

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from            to

Commission file number: 001-38889

**SciPlay Corporation**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**83-2692460**

(I.R.S. Employer Identification No.)

**6601 Bermuda Road, Las Vegas, Nevada 89119**

(Address of principal executive offices)

(Zip Code)

**(702) 897-7150**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$.001 par value	SCPL	The NASDAQ Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The registrant has the following number of shares outstanding of each of the registrant's classes of common stock as of May 5, 2021:

Class A Common Stock: 24,383,761

Class B Common Stock: 103,547,021

**SCIPLAY CORPORATION**  
**INDEX TO FINANCIAL INFORMATION**  
**AND OTHER INFORMATION**  
**THREE MONTHS ENDED MARCH 31, 2021**

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## FORWARD-LOOKING STATEMENTS

Throughout this Quarterly Report on Form 10-Q, we make “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements describe future expectations, plans, results or strategies and can often be identified by the use of terminology such as “may,” “will,” “estimate,” “intend,” “plan,” “continue,” “believe,” “expect,” “anticipate,” “target,” “should,” “could,” “potential,” “opportunity,” “goal,” or similar terminology. The forward-looking statements contained in this Quarterly Report on Form 10-Q are generally located in the material set forth under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” but may be found in other locations as well. These statements are based upon management’s current expectations, assumptions and estimates and are not guarantees of timing, future results or performance. Therefore, you should not rely on any of these forward-looking statements as predictions of future events. Actual results may differ materially from those contemplated in these statements due to a variety of risks and uncertainties and other factors, including, among other things:

- the impact of the COVID-19 pandemic and any resulting social, political, economic and financial complications;
- our ability to attract and retain players;
- expectations of growth in total consumer spending on social gaming, including social casino gaming;
- our reliance on third-party platforms;
- our ability to continue to launch and enhance games that attract and retain a significant number of paying players;
- our reliance on a small percentage of our players for nearly all of our revenue;
- our ability to adapt to, and offer games that keep pace with, changing technology and evolving industry standards;
- competition;
- our dependence on the optional purchases of coins, chips and cards to supplement the availability of periodically offered free coins, chips and cards;
- restrictions and covenants in debt agreements, including those that could result in acceleration of the maturity of our indebtedness;
- the discontinuation or replacement of LIBOR, which may adversely affect interest rates;
- fluctuations in our results due to seasonality and other factors;
- dependence on skilled employees with creative and technical backgrounds;
- our ability to use the intellectual property rights of our parent, Scientific Games Corporation, and other third parties, including the third-party intellectual property rights licensed to Scientific Games Corporation, under our intellectual property license agreement with our parent;
- protection of our proprietary information and intellectual property, inability to license third-party intellectual property and the intellectual property rights of others;
- security and integrity of our games and systems;
- security breaches, cyber-attacks or other privacy or data security incidents, challenges or disruptions;
- reliance on or failures in information technology and other systems;
- the impact of legal and regulatory restrictions on our business, including significant opposition in some jurisdictions to interactive social gaming, including social casino gaming, and how such opposition could lead these jurisdictions to adopt legislation or impose a regulatory framework to govern interactive social gaming or social casino gaming specifically, and how this could result in a prohibition on interactive social gaming or social casino gaming altogether, restrict our ability to advertise our games, or substantially increase our costs to comply with these regulations;
- laws and government regulations, both foreign and domestic, including those relating to our parent, Scientific Games Corporation, and to data privacy and security, including with respect to the collection, storage, use, transmission, sharing and protection of personal information and other consumer data, and those laws and regulations that affect companies conducting business on the internet, including ours;

- the continuing evolution of the scope of data privacy and security regulations, and our belief that the adoption of increasingly restrictive regulations in this area is likely within the U.S. and other jurisdictions;
- risks related to foreign operations, including the complexity of foreign laws, regulations and markets; the uncertainty of enforcement of remedies in foreign jurisdictions; the effect of currency exchange rate fluctuations; the impact of foreign labor laws and disputes; the ability to attract and retain key personnel in foreign jurisdictions; the economic, tax and regulatory policies of local governments; and compliance with applicable anti-money laundering, anti-bribery and anti-corruption laws;
- influence of certain stockholders, including decisions that may conflict with the interests of other stockholders;
- our ability to achieve some or all of the anticipated benefits of being a standalone public company; and
- our dependence on distributions from SciPlay Parent Company, LLC (“SciPlay Parent LLC”) to pay our taxes and expenses, including substantial payments we will be required to make under the Tax Receivable Agreement (the “TRA”).
- failure to establish and maintain adequate internal control over financial reporting;
- stock price volatility;
- litigation and other liabilities relating to our business, including litigation and liabilities relating to consumer protection, gambling-related matters, employee matters, alleged service and system malfunctions, alleged intellectual property infringement and claims relating to our contracts, licenses and strategic investments;
- our ability to complete acquisitions and integrate businesses successfully;
- our ability to pursue and execute new business initiatives;
- natural events and health crises that disrupt our operations or those of our providers or suppliers;
- changes in tax laws or tax rulings, or the examination of our tax positions;
- our dependence on certain key providers; and
- U.S. and international economic and industry conditions;

Additional information regarding risks and uncertainties and other factors that could cause actual results to differ materially from those contemplated in forward-looking statements is included from time to time in our filings with the SEC, including under “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A “Risk Factors” in our 2020 Annual Report on Form 10-K filed with the SEC on March 1, 2021 (the “2020 Form 10-K”). Forward-looking statements speak only as of the date they are made and, except for our ongoing obligations under the U.S. federal securities laws, we undertake no and expressly disclaim any obligation to publicly update any forward-looking statements whether as a result of new information, future events or otherwise.

This Quarterly Report on Form 10-Q may contain references to industry market data and certain industry forecasts. Industry market data and industry forecasts are obtained from publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of that information is not guaranteed. Although we believe industry information to be accurate, it is not independently verified by us and we do not make any representation as to the accuracy of that information. In general, we believe there is less publicly available information concerning international social gaming industries than the same industries in the U.S. Some data is also based on our good faith estimates, which are derived from our review of internal surveys or data, as well as the independent sources referenced above. Assumptions and estimates of our and our industry’s future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under “Risk Factors” in Part II, Item 1A of this Quarterly Report on Form 10-Q and Part I, Item 1A “Risk Factors” in our 2020 Form 10-K. These and other factors could cause future performance to differ materially from our assumptions and estimates.

**PART I. FINANCIAL INFORMATION****Item 1. Condensed Consolidated Financial Statements (unaudited)**

**SCIPLAY CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**(Unaudited, in millions, except per share amounts)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
Revenue	\$ 151.1	\$ 118.3
Operating expenses:		
Cost of revenue <sup>(1)</sup>	47.1	37.9
Sales and marketing <sup>(1)</sup>	34.7	28.2
General and administrative <sup>(1)</sup>	15.7	10.2
Research and development <sup>(1)</sup>	9.5	7.3
Depreciation and amortization	3.4	2.0
Restructuring and other	0.3	0.5
Operating income	40.4	32.2
Other (expense) income, net	(0.4)	0.5
Net income before income taxes	40.0	32.7
Income tax expense	2.1	1.6
Net income	37.9	31.1
Less: Net income attributable to the noncontrolling interest	32.6	26.7
Net income attributable to SciPlay	\$ 5.3	\$ 4.4
Basic and diluted net income attributable to SciPlay per share:		
Basic	\$ 0.23	\$ 0.19
Diluted	\$ 0.21	\$ 0.19
Weighted average number of shares of Class A common stock used in per share calculation:		
Basic shares	23.2	22.7
Diluted shares	25.1	23.7

<sup>(1)</sup> Excludes depreciation and amortization.

See accompanying notes to condensed consolidated financial statements.

**SCIPLAY CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited, in millions)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
Net income	\$ 37.9	\$ 31.1
Other comprehensive income:		
Foreign currency translation loss, net of tax	(2.6)	(0.8)
Total comprehensive income	35.3	30.3
Less: comprehensive income attributable to the noncontrolling interest	30.4	26.1
Comprehensive income attributable to SciPlay	<u>\$ 4.9</u>	<u>\$ 4.2</u>

See accompanying notes to condensed consolidated financial statements.

**SCIPLAY CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited, in millions, except par value)

	As of	
	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 272.0	\$ 268.9
Accounts receivable, net	53.3	36.6
Prepaid expenses and other current assets	13.0	5.9
Total current assets	338.3	311.4
Property and equipment, net	4.1	4.4
Operating lease right-of-use assets	7.9	8.5
Goodwill	127.8	129.8
Intangible assets and software, net	44.8	30.3
Deferred income taxes	80.5	82.5
Other assets	1.9	1.9
Total assets	\$ 605.3	\$ 568.8
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 20.6	\$ 23.2
Accrued liabilities	30.3	22.9
Due to affiliate	2.9	5.5
Total current liabilities	53.8	51.6
Operating lease liabilities	6.9	7.5
Liabilities under TRA	68.5	68.5
Other long-term liabilities	16.1	5.7
Total liabilities	145.3	133.3
Commitments and contingencies (see Note 8)		
Stockholders' equity:		
Class A common stock, par value \$0.001 per share, 625.0 shares authorized, 24.4 and 22.8 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively.	—	—
Class B common stock, par value \$0.001 per share, 130.0 shares authorized, 103.5 and 103.5 shares issued and outstanding as of March 31, 2021 and December 31, 2020, respectively.	0.1	0.1
Additional paid-in capital	44.2	46.1
Retained earnings	38.2	32.9
Accumulated other comprehensive income	0.5	0.9
Total SciPlay stockholders' equity	83.0	80.0
Noncontrolling interest	377.0	355.5
Total stockholders' equity	460.0	435.5
Total liabilities and stockholders' equity	\$ 605.3	\$ 568.8

See accompanying notes to condensed consolidated financial statements.

**SCIPLAY CORPORATION**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Unaudited, in millions)

	Class A common stock		Class B common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interest	Total
	Shares	Amount	Shares	Amount					
<b>December 31, 2020</b>	22.8	\$ —	103.5	\$ 0.1	\$ 46.1	\$ 32.9	\$ 0.9	\$ 355.5	\$ 435.5
Net income	—	—	—	—	—	5.3	—	32.6	37.9
Stock-based compensation	—	—	—	—	0.4	—	—	1.4	1.8
Vesting of RSUs, net of tax withholdings	1.6	—	—	—	(2.3)	—	—	(10.0)	(12.3)
Distributions to Parent and affiliates, net	—	—	—	—	—	—	—	(0.3)	(0.3)
Currency translation	—	—	—	—	—	—	(0.4)	(2.2)	(2.6)
<b>March 31, 2021</b>	24.4	\$ —	103.5	\$ 0.1	\$ 44.2	\$ 38.2	\$ 0.5	\$ 377.0	\$ 460.0

	Class A common stock		Class B common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interest	Total
	Shares	Amount	Shares	Amount					
<b>December 31, 2019</b>	22.7	\$ —	103.5	\$ 0.1	\$ 41.7	\$ 12.0	\$ 0.3	\$ 223.4	\$ 277.5
Net income	—	—	—	—	—	4.4	—	26.7	31.1
Stock-based compensation	—	—	—	—	0.2	—	—	(0.1)	0.1
Currency translation	—	—	—	—	—	—	(0.2)	(0.6)	(0.8)
<b>March 31, 2020</b>	22.7	\$ —	103.5	\$ 0.1	\$ 41.9	\$ 16.4	\$ 0.1	\$ 249.4	\$ 307.9

**SCIPLAY CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in millions)

	Three Months Ended March 31,	
	2021	2020
Net cash provided by operating activities	\$ 19.6	\$ 23.5
Cash flows from investing activities:		
Capital expenditures	(2.1)	(1.2)
Net cash used in investing activities	(2.1)	(1.2)
Cash flows from financing activities:		
Payments on license obligations	(1.6)	—
Distributions to Scientific Games and affiliates, net	(0.3)	—
Taxes paid related to net share settlement of equity awards	(12.3)	—
Net cash used in financing activities	(14.2)	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.2)	(0.3)
Increase in cash, cash equivalents and restricted cash	3.1	22.0
Cash, cash equivalents and restricted cash, beginning of period	268.9	110.6
Cash, cash equivalents and restricted cash, end of period	\$ 272.0	\$ 132.6
Supplemental cash flow information:		
Cash paid for income taxes	\$ 3.8	\$ —
Cash paid for contingent consideration included in operating activities	—	4.0
Supplemental non-cash transactions:		
Non-cash additions to intangible assets related to license agreements	\$ 16.1	\$ —

See accompanying notes to condensed consolidated financial statements.

**SCIPLAY CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited, amounts in USD, table amounts in millions, except per share amounts)**

**(1) Description of the Business and Summary of Significant Accounting Policies**

*Background and Nature of Operations*

SciPlay Corporation was formed as a Nevada corporation on November 30, 2018 as a subsidiary of Scientific Games Corporation (“Scientific Games”, “SGC”, and “Parent”) for the purpose of completing a public offering and related transactions (collectively referred to herein as the “IPO”) in order to carry on the business of SciPlay Parent LLC and its subsidiaries (collectively referred to as “SciPlay”, the “Company”, “we”, “us”, and “our”). The IPO was completed on May 7, 2019. As the managing member of SciPlay Parent LLC, SciPlay operates and controls all of the business affairs of SciPlay Parent LLC and its subsidiaries.

We develop, market and operate a portfolio of social games played on various mobile and web platforms, including *Jackpot Party Casino*®, *Quick Hit Slots*®, *Gold Fish Casino*®, *Hot Shot Casino*®, *Bingo Showdown*®, *MONOPOLY Slots*®, and *88 Fortunes Slots*®, among others. Our games are available in various formats. We have one operating segment with one business activity, developing and monetizing social games.

