

**RI Lottery
Additional Data
November 2024 Revenue Estimating
Conference**



Sportsbook MA Waiver Agreement



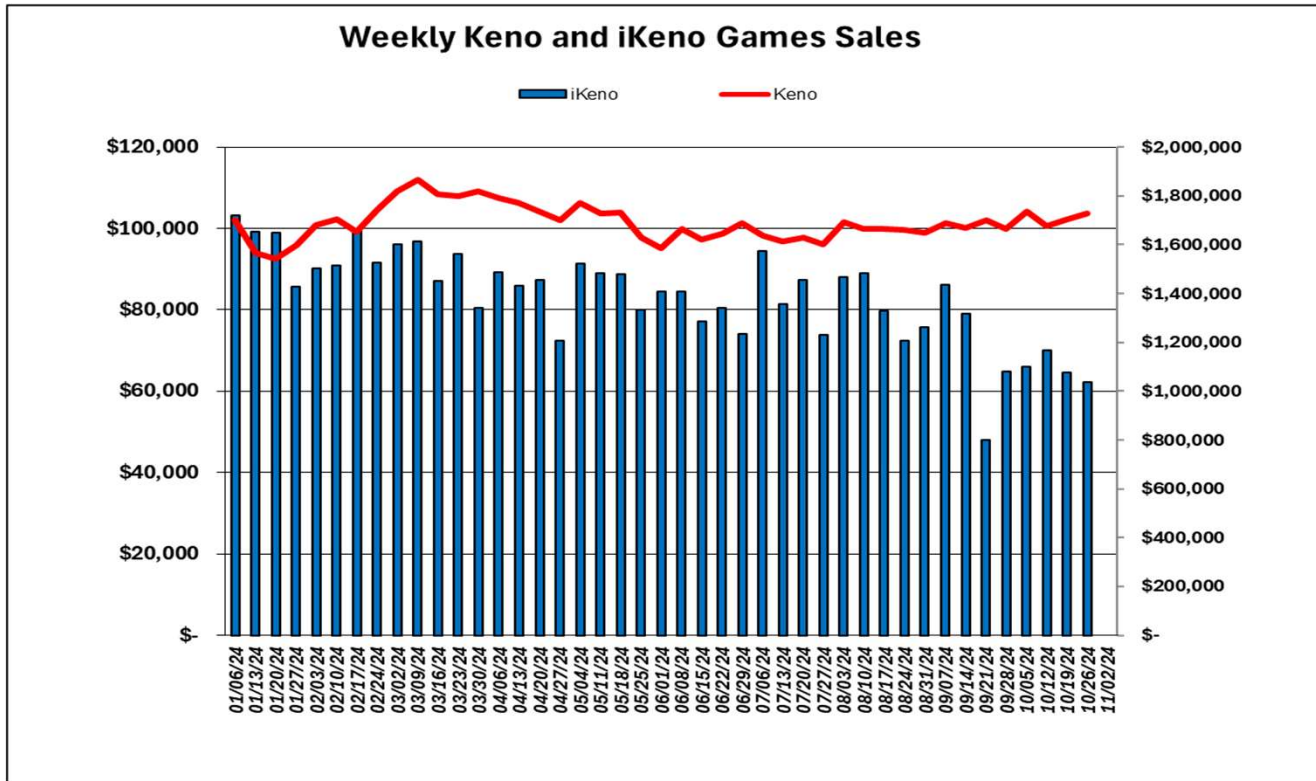
- Bally's will reimburse the RI Lottery, dollar-for-dollar, for up to \$1.5 million per year. The \$1.5 million will be increased by an annual adjustment based on the change to the CPI beginning with calendar year 2024. (The amount will not decrease if the CPI decreases).
- The reimbursement period begins with calendar year 2024, and thereafter during any year in which Bally's conducts mobile betting in Massachusetts, and will end with the 5th calendar year (2024-2028).
- The reimbursement will be due on March 31st following each calendar year.
- The reimbursement calculation is difference between (a) \$24,776,082 (base year =calendar 2022 general fund transfers without unclaimed prizes), and (b) the amount for such net revenue determined on the same basis as the base year for each calendar year.
 - Therefore, if the sum of the calendar year sportsbook general fund transfer, without expired prizes, is less than \$24,776,082, Bally's would be subject to the reimbursement for the applicable reimbursement years.
 - For example, if the calendar year 2024 sportsbook general fund transfer, without unclaimed prizes, is \$22,000,000 then Bally's would owe the maximum \$1.5 million by March 31, 2025 ($\$24,776,082 - \$22,000,000 = \$2,776,082$).

Additional Items:



- The Massachusetts lottery's iLottery platform is now set to launch in April 2026. Originally, the plan was to roll out the online lottery within 16 months of the legislation's passage in July 2023. However, delays in securing the necessary funding have pushed the timeline back. (per Mass Lottery Helpdesk)
- Pursuant to a CCA study dated November 1, 2023, RI is projected to lose between \$500,000 and \$600,000 per fiscal year from the introduction of iLottery in Massachusetts.
- The projected Sportsbook marketing budget for both FY25 & FY26 is approximately \$350,000/year.
- The projected iGaming marketing budget for both FY25 & FY26 is approximately \$3,000,000/year.
- The combined promotional points (freeplay) allowance for FY25 is 106,204,273, of which, 28,193,213 has been used through September 30, 2024.

Keno and iKeno



- A regression of the weekly sales of the iKeno and Keno products indicates a low amount of the variance in Keno sales can be explained by iKeno sales levels.
- The regression indicates that iKeno sales levels are not materially impacting Keno sales levels.
- iKeno has lower operating costs so cannibalization would not be unfavorable to the Lottery's income.