

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 15, 2021

Lottery.com Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-38508

(Commission File Number)

81-1996183

(IRS Employer
Identification No.)

20808 State Hwy 71 W, Unit B
Spicewood, Texas 78669

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (512) 592-2451

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	LTRY	The Nasdaq Stock Market LLC
Warrants to purchase one share of common stock, each at an exercise price of \$11.50	LTRYW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 15, 2021, Lottery.com Inc. (the “Company”) issued a press release announcing the Company’s financial results for the third quarter ended September 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference. A slide presentation, which includes supplemental information relating to the Company’s third quarter financial results, is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information in this Item 2.02, including Exhibits 99.1 and 99.2, is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release, dated November 15, 2021.
99.2	Slide Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LOTTERY.COM INC.

Date: November 15, 2021

By: /s/ Kathryn Lever
Name: Kathryn Lever
Title: Chief Legal Officer

Lottery.com Announces Strong Third Quarter Results and Year-to-Date Revenue Increase of \$42.8 Million Over Prior-Year Period

Third quarter 2021 revenue of \$32.2 million and net income of \$11.2 million

Strong growth in user transaction profitability

AUSTIN, Texas, November 15, 2021 -- (GLOBE NEWSWIRE) -- Lottery.com Inc. (Nasdaq: LTRY, LTRYW) ("Lottery.com" or the "Company"), a leading technology company that is transforming how, where and when lottery is played, reported financial results for the third quarter ended September 30, 2021. These results were achieved prior to the closing of the Company's business combination with Trident Acquisitions Corp. on October 29, 2021. The Company's unaudited financial statements for the third quarter of 2021 and other information have been filed in a Current Report on Form 8-K/A today with the U.S. Securities and Exchange Commission ("SEC").

Tony DiMatteo, Lottery.com Co-Founder and CEO, commented, "We are proud of the strong revenue and profitability growth we achieved in the third quarter. While we were working toward the completion of our business combination, we acted decisively to advance our plans for our global affiliate program and monetize one of our assets by leveraging a B2B partner relationship. The start of this program provided increased revenue in the third quarter and is an essential building block of our B2B2C strategy, which we expect will lead to an increased user base and additional revenue from those end users going forward. Additionally, the implementation of a dynamic pricing model and improvements to our app, such as push notifications, contributed to strong growth in gross profit per transaction compared to the prior year period."

Mr. DiMatteo continued, "Now that we have successfully completed our business combination, we are focused on utilizing the proceeds we realized from the transaction, along with our third quarter profits, to accelerate our targeted user marketing campaigns, enter new markets, expand our product offerings, and execute strategic and synergistic acquisitions. With our low customer acquisition costs, large addressable markets and leading brands, we look forward to realizing the profitable growth opportunities before us."

Third Quarter 2021 Results

Q3 2021 Financial Highlights

	Three Months Ended September 30,		Change
	2021	2020	
(in millions, except percentages; unaudited)			
Revenues	\$ 32.2	\$ 1.6	\$ 30.6
Gross Profit	\$ 20.3	\$ 0.9	\$ 19.4
Gross Margin	63.0%	54.9%	8.1%
Net Income	\$ 11.2	\$ (1.2)	\$ 12.3

Q3 2021 User Metrics ⁽¹⁾

	Three Months Ended September 30,		Change
	2021	2020	
Transactions per user	12.4	11.2	1.2
Tickets per transaction	3.8	3.5	0.3
Revenue per transaction	\$ 9.52	\$ 8.20	\$ 1.32
Gross profit per transaction	\$ 1.69	\$ 0.93	\$ 0.76
Gross margin per transaction	17.8%	11.3%	6.4%

(1) Excludes B2B users who made purchases through an affiliate or API partner

Third quarter 2021 revenue was \$32.2 million, an increase of \$30.6 million from the third quarter of 2020. The growth was driven by the global affiliate marketing program.

Third quarter 2021 gross profit was \$20.3 million, an increase of \$19.4 million from the third quarter of 2020. The increase was driven by the global affiliate marketing program as well as improved user profitability.

Third quarter 2021 gross profit per transaction was \$1.69, or a \$0.76 increase from the third quarter of 2020. The increase was driven by the implementation of a dynamic pricing model and improvements made to the Company's platform, including push notifications, which contributed to higher tickets sold per transaction and higher revenue per transaction.

Third quarter 2021 net income was \$11.2 million, compared to a net loss of \$1.2 million in the third quarter of 2020. The improvement was driven by the increase in gross profit partially offset by expenses associated with the business combination.

Outlook and Update Following Business Combination

The Company expects to meet or exceed its previous guidance of \$71 million for full year 2021 revenue.