*Basis of Presentation*

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). All intercompany balances and transactions have been eliminated in consolidation.

In the opinion of management, we have made all adjustments necessary to present fairly our 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 for the periods presented. Such adjustments are of a normal, recurring nature. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and related Notes included in our 2020 Form 10-K. Interim results of operations are not necessarily indicative of results of operations to be expected for a full year.

*Variable Interest Entities (“VIE”) and Consolidation*

Subsequent to the IPO, our sole material asset is our member’s interest in SciPlay Parent LLC. In accordance with the Operating Agreement of SciPlay Parent LLC (the “Operating Agreement”), we have all management powers over the business and affairs of SciPlay Parent LLC and to conduct, direct and exercise full control over the activities of SciPlay Parent LLC. Class A common stock issued in the IPO do not hold majority voting rights but hold 100% of the economic interest in the Company, which results in SciPlay Parent LLC being considered a VIE. Due to our power to control the activities most directly affecting the results of SciPlay Parent LLC, we are considered the primary beneficiary of the VIE. Accordingly, beginning with the IPO, we consolidate the financial results of SciPlay Parent LLC and its subsidiaries.

*Significant Accounting Policies*

There have been no changes to our significant accounting policies described within the Notes of our 2020 Form 10-K, except as noted below.

*Minimum guarantees under licensing agreements*

We enter into long-term license agreements with third parties in which we are obligated to pay a minimum guaranteed amount of royalties, typically periodically over the life of the contract. These license agreements provide us with access to a portfolio of major brands to be used across our games. We account for the minimum guaranteed obligations within Current liabilities and Other long-term liabilities at the onset of the license arrangement and record a corresponding licensed asset within intangible assets, net. The licensed intangible assets related to the minimum guaranteed obligations are amortized over the term of the license agreement with the amortization expense recorded in Depreciation and amortization. The long-term liability related to the minimum guaranteed obligations is reduced as royalty payments are made as required

under the license agreement. We assess the recoverability of license agreements whenever events arise or circumstances change that indicate the carrying value of the licensed asset may not be recoverable. Recoverability of the licensed asset and the amount of impairment, if any, are determined using our policy for intangible assets with finite useful lives.

Amortization expense related to these licenses and recorded in Depreciation and amortization for the three months ended March 31, 2021 and 2020 were \$1.2 million and \$0.2 million, respectively.

The following are our total minimum guaranteed obligations for the periods presented:

	As of	
	March 31, 2021	December 31, 2020
Current liabilities	\$ 6.5	\$ 2.6
Other long-term liabilities	10.8	0.3
Total minimum guarantee obligation	<u>\$ 17.3</u>	<u>\$ 2.9</u>
Weighted average remaining term (in years)	4.0	2.4

#### *New Accounting Guidance - Not Yet Adopted*

The FASB issued ASU No. 2020-04 and subsequently ASU No. 2021-01, *Reference Rate Reform* (Topic 848) in March 2020 and January 2021, respectively. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contract modifications and hedging relationships, including derivative instruments impacted by changes in the interest rates used for discounting cash flows for computing variable margin settlements, subject to meeting certain criteria, that reference LIBOR or other reference rates expected to be discontinued, in 2022 or potentially 2023 (pending possible extension). The ASUs establish certain contract modification principles that entities can apply in other areas that may be affected by reference rate reform and certain elective hedge accounting expedients and exceptions. The ASUs may be applied prospectively. We do not expect the adoption of this standard to have a material impact on our consolidated financial statements.

We do not expect that any other recently issued accounting guidance will have a significant effect on our consolidated financial statements.

#### *Revenue Recognition*

We generate revenue from the sale of coins, chips and cards, which players can use to play casino-style slot games, table games and bingo games (i.e., spin in the case of slot games, bet in the case of table games and use of bingo cards in the case of bingo games). We distribute our games through various global social web and mobile platforms such as Facebook, Apple, Google, Amazon, and Microsoft. The games are primarily *WMS*, *Bally*, *Barcrest*<sup>®</sup>, and *SHFL*<sup>®</sup> branded games. In addition, we also offer third-party branded games and original content.

#### *Disaggregation of Revenue*

We believe disaggregation of our revenue on the basis of platform and geographical locations of our players is appropriate because the nature and the number of players generating revenue could vary on such basis, which represent different economic risk profiles.

The following table presents our revenue disaggregated by type of platform:

	Three Months Ended	
	March 31,	
	2021	2020
Mobile	\$ 132.8	\$ 101.2
Web and other	18.3	17.1
Total revenue	<u>\$ 151.1</u>	<u>\$ 118.3</u>

The following table presents our revenue disaggregated based on the geographical location of our players:

	Three Months Ended March 31,	
	2021	2020
North America <sup>(1)</sup>	\$ 138.5	\$ 108.0
International	12.6	10.3
<b>Total revenue</b>	<b>\$ 151.1</b>	<b>\$ 118.3</b>

<sup>(1)</sup> North America revenue includes revenue derived from the U.S., Canada and Mexico.

#### Contract Assets, Contract Liabilities and Other Disclosures

We receive customer payments based on the payment terms established in our contracts. Payment for the purchase of coins, chips and cards is made at purchase, and such payments are non-refundable in accordance with our standard terms of service. Such payments are initially recorded as a contract liability, and revenue is subsequently recognized as we satisfy our performance obligations.

The following table summarizes our opening and closing balances in contract assets, contract liabilities and accounts receivable:

	Accounts Receivable	Contract Assets <sup>(1)</sup>	Contract Liabilities <sup>(2)</sup>
Beginning of period balance	\$ 36.6	\$ 0.2	\$ 0.6
Balance as of March 31, 2021	53.3	0.2	0.5

<sup>(1)</sup> Contract assets are included within Prepaid expenses and other current assets in our consolidated balance sheets.

<sup>(2)</sup> Contract liabilities are included within Accrued liabilities in our consolidated balance sheets.

During the three months ended March 31, 2021 and 2020, we recognized \$0.5 million and \$0.4 million, respectively, of revenue that was included in the opening contract liability balance. Substantially all of our unsatisfied performance obligations relate to contracts with an original expected length of one year or less.

#### Concentration of Credit Risk

Our revenue and accounts receivable are generated via certain platform providers, which subject us to a concentration of credit risk. The following tables summarize the percentage of revenues and accounts receivable generated via our platform providers in excess of 10% of our total revenues and total accounts receivable:

	Revenue Concentration		Accounts Receivable Concentration	
	Three Months Ended		March 31,	December 31,
	March 31, 2021	March 31, 2020	2021	2020
Apple	46.8%	46.0%	62.6%	49.2%
Google	37.3%	36.2%	26.5%	35.4%
Facebook	12.1%	14.5%	8.1%	11.5%

## (2) Intangible Assets and Software, net and Goodwill

The following table presents certain information regarding our intangible assets and software:

	Gross Carrying Amount	Accumulated Amortization	Net Balance
<b>Balance as of March 31, 2021</b>			
Intellectual property	\$ 41.0	\$ (36.5)	\$ 4.5
Customer relationships	30.3	(20.3)	10.0
Software	23.8	(14.6)	9.2
Licenses	23.7	(4.7)	19.0
Brand names	5.9	(3.8)	2.1
Total intangible assets and software	<u>\$ 124.7</u>	<u>\$ (79.9)</u>	<u>\$ 44.8</u>
<b>Balance as of December 31, 2020</b>			
Intellectual property	\$ 42.2	\$ (37.2)	\$ 5.0
Customer relationships	30.5	(19.8)	10.7
Software	21.9	(13.8)	8.1
Licenses	7.7	(3.5)	4.2
Brand names	6.1	(3.8)	2.3
Total intangible assets and software	<u>\$ 108.4</u>	<u>\$ (78.1)</u>	<u>\$ 30.3</u>

The following reflects amortization expense related to intangible assets and software included within depreciation and amortization:

	Three Months Ended March 31,	
	2021	2020
Amortization expense	\$ 3.0	\$ 1.7

The table below reconciles the changes in the carrying value of goodwill for the period from December 31, 2020 to March 31, 2021.

	Total
Balance as of December 31, 2020	\$ 129.8
Foreign currency adjustments	(2.0)
Balance as of March 31, 2021	<u>\$ 127.8</u>

## (3) Leases

Our operating leases primarily consist of real estate leases such as offices. Our leases have remaining terms of approximately 4 years. We do not have any finance leases. Our total variable and short term lease payments and operating lease expenses were immaterial for all periods presented.

Supplemental balance sheet and cash flow information related to operating leases is as follows:

	March 31, 2021	December 31, 2020
Operating lease right-of-use assets	\$ 7.9	\$ 8.5
Accrued liabilities	2.1	2.0
Operating lease liabilities	6.9	7.5
Total operating lease liabilities	\$ 9.0	\$ 9.5
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases for the three months ended March 31, 2021 and 2020, respectively	\$ 0.6	\$ 0.6
Weighted average remaining lease term, years	4.0	4.3
Weighted average discount rate	5.0 %	5.0 %

Lease liability maturities:

	Operating Leases
Remainder of 2021	\$ 1.8
2022	2.5
2023	2.5
2024	2.4
2025	0.7
Thereafter	—
Less: Imputed Interest	(0.9)
Total	\$ 9.0

As of March 31, 2021, we did not have material additional operating leases that have not yet commenced.

#### (4) Income Taxes

We hold an economic interest of 19.1% in SciPlay Parent LLC subsequent to the IPO. The 80.9% economic interest that we do not own represents a noncontrolling interest for financial reporting purposes. SciPlay Parent LLC is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As such, SciPlay Parent LLC is not subject to income tax in most jurisdictions, and SciPlay Parent LLC's members, of which we are one, are liable for income taxes based on their allocable share of SciPlay Parent LLC's taxable income. The effective income tax rates for the three months ended March 31, 2021 and 2020 were 5.3% and 4.9%, respectively. The effective income tax rates were determined using an estimated annual effective tax rate after considering any discrete items for such periods. Our effective tax rate differs from the statutory rate of 21% primarily because we generally do not record income taxes for the noncontrolling interest portion of U.S. pre-tax income.

#### TRA

During the three months ended March 31, 2021 and 2020, there were no payments made to Scientific Games pursuant to the TRA. As of March 31, 2021 and December 31, 2020, the total TRA liability was \$72.5 million, of which \$4.0 million was included in Accrued liabilities.

## (5) Related Party Transactions

The following is the summary of expenses paid to Scientific Games and settled in cash:

	Three Months Ended		Financial Statement Line Item
	March 31,		
	2021	2020	
Royalties to Scientific Games for third-party IP	\$ 0.7	\$ 1.7	Cost of revenue
Parent services	1.5	1.4	General and administrative
Distributions to Scientific Games and affiliates, net <sup>(1)</sup>	0.3	—	Noncontrolling interest

<sup>(1)</sup> Under the terms of the Operating Agreement, SciPlay Corporation relies on distributions from SciPlay Parent LLC to pay its obligations under the TRA and any other tax obligations. All distributions must be on a pari-passu basis, thus initiating a pro-rata distribution to Parent and affiliates.

The following is the summary of balances due to affiliates:

	March 31, 2021	December 31, 2020
Royalties to Scientific Games for third-party IP	\$ 1.2	\$ 2.5
Parent services	0.8	0.8
Reimbursable expenses to Scientific Games and its subsidiaries	0.9	2.2
	<u>\$ 2.9</u>	<u>\$ 5.5</u>

### Parent Equity Awards

See Note 6 for disclosures related to Parent's equity awards.

## (6) Stockholders' Equity and Noncontrolling Interest

### Noncontrolling Interest

We are a holding company, and our sole material assets are LLC Interests that we purchased from SciPlay Parent LLC and SG Holding I, representing an aggregate 19.1% economic interest in SciPlay Parent LLC. The remaining 80.9% economic interest in SciPlay Parent LLC is owned indirectly by SGC, through the ownership of LLC Interests by the indirect wholly owned subsidiaries of SGC, the SG Members.

### Stock-Based Compensation

The following table summarizes stock-based compensation expense that is included in general and administrative expenses:

	Three Months Ended	
	March 31,	
	2021	2020
SciPlay awards	\$ 1.7	\$ (0.1)
Parent awards	0.1	0.2
Total	<u>\$ 1.8</u>	<u>\$ 0.1</u>

As of March 31, 2021, we had \$9.4 million in unrecognized stock-based compensation expense that is expected to be recognized over a weighted-average expected vesting period of 1.4 years, of which \$3.1 million relates to performance-based restricted stock units.

## (7) Earnings per Share

The table below sets forth a calculation of basic earnings per share ("EPS") based on net income attributable to SciPlay divided by the basic weighted average number of Class A common stock outstanding during the period. Diluted EPS of Class A common stock is computed by dividing net income attributable to SciPlay by the weighted average number of shares of Class A common stock outstanding adjusted to give effect to all potentially dilutive securities, using the treasury stock method. No material number of restricted stock units was excluded from the calculation of diluted weighted-average common shares outstanding for the three months ended March 31, 2021 and 2020.

We excluded Class B common stock from the computation of basic and diluted EPS, as holders of Class B common stock do not have economic interest in us and therefore a separate presentation of EPS of Class B common stock under the two-class method has not been presented.

	Three Months Ended	
	March 31, 2021	March 31, 2020
Numerator:		
Net income	\$ 37.9	\$ 31.1
Less: net income attributable to the noncontrolling interest	32.6	26.7
Net income attributable to SciPlay	\$ 5.3	\$ 4.4
Denominator:		
Weighted average shares of Class A common stock for basic EPS	23.2	22.7
Effect of dilutive securities:		
Stock-based compensation grants	1.9	1.0
Weighted average shares of Class A common stock for diluted EPS	25.1	23.7
Basic and diluted net income attributable to SciPlay per share:		
Basic	\$ 0.23	\$ 0.19
Diluted	\$ 0.21	\$ 0.19

## (8) Litigation

From time to time, we are subject to various claims, complaints and legal actions in the normal course of business. There have been no material changes to these matters since our 2020 Form 10-K was filed with the SEC, except as described below. In addition, we may receive notifications alleging infringement of patent or other intellectual property rights.

