

PhotonX THE AWARD-WINNING TERMINAL

“IGA 2020 LOTTERY PRODUCT OF THE YEAR”

intralot

INTRALOT proudly lifted the curtain on its new lightning-fast performing terminal **PhotonX at this year's ICE exhibition in London..** PhotonX has already got significant market traction proof of which is the **“Lottery Product of the Year”** award

it received at IGA 2020 in London, a prestigious international competition that recognizes the most innovative companies and products of the gaming world based on the views of leading gaming operators and industry professionals.

The development of our PhotonX terminal, has been based on our flagship Photon terminal design, value-engineered to deliver even more powerful performance, more cost efficiencies and a multitude of retailer centric features. transforming it to become the heart of the modern lottery POS .

After 26 years of continuous R&D efforts, numerous innovation awards and more than 300,000 lottery terminals deployed worldwide, INTRALOT is widely considered as a trendsetter and innovator in the gaming terminal category. INTRALOT was the first vendor to patent and introduce the camera-based technology to read Lottery playslips, replacing the legacy and fault-prone scanner technology.

Today, we have more than 55k camera-based terminals in the field, the majority of which are our proven PHOTON terminal deployed in 12 countries and 20 jurisdictions around the world.

TERMINAL FEATURES

PhotonX carries all the features and capabilities inherited from the field-proven PHOTON camera-based terminal, in terms of operational efficiencies, increased uptime and sales productivity while leverages the latest technologies to deliver:

- the industry's top performance by incorporating a selectable range of the most powerful Intel multi-core processing units with expandable memory capability
- the outmost retailer convenience with a wide HD/Full HD bezelless touchscreen 15" or larger

- wireless capability to securely connect peripherals and implement BYOD and proximity marketing initiatives
- large storage capacity with a range of SSD options
- retailer convenience with a range of add-on peripherals (i-Button, barcode gun, fingerprint scanner, card readers, etc.) that can be added on the fly
- in-shop marketing capabilities by supporting playslips/forms of any shape and color, transforming the player experience with special draws and other campaigns
- more field service efficiencies with a modular design that dramatically reduces field service time
- maximum comfort and safety to the retailer with its unique “C-shaped” form, re-designed with curved surfaces, rounded edges and corners

MULTIMEDIA CAPABILITY

Based on our broad operational experience with content-rich games like keno and sports betting and being pioneers in multimedia content delivery in the lottery industry, we have

“This important distinction is a special honor for us since it verifies and rewards INTRALOT's commitment to deliver innovative products and solutions that shape the future of gaming. We would like to take this opportunity to thank our Customers and Partners as well as our Engineering and Products teams who made this achievement possible. We look forward to providing even more innovative and exciting options to better serve our valued clientele while offering a dynamic players' experience”.

- Mr. Fotis Konstantellos, Group Chief Lotteries Officer of INTRALOT

equipped our PhotonX terminal with unparalleled multimedia capability. The new PhotonX carries a powerful multimedia processor which can drive up to 4 screens in total, including a multimedia FHD and even a 4K display, minimizing the need to deploy costly multimedia controllers to deliver rich content in the POS.

Following INTRALOT's 3600 customer-centric approach, PhotonX offers a range of benefits to the Lottery Operator, the Retailer and the Player of the retail touchpoint. 



understand that it is more difficult to forecast the actual amount of net funds generated by sports betting than it is for traditional lottery. On the other hand, as the number of events increases, the results will gravitate more and more to the forecast, making long-term profitability of sports-betting a predictably profitable operation.

G. Aubin: A question for the panel: Will sports betting legislation be a bridge towards legislation that allows iLottery and cashless options for lottery players?

B. Bresnahan: It already has in DC. The bill that enables sports betting also authorized and clarified that iLottery is legal as well. We'll be launching an iLottery program late 2020 or early 2021. As awareness and understanding increase, I hope we see other states choose to regulate these consumer activities instead of trying to prohibit them. Better for society, better for the players, and better for our industry.

G. Aubin: I think so too. My legislators and political constituents in Rhode Island have always understood the need to channel player activity onto regulated, legal and authorized channels, which also channels economic benefit back to society. Once sports betting was allowed at the federal level, our legislature chose to legalize and regulate it. Now that iGaming and iLottery are being approved in many jurisdictions, our legislature is likely to approve a regulatory model for that as well.

