

PGRI PUBLIC GAMING

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I N T E R N A T I O N A L

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ROMANA GIRANDON

President & Chief Executive Officer,
Loterija Slovenije and President,
The European Lotteries (EL)

FOR THE BENEFIT
OF SOCIETY: EL'S
STRATEGIC OUTLINE
2023-2025

ALSO INCLUDING INTERVIEWS WITH ...

- + **Jan Karas**
Chief Executive Officer, OPAP
- + **Pat McHugh**
Chief Executive Officer, Scientific Games
- + **Nikos Nikolakopoulos**
Chief Executive Officer, INTRALOT, Inc.



LETTER FROM THE CEO

To our valued clients and partners,

The new year brings the next chapter of our journey together, and I couldn't be more excited. In my previous open letters, I promised we'd continue our journey on the road, meeting clients at their desks, not ours. This amplified travel has brought us invaluable insights that position us to continue playing a small part in achieving a visionary future for our industry. Amid rapid advancement, our collective dedication and adaptability demonstrates that when we work together, we move everyone forward and can achieve almost anything.

Whether you're a startup or an industry leader, we believe everyone is entitled to GLI's world-class service; you should expect nothing less. We are never too busy to put all our customers in the express lane, remaining fully equipped to support you with 1,600+ highly skilled team members. In fact, to guarantee that your needs are always met, we are continuing to add to our delivery team globally. With the acquisitions of SIQ and iTech complete, our businesses are not only service-oriented, but are also fully integrated and ISO-certified, ensuring there's no one better suited to support your path to success globally.

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Given the steady growth of high-stakes security breaches and the expansion of iGaming, iLottery, and digital sports betting, our cybersecurity division, Bulletproof, has been exceedingly busy keeping you safe. We've introduced a full SOC monitoring center in Las Vegas, Nevada, expanded our team of professionals, and added several U.S. Gaming and lottery customers to our already robust international portfolio. With cyberattacks projected to cost the global economy over \$10.5 trillion by 2024, our Bulletproof experts are well-prepared to ensure safety and prevention as well as support during crisis.

The results of our recent surveys, plus speaking with regulators, suppliers, operators, and lottery professionals at events across the world, reaffirms the confidence I have in our future. We're advising lotteries amid evolving jurisdictions; welcoming new gaming opportunities; and are laser-focused on concerns surrounding AI, unregulated gaming, geolocation and KYC, money laundering, and responsible gaming because, when our clients tell us what they need, we listen. No matter what comes your way, we will offer the support you deserve.

I'm excited for the busy start to our year. We'll be meeting clients at ICE, the Indian Gaming Tradeshow, and at our premier annual event – the Regulators Roundtable – held at the Palms Resort in Las Vegas, April 24-25. With another year of record-breaking attendance expected, I'm looking forward to seeing new and familiar faces as we dive into the largest challenges and opportunities facing regulators today.

Thank you all for your continued trust – we never take it for granted. Wishing you a prosperous new year and looking forward to seeing you somewhere on the globe.

Sincerely,



James Maida

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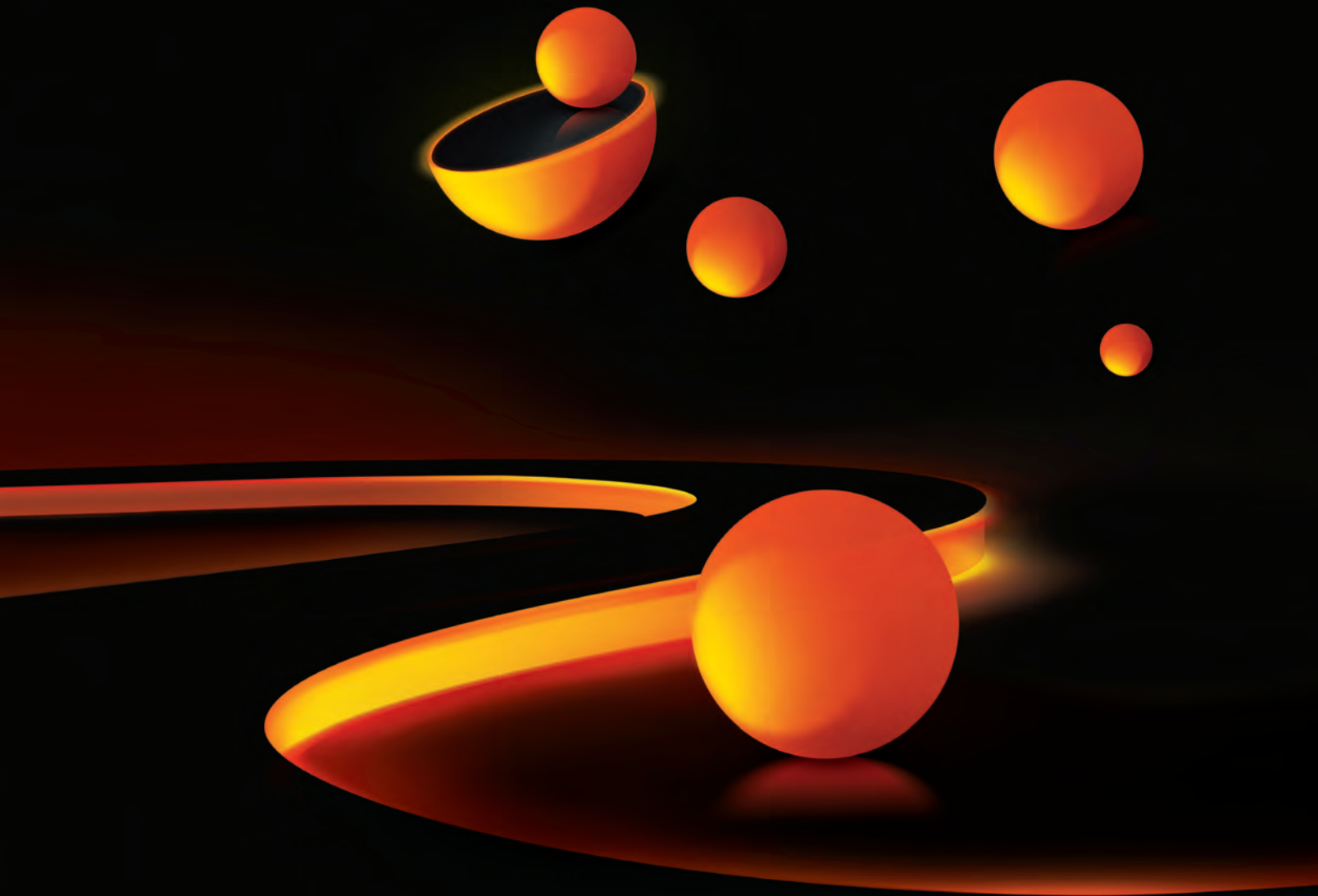
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From the Publisher

We have an exciting slate of interviews for you in this issue. Elected president of EL (European Lotteries Association) last June, **Romana Girandon** (CEO of Loterija Slovenije) and the EL Executive Committee have updated the mission and purpose of the trade association for a modern world that continues to evolve faster than ever. We are pleased to not only share her vision, but also the 2-year EL Strategic Outline. One sign-of-the-times that gives us plenty of reason to be hopeful: The four biggest lottery industry associations are all led by female presidents: **Rebecca Paul** for the World Lottery Association (WLA), **Cindy Polzin** for the North American Association of State and Provincial Lotteries (NASPL), **Sue Van Der Merwe** for Asia-Pacific Lottery Association (APLA) and **Romana** for the EL.

And thank you to **Pat McHugh**, CEO of Scientific Games, and **Nikos Nikolakopoulos**, CEO of Intralot Inc., for sharing their visions of the future. The role of technology partner to government lotteries has evolved into a genuine collaboration, with the objectives and action-plans of both the operator and the technology partner aligned so that everyone is pulling in the same direction. Commercial partners are investing in the development of new technologies, and applying more creative ingenuity to strategically deploy value-adding solutions to enhance the player experience and improve operational effectiveness and efficiencies. And lottery operators are more receptive than ever to the introduction of new and innovative initiatives, and applying a more sophisticated risk-return calculus that unlocks resources to drive ongoing success and increased funds for good causes. And so the Golden Era of Lottery continues unabated.

An inspiring example of the modern lottery leader's approach to business can be found at OPAP in Greece. CEO **Jan Karas** describes an ambitious, entrepreneurial action-plan that is being executed poste

haste. We're talking "Fast Forward Toward Disruptive Transformation"! Players seeking great experiences now have expectations that evolve faster than ever, and OPAP is on a tear to meet and exceed those expectations. The OPAP leadership team philosophy and posture of bold change-agent positions it and its customers for a bright future.

MUSL (Multi-State Lottery Association) does it again! The hits just keep on coming as the new year starts off with a huge bang. New Year's Rockin' Eve with Ryan Seacrest had over 22 million viewers, the highest late-night audience in two years. Great fun for the lucky winner of Powerball's first million-dollar jackpot. And a really great boost for one of the most valuable and well-known consumer brands in the world: Powerball®. And what kinda luck is it to have the fifth largest Powerball jackpot (\$842 million) ever won to be drawn on the first day of the year! Congratulations to MUSL members for continuing to lead the innovation train.

I have not seen specific metrics on how much crossover there is between sport-bettors and lottery. The wait is over. I asked my friend **Simon Jaworski** to help us understand how sports betting is reshaping the competitive landscape in the games-of-chance sector, and how we might assess the impact on and implications for lottery. The situation is fluid, but I promise you'll find this article to be as detailed, as fact and evidence-based, and as comprehensive an update on these issues and how sports betting relates to lottery as can be found anywhere.

NASPL always produces fabulous conferences and trade-shows. Check out their schedule at NASPL.org. In this issue, we are pleased to share an executive summary of the "International" panel discussion held at NASPL Milwaukee last November. **Sarah Taylor** led luminaries **Rebecca Paul**, **Younes El Mechrafi**, **Andreas Kötter**, and **Callum Mulvihill** on

a discussion that reveals the universality of so many issues that affect our lottery world.

An example of how smart operators are observing and learning from the success of others from all around the world is the relatively recent explosive growth of annuity-style draw games. Congrats to the EuroMillions team of lottery operators for the success of **EuroDreams**, one of the biggest game launches of the last twenty years.

Philippe Vlaemminck, our resident expert on all matters political, legal, and regulatory, drills down on an issue that did not hardly exist fifteen years ago. Enterprising operators are commercializing their success strategies while technology partners are diving more directly than ever into the role of lottery operations. Which raises the question: Does there continue to be a relevant distinction between lottery operator and technology partner?

Thank you to **IGT**, **Scientific Games**, **Neogames**, and **Fennica Gaming** for your editorial contributions. I think we could anoint 2024 as the year of collaboration between Technology Partner and Lottery Operator. Win-Win-Win for players, operators, and good causes.

We hope to see you at the **WLA/EL Marketing Seminar** and **ICE Gaming** show in London in early February. Mark your calendars for March 12 to 14 of 2024. Join us in Fort Lauderdale Florida for **PGRI Smart-Tech 2024** to discuss how the *Player Journey runs through Digital Lottery*, PGRI's reinvented conference experience. Visit Euroean-Lotteries.org and PublicGaming.com to get complete info. Lastly, thank you for your support of PGRI and the lottery industry!

Paul Jason, Publisher
Public Gaming International Magazine

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Fast Forward towards Transformative Disruption

Jan Karas

Chief Executive Officer, OPAP

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PGRI Introduction: Customers seeking great experiences now have expectations that evolve faster than ever. Fortunately, technology and digitalization are creating more opportunities for innovation and growth. Listening to customers and addressing their needs, while exploring technology possibilities, is fundamental to OPAP's Fast Forward business strategy, which drives the company's philosophy of delivering value across its stakeholders' ecosystem in a sustainable and socially responsible way.

OPAP, a member of Allwyn group, is the leading gaming company in Greece and one of the most renowned in the industry worldwide. Founded in 1958, it operates and manages numerical lotteries, sports betting games, horseracing mutual betting, lotteries, instant win games and video lottery terminals (VLTs). Moreover, OPAP is a leader when it comes to embedding global Responsible Gaming principles into every aspect of its operations.

At the same time, OPAP holds a prominent position among corporate social champions in Greece. Through its extensive Corporate Responsibility program, which focuses on Health, Sports and Employment, the company supports Greek society in practice.

Our discussion with Mr. Karas drilled down on the importance of embracing change even when it is disruptive. That is the pathway to Fast Forward into a future that meets the expectations of the modern consumer, the marketplace, and OPAP stakeholders. You'll see that OPAP is indeed implementing an ambitious strategy to deploy some of the most advanced technologies available today. And looking forward to continuing its role as bold change-agent to position itself and its customers for a bright future.

Paul Jason: Do you agree with the notion that digitization is imperative for the lottery and gaming industry? What is OPAP's approach towards digitization?

Jan Karas: In my view, the continuous rise of online gaming and the fact that customers generally pursue more and more digital experiences indicate that digitization

and machine-learning, we can understand customers better, offer personalized experiences, and interact with them in meaningful and innovative ways, ensuring that lotteries are up to date with customer demands and expectations.

At OPAP, we consider technology as an

certainly is the "name of the game" for our industry globally.

Lotteries all over the world are seeking ways to remain relevant and successful in a world of ever-changing customer preferences. This is where technology steps in. By leveraging the power of data, AI

enabler of the evolution of our business model. In fact, exploring technology possibilities is one of the priorities of our Fast Forward business strategy. In this framework, we prioritize the digital transformation of our retail and the evolution of our online activities, implement targeted technology initiatives that upgrade our product propositions and customer experience, and promote innovations such as the use of AI to ensure player protection and promote responsible gaming, among other things.

What would you consider a success story in OPAP's digitization efforts? Is there a practical example you can share with us?

J. Karas: In the last couple of years, we have focused on disrupting the traditional retail customer journey, promoting a fully digital, paperless, and cashless gaming experience for our customers.

This has been possible through several initiatives, but I would like to highlight the introduction of the OPAP Store App, which

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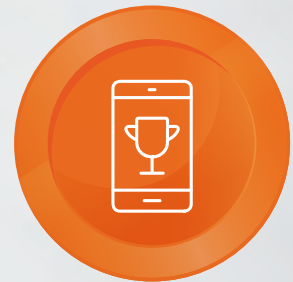
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For the Benefit of Society: On EL's Strategic Outline 2023-2025

Romana Girandon

*President & Chief Executive Officer, Loterija Slovenije and
President, The European Lotteries (EL)*

PGRI INTRODUCTION: Elected president of EL (European Lotteries Association) in June 2023 at the EL Congress Croatia, Romana Girandon and the EL Executive Committee set about the task of updating its EL Strategic Outline (see pages 16). The timeless principles that EL membership holds dear are affirmed along with the outline of values, strategic goals, and action-items to guide them in their mission to serve society.

Remember when strategic plans had five and ten year timelines? Keen on ensuring ongoing relevance in a climate of rapid change on every front, the EL Strategic Outline is designed to be a living document that is amenable to revision and updates that keep us focused on the values and action-plans that support the most positive social impacts. Following is our discussion with Ms Girandon on how to think about that mission, and on how to stay true to principles while being flexible enough to navigate a world that is changing so quickly.

Learn more about the conferences, educational seminars, and services of EL at european-lotteries.org.

Paul Jason: I'm sure that we all feel like the issues we're dealing with are more complicated and difficult than they have been in the past. But sometimes they actually are, and isn't now one of those times?

Romana Girandon: We live, to be sure, in a perplexing time. Changes in consumer behaviour and the way products and services are distributed; the way regulatory frameworks are evolving to address technological change and changes in public policy objectives ... it certainly does seem like we have more paradigm-shifting changes to contend with than ever before.

Thankfully, we also have the tools and resources to address those challenges.



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FOR THE BENEFIT OF SOCIETY

Technology is empowering us in ways we could not have imagined in the past. We need to embrace revolutionary innovations like Artificial Intelligence for their potential to positively impact the way we overcome those challenges, the way we improve operations and produce value for our stakeholders and for society.



On the other hand, we want to be vigilant to make sure these new tools and capabilities work for us and not the other way around.