On October 29, 2021, the Company successfully completed its business combination with Trident Acquisitions Corp. As a result of the transaction, Lottery.com received \$42.8 million in net proceeds and converted \$60 million of debt and accrued interest into equity. Following the completion of the business combination, the Company's top strategic priorities include:

- Continuing development of Project Nexus' blockchain-based gaming platform and launch of its first proprietary lottery game in 2022;
- Initiating new targeted marketing campaigns to broaden its B2C user base;
- Entering new markets in both the U.S. and internationally by the end of 2021 and entering New York and New Jersey in 2022;
- Developing and continually introducing new products to the Lottery.com platform, including additional state-specific games and digital scratcher games;
- Adding new affiliates and API partners to the Company's B2B segment; and
- Executing on strategic and synergistic acquisitions, including those that will drive the Sports.com platform.

About Lottery.com

Lottery.com is a leading technology company that is transforming how, where and when lottery is played. Its engaging mobile and online platforms enable players and commercial partners located in the United States and internationally to remotely purchase legally sanctioned lottery games. Fans and subscribers look to Lottery.com for compelling, real-time results on more than 800 lottery games from more than 40 countries. Additionally, through WinTogether.org, Lottery.com is fundamentally changing how non-profit donors are incentivized to action by gamifying charitable giving. In all that it does, Lottery.com's mission remains the same: an uncompromising passion to innovate, grow a new demographic of enthusiasts, deliver responsible and trusted solutions, and promote community and philanthropic initiatives. For more information, visit <http://www.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. 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.

AutoLotto, Inc.
Condensed Consolidated Balance Sheets

	As of September 30, 2021 <u>(unaudited)</u>	As of December 31, 2020
Assets		
Cash	\$ 1,179,467	\$ 3,825,511
Restricted cash	-	6,950,000
Accounts receivable	33,072,278	26,195
Prepaid expenses	10,815,458	22,013,110
Other current assets	238,627	788,033
Total current assets	45,305,830	33,602,849
Investments	250,000	250,000
Goodwill	17,937,691	12,997,048
Intangible assets, net	27,820,753	3,211,250
Property and equipment, net	1,297,885	670,952
Total assets	\$ 92,612,159	\$ 50,732,099
Liabilities		
Trade payables	\$ 2,986,762	\$ 2,176,621
Deferred revenue	598,214	7,763,593
Convertible debt, net - current	8,912,163	8,882,665
Notes payable - current	4,077,982	12,207,180
Accrued interest	3,435,111	721,717
Accrued and other expenses	4,992,522	2,335,350
Total current liabilities	25,002,754	34,087,126
Convertible debt, net - non current	31,569,218	10,000
Other long term liabilities	1,600,000	-
Total liabilities	58,171,972	34,097,126
Stockholders' Equity		
Controlling Interest		
Common stock	5,912	5,159
Par value \$.001, 8,610,000 shares authorized, 5,910,980 and 5,158,607 issued and outstanding as of September 30, 2021 and December 31, 2020 respectively		
Preferred stock - series seed	63	63
Par value \$.0001, 633,000 shares authorized, 633,000 issued and outstanding as of September 30, 2021 and December 31, 2020 respectively		
Preferred stock - series A	122	122
Par value \$.0001, 1,220,000 shares authorized, 1,220,000 issued and outstanding as of September 30, 2021 and December 31, 2020 respectively		
Preferred stock - series A1	22	22
Par value \$.0001, 225,000 shares authorized, 223,749 issued and outstanding as of September 30, 2021 and December 31, 2020 respectively		
Preferred stock - series A2	30	30
Par value \$.0001, 305,000 shares authorized, 302,668 issued and outstanding as of September 30, 2021 and December 31, 2020 respectively		
Additional paid-in capital	123,368,737	111,770,147
Accumulated deficit	(91,577,868)	(95,140,570)
Total AutoLotto Inc. stockholder's equity	31,797,018	16,634,973
Noncontrolling Interest	2,643,169	-
Total Stockholders' Equity	34,440,187	16,634,973
Total Liabilities & Stockholders' Equity	\$ 92,612,159	\$ 50,732,099

AutoLotto, Inc.
Condensed Consolidated Statements of Operations
Three Months Ended September 30, 2021 and 2020 and Nine Months Ended
September 30, 2021 and 2020

