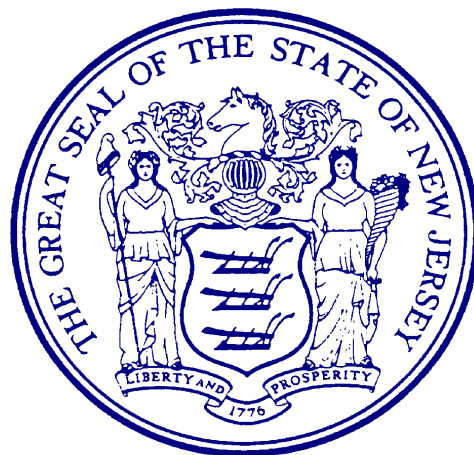


**GOLDEN NUGGET ONLINE GAMING, INC
QUARTERLY REPORT**

FOR THE QUARTER ENDED JUNE 30, 2021

**SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY**



**OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL**

GOLDEN NUGGET ONLINE GAMING, INC

BALANCE SHEETS

AS OF JUNE 30, 2021 AND 2020

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2021 (c)	2020 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$57,747	\$36,704
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2021, \$0; 2020, \$0).....		8,641	7,095
4	Inventories		0	0
5	Other Current Assets.....		235	7,147
6	Total Current Assets.....		66,623	50,946
7	Investments, Advances, and Receivables.....		0	0
8	Property and Equipment - Gross.....		1,456	1,149
9	Less: Accumulated Depreciation and Amortization.....		(629)	(503)
10	Property and Equipment - Net.....		827	646
11	Other Assets.....		0	3,687
12	Total Assets.....		\$67,450	\$55,279
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$5,675	\$8,387
14	Notes Payable.....		0	29
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		0	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....		29,037	15,141
19	Other Current Liabilities.....		39,757	35,068
20	Total Current Liabilities.....		74,469	58,625
	Long-Term Debt:			
21	Due to Affiliates.....		(3,340)	7,938
22	External.....		0	280,732
23	Deferred Credits		0	0
24	Other Liabilities.....		4,505	7,179
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		75,634	354,474
27	Stockholders', Partners', or Proprietor's Equity.....		(8,184)	(299,195)
28	Total Liabilities and Equity.....		\$67,450	\$55,279

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE, 2021 AND 2020

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2021 (c)	2020 (d)
	Revenue:			
1	Casino.....		\$38,513	\$36,952
2	Rooms.....		0	0
3	Food and Beverage.....		0	0
4	Other.....		7,346	5,211
5	Net Revenue.....		45,859	42,163
	Costs and Expenses:			
6	Casino.....		19,511	15,516
7	Rooms, Food and Beverage.....		0	0
8	General, Administrative and Other.....		10,631	11,047
9	Total Costs and Expenses.....		30,142	26,563
10	Gross Operating Profit.....		15,717	15,600
11	Depreciation and Amortization.....		84	83
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		0	0
14	Income (Loss) from Operations.....		15,633	15,517
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	(7,766)
17	CRDA Related Income (Expense) - Net.....		(1,306)	(1,173)
18	Nonoperating Income (Expense) - Net.....		0	0
19	Total Other Income (Expenses).....		(1,306)	(8,939)
20	Income (Loss) Before Taxes		14,327	6,578
21	Provision (Credit) for Income Taxes.....		0	2,290
22	Net Income (Loss).....		\$14,327	\$4,288

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2021 AND 2020

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2021 (c)	2020 (d)
	Revenue:			
1	Casino.....		\$19,220	\$22,047
2	Rooms.....		0	2,773
3	Food and Beverage.....		0	0
4	Other.....		3,663	0
5	Net Revenue.....		22,883	24,820
	Costs and Expenses:			
6	Casino.....		13,365	9,689
7	Rooms, Food and Beverage.....		0	0
8	General, Administrative and Other.....		1,707	6,374
9	Total Costs and Expenses.....		15,072	16,063
10	Gross Operating Profit.....		7,811	8,757
11	Depreciation and Amortization.....		40	49
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		(443)	0
14	Income (Loss) from Operations.....		8,214	8,708
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	(7,765)
17	CRDA Related Income (Expense) - Net.....		(656)	(255)
18	Nonoperating Income (Expense) - Net.....			0
19	Total Other Income (Expenses).....		(656)	(8,020)
20	Income (Loss) Before Taxes		7,558	688
21	Provision (Credit) for Income Taxes.....			587
22	Net Income (Loss).....		\$7,558	\$101

