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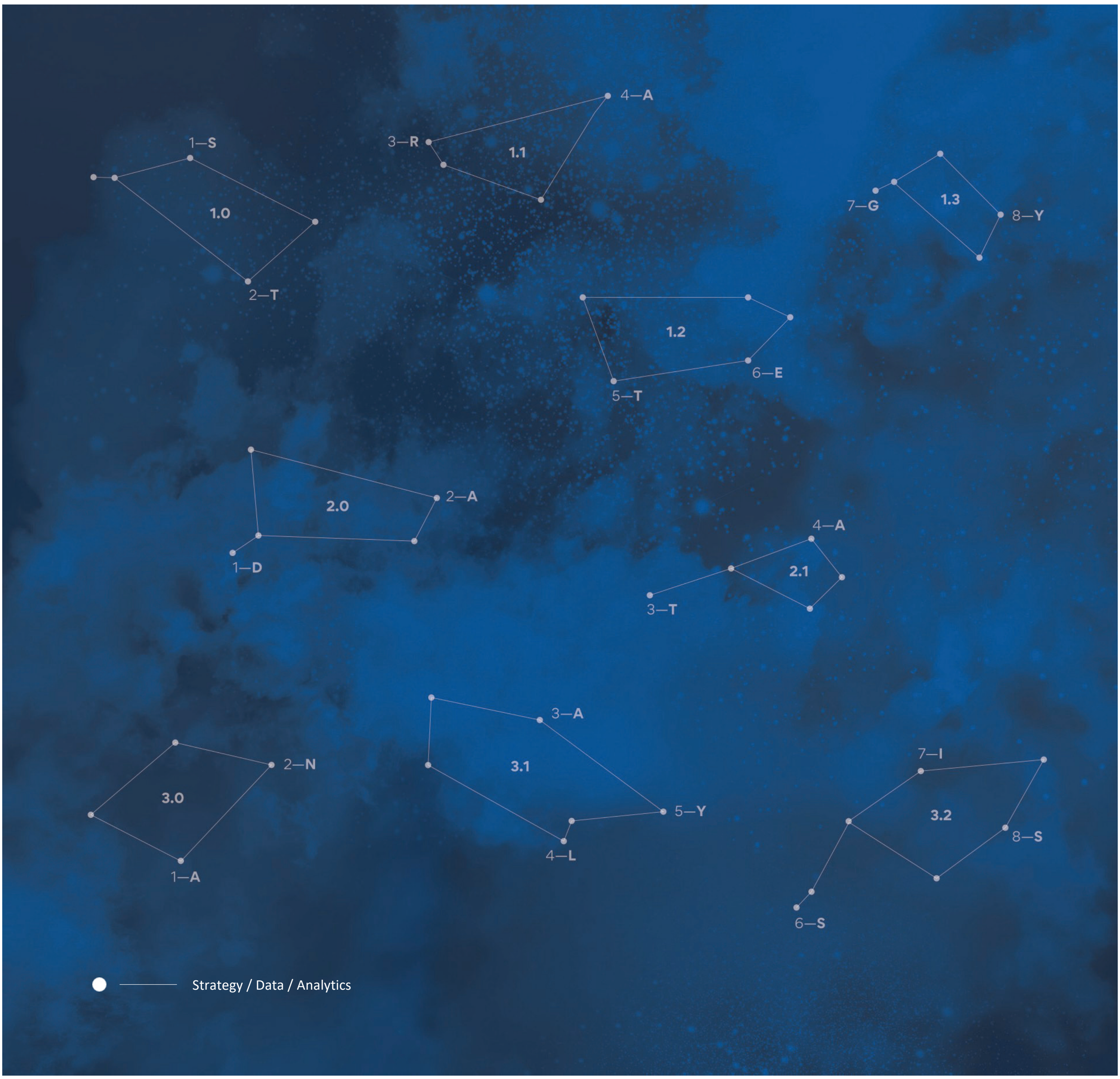
The €10 Billion Opportunity:

the potential benefit for civil society across Europe from charity lottery fundraising

November 2023



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Foreword

The member organisations of the Association of Charity Lotteries in Europe work with charities each and every day, supporting all sizes of organisations and all sorts of charitable causes.

Across Europe approximately €1.5 billion is raised for good causes each year by charity lottery fundraising.

However, this money is raised primarily across only five countries - Germany, the Netherlands, Norway, Sweden, and the United Kingdom.

The reason charity lotteries don't operate in other countries is normally due to legal and regulatory issues at a national level, which fail to provide the framework for this kind of charity fundraising.

The charities supported range from small community groups to large national and even international charities. Charitable causes include animal welfare, arts and heritage, international development, sport and wellbeing, environment and nature conservation, health and care, and support to young people and the elderly, poverty prevention and alleviation, plus many more!

We also know that civil society organisations across Europe are very much in need of funds, and indeed the charity sector as a whole has experienced challenging times. First the covid pandemic and then economic issues around the rising cost of living, have made for a difficult fundraising environment, at the same time as increasing demand for the services charities provide. In addition, charities have responded to international crises such as wars and natural disasters, by providing humanitarian response and supporting refugees.

Government finances are also often under pressure, with a myriad of demands upon them.

ACLEU therefore decided to commission this report from Regulus Partners, who are experts in the areas of gambling and lottery regulation.

We wanted to know what was the scale of the opportunity for civil society if the charity lottery sector was supported to grow in all markets across Europe? What could be the annual income for civil society across the continent from charity lottery fundraising?

Regulus' in-depth study, looking at 30 European countries in turn, and considering models of both Restricted and Less Restricted markets, shows the amazing €10 billion opportunity that exists to generate income for our charity sector. Crucially this isn't a one off €10 billion of charitable contributions – impressive though that would be – but €10 billion each and every year!

Importantly, this is a way to get more funds into the organisations that support our communities at no cost to Government – this is hopefully music to the ears of politicians and policymakers!

I hope all who are interested in civil society, fundraising, and lotteries, find the report of interest. Do engage with ACLEU and our members to find out more and support our work funding civic society.

Malcolm Fleming
President
The Association of Charity Lotteries in Europe
November 2023

The Association of Charity Lotteries in Europe is an international non-profit organization, established in 2007 to promote the charity lottery model and give a voice to charity lotteries and their beneficiaries in debates on charity fundraising.
Find out more at: www.acleu.eu

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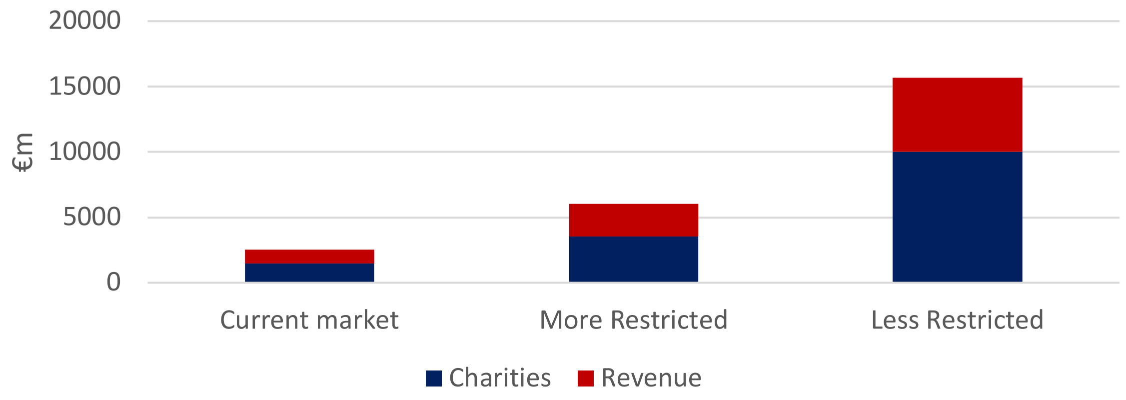
Executive Summary

Regulus Partners has been commissioned by ACLEU to assess the fundraising potential of charity lotteries in Europe. Regulus examined the existing largely restricted charity lottery market in Europe and calculated the latent potential by European country if all countries adopted relatively restricted charity lottery regulations. In this scenario the total annual benefit to Europe's Third Sector would be €3.5bn, or a €2.1bn increase on current charitable contributions. If all European countries adopted less restricted charity lottery regulations found in the Netherlands, then €10bn per year could be raised for charities – an €8.5bn increase on the current charitable contribution.

Revenue and Charitable contributions			
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	2527	6043	15672
Charities	**1478**	**3534**	**10000**
Proportion to Charities	58%	58%	64%



Previous analysis by Regulus Partners has demonstrated that a charity lottery sector can coexist with state lotteries without creating negative competitive dynamics. The significant contribution to Europe's Third Sector that charity lotteries can bring should therefore be seen as incremental social benefits to state lottery activities.

This report explains the charity lottery restrictions that are in place in five existing European charity lottery markets which generate meaningful returns to the Third Sector. It then applies the economic outcome of a similar model to countries that do not currently have a charity lottery sector. The annual revenue and charitable contribution potential of less restrictive regulation is also presented by country.

Charity lotteries across Europe currently contribute 58% of revenue net of prizes to good causes on average, making them a highly efficient way of generating incremental revenue for civil society, comparable to state monopolies. Moreover, if less restricted legislation were adopted, further efficiencies and economies of scale could increase this figure to c. 64% of revenue net of prizes, meaning that civil society directly benefits from nearly two thirds of money not returned to customers as an incentive to play.

We find that if all countries adopted a flexible charity lottery regulatory regime, then c. €10bn per year could be raised for good causes across Europe.

Charity Lotteries and State Lotteries – Our Previous Research

In December 2023 Regulus Partners published our report 'Charity Lotteries and the European Lottery Sector: impact analysis'. The purpose of the analysis was to identify what impact the presence of a national Charity Lottery sector has on the overall lottery market and the state lotteries. Regulus analysed twelve European markets, using data from 2012 – 2019. The twelve markets were chosen on size, the quality and comparability of publicly available data, and to capture a range of regulatory structures regarding charity lotteries.

The draw-based and instant ticket sales performance of twelve European state lottery monopolies were grouped into three categories: those coexisting with a material charity lottery sector; those with a limited charity lottery sector; and those without any national charity lotteries. Our analysis found that there is no material causal link between the presence of charity lotteries and the performance of state lotteries.

We analysed those markets which have material charity lottery sectors more closely (UK, Netherlands, Sweden, Germany). Our analysis found that a material charity lottery sector consistently increases the scale of the overall lottery market in those countries, generating a larger base for contributions for Good Causes. Equally, charity lotteries are typically able to generate materially higher levels of net revenue growth than state lotteries, which expands Good Cause contributions over time and may be a vital cushion in a higher inflation environment.

