



Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

State of West Virginia  
 Centralized Request for Information  
 Service - Prof

09/15/21 10:03:26  
 WV Purchasing Division

<b>Proc Folder:</b> 925378		<b>Reason for Modification:</b>	
<b>Doc Description:</b> Addendum No. 2 - RFI for iLottery Turnkey Solution		Addendum No.2 is issued to publish a copy of the vendor's questions with answers/ responses.	
<b>Proc Type:</b> Request for Information			
<b>Date Issued</b>	<b>Solicitation Closes</b>	<b>Solicitation No</b>	<b>Version</b>
2021-09-09	2021-09-24 13:30	CRFI 0705 LOT2200000001	3

**BID RECEIVING LOCATION**

BID CLERK  
 DEPARTMENT OF ADMINISTRATION  
 PURCHASING DIVISION  
 2019 WASHINGTON ST E  
 CHARLESTON WV 25305  
 US

**VENDOR**

**Vendor Customer Code:** N/A  
**Vendor Name :** NeoPollard Interactive LLC  
**Address :**  
**Street :** 920 N. Fairview Avenue  
**City :** Lansing  
**State :** Michigan **Country :** United States **Zip :** 48912  
**Principal Contact :** Doug Pollard, Co-Chief Executive Officer  
**Vendor Contact Phone:** 204-474-2323 **Extension:** N/A

**FOR INFORMATION CONTACT THE BUYER**

Toby L Welch  
 (304) 558-8802  
 toby.l.welch@wv.gov

Vendor  
 Signature X *D. Pollard*

FEIN# 37-1764366

DATE September 14, 2021

All offers subject to all terms and conditions contained in this solicitation

**ADDENDUM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: RFI LOT220000001**

**Instructions:** Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

**Acknowledgment:** I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

**Addendum Numbers Received:**

(Check the box next to each addendum received)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6  |
| <input checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7  |
| <input type="checkbox"/> Addendum No. 3            | <input type="checkbox"/> Addendum No. 8  |
| <input type="checkbox"/> Addendum No. 4            | <input type="checkbox"/> Addendum No. 9  |
| <input type="checkbox"/> Addendum No. 5            | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

NeoPollard Interactive LLC

\_\_\_\_\_  
Company

*J. J. Bell*

\_\_\_\_\_  
Authorized Signature

September 14, 2021

\_\_\_\_\_  
Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.  
Revised 6/8/2012



September 14, 2021

West Virginia Lottery

**Attention: Toby Welch, Buyer**

Department of Administration, Purchasing Division

2019 Washington Street, East

Charleston, WV 25305-0130

**RE: Request for Information No. CFRI 0705 LOT2200000001 for Turn-Key iLottery Solution**

Dear Mr. Welch,

NeoPollard Interactive LLC (“NeoPollard Interactive” or “NPi”) is pleased to submit our response to the RFI issued by the West Virginia Lottery (“WVL” or “the Lottery”) for a Turn-Key iLottery Solution. The exploration of expanded digital offerings will prove, as it has consistently with each iLottery operation in the U.S., to be a significant complement to the WVL’s existing digital footprint by generating incremental revenue and by increasing overall Lottery brand awareness. The Lottery’s Player’s Circle is an essential foundational ingredient to enable it to successfully roll out additional digital engagement initiatives to meet the needs of its current players, while also protecting the sustainability of Lottery relevance and the revenues it generates by attracting new, digitally-native audiences and reinvigorating interest from traditional players by offering a new channel.

Before we turn our attention to the information that we hope will be helpful to the WVL in crafting an RFP to launch your iLottery program, we would like to provide a brief introduction to NPi. NPi is a two-time award-winning supplier of best-in-class iLottery solutions to the North American lottery market. Serving the largest share of U.S. lotteries that currently sell online, NPi helped pioneer the successful introduction of iLottery in the U.S., and is North America’s proven partner of choice to enable regulated lotteries to design and deploy complex gaming solutions in support of generating incremental revenue for good causes through the online channel. Jointly owned by globally recognized industry leaders, Pollard Banknote Limited and NeoGames S.A., NPi is a partner to the most profitable iLottery programs.

Today, NPi powers a total of four iLottery programs in the U.S. and in the last year, expanded to Canada through a deployment of a multi-vertical iGaming offering with the Alberta Liquor, Gaming and Cannabis Commission (“AGLC”). In the U.S., NPi powers three full iLottery programs—those that offer both eInstant (i-scratch) games and draw-based games online—with the Michigan, Virginia and New Hampshire Lotteries, and a draw-based game program with the North Carolina Education Lottery.

NPi is the only provider in the North American market that is solely focused on iLottery, and with strong financial stability behind us, we have the ability,





flexibility and desire to keep investing in innovation to enhance our offering. Our company offers cutting-edge technology, a Power Suite of turn-key iLottery managed services, and the industry’s top performing game content, as part of our innovative and comprehensive approach to partnering for iLottery success. This exclusive focus on iLottery is what has steered NPi’s commitment to innovation and enhancement of our technology and game content, but also uniquely enables NPi to excel at operationalizing our technology and content through the managed services that we have built—our Power Suite of services—that complement our technical delivery. Because NPi’s technology and Power Suite of services are inherently linked, turn-key iLottery solutions are NPi’s specialty and are proven to maximize program results.

As the data below demonstrates, NPi has developed, implemented, tested, and continually refines this recipe for success as our partner lotteries vastly exceed the results of solutions deployed by other providers. All markets where we have deployed our Solution have continued to experience growth in their traditional lottery sales channel since the launch of iLottery.

States with iLottery	Total Wagers/Capita	iLottery Penetration	Launch Year	Platform Provider
MI (FY20)	\$186.40	30%	2014	NPi
NH (FY21)	\$142.50	27%	2018	NPi
VA (FY21)	\$94.57	20%	2020	NPi
PA (FY21)	\$69.30	14%	2018	SGI
KY (FY21)	\$30.68	8%	2016	IGT
GA (FY20)	\$13.29	3%	2012	IGT

*Note: This chart analyzes states that offer full iLottery programs (i.e. i-scratch and draw-based games) and have a full year of data (excludes DC and RI). MI and GA data is indicative of FY20 results as they had not concluded their FY21 at the time of RFI response submission.*

Simply put—NPi’s partnerships consistently outperform the market. For this reason, NPi is the industry’s most experienced and sought-after provider to work in partnership with lotteries seeking to modernize through the digital distribution channel.

Given our depth of experience, NPi is excited to share with the Lottery information regarding the successful selection of an iLottery provider to enable the development and operation of the WV’s iLottery program. Throughout our response, NPi has identified key considerations for the WV as it evaluates how best to implement a high-impact, turn-key iLottery solution. NPi will demonstrate how our technology and Power Suite of services are intertwined, leading to a truly turn-key offering that will achieve the Lottery’s goals to generate incremental revenue to fund programs benefiting education, senior citizens, tourism and other State programs while simultaneously protecting the highest operational integrity that the WV has earned with its citizens and stakeholders.



Should the Lottery have any questions pertaining to our response, please contact:

Liz Siver, General Manager

Tel: 248-790-0762

Email: [liz.siver@neopollard.com](mailto:liz.siver@neopollard.com)

In closing, NPi appreciates the opportunity to share our unique insights and expertise with the WVL through this process. As a partner that prides itself on our collaborative approach, the opportunity to discuss the WVL's vision and strategic objectives is paramount to the program's success and we look forward to supporting the WVL as it explores this growth opportunity.

Sincerely,

NEOPOLLARD INTERACTIVE LLC

A handwritten signature in blue ink, appearing to read "Doug Pollard".

Doug Pollard

Co-Chief Executive Officer



## SECTION 1 – STATEMENT OF NEED

1.1.1. Discussion of how the vendor's turn-key digital solution provides iLottery i-scratch, draw games and draw game subscriptions.

### ACCELERATING SUCCESS: THE THREE PILLARS COMPRISING A TURN-KEY ILOTTERY SOLUTION

NPi is a digital solution provider and system integrator, focused on serving lotteries in North America. As a company jointly owned by Pollard Banknote and NeoGames, we have access to, and leverage, the deep technical, operational, and integration expertise of our own specialty teams, as well as those of our global business and technology partners.

NPi's iLottery 360° Solution has been designed as a turn-key digital solution to meet what we understand to be the current and future needs of the WVL. NPi's technology, Power Suite of iLottery services, and games are relied upon by the industry's top performing iLottery programs to enable the secure purchase of lottery products through the online channel. NPi will highlight the key distinguishing characteristics of the three pillars of iLottery—technology, services and games—that we believe are essential to the design and operation of the WVL's future iLottery offering and that enable NPi to effectively provide a turn-key offering to the Lottery.

#### Pillar 1: NPi's Technology

We develop and deploy best-of-breed technology using our in-house teams, and strategically source through a select group of qualified partners. Our business model, a PaaS/SaaS (Platform/Software as a Service) means that we manage a single codebase of our system that is deployed across all of our customers. Our single codebase underpins our innovation activities at NPi and is a key differentiator that will allow the Lottery to benefit from the success experienced in other markets, as well as the ideas and concepts implemented by lotteries around the world. Our fully integrated iLottery 360° Solution is designed to be flexible, responsive, and readily adaptable to meet the Lottery's current needs, as well as support



#### Turn-Key iLottery Providers Holistically Offer:

- ✓ eCommerce ready: All technology programs, i.e. Player Account Management system and Central Gaming System, to enable iLottery to operate independently and efficiently in the online environment
- ✓ Open architecture: Flexible and scalable technology with the tools, processes, and workflow management and monitoring engines to facilitate integrations into the Lottery's ecosystem.
- ✓ Commitment to innovation: A dynamic roadmap with frequent release cycles for feature updates and enhancements that match the pace of the eCommerce environment. NPi provides monthly feature releases to our network.
- ✓ iLottery-specific services: Flexible and end-to-end managed services that scale to the Lottery's needs and align to the Lottery's stated goals and key performance indicators.
- ✓ Game content: Broad portfolio that appeals to players in the digital channel and that can be tailored to the local market.
- ✓ Robust portal strategies: Capability to seamlessly integrate iLottery functionality to lottery platforms, regardless of channel.



future growth and innovation over time. NPi fully appreciates the importance of an open architecture that enables easy access to a variety of industry-best systems, and game content providers. This is evidenced by our approach to integration and the modular design of our architecture.

### **The Market-Tested iLottery Platform Technology of Choice: NeoSphere**

NPi's core iLottery functionality is delivered through our NeoSphere technology, the central platform behind our iLottery implementations, along with its two fully-integrated companion platforms NeoDraw and NeoPlay.

NeoSphere's modular design enables optimal flexibility. NPi's Player Account Management ("PAM") is a core module within NeoSphere, which includes shopping cart and wallet functionality. The PAM is the heart of our platform and enables the player or lottery to manage all the features of a player's account. The PAM module also provides and controls the functionality related to player registration (regardless of the channel used by the player), identity/age verification, player login, responsible gaming limits, the ability to send notifications to players via e-mail, text or others, geo-location, and user services, among other things. It collects, processes, and records every relevant transaction associated with a Player's ID across the entire solution. Fully-integrated technology modules to support every aspect of operationalizing an iLottery program are included within NeoSphere and correspond to NPi's Power Suite of services.

Recognizing that an effective digital ecosystem is dependent upon a myriad of systems and information flowing efficiently to serve our partners' business, NPi's philosophy in the development and evolution of our technology is to maintain an open architecture. In addition to the existing modules that power a Lottery's end-to-end digital needs, NeoSphere is also an integration hub—allowing our partners to centralize their digital operations, enabling a single view of the player, regardless of gaming vertical (i.e. iLottery, Sports Betting) or channel (i.e. retail or online), overarching responsible gaming programs, improved player communications through deliberate marketing engagement, and streamlined and centralized data to empower informed, data-driven business decisions.

The NeoSphere platform has been architected, designed, and developed in-house as a modern state-of-the-art iLottery Solution. From inception, it has been custom-built for this category with an eCommerce and mobile player focus, rather than a product focus.

