NORTH CAROLINA

Digital Journey

11 years in the making

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DED of Product and Digital Gaming

NCEL LAUNCHED DIGITAL INSTANT PROGRAM NOVEMBER 2023

- NC became the **9th state** to introduce digital instant games in the US
- Result of **6+ years** of building the case and preparing for a digital instant launch
- Digital **milestones** along the path to digital instants contributed to the successful launch of the program



NCEL Digital Timeline

2012
Lucke-Rewards Loyalty Program

Launched a points for drawing based loyalty program; expanding on the existing 2nd Chance program

2013
Online Subscriptions Program

Launched a subscription program online for players that wanted purchase of one week's worth of Powerball, Mega Millions or Cash 5 tickets.

2016
Online Play Program (single ticket sales)

Began selling single ticket draw game tickets for PB, MM, Cash 5 and L4L online (iLottery)

2019 / 2020
Digital Focus / COVID

Late 2019 - converted to new iLottery and loyalty platforms; Digital Department creation.
2020 – Start of the pandemic and increased focus on leveraging the Online channel.

February 2023
Draw Game Expansion

Addition of our daily numbers games, Pick 3 and Pick 4, to the online portfolio of games.

November 2023
Digital Instants

Start of the digital instant program in NC. Went live with 8 games on the web and mobile apps.

Key Milestones in Digital Instant Success

1
Launch of Loyalty Platform



2
Draw Game Sales Online



3
Virginia Lottery Launch Success



4
Addition of Pick 3 and Pick 4



5
Launch included games on mobile app

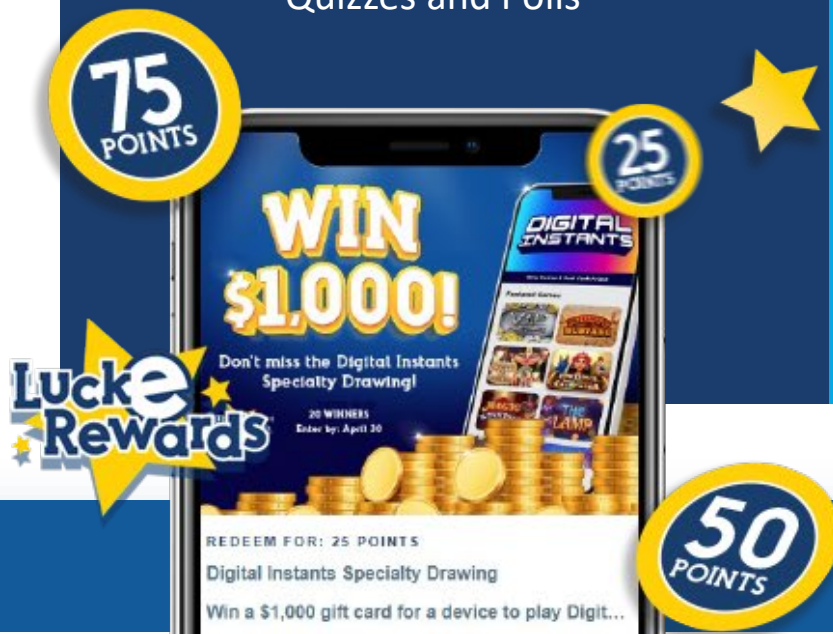


DIGITAL INSTANTS

Loyalty Program: Lucke-Rewards

Program Overview

- Points for drawings
  - Weekly, Monthly, and Specialty
- 2nd Chance program
- Other engagement activities
  - Play for points
  - Quizzes and Polls



Digital Instants Benefits

- 720,000 active/engaged Loyalty players prior to DI launch
- Digitally engaged players
- High percentage of mobile app users
- High engagement frequency
- Ease of communications/ Marketing

DIGITAL INSTANTS

PLAYER VALUE

2.6x

LOYALTY ENGAGEMENT

+99%

Selling Online: Online Play

Program Overview

- Began as Subscription but upgraded to single ticket, same day
- Powerball, Mega Millions, Cash 5, Lucky for Life, Pick 3 and Pick 4
- Evolved to include CRM capabilities
  - Promotion and Bonus Capabilities
  - Intro to behavior based segmentation



Digital Instants Benefits

- 467,000 active Online players prior to launch
- eCommerce platform and capabilities
- Understanding of player behaviors
- Cleared major obstacle – ID verification and financial linkage