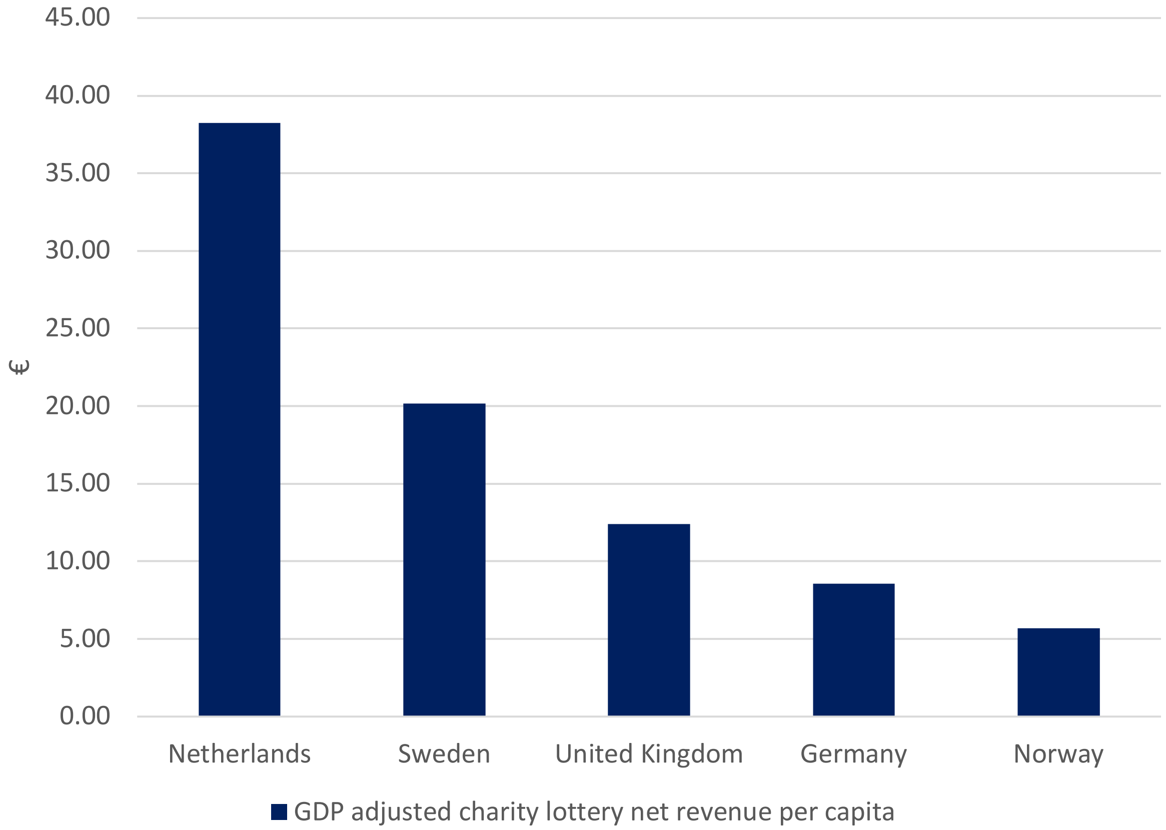
Regulus analysis identified three probable causes of charity lottery outperformance First, the Charity Lottery sector tends to be subscription-based, meaning that it is far less reliant on high street use of cash than State Lotteries. The use of cash has been declining in all markets for the last decade, a decline which has accelerated due to pandemic policy responses. The outperformance of Charity Lotteries vs. the cash-based products of State Lotteries could therefore accelerate. Second, Charity Lotteries tend to be draw-based, which is clearly differentiated from other forms of gambling such as slot machines. Conversely, instant products are more similar to slots, especially their online iterations, meaning that the shift to digital gambling consumption creates much greater pressure for instants products than for draw-based products. Finally, the presence of national Charity Lotteries provides consumers with choice, which is structurally better suited to digital consumption (where consumers can easily shop around) and provides higher levels of innovation and customer engagement.

The full report ***Charity Lotteries and the European Lottery sector: impact analysis*** **is available online:**

https://www.acleu.eu/f/226002/x/0147f3aef2/regulus_partners_charity_lotteries_and_the_european_lottery_sector_impact_analysis.pdf

Charity Lottery restrictions

A charity lottery sector of any scale is always a regulated activity. Most European countries which have meaningful charity lottery sectors use regulation to restrict the scale and scope of charity lotteries. The nature of these regulations therefore has a significant bearing on the size of a charity lottery market, its efficiency, and its capacity to generate returns for good causes. The impact of these restrictions can clearly be seen in per capita revenue.



In the Netherlands there are comparatively few restrictions on how charity lotteries operate, which has created a highly successful and efficient market. The main restriction is the relatively higher contribution to charities that Dutch charity lotteries must pay relative to the lower contribution the state lottery generates.

In Sweden, the main restrictions are:

- Prizes are capped at between 35% and 50% of ticket sales, limiting product flexibility
- Only the state and charitable organizations may obtain a license for a lottery
- Marketing must be moderate

In the UK there are a number of restrictions:

- Payments to charity must be 20% or greater of ticket sales; a rate set on net revenue (after prizes) would allow for greater prize flexibility.
- Maximum ticket sales per individual charity lottery are set at £5m per draw and £50m per annum; which seriously limits the ability for large charities to realise the potential of their underlying appeal to customers.
- Maximum prizes are set at £500,000, which ensures that charity lotteries cannot compete with the multi-million pound prizes available with the National Lottery; but the gap is now very wide and has no flexibility for inflation.

In Germany, the main restrictions are:

- Charity lotteries are subject to a 16.7% lottery tax on stakes as well as the 30% prize requirement.
- Advertising regulations are sometimes unclear and restrict the scope for action; more flexibility with regard to specific advertising measures would have a positive impact on business and funding amounts.

In Norway, the main restrictions are:

- Ticket sales per lottery are limited to €36m per year; which seriously limits the ability for large charities to realise the potential of their underlying appeal to customers.
- Marketing is restricted to a moderate part of revenue net of prizes limiting the charity lottery sector's ability to build awareness and satisfy customer demand

Methodology

In order to calculate the opportunity for charities to benefit from additional resources through charity lotteries for each of the twenty-nine European countries covered below (excluding the Netherlands), Regulus Partners followed a simple methodology.

Restricted charity lottery opportunity

Regulus Partners aggregated the data of five European markets which allow one or more charity lotteries to generate material returns:

- Germany
- Netherlands
- Norway
- Sweden
- United Kingdom

Our previous research report summarised above demonstrated that charity lotteries should be seen as incremental to state lotteries rather than in competition with them. However, we have assumed that many jurisdictions would wish to put in at least some restrictions on the charity lottery product. We have therefore taken the population-weighted per capita average net expenditure for each of these markets as a base for a global 'semi-restricted' expenditure. We then apply a GDP per capita adjustment to reflect that some European markets are materially wealthier than others[1].

To calculate the proportion of net revenue distributed to charities, we use the Postcode Lottery Group's 2022 average return of 58% (€1,460m revenue net of prizes; €854m contribution to charities) as a blended representative sample of several markets. A 58% return net of prizes is 1ppt higher than the current market rate because it assumes several smaller markets gain economies of scale. The Restricted market summary has a 60% total return because this includes the Netherlands 68% return, which increases the average.

Less Restricted charity lottery opportunity

To assess the opportunity for charities when the lottery market is not a monopoly and regulatory restrictions are removed in order to allow for charities lotteries to thrive, we use only the Netherlands for baseline net revenue, adjusting per capita and for GDP in the same manner as Restricted markets. A Less Restricted market also gives much better economies of scale from a marketing and operations management perspective because of the much higher volume of revenue generated, as evidenced by the Netherlands' 68% net revenue contribution to charities.

However, the Netherlands has an anomalous charity lottery which distributes only €0.5m in prizes on €26m in ticket sales. We normalise this anomaly while reflecting increased economies of scale by increasing the potential charitable funds raised from 58% in Restricted markets to 64% in Less Restricted markets. In other words, a large charity lottery sector should be able to return almost two thirds of net revenue to the Third Sector, making it a highly efficient means of generating income to good causes.

[1] NB, we deflate the GDP per capita of Ireland and Luxembourg to European averages to reflect the Intangible Export distortions of those markets.

Country summary

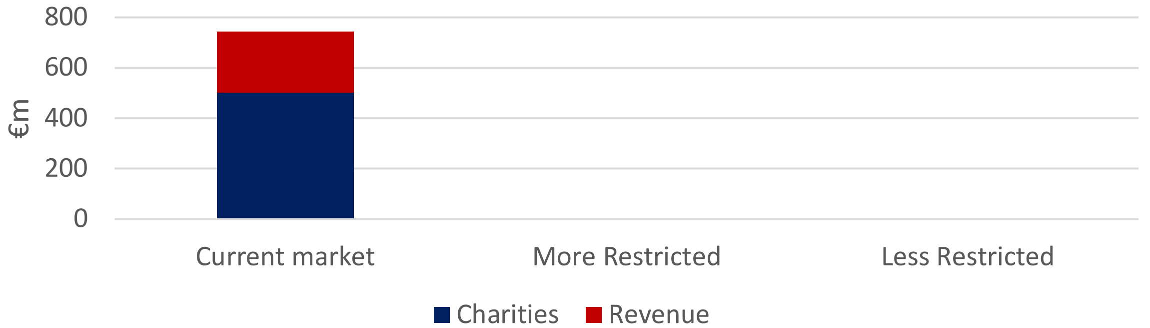
Country summary: revenue net of prizes (GDP adjusted) - €m								
			Current		Restricted		Less Restricted	
Country	pop	GDP factor	Revenue	To Charities	Revenue	To Charities	Revenue	To Charities
Austria	8.9	103%	0	0	125	73	353	225
Belgium	11.7	95%	0	0	151	88	425	271
Bulgaria	6.8	25%	0	0	23	14	65	42
Croatia	4.0	33%	0	0	18	11	51	33
Cyprus	1.3	43%	0	0	7	4	20	13
Czech Republic	10.5	54%	0	0	77	45	218	139
Denmark	5.9	130%	31	15	104	61	293	187
Estonia	1.3	54%	0	0	10	6	27	17
Finland	5.5	103%	0	0	78	45	219	140
France	64.6	87%	0	0	765	447	2158	1377
Germany	83.4	98%	700	300	1109	648	3129	1996
Greece	10.4	41%	0	0	58	34	164	104
Hungary	10.0	38%	0	0	52	30	145	93
Ireland	5.0	90%	0	0	61	36	173	110
Italy	59.0	67%	0	0	536	313	1513	965
Latvia	1.9	42%	0	0	10	6	30	19
Lithuania	2.8	49%	0	0	18	11	51	33
Luxembourg	0.6	106%	0	0	9	5	26	17
Malta	0.5	62%	0	0	4	3	13	8
Netherlands	17.6	111%	745	503	745	503	745	503
Norway	5.4	192%	59	30	141	83	398	254
Poland	39.9	34%	0	0	182	107	514	328
Portugal	10.3	47%	0	0	66	38	185	118
Romania	19.7	31%	0	0	81	48	230	147
Slovakia	5.6	40%	0	0	31	18	87	56
Slovenia	2.1	58%	0	0	17	10	47	30
Spain	47.6	58%	0	0	374	219	1055	673
Sweden	10.5	113%	241	115	241	115	457	291
Switzerland	8.7	170%	1	1	201	117	567	362
UK	67.3	90%	750	469	750	469	2314	1476
Total	**528.8**		**2527**	**1432**	**6043**	**3606**	**15672**	**10028**

Market: **Netherlands**

The Netherlands has a highly successful charity lottery sector, which is generating €745m in revenue net of prizes and €498m of charitable contributions. As the most successful charity lottery market in Europe, the Netherlands provides the basis of Less Restricted market assumptions elsewhere (adjusted for GDP).

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	745		
Charities	**503**		
Proportion to Charities	68%		

Source for current market: https://www.nederlandseloterij.nl/jaarstukken



Source: Regulus Partners

Current market
The Netherlands lottery market comprises the state lottery and charity lotteries. The state lottery generated €372m in lottery revenue in 2022 and €167m in lottery contribution to the state (45%). The four charity lottery providers generated €745m in revenue net of prizes in 2022 and €503m in charitable contributions (68%).