The WVL will learn more about each module of NPi's NeoSphere technology through the sections to follow. We will highlight the technology module and managed service offering that pair together to enable the turn-key operation that is identified within each section of the WVL's RFI.

### **The Industry's Most Preferred Interactive Gaming System: NeoDraw**

NeoDraw is the Central Gaming System (CGS) (traditional system) companion platform to NeoSphere that facilitates the delivery and sale of draw games via the Internet, including subscription functionality. It is an integrated and enhanced gaming System developed by NPi to operate independently of any existing CGS that fully leverages the PAM and other functionality of NeoSphere. NeoDraw is the industry's only interactive CGS that was built specifically to enable the sale of draw-based games online, paired with user flows that consumers in the eCommerce channel expect. Because the online environment moves at a rapid pace, an interactive parallel CGS will enable the WVL to ensure that its iLottery offering is current



and meets the expectations of its online consumers including being able to offer some unique products and/or product combinations not always easily available at retail. While NPi's open and flexible architecture can facilitate integration with existing retail systems to enable the sale of draw-based games online, all four of NPi's U.S. partners—Michigan, Virginia, New Hampshire and North Carolina—have opted to enhance the operational success of their iLottery programs by leveraging NeoDraw as the central system of choice for the online channel.

Specific to subscriptions capabilities, NPi was the first to leverage the popularity of the subscription model in other industries (for example, Netflix in the entertainment industry) for the U.S. iLottery industry. NeoDraw enables subscription functionality for players who want to have the convenience of a weekly charge for the draws they wish to participate in. From the player's perspective, this deposit subscription model removes the inconvenience of having to manually reload his or her account, as the auto-renewal feature ensures this convenience remains until the subscriber wishes to cancel their subscription. For a lottery, offering subscriptions is a proven way to create recurring revenue rather than relying on discrete purchases.

NPi's Solution currently offers enhanced subscriptions (eSubscriptions) in Virginia, Michigan, and New Hampshire. These eSubscriptions are offered in the form of pre-purchase commitments for a duration that is selected by the player. Currently, NPi's Solution supports eSubscriptions for durations of up to one year, however, the duration is configurable and can be set to any duration to suit the Lottery's needs. For additional information about how NPi powers subscriptions with our NeoDraw CGS, please refer to Section 1.1.8.

NeoDraw has passed the rigorous checks and audits required by MUSL for multi-jurisdictional draw games, such as Powerball and Mega Millions. This System manages the draw game purchase flows and enables players to purchase tickets for their favorite draw games in as few as three (3) clicks, regardless of the channel or device they are using. For each ticket purchased, players may choose their own numbers, select a 'Quick Pick' option for random numbers, use numbers previously saved in their profiles or purchase Combos of all of their favorite numbers – an innovative feature recently introduced to our check-out flow.

The System includes an independent service of Gaming Systems Operations that facilitates the draw-break and reconciliation processes and is equipped with monitoring and control tools to ensure data integrity, fairness, and quick distribution of prizes to winners. The Gaming Systems Operations team is located in Lansing, Michigan. NPi's Gaming Systems Operations service operates in parallel to the Lottery team on the NeoDraw control room application to manage the draw results in accordance with MUSL requirements.

### **iLottery's Flexible Game Management Technology: NeoPlay**

The NeoPlay platform serves as the central place for the deployment and management of the broadest possible range of game content, i.e. i-scratch games, from NPi and third-party providers. The game-domain-specific integration and aggregation capabilities of this System provide the ability to rapidly deploy game titles from virtually any source. NeoPlay facilitates presentation of i-scratch, iKeno, and





more. It operates in a dynamic management environment that facilitates the optimal display of available games based on any attribute – new launches, seasonality, or appeal.

NeoPlay manages games configurations, including prize tables, payouts, ticket series setups, ticket price points and many other variables, and support all channels—mobile, desktop, and app. It also provides the internal, fully certified Random Number Generator (RNG) required for some games and generates the data for all game-related reports, including sales, series status and more.

The combination of NPi’s NeoSphere/NeoDraw/NeoPlay platforms has been deployed in major U.S. lottery jurisdictions, such as Michigan, New Hampshire, Virginia, and North Carolina, where our Solution is the core technology behind the Lotteries’ very successful iLottery implementations.

NPi’s player-centric technology solutions deliver the functionality required for all core iLottery operations (e.g., systems, games, and operational services) across all channels.

## **Pillar 2: NPi’s Power Suite of iLottery Services**

As any existing iLottery operator will attest, the ongoing operation of an iLottery program is not only about selecting the most capable and reliable technology, but about the pairing of expert services to maximize results. Because iLottery is NPi’s only line of business, NPi built managed services that are essential to the eCommerce environment and specifically cater to the operational and revenue-generating needs of iLottery—with a primary focus on ensuring player centricity.

NPi’s Power Suite of iLottery services include three primary divisions, each containing business activities to enable the successful operation of high-impact iLottery programs:

- **Player Operations** – this team of professionals are focused on powering results by empowering players. NPi’s 24/7/365 Player Support Center (“PSC”), Power Concierge Desk, Regulatory Compliance, Payout and Risk Operations, Claims, Banking and Payments and Gaming System Operations fall under this operational umbrella. Each team in NPi’s Player Operations leverages NPi’s technology platforms. For additional information about NPi’s PSC please see **1.1.12**.
- **Ignite Player Marketing** – Ignite is NPi’s in-house iLottery marketing agency. Ignite is the spark that fuels engagement. By putting the player first, Ignite accelerates responsible growth by fusing insights, creativity and technology to offer end-to-end digital marketing expertise across seven disciplines. Ignite focuses on Player Insights and Intelligence, Player Acquisition, Player Experience Optimization, Affiliate Marketing, Player Rewards, Retention Marketing, and includes its own Creative Studio. For additional information about Ignite Player Marketing please see **1.1.5**.
- **Player Portfolio** – Focused on Product Planning and Portfolio Management, NPi’s Player Portfolio Service provides the content expertise that fuels growth. This team works as an extension of our in-house game development Studio to design balanced i-scratch portfolios that attract, retain and engage iLottery players. For additional information about NPi’s Player Portfolio Service please see **1.1.11**.



The Power Suite encompasses all requisite iLottery services that have a measurable impact on the performance of our partners' programs. NPi's ongoing evolution of our Power Suite of services further reinforces our commitment to power our partners' digital operations, marketing and games to grow contributions to the Lottery's beneficiaries.

NPi's Power Suite of services provide lotteries with the ability to leverage, at scale, the operational activities required to manage the intricate and unique iLottery environment—from managing the highly regulated compliance requirements of online gaming through our Player Operations teams, professionally supporting player contacts with our 24/7/365 Player Support Center, to driving player engagement through every aspect of the iLottery marketing funnel with our Ignite Player Marketing team, to the design and management of a results-driven game portfolio with our Player Portfolio service, NPi covers every angle of a turn-key iLottery operation.

### **Pillar 3: Industry-Leading iLottery Game Content**

NPi's Games Studio and Player Portfolio Service is an integral part of our offering. NPi's in-house development team at NeoGames Studio develops the industry's best iLottery content. The combination of our deep knowledge in designing entertaining lottery content and strategic consultation on the development of the iLottery game portfolio is essential to maximizing iLottery revenues.

Having our own in-house Studio is a key advantage as it enables us to not only introduce exciting game innovations to our portfolio, but to also collaborate with our lottery customers to develop game versions that are customized to meet local market tastes and preferences.

We leverage our in-depth understanding of how iLottery players differ from other online gamers in terms of preferences, including game themes and play styles, to design our iLottery games specifically to appeal to them. We combine appropriate game themes and play styles with our unrivalled knowledge of game features and marketing strategies to appeal to the broadest population possible. Furthermore, we understand how to execute on the fundamental truth that iLottery games must offer an engaging digital experience to excite and entertain the demanding interactive player.

Our portfolio is comprised of a wide variety of game types including i-scratch games and on-demand versions of familiar lottery draw games that we refer to as "Instant Keno" and "Instant Lotto" games. These games are, by far, the categories of games that drive the most significant revenues from an iLottery portfolio. In fact, i-scratch, Instant Keno and Instant Lotto typically generate over 90% of portfolio revenues, where draw-based games are typically less than 10% of total iLottery sales.

Our highly effective game development strategy considers factors including:

- **Entertainment Value** – The level of player interaction as part of the game, the complexity level of playing the game, the multimedia experience (design, animation, audio), and the length of time a game round is played;
- **Game Theme** – Money, numbers, seasonal, whimsical, Cashword, fruits, lucky symbols, candy, etc.;



- **Game Mechanics** – Key number/symbol match, match 3, find the symbol, Cashword, Bingo, Tic - Tac-Toe, Poker, Blackjack, etc.; and
- **Mathematics** – Controlling the risk level of the game, optimizing the game experience, given the target payout, creating the right balance in prize tables and more.

A testament to our capabilities to deliver games that offer high calibre, entertaining experiences is the 2017 launch by the Michigan Lottery of our *Queen of Diamonds* interactive game. The game went on to become the world’s highest grossing iLottery game as reported by La Fleur’s in September 2017. *Queen of Diamonds* was reported by La Fleur’s in 2020 as “the best selling eInstant game in fiscal 2020” for both Virginia and New Hampshire Lotteries. The same title was issued to NPi’s *Instant Keno Multiplier* with respect to the Michigan Lottery’s fiscal 2020 game lineup, which is significant given that the Michigan Lottery has had additional content providers in its game portfolio. Games such as *Queen of Diamonds* and *Instant Keno Multiplier* make the case that we know how to deliver the type of entertainment experience players are looking for as they gravitate to NPi’s content in an iLottery portfolio. NPi knows how to provide the right combination of graphical appeal, underlying math, and robust play features.

Our games outperform others because of our in-depth understanding of how iLottery players differ from other online gamers. We understand that iLottery players have different preferences in terms of game themes and play styles, and our iLottery games are specifically designed to appeal to them. Furthermore, we understand how to execute on the fundamental truth that iLottery games must offer an engaging digital experience to excite and entertain the demanding interactive player.



### 1.1.2. Details from the vendor regarding the comprehensive purchase and prize payment services they offer for iLottery.

NPi's NeoSphere technology and Player Operations service from our Power Suite are combined to enable effective and comprehensive purchase and prize payment services for iLottery.

## NPi Technology

### NeoSphere Module: Player Account Management (PAM) and Player Wallet

The Player Account Management (PAM) and Player Wallet module manages accounts of all types and will enable the seamless progression of players from Player's Circle-only members to fully registered iLottery Players. By providing a single real-time view of the customer, the PAM and Wallet module enable, control, and record all critical aspects related to the player profile, experience, activity, and lifecycle across all channels. The PAM ensures that all player flows would be in accordance with the specifications set by the WVL for player identification, verification and more.

An important capability of our Solution is the way NeoSphere consolidates and routes all financial transactions through a single account and wallet associated with a player, regardless of the games they play or channel they use. Within the NeoSphere PAM, is a universal common wallet attached to the player's account. The wallet is used to fund wagering activities, receive win amounts, and manage credit/debit activities of different "items", such as deposits or withdrawals of actual money, addition or deduction of bonus points, etc. under sub-wallets, or "pockets", allowing players to know their exact balances at any given time.

This centralized Player Wallet can seamlessly and concurrently serve various game verticals and because our Solution is certified as a Payment Card Industry Data Security Standard (PCI DSS) Level 1 platform, it can handle and store debit and credit card data. Our PCI DSS certification removes the need other solutions have to use an external wallet for credit card transactions and simplifies transaction processing for users.