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
Revenue	\$ 32,248,036	\$ 1,602,916	\$ 47,035,327	\$ 4,197,314
Cost of revenue	11,920,721	722,363	15,925,072	1,770,885
Gross profit	20,327,315	880,554	31,110,255	2,426,429
Operating expenses:				
Personnel costs	1,614,063	974,139	4,138,240	2,975,464
Professional fees	976,679	182,502	5,174,378	638,878
General and administration	1,085,431	163,691	4,355,760	593,380
Depreciation and amortization	1,530,026	355,671	2,904,000	1,065,490
Total operating expenses	5,206,199	1,676,004	16,572,378	5,273,211
Income (loss) from operations	15,121,116	(795,450)	14,537,877	(2,846,782)
Other expenses				
Interest expense	3,789,316	296,517	9,318,638	881,553
Other expense	178,952	68,218	1,656,540	416,858
Total other expenses, net	3,968,268	364,735	10,975,178	1,298,411
Net income (loss)	\$ 11,152,848	\$ (1,160,185)	\$ 3,562,699	\$ (4,145,193)
Net income (loss) per common share				
Basic	\$ 1.89	\$ (0.22)	\$ 0.64	\$ (0.80)
Diluted	\$ 0.24	\$ (0.22)	\$ 0.08	\$ (0.80)
Weighted average common shares outstanding				
Basic	5,900,980	5,158,607	5,534,794	5,158,607
Diluted	45,956,427	5,158,607	45,590,241	5,158,607

AutoLotto, Inc.
Condensed Consolidated Statements of Cash Flows

	Nine Months Ended	
	September 30,	
	2021	2020
	(unaudited)	
Cash flow from operating activities		
Net income (loss)	\$ 3,562,698	\$ (4,145,193)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,904,000	1,065,490
Amortization of debt discount	2,296,747	126,096
Amortization of beneficial conversion feature	4,191,530	494,639
Stock based compensation expense	6,479	13,872
Forgiveness of PPP Loan	(493,225)	-
Loss on extinguishment of debt	71,174	-
Issuance of debt to pay expenses	1,003,983	-
Changes in assets & liabilities:		
Accounts receivable	(33,046,083)	1,625
Prepaid expenses	11,202,143	103,253
Other current assets	561,321	(23,975)
Trade payables	808,670	(391,352)
Deferred revenue	(7,165,379)	578,759
Accrued interest	2,758,009	260,818
Accrued and other expenses	3,979,552	399,445
Net cash used in operating activities	<u>(7,358,379)</u>	<u>(1,516,522)</u>
Cash flow from investing activities		
Purchases of property and equipment	(1,097,993)	(21,915)
Purchases of intangible assets	(3,000,000)	-
Cash paid for acquisitions, net of cash acquired	(10,012,540)	-
Net cash used in investing activities	<u>(14,110,533)</u>	<u>(21,915)</u>
Cash flow from financing activities		
Issuance of digital securities	108,332	487,494
Proceeds from exercise of options	47,130	-
Proceeds from issuance of convertible debt	13,483,500	365,000
Proceeds from government loan	-	643,125
Proceeds from issuance of notes payable	-	27,699
Principal payments on notes payable	(1,766,093)	(44,148)
Net cash provided by financing activities	<u>11,872,869</u>	<u>1,479,170</u>
Net change in net cash and restricted cash	<u>(9,596,044)</u>	<u>(59,266)</u>
Cash at beginning of period	10,775,511	158,492
Cash at end of period	<u>\$ 1,179,467</u>	<u>\$ 99,226</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid in cash	<u>\$ 40,916</u>	<u>\$ -</u>
Non cash investing and financing activities		
Conversion of convertible debt into common stock	<u>\$ 935,000</u>	<u>\$ -</u>
Capitalization of interest from loan extinguishment	<u>\$ 44,614</u>	<u>\$ -</u>
Purchase of intangible assets through the issuance of convertible debt	<u>\$ 15,450,000</u>	<u>\$ -</u>
Issuance of convertible debt in exchange for outstanding liabilities	<u>\$ 2,108,983</u>	<u>\$ -</u>
Issuance of convertible debt in exchange for notes payable	<u>\$ 4,531,250</u>	<u>\$ -</u>
Common stock issued as part of acquisition	<u>\$ 459,691</u>	<u>\$ -</u>

Lottery.com Contact:
Matthew Schlarb
VP, Investor Relations
(512) 585-7789
ir@lottery.com

Lottery

INVESTOR PRESENTATION

November 2021

Nasdaq: LTRY

DISCLAIMER RIDER

This investor presentation (the "presentation") is for informational purposes only and does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any equity, debtor other financial instruments of Lottery.com Inc ("Lottery.com" or the "Company") or any of its respective affiliates.

Forward-looking statements

This presentation 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 presentation 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 included in the Company's registration statement on Form S-4 (File no. 333-257734) 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 presentation materialize or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. 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.

Use of Projections

This presentation contains financial forecasts. The Company's independent auditors have studied, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, neither of them has expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. In this presentation, certain of the above-mentioned projected information has been provided for purposes of providing comparisons with historical data. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Projections are inherently uncertain due to a number of factors outside of the Company's control. Accordingly, there can be no assurance that the prospective results are indicative of future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

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.

