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

FORM 10-K/A
(Amendment No. 1)

(Mark One)
☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF

1934 For the fiscal year ended December 31, 2023

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-38508

LOTTERY.COM INC.
(Exact name of registrant as specified in its Charter)

Delaware	**81-1996183**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
20808 State Hwy 71 W, Unit B Spicewood, TX	**78669**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (737) 309-4500

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	LTRY	The Nasdaq Stock Market LLC
Warrants to purchase one share of common stock, each at an exercise price of $230.00	LTRYW	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☐ NO ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The aggregate market value of the voting and non-voting stock held by non-affiliates of the registrant as of December 29, 2023, the last business day of the registrant's most recently completed fourth fiscal quarter, was approximately $7.8 million, calculated by using the closing price of the registrant's common stock on such date on The Nasdaq Stock Market LLC of $2.71.

As of May 17, 2024, there were 4,780,380 shares of the registrant's common stock, par value $0.001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

In accordance with Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), Lottery.com Inc. (the "Company," "we," "us," or "our") is filing this Amendment No. 1 (this "Amended Report") to our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was originally filed with the U.S. Securities and Exchange Commission (the "SEC") on April 3, 2024 (the "Original Report"), to amend and revise the following Items of our Original Report:

Part I – Item 1. Business

Part I – Item 1A. Risk Factors

Part I – Item 3. Legal Proceedings

Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Part II – Item 8. Financial Statements and Supplementary Data

Part IV – Item 15. Exhibits and Financial Statement Schedules

The complete text of those Items is revised in this Amended Report. The other Items of the Original Report have not been amended and, accordingly, have not been repeated in this Amended Report.

The only changes to the Original Report are those related to the matters described below and only in the items listed above. Except as described herein, this Amended Report does not modify, amend or update any of the other financial information or other information contained in the Original Report. In addition, in accordance with SEC rules, this Amended Report includes updated certifications from our Chief Executive Officer as Exhibits 31.1 and 32.1. Otherwise, the information contained in this Amended Report is as of the date of the Original Report and does not reflect any information or events occurring after the date of the Original Report. Such subsequent information or events include, among other things, the information and events described in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023 (the "Quarterly Report"), and the information and events described in our Current Reports on Form 8-K filed subsequent to the date of the Original Report. For a description of such subsequent information and events, please read our reports filed pursuant to the Exchange Act subsequent to the date of the Original Report, which update and supersede certain information contained in the Original Report and this Amended Report.

The following table presents the impact of the restatements on the Company's previously reported consolidated balance sheet for the fiscal year ended December 31, 2023. The values as previously reported were derived from the 2023 consolidated financial statements contained in the Company's previously reported balance sheet as of December 31, 2023, filed in the Original Report.

	Fiscal Year Ended December 31, 2023		
	As Previously Reported	Restatement Impacts	As Restated
ASSETS			
Cash	$ 359,826	$ -	$ 359,826
Accounts receivable	24,241	-	24,241
Prepaid expenses	19,020,159	-	19,020,159
Other current assets	825,948	81,684	907,632
Notes receivable	2,000,000	-	2,000,000
Investments	250,000	-	250,000
Goodwill	12,880,558	(1,653,067)	11,227,491
Intangible assets, net	17,681,874	-	17,681,874
Property and equipment, net	21,309	-	21,309
Other long term assets	12,884,686	-	12,884,686
Total Assets	$ 65,948,601	$ (1,571,383)	$ 64,377,218
LIABILITIES AND STOCKHOLDERS' EQUITY			
Trade payables	$ 8,009,534	$ (17,732)	$ 7,991,802
Deferred revenue	357,143	-	357,143
Notes payable – current	6,075,594	(48,925)	6,026,669
Accrued interest	867,236	(8,361)	858,875
Accrued and other expenses	11,519,474	(159,858)	11,359,616
Other liabilities	1,070,233	96,878	1,167,111
Total current liabilities	27,899,214	(137,998)	27,760,648
Total liabilities	27,899,214	(137,998)	27,760,648
Common Stock	2,877	-	2,877
Additional paid in capital	269,690,569	-	269,690,569
Accumulated other comprehensive loss	(144,729)	53,062	(91,667)
Accumulated deficit	(233,759,640)	1,336,566	(235,106,206)
Noncontrolling interest	2,260,310	(139,881)	2,120,429

Total Lottery.com Inc. stockholders' equity	38,049,387	1,433,385	36,616,002
Total liabilities and stockholders' equity	$ 65,948,601	$ (1,571,383)	$ 64,377,218

Management evaluated the quantitative and qualitative impact of these accounting errors in the Company's previously issued consolidated financial statements included in the Original Report (the "previously issued financial statements") and concluded that the errors were not material however restating its previously issued financial statements is consistent with the Company's pledge of transparency.

In addition, the Company re-evaluated the effectiveness of its internal controls over financial reporting and identified remaining control deficiencies associated with the accounting errors, which the Company has concluded represent material weaknesses in the Company's internal control over financial reporting as of December 31, 2023. Accordingly, the Company is filing this Amended Report to reiterate management's assessment of the Company's internal control over financial reporting and its disclosure controls and procedures to indicate that they were not fully effective as of December 31, 2023.

During FY 2023, the Company addressed legacy issues while successfully regaining full compliance with Nasdaq's continued listing rules and restarting operations in order to stage Lottery.com for growth in FY 2024. The cornerstone of the Company's operational progress for FY 2024 will be driven by technology, product and service/capability enhancements.

This Amended Report is reflective of the Company's commitment to transparency, integrity, and responsible corporate governance. The investment commitments from United Investments Capital London, including Prosperity Investment Management and others, along with investors placed by Univest Securities LLC, outlined in this Amended Report are evidence of investor belief in Management's capability to resume core lottery and gaming operations, monetize the Sports.com brand, and expand all the Company's brands across the globe.

For a more detailed description of these accounting errors and the restatement of the previously issued financial statements, please refer to *Note 3 Restatement of Financial Statements*, to the consolidated financial statements of the Company included in Item 8 of this Amended Report.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

This Amendment No. 1 to Annual Report on Form 10-K/A (this "Amended Report") contains 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"), including statements about the financial condition, results of operations, earnings outlook and prospects of Lottery.com Inc. ("Lottery.com", the "Company", "we" or "us").

Forward-looking statements appear in a number of places in this Amended Report, including, without limitation, under the headings in Part I, "*Item 1. Business*," "*Item 1A. Risk Factors*," and in Part II, "*Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.*" In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "continue," "could," "may," "might," "possible," "potential," "predict," "should," "would" and other similar words and expressions, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements are based on the current expectations of the management of Lottery.com and are inherently subject to uncertainties and changes in circumstances and their potential effects and speak only as of the date of such statement. There can be no assurance that future developments will be those that have been anticipated. These forward-looking statements involve a number of risks, uncertainties or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors discussed and identified in public filings made with the Securities and Exchange Commission (the "SEC") by Lottery.com, as well as the following:

- The findings of the previously disclosed Internal Investigation (as defined herein) and other matters have exposed us to a number of legal proceedings, investigations and inquiries, resulted in significant legal and other expenses, required significant time and attention from our senior management, among other adverse impacts.
- We and certain of our officers and directors and our former officers are, and may become in the future, the subject of legal proceedings, investigations and inquiries by governmental agencies with respect to the findings of the Internal Investigation and other matters, which could have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations, and could result in additional claims and material liabilities against us.
- We have been named as a defendant in a number of civil lawsuits filed by purchasers of our securities, [including class action lawsuits] that could have a material adverse impact on our business, financial condition, results of operation and cash flows, and our reputation.
- Matters relating to or arising from the restatement and the Internal Investigation, including adverse publicity and potential concerns from our users, customers or others with whom we do business, have had and could continue to have an adverse effect on our business and financial condition.
- In July 2022, the Company furloughed the majority of its employees and suspended its lottery game sales operations after determining that it did not have sufficient financial resources to fund operations or pay certain existing obligations, including payroll and related obligations. As a result, if we are unable to secure funding to restart operations, we may not be able to continue as a going concern.
- We need additional capital to, among other things, support and restart our operations, re-hire employees and pay our expenses. Such capital may not be available or may not be available on commercially acceptable terms, if at all. If we do not receive the additional capital, we may be forced to curtail or abandon our plans to recommence our operations and we may need to permanently cease our operations.
- If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud against the Company, and investor confidence and the trading price of our common stock and warrants may be materially and adversely affected.
- Our inability to compete for consumer discretionary time and income.
- Economic events, geopolitical and political and market conditions, and other factors beyond our control.

- Negative events or media coverage relating to our business, our management and directors, the lottery, lottery games or online gaming or betting.
- Our inability to attract and retain users, including as a result of failing to appear in Internet search engine results.
- Our continued ability to use existing, and add new, domain names to promote and increase the value of our brand.
- Scrutiny by stakeholders with respect to responsible gaming and ethical conduct.
- Our ability to achieve profitability and growth.
- Our inability to profitably expand into new markets or capitalize on new gaming and lottery industry trends and changes, such as by developing successful new product offerings.
- The effectiveness of our marketing efforts in developing and maintaining our brand and reputation.
- Failure to offer high-quality user support.
- Adverse impacts to user relationships resulting from disruptions to our information technology.
- The vulnerability of our information systems to cyberattacks, including an inability to securely maintain personal and other proprietary user information.
- Our inability to adapt to changes or updates in the Internet, mobile or personal devices, or new technology platforms or network infrastructures.
- The exposure of our online infrastructure to risks relating to distributed ledger technology.
- Our inability to comply with complex, ever-changing and multi-jurisdictional regulatory regimes and other legal requirements applicable to the gaming and lottery industries in the markets that we serve.
- Geopolitical shifts and changes in applicable laws or regulations or the manner in which they are interpreted.
- Our inability to successfully expand geographically and acquire and integrate new operations.
- Our dependence on third-party service providers to timely perform services or provide software component products for our gaming platforms, product offerings and the processing of user payments and withdrawals on a timely basis.
- Our inability to maintain successful relationships and/or agreements with lottery organizations and other third-party marketing or service provider affiliates.
- Failure of third-party service providers to protect, enforce, or defend intellectual property rights required to fulfill contractual obligations required for the operation of our business.
- The effectiveness of our transition and compliance with the regulatory and other requirements of being a public company.
- Although we are currently in compliance with the continued listing standards of Nasdaq, we have had periods of non-compliance in the past and we may not be able to maintain compliance with Nasdaq's continued listing standards in the future.
- Limited liquidity and trading of our securities in the public markets.
- Our lenders (as defined herein) may not loan us the amounts they agreed to under loan agreements (as defined herein).
- Our obligations under certain loan agreements are secured by a first priority security interest in substantially all of our assets and if we were to default, they could force us to curtail or abandon our business plans and operations.
- The issuance and sale of common stock upon conversion of the amounts owed or upon exercise of the warrants issued to Woodford, UCIL, or investors placed by Univest (as defined herein) under each's respective loan agreements may depress the market price of our common stock and cause substantial dilution.
- We currently owe a significant amount of money under our loan agreements, which we may not be able to repay on each agreement's terms and conditions.
- Other factors described in this Amended Report under the heading "*Item 1A. Risk Factors*."

The risks described under the heading "*Item 1A. Risk Factors*" are not exhaustive. Other sections of this Amended Report describe additional factors that could adversely affect the business, financial condition or results of operations of the Company. New risk factors emerge from time to time, and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Forward-looking statements

are not guarantees of performance. You should not put undue reliance on these statements, which speak only as of the date hereof. All forward-looking statements attributable to Lottery.com or persons acting on its behalf are expressly qualified in their entirety by the foregoing cautionary statements. Lottery.com Inc. undertakes no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law and regulation.

PART I

Item 1. Business.

Overview and Recent Developments

We were originally formed as Trident Acquisition Corp., a Delaware corporation on March 17, 2016, for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization, recapitalization or other similar business combination with one or more businesses. On October 29, 2021, we consummated a business combination (the "Business Combination") with AutoLotto, Inc. ("AutoLotto"). Following the closing of the Business Combination (the "Closing") we changed our name from "Trident Acquisitions Corp." to "Lottery.com Inc." and the business of AutoLotto became our business. Unless the context requires otherwise, references to the "Company," "we," "us," "our," "Lottery.com" and "Lottery.com Inc." refer to Lottery.com Inc. and its consolidated subsidiaries.

On July 6, 2022, the Company announced that the Audit Committee (the "Audit Committee") of the board of directors of the Company (the "Board") had retained outside counsel to conduct an independent investigation that revealed instances of non-compliance with state and federal laws concerning the states in which lottery tickets were procured as well as order fulfillment. The investigation also identified issues pertaining to the Company's internal accounting controls (the "Internal Investigation"). Following a report on the filings of the Internal Investigation, effective July 1, 2022, the Board terminated the employment of Ryan Dickinson as the Company's President, Treasurer and Chief Financial Officer. Subsequently, the Company initiated a review of its cash balances and related disclosures as well as its revenue recognition processes and other internal accounting controls.

On July 20, 2022, Armanino LLP ("Armanino"), the Company's registered independent public accountant for the fiscal years ended December 31, 2021 and 2022, advised the Company that its audited financial statements of for the year ended December 31, 2021 (the "2021 Audit") and the unaudited financial statements for the quarter ended March 31, 2022 (the "March 2022 Financials"), should no longer be relied upon. Armanino advised that it had determined, subsequent to the 2021 Audit and review of the March 2022 Financials, that the Company had entered into a line of credit in January 2022 that was not disclosed in the footnotes to the 2021 Audit and was not properly recorded in the March 2022 Financials (see Note 3 to the consolidated financial statements included herein for more details).

On July 28, 2022, the Board determined that the Company did not have sufficient financial resources to fund its operations or pay certain existing obligations, including its payroll and related obligations, due to a significant misstatement of our cash balances.

The following day, on July 29, 2022, the Company effectively ceased operations (the "Operational Cessation"), when it furloughed the majority of its employees and generally suspended its lottery game sales. The Company's remaining employees were retained at the discretion of the Company's then Chief Operating Officer and Chief Legal Officer were to provide the minimal business functions needed to address the Company's legal and compliance issues and to secure necessary funding to resume the Company's operations. Less than twenty percent of these non-furloughed employees remain active in the efforts to restore Company operations and as of December 31, 2023, approximately $3.85 million in outstanding payroll and $1.0 million in outstanding director compensation obligations was unpaid.

Effective September 27, 2022, Armanino resigned as the independent registered public accounting firm of the Company.

On October 7, 2022, the Audit Committee approved the engagement of Yusufali & Associates, LLC, ("Yusufali") as the Company's new independent registered public accounting firm.

Since the Operational Cessation, the Company has had minimal day-to-day operations and has primarily focused its operations on restarting certain of its core businesses (as described in more detail under "*Plans for Recommencement of Company Operations*" below), completing the restatements of the Company's 2021 Audit and March 2022 Financials and preparing and filing the Company's delinquent periodic reports, including Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2021, which the Company filed on May 10, 2023, Amendment No. 1 to the Company's Quarterly Report on Form 10-Q/A for the three months ended March 31, 2022, which the Company filed on May 15, 2023, the Company's Quarterly Reports on Form 10-Q for the three months ended June 30, 2022 and September 30, 2022, which the Company filed on May 22 and 24, 2023, respectively, filing the Company's Annual Report on Form 10-K for the year ended December 31, 2022, which the Company filed on June 15, 2023, the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2023, June 30, 2023, September 30, 2023, filed on June 16, 2023, August 22, 2023, and November 30, 2023 respectively, filing the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which the Company filed on April 3, 2024, and this Amended Report.

Nasdaq Listing

On March 23, 2023, the Company requested a hearing before the Nasdaq Hearings Panel (the "Panel") to appeal a determination by the Listing Qualifications department (the "Staff") of Nasdaq dated February 23, 2023, to delist the Company's securities from Nasdaq. The Company was non-complaint with Nasdaq Listing Requirements 5550(a)(2) (the "Bid Price Requirement") and 5250(c)(1) (the "Timely Filing Requirement.") At the hearing before the Panel on April 24, 2023, the Company presented its plan to complete the restatement of its financial statements for the fiscal year ended December 31, 2021, and the subsequent quarter ended March 31, 2022, and to file the amended periodic reports and all subsequent required filings with the SEC. The Company requested the continued listing of its securities on Nasdaq pending the completion of its compliance plan.

By letter dated May 8, 2023, the Panel granted the Company's request for continued listing, on an interim basis, subject to the Company submitting financial projections for fiscal 2023 and filing the restated financial statements for the fiscal year ended December 31, 2021, and quarter ended March 31, 2022, with the SEC by May 15, 2023. The Company satisfied these conditions and the Panel indicated that it would review the filings, along with the updated projections, and thereafter determine whether to afford the Company additional time to complete the compliance plan presented at the hearing.

By letter dated May 24, 2023, the Panel notified the Company that it had determined to suspend trading and otherwise move to delist the Company's securities from Nasdaq effective with the open of the market on May 26, 2023. The Company's securities were suspended from trading on that date, but the securities were not delisted because the Company thereafter requested that the Panel reconsider its determination to delist the Company's securities from Nasdaq based upon what the Company believed to be mistakes of material fact upon which the Panel had based its decision.

On June 8, 2023, the Panel notified the Company that it had determined to reverse its prior decision and grant the Company's request for continued listing subject to the Company's timely compliance with a number of conditions ultimately expiring on August 17, 2023, on or before which date the Company must satisfy all applicable criteria for continued listing on Nasdaq (the "June 8th Decision"). As a result of the foregoing, the suspension from trading ceased and the Company's securities were reinstated for trading on Nasdaq effective with the open of the market on June 15, 2023.

Loan Agreement with Woodford

On December 7, 2022, the Company entered into a loan agreement with Woodford Eurasia Assets, Ltd. ("Woodford"), (the "Woodford Loan Agreement"), pursuant to which Woodford agreed to provide the Company with up to $52.5 million, subject to certain conditions and requirements. Pursuant to such Woodford Loan Agreement the Company received $798,351 by December 31, 2023. Woodford failed to meet its obligations under the Woodford Loan Agreement and the Company removed itself from any further obligation under Agreement or association with Woodford. Woodford subsequently filed a complaint in the High Court of Justice in London chancery Division. October 16, 2023, The High Court of Justice in London Chancery Division ("the Court") dismissed an application for injunctive relief initiated by Woodford against the Company. (Case: FL-2023-000023. Woodford Eurasia Assets Limited v Lottery.com Inc.) The Court characterized Woodford's application as "fundamentally misconceived" and ordered Woodford to pay the Company's legal costs. Woodford subsequently, on the Judges' recommendation, withdrew the proceedings.

Woodford filed an additional action in the United States District Court for the District of Delaware on November 16, 2023 in Case No. 23-1317-GBW seeking a temporary restraining order, preliminary injunction and expedited discovery against Lottery.com and its directors. The Court entered an order the next day denying the relief sought by Woodford. On February 14, 2024, Woodford filed a Notice of Voluntary Dismissal Without Prejudice, which stated that Woodford provides notice of dismissal of all claims without prejudice against Defendants Lotttery.com and its directors.

With the dismissal of this lawsuit by Woodford, no further action is required by Lottery.com or its directors at this time. The Company is determining its next course of action in resolving any further matters regarding Woodford.

Amounts borrowed pursuant to the Woodford Loan Agreement are convertible, at Woodford's option, into shares of the Company's common stock, par value $0.001 per share (the "common stock"), beginning 60 days after the first loan date at the rate of 80% of the lowest publicly available price per share of common stock within 10 business days of the date of the Loan Agreement (which was equal to $5.60 per share after the 1:20 reverse split which occurred on August 9, 2023), subject to a 4.99% beneficial ownership limitation which can be waived on 60 days notice and a separate limitation preventing Woodford from holding more than 19.99% of the issued and outstanding common stock of the Company, without the Company obtaining shareholder approval for such issuance above this amount.

Proceeds of the loans can only be used by the Company to restart its operations and for general corporate purposes agreed to by Woodford.

The Woodford Loan Agreement includes confidentiality obligations, representations, warranties, covenants, and events of default, all of which are customary for a transaction of this size and nature.

The Company also agreed to grant warrants to purchase shares of common stock to Woodford (the "Woodford Warrants") in an amount equal to 15% of the Company's 50,925,271 then issued and outstanding shares of common stock (the quantity of stock then issued and outstanding prior to the 1:20 reverse stock split of August 9, 2023). Each Woodford Warrant has an exercise price equal to the average of the closing price of the Company's common stock for each of the ten days prior to the first amount being debited from the bank account of Woodford, which equates to an exercise price of $5.60 per share after the 1:20 reverse split that occurred on August 9, 2023. In the event the Company fails to repay the amounts borrowed when due or Woodford

fails to convert the amount owed into shares, the exercise price of the warrants may be offset by amounts owed to Woodford, and in such case, the exercise price of the warrants will be subject to a further 25% discount (i.e., will equal $4.20 per share).

In connection with our entry into the Woodford Loan Agreement, the Company also entered into a Loan Agreement Deed, Debenture Deed and Securitization, with Woodford (the "Security Agreement"), which provides Woodford with a first floating charge security interest over all present and future assets of the Company in order to secure the repayment of amounts owed under the Woodford Loan Agreement.

