

In response to recent inquiries regarding HB 386, the following data has been compiled to address questions regarding revenue splits and charitable impact in comparable markets.

Manufacturer & Distributor Revenue Chart

The first request was related to “revenue charts for other states” as it pertains to revenue splits. The summary table below shows the effective percentage of Net Revenue received by the combined entities of Manufacturer and Distributor across several markets.

<i>Financial Model References</i>		
Comparable Market	Manufacturer & Distributor Share (%)	Notes
Idaho Lottery	30%-35%	Manu./Dist. share has decreased as program matured.
Maryland Lottery	32.5% - 42%	Manu./Dist. share has decreased as program matured.
Missouri Lottery	35%-42%	Manu./Dist. share has decreased as program matured.
Minnesota E-Tab	25%-35%	Manu./Dist. share has decreased as program matured. No statutory cap on Manu./Dist. share first 12 years of the program; market rate determines share. Current 25% cap.
North Dakota E-Tab	30-39%	No statutory cap on Manu./Dist. share. Market rate determines share.
Virginia E-Tab	35%-50%	No statutory cap on Manu./Dist. share. Market rate determines share. Charity receives a minimum of 20% by law.
Ohio E-Tab	25%-35%	No direct cap on Manu/Dist. Market rate determines share.

** Note: Figures above are approximate and have changed over time.*

Notes:

- It is common for the Manufacturer & Distributor share to be higher in the early phase of a program to account for the significant expenses associated with startup and infrastructure deployment.
- The shares to the Manufacturer and the Distributor are presented as a consolidated figure, even though they are usually separate entities.

Positive Impact on Revenue for Charities

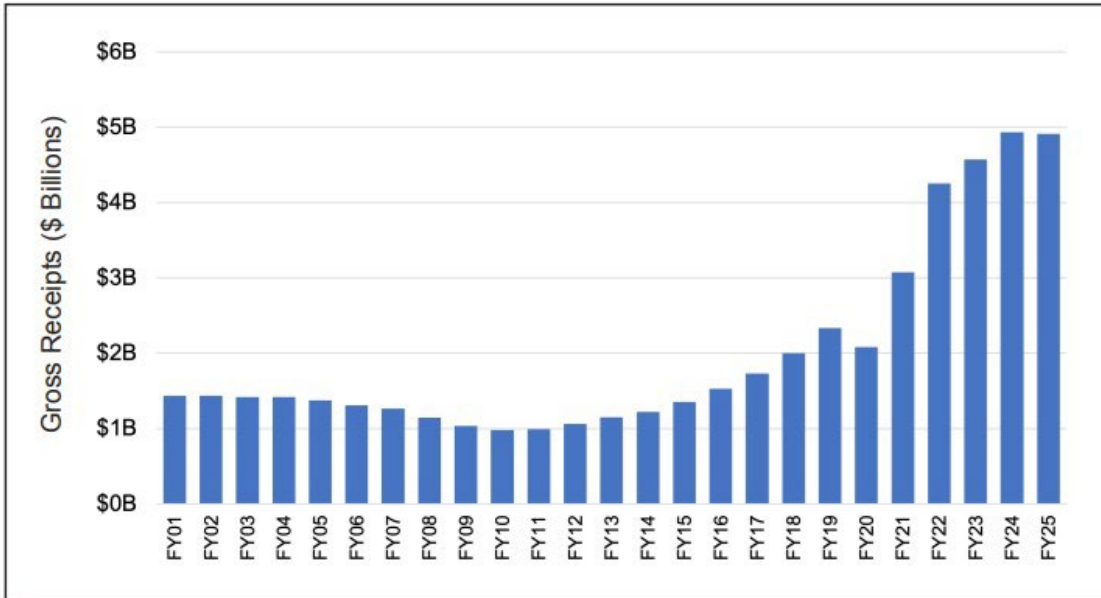
The second request was related to “how much more revenue the charities are expected to receive” from charitable gaming with electronic pull tabs (“Etabs”) and whether information was available from other states for use in comparison.

The Minnesota market, consisting of charity gaming in bingo halls, bars and fraternal clubs, is probably the best market to use to assess the potential revenue impact to Charities in Alaska because the Etab product form factor (Tablets) in Minnesota is the same as is proposed in HB 386. In MN during FY2012, the year immediately before Etabs were authorized, the Charities made \$43.7M. In FY2025, the charities’ revenue had increased to \$147.3M – an increase of 3.4x.

Given the similarities between the Minnesota and Alaska charitable gaming markets, it is reasonable to expect an increase in charities’ revenue of approximately 3.4x, *over time*. This increase in Minnesota occurred over twelve years. The data from Minnesota, a market with a large player base for paper pull tabs (similar to Alaska) and that approved Etabs in the form being proposed in HB 386, provides solid evidence to support the likelihood that Etabs will be a profitable addition to charitable gaming stakeholders in Alaska.

