



INVESTOR PRESENTATION

March 2022

Nasdaq: LTRY

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Industry and Market Data

In this presentation, we rely on and refer to information and statistics regarding market participants in the sectors in which the Company competes and other industry data. We obtained this information and statistics from third-party sources, including reports by market research firms and company filings. Being in receipt of the presentation you agree you may be restricted from dealing in (or encouraging others to deal in) price sensitive securities.

Non-GAAP Financial Measures

This presentation includes Pro Forma Revenue, EBITDA and Adjusted EBITDA, which are non-GAAP performance measures that we use to supplement our results presented in accordance with U.S. GAAP. We believe Pro Forma Revenue, EBITDA and Adjusted EBITDA are useful in evaluating our operating performance, similar to measures reported by our publicly-listed U.S. competitors, and regularly used by security analysts, institutional investors and other interested parties in analyzing operating performance and prospects. Pro Forma Revenue, EBITDA and Adjusted EBITDA are not intended to be substitutes for any U.S. GAAP financial measure and, as calculated, may not be comparable to other similarly titled measures of performance of other companies in other industries or within the same industry.

We define and calculate Pro Forma Revenue as revenue plus the impact on revenue as if the acquisition of Global Gaming Enterprises, Inc. (“Global Gaming”) by Lottery.com were consummated on January 1, 2020. We define and calculate EBITDA as net income or loss before the impact of interest income or expense, income tax expense or benefit, depreciation and amortization, and Adjusted EBITDA as EBITDA, as further adjusted for stock-based compensation and certain other non-recurring, non-cash or non-core items.

We include these non-GAAP financial measures because they are used by management to evaluate our core operating performance and trends and to make strategic decisions regarding the allocation of capital and new investments. The financial statement tables that accompany this presentation include a reconciliation of Pro Forma Revenue, EBITDA and Adjusted EBITDA to their most comparable U.S. GAAP financial measures.