KEY INVESTMENT HIGHLIGHTS

1

Foremost Brand Name and Premier Provider of Global Lottery Data

13.0 MILLION
UNIQUE VISITORS LTM 9/30/21

2

Large Global Market Opportunity

\$398 BILLION
2020 GLOBAL TAM⁽¹⁾

3

Strong User Economics

\$73 & \$93
U.S / INT'L
CUSTOMER LIFETIME VALUE⁽²⁾

4

Strong Revenue Growth

\$47.0 MILLION
YTD Q3 2021 REVENUE
INCREASE OF \$42.8M YOY

5

Focus on Profitability

\$31.1 MILLION
YTD Q3 2021 GROSS PROFIT
INCREASE OF \$28.7M YOY

(1) Source: Technavio: Lottery Market by Type and Geography - Forecast and Analysis 2020-2024

(2) Excludes user purchase through B2B affiliates or API partners; calculated as the avg. annual new user gross profit divided by the churn rate

CONSUMER SHIFT TO CONVENIENCE IS INEVITABLE

OLD MODEL



NEW MODEL

amazon

Uber

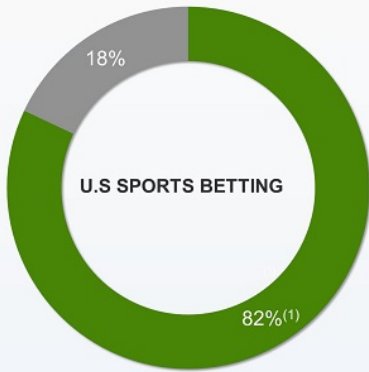
NETFLIX

instacart

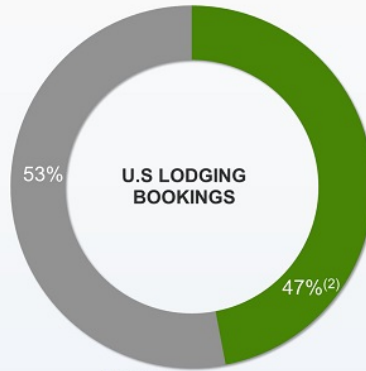
.com Lottery

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

DIGITAL TRANSFORMATION IS COMING

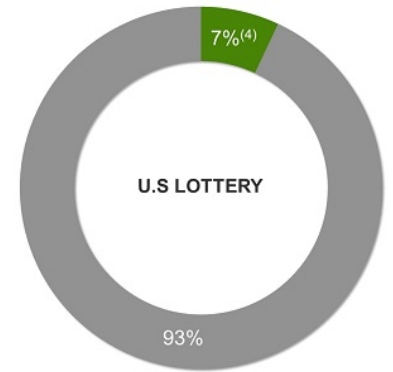


■ Online
■ In Person / Other



■ Online
■ In Person / Other

Online Ticket Agents
comprise 51% of bookings ⁽³⁾



■ Online
■ In Person / Other

With only 7% of the U.S. lottery market currently online, Lottery.com is poised to capitalize on the impending digital transformation

(1) Source: American Gaming Association: COMMERCIAL GAMING REVENUE TRACKER | State-by-state September and October handle and percentage online: USBets.com: <https://www.usbets.com/october-2020-record-sports-betting-numbers/>
(2) Source: <https://www.phocuswire.com/consumer-booking-patterns-hotel-distribution> Representative of 2018Y
(3) Source: <https://www.travelweekly.com/Travel-News/Hotel-News/Hotels/direct-bookings-making-up-ground-on-OTAs>. Representative of 2018Y
(4) Source: Technavio: Lottery Market in US by Type and Platform - Forecast and Analysis 2020-2024

GROWING TOTAL ADDRESSABLE MARKET (“TAM”)



**2020 - 2025E
ONLINE LOTTERY GROWTH**

104%

Global lottery market projected to increase by \$254B during the next 5 years.

As an early entrant in the market, Lottery.com is poised to capitalize on growth of online lotteries.

