



ROCKY GAP  
CASINO  
RESORT  
AND  
MARYLAND  
SUPPLEMENT  
(August 2022)



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# Transaction Overview



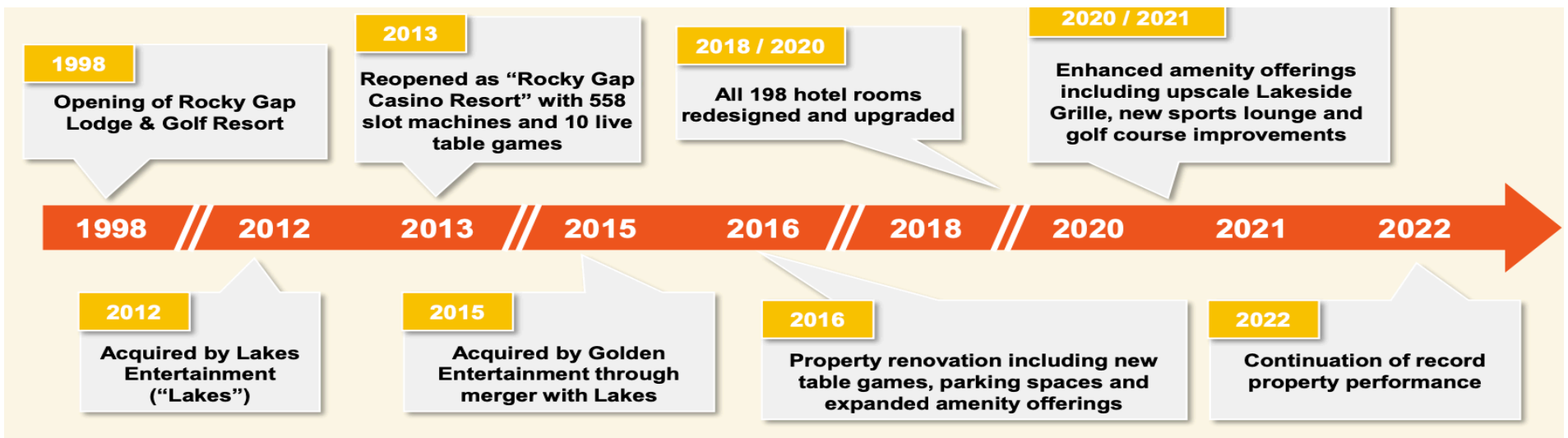
- In August 2022, Century announced a definitive agreement to acquire the operations of Rocky Gap Casino Resort for \$56.1mm
  - Represents a purchase price multiple of 4.9 x 2021 Adj. EBITDA (after rent payments to VICI) and is expected to close within 12 months pending receipt of regulatory approvals
  - Simultaneously, VICI Properties will acquire the real estate assets for \$203.9mm. The initial annual rent payable from Century to VICI is set at \$15.5mm and will be integrated into the existing Master Lease between Century and VICI.
- Century will pay for the acquisition with cash on hand / on balance sheet.
- In 2021, Rocky Gap generated revenue of \$78mm and Adj. EBITDA of \$27mm
- We see upside to these numbers, mainly for three reasons:
  - Increased room availability supports larger wallet hotel guests
  - Unencumbered Sports Betting Opportunity with Upside from Potential iGaming Legalization
  - Opportunity to replace lower-performing slots with new units to yield immediate upside in overall WPUPD



# Rocky Gap Casino Resort



- Only Casino Resort in Western Maryland, with 10 million + Adults within in 100-mile radius
- 198 hotel rooms
- 630 slot machines
- 16 table games
- \$10mm of property upgrades since 2018
  - remodeled rooms and suits
  - new sports lounge
  - renovation and upgrade of F&B offerings
- Maryland's only Jack Nicklaus Signature golf course
- Events center and meeting facilities for approx. 500 people
- Spa, Pool and Outdoor Activities