LOTTERY.COM OVERVIEW

1

Large and Growing Market Opportunity

\$106 BILLION

2021 U.S. LOTTERY MARKET
+16% FROM 2020⁽¹⁾

2

Market in Early Stages of
Online Transition

5%

PERCENTAGE OF U.S. LOTTERY
MARKET ONLINE IN 2021⁽¹⁾

3

Compelling User Economics

\$92 & \$110

B2C U.S. / INT'L
CUSTOMER LIFETIME VALUE⁽²⁾

4

Strong Revenue Growth

\$68.5 MILLION

2021 REVENUE
INCREASE OF \$61.1M YOY

5

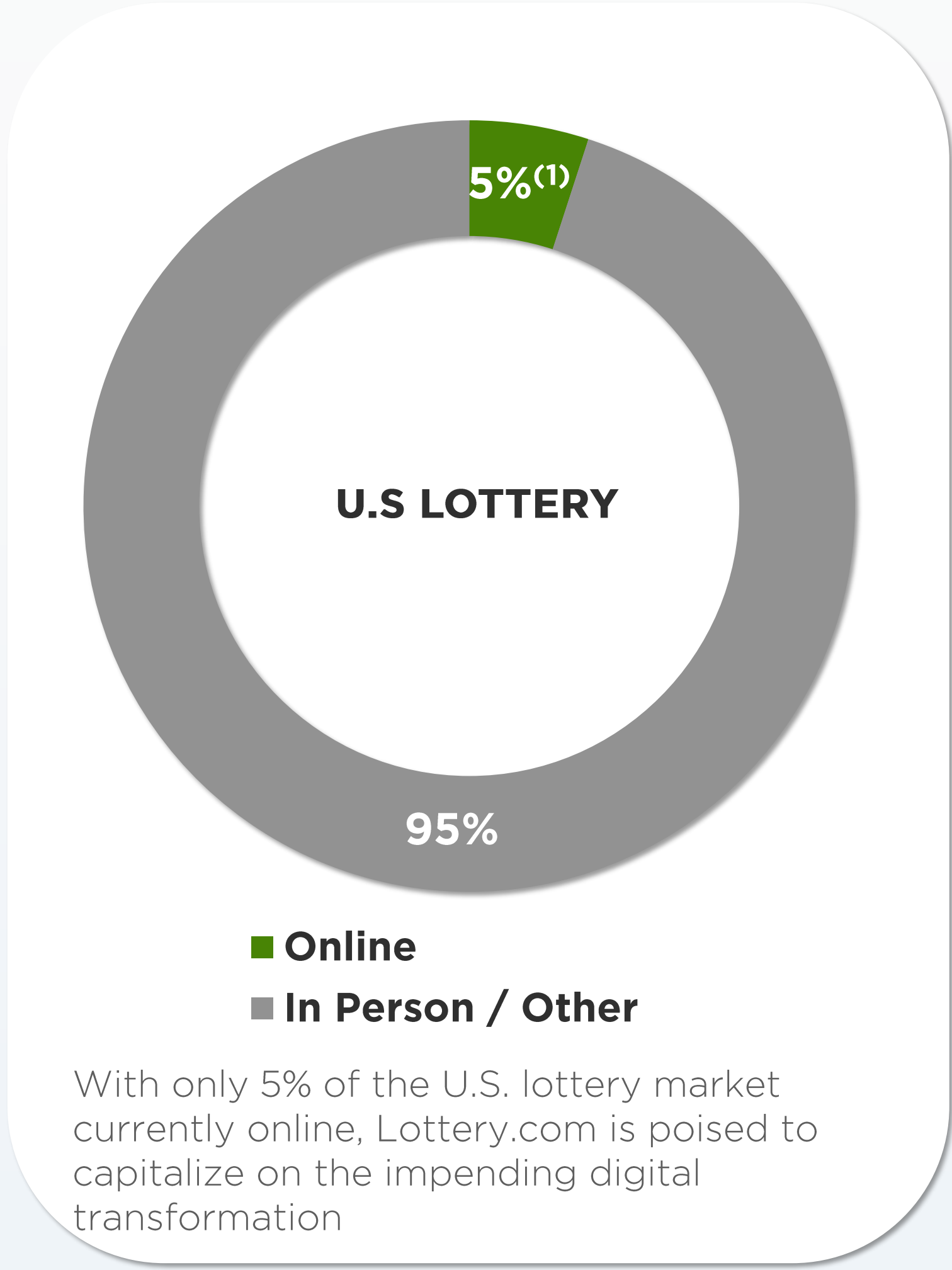
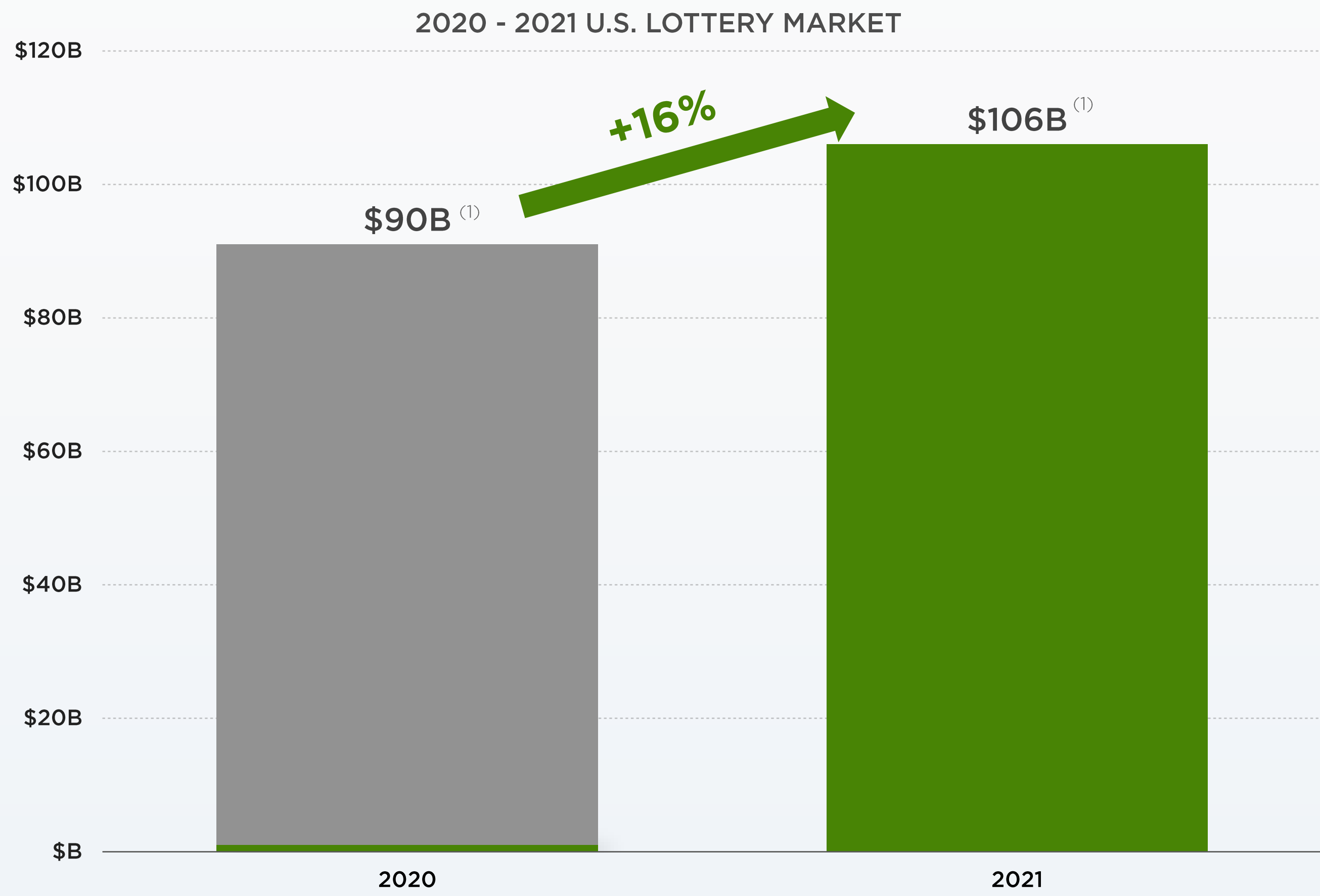
Focus on Profitability

