

BRINGING VIDEO GAMES TO THE CASINO: THE BENEFITS, CHALLENGES, AND IMPACTS

Session Description

The casino industry must continue to appeal to new generations of customers to stay relevant and profitable in an age of technological innovation. Video games have become established as an engaging interest for gamers of all ages and the business has grown to more than \$100BN per year. This has created the opportunity for bringing together these two activities and industries and is generating exciting new opportunities but also presents unique challenges and impacts. This panel will provide perspective on video game gambling and the future of casinos.

POLLING QUESTIONS

- What is the average age of a “Gamer” (video game enthusiast)?
 - 18, 25, 35, 42 (Source: ESA)
- What is the average age of a traditional slot machine customer?
 - 40, 55, 60, 70 (Source: UNLV)
- Slot win per \$1,000 of personal income is UP/DOWN nearly 30% since 2009?
 - Up, Down (Source: AGEM)
- What is the potential Lifetime Value (LTV) of a 35 year old “net new” casino gamer?
 - \$10,000, \$20,000, \$35,000, \$50,000 (Source: GameCo Study)

WHO WE ARE



Inventor of The Video Game Gambling Machine

About GameCo

GameCo, Inc. is uniting the experience of playing video games with the excitement of gambling by creating the world's first skill-based Video Game Gambling Machines (VGM™) approved by regulators. GameCo's VGMs are successfully operating today in Atlantic City and expanding quickly to all regulated gambling jurisdictions.



IT'S ABOUT GAMERS!

GameCo







WHAT WE DO

THE WORLD'S FIRST SKILL-BASED GAME

GameCo





CREATE A VIP EXPERIENCE FOR GAMERS



CLICK GAME LOGOS TO WATCH GAME PLAY VIDEO

The GameCo VGM™ Platform

GameCo is uniting the experience of playing video games with the excitement of gambling by creating the world's first skill-based Video Game Gambling Machines (VGM™). The GameCo Platform balances player skill with patented game design, while maintaining the same casino economics as traditional slot machines.

Game Details

Bet Denominations

\$0.50 to \$5

Game Session Time

30-60 Seconds

Payout Volatility

Low-Medium

Game Variations

Launch Game ~ 94% RTP

Any Legal RTP Upon Request

VGM Tech Specs

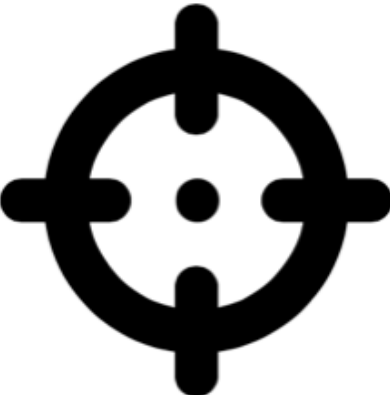
- Patented Platform
- GLI-11 Certified
- UL® & CE® Certified
- Bill Validator & TITO
- Gaming Technology
 - Class III Gaming Device
 - SAS 6.02 Protocol
 - GAT 3.5 Serial Support
 - Player Tracking (GMU)



CORE

MID-CORE

CASUAL



FPS



FIGHTING



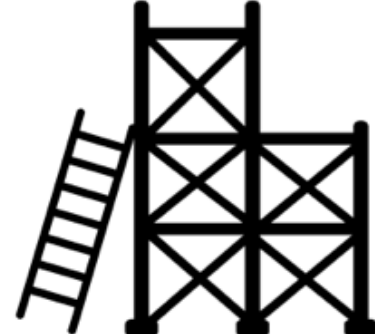
RACING



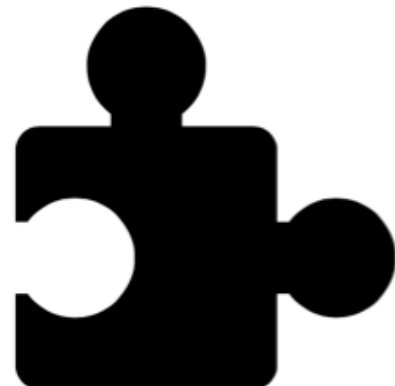
SPORTS



CLASSIC



PLATFORMER



PUZZLE

MAJORITY MALE

MAJORITY FEMALE

AVERAGE AGE 35 YRS OLD



Danger Arena
First-Person Action



Nothin' but Net
Basketball



Steve Aoki's Neon Dream
Infinite Runner



Cosmic Candy Heist
Match3



Poseidon's Deep Sea Saga
Bubble Shooter

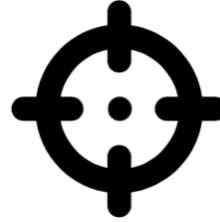


Pharaoh's Secret Temple
Match 3

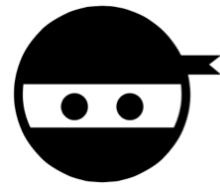
CORE GAMES
MAJORITY
MALE

AVERAGE AGE
35 YRS OLD

CASUAL GAMES
MAJORITY
FEMALE



FPS



FIGHTING



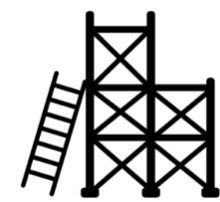
RACING



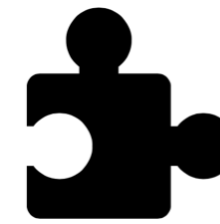
SPORTS



CLASSIC



PLATFORMER



PUZZLE



Nothin' but Net (v3)
Basketball



Twisted Worlds
Hidden Objects



Cosmic Candy Heist (v2)
Match3



Mission: Impossible
Puzzle Game



Terminator 2
First-Person Action



Steve Aoki's Neon Dream (v2)
Infinite Runner

License Pending



Arsenic
Puzzle Games



SoulCalibur II
Fighting Game



Star Trek
Tower Defense



Vikings
Mini Puzzles



Paranormal Activity
"Slash/Slice"



Golf (TBD Brand)
Golf

OVERVIEW

- At G2E 2017, GameCo will introduce the Bartop Video Game Gambling Machine or VGM™ – the first gaming device that brings skill-based video games to the casino in a bar-ready form factor. GameCo's Bartop VGM bridges the gap between the casual games players have come to enjoy with a gambling experience in a relaxed, social environment.
- Key Features & Benefits**
 - Bartop Skill-Based Games
 - Multi-Game System
 - Casual & Sports Games
 - Social Gameplay
 - Plug & Play Hardware

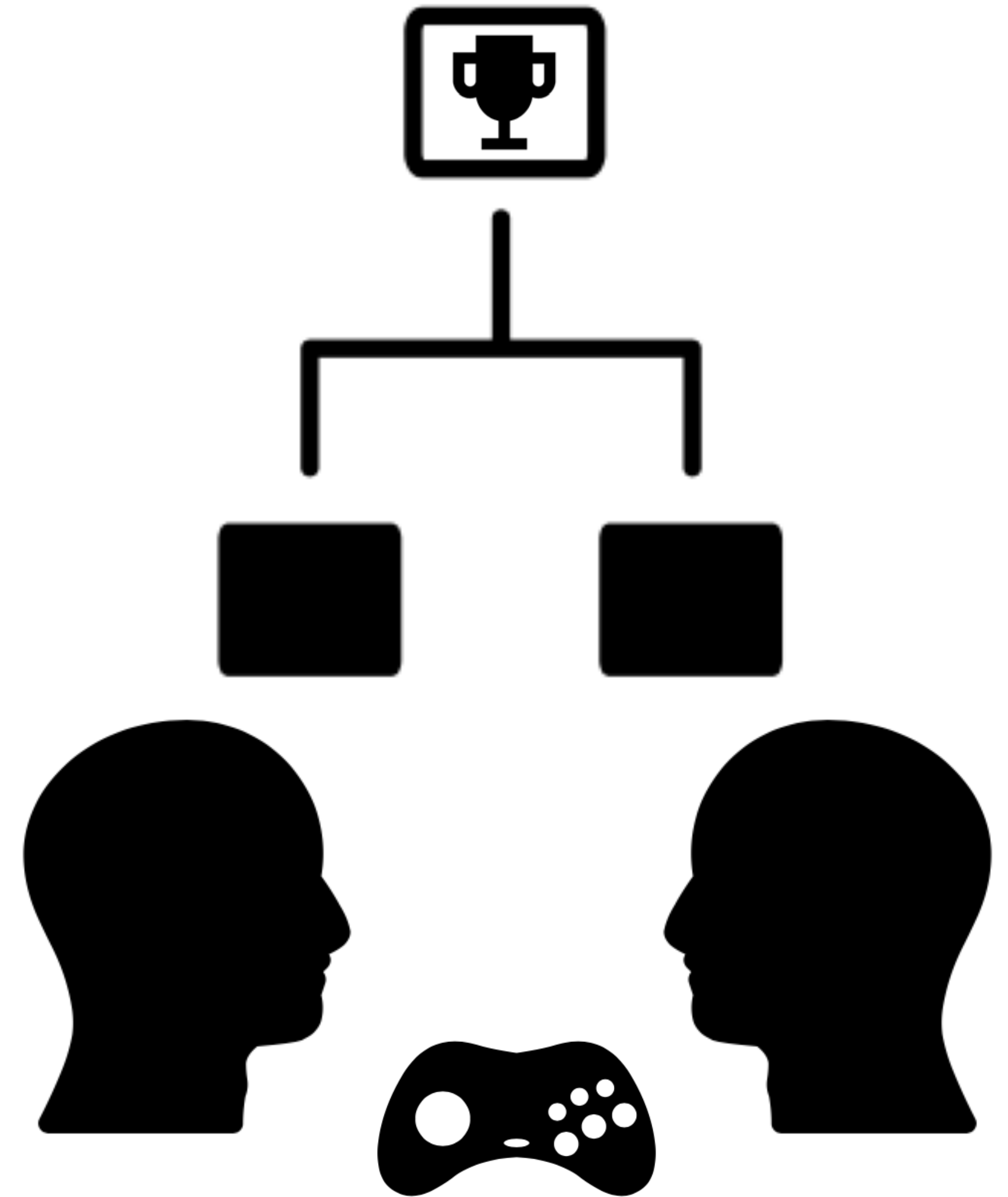


OVERVIEW

- GameCo is developing a VGM Platform feature that allows individual gaming machines to be networked into a common system for competitive play and payout
- This player vs player (PVP) style system will allow players to face off directly against one another in “winner take all” challenges and tournaments