DIGITAL INSTANTS

PLAYER VALUE

92%

1 8 5

87%
WAGERS

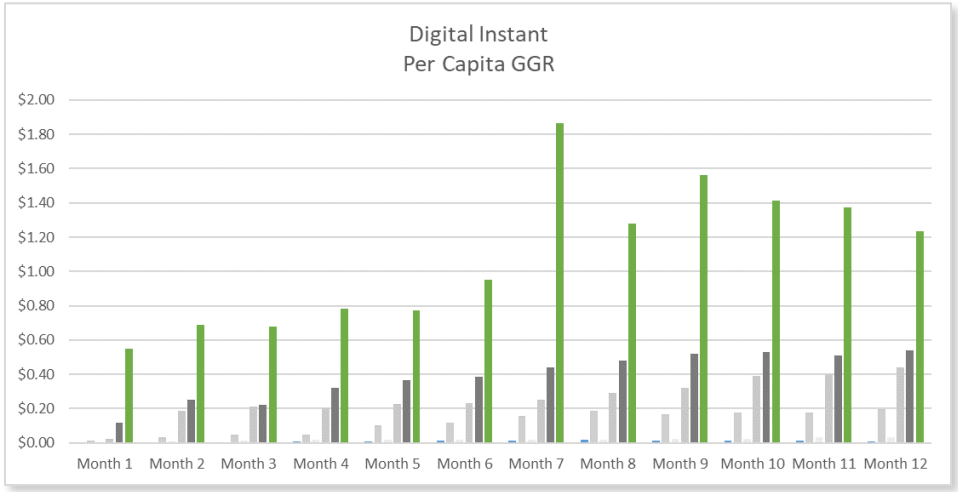
63%
GGR

Virginia's Record Breaking Launch



Virginia's Immediate Success

- Most impactful development in the approval process
- Changed the narrative from an investment in the future to immediate impact
- "Localized" the business case
- Evolution of best practices applied in a more digital oriented population



Addition of Pick 3 and Pick 4 to Online Play

New Games

- Added Pick 3 and Pick 4 in February 2023
- First expansion of the portfolio online
- New value proposition with higher frequency draws
- Added games with more engaging play style

Digital Instants Benefits

- Product with increased play frequency
- Chance to launch a new product online
- Test and learn with Bonuses with a highly responsive audience
- Understand the appeal of the channel with trying new games

DIGITAL INSTANTS

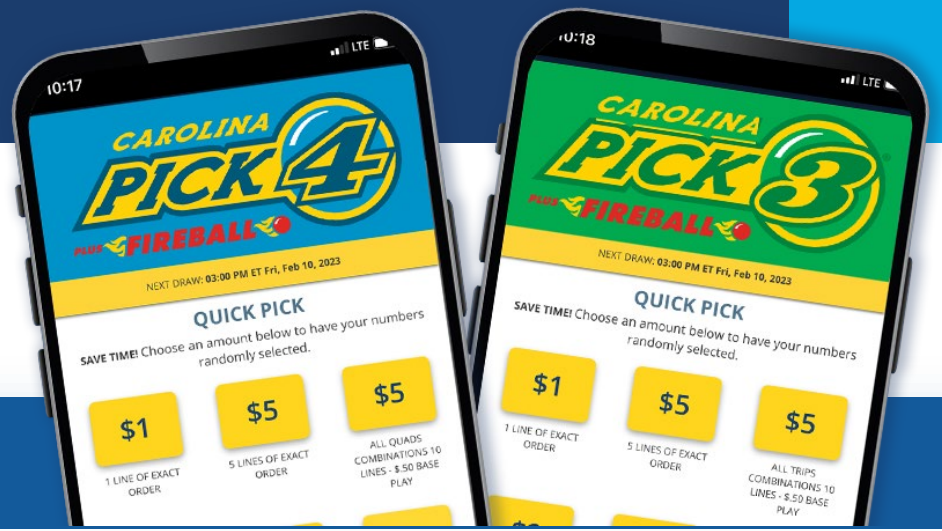
OF PLAYERS

140,000

PURCHASE FREQUENCY

+50%

5.62X PER WEEK



NC Education Lottery

Launching Digital Instants on the Mobile App

Mobile App Centric Strategy

- Digital Instant Launch included native Apple and Android apps
- Streamlined launch portfolio to prioritize app readiness
- Established high value player mobile app player base

Digital Instants Benefits

- Provides the most seamless user experience for playing the games
- High value Loyalty players utilizing mobile app daily
- 50% of Online Play revenue generated through the app pre launch