Our Player Wallet is carefully designed as a fully auditable transaction recording mechanism and provides an auditable, clear, and accurate representation all transactions to the WVL and its financial institution partners. All transactions that impact the value of a player's wallet are recorded, regardless of whether



### Purchase and Prize Payment Services

- ✓ Ensure provider solution is PCI DSS Level 1 certified.
- ✓ Provide all eCommerce-standard funding methods to reduce friction at the point of deposit.
- ✓ Ensure turn-key technology and services include connectivity and ongoing management of the Payment Gateway and performance optimization (i.e. approval ratios, chargebacks).
- ✓ Ensure the solution's user interface and user experience expertise enables optimized intuitive deposit and purchase flows to guide players through the engagement funnel.
- ✓ Turn-key providers deliver Merchant of Record banking solutions.



those transactions are internal to the wallet (e.g., wagering transactions, points redemptions—in the case of a loyalty program) or external to the wallet (e.g., deposits, credits, and withdrawals).

The Player Wallet is directly integrated with our Payment Gateway. This enables players to add funds quickly and securely to their account through any of the many synchronous and asynchronous payment methods preferred by credit card providers, player wallets, bank transfers, and other popular payment mechanisms.

### **NeoSphere Module: Payment Gateway**

The Payment Gateway module manages the flow of transactions between our platform and all financial services providers and consolidates, optimizes, routes, and regulates all financial transactions, internal and external, associated with the gaming activities. Please refer to section 1.1.3 for additional information about our Payment Gateway.

### **NeoSphere Module: Claims**

The Claims Management module enables the development and management of the various workflows required to process a claim. It includes the necessary configuration controls that allow the dynamic execution of alternate claims flows based, for example, on tax withholdings or state mandated holdbacks at various levels.

---

## **Power Suite of iLottery Services**

---

### **Power Suite Service: Player Operations Division—Banking and Payments**

As part of NPi's unique turn-key approach, NPi has the experience and capability to act as the Merchant of Record on behalf of the Lottery, responsible for all payment acceptance, dispute resolution handling, indemnification of payment fraud, and all expenses associated with these services. We deliver this service as a complete package that includes the integration of all banking services required to launch an iLottery program.

We deliver banking services for most of our North American clients—including Michigan, Virginia, New Hampshire, and North Carolina—as part of our Solution, where NPi holds a Federal Deposit Insurance Corporation (FDIC) insured bank account and acts as the Merchant of Record. Electronic reconciliation is completed on a weekly basis and includes the process by which any funds owed to the Lottery are transferred to a Lottery-designated account, and funds due to NPi are deposited to a separate NPi operating account.

Even though the open architecture of our Solution allows for the integration of many financial service providers, the nature of iLottery requires specialized knowledge and understanding, as well as customized legal agreements to ensure compliance with legal frameworks, such as the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA). As part of our turn-key Solution, we have partnered with a select number of national financial service providers who understand and are comfortable with the U.S. lottery marketplace.



In addition, as part of our regular interactions within the banking and payments industry, we continually assess credible potential partners that have products and solutions we can bring to our lottery partners.

### **Power Suite Service: Player Operations Division—Payout and Risk Operations**

We have established a significant number of policies, protocols, and Standard Operating Procedures (SOP), along with business rules and new capabilities implemented in the platform, to enforce Anti-Money Laundering (AML) and cashout policies, as well as deposit and bet limits. In addition to monitoring all financial transactions for indicators that help us identify fraud, our Payout and Risk Operations team, as part of our Player Operations Service, also monitors alerts based on triggers and protocols. This team maintains PCI-compliant storage and filing procedures of transaction data.

### **Power Suite Service: Player Operations Division—Claims**

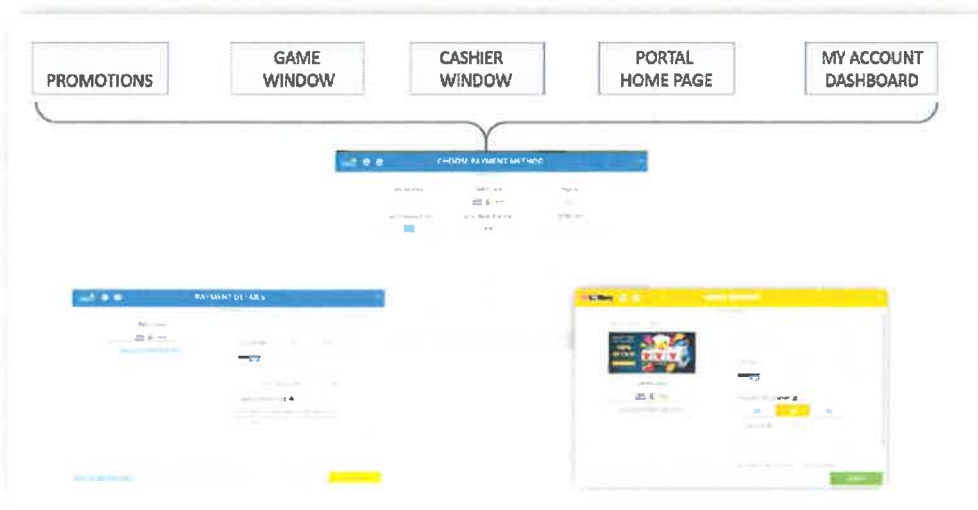
Payout and Risk Operators will be responsible for building a service delivery operation that provides monitoring and assessment of key business processes to manage risks that may impact the performance of internal controls. This team continually identifies and assesses conditions that may present risks to the business and consumers and will be responsible for implementing strategies to mitigate risk and ensure applicable regulatory obligations are met prior to processing prize payments/claims.

### **Purchase and Payment Flow**

The following example outlines the typical iLottery purchase and prize payment flow including the process for deposits, withdrawals and claims.

#### **Deposits**

Deposits are the lifeline of any iLottery solution. As such, once a player has registered and created an online account, NPI’s Solution provides players with multiple ways to access and make a deposit. One access point is the My Account dashboard, as shown below:

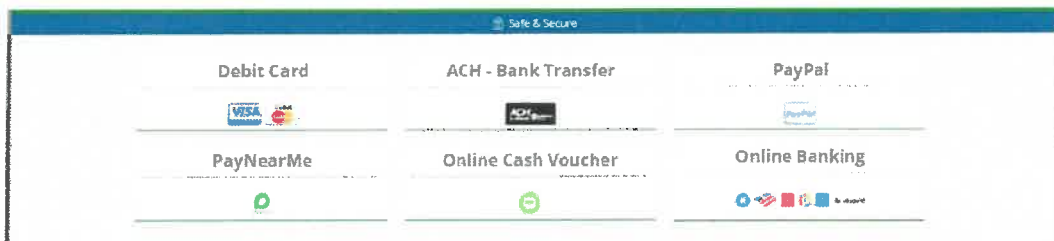




Once players enter the payment method and amount to deposit, they will receive confirmation the successful deposit and a receipt of the transaction.

Because our Solution is PCI DSS certified, we can maintain players' credit card information within NeoSphere for future use. This provides convenience to the player when they wish to make an additional deposit using the same credit card used for past deposits, as the only information they will need to enter during subsequent deposits is the Card Verification Value (CVV) number (3-4 digits) as it appears on the card, along with the deposit amount.

Should the player wish to change the method of payment since their last deposit, they simply click on the "Change Payment Method" link to access alternative payment methods, as illustrated in the screenshot below:



### Withdrawals

Within My Account, players can view their account balance and whether they have any funds available to withdraw. For most iLottery operations, players can only withdraw their win money, as deposited funds cannot be withdrawn due to compliance regulations and to safeguard against fraud.



To initiate a withdrawal, the player clicks the “Withdraw Funds” button in the My Account dashboard.

The Solution will only offer eligible withdrawal methods to the player. The screen can be configured to the selected method details. In the example above, it is typical in the U.S. market to request either a partial or full Social Security Number (SSN) to perform the required ID checks at this stage of the process.

## Claims

As described above, the Claims module enables the development and management of the various workflows required to process a claim.

Usually amounts up to certain threshold (determined by the jurisdiction) do not require a manual review and the amount is automatically added to the player’s balance for immediate cashout. Requests for larger cashout amounts over predetermined thresholds are given a pending status in the Solution until reviewed and approved by the Payout and Risk Operations team. Please note that all threshold and processes are easily configurable within our Solution. This includes the ability to set a prize amount range that will automatically initiate the claim process, generate a tax record, and perform debt set off checks for items such as child support arrearages and state debt set offs.

The Pending Prizes tab, available to properly authorized back office Operators, includes detailed information related to a player’s pending prizes. In cases where player winnings that are not awarded to the player immediately upon winning a game due to regulatory requirements (e.g., security checks, tax/debt deductions), the player must initiate a prize claim, and a verification and approval process must be performed before the player can receive the prize. Within the back office, authorized Lottery staff and





Payout and Risk personnel have the ability to prioritize, search, track, process, and close all steps required in order to issue high tier prize payments, including annuities. Please refer to 1.1.7 for more info on Payout and Risk and Fraud Management.

The player has the ability to transparently track the status of claims and pending prizes by viewing the associated field within the player's My Account dashboard:

**CLAIMS & PENDING PRIZES**

AI

Show Tax Reported Prizes Only

Date Won	Game Name	Prize ID	Prize Amount	Prize Wager	Status	
02/18/2017 08:59 AM GMT	Powerball	2F388DC66C881C578	\$2,000,200	\$15	Not Started	<input type="button" value="SL A"/>
02/17/2017 08:59 AM GMT	Mega Millions	28D4E80BFDD200140	\$1,000,050	\$5	Not Started	<input type="button" value="SL A"/>
02/08/2017 08:59 AM GMT	Powerball	2E70995DE638680DD7	\$2,000,200	\$15	Not Started	<input type="button" value="SL A"/>
02/07/2017 08:59 AM GMT	Mega Millions	27C049B255E22B4CA	\$1,000,050	\$5	Completed	<input type="button" value="V"/>

[VIEW CLAIM POLICY](#)



*1.1.3. Discussion of iLottery payment solutions including credit and debit cards, ACH, eWallet, online payment mechanisms such as PayPal, and retail-based online game cards.*

As noted in 1.1.2, NPi's Payment Gateway module manages the flow of transactions between our platform and all financial services providers. It is fully compliant with the PCI DSS for the back-end storage and access to card holder data. This is a sophisticated and mature module that has been integrated with dozens of payment methods, banks, credit card companies, and other payment alternatives. It is architected so that new payment options can also be added quickly to accommodate future payment methods.

As a provider of turn-key solutions in North America, NPi provides players with a range of commonly used payment methods for wallet funding. NPi has interfaced its internal Payment Gateway with:

- Credit and debit cards providers (i.e. Visa, Mastercard)
- Online banking solutions (i.e. ACH, PayWithMyBank)
- eWallet and online payment mechanisms (i.e. PayPal)
- Retail lottery systems (i.e. Online Game Card)
- Payment service provider and other processing vendors (i.e. PaySafe)
- Mobile payment providers



### iLottery Payment Methods

- ✓ Ensure the iLottery program provides players with ample payment options to match their preferences for online transactions.
- ✓ Providing retail-based payment methods, such as NPi's Online Game Card, is an ideal product to enable players to leverage a cash-based form of payment for iLottery play that also supports the Lottery's retail partnerships.



#### 1.1.4. Suggestions from vendor regarding contract staffing for iLottery and what configurations have been successful in other jurisdictions.

Our success over the last seven years has been predicated on our secure NeoSphere, NeoDraw, and NeoPlay platforms that are delivered through our Power Suite of iLottery services including Player Operations, Ignite Player Marketing and Player Portfolio. We are heavily invested in our customers' success, from implementation to day-to-day account management and continued growth.

Our staffing approach for each customer we service can be unique depending on the needs of the customer; however, we have several main components which are consistent across our customer portfolio. The main components of our organizational structure that serve as the key organizational pillars for our successful customer partnerships are:

- NPi Executive Oversight Team;
- NPi Implementation Team;
- NPi Account Team;
- NPi Player Operations Team; and
- NPi Ignite Player Marketing Team.

