Global gaming market ($bln)

The online gaming market incidence is increasing globally, notwithstanding the impact of the COVID-19 crisis

	2013	2014	2015	2016	2017	2018	2019	2020E
% ONLINE	7,8%	8,6%	9,7%	10,5%	11,3%	12,0%	13,2%	18,2%
Total	399	407	400	411	427	448	453	356
LAND BASED	368	372	361	368	378	394	393	291
ONLINE	31	35	39	43	48	54	60	65
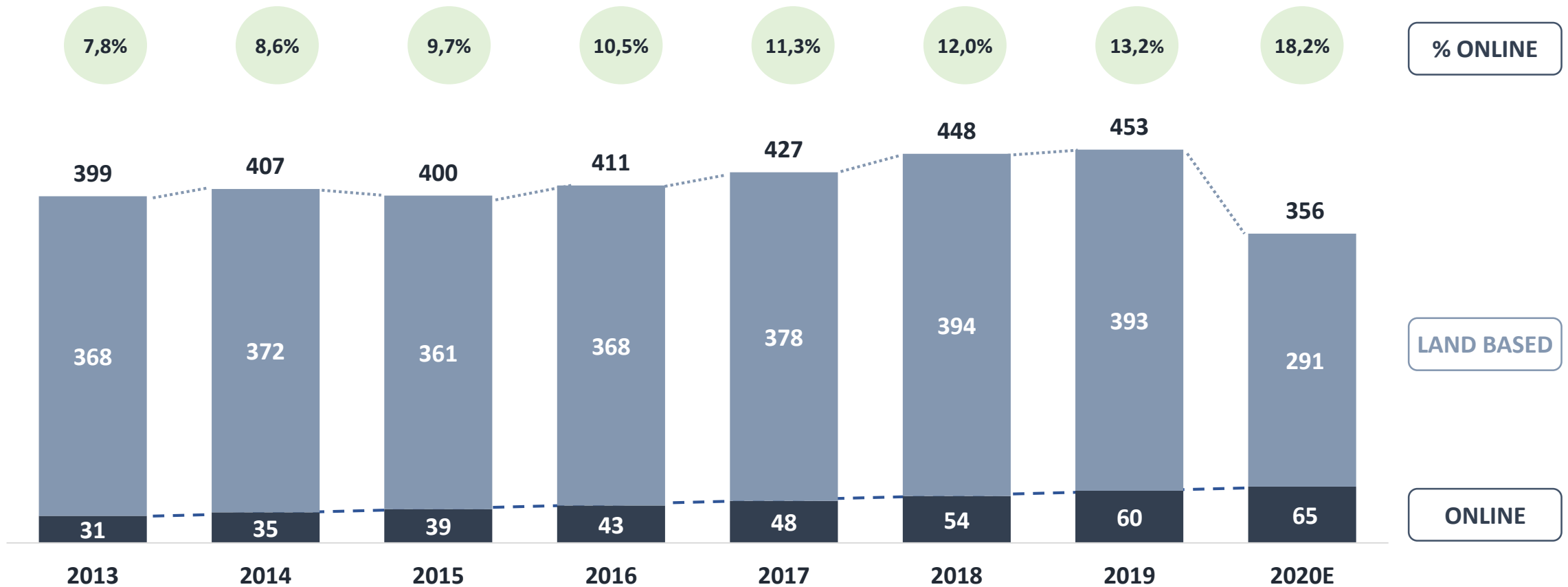
Source: Elaboration MDF Partners on H2GC data

Global online gaming market ($bln)

## The online industry is driven mainly by Betting and Casino

CAGR
2013-2020

11,2%

Year	OTHER	POKER	CASINO	BETTING	Total
2013	16%	8%	24%	52%	31
2014	16%	7%	26%	51%	35
2015	16%	7%	26%	51%	39
2016	16%	6%	26%	52%	43
2017	16%	5%	26%	53%	48
2018	16%	5%	25%	53%	54
2019	16%	4%	25%	54%	60
2020E	18%	5%	27%	50%	65