KEY FEATURES

- Support for 2-8 Player Competitions
- Works With Most GameCo VGM Titles
- Works With All Existing VGM Hardware
- All Players Compete on Same “Map” at Same Time
- Rake-Based Gambling w All Bets Matching
 - First Player Sets Bet Amount, Casino Sets Rake %
- “Sudden Death” Tie-Breaker Feature



HOW IT WORKS



NOTHIN' BUT NET 2



NO THIN' BUT NET 2

PROGRESSIVE PRIZES AVAILABLE ON JACKPOT WHEEL

MEGA PROGRESSIVE	\$1,000.00
MAXI PROGRESSIVE	\$200.00
MINI PROGRESSIVE	\$10.00

BET \$2.00

WIN \$300.00	150 x BET
WIN \$100.00	50 x BET
WIN \$50.00	25 x BET
WIN \$20.00	10 x BET
WIN \$10.00	5 x BET
WIN \$5.00	2.5 x BET
WIN \$3.00	1.5 x BET
WIN 2 TOKENS	
WIN 1 TOKEN	

WIN FREQUENCY 30%

MAX WIN PER BET

CATCH TO BET! SCORE TO WIN!

GAMBLING PROBLEMS? CALL 1-800-SAMBLER. WWW.ADGAMBLER.COM. MALFUNCTION VOID. ALL PAYS AND PLAYS.

HELP

TOUCH TO SELECT

TOUCH TO SELECT

TOKENS \$100.00 BALANCE

NOTHIN' BUT NET 2

MAX WIN PER BET

BET	WIN	MULTIPLIER
\$1.00	\$125.00	125 x BET
\$1.00	\$50.00	50 x BET
\$1.00	\$25.00	25 x BET
\$1.00	\$10.00	10 x BET
\$1.00	\$5.00	5 x BET
\$1.00	\$2.50	2.5 x BET
\$1.00	\$1.50	1.5 x BET
\$1.00	WIN 2 TOKENS	
\$1.00	WIN 1 TOKEN	

BET	WIN	MULTIPLIER
\$2.00	\$100.00	50 x BET
\$2.00	\$50.00	25 x BET
\$2.00	\$20.00	10 x BET
\$2.00	\$10.00	5 x BET
\$2.00	\$5.00	2.5 x BET
\$2.00	\$3.00	1.5 x BET
\$2.00	WIN 2 TOKENS	
\$2.00	WIN 1 TOKEN	

WIN FREQUENCY **39%**

61%

PROGRESSIVE PRIZES AVAILABLE ON JACKPOT WHEEL

MEGA PROGRESSIVE	\$1,004.17
MAXI PROGRESSIVE	\$202.91
MINI PROGRESSIVE	\$10.93

GAMBLING PROBLEM? CALL 1-800-GAMBLER. WWW.800GAMBLER.ORG
MALFUNCTION VOIDS ALL PAYS AND PLAYS

CATCH TO BET! **SCORE TO WIN!**

NOTHIN' BUT NET 2

MAX WIN PER BET

BET \$3.00	WIN \$1,250.00 250 x BET	WIN \$25.00 50 x BET
WIN \$800.00 200 x BET	WIN \$250.00 50 x BET	WIN \$12.50 25 x BET
WIN \$150.00 50 x BET	WIN \$125.00 25 x BET	WIN \$5.00 10 x BET
WIN \$75.00 25 x BET	WIN \$50.00 10 x BET	WIN \$2.50 5 x BET
WIN \$30.00 10 x BET	WIN \$25.00 5 x BET	WIN \$1.25 2.5 x BET
WIN \$15.00 5 x BET	WIN \$12.50 2.5 x BET	WIN \$0.75 1.5 x BET
WIN \$7.50 2 x BET	WIN \$7.50 1.5 x BET	WIN 2 TOKENS
WIN \$4.50 1.5 x BET	WIN 2 TOKENS	WIN 1 TOKEN
WIN 2 TOKENS		
WIN 1 TOKEN		

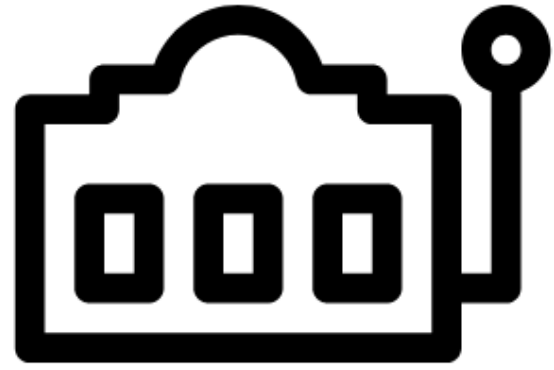
WIN FREQUENCY 39%
61%

PROGRESSIVE PRIZES AVAILABLE ON JACKPOT WHEEL

MEGA PROGRESSIVE	\$1,004.17
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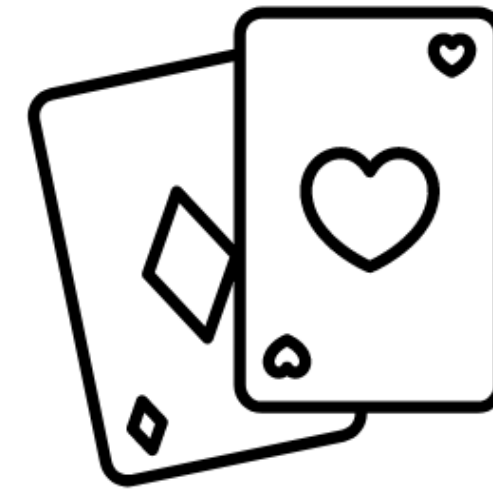
GAMBLING PROBLEM? CALL 1-800-GAMBLER. WWW.800GAMBLER.ORG
MALFUNCTION VOIDS ALL PAYS AND PLAYS