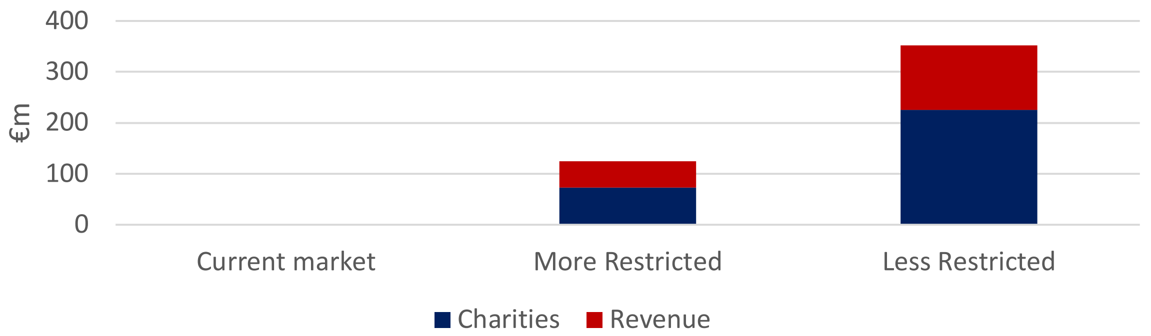
Restricted market
Not applicable

Less Restricted market
The Netherlands already has a Less Restricted market, with the major remaining restriction being the requirement for Dutch charity lottery licensees to contribute a significantly greater proportion of revenue to good causes than the state lottery is required to pay in taxes. This reduces the flexibility and customer appeal of the charity lottery product.

Market: **Austria**

Austria currently has no charity lotteries due to monopoly legislation. This monopoly legislation is denying Austrian charities c. €73m in annual contributions from a restricted charity lottery product and c. €225m from a less restricted regime. Austria's lottery monopoly expires in 2027, giving the Austrian government an opportunity to unlock a significant income stream for charities.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	125	353
Charities	**0**	**73**	**225**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Austria operates a monopoly for lottery and games, currently granted to Österreichische Lotterien, a division of Allywn. There is therefore no pathway to granting charity lottery licenses in Austria. The current monopoly expires in 2027, providing Austria with an opportunity to create a more effective lottery landscape. Österreichische Lotterien generates c. €500m in taxes.

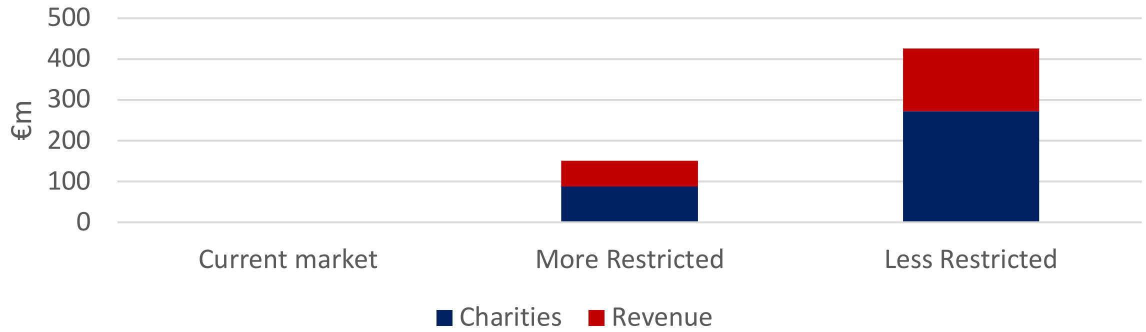
Restricted market
If the Austrian government passed laws that allowed charity lotteries on a restricted basis, then the Austrian charity lottery sector could generate c. €125m in revenue net of prizes, which would provide c. €73m in additional charitable contributions to Austria's Third Sector.

Less Restricted market
If the Austrian government passed laws that allowed charity lotteries on a less restricted basis, then the Austrian charity lottery sector could generate c. €353m in revenue net of prizes, which would provide c. €225m in additional charitable contributions to Austria's Third Sector.

Market: **Belgium**

Belgium currently has no charity lotteries due to monopoly legislation. If Belgium allowed charity lotteries on a restricted basis, it could generate c. €88m in additional charitable contributions each year, while a less restricted model could generate c. €271m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	151	425
Charities	**0**	**88**	**271**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Belgian law recognises that lotteries need to exist for Public Benefit, but currently channel this into the Loterie Nationale monopoly. The Belgian National Lottery is currently a self-regulated monopoly, which generates c. €320m in lottery-specific taxes and good cause contributions.

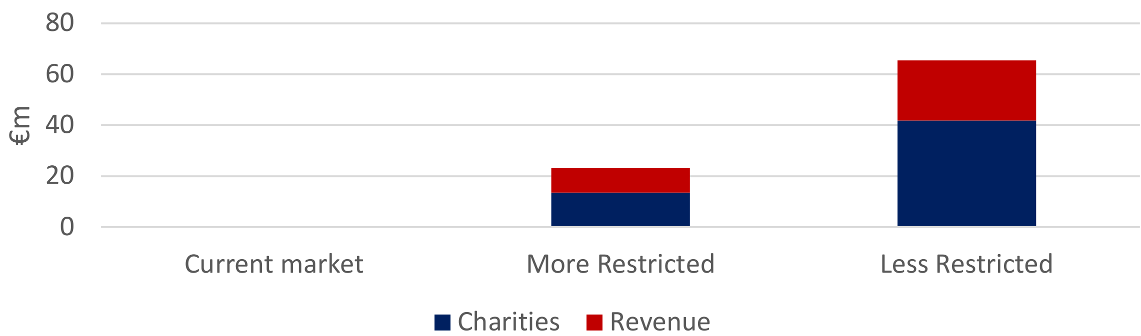
Restricted market
If the Belgian government passed laws that allowed charity lotteries on a restricted basis, then the Belgian charity lottery sector could generate c. €151m in revenue net of prizes, which would provide c. €88m in additional charitable contributions to Belgium's Third Sector.

Less Restricted market
If the Belgian government passed laws that allowed charity lotteries on a less restricted basis, then the Belgian charity lottery sector could generate c. €425m in revenue net of prizes, which would provide c. €271m in additional charitable contributions to Belgium's Third Sector.

Market: **Bulgaria**

Bulgaria currently has no charity lotteries due to monopoly legislation. If Bulgaria allowed charity lotteries on a restricted basis, it could generate c. €14m in additional charitable contributions each year, while a less restricted model could generate c. €42m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	23	65
Charities	**0**	**14**	**42**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
The Bulgarian Sports Totalizor has a monopoly on lottery, but the government has seen weak returns to sports (set at 18% revenue + Corporation Tax). BST generates c. €24m per annum in state taxes. Allowing charity lotteries would materially increase charitable returns and broaden the eligible Good Causes that could benefit.

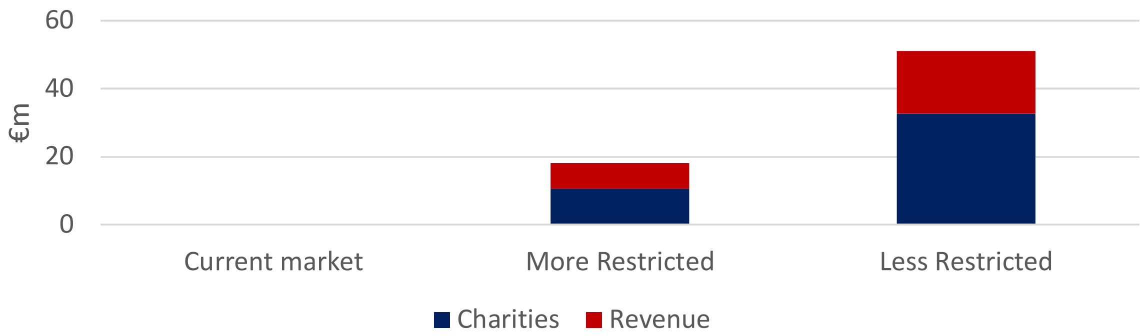
Restricted Market
If the Bulgarian government passed laws that allowed charity lotteries on a restricted basis, then the Bulgarian charity lottery sector could generate c. €23m in revenue net of prizes, which would provide c. €14m in additional charitable contributions to Bulgaria's Third Sector.

Less Restricted market
If the Bulgarian government passed laws that allowed charity lotteries on a less restricted basis, then the Bulgarian charity lottery sector could generate c. €65m in revenue net of prizes, which would provide c. €42m in additional charitable contributions to Bulgaria's Third Sector.

Market: **Croatia**

Croatia currently has no charity lotteries due to monopoly legislation. If Croatia allowed charity lotteries on a restricted basis, it could generate c. €11m in additional charitable contributions each year, while a less restricted model could generate c. €33m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	18	51
Charities	**0**	**11**	**33**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
The Hrvatska Lutrija (HL) is a state-owned monopoly on lottery, which therefore pays all of its net profit to the state. HL's net profits are c. €6m per annum (including betting and gaming). In addition, HL pays an annual fee of c. €11m for running the lottery monopoly, while customers are taxed on winnings. Around 50% of HL's taxes and profit are directed to Good Causes.

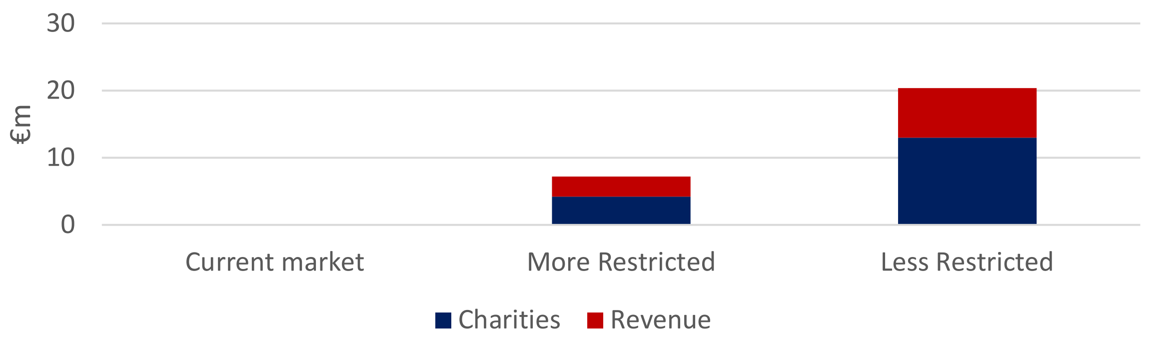
Restricted market
If the Croatian government passed laws that allowed charity lotteries on a restricted basis, then the Croatian charity lottery sector could generate c. €18m in revenue net of prizes, which would provide c. €11m in additional charitable contributions to Croatia's Third Sector.

Less Restricted market
If the Croatian government passed laws that allowed charity lotteries on a less restricted basis, then the Croatian charity lottery sector could generate c. €51m in revenue net of prizes, which would provide c. €33m in additional charitable contributions to Croatia's Third Sector.

Market: **Cyprus**

Cyprus currently has no charity lotteries due to monopoly legislation. If Cyprus allowed charity lotteries on a restricted basis, it could generate c. €4m in additional charitable contributions each year, while a less restricted model could generate c. €13m in additional charitable contributions each year.

Revenue and Charitable contributions			
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	7	20
Charities	**0**	**4**	**13**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Cyprus has the Cyprus Government Lottery, which contributes to sports, culture, education, and other social programmes. The Greek lottery monopoly OPAP is also allowed to sell its products into Cyprus. Cyprus has no Charity Lottery legislation.