Sometimes I wonder if constant attention to our phones and use of social media, e-mail and other tools that are meant to save time have actually taken on a life of their own. I still think digital media has transformed our lives for the better. And

EL welcomes the challenge to lead the way and contribute towards the goal of regulating games-of-chance for public good.



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I think AI will do the same, probably even more so. Let's just make sure we are not overwhelmed by our own inventions.

The very first sentence of the EL Strategic Outline Overview vision statement is "United in diversity, EL will be recognized as an association of responsible and successful members making the most positive social impact."

R. Girandon: It is time for us to think carefully about how to evolve our sector to adapt to changes and stay aligned with the mission to serve society and stakeholders of lotteries. We need to identify our strengths and values as well as services we perform for society in order to forge the best pathway forward. While some of the questions we face may not have black-and-white answers, we need to be decisive and principled in our resolve to stay true to our mission to serve society.

We are prepared to evolve our action-plans to keep up with a world that is changing at a faster rate than ever; while staying clear and true to our core values."

The business models and strategies of EL members and associate members are incredibly diverse. We operate within different public policy and regulatory frameworks; we have different languages, different cultures, different game portfolios, different operating and distribution models, etc. etc. But we are united in our mission to make the most positive impact on society. We all share a common heritage of operational integrity and transparency as we provide responsible games for public good. Our Strategic Outline guides and empowers our action-plans to build on and continue our success, delivering value to our stakeholders and society for many years to come.

The second thing we notice in the Strategic Outline is less focus on regulatory and public policy issues and more a call-to-action in support of values like sustainability, integrity, and service to society.

R. Girandon: We want to focus on areas which we can directly and materially impact. We will still do everything we can, so that relevant EU and European decision makers understand the role of

lotteries in Europe as well as their heritage; and also, that they provide a regulatory framework that enables us to achieve our mission. We still do expect the European Court of Justice to enforce the laws that prohibit illegal and irresponsible online gambling. We continue to establish and fight to uphold the highest standards across Europe. The EL Strategic Outline does state our goal to continue to influence the debate about how the sector should be regulated to serve society and prevent illegality as well as any socially harmful practices.

At the same time, we recognize the limitations of our control over external factors like the actions of the EU Commission and ECJ as well as individual EU member and non-member countries. When it comes to the EL strategic plans, our attention is focused on the things we can do to impact and shape the future of the sector in a

positive way. We feel that this is a time when it is more important than ever to channel our energies and resources in the most productive ways possible. That calls for a clarity of who we are and what we stand for; and a purpose statement that is more action-oriented than aspirational.

I should point out that our 5-word headline, For the Benefit of Society, continues to represent our most foundational mission statement. Our transition towards this focus on action-based values has actually been years in the making. The current Strategic Outline is a living document with a 2-year timeline to enable ongoing revisions. We are prepared to evolve our action-plans to keep up with a world that is changing at a faster rate than ever; while staying clear and true to our core values.

The notion of a government lottery that is focused on lottery gaming with margins that are protected by the government in order to maximize funding for good causes ... is that gone, no longer a relevant notion?

R. Girandon: Lottery has always had a special role in society. According to the

original Treaty on European Union, the founders wanted to strengthen the solidarity between their peoples while respecting the history, culture, and traditions of each member state. EL continues to advocate for preservation of those principles on the political and judicial international level and, where requested by the member lottery, at the national level.

In order to be effective in our advocacy role, our message needs to reflect a recognition for how the political climate is changing, and how that affects the real world of regulatory actions.

For instance, I have not heard the term "government lottery" in Europe for many years. Ownership structures have changed so that organizations and performing lotteries including sports betting and other games of chance, are operated by either the states, various public entities, or commercial companies. Regardless of whether the lottery operator is held by private, public, or state shareholders they still have to be operated For the Benefit of Society. That is all that is important for us. In spite of their diversity, the members of EL are all dedicated to service to society. Maximizing funding for good causes is just one side of the equation. Protecting the players and implementing responsible and sustainable practices are just as important. Generating funds by doing harm to society would still be bad even if you shared some of the funds for good causes. The impetus to align with the values of the EL has less to do with ownership than with the governance that determines corporate culture and mission. EL stands shoulder to shoulder with those whose corporate culture and actions align for the purpose of serving society in all those aspects.

We notice that gaming operators which historically have not respected the laws of each EU member state are now wanting to become legitimate and get licensed to operate properly within the laws of every state where they operate. Does EL welcome them as members?

R. Girandon: Not automatically, no. EL is not just about respecting the laws. That is a minimum baseline standard that does not begin to meet the value system represented by the membership of EL. We are about embracing a set of values that support a mission to protect the consumer and serve society. For that value to be genuinely embraced, it can't be based on a business

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For the Benefit of Society

PURPOSE

We promote and defend a sustainable lottery model, empowering our members to become successful and responsible organisations that inspire millions of players across Europe and generate funds for the public good.

VISION

United in diversity, EL will be recognized as an association of responsible and successful members making the most positive social impact.

EL will deliver outstanding services that understand and illuminate the times and future challenges of lottery sector. It will help its members implement the highest standards of safe entertainment, lead the sustainability transition and proactively facilitate innovation.

Members and employees will be proud to be part of EL and will see it as a key long-term driver of their success, one that enhances their reputation and stakeholders' trust.

EL will be known as a proactive expert organization. It will be a stakeholder that will be regularly consulted by EU institutions and invited in decision making processes regarding gambling sector and related policy areas.

To defend sustainable lottery model, EL support its members on a supra-national (EU), as well as, where deemed needed by the concerned Member, on a national level.

VALUES

Forward thinking

We are assertive and ambitious. We actively foster innovation, creativity and development. We collaborate to anticipate trends, share visions and discover new ways. We see opportunities and introduce changes. Our initiatives bring fresh perspectives, marked by change, adaptability and improvement. We are committed to learn and grow.

Sustainability

We are a diverse community that aims to make our positive social impact bigger and more far reaching. Our common heritage of responsible games for public good is our core, but we understand sustainability comprehensively. We promote diversity, embrace equality, operate transparently and visibly enact environmentally friendly practices. We share sustainability know-how, while actively engaging our stakeholders.

Integrity

We promote clarity – in messages, activities, operations and intentions. Collectively, we raise standards in the field and adopt a zero-tolerance policy towards any kind of unethical practices. We strictly enact compliance and respect legal frameworks. Through awareness raising and advocacy work with governments and regulators, we strive towards greater public safety. In our actions and communication, we are reliable, honest, truthful and transparent. We treat internal and external stakeholders fairly and equitably.

OUR CORE MESSAGE For the Benefit of Society

STRATEGIC GOALS FOR THE PERIOD 2023 – 2025

To pursue our vision and purpose, we will be aiming to achieve three Strategic Goals.

1

EL will be recognized as a representative association whose members generate an outstandingly positive social impact.

2

Members will describe EL services as important to their activity and evolution of the sector.

3

EL will be influencing the debates and made itself known to relevant stakeholders as an expert to consult on the sector's policies, regulations and developments.

FOCUS AREAS

There are three key topics – Focus Areas – that we consider essential for achieving our Strategic Goals. They also shape the plans, priorities and outputs of our Working Bodies.

1

POSITIVE SOCIAL IMPACT

By putting our purpose first, we aim to position EL and its members as recognized leaders in Positive Social Impact.

We want to clearly distinguish and distance EL and its members from irresponsible practices, by effectively researching, measuring, reporting, communicating & demonstrating that EL members operate in the best interest of society. Specifically, we want to show and compare that the EL community is a clear leader in maximizing social contribution (through funding good causes; employment; DEI, sustainable governance and more), while minimizing social harm (through concrete RG effects, environmental impact, etc).

2

EFFECTIVE COMMUNICATION

Although EL has established the highest Responsible Gaming standards that all its members are committed to and has also developed several advanced tools, initiatives, guidelines, programmes and platforms that are available to our members, we still feel that our messages are not reaching our members deeply enough, while external stakeholders are completely unaware of them.

We want to communicate our standpoints and messages to all relevant parties (members, regulators, political bodies, media, players, public etc) with engaging content in a clear and creative way.

3

RESPONSIBLE INNOVATION FACILITATION

While EL does not operate games itself, the association will be taking an even more proactive role as a facilitator for innovation, sharing best practices and insights with its members, addressing future challenges, customer experiences, demographic shifts, digitalization, marketing, communication, and more.

EL, in its role as an association, will also innovate towards the evolving landscape of the lottery sector and keep offering state-of-the-art services. Collaboration with strategic partners and sector suppliers is encouraged where needed.

ABOUT EL

The European Lotteries association (EL) is the European umbrella organization of entities operating national lotteries and other games of chance, including sports betting. The members of EL are operating their services for the public benefit.

EL is the largest and most representative lottery and gambling sector's organization in Europe, present in 39 European countries with a total of 70 members, including all EU member states (50 members are in the EU and 20 non-EU member states). EL stands for the sound and sustainable activity model for the benefit of society,

based on the values of forward-thinking, responsibility and integrity. EL members only operate in those jurisdictions in which they are licensed by the state and where they comply with the legal requirements (e.g. anti-money laundering, responsible gaming policies, etc), and act as the most responsible operators in each jurisdiction.

In 2021 only, EL members secured more than €20 billion for society and directly supported valuable projects related to sport, cultural heritage, art, health care, individuals with disabilities/disadvantages, education, science and many other areas. It is estimated that around half of the European adult population annually participates in the games that are offered by the EL members.



TALENT IS MEANT TO SHINE

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-18 LET'S PLAY
RESPONSIBLY



MAKE SPORTS WIN

New EuroDreams Lottery Launched in November

One of the biggest lottery game launches of the past 20 years happened in November of last year.

Following other lotteries such as Grand Vie (Canada), Set for Life (Australia and the UK), and Cash4Life (the US), EuroDreams is an annuity lottery—meaning winners get a certain amount of money monthly or annually over a long period of time. This game is aimed at young players with ages between 18-35 who aspire to become financially independent. EuroDreams has been launched by most of the countries which are part of the EuroMillions community, including Andorra, Austria, Belgium, France, Ireland, Liechtenstein, Luxembourg, Monaco, Portugal, Spain and Switzerland.



Jean-Luc Moner-Banet, general director of Loterie Romande, during the presentation of EuroDreams on the 1st floor of the Eiffel Tower. (copyright Victor Fingal)

The draws happen twice a week, on Monday and Thursday evenings, and the first draw was on Monday, 6th November. The price of a ticket is €2.50, equaling the EuroMillions rate. The jackpot is spread out over a long time - as much as £20,000 per month for 30 years. The second prize is £2,000 per month for a period of five years. And there are multiple prize categories in total.

The best part? The chances of winning at least the reimbursement of the ticket is 1 in 4.66, which is much more advantageous than the EuroMillions' (1 chance in 12).

EuroDreams allows you to earn a phenomenal pension for thirty years. What happens if the winner dies along the way?

Jean-Luc Moner-Banet: This is indeed a question that everyone asks themselves. In the case of EuroDreams, the remaining

balance of the annuity will be paid in the form of a lump sum to the heirs.

With EuroDreams you can now play drawing games all week long!

Jean-Luc Moner-Banet: Yes, Monday to Saturday, except Sunday. It's a game that we want to see played frequently, but always responsibly, according to our means. It is important. And it is also a message that comes through this game, the winnings remain in the realm of the understandable. We remain in a human dimension.

Are you preparing other projects with EuroMillions partner lotteries?

Jean-Luc Moner-Banet: What is certain is that we will not wait another twenty years to launch new games together. We have plans. One of the first would be, why not, to involve other lotteries in the EuroDreams adventure, in addition to the nine already partners.

Thanks to its expertise, FDJ (Française des Jeux) will be responsible for draws for the entire EuroDreams community. These draws (held on Mondays and Wednesdays of each week) will be conducted electronically, with the results revealed through a brand-new virtual 3D animation. EuroDreams features a bright colour scheme and pop design to convey its spirit of optimism.

Stéphane Pallez, Chairwoman and CEO of FDJ Group, commented: "The launch of EuroDreams is a major event for FDJ and for all our partner lotteries in the Euromillions community. This European collaboration marks a new phase in our development, with players able to win an unprecedented prize of €20,000 a month for 30 years. We are very proud to offer our customers another game spanning multiple European countries, 20 years after the launch of Euromillions."

Check out the wonderful advertisement broadcast on TV and the Internet in France: YouTube link to view the advert: <https://youtu.be/8CpBmLAXHC8>. ■

French EuroDreams ticket:

EURODREAMS **JUSQU'À 20 000€ PAR MOIS** **PENDANT 30 ANS**

1 Jouez vos grilles
Cochez 6 numéros et 1 N° RÊVE par grille.

2.50€ 2.50€ 2.50€ 2.50€ 2.50€ 2.50€

GRILLE 1 - VOS 6N° GRILLE 2 - VOS 6N° GRILLE 3 - VOS 6N° GRILLE 4 - VOS 6N° GRILLE 5 - VOS 6N° GRILLE 6 - VOS 6N°

1 N° RÊVE 1 N° RÊVE 1 N° RÊVE 1 N° RÊVE 1 N° RÊVE 1 N° RÊVE

2 Choisissez vos tirages
À quels tirages souhaitez-vous participer? ☐ LUNDI ☐ JEUDI ☐ JUSQU'À 5 semaines!



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Powerball's First 24 Hours of 2024

From the climactic finale of a national promotion on ABC to an \$842.4 million jackpot won in Michigan, Powerball delivered new thrills and life-changing wins in the first 24 hours of 2024.

HELLO, 2024!!!

If Powerball® could voice its own entry into the New Year, it would surely include a series of exclamation points, especially considering its buzzworthy start to 2024.

For the fifth consecutive year, Powerball joined households across America on *'Dick Clark's New Year's Rockin' Eve with Ryan Seacrest'* to present the finale of the Powerball First Millionaire of the Year® promotion. Shortly after midnight on New Year's Day, Pamela Bradshaw, a Powerball player from North Carolina, became the promotion's \$1 million winner in a special drawing broadcast live on ABC.

After her winning number was drawn, Bradshaw jumped into the air then collapsed on the floor before embracing Seacrest and her daughter, Joanna Hinson, who joined her on stage. The broadcast captured the emotional, unscripted reaction to a life-changing win. It's the unique Powerball-based content that the Powerball Product Group has worked to showcase and share with national audiences, as it expands the brand's reach and relevancy as an entertainment force.

According to The Nielsen Company, *the New Year's Eve program attracted more than 22 million total viewers at midnight, with the show's late-night edition becoming the highest-rated entertainment special on any network in two years.* In addition to making national headlines, the promotion's storyline trickled down to the state level, and nowhere has felt the local impact more than North Carolina, where players have won the national promotion the past two years.



All five finalists were interviewed live on-air by Ryan Seacrest in Times Square before the \$1 million drawing.



Pamela Bradshaw, a North Carolina player, won the \$1 million prize shortly after midnight on Jan. 1.

"The great thing about lotteries and games like Powerball is how they create amazing events like a \$1 million drawing in Times Square on New Year's Eve," said Mark Michalko, executive director of the North Carolina Education Lottery. "Seeing a North Carolina player become the Powerball First Millionaire of the Year two years in a row certainly provided a big boost to the fun of Powerball and playing the lottery. This year's winner not only got her first plane ride and first chance to see the Statue of Liberty but the money to afford her first home. It's thrilling to be part of such a life-altering event."

Less than 23 hours after Bradshaw was declared the Powerball First Millionaire of 2024, Powerball® captivated the country, again, this time with a New Year's Day drawing for an \$842.4 million jackpot. The jackpot first gained traction and media attention in mid-December after it crossed half a billion dollars, and the spotlight only intensified over the holidays.

The \$842.4 million Powerball® jackpot was finally won by a single ticket, sold in Grand



The ticket that won the \$842.4 million Powerball jackpot on New Year's Day was sold at the Food Castle of Grand Blanc in Grand Blanc, MI. Courtesy: Michigan Lottery



(L-R): NC finalist Pamela Bradshaw, ID finalist Lora-Lee Casady, Ryan Seacrest, NY finalist Maire Kelly Joyce, GA finalist Tracy Lacobie-Goeddel, and Nicole Mineau, RI Lottery proxy for finalist Finton Wallace.