On June 12, 2023, the Company entered into an amendment of the Woodford Loan Agreement with Woodford (the "Woodford Loan Agreement Amendment"), which provides that Woodford shall henceforth be able to convert, in whole or in part, the outstanding balance of its loan into the conversion shares at a conversion price that represents a further 25% discount to the original conversion price of 20%. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

Loan Agreement with United Capital Investments London Limited

The Company entered into a credit facility (the "UCIL Credit Facility"), which is represented by a loan agreement, which was initially entered into on July 26, 2023, and was amended and restated on August 8, 2023, and subsequently amended on August 18, 2023 (as so amended, the "UCIL Loan Agreement"). The UCIL Loan Agreement is with United Capital Investments London Limited ("UCIL"), an entity in which each of Matthew McGahan, the Company's Chief Executive Officer and Chairman of the Company's Board, and Barney Battles, a member of the Board, have a direct or indirect interest. The decision by the Company to enter into the UCIL Loan Agreement followed, amongst other things, an acknowledgment by the Company that it had not received the requisite funding on a timely basis that it expected from Woodford, despite the Company making several requests to Woodford for said funding under the Woodford Loan Agreement. Moreover, the Board of Directors determined that it was in the best interest of the Company and its stockholders to enter into the UCIL Loan Agreement with UCIL, as an alternative lender to Woodford, upon receiving an event of default notice on July 21, 2023 (the "Default Notice") and an event of default and crystallization notice on July 25, 2023 (the "Crystallization Notice") from Woodford under the Woodford Loan Agreement. Neither McGahan or Battles participated in the vote on the UCIL agreement to ensure proper independence and correct corporate governance. On July 24, 2023, the Company responded to the Default Notice disputing that an event of default had occurred given the Company's earlier announcement that UCIL had agreed to enter into a funding arrangement with the Company. On July 27, 2023, the Company replied to the Crystallization Notice denying that an event of default occurred or continued, and further asserted that Woodford's attempt for crystallization was inappropriate and unlawful under the Woodford Loan Agreement. Given the uncertainty of the continued financing under the Woodford Loan Agreement, the Board of Directors sought to secure and formalize the Company's alternative funding by entering into the UCIL Loan Agreement.

Placement Agent Agreement with Univest Securities, LLC

As reported on form 8-K filed with the SEC on February 6, 2024, on December 6, 2023 , the Company entered into a placement agent agreement (the "Placement Agent Agreement") with Univest Securities, LLC (the "Placement Agent"), whereby the Placement Agent agreed to act as placement agent in connection with the Company's offering ("Offering") of units ("Units") up to $1,000,000; each Unit consisting of a convertible promissory note (each, a "Convertible Note" or collectively, the "Convertible Notes"), and a common stock purchase warrant (each, a "Warrant", or collectively, the "Warrants") in order for investors placed by it to purchase shares of common stock of the Company, par value $0.001 per share (the "Common Stock"). Each Unit under the Offering includes specific registration rights ("Registration Rights"), for each investor obtained through the Placement Agent.

On February 1, 2024, the parties agreed to increase the Offering amount from $1,000,000 to $5,000,000. All other terms and conditions of the Offering remain the same. The Securities shall be offered and sold pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act").

Operations Prior to Operational Cessation

Prior to the Operational Cessation, and it is our intention to become again, the Company was a provider of domestic and international lottery products and services. As an independent third-party lottery game service, we offered a platform that we developed and operated to enable the remote purchase of legally sanctioned lottery games in the U.S. and abroad (the "Platform"). Our revenue generating activities included (i) offering the Platform via our Lottery.com app and our websites to users located in the U.S. and international jurisdictions where the sale of lottery games was legal and our services were enabled for the remote purchase of legally sanctioned lottery games (our "B2C Platform"); (ii) offering an internally developed, created and operated business-to-business application programming interface ("API") of the Platform, which enabled our commercial partners, in permitted U.S. and international jurisdictions, to purchase certain legally operated lottery games from us and to resell them to users located within their respective jurisdictions ("B2B API"); and (iii) delivering global lottery data, such as winning numbers and results, and subscriptions to data sets of our proprietary, anonymized transaction data pursuant to multi-year contracts to commercial digital subscribers ("Data Service").

Mobile Lottery Game Platform Services

Both our B2C Platform and our B2B API provided users with the ability to purchase legally sanctioned draw lottery games via a mobile device or computer, securely maintain their acquired lottery game, automatically redeem a winning lottery game, as applicable, and receive support, if required, for the claims and redemption process. Our registration and user interfaces were designed to be easy to use, provide for the creation of an account and purchase of a lottery game with minimum friction and without the creation of a mobile wallet or requirement to pre-load minimum funds and - importantly - to provide instant confirmation of the user's lottery game numbers, whether selected at random or picked by the user. Users of our B2C Platform services paid a service fee and, in certain non-U.S. jurisdictions, a mark-up on the purchase price. Prior to the Operational Cessation, we generated revenue from this service fee and mark-up. Our B2B API Platform resumed limited operations in April 2023. As of the date of this Amended Report, our B2C Platform is not currently operational. We anticipate that our B2C Platform will become operational by the summer of 2024.

The WinTogether Platform

Prior to the Operational Cessation, we operated and administered all sweepstakes offered by WinTogether, a U.S. registered 501(c)(3) charitable organization ("WinTogether"), which was formed in April 2020 to support charitable, educational, and scientific causes. In consideration of our operation of the WinTogether platform and administration of sweepstakes, we received a percentage of the gross donations to a campaign, from which we paid certain dividends and all administration costs.

The WinTogether platform continued operating after the Operational Cessation, until all sweepstakes campaigns were completed and all prizes awarded. On March 29, 2023, the board of directors of WinTogether voted to suspend its relationship with the Company. On December 5, 2023, the board of WinTogether voted to reinstate the business relationship with the Company.

Current Operations

Despite the Operational Cessation, certain of the Company's wholly-owned subsidiaries have continued to operate under the direction of the leadership teams that were in place prior to the Company's acquisition of such companies. While the operational activities of these subsidiaries vary, from the Operational Cessation through the date of this Amended Report, each of TinBu, Aganar and JuegaLotto has decreased its expenses and has had its revenue remain consistent or decrease slightly from pre-Operational Cessation levels.

Data Services

In 2018, we acquired TinBu, LLC ("TinBu"), a digital publisher and provider of lottery data results, jackpots, results, and other data, as a wholly-owned subsidiary. Through TinBu, our Data Service delivers daily results of over 800 domestic and international lottery games from more than 40 countries, including the U.S., Canada, and the United Kingdom, to over 400 digital publishers and media organizations. See "*Item 1A. Risk Factors – We are party to pending litigation and investigations in various jurisdictions and with various plaintiffs and we may be subject to future litigation or investigations in the operation of our business. An adverse outcome in one or more proceedings could adversely affect our business, financial condition, and results of operations*". Also, see Item 3, "Legal Proceedings", "TinBu Complaint".

Our technology pulls real time primary source data, and, in some instances, we acquire data from dedicated data feeds from the lottery authorities. Our data is constantly monitored to ensure accuracy and timely delivery. We are not required to obtain licenses or approvals from the lottery authorities to pull this primary source data or to acquire the data from such dedicated feeds. Commercial acquirers of our Data Service pay a subscription for access to the Data Service and, for acquisition of certain large data sets, an additional per record fee.

We additionally had entered into multi-year contracts pursuant to which we sell proprietary, anonymized transaction data pursuant to multi-year agreements and in accordance with our Terms of Service in consideration of a fee and in other instances provide the Data Service within a bundle of provided services.

Aganar and JuegaLotto

On June 30, 2021, we acquired 100% of the equity of Global Gaming Enterprises, Inc., a Delaware corporation ("Global Gaming"), which holds 80% of the equity of each of Medios Electronicos y de Comunicacion, S.A.P.I de C.V. ("Aganar") and JuegaLotto, S.A. de C.V. ("JuegaLotto"). JuegaLotto is federally licensed by the Mexican regulatory authorities with jurisdiction over the ability to commercialize lottery games in Mexico through an authorized federal gaming portal and to commercialize games of chance in other countries throughout Latin America. Aganar has been operating in the licensed Online Lottery market in Mexico since 2007 and has certain rights to sell Mexican National Lottery draw games, instant win tickets, and other games of chance online with access to a federally approved online casino and sportsbook gaming license and additionally issues a proprietary scratch lottery game in Mexico under the brand name Capalli. See "*Item 1A. Risk Factors – We need additional capital to, among other things, support and restart our operations, re-hire employees and pay our expenses. Such capital may not be available on commercially acceptable terms, if at all. If we do not receive the additional capital, we may be forced to curtail or abandon our plans to recommence our operations and we may need to permanently cease our operations"* for additional information.

Sports.com

In December 2021, we finalized the acquisition of the domain name https://sports.com and on November 15, 2022, we formed a wholly-owned subsidiary called Sports.com, Inc., a Texas corporation ("Sports.com"). Subsequently, Sports.com announced a partnership with the Saudi Motorsports Company, which enabled the Company to roll out the Sports.com brand at the IFA World Cup decider at the end of November 2022. In December 2022, Sports.com signed an agreement with Data Sports Group, GmbH ("DSG"), which provides Sports.com the exclusive North American distribution rights for sports data products offered and maintained by DSG (the "DSG Data"). The DSG Data is being sold through the same sales resources and sales channels as the lottery data offered by TinBu. On July 23, 2023, DSG exercised its right to terminate the exclusive distribution rights due to Sports.com not meeting its contractual obligations.

Plans for Recommencement of Company Operations

As noted above, since the Operational Cessation, the Company has had minimal day-to-day operations and has primarily focused on restarting certain of its core businesses. The Company has developed a three-phase plan to recommence its operations, which plan is outlined below.

*Phase 1 - Relaunch B2B API Platform***.** During the Operational Cessation, the Company maintained positive relationships with its ticket-printing and courier partners, as well as several distribution partners that have been found to be in compliance with local, state, and federal rules related to ticket procurement and distribution. These partners have implemented the Lottery.com API and have advised the Company that they expect to be ready to offer lottery games to their customers through their sales channels when the Company resumes operations. As such, the Company believes that it has sufficient demand to resume operation of its B2B API platform operations, assuming it is able to maintain the core employee team to manage the lottery ticket fulfillment process and access sufficient capital to relaunch Project Nexus, which was designed to, among other things, handle high levels of user traffic and transaction volume, while maintaining expediency, security, and reliability in the administrative and back-office functionality required by the B2B API. Our B2B API Platform resumed limited operations in April 2023. The B2B platform is currently offline to migrate it to the Company's new platform, NEXUS.

Phase 2 - Resume B2C Platform Operations. The Company believes that it will be in a position to relaunch its B2C Platform by the summer of 2024. As of the date of this Amended Report, the Company expects that it will initially relaunch its B2C Platform to customers in Texas for a period of time before rolling it out to other jurisdictions. The Company plans to limit the rollout in order to give it additional time to properly vet and confirm compliance with local, state and federal rules related to ticket procurement and distribution. For more information, see "*Item 1A. Risk Factors - Regulatory and Compliance Risks - A jurisdiction may enact, amend, or reinterpret laws and regulations governing our operations in ways that impair our revenues, cause us to incur additional legal and compliance costs and other operating expenses, or are otherwise not favorable to our existing operations or planned growth, all of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition*." The Company has also maintained various pre-paid media credits that it expects to use to launch and maintain promotional campaigns for both lottery and sweepstakes sales geared towards encouraging prior customers to return to the Platform and to acquire new customers. The Company relaunched its sweepstakes business in April 2024.

Phase 3 - Restore Other Business Lines and Projects. Assuming the success of Phase 1 and Phase 2, the Company expects to restore other products it previously offered, such as supplying lottery tickets to consumers in approved domestic jurisdictions, partnering with licensed providers in international jurisdictions to supply legitimate domestic lottery games, and reviving other products and services that were under development when the Operational Cessation occurred.

As of the date of this Amended Report, the current estimated cash balance of the Company and subsidiaries is approximately $36,799. The Company believes that this cash on hand, along with future borrowings, will be sufficient for the Company to resume core operations.

As of the date of this Amended Report, our common stock and warrants are traded on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbols "LTRY" and "LTRYW," respectively. As of the date of this Amended Report, we are in compliance with Nasdaq's continued listing requirements (the "Listing Rules"). Additionally, under its new management, the Company continues to work to improve its disclosure and reporting controls, and plans to overhaul its systems of internal control over financial reporting and invest in additional legal, accounting, and financial resources.

Even if the Company's three phase plan to recommence its operations is successful, there can be no assurance that the Company will be able to maintain compliance with the applicable Listing Rules, or that the hearings panel will continue to stay the delisting of the Company's securities from Nasdaq. If the Company's securities are delisted from Nasdaq, it could be more difficult to buy or sell the Company's common stock and warrants or to obtain accurate quotations, and the price of the Company's common stock and warrants could suffer a material decline. Delisting could also impair the Company's ability to raise additional capital needed to fund its operations and/or trigger defaults and penalties under outstanding agreements or securities of the Company.

There can be no assurance that we will have sufficient capital to support our operations and pay expenses, repay our debt, or that additional funds will be available on favorable terms, if at all. We may not be able to restart our operations and/or generate sufficient funding to support such operations in the future. The Company's ability to continue its current operations, prepare and file its periodic reports, and restart its prior operations, is dependent upon obtaining new financing. Future financing options available to the Company include equity financings, debt financings or other capital sources, including collaborations with other companies or other strategic transactions. Equity financings may include sales of common stock. Such financing may not be available on terms favorable to the Company or at all. The terms of any financing may adversely affect the holdings or rights of the Company's stockholders and may cause significant dilution to existing stockholders. There can be no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company, if at all, which would have a material adverse effect on its business, financial condition and results of operations, and it could ultimately be forced to discontinue its operations and liquidate. These matters, when considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time which is defined as within one year after the date that its current financial statements are issued. The accompanying financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty. For more information, see the risk factors in Item 1A of this Amended Report under the heading "Risks Relating to the Internal Investigation, Restatement of our Consolidated Financial Statements, Our Ability to Continue as a Going Concern, Our Internal Controls and Related Matters."

Regulation and Compliance

We are subject to a variety of laws in the U.S. and abroad that affect our business, including federal, state and territorial laws regarding lotteries, gaming, sweepstakes, consumer protection, electronic marketing, data protection and privacy, competition, taxation, intellectual property, export, and national security, all of which are continuously evolving. The scope and interpretation of the laws that are or may be applicable to us are often evolving or new and uncertain and may conflict with each other, particularly those governing our international operations.

Lottery and gaming laws are generally based upon declarations of public policy designed to protect consumers from fraud and other misdeeds and the viability and integrity of the games, while raising revenues for the particular country, state, or other authorizing jurisdiction. To accomplish these goals, stringent laws and regulations have been established per jurisdiction to ensure that participants in the industry meet certain standards which may require participants to:

- ensure that games are conducted fairly and honestly;
- establish procedures designed to prevent cheating and fraudulent practices;
- establish and maintain anti-money laundering practices and procedures;
- establish and maintain responsible accounting practices and procedures;
- ensure that lottery games are sold only at the price and manner established by the applicable lottery regulator;
- report prizes awarded and withhold certain amounts for taxes and other specified liabilities;
- file periodic reports with regulators;
- establish programs to promote responsible gaming and comply with other social responsibility practices; and
- enforce gaming participant minimum age requirements.

State and federal laws in the U.S. govern and, in some cases, limit our business practices. For example, the Interstate Wagering Amendment to 18 U.S.C. § 1301 limits our ability to purchase lottery games for a user located in one state from a lottery authority located in another state, except under certain limited circumstances, such as where the lottery authorities in the respective states allow such sales. Therefore, when such offerings are operational, for our users located within the U.S., we only purchase lottery games for users who at the time are physically situated within the U.S. state or jurisdiction where the lottery game they are purchasing is being conducted, unless an exception were to be authorized by the applicable lottery authorities. For more information, see *"Item 1A. Risk Factors - Regulatory and Compliance Risks - If the Interstate Wagering Amendment is interpreted or applied to prohibit transmissions to foreign countries, it could have a negative impact on our business, financial condition, and results of operations."*

In addition, the U.S Wire Act of 1961 provides that anyone engaged in the business of betting or wagering that knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication that entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, may be fined or imprisoned, or both. The Wire Act provides, however, that it shall not be construed to prevent the transmission in interstate or foreign commerce of information for use in news reporting of sporting events or contests, or for the transmission of information assisting in the placing of bets or wagers on a sporting event or contest from a state or foreign country where betting on that sporting event or contest is legal into a state or foreign country in which such betting is legal. In late 2011, the Office of Legal Counsel (the "OLC") in the U.S. Department of Justice (the "DOJ") issued an opinion that concluded the conduct prohibited by the Wire Act was limited to sports gambling; however, in January 2019, the OLC issued a new opinion (the "2019 Opinion") that concluded that the restrictions in the Wire Act on the transmission in interstate or foreign commerce of bets and wagers was not limited to sports gambling but applied to all bets and wagers, including those involving state lotteries. Reinterpretation of the federal Wire Act by the OLC threatened certain online lottery sales, leading to litigation in which the First Circuit Court of Appeals (the "First Circuit") which determined that the Wire Act applies only to interstate wire communications related to sporting events or contests and not lottery games. Finding that the declaratory judgment was an adequate remedy at law, however, the First Circuit declined to set aside the 2019 Opinion under the Administrative Procedure Act. In addition to the First Circuit's decision, the U.S. Circuit Court of Appeals for the Fifth Circuit (the "Fifth Circuit") has previously held the Wire Act prohibitions apply only to sports gambling. Because many of the Company's operations occur outside the jurisdictions of the First Circuit and Fifth Circuit, and because the First Circuit did not set aside the 2019 Opinion, we are still monitoring the potential impact of the 2019 Opinion on our business. For more information, see *"Item 1A. Risk Factors - Regulatory and Compliance Risks - If there is a final determination on the applicability of the Wire Act to our operations and it is determined or codified that the Wire Act extends to transmission of lottery games in interstate or foreign commerce, certain of our operations that are not currently restricted by statute or practice to a state's territorial boundaries may be negatively impacted or eliminated, which may have a material adverse effect on our business, financial conditions, and results of operations."*

Separately, some states prohibit the use of courier services and the sale of online lottery tickets, while other states limit the charges that we can impose and collect. When such offerings are operational, we only purchase lottery games on behalf of our users and customers where our services are permitted and in accordance with applicable laws. Per jurisdiction, the scope and interpretation of the laws that are or may be applicable to our services and fees are subject to interpretation and may change. For example, in April 2023, the Texas State Senate passed Senate Bill 1820 (the "Texas Bill"), which among other things, prohibits online lottery gaming and the use of courier services in Texas. The Texas Bill was passed by the Texas legislature and became effective on September 1, 2023.

Our compliance with federal, state, territorial and local laws is based on our interpretation of existing applicable laws regarding lottery services such as ours. We have obtained legal advice and notified certain lottery authorities in U.S. jurisdictions where we do business of the services that we offer, but in most cases, we have not received definitive determinations of the laws applicable to our services. There is a risk that existing or future laws in the jurisdictions in which we operate may be interpreted in a manner that is in some regards in conflict with our business model. Future laws that permit certain lottery services may be accompanied by restrictions or taxes that make it impractical or less feasible to operate in certain jurisdictions. For more information, see "*Item 1A. Risk Factors - Regulatory and Compliance Risks - A jurisdiction may enact, amend, or reinterpret laws and regulations governing our operations in ways that impair our revenues, cause us to incur additional legal and compliance costs and other operating expenses, or are otherwise not favorable to our existing operations or planned growth, all of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition.*"

Other laws and regulations may be adopted or construed to apply to us that could restrict our business model, including privacy, taxation, marketing, anti-money laundering, anti-corruption, copyright, currency exchange, export, antitrust and other laws, as well as laws governing public companies.

The growth of electronic commerce may prompt calls for stronger consumer protection laws that may impose additional burdens on companies such as ours conducting business through the Internet and mobile devices. It is likely that scrutiny and regulation of our industry may increase, and we will be required to devote additional resources to compliance with applicable regulations. While we believe that we are currently in compliance in all material respects with all applicable laws and regulatory requirements, we cannot assure that our activities or any of our users' activities will not become the subject of any regulatory or law enforcement investigation, proceeding, or other governmental or regulatory action or that any such investigation, proceeding, or action, as the case may be, would not have a materially adverse impact on us or our business, financial condition or results of operations.

For more information, see *"Item 1A. Risk Factors - Regulatory and Compliance Risks - Our business model and the conduct of our operations may have to vary in each U.S. jurisdiction where we do business to address the unique features of applicable law to ensure we remain in compliance with that jurisdiction's laws. Our failure to adequately do so may have an adverse impact on our business, financial condition, and results of operations."*

Licensing

We may determine or be required to secure licenses from regulatory authorities with jurisdiction over our operations in markets in which we contemplate expansion. Such licensure may impose additional obligations on us and our operations, which may include continuous disclosure to, and investigation by, the applicable regulatory authority into the financial stability, integrity, and business experience of the Company, its affiliates, and their respective significant stockholders, directors, officers, and key employees. In markets in which we have not previously operated or in newly regulated markets, licensing regimes may impose licensing requirements or conditions with which we have not previously been required to comply, which may include locating technical infrastructure within the relevant territory, establishing real-time data interfaces with the regulatory authority, implementing additional consumer protection and privacy measures, or additional approvals or certifications of our technology, all of which may present operational challenges and material costs. Certain stockholders may be required to be licensed.