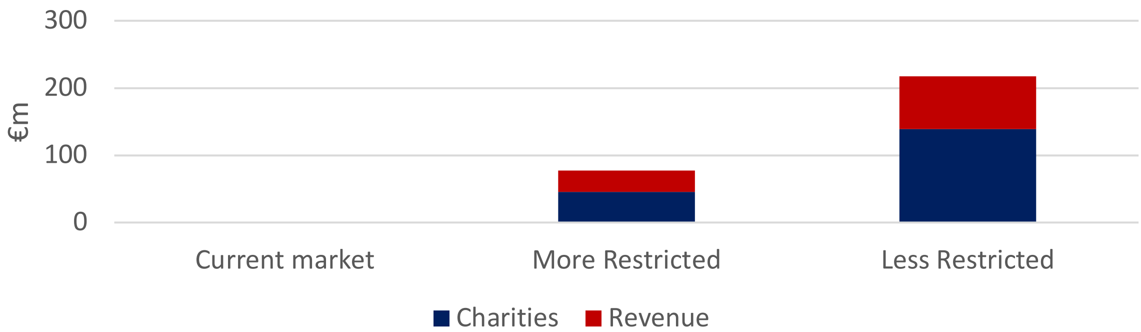
Restricted market
If the Cypriot government passed laws that allowed charity lotteries on a restricted basis, then the Cypriot charity lottery sector could generate c. €7m in revenue net of prizes, which would provide c. €4m in additional charitable contributions to Cyprus's Third Sector.

Less Restricted market
If the Cypriot government passed laws that allowed charity lotteries on a less restricted basis, then the Cypriot charity lottery sector could generate c. €51m in revenue net of prizes, which would provide c. €33m in additional charitable contributions to Cyprus's Third Sector.

Market: **Czechia**

Czechia allows a competitive lottery market, but it has no charity lotteries because charitable contributions cannot be netted off lottery tax. If Czechia allowed charity lotteries on a restricted basis, it could generate c. €45m in additional charitable contributions each year, while a less restricted model could generate c. €139m in additional charitable contributions each year.

Revenue and Charitable contributions			
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	77	218
Charities	**0**	**45**	**139**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Sazka is the dominant lottery in Czechia, although it is not a monopoly. Czechia generates c. €130m annually from a lottery tax set at 35% of revenue. There are no Charity Lotteries active and no specific Charity Lottery legislation (ie, that would replace the general tax rate with a requirement to raise money for charities and good causes).

Restricted market
If the Czech government passed laws that allowed charity lotteries on a restricted basis, then the Czech charity lottery sector could generate c. €77m in revenue net of prizes, which would provide c. €45m in additional charitable contributions to Czechia's Third Sector.

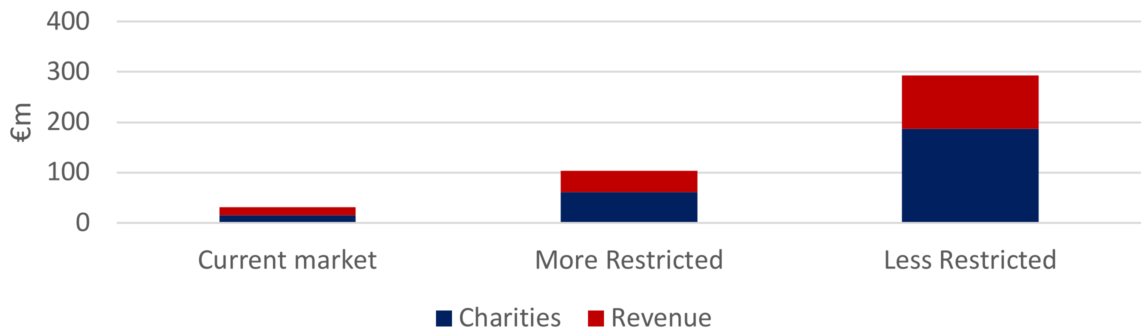
Less Restricted market
If the Czech government passed laws that allowed charity lotteries on a less restricted basis, then the Czech charity lottery sector could generate c. €218m in revenue net of prizes, which would provide c. €139m in additional charitable contributions to Czechia's Third Sector.

Market: **Denmark**

Denmark has a highly restrictive charity lottery sector which severely limits good cause contributions. This framework is denying Danish charities c. €61m in contributions from a semi-restricted charity lottery product and c. €187m from a less restricted regime. Charity lotteries could be a significant incremental addition to Danske Spil's Good Cause contributions.

Revenue and Charitable contributions			
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	31	104	293
Charities	**15**	**61**	**187**
Proportion to Charities	50%	58%	64%

Source for current market: Spillemyndigheden statistics, converted to Euro



Source: Regulus Partners

Current market
Denmark operates a very strict Charity Lotter regime, which means that no recurrent Charity Lottery provider exists and the yield from the existing sector is very small relative to both the Danske Spil monopoly and what Charity Lotteries might yield in a less restrictive environment. Danske Lotteri Spil currently generates c. €250m in profit for the state annually.

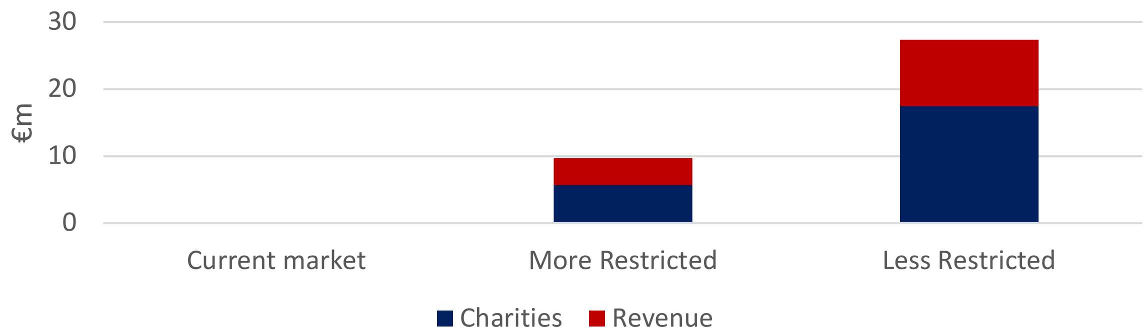
Restricted market
If the Danish government partially de-restricted its charity lottery sector, then the Danish charity lottery sector could generate c. €104m in revenue net of prizes, which would provide c. €61m in additional charitable contributions to Denmark's Third Sector.

Less Restricted market
If the Danish government passed laws that allowed charity lotteries on a materially less restricted basis, then the Danish charity lottery sector could generate c. €293m in revenue net of prizes, which would provide c. €187m in additional charitable contributions to Denmark's Third Sector.

Market: **Estonia**

Estonia currently has no charity lotteries due to the lack of a legislative framework. If Estonia allowed charity lotteries on a restricted basis, it could generate c. €6m in additional charitable contributions each year, while a less restricted model could generate c. €17m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	10	27
Charities	**0**	**6**	**17**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Estonia has a licensing regime for lotteries, but Eesti Loto holds a de-facto monopoly because the licensing rules are so strict. Since there is no ability to generate contributions to charities rather than pay general taxation, there is no Charity Lottery sector. Eesti Loto generates c. €17m annually in profits for the state.

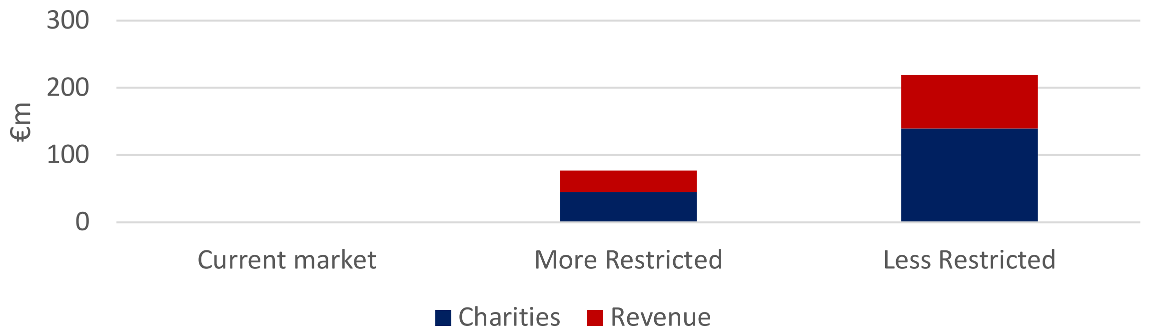
Restricted market
If the Estonian government passed laws that allowed charity lotteries on a restricted basis, then the Estonian charity lottery sector could generate c. €10m in revenue net of prizes, which would provide c. €6m in additional charitable contributions to Estonia's Third Sector.

Less Restricted market
If the Estonian government passed laws that allowed charity lotteries on a less restricted basis, then the Estonian charity lottery sector could generate c. €27m in revenue net of prizes, which would provide c. €17m in additional charitable contributions to Estonia's Third Sector.

Market: **Finland**

Finland's charity lotteries cannot pay out cash prizes due to monopoly legislation. Finland's gambling monopoly is planned to be partially lifted for online gambling. If Finland allowed cash-prize charity lotteries on a restricted basis, it could generate c. €45m in additional charitable contributions each year, while a less restricted model could generate c. €140m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	78	219
Charities	**0**	**45**	**140**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Veikkaus has a monopoly on all gambling activity in Finland, including cash prize lottery. Veikkaus currently generates c. 56% of its revenue from lottery products, suggesting lottery accounts for c. €375m of annual contribution to the Finnish state budget through state ownership. The Finnish government is planning to partially end the monopoly for 2026, which provides an opportunity to review cash prize charity lottery laws.

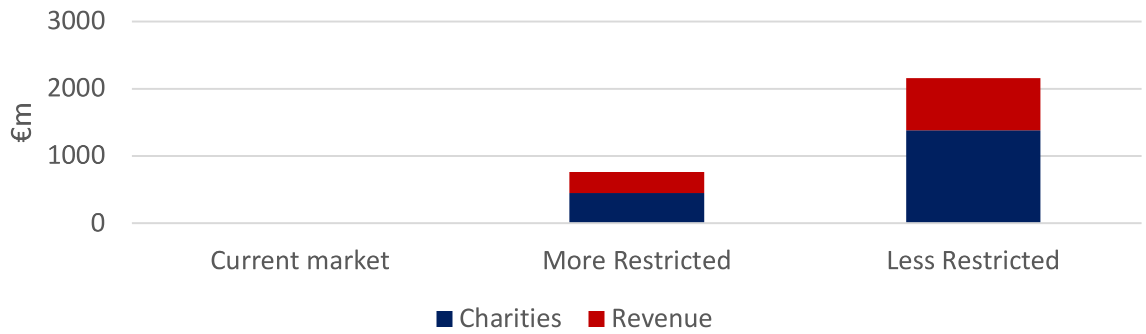
Restricted market
If the Finnish government passed laws that allowed charity lotteries on a restricted basis, then the Finnish charity lottery sector could generate c. €78m in revenue net of prizes, which would provide c. €45m in additional charitable contributions to Finland's Third Sector.

Less Restricted market
If the Finnish government passed laws that allowed charity lotteries on a less restricted basis, then the Finnish charity lottery sector could generate c. €219m in revenue net of prizes, which would provide c. €140m in additional charitable contributions to Finland's Third Sector.