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2020 AND THE SIX MONTHS ENDED JUNE 30, 2021

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	Note from Old GNOG Parent (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2019.....								(\$8,385)	(\$8,385)
2	Net Income (Loss) - 2020.....								415	415
3	Contribution to Paid-in-Capital....						(1,920)		18,712	16,792
4	Dividends.....								(30,542)	(30,542)
5	Prior Period Adjustments.....									0
6	Note receivable from parent of Old						(288,000)			(288,000)
7	Acquisition transaction recapitaliz		36,982	4	31,351	3	61,385	289,920	(288,545)	62,767
8	Net loss post acquisition transactio								24,788	24,788
9	Other						(61,385)		(582,626)	(644,011)
10	Balance, December 31, 2020.....		36,982	4	31,351	3	0	0	(866,183)	(866,176)
11	Net Income (Loss) - 2021.....								14,327	14,327
12	Contribution to Paid-in-Capital....									0
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15	Reorganization		(36,982)	(4)	(31,351)	(3)			843,672	843,665
16										0
17										0
18										0
19	Balance, June 30, 2021		0	\$0	0	\$0	\$0	\$0	(\$8,184)	(\$8,184)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2021 (c)	2020 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$2,116	\$11,848
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment.....		(299)	0
5	Proceeds from Disposition of Property and Equipment.....		0	0
6	CRDA Obligations		0	0
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(299)	0
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt		0	288,000
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		0	(45)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	(14,031)
21	Issuance of note receivable from Parent		0	(288,000)
22	Reorganization		(76,502)	0
23	Net Cash Provided (Used) By Financing Activities.....		(76,502)	(14,076)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(74,685)	(2,228)
25	Cash and Cash Equivalents at Beginning of Period.....		132,432	38,932
26	Cash and Cash Equivalents at End of Period.....		\$57,747	\$36,704
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$0	\$1
28	Income Taxes.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2021 (c)	2020 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$14,327	\$4,288
30	Depreciation and Amortization of Property and Equipment.....		84	83
31	Amortization of Other Assets.....			
32	Amortization of Debt Discount or Premium.....			831
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			(1,302)
35	(Gain) Loss on Disposition of Property and Equipment.....			
36	(Gain) Loss on CRDA-Related Obligations.....			
37	(Gain) Loss from Other Investment Activities.....			
38	(Increase) Decrease in Receivables and Patrons' Checks		(2,269)	(2,201)
39	(Increase) Decrease in Inventories			
40	(Increase) Decrease in Other Current Assets.....		(8,309)	51
41	(Increase) Decrease in Other Assets.....		160	
42	Increase (Decrease) in Accounts Payable.....		(4,386)	4,318
43	Increase (Decrease) in Other Current Liabilities		9,375	2,513
44	Increase (Decrease) in Other Liabilities		(6,866)	3,267
45	Affiliates			
46				
47	Net Cash Provided (Used) By Operating Activities.....		\$2,116	\$11,848

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$299)	\$0
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$299)	\$0
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	0
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

GOLDEN NUGGET ONLINE GAMING, INC
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2021
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits	67,213	17,304		
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other		61		
12	Total	67,213	\$17,365	0	\$0

FOR THE THREE MONTHS ENDED JUNE 30, 2021

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms				
2	Food				
3	Beverage				
4	Travel				
5	Bus Program Cash				
6	Promotional Gaming Credits	47,669	10,485		
7	Complimentary Cash Gifts				
8	Entertainment				
9	Retail & Non-Cash Gifts				
10	Parking				
11	Other		31		
12	Total	47,669	\$10,516	0	\$0

*No item in this category (Other) exceeds 5%.

**GOLDEN NUGGET ONLINE GAMING, INC
STATEMENT OF CONFORMITY,
ACCURACY, AND COMPLIANCE**

FOR THE QUARTER ENDED JUNE 30, 2021

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

8/16/2021



Michael Harwell

CFO

10421-11

License Number

On Behalf of:

GOLDEN NUGGET ONLINE GAMING, INC
Casino Licensee

Golden Nugget Online Gaming, LLC
Notes to Unaudited Consolidated Financial Statements

1. Nature of Operations and Recent Developments

Golden Nugget Online Gaming, LLC. (“GNOG”, the “Company”, “we”, “our” or “us”) is an online gaming, or iGaming, and digital sports entertainment company focused on providing our customers with the most enjoyable, realistic and exciting online gaming experience in the market.