DIGITAL INSTANTS

PLAYER VALUE

1.9x

NEW

FIRST TIME DEPOSITORS

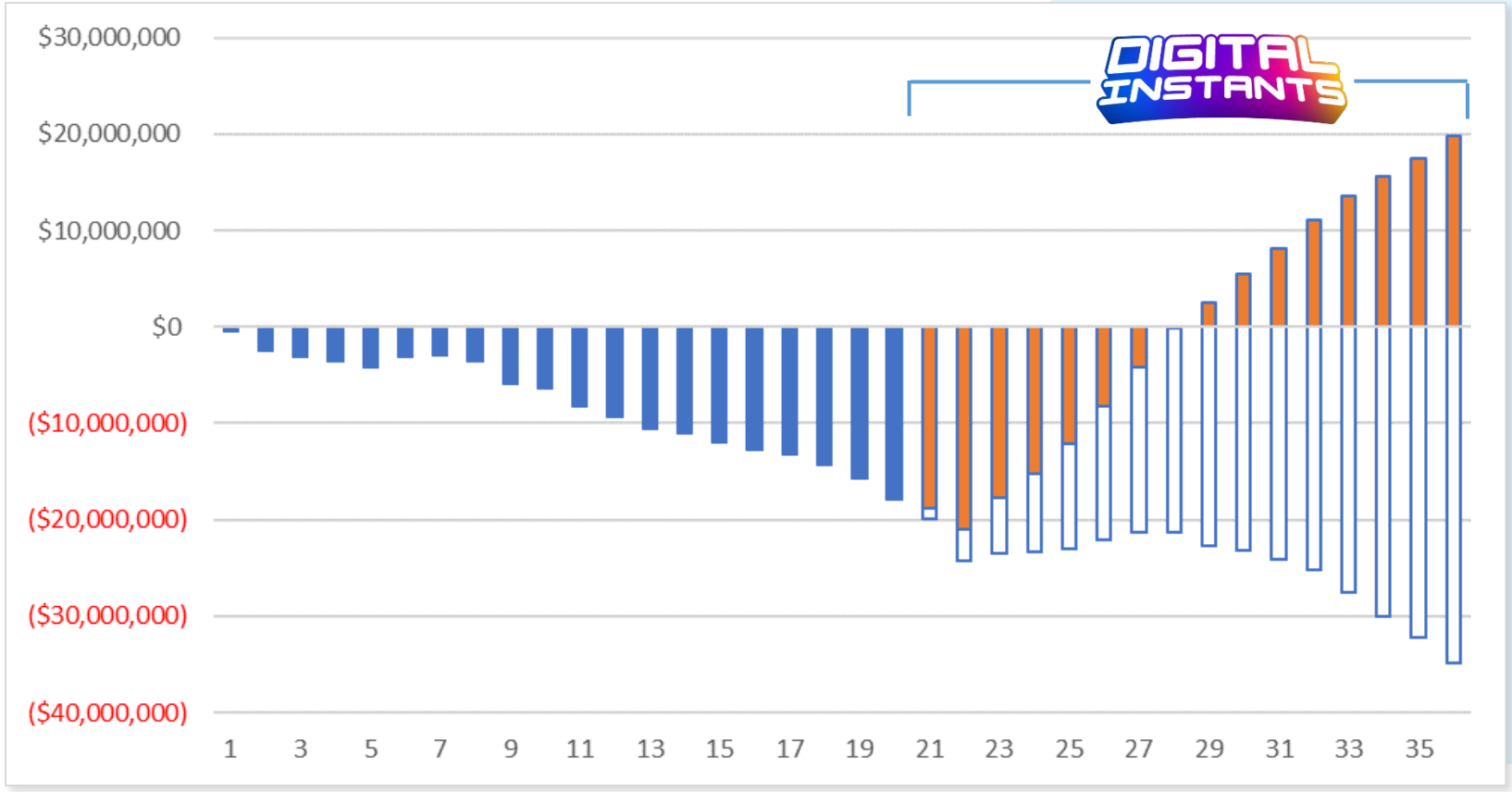
43%



NC Education Lottery

Digital Instant Immediate Impact

Cumulative Gaming Revenue Year over Year*



*Includes Gross Gaming Revenue from games excluding Powerball and Mega Millions

- Digital Instant launch followed multiple years of high growth in NC
- Gaming Revenue went from **down 4.9%** the week Digital Instants launched to **up 2.4%.**
- Gaming Revenue **was -$21M** when DI launched and is **currently +$20M**
- Digital Instants have generated over **$700M in wagers** and **$93M in GGR** since launch.


THANK
YOU