

Inside Scientific Games' Sideplay Digital Game Studio

Acquisition and Explosive Outlook for iLottery

With Scientific Games' recent agreement to acquire UK-based digital elnstant content studio Sideplay Entertainment, the company's iLottery growth strategy is simple.

"Our goal is to be No. 1 in the world for both retail and digital instant games," says Pat McHugh, Lottery Group Chief Executive for Scientific Games.

In August, the world's largest provider of lottery instant games announced it had signed an agreement to acquire Sideplay as part of its strategy to expand the company's portfolio of iLottery games and accelerate its global leadership in iLottery. Scientific Games' iLottery business will remain with the Lottery Group as it moves to become an independent company as announced recently.

"Our investment in acquiring Sideplay's team of experts, great digital game portfolio and game distribution technology will help fuel our leadership in iLottery, which already includes our more than 20 existing iLottery customers globally, as well as our own digital platforms and library of exciting digital instant games," shares McHugh.

Sideplay provides digital instant games to lotteries globally, and it is the primary digital instant game supplier to the UK National Lottery, one of the largest interactive lotteries in the world. Recently, Scientific Games successfully integrated Sideplay into its flagship Pennsylvania iLottery program, which immediately increased market share of digital instant games.

The combination of Sideplay's innovative portfolio of digital games and agile content distribution technology with Scientific Games' iLottery platforms and



digital solutions is expected to increase player engagement for its customers and drive more growth for the company's iLottery solutions around the world.

"Sideplay is a key contributor to the Pennsylvania Lottery's elnstant content portfolio as they've already proven with exciting games like *Pennsylvania Payday* and *Fairground Fortunes*," said Amy Bergette, VP Digital Content Studio for Scientific Games Lottery Group. "The addition of Sideplay's digital game server and content distribution technology to our existing digital tech stack will allow for increased speed-to-market for all of our iLottery customers."

Since 2003, the Sideplay team has launched more than 270 instant win games for leading lottery and gaming

operators around the world. Its games have been played over 100 million times, producing meaningful revenue for Sideplay's customers.

Steve Hickson, the Founder and Director of Sideplay, and the entire Sideplay game development team will join the Scientific Games Lottery team.

Our success as an interactive innovator and integrator of digital assets since 2009 has positioned Scientific Games Lottery Group as an industry leader in digital lottery solutions, including loyalty, mobile apps, 2nd chance promotions and iLottery," says McHugh. "We have already integrated Sideplay's digital games into our iLottery platform and combining their unique approach to game development, we now welcome Steve Hickson and the entire Sideplay team as the industry enters the next era of digital lottery growth."

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"All of us at Sideplay are thrilled to be joining forces with Scientific Games Lottery Group, one of the world's leading lottery suppliers," said Hickson. "Our goal has always been to be the best at what we do, and this acquisition shows that we have achieved that level of success. We are excited to leverage Scientific Games' global lottery footprint and create the future of iLottery together."

Scientific Games launched the first digital instant game in the U.S. in 2014 and is the leading provider of lottery interactive games, mobile apps, player loyalty programs and other interactive products and services in the U.S. lottery industry.

Pennsylvania's iLottery program managed by Scientific Games hit \$2 billion in sales in just over three years with 115 games launched and 97 live games currently offered to players. Launching in 2018, it was the first iLottery program in the industry to surpass \$1 billion in sales in less than two years.



Scientific Games' *Monster Wins**, *MONOPOLY*^{**} and *Jackpot Party** elnstant games are some of the top performers in the portfolio. With the addition of Sideplay's games, the now combined elnstant library delivers robust performance and exciting entertainment for players.

Sideplay is one of the longest-standing elnstant game production studios in the industry. Its team is known for creating high-quality, innovative game mechanics and exciting game content that players love. The company's experience and sophisticated game content have seen Sideplay increase its customer base considerably, delivering consistently strong growth for lotteries.



"Bringing together two great elnstant game libraries in this way is great news for the lottery industry as the momentum to launch digital programs is quickly picking up pace," explains Hickson, who has more than 18 years of game development experience. "The combined production experience and know-how of Scientific Games and Sideplay will form a compelling option for iLottery customers."

Sideplay's digital instant content server is designed to provide a robust portfolio elnstant game content to

lottery customers. The platform allows lotteries to accelerate their move into digital content delivery in a rapidly evolving lottery environment.

McHugh believes the combination of the Scientific Games and Sideplay iLottery teams is going to be explosive from game innovation to tech platforms—all enhanced by Scientific Games' data analytics and award-winning customer relationship management programs. "Together, we could not be more fired up about what we are going to be able to offer lotteries to grow their business in the vital digital channel. Whether they are preparing to launch iLottery or grow an existing iLottery program to its fullest potential, Scientific Games will be the partner of choice to generate maximum proceeds for lottery beneficiary programs," he says. "This acquisition is a win-win for iLottery."

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