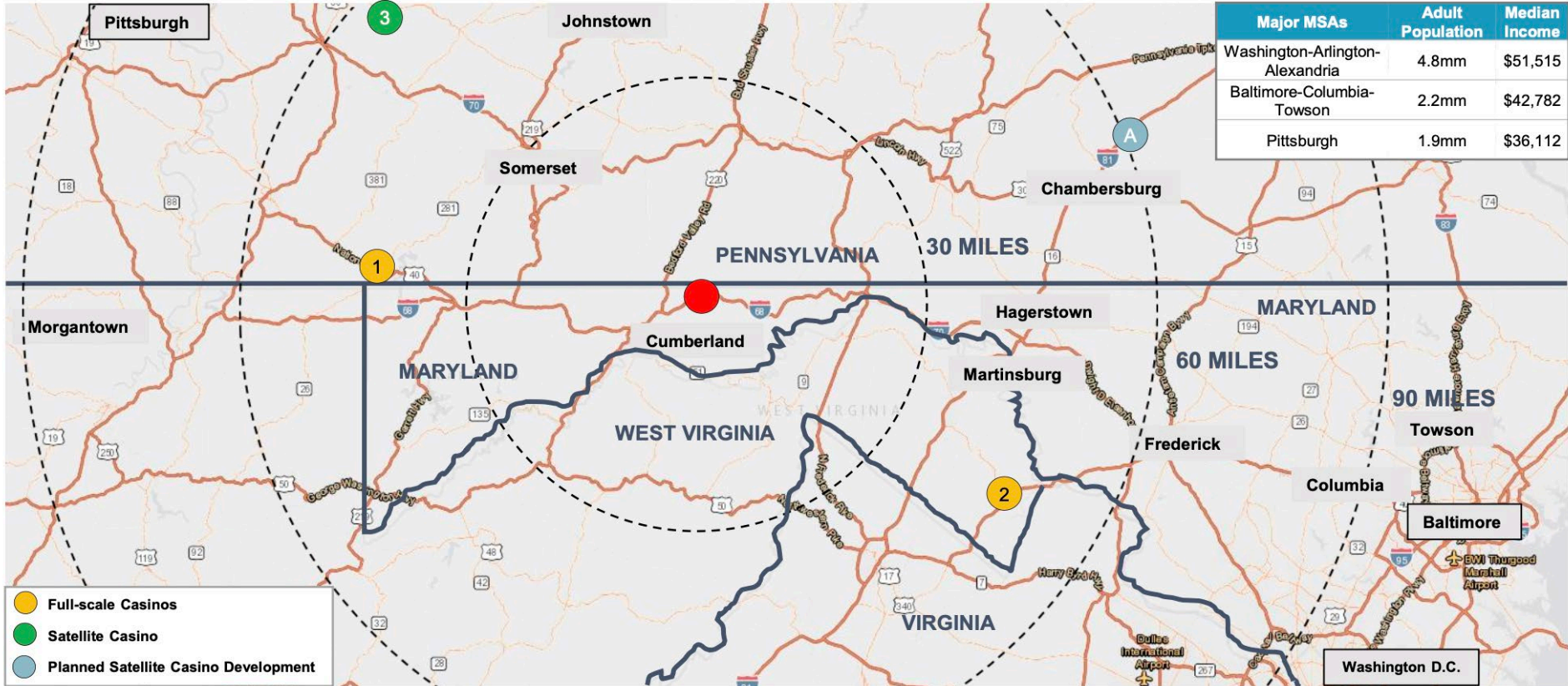


# Rocky Gap, MD

## Competitive Landscape



Property attracts local and destination drive-in customers from Maryland and surrounding states



Property	ROCKY GAP	1	2	3	A
Slot Machines	630	600	1,904	750	500
Table Games	16	27	66	30	48 (1)
Hotel Rooms	198	N/A	153	N/A	N/A
Driving Distance	--	57 miles	74 miles	82 miles	86 miles

Source: Company websites and filings, US Census Bureau. (1) Electronic table positions.