OTHER
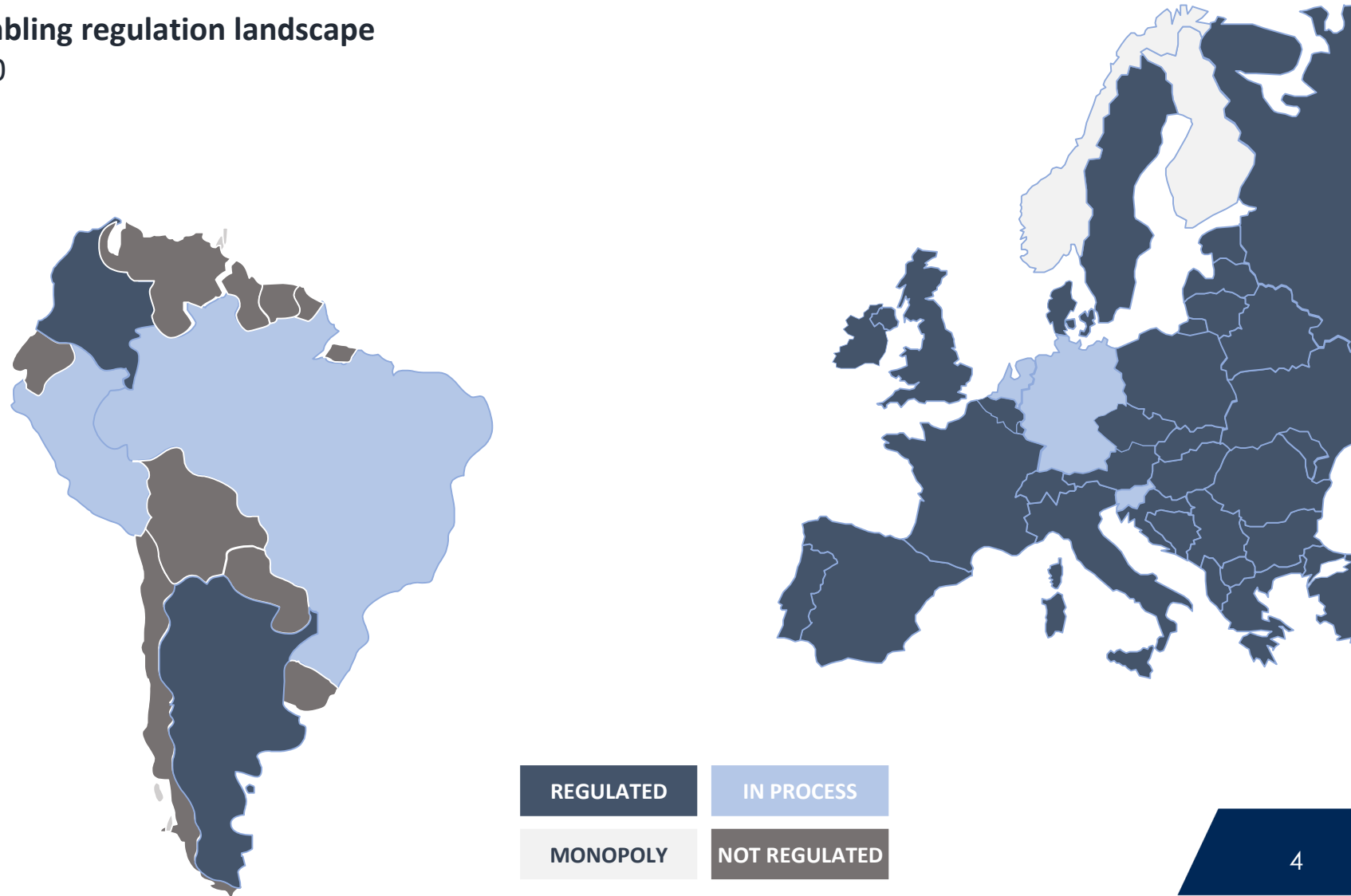POKER
CASINO
BETTING

Gambling regulation in Europe & Latam

Most of the European countries regulated online gaming during the last 20 years

Main countries regulating online gambling
2000 - 2020

Pre-2010	🇬🇧 🇮🇹
2011 - 2012	🇧🇪 🇫🇷 🇪🇸 🇩🇰
2013 - 2014	🇷🇴
2015 - 2016	🇮🇪 🇵🇹 🇨🇴
2017 - 2018	🇸🇪
2019 - 2020	🇩🇪 🇳🇱 🇬🇷 🇦🇷
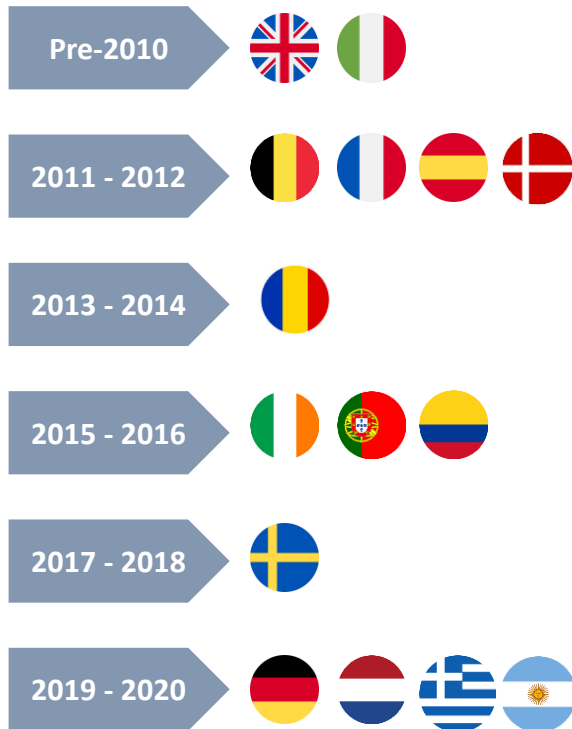
Source: MDF Partners, EGBA

Gambling regulation landscape
2020

REGULATED   **IN PROCESS**

MONOPOLY   **NOT REGULATED**

A brief story of the gambling regulation

The online gaming industry is entering in the third global phase, where countries are starting to re-regulate the sector increasing their restrictions and control of the market

	BIRTH		DEVELOPMENT / GROWTH		CONSOLIDATION	
	Pre-2000	**2000 - 2005**	**2005 -2010**	**2010 - 2015**	**2015 - 2020**	**Post 2020**
ONLINE GGR ($BLN)	-	13,7	24,2	38,7	64,7	+80,0

MAIN TRENDS

- Initial Internet development
- Regulation of offshore gaming
- Low product development

- Increase and popularization of bandwidth
- Improvement/growth of online operators
- Product improvement and birth of mobile

- Global consolidation of gaming operators
- Specialization and product improvement
- Re-regulation and control
- Responsible gaming

PRODUCTS

- Betting, Casino, Poker

- Live Betting, Live Casino, growth and fall of Poker

- Omnichannel, esports, fantasy games, blockchain, etc.

MAIN MARKETS

+ OTHERS

How can the industry be responsible?

All parties must be involved to define and implement a "sweet spot" for a sustainable, reliable and safe environment for the player