NPi will support the WVL project with a team of lottery, technical, and operations professionals experienced in implementing some of the most successful iLottery operations across North America and worldwide. The WVL will be supported by an exceptionally competent Account Team with decades of collective experience, dedicated to increasing profits and player engagement across all facets of the iLottery ecosystem, while being mindful of operating within a responsible gaming framework.

Throughout all five of our strong staffing components, NPi will ensure that we provide the WVL with the highest quality systems, services, and solutions expertise available. As the North American leaders in iLottery, NPi has extensive experience in implementing similar solutions that involve unique partners and integrations. We have successfully engaged with organizations of all sizes operating within various regulatory frameworks to implement successful solutions. At NPi, we have a customer-centric organizational model and a simplified staffing approach that give us the ability to respond efficiently and effectively to any situation.

#### **NPi Implementation Team**

NPi will provide the WVL with an experienced Implementation Team that will bring forward our proven methodology and best practices. The implementation will be led by a Delivery Manager who has prior



#### Resource Models for Turn-Key iLottery Solutions

- ✓ Augment existing resources by leveraging the service offerings and expert staffing of turn-key providers.
- ✓ Turn-key digital marketing services are an essential ingredient to iLottery program success.
- ✓ Ensure a designated program owner from the WVL team is defined for key decisions and to liaise with turn-key provider service teams.



experience overseeing five large iLottery implementations; Michigan, Virginia, New Hampshire, North Carolina, and Alberta, Canada. Our implementation framework is aligned across work streams overseen by the Delivery Manager. NPi will perform the due diligence necessary to fully understand the WVL requirements and then use the gathered information to develop a Project Plan. We will then align the necessary NPi experts across our business and technical teams to match the business requirements for implementation.

Given our customer-centric approach, we also provide an additional layer of oversight with an Executive Team aligned to the WVL account. In a typical implementation, we dedicate an exceptionally competent and experienced team along with our senior-level oversight team, and are always planning for contingencies to ensure project success. These teams will be engaged internally at NPi during the planning and implementation phases as an additional layer of review and inspection. A subset of these team members will form a project Steering Committee which will also include WVL leadership aligned to the project. The Steering Committee members for NPi could include CO-CEOs, General Manager, VP of Product, General Counsel, Delivery Manager, Project Manager and Marketing Director. We recommend the WVL consider aligning comparable roles to the Steering Committee as well. The Steering Committee will meet bi-weekly or as needed to review timelines, project success, and obstacles. At different milestones throughout the project, members of the Executive Oversight Team may be on-site to participate in Steering Committee sessions.

### **NPi Account Team**

The day-to-day Account Team will consist of an Account Manager, Project Manager, Solution Architect, and the General Manager of NPi, Liz Siver, who will serve as the day-to-day executive lead on the account. There are significant operational resources that will work on the WVL account with oversight from the Account Manager and Solution Architect. These operational resources include but are not limited to the Player Support Center, Payout and Risk Operations, TechOps, NOC/SOC 24/7, IT, Security, and Gaming System Operations. In addition, the Ignite Player Marketing team comprised of Data Analyst and Digital Marketing resources will work with the WVL on marketing plan development and execution.

The NPi Account Team, led by the Account Manager and heavily supported by the Solution Architect, will work together to create, and drive a successful annual product roadmap plans for the expressed goal of the Lottery's success. The annual roadmap is a combination of best practices and unique customer innovations.



*1.1.5. Information regarding what type of digital advertising/marketing offerings would be provided by the vendor.*

Player Marketing is a critical component of developing effective player relationships that drive all critical key performance indicators. The ability to push relevant content to the right person, at the right time, with the right message is an important success factor for any eCommerce operation. Because NPi delivers a fully turn-key solution, we bring unique experience in understanding how each product enhancement, feature release, operational protocol, or new game introduction should be unified into a revenue-generating business strategy. This knowledge results in a holistic view of our partners' digital business, allowing NPi's Ignite Player Marketing team to recommend a variety of levers to pull to assist the Lottery in reaching its objectives.

The successful execution of digital marketing strategies and tactics rely on NPi's NeoSphere technology—specifically several of its modules, such as Campaign Management, Segmentation and Loyalty modules, coupled with NPi's Ignite Player Marketing service staffed by a team of digital marketing experts. NPi's Ignite team covers the entire range of iLottery marketing throughout the entire player funnel and player lifecycle.



### Marketing Best Practices in the iLottery Environment

- ✓ Secure a marketing partner that is versed in the full scope of end-to-end iLottery marketing and fluent in translating player data into actionable marketing strategies.
- ✓ Tap into the knowledge of an iLottery marketing partner to design effective bonus budget strategies.
- ✓ Experienced in player segmentation, optimization, and messaging strategies.
- ✓ Focused on player experience design to drive program KPIs.
- ✓ Partner seamlessly with the Lottery's traditional marketing agencies to maximize brand awareness strategies.
- ✓ Engage a dedicated marketing partner with a specialized focus on iLottery.

## NPi Technology

### NeoSphere Module: Campaign Management and Bonus Engine

The Campaign Management (CM) and Bonus Engine modules, collectively, deliver the capabilities the platform uses to provide players with incentives to continue playing their favorite games, try new games, migrate from anonymous to registered play, and more. The module manages personalized, as well as customized campaigns for targeted segments. This module leverages an omnichannel data warehouse to enable the research, design, configuration, execution, and monitoring/optimization of ongoing promotional and engagement campaigns. It supports both the development and delivery of real-time promotional and bonusing campaigns for the iLottery Player, as well as activity campaigns in connection with the Player's Circle program.

### NeoSphere Module: Segmentation

This module contains the rules for creating and assigning segments and manages the routing of segment-dependent activities and offers.



## NeoSphere Module: Loyalty

NPI's Loyalty module, with its robust API, offers a powerful set of capabilities when it comes to loyalty points, account management, and handling. Our Solution is channel and product-agnostic and enables players to earn/redeem points via any channel and/or gaming and non-gaming system.

## Power Suite of iLottery Services

### Power Suite Service: Ignite Player Marketing

NPI's Ignite Player Marketing delivers the spark that drives engagement. Our team of experienced lottery marketers puts players first, and generates responsible growth by fusing insights, creativity, and technology with the unique characteristics of your lottery brand. Our approach has elevated some of the most successful iLottery programs in North America and helped deliver the following impressive results all while also upholding the most stringent responsible gaming principles:



We partner with lottery marketers to harness local market knowledge and combine it with our global iLottery experience to enhance every player touchpoint. It's a win for players because they experience an exciting, frictionless relationship with their lottery. The Lottery wins by tapping into the Power of One—our centralized approach to optimizing activity throughout the player funnel.

Our centralized marketing strategy flows through every point of the player funnel from Acquisition and Conversion, through Retention. This holistic marketing approach ensures a consistent, seamless experience that speeds players from the Awareness stage to become a loyal, engaged online player.

### The Power of One Approach





Our years of iLottery marketing experience give our new partners a distinct advantage when launching their first online programs. In the process of introducing five jurisdictions to online lottery play, we found that adoption of iLottery programs somewhat mimics a traditional technology lifecycle, but with a few important differences. The experience of NPI's Ignite Player Marketing team is that there is a distinct lifecycle for iLottery players and our team applies this experience, backed by data and player insights, to craft specific marketing strategies that address the profiles of players at each stage in the iLottery player bell curve.

### Our Player Marketing Disciplines

The Ignite Player Marketing team delivers unprecedented revenue growth through a continuum of six disciplines across the full player marketing funnel.



**Player Insights & Intelligence** – Everything we do revolves around your players. By understanding their motivations and barriers, we can accelerate their journey through the marketing funnel. These insights are generated through the continuous collection of invaluable data online and offline by our analysts. Collecting data from the ecosystem of player interactions, i.e. acquisition, affiliate, loyalty, and retention efforts, ensures that our marketing strategies can react to trends that emerge in real time. Our player insight services are focused on providing actionable recommendations for how our insights can fuel all marketing initiatives. In addition to providing support for quantitative and qualitative studies, we deliver monthly, quarterly, and semi-annual reporting on the health of your business and progress toward all defined program KPIs. This team is also responsible for partnering with lotteries to develop revenue forecasts, predictive models, perform segmentation modeling and maintain analytics dashboards.

**Player Acquisition** – Potential Lottery players do not want to be “sold” to - they want to be entertained. Our media strategists will create customized analytical approaches to the acquisition of new lottery players through efficient media channels and engaging creative messages. Services include:

- Media planning and buying
- Message strategy
- Creative development within NPI's Creative Studio
- Reporting and optimization in collaboration with NPI's Player Insights and Intelligence team

**Affiliate Marketing** – Focused on retailer engagement and new player acquisition, some lotteries choose to leverage Affiliate Marketing programs to complement iLottery acquisition strategies. Ignite's focus in Affiliate Marketing covers recruitment, commercial negotiation, content strategy and performance optimization.



**Player Experience Optimization (PXO)** – As the “voice of the player” the Player Experience Optimization team seeks to understand the players’ expectations, their desired experience, and determines opportunities to improve website and app usability. The team works together with the Business Intelligence and Product organizations to execute interface improvements and elevate conversion rates.

**Creative Studio** – We have a team of creative strategists and content creators ready to develop the messages and visual engagement that will connect with iLottery players. The Creative Studio works across every medium to drive performance within paid and owned channels and create more compelling messaging for loyalty and retention communications. Turn-key services include:

- Copywriting services for top tier campaigns
- Design services for emails, pop-ups, and banners
- A library of growth-driving designs and emails to propel ideation

**Player Rewards** – As digital marketing experts specializing in the lottery domain, our team will ensure that players seamlessly connect across the WVL’s new iLottery program and its existing Player’s Circle loyalty solution. Understanding how to leverage data across programs, Ignite delivers strategies and cross-promotional campaigns that maximize player engagement and motivate purchase and sharing behaviors.

**Retention Marketing** – Acquiring a new player is five to 25 times more expensive than retaining an existing one. Our team of experienced marketers understands that proper retention marketing combines art and science. By providing total strategic management and execution, we transform player data into the promotions and creative messages that will re-engage lottery players, reduce churn, and increase Average Revenue Per User (ARPU) in a responsible way.

Everything we do is conversion focused. From website pop-ups to emails, our strategically crafted campaigns are refined over time to constantly deliver superior results. Our years of experience developing best practices enables us to constantly reduce friction within the player funnel and deliver more gaming revenue.

### Our Approach Ignites Revenue Growth

Ignite’s player-first philosophy combined with our global experience enables us to deliver unprecedented growth for five lotteries throughout North America. NPi’s Ignite team and flexible service model is leveraged by all partners in our network, from the full-service management that the WVL seeks (used by AGLC and the New Hampshire Lottery) to execution and consultation (provided to the North Carolina Education Lottery) and ongoing monthly consultation (Michigan and Virginia Lotteries).





### 1.1.6. Details regarding the vendor's scope of work with third party companies who provide additional needed gaming content.

Beyond NPi's own portfolio of highly successful and entertaining games, available through integration with NPi's NeoPlay technology, our Solution supports integrations with third-party game providers. The open architecture of our Solution readily enables the integration of third-party game suppliers' libraries of games, and we have extensive experience integrating with a wide variety of gaming servers and engines, supporting our many iLottery customers. To date, our platform has been integrated with more than 35 different game providers across various categories and verticals.

## NPi Technology

### NeoSphere Module: Games Management

This module provides the central control point for all platform connected games servers, including third-party game providers. It provides the functionality required to support the configuration, delivery, and execution of the game content required by the WVLT, whether provided by NPi and hosted locally or provided by third-party game providers.

### Third-Party Content Integration Approach

To support third-party game integrations, NPi utilizes a Remote Gaming Server (RGS) API that enables the implementation and distribution of gaming content online, whether they are real-time, such as i-scratch, transactional systems for draw games, or sports betting. RGS is the standard method of integration in the iLottery industry. With this type of integration, our API exposes both the server side and the client side to the third-party provider, and the third-party is then responsible for the lifecycle management of the games. Our API also includes the support of debit, credit (support batches), cancel debit, and data reconciliation to verify systems are synchronized. We enhance our API on a continual basis to support additional features, such as wagering flexibility, loyalty point collection and redemption, specific bonuses, and more.