To the extent that any stockholder, director, officer, or key employee is required to submit to required background checks and provide disclosure, and such individual fails to do so, or they or we do not successfully do so, this may jeopardize the grant of a license, provide grounds for termination of an existing license, or result in the imposition of penalties. Generally, any person or entity who fails or refuses to apply for a governmental license, finding of suitability, registration, permit, or approvals within the prescribed period after being advised by a competent authority that they are required to do so may be denied or found unsuitable, as applicable, which may result in our determining or being required to sever our relationship with such person or entity. Further, we may be subject to disciplinary action or suffer revocation of licensure if, following notification that a person or entity is disqualified or unsuitable, we (a) pay them any dividend or interest upon our shares; (b) allow them to exercise, directly or indirectly, any voting right conferred through the shares they hold; (c) pay them remuneration in any form for services rendered or otherwise; or (d) if required, fail to pursue all lawful efforts to require them to relinquish their shares.

Furthermore, our Charter provides that any of our securities held by a person or entity that is disqualified or unsuitable, as such terms are defined in our Charter, are subject to redemption by us as and to the extent required by a regulatory authority or deemed necessary or advisable by our Board in its sole and absolute discretion. If a gaming authority requires the Company, or our Board deems it necessary or advisable, to cause any such securities be subject to redemption, we will deliver a redemption notice (as described in the Charter) to such person or entity or its affiliate(s) (as applicable) and we will purchase the number and type of securities specified in the redemption notice for the redemption price determined in accordance with the Charter and set forth in the redemption notice.

Data Protection and Privacy

Because we handle, collect, store, receive, transmit, and otherwise process certain personal information of our users, customers, and employees, we are also subject to federal, state, and international laws and regulations related to the privacy and protection of such data. Regulations such as the General Data Protection Regulation of the European Union put into effect in 2018 and the California Consumer Privacy Act, could affect our business, and the potential impact is still being determined. Other states are considering similar laws, which could impact our business.

Responsible and Underage Gaming

We are committed to compliance with the underage and responsible gambling requirements set forth in applicable domestic and international statutes and regulations governing our operations. We take our corporate responsibility to our users and the regulators with authority over our business very seriously, and we are focused on maintaining a safe and responsible gaming environment. We support and are members of the National Council on Problem Gaming, whose mission is to lead state and national stakeholders in the development of comprehensive policy and programs for all those affected by problem gaming. We continue to evaluate and develop our technology to meet the statutory requirements regarding responsible gaming and self-exclusion, as well as our own self-imposed objectives regarding corporate social responsibility.

All of the U.S. jurisdictions and most of the international jurisdictions in which we operate prohibit sales of lottery tickets to persons under 18 years of age. We have instituted know-your-customer requirements to aid our efforts in identifying minors and preventing them from using our services.

Many jurisdictions, especially international jurisdictions, are imposing more stringent rules with regard to underage and responsible gambling. This trend could continue to spread, and both U.S. and international jurisdictions may strengthen underage and responsible gambling requirements.

Compliance

We intend to continue to develop a comprehensive internal compliance program, which will ensure compliance with legal requirements imposed in connection with our activities and with legal requirements generally applicable to publicly traded companies. While we are firmly committed to full compliance with all applicable laws and regulations, we cannot ensure that our compliance program will prevent the violation of one or more laws or regulations, or that a violation by us, an employee, a customer or other third-party will not result in enforcement action, the imposition of a monetary fine or suspension or revocation of one or more of our licenses, which could have a material adverse effect on us or on our results of operations, cash flow, or financial condition.

Because we do business in international jurisdictions, our operations are subject to U.S. and foreign anti-corruption laws and regulations such as the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act of 2010 and other anti-corruption laws that may apply where we operate. As we continue to expand globally, we are likely to become subject to additional laws and regulations and restrictions, which increases the risk that we or one of our subsidiaries will inadvertently violate one of such laws or regulations.

Governance Changes

All members of the Board and all principal executive officers who served in such positions at the time of the Operational Cessation have resigned from such positions and are no longer serving in any capacity with the Company or its subsidiaries. Matthew McGahan is now the sole director of Global Gaming and Gregory Potts was appointed to the boards of Juega Lotto and Aganar. Corporate governance for Tinbu, LLC remains the same with AutoLotto, Inc. being the sole managing member of the LLC.

Employees

As of the date of this Amended Report, the Company has nine employees and 13 key contractors who remain active in the efforts to restore Company operations.

Intellectual Property

We rely on a combination of trademark, copyright, and trade secret protection laws in the U.S. and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property and our brand.

We have been using the LOTTERY.COM trademark since 2017; in February 2021, the LOTTERY.COM logo was registered on the Supplemental Register of the U.S. Patent and Trademark Office. As of December 31, 2022, the registrations of our LOTTERY.COM, AUTOLOTTO and SPORTS.COM word marks and SPORTS.COM logo were pending with the U.S. Patent and Trademark Office. In March 2023, the U.S. Patent and Trademark Office denied the registration of the SPORTS.COM word mark and the appeal period has expired. The registration of the SPORTS.COM logo has also been denied and the Company is currently considering whether to appeal such denial. We are also using and/or have common-law trademark rights in the trademarks AUTOLOTTO, SPORTS.COM, and "TAP, TAP, TICKET." We will continue to evaluate the filing of trademark applications in the U.S. and select foreign markets, as appropriate.

While we did not have any patent applications or own any issued patents as of December 31, 2023, we will continue to evaluate our technology to determine whether it is appropriate to file patent applications in the U.S. or internationally.

We seek to protect our intellectual property rights by implementing policies that require our employees and independent contractors involved in development of intellectual property to enter into agreements acknowledging that all intellectual property generated or conceived by them on our behalf are our property and assigning to us any rights that they may claim or otherwise have in those works or property, to the extent allowable under applicable law.

Notwithstanding our best efforts to protect our technology and proprietary rights through registrations, licenses, and contracts, unauthorized parties may still seek to use our intellectual property and technology without rights thereto. We may also face allegations that we have infringed the intellectual property rights of third parties, including our competitors.

Available Information

Our Internet address is www.lottery.com. Our website and the information contained therein or linked thereto are not part of this Amended Report.

Item 1A. Risk Factors.

We have identified the following risks and uncertainties that may have a material adverse effect on our business, financial condition, results of operations or reputation. The risks described below are not the only risks we face. Additional risks not presently known to us or that we currently believe are not material may also significantly affect our business, financial condition, results of operations or reputation. Our business could be harmed by any of these risks. The risk factors described below should be read together with the other information set forth in this Amended Report, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC.

Risks Relating to the Internal Investigation, Restatement of our Consolidated Financial Statements, Our Ability to Continue as a Going Concern, Our Internal Controls and Related Matters

The findings of the previously disclosed Internal Investigation and other matters have exposed us to a number of legal proceedings, investigations and inquiries, resulted in significant legal and other expenses, required significant time and attention from our senior management, among other adverse impacts.

As disclosed in the Company's Current Reports on Form 8-K, initially filed with the SEC on July 6, 2022 and July 22, 2022, the Board retained outside counsel to conduct the Internal Investigation that revealed instances of non-compliance with state and federal laws concerning the state in which tickets are procured as well as order fulfillment, and issues pertaining to the Company's internal accounting controls.

Certain of these issues contributed to the Company's auditors' determination that the Company's audited financial statements for the year ended December 31, 2021 and the unaudited financial statement for the quarter ended March 31, 2022, should no longer be relied upon and required restatement.

As a consequence, on May 10, 2023 and May 15, 2023 respectively, the Company filed with the SEC as amended reports the required restatements of its year-end report for December 31, 2021 and for the quarter ended March 31, 2022.

The aforementioned issues have had and could continue to have material adverse impacts on the Company. The Company and certain of our former officers are the subject of a number of legal proceedings, investigations and inquiries with respect to cited issues and have been named as a defendant in a number of lawsuits, including class action lawsuits. The Company incurred significant costs in connection with the Internal Investigation, including legal expenses and costs associated with the restatement and adjustment of our financial statements. We may also incur material costs associated with our indemnification arrangements with our current and former directors and certain of our officers, as well as other indemnitees. Moreover, an unfavorable outcome in any of these matters could result in significant damages, additional penalties or other remedies imposed against the Company, and/or our current or former directors or officers, which could harm our reputation, business, financial condition, results of operations or cash flows. In addition, an unfavorable outcome in any of these matters could exceed coverage provided, if any, under potentially applicable insurance policies, which is limited. For example, we currently do not have an effective director and officer liability insurance policy in place for our current officers and directors, and may not have the financial resources or otherwise be able to obtain a director and officer liability insurance at reasonable cost or terms in the future. These issues have also led to material adverse impacts on our operations, our reputation and our relationships with business partners, as well as material adverse impacts on our financial position, including incurred costs and expenses and our ability to raise new capital in the future. Further, our senior management team has devoted significant time to facilitate the Internal Investigation and is expected to continue to devote significant time and efforts to address the impacts associated with or arising from the Internal Investigation.

We cannot predict all impacts on the Company in connection with or arising from any of the foregoing. Any unknown or new risks might result in a material adverse effect on us.

We and certain of our former officers are, and in the future, we or our officers and directors may become, the subject of legal proceedings, investigations and inquiries by governmental agencies with respect to the findings of the Internal Investigation and other matters, which could have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations, and could result in additional claims and material liabilities.

Certain of our former officers are currently the subject of investigations and inquiries by the SEC and the U.S. Department of Justice (the "DOJ"). The Company is cooperating fully with such investigations and inquiries. In the future, we or our officers and directors may become the subject of legal proceedings, investigations, and inquiries by governmental agencies in various jurisdictions relating to the findings of Internal Investigation and other matters.

These investigations and inquiries and any other similar or related future legal proceedings, investigations or inquiries are subject to inherent uncertainties, and the actual costs to be incurred relating to these matters depend upon many unknown factors. We are unable to predict the outcome of any of these legal proceedings, investigations, and inquiries, and we could be forced to expend significant resources in the defense of one or more of these actions. There is also the risk that we may not prevail in any proceeding involving us. Cooperating with, as well as monitoring and defending against, any of these actions is time-consuming for management and detracts from their ability to fully focus our internal resources pertaining to our business operations. In addition, we have already incurred and may continue to incur substantial legal fees and costs as well as internal administrative time, in connection with such matters. We are also generally obligated, to the extent permitted by law, when applicable, to indemnify our current and former directors and officers who may be named in these or similar actions; moreover, we do not currently have an effective director and officer liability insurance policy in place for our current officers and directors. We are not currently able to estimate the possible cost to us from these matters, as we cannot be certain how long they may take to resolve or the possible amount of any civil penalties or damages, if any, that we may be required to pay. It is possible that we could, in the future, incur judgments or enter into settlements of claims for monetary damages. Decisions adverse to our interests in these actions could result in damages, fines, penalties, consent orders or other sanctions against the Company and/or our officers, or in changes to our business practices, among others, any of which could have a material adverse effect on our cash flow, results of operations and financial position.

Furthermore, publicity surrounding any such proceeding, investigation or inquiry or any enforcement action as a result thereof, even if ultimately resolved favorably for us, coupled with the intensified public scrutiny of our Company and certain of its practices, could result in additional investigations and legal proceedings. As a result, such proceedings, investigations and inquiries could have a material adverse effect on our reputation, business, financial condition, including our ability to raise new capital, cash flows and results of operations and could cause our securities to decline in value or become worthless.

We have been named as a defendant in a number of lawsuits filed by purchasers of our securities, including class action lawsuits that could have a material adverse impact on our business, financial condition, results of operation and cash flows, and our reputation.

We have been named as a defendant in a number of lawsuits filed by purchasers of our securities, including class action lawsuits and will have to defend against such suits, including any appeals of such suits should our initial defenses be unsuccessful. We are currently unable to estimate the possible loss or possible range of loss, if any, associated with the resolution of these suits. In the event that our initial defenses of these suits are unsuccessful, there can be no assurance that we will prevail in any appeal.

We cannot predict the outcome of these lawsuits. The matters that led to our Internal Investigation and our financial restatement have exposed us to increased risks of litigation, regulatory proceedings and government enforcement actions. We and our current and former directors and officers may, in the future, be subject to additional litigation relating to such matters. Subject to certain limitations, we are obligated to indemnify our current and former directors and officers in connection with such lawsuits and any related litigation or settlements amounts. Regardless of the outcome, these lawsuits, and any other litigation that may be brought against us or our current or former directors and officers, could be time-consuming, result in significant expense and divert the attention and resources of our management and other key employees. An unfavorable outcome in any of these matters could result in significant damages, additional penalties or other remedies imposed against us, our current or former directors or officers, which could harm our reputation, business, financial condition, results of operations or cash flows. In addition, an unfavorable outcome in any of these matters could exceed coverage provided, if any, under potentially applicable insurance policies, which is limited. Following disclosure of the results of our Internal Investigation, we have had difficulties in obtaining desirable insurance coverage, or any insurance coverage, regarding legal proceedings, investigations and inquiries, and we cannot assure you with any certainty that we will be able to obtain such coverage in the future.

Matters relating to or arising from the financial filing restatements, the investigations and regulatory inquiries, including adverse publicity connected to these matters as well as other concerns, coupled with potential concerns from our users, customers or others with whom we do business, have had and could continue to have an adverse effect on our business and financial condition.

We have been and could continue to be the subject of negative publicity focusing on the Internal Investigation and the restatements and adjustments to our financial statements, and we may be adversely impacted by negative reactions from our users, customers or others with whom we do business. Concerns include the perception of the effort required to address our accounting and control environment, and the ability for us to be a long-term provider to our customers. Continued adverse publicity and potential concerns from our customers and business partners or others could harm our business and have an adverse effect on our financial condition.

In July 2022, the Company furloughed the majority of its employees and suspended lottery game sales operations after determining that it did not have sufficient financial resources to fund its operations or pay certain existing obligations, including payroll and related obligations. As a result, the Company may not be able to continue as a going concern.

In July 2022, the Company furloughed the majority of our employees and ceased its operations after determining that it did not have sufficient financial resources to fund our operations or pay certain existing obligations, including payroll and related obligations. As of December 31, 2023, the Company owed approximately $3.85 million in outstanding payroll obligations, which amount remains unpaid. Since our business is largely dependent on the efforts and talents of our employees and contractors, particularly those who are our developers and engineers, and the provision of ongoing services to customers by our employees and contractors, the loss of these employees and contractors has and may continue to result in the inability of the Company to operate its business and technology, meet its obligations to customers, maintain key customer relationships and revenue, and fulfill its contractual obligations.

In order for the Company to fully restart its operations, it must raise sufficient capital to re-hire or hire additional employees. Qualified employees may not be available for hire, and/or may require salaries or benefits in excess of what we paid persons in similar positions previously, due to among other things, inflation and other economic factors, the need to hire such persons away from their current jobs and the negative impact that the furlough has had on our reputation.

If we are not able to restart our operations, hire new employees and engage new contractors, and obtain funding sufficient to support and restart our operations, we may be forced to permanently cease our operations, sell off our assets and operations, and/or seek bankruptcy protection or a corporate reorganization, which could cause the value of our securities to become worthless, or at best, become devalued in the marketplace

These conditions, along with our current lack of material revenue producing activities, and significant debt, raise substantial doubt about our ability to continue as a going concern during the next 12 months. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, the financial statements do not include any adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should we be unable to continue as a going concern. The financial statements included herein also include a going concern footnote.

We need additional capital to, among other things, support and restart our operations, re-hire or hire employees and engage contractors and pay our expenses. Such capital may not be available on commercially acceptable terms, if at all. If we do not receive the additional capital, we may be forced to curtail or abandon our plans to recommence our operations and we may need to permanently cease our operations.

We need to raise capital to, among other things, support and restart our operations, re-hire or hire employees, engage contractors and pay our expenses. The most likely source of future funds presently available to us will be through future borrowings under one or more loan agreements or through the sale of equity or debt. We may have difficulty obtaining additional funding, and we may have to accept terms that would adversely affect our stockholders. For example, the terms of any future financings, similar to the UCIL Loan Agreement, may impose restrictions on the manner in which we conduct our business, including our ability to pay dividends. Additionally, lending institutions or private investors may impose restrictions on a future decision by us to make capital expenditures, acquisitions or significant asset sales. Obtaining additional financing involves certain risks, including:

- additional equity or debt financing may not be available to us on satisfactory terms, if at all;
- if we raise additional funds by issuing equity, equity-linked securities or debt securities, those securities may have rights, preferences or privileges senior to the rights of our currently issued and outstanding equity or debt, and our existing stockholders may experience dilution;
- loans or other debt instruments may have terms and/or conditions, such as interest rate, restrictive covenants and control or revocation provisions, which are not acceptable to management or our Board;
- we may not have sufficient funds to repay our debt, which could lead us to default on our obligations; and
- the current environment in capital markets combined with our capital constraints may prevent us from being able to obtain adequate debt financing.

If funds advanced under our current loan agreements are inadequate to meet our needs, and/or we are unable to raise additional funds, we may not be able to raise enough capital to recommence our operations and operate our business. Consequently, we may be forced to curtail or even abandon our plan to recommence our operations and we may need to permanently cease our operations.

Further, the operating relationship between the Company and some of its partners, such as the minority owners of Aganar and JuegaLotto, may be negatively impacted by the Company’s lack of liquidity. If these relationships were to become strained or be terminated entirely, it could have a material adverse effect on our reputation, business, financial condition, including our ability to raise new capital, cash flows and results of operations.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and, as a result, investor confidence and the trading price of our common stock and warrants may be materially and adversely affected.

In connection with the audit of our consolidated financial statements as of and for the year ended December 31, 2021, we and our independent registered public accounting firm identified certain material weaknesses in our internal control over financial reporting as of December 31, 2021. Such material weaknesses have not been fully remediated as of December 31, 2023. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, or PCAOB, a "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses as of December 31, 2022 and 2021 identified include:

- Lack of sufficient number of personnel with an appropriate level of knowledge and experience in accounting for complex or non-routine transactions;
- The fact that our policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively;
- Deficiencies in the design and operations of the procedures relating to the timely closing of financial books at the quarter and fiscal year end; and
- Incomplete segregation of duties in certain types of transactions and processes.

As a result of the material weaknesses, management has concluded that our internal control over financial reporting was ineffective as of December 31, 2022 and 2021, and these deficiencies remain uncorrected as of December 31, 2023.

We intend to implement measures to remediate the identified material weaknesses. Despite these efforts, no assurance can be provided that such remedial measures will be successful in fully resolving the deficiencies in our internal controls, including those identified by the Internal Investigation, will insulate us from the consequences of past disclosure inaccuracies, or will be successful in preventing inaccurate disclosures in the future. The Company also cannot predict whether, or to what extent, such remedial actions will impact its operations or financial results. See "*Item 9A. Controls and Procedures-Material Weaknesses in Internal Control Over Financial Reporting*."

Further, there can be no guarantee that the Internal Investigation and subsequent inquiries revealed all instances of inaccurate disclosure or other deficiencies, or that other existing or past inaccuracies or deficiencies will not be revealed in the future. Our failure to correct these deficiencies or our failure to discover and address any other deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our shares of common stock and warrants, may be materially adversely affected.

In addition, these deficiencies could cause investors to lose confidence in our reported financial information, limiting our access to capital markets, adversely affecting our operating results and leading to declines in the trading price of our shares of common stock and warrants. Additionally, ineffective internal controls could expose us to increased risks of fraud or misappropriation of corporate assets and subject us to further litigation and/or regulatory investigations and civil or criminal sanctions. We could also be required to further restate our historical financial statements.

As a public company, we are subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act, or Section 404, requires that we include a report from management on the effectiveness of our internal control over financial reporting in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. In addition, once we become an "accelerated filer" and cease to be a "smaller reporting company" as such terms are defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse opinion on the effectiveness of internal control over financial reporting because of the existence of a material weakness if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, as a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation, testing, and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. If we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Generally speaking, if we fail to achieve and maintain an effective internal control environment, it could result in future material misstatements in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our businesses, financial condition, results of operations and prospects, as well as the trading price of our shares of common stock and warrants, may be materially and adversely affected.

The circumstances that led to the failure to file our annual report and quarterly reports on time, and our efforts to investigate, assess and remediate those matters have caused and may continue to cause substantial delays in our SEC filings.

Our ability to resume a timely filing schedule with respect to our SEC reporting is subject to a number of contingencies, including whether and how quickly we are able to effectively remediate the identified material weaknesses in our internal control over financial reporting. Our filing of our quarterly reports and annual reports has been delayed and we cannot assure you we will be able to timely make our future filings.

In cases where we delay our filings, investors will need to evaluate certain decisions with respect to our shares of common stock and warrants in light of our lack of current financial information. Accordingly, any investment in our shares and/or warrants may involve a greater degree of risk than other companies who are current on their public filings. Our lack of current public information may have an adverse impact on investor confidence, which could lead to a reduction in our stock price or restrictions on our abilities to obtain financing in the public market, among others.

Business, Market & Economic Risks

Competition within the global entertainment and gaming industries is intense and if we fail to compete effectively, our users may be attracted to our competitors or to competing forms of entertainment including those on mobile devices and web applications, such as streaming, online gaming, esports, and online sports betting. If our offerings are not popular, we could experience price reductions, reduced margins, loss of market share, and our business, financial condition, and results of operations could be harmed.

Our users have a vast array of entertainment choices, including television, movies, sporting events, in-person lottery gaming, real money gaming, and sports betting, all of which are more established and may be perceived by our users to offer greater variety, affordability, interactivity, and enjoyment than our offerings. We compete with these and other forms of entertainment for our users' discretionary time and income. If we are unable to sustain sufficient interest in our product offerings in comparison to other forms of entertainment, including new and emerging forms of entertainment available on mobile devices and web applications, such as streaming, online gaming, esports, and online sports betting, our business model may not continue to be viable.