REGULATOR

- Define **clear and sustainable rules with efficient mechanisms for users to opt-out**
- **Inform and concenciate the population** of the ways to limit problematic gaming
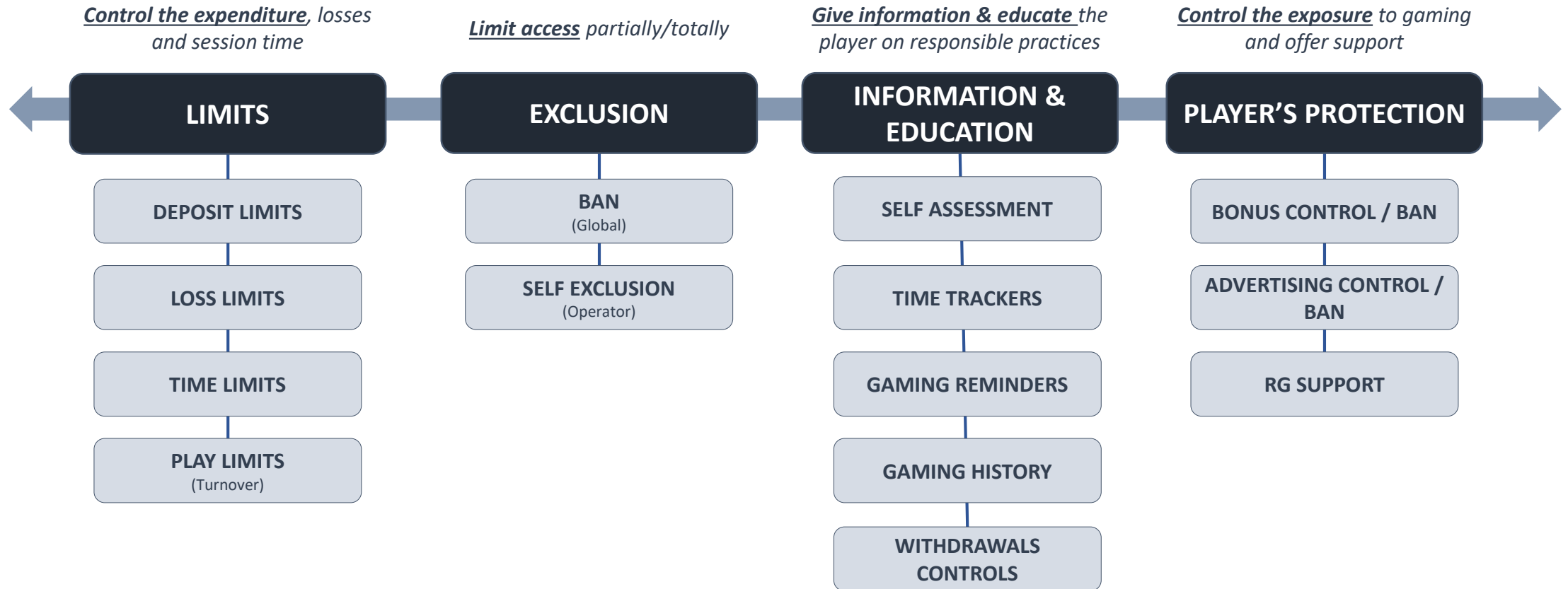- Apply **efficient controls and audits** for the industry
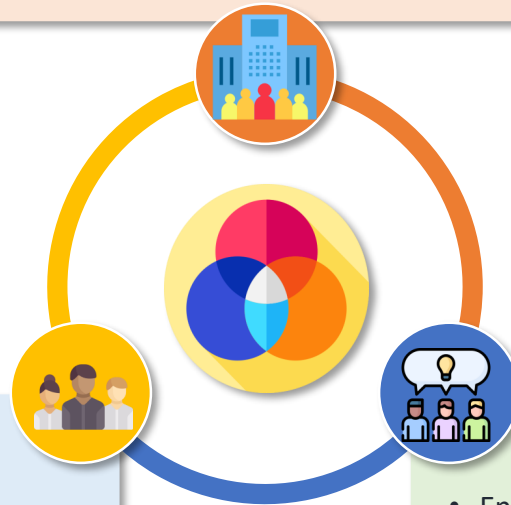
CONSUMERS

- Avoid **unregulated operators**
- Be informed of the **ways to self-exclude and limit access** to gaming
- In case of problems, **be open and quick to be supported** by RG associations and support lines

OPERATORS

- Ensure a strict **monitoring and implementation** of the regulation
- Use **technology to understand, detect and avoid** problematic behaviors
- Make RG a **strategic pillar and a marketing lever**

How is the gaming industry moving?

RG as part of operator's strategy to ensure a safe and fair regulated environment

Control the expenditure, *losses and session time*   **Limit access** *partially/totally*   **Give information & educate** *the player on responsible practices*   **Control the exposure** *to gaming and offer support*

| LIMITS	EXCLUSION	INFORMATION & EDUCATION	PLAYER'S PROTECTION
DEPOSIT LIMITS	BAN (Global)	SELF ASSESSMENT	BONUS CONTROL / BAN
LOSS LIMITS	SELF EXCLUSION (Operator)	TIME TRACKERS	ADVERTISING CONTROL / BAN
TIME LIMITS		GAMING REMINDERS	RG SUPPORT
PLAY LIMITS (Turnover)		GAMING HISTORY	
		WITHDRAWALS CONTROLS	

Why should operators be responsible?