The benefits of RGS integration and the reasons it has become the standard integration method in the industry are:

- **Time to Market** – Once the RGS integration is complete, the entire portfolio of games available on the third-party server can be made available on the Lottery's portal. Additionally, new games from



### Third-Party Game Content

- ✓ Turn-key solution providers have an established framework for the integration of game content providers.
- ✓ Content providers should deliver a unique and complementary portfolio of content that will attract new audiences or engage lapsed players.
- ✓ Remote Gaming Server integrations are the industry-standard for third-parties to deliver content to established iLottery platforms.
- ✓ A typical cadence for content integration does not exceed one provider per year.



an existing provider can easily be added via simple back-end configuration. Other methods require a game-by-game integration.

- **Cost Effective** – RGS integration requires significantly less involvement of resources for the introduction of new games. For the most part, NPi only needs to perform integration tests and the Lottery and the third-party provider can launch new games with minimum effort.
- **Clear Division of Responsibilities** – Clear lines of responsibility are defined between all parties to reduce delays and confusion in case of problems and allow for a quicker time to market and more efficient resolution.

## Power Suite of iLottery Services

### Power Suite of iLottery Services: Player Portfolio

An extension of our Studio team, NPi's Player Portfolio service is comprised of a group of content experts that collaboratively partner with our lottery customers to design entertaining iLottery game portfolios that attract and retain players, while delivering upon key performance indicators that drive overall program growth.

One pillar of this team's focus is Portfolio Management. Our team's focus in the Portfolio Management pillar is focused on taking a complementary and holistic perspective by considering the entire i-scratch portfolio across game providers to ensure the optimal product mix. As the leading iLottery partner, our team provides recommendations to maximize the impact of a diverse online gaming portfolio.

Ensuring alignment across content providers is essential to maintaining balance, meeting the expectations and engagement cycles of player audiences and ultimately, optimizing revenue.



*1.1.7. Details regarding the vendor's end-to-end fraud and risk management and geo-fencing for the program.*

NPi utilizes several external data sources to verify the identity of a player, confirm their eligibility to register and/or play, and verifies that all Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations, guidelines, and best practice protocols are adhered to, prior to establishing a fully privileged and authorized player account.

NPi's stringent and comprehensive approach to fraud management is handled in four main stages, leveraging the native capabilities of our technology and backed by our Payout and Risk team under our Player Operations service. The four primary stages include:

1. **Detection** – An account or transaction is flagged as potentially fraudulent based on a continually updated set of automated rules.
2. **Investigation** – Once a flag is set, our Compliance and Fraud Management teams complete an investigation based on protocols and are continually updated to handle the latest fraud tactics.
3. **Verification** – The results of the investigation are verified and compared to information provided by the Compliance team.
4. **Treatment and Sanctions** – Depending on the verified findings, the Fraud Management team either closes the investigation or deploys the appropriate actions and sanctions inside the platform, such as disabling the account or blocking a transfer, and notifies the Lottery and appropriate law enforcement agencies.



**Spotlight on Fraud and Risk Management**

- ✓ Turn-key iLottery providers develop policies and procedures to adhere to the strictest standards of regulatory compliance.
- ✓ Experience in the design and development of iLottery policies and tools to establish operating parameters according to the Lottery's specific requirements.
- ✓ Manage adherence to protocols and business rules, including AML policies, player identity and location policies and control of deposit and bet limits.
- ✓ Provide end-to-end management of prize claims processes according to the Lottery's specific guidelines.
- ✓ Enables tax-reporting and withholding requirements.

## NPi Technology

### NeoSphere Module: Compliance & Payments and Fraud & Risk Management

Ensuring compliance with all pertinent regulations, such as enforcing AML policies, player identity and location validation and verification rules, deposit and bet limits, etc., requires many protocols and business rules that interact with each other. These two modules, combined, enable the definition and control of those interactions. Each module leverages a wide range of tools, reports, business processes, and flows to ensure player services are provided with no security breaches; it identifies and blocks any



fraudulent activity, and alerts for many types of risk that may jeopardize the integrity of the service described herein and additionally referenced in **Section 1.1.2**.

These modules detect and safeguard against suspicious activities, with automatic rules auditing and governing activities. NeoSphere enables the activation of the fraud prevention rules in accordance with the Lottery's requirements. When new rules are mandated, NPi can develop and deploy measures quickly and effectively to ensure robust system auditing, transaction integrity, data security, audit trails of staff activity, and more.

## Power Suite of iLottery Services

### Power Suite Service: Player Operations Division—Payout and Risk Operations

NPi's Payout and Risk Operations team is responsible for a series of interconnected business activities that protect the integrity of the iLottery offering. This team is responsible for integrity of service operations covering a range of areas including:

- **Player age and identity verification** – For accurate identity verification, NPi integrates with a service that can verify a user's identity based on data from multiple trusted sources, rather than only payment or credit card information. For our U.S. lottery customers, NPi leverages the services of a leading provider of age and identity verification services.
- **Deposit and withdrawal policies** – NPi's Solution can be configured to handle deposit and withdrawal flows to match any WVL policy and compliance requirements.
- **AML compliance** – For AML purposes, online lotteries often require withdrawals to only be made through the same payment method that was used to complete a deposit. Our Solution supports this policy for transactions flowing through the Player Wallet and can also configure withdrawal policies to follow other rules, such as only allowing a payment method that has been "Verified" for cashouts. These rules are enforced before cashout approval, whether requested by a player or part of a manual withdrawal procedure.
- **Payment enablement and disablement** – For multiple reasons, including player convenience, Responsible Gaming controls, fraud prevention, and other account monitoring and compliance reasons, NeoSphere provides both the player and the Payout and Risk Operations team managing the back office with the ability to enable or disable the use of any payment mechanism permanently, on-demand, or for a pre-determined period.
- **Geo-fencing** – NPi provides the software and services that can precisely recognize the physical location of a player accessing the Solution, from any connection type such as mobile or non-mobile, using the most stringent commercially available standards. NPi's geo-fencing solution is further detailed in the **Geo-Fencing** section below as per the RFI requirements.

We have established a significant number of policies, protocols, and Standard Operating Procedures (SOP), along with business rules and new capabilities implemented in the platform, to enforce AML and cashout policies, as well as deposit and bet limits. In addition to monitoring all financial transactions for



indicators that help us identify fraud, our Solution also generates alerts based on triggers and protocols, which are actively monitored by our Payout and Risk Operations team. This team also maintains PCI-compliant storage and filing procedures of transaction data.

### **Geo-Fencing**

NPi's Geo-Fencing Solution confirms the physical location of a player at various steps and intervals for specific processes, such as registration and wagering, or any pre-defined step during an online session, to ensure they are within the State's geo-fenced boundaries or outside specific exclusion zones, as defined by NPi and the Lottery.

### **GeoComply Integration**

GeoComply's Solus Solution is the standard GLS used by all our U.S. iLottery customers (Michigan, Virginia, New Hampshire, and North Carolina). The Solution offers a no-download compliance option that works directly within a website for all devices and user interfaces. For spoof-proof geo-location within the browser, this HTML5-based geo-location experience can be customized according to the security and compliance needs of the operator.

Solus is designed to counter emerging compliance threats that previous generations of anti-fraud tools are no longer able to protect against within browser-based applications. GeoComply technology is used as a tool for eCommerce operators to meet and exceed industry standards when it comes to securely geo-fencing geographical borders, and to maintain compliance with applicable Federal and State regulatory requirements by providing a more precise, reliable solution than other geo-location providers.

GeoComply provides access to detailed logs and analysis of all transactions. Custom reporting allows for detailed analysis of potentially fraudulent transactions in addition to the real-time data provided via industry-standard RESTful API.

Enhanced geo-location tools utilize both device-based browser geo-location and network connection analysis. This allows high levels of accuracy by pinpointing the whereabouts of users while also preventing spoofing.



### 1.1.8. Discussion of how the vendor plans to integrate with our traditional system for wagers, win queries and prize payment.

We are proud of the reputation that we have built in the industry as a result of our open architecture philosophy and effective cooperation with other vendors. In terms of integrations with traditional retail central systems, NPi has completed several integrations with IGT for the Michigan Lottery, Virginia Lottery, and North Carolina Education Lottery in support of enabling omnichannel programs that drive player engagement and expanding partnerships with Lottery retailers.

While we have integrated with traditional retail central systems as noted above, the integrations were focussed on supporting complementary and highly value-add omnichannel programs and not standard functionality such as the simple purchasing of wagers/tickets, etc. NPi's interactive CGS, NeoDraw was used instead as a preferred method, offering many advantages. NeoDraw is fully capable of supporting the entire ecosystem of enabling draw-based games, including wagers, win queries and prize payment, in the online channel without requiring an integration with the Lottery's traditional retail system. As a stand-alone system, NeoDraw has the capability to integrate with retail POS to offer omnichannel experiences that engage the retail network such as retail-based funding and cashout methods. While NPi is able to integrate to the Lottery's CGS, NeoDraw is a much better way to support the sale and prize redemption of traditional products due to its ability to stay ahead of the curve in meeting online players' needs. In fact, NeoDraw is driving the industry's highest levels of draw-based game performance in the iLottery channel. On average, NPi's partner lotteries generate 25% of total draw-based game sales through the online channel. This is in stark contrast to other programs that typically only generate single percentage shares of sales.

#### NPi's Proprietary NeoDraw Central Gaming System

Our proprietary CGS—NeoDraw—can operate independently and in parallel with the WVL's CGS. Our NeoDraw CGS was designed and developed to specifically cater to online players and leverages global eCommerce and gaming best practices for today's digitally enabled world. Moreover, it is fully integrated with our NeoSphere platform to facilitate the purchase of draw-based games as part of our complete iLottery 360° Solution.



#### Draw-Based Game System of Record

- ✓ A turn-key provider can provide the WVL with options on how to maximize the Lottery's retail CGS.
- ✓ Integration to a retail CGS can be achieved; however, a turn-key provider does not require integration with an existing retail system to enable draw-based game wagers in the iLottery channel.
- ✓ A CGS built for the interactive channel will enable the WVL to offer best-practice eCommerce user flows and system features to maximize results.
- ✓ Integration to retail systems to enable omnichannel features and solutions is a best practice for the benefit of players, retailers and the Lottery.



Our NeoDraw CGS has been the preferred method for implementing draw-based games online by our U.S. lottery clients, with all jurisdictions (Michigan Lottery, New Hampshire Lottery, Virginia Lottery, and North Carolina Education Lottery) opting to leverage our NeoDraw CGS to launch their draw-based game offerings online.

The main advantages of NPi's NeoDraw CGS include:

- **Greater flexibility for the Lottery** – Since NeoDraw operates independently of the legacy CGS, it is not constrained by many of the limitations of traditional lottery systems. Maintenance windows, service disruptions, upgrades and replacements of the retail draw-based game system have no impact on online sales.
- **Quicker time to market** – NeoDraw is already fully integrated with our iLottery 360° Solution. This reduces the complexity, resources, and time involved for integrating with a third-party system to launch draw-based games, as well as the option to launch online-only draw-based games.
- **Additional functionality** – The NeoDraw CGS enables NPi and our lottery clients to introduce new innovations related to online purchase flows, shopping cart functionality, and in-game features not available with legacy systems.
- **Marketing features for the eCommerce purchase flow** – NeoDraw is consistently updated with a roadmap of new features that are interconnected with our NeoSphere technology and leveraged by our Ignite Player Marketing team to drive effective acquisition, conversion and retention promotions. Promotional features such as “Buy X, Get Y” or “Discount Bonuses” are examples of the types of promotional needs that are exclusively available through NPi's NeoDraw CGS and that are proven to move the needle in driving results.