Blanc, Michigan, marking the first time in the game's history that a Powerball jackpot has been won on New Year's Day.

The January 1 Powerball drawing also produced six tickets that won prizes ranging from \$1 million to \$2 million across six states.

The New Year's Day jackpot was the latest in a wave of gargantuan grand prizes generated by Powerball over the past year. The \$842.4 million jackpot ranked as the fifth-largest Powerball jackpot and tenth-largest U.S. lottery jackpot ever won. It was immediately preceded by a \$1.765 billion Powerball jackpot won on Oct. 11, 2023, and a \$1.08 billion Powerball jackpot won on July 19, 2023, with both grand prizes won in California.

"Powerball has entered a new era of growth in terms of sales and brand reach," said Drew Svitko, Powerball Product Group Chair and Pennsylvania Lottery Executive Director. "Over the past year, and again in the New Year, Powerball has demonstrated what a tremendous asset it is for the lotteries that it serves. We are ecstatic to start the New Year with a new boost in funding for the deserving causes in our respective lottery jurisdictions." ■



Pamela Bradshaw with her daughter, Joanna Hinson, after becoming the Powerball First Millionaire of 2024.



In-lane



Self-Checkout



Mobile



e-commerce



Abacus the lottery innovators at retail

Putting lottery everywhere.

Lottery integration into a retailer's checkout platform can be quite confusing. With our team of experts, our retail and lottery partners and expanding product portfolio Abacus is now able to offer Print on Receipt, Quick Ticket, instant ticket dispensing, validation and redemption along with a suite of digital solutions for mobile.

Abacus offers you a clear retail solution for all your lottery needs.

Contact the Abacus team for more information: info@abacuslottery.com

Reinventing Success Together: Embracing Transformation and Innovation in Lottery Gaming

Nikos Nikolakopoulos

Chief Executive Officer, INTRALOT, Inc.
Intralot.com



PGRI Introduction: The Ultimate Player Journey begins with a holistic view towards the overall consumer experience. And there is a renewed willingness and ability on the part of the consumer to take advantage of the wealth of digital tools and solutions that are transforming that player experience. Paul and Nikos met during NASPL Milwaukee in November to discuss the evolving trends shaping consumer marketing and the lottery industry. They delved into how INTRALOT aims to position its customers to unlock their full potential, surpassing the expectations of both retail customers and lottery players.

Paul Jason: How is INTRALOT different today than it was three years ago?

Nikos Nikolakopoulos: Over the last three years, we've seen remarkable adaptability and innovation from both individuals and organizations in the face of market challenges. However, the lottery industry in general has been slow to embrace new, efficient methodologies, unlike rapidly changing consumer behaviors. Currently, there's a concerted effort to not only preserve these gains but also to spearhead further advancement. INTRALOT has skillfully navigated the pandemic's challenges, emerging with a strategic plan enriched by key insights. Our strategy is rooted in embracing the digital revolution, preferring synergistic, interoperable, cutting-edge solutions over outdated models.

Our strategic vision rests on four key pillars, essential for augmenting our influence and shaping the lottery industry's future. The first pillar focuses on solidifying

our financial base, backed by significant shareholder investments. These investments aim to leverage the company, and boost liquidity for growth initiatives. A healthy balance sheet and financial structure are fundamental to our future strategy.

The second pillar emphasizes INTRALOT's new Lottery Ecosystem, LotosX Omni, featuring a cutting-edge central gaming system. Combined with a comprehensive, multi-tiered Player Account Management (PAM) system and a streamlined service orchestration layer. This facilitates a versatile, multi-vendor strategy. This strategy ensures seamless integration of leading solutions, bolstering system effectiveness and performance. It grants lottery operators exceptional control and adaptability in their processes.

The third pillar is our people. At INTRALOT, we're dedicated to fostering a workplace that is inclusive of our team members' aspirations and objectives. Central

to our ethos is the investment in our human capital, crucial to our success.

Finally, the fourth pillar is our investment in cutting-edge tools to improve software development and deployment. This includes automation, game content, product portfolio management, marketing services, and operational excellence, all aimed at fostering innovation vital for our clients' growth and success.

It is an exciting time for INTRALOT. I think we can all feel the positive energy and momentum. How about the INTRALOT products that are driving this digital transformation?

N. Nikolakopoulos: I'm convinced that the core of this momentum lies in the re-engineering of our gaming central system, a pivotal aspect of our strategic vision. This system has been redesigned to prioritize unparalleled flexibility and seamless interoperability. With its modular architecture, each component functions independently,

enabling specific updates or maintenance without compromising the system's overall efficiency. This strategy substantially diminishes the downtime often associated with traditional unified systems.

Our approach is founded on a 'symbiotic ecosystem' model, promoting seamless collaboration among varied system elements. This facilitates swift and cost-effective integration of third-party external solutions. The orchestration layer of our system streamlines the inclusion or modification of components, guaranteeing a straightforward process.

The essence of our strategy is the "Lottery Digital Transformation," where adaptability and flexibility are key. We understand that innovation springs from various sources and we want to empower our customers to choose the best mix of solutions and partners for their specific objectives. Our multi-vendor approach, successfully executed in countries like Greece, the Netherlands, Croatia, and Germany, has garnered significant acclaim. This is further validated by our recent engagement with British Columbia, set to launch in Q2 2024. Our technology, thoroughly market-tested, has proven its effectiveness and dependability, and this enhances the value we provide to our network of third-party vendors and offers considerable benefits to our clients—lottery operators—and stakeholders within INTRALOT.

accommodates a wide range of games, from fast play to progressive jackpots, and functions smoothly across both digital and physical channels. Its scalable design ensures seamless integration with diverse lottery central systems nationwide, irrespective of their makers.

Our ambition extends to forging a synergistic alliance with the Multi-State Lottery Association (MUSL), with the objective of broadening this platform to encompass many U.S. lotteries. This solution is designed not to replace existing systems, but to enhance them, thereby amplifying the industry's ability to distribute games across varied systems and technological landscapes.

Marking our venture into this arena, our opening game 'Jackpot USA' is planned to debut with a motivating jackpot of \$1 million, that will grow rapidly with sales. We foresee this platform evolving into an interconnection for diverse vendors to launch a multitude of games, leveraging the substantial player base inherent in the multistate environment. Such an expansion in gaming choices is anticipated to draw a broader audience, fostering a cycle of creative innovation and heightened player engagement.

We believe that this paves the way for an ecosystem that champions interoperability and endorses a multivendor, best-of-breed methodology for operators. This forward-thinking strategy places equal emphasis

and proficient utilization of digital tools by customers is imperative. The expectation for a virtually seamless online experience has become standard. Crucially, this objective must be achieved while ensuring customer comfort in revealing personal data, concurrently complying with strict lottery regulations. Furthermore, the growing trend of loyalty programs and the necessity for efficient, simplified registration systems are significant. In the retail lottery sector, aligning with these customer expectations is paramount, offering comparable benefits. This approach should include robust age verification, advanced player protection measures, responsible gaming practices, and sophisticated, location-sensitive digital wallets to reinforce security and augment the overall customer experience.

None of this happens, though, in the anonymous world of retail commerce.

N. Nikolakopoulos: Our strategic direction commences with a critical initial step: streamlining player registration to mirror the efficiency prevalent in top-tier mobile applications. This approach unlocks a plethora of resources, tools, and gaming experiences via our sophisticated Player Account Management system (PAM). In an era dominated by digital advancements, our dedication to technological innovation is imperative, particularly in the lottery domain where the online ticket sales market is burgeoning. This digital shift is in harmony with the expectations of a technology-oriented customer base.

I believe it's essential to address customer hesitancy in disclosing personal information. While incentives such as discounts or exclusive offers can facilitate this, the core strategy must focus on establishing unbreakable confidence in the security and privacy of user data. The Lottery brand, synonymous with integrity, enjoys a distinct trust and security advantage in the gaming industry, an aspect that should be leveraged to fortify our digital rapport with users. Player registration transcends a mere procedural necessity; it represents the portal to potent tools for fostering relationships, a key element in our quest for enduring success.

As the industry evolves and users become more acquainted with various operators, maintaining competitiveness requires continual innovation and adaptability. Long-term success in the digital realm hinges on forming deep, lasting digital connections. This underlines the importance

Innovation springs from various sources and we want to empower our customers to choose the best mix of solutions and partners for their specific objectives.

You have genuinely embraced the ideal that doing what is best for the industry and for your customers is ultimately what will benefit INTRALOT stakeholders.

N. Nikolakopoulos: Our Jackpot Management System (JMS) is a good example of our strategic vision in action. It's a dynamic, multi-dimensional system designed to enhance gaming experiences across different States. JMS showcases our commitment to an innovative strategy by providing a customizable, all-encompassing solution for a variety of gaming formats. It effortlessly

on the necessities of operators and players, contributing significantly to the industry by spearheading the adoption of innovative and diverse solutions.

What are the other components to Digital Transformation?

N. Nikolakopoulos: We believe that consumer behavior is a critical driver in the evolution of digital landscapes. Digitization has notably streamlined processes, elevating both convenience and efficiency. In retail environments, the swift adoption

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A Global Games-of-Chance Industry in Flux



Sarah Taylor



Younes El Mechrafi



Andreas Kötter



Callum Mulvihill



Rebecca Paul

Lottery companies around the world operate in highly diverse local markets, but there is still much that they can learn from each other about common challenges and solutions. That was the theme of the international panel discussion that brought together senior lottery executives from four continents at the North American Association of State and Provincial Lotteries (NASPL) Annual Conference in October 2023.

As the panel moderator, **Sarah Taylor**, the Executive Director of the Hoosier Lottery in Indiana, noted in her opening remarks, “We might not all align perfectly in terms of the products that we offer and policies that we operate under, but objectives do align on our support of good causes, and so we have much to learn from each other.” The international panelists offered important insights into the major issues facing the worldwide lottery industry on topics ranging from the challenges of illegal operators to changes in the political climate and attitudes toward games-of-chance and the emergence of different operational and regulatory models

in our industry.

In addition to Sarah, the esteemed speakers on the panel were:

Younes El Mechrafi, Chief Executive Officer, la Marocaine des Jeux et des Sports (MDJS)

Andreas Kötter, Managing Director, WestLotto (Germany) and Chair of EuroJackpot

Callum Mulvihill, Chief Commercial Officer, The Lottery Corporation (Australia)

Rebecca Paul, Chief Executive Officer, Tennessee Education Lottery Corp. and President of the World Lottery Association

Younes El Mechrafi began the discussion by highlighting the good work that the Moroccan lottery had done in the wake of the country’s devastating earthquake this year. Nevertheless, despite the positive contributions made by lotteries across Africa and the inter-country collaboration facilitated by the African Lottery Association, Morocco and other African nations still face major challenges from what Younes described as “the cancer of illegal betting.”

He explained, “On November 7, Morocco will host a meeting of the Copenhagen Group, which is an association of national platforms struggling against illegal lotteries. The Copenhagen Group is under the umbrella of the Council of Europe which created the Macolin Convention: a unique legal instrument for fighting illegal betting and protecting the integrity of sports.”

Younes also highlighted how illegal operators that had been shut down in Europe have now moved into African markets, illustrating how such problems can spread into new jurisdictions that may have thought they were protected and emphasizing the importance of collaboration to combat such challenges.

Thanks to Australia’s position within the Asia Pacific Lottery Association, **Callum Mulvihill** was able to share insights

informed by the experiences of countries across that diverse region. Indeed, the current managing director and CEO of the Lottery Corporation (Australia), Sue van der Merwe, also acts as chair of the Asia Pacific Lottery Association.

Speaking about Australia specifically, Callum explained how its market is “very similar to the Canadian market. The Australian market consolidated beginning in 2007 so that today we effectively have two operators: the Lottery Corporation and Lotterywest. The Lottery Corporation operates the lotteries in seven out of Australia’s eight jurisdictions, with the state of Western Australia being the only jurisdiction that has a government-run lottery.”

Callum also highlighted a key contrast between the Australian and American markets. “We’re very heavily draw-game focused: 90% draw games and 10% instant products, which is probably a playership mix that many people in the American market would find hard to believe. But Australia has a very rich history in draw games. When our big Powerball game gets up to a jackpot of \$150 million, that creates a bit of lottery hysteria in Australia, with one-in-every-two adults buying a ticket, even though \$150 million might sound like quite a small number for American lotteries which have enjoyed jackpot sizes much bigger than that.”

With his dual role as the Chief Executive Officer of WestLotto (Germany) and Chairman of the Eurojackpot Cooperation, **Andreas Kötter** brought an informed perspective on the state of the gambling market in his home country and across Europe. “Germany is made up of 16 states and each has its own lottery company,” he said, “and what we are seeing in Germany is increasing liberalization as the market opens up to multiple operators acting worldwide, and we have a liberalized market for online sports betting, slot machines, and casinos”.

Andreas highlighted how the lotteries in Germany’s 16 states have “16 different sizes, 16 different IT projects etc. and therefore often different opinions, but we all share the need to fight illegals and we all face the same changing market”. He also highlighted the scale of the illegal gambling in Germany. “On average, around 25 % of lottery sales are generated through online channels, with meanwhile

already around 40 % of total lottery-sales coming from legal resellers. On top of this, it is estimated that there are at least 3 to 4 million customers who take part in illegal lotteries in Germany alone. Most of these customers do not even know that they are playing illegally.”

Speaking about the situation across Europe, Andreas informed about the networks that exist between different countries in Europe: “The European Lotteries is an association like WLA and NASPL, which represents 70 lotteries from 40 different countries, which is huge. That’s 40 different regulatory regimes, 40 different gaming cultures, 40 different game portfolios, etc. And we have two major product-based international cooperations in Europe, one of which is Eurojackpot which brings together 33 companies from 18 nations and the other one is EuroMillions which is offered in 10 countries.

As the President of the World Lottery Association (WLA) and the longest-serving lottery CEO in the world, **Rebecca Paul** is well-qualified to speak about the importance of learning from colleagues internationally. She highlighted the great value that she had taken from similar sessions throughout her long career, which has included founding the lotteries of Florida, Georgia, and Tennessee.

“In 1988, I had the opportunity to go to my first international conference. And I was blown away by how much you can learn from other parts of the world. Sometimes folks in the US think they’re the best at everything, or that we do not have much to learn from others whose cultures and regulations are different from ours. And to be sure, there are things in the US that we’re very, very good at. But there are folks in Germany and Morocco and Australia that are better at some things than we are. The diversity of perspectives they bring can stimulate fresh, new ways to think about things. The things that you can learn from colleagues around the globe are eye-opening.”

“For instance,” Rebecca explained, “some places in the world may not have had access to some of the newest technology. So, they compensated with ingenuity and creative solutions, like developing better marketing techniques and moving more quickly into mobile gaming. In some ways, more mature lotteries are learning from the strategies

and methods originating in emerging lotteries. If you bring the best things from different countries together, you become better. Having the opportunity to learn from colleagues across the globe has been one of the most beneficial things for me in my career.”

Rebecca highlighted opportunities to learn from colleagues internationally as one of the benefits of joining the WLA and encouraged anybody who was not already signed up to do so. Other benefits that she mentioned included the WLA’s certifications in responsible gaming, its reciprocal agreements to protect vulnerable communities, and its critically important security standards.

Sarah then invited the panelists to talk about their approach to maximizing support for their beneficiaries. Callum explained the Australian model. “The vast majority of the funds our lotteries generate go back to the respective state governments. We pay A\$1.8 billion in state taxes a year. We do try to augment that from our marketing funds and our own paying prizes to support a wide range of charities. But the vast majority of our money is channeled into state governments and ultimately services for the community such as hospitals.”

In Germany, there are different models for distributing money to beneficiaries. Andreas discussed three. “One is to give money directly to good causes. The second is to set up a foundation and channel the money through it. The third is the one that we at WestLotto use: we give the money to the state government, but it is kept separate from the main budget, and the parliament votes on how it is allocated. So, we know exactly which beneficiaries get what funding, which allows us as a lottery company to really highlight good examples of how the money goes back into society”.

The situation in Morocco was different again as Younes explained. All lottery-generated funding there goes directly to “a specialist national fund for sports development to be spent by the Minister of Sports according to government policy.”