There are strong reasons for the industry and operators to leverage responsible gaming as a key strategic pillar

AVOID FURTHER REGULATIONS/REQUIREMENTS

If the industry is not responsible, a much stricter regulation will arrive with an important pushback to the market
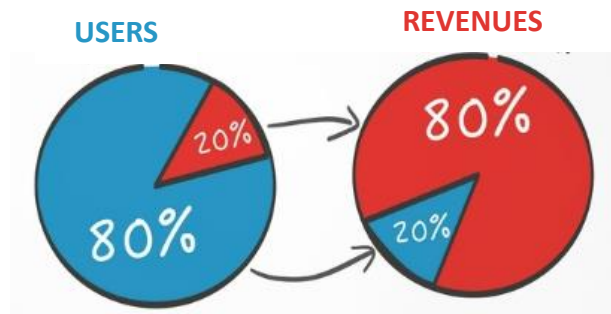
BUILD SUSTAINABLE AND LONG-LASTING CUSTOMER BASE

Avoid the usual 80-20 or 90-10 and create a more balanced customer base, also through Big Data / AI

MARKETING/DIFFERENTIATION TOOL

Use RG as marketing tool, building a clean brand and contributing to the whole industry image improvement
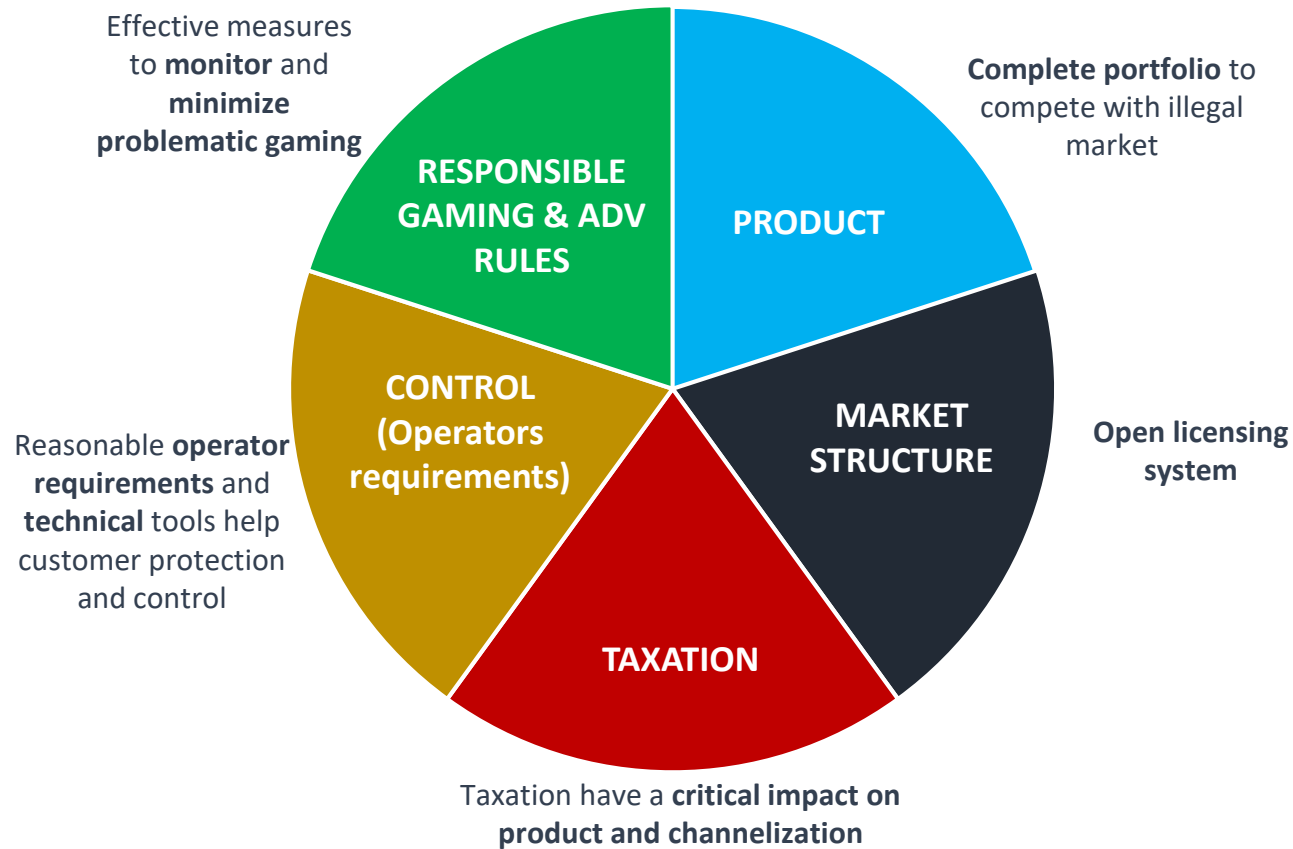