# Superior Product Offering to Competition



Property					
Owner					
Full-Service Resort	✓		✓		
Recently Renovated Hotel Rooms	✓				
World-Class Golf Course	✓				
Upscale Steakhouse	✓		✓		
Event Center	✓		✓	✓	
Meeting Rooms	✓				
Sports Lounge	✓		✓	✓	✓
Spa	✓				
Pool	✓				
Fitness Center	✓				
Outdoor Activities	✓	✓			
Parking Spaces	~700	Undisclosed	Undisclosed	~6,400	~760
Acres	~270	~2,000 (2)	~300	~36	~10

Source: Company websites and press releases. (1) Project currently under development and expected to open in November 2022. (2) Acreage of Nemaquin Woodlands Resort. \*Denotes Category 4 "satellite casino" with an initial limit of 750 slot machines and 30 table games. Number of table games can be increased to 40 in second year of operations.

# Maryland Gaming Revenue

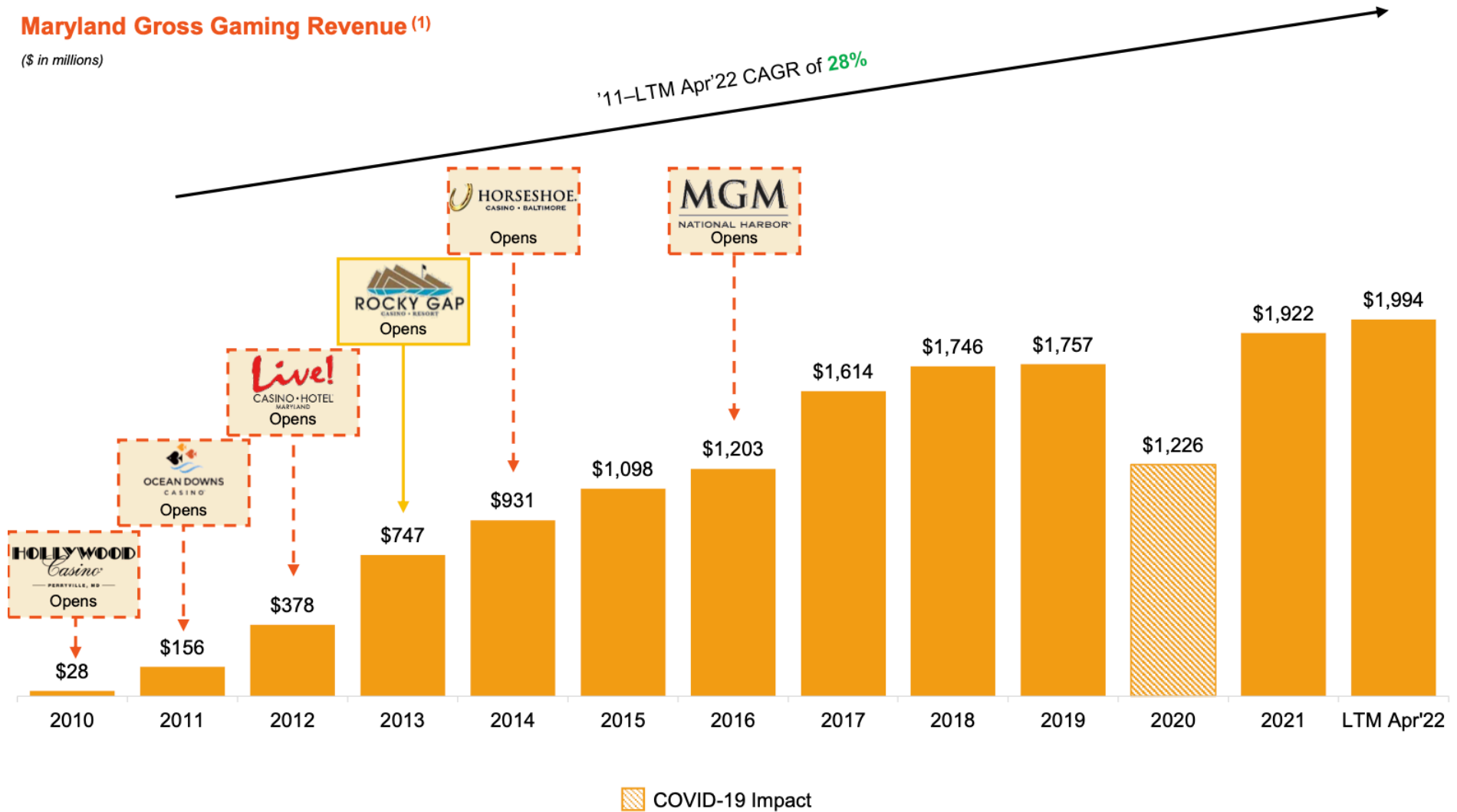


The Video Lottery Facility Location Commission awarded licenses to six land-based casinos, the latest of which opened in 2016

## Maryland Gross Gaming Revenue (1)

(\$ in millions)

'11-LTM Apr'22 CAGR of 28%



Source: Maryland Lottery & Gaming Control Commission. (1) Excludes sports betting revenue.

# Appendix A



The Company defines Adjusted EBITDA as net earnings (loss) attributable to Century Casinos, Inc. shareholders before interest expense (income), net, income taxes (benefit), depreciation and amortization, non-controlling interests net earnings (loss) and transactions, pre-opening expenses, acquisition costs, non-cash stock-based compensation charges, asset impairment costs, (gain) loss on disposition of fixed assets, discontinued operations, (gain) loss on foreign currency transactions, cost recovery income and other, gain on business combination and certain other one-time transactions. Expense related to the Company's Master Lease and the Century Downs Racetrack and Casino land lease is included in the interest expense (income), net line item. Intercompany transactions consisting primarily of management and royalty