The flexibility of our NeoDraw CGS, enables NPi to constantly innovate and continually add functionality that improves the UI and UX of our draw-based games and purchase flows with no third-party involvement required. Each iteration is finely tuned based on specific market demands and player behavioral data.

The state-of-the-art technology of our NeoDraw CGS combined with our expert UI/UX capabilities offers players the quickest and most intuitive purchase experience available. Players have full access to all functionality and gameplay across both web and mobile channels and can complete the purchase of their favorite draw-based games in as few as three clicks, regardless of the channel or device they're using.



*1.1.9. Discussion of how iLottery turn-key solution encourages responsible gambling behavior on the part of end users and describe how processes include mechanisms to identify and appropriately manage compulsive gambling activity when appropriate.*

Responsible Gaming (“RG”) is a key aspect of our Solution, not only because it is the right thing to do, but because we know that lottery revenues are maximized when players play responsibly in the long term. Therefore, our approach is designed to increase lifetime player value by retaining lifelong players, while encouraging them to play within their limits.

Drawing on our extensive lottery experience and leadership in the industry, we have learned that playing responsibly requires more than just reactive measures, but rather, a holistic approach that spans not only Lottery level controls, but player controls and an operational focus and commitment. This complete ecosystem involves education, a knowledgeable and aware Lottery team, a communications plan, tools to enable the Lottery to identify those inclined to act irresponsibly as early as possible, as well as tools that notify players if they are exceeding their RG thresholds, so they can take action. Our objective through our data analytics is to get to know our players and support their needs.

As evidence of NPi’s continuing commitment to RG, we maintain Gold Member status with the National Council on Problem Gambling (“NCPG”). NPi was also the first vendor in the U.S. to complete the Internet Responsible Gambling Compliance Assessment Program (“iCAP”) and receive certification from the NCPG for our commitment to RG. The NCPG independently evaluated NPi for compliance with Internet Responsible Gambling Standards (“IRG”), which were developed based on international best practices and are considered to be the highest standards for online RG in the U.S. The iCAP evaluation performed by the NCPG determined that NPi met or exceeded compliance in every focus area.

It should be noted that, even though NCPG discontinued the iCAP certification program for all vendors, and NPi was not able to renew our certification after November 2018, the Michigan Lottery, as an eligible operator, continues to maintain its iCAP certification by leveraging NPi’s Solution and framework. The underlying systems and technology are instrumental for any lottery operators pursuing iCAP certification, and we highly encourage our iLottery clients to pursue such certification at their discretion.

Regardless of certifications, we believe the best solutions deliver multiple choices for appropriate RG controls, and are confident our Solution offers the most robust, configurable set available in the market today. Beyond that, we continue to add features requested by our customers and their governing gaming regulators that can be switched on or off according to the Lottery’s requirements and are available at an individual player level and at the Lottery level. All which are enhanced by our Player Support Services.



### Enabling Responsible Play

- ✓ Turn-key platforms include comprehensive responsible gaming tools that allow **both** the Lottery and the player to set program limits.





## NPi Technology

### NeoSphere Module: Responsible Gaming

The Responsible Gaming module ensures that players play within their limits, and meet all RG requirements, including deposit, wagering, and loss and session limits, as well as loyalty activity limits and self-exclusion tools to help players manage their gaming habits.

#### Operator Responsible Gaming Controls

Our iLottery technology enables the Lottery to set a number of global limits including the following:

- **Limit Controls** – The Solution provides a wide array of limits that the Lottery can set, such as:

Limits	Description
<b>Deposit Limit</b>	Controls the amount of money a player can deposit in their wallet within a specified period of time (e.g., daily/weekly/monthly). Can also be configured to control the amount of money deposited within a specified period of time by payment method (e.g. credit card).
<b>Wagering/Purchasing Limit</b>	Controls the amount of money per time period that a player can wager for a single event or spend on a subscription. Can be set to determine daily/weekly/monthly limits.
<b>Loss Limit</b>	Controls the amount of money that a player can lose in a certain time period.
<b>Session Time Limit</b>	Controls the maximum number of minutes a player can remain logged in.
<b>Number of Logins Limit</b>	Controls the maximum number of logins with a certain time period.

Deposit limits can be set for different durations (i.e., daily, weekly, or monthly). Limit durations can be set as a calendar duration (e.g., Monday to Sunday) or as a sliding window duration (e.g. deposits in the last seven days). A pending period can be set so that the player has to wait a specified period of time before a limit change becomes effective. Limits can also be set automatically upon registration.

Our back office Solution has additional sophisticated controls that can be applied. They include a high degree of flexibility in terms of the type and frequency of responsible gaming messaging from the system and whether and how either the player and/or the Solution manages pre-determined gaming limits.

#### Player Controls

The Solution provides the player with multiple options to play responsibly within their limits (minimum and maximum values for each rule can be set by NPi and the Lottery).

- **Player Limit Controls** – From within the My Account dashboard, the player can access and update any limits that have been set, including:
  - **Increase Default Limits** – If allowed by the Lottery, the player can increase a recommended limit. This limit will become effective only once the buffer period has expired.



- **Reduce Default Limits** – The player can decrease their limits at any time. Any request to reduce a certain limit will become effective immediately.
- **Logged in Time Limit** – Like the corresponding Session Time Limit setting, this time limit is enforced at the user session level (e.g., within a web application session or a mobile app session), across all functions provided by the channel.
- **Cool-Off Period** – This measure allows players who feel that they need some time off the Solution to activate a cool-off period. Players will not be able to log into the Solution during the cool-off period. This period is usually set in minutes.
  - **Reality Check** – Players can decide to activate or change the frequency for which they receive Reality Check messages.
  - **Self-Exclusion** – Players can decide to exclude themselves from the service for a determined period of time. Once a player activates this option, they will have no access to the Solution for the set period.

The Lottery can manage personal wagering limits and/or self-exclusion on the player's behalf via the RG module within NeoSphere. Once again, the flexibility of our Solution ensures that all the parameters are configurable and can be set based on the Lottery's requirements.

#### Omnichannel Responsible Gaming Controls

Lottery and Player RG controls are automatically enforced across all channels that use back-end services, such as mobile apps, and can also be implemented for any future channels, via our APIs. As such, the player will experience a seamless, consistent RG experience across all channels. For example, a loss limit would be enforced across a player's web and mobile app sessions combined.

#### Operational Business Processes

It is essential to understand when someone has a gambling problem and to know what to do when such a player is identified. Our RG framework includes recommendations and measures to address such players and their accounts and alert customer support. Our RG framework's communication plan acts to prevent potential cases from becoming problems and ensures that those with actual problems play within their limits. It also supports the ability to target RG messages to specific players (i.e., players who are segmented to receive those messages) via pop-up windows, emails, and website banners. The Campaign Management module will then send/present the various messages according to a pre-planned and configured communications schedule.



*1.1.10. Details regarding the system platform including server locations for customer wallet, bet server and content.*

NPi's Solution is deployed in data centers that conform to all Federal and State regulatory requirements. Our company has significant experience working with such regulations through our implementations in five jurisdictions—Michigan, Virginia, New Hampshire, North Carolina, and Alberta, Canada. In all of these jurisdictions we maintain stringent security protocols that conform to relevant PCI DSS and security requirements imposed by associations that provide game oversight, including MUSL.

Aligned to NPi's leadership in the iLottery space, we are committed to promoting industry best practice. NPi is currently in active dialogue with industry partners such as MUSL to consider enhanced alternatives to server deployment strategies.

In mid-September 2021, MUSL may approve cloud computing. If cloud computing is approved, then the most scalable, stable, redundant, cost effective and secure solution should be offered through an East Coast (Virginia) cloud infrastructure, deployed across two different availability zones (i.e. locations) to ensure full redundancy. Cloud computing is also the fastest time to market solution, as it does not involve procurement, shipping, and physical installation, and does not require future equipment renewal.

Should MUSL not allow cloud computing, NPi's Solution will be hosted in two data centers; one of which would be located in the State of West Virginia, consistent with the Lottery's desired position as currently stated in its interactive wagering rule. Typically, the other data center would be located in the same state as the first or other location in the U.S. The goal is always to ensure that data centers will be geographically separated to a commercially feasible degree to ensure that a failure or disaster that affects one facility does not affect the other.

Enabled by our active-active configuration, and overall redundancy within each deployment, from a system, infrastructure, and software architecture perspective, a failure in one system component, or failure of an entire deployment, or even an entire data center, will not cause a failure in the other system or one of its components for either of the solutions eventually selected, on-premise or cloud.

NPi's recommended architecture is for three independent systems (or instances) hosted within two or more data center locations. During normal operation, iLottery requests will be load-balanced between two systems (each resides in different locations) as well as replicated to the third system located in either of the two locations to be served as a third disaster recovery system.



*1.1.11. Discussion of game portfolio management to keep our iLottery program fresh and exciting, drive increased player loyalty, and optimize revenue.*

NeoGames Studio, NPi’s in-house content studio, develops the industry’s leading iLottery game content. Our Studio has created an extensive portfolio of over 200 market-proven, fun, and exciting interactive games, designed specifically for the iLottery sphere. A key advantage of maintaining game development in-house is that it enables us to not only introduce exciting game innovations to our portfolio, but to also collaborate with our lottery customers to develop game versions that are customized to meet local market tastes and preferences. NPi leverages our Studio and our Player Portfolio service, part of our Power Suite of iLottery services, to successfully delivery portfolios of fresh, innovative content that attracts new players, fosters affinity and loyalty from existing players, and optimizes revenue.

Our portfolio of content typically considers the following categories that have proven to be effective content in iLottery portfolios. Leveraging successful retail mechanics as a baseline, our Studio effectively translates these familiar mechanisms into the digital environment to effectively drive cross-channel player engagement.

- **Top Performing NPi Titles** – NPi specializes in the design, development, and innovation of iLottery game content. The general types of digital games that NPi develops include:
  - **Single-ticket games** – These are the most basic game styles that mimic a traditional scratch style game in mechanic and mathematical experience. These are best suited for retail style games that appeal to new players.
  - **Multi-ticket and premium games** – Multi-ticket games are an innovation delivered by NeoGames Studio that is derived from the mathematical experience based on prize structure design. In essence, a multi-ticket game allows a player to play a series of “tickets” in one wager. Each ticket corresponds to a prize outcome, therefore, the one wager played across multiple tickets translates to multiple prize outcomes, heightening the game experience. NPi’s premium games offer layers of entertainment for players. These games introduce not only the mathematical benefits of a multi-ticket game, but also offer exciting bonus rounds where players can win significant prizes. This category is a significant revenue driver and promotes high retention.



**Content Expertise that Fuels Growth**

- ✓ An in-house Game Studio provides lotteries with a partner that has an end-to-end view of the player experience. Platform data and player marketing strategies align to maximize game performance.
- ✓ An iLottery-focused content provider develops games that are relevant to lottery audiences, will familiar game mechanics and themes.
- ✓ Partners with Portfolio Management services deliver cross-channel product solutions to attract and engage players in retail and online channels.
- ✓ Content partners provide a healthy roadmap of new game development.
- ✓ Turn-key partners provide dedicated teams with expertise in product planning from conceptualization to launch, with tested processes to ensure smooth product delivery.



- **Extended Play Games** – Traditional extended play games such as Bingo and Cashword are recognize staples from the retail world that have been developed for the iLottery channel.
- **Casual Games** – Casual games with more lighthearted game themes are an additional category of games that our Studio develops to promote the broadest possible appeal to existing and prospective player groups.
- **Instant Keno** – NPi has seen tremendous success with the On-Demand Keno product. This product mimics the widely known retail experience, but allows the player to play the game on-demand.
- **Instant Lotto** – Instant Lotto games are effectively on-demand draw Games. This game category is ideal to offer draw game players a familiar mechanic from games like Mega Millions or Powerball, but without the wait, encouraging crossover to i-scratch games.

### **NPi: Integration Specialists**

NPi has vast experience integrating with additional game providers to ensure players have a variety of options that will keep them excited and engaged. Please see section 1.1.6 for additional information about third-party content providers.