CATCH TO BET! **SCORE TO WIN!**



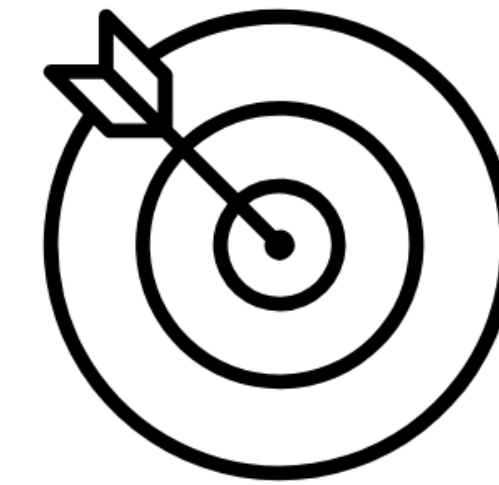
PURE CHANCE

Examples:
Slot Machines
Craps
Roulette



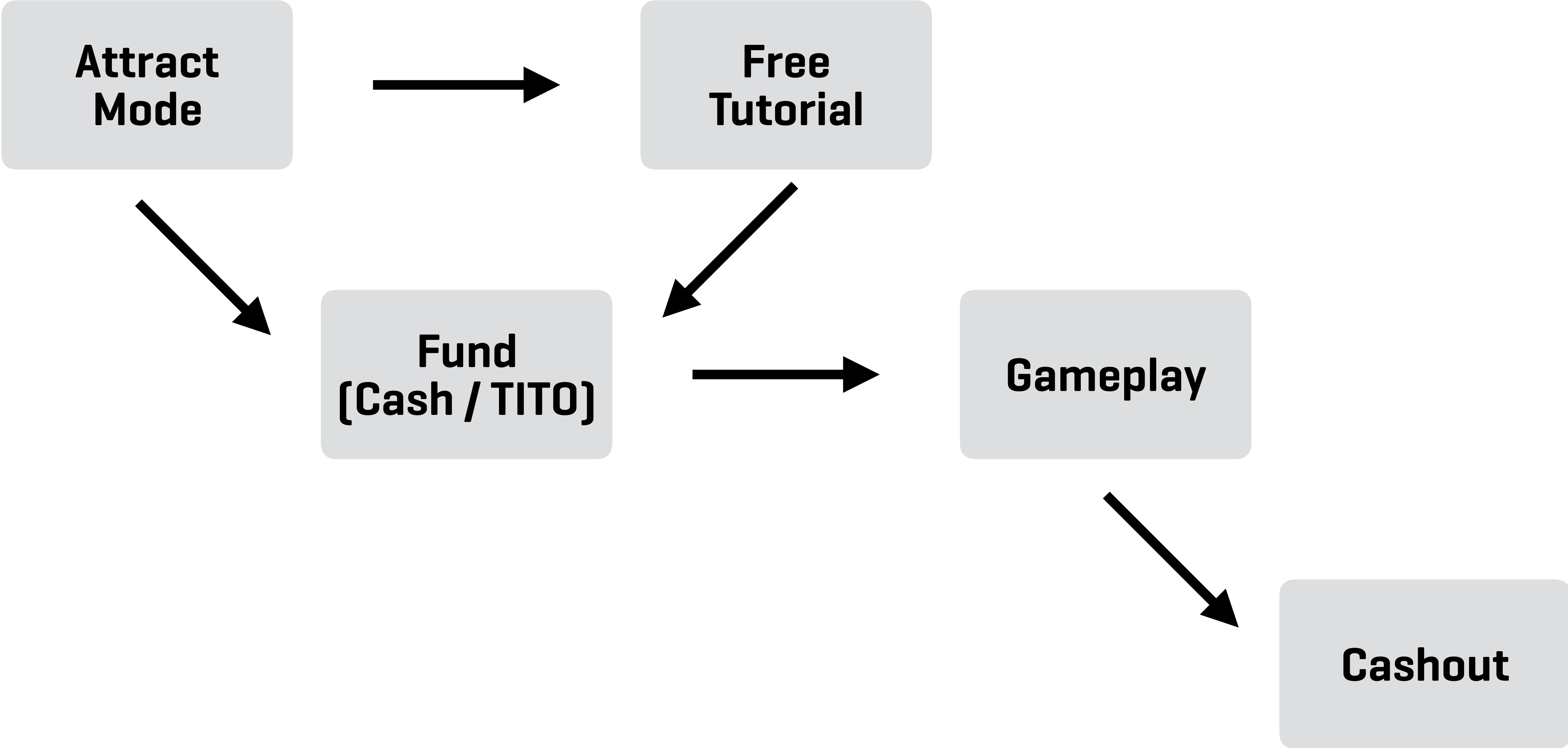
CHANCE & SKILL

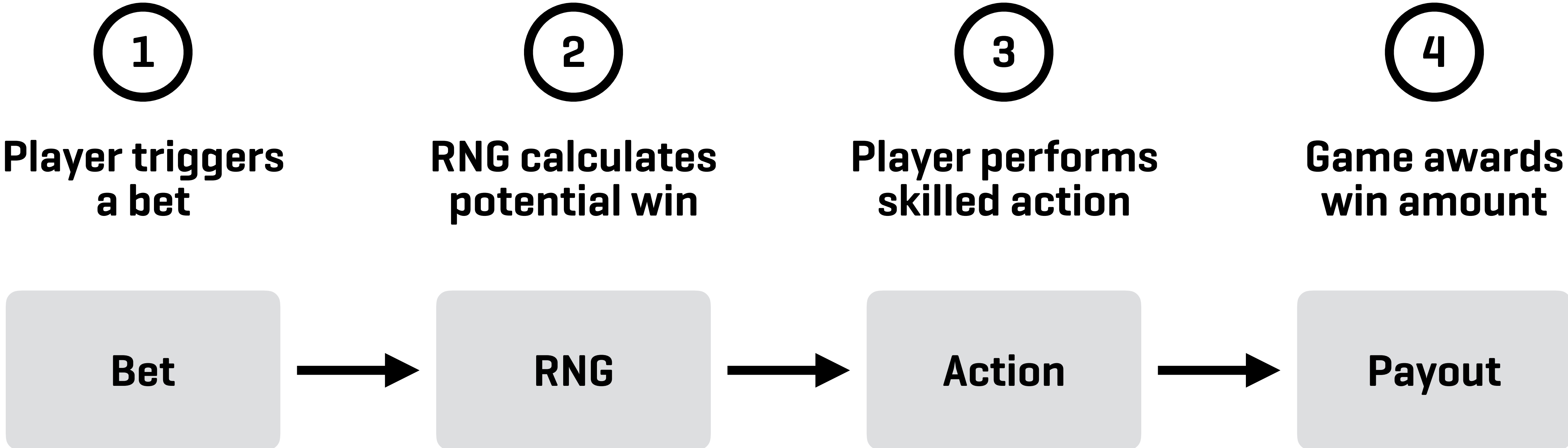
Examples:
Poker
Blackjack
GameCo



PURE SKILL

Examples:
Esports
New Jersey
“Stick & Ball”