Market: **France**

France currently has no charity lotteries due to monopoly legislation. If France allowed charity lotteries on a restricted basis, it could generate c. €447m in additional charitable contributions each year, while a less restricted model could generate c. €1.4bn in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	765	2158
Charities	**0**	**447**	**1377**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
FDJ has a monopoly on all lottery activity in France. The semi-privatised FDJ currently generates c. €3.6bn in taxes per annum from lottery products, while the charity for wounded soldiers remains a 10% shareholder, benefiting from dividends. The French State also retains a 20% stake.

Restricted market
If the French government passed laws that allowed charity lotteries on a restricted basis, then the French charity lottery sector could generate c. €765m in revenue net of prizes, which would provide c. €447m in additional charitable contributions to France's Third Sector.

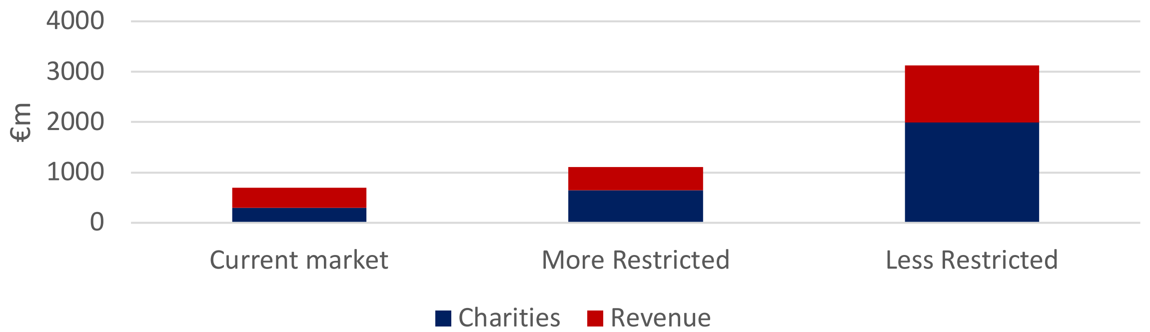
Less Restricted market
If the French government passed laws that allowed charity lotteries on a less restricted basis, then the French charity lottery sector could generate c. €2.2bn in revenue net of prizes, which would provide c. €1.4bn in additional charitable contributions to France's Third Sector.

Market: **Germany**

Germany currently has a restricted Charity Lottery sector that nevertheless raises c. €300m for Charities annually. A less restricted approach to Charity Lotteries could double this figure to c. €639bn, while a liberal approach could raise €2bn for the Common Good: a transformative sum for Germany's Third Sector.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	700	1109	3129
Charities (+ current tax)	**300**	**648**	**1996**
Proportion to Charities	43%	58%	64%

Source for current market: GGL statistics



Source: Regulus Partners

Current market
Germany allows its individual states to licence charity lotteries, which operate alongside state lottery monopolies and Class Lotteries. However, restrictions to how in-state charity lotteries can operate keep them relatively small. In 2022, the German State Lotteries distributed c. €3.2bn in taxes and good causes for the Common Good, with €1.5bn in taxes and €1.7bn to Good Causes. In addition, charity lotteries currently raise c. €300m in taxes and good causes.

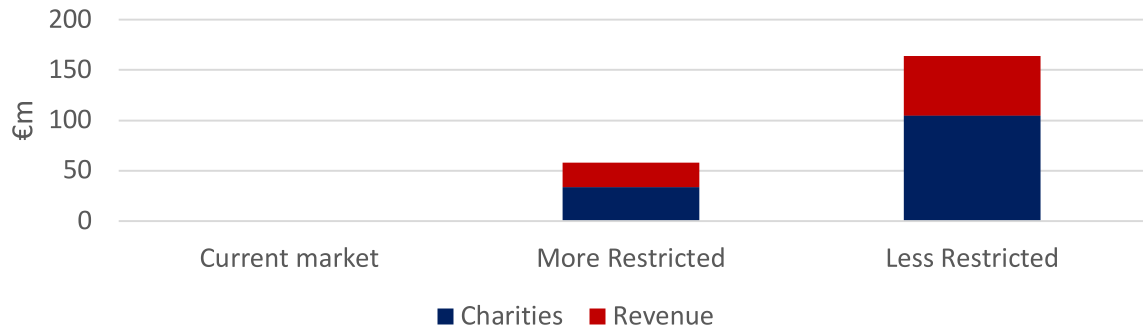
Restricted market
If the German state governments passed laws that allowed charity lotteries on a semi-restricted basis, then the German charity lottery sector could generate c. €1.1bn in revenue net of prizes, which would provide c. €648m in additional charitable contributions to Germany's Third Sector.

Less Restricted market
If the German state governments passed laws that allowed charity lotteries on a significantly less restricted basis, then the German charity lottery sector could generate c. €3.1bn in revenue net of prizes, which would provide c. €2.0bn in additional charitable contributions to Germany's Third Sector.

Market: **Greece**

Greece currently has no charity lotteries due to monopoly legislation. If Greece allowed charity lotteries on a restricted basis, it could generate c. €34m in additional charitable contributions each year, while a less restricted model could generate c. €104m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	58	164
Charities	**0**	**34**	**104**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
OPAP has a monopoly on all lottery activity in Greece. The privatised OPAP paid €375m for its monopoly status to 2030 (including retail betting but excluding €560m for VLTs) and continues to pay a 30% tax on revenues. The ongoing annual tax yield from OPAP's lottery activities is c. €200m.

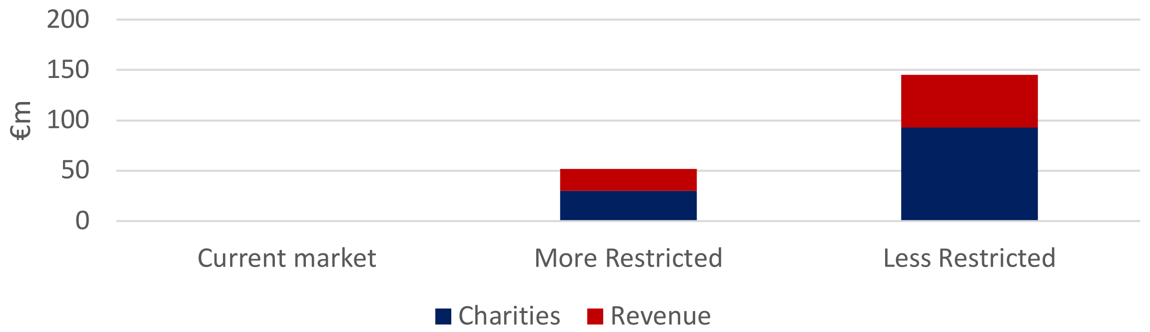
Restricted market
If the Greek government passed laws that allowed charity lotteries on a restricted basis, then the Greek charity lottery sector could generate c. €58m in revenue net of prizes, which would provide c. €34m in additional charitable contributions to Greece's Third Sector.

Less Restricted market
If the Greek government passed laws that allowed charity lotteries on a less restricted basis, then the Greek charity lottery sector could generate c. €164m in revenue net of prizes, which would provide c. €104m in additional charitable contributions to Greece's Third Sector.

Market: **Hungary**

Hungary currently has no charity lotteries due to monopoly legislation. If Hungary allowed charity lotteries on a restricted basis, it could generate c. €30m in additional charitable contributions each year, while a less restricted model could generate c. €93m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	52	145
Charities	**0**	**30**	**93**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Szerencsejáték Zrt has a monopoly on all lottery activity in Hungary. Szrt generates c. 48% of its net revenue after prizes from lottery products, implying c. €130m of contributions and c. €35m of annual net profit to the state is from lottery activities. The Hungarian government is now licensing betting, historically an Szrt monopoly; charity lotteries would be a logical next step.

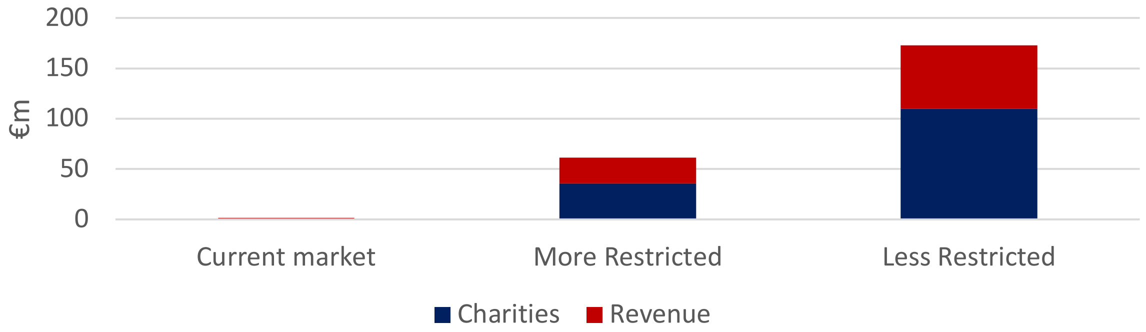
Restricted market
If the Hungarian government passed laws that allowed charity lotteries on a restricted basis, then the Hungarian charity lottery sector could generate c. €52m in revenue net of prizes, which would provide c. €30m in additional charitable contributions to Hungary's Third Sector.

Less Restricted market
If the Hungarian government passed laws that allowed charity lotteries on a less restricted basis, then the Hungarian charity lottery sector could generate c. €145m in revenue net of prizes, which would provide c. €93m in additional charitable contributions to Hungary's Third Sector.

Market: **Ireland**

Ireland currently has no material charity lottery sector. If Ireland reformed its charity lottery law on a relatively restricted basis, it could generate c. €36m in additional charitable contributions each year, while a less restricted model could generate c. €110m in additional charitable contributions each year. Ireland is currently putting broader gambling legislation in place.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	1	61	173
Charities	**1**	**36**	**110**
Proportion to Charities	50%	58%	64%



Source: Regulus Partners

Current market
Ireland has a highly restricted charity lottery market which means a negligible contribution in practice, despite a Charity Lottery tradition. The Irish National Lottery distributed €304 to Good Causes in 2021. Ireland's overhaul of its gambling laws and the introduction of a regulator provides an opportunity to revisit the benefits a charity lottery sector can bring.

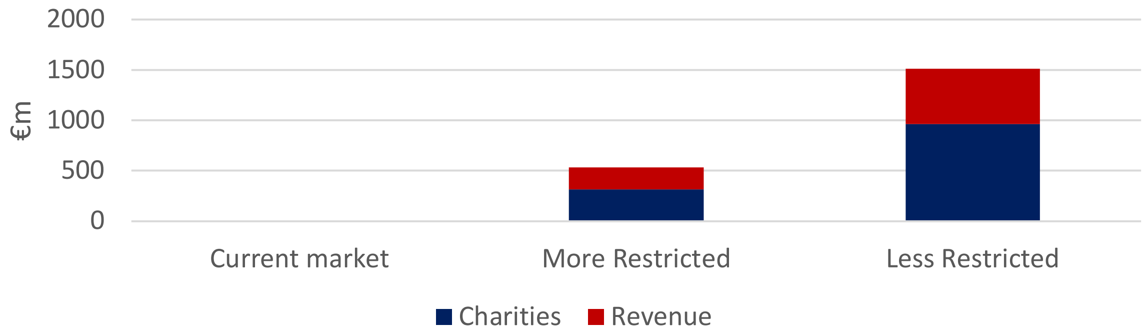
Restricted market
If the Irish government passed laws that allowed charity lotteries on a relatively restricted basis, then the Irish charity lottery sector could generate c. €61m in revenue net of prizes, which would provide c. €36m in additional charitable contributions to Ireland's Third Sector.