\$31.1 MILLION

2021 ADJUSTED EBITDA ⁽³⁾
IMPROVEMENT OF \$34.2M YOY

(1) Source: Eilers & Krejcie Gaming LLC
(2) Excludes user purchase through B2B affiliates or API partners; calculated as the avg. annual new user gross profit divided by the churn rate
(3) Non-GAAP measure – see appendix for reconciliation

GROWING MARKET



Note: Market sizes reflect the gross lottery ticket transaction value
(1) Source: Eilers &Krejci Gaming LLC

CONSUMER SHIFT TO CONVENIENCE IS INEVITABLE

OLD MODEL

NEW MODEL



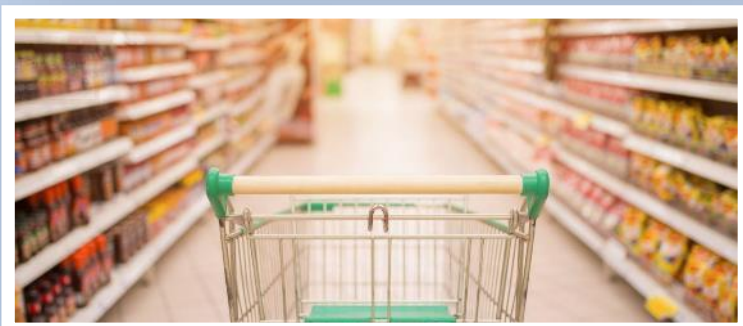
amazon



Uber



NETFLIX



instacart



It has been proven time-and-time again that consumers choose convenience, no matter the industry.

