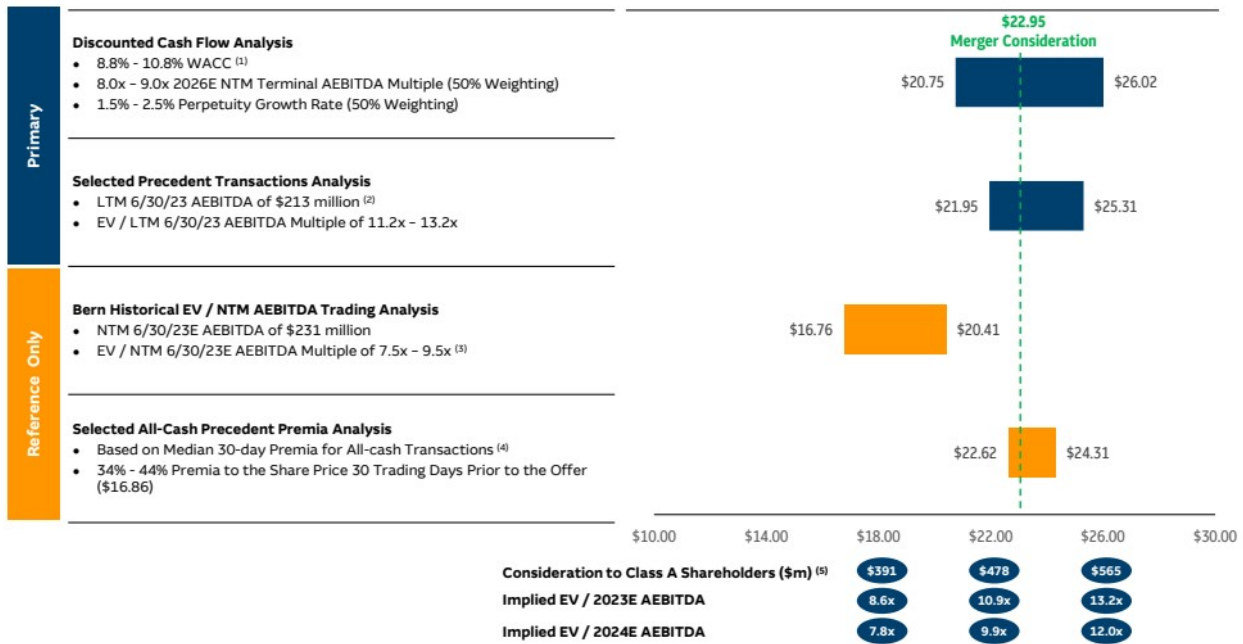
Strictly confidential | © Macquarie Group Limited

Bern Summary of Valuation Analyses

Analysis based on Bern financial projections received on July 20, 2023 and excludes potential synergies

Methodology

Bern Implied Value Ranges per Share



(1) See page 13 for more details on WACC. (2) LTM June 30, 2023 AEBITDA per Bern management. (3) Based on average multiple of 8.5x from IPO through Light & Wonder's May 18, 2023 proposal; excludes the period during which Light & Wonder's initial offer was outstanding (July 15, 2021 - December 22, 2021). (4) See page 10 for precedent premia analysis. (5) Total consideration paid to Bern Class A shareholders based on 21.2 million Class A shares outstanding as of July 31, 2023 and 499,118 RSUs and PRSUs that are expected to vest before transaction close per Light & Wonder management.

Bern Summary of Valuation Analyses (Cont'd)

Valuation Analyses

\$ in millions, except per share data		Financial Metric	Selected Valuation Range			Implied Per Share Range		Implied Value To Class A Shareholders	
Primary	<u>Discounted Cash Flow Analysis</u>								
	NTM Terminal AEBITDA Multiple (50% Weighting)	NA	8.0x	-	9.0x	\$21.75	\$24.80		
	Perpetuity Growth Rate (50% Weighting)	NA	1.5%	-	2.5%	\$19.74	\$27.24		
	Discounted Cash Flow Analysis					\$20.75	\$26.02	\$451	\$565
	EV / AEBITDA Multiple								
<u>Selected Precedent Transactions Analysis</u>									
	EV / LTM 6/30/2023 AEBITDA	\$213	11.2x	-	13.2x	\$21.95	\$25.31	\$477	\$550
Reference Only	<u>Bern Historical EV / NTM AEBITDA Trading Analysis</u>								
	EV / NTM 6/30/2023 AEBITDA	\$231	7.5x	-	9.5x	\$16.76	\$20.41	\$364	\$443
	Premia Range								
	<u>Selected All-Cash Precedent Premia Analysis</u>								
	30 Trading Days Prior to the Offer	\$16.86	34.2%	-	44.2%	\$22.62	\$24.31	\$491	\$528