MATRIX TO EVALUATE CASINO PARTNERS



Vision



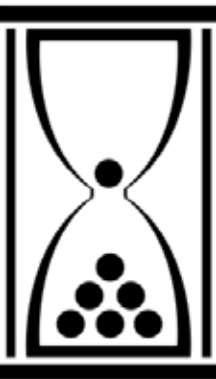
Location



Marketing



WPU



Expectation



Data Sharing

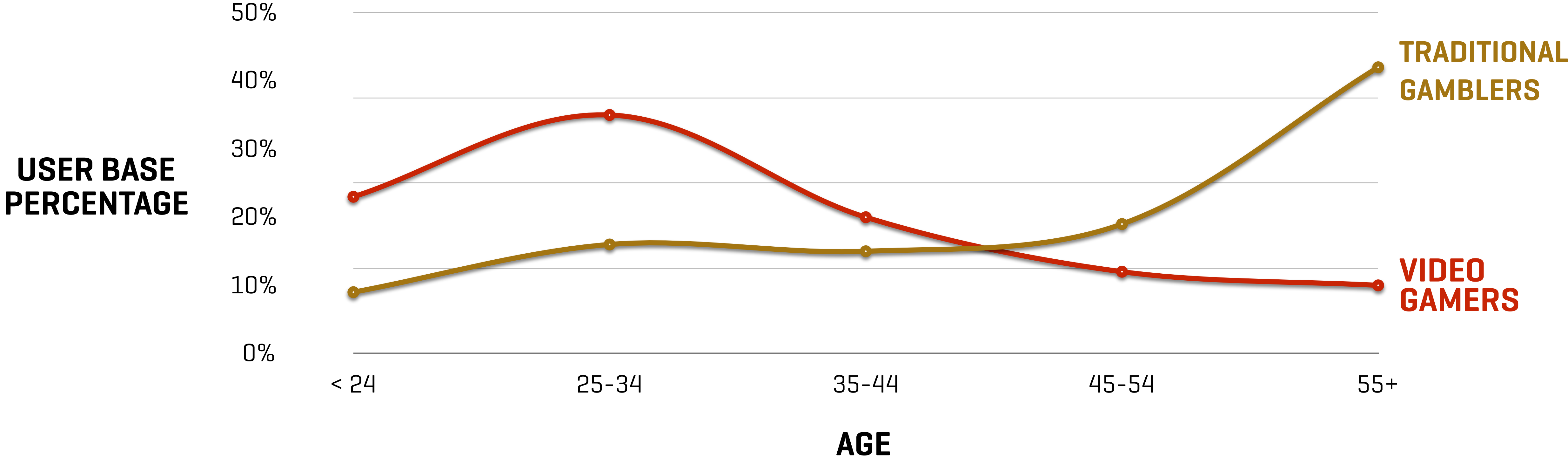


Advanced Metrics

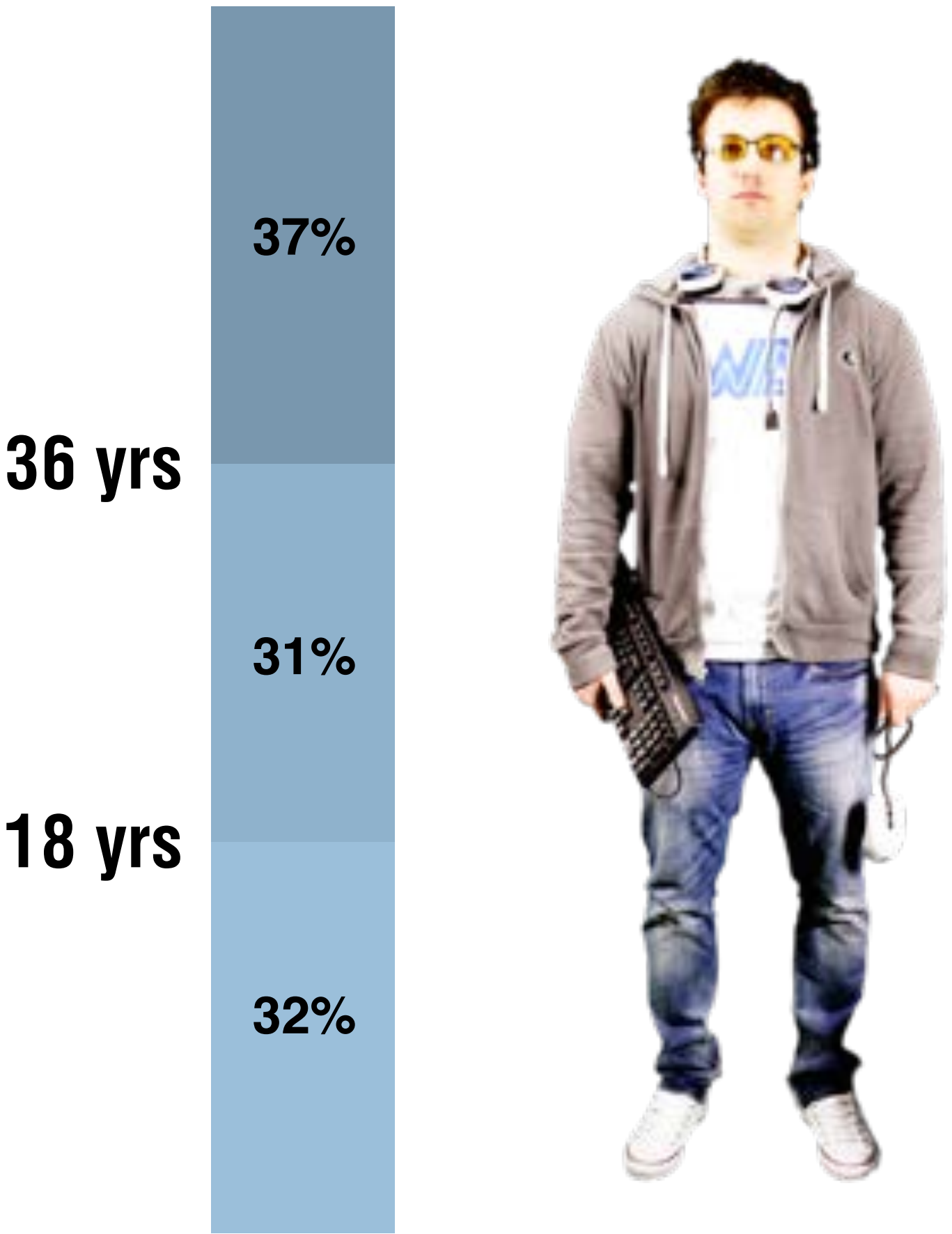


Business Terms

WHO'S PLAYING

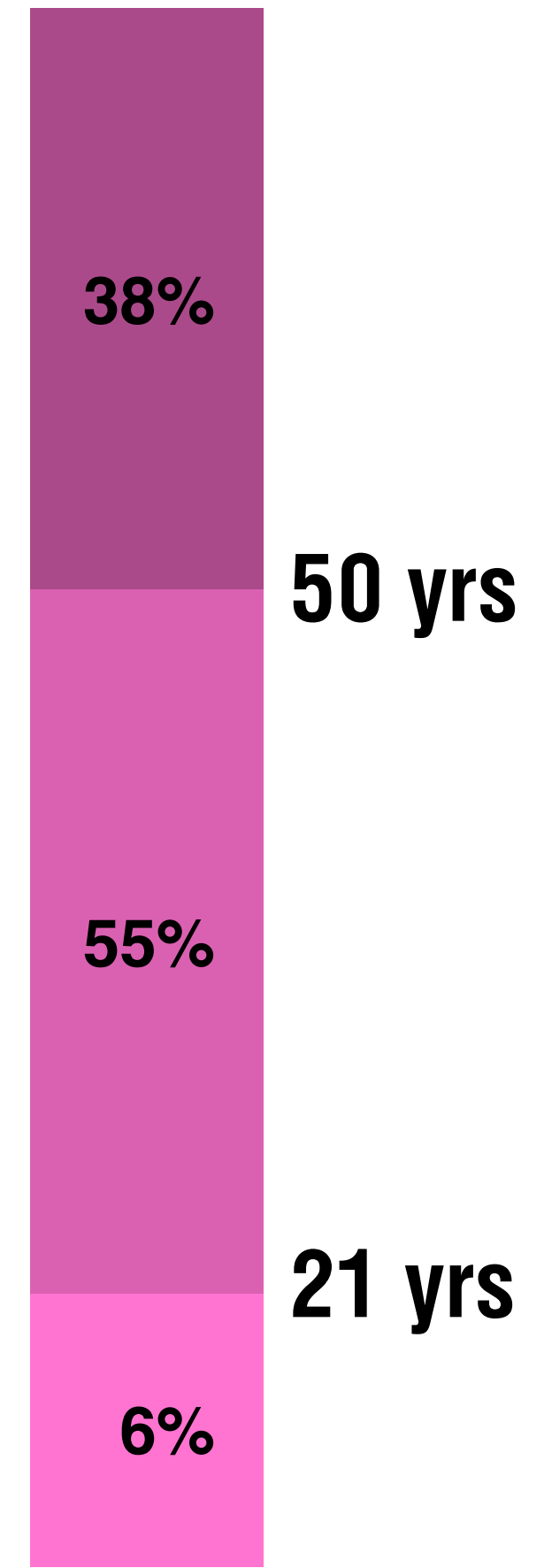


Sources: Survey of 10,000 Employees at Quicken Loans (2014)