Lottery.com

LOTTERY.COM'S DELIVERY MODEL

HOW IT WORKS

Purchase

- User purchases game from Lottery.com app or website
- Lottery.com prints lottery game on user's behalf
- User receives digitized version of lottery game


Security

- Lottery.com securely safeguards all physical lottery games
- Minimal risk of losing, destroying or defacing winning lottery game
- Transactions are registered using blockchain technology

Collect Winnings

- Users automatically notified of winning lottery games
- Winnings are quickly deposited directly into digital wallets with no need to collect winning physical lottery ticket¹
- Proceeds can be used to purchase additional lottery games or withdrawn

LOTTERY.COM MODEL VS. OTHER iLOTTERY MODELS

	Other iLottery Models
✓	May enter new state without act of state legislature
✓	Does not require significant investment from state lottery commission
✓	Ability for users to play games when traveling out of home state ²
✓	Anticipated to allow users to play multiple games in addition to lottery

Lottery.com provides states with a high-potential, low-risk platform to increase sales and improve customer convenience

(1) To maximum of federal threshold of \$600; above that amount, Lottery.com deliver ticket to user; subject to state laws
(2) User must be in jurisdiction at time of play

UPDATE ON KEY GROWTH INITIATIVES AND PLANS FOR 2022



Grow B2C User Base

- *Signed agreement to be exclusive digital lottery brand advertising on T-Mobile's platform in rideshare vehicles*
- *Conducted significant digital marketing testing Q1 '22*
- *Expanding B2C digital marketing campaigns in Q2 '22*



Expand B2B and LotteryLink

- *LotteryLink affiliate's promotional campaign with a national grocer expected to expand in Q2 '22*
- *Added ICARO Media Group as LotteryLink affiliate to promote Lottery.com products in South America*



Advance Project Nexus

- *Phase 1 of implementation expected in early Q2 '22*
- *Selected Algorand as blockchain technology to support Project Nexus*

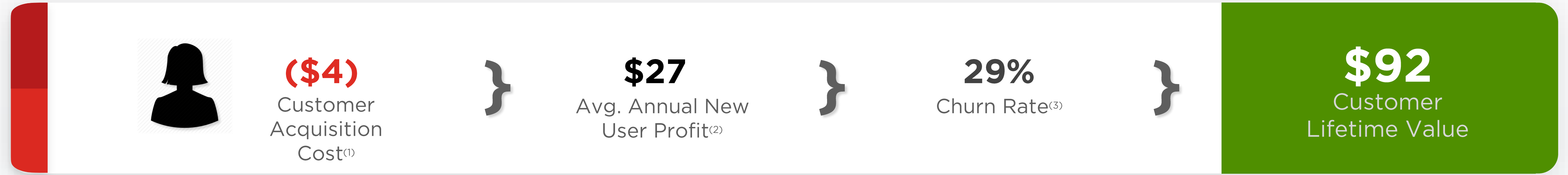


Enter New Markets

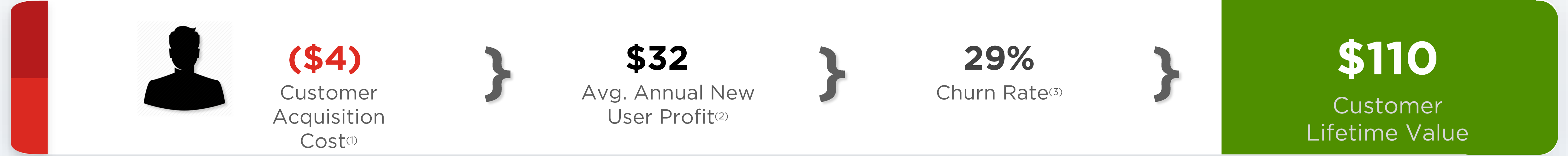
- *Currently operating in 12 U.S. jurisdictions and multiple jurisdiction outside the U.S.*
- *Expect to enter five new U.S. jurisdictions by end of 2022*