### *Washington State Matter*

On April 17, 2018, a plaintiff, Sheryl Fife, filed a putative class action complaint, *Fife v. Scientific Games Corporation*, against SGC in the United States District Court for the Western District of Washington. The plaintiff seeks to represent a putative class of all persons in the State of Washington who purchased and allegedly lost virtual coins playing SGC's online social casino games, including but not limited to *Jackpot Party Casino* and *Gold Fish Casino*. The complaint asserts claims for alleged violations of Washington's Recovery of Money Lost at Gambling Act, Washington's consumer protection statute, and for unjust enrichment, and seeks unspecified money damages (including treble damages as appropriate), the award of reasonable attorneys' fees and costs, pre- and post-judgment interest, and injunctive and/or declaratory relief. On July 2, 2018, SGC filed a motion to dismiss the plaintiff's complaint with prejudice, which the trial court denied on December 18, 2018. SGC filed its answer to the putative class action complaint on January 18, 2019. On August 24, 2020, the trial court granted plaintiff's motion for leave to amend her complaint and to substitute a new plaintiff, Donna Reed, for the initial plaintiff, and re-captioned the matter *Reed v. Scientific Games Corporation*. On August 25, 2020, the plaintiff filed a first amended complaint against SGC, asserting the same claims, and seeking the same relief, as the complaint filed by Sheryl Fife. On September 8, 2020, SGC filed a motion to compel arbitration of plaintiff's claims and to dismiss the action, or, in the alternative, to transfer the action to the United States District Court for the District of Nevada, and that motion is fully-briefed and pending before the trial court. On April 9, 2021, the plaintiff filed a motion to certify the putative class and for a preliminary injunction. Although the case was brought against Scientific Games, pursuant to the Intercompany Services Agreement, we would expect to cover or contribute to any damage awards due to the matter arising as a result of our business.

We are currently unable to determine the likelihood of an outcome or estimate a range of reasonably possible loss.

*SciPlay IPO Matter (New York)*

On or about October 14, 2019, the Police Retirement System of St. Louis filed a putative class action complaint in New York state court against SciPlay, certain of its executives and directors, and SciPlay's underwriters with respect to its initial public offering (the "PRS Action"). The complaint was amended on November 18, 2019. The plaintiff seeks to represent a class of all persons or entities who acquired Class A common stock of SciPlay pursuant to and/or traceable to the Registration Statement filed and issued in connection with SciPlay's initial public offering, which commenced on or about May 3, 2019. The complaint asserts claims for alleged violations of Sections 11 and 15 of the Securities Act, 15 U.S.C. § 77, and seeks certification of the putative class; compensatory damages of at least \$146.0 million, and the award of the plaintiff's and the class's reasonable costs and expenses incurred in the action.

On or about December 9, 2019, Hongwei Li filed a putative class action complaint in New York state court asserting substantively similar causes of action under the Securities Act of 1933 and substantially similar factual allegations as those alleged in the PRS Action (the "Li Action"). On December 18, 2019, the New York state court entered a stipulated order consolidating the PRS Action and the Li Action into a single lawsuit. On December 23, 2019, the defendants moved to dismiss the consolidated action.

On August 28, 2020, the court issued an oral ruling granting in part and denying in part the defendants' motion to dismiss. On December 14, 2020, plaintiffs in the consolidated action filed a motion to certify the putative class. That motion is not yet fully-briefed.

*SciPlay IPO Matter (Nevada)*

On or about November 4, 2019, plaintiff John Good filed a putative class action complaint in Nevada state court against SciPlay, certain of its executives and directors, SGC, and SciPlay's underwriters with respect to SciPlay's initial public offering. The plaintiff seeks to represent a class of all persons who purchased Class A common stock of SciPlay in or traceable to SciPlay's initial public offering that it completed on or about May 7, 2019. The complaint asserts claims for alleged violations of Sections 11 and 15 of the Securities Act, 15 U.S.C. § 77, and seeks certification of the putative class; compensatory damages, and the award of the plaintiff's and the class's reasonable costs and expenses incurred in the action. On February 27, 2020, the trial court entered a stipulated order that, among other things, stayed the lawsuit pending entry of an order resolving the motion to dismiss that was pending in the SciPlay IPO matter in New York state court. On September 29, 2020, the trial court entered a stipulated order that extended the stay pending a ruling on class certification in the SciPlay IPO matter in New York state court.

Based on our assessment under ASC 410 and ASC 450 and consideration of the two SciPlay IPO matters above, we determined that both loss and insurance proceeds loss recovery, which we believe is recoverable under our insurance policy, are deemed probable and reasonably estimable. As a result, we recorded approximately \$8.0 million in Accrued liabilities and Prepaid expenses and other current assets as of March 31, 2021, with no material impact on our statement of income for the three month period ended March 31, 2021.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion is intended to enhance the reader's understanding of our operations and current business environment from management's perspective and should be read in conjunction with the description of our business included under Part I, Item 1 "Condensed Consolidated Financial Statements" and Part II, Item 1A "Risk Factors" in this Quarterly Report on Form 10-Q and under Part I, Item 1 "Business", Item 1A "Risk Factors" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2020 Form 10-K. The terms "we" and "our" as used herein refer to SciPlay and its consolidated subsidiaries.

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and should be read in conjunction with the disclosures and information contained and referenced under "Forward-Looking Statements" and "Risk Factors" included in this Quarterly Report on Form 10-Q and "Risk Factors" included in our 2020 Form 10-K.

You can access our filings with the SEC through the SEC website at <https://www.sec.gov> or through our website, and we strongly encourage you to do so. We routinely post information that may be important to investors on our website at <https://www.sciplay.com/investors/>, and we use this website address as a means of disclosing material information to the public in a broad, non-exclusionary manner for purposes of the SEC's Regulation Fair Disclosure (Reg FD). The contents of our website are not incorporated by reference in this Form 10-Q and shall not be deemed "filed" under the Securities Exchange Act of 1934, as amended.

## **BUSINESS OVERVIEW**

We are a leading developer and publisher of digital games on mobile and web platforms. We currently offer seven core games, including social casino games *Jackpot Party Casino*<sup>®</sup>, *Quick Hit Slots*<sup>®</sup>, *Gold Fish Casino*<sup>®</sup> and *Hot Shot Casino*<sup>®</sup>, and casual games, *MONOPOLY Slots*<sup>®</sup>, *Bingo Showdown*<sup>®</sup> and *88 Fortunes Slots*<sup>®</sup>, and we recently added a solitaire social game targeted toward casual game players as a part of the Come2Play acquisition on various platforms referenced herein. We currently plan to launch an additional casual game in 2022. Our social casino games typically include slots-style game play and occasionally include table games-style game play, while our casual games blend slots-style or bingo game play with adventure game features. All of our games are offered and played on multiple platforms, including Apple, Google, Facebook, Amazon, and Microsoft. In addition to our internally created games, our content library includes recognizable, real-world slot and table games content from Scientific Games. This content allows players who like playing land-based slot machines to enjoy some of those same titles in our free-to-play games. We have access to Scientific Games' library of more than 1,500 iconic casino titles. We also have access to content from third-party licensed brands such as *MONOPOLY*<sup>™</sup>, *JAMES BOND*<sup>™</sup>, *THE FLINTSTONES*<sup>™</sup>, *MICHAEL JACKSON*<sup>™</sup>, and *PLAYBOY*<sup>™</sup>.

We generate substantially all of our revenue from the sale of coins, chips and cards, which players of our games can use to play casino-style slot games and table games and bingo games. Players who install our games receive free coins, chips or cards upon the initial launch of the game and additional free coins, chips or cards at specific time intervals. Players may exhaust the coins, chips or cards that they receive for free and may choose to purchase additional coins, chips or cards in order to extend their time of game play.

### *Recent Events*

In March 2020, the World Health Organization declared the rapidly spreading COVID-19 outbreak a pandemic. In response to the COVID-19 pandemic, governments across the world are implementing measures to prevent its spread, including the temporary closure of all non-essential businesses and travel restrictions. Many of our current and potential players may have significantly more free time to play our games, however they may also experience sustained consumer unease and have lower discretionary income. While the increased player engagement we experienced during the first half of 2020 as a result of the stay at home measures across the U.S. has begun to recede, we are still seeing a higher number of paying players compared to the three months ended March 31, 2020. We are not able to predict and quantify the ultimate impact of further COVID-19 developments on our results of operations in future periods.

## RESULTS OF OPERATIONS

### Summary of Results of Operations

(\$ in millions)	Three Months Ended		Variance	
	March 31,		2021 vs. 2020	
	2021	2020		
Revenue	\$ 151.1	\$ 118.3	\$ 32.8	28 %
Operating expenses	110.7	86.1	24.6	29 %
Operating income	40.4	32.2	8.2	25 %
Net income	37.9	31.1	6.8	22 %
Net income attributable to SciPlay	5.3	4.4	0.9	20 %
AEBITDA	\$ 45.9	\$ 34.8	\$ 11.1	32 %
Net income margin	25.1 %	26.3 %	(1.2)pp	nm
AEBITDA margin	30.4 %	29.4 %	1.0 pp	nm

pp = percentage points.  
nm = not meaningful.

### Non-GAAP Financial Measures

Adjusted EBITDA, or AEBITDA, as used herein, is a non-GAAP financial measure that is presented as supplemental disclosure and is reconciled to net income attributable to SciPlay as the most directly comparable GAAP measure as set forth in the below table. We define AEBITDA to include net income attributable to SciPlay before: (1) net income attributable to noncontrolling interest; (2) interest expense; (3) income tax expense; (4) depreciation and amortization; (5) restructuring and other, which includes charges or expenses attributable to: (a) employee severance; (b) management changes; (c) restructuring and integration; (d) M&A and other, which includes: (i) M&A transaction costs; (ii) purchase accounting adjustments; (iii) unusual items (including certain legal settlements) and (iv) other non-cash items; (e) contingent acquisition consideration and (f) cost-savings initiatives; (6) stock-based compensation; (7) loss (gain) on debt financing transactions; and (8) other expense (income) including foreign currency (gains) and losses. We also use AEBITDA margin, a non-GAAP measure, which we calculate as AEBITDA as a percentage of revenue.

Our management uses AEBITDA and AEBITDA margin to, among other things: (i) monitor and evaluate the performance of our business operations; (ii) facilitate our management's internal comparisons of our historical operating performance and (iii) analyze and evaluate financial and strategic planning decisions regarding future operating investments and operating budgets. In addition, our management uses AEBITDA and AEBITDA margin to facilitate management's external comparisons of our results to the historical operating performance of other companies that may have different capital structures and debt levels.

Our management believes that AEBITDA and AEBITDA margin are useful as they provide investors with information regarding our financial condition and operating performance that is an integral part of our management's reporting and planning processes. In particular, our management believes that AEBITDA is helpful because this non-GAAP financial measure eliminates the effects of restructuring, transaction, integration or other items that management believes have less bearing on our ongoing underlying operating performance. Management believes AEBITDA margin is useful as it provides investors with information regarding the underlying operating performance and margin generated by our business operations.

The following table reconciles Net income attributable to SciPlay to AEBITDA and AEBITDA margin:

(\$ in millions, except percentages)	Three Months Ended March 31,	
	2021	2020
Net income attributable to SciPlay	\$ 5.3	\$ 4.4
Net income attributable to noncontrolling interest	32.6	26.7
Net income	37.9	31.1
Restructuring and other	0.3	0.5
Depreciation and amortization	3.4	2.0
Income tax expense	2.1	1.6
Stock-based compensation	1.8	0.1
Other expense (income), net	0.4	(0.5)
AEBITDA	\$ 45.9	\$ 34.8
Revenue	\$ 151.1	\$ 118.3
Net income margin (Net income/Revenue)	25.1 %	26.3 %
AEBITDA margin (AEBITDA/Revenue)	30.4 %	29.4 %

*Revenue, Key Performance Indicators and Other Metrics*

(\$ in millions)	Three Months Ended March 31,		Variance	
	2021	2020	2021 vs. 2020	
Mobile	\$ 132.8	\$ 101.2	\$ 31.6	31 %
Web and other	18.3	17.1	1.2	7 %
Total revenue	\$ 151.1	\$ 118.3	\$ 32.8	28 %

Revenue information by geography is summarized as follows:

(\$ in millions)	Three Months Ended March 31,		Variance	
	2021	2020	2021 vs. 2020	
North America <sup>(1)</sup>	\$ 138.5	\$ 108.0	\$ 30.5	28 %
International	12.6	10.3	2.3	22 %
Total revenue	\$ 151.1	\$ 118.3	\$ 32.8	28 %

<sup>(1)</sup> North America revenue includes revenue derived from the U.S., Canada and Mexico.

The following reflects our Key Performance Indicators and Other Metrics:

We manage our business by tracking several key performance indicators, each of which is tracked by our internal analytics systems and referred to in our discussion of operating results. Our key performance indicators are impacted by several factors that could cause them to fluctuate on a quarterly basis, such as platform providers' policies, restrictions, seasonality, user connectivity and addition of new content to certain portfolios of games. Future growth in players and engagement will depend on our ability to retain current players, attract new players, launch new games and features and expand into new markets and distribution platforms.

For a description of the definitions of our key performance indicators and other metrics and their usefulness to our investors, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2020 Form 10-K.