We are authorized by the New Jersey Division of Gaming Enforcement (“DGE”) to operate interactive real money online gaming in New Jersey.

Covid-19

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions around the world, accelerating during the last half of March 2020, as federal, state and local governments react to the public health crisis. The direct impact on us has been primarily through an increase in new patrons utilizing online gaming due to closures of land-based casinos and suspensions, postponement and cancellations of major sports seasons and sporting events, although sports betting accounted for less than 1% of our revenues for 2020. Land-based casinos reopened in July 2020 with significant restrictions, which eased over time. However, virus cases began to increase in the fall and winter of 2020 and capacity restrictions were reinstated. There is currently additional concerns regarding COVID-19 variants, as a result, the ultimate impact of this pandemic on our financial and operating results is unknown and will depend, in part, on the length of time that these disruptions exist and the subsequent behavior of new patrons after land-based casinos reopen fully.

A significant or prolonged decrease in consumer spending on entertainment or leisure activities could have an adverse effect on the demand for the Company's product offerings, reducing cash flows and revenues, and thereby materially harming the Company's business, financial condition and results of operations. In addition, a recurrence of COVID-19 cases or an emergence of additional variants or strains could cause other widespread or more severe impacts depending on where infection rates are highest. As steps taken to mitigate the spread of COVID-19 have necessitated a shift away from a traditional office environment for many employees, the Company has business continuity programs in place to ensure that employees are safe and that the business continues to function with minimal disruptions to normal work operations while employees work remotely. The Company will continue to monitor developments relating to disruptions and uncertainties caused by COVID-19.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period reported. Actual results could differ from those estimates.

Interim Financial Statements

The unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The interim financial information provided is unaudited, but includes all adjustments which management considers necessary for the fair presentation of the results for these periods. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year period and should be read in conjunction with the Company’s audited financial statements.

In management's opinion, these unaudited consolidated financial statements contain all adjustments necessary to fairly present our financial position, results of operations, cash flows and changes in stockholders' equity for all periods presented. Interim results for the six months ended June 30, 2021 may not be indicative of the results that will be realized for the full year ending December 31, 2021.

Use of Estimates

The preparation of these unaudited consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period reported. Management utilizes estimates, including, but not limited to, the useful lives of assets and inputs used to calculate the tax receivable agreement liability. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." This guidance requires recognition of most lease liabilities on the balance sheet to give investors, lenders, and other financial statement users a more comprehensive view of a company's long-term financial obligations, as well as the assets it owns versus leases. ASU 2016-02 will be effective for fiscal years beginning after December 15, 2021, and for interim periods within annual periods after December 15, 2022. In July 2018, the FASB issued ASU 2018-11 making transition requirements less burdensome. The standard provides an option to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in the Company's financial statements. We are currently evaluating the impact that this guidance will have on our financial statements as well as the expected adoption method. We do not believe the adoption of this standard will have a material impact on our financial statements.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments", as additional guidance on the measurement of credit losses on financial instruments. The new guidance requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions and reasonable supportable forecasts. In addition, the guidance amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. The new guidance is effective for all public companies for interim and annual periods beginning after December 15, 2019, with early adoption permitted for interim and annual periods beginning after December 15, 2018. In October 2019, the FASB approved a proposal which grants smaller reporting companies additional time to implement FASB standards on current expected credit losses (CECL) to January 2023. As a smaller reporting company, we will defer adoption of ASU No. 2016-13 until January 2023. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

3. Revenues from Contracts with Customers

The following table provides information about receivables, contract assets and contract liabilities related to contracts with customers (in thousands):

	June 30, 2021	December 31, 2020
Receivables, which are included in "Accounts receivable - trade and other"	\$ 6,974	\$ 4,703
Contract liabilities ⁽¹⁾	\$ (8,327)	\$ (9,136)

(1) As of June 30, 2021, includes \$3.8 million recorded as deferred revenue, \$61 thousand of loyalty program liability recorded as accrued gaming and related taxes and \$4.5 million recorded as deferred revenue - long-term in our consolidated balance sheets. As of December 31, 2020, includes \$3.3 million recorded as

deferred revenue – current, \$46 thousand of loyalty program liability recorded as accrued gaming and related taxes and \$5.8 million recorded as deferred revenue - long-term in our consolidated balance sheets.