Returning to the issue of illegal operators, Andreas stated that resellers are not necessarily illegal unless they are operating outside of their regulated market. In Germany, the closure of online markets

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Applying the Science to Digital Engagement

Pat McHugh

Chief Executive Officer, Scientific Games

PGRI Introduction: With Scientific Games celebrating 50 years in 2023, the journey is just getting started. It's been nearly two years since Scientific Games' lottery business was sold to Brookfield Business Partners, and the company is investing 100% of its focus and resources in lottery. Science is still the core of its DNA, but Scientific Games' consumer-centric approach to interconnected ecosystems is enabling its global teams to analyze more data for actionable insights that drive performance and enhance both the overall player experience and successful portfolio management. We asked CEO Pat McHugh about how the systems technology ecosystem has become the cornerstone to forging a sustainable and prosperous future for all lottery stakeholders.



Paul Jason: Should we expect players to migrate across channels and gaming categories before deciding to buy a lottery game?

Pat McHugh: Lottery players have been very loyal to lottery games. That will continue, but competition is increasing from other forms of online and casino gaming, sports betting and other entertainment and recreational options that are so visible and easily accessed by consumers. There's more cross-over between lottery and other gaming, which means lotteries are competing for playership. It's why Scientific Games is improving the player journey and overall lottery experience to appeal to today's players.

Distribution is rich with potential for lottery to differentiate from the competition. Lottery's massive network of retailers continues to be the cornerstone of the consumer relationship. Digital channels and applying technology to the in-store lottery experience provide tremendous opportunities to build on that foundation and

consumer connections. Our omnichannel platforms, managed services and games for both retail and digital channels make it easy to engage consumers on all levels. Convenient, easy access and seamless navigation across multiple channels are key competitive differentiators.

Do we continue to see lottery retail sales increase when games are sold online?

P. McHugh: Absolutely. Increased visibility in multiple channels brings in new consumers and increased playership, which drives both retail and digital play.

Half of the adult population played lottery games in the past year. An omnichannel platform reinforces current player relationships, brings lottery to the attention of infrequent players and attracts new players. Retail sales increase faster in iLottery states because players are more engaged and active in all channels. When games are available in consumers' everyday lives and activities, there's an uplift in overall sales.

How is Scientific Games combining its

omni-channel presence with leadership in licensed brands?

P. McHugh: We're combining our strengths as the leader in iconic licensed brands, retail and digital game development, and platforms that deliver across channels. Our technology solutions complemented by content and brands connect with players on a personal level. Cultural icons like GAME OF THRONES bring lottery into their world and create opportunities to engage across different platforms. Playing games at retail, noticing iconic brands at the point-of-sale, and then seeing your favorite brands again online and at other touchpoints keep consumers entertained and moving between channels.

Every time we expand retail or digital distribution with good quality games in a meaningful way, overall sales and profits for our lottery customers grow.

Can you explain more about Scientific Games' omni-channel ecosystem?

P. McHugh: We've long been known for

our great games, technology and digital solutions, as well as data and predictive analytics and services, and licensed brands. We've deliberately focused on developing building blocks of applications that can be combined, or stand alone, to manage all game categories across retail and digital in an integrated fashion. Our omni-channel ecosystem includes transaction processing engines along with value-add applications, tools and analytics to manage performance.

We're delivering the full ecosystem with combined building blocks, or subsets, depending on the lottery's needs. Adding game portfolios and services allows our customers to seamlessly engage with their players for maximum results. An example is our Scientific Games Enhanced Partnership program which is a subset of the ecosystem. SGEP combines great instant games and portfolio management, value-add applications such as predictive ordering and digital engagement tools, analytics and other services to maximize lottery sales and proceeds. Our turnkey iLottery programs are the digital equivalent of SGEP.

A cornerstone of our systems architecture is interoperability, reducing the time and cost of integrating third-party products, game content, technology solutions, or even platforms to support an entire category like iLottery or sports betting.

Can you share an example of a multiple-supplier approach?

P. McHugh: Absolutely. SGEP can be integrated into the Scientific Games' ecosystem, or with third-party suppliers. Another example is our new SG Content Hub and Partner Program which offers one-stop, frictionless access to multiple iLottery game studios from around the world. It integrates seamlessly with a lottery's existing gaming systems and iLottery technology. This enables us to partner with lotteries on iLottery game portfolio planning and management, game studio contract negotiations, studio integrations and billing – all streamlining the entire digital content management process. It's like the Netflix of iLottery because it gives lotteries maximum access to the best content worldwide.

Is the company's portfolio of amazing iLottery games attributable to being bought by Brookfield?

P. McHugh: Yes. Our transition to a privately held lottery products company accelerated investment. We have invested

heavily in SG Studios, our digital game studio, as well as in areas like data analytics and digital technology. Our resources are no longer divided between lottery and commercial casino customers. We are 100% focused on producing the best content, delivering the best service, and driving the best results for our lottery customers.

How can lotteries construct RFPs with the flexibility to add future technology when the cost isn't known at the time of contract negotiation?

P. McHugh: The best way to ensure success is to focus the RFP's objective and evaluation on generating the highest growth and profits for the lottery by incenting supplier investment at launch and over the contract term. Then, have a contract mechanism for all contract modifications for incremental investment in innovations that will further increase lottery proceeds. This is often challenging because state procurement policies are highly focused on setting a low-bar commodity cost comparison, instead of

toward the same goal. Just as important is including a mechanism to assess and procure new technologies, products and services as they become available in the future. Central systems contracts can be as long as 10 years. The flexibility to add new products and solutions throughout the contract term is vital to the lottery's ongoing success.

Should the RFP be a one-and-done procurement that concludes with the delivery of a product?

P. McHugh: More than ever, the ability of the technology partner to support rapid and cost-effective migration to new technologies and the integration of new products and services is the difference between good performance and great performance. And that adds up to multi-millions of dollars. Lotteries need a central system and IT infrastructure partner capable of supporting growth in a rapidly changing and technology-driven marketplace. The right partner has already

More than ever, the ability of the technology partner to support rapid and cost-effective migration to new technologies and the integration of new products and services is the difference between good performance and great performance. And that adds up to multi-millions of dollars.

benefits and return on investment. You can't put a specific price on products or services that don't yet exist. There are, however, ways to position the lottery with the flexibility to evolve and acquire future solutions that become available.

The state lottery is a market-driven enterprise that produces hundreds of millions or even multiple billions of dollars in revenues. A high percentage of those revenues go to the state's good causes and beneficiary programs. The difference between good performance and great performance adds up to millions of dollars in net funding. The procurement process and the way the RFP is constructed set the foundation for the results.

An effective contract drives alignment between the lottery and its technology partner so that everyone is working

invested in the tools and capabilities that will drive growth five and 10 years from now. RFPs and contracts should include provisions that require these capabilities.

Does state procurement understand that lottery is a market-driven business with the highest profit margins and ROI of any company in the world?

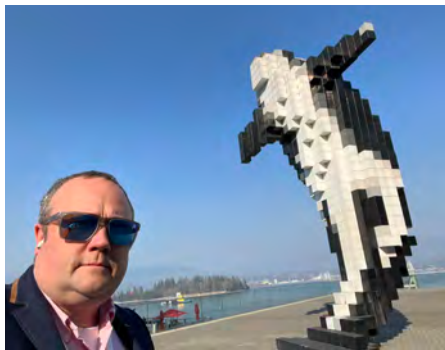
P. McHugh: Not often. It can be challenging for procurement and government stakeholders who are accustomed to commodity purchases designed to save money and maximize administrative efficiencies. The focus should be on investing in growth to increase net funds for good causes. Apart from their state lottery, governments are not in the business of investing in and managing huge market-driven businesses that generate hundreds of millions of dollars in profit.

Continued on page 39

IS SPORTS BETTING THE BIGGEST THREAT TO LOTTERY IN 2024?



LOTT RESEARCH



**Simon Jaworski, Founder & CEO,
Lotto Research**

On the last day of 2023, my wife Beth and I stood in line for delicious pizza (L'industrie Pizzeria) in the West Village, but it was the conversation behind us in line that was even more interesting. The two couples (who were strangers) had started a deep-rooted discussion, not about their New Year's Eve plans, or even the Powerball New Year's Rockin' Eve draw, but about their NFL parlays and how they had failed that afternoon. After joining in with our new found friends, the tête-à-tête weaved between the NFL and betting on the games as seamlessly as holding hands and singing Auld Lang Syne at midnight.

There is no way that conversation would have happened five years ago.

The game plan. The negative stigma attached to betting on sports has all but disappeared.

Sports betting is now legal in 37 states in the U.S., with mobile sports betting allowed in 28 of those states. That's massive growth since the national law that prohibited states from regulating sports betting (PASPA) was rescinded just six years ago. If this is the landscape of sports betting and online betting today after such a short period of time, how much more will it grow in the next ten years?

There are still states where sports betting remains illegal, and those are Alabama, Alaska, California, Georgia, Hawaii, Idaho, Minnesota, Missouri, Oklahoma, South Carolina, Texas and Utah. Yes, three of these will not see any effect on lottery sales if (when?) they legalize some form of sports gambling. However, three of these, Texas, California and Georgia, own three of the top seven lottery sales* in America (*2022 numbers).

So it's time to reexamine what kind of risk sports betting poses to our beloved industry's 'good cause' generation.

The kick off. Men dominate the sports betting landscape

Sports betting has always been one of the most male dominated forms of gam-

ing and gambling, but there has been a marginal shift in play within the genders in the past two years, from 77% of past year sports bettors being male, down to 74% in 2023.

However, for the higher spending sports bettor (\$500+ per month) it is still a 5:1 male to female ratio, with only 17% of women accounting for the higher spending category. Incidentally, this group bets around \$1,200 on average per month.

Where we have seen another notable shift is in demographics is within age groups. Sports betting has gotten significantly younger in 2023, with 75% of all sports bettors being 44 and under, compared to 69% in 2021.

There has also been a notable increase in Hispanic sports bettors over the past two years, up from 22% to 29%, significantly over-indexing to the size of their population in the U.S. I have been very vocal to the lottery industry in explaining that the Hispanic audience is still very much underserved by Lottery games and products. If anyone talks to the Texas Lottery about the success of their \$100 Loteria ticket, I think they might come to the same conclusion.

Gambling as a whole is also moving up the hierarchy of popularity in terms of recreational activities, from 46% in Q4 of 2021, up significantly to 52% in Q4 2023, now ahead of Reading! And in terms of preferred activity, Gambling is also up significantly from 9% ('21) to 14% ('23).

Continued on page 41

Security as a Process



An advanced, holistic view of security underpins IGT's patented NextGen instant ticket security system. Here's a closer look at how this innovative process was designed to uniquely support lotteries' core value of game integrity.

"The mantra of any good security engineer is: 'Security is not a product, but a process,'" observed world-renowned security technologist Bruce Schneier. "It's more than designing strong cryptography into a system; it's designing the entire system such that all security measures, including cryptography, work together."

The distinction between the two approaches is important, especially given that instant games are inherently complex creations themselves — involving multiple disciplines as they advance through design, printing, and the distribution of tickets to their final sale to a player.

Recognizing several years ago that the system for producing instants was ripe for total reimagining, IGT invested in designing a revolutionary, patented new security system, NextGen, in which all the aspects, including state-of-the-art cryptography, work together.

By virtue of IGT's process-oriented approach, NextGen provides the highest levels of security and unprecedented transparency throughout the instant ticket development and manufacturing process. It is now used to generate secure instant games for IGT customers worldwide.

Keith Cash, IGT Vice President Global Instant Ticket Services, discussed the features and advantages of NextGen:

One way to innovate is to change the model entirely. How did IGT's NextGen do this for instant ticket security?

Keith Cash: Unlike legacy systems, which have evolved over time and typically "kludge" separate security products

Benefits of NextGen Security vs. Industry Legacy		IGT NextGen	Industry Legacy
	Encrypts Genesis/Shuffle Seed		
	Ciphertext Decryption Seed Managed by at least one "Trusted Party"		
	Enables Multiple Parties to Manage and Approve a Game Reconstruction		
	Forensic Audit Trail Maintained in an Unalterable Blockchain		
	Forensic record of both Game Generation as well as Ticket Reconstruction		
	Enables audit of distribution or arrangement of Winning and Losing Tickets in the Development Phase		
	Database Architecture for secure storage of all Game Elements		

throughout the instant game-generation process, we created NextGen from the ground up to offer the industry an end-to-end system that takes security beyond what was previously possible.

We harnessed IGT's investment in developing the advanced digital printing platform used to create our Infinity Instants™ games and went on to develop this new and superior game-programming platform and security process, which can be used for all instant tickets, not just Infinity games.

In plain terms, our NextGen system unifies dissimilar aspects of the instant ticket game-generation process — including ticket artwork, game rules, and game prize structure — into a single coherent process that delivers more robust levels of security than are possible with one-dimensional legacy systems.

Why do you call NextGen “database-centric?”

Keith Cash: Because it's the first and only instant ticket game generation system that stores all pertinent elements in a single, multidimensional database for each game.

By linking every process in instant ticket development to **a common, coherent database and an associated blockchain for each game**, the system automatically logs every process in an instant ticket's development.

The blockchain associated with each instant game's unique database **protects not only the entire game development process, but also the reconstruction process** (for details on the NextGen process and its use of blockchain, **please see the related article, “A Leap Forward in Instant Ticket Security,” in PGRI March/April 2023**).

This process-oriented type of instant ticket security is unique to NextGen and is not readily adapted to legacy systems. It's one of the reasons we received several United States patents for NextGen.

NextGen can be used for all instant games, but how does it specifically come into play with Infinity Instants?

The state-of-the-art quality of NextGen's security features allows it to produce more complicated games with the confidence that **complexity doesn't add risk, only more enjoyment for the player.**

With the combined capabilities of our NextGen game-programming platform and Infinity Instants digital printing platform, we can **provide players with new, highly engaging play mechanics** that can't be replicated with traditional printing technologies.

that can appear in a single Crossword game. It also allows for **adding color** to the Crossword symbols beneath the scratch-off coating — a key feature of Infinity Instants games. The shape and configuration of the Crossword grids can now feature **unlimited variety**, no longer constrained by the number of versions that could be represented using traditional flexographic plate technology.

Another recent launch demonstrating how these combined technologies give us

CROSSWORD GEMS

YOUR LETTERS

WIN UP TO \$XXX,XXX!

BONUS GEMS

High-resolution, digitally imaged gems are distributed throughout the puzzle in the blank spaces that do not house letters

PRIZE LEGENDS

Two prize legends award prizes for word completion (traditional crossword play) and gem collection (the secondary bonus feature)

BONUS COORDINATES

Coordinates allow players to collect the gems distributed within the puzzle

PRIZE LIST

12 words	\$100,000
11 words	\$50,000
10 words	\$25,000
9 words	\$10,000
8 words	\$5,000
7 words	\$2,500
6 words	\$1,000
5 words	\$500
4 words	\$250
3 words	\$100
2 words	\$50
1 word	\$25

CF2

In 2023, for example, we released the first Infinity Instants Crossword game, which **adds a secondary level of play** by placing colorful gems within the unoccupied spaces in the Crossword grid. In addition to offering traditional Crossword gameplay, a set of coordinates is also provided to players, **allowing them to collect gems interspersed in the grid spaces that are typically left blank** and receive bonus awards based on which gems have been collected.

The combination of NextGen and Infinity Instants technologies **increases the number and types of game symbols**

new means to innovate is Ghostbusters™ with Infinity Instants, developed by IGT specifically for the Michigan Lottery. This 12-scene game is the latest reimagining of a franchise with tremendous staying power over the past 30+ years. It features iconic graphics and full-color Infinity Instants enhancements to the play symbols and the uncovered art.

When you factor together the 12 different scenes, the color underneath the coating, and the specific game rules, it requires a tremendous amount of computing power to calculate what each ticket is worth, shuffle them, float them, and match the background

scenes with what's going on around them. Only the NextGen database could have accomplished this and produced these graphics.