Discounted Cash Flow Analysis

Analysis based on Bern financial projections received on July 20, 2023 and excludes potential synergies

Discounted Cash Flow Analysis

\$ in millions, except per share data

	Revised Bern LRP				
	3Q'23	4Q'23	Dec-24E	Dec-25E	Dec-26E
Revenue	\$187	\$193	\$833	\$912	\$975
AEBITDA	\$52	\$57	\$242	\$278	\$306
(-) Depreciation & Amortization	(6)	(6)	(26)	(26)	(26)
(-) Stock Based Compensation	(3)	(3)	(19)	(20)	(21)
Profit Before Taxes	\$43	\$47	\$197	\$232	\$259
(-) Taxes	(3)	(3)	(14)	(16)	(18)
NOPAT	\$40	\$44	\$184	\$216	\$241
(+) Depreciation & Amortization	6	6	26	26	26
(-) Capex (includes payments on license obligations)	(7)	(4)	(21)	(21)	(22)
(+/-) Changes in Net Working Capital	3	3	-	1	2
(-) TRA Payments	(4)	-	(4)	(4)	(4)
(-) Pari Passu Distributions to L&W	(22)	-	(25)	(30)	(34)
Free Cash Flow	\$16	\$48	\$159	\$188	\$210
Present Value of Cash Flow (9.8% Midpoint WACC)	\$16	\$47	\$145	\$156	\$158
2027E AEBITDA					332
NTM Terminal AEBITDA Multiple (Midpoint)				8.5x	
Terminal Value				2,811	
Present Value of Terminal Value (9.8% Midpoint WACC)				\$2,024	
Terminal Value as a % of Total Present Value				79.5%	
Present Value of Cash Flow and Terminal Value				\$2,546	
(+) 6/30/2023 Net Cash				\$395	
Implied Equity Value				\$2,941	
Implied Share Price				\$23.24	
% Premium to Offer Price (\$22.95)				1.2%	

Sensitivity Analysis - Implied Price per Share

		NTM Terminal AEBITDA Multiple		
		8.0x	8.5x	9.0x
WACC	8.8%	\$22.85	\$23.82	\$24.80
	9.3%	\$22.57	\$23.53	\$24.49
	9.8%	\$22.29	\$23.24	\$24.18
	10.3%	\$22.02	\$22.95	\$23.88
	10.8%	\$21.75	\$22.67	\$23.58

Sensitivity Analysis - Implied Price per Share

		Perpetuity Growth Rate		
		1.5%	2.0%	2.5%
WACC	8.8%	\$24.36	\$25.69	\$27.24
	9.3%	\$22.98	\$24.13	\$25.46
	9.8%	\$21.77	\$22.77	\$23.91
	10.3%	\$20.70	\$21.58	\$22.57
	10.8%	\$19.74	\$20.52	\$21.39

Note: Discounted cash flow analysis assumes a valuation date of 6/30/2023 and mid-year convention. Implied share price based on 126.6 million shares outstanding (21.2 million Class A shares, 103.5 million Class B shares and 1.8 million unvested stock units outstanding as of July 31, 2023 per Light & Wonder management) and net cash of \$395 million per Light & Wonder management. See page 13 for more details on WACC.