(in millions, except ARPDAU, AMRPPU, and percentages)	Three Months Ended		Variance	
	March 31,		2021 vs. 2020	
	2021	2020		
Mobile Penetration	88 %	85 %	3.0 pp	nm
Average MAU	6.7	7.5	(0.8)	(10.7)%
Average DAU	2.5	2.6	(0.1)	(3.8)%
ARPDAU	\$ 0.67	\$ 0.49	\$ 0.18	36.7 %
Average MPUs	0.5	0.5	—	— %
AMRPPU	\$ 92.80	\$ 83.58	\$ 9.22	11.0 %
Payer conversion rate	8.1 %	6.3 %	1.8 pp	nm

pp = percentage points.  
nm = not meaningful.

The increase in mobile penetration percentage primarily reflects a continued trend of players migrating from web to mobile platforms to play our games.

Average MAU and average DAU decreased due to the turnover in users, while ARPDAU and AMRPPU increased from consistent average MPU, the introduction of new content and features, and ongoing popularity of our games.

The increase in payer conversion rates were due to the growing popularity of our games and increased interaction with the games by our players as a result of the introduction of new content and features into our games.

#### Operating Expenses

(\$ in millions)	Three Months Ended		Variance		Percentage of Revenue		
	March 31,		2021 vs. 2020		2021 vs. 2020		
	2021	2020			2021	2020	Change
Operating expenses:							
Cost of revenue <sup>(1)</sup>	\$ 47.1	\$ 37.9	\$ 9.2	24 %	31.2 %	32.0 %	(0.8)pp
Sales and marketing <sup>(1)</sup>	34.7	28.2	6.5	23 %	23.0 %	23.8 %	(0.8)pp
General and administrative <sup>(1)</sup>	15.7	10.2	5.5	54 %	10.4 %	8.6 %	1.8 pp
Research and development <sup>(1)</sup>	9.5	7.3	2.2	30 %	6.3 %	6.2 %	0.1 pp
Depreciation and amortization	3.4	2.0	1.4	70 %	2.3 %	1.7 %	0.6 pp
Restructuring and other	0.3	0.5	(0.2)	(40)%	0.2 %	0.4 %	(0.2)pp
Total operating expenses	\$ 110.7	\$ 86.1	\$ 24.6	29 %			

<sup>(1)</sup> Excludes depreciation and amortization.  
pp = percentage points.

#### Cost of revenue

Cost of revenue increased in line with our revenues.

### *Sales and marketing*

Sales and marketing expenses as a percentage of revenue decreased by 0.8 percentage points primarily related to our focus on more efficient user acquisition to acquire higher quality players.

### *General and administrative*

General and administrative expenses increased primarily due to a \$2.5 million increase in salaries and benefits, \$1.7 million increase in stock-based incentive compensation, and a \$0.9 million increase in professional legal services fees.

### *Research and development*

Research and development expenses increased primarily due to a \$1.9 million increase in salaries and benefits primarily due to increase in average salaries, increase in performance based compensation, and a 9% increase in headcount.

### *Depreciation and amortization*

Depreciation and amortization expenses increased primarily due to recently added long-term license agreements with third parties (see Note 1).

### *Net income and AEBITDA*

Net income and AEBITDA increased primarily due to an increase in revenue, partially offset by the increases in operating expenses, as described above.

Net income margin decreased by 1.2 percentage points as a result of higher stock-based incentive compensation and depreciation and amortization. AEBITDA margin increased by 1.0 percentage point as a result of the above stated drivers.

### *Noncontrolling interest*

Net income attributable to noncontrolling interest increased due to the increase in Net income.

## **RECENTLY ISSUED ACCOUNTING GUIDANCE**

For a description of recently issued accounting pronouncements, see Note 1.

## **CRITICAL ACCOUNTING ESTIMATES**

For a description of our policies regarding our critical accounting estimates, see “Critical Accounting Estimates” in our 2020 Form 10-K. There have been no significant changes in our critical accounting estimate policies or the application or the results of the application of those policies to our condensed consolidated financial statements.

## **LIQUIDITY, CAPITAL RESOURCES AND WORKING CAPITAL**

### *Introduction*

SciPlay is a holding company, with no material assets other than its ownership of SciPlay Parent LLC interests, no operating activities on its own and no independent means of generating revenue or cash flow. Operations are carried out by SciPlay Parent LLC and its subsidiaries, and we depend on distributions from SciPlay Parent LLC to pay our taxes and expenses. SciPlay Parent LLC’s ability to make distributions to us is restricted by the terms of the \$150.0 million revolving credit facility agreement (the “Revolver”) by and among SciPlay Holding, as the borrower, SciPlay Parent LLC, as a guarantor, the subsidiary guarantors party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and collateral agent, and may be restricted by any future credit agreement we or our subsidiaries enter into, any future debt or preferred equity securities we or our subsidiaries issue, other contractual restrictions or applicable Nevada law.

We have funded our operations primarily through cash flows from operating activities. Based on our current plans and market conditions, we believe that cash flows generated from our operations and borrowing capacity under the Revolver will be sufficient to satisfy our anticipated cash requirements for the foreseeable future. However, we intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new games and features or enhance our existing games, improve our operating infrastructure or acquire complementary businesses, personnel and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

#### *Dividend Policy*

We have never paid any cash dividends on our common stock and do not presently intend to pay cash dividends on our common stock. However, we reconsider our dividend policy on a regular basis and may determine in the future to declare or pay cash dividends on our common stock. Under the terms of the Revolver, we are limited in our ability to pay cash dividends or make certain other restricted payments (other than stock dividends) on our common stock.

#### *Revolving Credit Facility*

For a description of the Revolver, see “Liquidity, Capital Resources and Working Capital” in our 2020 Form 10-K. There have been no material changes related to the Revolver disclosed in our 2020 Form 10-K. The Revolver was undrawn as of March 31, 2021. We were in compliance with the financial covenants under the Revolver as of March 31, 2021.

#### *Changes in Cash Flows*

The following table presents a summary of our cash flows for the periods indicated:

(\$ in millions)	Three Months Ended	
	March 31,	
	2021	2020
Net cash provided by operating activities	\$ 19.6	\$ 23.5
Net cash used in investing activities	(2.1)	(1.2)
Net cash used in financing activities	(14.2)	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.2)	(0.3)
Increase in cash, cash equivalents and restricted cash	\$ 3.1	\$ 22.0

Net cash provided by operating activities decreased primarily due to an increase in accounts receivable related to the timing of payments from our platform providers, which was partially offset by higher earnings.

Net cash used in investing activities increased primarily due to higher capital expenditures.

Net cash used in financing activities increased primarily due to 12.3 million for tax payments related to net share settlement of equity awards and 1.6 million in payments made for license obligations.

#### **Off Balance Sheet Obligations**

As of March 31, 2021, we did not have any significant off-balance sheet arrangements.

## Contractual Obligations

There have been no material changes to our contractual obligations disclosed in our 2020 Form 10-K, except as noted below.

	Cash Payments Due In				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	More than 5 years
License royalty minimum guaranteed payments	\$ 17.3	\$ 6.5	\$ 6.3	\$ 4.5	\$ —

## Item 3. Quantitative and Qualitative Disclosures about Market Risk

As of March 31, 2021, we had no material exposure to market risks.

## Item 4. Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective as of March 31, 2021.

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

For a description of our legal proceedings, see Note 8.

### Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed under Item 1A “Risk Factors” included in our 2020 Form 10-K, except as noted below.

***The provisions of our articles of incorporation and bylaws requiring exclusive forum in the Eighth Judicial District Court of Clark County, Nevada for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers.***

Our articles of incorporation and bylaws provide that, to the fullest extent permitted by law, and unless we consent in writing to the selection of an alternative forum, the Eighth Judicial District Court of Clark County, Nevada, will be the sole and exclusive forum for any actions, suits or proceedings, whether civil, administrative or investigative (i) brought in our name or right or on our behalf, (ii) asserting a claim for breach of any fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) arising or asserting a claim arising pursuant to any provision of Nevada Revised Statutes (“NRS”), Chapters 78 or 92A or any provision of our articles of incorporation or our bylaws, (iv) to interpret, apply, enforce or determine the validity of our articles of incorporation and bylaws or (v) asserting a claim governed by the internal affairs doctrine; provided that the exclusive forum provisions will not apply to suits brought to enforce any liability or duty created by the Securities Act or the Exchange Act, or to any claim for which the federal courts have exclusive jurisdiction. Our articles of incorporation and bylaws will further provide that, in the event that the Eighth Judicial District Court of Clark County, Nevada does not have jurisdiction over any such action, suit or proceeding, then any other state district court located in the State of Nevada will be the sole and exclusive forum therefor and in the event that no state district court in the State of Nevada has jurisdiction over any such action, suit or proceeding, then a federal court located within the State of Nevada will be the sole and exclusive forum therefor. Although we believe these provisions benefit us by providing increased consistency in the application of Nevada law in the types of lawsuits to which they apply, these provisions may have the effect of increasing the costs to bring a claim and limiting a stockholder’s ability to bring a claim in

a judicial forum that it finds favorable for disputes with us or our directors and officers, which may discourage lawsuits against our directors and officers. The enforceability of similar choice of forum provisions in other companies' articles of incorporation and bylaws has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our articles of incorporation and bylaws to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provisions contained in our articles of incorporation and bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

***We rely on third-party platforms to make our games available to players and to collect revenue.***

Our social gaming offerings operate through Apple, Google, Facebook and Amazon, which also serve as significant online distribution platforms for our games, with some of our games available on Microsoft. Substantially all of our revenue was generated by players using those platforms.

Consequently, our expansion and prospects depend on our continued relationships with these providers, and any emerging platform providers that are widely adopted by our target player base. We are subject to the standard terms and conditions that these platform providers have for application developers, which govern the promotion, distribution and operation of games and other applications on their platforms, and which the platform providers can change unilaterally on short or without notice. Version updates, such as Apple's iOS 14.5 update in April 2021 which included changes to its AppTracking Transparency policy and now requires user permission before developers can track a user across apps and websites owned by other companies or access a user's device's advertising identifier, may reduce the quantity and quality of data available to us. These changes could, among other things, have a detrimental impact on our ability to conduct targeted advertising on platforms, increase the cost to obtain new users and impact the return on investment of advertising spend. Additionally, our business would be harmed if:

- the platform providers discontinue or limit our access to their platforms;
- governments or private parties, such as internet providers, impose bandwidth restrictions or increase charges or restrict or prohibit access to those platforms;
- the platforms decline in popularity;
- the platforms modify their current discovery mechanisms, communication channels available to developers, respective terms of service or other policies, including fees;
- the platforms impose restrictions or make it more difficult for players to buy coins, chips or cards; or
- the platforms change how the personal information of players is made available to developers or develop their own competitive offerings.

If alternative platforms increase in popularity, we could be adversely impacted if we fail to create compatible versions of our games in a timely manner, or if we fail to establish a relationship with such alternative platforms. Likewise, if our platform providers alter their operating platforms, we could be adversely impacted as our offerings may not be compatible with the altered platforms or may require significant and costly modifications in order to become compatible. If our platform providers were to develop competitive offerings, either on their own or in cooperation with one or more competitors, our growth prospects could be negatively impacted. If our platform providers do not perform their obligations in accordance with our platform agreements, we could be adversely impacted.

In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their features that permit our players to purchase coins, chips or cards. For example, in the second and third quarters of 2018, we were negatively impacted by data privacy protection changes implemented by Facebook, which impaired our players' ability to access their previously acquired coins, chips or cards and purchase additional coins, chips or cards. If similar events recur on a prolonged basis or other similar issues arise that impact players' ability to download our games, access social features or purchase coins, chips or cards, it could have a material adverse effect on our revenue, operating results and brand.

**Item 2. Unregistered Sales of Equity Securities**

There was no stock repurchase activity during the three months ended March 31, 2021.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

<b>Exhibit Number</b>	<b>Description</b>
3.1	<a href="#">Amended and Restated Articles of Incorporation of SciPlay Corporation (incorporated by reference to Exhibit 3.1 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019).</a>
3.2	<a href="#">Amended and Restated Bylaws of SciPlay Corporation (incorporated by reference to Exhibit 3.2 to SciPlay Corporation's Current Report on Form 8-K filed on May 8, 2019).</a>
10.1	Amended and Restated Employment Agreement, dated as of February 5, 2021 (effective as of June 1, 2021), by and between Scientific Games Corporation and Barry Cottle.*(†)
10.2	Amendment to Employment Agreement, dated as of February 23, 2021, by and between Scientific Games Corporation and Michael Winterscheidt.*(†)
31.1	<a href="#">Certification of the Chief Executive Officer of SciPlay Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</a>
31.2	<a href="#">Certification of the Chief Financial Officer of SciPlay Corporation pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*</a>
32.1	<a href="#">Certification of the Chief Executive Officer of SciPlay Corporation pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</a>
32.2	<a href="#">Certification of the Chief Financial Officer of SciPlay Corporation pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**</a>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Label Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

(†) Filed herewith.

\*\* Furnished herewith.

\*Management contracts and compensation plans and arrangements.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SCIPLAY CORPORATION

(Registrant)

By: /s/ Michael D. Cody  
Name: Michael D. Cody  
Title: Chief Financial Officer

By: /s/ Michael F. Winterscheidt  
Name: Michael F. Winterscheidt  
Title: Chief Accounting Officer and Secretary

Dated: May 10, 2021

## Employment Agreement

This Employment Agreement (this “Agreement”) is made as of February 5, 2021, by and between Scientific Games Corporation, a Delaware corporation (the “Company”), and Barry Cottle (“Executive”).

WHEREAS, Executive is currently employed by the Company pursuant to the Prior Employment Agreement (as defined below); and

WHEREAS, the Company and Executive wish to enter into this Agreement and to supersede the terms of the Prior Employment Agreement.