Ghostbusters with Infinity was the highest-performing licensed property in the Michigan Lottery's focus-group testing, and after three weeks in market was the Lottery's sixth best \$5 game ever, excluding holiday games. At nine weeks, it has an index of 116. There are video clips on YouTube of players scratching the tickets to reveal what's beneath the coating, with viewers adding comments like "cool," "fun tickets," and "these cards look ace."

With the combination of NextGen and Infinity, a lottery gets the benefit of the new programming with new games that not only look better, play better, and offer more play options, but are also more secure. IGT has been nimble enough to leapfrog over what has come before to add value for lottery customers and players.



Michigan launched a 12-scene Ghostbusters™ game in September 2023 (one scene pictured, uncovered), a high-performer that benefits from the power of both NextGen and Infinity Instants technologies.

Has IGT implemented any other new security technologies?

Keith Cash: IGT has been working on implementing security as a process tightly integrated into instant ticket production for some time, though it may not have been known in the industry (see sidebar).

IGT implemented end-to-end, hardware-encrypted hard drives in 2018, for example. This innovation ensured that live game data was never stored unencrypted "at rest," and it was operational and in the market years before other technology suppliers.

We prefer an incremental "build a little, test a little" approach, especially with something as complex as instant ticket production. We conduct an internal audit whenever we integrate a new security feature into our production process. Of course, whenever we integrate new technology into our production security process, we ensure that our internal auditors review the new technology and the overall security process.

Thus, passing external audits is essentially a *fait accompli* thanks to the intense effort and testing that has come before.

All instant ticket manufacturers agree that we must provide security and that game programming is critical. IGT simply thinks we should provide that security using modern technology to deliver unparalleled transparency and accountability.

Or, to put it another way, IGT employs NextGen's patented technology daily to monitor the instant game programming process for every game we produce, automatically generating unalterable blockchain-protected forensic files in a manner not done with legacy one-dimensional game generation systems.

This automated, forensic documentation of each step of the process for each game generated is available to our



lottery customers, providing unprecedented transparency at any time in addition to any occasional assessments performed by outside auditors that are routine in our industry.

I've said before that we're driven to innovate because we're not vested in the status quo but in how groundbreaking technologies can bring further innovation to the instant ticket business.

Ghostbusters™ & © 2024 Columbia Pictures Industries, Inc. All Rights Reserved.



allows the customers of our stores to play and collect winnings directly on their smartphones, without interacting with cashiers or using paper slips. Also, through the OPAP Store App, customers participate in our loyalty program. It should be noted that in order to deploy the app, we developed one of the largest IoT (Internet of Things) networks in Europe, spanning across more than 3,000 stores across the country, which constitute the largest commercial network in Greece.

Overall, the OPAP Store App has been proved a successful digitization initiative. First, it is preferred by thousands of players to enhance their in-store gaming experience, with its basis of registered users reaching more than 800,000 customers. Second, we see that the use of the app has led to increased customer engagement, generating incremental gaming activity and revenue. Third, the customer data generated through the app allows us to gain valuable insights, which can be used in our commercial initiatives, as well as for personalized offerings.

Today, there is a big discussion around emerging technologies like Web 3.0, AI, and Metaverse. How do you see their application

in lottery and gaming operators?

J. Karas: Indeed, there are a lot of interesting innovations and emerging trends in the area of technology and especially in virtual and augmented reality. As people spend more time in the virtual world, the gaming industry will have to use such technologies to create more immersive, interactive, and social gaming experiences. Some of these trends have the potential to reshape our industry, but this will at large depend on customer adoption.

As a customer-centric company, we are closely monitoring global developments and experimenting on certain use cases, which could add value to our customers. For example, we have used Augment Reality applications in our Scratch cards. In addition, we have piloted a virtual OPAP Store where, with the support of VR glasses, users can navigate around the store, check game results etc. So, when it comes to emerging technologies, OPAP is focused on preparing for what the future may bring, testing things, and being ready to respond fast, when a trend gains scale.

Supporting good causes is a fundamental

aspect of lotteries' activities. Do you think that technology can help in this direction as well?

J. Karas: In one word: yes! In fact, I believe the possibilities are endless in this domain, as technology can help lotteries engage more deeply with their customers, but even with non-players, helping their mission of giving back to society.

On our part, we've seen this in practice, using technology to boost people's engagement with OPAP's Corporate Social Responsibility (CSR) initiatives. Specifically, we are the only company in Greece to deploy a mobile app dedicated to CSR. Through the app, people participate in our initiatives, by playing entertaining games and collecting points, which OPAP turns into actual contribution for specific projects, like the renovation of Greece's largest children's hospitals, which we completed recently.

We are proud of our CSR app's success, as it has a basis of more than 300,000 registered users and has helped us reach audiences beyond our customer base – and especially younger and female ones. ■

For the Benefit of Society: On EL's Strategic Outtime Overview 2023-2025 — continued from page 14

decision that more money can be made by going legitimate than continuing to flout the laws of the land. This sudden change of heart needs to be much more than a public relations campaign designed to win approval to operate legally instead of staying in the shadows without legitimate license to operate.

That said, EL welcomes the challenge to lead the way and contribute towards the goal of regulating games-of-chance for public good. That is the only way for the games-of-chance to be acceptable and sustainable in the long run. We want to reduce illegality and irresponsible practices in the gambling industry. Illegal and irresponsible operators pay fewer if any taxes and pay less if any attention to standards of player protection, integrity, security, and prevention of money-laundering. EL wants to be a part of the solution, and do whatever we can to promote the values represented by our members and articulated in our Strategic Outline. We are united in diversity, we adapt to changing times, and we welcome members who truly share our values, our purpose, our goals, and our dedication to be here for the benefit of society.

How about global issues; what are the

important ones for EL and how are you as an association addressing them?

R. Girandon: EL is a community of 70 entities operating in 39 different countries. Many of the issues we face are global in nature and exceed the wide range of our membership. Preserving integrity in sports, for instance, is an effort that must be addressed on a global level to be effective. Besides EL's own efforts, together with the World Lottery Association (WLA) we are the founders of The United Lotteries for Integrity in Sports (ULIS), a non-profit organization to educate and prevent as well as monitor sports betting on a global scale, aiming to detect and report suspicious betting activities and collaborate for law enforcement.

We are pleased to cooperate with the WLA and ULIS on this and other global initiatives to uphold our shared values.

Thank you for sharing the new EL Strategic Outline (See pages 16, 17). Any closing comments?

R. Girandon: I'm happy to share some of the newest EL Report 2022 figures, showing the magnitude of the impact that EL members

have in in practice. First, I'm extremely proud that in 2022 the EL members secured 22,2 bn Eur funds for good causes, which is 11,3 % more than the year before. It's also great to know that EL members employed more than 51,000 full-time employees in 2022, which is an increase of 5,2% to the year before. I'm proud just the same that all EL members are independently Responsible Gaming certified, and also that 40 % of our members are already taking part in our voluntary Environmental Initiative. As for the percentage of women – with about half EL members employees being women, there are 32 % of women in management positions. I think, with building inclusiveness and equality further, also with the initiatives like EL Women's Initiative in Lottery Leadership and EL DEI e-learning platform, we still have some great expectations and room for improvement on this topic.

I want to thank our Executive Committee as well as all of our members for their vision and dedication. Also thank you to our Secretary General and the EL team that keeps everything moving forward. See you at WLA/EL Marketing Seminar in London! ■

The Science Inside the Scratch



MAP
analytics for
portfolio planning

Industry's
LARGEST
licensed property
library with
100+ BRANDS

4,000
unique games
designed annually

PAYOUT
optimization tools

Scientific Games is the partner of choice for 18 of the 20 top-performing instant game lotteries in the world.*



*Based on weekly per capita sales
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6 Big Performers

MEGA GAMES OF 2023

In search of the science inside

With 2023 wrapped, it's a time of reflection, commitment to new resolutions and innovative ways to make 2024 an even better year. At Scientific Games, that means deep diving into data searching for the *why* inside top-performing games.

We asked Rob Thompson, Director of Business Intelligence & Analytics at Scientific Games, who's been studying data for 20+ years, to identify the "mega games" of 2023 – the instant game blockbusters that drove sales beyond

what lottery product managers planned, or ever imagined.

"Poring over graphs and charts for our customers' scratch games, it is easy to forget that behind every number is a player. I can tell a game's story using data and identify the products that emerged as mega games in 2023," said Thompson, always keen to share his passion for the science of lottery play.

And for the company's global customers, the data is a blueprint for innovation in the coming year.



Rob Thompson
Director of Business
Intelligence & Analytics
SCIENTIFIC GAMES



Massachusetts Lottery – *BILLION DOLLAR EXTRAVAGANZA*

Launched 2/7/2023

Yes, it's Massachusetts but... The *Billion Dollar Extravaganza* game has the highest per capita sales (\$3.93) in the first 16 weeks of sales of any game the Lottery has launched in the last 10 years – and maybe of all time! It's an absolute category champion at the relatively new \$50 price point. After concept versions on a dozen different papers, Scientific Games produced this blockbuster game on holographic stock featuring gold *Premium Metallic Ink*, a callout touting over \$1 billion in total prizes (the highest of any game in the Mass Lottery's history) and three bonus boxes. This is how it's done.

"It was imperative that our first \$50 game present our players with a value proposition that exceeded anything they've ever seen, so we filled this ticket with superlatives: the biggest grand prize, the highest payout percentage, the largest amount of total prize money, and the most Second Chance Drawings ever offered in Mass Lottery history," said Mark William Bracken, Executive Director of the Massachusetts State Lottery.

"Visually, the ticket exudes prestige, with regal gold and blue colors on holographic paper that reveals dollar signs in multiple sizes and colors. Player response was overwhelming, with weekly per capita sales at levels the industry has never seen before. The ticket almost single-handedly turned a year-over-year decrease in instant sales to a 3.3% increase in the category by fiscal year's end."

From a launch standpoint, since the Mass. Lottery hadn't introduced a new price point in more than eight years, the product team analyzed initial allocations of their \$30 games to be sure that the first \$50 game was allocated properly. Having the opportunity to review performance in states that already launched \$50 games also allowed the team to take the best practices of the most successful game at the time (Florida Lottery's *500X THE CASH*), build upon those best practices and apply them to their market. Mass. also offered a second chance promotion featuring 10 drawings where players could win up to \$50,000.

South Carolina Education Lottery – FASTEST ROAD TO \$2,000,000

Launched 3/28/2023

Timing is everything. SCEL experienced tremendous growth with \$10 games and made a purposeful decision to build upon that success by launching its first \$20 game. The Lottery's product team went big with a fantastic green game that expresses a strong value in its name. As part of the planning, they enhanced the game with gold *LuxShimmer Ink* to boost its success. *Fastest Road to \$2,000,000*'s name is a monster callout for the best chance to win \$2 million in SCEL history! This game's screaming hot weekly per capita sales

(\$1.43) made it the Lottery's No. 2 game of 2023 by the first 16 weeks of sales.

"South Carolina carefully planned our approach to the product positioning of the first \$20 game. We limit the use of callouts in South Carolina so including the callout 'Best Chance Ever to Win \$2,000,000 in SC Lottery History' really stood out to our players, especially since top prizes in South Carolina are not annuitized," said **Ammie Smith, Director of Product Development for the South Carolina Education Lottery.**



Maine Lottery – \$50 or \$100

Launched 5/4/2023

Ten-dollar games are the SCEL's specialty, and the list of top-performing \$10 games is usually dominated by South Carolina. But this blowout game from the Maine Lottery is notable for several reasons. First, it has the highest weekly per capita in the Maine Lottery's portfolio for 2023 (excluding \$30 games). Second,

Maine supercharged this unassuming game by launching it in a vibrant purple with *Fluorescent Ink*. Continuing to contribute to the Maine portfolio, it is currently on sale in yellow and green colorway and retains the effective callouts, prize structure and money/wealth theme.

Added a few years ago to enhance the \$10 price point category, this blowout game has become a core game in the Lottery's instant product portfolio. Different than other \$10

games, the \$50 or \$100 game features a money theme and provides players with the exclusive opportunity to win one of two prizes. Though the odds are a bit higher than standard \$10 games, the value proposition for this loyal group of players is well worth it. So much so that Maine also carries a version of this at the \$25 price point to differentiate value to high price point players. The Lottery has been very satisfied with how this uniquely prized game performs in its market.

"The success of the game has proven that indeed there is a market for a game with substantially higher odds if the prizes are substantial enough. We took a chance based on feedback from our players and it has worked out extremely well," said **Mickey Boardman, Acting Director, Bureau of Alcoholic Beverages & Lottery Operations.** "The higher price point appears to be appropriate for this type of game and we are so pleased we are offering a similar game at the \$25 price point."

"We wanted to ensure the game would stand out at retail so decided to go with a bright fluorescent yellow and a font that allowed the two prize tiers to really stand out a retail. In addition to the top prize, we also focused on the callout so players would be clear about what the prizes were," Boardman added.



Connecticut Lottery – X

Launched 2/28/2023

The “X” multiplier concept is popular with many lotteries but especially with Connecticut Lottery players. The Lottery’s edgy \$5 X game has delivered an awesome performance against its peers in the industry with sales indexing 67% higher than other \$5 games. The multi-level multiplier on this lower price point product provides the excitement usually seen across multiple price points all in one powerful game. It is the Connecticut Lottery’s highest-performing game by weekly per capita sales in the \$1 to \$5 price point categories. A simple four-number key match with several compelling multiplier spots (ranging from 2x to 20x) and a bright game design with green, orange and pink *Fluorescent Ink* helped this game

perform. The vibrant colors fit well in the portfolio and brought players’ attention to the game.

“Multipliers are always incredibly popular with our players, so we make sure to consistently include them in our product mix. We loved the look of this game and simplicity in name and design,” said **Carlos Rodriguez, Director of Games for the Connecticut Lottery.**

“X was a strong performer. This game was over 75% sold in just 13 weeks, generating nearly \$7.7 million in sales in that period. X’s speed of sale – what we refer to as velocity – was a standout at both the six-week and the 13-week marks, with a total of more than \$8 million in sales,” shared Rodriguez.



Missouri Lottery – Lots of \$50s

Launched 7/25/23

Loaded games create quite a bit of excitement with players, as do all specialty prize structures when they are used judiciously in a portfolio. The Missouri Lottery's *Lots of \$50s* game makes the 2023 top-performers list with very strong weekly per capita performance in the \$1 category.



This game achieved the highest weekly per capita of \$1 games launched by the Lottery in 2023. It's become a core game in the market, thanks to a successful strategy.

“The \$50-themed games are top-sellers in our \$1 price point category, so we strive to offer the theme consistently in our \$1 game mix. Players loved the *Lots of \$50s* game with its distinct play area, clear highlighted callouts, contrasting colors and prize offerings,” said **Bill Burton, Instant Products Manager for the Missouri Lottery.** “The *Lots of \$50s* unique prize structure aligned with the game name and callouts, allotting 33% of the prize fund to the \$50 prize level.”

Burton shared, “In fact, *Lots of \$50s* is our highest-selling \$1 game in the past two years. We’ll definitely continue to use the game’s successful attributes in future game development.”

“The success of these scratch games speaks to the value of reading the market properly and creating the right mix of variation in an instant scratch portfolio. This is the way to create value for the beneficiaries of a lottery and Scientific Games is proud to be a partner that supports growing that value across the industry.”

– Rob Thompson, Scientific Games

New Mexico Lottery – \$5,000 ORO

Launched 4/4/2023, reorder launched 8/7/2023

Earlier this year, the New Mexico Lottery launched an inventive four-member family of games with a nod to the state’s culture and rich history of gold. \$5,000 ORO, the \$2 game, would go on to win the coveted North American State and Provincial Lotteries Association’s 2023 Best New Game award. Branded ORO – which means gold in Spanish – all the games were designed using a precious metals theme with the gold and twinkle *Sparkle Select* patterns on blue. Across the family, the \$2 game was a stand-out. The two-number match game gives players extra value with a \$1,000,000 second-chance win opportunity. It was the best-selling New Mexico Lottery game in the \$1 to \$5 price point category by per capita sales, performing 52% higher than other \$2 games. The entire family, which includes an extended play game, has performed very well for the Lottery.