Selected Precedent Transaction Analysis

Selected Precedent Transactions

(\$ in millions)

Date Announced	Target	Acquiror	Purchase Price	LTM EBITDA	EV / LTM EBITDA
Sep-21	GSN Games	Scopely	\$1,000	\$80	12.5x
Aug-21	Bole Games (SpinX)	NetMarble	2,190	110	19.9x
Nov-17	Big Fish	Aristocrat	990	83	11.9x
Apr-17	DoubleDown	DoubleU	825	79	10.5x
Jul-16	Playtika	Giant	4,400	339	13.0x
Nov-14	Big Fish	Churchill Downs	485	57	8.5x
Median					12.2x
Mean					12.7x
Aug-23	Bern	Light & Wonder	\$2,510	\$213	11.8x

Note: Analysis includes transactions with a purchase price greater than \$400 million; purchase price excludes earnout consideration. Source: Company filings, Eilers & Krejcik and FactSet. Bern LTM 6/30/23 AEBITDA per Bern management.

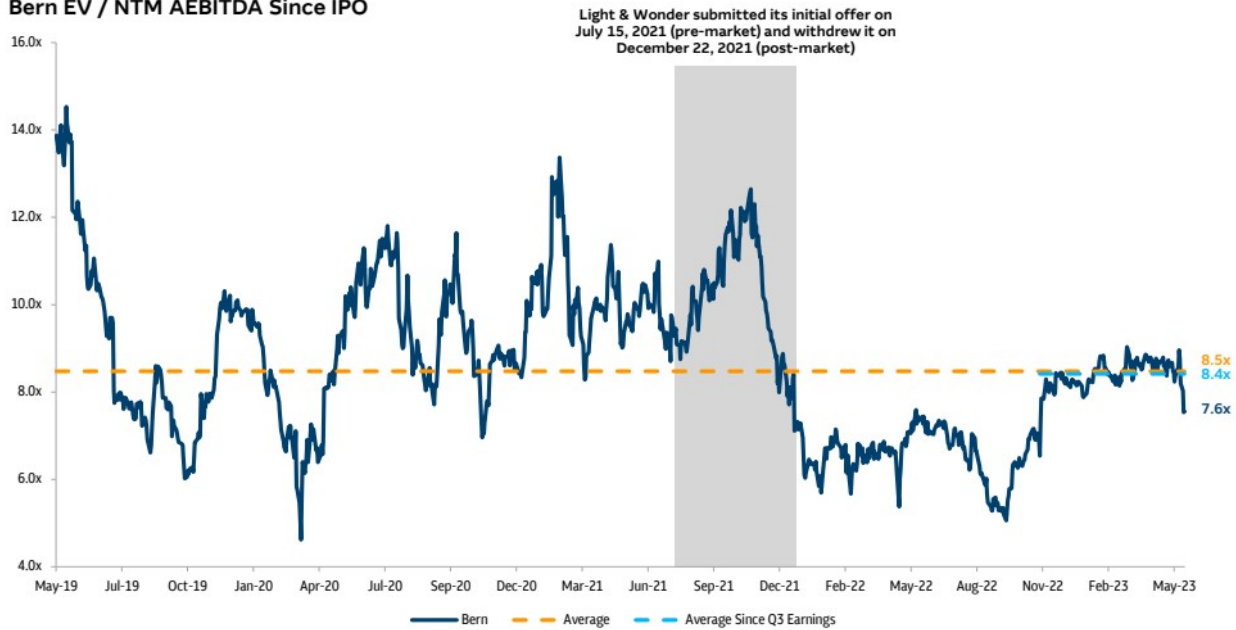
Strictly confidential | © Macquarie Group Limited

Bern Historical Trading Analysis

Reference Only

Average EV / NTM AEBITDA of 8.5x excludes period during which Light & Wonder's initial offer was outstanding

Bern EV / NTM AEBITDA Since IPO



Source: FactSet and public filings as of May 17, 2023. Note: Shows EV / NTM AEBITDA multiples from May 3, 2019 to May 17, 2023.