Below is a trend graph of the MN Charitable gaming market from the most recent Annual Report.

Gross Receipts: A Quarter Century of Charitable Gambling



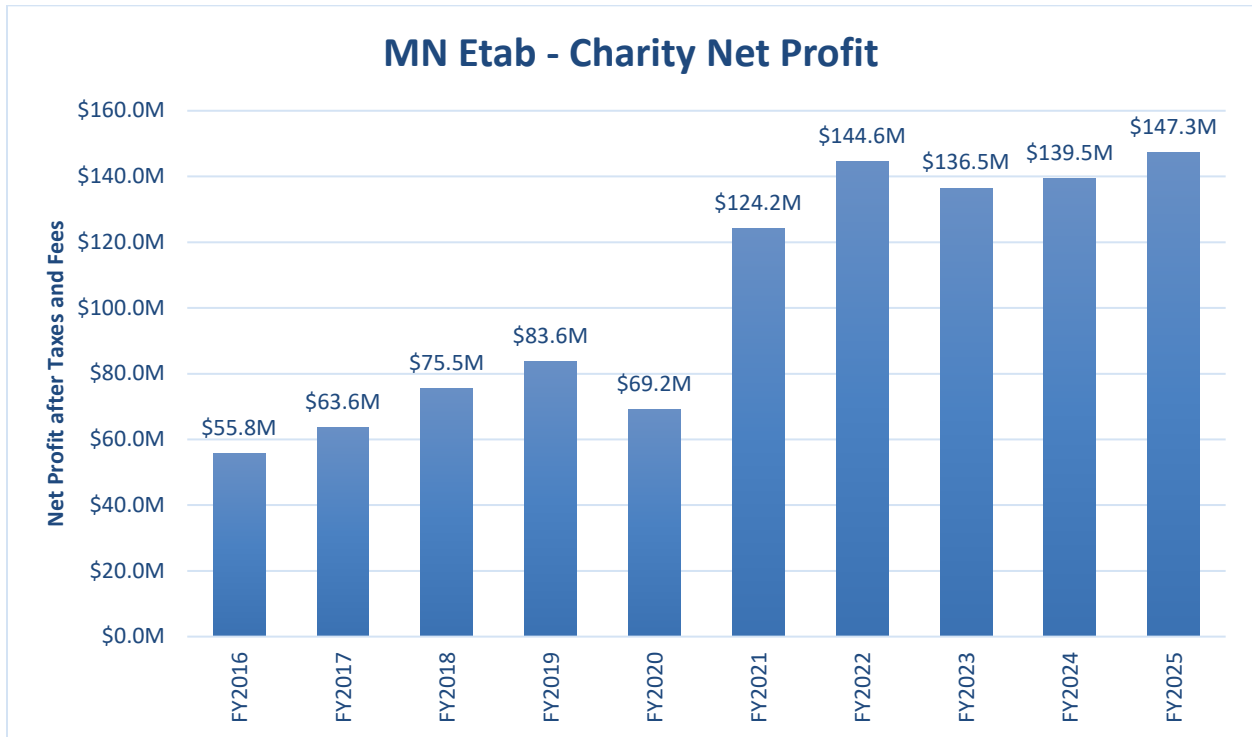
Notes regarding the table above:

- The chart demonstrates that MN charitable gaming Gross Receipts between FY01 and FY2011 were flat or declining prior to Etabs being approved in 2012.
- With the introduction of Etabs in 2012, traditional charity gaming revenues more than doubled from \$1.0B in gross sales in FY2012 to \$2.1B in FY2025. In addition, Etab gross sales grew from \$0 to ~\$2.5B.
- The revenue gains were achieved primarily through existing locations selling more, rather than a large increase in licensed organizations or premises.
 - From FY2012 to FY2025, the quantity of licensed organizations decreased slightly from 1200 to 1153.
 - From FY2012 to FY2025, the quantity of premises increased slightly from 2770 to 3193.

Link to MN 2025 Annual Report: https://mn.gov/gcb/assets/2025%20Annual%20Report%2011-25-25%20meta_tcm1192-713786.pdf

Link to archived MN 2012 Report: <https://www.lrl.mn.gov/docs/2013/other/130692.pdf>

Regarding how these positive Gross Sales trends directly impacted Charities, the following chart documents the Net Profit After Taxes and Fees received by Licensed Minnesota charitable organizations over the most recent 10-year period.



** Note: Figures above are approximate and based on best available information from the MNGCB.*