“Families of games are important for New Mexico Lottery players because they provide a cohesive look, an advertising campaign featuring multiple price points and an opportunity to appeal to many different players with different play styles, price points and top prizes,” said Karla Wilkinson, Director of Gaming Products, for the New Mexico Lottery.

“We were thrilled with the game’s performance. The \$2 and \$5 price points sold out in just eight weeks.

Sparkle Select on \$5,000 ORO made it stand out among the other \$2 games. Typically, \$2 games are an introductory price point for players,” Wilkinson shared. “The \$2 ORO scratcher also received the most entries into the second-chance promotion, which supports that it was an entry point for new and infrequent players.

Wilkinson said that the success of the ORO family was a perfect blend of game appeal (look), prizes, a second-chance promotion and a comprehensive ad campaign.



Congratulations to these lotteries for a job well done.

These games reflect the innovative decisions made by product managers to learn what their players prefer in a scratch game entertainment experience.

For more information on these top performers,
contact your Scientific Games representative

All performance indexes based on Scientific Games MAP™ fiscal year data for U.S. lotteries.
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NeoGames: Working with Lotteries on their Digital Journey

Chris Shaban, Executive Vice President of Global Business and Customer Development updates us on the latest with NeoGames and what 2024 has in store for the leading iLottery provider.

The iLottery industry in North America has continued to grow rapidly, and 2023 saw even more of a focus on digital programs, further highlighting the benefits that a high-performing online program brings. As our industry continues to mature, a strong platform and a broad content portfolio featuring a variety of game themes and formats is a necessity to maximize engagement, therefore generating higher revenues and strong returns to good causes.

Chris Shaban discusses some of the excitement that these digital growth opportunities are bringing to our ever-changing industry. “It is an extremely exciting period to be in the lottery industry. At NeoGames, we are working closely with lotteries across the world to anticipate market trends and player preferences so we can stay several steps ahead of the curves in technology innovation and market competitiveness. And in a market that is guided by gaming restrictions and local political conditions, collaboration within our industry is key to opening new markets for digital iLottery programs.”

With the recent acquisition of Aspire, Pariplay, and BtoBet to add additional products, services and resources, and the anticipated merger with Aristocrat, which is expected to be completed by the first half of the year 2024, NeoGames has continued to expand their offerings as the leading and trusted iLottery partner to the global market. NeoGames has remained steadfast in their focus of enhancing their digital technology platform and industry leading content, resulting in a lottery customer base that has doubled in less than three years.

“Key to our success is the strength of our customer-facing teams, which continues to develop and grow – especially in the United States – as we support the business plans of our existing customers, and as we add new customers” added Shaban. “The priorities of our global and local teams are to listen to lotteries to collaborate, find solutions, and overcome challenges. Those elements drive us to be the long-term trusted partner for lotteries in their wagering and non-wagering digital journeys, and we are excited to

work with both customers and potential customers, including those where iLottery is not yet permissible.”

Bringing innovation and a comprehensive product suite to the lottery industry

In the digital space, a versatile portfolio of products and services are the essential tools to best support the specific needs of lotteries, given the range of requirements seen in state regulations, and political and business environments.

Shaban details the importance of continuous dialogue with their partners: “The NeoGames suite of products and services are delivered after talking at length with lotteries, understanding their requirements and supporting the player journeys, starting from registration. Additionally, our single codebase and monthly releases are a profound advantage to our customers, ensuring they have the most current version of our software with upgrades each month, enjoying all global enhancements from every customer.”

“NeoCube, is our advanced data analytics solution and provides our customers with tools to access real-time insights across the entire span of their digital activities,” said Shaban. “As lotteries continue to build their digital capacities, understanding these insights will ensure we can react quickly and effectively to any pattern of player behaviour.”

“To complement the analytics from NeoCube,” Shaban continued, “we offer our customer real-time marketing from our NeoEngage customer engagement platform. This comprehensive product segments players and interacts, engages, and offers them exclusively what they prefer.”

“Beyond customer data and player engagement, NeoGames has made a significant investment to build our in-house content studio to offers an array of entertaining, engaging content.

A recent example of content developed by NeoGames Studio is Desert Fantasy. This award-winning game has become Virginia Lottery’s most lucrative game ever, generating more than \$136,000,000 in its first 180 days.

Shaban commented: “With a talented



neogames®

development and delivery team, NeoGames Studio offers a wide variety of content and has become the leading iLottery content provider to lotteries across the globe, capturing the imaginations of players across regulated markets.”

Collaborating to advocate for a strong future for the lottery industry

Along with offering a strong suite of products and services, NeoGames agrees that the lottery industry works better when there are open channels of communication and collaboration on key issues, especially given the political and competitive challenges lotteries face today and in the future.

“Through the partnerships NeoGames now enjoys with industry organizations such as the World Lottery Association, the North American Association of State and Provincial Lotteries, European Lotteries, and others,” Shaban said, “we fully appreciate the importance of these partnerships helping lotteries, suppliers, and others in the industry work together toward common objectives.”

In addition, NeoGames works closely with lotteries to proactively highlight positive messages to public officials and other interested parties.

“Collectively, we must continue to align and advocate for the issues that are important to our stakeholders, including increased revenue, responsible play, consumer protection, omnichannel retail and digital growth, and reaching new players with strong player journeys,” Shaban concluded. ■

of sophisticated Customer Relationship Management (CRM) systems, enabling dynamic, tailored interactions with players.

Integral to our strategy is the integration of an automated age verification system, seamlessly functional across diverse channels and devices. This paves the way for a smart, location-aware digital wallet accessible to all players.

Is it fair to say that retailers are now more willing and able to adopt new tools and technologies?

N. Nikolakopoulos: It's clear that retailers are embracing innovative technologies and tools in a rapidly evolving environment. However, it's important to note that retail's scope extends beyond just lottery operations, with lottery games serving as an additional feature that requires seamless integration and effective performance.

Traditionally, the retail industry exhibited some hesitance towards swift innovation and modernization. Yet, recent developments, significantly propelled by the pandemic, have led to a notable transformation in retail methodologies. Retailers are now actively engaging in modernization and digitalization, both in their operational processes and in how they interact with customers,

particularly in brick-and-mortar locations.

As the primary link between the Lottery and its customers, the retail sector is at a pivotal point. There's a strategic imperative to support retailers who are embracing innovative approaches, integrating digital solutions in their stores, and exploring new ways to engage with customers.

U.S. Lotteries, with their broad and varied network of retail affiliates, occupy a special position in the gaming industry. This network is more than a mere distribution channel; it's a vital asset that cultivates a unique bond between the Lottery and its retail partners. This scenario offers an invaluable chance to amplify and broaden the Lottery's impact in the retail sphere.

Will artificial intelligence be applied to transform our industry like it is transforming others?

N. Nikolakopoulos: Leveraging the unparalleled impact of Artificial Intelligence (AI) across various technologies, we foresee opportunity for radical transformation within the lottery industry. This shift, mirroring evolutions in multiple sectors, positions AI at the forefront, revolutionizing game development, customer interaction, and advanced data analytics. The term 'trans-

formation' briefly encapsulates the expected profound alterations in game dynamics, player experiences, and stakeholder value creation, encompassing operators, retailers, and players. This shift represents not merely an improvement, but a strategic revolution, signifying the emergence of new avenues for growth and innovation.

I am excited for INTRALOT and for the vision that you're bringing to the industry

N. Nikolakopoulos: At INTRALOT, we've experienced a profound shift, marking both personal and professional evolution. This era has showcased our adaptability and readiness to advance, leading to more effective business practices. The potential for innovation and flexibility has always been intrinsic, yet recent challenges have refined these traits.

In addition, we see consumers becoming more engaged and seeking creative solutions to enhance their lives and fulfill ambitions. Post-pandemic, we see a renewed enthusiasm for change, growth, and prosperity. As we enter a new phase in lottery gaming, the collaborative endeavors of all stakeholders promise substantial progress and widespread benefits. ■

Applying the Science to Digital Engagement — continued from page 27

These are, though, very smart people who are beginning to act on the foundational concept that lottery is an investment business. I think the best analogy is when states increase investment in marketing for tourism. It's a government investment to generate greater returns from consumers.

Are these ideas getting included in the more recent RFPs?

P. McHugh: Yes, this concept is gaining traction. For example, the clear objective of the Maryland Lottery's last systems RFP and contract was to position the lottery for investment and growth. The results have been impressive. It is a great success story, especially for instant and terminal games. The Lottery's performance has exceeded all expectations, and this is attributable to a clear focus on its leadership's strategy and investment in growth.

Finland has a more than 60% registered player base. Half of the registered players only play at retail. They registered for the

benefits of digital engagement, not to play online. Should player registration be a mission-critical objective?

P. McHugh: Yes. Digital engagement transforms the player journey and the entire lottery value proposition. It's not just about buying games online but connecting in countless ways that simply don't happen in anonymous, offline relationships. Retail players enjoy those benefits just as much as online players. Starbucks has one of the most successful digital engagement programs in the consumer products industry. Yet their product is not delivered or consumed online. Known Starbucks customers receive promos, points and purchasing conveniences not available to unregistered customers.

Players' clubs and loyalty programs are critical to the sustained growth of the lottery industry. That's why digital engagement has been one of the greatest areas of investment and innovation for Scientific

Games. Science, the key component, is the conversion of technological capabilities into material results for our customers. Powerful technology is the baseline. Applying it effectively to produce better outcomes is where Scientific Games excels.

Combining insights from digital engagement platforms like players clubs, loyalty programs, second-chance, player acquisition and retention initiatives with the most advanced data analytics tools will be the competitive differentiator that drives long-term growth and prosperity for lotteries. Other gaming categories like casinos, sports betting and online gambling have long been applying these tools to attract and retain players. Investing in digital engagement is important. Lotteries must elevate their focus on these next-generation marketing strategies and tools. ■

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Success is built by putting the players first.

Fennica Gaming, the subsidiary of the Finnish National Lottery Veikkaus, keeps the customers ahead of the game and the players content by providing attractive and rewarding gaming experiences in a safe, responsible setting. The unique, high-quality, casual-gaming-like eInstants are created for the players of the mobile era.

As the Finnish company hits its 2nd anniversary, they can also celebrate successful and fast expansion. The games are now live on three continents - Europe, South America, and North America. And what better way to honor this

milestone than by increasing customer satisfaction even more? Introducing Frame - Fennica Gaming's new groundbreaking customer portal that combines the network of creators and customers under the same roof. The portal is to ease and speed up the processes to offer the players the games they love.

Frame's first version has been tested with a group of first customers, and the feedback has been fantastic. The customers have been especially impressed with the portal's instant localization tool and game store.

Comments from customers:

"Frame has created a benchmark (to the industry)."

"We would like to see something like Frame from other providers too. They don't have anything like it."

"Nice job with Frame! Looks that it's working well. No other provider has something like this!"

"Please use and develop more your Frame portal - It is great!"

"Please use and develop your Frame portal more"

"Please use and develop your Frame portal more" - Fennica Gaming heard the customers loud and clear. They developed Frame further, and now, for the company's 2nd anniversary, Frame's new version has come out. The development project was led by Fennica's Luai Mahjneh, SVP Ecosystems and Platforms, a true professional with a strong background in Finland's famous mobile gaming scene.

- Ever since its first version, Frame has claimed a solid position in our customers' everyday work. We are now thrilled to announce the new version of Frame, the result of trailblazing customer-driven innovation. It features a marketplace to order games, a data dashboard, a schedule for new game releases, security assets, an option for customized games or bespoke games, and many more functionalities.

Fennica Gaming is inviting new customers to dive into Frame. The platform is under constant development and new features are just waiting in line, ready to redefine gaming.

- With Frame, we can create unique gaming experiences for each market and each player group. And for the creators? The tool also has a developer side, where our own game development network, the Game Family, fulfils the customers' specific wishes and needs. Frame's developer side is armed with Veikkaus' Game Development Kit, which the Game Family uses for creating new games, customizing existing ones, or developing bespoke games. Frame is a first real marketplace for eInstant operators and creators to collaborate, rejoices Luai Mahjneh with all the team of Fennica Gaming.

1st down. So, what's driving the large uptick in sports betting?

For one, advertising awareness (past 3 months) for sports betting is at its highest ever level (80%), up significantly from 2021's 71%. It's almost impossible to avoid exposure to sports betting advertisements and promotions during the NFL season. Every game that is analyzed on TV, especially on ESPN, (and their newly launched ESPN sports betting app), has a discussion centered around the betting 'lines' for that particular game.

From September 2021 through May 2022, US sports betting operators spent an estimated \$282 million on TV advertisements, according to an iSpot.TV report. This incredible volume of advertising generated more than 18 billion impressions.

According to Statista, the online sports betting market is set to reach \$42.5 billion in 2023 and grow to \$61.7 billion by 2027. Oh, and those numbers are only for online sports betting — this doesn't count in-venue betting platforms.

Meanwhile, Lottery play has remained consistent with around 3 out of 5 Americans playing (59% in 2021, 61% in 2023), and sales are roughly status quo year-on-year, driven by the national jackpot games major runs.

2nd and 5. Are Sports Bettors playing the Lottery?

One of the key sports betting attributes that has seen a significant increase in the past two years, is the fact that 59% of past year sports bettors are also buying lottery in the past week. This is up from 45% in 2021. Among the heaviest spending sports bettors (\$500+ per month), it reaches 76%. So to answer the question, they absolutely are.

3rd and short. So, how habitual are Sports Bettors?

Only 7% of the lower spending sports bettors are betting four or more times a week. However, this pales in comparison to the 25% among the highest spending group (\$500+ per month) who play four or times a week. And more than two-thirds of the

highest spending sports bettors are placing bets on games at least twice a week.

This appears to have also had an effect on average spend. In a direct comparison with the 2nd half of the NFL season two years ago, American sports bettors have increased their monthly spend by approximately 27%, from around \$150 to \$190.

4th and goal. An App' in the hand, is worth two in the store?

One other item consistent with sports bettors is the fact they use multiple sites to bet on. On average, sports bettors have 2.5 accounts, with the highest spending group owning at least 3 different sports betting accounts. In real terms, these players are simply shopping around for the best odds for the daily bets, and also the best daily promotions that each of the sports betting sites offer, but it always increases the time players are spending on their phones on these sites.

When looking at the major sports betting apps, Draft Kings continues to lead in terms of use by past year sports bettors at 63%, up 10% from 2021, with Fan Duel a clear second place at 56% (and climbing, up even more significantly from 43% two years ago). Bet MGM is also up (from 25% to 31%), but a couple of the secondary brands have fallen away a little in 2023, with Bet365 down to 17% usage and sportsbetting.com down to 18%, both falling 3% respectively. With more than a dozen brands nationally, and ESPN Bet just launching in November 2023 and aiming for a 20% market share, there will no doubt be more brands entering the market. Will Draft Kings and Fanduel experience erosion of their dominant market-shares, or will we see consolidation among the multiple competing sports betting operators?

With a majority of state lotteries still not making the product available online via iLottery, sports betting appears to have a powerful competitive advantage in the foreseeable future. Hopefully, this will change as more states make lottery games accessible to the online players.

Going for two, or 3rd and long. The TikTok Teaser

Compared to both the average American, and the Lottery player, there is very little

difference in where the sports bettors are in terms of social media.

With one notable exception. TikTok.

52% of all sports bettors regularly use TikTok, compared to just 32% two years ago. There is definitely a cause and effect here: the younger age demographic of sports bettors is the key driver. Among Lottery players, TikTok use is significantly lower at 42%, but still on the rise (take note State Lotteries who can legally use it, or the rest of you who could at least get their players to create user-generated Lottery-based TikToks).

Onside kick. So, what does this all mean, I hear you cry out

Ultimately, sports betting is more than just a new games-of-chance category, as it has moved very quickly to assume a special place in the psyche of the United States, as a part of society. Of course, it started out with no small amount of momentum as there was significant sports betting player-ship even before it was legal. But now there is a massive cohort of sports enthusiasts who turn to sports betting to enhance the fun and excitement of their favorite past-time. With younger player demographics, participation in sports betting is on the rise, brand recognition and ad awareness are incredibly strong and getting stronger, and there is no sign of abatement in the spend that ensures the future of sports betting.