Less Restricted market
If the Irish government passed laws that allowed charity lotteries on a less restricted basis, then the Irish charity lottery sector could generate c. €173m in revenue net of prizes, which would provide c. €110m in additional charitable contributions to Ireland's Third Sector.

Market: **Italy**

Italy currently has no charity lotteries due to the lack of a legislative framework, although Italy's lottery sector is competitive. If Italy allowed charity lotteries on a restricted basis, it could generate c. €313m in additional charitable contributions each year, while a less restricted model could generate c. €965m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	536	1513
Charities	**0**	**313**	**965**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Italy allows a large number of lottery games under a licensing concession format grouped into two main providers, Sisal and IGT. Lottery and numbers games currently generate c. €4bn in taxes per annum. There is no legislative framework for Charity Lotteries, but Italy's gambling laws are now being overhauled, creating a legislative window to recognise the sector.

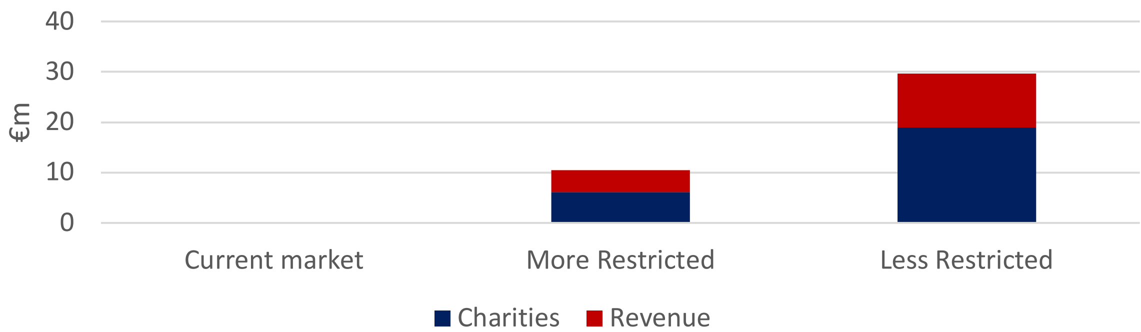
Restricted market
If the Italian government passed laws that allowed charity lotteries on a restricted basis, then the Italian charity lottery sector could generate c. €536m in revenue net of prizes, which would provide c. €313m in additional charitable contributions to Italy's Third Sector.

Less Restricted market
If the Italian government passed laws that allowed charity lotteries on a less restricted basis, then the Italian charity lottery sector could generate c. €1.5bn in revenue net of prizes, which would provide c. €965m in additional charitable contributions to Italy's Third Sector.

Market: **Latvia**

Latvia currently has no charity lotteries due to monopoly legislation. If Latvia allowed charity lotteries on a restricted basis, it could generate c. €6m in additional charitable contributions each year, while a less restricted model could generate c. €19m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	10	30
Charities	**0**	**6**	**19**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
State-owned Latvijas Loto is the only licensed lottery provider in Latvia, giving it a monopoly. The lottery paid €4.3m in Lottery Tax in 2022 and generated €15.3m in Profit Before Taxes, generating a total of €20m for the state.

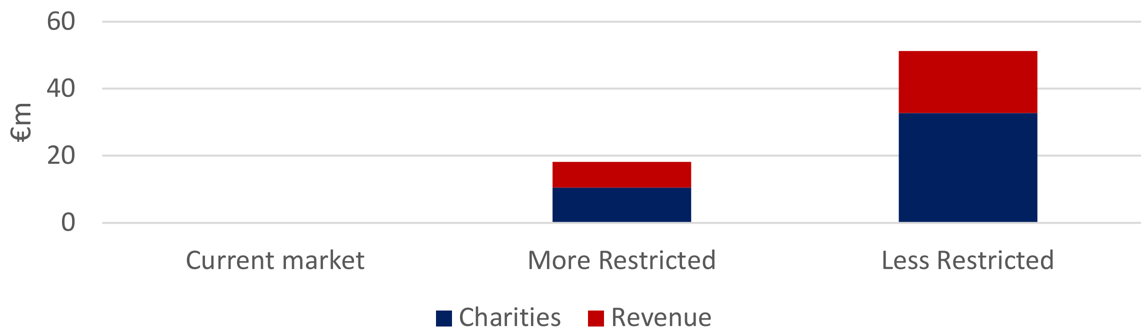
Restricted market
If the Latvian government passed laws that allowed charity lotteries on a restricted basis, then the Latvian charity lottery sector could generate c. €10m in revenue net of prizes, which would provide c. €6m in additional charitable contributions to Latvia's Third Sector.

Less Restricted market
If the Latvian government passed laws that allowed charity lotteries on a less restricted basis, then the Latvian charity lottery sector could generate c. €30m in revenue net of prizes, which would provide c. €19m in additional charitable contributions to Latvia's Third Sector.

Market: **Lithuania**

Lithuania currently has no charity lotteries due to the absence of specific legislation, despite a competitive lottery market. If Lithuania allowed charity lotteries on a restricted basis, it could generate c. €11m in additional charitable contributions each year, while a less restricted model could generate c. €33m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	18	51
Charities	**0**	**11**	**33**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Lithuania allows a competitive lottery market under a licensing regime. Lithuania's lotteries generated c. €18m in taxes in 2022. Currently, 5% of lottery gross ticket sales go to the state budget and 8% goes to Good Causes. Legislation therefore allows multiple lotteries, but no specific charity lotteries.

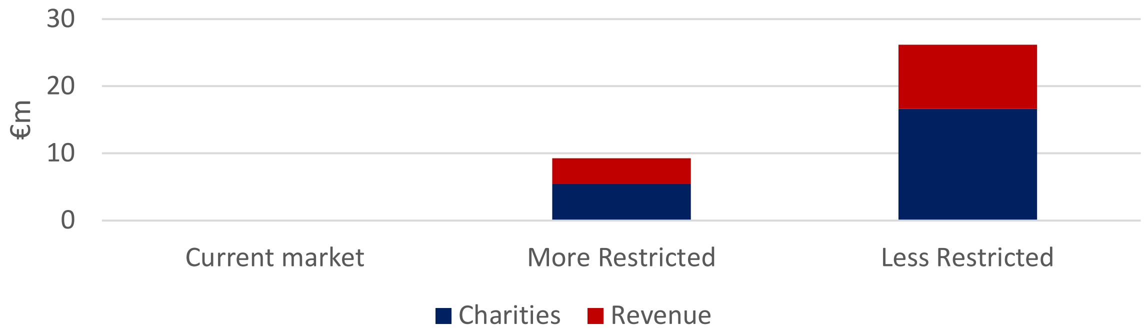
Restricted market
If the Lithuanian government passed laws that allowed charity lotteries on a restricted basis, then the Lithuanian charity lottery sector could generate c. €18m in revenue net of prizes, which would provide c. €11m in additional charitable contributions to Lithuania's Third Sector.

Less Restricted market
If the Lithuanian government passed laws that allowed charity lotteries on a less restricted basis, then the Lithuanian charity lottery sector could generate c. €51m in revenue net of prizes, which would provide c. €33m in additional charitable contributions to Lithuania's Third Sector.

Market: **Luxembourg**

Luxembourg currently has no charity lotteries due to monopoly legislation. If Luxembourg allowed charity lotteries on a restricted basis, it could generate c. €5m in additional charitable contributions each year, while a less restricted model could generate c. €17m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	9	26
Charities	**0**	**5**	**17**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Luxembourg's Loterie Nationale is state owned and distributes profits to a culture-oriented Luxembourg charity, Oeuvre. In 2022, the Loterie Nationale generated a net profit of €29m. There is no Charity Lottery sector in Luxembourg.

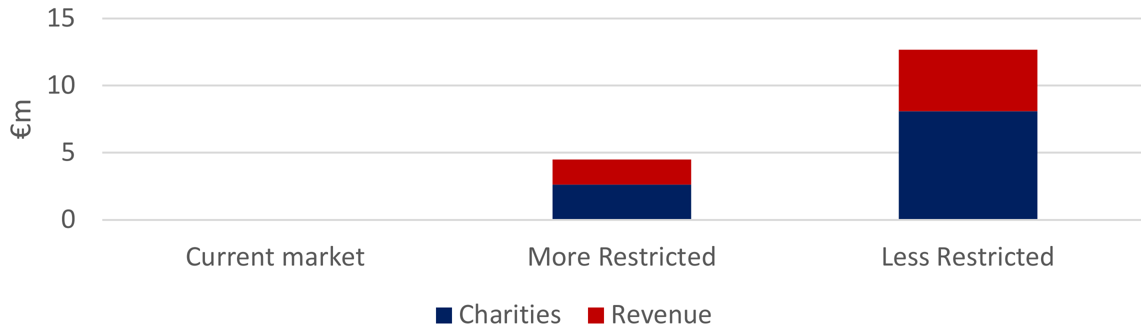
Restricted market
If the Luxembourg government passed laws that allowed charity lotteries on a restricted basis, then the Luxembourg charity lottery sector could generate c. €9m in revenue net of prizes, which would provide c. €5m in additional charitable contributions to Luxembourg's Third Sector.

Less Restricted market
If the Luxembourg government passed laws that allowed charity lotteries on a less restricted basis, then the Luxembourg charity lottery sector could generate c. €26m in revenue net of prizes, which would provide c. €17m in additional charitable contributions to Luxembourg's Third Sector.

Market: **Malta**

Malta does not have a licensed Charity Lottery sector despite having a generally flexible and permissive licensing regime. If Malta allowed charity lotteries on a restricted basis, it could generate c. €3m in additional charitable contributions each year, while a less restricted model could generate c. €8m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	4	13
Charities	**0**	**3**	**8**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Malta' s National Lottery licence was granted in 2021 for a ten-year period starting in 2022. National Lottery PLC is owned by IZI Group, which also owns a casino on Malta and a betting business. Malta has flexible and permissive gaming laws that already allow non-profit charities which must pay 25% of prizes as taxes; adding Charity Lotteries would be incremental.

Restricted market
If the Maltese government passed laws that allowed charity lotteries on a restricted basis, then the Maltese charity lottery sector could generate c. €4m in revenue net of prizes, which would provide c. €3m in additional charitable contributions to Malta's Third Sector.

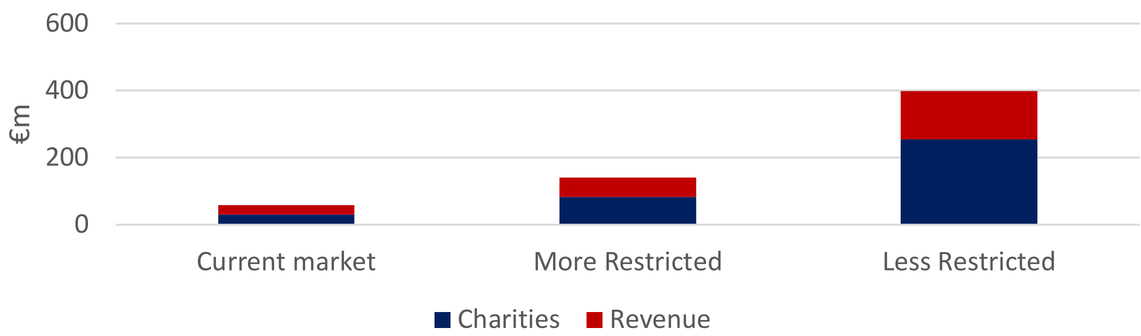
Less Restricted market
If the Maltese government passed laws that allowed charity lotteries on a less restricted basis, then the Maltese charity lottery sector could generate c. €13m in revenue net of prizes, which would provide c. €8m in additional charitable contributions to Malta's Third Sector.

