



## Lottery.com Inc. Chairman Addresses Effective Form S-1 Registration Statement

October 18, 2024

FORT WORTH, Texas, Oct. 18, 2024 (GLOBE NEWSWIRE) -- Lottery.com Inc. (NASDAQ: LTRY; LTRYW) ("Lottery.com" or the "Company"), a leading technology company in digital lottery and sports entertainment, is pleased to announce that the U.S. Securities and Exchange Commission ("SEC") has declared the Company's Form S-1 Registration Statement effective on October 16, 2024 ("Registration Statement") (File Number: 333-281925). Following the declaration, Matthew McGahan, Lottery.com Chairman and CEO, wrote an open letter to the Company's shareholders to address the Company's future and address accusations made again the Company and its directors and executives.

### McGahan wrote:

*Dear Shareholders,*

*In October 2022, when I joined the Board of Lottery.com Inc. I was primarily tasked with leading a turnaround after years of mismanagement and turmoil, largely stemming from issues tied to the SPAC and business combination. At that time, the Company was on the verge of collapse, with stories of its challenges circulating widely across the internet and rampant rumors being made by detractors wishing to destabilize the business to suit their own ulterior motives. Among the many hurdles were regulatory investigations, listings issues with Nasdaq (including being delisted in May 2023 before being subsequently relisted), significant loss of staff, the breakdown of operations, and a critical shortage of working capital—each posing severe and critical threats to the Company's future.*

*Within the first few weeks, it became evident that a comprehensive overhaul and restart was needed. We assembled a top-tier legal team and a new management group to draft and implement a viable and realistic turnaround strategy. The plan included developing a fresh strategic vision, regaining full compliance with Nasdaq listing and SEC reporting requirements, and it laid the foundation for the future monetization of the Company's two key assets: Lottery.com and Sports.com.*

*Since then, we have restructured the entire leadership, installed a globally experienced Board with a proven track record in turnaround situations, and have introduced a new executive management team, supported by funding partners. Alongside this, we have brought in seasoned business consultants, revamped our investor relations team, and aligned with a new investment banking partner. This ambitious agenda was essential to stabilizing the Company and facilitated achieving a major milestone of submitting our Form S-1 in early September.*

*I would be remiss if I fail to address the unprecedented attacks the Company, its directors, and management have faced and continue to endure during the turn around. Many of the difficulties faced by our new team reflect the history of the Company which led to a complete turnover of the board and management. We have never underestimated the genuineness of some of the concerns felt by shareholders but there are also actors out there with bad or indeed, criminal intent. The visceral nature of these attacks suggests more sinister motives. These attacks have forced the Company to divert resources to supporting our top tier legal team. We have been assaulted in the Courts and in the (often pay for news) press and internet sites and we have reported to the authorities our suspicions of major stock tampering by named individuals, some of those with criminal records. We have reported these activities to the appropriate regulatory agencies and are cooperating fully with any investigations. The Board and Management have equally faced threats to their lives and welfare. We stand by the decisions we have made and will vigorously defend all attacks against the Company and against members of the Board and Management (who have proved their commitment to the Company repeatedly with little or no cash payment). That they have accepted shares in lieu of salaries is proof of their belief in the Company and their commitment to restoring shareholder value.*

*I am proud to announce another key step in Lottery.com's turnaround. The SEC has released a Declaration of Effectiveness for our Form S-1 Registration Statement. This milestone marks a significant step forward, but we remain acutely aware that this is not the time to relax. We must continue to focus intensely on our strategic and operational goals, as we embark on the next phase of growth.*

*Almost all of the difficulties that the current management and Board of Directors of Lottery.com Inc. have faced principally reflect events that occurred prior to our current management's and Board's attempts to revitalize the Company. As a result, we have had to defend ourselves in the press, against various websites (that poorly or don't verify the facts behind their allegations), and indeed, on occasion, in the courts. In fact, several of our management have had to endure at times physical threats to their wellbeing. We are sorry to say that we can only conclude that, for various reasons, our Company and our people have become the target of bad actors with totally self-serving interests.*

*We recognize the legitimate concern of our stakeholders who have put faith and trust into the Company, and today we remain committed to moving this Company past its prior difficulties. We will vigorously defend against any Company, management or Board attacks. In fact, today, many members of our management and Board have been willing to accept shares in lieu of cash salary as a demonstration of their belief in the Company and its future.*

*We are grateful to our shareholders, business partners, and investors for their steadfast support during this pivotal period. Now, we are prepared to execute on a 24-month plan—equally robust and ambitious, which will be rolled out in stages.*

### **Our Focus for the Future**

#### **1. Lottery.com Expansion**

*Our primary objective is to have Lottery.com fully operational in the U.S. and expand the Lottery.com brand globally. As we move into 2025, we also plan to increase our international presence, introducing a new model that intertwines sports,*

lottery, and sweepstakes which we believe will revolutionize lottery play worldwide.

