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PGRI Introduction: Following its successful implementations in Europe, Inspired has officially entered the U.S. market. The Michigan State Lottery, platform supplier Pollard Banknote Limited, and Inspired agreed to supply Inspired's world-class Virtual Events lottery products online to the Michigan State Lottery for use in accordance with the Lottery's rules and regulations. We met with Mr. Weil at the ICE Totally Gaming Exhibit in London where Inspired's booth is outfitted with multiple big-screens displaying Virtual Sport matches in all their glory. See the adjacent article for a more detailed description of Virtual Sports.

Paul Jason: *Virtual Sports represents a new concept for Lottery gaming, taking the goal of gamifying the lottery-playing experience to an unimagined level.*

Lorne Weil: Inspired Entertainment is all about creating more excitement, more fun for the players. The incredibly sophisticated and realistic graphics that display computer-created sports games delivers an entirely new player experience. The play-action is as captivating as a real sports match, but it is fantasy, the outcomes being random-generated so it is totally compliant with regulatory requirements that apply to Lottery. That's why we see this as such a great opportunity for government lotteries.

Virtual Sports has been phenomenally successful everywhere that it has been implemented.

L. Weil: In the UK, Virtual Sports represent 15-20% of all the money bet

on sports. And when you consider that every conceivable way of betting on sports legally exists in the UK, the fact that Virtual Sports comprises 15-20% of the turnover in the sports-betting market is amazing. The same is true in Italy and several other places in the world.

If you estimate the size of the illegal sports betting market in the United States, 15% of that is a mind-boggling number. This represents a huge opportunity for government lotteries and the good causes that depend on the ongoing success of Lottery. Of course, Virtual Sports has nothing to do with sports-betting on real-live games, so it does not violate federal or state laws that prohibit sports-betting. And Lottery is the most appropriate channel to deliver this new gaming product for a number of different reasons. Let's point out two of them. One, the demographic profile of the Virtual Sports customer player-base skews

much younger than the typical lottery player. The recreational gaming experience that appeals to the young adult consumer is all about more fun, more immersive action and excitement, and a more social playing experience. That's why I think Virtual Sports is the game that the lottery industry has been seeking to bring in younger players. Two, the land-based component of Virtual Sports has the advantage of being predominantly distributed through the social-setting segment of restaurants, bars, and taverns as opposed to convenience stores which really don't need another product right now.

The need to reach younger players, the need to increase the retail foot-print, expand access to the products, bring in new consumer groups, appeal to new gamified play-styles – these are all vital objectives for Lottery that are being met with Virtual Sports. We are basically overlaying a gamified player experience onto Lottery to make it fun and exciting. When you see the excitement of the players, cheering loudly for their Virtual Sports team and enjoying the sociability of the experience, you realize that random-generated gaming is compatible with all the attributes that the consumer wants in a recreational game.

VIRTUAL SPORTS FOR LOTTERY

Technology now renders incredibly realistic sporting events on digital media, to the point where it is often hard to differentiate between computer-generated fantasy games and reality. **Virtual Sports** are the gamification of this advance technology - electronic sporting events deployed via desktop computer, mobile, and in retail venues. Ultra-realistic graphics make players feel like they are actually in the stadium, with 'live' commentary accompanying events and adding to the authenticity of the player experience. Inspired Entertainment has even licensed the use of certain brand ambassadors to endorse their premium Virtual Sports products, including NBA Hall of Famer Shaquille O'Neal, who will be the face of all new Rush Basketball.

- ▶ Virtual Sports create a form of simulated sports betting, in both a scheduled and on-demand environment, providing a draw and reveal every 3-5 minutes.
- ▶ Inspired's Virtual Sports products allow Lottery players the opportunity to buy a ticket for a Virtual Reveal - the reveal itself being the software simulation of a sporting event, such as Soccer, Basketball or Football.
- ▶ The Virtual Sports reveal can be presented to players in bricks and mortar retailers, in bars and taverns, on a mobile device, or via a desktop computer.
- ▶ **Virtual Sports are the perfect match for Lottery.** The random generated outcome of each event is totally compliant with the game logic that applies to Lottery gaming - the most comparable game construct being Keno.

GLOBAL LEADER:

Inspired is renowned as the global leader in the supply of Virtual Sports, offering the widest range of sports and numbers games to more than 30,000 retail venues and more than 200 websites in more than 35 countries. Inspired's customers are many of the largest operators in lottery, gaming and betting worldwide and they also supply Virtual Sports and other digital games to Mobile and Online operators in the UK, US (Nevada and New Jersey), Gibraltar and other regulated EU markets.

Inspired's customers together offer millions of Virtual Sports events per day through both land-based, online and mobile platforms, many of them 24 hours per day, 7 days per week, often concurrently within the same location.



▶ **INSPIRED**



And none of the problems associated with skill-based gaming.

L. Weil: Exactly. Many people are intimidated by the idea of competing with others for real-money in skill-based format. For one thing, they are concerned that professionals playing that sophisticated data-analytics systems and insider information put the recreational player at a distinct disadvantage. Of course, they're right. Skill-based games are won by a professional class of players. Even if there is a large number of unknowns, like in poker and real sports-betting, the professional player only needs an edge to ensure they will win in the end. That is why some 90% of the win goes to 2% of the players in Daily Fantasy Sports. The average recreational player has no chance against the professional class of players who come to dominate all skill-based gaming categories.

There is also the potential for cheating and manipulation of the outcomes in real sports-betting. And two, the professional class makes it their business to find out inside information, like the health of the top players on game-day, that the recreational players have no access to. All these factors contribute to the skill-based game space as being a place where the recreational player should be wary of.

Virtual Sports solves those problems by establishing a totally even playing field. Nobody has an edge. Every player is playing against the same random-generated odds that gives all players an equal chance to win. The Virtual Sports player plays with total confidence that the games are fair, that they can't be manipulated, and that nobody has an edge. Integrity, security, fairness are all fundamental to the random-generated operation of the games. And by promoting entertainment and fun and socializing as opposed to betting to win money, Virtual Spots also aligns with Lottery's values and focus on Responsible Gaming. ■



Ultra-realistic fantasy Tennis, Cycling, Boxing, Football, Horse-Racing, and many more games are available for land-based, online and mobile gaming.