### **NPi: Game Portfolio Specialists**

An extension of our Studio team, NPi's Player Portfolio service is comprised of a group of content experts that collaboratively partner with our lottery customers to design entertaining iLottery game portfolios that attract and retain players, while delivering upon key performance indicators that drive overall program growth.

The team is focused on every aspect of the game portfolio, and no detail is overlooked. From the product planning phase—including game design, development, execution, launch, and analysis—to overall portfolio management—encompassing product mix optimization, balanced portfolio design, and feature management—NPi's Player Portfolio team considers every aspect of the portfolio to ensure the Lottery's digital offerings remain competitive, compelling, and engaging.

The team functions as a true partner to each lottery client. The Lottery can expect recommendations regarding strategic product planning and portfolio management, insightful analyses on game performance, observations from industry trends, and support across all facets of the portfolio, designed to inform new engagement strategies, stay ahead of player expectations, and ultimately, drive results. We believe in frequent game launches, and suggest lotteries launch at least two games per month to stay fresh and provide an engaging experience for existing players while continually attracting new ones.

NPi's focused lottery experience across retail and digital channels enables our Player Portfolio team to provide targeted and strategic support to our lottery partners. This unique perspective affords us the opportunity to make multi-dimensional recommendations focused on sales growth across the Lottery's operations. For example, the team may identify opportunities in the portfolio for a new family of games, or make recommendations on where games should reside in a lobby to drive program performance, or suggest new strategies that have proven effective in other markets. By evaluating the big picture—as well as the minute details within—the team will leverage every opportunity to drive iLottery KPIs.



*1.1.12. Discussion of how vendor will provide player support offerings from sign up to withdrawals, including phone, email, and live chat 24/7, 365 days per year.*

NPi's Player Support Center (PSC) in Lansing, Michigan provides iLottery player support services to all our Lottery partners: Michigan, Virginia, New Hampshire, North Carolina and Alberta. We leverage a separate interactive voice response (IVR) system per customer, which can be custom configured to each Lottery's requirements. Player contact options include live chat, email, and/or toll-free phone support as well as an online web accessible knowledge center for players. NPi operates its PSC 24/7/365 and can tailor the hours of operation based on the WVL's requirements. We have also recently launched chatbots and plan to launch social media support soon.

## NPi Technology

### NeoSphere Module: Player Support Center (PSC)

The PSC module will deliver contact center functionality and enable the workflows and case management that is specifically configured to support Lottery requirements. With its native integration to our PAM, Player Wallet, and Campaign Management components, the PSC module provides a powerful tool to all teams responsible for player support.

## Power Suite of iLottery Services

### Power Suite Service: Player Operations Division—Player Support Center (PSC)

To deliver the best player experience, NPi leverages our state-of-the art PSC in Lansing, Michigan. Our PSC Service includes integrated voice, live chat, and email communication capabilities. NPi's PSC combines multiple levels of tracking on playing history, support contacts, and reporting features. The PSC team consists of experienced Player Support Representatives, Team Supervisors, and Quality Assurance Analysts who utilize customized operating protocols that enables our PSC to provide consistent, friendly, and accurate service to the players in all aspects of player support, from signup to withdrawals.

The numerous years of experience that NPi has supporting lotteries across the world have allowed us to build an extensive, and continually updated, training program that addresses all issues that a representative may encounter while supporting players. As part of the knowledge sharing, all PSC representatives are briefed on any new issues as they arise across our global support network and are trained to handle them. Similarly, our Product Development team constantly reviews the reasons and sources for calls to the PSC and accordingly updates/modifies various self-help and FAQ sections on our



### Player Support Services

- ✓ An experienced, turn-key provider manages effective player support with a keen attention to volume patterns associated with new product launches, marketing campaigns or jackpot levels, for example.
- ✓ Innovative service offerings leverage latest technologies in chatbot and FAQ functionality to streamline the player's experience when engaging with Support team.
- ✓ Enhanced offerings include proactive player outreach to deliver exceptional player experience and drive program KPIs.



clients' portals and in-app help functions. Our goal is to provide the best player experience while maintaining the voice of the lottery's brand.

## Staffing

The NPi PSC uses a staffing model as developed with the industry-renowned Erlang-C algorithm. Data such as volume per channel, configured service levels, selected hours of operations, and average handle times are input into the model. The result is a data-driven staffing projection which NPi will scale to meet capacity requirements, as determined by the Lottery's growth models. The staffing model is tried and tested on a quarterly basis or as new data is introduced to ensure delivery of service level requirements. Player Support Representatives will be scheduled according to hourly volume forecasts and predictable volume peaks, such as new game launches, jackpot runs, and seasonal increases. Using this data, we schedule staff according to peak hours on a daily basis.

## Player Access and Self-Service

NPi will provide access to player-facing support channels and related content through integration with the iLottery portal and hosted website. Content will include support options, contact information, self-service knowledge (FAQ) articles, user tips and guides, or any other material educational for the player experience as agreed upon with the Lottery. NPi has extensive experience in consulting, producing, and measuring the relevance and success of all iLottery customer support content on the website. As self-service options are evolving beyond simple text, NPi is working to produce and measure additional formats such as chatbots, tutorials and interactive content.

## Quality Management

NPi provides client access to review and assess the quality of historical player/agent interactions. Our omnichannel Solution will provide the capabilities to collect satisfaction from players based on all PSC interactions. The Solution includes approved scripts for consistent service and fast response times, as well as customer-engaged, post-contact satisfaction surveys for quality assurance. These customizable surveys include but are not limited to: overall satisfaction with the service provided, the level of professionalism, friendliness, and politeness delivered by PSC representatives, etc. Detailed reporting will be provided to the Lottery in a quantitative and qualitative manner. In addition, players may provide us textual feedback as part of our measurements.

## Analytics and Tracking

NICE inContact is a full omnichannel support solution that provides Player Support Representatives and Team Leads all of the various support interfaces, internal support resource content, reporting, management tools, quality assurance, historical interactions, and workforce management in a single unified user experience.

The Solution provides comprehensive quality assurance measuring and tools as outlined above in **Quality Management**. Included is a real-time dashboard for all PSC Representatives and Team Leads that displays key performance metrics meeting the unique requirements of our clients.



The Solution utilizes virtual agents/chatbots to intercept chat contacts, retrieve relevant self-help support content, provide self-help articles to the player, and present the opportunity to resolve the contact or connect to a live representative. If connected to a live representative, the Solution will display all content of the current chat session to prepare the representative in advance.

### **Power Concierge Desk**

NPI's PSC is the front-line that engages directly with players. Accordingly, PSC plays an essential role in delivering a consistent voice and experience to Lottery players. Because we have the technology in place with our underlying iLottery platform, we can build even better connections with lottery players. This was the genesis behind the creation of NPI's newest offering, the Power Concierge Desk. NPI's Power Concierge Desk is staffed by Player Engagement Specialists that provide relevant promotional offers and communications. The Power Concierge Desk is a marriage of skillsets in providing both exceptional player support, while aligning to player marketing initiatives. This team proactively monitors player activity to drive engagement in real-time to drive program KPIs.





1.1.13. In addition, we would like a proposed start up and implementation timeframe from the vendor for a turn-key iLottery solution including aforementioned details and any other suggestions the vendor would propose.

As one of the world's leading iLottery providers, NPi offers vast project management experience when it comes to large-scale implementation projects. To date, we have worked with five North American lotteries to launch state-of-the-art iLottery solutions. We leverage this expertise to propose the best approach to implementation to mitigate start-up deficiencies, while also maintaining good player, Retailer, and Lottery relations.

Below we have identified a high-level implementation plan and timeline for NPi's turn-key iLottery solution. This implementation plan and timeline consider the aforementioned details in our response.

### Implementation Plan

The high-level implementation plan identifies the main phases to be accomplished during the project implementation life cycle. We have also included a few representative activities within phases where we thought it would help the Lottery more fully understand our approach:

- **Initiation & Setup**
  - Business requirements definition
- **Player Platform Solution Implementation**
  - Creation of the iLottery Solution
  - Equipment delivery
  - Software programming
  - Installation
- **E2E Testing**
  - Player Platform Solution final testing
  - Lottery testing readiness
- **Lottery UAT Phase**



### Implementation Methodology

- ✓ Confirm project objectives and prioritization.
- ✓ Confirm project scope and define critical success factors.
- ✓ Identify and scope third-party stakeholders and project dependencies.
- ✓ Clear designation of work stream participants with work stream expectations and deliverables defined.
- ✓ Weekly steering committee meetings to raise critical project decisions or risks.



- Training
- MUSL Audit
- PCI Certification

A detailed implementation plan and timeline will be created and will include all activities and relevant dependencies.

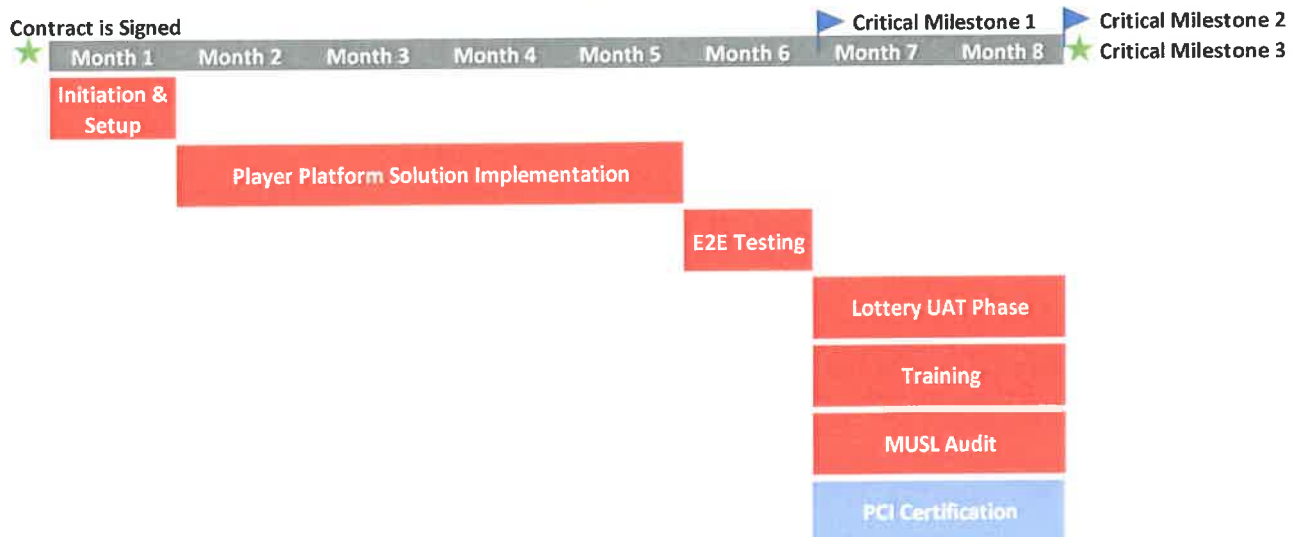
We would envision that after implementation there would be a transition from the implementation phase of the Player Platform Solution to an ongoing services phase with a period of HyperCare support.

### Timeline

Below is an indicative timeline detailing typical milestones and duration from the start of the project, i.e. at contract signing, to the completion of the project, i.e. program launch:

WVL Turn-Key iLottery Solution	Duration in Months
Critical Milestone 1: Handover of Player Platform Solution to UAT	6 Months to UAT
Critical Milestone 2: Acceptance of the Player Platform Solution by the WVL	2 Months for UAT
Critical Milestone 3: Launch Operational Player Platform Solution to Production	8 Months from Signed to Launch

The Gantt chart below shows project phases and critical milestones on an eight-month timeline. The project kicks-off upon the contract being signed and the iLottery Solution is expected to be launched eight months after project initiation.