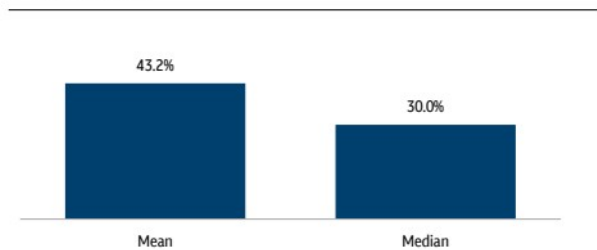
Strictly confidential | © Macquarie Group Limited

Selected All-Cash Precedent Premia Analysis

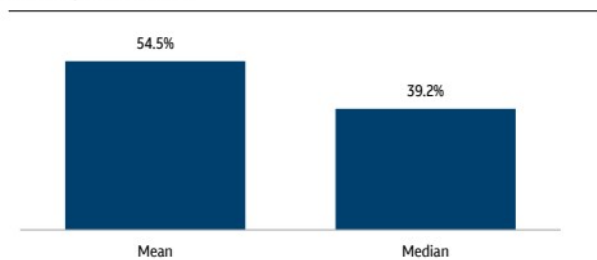
Reference Only

All-Cash Precedent Transactions

1-Day Premia



30-Day Premia ⁽¹⁾



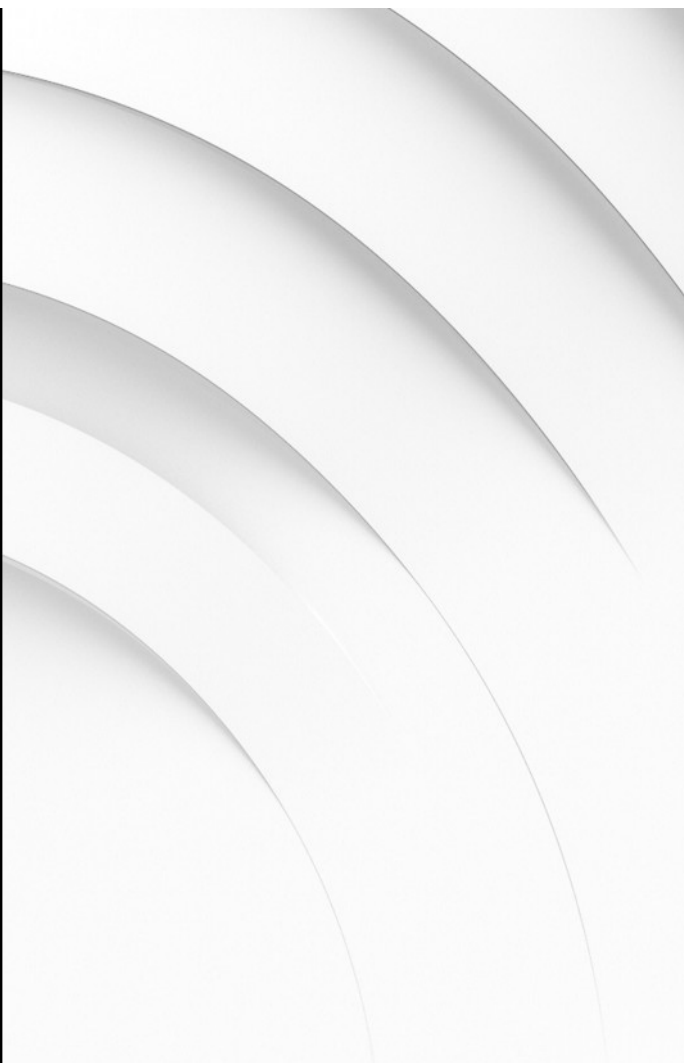
Summary Statistics	1-Day Premia	30-Day Premia
25th Percentile	18.4%	26.3%
Mean	43.2%	54.5%
Median	30.0%	39.2%
75th Percentile	54.1%	63.5%

Key Parameters

- US listed companies over the last 5 years
- All-cash transactions with transaction values between \$1.0 - \$4.0 billion

A

APPENDIX
Appendix



Selected Companies Trading Analysis

Illustrative Purposes Only

Selected Companies Trading Analysis

(\$ in millions except per share data)	Share Price	% of 52 -Week	30-Day Avg. Daily		Market	Net	Enterprise	EV / EBITDA ⁽²⁾	
	8/4/2023	High	Volume Traded (k)	Value Traded (\$M)	Cap ⁽¹⁾	Debt	Value	2023E	2024E
<u>US-Listed Social Casino</u>									
Playtika	\$11.18	85.4%	1,230	\$13.5	\$4,089	\$1,695	\$5,784	7.0x	6.7x
Playstudios	3.96	79.1%	354	1.5	526	(128)	399	6.9x	6.1x
DoubleDown Interactive	8.87	76.5%	7	0.1	440	(171)	268	2.6x	2.6x
<u>US-Listed Diversified Video Gaming</u>									
Electronic Arts	\$122.59	87.4%	2,133	\$269.0	\$33,344	(\$722)	\$32,622	13.1x	12.1x
Take-Two Interactive	142.18	92.4%	1,671	183.5	23,861	1,971	25,832	33.8x	15.7x

Source: FactSet and public filings as of August 4, 2023. (1) Based on basic shares outstanding. (2) EV / EBITDA multiples for selected companies based on median equity research analyst consensus estimates.

