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Inter-operability and open standards are a big theme with electronic games. Likewise with internet and interactive gaming. The operator wants an IT platform that supports plug and play flexibility to implement games and content from multiple suppliers. Operators need to offer the games and content that players want to play, and that will mean accessing the game portfolios of many different providers.

Public Gaming: *Will operators depend on one supplier to implement the platform and games and technical solutions? Or will they deal with multiple suppliers, shopping around for the very best solution in each component part of the business?*

Stefan Hrafnkelsson: In the lottery market we have seen one supplier supporting complete needs for each lottery, in some cases with the exceptions of alternate channels (Internet, mobile, IPTV). In the private market we have on the other hand seen operators shop around for best-of-breed solutions, in many cases having different suppliers for each game zone (lotto, sports, scratch, bingo, casino, poker, casual, skill, multiplayer). In the future we expect to see the private market trend to propagate to the state lotteries as well. The most important thing for operators is to select a versatile platform that can grow with the operators

and support them with the flexibility they need to compete and survive on the market.

On top of the platform the operator will offer as many types of game zones as possible. Technically operators can choose the same supplier for all game zones and platform, but it is unlikely that one supplier can support all the “best-of-breed” games. This will lead to competition where each operator is expected to have one or more technical suppliers to support them.

This scenario will lead to joint ventures and collaborative relationships and acquisitions that have already started to take place over the past couple of months, where major players are buying their way into new game zones to support “complete” solution. This is a very good thing for the operators. Commercial suppliers are collaborating to make sure they are offering the entire suite of products and that each component of their

offering is best-of-breed. Unfortunately integrating heterogeneous systems can be difficult and the importance of open flexible platform should not be underestimated.

How will the end product look to the customer, the player? Will it all appear seamless and easy to navigate?

S. Hrafnkelsson: Good question because one big change happening right now is the implementation of Single Sign-on. Single Sign-on allows the player to sign-on once and have access to all of the operator’s games and products even though they are from different suppliers. Operators should focus on implementing Single Sign-on to have the flexibility to plug and play games and other content from different gaming suppliers, with much less integration cost than in the past.

Is it accurate to think of Certus as the content provider and Betware as the platform provider?

S. Hrafnkelsson: Certus main focus is clearly to be a content provider, supporting over forty skill and casual games, but at the same time they are supporting the community and multiplayer engine behind their multiplayer games. Betware on the other hand has put most of its focus on platform build-up, supporting SDK (Software Development Kit) for easy integration with 3rd parties and supporting all the controls and features the state lotteries request. Betware is also supporting all the popular game zones offered by state lotteries, such as lotto, sports, bingo, scratch and racing.

But Betware’s customer can implement other’s game content, and Certus game content can be implemented on other platforms, correct?

S. Hrafnkelsson: Exactly. We envision a dynamic marketplace which is geared

totally towards delivering the very best product to the player. We don't think that 100% of the customer's needs can be met by Betware's solutions and Certus portfolio of games. We would contend that no company has all the right products, and all the games to meet the needs of their customer. Betware therefore focuses on an open architecture aiming to meet the needs of the operator by offering Vertical solution, like game zones that can be run on top of 3rd party platforms, but at the same time promoting our own platform and support Single Sign-on and easy integration with 3rd party game zones.. The operator requires us to be flexible to affiliate with other commercial suppliers to make sure they get the best and only the best. That is the direction that we feel the industry is going in and that is why Betware and Certus have created inter-operable products and are reaching out to build affiliations with the commercial community of gaming suppliers. Our products, services, and games can augment almost every internet and interactive gaming system.

The interactive and internet gaming marketplace is opening up and moving into a new stage of development and growth.

S. Hrafnkelsson: It is true that the markets are opening up and are really poised to grow. Most of the legal and regulatory obstacles in the European market are behind us. In the past, governments and

state operators have been struggling with legal challenges from the private sector. Private operators used to insist that the Treaty of Rome requires all EU member-states to allow free and open access to their markets. Private operators thought this meant that they could be based within any EU member-state and did not need to get licensed in each of the other individual jurisdictions. It was not clear which direction things would go, whether the markets would be forced to open up to the private sector. A solution seems to be that the markets are opening up to the private sector but the private operators and suppliers need to comply with the laws and regulations of each member-state. Today it looks like the private market is accepting that condition and jumping into the state licensed market, figuring out how to work within the highly regulated sectors and how to get properly licensed in each jurisdiction. Now it appears that they are accepting the responsibility to get licensed in each jurisdiction that they want to operate in.

How do you see the market develop going forward?

S. Hrafnkelsson: I see the European markets continuing to change in this way, so that each member-state controls access to its market and that the private operators can and will be more or less blocked out unless they comply with all the rules of that state; and meet all the requirements to get licensed

and pay taxes. The main thing is that the rules and regulations are becoming clearer so that operators and commercial suppliers know what is expected of them and are able to move forward. Governments must know what the EU Commission requires to be compliant with EU trade laws. With that knowledge, governments can enact laws and regulations that create the foundation for growth in the internet gaming market. And that is exactly what is happening. We see this especially in France, Italy, Denmark, and Spain. But all the other countries will likely re-regulate to enable the internet gaming industry to develop.

That would seem to be a good thing for Betware because you have always focused on meeting the demands of the highly regulated markets.

S. Hrafnkelsson: Yes, that is true. We at Betware partner only with operators who are fully and legitimately licensed to operate in the jurisdiction that they offer the services. Most operators are licensed in one jurisdiction, but market their products in many jurisdictions. But that's not good enough. They need to be licensed in the countries where the players reside. Betware provides them with the tools and capabilities to meet whatever rules and regulations apply to each jurisdiction.

Betware's strategic focus will be partnership with the commercial community to deliver the best solutions, best services, and best games to the customer. ♦

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