LOW B2C ACQUISITION COST WITH HIGH RETENTION AND RETURN

U.S. B2C LOTTERY.COM USERS



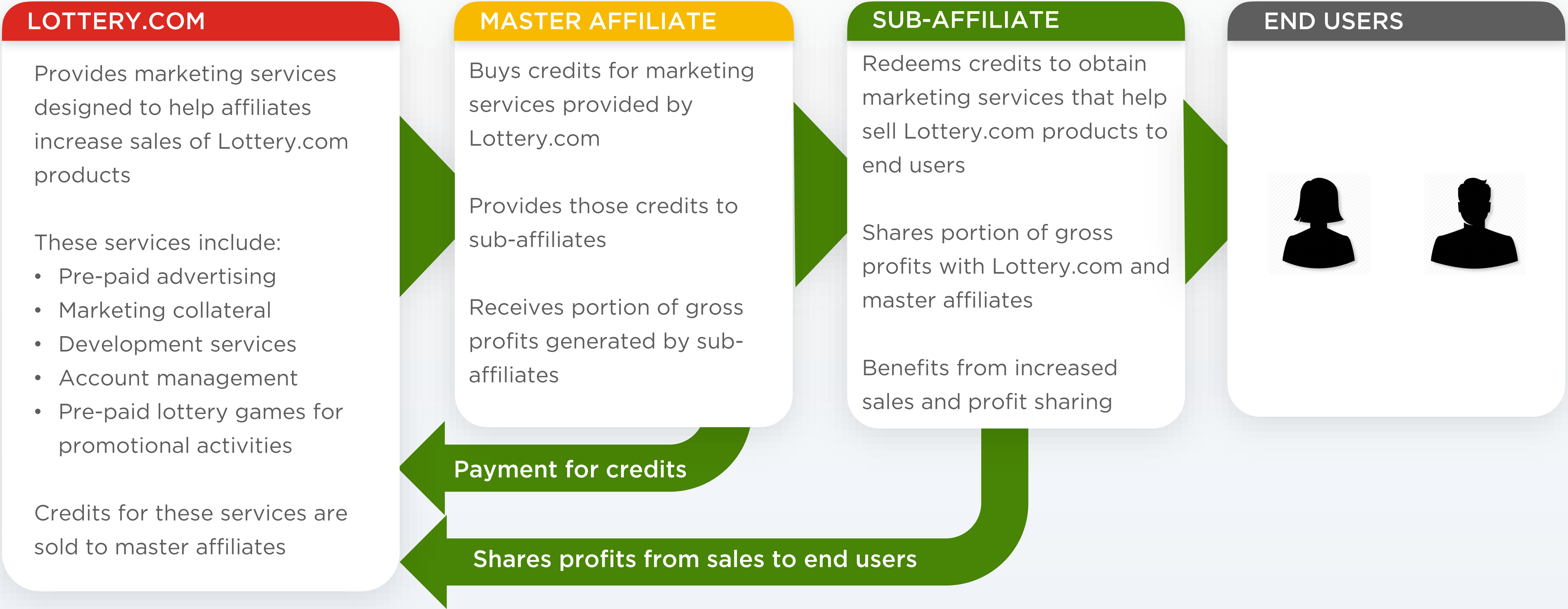
INTERNATIONAL B2C LOTTERY.COM Users



Significantly expanding B2C marketing campaigns in Q2 2022 to leverage low customer acquisition cost