In addition to eInstants, which are currently limited to a handful of U.S. states, the Lottery industry as a whole needs to stretch to capture the imagination of the modern consumer who is being bombarded with more stimulating entertainment options every minute. Thankfully, lottery gaming has an enduring appeal, and has weathered countless changes in the market-place better than any other game category since SuperBowls began. Driving ongoing growth and prosperity for the most popular game category in the world is once again a priority!

Trust me, I'm a researcher. ■

*Simon Jaworski, Founder & CEO,
Lotto Research*

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(609) 558-1019

drove some companies to move to other jurisdictions, such as Malta, where they had to pay virtually no tax. The subsequent reopening of online markets in Germany in the last years tempted some of these companies to come back – this time following the legal approach by obtaining an official license. Even though they pay higher taxes by operating with a proper license, they see compliance with jurisdictional laws and regulations as being the better long-term strategy. Due to the fact that these companies are also listed on the stock exchange, investors were able to benefit from this development as stock prices increased.

Based on this experience, Andreas argued that lottery companies “have to compete in the digital markets with our core product. If we don’t do that, we lose customers to resellers. This can become a problem if the reseller offers an easy way for the player to migrate over to a wider range of products, which could include online slots, scratch cards, or sports betting”. This could also result in the risk of lottery products no longer being the core product for these resellers.

Looking at the same issues from the perspective of the politicians who set regulatory policy, Andreas highlighted the dilemma that they face when illegal operators have already built up a large customer base. “Eventually a tipping point is reached where politicians have to decide whether it would be better to give these illegal operators a license to operate

legally. That way they can be properly taxed and regulated, and the operators can be forced to improve consumer protection standards”.

Finally, Andreas argued that lottery companies should try to educate their stakeholders, arguing that regulators often do not fully understand the issues surrounding illegal operators and need to be encouraged to take action against them. This point was echoed by Younes, who responded, “In Morocco, we have probably the biggest illegal operator in the world. And they make themselves appear legitimate to the public through their advertising. They have done deals with the African Football Confederation so that when there are soccer matches in Africa-wide tournaments, the biggest soccer club in Morocco is on television with this illegal company’s name on their shirts as their sponsor. And law enforcement doesn’t seem to understand why that’s a problem.”

Picking up on that theme, Callum argued that lottery companies need to accept the reality of competition and proactively close gaps in the market themselves because governments may not always protect them. “We’re proud custodians of assets that have grown up over many decades,” he said, “and it’s a wonderful business model that does lots of good things throughout society. Gambling is at its very center, but we have a high social license to operate because we’re low spend and low social harm. But what do we need to do to preserve and protect our businesses and

prevent them going the way of Blackberry when it was faced by the iPhone?”

“Part of it is legislation and regulatory protection,” Callum said, “but all those instruments were cut in the past, and even though they get slightly modernized, it has become as much about competing as it is about regulatory safeguards. We have to accept competition in some way, shape, or form because our legislature and our governments of the day may not be able to help us when we absolutely need it. So, my main message would be this: understand the gaps in your own market and cover them yourself; take control of your own destiny as the instruments of regulatory protection are changing.”

Andreas echoed this call for the industry to be more proactive on a global level, highlighting the challenges presented by new entrants into the market in the digital world. He argued that the industry should take responsibility for setting its own standards “because if we don’t set the standards, others may come in and set our standards for us”. Andreas also highlighted the crucial role that the WLA has played and can continue to play in terms of setting standards for the industry globally.

Referencing future WLA activity, Rebecca informed attendees about plans for a responsible gaming seminar to be delivered jointly by the WLA and Nashville and hosted in Atlanta in 2024, and the World Lottery Summit in Paris in October. Further details will be made available when confirmed. ■

The Transformation of the Lottery Sector — continued from page 50

responsible way (examples are Ghana, South Africa, Ukraine and Uruguay). This requires also more attention to the right, often multidisciplinary, expert advisory & educational services to address the complexity of the issues at stake.

New multi-jurisdictional games like Euro Dreams, new technologies such as AI and blockchain, digital services and more interactive online lottery products also contribute to this transformational approach. New game formats are being developed to appeal to the next generation of players. Lotteries have moved beyond talking about it and on to real and responsible action.

Lottery operators and their societal role are increasingly under attack by illegal

gambling operators. Key to the success of this transformation is to protect the common cultural heritage of Lotteries to operate for the common good in a responsible and legal manner. At the EL Congress in Sibenik, EL took this matter up and will extensively discuss it during a large Public Order seminar in February in Brussels.

In Europe the Belgian National Lottery has been advocating at all institutional levels for the recognition of the important cultural heritage of Lotteries. The festivities around “Bruges 1441” showed how important the role of Lotteries have been for centuries: *“The ingenious plan to organise a lottery with various prizes to collect voluntary contributions and use the proceeds to pay for collective needs*

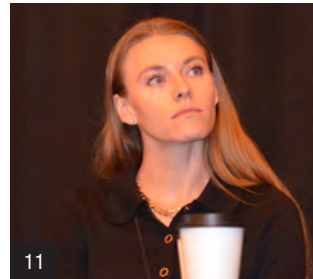
proved to be a hit. This historic decision nearly 600 years ago would change the European lottery landscape forever ... and later on conquer the world in this form.”

During the Belgian Presidency of the EU Council, the National Lottery brings this again to the attention of all EU Member States as it was done in 2010.

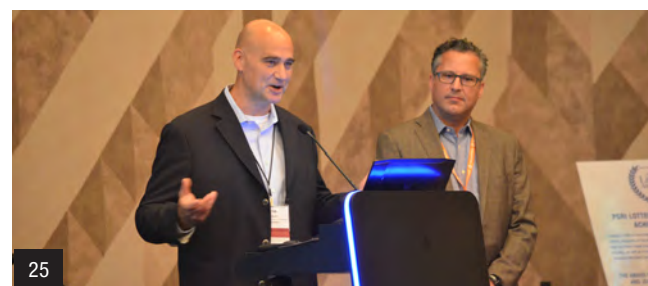
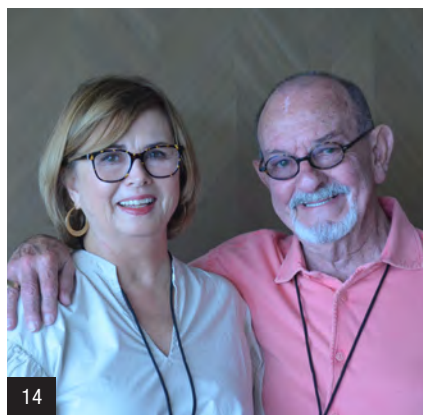
Lotteries are a powerful force for integration, participation in social life, tolerance, and acceptance of differences. The financial contributions from lottery services provided by state lotteries play an important role for society. Any transformational approach, to be successful, relies upon these important societal foundations. ■

Scenes from PGRI Lottery Expo September 2023

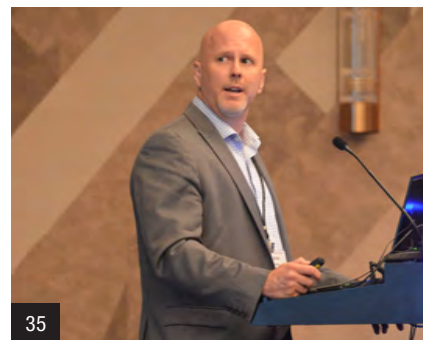
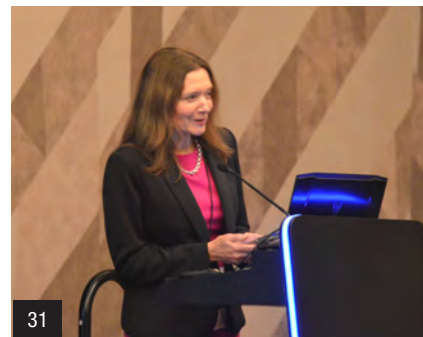
Nashville Tennessee



1. Terry Presta, Max Goldstein, Paul Riley, Tonya Beenders, Krista Stepa Ammeter 2. Mike Lightman, Jacob Kreider, Keith Cash, Mark Mitchell
3. Art Kiuttu 4. Capt. Gail Harris 5. Mike Lightman 6. Tonya Beenders 7. Stephanie Weyant 8. Jeanna King
9. Paul Guziel 10. Brad Cummings 11. Krista Stepa-Ammeter 12. Don Silberstein



13. Bishop Woosley, Jason Lisiecki, Steve Beason, Karri Paavilainen, Frank Suarez, Stehanie Weyant 14. Emily and Bonnie Fussell
15. Michelle Carney, Rebecca Paul, Jeanna King 16. Drew Svitko 17. Gregg Edgar 19. Terry Presta and Max Goldstein
20. Krista Stepa-Ammeter 21. Gretchen Corbin 22. Melissa Pursley 23. Jeanna King 24. Jacob Kreider 25. Rob Wesley and Chris Shaban



26. Jennifer Westbury 27. Jason Lisiecki 28. Matt Isaac 29. Joni Hovi 30. Terry Patterson 31. Michelle Carney
32. Steve Beason 33. Richard Bateson, Wendy Montgomery, Jennifer Welshons, Jennifer Westbury, Rebecca Paul
34. Lorne Weil and Rebecca Paul 35. Jason Barrs 36. Rebecca Paul 37. Lynne Roiter 38. Michelle Carney



PULSE of the Industry

These news stories comprise a very small fraction of the gaming and lottery news stories posted every day to PublicGaming.com. Too, these stories are the highly edited short versions. You can visit our news website PublicGaming.com and access all of its departments for free, including search to read the full version of the articles. Sign up for our free e-newsletter by sending your e-mail address to sjason@publicgaming.com.

WORLD NEWS

RFP: Tender Totalizator Sportowy Updating the IT security monitoring system

EL (European Lotteries Association) published Comprehensive Report on the European Lottery Sector. Read it at European-Lotteries.org.



**THE EUROPEAN
LOTTERIES**
FOR THE BENEFIT OF SOCIETY

Incoming National Lottery operator, Allwyn UK, appoints Steve Parkinson to be the new Brand and Marketing Director for the UK National Lottery.

Finnish gambling operator Veikkaus becomes the first game company in the world that requires identification in all digital and physical channel games. The identification is based on the Lotteries Act aimed at preventing gaming disadvantages, facilitating age limit monitoring and building a safer gaming environment. Identification also makes it possible to effectively identify risky gambling based on data and intervene.

Identification is a familiar procedure for lottery players and is expected to go well with lottery sales as well as connect with their audience and promote their products and services.

The 2024 edition of the EL/WLA Marketing Seminar, February 5-6 in London explores the fundamentals of digital marketing, its significance in today's lottery world, and the key strategies that drive its success.

Aldernay Gambling Control Commission (AGCC) and Malta Gaming Authority Renew Memorandum of Understanding to support the expansion of cross-border online gambling

Online iLottery drives German lottery sales to Euro 8.2 Billion

Other lotteries have bigger individual top prizes but Spain's 'El Gordo' Christmas lottery, held each year on Dec. 22, is ranked as the world's richest for the total prize money involved.

Facebook's Meta fined for breaches of Italian gambling ads ban



Meta has been fined 5.85 million euros (\$6.45 million) in connection with profiles and accounts on Facebook and Instagram, as well as sponsored content which promoted either betting or games with cash prizes, communications watchdog AGCOM said in a statement on Friday. Earlier this month, AGCOM announced fines for Alphabet Inc's YouTube and Amazon's Twitch for breaching the ban. YouTube and Twitch were fined 2.25 million euros and 900,000 euros respectively.

Spain: Organización Nacional de Ciegos Espanoles (O.N.C.E) Christmas Extra Distributes More Than 35 Million Euros in Major Prizes

Taiwan Welfare Lottery Sales Grow by 16% to NT\$8.4 billion (€248 million) in November

Gaming Laboratories International (GLI®) Receives A2LA ISO/ ISE 17025:2017 Accreditation for its Noida, India, and Moncton, Canada, Laboratories

These accreditations are the latest achievements in a years-long push by GLI across its test labs around the world in an ongoing effort to ensure that its testing labs are compliant with the most current ISO requirements.

Gaming Laboratories International (GLI®) Named Approved Data Standards Auditing Body by the International Betting Integrity Association (IBIA)



Sports data providers wishing to be audited for the IBIA Data Standards and its kitemark will now be able to utilize GLI's unparalleled expertise and global network of testing locations, streamlining the product auditing process and ensuring seamless compliance with IBIA standards.

Gaming Laboratories International (GLI®) Names Richard Howarth Chief Business Officer for APAC Region

China's lottery sales surge 59.3 pct to 47.34 billion yuan (about 6.65 billion U.S. dollars) in October. If that were annualized, it would add up to \$80 billion USD a year.

Szrek2Solutions' Secures 10-year Contract to Supply Trusted Draw RNG for IGT Antilles

Trusted Draw™ with integrated Trusted Audit™ and Trusted Monitor™ systems will be used by the lottery and its auditors to provide secure electronic draws with real-time monitoring and proof of integrity for all draw results.

adesso to manage digital strategy and content and social media accounts for LOTTO Hamburg

How businesses are putting the latest AI breakthroughs to use

India's government blocked 174 betting and gambling sites

Australia: Wagering companies breach in-play betting rules Australian Regulator ACMA found the operators of Ladbrokes, Neds, bet365 and Sportsbet, breached interactive gambling rules through their use of 'Fast/Quick Codes' to facilitate in-play betting on sports matches.

Also, the ACMA has requested that Australian internet service providers (ISPs) block more illegal offshore. Following the investigations, all three operators have taken steps to ensure their use of Fast/Quick Codes complies with relevant interactive gambling rules. These steps mean that Fast/Quick Codes will be generated by the operator prior to the events commencing, independent of a customer selecting that bet. They will be generic and the same for all customers. In view of these steps taken, the ACMA has decided not to take any further enforcement action at this time.

Australia: New South Wales (NSW) government to expand a cashless gaming trial as part of the Australian state's ongoing gambling reforms

UK Gambling Commission -New consultations on financial penalties and ownership reporting

NORTH AMERICAN NEWS

RFI: Wisconsin Lottery Lottery Gaming System and Supporting Products and Services

RFI New York State Gaming Commission: Full-Service Lottery System and a Scratch-off Ticket Management System

RFP: California Lottery - Retail Access Program(RAP) Inspection Services



RFP: MUSL - Request for Proposal Centralized Internal Control System Issued by Multi-State Lottery Association



RFP: North Dakota Online Lottery System and Services

JOBS: California, Georgia, Louisiana, New Mexico, Oklahoma, Oregon

JOB: The Multi-State Lottery Association (MUSL) Internal Auditor

JOB: DELAWARE LOTTERY Marketing Specialist III

JOB: MISSOURI LOTTERY Chief Marketing Officer

iGaming Ontario to request proposals for a centralized self-exclusion solution in early 2024

IN MEMORIAM: Vernon Kirk



Vernon Kirk, 75, passed away December 8th, 2023, surrounded by his family. Vernon grew up in Milford, married his childhood friend, Jan, and then graduated from the University of Delaware. They settled in Dover, and he started working for the Delaware Lottery, shortly after it was created, in 1975. He was appointed to the position of Director in 2011, and became a respected authority in his field. He truly enjoyed his job and the people that he worked with, finally retiring in 2022. After retirement, Vernon spent most of his time with the love of his life, Jan. He is survived by his wife of 53 years, Jan; his daughter, Erin; sister, Marianne Frost (John Dysland); cousins Frank Panczyszyn (Tracy) and Deborah Petrovic Hagar (Alan); sister-in law, Kim Palmateer; and two nieces Heather Wright (Andrew) and Kelly Palmateer.

Vernon Kirk was honored with the PGRI Lottery Industry Lifetime Achievement Award in 2016.

Powerball Ticket in Michigan Wins \$842.4 Million Jackpot in New Year's Day Drawing



"What an incredible beginning to the New Year for Powerball!" said Drew Svitko, Powerball Product Group Chair and Pennsylvania Lottery Executive Director. "In addition to our big jackpot winner, there are hundreds of good causes supported by U.S. lotteries that will receive further funding from this jackpot run. Thank you to our players for making this possible! Happy New Year!"