Strictly confidential | © Macquarie Group Limited

12

WACC Analysis

WACC Analysis

Estimated Cost of Equity & Debt		Estimated Weighted Average Cost of Capital	
Risk Free Rate ⁽¹⁾	4.0%	Estimated Cost of Equity	12.4%
Re-levered Beta	1.30	Estimated After-Tax Cost of Debt	5.6%
Equity Market Risk Premium ⁽²⁾	5.5%	Debt / Total Capitalization Ratio	38%
Beta Adjusted Equity Market Risk Premium	7.2%	Equity / Total Capitalization Ratio	62%
Size Premium ⁽³⁾	1.2%		
Estimated Cost of Equity	12.4%		
Pre-Tax Cost of Debt ⁽⁴⁾	7.2%		
Applicable Tax Rate ⁽⁵⁾	21.7%		
Estimated After-Tax Cost of Debt	5.6%	Weighted Average Cost of Capital	9.8%

(US\$ in millions)	Beta Calculation						Levered Beta ⁽⁶⁾	Unlevered Beta
	Capitalization			Capitalization Ratio				
	Debt	Equity	Total	Debt	Equity			
Playtika	\$2,462	\$4,089	\$6,551	38%	62%	1.29	0.89	

Source: Bloomberg, FactSet, company filings. Note: As of August 4, 2023. (1) Represents 10-year US treasury yield per Bloomberg. (2) Kroll cost of capital handbook as of June 2023. (3) CRSP Deciles Size Premia Study. (4) Represents Playtika's yield to worst as of 8/4/2023. (5) Based on a 7% effective tax rate plus TRA payments and tax-related pari passu distributions to Light & Wonder as a percentage of pre-tax earnings. (6) Represents Bloomberg daily beta since IPO.

EX-FILING FEES

CALCULATION OF FILING FEE TABLES

SC 13E3
(Form Type)

SciPlay Corporation
(Exact Name of Registrant as Specified in its Charter)

Table 1 to Paragraph (a)(7)

	Transaction Valuation	Fee rate	Amount of Filing Fee
Fees to Be Paid	\$ 489,164,722.65(1)	0.00011020	\$ 53,905.95(2)
Fees Previously Paid	\$ 489,164,722.65		\$ 53,905.95(3)
Total Transaction Valuation	\$ 489,164,722.65		
Total Fees Due for Filing			\$ 0
Total Fees Previously Paid			\$ 53,905.95
Total Fee Offsets			\$ 53,905.95
Net Fee Due			\$ 0

Table 2 to Paragraph (a)(7)

	Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Fee Paid with Fee Offset Source
Fee Offset Claims		PREM14C		September 11, 2023		\$ 53,905.95	
Fee Offset Sources	SciPlay Corporation	PREM14C			September 11, 2023		\$ 53,905.95(3)

- (1) Solely for the purpose of calculating the filing fee, the aggregate value of the transaction was calculated by multiplying 21,314,367, which is the number of shares of SciPlay Corporation Class A common stock, par value \$0.001 per share (the "Class A Common Stock"), entitled to receive the per share merger consideration, by \$22.95, which is the per share merger consideration. The number of shares of Class A Common Stock included in the calculation includes 44,964 shares of Class A Common Stock underlying outstanding non-employee director restricted stock units entitled to receive the per share merger consideration.
- (2) The amount of the filing fee, calculated in accordance with Rule 0-11 of the Exchange Act, was calculated by multiplying \$489,164,722.65 by 0.00011020.
- (3) SciPlay Corporation previously paid \$53,905.95 upon the filing of its Preliminary Information Statement on Schedule 14C on September 11, 2023, in connection with the transaction reported hereby.