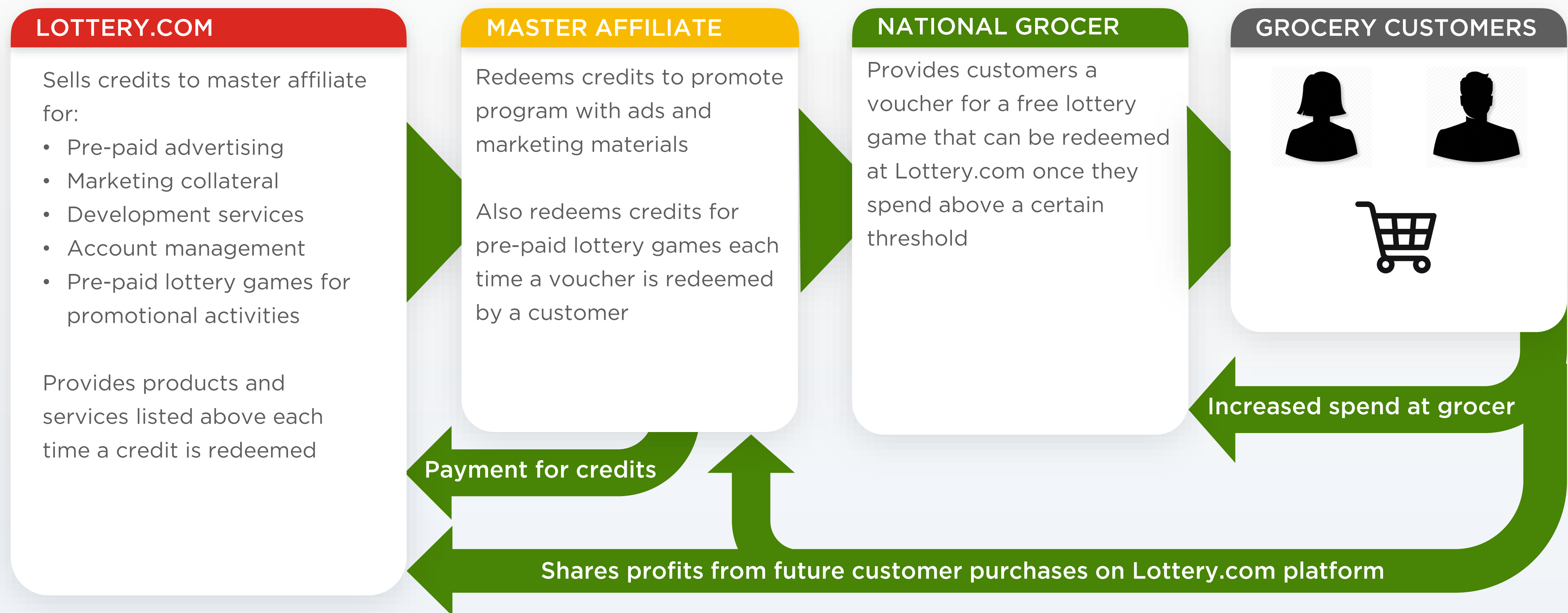
Note – All data excludes user purchases through B2B affiliates or API partners
(1) Average from digital advertising cost per new customer in 2020. No digital marketing spending in 2021.
(2) Average gross profit per customer for 12 months ended 12/31/2021
(3) Average churn rate for 12 months ended 12/31/2021

LOTTERYLINK AFFILIATE MARKETING PROGRAM



LotteryLink is designed to provide our affiliates with tools to assist with increasing the sales of Lottery.com products

LOTTERYLINK CASE STUDY: PILOT PROGRAM WITH NATIONAL GROCER



This program demonstrates the capabilities of LotteryLink to generate revenue streams for Lottery.com and its LotteryLink partners

PROJECT NEXUS PROGRESS AND TIMELINE

WHAT IS PROJECT NEXUS?

- Building a next-gen blockchain platform, Project Nexus, specifically to address the challenges with online gaming
- Critical game mechanics such as player identity, digital tickets, and administering draws are run on blockchain
- Technology can be leveraged for lottery, sweepstakes, raffles, instant games, and to enhance API capabilities
- Accepting crypto and fiat as payment methods to attract a global player base, subject to compliance and regulatory requirements



Project Nexus

RECENT UPDATES AND TIMELINE

- Phase 1 Early Q2 '22-** Improved security, scalability and ability to implement product updates
- Phase 2 End of Q3 '22-** Enable additional revenue generating features for existing products
- Phase 3 End of Q4 '22-** Support the introduction of proprietary game that accepts payment in fiat or crypto currencies, subject to regulatory and compliance requirements

Lottery.com selected Algorand as blockchain because of its:

- Security
- Scalability
- High throughput
- Low environmental impact

Q4 AND FY21 FINANCIAL HIGHLIGHTS

Q4 '21 revenues of \$21.5 million

Up \$18.2 million or 559% from Q4 '20 driven by sales of LotteryLink credits for prepaid lottery games and other promotional services

Q4 '21 gross profit of \$18.3 million

Up \$16.2 from Q4' 20 driven by strong profitability of LotteryLink

FY21 pro forma revenues of \$70.5 million

Driven by sales of LotteryLink credits and includes full year impact of acquired interests in Mexico