Significant changes in contract liabilities balances during 2021 and 2020 are as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Decrease due to recognition of revenue	\$ 1,134	\$ 601	\$ 2,326	\$ 1,322
Increase due to cash received, excluding amounts recognized as revenue	\$ 1,189	\$ 5,128	\$ 1,614	\$ 5,134

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of June 30, 2021. The estimated revenue does not include amounts of variable consideration that are constrained (in thousands):

<u>Year Ending December 31,</u>	
2021	\$ 2,506
2022	2,633
2023	1,433
2024	571
2025	322
Thereafter	862
Total	<u>\$ 8,327</u>

4. Accrued Liabilities

Accrued gaming and related taxes are comprised of the following (in thousands):

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Gaming related, excluding taxes	\$ 20,099	\$ 10,046
Taxes, other than payroll and income taxes	6,260	6,670
	<u>\$ 26,359</u>	<u>\$ 16,716</u>

5. Commitments and Contingencies

Leases

On December 29, 2020, GNOG LLC entered into office leases with GNAC and Golden Nugget respectively, or their respective affiliates (collectively, the “Office Leases”). The Office Leases provide for annual rent payments of \$88,128 for the office space leased in Houston, Texas and \$24,252 for the office space leased in Atlantic City, New Jersey, subject to an increase of 10% for any renewal term and market rent increases in the event that GNOG LLC requires the use of additional office space during the term thereof. However, any amounts actually paid by GNOG LLC under the Trademark License Agreement and the A&R Online Gaming Operations Agreement (see Note 12) will be credited against GNOG LLC’s rent obligations under the Office Leases. Consequently, we paid no rent expenses pursuant to these leases during the year ended December 31, 2020. Each Office Lease will have a term of five years. In connection with any renewal of the term of the A&R Online Gaming Operations Agreement (see Note 12), GNOG LLC has an option to renew each Office Lease for the lesser of (i) five years or (ii) the length of the

renewed term of the A&R Online Gaming Operations Agreement. Each Office Lease may be terminated by GNOG LLC or the respective landlord upon six months' notice.

We also certain lease computer equipment and other infrastructure used to operate our sports platform.

Assuming no amounts are paid under the Trademark License Agreement and the A&R Online Gaming Operations Agreement, future minimum lease payments are as follows (in thousands):

Year Ending December 31,	
2021	\$ 36
2022	72
2023	72
2024	32
2025	18
Total	<u>\$ 230</u>

Other Contractual Obligations and Contingencies

We have entered into a number of agreements for advertising, licensing, market access, technology, and other services. Certain of these agreements have early termination rights that, if exercised, would reduce the aggregate amount of such payable under these commitments. As of June 30, 2021, future minimum payments under these contracts that are non-cancelable are as follows (in thousands):

Year Ending December 31,	
2021	\$ 665
2022	300
2023	300
2024	150
2025	-
Thereafter	-
Total	<u>\$ 1,938</u>

Legal Proceedings

We are from time to time subject to various claims, lawsuits and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions or relief. However, we do not consider any such claims, lawsuits or proceedings that are currently pending, individually or in the aggregate, to be material to our business or likely to result in a material adverse effect on our future operating results, financial condition or cash flows.

5. Related Party Transactions

Trademark License Agreement

We entered into a trademark license agreement (the "Trademark License Agreement") with Golden Nugget and GNLV, pursuant to which GNLV has granted us an exclusive license to use certain "Golden Nugget" trademarks (and other trademarks related to our business) in connection with operating online real money casino gambling and sports wagering in the U.S. and any of its territories, subject to certain restrictions. The license has a twenty-year term that commenced on the closing date. During the term of the agreement, we have agreed to pay Golden Nugget a monthly royalty payment equal to 3% of Net Gaming Revenue (as defined therein). Upon the tenth and fifteenth anniversary of the effective date of the Trademark License Agreement, the monthly royalty amount payable to

GNLV will be adjusted to equal the greater of (i) 3% of Net Gaming Revenue and (ii) the fair market value of the licenses (as determined by an independent appraiser, if necessary).