In addition, the specific industries in which we have historically operated are characterized by dynamic consumer demand and technological advances, and there is intense competition amongst providers to the lottery, online gaming, sports betting, and promotions industries. Specifically, a number of established, well-financed third-party lottery application companies, online gaming providers, sports betting, and interactive entertainment companies have competed with our offerings, and other well-capitalized companies may introduce competitive services that achieve greater market acceptance. Such competitors may spend more money and time on developing and testing products, services, and systems, undertake more extensive marketing campaigns, adopt more aggressive pricing or promotional policies, or otherwise develop more commercially successful products, services, or systems than we are able, which could negatively impact our business. Furthermore, new competitors may enter the mobile lottery industry, and government lottery operators may introduce forms of online lottery gaming that compete with our services. There has also been, and continues to be, considerable consolidation among competitors in the entertainment, gaming, and lottery industries, and such consolidation, and future consolidation, could result in the formation of larger competitors with increased financial resources and altered cost structures, which may enable them to offer more competitive products, gain a larger market share, expand offerings, and broaden their geographic scope of operations. If we are not able to achieve some market share, if our offerings are not popular, or if we are not able to provide competitive products, our business, financial condition, and results of operations could be harmed.

Economic downturns, inflation, and political and market conditions beyond our control could adversely affect our business, financial condition, and results of operations.

Our financial performance is subject to U.S. and global economic conditions and their impact on levels of spending by potential users and customers of our Platform and acquirers of our Data Service. Economic recessions, or other economic conditions such as rising inflation and interest rates, have had, and may continue to have, far reaching adverse consequences across many industries, including the global entertainment, lottery, sweepstakes and promotions, and gaming industries, which may adversely affect our business, financial condition, and results of operations. Tepid growth was experienced in the U.S. and globally following the financial crisis in 2008 through 2009, and there may be an increasing risk of a recession or inflationary economic impacts due to international trade and monetary policy, rising interest rates and inflation, and acts or threats of acts of war (including the ongoing war in the Ukraine and Middle East), along with other economic challenges. If the national and international economic recovery slows or stalls, these economies experience another recession, or any of the relevant regional or local economies suffers a downturn, or if inflationary effects accelerate, we may experience a material adverse effect on our business, financial condition, or results of operations.

In addition, changes in general market, economic, and political conditions in domestic and foreign economies or financial markets, including those resulting from, for example: the ongoing effects of the COVID-19 pandemic; rising interest rates and inflation; geopolitical challenges, including global security concerns in response to Russia's continued war in Ukraine and regional wars in the Middle East; financial and credit market instability or the unavailability of credit; and fluctuation in stock markets, may reduce users', customers', or subscribers' disposable income and corporate budgets. Any one of these changes could have a material adverse effect on our business, financial condition, or results of operations and could cause the value of our securities to decline or become worthless.

Reductions in discretionary consumer spending could have an adverse effect on our business, financial condition, and results of operations.

Our business is particularly sensitive to reductions from time to time in discretionary consumer spending. Demand for entertainment and leisure activities, including lottery play, can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond our control. Unfavorable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and rising prices and inflation, or the perception by consumers of weak or weakening economic conditions, may reduce our users' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as purchasing lottery games through remote channels. Several factors relating to this economic downturn, including reductions in discretionary income due to changes in employment conditions, as well as customer preferences regarding discretionary spending habits, have caused and will likely continue to cause a reduction in consumer spending. As a result, fewer individuals may engage in gaming and lottery activities. The effect of a decrease in consumer spending on entertainment and leisure activities due to unfavorable market conditions could reduce the Company's cash flows and revenues, and therefore have a material and adverse impact on our results of operations. As a result, we cannot ensure that demand for our offerings will remain constant or achieve our anticipated growth.

Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates and inflation, foreign exchange fluctuations, increased energy costs, acts or perceived threats of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment, or significant declines in stock markets, natural disasters, as well as concerns regarding pandemics, epidemics, and the spread of contagious diseases, could lead to a further reduction in discretionary spending on entertainment and leisure activities, such as lottery play and participation in sweepstakes. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for our offerings, reducing our cash flows and revenues, and thereby materially harming our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Negative events or negative media coverage relating to, or a declining popularity of, the lottery or lottery games in general, or other negative coverage relating to lottery, forms of online gaming or betting, or the gaming industry, may adversely impact our ability to retain or attract users, which could have an adverse impact on our business, financial condition, and results of operations.

Public opinion can significantly influence our business. Unfavorable publicity regarding, for example, our company, members of our management and Board, our technology, our implementation of upgrades and changes to our technology, the quality of our Platform and its interfaces, our product offerings, our other services and systems, actual or threatened litigation or regulatory activity, the actions of third parties with whom we have relationships, our ability to recommence our business operations, or the conduct of the lottery authorities and the products they offer, including declining popularity of a particular lottery game or lottery games in general, could seriously harm our reputation. In addition, a negative shift in the perception of lottery games by the public or by politicians, lobbyists, or others could affect future legislation regarding the mobile purchase of lottery games from third-party providers, including with respect to the regulation or licensure of couriers, or with respect to the legalization of online lottery game sales ("Online Lottery"), either of which may impact our operations. Negative public perception could also lead to new restrictions on or to the prohibition of mobile lottery play in jurisdictions in which we currently operate. Such negative publicity could also adversely affect the size, demographics, engagement, and loyalty of our new players and established user base, and it could result in decreased revenue or slower user growth rates, which could seriously harm our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Our future growth will depend largely on our ability to attract players and retain users, and the loss of our users, failure to attract new users in a cost-effective manner, or failure to effectively manage our growth could adversely affect our business, financial condition, and results of operations.

Our ability to achieve growth in revenue in the future will depend, in large part, upon our ability to attract new players to our offerings, retain existing users of our offerings, and reactivate users in a cost-effective manner. Achieving growth in our community of users may require us to increasingly engage in sophisticated and costly sales and marketing efforts, which may not make sense in terms of return on investment. We have used and expect to continue to use a variety of free and paid marketing channels, in combination with the promotional activity of in-state and multi-state issued lottery games, to achieve our objectives. For paid marketing, we intend to leverage a broad array of advertising channels, which may include a combination of radio and social media platforms, such as Facebook, Instagram, and X (formerly Twitter), affiliate marketing, paid and organic search engines, and other digital channels, such as mobile display. If the search engines on which we rely modify their algorithms, change their terms around gaming and lottery, or if the prices at which we may purchase listings increase, then our costs could increase, and fewer users may click through to our websites or download our application. If links to our websites or application are not displayed prominently in online search results, if fewer users click through to our websites or application, if our other digital marketing campaigns are not effective, or if the costs of attracting users via any of our current methods significantly increase, then our ability to efficiently attract new users could be reduced, our revenue could decline, and our business, financial condition, and results of operations could be harmed and could cause the value of our securities to decline or become worthless.

In addition, our ability to increase the number of users of our offerings will depend on user adoption of playing lottery games remotely via a third-party application. Growth in the mobile and online lottery industry and the level of demand for and market acceptance of our product offerings is subject to a high degree of uncertainty. We cannot ensure that players will use our products or that the industry will achieve more widespread acceptance.

Additionally, as technological or regulatory standards change and we modify our offerings to comply with those standards, we may need users to take certain actions to continue playing, such as performing age verification and location checks or accepting new terms and conditions, including those regarding responsible gaming. Users may stop using our offerings at any time, including if the quality of the user experience or our support capabilities in the event of a user concern, does not meet their expectations or keep pace with the quality of the customer experience generally offered by competitive offerings. This could seriously harm our business, financial condition and results of operations and could cause the value of our securities to decline or become worthless.

Prior to the Operational Cessation, Internet search engines drove traffic to our B2C Platform and our user growth could decline and our business, financial condition, and results of operations would be adversely affected if we fail to appear prominently in search results when we recommence operations.

Our success depends in part on our ability to attract users through unpaid Internet search results on search engines like Google, Yahoo!, and Bing. The number of users we attract to our B2C Platform from search engines is due, in large part, to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not under our direct control and may change frequently. For example, a search engine may change its ranking algorithms, methodologies, or design layouts. As a result, links to our web-based properties may not be prominent enough to drive traffic, and we may not know how or otherwise be in a position to influence the results. In some instances, search engine companies may change these rankings in a way that promotes their own competing products or services or the products or services of one or more of our competitors. Search engines may also adopt a more aggressive auction-pricing system for keywords that would cause us to incur higher advertising costs or reduce our market visibility to prospective players. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future. Any reduction in the number of users directed to our B2C Platform could adversely affect our business, financial condition and results of operations and could cause the value of our securities to decline or become worthless.

We may be unable to continue to use the domain names that we use in our business or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand, trademarks, or service marks.

We have registered domain names that we use in, or are related to, our business, most importantly *www.lottery.com* and www.*sports.com*. We believe our easily identifiable and definitional brands and domain names are one of our competitive strengths. If we lose the ability to use our domain names, especially *www.lottery.com* and www.*sports.com*, whether due to trademark claims, failure to renew applicable registrations, or any other cause, we may be forced to incur significant expense in order to attempt to purchase rights to the domain name in question, the failure of which would require us to market the relevant offerings under a new domain name, and we may be required to change our brand, which could cause us substantial harm and expense, and could negatively impact our business, financial condition, and results of operations. We may not be able to obtain preferred domain names outside the U.S. due to a variety of reasons. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting, maintaining, and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of resources, all of which could, in turn, adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

We are subject to risks related to corporate social responsibility, responsible gaming, reputation, and ethical conduct.

Many factors influence our reputation and the value of our brands, including the perception held by our users, customers, business partners, investors, regulatory authorities, key stakeholders, and the communities in which we operate, such as our social responsibility, corporate governance, and responsible gaming practices. We have faced, and will likely continue to face, increased scrutiny related to social, governance and responsible gaming activities, and our reputation and the value of our brands can be materially adversely harmed if we fail to act responsibly in a number of areas, such as diversity and inclusion, workplace conduct, responsible gaming, human rights, philanthropy, and support for local communities. Any harm to our reputation could impact employee engagement and retention, and the willingness of users, customers and partners to do business with us, which could have a materially adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Illegal, unethical or fraudulent activities perpetrated by any of our members of management or Board, users, customers, or partners for personal gain could expose us to potential reputational damage and financial loss, which would negatively impact our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

General Operational Risks

We have incurred net losses in the past with negative cash flows and suspended operations and may not be able to generate and sustain profitability.

We have a history of incurring net losses and have suspended significantly our operations since July 2022, the Operational Cessation. We may not be able to achieve or maintain a needed level of profitability in the future. We experienced net losses of approximately $24.2 million for the year ended December 31, 2023, and approximately $60.0 million and $53.0 million for the years ended December 31, 2022 and December 31, 2021, respectively. As of December 31, 2023, we had an accumulated deficit of approximately $235.1 million. While we have received some limited revenue since the Operational Cessation, we cannot predict when or whether we will be able to fully restart our operations and/or whether or not we will be able to reach profitability at any time in the future.

We also expect our operating expenses to increase in the future as we continue to invest for our future growth, which will negatively affect our results of operations if our total revenue does not increase. We cannot ensure that these investments will result in substantial increases in our total revenue or improvements in our results of operations. In addition to the anticipated costs to grow our business, we also expect to incur significant additional legal, accounting, and other expenses as a public company. Once we fully restart our operations, any failure to increase our revenue or to manage our costs could prevent us from achieving or maintaining profitability or positive cash flow.

The online lottery market is still in relatively early stages of growth, and if such market does not continue to grow, grows slower than we expect, or fails to grow as we forecast, our business, financial condition, and results of operations could be adversely affected.

The Online Lottery market has grown rapidly since we launched our Platform in 2016, but it is still relatively new, and it is uncertain to what extent market acceptance will continue to grow, if at all. Our success will depend to a substantial extent on the willingness of users to purchase Online Lottery games, *i.e.*, through mobile applications and web properties. If the public does not perceive these services as beneficial, or chooses not to use them as a result of concerns regarding security, safety, affordability, or for other reasons, whether as a result of incidents on our Platform or on our competitors' applications or otherwise, or instead adopts alternative solutions that may arise, then the market for our Platform may not further develop, may develop slower than we expect, or may not achieve the growth potential we expect, any of which could adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Our business may be materially adversely affected if our products, technology, services, and solutions do not achieve and maintain broad market acceptance, if we are unable to keep pace with or adapt to rapidly changing technology, evolving industry standards, and changing regulatory requirements, or if we do not invest in product and systems development and provide services that are attractive to our users and customers.

Our future business and financial success will depend on our ability to anticipate the needs of potential users and customers, to achieve and maintain broad market acceptance for our existing and future products, services, and systems, to successfully introduce new and upgraded products, services, and systems, and to successfully implement our current and future geographic expansion plans. To be successful, we must be able to quickly adapt to changes in technology, industry standards, and regulatory requirements by continually enhancing our technology, services, and solutions. Developing new services and upgrades to services, as well as integrating and coordinating current services, imposes burdens on our internal teams, including management, compliance, and product development. These processes are costly, and our efforts to develop, integrate, and enhance our products, services, and systems may not be successful. In addition, successfully launching a new or upgraded product or expanding into a new jurisdiction will put additional strains on our financial, technology and marketing resources. Expanding into new markets and investing resources towards increasing the depth of our coverage within existing markets impose additional burdens on our research, systems development, sales, marketing, and general managerial resources. If we are unable to manage our expansion efforts effectively, obtain greater market share or obtain widespread adoption of new or upgraded products, services, and systems, we may not be able to offset the expenses associated with the launch and marketing of the new or upgraded products, services, and systems, which could have a material adverse effect on our financial results. If we introduce new or expand existing offerings for our business, we may incur losses or otherwise fail to enter these markets successfully. Our expansion into these markets will place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years, if at all.

If we are unable to develop new or upgraded offerings or decide to combine, shift focus from, or phase out a service, then our users or customers may choose a competitive offering over ours, our revenues may decline, and our profitability may be reduced. If we incur significant costs in developing new or upgraded systems, products or services, or combining and maintaining existing systems, if we are not successful in marketing and selling these new products or upgrades, or if our users or customers fail to accept these new or combined products, then there could be a material adverse effect on our results of operations due to a decrease of our revenues. If we eliminate or phase out a product and are not able to offer and successfully market and sell an alternative product, our revenue may decrease, which could have a material adverse effect on our results of operations.

Our future success will largely depend on our ability to make continuous improvements to provide products, services, and systems that are attractive to our users and customers. As a result, we will need to continually invest resources in product development and successfully incorporate and develop new technology. If we are unable to do so or otherwise provide products, services, and systems that users and customers want, then our users or customers may become dissatisfied and use competitors' services. If we are unable to continue offering innovative products, services, and systems, we may be unable to attract additional users or customers or retain our existing users or customers, which could harm our business, results of operations, and financial condition and could cause the value of our securities to decline or become worthless.

Our results of operations may fluctuate due to seasonality and other factors and, therefore, our periodic operating results will not be guarantees of future performance.

Although lottery games are offered on a year-round basis, there is seasonality in lottery games purchasing that may impact our operations and operations of our customers. The broad geographical mix of our user and customer base also impacts the effect of seasonality, as users and customers in different territories typically place differing importance on different lottery games and those games often have different calendars. For example, some multi-state games can have occasional increasingly high jackpot opportunities, which increase user attention and ticket purchases, which further increases the jackpot. Such events may cause increases in our revenues. By contrast, low jackpot lottery games or periods in which there is little promotional activity connected to lottery games in general may negatively impact the purchase of lottery games. Such fluctuations and uncertainties may negatively impact our cash flows.

We may not be able to capitalize on trends and changes in the gaming and lottery industries, including due to the operational costs involved, the laws and regulations governing these industries in various jurisdictions, and other factors.

We participate in new and evolving aspects of the mobile gaming and lottery industries. Part of our strategy, when we have sufficient funding, is to take advantage of the liberalization of regulations covering these industries on a global basis. These industries involve significant risks and uncertainties, including legal, business, and financial risks. The fast-changing environment in these industries can make it difficult to plan strategically and can provide opportunities for competitors to grow their businesses at our expense. Consequently, our future results of operations, cash flows, and financial condition are difficult to predict and may not grow at the rates we expect.

To the extent that we enter into any business that is determined to be internet gaming, any jurisdiction in which our existing business is deemed to be internet gaming, or our customers offer internet gaming, it is important to recognize that the laws relating to internet gaming are evolving literally by jurisdiction. To varying degrees, governments have taken steps to change the regulation of internet wagering through the implementation of new or revised licensing and taxation regimes, including the possible imposition of sanctions on unlicensed providers. We cannot predict the timing, scope or terms of the implementation or revision of any such state, federal or foreign laws or regulations, or the extent to which any such laws and regulations may facilitate or hinder our strategy or be applicable to or impactful on our business, operations and financial condition.

In jurisdictions that authorize internet gaming, we may not be successful in offering our technology, content and services to internet gaming operators, We expect to face intense competition from our traditional competitors in the gaming and lottery industries, as well as a number of other domestic and foreign competitors (and, in some cases, the operators themselves), many of which have substantially greater financial resources or experience in this area than we do.

Know-your-customer and geo-location programs and technologies supplied to us by third parties are an important aspect of certain internet and mobile gaming products, services, and systems, because they can confirm certain information with respect to players and prospective players, such as age, identity, and location. Payment processing programs and technologies, typically provided by third parties, are also a necessary feature of interactive and mobile wagering products, services, and systems. Moreover, we cannot provide any assurance that programs or technologies supplied to us by third parties will always meet regulatory standards, which constitutes an economic and regulatory risk to us. Additionally, these programs and technologies are costly to implement, and our use of them may have an adverse impact on our results of operations, cash flows, and our financial condition and overall business risk. Also, our products or services containing these programs and technologies may not be available to us on commercially reasonable terms, if at all, and may not perform accurately or otherwise in accordance with required specifications, all of which may have a negative impact on our business, results of operations, and financial condition and could cause the value of our securities to decline or become worthless.

Branding and Reputational Risks

Our business depends on a strong brand, and if we are not able to develop, maintain and enhance our brand and reputation, including as a result of negative publicity, our business and operating results may be harmed.

We believe that developing, maintaining and enhancing our brand and reputation is critical to achieving widespread acceptance of our products, services, and systems, attracting and retaining users and customers, persuading users and customers to adopt additional products, services, and systems, and hiring and retaining our employees.

We believe that the importance of our brand will increase as competition in the markets in which we participate further intensifies. Successful promotion of our brand will depend on a number of factors, including the effectiveness of our marketing efforts, our ability to provide high-quality, reliable, and cost-effective products, services, and systems, the perceived value of our products, services, and systems, and our ability to provide quality user and customer success and support experience. Brand promotion activities require us to make substantial expenditures. The promotion of our brand, however, may not generate user and customer awareness or increase revenue to the extent we anticipate, or at all, and any increase in revenue may not offset the expenses we incur in building and maintaining our brand.

Additionally, the reputational impact of our Board and management changes, the Operational Cessation and the events contributing thereto have not been quantified. It may require significant investment to restore the value in our brand, and the value of our brand may never return to prior levels and/or may be permanently reduced as a result of recent events.

We, our employees, our affiliates, and others with whom we have contractual relationships also use social media to communicate externally. There is a risk that this use of social media to communicate about our business may give rise to liability or result in public exposure of personal information of our employees, our users, or others, each of which could affect our revenue, business, results of operations, and financial condition.

We operate in a public-facing industry where negative publicity, whether or not justified, can spread rapidly through, among other things, social media. To the extent that we are unable to respond timely and appropriately to negative publicity, our reputation and brand could be harmed. Moreover, even if we are able to respond in a timely and appropriate manner, we cannot be certain that it will be timely or sufficient to not cause us to suffer reputational and brand damage, which could affect our revenue, business, results of operations, and financial condition.

Our marketing efforts to help grow our business may not be effective.

Promoting awareness of our Platform is important to our ability to grow our business and to attract new users and customers in the future, which can be costly. We believe that much of the growth in the number of users of our B2C Platform prior to the Operational Cessation was attributable to our paid marketing initiatives. Our future marketing efforts may include a combination of bonus offerings, affiliate marketing programs, social media engagement, radio, video, podcasts, search engine optimization, and keyword search campaigns. Our marketing initiatives may become increasingly expensive and generating a meaningful return on these initiatives may become difficult. Even if we successfully increase revenue as a result of these marketing efforts, it may not offset the additional marketing expenses we incur. If our marketing efforts intended to help grow our business are not effective, we expect that our business, financial condition, and results of operations would be adversely affected.

If we fail to detect fraud or misappropriation of proprietary information, including by our users, customers, and employees and contractors, our reputation and brand may suffer, which could negatively impact our business, financial condition, and results of operations and can subject us to investigations and litigation.

We have in the past incurred, and may in the future, incur losses from various types of fraud, which may include the use of stolen or fraudulent payment card data, claims of unauthorized payments by a user and attempted payments by users with insufficient funds, referral fraud by affiliates, fraud with respect to background checks, fraud by employees or contractors, including our couriers, and account misappropriation by bad actors, or phishing. Bad actors use increasingly sophisticated methods to engage in illegal activities involving personal information, such as identity theft, payment or bank account information theft and the unauthorized acquisition of mobile phone numbers and other accounts.