## Work Streams

During the project planning phase, work streams are aligned to implement the plan. Work streams will be defined in collaboration with the Lottery and will be led by the strongest NPi Subject Matter Experts (SMEs). By way of best practice, we recommend the WVL aligns at least one lottery team member to each work stream for the duration of the implementation phase. These work streams will stay engaged until launch date and in some cases throughout the ongoing execution of the strategic plan and beyond. A regular business cadence is set forward at the kick-off of these work streams and frequency will be dependent on the project milestones. As we have done in all successful implementations, members of this experienced team will be on-site during the significant portions of their work stream's deliverables.

Work streams will be responsible for:

- I. Ongoing communication and cooperation
- II. Development and Documentation of Program Specifications:
  - i. Delivery by NPi
  - ii. Review and feedback by the Lottery
  - iii. Approval and formal sign-off
- III. Implementation Demo:
  - i. Presentation and Approval
- IV. UAT:
  - i. Testing and acceptance of features in the UAT environment as an entry criterion for Go Live



## SECTION 2 – ADDITIONAL CONSIDERATIONS

In this section, we have provided the Lottery with more information on NPi’s proven success as well as additional best practice considerations.

### PROVEN ILOTTERY SUCCESS

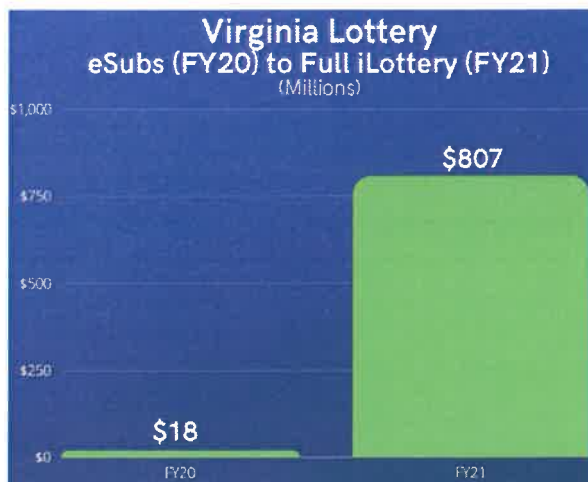
#### Virginia Lottery

In 2015, following a competitive procurement process, the Virginia Lottery awarded NPi a contract to deliver an Enhanced Subscriptions (eSubscriptions) Solution. This solution included an online service that enabled lottery players in Virginia to purchase subscriptions for draw-based games—such as Powerball, Mega Millions and Cash4Life—online, including auto-renew functionality.



In 2020, due to the success of our eSubscriptions Solution, NPi’s contract was extended to enhance the Lottery’s existing solution to include single-ticket, same-day purchases of draw-based games and a compelling portfolio of i-scratch games, migrating to a full iLottery offering as of July 1, 2020. The Solution is supported by NPi’s Power Suite of iLottery services, including NPi’s Player Operations Service

(i.e. Player Support Center, Payout and Risk Operations, Banking and Payments, IT and Security etc.), Ignite Player Marketing Services and content from NeoGames Studio with Player Portfolio support.

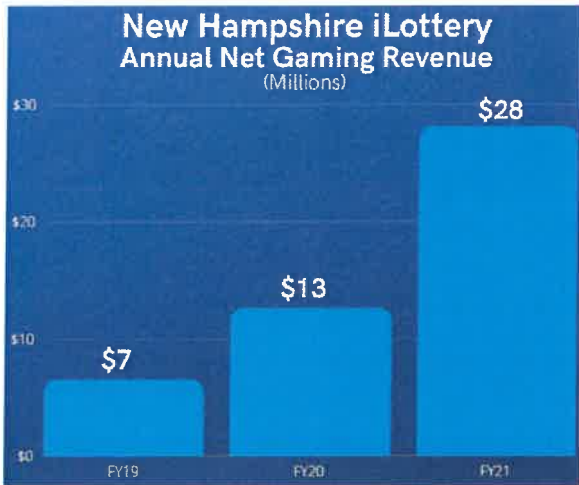


In the Virginia Lottery’s first year of full iLottery operations, it shattered industry performance trends by grossing over \$807 million in bets. The transition from eSubscriptions to full iLottery resulted in a 4,410% growth rate in the Lottery’s digital performance compared to FY20 and is now the number three top performing iLottery state in terms of per capita sales at \$94.57, following NPi partners Michigan (#1, \$186.40) and New Hampshire (#2, \$142.50).

#### New Hampshire Lottery

Launched in September 2018, the New Hampshire Lottery (“NHL”) is leveraging NPi’s iLottery 360° Solution to enable players to conveniently access and play their favorite lottery games through web and mobile channels. Players throughout the State have access to a full suite of engaging, interactive i-scratch games, as well as the draw-





based games Powerball Mega Millions and Gimme 5. The NHL utilizes NPi’s Power Suite of iLottery services including our Player Operations Service (i.e. Player Support Center, Payout and Risk Operations, Banking and Payments, IT and Security etc.), Ignite Player Marketing, content from our in-house NeoGames Studio and Player Portfolio service to seamlessly deliver one of the nation’s top performing iLottery programs in a fully turn-key operating model.

The success of the offering is clear. As the number two top-performing iLottery program in per capita sales, the NHL closed its third year of operations at the close of FY21. Net gaming revenue exceeded \$28 million, growth

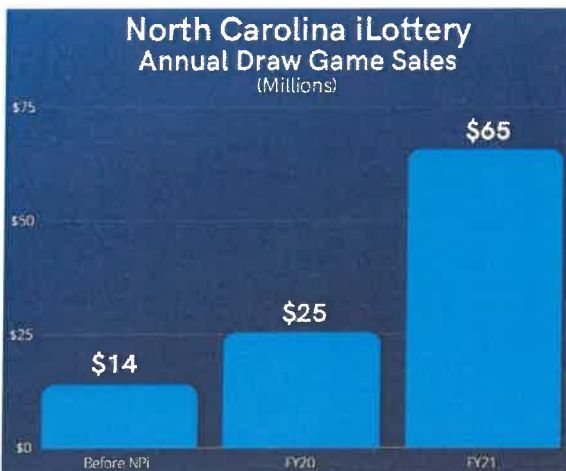
of 12% over FY20 and more than 330% since its first year.

### North Carolina Education Lottery

Following a competitive procurement process in 2018, NPi was selected by the North Carolina Education Lottery (“NCEL”) to provide a fully integrated state-of-the-art omnichannel digital engagement solution. The solution for NCEL is comprised of a new Online Play system for draw-based games leveraging NPi’s NeoSphere and NeoDraw technology, a reimagined Lucke-Rewards Player Loyalty Program (“PLP”) and modernized mobile application, complemented by NPi’s Power Suite of iLottery services. NPi provides fully turn-key services including those provided by our Player Operations Service (i.e. Player Support Center, Payout and Risk Operations, Banking and Payments, etc.) and Ignite Player Marketing.



Sales results have been extraordinary since the Lottery shifted from its legacy system to NPi’s superior integrated Online Play, PLP and mobile app solution, with NCEL experiencing substantial growth in its first



two years of operation. In FY20, its first fiscal year after partnering with NPi, NCEL’s annual draw game sales grew by an incredible 80% which was surpassed in FY21 with a whopping 160% increase over FY20. In North Carolina, draw-game sales through the iLottery channel represent a significant 18% of total lottery draw sales. NPi’s digital solutions enabled the Education Lottery to reach players anywhere on the digital spectrum— helping to attract new players and supporting retention of the Lottery’s existing player base. In fact, 75% of total lottery purchases occur on mobile web and through the fully-featured mobile app solution delivered through NPi’s contract with the NCEL.



## Michigan Lottery

NPi developed, deployed and maintains all necessary operational services to deliver a fully turn-key iLottery solution to the two-time award-winning *Lottery Operator of the Year* (eGaming Review), Michigan Lottery. This includes NPi's Player Operations Services (i.e. 24/7 Player Support Center, Payout and Risk Operations, Banking and Payments, etc.), NPi's Ignite Player Marketing, industry-leading game content from NeoGames Studio and support from NPi's Player Portfolio service, as well as Staffing services.



In addition, not only does NPi deliver industry-leading game content, including custom game development, to the Michigan Lottery, we have integrated third party content providers into our solution. At launch, NPi deployed 15 i-scratch titles from our studio, as well as titles that were custom developed to mirror successful retail scratch games in Michigan. To date, the Michigan Lottery's Games Lobby offers players a vast portfolio of over 115 games.

The Michigan Lottery's iLottery program continues to lead the market and was the first iLottery program in North America to achieve \$1 billion in topline sales. Since launching in 2014, the Michigan Lottery has generated over \$4.8 billion in iLottery sales. In its last reported fiscal year of operations (ended September 30, 2020), the Michigan Lottery reported iLottery sales of \$1.8 billion and net gaming revenue of \$228 million, growth of 86% and 81% over prior year, respectively. In FY2020, iLottery represented over 20% of total net Lottery revenue, proving that iLottery is a significant, incremental revenue stream to drive contributions to good causes.

## Alberta Gaming, Liquor and Cannabis Commission

NPi was selected to become AGLC's strategic partner of choice in the design, development and operation of Alberta's only regulated online gambling program, [PlayAlberta.ca](https://playalberta.ca). NPi delivered an end-to-end solution comprised of its NeoSphere Platform, including all requisite technology and portal development for AGLC's web solution and games from NeoGames Studio, the industry's leading instant and lottery games development house, and third-party content providers. NPi also customized its Power Suite of iLottery services to deliver the necessary end-to-end services required to operate a fully turn-key online gaming solution. The introduction of PlayAlberta.ca represents NPi's first North American partnership on a complex, multi-vertical gaming solution featuring not only instant and draw-based lottery game content, but also virtual slots, table games, live dealer and sports betting.



Launched at the close of September 2020, PlayAlberta.ca has evolved rapidly over the last eleven months of operation as it grew from a long-conceptualized product to a recognized brand in the Province of Alberta.



## iLOTTERY BUSINESS INTELLIGENCE SOLUTIONS

NPi's data analytics Solution is the foundation of our successful iLottery programs, as it enables us to understand our players' habits and desires. For the WVl's consideration, player interactions with an iLottery program provide the Lottery with a wealth of data that needs to be collected, stored, and processed into meaningful insights. From raw data feeds to predictive analytics, NeoCube leverages Microsoft Power BI visualizations, which will support the Lottery in making proactive business decisions by managing the data's entire lifecycle—from collection, storage, and management, to dashboards, reporting, analysis, insights, and conclusive visualization. It also supports complex decision-making in a dynamic, ever-evolving environment.

Additional reporting modules, native to NPi's NeoSphere technology, provide access to real-time and batch-processed reports. This module also includes the interfaces required to export data to other central reporting or BI systems. NPi's Solution also includes an Omnichannel Data Warehouse, a purpose-built data warehouse that aggregates information from each of the operating platforms and enables the delivery of an omnichannel view of player data.

## SUGGESTED PRICING MODEL

The most commonly practiced business model for the design, development, implementation and ongoing maintenance of iLottery programs in the U.S. is based on a revenue-share model in which the iLottery provider assesses a percentage fee against the net gaming revenue generated by the program for use of the technology platform and the associated services.

In addition to the revenue share percentage assessed for the technology platform and managed services, contracts are also structured to include fees for game content verticals. For example:

- Draw-based games are typically assessed a percentage of gross sales, with consideration for theoretical payouts of this content type.
- i-scratch game verticals are assessed a revenue share percentage against the net gaming revenue for this vertical, where net gaming revenue is calculated as wagers minus wins minus bonus play minus free play promotional credits.
- Depending on the Lottery's needs for the development of game content, game development fees based on levels of customization are imposed in a tiered structure of fixed fees.
- In terms of third-party game content, NPi has executed contracts with the flexibility to meet the Lottery's preferred method of contracting with third-party providers; however, fees associated with the integration of third-parties and the associated content fees is the responsibility of the Lottery.

In order for the WVl to fully understand provider capabilities, secure a competitive market price and comprehensive solution, it is typically in the best interest of the Lottery to conduct a competitive bid process.