## 2. Sports.com Evolution

Earlier this year, we launched the new Sports.com platform and subsequently completed the acquisition of S&MI Ltd, the innovative technology company behind the Sportlocker brand, which we have rebranded and relaunched as Sports.com. Within the next six months, the platform will be available in the U.S. market as well as in several European countries and the Middle East. Sports.com will focus on delivering high-quality, live sports content directly to consumers, utilizing immersive 3D technology that is unmatched in the industry. An effective Form S-1 is one key component of our partnership strategy, which, when implemented, will cement Sports.com's position as a major player in global media and entertainment. Additionally, in 2025, Sports.com will unveil a dedicated social media platform centered around the world of sports.

### Financial Outlook

We have identified new funding partners to complement our existing partner, United Capital Investments London Limited. These new partners will play a key role in supporting the Company's focus on developing its own proprietary technology and pursuing a "buy and build" strategy which leverages our common stock as the primary component of consideration for acquisitions.

Looking forward, we are excited about the next chapter for both Lottery.com and Sports.com. With a clear roadmap, Lottery.com is entering this next phase with confidence, backed by a highly experienced leadership team and committed funding and business partners.

### Closing Thoughts

As we move ahead with renewed focus and determination, I would like to extend my deepest gratitude to our dedicated team, our forward-thinking Board, and our loyal shareholders for their continued support and trust. Together, we are not just building a business—we are shaping the future of digital gaming and sports media.

The transformational journey over the last two years has been nothing less than intense, but today, I am more confident than ever in the potential of Lottery.com and Sports.com to achieve greatness. I look forward to keeping you updated on our progress as we push forward into an exciting future.

Thank you for your continued commitment.

Sincerely,

**Matthew McGahan**

Chairman of the Board, Lottery.com

For more information, please visit [www.lottery.com](http://www.lottery.com) or contact our media relations team at [press@lottery.com](mailto:press@lottery.com).

### Important Notice Regarding Forward-Looking Statements

This press release contains statements that constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements, other than statements of present or historical fact included in this press release, regarding the company's future financial performance, as well as the company's strategy, future operations, revenue guidance, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this press release, the words "could," "should," "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, Lottery.com disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this press release. Lottery.com cautions you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Lottery.com. In addition, Lottery.com cautions you that the forward-looking statements contained in this press release are subject to the following factors: (i) the outcome of any legal proceedings that may be instituted against Lottery.com; (ii) Lottery.com's ability to maintain effective internal controls over financial reporting, including the remediation of identified material weaknesses in internal control over financial reporting relating to segregation of duties with respect to, and access controls to, its financial record keeping system, and Lottery.com's accounting staffing levels; (iii) the effects of competition on Lottery.com's future business; (iv) risks related to Lottery.com's dependence on its intellectual property and the risk that Lottery.com's technology could have undetected defects or errors; (v) changes in applicable laws or regulations; (vi) risks related to the COVID-19 pandemic and its effect directly on Lottery.com and the economy generally; (vii) risks relating to privacy and data protection laws, privacy or data breaches, or the loss of data; (viii) the possibility that Lottery.com may be adversely affected by other economic, business, and/or competitive factors; (ix) the ability of Lottery.com to achieve its strategic and growth objectives as stated or at all; and (x) those factors discussed in the proxy statement/prospectus filed by Lottery.com with the SEC under the heading "Risk Factors" and the other documents filed, or to be filed, by Lottery.com with the SEC. Should one or more of the risks or uncertainties described in this press release materialize or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. This press release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Additional information concerning these and other factors that may impact the operations and projections discussed herein can be found in the reports that Lottery.com has filed and will file from time to time with the SEC. These SEC filings are available publicly on the SEC's website at [www.sec.gov](http://www.sec.gov).