Acts of fraud may involve various tactics, including collusion. Successful exploitation of our technology could have negative effects on our product offerings, services, and user experience and could harm our reputation. Failure to discover such acts or schemes in a timely manner could result in harm to our operations. In addition, negative publicity related to such schemes could have an adverse effect on our brand and reputation, potentially causing a material adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. In the event of the occurrence of any such issues with our existing technology or product offerings, substantial engineering and marketing and other resources, and management attention, may be diverted from other projects and requirements to correct these issues, which may delay other projects and the achievement of our strategic objectives.

In addition, any misappropriation of, or access to, users' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, force us to modify our business practices, require us to comply with costly remediation requirements, damage our brand and reputation, and expose us to claims from our users, regulators, employees, and other parties, any of which could have an adverse effect on our business, financial condition, and results of operations.

We may be held liable for these acts of fraud. For example, under current payment card industry practices, we may be liable for use of funds on our products with fraudulent payment card data, even if the associated financial institution approved the transaction. Despite measures we have taken to detect and reduce the occurrence of fraudulent or other malicious activity on our offerings, we cannot guarantee that any of our measures will be effective or will scale efficiently with our business. Our failure to adequately detect or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action that may include fines and penalties, and lead to expenses, all of which could adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Our growth prospects may suffer if we are unable to develop successful offerings or if we fail to pursue additional offerings. In addition, if we fail to make the right investment decisions in our offerings and technology, we may not attract and retain key users and customers and our revenue, business, financial condition, and results of operations may decline.

The industry in which we operate is subject to rapid and frequent changes in standards, technologies, products, and service offerings, as well as in consumer demands and expectations and regulations. We must continuously make decisions regarding which offerings and technology we should invest in to meet user and consumer demand in compliance with evolving industry standards and regulatory requirements, and to grow we must continually introduce and successfully market new and innovative technologies, offerings, and enhancements to remain competitive and effectively stimulate user and customer demand, acceptance, and engagement. Our ability to engage, retain, and increase our user and customer base and to increase our revenue will depend heavily on our ability to successfully create new offerings, both independently and together with third parties. We may introduce significant changes to our existing technology and offerings or develop and introduce new and unproven products, services, and systems, any of which we may have little or no prior development or operating experience. The process of developing new offerings and systems is inherently complex and uncertain, and new offerings may not be well received by users, even if well-reviewed and of high quality. If we are unable to develop technology and products, services, and systems that address users' needs or enhance and improve our existing technology and offerings in a timely manner, it could have a material adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Although we intend to continue investing in our research and development efforts to the extent we have sufficient funds to do so, if our new or enhanced offerings fail to engage our users or customers, we may fail to attract or retain users or customers or to generate sufficient revenue, operating margin, or other value to justify our investments, any of which may seriously harm our business. In addition, management may not properly ascertain or assess the risks of new initiatives, and subsequent events may alter the risks that were evaluated at the time we decided to execute any new initiative. Creating additional offerings can also divert our management's attention from other business issues and opportunities. Even if our new offerings attain market acceptance, those new offerings could exploit the market share of our other product offerings or share of our users' wallets in a manner that could negatively impact such offerings. Furthermore, such offering expansion will increase the complexity of our business and place an additional burden on our management, operations, technical systems, and financial resources, and we may not recover the often-substantial up-front costs of developing and marketing new offerings or recover the opportunity cost of diverting management and financial resources away from other offerings. In the event of continued growth of our operations, products, or in the number of third-party relationships, we may not have adequate resources, financially, operationally, technologically, or otherwise, to support such growth and the quality of our technology, offerings, or our relationships with third parties could suffer. In addition, failure to effectively identify, pursue, and execute new business initiatives, or to efficiently adapt our processes and infrastructure to meet the needs of our innovations, may adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. Any new offerings may also require our users to utilize new skills to use our offerings. This could create a lag in adoption of new offerings and new user additions related to any new offerings. To the extent that future users, including those in older demographics, are less willing to invest the time to learn to use our products, and if we are unable to make our products, services, and systems easier to learn to use, our user growth or engagement could be affected, and our business could be harmed. We may develop new products, services and systems that increase user engagement and costs without increasing revenue.

Additionally, we may make bad or unprofitable decisions regarding these investments. If competitors offer more attractive offerings, we may lose users or users may decrease their spending on our offerings. Changing player demands, superior competitive offerings, evolving industry standards, or changes in the regulatory environment could render our existing offerings unattractive, unmarketable, or obsolete and require us to make substantial unanticipated changes to our technology or business model. Our failure to adapt to a rapidly changing market or evolving user and customer demands could harm our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Any failure to offer high-quality user support may harm our relationships with users and could adversely affect our reputation, brand, business, financial condition, and results of operations.

Our ability to attract and retain qualified support personnel is dependent in part on the ease and reliability of our offerings, including our ability to provide high-quality support. Users on our Platform have and will continue to depend on our support organization to resolve any issues relating to our offerings, such as technical questions around how to use our app and web-based properties or information regarding our Data Services. Our ability to provide effective and timely support when operations resume will be largely dependent on our ability to attract and retain service providers who are qualified to support users and sufficiently knowledgeable regarding our offerings. As we restart our business and reintroduce and improve our offerings, we will face challenges related to providing quality support services at scale. As users in new domestic and international jurisdictions acquire our services, our support organization will face additional challenges, including those associated with delivering support in languages other than English. The complex employment market and low unemployment rates may impact the availability of service providers and as a result, our ability to provide effective and timely support and an increase in response time. Any failure to provide efficient user support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, brand, business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Information Technology Risks

We rely on information technology and other systems and services, and any failures, errors, defects, or disruptions in our systems or the availability of our services could diminish our brand and reputation, subject us to liability, disrupt our business, affect our ability to scale our technical infrastructure, and adversely affect our operating results and growth prospects. Our software applications and systems, and the third-party platforms upon which they are made available, could contain undetected errors.

Our technology infrastructure is critical to the performance of our offerings and to user and customer satisfaction. We have devoted and expect to continue to devote significant resources to network and data security to protect our systems and data and aim to make our operations and our solutions more streamlined, automated, and cost-effective. Despite our expenditures, our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be harmful to our business. The measures we take may not be sufficient to prevent or hinder cyber-attacks and protect our systems, data, and user and customer information and to prevent outages, data, or information loss, fraud, and to prevent or detect security breaches, including a disaster recovery strategy for server and equipment failure and back-office systems and the use of third parties for certain cybersecurity services. We have experienced, and we may in the future experience, website disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Such disruptions have not had a material impact on us; however, future disruptions from unauthorized access to, fraudulent manipulation of, or tampering with our computer systems and technological infrastructure, or those of third parties, could result in a wide range of negative outcomes, each of which could materially adversely affect our business, financial condition, results of operations and prospects.

Additionally, our application and web-based products may contain errors, bugs, flaws, or corrupted data, and these defects may only become apparent after their launch. If a particular product offering is unavailable when users or customers attempt to access it or navigation through our offerings is slower than they expect, users may be unable to timely acquire their lottery games and may be less likely to use our Platform again, if at all. Furthermore, programming errors, defects, and data corruption could disrupt our operations, adversely affect the experience of our users or customers, harm our reputation, cause our users to stop utilizing our offerings, divert our resources, and delay market acceptance of our offerings, any of which could result in liability to us or harm our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

If our user and customer base and engagement grows, and the amount and types of offerings we provide grow and evolve, we will need an increasing amount of technical infrastructure, including network capacity and computing power, to satisfy our users' and customers' needs. Such infrastructure expansion may be complex, and unanticipated delays in completing these projects or availability of components may lead to increased project costs, operational inefficiencies, or interruptions in the delivery or degradation of the quality of our offerings. In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after we have started to fully use the underlying equipment or software, that could further degrade the user or customer experience or increase our costs. As such, we could fail to effectively scale and grow our technical infrastructure to accommodate increased demands. In addition, our business may be subject to interruptions, delays or failures resulting from adverse weather conditions, other natural disasters, power loss, terrorism, cyber-attacks, public health emergencies, or other catastrophic events.

We believe that if our users or customers have a negative experience with our offerings, or if our brand or reputation is negatively affected, users and customers may be less inclined to utilize our products and services or to recommend our offerings to other potential users and customers. As such, a failure or significant interruption in our service could harm our reputation, business, financial condition, and operating results.

Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers, breached due to employee or contractor error, malfeasance, or other cybersecurity risks or disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure, or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, and regulatory penalties, fines, and the payment of damages, restrictions on our ability to use data, disruption of our operations and the services we provide to users, damage to our reputation, and a loss of confidence in our products, services, and systems, which could adversely affect our business.

The secure maintenance and transmission of personally identifiable information of our users is a critical element of our operations. Our information technology and other systems that maintain and transmit user information, or those of our customers, service providers, business partners, or employees may be compromised by a malicious third-party penetration of our network security, or that of a third-party service provider or business partner or impacted by intentional or unintentional actions or inactions by our employees, or those of a third-party service provider or business partner. As a result, our users' information may be lost, disclosed, accessed, or taken without our users' consent. We have experienced attempts to breach our systems and other similar incidents in the past and anticipate that it may occur in the future. For example, we expect that we will be subject to attempts to gain unauthorized access to or through our information systems, whether by our employees or third parties, including cyber-attacks by computer programmers and hackers who may develop and deploy viruses, worms or other malicious software programs. To date, attempts to breach our systems have not had a material impact on our business, operations, or financial results, but we cannot provide assurance that they will not have a material impact in the future.

We rely on encryption and authentication technology licensed from third parties in an effort to securely transmit confidential and sensitive information, including payment card information. Advances in computer capabilities, new technological discoveries, or other developments may result in the whole or partial failure of this technology to protect transaction data or other confidential and sensitive information from being breached or compromised. In addition, apps and websites are often attacked through compromised credentials, including those obtained through phishing and credential stuffing. Our security measures, and those of our third-party service providers, may not detect or prevent all attempts to breach our systems, denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches, or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our apps, websites, networks, and systems or that we or such third parties otherwise maintain, including payment card systems, which may subject us to fines or higher transaction fees or limit or terminate our access to certain payment methods. We and such third parties may not anticipate or prevent all types of attacks until after they have already been launched. Further, techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers.

In addition, distributed ledger technology is an emerging technology that offers new capabilities that are not fully proven in use. As with other novel software products, the computer code underpinning the distributed ledger technology used in our Platform may contain errors, or function in unexpected ways and may cause the software to break or function incorrectly.

Furthermore, security breaches can also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or by third parties. These risks may increase over time as the complexity and number of technical systems and applications we use also increases. Breaches of our security measures or those of our third-party service providers or cybersecurity incidents could result in unauthorized access to our sites, networks, and systems; unauthorized access to and misappropriation of user information, including users' personally identifiable information, or other confidential or proprietary information of ourselves or third parties; viruses, worms, spyware, or other malware being served from our sites, networks, or systems; deletion or modification of content or the display of unauthorized content on our sites; interruption, disruption, or malfunction of operations; costs relating to breach remediation, deployment of additional personnel and protection technologies, response to governmental investigations, and media inquiries and coverage; engagement of third-party experts and consultants; or litigation, regulatory action, and other potential liabilities. In the past, we have experienced social engineering, phishing, malware, and similar attacks and threats of denial-of-service attacks, none of which to date has been material to our business; however, such attacks could in the future have a material adverse effect on our operations, business, and financial condition. If any of these breaches of security should occur and be material, our reputation and brand could be damaged, our business may suffer, we could be required to expend significant capital and other resources to alleviate problems caused by such breaches, and we could be exposed to a risk of loss, litigation, or regulatory action and possible liability. We cannot guarantee that recovery protocols and backup systems will be sufficient to prevent data loss. Actual or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants.

In addition, any party who is able to illicitly obtain access to a user's account could access the user's transaction data or personal information, resulting in the perception that our systems are insecure. Any compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data protection, data security, network, and information systems security and other laws and cause significant legal and financial exposure, adverse publicity, negative impact to our brand and reputation, and a loss of confidence in our security measures, which could have a material adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. We plan to continue to devote significant resources to protect against security breaches or we may need to in the future to address problems caused by breaches, including notifying affected users in accordance with regulatory requirements and responding to any resulting litigation, which in turn, diverts resources from the growth and expansion of our business.

Because we maintain certain information about our users, we are subject to various privacy laws both in the U.S. and internationally. Our failure to comply with such laws could expose us to penalties, fines, and litigation, and it could adversely impact our reputation and brand, any of which could adversely affect our business.

We are subject to various privacy laws in the U.S. and foreign jurisdictions and we expect that new industry standards, laws and regulations will continue to be proposed regarding privacy, data protection and information security in many jurisdictions, including the California Consumer Privacy Act of 2018, which went effective January 1, 2020 and the California Consumer Privacy Rights Act ("CCPA"), which went effective on January 1, 2023, which impose obligations for the handling, disclosure and deletion of personal information for California residents. Virginia and other states have enacted, or are considering enacting, data privacy laws similar to the CCPA. Certain of these laws, including the CCPA also requires companies to give residents the ability to opt out of the sale of their personal information and creates potential liability for companies that fail to take adequate steps to protect personal information where that failure results in a data breach.

In the European Union, the General Data Protection Regulation of 2018 (the "GDPR") significantly expanded the rules on using personal data and increased the risks of processing personal data. Some of the new requirements include:

- accountability and transparency requirements, which require those who control data to demonstrate and record compliance and provide certain detailed information to users regarding the ways in which data is used and processed;
- enhanced data consent requirements, which includes "explicit" consent with regard to information the regulation classifies as sensitive data;
- obligations to consider data privacy as new products, services and systems are developed, including ways to limit accessibility of data as well as the amount of information collected, processed, and stored;
- constraints on using data to profile users;
- obligations to provide users with personal data in a usable format on request and to erase personal data in certain circumstances; and
- reporting to data protection authorities of potential breaches without undue delay (72 hours, where feasible).

Other foreign jurisdictions in which the Company operates, or in which it has it services available, have implemented, or are considering implementing, data privacy laws and regulations, many of which are similar to the GDPR. Although we attempt to stay current with such developments in the jurisdictions in which we or our subsidiaries operate, our policies and procedures for compliance with data privacy laws and regulations, may not be up-to-date or implemented correctly or our management, employees or agents. thereby not complying with current procedures. Moreover, our third-party agents in foreign jurisdictions may likewise not implement policies and procedures that are the most current for their jurisdiction, thereby creating a risk factor for us. Failure to comply with data privacy laws and regulations may have serious financial consequences. We could face significant sanctions, statutory damages, and damage to our reputation resulting in a material adverse effect on our results of operations, business, or financial condition.

Our business could be adversely impacted by changes in the Internet and mobile device accessibility of users.

Our business depends on users' access to our offerings via a mobile device or personal computer and the Internet. We may operate in jurisdictions that provide limited data or Internet connectivity, particularly as we expand into foreign markets. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant market power that could take actions that degrade, disrupt, or increase the cost of consumers' ability to access our offerings. In addition, the Internet infrastructure that we and our users rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed and availability of our offerings. Any such failure in Internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

We operate in a rapidly evolving industry and if we fail to successfully develop, market, or sell new products or adopt new technology platforms, it could materially adversely affect our business, results of operations, and financial condition.

Our Platform and other software products are in a market characterized by rapid technological advances, evolving standards in software and hardware technology, and frequent new product introductions and enhancements that may render existing products, services, and systems obsolete. Competitors are continuously upgrading their product offerings with new features, functions, and content. In addition, we may be required to refine our software and technology platform to address regulatory changes in the markets in which we operate or plan to operate. In order to become competitive, we may need to periodically modify and enhance our technology platform and service offerings.

We cannot assure you that we will be able to respond to rapid technological or regulatory changes in our industry. In addition, the introduction of new products or updated versions of existing products and the underlying technology that supports such products has inherent risks, including, but not limited to, risks concerning:

- product quality, including the possibility of software defects, which could result in claims against us or the inability to sell our products;
- the accuracy of our estimates of user or customer demand, and the fit of the new products and features with users' or customers' needs;
- the need to educate our sales, marketing and services personnel to work with the new products and features, which may strain our resources and lengthen sales cycles;
- market acceptance of initial product releases; and
- competitor product introductions or regulatory changes that render our new products obsolete.

Developing, enhancing and localizing software is expensive, and the investment in product development may involve a long payback cycle. However, we believe that we must dedicate a significant number of resources to our developmental efforts to maintain our competitive position. However, funding for such development efforts may not be available on favorable terms if at all, and we may not receive significant revenue from these investments for several years, if at all. In addition, as we or our competitors introduce new or enhanced offerings, the demand for our offerings, may decline.

We may not timely and effectively scale and adapt our technology and network infrastructure to ensure that our Platform is accessible, which would adversely affect our business, reputation, financial condition, and results of operations.

Once it becomes operational, we expect to make significant investments to improve the availability of our Platform and to enable rapid releases of new features and services, funding permitting. However, it may become increasingly difficult to maintain and improve the availability of our Platform, especially during peak usage times and as our Platform becomes more complex and if our user and customer traffic increase. If our Platform is unavailable when users and customers attempt to access it or it does not respond as quickly as they expect or it experiences capacity constraints due to an overwhelming number of users or customers accessing our Platform simultaneously, users or customers may seek other offerings, and may not return to our Platform as often in the future, or at all. This would adversely affect our ability to attract users and customers and decrease the frequency with which they use our Platform. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, or develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, reputation, financial condition, and results of operations would be adversely affected.

Our Platform may be vulnerable to risks, both foreseen and unforeseen, arising from our application of distributed ledger technology.

Prior to the Operational Cessation, our Platform utilized distributed ledger technology by preserving a cryptographic ledger of the user identification, draw identification, ticket identification, and game numbers into an immutable ledger. The distributed ledger was append-only and kept a complete record of all changes to the provided data that could not be deleted, modified, or overwritten. Distributed ledger technology is a relatively new, evolving technology. Accordingly, the further development and future viability of this technology is generally undetermined with practical and ideological challenges which may affect its further development or integration into our Platform.

Regulatory and Compliance Risks

A jurisdiction may enact, amend, or reinterpret laws and regulations governing our operations in ways that impair our revenues, cause us to incur additional legal and compliance costs and other operating expenses, or are otherwise not favorable to our existing operations or planned growth, all of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition.

State and federal laws in the U.S. govern and, in some cases, limit our business practices. For example, the Interstate Wagering Amendment to 18 U.S.C. § 1301 (the "Interstate Wagering Amendment") limits our ability to purchase lottery games for a user located in one state from a lottery authority located in another state, except under certain limited circumstances, such as where the lottery authorities in the respective states allow the sales. Therefore, for our users located within the U.S., we only purchase lottery games for users geolocated to be physically situated within the U.S. state or jurisdiction where the lottery game they are purchasing is being conducted, unless an exception were to be authorized by the applicable lottery authorities.

In addition, our business is subject to extensive regulation by multiple domestic and foreign governmental authorities and the laws and regulations governing companies conducting sweepstakes and lottery related operations on the Internet and over mobile networks and purchasing of lottery tickets on behalf of others. Such laws and regulations within U.S. and international jurisdictions are subject to change and the effect of such changes on our ongoing and potential operations cannot be predicted with certainty. Governmental authorities continually evaluate a wide range of issues that impact the mobile and online lottery and gaming industries. As a result, a jurisdiction may enact, amend, or reinterpret laws and regulations governing our operations in ways that impair our revenues, cause us to incur additional legal and compliance costs and other operating expenses, or are otherwise not favorable to our existing operations or planned growth, all of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition.

There have been several proposed state and federal bills to prohibit or restrict interactive or online lottery sales, some of which have been successful. For example, in 2015, the Minnesota legislature passed an amendment to the state's lottery law prohibiting the sale of scratch lottery tickets over the Internet. In certain jurisdictions, the sale of lottery tickets through couriers is expressly unlawful. Laws restricting the sale of lottery tickets via the Internet, through mobile networks or by courier, or that otherwise materially impact our operations, including those relating to sweepstakes, may be proposed or passed in the future at either the federal or state level or by foreign governments. For example, in 2023, the State of Texas passed Senate Bill 1820 (the "Texas Bill"), which among other things, limited online lottery gaming and the use of courier services in Texas. Any proposal or passage of such laws may reduce our revenues or require us to expend a significant amount of our funds and resources and incur additional legal and other expenses, thereby creating a material adverse effect on us or our results of operations, cash flow, or financial condition.

Changes in the executive branches of government in the U.S. as well as in foreign countries, may affect policies on lotteries and mobile gaming. For example, variations in the interpretation of The Federal Wire Act of 1961 (the "Wire Act") by the Office of Legal Counsel (the "OLC") of the Department of Justice (the "DOJ") has had a material impact on the online gaming and lottery industry within the U.S. For more information, see "*If there is a final determination on the applicability of the Wire Act to our operations and it is determined or codified that the Wire Act extends to transmission of lottery games in interstate or foreign commerce, certain of our operations that are not currently restricted by statute or practice to a state's territorial boundaries may be negatively impacted or eliminated, which may have a material adverse effect on our business, financial conditions, and results of operations.*" We have and may from time to time in the future retain government affairs specialists in domestic and international jurisdictions to advise elected and appointed officials regarding our perspectives on legislation and regulations related to lottery and other aspects of our business, to monitor such legislation and regulations, and to otherwise provide us with advice regarding our relations with such officials. Such efforts, however, may not be successful in whole or in part and changes in such laws or policies could have a material adverse effect on us or our results of operations, cash flow, or financial condition.