SOCIAL CORPORATE RESPONSIBILITY PAYS OUT

Be responsible and communicate accordingly, improving SCR ratios and positioning
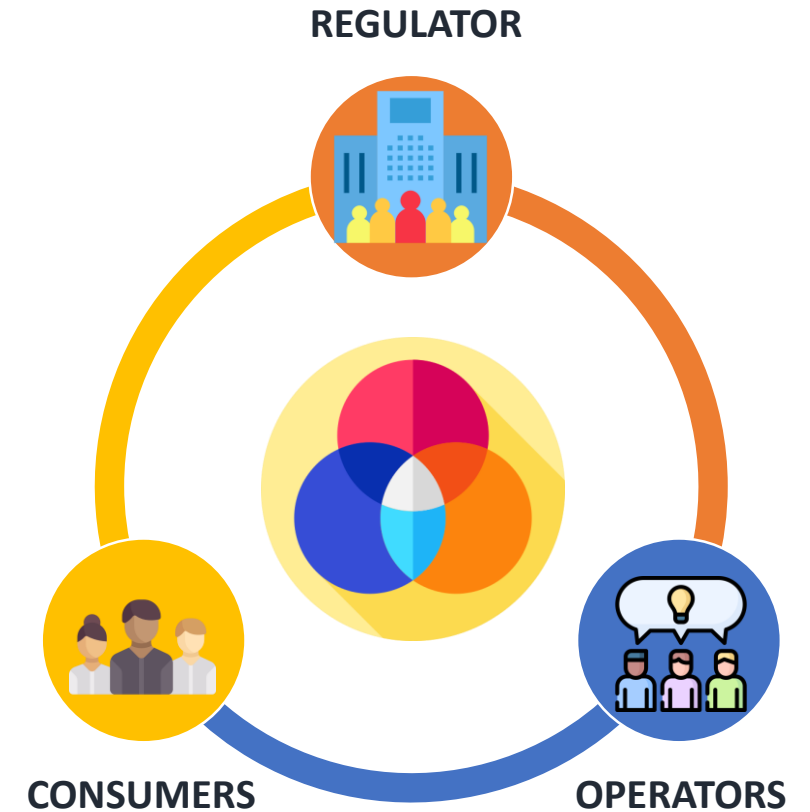
How to define a sustainable regulatory framework

Sustainable rules are needed to adapt the regulation to the dynamic market evolution

PILLARS FOR A SUSTAINABLE REGULATION

Effective measures to **monitor** and **minimize problematic gaming**

RESPONSIBLE GAMING & ADV RULES

PRODUCT

Complete portfolio to compete with illegal market

MARKET STRUCTURE

Open licensing system

Reasonable **operator requirements** and **technical** tools help customer protection and control

CONTROL (Operators requirements)

TAXATION

Taxation have a **critical impact on product and channelization**

THE GAMING ECOSYSTEM

REGULATOR

CONSUMERS

OPERATORS

"We partner with operators and public institutions, in regulated environments, helping to build effective and sustainable models in the gaming and entertainment sector"

Mauro De Fabritiis
Founder MDF Partners

mauro@mdfpartners.com

Obrigado