NOW, THEREFORE, in consideration of the premises and mutual benefits to be derived herefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Company and Executive, the parties agree as follows.

1. Employment; Term. The Prior Employment Agreement expires on May 31, 2021 and, for the avoidance of doubt, will not automatically extend. The Company hereby agrees to employ Executive following May 31, 2021, and Executive hereby accepts employment with the Company, in accordance with and subject to the terms and conditions set forth in this Agreement. This term of employment of Executive under this Agreement (the “Term”) shall be the period commencing on June 1, 2021 (the “Effective Date”) and ending on May 31, 2024, as may be extended in accordance with this Section 1 and subject to earlier termination in accordance with Section 4. The Term shall be extended automatically without further action by either party by one (1) additional year (added to the end of the Term), and then on each succeeding annual anniversary thereafter, unless either party shall have given written notice to the other party prior to the date which is sixty (60) days prior to the date upon which such extension would otherwise have become effective electing not to further extend the Term, in which case Executive’s employment shall terminate on the date upon which such extension would otherwise have become effective, unless earlier terminated in accordance with Section 4. A notice of non-renewal of the Term by the Company pursuant to this Section 1 shall be deemed to be a termination without Cause by the Company for purposes of this Agreement as of the end of the Term.

2. Position and Duties. During the Term, Executive will serve as President and Chief Executive Officer of the Company and as an officer or director of any subsidiary or affiliate of the Company if elected to any such position by the stockholders or by the board of directors of any such subsidiary or affiliate, as the case may be. In such capacities, Executive shall perform such duties and shall have such responsibilities as are normally associated with such positions, and as otherwise may be assigned to Executive from time to time by or upon the authority of the board of directors of the Company (the “Board”). Subject to Section 4(e), Executive’s functions, duties and responsibilities are subject to reasonable changes as the Company may in good faith determine from time to time. Executive hereby agrees to accept such employment and to serve the Company and its subsidiaries and affiliates to the best of Executive’s ability in such capacities, devoting all of Executive’s business time to such employment. Notwithstanding the foregoing, during the Term, Executive may (i) participate in charitable, civic, educational,

professional, community or industry affairs, but service on any board shall be subject to (ii), (ii) with prior written consent for each individual board position (which may be granted or denied in the Board's sole discretion), serve as a member of the boards of directors of for-profit and not-for-profit entities, and (iii) manage Executive's passive personal investments, so long as such activities, individually or in the aggregate, do not materially interfere or conflict with Executive's duties hereunder or create an actual or potential business or fiduciary conflict. Executive's principal work location shall be the Company's headquarters in Las Vegas, Nevada. Executive acknowledges that he may be required to work from other Company offices from time to time as appropriate and to engage in business travel as necessary to perform his duties hereunder.

### 3. Compensation.

(a) *Base Salary.* During the Term, Executive will receive a base salary of one million eight hundred thousand U.S. dollars (US\$1,800,000) per annum (pro-rated for any partial year), payable in accordance with the Company's regular payroll practices and subject to such deductions or amounts to be withheld as required by applicable law and regulations or as may be agreed to by Executive. In the event that the Company, in its sole discretion, from time to time determines to increase Executive's base salary as an annual merit increase or otherwise, such increased amount shall, from and after the effective date of such increase, constitute the "base salary." of Executive for purposes of this Agreement.

(b) *Incentive Compensation.* Executive shall have the opportunity annually to earn incentive compensation ("Incentive Compensation") in amounts determined by the Compensation Committee of the Board (the "Compensation Committee") in its sole discretion in accordance with the applicable incentive compensation plan of the Company as in effect from time to time (the "Incentive Compensation Plan"). Under such Incentive Compensation Plan, Executive shall have the opportunity annually to earn up to 100% of Executive's base salary as Incentive Compensation at "target opportunity" ("Target Bonus") and up to 200% of Executive's base salary as Incentive Compensation at "maximum opportunity" on the terms and subject to the conditions of such Incentive Compensation Plan (any such Incentive Compensation to be subject to such deductions or amounts to be withheld as required by applicable law and regulations or as may be agreed to by Executive). For 2021, Executive's Incentive Compensation opportunity, if earned, shall be calculated using a blended rate of Executive's base salary in effect from and after the Effective Date and Executive's base salary in effect from January 1, 2021 through the date immediately preceding the Effective Date. Up to 50% of Executive's Incentive Compensation may be paid in fully-vested restricted stock units ("RSUs") that settle within five (5) business days or such other date as is mutually agreed between Executive and the Company, provided that, in order to constitute a "short-term deferral" for purposes of Section 409A (as defined below), such RSUs shall settle no later than March 15 of the year following the year in which they are no longer subject to a "substantial risk of forfeiture" for purposes of Section 409A, with the remainder paid in cash, consistent with the method of payment of Incentive Compensation the Compensation Committee of the Board sets for other executive officers.

(c) *Equity Awards.*

(i) The Company will grant to Executive within ten (10) days after the Effective Date a special equity award for 2021 consisting of 50,000 time-vesting RSUs (the “2021 Special Equity Award”). The 2021 Special Equity Award shall vest as follows: 16,667 RSUs on May 31, 2022, 16,667 RSUs on May 31, 2023 and 16,666 RSUs on May 31, 2024. The 2021 Special Equity Award will be granted pursuant to the Incentive Compensation Plan. The 2021 Special Equity Award will be evidenced by the execution of the Company’s standard form of award agreement under the Incentive Compensation Plan.

(ii) Beginning in 2022, Executive shall be eligible to receive an annual grant of stock options, restricted stock units or other equity awards currently expected to be targeted at approximately 250% of Executive’s base salary, in the sole discretion of the Compensation Committee and in accordance with the applicable plans and programs of the Company for senior executives of the Company and subject to the Company’s right to at any time amend or terminate any such plan or program, so long as any such change does not adversely affect any accrued or vested interest of Executive under any such plan or program.

(iii) All equity awards granted pursuant to this Agreement shall be subject to the terms of the Company’s standard form of award agreement under the Incentive Compensation Plan modified to provide that, if Executive remains employed by the Company through the date when he becomes 65 years of age and retires at any time thereafter, any unvested equity held by Executive as of that retirement date shall vest ten days after such retirement, subject to the achievement of any applicable performance criteria; provided that, settlement of any such awards shall be in accordance with Section 4(g).

(d) *Expense Reimbursement.* Subject to Section 3(f), the Company shall reimburse Executive for all reasonable and necessary travel, business entertainment and other business expenses incurred by Executive in connection with the performance of Executive’s duties under this Agreement, on a timely basis upon timely submission by Executive of vouchers therefor in accordance with the Company’s standard policies and procedures.

(e) *Health and Welfare Benefits.* Executive shall be entitled to participate, without discrimination or duplication, in any and all medical insurance, group health, disability, life insurance, accidental death and dismemberment insurance, 401(k) or other retirement, deferred compensation, stock ownership and such other plans and programs which are made generally available by the Company to senior executives of the Company in accordance with the terms of such plans and programs and subject to the right of the Company (or its applicable affiliate) to at any time amend or terminate any such plan or program. Executive shall be entitled to paid vacation, holidays and any other time off in accordance with the Company’s policies in effect from time to time. Executive will be entitled to twenty-seven (27) day of paid time off each year. In addition, Executive may use private charter jets for business travel in his good faith judgement when justified because of location, efficiency or other business reasons, subject to

review and refinement by the Board of the permitted uses and creation of good faith policies. Subject to Section 3(d), the Company will reimburse Executive for reasonable transportation and lodging expenses Executive incurs in connection with his travel between his then current residence and the Company's headquarters. To the extent any such reimbursement is taxable to Executive, the Company will provide Executive with an additional payment so that Executive has no net after tax costs for such expenses.

(f) *Taxes and Internal Revenue Code 409A.* Payment of all compensation and benefits to Executive under this Agreement shall be subject to all legally required and customary withholdings. The Company makes no representations or warranties and shall have no responsibility regarding the tax implications of the compensation and benefits to be paid to Executive under this Agreement, including under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable administrative guidance and regulations ("Section 409A"). Section 409A governs plans and arrangements that provide "nonqualified deferred compensation" (as defined under the Code) which may include, among others, nonqualified retirement plans, bonus plans, stock option plans, employment agreements and severance agreements. The Company reserves the right to pay compensation and provide benefits under this Agreement (including under Section 3 and Section 4) in amounts, at times and in a manner that minimizes taxes, interest or penalties as a result of Section 409A. In addition, in the event any benefits or amounts paid to Executive hereunder are deemed to be subject to Section 409A, Executive consents to the Company adopting such conforming amendments as the Company deems necessary, in its reasonable discretion, to comply with Section 409A (including delaying payment until six (6) months following termination of employment). To the extent any payments of money or other benefits due to Executive hereunder could cause the application of an accelerated or additional tax under Section 409A, such payments or other benefits may be deferred if deferral will make such payment or other benefits compliant under Section 409A, or otherwise such payments or other benefits shall be restructured, to the extent permissible under Section 409A, in a manner determined by the Company that does not cause such an accelerated or additional tax. To the extent any reimbursements or in-kind benefits due to Executive under this Agreement constitute deferred compensation under Section 409A, any such reimbursements or in-kind benefits shall be paid to Executive in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Any tax gross-up payment provided under this Agreement will be made no later than the end of the calendar year immediately following the calendar year in which Executive remits the related taxes. Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A.

4. Termination of Employment. Executive's employment may be terminated at any time prior to the end of the Term under the terms described in this Section 4, and the Term shall automatically terminate upon any termination of Executive's employment. For purposes of clarification, except as provided in Section 5.6, all stock options, restricted stock units and other equity-based awards will be governed by the terms of the plans, grant agreements and programs under which such options, restricted stock units or other awards were granted on any termination of the Term and Executive's employment with the Company.

(a) *Termination by Executive for Other than Good Reason.* Executive may terminate Executive's employment hereunder for any reason or no reason upon 60 days' prior written notice to the Company referring to this Section 4(a); provided, however, that a termination by Executive for "Good Reason" (as defined below) shall not constitute a termination by Executive for other than Good Reason pursuant to this Section 4(a). In the event Executive terminates Executive's employment for other than Good Reason, Executive shall be entitled only to the following compensation and benefits (the payments set forth in Sections 4(a)(i) through 4(a)(iii), collectively, the "Standard Termination Payments"):

(i) any accrued but unpaid base salary for services rendered by Executive to the date of such termination, payable in accordance with the Company's regular payroll practices and subject to such deductions or amounts to be withheld as required by applicable law and regulations or as may be agreed to by Executive;

(ii) any vested non-forfeitable amounts owing or accrued at the date of such termination under benefit plans, programs and arrangements set forth or referred to in Section 3(e) in which Executive participated during the Term (which will be paid under the terms and conditions of such plans, programs, and arrangements (and agreements and documents thereunder)) and, excluding, for the avoidance of doubt, any termination for Cause, any vesting to which Executive is entitled due to retirement; and

(iii) reasonable business expenses and disbursements incurred by Executive prior to such termination will be reimbursed in accordance with Section 3(d).

(b) *Termination By Reason of Death.* If Executive dies during the Term, the last beneficiary designated by Executive by written notice to the Company (or, in the absence of such designation, Executive's estate) shall be entitled only to the Standard Termination Payments, including any benefits that may be payable under any life insurance benefit of Executive for which the Company pays premiums, in accordance with the terms of any such benefit and subject to the right of the Company (or its applicable affiliate) to at any time amend or terminate any such benefit, and, as currently provided by the Company's equity incentive plan, all equity awards held by Executive shall vest in full.

(c) *Termination By Reason of Total Disability.* The Company may terminate Executive's employment in the event of Executive's "Total Disability." For purposes of this Agreement, "Total Disability" shall mean Executive's (1) becoming eligible to receive benefits under any long-term disability insurance program of the Company or (2) failure to perform the duties and responsibilities contemplated under this Agreement for a period of more than 180 days during any consecutive 12-month period due to physical or mental incapacity or impairment. In the event that Executive's employment is terminated by the Company by reason of Total Disability, Executive shall be entitled only to the Standard Termination Payments and any amounts due under any Company disability policy, and, as currently provided by the Company's equity incentive plan, all equity awards held by Executive shall vest in full.

(d) *Termination by the Company for Cause.* The Company may terminate the employment of Executive at any time for “Cause.” For purposes of this Agreement, “Cause” shall mean: (i) gross neglect by Executive of Executive’s duties hereunder; (ii) Executive’s indictment for or conviction of a felony, or any non-felony crime or offense involving the property of the Company or any of its subsidiaries or affiliates or evidencing moral turpitude; (iii) willful misconduct by Executive in connection with the performance of Executive’s duties hereunder; (iv) intentional breach by Executive of any material provision of this Agreement; (v) material violation by Executive of a material provision of the Company’s Code of Business Conduct; (vi) Executive’s failure to qualify (or failure to remain qualified) under any suitability or licensing requirements to which Executive may be subject by reason of Executive’s position with the Company; (vii) Executive’s failure to cooperate with or respond to any regulatory requests for information in connection with such licensing requirements; (viii) Executive’s failure to timely file required license applications; (ix) the denial of any license application submitted by Executive or (x) any other willful or grossly negligent conduct of Executive that would make the continued employment of Executive by the Company materially prejudicial to the best interests of the Company. In the event Executive’s employment is terminated for “Cause,” Executive shall not be entitled to receive any compensation or benefits under this Agreement except for the Standard Termination Payments.