35
YEARS OLD

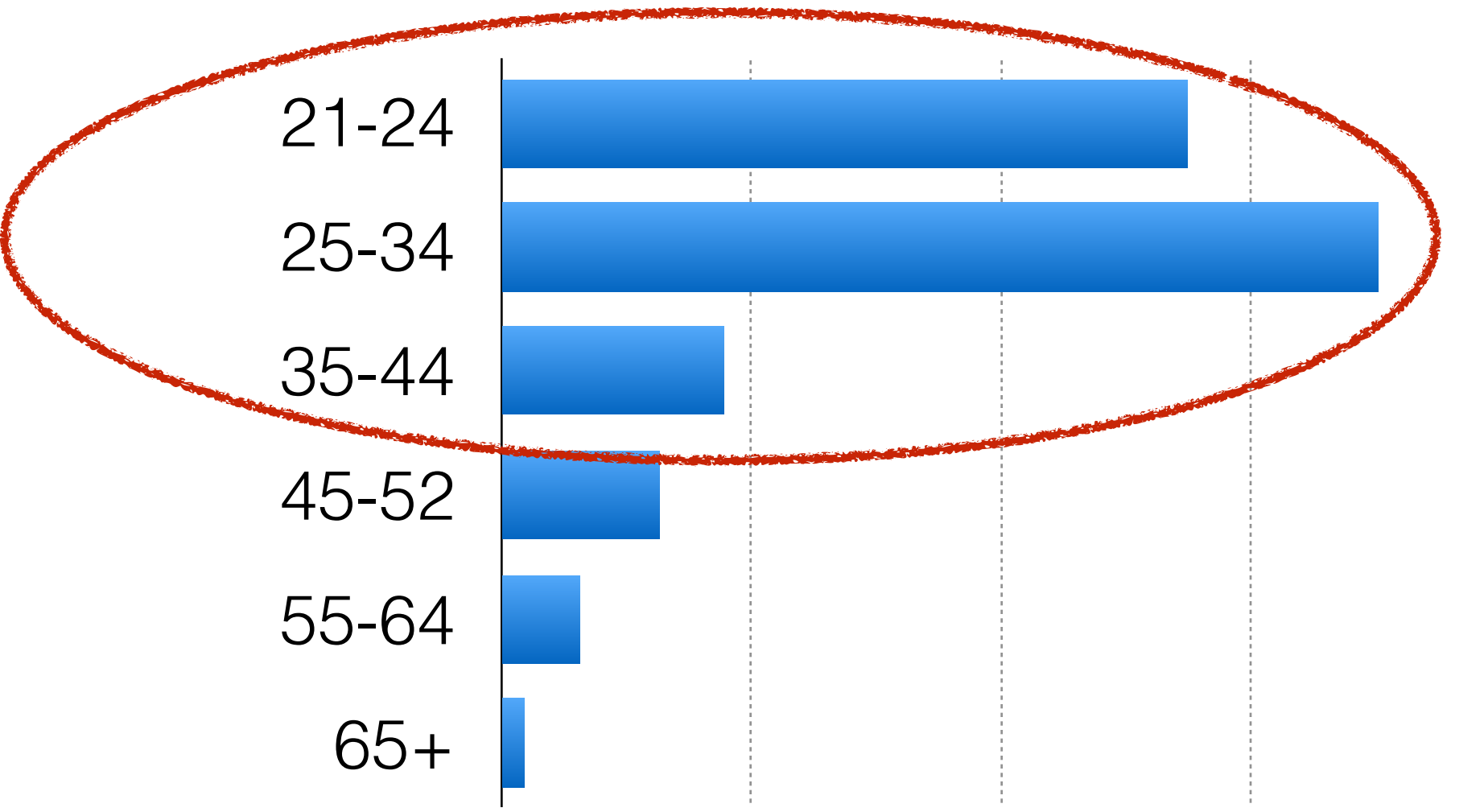
AVERAGE AGE



**Average Core Gamer
30 Years Old**

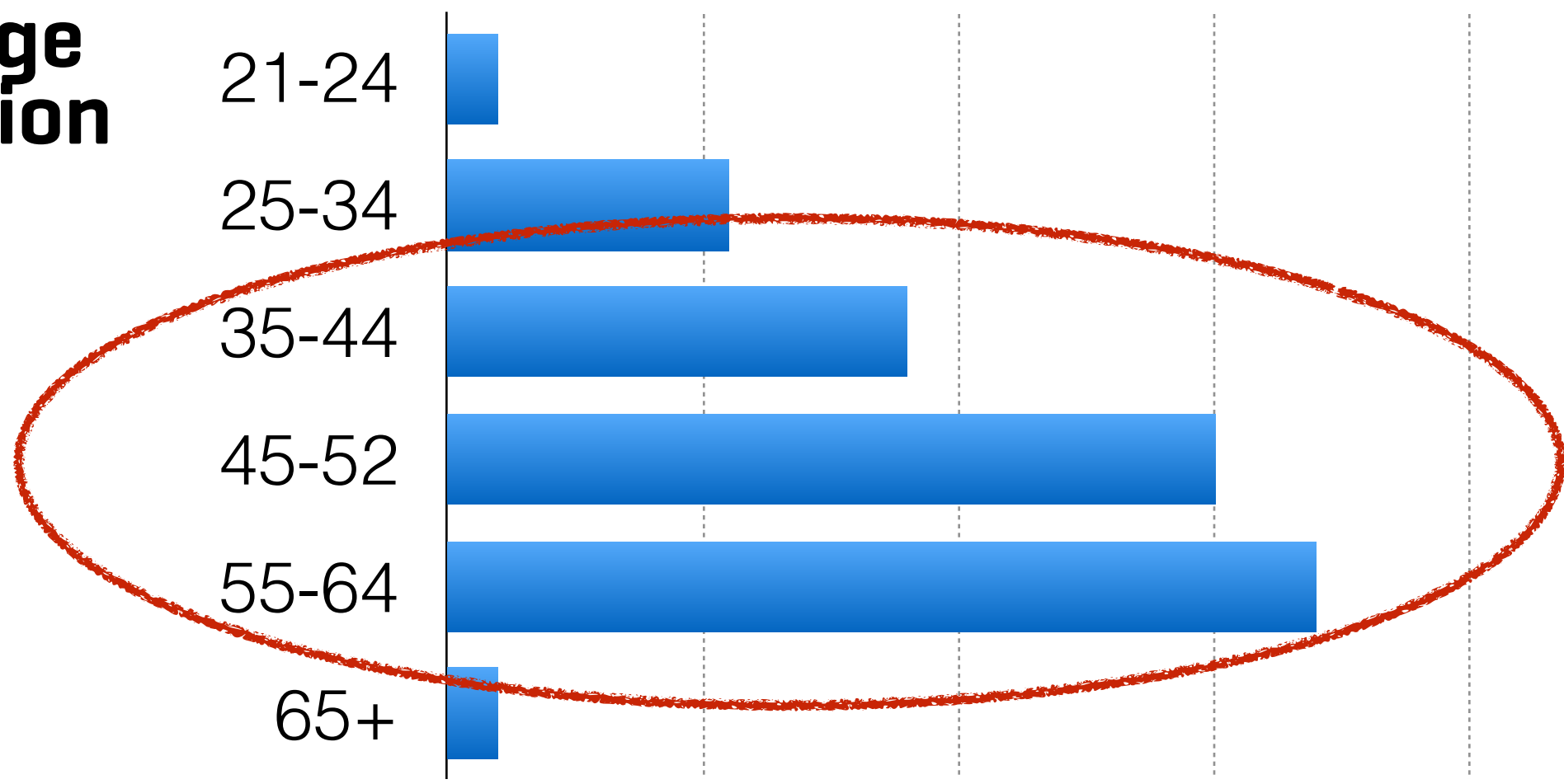
**Average Casual Gamer
43 Years Old**

CORE AVERAGE AGE 35 YRS OLD CASUAL

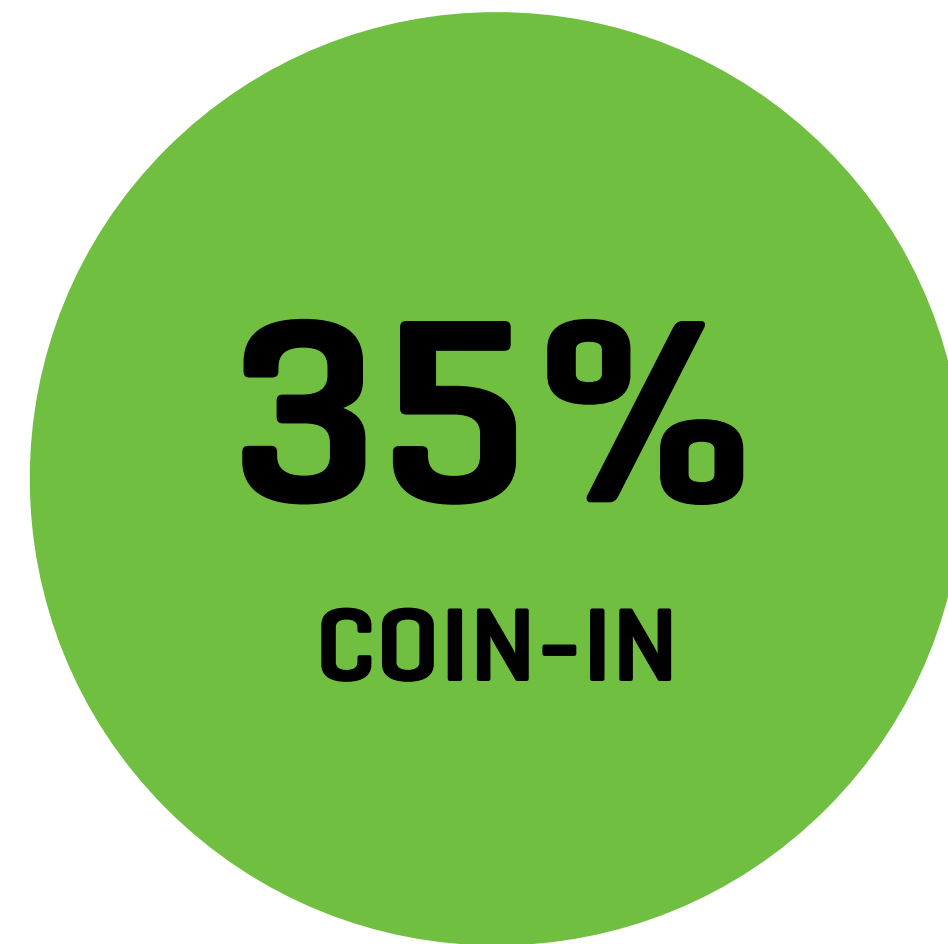


60% OF PLAYERS UNDER 40 YEARS OLD

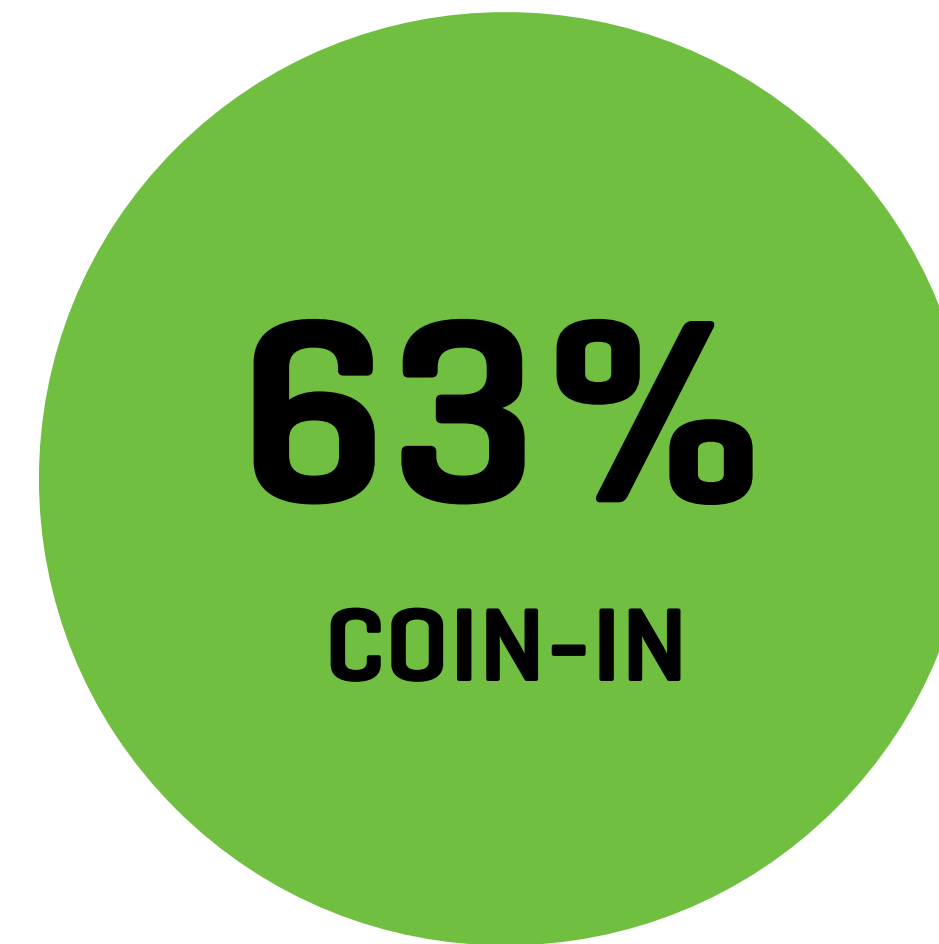
Player Age Distribution



60% OF PLAYERS OVER 40 YEARS OLD