Nick Papadoglou: Fantasy Sports was a preliminary step that appears to be shortening the time-line to get enabling legislation for sports betting passed. Hopefully, legislatures that are assessing sports betting will also consider modernizing regulations to allow cashless options and iLottery for their own state lottery, like they did in the District of Columbia.

R. Hargrove: I think that the cultural normalizing of sports betting and online gaming will cause legislators to look more favorably on the efforts to modernize the Lottery. So maybe that will smooth a path for modernizing Lottery to allow cashless options and iLottery. I just think it might take longer than we'd like – at least in some conservative states like Tennessee. It took

20 years to get the Lottery bill passed, and days to get the sports betting bill passed. Maybe this marks a turning point that will be favorable to lottery gaming too.

G. Aubin: In Rhode Island, there was opposition many years ago to the expansion of VLT's and table games. But there has been no opposition to sports betting. I think the ready acceptance of sports betting reflects a recognition that people were already betting on sports and now we are just providing a legal option. And we have had casinos for so long now that there is a cultural acceptance of gambling that makes the introduction of sports betting an easy lift for our legislature.

The demographic profile of sports betting players skews very heavily male and between the ages of 30 and 50. Very few females are going to our casinos and placing wagers. We expect that to be different for jurisdictions that allow mobile betting. Is it your experience that sports betting is bringing new players and new money into the games-of-chance space, or is it cannibalizing other categories like Lottery?

B. Pack: I think sports betting complements the broad portfolio of lottery gaming in a mutually supportive way. When we survey non-players, they tell us that they don't play lottery right now because they want a game with some element of skill to it, they want a game that has a social component to it, and they want a sports-themed game. Sports betting is all of those all wrapped up in a nutshell. I think the vast majority of players who are coming to sports betting are very infrequent lottery players or do not play traditional lottery games right now at all. Our demographics, Gerry, are very similar to what you said – overwhelmingly male, and with an average age of 40 which is about seven or eight years younger than the average age of our traditional lottery players.

B. Bresnahan: I'm just going to echo what you said, Barry. We don't believe that we'll see lottery spend migrating over to sports betting or game cannibalization. Instead of cannibalization, we believe that sports betting will attract new players who will then be exposed to the DC Lottery's digital offerings. We feel we are less likely to see the current lottery player who plays paper-based

products at retail stores going over to sports betting than we are to see new sports betting players buying a lottery ticket when they come across our online products.

G. Aubin: Well, I think that means we are all in agreement that players prefer a legal sports betting option and that sports betting will not cannibalize lottery. Realistically, we recognize that players still be on illegal websites.

R. Hargrove: The modern era of U.S. lotteries began in the late 60s. One of the catalysts for the explosive growth of lotteries throughout the following decades was to combat illegal numbers games. Government lotteries were at a distinct disadvantage from a value proposition point-of-view. The payout percentage was higher in the illegal numbers games and you didn't have a mechanism for making sure the players paid taxes when they won a large amount. Likewise, today with sports betting ... our prize payout may not be as high as the illegals but sports betting players will still prefer a legal option. Not necessarily all of the players, but most of them or at least enough of them to cause public-policy makers to want to regulate instead of prohibit the activity.

In my 35 years as a lottery director or CEO, I have found that this is an industry that helps each other. Beth and I were just talking about how great it is to be able to share insights and information since we do not compete with each other. Even though I knew this to be true, I was still surprised at how exceptional every one of my colleagues who have gone through this process truly are. I reached out for help from everybody, from Gerry to Beth to Charlie to people in New Jersey, Delaware, and West Virginia and Nick. The crash course in sports betting best practices I received was and continues to be so amazing and appreciated.

G. Aubin: I will echo what Rebecca said. There weren't any states other than Delaware doing sports betting when we came into the market. The New Jersey Gaming Board Commission was also helpful. And for all the challenges and issues surrounding sports betting, I think we all agree that sports betting is a productive part of our portfolio of games and contributes to the funding the Lottery generates for good causes. ■