(e) *Termination by the Company without Cause or by Executive for Good Reason.* The Company may terminate Executive’s employment at any time without Cause, for any reason or no reason, and Executive may terminate Executive’s employment for “Good Reason.” For purposes of this Agreement “Good Reason” shall mean that, without Executive’s prior written consent, any of the following shall have occurred: (A) a material adverse change to Executive’s positions, titles, offices, or duties following the Effective Date from those set forth in Section 2, except, in such case, in connection with the termination of Executive’s employment for Cause or due to Total Disability, death or expiration of the Term; (B) a material decrease in base salary or material decrease in Executive’s Incentive Compensation opportunity provided under this Agreement; (C) a requirement that on a continuing basis Executive reports to anyone other than the Board; or (D) any other material failure by the Company to perform any material obligation under, or material breach by the Company of any material provision of, this Agreement; provided, however, that a termination by Executive for Good Reason under any of clauses (A) through (D) of this Section 4(e) shall not be considered effective unless Executive shall have provided the Company with written notice of the specific reasons for such termination within thirty (30) days after he has knowledge of the event or circumstance constituting Good Reason and the Company shall have failed to cure the event or condition allegedly constituting Good Reason within thirty (30) days after such notice has been given to the Company and Executive actually terminates his employment within one (1) year following the initial occurrence of the event giving rise to Good Reason. In the event that Executive’s employment is terminated by the Company without Cause or by Executive for Good Reason (and not, for the avoidance of doubt, in the event of a termination pursuant to Section 4(a), (b), (c) or (d) or due to a notice of non- renewal of the Term by the Executive pursuant to Section 1), the Company shall pay the following amounts, and make the following other benefits available, to Executive.

(i) Standard Termination Payments;

(ii) an amount equal to two times (2x) the sum of (A) Executive's base salary and (B) an amount equal to the highest annual Incentive Compensation paid to Executive (if any) in respect of the two (2) most recent fiscal years of the Company but not more than Executive's Target Bonus for the-then current fiscal year (such amount under this sub-clause (B), the "Severance Bonus Amount"), such amount under this clause (ii) payable in substantially equal installments over a period of twenty-four (24) months after such termination in accordance with Section 4(g); provided that, to the extent paying any portion of such amount in accordance with the foregoing schedule would constitute an impermissible deferral of compensation under Section 409A, then such portion shall be payable at a time that would not result in a deferral of compensation and that is as near as possible to the payment timing contemplated by the foregoing;

(iii) in lieu of any Incentive Compensation for the year in which such termination occurs, payment of an amount equal to (A) the Incentive Compensation (if any) which would have been payable to Executive had Executive remained in employment with the Company during the entire year in which such termination occurred, multiplied by (B) a fraction the numerator of which is the number of days Executive was employed in the year in which such termination occurs and the denominator of which is the total number of days in the year in which such termination occurs, payable when bonuses are paid to other executives of the Company, but no later than March 15 following the end of the year in which such termination occurs.

(iv) if Executive timely elects to continue medical coverage under the Company's group health plan in accordance with COBRA, the full monthly premiums for such coverage on a monthly basis until the earlier of: (A) a period of eighteen (18) months has elapsed; or (B) Executive is eligible for medical coverage under a plan provided by a new employer. In addition, if the eighteen (18) month period set forth in the foregoing sub-section (A) expires before Executive is eligible for medical coverage under a plan provided by a new employer, then the Company shall pay the full monthly premiums for Executive's medical coverage under a health plan obtained by Executive that is comparable to the Company's group health plan, until the earlier of a period of six (6) additional months has elapsed (for the avoidance of doubt, until the end of the 24-month period following the date of such termination) or Executive is eligible for medical coverage under a plan provided by a new employer; and

(v) all outstanding equity awards held by Executive shall continue to vest during the term of this Agreement and through the end of the Covered Time (as defined in Section 5.1(f)) with any equity awards that remain unvested on the day following the last day of the Covered Time being forfeited; provided that if any such awards that were granted prior to June 1, 2021 would constitute deferred

compensation subject to Section 409A as a result of the foregoing, the portion of such award that would have vested during the Covered Time shall vest upon the earlier of (A) the regularly scheduled vesting date and (B) March 15 of the year following the year in which such termination occurs (or, if such March 15 is not a trading day, the immediately preceding trading day) and the remainder shall be forfeited. For the avoidance of doubt, if such termination occurs on or after Executive becomes 65 years of age, the retirement provisions described in Section 4(c)(ii) shall prevail. Settlement of equity awards shall be subject to Section 4(g) and shall in all events be in accordance with Section 409A. Other than as set forth in this Agreement, equity awards shall be governed by the terms of the applicable award agreement pursuant to which such equity awards were granted.

(f) *Termination by the Company without Cause or by Executive for Good Reason in connection with a Change in Control.* In the event Executive's employment is terminated by the Company without Cause or by Executive for Good Reason pursuant to Section 4(e) and such termination occurs upon, or within one (1) year immediately following, a "Change in Control" (as defined below), Executive shall be entitled (without duplication) to the payments and benefits described in Section 4(e), except that, to the extent that the payments and benefits under Section 4(e)(ii) are exempt from Section 409A and/or if such Change in Control constitutes a change in ownership, change in effective control or a change in ownership of a substantial portion of the assets of the Company under Regulation Section 1.409A-3(i)(5), such amount otherwise payable under Section 4(e)(ii) shall be paid in a lump sum in accordance with Section 4(g) of this Agreement.

For purposes of this Agreement, a "Change in Control" shall be deemed to have occurred if: (i) any "person" as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and as used in Sections 13(d) and 14(d) thereof, including a "group" as defined in Section 13(d) of the Exchange Act, but excluding the Company and any subsidiary or affiliate and any employee benefit plan sponsored or maintained by the Company or any subsidiary or affiliate (including any trustee of such plan acting as trustee) or any current stockholder of 20% or more of the outstanding common stock of the Company, directly or indirectly, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act) of securities of the Company representing at least 40% of the combined voting power of the Company's then-outstanding securities; (ii) the stockholders of the Company approve a merger, consolidation, recapitalization, or reorganization of the Company, or a reverse stock split of any class of voting securities of the Company, or the consummation of any such transaction if stockholder approval is not obtained, other than any such transaction that would result in at least 60% of the total voting power represented by the voting securities of the Company or the surviving entity outstanding immediately after such transaction being beneficially owned by persons who together beneficially owned at least 80% of the combined voting power of the voting securities of the Company outstanding immediately prior to such transaction; provided that, for purposes of this Section 4(f), such continuity of ownership (and preservation of relative voting power) shall be deemed to be satisfied if the failure to meet such 60% threshold is due solely to the acquisition of voting securities by an employee benefit plan of the Company or such surviving entity or of any subsidiary of the Company or such surviving entity; (iii) the

stockholders of the Company approve a plan of complete liquidation of the Company, an agreement for the sale or disposition by the Company of all or substantially all of its assets (or any transaction having a similar effect); or (iv) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the Board, together with any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (i), (ii) or (iii) above) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board.

(g) *Timing of Certain Payments under Section 4.* For purposes of Section 409A, references herein to the Executive's "termination of employment" shall refer to Executive's separation from service with the Company within the meaning of Treas. Reg. Section 1.409A-1(h). If at the time of Executive's separation from service with the Company other than as a result of Executive's death, (i) Executive is a "specified employee" (as defined in Section 409A(a)(2)(B)(i) of the Code), (ii) one or more of the payments or benefits received or to be received by Executive pursuant to this Agreement would constitute deferred compensation subject to Section 409A, and (iii) the deferral of the commencement of any such payments or benefits otherwise payable hereunder as a result of such separation of service is necessary in order to prevent any accelerated or additional tax under Section 409A, such payments shall be made as follows: (x) no payments for a six-month period following the date of Executive's separation from service with the Company; (y) an amount equal to the aggregate sum that would have been otherwise payable during the initial six-month period paid in a lump sum on the first payroll date following six (6) months following the date of Executive's separation of service with the Company (subject to such deductions or amounts to be withheld as required by applicable law and regulations); and (z) during the period beginning six (6) months following Executive's separation from service with the Company through the remainder of the applicable period, payment of the remaining amount due in equal installments in accordance with the Company's standard payroll practices (subject to such deductions or amounts to be withheld as required by applicable law and regulations).

(h) *Mitigation.* In the event the Company terminates Executive's employment without Cause, Executive terminates his employment for Good Reason and Executive is employed by or otherwise engaged to provide services to another person or entity at any time prior to the end of any period of payments to or on behalf of Executive contemplated by this Section 4, (i) Executive shall immediately advise the Company of such employment or engagement and any health insurance benefits to which he is entitled in connection therewith, and (ii) the Company's obligation to make continued health insurance payments to or on behalf of Executive shall be reduced by any health insurance coverage obtained by Executive during the applicable period through such other employment or engagement (without regard to when such coverage is paid)

(i) *Set-Off.* To the fullest extent permitted by law and provided an acceleration of income or the imposition of an additional tax under Section 409A would not

result, any amounts otherwise due to Executive hereunder (including any payments pursuant to this Section 4) shall be subject to set-off with respect to any amounts Executive otherwise owes the Company or any subsidiary or affiliate thereof.

(j) *No Other Benefits or Compensation.* Except as may be specifically provided under this Agreement, under any other effective written agreement between Executive and the Company that expressly survives execution of this Agreement, or under the terms of any plan or policy applicable to Executive, Executive shall have no right to receive any other compensation from the Company or any subsidiary or affiliate thereof, or to participate in any other plan, arrangement or benefit provided by the Company or any subsidiary or affiliate thereof, with respect to any future period after such termination or resignation. Executive acknowledges and agrees that he is entitled to no compensation or benefits from the Company or any of its subsidiaries or affiliates of any kind or nature whatsoever in respect of periods prior to the date of this Agreement, except to the extent such compensation or benefits are expressly provided for in a written agreement between Executive and the Company that expressly survives execution of this Agreement. Executive acknowledges and agrees that he shall not receive any fees or other compensation (including equity compensation) for Board service.

(k) *Release of Employment Claims; Compliance with Section 5.* Executive agrees, as a condition to receipt of any termination payments and benefits provided for in this Section 4 (other than the Standard Termination Payments), that Executive will execute a general release agreement, in a form reasonably satisfactory to the Company, releasing any and all claims arising out of Executive's employment and the termination of such employment. Such release agreement will not impose upon Executive any non-competition, non-solicitation, non-disparagement or similar restrictive covenant not otherwise set forth herein or in any other agreement entered into by Executive prior to the date of the release, nor shall the release agreement impose upon Executive any post-termination restrictions or service requirements not otherwise set forth herein or in any other agreement entered into by Executive prior to the date of the release. The Company shall provide Executive with the proposed form of general release agreement referred to in the immediately preceding sentence no later than seven (7) days following the date of termination. Executive shall thereupon have 21 days or, if required by the Older Workers Benefit Protection Act, 45 days, to consider such general release agreement and, if he executes such general release agreement, shall have seven (7) days after execution of such general release agreement to revoke such general release agreement. Absent such revocation, such general release agreement shall become binding on Executive. If Executive does not revoke such general release agreement, payments contingent on such general release agreement that constitute deferred compensation under Section 409A (if any) shall be paid on the later of the 60th day after the date of termination or the date such payments are otherwise scheduled to be paid pursuant to this Agreement. The Company's obligation to make any termination payments and benefits provided for in this Section 4 (other than the Standard Termination Payments) shall immediately cease if Executive willfully or materially breaches Section 5.1, 5.2, 5.3, 5.4, or 5.8.

(l) *Section 280G.* If the aggregate of all amounts and benefits due to Executive under this Agreement or any other plan, program, agreement or arrangement of the Company or any of its affiliates, which, if received by Executive in full, would constitute

“parachute payments,” as such term is defined in and under Section 280G of the Code (collectively, “Change in Control Benefits”), reduced by all Federal, state and local taxes applicable thereto, including the excise tax imposed pursuant to Section 4999 of the Code, is less than the amount Executive would receive, after all such applicable taxes, if Executive received aggregate Change in Control Benefits equal to an amount which is \$1.00 less than three (3) times Executive’s “base amount,” as defined in and determined under Section 280G of the Code, then such Change in Control Benefits shall be reduced or eliminated to the extent necessary so that the Change in Control Benefits received by Executive will not constitute parachute payments. If a reduction in the Change in Control Benefits is necessary, reduction shall occur in the following order unless the Executive elects in writing a different order, subject to the Company’s consent (which shall not be unreasonably withheld or delayed): (i) severance payment based on multiple of base salary and/or Target Bonus; (ii) other cash payments; (iii) any pro-rated bonus paid as severance; (iv) acceleration of vesting of stock options with an exercise price that exceeds the then fair market value of stock subject to the option, provided such options are not permitted to be valued under Treasury Regulations Section 1.280G-1 Q/A - 24(c); (v) any equity awards accelerated or otherwise valued at full value, provided such equity awards are not permitted to be valued under Treasury Regulations Section 1.280G-1 Q/A - 24(c); (vi) acceleration of vesting of stock options with an exercise price that exceeds the then fair market value of stock subject to the option, provided such options are permitted to be valued under Treasury Regulations Section 1.280G-1 Q/A - 24(c); (vii) acceleration of vesting of all other stock options and equity awards; and (viii) within any category, reductions shall be from the last due payment to the first.

It is possible that after the determinations and selections made pursuant to the preceding paragraph that the Executive will receive Change in Control Benefits that are, in the aggregate, either more or less than the amounts contemplated by the preceding paragraph (hereafter referred to as an “Excess Payment” or “Underpayment,” respectively). If there is an Excess Payment, the Executive shall promptly repay the Company an amount consistent with this paragraph. If there is an Underpayment, the Company shall pay the Executive an amount consistent with this paragraph.