Market: **Norway**

Norway has a highly restrictive Charity Lottery which severely limits good cause contributions. If Norway partially de-restricted its charity lottery sector, it could generate c. €83m in additional charitable contributions each year, while a materially less restricted model could generate c. €254m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	59	141	398
Charities	**30**	**83**	**254**
Proportion to Charities	50%	58%	64%

Source for current market: Lottstift statistics, converted to Euro



Source: Regulus Partners

Current market
Norway currently operates a highly restricted Charity Lottery market, largely due to a €36m ticket sales cap per charity licence. Norsk Tipping, the lottery monopoly, generated €550m in profits in 2021, of which 69% (€380m) can be attributed to lotteries.

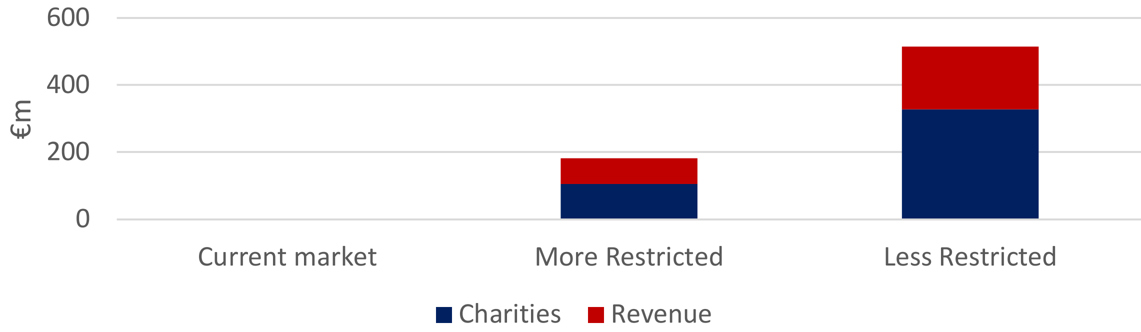
Restricted market
If the Norwegian government partially lifted charity lottery restrictions, then the Norwegian charity lottery sector could generate c. €141m in revenue net of prizes, which would provide c. €83m in additional charitable contributions to Norway's Third Sector.

Less Restricted market
If the Norwegian government passed laws that allowed charity lotteries on a less restricted basis, then the Norwegian charity lottery sector could generate c. €398m in revenue net of prizes, which would provide c. €254m in additional charitable contributions to Norway's Third Sector.

Market: **Poland**

Poland currently has no charity lotteries due to monopoly legislation. If Poland allowed charity lotteries on a restricted basis, it could generate c. €107m in additional charitable contributions each year, while a less restricted model could generate c. €328m in additional charitable contributions each year.

Revenue and Charitable contributions			
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	182	514
Charities	**0**	**107**	**328**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Lottery in Poland is subject to a monopoly run by the state-owned Totalizator Sportowy, which also has a monopoly on horseracing, gaming machines and online gaming. Totalizator Sportowy's taxes and state profit amounted to c. €400m in 2021 (a strong revenue year despite the pandemic), with c. 76% (€300m) attributed to lottery on a pro-rate net revenue basis.

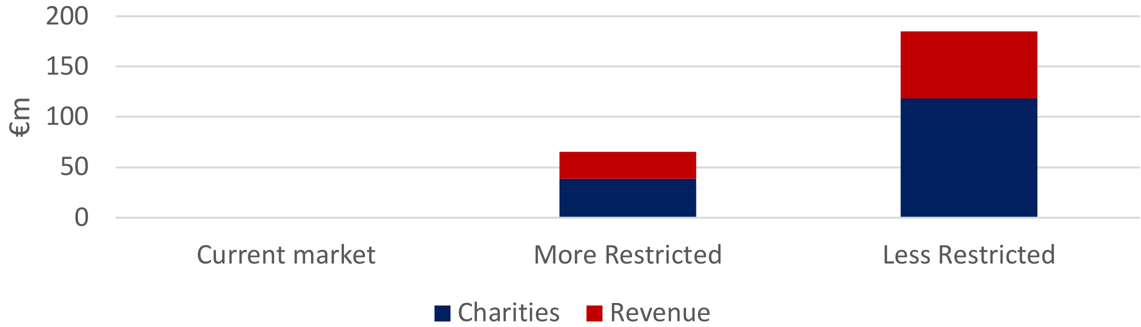
Restricted market
If the Polish government passed laws that allowed charity lotteries on a restricted basis, then the Polish charity lottery sector could generate c. €182m in revenue net of prizes, which would provide c. €107m in additional charitable contributions to Poland's Third Sector.

Less Restricted market
If the Polish government passed laws that allowed charity lotteries on a less restricted basis, then the Polish charity lottery sector could generate c. €514m in revenue net of prizes, which would provide c. €328m in additional charitable contributions to Poland's Third Sector.

Market: **Portugal**

Portugal has given monopoly status to one lottery. Notwithstanding Santa Casa's high level of efficiency in distributing funds to good causes, a dynamic and choice-driven charity lottery sector could still generate an additional c. €38m for good causes on a restricted basis and c. €118m with liberalised regulations, forming an important charitable addition.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	66	185
Charities	**0**	**38**	**118**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Santa Casa operates as a monopoly in Portugal, thereby removing consumer choice and good cause flexibility. Santa Casa generated Stamp Duty of €145m before pandemic disruption and profits to be distributed to good causes of €764m, totalling €909m.

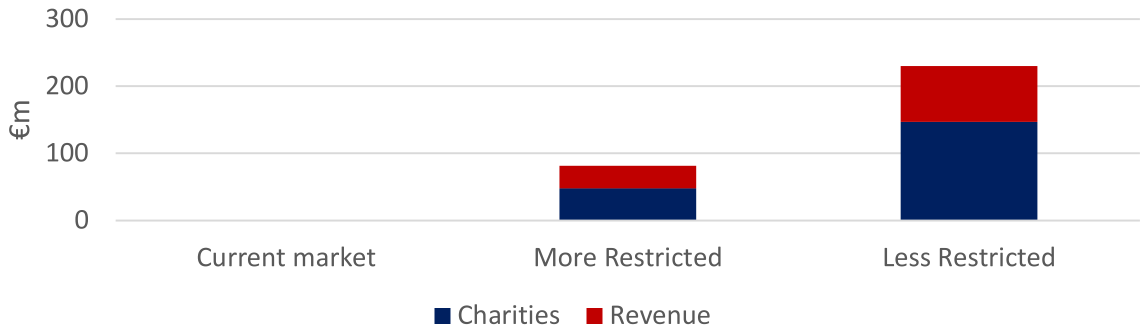
Restricted market
If the Portuguese government passed laws that allowed charity lotteries on a restricted basis, then the Portuguese charity lottery sector could generate c. €66m in revenue net of prizes, which would provide c. €38m in additional charitable contributions to Portugal's Third Sector.

Less Restricted market
If the Portuguese government passed laws that allowed charity lotteries on a less restricted basis, then the Portuguese charity lottery sector could generate c. €185m in revenue net of prizes, which would provide c. €118m in additional charitable contributions to Portugal’s Third Sector.

Market: **Romania**

Romania currently has no charity lotteries due to monopoly legislation. If Romania allowed charity lotteries on a restricted basis, it could generate c. €48m in additional charitable contributions each year, while a less restricted model could generate c. €147m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	81	230
Charities	**0**	**48**	**147**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Lottery in Romania is subject to a monopoly run by the state-owned Loteria Romana. In 2019, taxes and profits from Loteria Romana (including from video lottery terminals) were c. €40m, or c. 43% of net revenue. Romania has a very liberal gambling market which is c. 5x the size of the lottery sector.

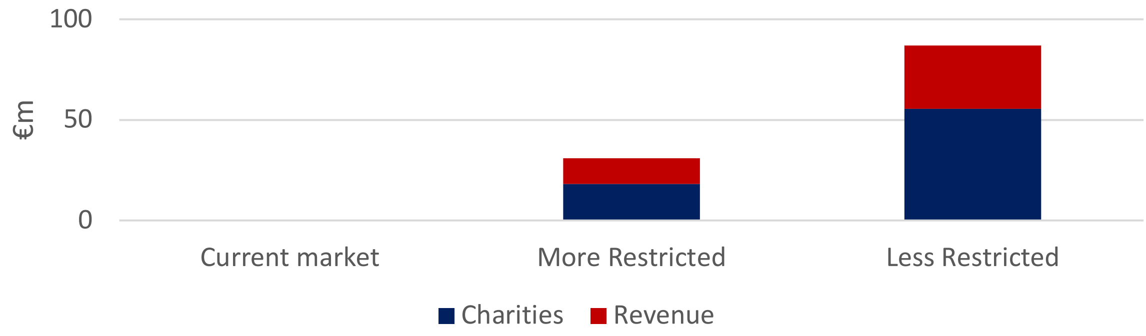
Restricted market
If the Romanian government passed laws that allowed charity lotteries on a restricted basis, then the Romanian charity lottery sector could generate c. €81m in revenue net of prizes, which would provide c. €48m in additional charitable contributions to Romania's Third Sector.

Less Restricted market
If the Romanian government passed laws that allowed charity lotteries on a less restricted basis, then the Romanian charity lottery sector could generate c. €230m in revenue net of prizes, which would provide c. €147m in additional charitable contributions to Romania's Third Sector.

Market: **Slovakia**

Slovakia currently has no charity lotteries due to monopoly legislation. If Slovakia allowed charity lotteries on a restricted basis, it could generate c. €18m in additional charitable contributions each year, while a less restricted model could generate c. €56m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	31	87
Charities	**0**	**18**	**56**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Although the state monopoly Tipos lost exclusive rights to operating all games of chance in 2019, it remains the monopoly lottery operator in Slovakia. In 2019, Tipos paid €44m in lottery duties for both draw-based and instants games but excluding duties relating to betting and gaming. The domestic licensing of online gaming does not include any provision for charity lotteries.

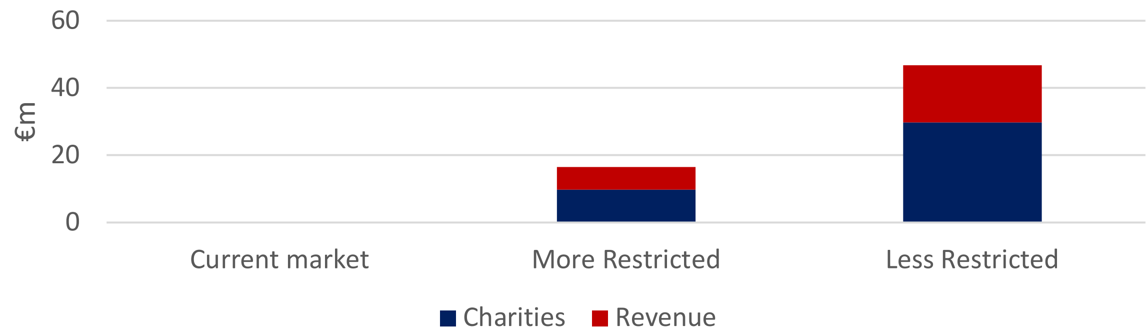
Restricted market
If the Slovakian government passed laws that allowed charity lotteries on a restricted basis, then the Slovakian charity lottery sector could generate c. €31m in revenue net of prizes, which would provide c. €18m in additional charitable contributions to Slovakia's Third Sector.