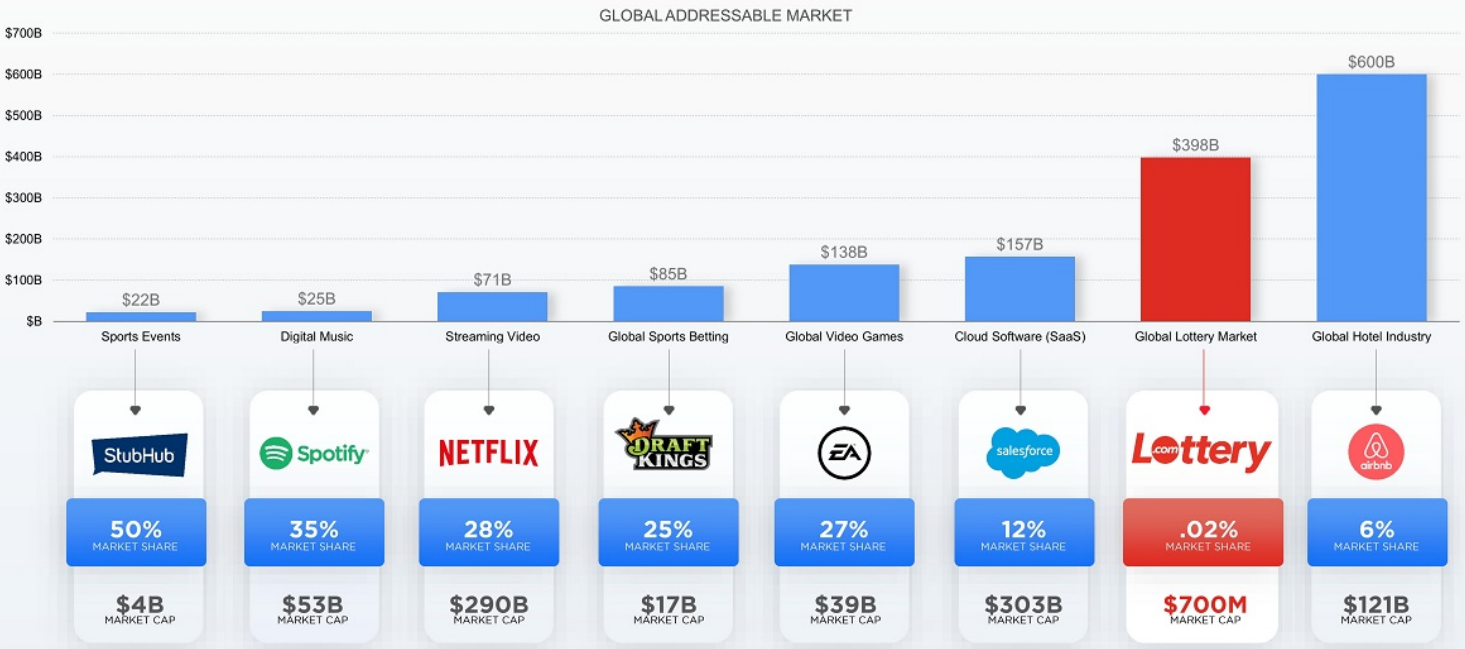
Note: Market sizes reflect the gross lottery ticket transaction value

(1) Technavio: Lottery Market by Type and Geography - Forecast and Analysis 2020-2024

(2) 2025 TAM was calculated using 2024 TAM of \$587B and 2023-24 growth rate of 11.1%, according to Technavio Lottery Market by Type and Geography - Forecast and Analysis 2020-2024

(3) Technavio: Lottery Market by Type and Geography - Forecast and Analysis 2020-2024

COMPARING MARKET OPPORTUNITY



NOTE: All Sources for data can be found in APPENDIX, COMPARING MARKET OPPORTUNITY SOURCE DATA

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
- No risk of losing, destroying or defacing winning lottery game
- All 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 ticket⁽¹⁾
- Proceeds can be used to purchase additional lottery games or withdrawn

(1) To maximum of federal threshold of \$600; above that amount, Lottery.com assists user with collection

LOTTERY.COM MODEL VS. OTHER ILOTTERY MODELS

Lottery.com		Other iLottery Models
✓	Can 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	
✓	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

DIVERSE SUITE OF HIGH MARGIN PRODUCTS

B2C

DOMESTIC LOTTERY

- Selling official U.S. lottery games (draw games and scratchers) with a service fee

CHARITABLE SWEEPSTAKES

- Players donate to qualified causes and get entered to win luxury prizes and once-in-a-lifetime experiences

B2B: PARTNERS

DOMESTIC PARTNERS

- A robust API platform enables partners to sell official U.S. lottery tickets using our operations to fulfill the order
- Partners provide their payment processing
- Service fee is applied to each transaction

GROSS MARGINS⁽¹⁾
17% - 33%

B2C

INTERNATIONAL LOTTERY

- Selling official U.S. lottery games (draw games and instant win) to users internationally with each ticket containing a markup

B2B: PARTNERSHIPS

INTERNATIONAL PARTNERS

- A robust API platform enables partners to sell official U.S. lottery tickets using our operations to fulfill the order
- Partners provide their payment processing
- Markup is applied to each ticket