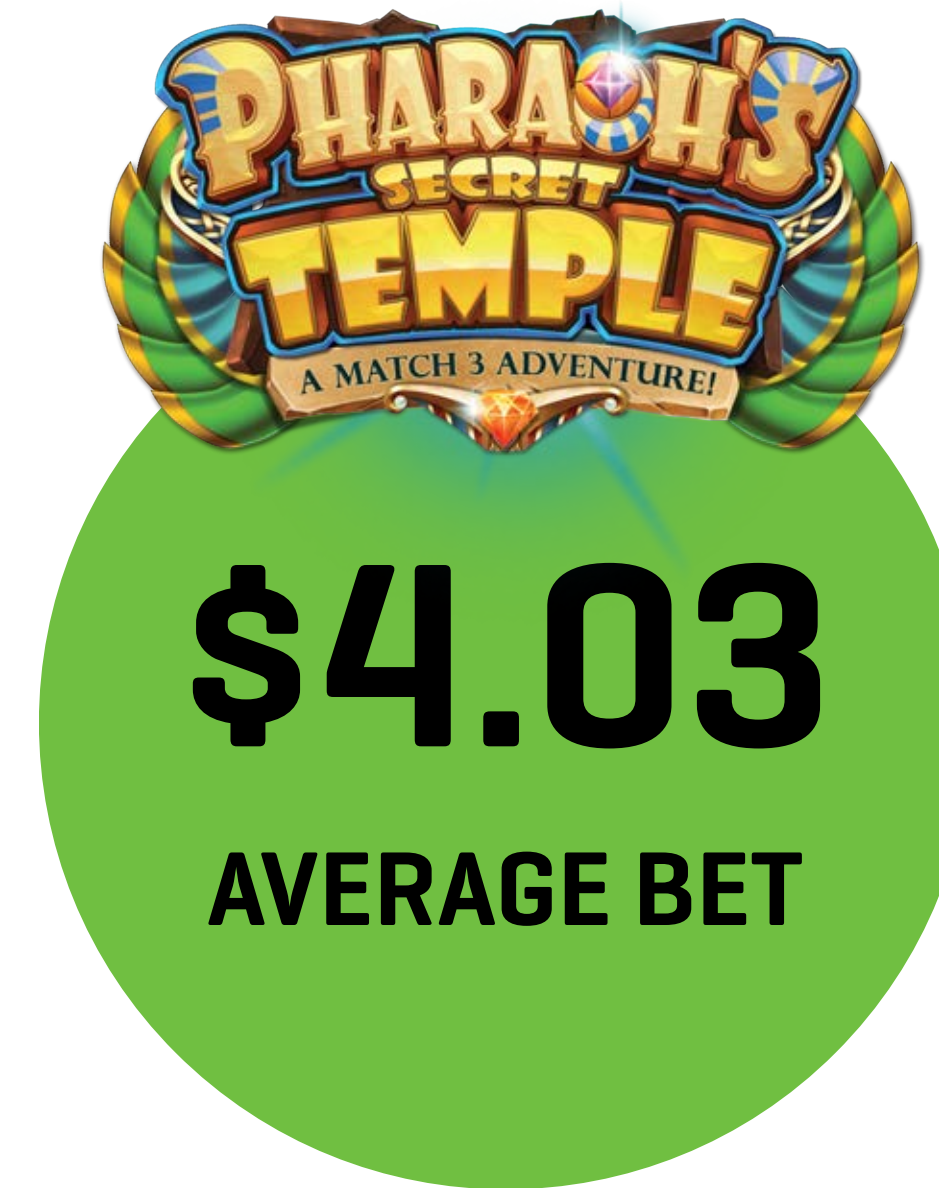


AGES 25-34



AGES 44 & UNDER

***DATA FROM NEW ENGLAND TRIBAL CASINO
6 GAMES, MULTIPLE GENRES, OVER 6 MONTHS***



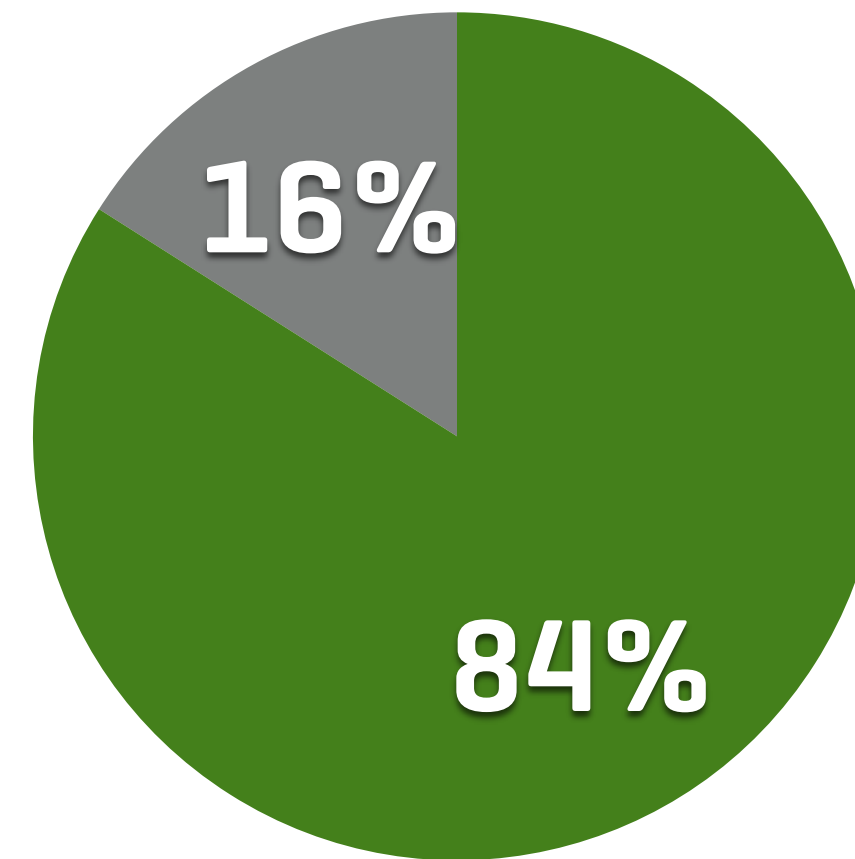
**DATA FROM NEW ENGLAND TRIBAL CASINO
6 GAMES, MULTIPLE GENRES, OVER 2 MONTHS**



**21 MINUTES
AVERAGE TIME ON DEVICE**

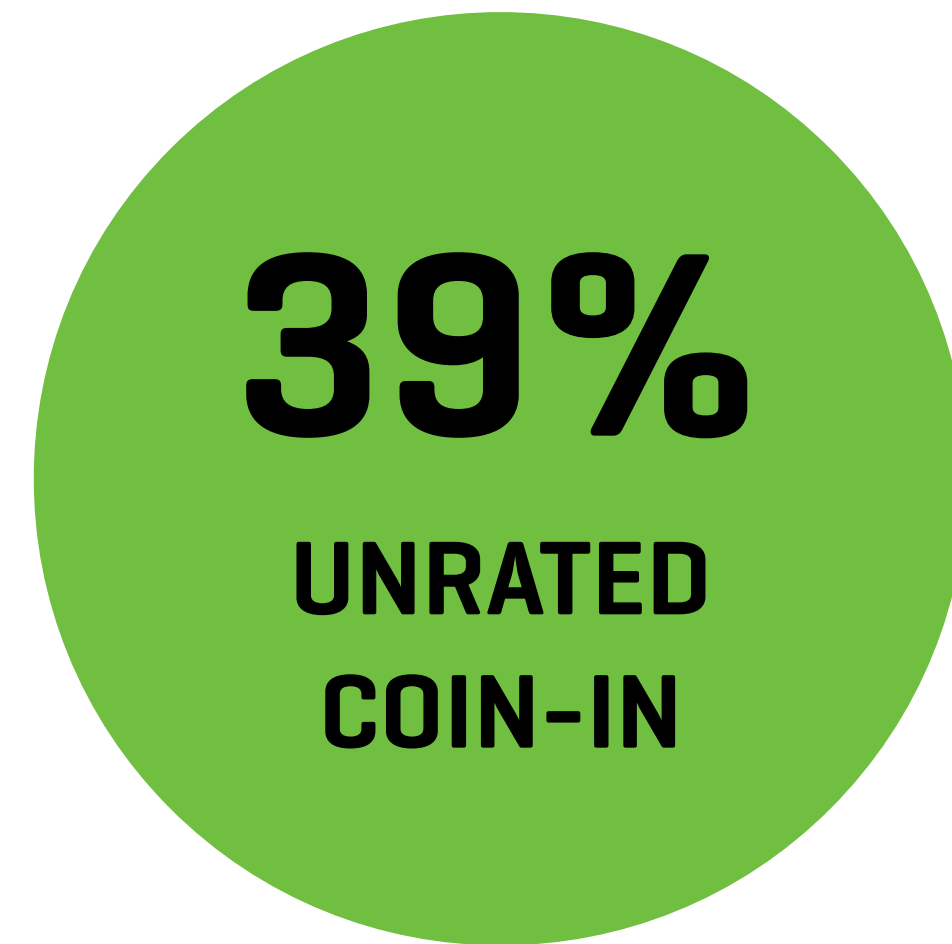
***DATA FROM NEW ENGLAND TRIBAL CASINO
6 GAMES, MULTIPLE GENRES, OVER 6 MONTHS***