FY21 adjusted EBITDA of \$31.1 million

Driven by strong gross profit growth

Q4 FINANCIAL SUMMARY

Q4 Summary	Q4 2021	Q4 2020	Change
(in millions,)			
Revenues	\$ 21.5	\$ 3.3	\$ 18.2
Gross Profit	\$ 18.3	\$ 2.1	\$ 16.2
Net Loss	\$ (12.9)	\$ (1.7)	\$ (11.2)
Cash	\$62.6	\$3.8	\$58.8
Debt	\$3.8	\$21.1	\$ (17.3)

Q4 Key Highlights

REVENUE

- Driven primarily by sale of LotteryLink credits for pre-paid lottery games for promotion program at national grocer
- Also sold LotteryLink credits for marketing, product development and \$3.0M of prepaid advertising.
- Increased B2C sales, despite virtually no digital marketing spend

GROSS PROFIT

- Driven by the sale of LotteryLink credits to a LotteryLink affiliate for prepaid lottery games, many of which expired without being redeemed due to the delayed launch of the affiliate’s promotional program
- As a result, the Company did not incur costs with respect to those expired credits

NET LOSS

- Strong gross profit offset by non-cash stock compensation of \$15.5M and interest expense of \$8.8M, which included a non-recurring expense associated with convertible debt that converted into equity at the time of the business combination

CASH

- Driven by \$42.8M in net proceeds from business combination and \$30.0M received from LotteryLink credit sold in Q3 for prepaid advertising

DEBT

- Converted \$63.5M of debt into equity at time of business combination

FY21 FINANCIAL SUMMARY

FY21 Summary	FY2021	FY2020	Change
(in millions)			
Revenues	\$ 68.5	\$ 7.5	\$ 61.0
Pro Forma Revenues ⁽¹⁾	\$70.5	\$10.3	\$60.2
Gross Profit	\$ 49.4	\$ 4.5	\$ 44.9
Net Loss	\$ (9.3)	\$ (5.8)	\$ (3.5)
Adjusted EBITDA ⁽¹⁾	\$ 31.1	\$ (3.1)	\$ 34.2

FY 21 Key Highlights

REVENUES

- Driven by sale of \$47.1 million of LotteryLink credits for prepaid advertising, prepaid lottery games, marketing materials and product development
- Also benefited from increased B2C sales

PRO FORMA REVENUES ⁽¹⁾

- Includes full year impact of acquired interest in Mexican entities

GROSS PROFIT

- Driven by sales of LotteryLink credits
- Also benefited from higher data sales, which generate margins above the company average

NET LOSS

- Strong gross profit offset by \$18.1M of interest expense, which includes a non-recurring expense associated with the conversion of debt at the time of the business combination
- Also includes \$15.5M of non-cash stock compensation and \$4.1M of operational expenses related to the business combination

ADJUSTED EBITDA ⁽¹⁾

- Driven by strong gross profit

(1) Non-GAAP measure – see appendix for reconciliation

NON-GAAP RECONCILIATION

PRO FORMA REVENUE

Lottery.com Inc.

Reconciliation of Revenues to Pro Forma Revenues

Twelve Months Ended
December 31,

2021

2020

Change

(in millions)

Revenues	\$ 68.5	\$ 7.5	\$ 61.0
Global Gaming pre-acquisition revenue ⁽¹⁾	2.0	2.9	(0.9)
Pro forma revenues (non-GAAP)	\$ 70.5	\$ 10.3	\$ 60.2

(1) Giving effect to the acquisition of Global Gaming, which Lottery.com acquired in June 2021, as if it were consummated on January 1, 2020

EBITDA AND ADJUSTED EBITDA

Lottery.com Inc.			
Reconciliation of Net Income (Loss) to EBITDA and Adjusted EBITDA			
Twelve Months Ended			
December 31,			
	2021	2020	Change
(in millions)			
Net income (loss)	\$ (9.3)	\$ (5.8)	\$ (3.5)
Interest expense	18.1	1.2	16.9
Income tax expense (benefit)	(1.6)	0.0	(1.6)
Depreciation and amortization expenses	4.3	1.5	2.8
EBITDA (non-GAAP)	11.5	(3.1)	14.6
Operating expenses related to business combination	4.1	-	4.1
Non-cash stock compensation expense	15.5	-	15.5
Adjusted EBITDA (non-GAAP)	\$ 31.1	\$ (3.1)	\$ 34.2