5. Noncompetition; Non-solicitation; Nondisclosure; etc.

5.1 *Noncompetition; Non-solicitation.*

(a) Executive acknowledges the highly competitive nature of the Company’s business and that access to the Company’s confidential records and proprietary information renders Executive special and unique within the Company’s industries. In addition to the protection of confidential records and proprietary information covered in Section 5.2, the provisions set forth in this Section 5.1 are necessary in order to protect the goodwill of the Company and the relationships developed by the Company with employees, customers and suppliers. In consideration of the amounts that may hereafter be paid to Executive pursuant to this Agreement (including Sections 3 and 4), Executive agrees that during the Term (including any extensions thereof) and during the Covered Time, Executive, alone or with others, will not, directly or indirectly, engage (as owner, investor, partner, stockholder, employer, employee, consultant, advisor, director or otherwise) in any Competing Business. For purposes of this

Section 5, “Competing Business” shall mean any business or operations: (i)(A) involving the design, development, manufacture, production, sale, lease, license, provision, operation or management (as the case may be) of (1) instant lottery tickets or games or any related marketing, warehouse, distribution, category management or other services or programs; (2) lottery-related terminals or vending machines (whether clerk-operated, self-service or otherwise), (3) gaming machines, terminals or devices (including video or reel spinning slot machines, video poker machines, video lottery terminals and fixed odds betting terminals), (4) lottery, video gaming (including server-based gaming), sports betting or other wagering or gaming systems, regardless of whether such systems are land-based, internet-based or mobile (including control and monitoring systems, local or wide-area progressive systems and redemption systems); (5) lottery, real money gaming or social gaming-related proprietary or licensed content (including themes, entertainment and brands), platforms, websites and loyalty and customer relationship management programs regardless of whether any of the foregoing are land-based, internet-based or mobile-based; (6) social casino games or websites or mobile phone or tablet applications (or similar known, or hereafter existing, technologies) featuring social casino games or any related marketing, distribution, or other services or programs; (7) interactive casino gaming products or services, including interactive casino-game themed games and platforms for websites or mobile phone or tablet applications (or similar known, or hereafter existing, technologies); (8) gaming utility products (including shufflers, card-reading shoes, deck checkers and roulette chip sorters), table games (including live, simulated, online, social gaming, interactive and electronic) and related products and services; (9) slot accounting, casino management, casino marketing, player tracking, lottery, video lottery, bingo or similar gaming- or casino-related systems and related peripheral hardware, software and services; (10) prepaid cellular or other phone cards; or (11) ancillary products (including equipment, hardware, software, marketing materials, chairs and signage) or services (including field service, maintenance and support) related to any of the foregoing under sub-clauses (1) through (10) above; or (B) in which the Company is then or was within the previous 12 months engaged, or in which the Company, to Executive’s knowledge, contemplates to engage in during the Term or the Covered Time; (ii) in which Executive was engaged or involved (whether in an executive or supervisory capacity or otherwise) on behalf of the Company or with respect to which Executive has obtained proprietary or confidential information; and (iii) which were conducted anywhere in the United States or in any other geographic area in which such business was conducted or contemplated to be conducted by the Company. Notwithstanding anything to the contrary in the foregoing, the holding of up to one percent (1%) of the outstanding equity in a publicly traded entity for passive investment purposes shall not, in and of itself, be construed as engaging in a Competing Business.

(b) In further consideration of the amounts that may hereafter be paid to Executive pursuant to this Agreement (including Sections 3 and 4), Executive agrees that, during the Term (including any extensions thereof) and during the Covered Time, Executive shall not, directly or indirectly: (i) solicit or attempt to induce any of the employees, agents, consultants or representatives of the Company to terminate his, her, or its relationship with the Company; (ii) solicit or attempt to induce any of the employees, agents, consultants or representatives of the Company to become employees, agents, consultants or representatives of any other person or entity; (iii) solicit or attempt to induce any customer, vendor or distributor of the Company to

curtail or cancel any business with the Company; or (iv) hire any person who, to Executive's actual knowledge, is, or was within 180 days prior to such hiring, an employee of the Company.

(c) In further consideration of the amounts that may hereafter be paid to Executive pursuant to this Agreement (including Sections 3 and 4), Executive agrees that, during the Covered Time, he will, at the request of the Company, provide consulting services to the Company for up to twenty (20)% of the time he devoted to business employment during the Term. For the avoidance of doubt, Executive's compensation for the provision of such consulting services are the amounts that may be hereafter paid to Executive pursuant to this Agreement, and Executive shall not be entitled to any additional compensation for such consulting services.

(d) During the Term (including any extensions thereof) and during the Covered Time, Executive agrees that upon the earlier of Executive's (i) negotiating with any Competitor (as defined below) concerning the possible employment of Executive by the Competitor, (ii) responding to (other than for the purpose of declining) an offer of employment from a Competitor, or (iii) becoming employed by a Competitor, (A) Executive will provide copies of Section 5 of this Agreement to the Competitor, and (B) in the case of any circumstance described in (iii) above occurring during the Covered Time, and in the case of any circumstance described in (i) or (ii) above occurring during the Term or during the Covered Time, Executive will promptly provide notice to the Company of such circumstances. Executive further agrees that the Company may provide notice to a Competitor of Executive's obligations under this Agreement. For purposes of this Agreement, "Competitor" shall mean any person or entity (other than the Company, its subsidiaries or affiliates) that engages, directly or indirectly, in the United States in any Competing Business; provided, however, the parties agree that an entity that is a Competitor solely on the basis that it is a distributor, general platform or licensor shall not be deemed to be engaged in a Competing Business.

(e) Executive understands that the restrictions in this Section 5.1 may limit Executive's ability to earn a livelihood in a business similar to the business of the Company but nevertheless agrees and acknowledges that the consideration provided under this Agreement (including Sections 3 and 4) is sufficient to justify such restrictions. In consideration thereof and in light of Executive's education, skills and abilities, Executive agrees that Executive will not assert in any forum that such restrictions prevent Executive from earning a living or otherwise should be held void or unenforceable.

(f) For purposes of this Agreement, "Covered Time" shall mean the period beginning on the date of termination of Executive's employment (the "Date of Termination") and ending twenty-four (24) months after the Date of Termination.

(g) In the event that a court of competent jurisdiction or arbitrator(s), as the case may be, determines that the provisions of Section 5.1 are unenforceable for any reason, the parties acknowledge and agree that the court or arbitrator(s) is expressly empowered to reform any provision of this Section so as to make them enforceable as described in Section 10 below.

## 5.2 *Proprietary Information; Inventions.*

(a) Executive acknowledges that, during the course of Executive's employment with the Company, Executive necessarily will have (and during any employment by, or affiliation with, the Company prior to Effective Date has had) access to and made use of proprietary information and confidential records of the Company. Executive covenants that Executive shall not, during the Term or at any time thereafter, directly or indirectly, use for Executive's own purpose or for the benefit of any person or entity other than the Company, nor otherwise disclose to any person or entity, any such proprietary information, unless and to the extent such disclosure has been authorized in writing by the Company or is otherwise required by law. The term "proprietary information" means: (i) the software products, programs, applications, and processes utilized by the Company; (ii) the name and/or address of any customer or vendor of the Company or any information concerning the transactions or relations of any customer or vendor of the Company with the Company; (iii) any information concerning any product, technology, or procedure employed by the Company but not generally known to its customers or vendors or competitors, or under development by or being tested by the Company but not at the time offered generally to customers or vendors; (iv) any information relating to the Company's computer software, computer systems, pricing or marketing methods, sales margins, cost of goods, cost of material, capital structure, operating results, borrowing arrangements or business plans; (v) any information identified as confidential or proprietary in any line of business engaged in by the Company; (vi) any information that, to Executive's actual knowledge, the Company ordinarily maintains as confidential or proprietary; (vii) any business plans, budgets, advertising or marketing plans; (viii) any information contained in any of the Company's written or oral policies and procedures or manuals; (ix) any information belonging to customers, vendors or any other person or entity which the Company, to Executive's actual knowledge, has agreed to hold in confidence; and (x) all written, graphic, electronic data and other material containing any of the foregoing. Executive acknowledges that information that is not novel or copyrighted or patented may nonetheless be proprietary information. The term "proprietary information" shall not include information generally known or available to the public, information that becomes available to Executive on an unrestricted, non-confidential basis from a source other than the Company or any of its directors, officers, employees, agents or other representatives (without breach of any obligation of confidentiality of which Executive has knowledge, after reasonable inquiry, at the time of the relevant disclosure to Executive), or general gaming industry information to the extent not particularly related or proprietary to the Company that was already known to Executive at the time Executive commenced his employment with the Company that is not subject to nondisclosure by virtue of Executive's prior employment or otherwise. Notwithstanding the foregoing and Section 5.3, Executive may disclose or use proprietary information or confidential records solely to the extent (A) such disclosure or use may be required or appropriate in the performance of his duties as a director or employee of the Company, (B) required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order him to divulge, disclose or make accessible such information (provided that in such case Executive shall first give the Company prompt written notice of any such legal requirement, disclose no more information than is so required and cooperate fully with all efforts by the Company to obtain a protective order or similar confidentiality treatment for such information), (C) such information or records becomes generally known to the public without his violation of this Agreement, or (D)

disclosed to Executive's spouse, attorney and/or his personal tax and financial advisors to the extent reasonably necessary to advance Executive's tax, financial and other personal planning (each an "Exempt Person"); provided, however, that any disclosure or use of any proprietary information or confidential records by an Exempt Person shall be deemed to be a breach of this Section 5.2 or Section 5.3 by Executive.

(b) Executive agrees that all processes, technologies and inventions (collectively, "Inventions"), including new contributions, improvements, ideas and discoveries, whether patentable or not, conceived, developed, invented or made by Executive during the Term (and during any employment by, or affiliation with, the Company prior to the Effective Date) shall belong to the Company, provided that such Inventions grew out of Executive's work with the Company or any of its subsidiaries or affiliates, are related in any manner to the business (commercial or experimental) of the Company or any of its subsidiaries or affiliates or are conceived or made on the Company's time or with the use of the Company's facilities or materials. Executive shall further: (i) promptly disclose such Inventions to the Company; (ii) assign to the Company, without additional compensation, all patent and other rights to such Inventions for the United States and foreign countries; (iii) sign all papers necessary to carry out the foregoing; and (iv) give testimony in support of Executive's inventorship. If any Invention is described in a patent application or is disclosed to third parties, directly or indirectly, by Executive within two (2) years after the termination of Executive's employment with the Company, it is to be presumed that the Invention was conceived or made during the Term. Executive agrees that Executive will not assert any rights to any Invention as having been made or acquired by Executive prior to the date of this Agreement, except for Inventions, if any, disclosed in Exhibit C to this Agreement.

### 5.3 *Confidentiality and Surrender of Records.*

(a) Executive shall not, during the Term or at any time thereafter (irrespective of the circumstances under which Executive's employment by the Company terminates), except to the extent required by law, directly or indirectly publish, make known or in any fashion disclose any confidential records to, or permit any inspection or copying of confidential records by, any person or entity other than in the course of such person's or entity's employment or retention by the Company, nor shall Executive retain, and will deliver promptly to the Company, any of the same following termination of Executive's employment hereunder for any reason or upon request by the Company. For purposes hereof, "confidential records" means those portions of correspondence, memoranda, files, manuals, books, lists, financial, operating or marketing records, magnetic tape, or electronic or other media or equipment of any kind in Executive's possession or under Executive's control or accessible to Executive which contain any proprietary information. All confidential records shall be and remain the sole property of the Company during the Term and thereafter.

(b) Notwithstanding anything herein to the contrary, nothing in this Agreement shall (i) prohibit Executive from making reports of possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the

Sarbanes-Oxley Act of 2002, or of any other whistleblower protection provisions of state or federal law or regulation, or (ii) require notification or prior approval by the Company of any reporting described in clause (i). Executive understands that activities protected by Sections 5.2 and 5.3 may include disclosure of trade secret or confidential information within the limitations permitted by the Defend Trade Secrets Act (“DTSA”). And, in this regard, Executive acknowledges notification that under the DTSA no individual will be held criminally or civilly liable under Federal or State trade secret law for disclosure of a trade secret (as defined in the Economic Espionage Act) that is: (A) made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or, (B) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public. An individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order.

5.4 *Non-disparagement.* Executive shall not, during the Term and thereafter, disparage in any material respect the Company, any affiliate of the Company, any of their respective businesses, any of their respective officers, directors or employees, or the reputation of any of the foregoing persons or entities. Upon expiration of the Term, the Company shall direct its directors and Executive’s direct reports not to disparage in any material respect Executive or his reputation. Notwithstanding the foregoing, nothing in this Agreement shall preclude Executive or any other person from making truthful statements that are required by applicable law, regulation or legal process.

5.5 *No Other Obligations.* Executive represents that Executive is not precluded or limited in Executive’s ability to undertake or perform the duties described herein by any contract, agreement or restrictive covenant. Executive covenants that Executive shall not employ the trade secrets or proprietary information of any other person in connection with Executive’s employment by the Company without such person’s authorization.

5.6 *Forfeiture of Outstanding Equity Awards; “Clawback” Policies.* The provisions of Section 4 notwithstanding, if Executive willfully and materially fails to comply with Section 5.1, 5.2, 5.3, 5.4, or 5.8, all options to purchase common stock, restricted stock units and other equity-based awards granted by the Company or any of its affiliates (whether prior to, contemporaneous with, or subsequent to the date hereof) and held by Executive or a transferee of Executive shall be immediately forfeited and cancelled. Executive acknowledges and agrees that, notwithstanding anything contained in this Agreement or any other agreement, plan or program, any incentive-based compensation or benefits contemplated under this Agreement (including Incentive Compensation and equity-based awards) shall be subject to recovery by the Company under any compensation recovery or “clawback” policy, generally applicable to senior executives of the Company, that the Company may adopt from time to time, including any policy which the Company may be required to adopt under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of

the Securities and Exchange Commission thereunder or the requirements of any national securities exchange on which the Company's common stock may be listed.