Recommend
Does Not

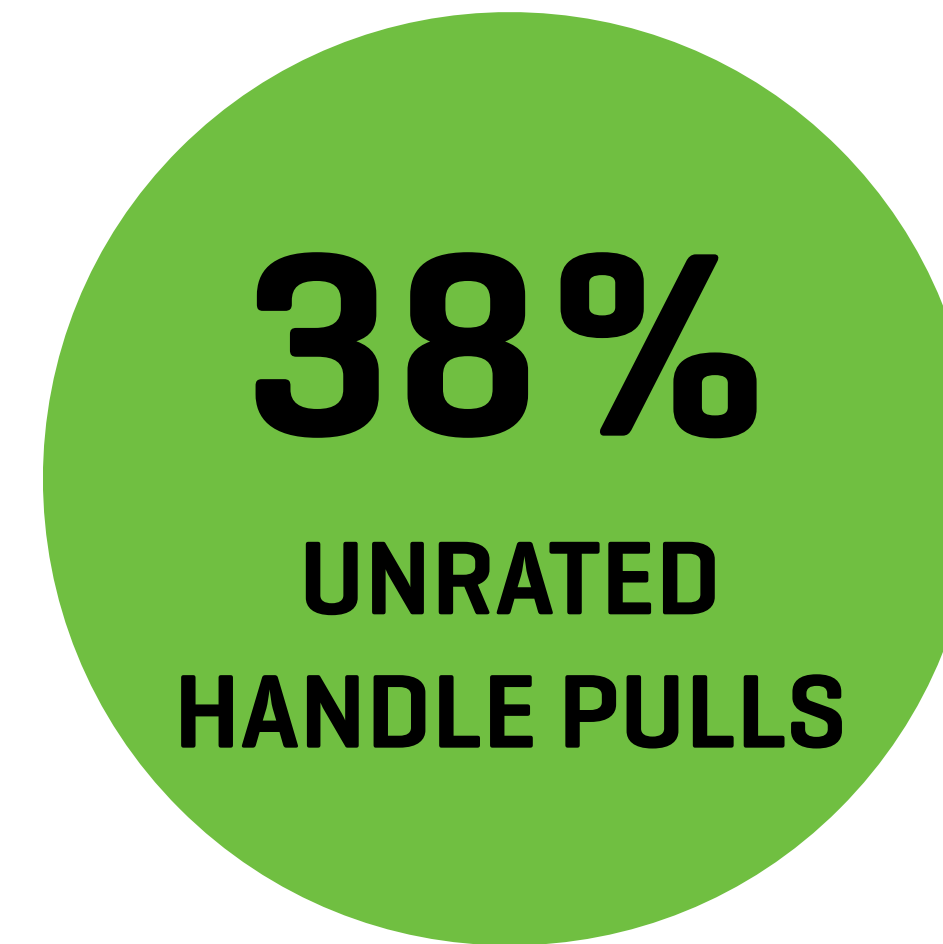


**84% OF PLAYERS
WOULD RECOMMEND
TO THEIR FRIENDS**

***DATA FROM EXIT SURVEYS
AT ATLANTIC CITY PROPERTIES***

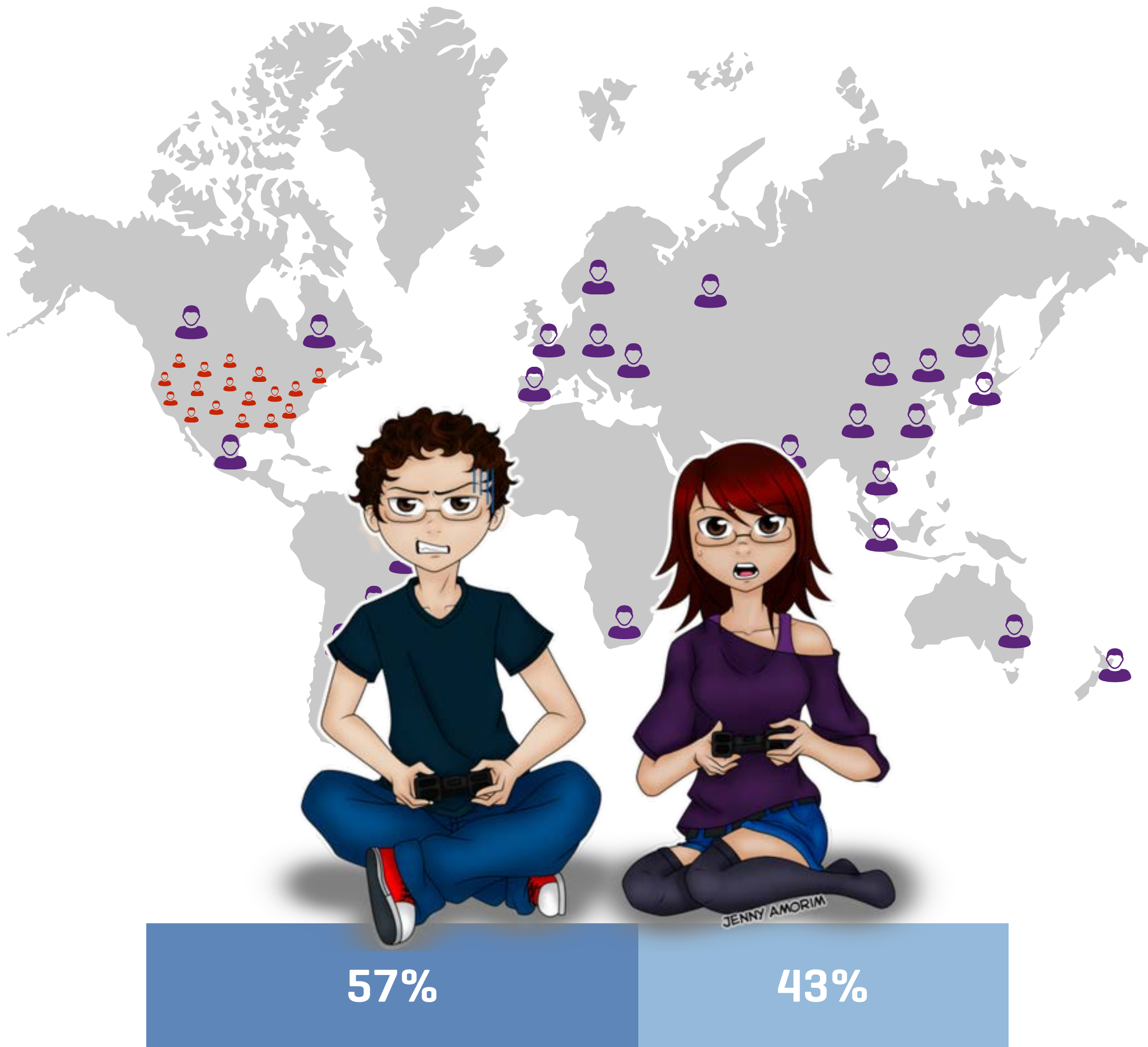


VS. 9% ON SLOTS



VS. 13% ON SLOTS

**DATA FROM 3 ATLANTIC CITY CASINOS
21 DANGER ARENA GAMES, OVER 6 MONTHS**



22.9_{MIL} TARGET CUSTOMERS [USA]

24.3_{MIL} TARGET CUSTOMERS [X-USA]



8.9_{MIL} MILLENNIALS

8.0_{MIL} GEN X

PLUS **6.0**_{MIL} BOOMERS

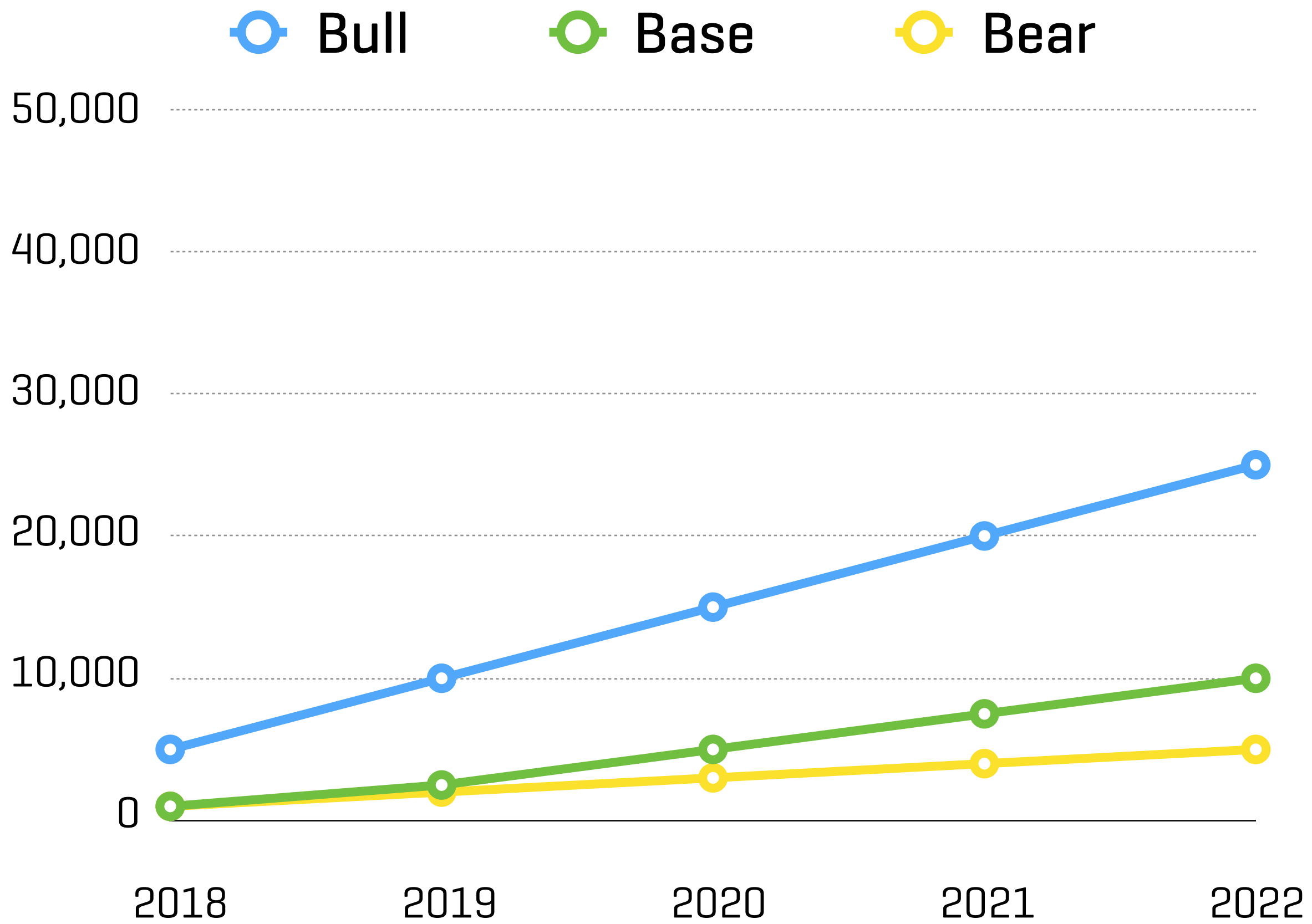
- CRITERIA**
- Over 21 Age
 - Top HH \$\$\$
 - Play Games
 - Visit Casinos