GROSS MARGINS⁽¹⁾
34% - 54%

B2C

INTERNATIONAL GAMES

- Lottery.com is developing its own designed and managed lottery games (draw and instant win) on the blockchain

SUBSCRIPTIONS

- Developing subscriber exclusive lottery pools, lottery prediction data, and other premium features

DATA SALES

DATA SALES

- Premier provider of global lottery data to over 200 digital publishers including Google, Amazon, and USA Today
- Charged as a subscription fee for data access and on a per record fee for certain datasets

GROSS MARGINS⁽¹⁾
75% - 95%

(1) All margins estimated on end of year 2023 projections

STRONG DISTRIBUTION ECOSYSTEM



AFFILIATE PROGRAM

- An open affiliate program allows traffic to Lottery.com's properties for a split on any proceeds those users generate for a limited time
- Lottery.com has access to over **250+ Million** users a month with its current affiliate partners

API PROGRAM

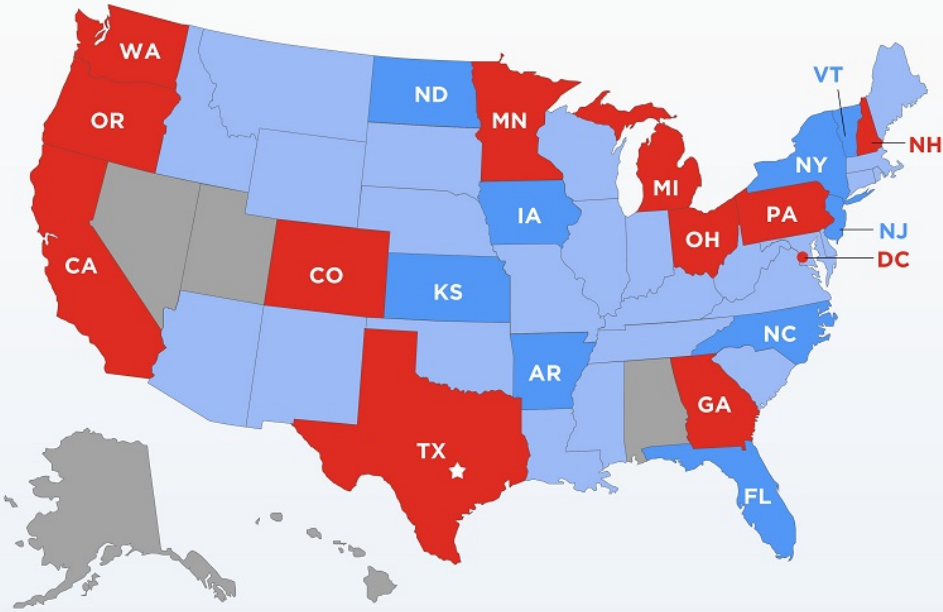
- Through a robust API offering, Lottery.com allows for partners to leverage their licenses and operating capacity to sell lottery tickets through their existing platforms
- Lottery.com has access to over **420,000 Points of Sale** and access to over **22 countries** with their current partners



DATA SERVICES

- As the premier provider of global lottery data, Lottery.com is the default lottery data provider for various services across a long list of partners
- 200 digital publishers including Google, Amazon, and USA Today

LOTTERY.COM'S UNITED STATES EXPANSION



■ CURRENT STATES
 ■ NEAR TERM EXPANSION
 ■ FUTURE EXPANSION
 ■ CURRENTLY DOES NOT HAVE A STATE LOTTERY

CURRENT STATES	
2016 - 2019	• NH, TX, MN, OR
2020	• CA, CO, DC, GA, MI, PA, WA
2021	• OH
NEAR TERM LAUNCH PLAN	
Q4 2021	• AR, FL, IA, KS, NC, ND, VT
2022	• NY, NJ

LOTTERY.COM EXECUTES INTERNATIONAL GROWTH STRATEGY



- Sells Pronosticos National Lottery draw games, instant win, and other online games in Mexico
- Anticipated to integrate sports betting into platform
- Anticipated to launch sales of Sorteos Tec draw games

aganar.com

283,000

REGISTERED ONLINE PLAYERS⁽⁵⁾



- The only company licensed by Mexican Federal government to sell international lottery games in Mexico
- Also licensed to sell international lottery games throughout Latin America
- Significant gross margins on international lottery ticket sales

juegalotto.com

138,000

REGISTERED ONLINE PLAYERS⁽⁵⁾

CENTRAL AND SOUTH AMERICA

The acquisitions of Aganar and Juega Lotto ⁽¹⁾ are among the first of many strategic acquisitions expected to expand Lottery.com's distribution, games, and user base. These acquisitions allow Lottery.com to expand in the fast-growing online gaming market in Latin America.