We cannot ensure that our activities or the activities of those third parties with whom we do business will not become the subject of regulatory or law enforcement proceedings. Further, lottery regulatory associations, including the Multi-State Lottery Association (the "MUSL"), and certain lottery entities both domestically and internationally exercise significant authority regarding the means and manner in which the lottery and its products are marketed and sold as well as the equipment, technology and services deployed by retailers and resellers of such lottery products. Our activities or the activities of those third parties with whom we do business may become the subject of further inquiries, investigations or enforcement proceedings by such authorities or entities. Any such proceeding by regulatory or law enforcement or associations or entities may have a material adverse effect on us or our results of operations, cash flow, or financial condition.

If there is a final determination on the applicability of the Wire Act to our operations and it is determined or codified that the Wire Act extends to transmission of lottery games in interstate or foreign commerce, certain of our operations that are not currently restricted by statute or practice to a state's territorial boundaries may be negatively impacted or eliminated, which may have a material adverse effect on our business, financial conditions, and results of operations.

The Wire Act of 1961 provides that anyone engaged in the business of betting or wagering that knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication that entitles the recipient to receive money or credit as a result of such bets or wagers, or for information assisting in the placing of such bets or wagers, may be fined or imprisoned, or both. However, the Wire Act provides that it shall not be construed to prevent the transmission in interstate or foreign commerce of information for use in news reporting of sporting events or contests, or for the transmission of information assisting in the placing of bets or wagers on a sporting event or contest from a state or foreign country where betting on that sporting event or contest is legal.

Until 2011, there was uncertainty as to whether the Wire Act prohibited the conduct of intrastate lottery transactions via the Internet by U.S. states if such transactions crossed state lines. Essentially, there was a debate with regard to whether all of the prohibitions in the Wire Act applied only to bets or wagers on a "sporting event or contest" as used in the Wire Act, or all bets or wagers. In late 2011, the OLC issued an opinion that concluded the conduct prohibited by the Wire Act was limited to sports gambling (the "2011 DOJ Opinion"). Following the issuance of the 2011 DOJ Opinion, six state lotteries offered internet sales of scratch lottery games to in-state customers, and several other states allowed subscription sales of draw games via the Internet. Notably, in 2017, the Commonwealth of Pennsylvania authorized the Pennsylvania Lottery to distribute lottery products, including scratch ticket games, through numerous channels that included web applications, mobile applications, and social media.

In January 2019, the OLC issued the 2019 Opinion, which concluded that the restrictions in the Wire Act on the transmission in interstate or foreign commerce of bets and wagers was not limited to sports gambling but applied to all bets and wagers, including those involving state lotteries. Multiple lawsuits were filed challenging the validity of the 2019 Opinion.

On June 3, 2019, the federal district court in New Hampshire determined that the Wire Act applies exclusively to sports gambling and set aside the 2019 Opinion. The New Hampshire federal district court declined, however, to issue a nationwide injunction in the case. On August 16, 2019, the DOJ appealed the New Hampshire federal district court's decision to the First Circuit.

On January 20, 2021, the First Circuit affirmed the District Court's decision, determining that the Wire Act applies only to interstate wire communications related to sporting events or contests. Finding that the declaratory judgment was an adequate remedy at law, the First Circuit declined to set aside the 2019 Opinion under the Administrative Procedure Act. In addition to the First Circuit's decision, the Fifth Circuit has previously held the Wire Act prohibitions apply only to sports gambling.

On September 15, 2022, the United States District Court for the District of Rhode Island entered an order siding with the First Circuit's interpretation of the Wire Act and holding that "the Wire Act applies only to 'bets or wagers on any sporting event or contest."

Notwithstanding the above, currently, there is no definitive ruling from the U.S. Supreme Court on the issue, and the courts in other U.S. Circuits might take a different position. Because many of the Company's operations occur outside the jurisdiction of the First Circuit and the Fifth Circuit, and because the First Circuit did not set aside the 2019 Opinion, we are still monitoring the potential impact of the 2019 Opinion on our business. If courts outside the First Circuit, Fifth Circuit or the U.S. Supreme Court take a different position on the applicability of the Wire Act to our operations, the Wire Act may have a material adverse effect on our business, financial conditions, and results of operations. In particular, should it ultimately be determined or codified that the Wire Act extends to transmission of lottery games in interstate or foreign commerce, certain of our operations that are not currently restricted by statute or practice to a state's territorial boundaries may be negatively impacted or eliminated. Further, in such event, the DOJ or other federal regulatory authorities may determine that the manner in which we operate our technology is deemed to be interstate or foreign commerce and accordingly a violation of such interpretation of the Wire Act. Either event could have a material adverse effect on us or our results of operations, cash flow, or financial condition, could force us to cease our operations (if any), seek bankruptcy protection, and could further subject us to litigation, fines and penalties.

If the Interstate Wagering Amendment is interpreted or applied to prohibit transmissions to foreign countries, it could have a negative impact on our business, financial condition, and results of operations.

Various federal laws prohibit the transportation of lottery tickets, advertisements, and paraphernalia in interstate or foreign commerce or through the mail, except under certain circumstances. Generally, such laws do not apply to state or charitable lotteries conducted in accordance with the laws of the state in which such lottery is operated. The Interstate Wagering Amendment, enacted in 1994, sought to close a "loophole" in the federal laws allowing the sale of lottery tickets across state lines "via computer transaction with no paper crossing state lines."

The Interstate Wagering Amendment specifically provides: "Whoever . . . being engaged in the business of procuring for a person in 1 State such a ticket, chance, share or interest in a lottery, gift, [sic] enterprise or similar scheme conducted by another State (unless that business is permitted under an agreement between the States in question or appropriate authorities of those States), knowingly transmits in interstate or foreign commerce information to be used for the purpose of procuring such a ticket, chance, share, or interest" shall have committed an offense under 18 U.S.C. § 1301.

Unless covered by one of the exceptions, therefore, we are prohibited from transporting lottery tickets across state lines or transmitting information to be used for the purpose of procuring a lottery ticket for a lottery conducted by a state to a person in another state. "State" is defined as "a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States." The definition of "foreign government" on the other hand, expressly excludes U.S. states and territories. Based on the use of the words "1 State" and "another State" and the omission of the term "foreign country", we believe the Interstate Wagering Amendment does not prohibit transmission of information for the purpose of procuring tickets for persons in foreign countries.

If the Interstate Wagering Amendment is interpreted or applied to prohibit transmissions to foreign countries, however, it could have a negative impact on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. Additionally, reinterpretation of the Wire Act to prohibit transmissions of information to foreign countries for the purpose of procuring such tickets could also negatively impact our business. For more information, see "*Regulatory and Compliance Risks - If there is a final determination on the applicability of the Wire Act to our operations and it is determined or codified that the Wire Act extends to transmission of lottery games in interstate or foreign commerce, certain of our operations that are not currently restricted by statute or practice to a state's territorial boundaries may be negatively impacted or eliminated, which may have a material adverse effect on our business, financial conditions, and results of operations.*"

Our business model and the conduct of our operations may have to vary in each U.S. jurisdiction where we do business to address the unique features of applicable law to ensure we remain in compliance with that jurisdiction's laws. Our failure to adequately do so may have an adverse impact on our business, financial condition, and results of operations.

Lottery laws vary among U.S. jurisdictions. This means that our business model and the conduct of our operations may have to vary in each jurisdiction where we do business to ensure we remain in compliance with applicable laws. For example, some jurisdictions prohibit lottery ticket courier services, while some jurisdictions in the U.S. prohibit charging certain fees to the user, and further still, some jurisdictions require us to be licensed or registered, which will require us to incur certain costs in connection with the licensing or registration process. In each U.S. jurisdiction, we may be required to structure our business model and conduct our operations differently to address the unique features of applicable law.

Many of the U.S. jurisdictions in which we have historically done business or anticipate doing business in the future require that lottery game tickets be sold only by licensed retailers and prohibit sale or resale of lottery tickets at prices in excess of the purchase price designated by the applicable regulatory authority. Because lottery tickets are typically considered bearer instruments, we can purchase tickets on behalf of our users and customers and charge certain service fees within the limits of the applicable laws in each U.S. jurisdiction. In most cases, with Virginia being a notable exception, the laws do not specifically prohibit users from engaging our services to purchase lottery tickets on their behalf. However, certain types of fees are prohibited in certain jurisdictions. For example, Pennsylvania prohibits "any fee associated with the acquisition or transportation of lottery tickets or shares" and Illinois law prohibits service charges, handling fees or other costs added to the established price of a ticket. In those states and other states with similar prohibitions, we will need to structure our business model to comply with the relevant laws while still endeavoring to operate profitably.

If a U.S. jurisdiction prohibits our services, imposes onerous licensing or regulatory requirements, or imposes restrictions on the fees we charge, either by enacting new statutes or regulations or by reinterpreting existing statutes and regulations, such restrictions and requirements could have a material adverse effect on our results of operations, cash flow, or financial condition, force us to change our operations in that state, or cease operations in that state altogether.

In some jurisdictions our key executives, certain employees, or other individuals related to our business may be subject to licensing or compliance requirements. Failure by such individuals to obtain the necessary licenses or comply with individual regulatory obligations, could cause our business to be non-compliant with such obligations, or imperil our ability to obtain or maintain licenses that may be necessary for the conduct of our business. In some cases, the remedy to such a situation may require the removal of a key executive or employee and the mandatory redemption or transfer of such person's equity securities.

We currently hold a license issued by the Texas Lottery Commission to conduct the retail sale of lottery tickets in the State of Texas. We may determine or be required to secure additional licenses from other regulatory authorities with jurisdiction over lottery operations in new markets in which we contemplate expansion. Such licensure may impose additional obligations on us and our operations, which may include continuous disclosure to and an investigation by the applicable regulatory authority into the financial stability, integrity and business experience of the Company, its affiliates, and their respective significant stockholders, directors, officers, and key employees. In markets in which we have not previously operated or in newly regulated markets, licensing regimes may impose licensing requirements or conditions with which we have not previously been required to comply, which may include locating technical infrastructure within the relevant territory, establishing real-time data interfaces with the regulatory authority, implementing consumer protection, responsible gaming and privacy measures, or additional approvals or certifications of our technology, all of which may present operational challenges and material costs, and any of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition.

(a) To the extent that any stockholder, director, officer or key employee is required to submit to required background checks and provide disclosure and fails to do so, or they or the Company fail to do so to the satisfaction of the relevant regulatory authority, such failure may jeopardize the grant of a license, provide grounds for termination of an existing license, or result in the imposition of penalties. Generally, any person or entity that fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised by a competent authority that they are required to do so may be denied a license or found unsuitable, as applicable, which may result in our being required to sever our relationship with such person or entity. Further, we may be subject to disciplinary action or suffer revocation of licensure if, following notification that a person or entity is disqualified or unsuitable, we: pay them any dividend or interest upon our shares; (b) allow them to exercise, directly or indirectly, any voting right conferred through the shares they hold; (c) pay them remuneration in any form for services rendered or otherwise; or (d) if required, fail to pursue all lawful efforts to terminate their association with the Company or require them to relinquish their shares.

In some U.S. jurisdictions, certain stockholders may also be required to file applications or submit to background checks. While such requirements typically apply only to stockholders in excess of certain thresholds (such as five or ten percent of the outstanding shares) or to stockholders who also have an active role in the Company, we cannot ensure that such jurisdictions might not seek licensure of additional stockholders in the future.

We cannot ensure that our activities will remain in compliance or that we will continue to receive all licenses or license renewals for which we apply. The loss of a license that we currently hold, or failure to receive a license, could have a material adverse effect on us or on our business, financial condition, or results of operations.

Gaming and lottery authorities may revoke or suspend licenses, levy fines against us, or seize certain of our assets if we violate gaming regulations. We cannot ensure that we will be able to obtain or maintain the necessary licenses or approvals or that the licensing process will not result in delays or adversely affect our operations. Disciplinary action against a license holder in one jurisdiction could lead regulators in other jurisdictions to pursue similar action.

We cannot ensure that regulatory or governmental authorities will not seek to restrict our business in their jurisdictions or institute enforcement proceedings against us. We cannot ensure that any instituted enforcement proceedings will be favorably resolved, or that such proceedings will not have a material adverse effect on our ability to retain and renew existing licenses or to obtain new licenses.

We plan to continually develop internal compliance programs and requirements in an effort to ensure that we comply with legal requirements imposed in connection with our activities and generally applicable to all publicly traded companies, however, we cannot ensure that they will prevent the violation of one or more laws, laws in any jurisdiction in which we conduct business, which may have an adverse impact on our business, financial condition, and results of operations.

We plan to continually develop internal compliance programs in ongoing efforts to ensure our compliance with legal requirements imposed in connection with our business activities and with legal requirements generally applicable to all publicly traded companies. While we are firmly committed to full compliance with all applicable laws, and plan to continue to establish appropriate procedures and policies, we cannot ensure that our compliance program will prevent the violation of one or more laws or regulations, or that a violation by us, an employee, a customer, a subsidiary or an affiliate will not result in the imposition of a monetary fine or suspension or revocation of one or more of our governmental licenses, findings of suitability, registrations, permits and approvals, which could have a material adverse effect on us or on our results of operations, cash flow, or financial condition.

While we are confident that we will face additional regulatory requirements as we expand, we cannot predict the effect of future regulatory requirements to which our operations might be subject or the manner in which such requirements might be enforced. The compliance policies and procedures we implement may not always be followed at all times by directors, management, employees, agents, partners and other related parties, whether through neglect or intention. Our policies and procedures have not and may not effectively detect and prevent violations of applicable laws by one or more of our directors, management, employees, agents, partners, customers, affiliates, or other related or third parties. As a result, we and/or our directors, management, employees, agents, partners, customers, affiliates, or other related or third parties could be subject to investigations, criminal and civil penalties, sanctions and/or other enforcement measures that in turn could have a material adverse effect on our results of operations, cash flow, or financial condition.

We take our corporate responsibility to our users, customers, and the requirements of the regulatory authorities in the jurisdictions in which we operate very seriously and are focused on maintaining a safe and responsible gaming environment. Our failure to remain in compliance with underage and responsible gaming requirements or any amendments or additions to such requirements could have a material adverse effect on us, our reputation and brand, or on our business, results of operations, or financial condition.

We are committed to compliance with the underage and responsible gaming requirements set forth in the domestic and international statutes and regulations in the jurisdictions in which we do business and, as applicable, that govern our operations. We take our corporate responsibility to our users, customers and the regulators in the jurisdictions in which we operate very seriously and are focused on maintaining a safe and responsible gaming environment. We will continue to evaluate and develop our technology to meet the statutory requirements regarding responsible gaming and self-exclusion as well as our own self-imposed objectives regarding corporate social responsibility, as demonstrated by our ongoing compliance objectives and policies.

All of the U.S. jurisdictions and most of the foreign jurisdictions in which we operate prohibit sales of lottery tickets to persons under 18 years of age. We have instituted know-your-customer requirements to aid our efforts in identifying minors and preventing them from using our services. In many cases, these requirements apply to our lottery retailer partners and may not apply to us. Nevertheless, if we fail to abide by these requirements, our partners may be reluctant to do business with us or the applicable regulatory authorities may amend the requirements to apply specifically to us, to the extent that they do not already do so.

Many jurisdictions, especially foreign jurisdictions, are imposing more stringent rules with regard to underage and responsible gaming. This trend could continue to spread and both U.S. and foreign jurisdictions may strengthen underage and responsible gaming requirements. In the event that any jurisdiction in which we operate mandates additional requirements regarding corporate social responsibility, responsible gaming, self-exclusion, or similar mandates, we may be required to undertake additional technological initiatives to remain in compliance. Implementation of any such initiatives may present operational challenges and material costs and divert the attention of management and our systems developers and engineers, any of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition. The failure to remain in compliance with underage and responsible gaming requirements or any amendments or additions to such requirements could have a material adverse effect on us or on our business, results of operations, or financial condition.

We are subject to governmental laws and requirements of the U.S. and various foreign jurisdictions in which we operate regarding anti-bribery, anti-corruption, economic and trade sanctions, anti-money laundering, and counter-terror financing. Alleged or actual violation of any of these laws or requirements could negatively impact our brand and reputation, our ability to obtain or maintain any governmental licenses, findings of suitability, registrations, permits, and approvals, any of which could negatively impact our business, financial condition, and results of operations.

As a digital company operating within the U.S. and subject to the jurisdiction of various foreign governments and regulatory agencies, we are accordingly subject to domestic and foreign laws regarding anti-bribery, anti-corruption, economic and trade sanctions, anti-money laundering, and counter-terror financing.

Our operations and our growth plans, including in connection with our intent to expand into new markets and undertake strategic acquisitions when we have sufficient funding to do so, may bring our officers, directors, employees, and representatives into contact with "foreign officials" responsible for issuing or renewing governmental licenses, findings of suitability, registrations, permits and approvals, or for otherwise enforcing governmental regulations and requirements. In our contact with such foreign officials, we are required to comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, which include the U.S. Foreign Corrupt Practices Act (the "FCPA"), and the U.K. Bribery Act 2010 (the "U.K. Bribery Act"), as well as corresponding laws and regulations of the other countries where we do business. The FCPA, the U.K. Bribery Act, and other applicable laws prohibit us and our officers, directors, employees, and business partners acting on our behalf, from corruptly offering, promising, authorizing, or providing anything of value to foreign officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The U.K. Bribery Act also prohibits non-governmental "commercial" bribery and accepting bribes. Our operations, trade practices, investment decisions, and partnering activities may be restricted as a result.

In addition, some of the foreign locations in which we operate lack a developed legal system and may experience elevated levels of corruption. Our foreign operations expose us to the risk of inadvertently violating, or being accused of violating, anti-corruption laws and regulations. Our failure to successfully comply with any such laws and regulations may expose us to brand and reputational harm, as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, and injunctions, as well as impacting our ability to maintain or obtain any governmental licenses, findings of suitability, registrations, permits and approvals. Further, investigations of alleged violations can result in substantial costs, fines, or penalties and diversion of our resources. We are continuously developing, monitoring and maintaining the various governmental requirements to comply with applicable anti-corruption laws and regulations, however, there is no certainty that they will effectively prevent violations for which we may be held responsible, or at all.

We are currently required to comply with U.S. economic and trade sanctions administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"). Our Platform may be accessible from a sanctioned country in violation of applicable trade and economic sanctions. As part of our ongoing compliance efforts, we are implementing requirements to ensure that we do not violate these laws and regulations, however, our failure to adequately fulfill such requirements, fully perform any and all compliance requirements, or otherwise breach any compliance requirements of the OFAC could result in our being subject to penalties, fines or other enforcement actions.

We process, support and execute financial transactions as part of our business and disburse funds on behalf of certain of our users, including receiving payment card information and processing payments for and due to our users. Accordingly, we may be subject to various U.S. and foreign government anti-money laundering and counter-terrorist financing laws and regulations that prohibit, among other things, involvement in transferring the proceeds, in whole or in part, for criminal or terrorist activities, including, for example, in the U.S., the Bank Secrecy Act of 1970, as amended (the "BSA"), and certain provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act"). Although we have developed a risk-based anti-money laundering program that we are implementing, in the event that we breach any of these laws and regulations that are applicable to us, we could be subject to significant civil fines, penalties, inquiries, audits, investigations, enforcement actions, and criminal and civil liability.

Any failure on our part to implement, maintain or follow the necessary processes and policies to comply with these regulations and requirements, or to adapt our processes and policies to changes in laws or regulations would adversely impact our brand and reputation, or our ability to obtain or maintain any governmental licenses, findings of suitability, registrations, permits and approvals, and would negatively impact our business, financial condition and results of operations.

We are subject to domestic and foreign laws relating to processing certain financial transactions, including payment card transactions, and failure to comply with those laws, even if inadvertent, could have a material adverse effect on our business, financial condition, and results of operations.

As a result of our undertaking certain payment transactions on behalf of certain of our users, including receiving payment card information and processing payments, we have been subject and may continue to be subject to or we may voluntarily comply with a number of rules, laws and regulations relating to privacy and information security, electronic fund transfers, payment services and convenience fees. If we were found to be in violation of applicable rules, laws and regulations, we could be subject to additional liability, including card association and governmental fines or other sanctions, and we could be forced to otherwise change our business practices in certain jurisdictions, or be required to obtain additional licenses or regulatory approvals.

We have implemented procedures and continue to implement policies and procedures to preserve and protect payment data against loss, corruption, misappropriation caused by systems failures, unauthorized access or misuse. However, to the extent we retain our user's data, we could be subject to liability claims by users for the misuse of that information, which could negatively impact our ability to utilize certain payment cards, or undertake certain transactions, which could disrupt our business. Failure to comply with these rules and laws may subject us to, among other things, additional costs or changes to our business practices, liability for monetary damages, fines or criminal prosecution, reputation and brand damage, and restrictions on our ability to process and support financial transactions, any of which could have a material adverse effect on our business, financial condition and results of operations.

Tax and other regulatory authorities may successfully assert that we have not properly collected or remitted withholding taxes, and as a result may successfully impose additional obligations, fines, penalties or other financial liability on us, any of which could adversely affect our business, financial condition, and results of operations.