5.7 *Enforcement.* Executive acknowledges and agrees that, by virtue of Executive's position, services and access to and use of confidential records and proprietary information, any violation by Executive of any of the undertakings contained in this Section 5 would cause the Company immediate, substantial and irreparable injury for which it has no adequate remedy at law. Accordingly, Executive agrees and consents to the entry of an injunction or other equitable relief by a court of competent jurisdiction restraining any violation or threatened violation of any undertaking contained in this Section 5. Executive waives posting of any bond otherwise necessary to secure such injunction or other equitable relief. Rights and remedies provided for in this Section 5 are cumulative and shall be in addition to rights and remedies otherwise available to the parties hereunder or under any other agreement or applicable law.

5.8 *Cooperation with Regard to Litigation.* Executive agrees to cooperate reasonably with the Company, during the Term and thereafter (including following Executive's termination of employment for any reason), by providing information to the Company regarding matters related to his term of employment and by being available to testify on behalf of the Company in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative. In addition, except to the extent that Executive has or intends to assert in good faith an interest or position adverse to or inconsistent with the interest or position of the Company, Executive agrees to cooperate reasonably with the Company, during the Term and thereafter (including following Executive's termination of employment for any reason), to assist the Company in any such action, suit, or proceeding by providing information and meeting and consulting with the Board or its representatives or counsel, or representatives or counsel to the Company, in each case, as reasonably requested by the Company. The Company agrees to pay (or reimburse, if already paid by Executive) all reasonable travel and communication expenses actually incurred in connection with Executive's cooperation and assistance. The Company further agrees to pay Executive a reasonable amount for his time spent in responding to the Company's request for his cooperation and assistance, to the extent that Executive provides such cooperation and assistance after expiration of the Covered Time.

5.9 *Survival.* The provisions of this Section 5 shall survive the termination of the Term and any termination or expiration of this Agreement.

5.10 *Company.* For purposes of this Section 5, references to the "Company" shall include the Company and each subsidiary and/or affiliate of the Company (and each of their respective joint ventures and equity method investees).

6. Code of Conduct. Executive acknowledges that he has read the Company's Code of Business Conduct and agrees to abide by such Code of Business Conduct, as amended or supplemented from time to time, and other policies applicable to employees and executives of the Company.

7. Indemnification. The Company shall indemnify Executive to the full extent permitted under the Company's Certificate of Incorporation or By-Laws and pursuant to any other agreements or policies in effect from time to time in connection with any action, suit or proceeding to which Executive may be made a party by reason of Executive being an officer, director or employee of the Company or of any subsidiary or affiliate of the Company. This provision shall survive termination of employment.

8. Assignability; Binding Effect. Neither this Agreement nor the rights or obligations hereunder of the parties shall be transferable or assignable by Executive, except in accordance with the laws of descent and distribution and as specified below. The Company may assign this Agreement and the Company's rights and obligations hereunder to any affiliate of the Company, provided that upon any such assignment the Company shall remain liable for the obligations to Executive hereunder. This Agreement shall be binding upon and inure to the benefit of Executive, Executive's heirs, executors, administrators, and beneficiaries, and shall be binding upon and inure to the benefit of the Company and its successors and assigns.

9. Complete Understanding; Amendment; Waiver. This Agreement constitutes the complete understanding between the parties with respect to the employment of Executive from and after the Effective Date and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, including (i) that certain Employment Agreement, dated as of October 2015 between the Company and Executive (ii) that certain Amendment to Employment Agreement, made as of July 28, 2017 and (iii) that certain Employment Agreement dated as of May 4, 2018 between the Company and Executive, as amended through the date hereof (collectively, the "Prior Employment Agreements"), and no statement, representation, warranty or covenant has been made by either party with respect thereto except as expressly set forth herein; provided, however, nothing contained in this Agreement shall limit, impair or supersede any agreement between the Company and Executive relating to grants of stock options, restricted stock units or other equity-based awards granted to Executive prior to the Effective Date (including, for the avoidance of doubt, any equity awards with respect to SciPlay or its business), which shall remain in full force and effect in accordance with the terms of such agreements and the plan pursuant to which such awards were granted. Executive acknowledges and agrees that the termination of the Prior Employment Agreements and the execution of this Agreement does not constitute a termination of Executive's employment under the Prior Employment Agreements for any purpose. Except as contemplated by Section 3(f), this Agreement shall not be modified, amended or terminated except by a written instrument signed by each of the parties. Any waiver of any term or provision hereof, or of the application of any such term or provision to any circumstances, shall be in writing signed by the party charged with giving such waiver. Waiver by either party of any breach hereunder by the other party shall not operate as a waiver of any other breach, whether similar to or different from the breach waived. No delay by either party in the exercise of any rights or remedies shall operate as a waiver thereof, and no single or partial exercise by either party of any such right or remedy shall preclude other or further exercise thereof.

10. Severability. If any provision of this Agreement or the application of any such provision to any person or circumstances shall be determined by any court of competent

jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be enforced to the fullest extent permitted by law. If any provision of this Agreement, or any part thereof, is held to be invalid or unenforceable because of the scope or duration of or the area covered by such provision, the parties agree that the court making such determination shall reduce the scope, duration and/or area of such provision (and shall substitute appropriate provisions for any such invalid or unenforceable provisions) in order to make such provision enforceable to the fullest extent permitted by law and/or shall delete specific words and phrases, and such modified provision shall then be enforceable and shall be enforced. The parties recognize that if, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants contained in this Agreement, then that invalid or unenforceable covenant contained in this Agreement shall be deemed eliminated from these provisions to the extent necessary to permit the remaining separate covenants to be enforced. In the event that any court determines that the time period or the area, or both, are unreasonable and that any of the covenants is to that extent invalid or unenforceable, the parties agree that such covenants will remain in full force and effect, first, for the greatest time period, and second, in the greatest geographical area that would not render them unenforceable.

11. Survivability. The provisions of this Agreement which by their terms call for performance subsequent to termination of Executive's employment hereunder, or of this Agreement, shall so survive such termination, whether or not such provisions expressly state that they shall so survive.

12. Governing Law; Arbitration.

(a) *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada applicable to agreements made and to be wholly performed within that State, without regard to its conflict of laws provisions.

(b) *Arbitration*.

(i) Executive and the Company agree that, except for claims for workers' compensation, unemployment compensation, and any other claim that is non-arbitrable under applicable law, final and binding arbitration shall be the exclusive forum for any dispute or controversy between them, including, without limitation, disputes arising under or in connection with this Agreement, Executive's employment, and/or termination of employment, with the Company; provided, however, that the Company shall be entitled to commence an action in any court of competent jurisdiction for injunctive relief in connection with any alleged actual or threatened violation of any provision of Section 5. Judgment may be entered on the arbitrators' award in any court having jurisdiction. For purposes of entering such judgment or seeking injunctive relief with regard to Section 5, the Company and Executive hereby consent to the jurisdiction of any state or federal court of competent jurisdiction located in Las Vegas, Nevada; provided that damages for any alleged violation of Section 5, as well as any claim,

counterclaim or cross-claim brought by Executive or any third-party in response to, or in connection with, any court action commenced by the Company seeking said injunctive relief shall remain exclusively subject to final and binding arbitration as provided for herein. The Company and Executive hereby waive, to the fullest extent permitted by applicable law, any objection which either may now or hereafter have to such jurisdiction, venue and any defense of inconvenient forum. Thus, except for the claims carved out above, this Agreement includes all common-law and statutory claims (whether arising under federal state or local law), including any claim for breach of contract, fraud, fraud in the inducement, unpaid wages, wrongful termination, and gender, age, national origin, sexual orientation, marital status, disability, or any other protected status.

(ii) Any arbitration under this Agreement shall be filed exclusively with, and administered by, the American Arbitration Association in Las Vegas, Nevada before three arbitrators, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect at the time of submission to arbitration. The Company and Executive hereby agree that a judgment upon an award rendered by the arbitrators may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Company shall pay all costs uniquely attributable to arbitration, including the administrative fees and costs of the arbitrators. Each party shall pay that party's own costs and attorney fees, if any, unless the arbitrators rule otherwise. Executive understands that he is giving up no substantive rights, and this Agreement simply governs forum. The arbitrators shall apply the same standards a court would apply to award any damages, attorney fees or costs. Executive shall not be required to pay any fee or cost that he would not otherwise be required to pay in a court action, unless so ordered by the arbitrators.

**EXECUTIVE INITIALS: [ ] COMPANY INITIALS: [ ]**

**(c) WAIVER OF JURY TRIAL. BY SIGNING THIS AGREEMENT, EXECUTIVE AND THE COMPANY ACKNOWLEDGE THAT THE RIGHT TO A COURT TRIAL AND TRIAL BY JURY IS OF VALUE, AND KNOWINGLY AND VOLUNTARILY WAIVE THAT RIGHT FOR ANY DISPUTE SUBJECT TO THE TERMS OF THIS ARBITRATION PROVISION.**

13. Titles and Captions. All paragraph titles or captions in this Agreement are for convenience only and in no way define, limit, extend or describe the scope or intent of any provision hereof.

14. Joint Drafting. In recognition of the fact that the parties had an equal opportunity to negotiate the language of, and draft, this Agreement, the parties acknowledge and agree that there is no single drafter of this Agreement and, therefore, the general rule that ambiguities are to be construed against the drafter is, and shall be, inapplicable. If any language in this Agreement is found or claimed to be ambiguous, each party shall have the same opportunity to present

evidence as to the actual intent of the parties with respect to any such ambiguous language without any inference or presumption being drawn against any party. Each party was represented by counsel, and Executive acknowledges that he was represented by Shearman & Sterling LLP in connection with this Agreement.

15. Notices. All notices and other communications to be given or to otherwise be made to any party to this Agreement shall be deemed to be sufficient if contained in a written instrument delivered in person or duly sent by certified mail or by a recognized national courier service, postage or charges prepaid, (a) to Scientific Games Corporation, Attn: to Scientific Games Corporation, Attn: Legal Department, 6601 Bermuda Road, Las Vegas, Nevada 89119, (b) to Executive, at the last address shown in the Company's records, with a copy (which shall not constitute notice) to: Gillian Emmett Moldowan, Shearman & Sterling LLP, 599 Lexington Avenue, New York, NY 10022, or (c) to such other replacement address as may be designated in writing by the addressee to the addressor.

16. Legal Fees. The Company shall reimburse Executive for up to \$10,000 in the aggregate for any documented legal fees expended or incurred by Executive through the date hereof in connection with negotiating the terms of this Agreement, payable within 60 days of Executive's submission of reasonably satisfactory documentation of such fees.

17. Interpretation. When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," unless the context otherwise indicates. When a reference in this Agreement is made to a "party" or "parties," such reference shall be to a party or parties to this Agreement unless otherwise indicated or the context requires otherwise. Unless the context requires otherwise, (a) the terms "hereof," "herein," "hereby," "hereto", "hereunder" and derivative or similar words in this Agreement refer to this entire Agreement, (b) the word "or" is disjunctive but not exclusive and (c) words in this Agreement using the singular or plural number also include the plural or singular number, respectively, and the use of any gender herein shall be deemed to include the other genders. References in this Agreement to "dollars" or "\$" are to U.S. dollars. When a reference is made in this Agreement to a law, statute or legislation, such reference shall be to such law, statute or legislation as it may be amended, modified, extended or re-enacted from time to time (including any successor law, statute or legislation) and shall include any regulations promulgated thereunder from time to time. The headings used herein are for reference only and shall not affect the construction of this Agreement.

IN WITNESS WHEREOF, each of the parties has duly executed this Agreement as of the date above written.

**SCIENTIFIC GAMES CORPORATION**

By: /s/ James Sottile  
Name: James Sottile  
Title: Executive Vice President & Chief  
Legal Officer

**EXECUTIVE**

/s/ Barry Cottle  
Barry Cottle

**Amendment to Employment Agreement**

This Amendment to Employment Agreement (this "Amendment") is made as of February 23, 2021, by and between Scientific Games Corporation, a Nevada corporation, (the "Company") and Michael Winterscheidt ("Executive").

WHEREAS, the Company and Executive entered into an Amended and Restated Employment Agreement dated as of February 27, 2017, which was then amended as of February 25, 2019, as of March 27, 2020, as of May 18, 2020, and as of June 30, 2020 (with amendments, the "Agreement");

NOW THEREFORE, in consideration of the premises and the mutual benefits to be derived herefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Increase in Base Salary. The Agreement is hereby amended, effective as of February 7, 2021, by adding the following sentence to the end of Section 3(a):

“Effective as of February 7, 2021, Executive’s base salary is increased to five hundred thousand U.S. dollars (\$500,000.00) per annum.”

2. Except as set forth in this Amendment, all terms and conditions of the Agreement shall remain unchanged and in full force and effect in accordance with their terms. All references to the “Agreement” in the Agreement shall refer to the Agreement as amended by this Amendment. Any defined terms used in this Amendment and not defined herein shall have the meaning as set forth in the Agreement.

3. This Amendment may be executed in counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Amendment as of February 23, 2021.

SCIENTIFIC GAMES CORPORATION

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

/s/ Michael Winterscheidt  
 Michael Winterscheidt

**Certification by Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Joshua J. Wilson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SciPlay Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ Joshua J. Wilson

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Joshua J. Wilson

Chief Executive Officer

**Certification by Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Michael D. Cody, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of SciPlay Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021

/s/ Michael D. Cody

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Michael D. Cody

Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SciPlay Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joshua J. Wilson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Joshua J. Wilson

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Joshua J. Wilson

Chief Executive Officer

May 10, 2021

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SciPlay Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael D. Cody, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Michael D. Cody

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Michael D. Cody  
Chief Financial Officer

May 10, 2021