LATIN AMERICA

26
COUNTRIES

652 MILLION
POPULATION⁽²⁾

\$1.1 BILLION
TAM - MEXICO⁽³⁾

\$9.8 BILLION
TAM - CENTRAL & SOUTH AMERICA⁽⁴⁾



- Utilize Lottery.com and Sports.com domain value to generate traffic to local subsidiaries
- Cross-sell US and other sovereign lotteries

(1) Acquired 80% of the equity in Aganar and Juega Lotto on June 30, 2021

(2) Source: The World Bank

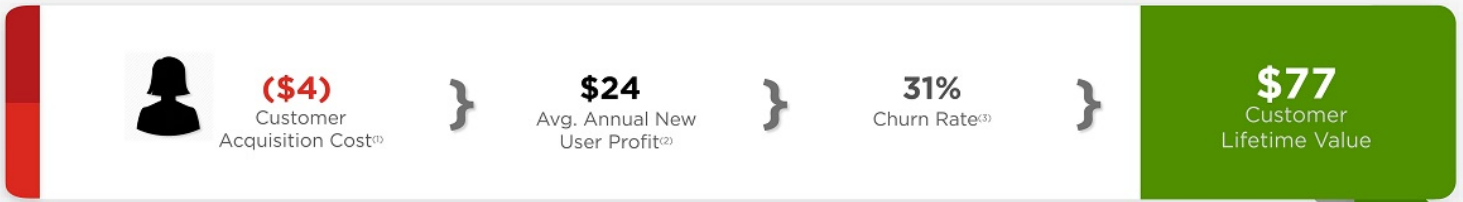
(3) <https://www.statista.com/statistics/1200292/leading-gambling-companies-mexico/>

(4) Technavio: Lottery Market by Type and Geography - Forecast and Analysis 2020-2024

(5) As of August 24, 2021

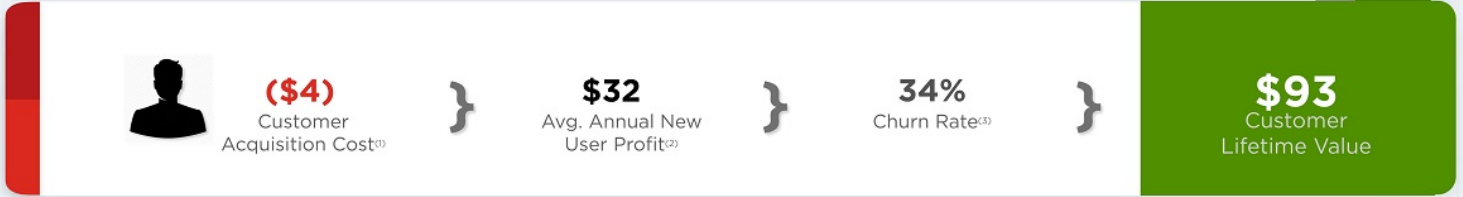
LOW ACQUISITION COST WITH HIGH RETENTION AND RETURN

U.S. LOTTERY.COM PLAYERS



ACQUIRED LOTTERY.COM PLAYERS ARE THEN INTRODUCED TO HIGHER MARGIN PRODUCTS

INTERNATIONAL LOTTERY.COM PLAYERS



Note - All data excludes user purchases through B2B affiliates or API partners
(1) Average from digital advertising cost per new customer in 2020 and YTD 2021 through Q3
(2) Average gross profit per customer for 12 months ended 9/30/2021
(3) Average churn rate for 12 months ended 9/30/2021

INNOVATORS IN BLOCKCHAIN



WinTogether

- WinTogether enables players to donate to qualified causes and get entered into sweepstakes to win luxury prizes and once-in-a-lifetime experiences
- Rooted in blockchain with 7% of all donations being distributed to all holders of the ERC20 Token⁽¹⁾
- Anticipate that the platform will continue to grow, being a value driver to Lottery.com as it enables an additional online game in every state and almost every country

www.wintgether.org

(1) Pro rata amongst all token holders

- 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 administrating draws are completely run on chain
- 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



Project Nexus

**Recent Highlights
& Roadmap to Future Growth**

RECENT HIGHLIGHTS

Completed business combination

\$42.8 million in net proceeds and <1% redemptions

Q3 revenues of \$32.2 million

Up \$30.6 million year-over-year; driven by global affiliate marketing program and improved revenue per transaction

Q3 gross profit of \$20.3 million

Up \$19.4 million year-over-year; driven by global affiliate marketing program and improved profitability per transaction

Strong improvement in user transaction profitability

Q3 gross profit per transaction of \$1.69, up \$0.76 year-over-year; driven by dynamic pricing model and platform improvements