Federal tax rules generally require payers to report payments to unrelated parties to the Internal Revenue Service. In the event of our failure to comply with such reporting obligations, due to failure in the application of our judgment in evaluating our obligations, our effective compliance with our internal process and its execution, or with respect to the process and manner in which we calculate and remit amounts due and owing to taxing authorities timely or at all, could subject us to brand and reputational damage, fines, penalties, and other financial liability, any of which could harm our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

In certain instances, we have collected and remitted applicable withholding taxes in the claims and redemption process. Regulatory and tax authorities may raise questions about, or challenge or disagree with, this practice, or in the application of our judgment in evaluating our obligations, our effective compliance with our internal process and its execution, or with respect to the process and the manner in which taxes are calculated, remitted and withheld as a result. A successful assertion by one or more regulatory or tax authorities requiring us to alter our practice could result in brand and reputational damage, fines, penalties and other financial liability, or discourage our users and commercial partners from using our Platform, any of which could harm our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Human Capital Risks

Our success will depend on our ability to hire employees in the future. Recruitment and retention of these individuals is vital to growing our business and our executing our business plans. The loss of any of our key executives or other key employees could harm our business.

We currently have nine employees who manage and operate our business, including our Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, other employees as well as thirteen key outside contractors. While we have experienced significant turnover of our executive officers in past years, we expect that the leadership of our current key executives and employees will be a critical element of our success in the future. The departure, death or disability of any one of our executive officers or employees or other extended or permanent loss of any of their services, or any negative market or industry perception with respect to any of them or their loss, could have a material adverse effect on our business.

In addition, our failure to re-hire, or hire new employees in the future may limit our ability to restart our business operations and generate revenue. We believe our success and our ability to compete and grow following the Operational Cessation will depend in large part on the efforts and talents of our current and future employees and on our ability to retain highly skilled personnel. The competition for these types of personnel is intense and we compete with other potential employers for the services of appropriately skilled employees. As a result, we may not succeed in hiring and retaining the executives and other key employees that we need. Employees, particularly highly skilled developers and engineers are in high demand, and we will need to devote significant resources to identifying, hiring, training, successfully integrating and retaining such employees, including significant financial resources, which we may not have when needed. We cannot provide assurance that we will be able to attract or retain such highly qualified personnel in the future. In addition, the loss of future employees or the inability to hire skilled employees as necessary could result in significant disruptions to our business, and the integration of replacement personnel could be time-consuming and expensive and cause additional disruptions to our business.

If we do not succeed in attracting, hiring, and integrating excellent personnel, or retaining and motivating existing personnel, we may be unable to grow effectively and our business, financial condition and results of operations could be seriously harmed.

Illegal, improper, or otherwise inappropriate activity of our couriers, whether or not occurring while performing their duties for us, could expose us to liability and adversely affect our business, reputation, brand, financial condition, and results of operations.

Illegal, improper, or otherwise inappropriate activities by our couriers, including the activities of individuals who may have previously engaged with, but are not then receiving or providing services offered through, our Platform or individuals who are intentionally impersonating users or couriers or the activities of couriers while purchasing lottery game tickets, may occur, which could adversely affect our reputation, brand, business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. These activities may include attempted theft, unauthorized use of payment card or financial account information, user identity theft, theft of lottery games, and other misconduct. Such activities may result in injuries or damage for users and third parties, or business interruptions, reputational and brand damage, or other significant liabilities for us.

While we have implemented various measures intended to anticipate, identify, and address the risk of these types of activities, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity by these parties from occurring and such conduct could expose us to liability, including through litigation, or adversely affect our brand or reputation. At the same time, if the measures we have taken to guard against these illegal, improper, or otherwise inappropriate activities, such as our requirement that all couriers undergo a background check, are too restrictive and inadvertently prevent couriers and users otherwise in good standing from using our Platform, or if we are unable to implement and communicate these measures fairly and transparently or are perceived to have failed to do so, the growth and engagement of the number of couriers and users on our Platform and their use of our Platform could be adversely affected. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

Risks Relating to our Dependence on Third Parties

Our business model depends upon the compatibility between our B2C Platform and the major mobile and other operating systems and upon third-party platforms for the distribution of our product offerings. If Google Play or the Apple App Store or other mobile download sites prevent users from downloading our apps or if our advertising is blocked or rejected from being delivered to our users, our ability to grow our revenue, profitability, and prospects may be adversely affected.

When operational, our users access our B2C Platform product offerings on mobile devices and various web applications, and accordingly, our business model depends upon the compatibility between our application and all major mobile and web operating systems. Third parties with whom we do not have any formal relationships control the design of such devices and operating systems. These parties frequently introduce new devices, and from time to time they may introduce new operating systems or modify existing ones. Network carriers may also impact the ability to download applications or access specified content on mobile devices.

In addition, when operational, we rely upon third-party platforms for distribution of our product offerings. The Google Play store and Apple App Store are global application distribution platforms and have been the main distribution channels for our application. As such, the promotion, distribution and operation of our application are subject to the respective distribution platforms' standard terms and policies for application developers which are very broad and subject to frequent changes and interpretations. Furthermore, the distribution platforms may not enforce their standard terms and policies for application developers consistently and uniformly across all applications and with such publishers.

There is no guarantee that popular mobile devices will support or feature our product offerings when operational, or that mobile device users will continue to use our product offerings rather than competing products. We are dependent on the interoperability of our technology with popular mobile and web operating systems, technologies, networks and standards that we do not control, such as the Android and iOS operating systems, and any changes, bugs, technical or regulatory issues in such systems, our relationships with mobile manufacturers and carriers, or in their terms of service or policies that degrade our offerings' functionality, reduce or eliminate our ability to distribute our offerings, give preferential treatment to competitive products, limit our ability to deliver high quality offerings, or impose fees or other charges related to delivering our offerings, could adversely affect our product usage and monetization on mobile devices.

Furthermore, we may not successfully cultivate relationships with key industry participants or develop product offerings that operate effectively with these technologies, systems, networks, regulations, or standards. If it is difficult for our users to access and use our offerings on their mobile devices, if our users choose not to access or use our offerings on their mobile devices, or if our users choose to use mobile products that do not offer access to our offerings, our user growth, retention, and engagement could be seriously harmed. In addition, if any of the third-party platforms used for distribution of our product offerings were to limit or disable advertising on their platforms, either because of technological constraints or because the managers of these distribution platforms wished to impair our ability to serve ads on them, our ability to generate revenue could be harmed. Also, technologies may be developed that can block the display of our ads. These changes could materially impact the way we do business, and if we or our advertising partners are unable to quickly and effectively adjust to those changes, there could be an adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

We rely on third-party providers for validation services regarding our users, and if such providers fail to perform adequately, provide inaccurate information, or we do not maintain business relationships with them, our business, financial condition, and results of operations could be adversely affected.

We have relied and expect to rely in the future on third-party providers to assist in some or all of the required validation of the identity, verification of the age, or geo-location of our prospective users, however, there is no guarantee that such third-party systems will perform adequately, or at all, or be effective. To the extent that we rely on third parties for our identity, age, or geolocation systems to ensure that we are in compliance with certain laws and regulations, any service disruption to those systems would prohibit us from operating our offerings and would adversely affect our business. Additionally, incorrect or misleading geolocation, age, and identity verification data with respect to current or potential users received from third-party service providers may result in us inadvertently allowing access to our offerings to individuals who should not be permitted to access them, or otherwise inadvertently deny access to individuals who should be able to access our offerings, in each case based on inaccurate identity or geographic location determination. When operational, our third-party geolocation services provider relies on its ability to obtain information necessary to determine geolocation from mobile devices, operating systems, and other sources. When operational, changes, disruptions, or temporary or permanent failure to access such sources by our third-party services providers may result in their inability to accurately determine the location of our users. Moreover, our inability to maintain our contracts with third-party services providers, or to replace them with equivalent third parties, may result in our inability to access geolocation, age and identity verification data necessary for our day-to-day operations. If any of these risks materializes, we may be subject to disciplinary action, fines, lawsuits, and our business, financial condition, and results of operations could be adversely affected.

We rely on third-party payment processors to process payments and withdrawals made by our users, and if we cannot manage our relationships with such third parties and other payment-related risks, our business, financial condition, and results of operations could be adversely affected.

When operational, we rely on a limited number of third-party payment processors to process payments and withdrawals made by our users. If any of our third-party payment processors terminates its relationship with us or refuses to renew their agreements with us on commercially reasonable terms, we would need to find an alternate payment processor, and may not be able to secure similar terms or replace such payment processors in an acceptable time frame. Further, the software and services provided by our third-party payment processors may not meet our expectations, contain errors or vulnerabilities, be compromised or experience outages. Any of these risks could cause us to lose our ability to accept payments or other payment transactions or make timely payments to our users, any of which could make our technology less trustworthy and convenient and adversely affect our ability to attract and retain our users.

Nearly all of our payments have been made by credit card, debit card, automated clearing house transactions, or through other third-party payment services, which subjects us to certain regulations and to the risk of fraud. We may in the future offer new payment options to users that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our users and customers, including with respect to money laundering, money transfers, privacy, and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines and/or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our offerings less convenient and attractive to our users and customers. If any of these events were to occur, our business, financial condition, and results of operations could be adversely affected.

For example, if we are deemed to be a money transmitter as defined by applicable regulation, we could be subject to certain laws, rules and regulations enforced by multiple authorities and governing bodies in the U.S. including numerous state and local agencies who may define money transmitter differently. Certain states in the U.S. may have a more expansive view of who qualifies as a money transmitter. Additionally, outside of the U.S., we could be subject to additional laws, rules and regulations related to the provision of payments and financial services, and if we expand into new jurisdictions, the foreign regulations and regulators governing our business that we are subject to will expand as well. If we are found to be a money transmitter under any applicable regulation and we are not in compliance with such regulations, we may be subject to fines or other penalties in one or more jurisdictions levied by federal, state or local regulators, including state Attorneys General, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings, forfeiture of significant assets or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny.

Additionally, our payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or reinterpret existing rules in ways that might restrict or prohibit us from using certain payment methods in providing certain offerings to some users, be costly to implement or difficult to implement. We have agreed to reimburse our payment processors for fines they are assessed by payment card networks if we or our users violate these rules. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

Our technology contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to provide our offerings.

Our technology contains software modules licensed to us by third-party authors under "open source" licenses, including the distributed ledger technology, which we currently use and intend to continue to use in our Platform. Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. In addition, the public availability of such software may make it easier for others to compromise our technology.

Some open-source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open-source software we use or grant other licenses to our intellectual property. If we combine our software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release the source code of our software to the public. This would allow our competitors to create similar offerings with lower development effort and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software.

Although we monitor our use of open-source software to avoid subjecting our technology to conditions we do not intend, the terms of many open-source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our technology. From time to time, there have been claims challenging the ownership of open-source software against companies that incorporate open-source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open-source software. Moreover, we cannot assure you that our processes for controlling our use of open-source software in our technology will be effective. If we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our offerings on terms that are not economically feasible, to re-engineer our technology, to discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless.

If we cannot license rights to use third-party technologies on reasonable terms, we may not be able to commercialize new products or services in the future.

In the future, we may license third-party technology to develop or commercialize new products or offer new services. In return for the use of a third-party's technology, we may agree to pay the licensor royalties based on sales of our products or services. Royalties are a component of cost of revenue and affect the margins on our products. We may also need to negotiate licenses to use third-party intellectual property. Our business may suffer if we are unable to enter into the necessary licenses on acceptable terms, or at all, if any necessary licenses are subsequently terminated, if the licensors fail to abide by the terms of the license or fail to prevent infringement by third parties, or if the licensed patents or other rights are found to be invalid or unenforceable.

We rely on relationships with lottery organizations from which we acquire lottery data information for the provision of our Data Services. Loss of existing relationships or failure to expand existing relationships may cause loss of competitive advantage or require us to modify, limit or discontinue certain offerings, which could materially affect our business, financial condition and results of operations.

We rely on relationships with lottery organizations from which we acquire rights to collect and supply lottery data that we provide to our users and customers. The future success of our Data Service business may depend, in part, on our ability to obtain, retain and expand relationships with lottery organizations. We have arrangements with lottery organizations for rights to their data. Our arrangements with lottery organizations may not continue to be available to us. In the event that we lose existing arrangements or cannot continue and expand existing arrangements, we may lose our competitive advantage or be required to discontinue or limit our offerings or services. The loss of such arrangements may cause loss of competitive advantage and could materially adversely affect our financial condition, business and results of operations.

Risks Relating to Future Growth

Our strategy anticipates substantial growth, and if we fail to adequately scale product offerings and manage our entry into new territories, our business and reputation may be harmed.

Our business strategy contemplates substantial growth in our user and customer base, and a strategy to capture a larger share of a dynamic lottery market and shifting demographic, primarily in the U.S. but internationally as well. Our growth has previously placed, and is expected to continue to place, a significant strain on our managerial, administrative, operational and financial resources and our infrastructure. Our future success will depend, in part, upon the ability of our senior management to manage growth effectively. This will require us to, among other things:

- implement additional management information systems;
- further develop our operating, administrative, legal, compliance, financial and accounting system and

- hire additional qualified personnel and develop human capital;
- comply with additional regulatory regimes, securing licenses, findings of suitability, registrations, permits and approvals; and
- maintain close coordination among our engineering, operations, legal, compliance, finance, sales and marketing and customer service and support organizations.

Failure to accomplish any of these requirements could adversely affect our ability to deliver our product, service, and systems offerings in a timely fashion, fulfill existing commitments or attract and retain new users and customers.

We may face difficulties as we expand our operations into new markets in which we have limited or no prior operating experience.

Our capacity for growth depends, in part, on our ability to expand our operations into, and compete effectively in, new local entertainment, gaming and Online Lottery markets. It may be difficult for us to understand and accurately predict consumer preferences and spending habits in these new local markets. In addition, each market has unique regulatory dynamics. These include laws and regulations that can directly or indirectly affect our ability to operate. In addition, each market is subject to distinct competitive and operational dynamics. These include our ability to offer more attractive products, services and systems than alternative options and our ability to efficiently attract and retain users and customers, all of which affect our sales, results of operations, and key business metrics. As a result, we may experience fluctuations in our results of operations due to the changing dynamics in the local markets where we operate. If we invest substantial time and resources to expand our operations and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected.

International Operations Risks

The international scope of our operations may expose us to increased legal and regulatory risks, and our international operations and corporate and financing structure may expose us to potentially adverse tax consequences.

We have international operations, including in Mexico as a result of the closing of our acquisition in June 2021 of Global Gaming Enterprises, Inc., which is a majority stockholder of Electronicos y de Comunicacion, S.A.P.I de C.V. and JuegaLotto, S.A. de C.V. Accordingly, our business is subject to risks resulting from differing legal and regulatory requirements, political, social and economic conditions, and unforeseeable developments in a variety of jurisdictions. Our international operations are subject to the following risks, among others:

- political instability;
- international hostilities, military actions, wars, terrorist or cyber-terrorist activities, natural disasters, pandemics, and infrastructure disruptions;
- differing economic cycles and adverse economic conditions;
- unexpected changes in regulatory environments and government interference in the economy, including lottery and gaming, data privacy and advertising laws and regulations;

- changes to economic and anti-money laundering sanctions, laws and regulations;
- varying tax regimes, including with respect to the imposition of withholding taxes on remittances and other payments by our partnerships or subsidiaries;
- differing labor regulations;
- foreign exchange controls and restrictions on repatriation of funds;
- fluctuations in currency exchange rates;
- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- insufficient protection against product piracy and rights infringement and differing protections for intellectual property rights;
- varying attitudes towards lottery games and betting by foreign governments;
- difficulties in attracting and retaining qualified management and employees, or rationalizing our workforce;
- differing business practices, which may require us to enter into agreements that include non-standard terms; and
- difficulties in penetrating new markets due to entrenched competitors, lack of recognition of our brands or lack of local acceptance of our products, services and systems.

Our overall success as a global business depends, in part, on our ability to anticipate and effectively manage these risks, and there can be no assurance that we will be able to do so without incurring unexpected costs. If we are not able to manage the risks related to our international operations, our business, financial condition, and results of operations may be materially affected.

We have expanded our presence internationally, and any future actions or escalations that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business. In particular, we may have access to fewer business opportunities and our international operations may be negatively impacted.

As a result of the intended growth of the international scope of our operations and our corporate and financing structure, we may become subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions. Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, changes in or to the interpretation of the tax laws or tax treaties of the countries in which we operate may adversely affect the manner in which we have structured our business operations and legal entity structure to efficiently realize income or capital gains and mitigate withholding taxes and may also subject us to tax and return filing obligations in such countries that do not currently apply to us. Such changes may increase our tax burden and/or may cause us to incur additional costs and expenses in compliance with such changes. In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including the tax treatment or characterization of our indebtedness. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our transactions, it could result in the disallowance of deductions, the imposition of withholding taxes, the reallocation of income or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

In addition, the U.S. Congress, the U.K. Government, the Organization for Economic Co-operation and Development (the "OECD"), and other government agencies have had an extended focus on issues related to the taxation of multinational corporations. Further, the introduction of a digital services tax, such as the U.K. digital services tax introduced with effect from April 1, 2020, may increase our tax burden, which could adversely affect our business, financial condition and results of operations. Finally, the international scope of our business operations could subject us to multiple overlapping tax regimes that can make it difficult to determine what our obligations are in particular situations.

Fluctuating foreign currency and exchange rates may negatively impact our business, results of operations, and financial position.

Due to our foreign operations, a portion of our business is denominated in foreign currencies. As a result, fluctuations in foreign currency and exchange rates may have an impact on our business, results of operations and financial position. Foreign currency exchange rates have fluctuated and may continue to fluctuate. Significant foreign currency exchange rate fluctuations may negatively impact our international revenue, which in turn would affect our consolidated revenue. Currencies may be affected by internal factors, general economic conditions and external developments in other countries, all of which can have an adverse impact on a country's currency. Currently, we are not party to any hedging transactions intended to reduce our exposure to exchange rate fluctuations. We may seek to enter into hedging transactions in the future, but we may be unable to enter into these transactions successfully, on acceptable terms or at all. We cannot predict whether we will incur foreign exchange losses in the future. Further, significant foreign exchange fluctuations resulting in a decline in the respective local currency may decrease the value of our foreign assets, as well as decrease our revenues and earnings from our foreign subsidiaries, which would reduce our profitability and adversely affect our financial position.

Intellectual Property Risks

If we are unable to protect our intellectual property and proprietary rights or prevent its unauthorized use by third parties, our ability to compete in the market or our business, financial condition, and results of operations may be harmed.

We have and continue to seek to protect our intellectual property to ensure that our competitors do not use such intellectual property. However, intellectual property laws in the U.S. and in other jurisdictions may afford differing and limited protection, may not permit us to gain or maintain a competitive advantage, and may not prevent our competitors from duplicating our products, designing around our proprietary products or technology, or gaining access to our proprietary information and technology, and are costly and time consuming.

Our success may depend, in part, on our ability to obtain trademark protection for the names or symbols under which we market our products and to obtain copyright protection, which may not always be successful. Also, we are continually evaluating opportunities to file patents. Any future patent applications we hold or have rights to may not result in an issued patent, and if patents are issued, they may not necessarily provide meaningful protection against competitors and competitive technologies or adequately protect our then-current technologies. Additionally, even if granted, we may not be able to build and maintain goodwill in our trademarks or obtain trademark or patent protection, and there can be no assurance that any trademark, copyright, or issued patent will provide competitive advantages for us or that our intellectual property will not be successfully challenged or circumvented by competitors.

As of December 31, 2023, we had one trademark, "Lottery.com", registered with the U.S. Patent and Trademark Office. As of December 31, 2022, the registrations of our LOTTERY.COM, AUTOLOTTO and SPORTS.COM word marks and SPORTS.COM logo were pending with the U.S. Patent and Trademark Office. In March 2023, the U.S. Patent and Trademark Office denied the registration of the SPORTS.COM word mark and the appeal period has expired. The registration of the SPORTS.COM logo has also been denied and the Company is currently considering whether to appeal such denial. We are also using and/or have common-law trademark rights in the trademarks AUTOLOTTO, SPORTS.COM, and "TAP, TAP, TICKET."

We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets. For example, there can be no assurance that consultants, vendors, partners, former employees, or current employees and contractors will not breach their obligations regarding non-disclosure and restrictions on use. Anyone could seek to challenge, invalidate, circumvent, or render unenforceable any trademark or patent that we seek protection over in the future. We may not be able to detect the unauthorized use of our intellectual property, prevent breaches of our cybersecurity efforts, or take appropriate steps to enforce our proprietary or intellectual property rights effectively. In addition, certain contractual provisions, including restrictions on use, copying, transfer, and disclosure of software, may be unenforceable under the laws of certain jurisdictions.

We intend to enforce our intellectual property rights, and from time to time may initiate claims against third parties that we believe are infringing our intellectual property rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, could fail to obtain the results sought, and could have a material adverse effect on our results of operations, business, and financial condition.

The intellectual property rights of others, including claims of third parties that we are infringing on their intellectual property and proprietary rights, may prevent us from developing new products, services and systems, entering new markets or may expose us to significant license fees, liability, or costly litigation.

Our success depends, in part, on our ability to continually adapt our business activities, products, services, and systems to incorporate new technologies and to expand into entertainment and gaming markets that may be created by new technologies. If technologies are protected by the intellectual property rights of others, including our competitors, we may be prevented from introducing products, services or systems based on these technologies or expanding into markets created by these technologies. If the intellectual property rights of others prevent us from taking advantage of innovative technologies, our prospects, results of operations, cash flows, and financial condition may be adversely affected.