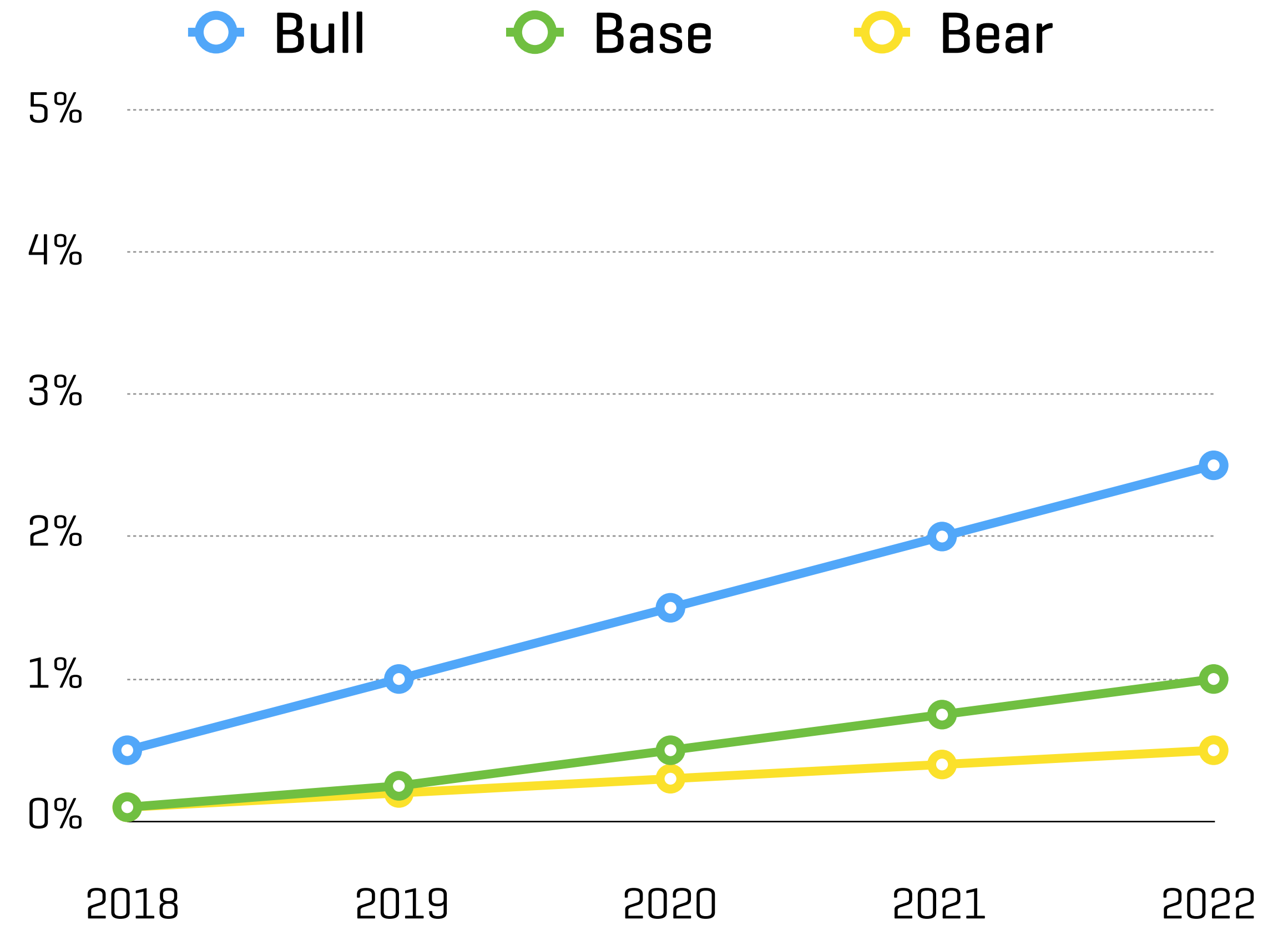
Sources: Kaiser Family Foundation estimates based on the Census Bureau's March 2015 Current Population Survey (CPS: Annual Social and Economic Supplement); Entertainment Software Association

NORTH AMERICA SLOT UNITS: 1,000,000

Skill-Based Games - Total Units



Skill-Based Games - % of Total Slots



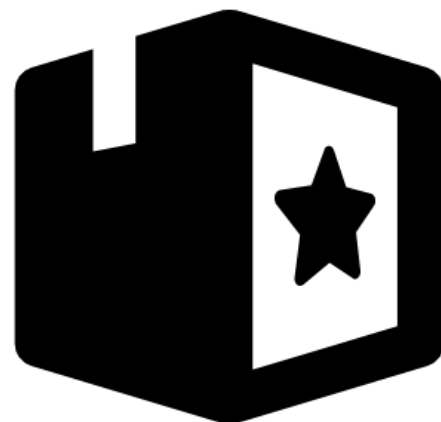
- Average age of video gamer is 35 years old versus slot patron ~55-60 years old
- Survey data - 60% of skill-based players evenly spread between 25-54 years old
- Estimate shows lifetime value of “net new” skill-based patron at ~\$35,000
- Average video gamer could be casino customer for ~40 years
- Incremental and not currently captured by casino slot loyalty programs
- Calculation does not include significant non-gaming lifetime spend

Total U.S. Gambling Revenues	\$71,788,441,141
U.S. Adult Gambling Population	82,390,500
% of Adult Gaming Population (Est.)	34%
Annual Gaming Budget / Population	\$871
Average Age Of Video Gamer	35 years old
Average Lifespan of Casino Gambling	40 years
Estimated Lifetime Value	\$34,853





BEING RESPONSIBLE



PRODUCT

Considerations:

Platform

Transparency

Messaging



TECHNOLOGY

Considerations:

Heritage

Regulations

Standards



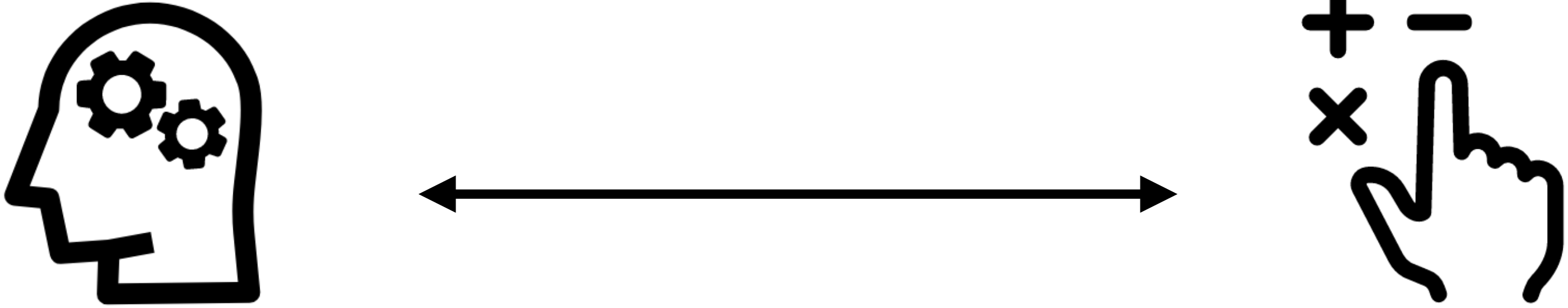
MARKETING

Examples:

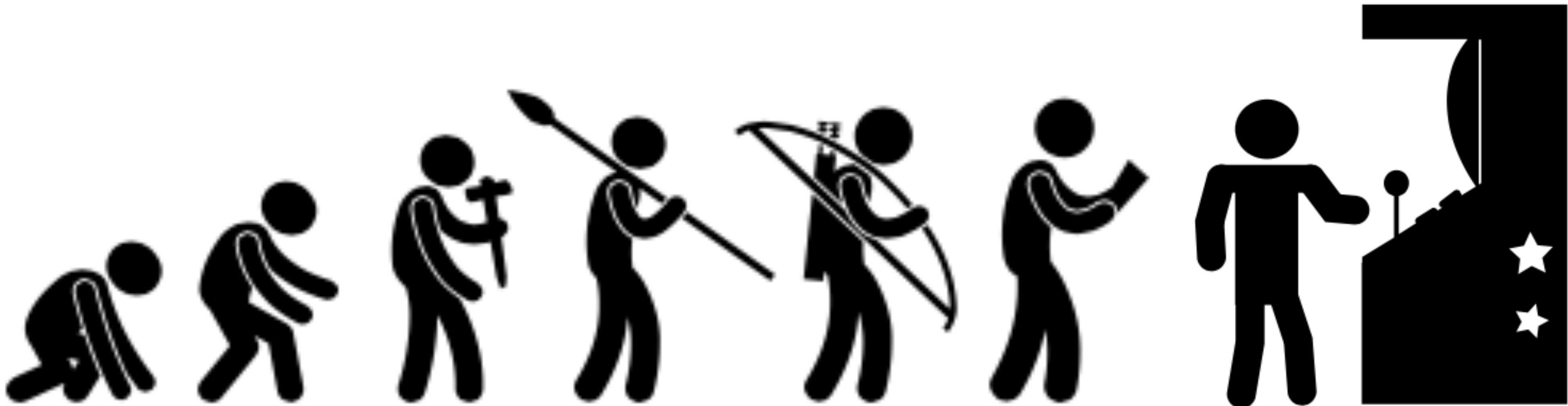
Accuracy

Age

Impression



ALIGNMENT OF MENTAL MODEL & MATH MODEL



THE CASINO OF THE FUTURE, NOW!



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blaine@gameco.com | 310.359.0379