Entered into affiliate agreement with Coinstar

Coinstar to market and promote Lottery.com's products through their kiosks

Q3 FINANCIAL SUMMARY AND OUTLOOK

Financial Highlights	Q3 2021	Q3 2020	Change
(in millions, except percentages; unaudited)			
Revenues	\$ 32.2	\$ 1.6	\$ 30.6
Gross Profit	\$ 20.3	\$ 0.9	\$ 19.4
Gross Margin	63.0 %	54.9 %	8.1%
Net Income	\$ 11.2	\$ (1.2)	\$ 12.3

Three Months Ended

User Metrics ⁽¹⁾	Q3 2021	Q3 2020	Change
Transactions per user	12.4	11.2	1.2
Tickets per transaction	3.8	3.5	0.3
Revenue per transaction	\$ 9.52	\$ 8.20	\$ 1.32
Gross profit per transaction	\$ 1.69	\$ 0.93	\$ 0.76
Gross margin per transaction	17.8 %	11.3 %	6.4%

(1) Excludes B2B users who made purchases through an affiliate or API partner

Outlook

Expect to meet or exceed 2021 revenue guidance of \$71 million

ROADMAP TO FUTURE GROWTH



Continue developing Project Nexus, a blockchain based gaming platform

Includes launch of Lottery.com's first proprietary game in 2022



Accelerate new targeted marketing campaigns to broaden B2C user base

Enabled by new capital from business combination



Enter new markets

Includes new U.S and international markets in 2021, as well as New York and New Jersey in 2022



Develop and introduce new products

Includes additional state-specific games and digital scratcher games



Expand partnerships

Add new affiliates and API partners



Execute strategic and synergistic M&A

Includes products that will drive the Sports.com brand and opportunities to cross-sell

APPENDIX

COMPARING MARKET OPPORTUNITY SOURCE DATA

- All Market Cap data as of November 10, 2021
- Total Addressable Market Data:
 - Sports Events: Change market cap from \$29B to \$4B and footnote representative of sale price in November 2019 | <https://techcrunch.com/2019/11/25/ebay-to-sell-ticket-marketplace-stubhub-to-viagogo-for-4-05-billion/>
 - Digital Music: <https://www.statista.com/outlook/dmo/digital-media/digital-music/worldwide>
 - Streaming Video: <https://www.statista.com/outlook/dmo/digital-media/video-on-demand/video-streaming-svod/worldwide#:~:text=Revenue%20in%20the%20Video%20Streaming,to%20hit%2018.2%25%20by%202025>
 - Global Sports Betting: <https://www.globenewswire.com/news-release/2020/08/31/2086041/0/en/Global-Sports-Betting-Market-Worth-85-Billion-in-2019-Industry-Assessment-and-Forecasts-Throughout-2020-2025.html>
 - Global Film Industry: <https://www.forbes.com/sites/rosaescandon/2020/03/12/the-film-industry-made-a-record-breaking-100-billion-last-year/?sh=50ebb2be34cd>
 - Global Video Games: <https://www.statista.com/statistics/246888/value-of-the-global-video-game-market/#:~:text=This%20timeline%20presents%20a%20forecast,surpass%20138%20billion%20by%202021>
 - Cloud Software (SaaS): <https://www.statista.com/statistics/510333/worldwide-public-cloud-software-as-a-service/>
 - Global Lottery Market: Technavio: Lottery Market by Type and Geography - Forecast and Analysis 2020-2024
 - Global Hotel Industry: <https://www.statista.com/statistics/247264/total-revenue-of-the-global-hotel-industry/>
- Market Share by Industry
 - Spotify: <https://www.statista.com/statistics/653926/music-streaming-service-subscriber-share/#:~:text=Subscriber%20share%20of%20music%20streaming%20services%20worldwide%202019&text=In%202019%2C%2035%20percent%20of,were%20subscribed%20to%20Apple%20Music>
 - StubHub: <https://finance.yahoo.com/news/stubhub-recognized-single-source-ticketing-011011659.html>
 - Netflix: <https://www.fool.com/investing/2021/01/13/netflix-still-dominates-streaming-but-disney-steal/>
 - DraftKings: <https://www.legalsportsreport.com/47322/pennsylvania-sports-betting-december-2020-revenue/#:~:text=FanDuel's%20online%20market%20share%20slipped,month%20from%2010.6%25%20in%20November>
 - Warner Bros: <https://www.the-numbers.com/market/2020/summary>
 - Electronic Arts: <https://csimarket.com/stocks/competitionSEG2.php?code=EA>
 - Salesforce: <https://kinsta.com/blog/cloud-market-share/>
 - AirBnB: <https://www.statista.com/statistics/796510/airbnb-hotel-demand-share-us-europe/>