fees and interest, along with their related tax effects, are excluded from the presentation of net earnings (loss) attributable to Century Casinos, Inc. shareholders and Adjusted EBITDA. Not all of the aforementioned items occur in each reporting period, but have been included in the definition based on historical activity. These adjustments have no effect on the consolidated results as reported under US GAAP. Adjusted EBITDA is not considered a measure of performance recognized under US GAAP. Management believes that Adjusted EBITDA is a valuable measure of the relative performance of the Company and its properties. The gaming industry commonly uses Adjusted EBITDA as a method of arriving at the economic value of a casino operation. Management uses Adjusted EBITDA to compare the relative operating performance of separate operating units by eliminating the above-mentioned items associated with the varying levels of capital expenditures for infrastructure required to generate revenue and the often high cost of acquiring existing operations. Adjusted EBITDA is used by the Company's lending institution to gauge operating performance. The Company's computation of Adjusted EBITDA may be different from, and therefore may not be comparable to, similar measures used by other companies within the gaming industry.

The table below provides a reconciliation of Rocky Gap Adjusted EBITDA to net earnings.

(In millions, rounded)	FYE December 31,				
	2017	2018	2019	2020	2021
Net operating revenue	\$ 67	\$ 67	\$ 70	\$ 52	\$ 78
Net earnings	\$ 15	\$ 15	\$ 16	\$ 10	\$ 22
Interest expense	0	0	0	0	0
Depreciation and amortization	4	4	4	4	4
One time adjustments	-	-	0	1	0
Loss on disposal of assets	-	0	0	0	0
<b>Adjusted EBITDA</b>	<b>\$ 18</b>	<b>\$ 19</b>	<b>\$ 20</b>	<b>\$ 15</b>	<b>\$ 27</b>
Run-rate rent expense	(16)	(16)	(16)	(16)	(16)
<b>Adjusted EBITDA less cash payments on Master Lease</b>	<b>\$ 3</b>	<b>\$ 4</b>	<b>\$ 5</b>	<b>\$ (1)</b>	<b>\$ 12</b>