While the trademarks licensed under the Trademark License Agreement generally will be exclusively licensed to us, in the event that (i) a new market or opportunity becomes available (e.g., pursuant to the legalization of online gaming in another jurisdiction), and (ii) we are unwilling, unable or otherwise fail to pursue such market or opportunity, Golden Nugget will be permitted to pursue such market or opportunity and utilize the trademarks covered by the Trademark License Agreement with respect thereto. For the avoidance of doubt, nothing in the Trademark License Agreement will restrict us (or Golden Nugget) from owning or operating an online-based casino using marks that are not covered by the A&R Trademark License Agreement. We expensed \$0.5 million and \$0.9 million for the three and six months ended June 30, 2021, respectively, and \$0.3 million for the three and six months ended June 30, 2020 under this agreement and the predecessor of the A&R Online Gaming Operations Agreement (together referred to as the “Royalty Agreements”). Amounts payable under the Royalty Agreements as of June 30, 2021 are \$0.4 million, which included along with other various amounts in paid on our behalf as payable to an affiliate on our consolidated balance sheets. Amounts payable under the Royalty Agreements as of December 31, 2020 are \$0.4 million, which included along with other various amounts in paid on our behalf as payable to an affiliate on our consolidated balance sheets.

A&R Online Gaming Operations Agreement

We entered into an amended and restated online gaming operations agreement (the “A&R Online Gaming Operations Agreement”) with GNAC pursuant to which GNAC granted us the right to host, manage, control, operate, support and administer, under GNAC’s land-based casino operating licenses, the Golden Nugget-branded online gaming business, live dealer studio in New Jersey and the third-party operators. In addition, we are responsible for managing, administering and operating GNAC’s online gaming business and providing services to GNAC in connection with the management and administration of certain platform agreements and GNAC is required to provide certain operational and infrastructure services to GNOG LLC in connection with its New Jersey operations. In addition to the 3% royalty payable pursuant to the A&R Trademark License Agreement as described above, we are also obligated to reimburse GNAC for certain expenses incurred by GNAC in connection with the New Jersey online gaming business, such as New Jersey licensing costs, regulatory fees, certain gaming taxes and other expenses incurred by GNAC directly in connection with our operations in New Jersey. The A&R Online Gaming Operations Agreement has a term of five years commencing from April 2020 and is renewable by us for an additional five-year term. The A&R Online Gaming Operations Agreement also provides for, among other things, (a) minimum performance standards under which we are required to operate the Golden Nugget online gaming business, and (b) an arms-length risk allocation framework (including with respect to insurance and indemnification obligations).

Lease Agreements

We lease a portion of the space within the Golden Nugget Atlantic City Hotel & Casino located at 600 Huron Ave, Atlantic City, NJ 08401 (the “Atlantic City Hotel and Casino”) from GNAC for the operation of an online live casino table gaming studio from which live broadcasted casino games are offered to online gaming customers. The lease has a five-year term from April 27, 2020, plus one five-year renewal period.

We also have the right to use certain office and equipment spaces within the Atlantic City Hotel and Casino and GNAC’s headquarters in Houston, Texas, and have entered into new lease agreements with respect to such spaces.

Services Agreement

In connection with the Acquisition Transaction, we terminated our prior shared services agreement and entered into the Services Agreement (together, the “Services Agreements”) with Golden Nugget to provide for the performance of certain services. Pursuant to the Services Agreement entered, GNAC and Golden Nugget have agreed to provide certain services and facilities, including payroll, accounting, financial planning and other agreed upon services, to us from time to time and we have agreed to provide continued management, consulting and administrative services to Golden Nugget’s applicable subsidiary in connection with retail sports wagering conducted and such subsidiary’s brick-and-mortar casino. Under this agreement, each party is responsible for its

own expenses and the employer of any shared employee is responsible for such shared employee's total compensation. We are also obligated to reimburse the party providing the service or facilities at cost. Reimbursements we expensed under the Services Agreements totaled \$69 thousand and \$31 thousand for the three months ended June 30, 2021 and 2020, respectively. Reimbursements we expensed under the Services Agreements totaled \$132 thousand and \$114 thousand for the six months ended June 30, 2021 and 2020, respectively.

Tax sharing Agreement

Prior to the closing of the Acquisition Transaction, we were subject to a tax sharing agreement with the parent of Old GNOG. Amounts owed under the tax sharing agreement as of June 30, 2021 and December 31, 2020 were \$2.2 million included in payable to an affiliate on our consolidated balance sheets.