The lucky ticket holder will have the choice between an annuitized prize of \$842.4 million or a lump sum payment of \$425.2 million. Both prize options are before taxes. If the winner selects the annuity option, they will receive one immediate payment followed by 29 annual payments that increase by 5-percent each year.

The Powerball jackpot had been growing since mid-October before it was hit on Monday night in the 35th drawing of the jackpot run.

Even though the jackpot was won by a single ticket, participating lotteries are reminding players to check their tickets for one of the nine ways to win. Nationwide, the Powerball drawing produced more than 1.8 million winning tickets, with players winning lower-tier cash prizes worth a combined \$22.7 million.

Harjinder Shergill-Chima has been appointed Director of the California State Lottery

Shergill-Chima has served as Chief Deputy Director of the California State Lottery since 2019. She served as Assistant General Counsel at the California Government Operations Agency from 2018 to 2019. Shergill-Chima was an Attorney at the California Department of Transportation from 2004 to 2018. She was an Associate at Rich, Fudge, Morris & Iverson Inc. from 2002 to 2004 and at Reinecke & Daily in 2001. She earned a Bachelor of Science degree in Criminal Justice from California State University, Sacramento and a Juris Doctor degree from Whittier Law School. This position requires Senate confirmation and the compensation is \$199,741.

NJ Retailers push to prevent NJ Lottery from connecting directly with players via online iLottery channels

Sports betting drives the cost of advertising up, leaving little room for state lotteries to compete for TV air-time

Another \$50 Scratch Ticket, "Lifetime Millions," Coming to the Massachusetts Lottery



The "Lifetime Millions" scratch ticket will offer a top prize of \$1 million a year for life.

Colorado Lottery Audit Questions Jackpocket, Lotto.com Courier Services

WLA recertifies Texas Lottery Responsible Gaming at Level 3 Status

Utah Legislator Proposes Lottery Legalization for Senior Tax Relief

This initiative places Utah, one of the few states in the U.S. that still does not have a lottery, at the center of the debate over gambling and fiscal policies.

Inspired Entertainment Partners With Caesars Digital to Develop a Range of Customized Hybrid Dealer® Products



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The Ohio Lottery experiences a cybersecurity event

The Ohio Lottery recently experienced a cybersecurity event affecting its computer systems. Upon learning of the issue, precautionary steps were immediately taken to protect the environment, including disconnecting key systems to contain the issue. The integrity of the games is the top priority of the Lottery, and the public was assured the gaming system is fully operational. An internal investigation was immediately commenced, and is ongoing.

The Hoosier Lottery partners with EQL Games to launch TEAM USA scratch-off, fast play products

Hollywood Casino at Charles Town Races officially began cashing West Virginia Lottery traditional scratch off and draw game winning tickets

FY 2023 Results: Iowa Lottery Proceeds Exceed \$108 Million on sales of \$481.5 million in Record Year (a 10.8% and 11.3% YoY increase respectively)

SPORTS BETTING AND CASINO GAMBLING

Sports betting handles increase in most markets, but to little benefit to the state as taxable revenues are a tiny fraction of handle.

Kentucky: \$656 million has been wagered on sports since its legal-

ization in September. That translates to \$8 million in tax revenue. That means the return to the state is less than 2% of total sports betting wagers!

Nevada Sports Wagering is decreasing, with the state receiving a measly \$33 million in 2023 from sports betting. Quite the powerful testament for the benefit of Lottery!

Compare the Nevada model to the New York model where sports betting generated \$862 million in taxes for the state on top of the \$952 million net funds from the state NY Lottery! Crazy, isn't it?

Internet Casino Gambling revenue climbs to an all-time high, in the six states where iGaming is legal

Total state taxes from iGaming surpassed \$1 billion in a calendar year for the first time

Ireland: Gambling regulator employing more people to counter the 'gambification' of sports

The head of Ireland's first-ever gambling regulator has hit out at the "gambification" of sports, and said that it could damage young people's relationship with something that should be a "positive influence on them".

New York iGaming Bill Reintroduced by Democratic State Sen. Joe Addabbo

All reports indicate that these states are seeing a net increase in tax

Amazon Rejects Liability for Social Casino Apps, Asks Judge to Halt Lawsuit

NC Lottery Commission's Sports Betting Committee is Actively Working on Setting Up the Certification Process for Operators

In North Carolina, mobile sports betting was legalized on June 14, 2023, when Gov. Roy Cooper signed expanded betting legislation into law.

DraftKings and NASCAR Announce Partnership Plans for North Carolina

Germany's Gauselmann officially rebrands to Merkur Group

67 years after its foundation, German gambling giant Gauselmann Group has changed its name to Merkur Group.

Maine Lawmakers Consider Expansion of Tribal Rights to Online Gambling, Land-Based Casinos

"This would be the single largest expansion of gaming in the state's history, without a doubt, and with no vote of the people, so this is literally a casino on any iPhone, Android, MacBook, tablet and other such thing," Hollywood Casino and Raceway Attorney Chris Jackson said. Governor Janet Mills has long been opposed to gambling in Maine but signed a bill in 2022 to give tribes exclusive rights to profiting from Maine's new online sports betting.

President Lula signs off for Brazil sports to launch betting in 2024

California sports betting proposals introduced

Legality of fantasy sports in Florida disputed

As the Seminole Tribe offers online sports betting in Florida, a dispute over fantasy sports is heating up amid efforts by gambling regulators to rein in companies accused of operating potentially illegal betting games. The Florida Gaming Control Commission in September sent cease-and-desist letters to three fantasy sports operators, threatening legal action if the sites didn't immediately stop.

But Sen. Joe Gruters wants the commission to explain why the businesses were targeted and to clarify why they could be breaking the law while the biggest players in the industry — DraftKings and FanDuel — aren't.

Delaware Launches Online Sports Betting and online casinos

Oklahoma Sports betting bill facing pushback

New Maryland Bill with Multi-State Online Poker in Circulation for 2024

The bill explicitly allows for multi-state online poker, which means that it could join the multi-state igaming agreement (MSIGA) and allow operators to grow their US networks into Maryland.

Sportsbook Operators Boosted Amid Spending During Football Season

The states where sports betting remains illegal are Alabama, Alaska, California, Georgia, Hawaii, Idaho, Minnesota, Missouri, Oklahoma, South Carolina, Texas and Utah.

And only six states offer internet casino gambling: New Jersey, Connecticut, Delaware, Pennsylvania, Michigan and West Virginia. (Nevada offers internet poker but not online casino games; Rhode Island has passed an online casino bill, but it is not expected to go into effect until March 2024.)

DraftKings Faces Hearing in Massachusetts for Credit Deposit Violations

DraftKings is also facing a class-action lawsuit in Massachusetts alleging that the sportsbook deceived customers into signing up through a "\$1,000 Bonus" promotion.

US lawyer who put Big Tobacco on trial takes aim at sports betting

The US law professor who masterminded the litigation strategy that led to a \$206 billion USD settlement from Big Tobacco is backing a class-action lawsuit against sports betting operator DraftKings over an "unfair and deceptive" promotional offer. The lawsuit, filed in the Massachusetts Superior Court on Friday, alleged that the US company, which operates the second most popular sports betting app, "knowingly and unfairly designed" a \$1,000 sign-up bonus with the aim of misleading new customers into joining the platform to "maximize" the money wagered.

DraftKings Not Feeling Heat from New Competitors



DraftKings and Flutter Entertainment's FanDuel amount to a duopoly in US online sports betting, controlling more than 70% of the market. The US sports wagering landscape is awash in new, well-heeled competitors, but DraftKings (NASDAQ: DKNG) isn't feeling adverse effects from those fresh entrants.

Vermont: Officials unveil guidelines for January's launch of legalized online sports betting

Delaware online sports betting is tracking for a roll out in early winter

Louisiana State Senate approves sports betting legislation

Ex-NFL VP of officiating says NFL refs have been approached about manipulating games for gambling purposes

North Carolina Lottery Approves Set of Sports Betting Rules

The regulatory process for legal online sports betting in North Carolina is moving forward even if it is not happening at the pace some in the state would like.

Chile: Online gambling bill receives preliminary approval from Chamber of Deputies, advances to the Senate

Preserve the Integrity of Sport by fighting against illegal betting

The Council of Europe, with the support of the Marocaine des Jeux et des Sorts (MDJS), held a conference in Rabat (Morocco) on illegal sports betting in order to raise awareness of the phenomenon of Illegal betting, one of the most crucial challenges for the integrity of sport and target of the fight against the manipulation of sports competitions, as targeted by the Macolin Convention. The Macolin Convention is the only instrument of international law on the manipulation of sports competitions to which all countries in the world can adhere. It requires public authorities to cooperate with sports organizations, betting operators and competition organizers in order to prevent, detect and sanction the manipulation of sports competitions. It proposes a common legal framework for effective international cooperation to respond to this global threat.

Kindred Group, Swedish operator of the Unibet and Casino brands, Announces Exit From North America By June 2024

Colorado's gaming governing body, the Limited Gaming Control Commission, approved rule changes earlier this month to permit fixed-odds horse wagering in the state

The Transformation of the Lottery Sector

By **Philippe Vlaemminck** –
Managing partner *Vlaemminck.law*

VLAEMMINCK.law



Every year, there are two important events held in London during the first week of February. ICE Totally Gaming (held at the Excell Center) hosts more trade-show booths than any gaming show in the world. The far more important event for the lottery sector, though, is the joint EL/WLA Marketing seminar. This winter gathering is where lottery CEO's, marketing directors, and many other stakeholders convene with their technology partners for presentations, panel discussions, and side-bar meetings where important issues are discussed. The juxtaposition of these events raises the question du jour: ***Is there still a relevant distinction between lottery operators and lottery suppliers?***

In years past, there was a "summa divisio" between governments, state owned operator, beneficiaries, and suppliers. Everyone stayed in their lane. Governments, not commercial firms, operated lotteries. Lottery operators did not engage in other commercial activities and technology vendors did not operate lotteries. For better or worse, capitalism is fundamentally a change agent, driving all economic units to innovate to reduce costs, increase revenues, and add value for their stakeholders. Historically, this dynamic has produced progress and macro-economic success. In the short-term, the benefits of disruption are distributed unevenly as companies adjust strategies and tactics, and governments adjust regulatory policies to address emerging issues.

The games-of-chance industry in general, and the lottery sector in particular, has seen substantial disruption over the last fifteen years. The market-place and competitive landscape bear little resemblance to what prevailed at the turn of the millennium. So it should not surprise us that business

models and strategies have changed. This applies to lotteries and their associations as well.

For instance, consider the vision of the new EL strategy and how it embraces these changes:

United in diversity, EL will be recognized as an association of responsible and successful members making the most positive social impact.

Built around 3 value pillars - Forward thinking, Sustainability and Integrity - the EL Strategy outlines a clear ambition for the association to be known as a proactive expert, assertive, and ambitious organization that fosters innovation, creativity and development, and collaborates with a diverse set of stakeholders to anticipate trends, share visions, and discover new ways to serve society.

Veikkaus CEO, Olli Sarekoski, confronted with a new government approach to partially liberalize the Finnish market, did not wait to initiate a vast transformation program. "We are gearing up for changes. The evolution in the gaming industry and internationalization are pivotal to Veikkaus' growth strategy. We envision a future where Veikkaus stands as Finland's premier gambling company and a significant entity in the international arena." Veikkaus ambitions go well beyond the classic operational approach. With Fennica Gaming, Veikkaus brings its creativity and skills to the global lottery community.

The French FDJ Group and Allwyn are two other strong and independent European-based organizations which are adopting a strong financial and corporate governance

structure. Their leadership has also led them on a fundamental transformation. Both have expanded their activities to bring innovation and sustainability for governments and beneficiaries in multiple jurisdictions around the world.

On the other side of the business, commercial operators and technology companies have for years been actively participating in RFPs and/or ITA for facility management contracts, government licenses or concessions. The distinction between technology suppliers and operators is gradually disappearing and thus requires a new model of partnership based upon mutual trust and fairness.

A benefit of this blurring of lines is that lotteries are becoming more business-oriented. For instance, the content of RFP's has changed from a cost-based approach towards a dynamic and innovative vision that places more attention on value and outcomes. More consideration is being given to a broader set of objectives like developing local markets, transferring knowledge to help other local businesses succeed, engaging local participation in operations, and finding new ways to be of service to society (examples are Morocco and South Africa).

At the same time, governmental and regulatory stakeholders are looking more carefully at how they might support innovation and modernization that addresses market changes, protects the lottery monopoly, and grows the business in a sustainable socially

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The Player Journey Runs Through Digital Lottery

PGRI SMART-Tech 2024

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Hilton Fort Lauderdale Beach Resort

March 12 to March 14, 2024

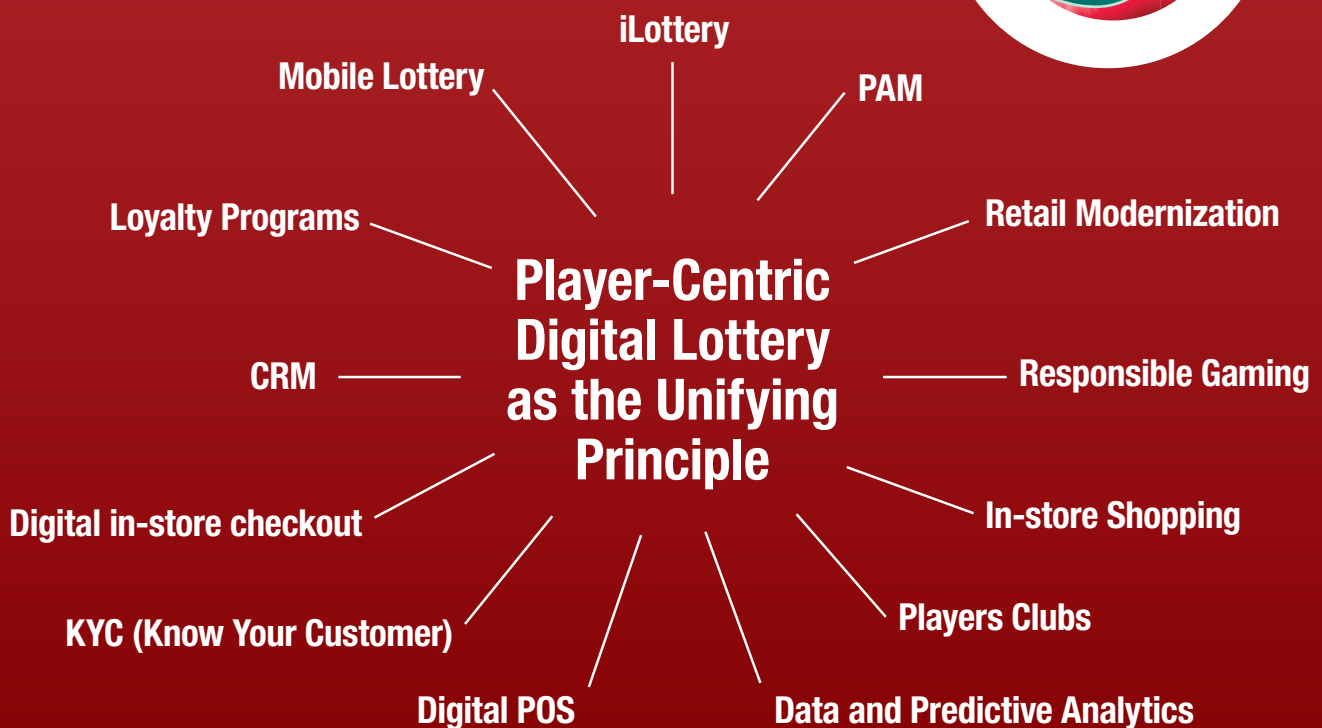
March 12, Tuesday: Opening Night Reception

March 13, Wednesday: Breakfast, lunch and Conference sessions all day followed by reception

March 14, Thursday: Breakfast, Conference sessions followed by lunch and reception

See PublicGaming.org for complete information and conference updates

- Conference Info & Details: www.PublicGaming.org
- News website: www.PublicGaming.com
- View video-recorded presentations: www.PGRItalks.com
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