Less Restricted market
If the Slovakian government passed laws that allowed charity lotteries on a less restricted basis, then the Slovakian charity lottery sector could generate c. €87m in revenue net of prizes, which would provide c. €56m in additional charitable contributions to Slovakia's Third Sector.

Market: **Slovenia**

Slovenia currently has no charity lotteries due to monopoly legislation. If Slovenia allowed charity lotteries on a restricted basis, it could generate c. €10m in additional charitable contributions each year, while a less restricted model could generate c. €30m in additional charitable contributions each year.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	17	47
Charities	**0**	**10**	**30**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Slovenia has a state monopoly for betting and lotteries, Sportna Loterija. In 2021, Sportna Loterija paid €10m in lottery tax and generated €3.3m in distributable profit, c. 50% of which can be attributed to lottery. While Charity Lotteries are allowed, they are not a material market since each recognised Slovenian charity is only allowed a single draw per year.

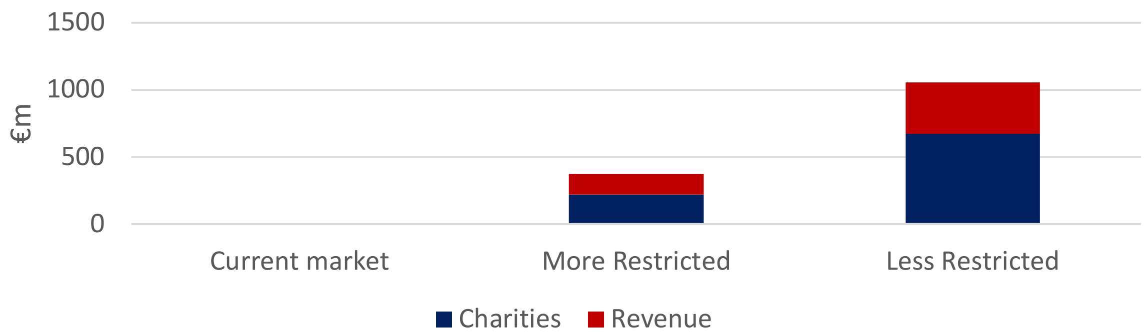
Restricted market
If the Slovenian government passed laws that allowed charity lotteries on a restricted basis, then the Slovenian charity lottery sector could generate c. €17m in revenue net of prizes, which would provide c. €10m in additional charitable contributions to Slovenia's Third Sector.

Less Restricted market
If the Slovenian government passed laws that allowed charity lotteries on a less restricted basis, then the Slovenian charity lottery sector could generate c. €47m in revenue net of prizes, which would provide c. €30m in additional charitable contributions to Slovenia's Third Sector.

Market: **Spain**

Spain has a large and semi-competitive lottery market. Notwithstanding the market's high level of efficiency in generating taxes, a more dynamic and choice-driven charity lottery sector could generate an additional c. €219m for good causes on a restricted basis and c. €673m with liberalised regulations, forming an important addition nationally and regionally.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	0	374	1055
Charities	**0**	**219**	**673**
Proportion to Charities		58%	64%



Source: Regulus Partners

Current market
Spain has four main lottery groups: SELAE, the National Lottery (€3.5bn revenue in 2022); ONCE, a national charity lottery for the blind (€1.5bn); a much smaller charity lottery for the Spanish Red Cross (€30m); and the small lotteries of the autonomous regions (€22m). Between them these lotteries generate c. €3.5bn per annum in taxes/state profit and c. €80m to Good Causes.

Restricted market
If the Spanish government passed laws that allowed charity lotteries on a restricted basis, then the Spanish charity lottery sector could generate c. €374m in revenue net of prizes, which would provide c. €219m in additional charitable contributions to Spain's Third Sector.

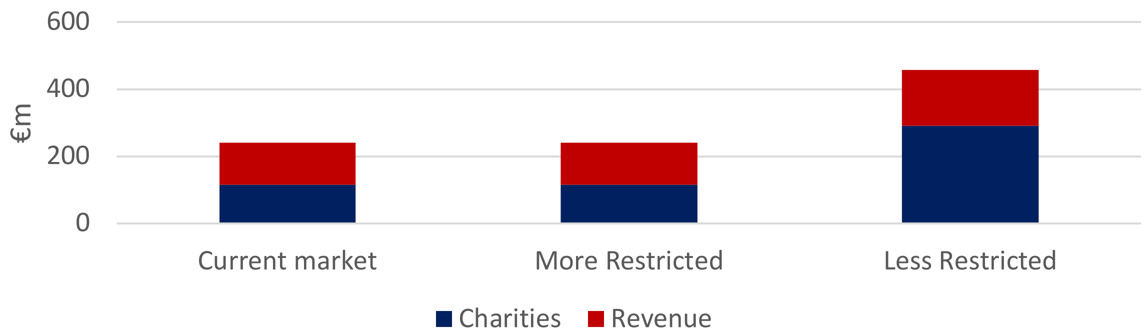
Less Restricted market
If the Spanish government passed laws that allowed charity lotteries on a less restricted basis, then the Spanish charity lottery sector could generate c. €1.1bn in revenue net of prizes, which would provide c. €673m in additional charitable contributions to Spain's Third Sector.

Market: **Sweden**

Sweden's charity lottery sector is already delivering roughly the same level of social contribution to the lottery products of Svenska Spel at c.€115m per year. If Sweden's charity lottery laws were made less restrictive, this could increase to nearly €300m of charity contribution.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	241	241	457
Charities	**115**	**115**	**291**
Proportion to Charities	48%	48%	64%

Source for current market: Spelinspektionen statistics, converted to Euro



Source: Regulus Partners

Current market
Sweden's charity lottery sector generates €241m in net revenue and €115m of charity contributions. In 2022, Svenska Spel generated €170m in net profit, 63% (€106m) of which could be attributable to lottery. Sweden's semi-restricted Charity Lotteries are therefore already generating as much in Good Cause and tax contributions as the state monopoly.

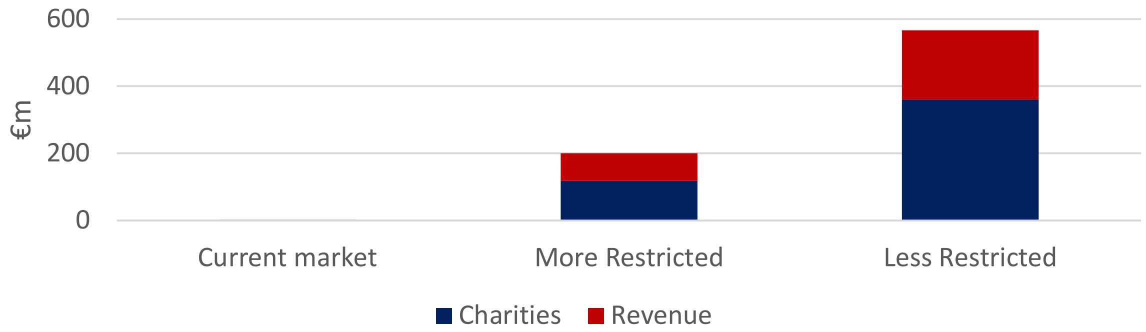
Restricted market
A semi-restricted market is the Swedish status-quo.

Less Restricted market
If the Swedish government passed laws that allowed charity lotteries on a less restricted basis, especially in terms of increasing payout flexibility to enhance competitiveness, then the Swedish charity lottery sector could generate c. €457bn in revenue net of prizes, which would provide c. €291m in additional charitable contributions to Sweden's Third Sector.

Market: **Switzerland**

Switzerland has a semi-regionalised lottery market with very limited charity lottery provisions. Reducing the restrictions on charity lotteries could generate an additional c. €117m for good causes on a semi-restricted basis and c. €362m with liberalised regulations, forming a significant charitable revenue addition nationally and regionally.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	1	201	567
Charities	**1**	**117**	**362**
Proportion to Charities	50%	58%	64%



Source: Regulus Partners

Current market
Switzerland has two major lottery monopolies (broadly French-speaking and German-speaking). In 2022 Swisslos distributed €402m from lottery (including instants), while Loterie Romande generated €246m in profit, of which 83% (€204m) can be attributable to lotteries. Switzerland's charity lottery market is heavily restricted.

Restricted market
If the Swiss government passed laws that allowed charity lotteries on a semi-restricted basis, then the Swiss charity lottery sector could generate c. €201m in revenue net of prizes, which would provide c. €117m in additional charitable contributions to Switzerland's Third Sector.

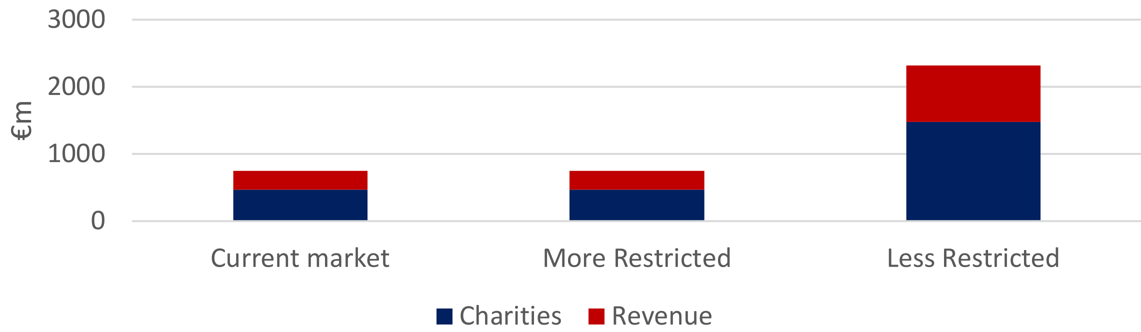
Less Restricted market
If the Swiss government passed laws that allowed charity lotteries on a less restricted basis, then the Swiss charity lottery sector could generate c. €567bn in revenue net of prizes, which would provide c. €362m in additional charitable contributions to Switzerland's Third Sector.

Market: **UK**

The UK's Charity Lottery sector is already delivering nearly €500m of social contribution despite significant restrictions. If the UK's charity lottery laws were liberalised further, this could increase to nearly €1.5bn of charity contributions, generating a 28% boost to overall lottery funding in the UK.

	Revenue and Charitable contributions		
€m	**Current market**	**Restricted**	**Less Restricted**
Revenue net of prizes	750	750	2314
Charities	**469**	**469**	**1476**
Proportion to Charities	63%	63%	64%

Source for current market: Gambling Commission statistics, annualised and converted to Euro



Source: Regulus Partners

Current market
The UK's Charity Lottery sector generates €750m in net revenue and €469m of Charity contributions alongside the National Lottery monopoly. In FY2022, the National Lottery generated €3.1bn in taxes and Good Cause contributions.

Restricted market
A semi-restricted market is the UK status-quo.

Less Restricted market
If the UK government passed laws that allowed charity lotteries on a less restricted basis, then the UK charity lottery sector could generate c. €2.3bn in revenue net of prizes, which would provide c. €1.5bn in additional charitable contributions to the UK's Third Sector.

Disclaimer

While every effort has been made to ensure the accuracy of the data presented, the opaque and disjointed nature of some sources means that some assumptions have been made and some errors may be present. The information provided represents the opinions of the authors. Any assessment of trends or change is necessarily subjective. The information and opinions provided are not intended to provide legal, accounting, or investment advice, nor should they be used as a forecast. While the Report was commissioned by ACLEU and representatives of ACLEU were given opportunity to comment on a draft, all analysis and conclusions presented are solely those of Regulus Partners. Regulus Partners may act, or has acted, for any of the companies and other stakeholders mentioned in this report.