Our business activities, products, services, and systems may infringe upon the proprietary rights of others, and other parties may assert infringement claims against us. In addition to infringement claims, third parties may allege claims of invalidity or unenforceability against us or against our licensees or manufacturers in connection with their use of our technology. A successful challenge to, or invalidation of, one of our intellectual property interests, a successful claim of infringement by a third party against us, our business activities, products, services and systems, or one of our licensees in connection with the use of our technologies, or an unsuccessful claim of infringement made by us against a third party or its business activities, products, services and systems could adversely affect our business or cause us financial harm. Any such claim and any resulting litigation, should it occur, could:

- be expensive and time consuming to defend or require us to pay significant amounts in damages;
- invalidate our proprietary rights;
- cause us to cease making, licensing or using products, services or systems that incorporate the challenged intellectual property;
- require us to redesign, reengineer or rebrand our products, services or systems or limit our ability to bring new products, services or systems to the market in the future;
- require us to enter into costly or burdensome royalty, licensing or settlement agreements in order to obtain the right to undertake a business activity or use a product, process or component;
- impact the commercial viability of the products, services and systems that are the subject of the claim during the pendency of such claim; and
- require us by way of injunction to remove products, services, or systems or stop implementing the business practice, or stop selling or offering new products, services.

Legal Proceedings Risks

We are party to pending litigation and investigations in various jurisdictions and with various plaintiffs and we may be subject to future litigation or investigations in the operation of our business. An adverse outcome in one or more proceedings could adversely affect our business, financial condition, and results of operations.

We are, and have been party to, and we may in the future increasingly face the risk of, claims, lawsuits, investigations, and other proceedings, including those which may involve securities, competition and antitrust, anti-money laundering, OFAC, regulatory, lottery or gaming, intellectual property, privacy, consumer protection, accessibility claims, tax, labor and employment, commercial disputes, services and other matters. Litigation to defend us against claims by third parties, or to enforce any rights that we may have against third parties, may be necessary, which could result in substantial costs, fines or penalties and diversion of our resources, causing a material adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. For example, as described in more detail in Item 3. Legal Proceedings, the TinBu Plaintiffs (as defined below) filed a claim against the Company for breach of contract and misrepresentation. If the lawsuit results in an unfavorable judgment against the Company, our Data Services business could be negatively impacted, and we may lose some of TinBu's well-known clients. In addition, defending against these claims will require the Company to expend substantial time and money, which could divert management attention from restarting operations.

Any litigation to which we are a party may result in an onerous or unfavorable judgment that may not be reversed upon appeal, or in payments of substantial monetary damages or fines, the posting of bonds requiring significant collateral, letters of credit or similar instruments, or we may decide to settle lawsuits on similarly unfavorable terms. These proceedings could also result in reputational harm and brand damage, criminal sanctions, consent decrees or orders preventing us from offering certain products or requiring a change in our business practices in costly ways or requiring development of non-infringing or otherwise altered products or technologies. Litigation and other claims and regulatory proceedings against us could result in unexpected disciplinary actions, expenses and liabilities, which could have a material adverse effect on our business, financial condition, and results of operations and could cause the value of our securities to decline or become worthless. See Item 3. Legal Proceedings for additional information.

Failure to perform under agreements regarding our Platform or our Data Services, affiliate agreements, or other contracts that we are party to may result in litigation, substantial monetary liquidated damages and contract termination, which would materially and adversely affect our business, financial condition and results of operations.

Our business may subject us to contractual penalties and risks of litigation, including due to potential allegations that we have not fully performed under contracts. Agreements with lottery authorities under which lottery tickets are sold as a retail vendor typically permit a lottery authority to terminate the contract at any time for material failure to perform, other specified reasons and, in many cases, for no reason at all. These contracts also frequently contain exacting implementation schedules and performance requirements and the failure to meet these schedules and requirements may result in monetary liquidated damages, as well as possible contract termination. Additionally, we are party to agreements that may include monetary liquidated damages provisions in the event of our material default thereunder. Material amounts of liquidated damages could be imposed on us in the future, which could, if imposed, have a material adverse effect on our results of operations, business or financial condition.

We may not recover amounts owed to us from J. Streicher Financial, LLC.

On July 29, 2022, the Company filed an original *Verified Complaint for Breach of Contract and Specific Performance* (the "Complaint") against J. Streicher Financial, LLC ("Streicher") in the Court of Chancery of the State of Delaware (the "Chancery Court"). In its Complaint, the Company alleged that Streicher breached a contract entered into by the parties on March 9, 2022, and demanded that Streicher return $16,500,000 it owes to the Company. On September 26, 2022, the Chancery Court entered an order in favor of the Company, *Granting with Modifications Company's Motion for Partial Summary Judgment* in the amount of $16,500,000 (the "Judgment"). On October 27, 2022, the Chancery Court further awarded the Company $397,036.94 in attorney's fees (the "Fee Order"). On November 15, 2022, the Company initiated efforts against Streicher to seek collections on the Judgment and Fee Order. The Company subsequently engaged a collection firm to pursue Streicher as a judgment debtor on behalf of Company. Since being engaged, the collection firm has sought collections on Streicher by noticing Judgment-Debtor for Deposition by Oral Examination in Aid of Judgment and seeking post-judgment discovery, including interrogatories and requests for production.

In an effort to avoid post-judgment discovery, Streicher indicated a willingness to pay the judgment over time with interest and is attempting to negotiate a settlement and forbearance agreement with the Company. Streicher's original deadline to produce documents and respond to the post-judgment discovery was January 16, 2023, and the Deposition was scheduled to take place on January 19, 2023. On January 20, 2023, faced with post-judgment discovery and depositions, Streicher remitted a partial payment towards the Judgment in the amount of $75,000. On February 13, 2023, Streicher made another payment towards the Judgment in the amount of $50,000 and agreed to make another payment in the amount of $75,000 on February 28, 2023. Streicher failed to remit the payment on February 28, 2023, and as a result, the Company is proceeding with the post-judgment discovery and depositions, which was scheduled for March 16, 2023, however Streicher did not appear at such hearing. The Company intends to fully collect on the Judgment and intends to pursue all legal and equitable means to enforce the Judgment against Streicher until the Judgment is fully satisfied.

We may never collect the full amount of the judgment, the costs of collecting the judgment, including additional legal fees may be material, and Streicher may not have funds to pay us amounts due or make seek bankruptcy protection.

Public Company Operating Risks

Our projections are subject to significant risks, assumptions, estimates and uncertainties, including assumptions regarding future legislation and changes in regulations, both inside and outside of the U.S. As a result, our projected revenues, market share, expenses and profitability may differ materially from our expectations.

The gaming and lottery industry is subject to rapid change, significant competition, and multiple regulatory oversight and our projections are subject to the risks and assumptions made by management with respect to our industries. Operating results are difficult to forecast because they generally depend on our assessment of the timing of adoption of future legislation and regulations by different states, which are uncertain. Furthermore, if we invest in the development of new products, services or distribution channels that do not achieve significant commercial success, whether because of implementation, competition or otherwise, we may not recover the often substantial "up front" costs of developing and marketing those products and distribution channels or recover the opportunity cost of diverting management and financial resources away from other services, products or distribution channels.

Additionally, our business may be affected by reductions in consumer spending from time to time as a result of a number of factors which may be difficult to predict. This may result in decreased revenue levels, and we may be unable to adopt measures in a timely manner to compensate for any unexpected shortfall in income. This inability could cause our operating results in a given quarter to be higher or lower than expected. If actual results differ from our estimates, analysts may react negatively, and our stock price could be materially impacted.

The requirements of being a public company may strain our resources and divert management's attention, and the increases in legal, accounting and compliance expenses may be greater than we anticipate.

As a result of being a public company we incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act, and are required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as the rules and regulations subsequently implemented by the SEC and the listing standards of The Nasdaq Stock Market LLC ("Nasdaq"), including changes in corporate governance practices and the establishment and maintenance of effective disclosure and financial controls. Compliance with these rules and regulations can be burdensome. Moreover, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time-consuming and costly as compared to when we were a private company. In particular, we have incurred and expect to continue to incur significant expenses and devote substantial management effort toward ensuring compliance with all these requirements, including Section 404 of the Sarbanes-Oxley Act, which will increase when we are no longer an "emerging growth company." To meet these various requirements, we have and will continue to need to hire additional legal, accounting and financial staff and/or contractors, all with appropriate public company experience. Internally, we must continue to increase our technical accounting knowledge as well as maintain an internal audit function, which will increase our operating expenses. Moreover, we could incur additional compensation costs in the event that we decide to pay cash compensation closer to that of other public companies, which would increase our general and administrative expenses and could materially and adversely affect our profitability. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

Risks Relating to Our Charter Documents and Delaware Law

Our Charter includes certain redemption rights which may negatively affect the value our common stock and other securities and/or result in the redemption of shares of common stock or other securities held by certain holders.

Our Second Amended and Restated Certificate of Incorporation (our "Charter") provides that any shares of capital stock, bonds, notes, convertible debentures, options, warrants or other instruments that represent a share of equity of the Company, a debt owed by the Company or the right to acquire any of the foregoing (for purposes of this section, the "Redeemable Securities"), owned or controlled by a record or beneficial holder of the Company's Redeemable Securities or an affiliate thereof who or that (i) fails or refuses to participate in good faith in an investigative process of, or submit documents, give notices or make filings requested or required by, any Regulatory Authority (as such term is defined in the Charter), (ii) is denied or disqualified by any regulatory authority from receiving or holding any Regulatory Approval (as such term is defined in the Charter)), (iii) is determined by a regulatory authority or by the Board, based on advice of counsel or verifiable information received from any Regulatory Authority, to be disqualified or unsuitable to own or control any Redeemable Securities or to be associated or affiliated in any capacity with the Company, its affiliates, or the business and activities of the Company and its affiliates in any Applicable Jurisdiction (as such term is defined in the Charter), (iv) causes the Company or any of its affiliates to lose or to be threatened with the loss of any Regulatory Approval, or (v) is deemed likely by the Board, based on advice of counsel or verifiable information received from any Regulatory Authority, by virtue of such holder's ownership or control of Redeemable Securities or association or affiliation with the Company or its affiliates, to jeopardize, impede, impair or adversely affect the ability of the Company's or any of its affiliates to obtain, maintain, hold, use or retain any Regulatory Approval or to cause or result in the suspension, disapproval, termination, non-renewal or loss of any Regulatory Approval (each of such holders or an affiliate of such holder, a "Disqualified Holder") shall be subject to redemption by the Company (as described in the Charter) as and to the extent required by a Regulatory Authority or deemed necessary or advisable by the Company's Board.

If a Regulatory Authority requires the Company, or the Board deems it necessary or advisable, to cause any such Redeemable Securities be subject to redemption, we will deliver a redemption notice (as described in the Charter) to the Disqualified Holder or its affiliate(s) (as applicable) and shall purchase the number and type of Redeemable Securities specified in the redemption notice for the redemption price, as defined and determined in accordance with the Charter and set forth in the redemption notice.

Commencing on the date that a regulatory authority serves notice of a determination of disqualification or unsuitability of a holder of Redeemable Securities, or the Board otherwise determines that a person is a Disqualified Holder, and until the Redeemable Securities owned or controlled by such person are owned or controlled by a person who is not a Disqualified Holder, the Disqualified Holder and any affiliates of such Disqualified Holder shall not be entitled to: (i) exercise, directly or indirectly, any voting rights conferred by such Redeemable Securities or otherwise participate in the management of the business or affairs of the Company or our affiliates; (ii) receive any dividends or share of distribution of profits or cash or any other property of, or payments upon dissolution of, the Company or our affiliates, other than payment for the redemption of the Redeemable Securities as described in the Charter; or (iii) receive any remuneration in any form from the Company or any of our affiliates, for services rendered or otherwise.

No redemption of Redeemable Securities shall be effectuated pursuant to the Charter without the receipt of the regulatory approvals required. From and after the redemption date, the Redeemable Securities shall no longer be deemed outstanding, such Disqualified Holder shall cease to be a stockholder with respect to such Redeemable Securities and all rights of such Disqualified Holder (other than the right to receive the redemption price) shall cease.

The existence of the redemption rights set forth in our Charter may result in the value of the Redeemable Securities being less than they would without the existence of such rights, may prevent the sale or transfer of such Redeemable Securities, and may result in a holder of Redeemable Securities receiving less value for such Redeemable Securities upon the redemption thereof as they would, had such Redeemable Securities not been redeemed.

A court may find that part or all of the provisions included in our Charter pertaining to the redemption right with respect to capital stock held by any stockholders who are deemed to be "disqualified" or "unsuitable" holders is not enforceable, either in general or as to a particular fact situation.

Under the laws of the State of Delaware, our jurisdiction of incorporation, a corporation may provide in its certificate of incorporation for the number of securities that may be owned by any person or group of persons for the purpose of maintaining any statutory or regulatory advantage or complying with any statutory or regulatory requirements under applicable law. Delaware law provides that ownership limitations with respect to shares of our stock issued prior to the effectiveness of our Charter will be effective against (i) stockholders with respect to shares that were voted in favor of the proposed provision; and (ii) purported transferees of shares that were voted for the proposed provision if (a) the transfer restrictions are conspicuously noted on the certificate(s) representing such shares, or (b) the transferee had actual knowledge of the transfer restrictions (even absent such conspicuous notation). The shares of common stock, par value $0.001 per share issued after the effective date of our Charter were issued with the ownership limitation conspicuously noted on the certificate(s) representing such shares and therefore under Delaware law such newly issued shares will be subject to the transfer restriction. We have also disclosed such restrictions to persons holding our stock in uncertificated form.

We cannot assure you that the provision pertaining to the redemption right with respect to capital stock held by any stockholders who are deemed to be "disqualified" or "unsuitable" holders is enforceable under all circumstances, particularly against stockholders who did not vote in favor of the proposed provision, who do not have notice of the ownership limitations at the time they subsequently acquire their shares, or who acquire shares that were owned, at the time of the vote on the provision, by a stockholder (or stockholders) who did not vote such shares in favor of the proposed provision. Accordingly, we cannot assure you that we would be able to redeem the shares of a stockholder deemed an unsuitable person by applicable regulatory authorities.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our Charter and our amended and restated bylaws (the "Bylaws") provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the Delaware General Corporation Law (the "DGCL"), our Charter, Bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- To the fullest extent permitted under the DGCL, our directors will not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director.

- We will indemnify our directors and officers for serving us in those capacities or for serving other business entities at our request, to the fullest extent permitted by the DGCL. The DGCL provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful.

- We may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law and such person was made a party to an action, suit or proceeding, by reason of the fact that he or she is or was an employee or agent of the Company.

- We are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

- We will not be obligated pursuant to the indemnification agreements entered into with our directors and executive officers to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings to enforce an indemnitees right to indemnification or advancement of expenses, proceedings authorized by our board of directors and if offered by us in our sole discretion.

- The rights conferred in our Charter are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons.

- We may not retroactively amend our Charter or indemnification agreement provisions to reduce our indemnification obligations to directors, officers, employees and agents.

As a result of these provisions, if an investor were able to enforce an action against our directors or officers, in all likelihood, we would be required to pay any expenses they incurred in defending the lawsuit and any judgment or settlement they otherwise would be required to pay. This could lead to us incurring substantial expenditures to cover the cost of settlement or damage awards against our directors and officers, which the Company may not be able to pay or recoup. Accordingly, our indemnification obligations could divert needed financial resources and may adversely affect our business, financial condition, results of operations and cash flows, and adversely affect the value of our business.

The exclusive forum provision in our Charter may have the effect of discouraging lawsuits against our directors and officers.

Our Charter requires, unless we consent in writing to the selection of an alternative forum, that (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, other employee to us or to our stockholders; (iii) any action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our Charter or our Amended and Restated Bylaws (our "Bylaws"); or (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine under Delaware law shall be brought, to the fullest extent permitted by law, solely and exclusively in the Court of Chancery in the State of Delaware.

In addition, our Charter requires, unless we consent in writing to the selection of an alternative forum, that the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, this provision in the Charter does not apply to claims seeking to enforce any liability or duty created by the Exchange Act since Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Although we believe this provision benefits us by providing increased consistency in the application of law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers.

Anti-takeover provisions contained in our Charter and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Charter contains provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. The Company is subject to anti-takeover provisions under Delaware law which could delay or prevent a change of control. These provisions are intended to avoid costly takeover battles, reduce our vulnerability to a hostile change of control and enhance the ability of our Board to maximize stockholder value in connection with any unsolicited offer to acquire us. However, these provisions may make more difficult the removal of management, may have an anti-takeover effect and may delay, deter or prevent a merger or acquisition of us by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the prevailing market price for our securities. These provisions provide for, among other things:

- authorized but unissued shares of common stock and preferred stock, which may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans and the existence of which could make more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise (the DGCL does not require stockholder approval for any issuance of authorized shares);
- stockholder action may not be by written consent (the DGCL provides that unless otherwise provided in the charter, any action of a meeting of stockholders may be taken without a meeting and prior notice by signed written consent of stockholders having the minimum number of votes that would be necessary to take such action at a meeting at which all shares entitled to vote thereon were present and voted);
- amendment of certain provisions of the organizational documents only by the affirmative vote of at least 66 2/3% of the voting power of the outstanding capital stock (the DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation, unless the certificate of incorporation requires a greater percentage);
- provisions providing for a board of directors with staggered terms and detailing that the number of directors may be fixed and modified only by our Board;
- advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at annual meetings, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of Lottery.com; and
- the ability of our Board to issue one or more series of preferred stock.
- providing that directors may be removed only for cause and then only by a two-thirds vote of the holders of a majority of the voting power of the outstanding shares then entitled to vote in an election of directors, voting together as a single class;
- providing that vacancies on our Board, including newly-created directorships, may be filled only by a majority vote of directors then in office; and
- prohibiting stockholders from calling special meetings of stockholders.

In addition, these provisions may make it difficult and expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by our management or our Board. Stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is favorable to them. These anti-takeover provisions could substantially impede any stockholder's ability to benefit from a change in control or change our management and Board and, as a result, may adversely affect the market price of common stock and the ability for any stockholder to realize any potential change of control premium.

Risks Related to Our Common Stock and Warrants

Although we are currently in full compliance with the continued listing standards of Nasdaq, we may not be able to remain in full compliance with Nasdaq's continued listing standards in the future.

Our common stock and warrants trade on The Nasdaq Global Market under the symbols "LTRY" and "LTRYW," respectively. Our failure to remain in full compliance with these requirements may result in our securities being delisted from Nasdaq.

On August 17, 2022, the Company received a notice from Nasdaq indicating that, as a result of not having timely filed the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 with the SEC, the Company was not in compliance with Nasdaq Listing Rule 5250(c)(1), which requires timely filing of all required periodic financial reports with the SEC. On November 28, 2022, the Company received an additional notice, dated November 16, 2022, from Nasdaq indicating that, as a result of an additional delinquency in the timely filing of the Company's Form 10-Q for the quarter ended September 30, 2022, the Company remained out of compliance with Nasdaq Listing Rule 5250(c)(1)

On August 24, 2022, the Staff notified the Company that the bid price of its common stock had closed at less than $1 per share over the previous 30 consecutive business days, and, as a result, did not comply with Nasdaq Listing Rule 5550(a)(2). Therefore, in accordance with Nasdaq Listing Rule 5810(c)(3) (A), the Company was provided 180 calendar days, or until February 20, 2023, to regain compliance with such rule. On February 23, 2023, the Company received a determination letter from Nasdaq advising it that Nasdaq had determined that the Company had not regained compliance with such rule and that the Company was not eligible for a second 180 day period as the Company had not yet filed its periodic reports with the SEC. Nasdaq also confirmed to the Company in its February 23, 2023 letter that the failure to timely file those periodic reports each serve as separate and an individual basis for delisting.

The Company had until March 2, 2023 to request an appeal of Nasdaq's determination, which appeal was timely requested. If the appeal were not granted, then, the Company's common stock and warrants would be delisted from Nasdaq, trading of the Company's securities would be suspended, and a Form 25-NSE would need to be filed with the SEC which would remove the Company's securities from listing and registration on Nasdaq.

On April 4, 2023, the Company received an additional notice from Nasdaq that the Company's failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2022, serves as an additional basis for delisting the Company's securities from Nasdaq.

On April 24, 2023, the Company presented a plan to a Nasdaq hearing panel (the "Panel") to regain compliance with the Nasdaq Listing Rules and to file the Company's deficient quarterly reports for the quarters ended June 30, 2022 and September 30, 2022, as well as its annual report for the year ended December 31, 2022, and to cure the bid price deficiency. On May 8, 2023, the Company received notice that the Company's plan to regain compliance was conditionally accepted by the Panel and the Company provided Nasdaq with certain requested information. On May 24, 2023, the Company received a letter from the Panel (the "May 24th Decision"), stating that as a result of its review of the requested information, it had determined to delist the Company's common stock and warrants from Nasdaq on May 26, 2023, and consequently the Company's common stock and warrants were suspended from trading on Nasdaq on that date. The Company responded to the May 24th Decision and requested that the Panel reconsider the historic facts underlying its decision, the Company's future prospects, the consequences of such delisting on the Company's stockholders and the Company's ability to continue to relaunch its business.

On May 31, 2023, the Panel requested additional information from the Company in order to conduct its reconsideration of the matter. Specifically, the Panel requested the Company's projected cash flow for the next 12 months, the amount of anticipated drawdowns from the Company's Loan Agreement with Woodford, and a breakdown of the Company's revenue earned since it recommenced lottery ticket sales in April 2023. On June 2, 2023, the Company submitted a written response to the Panel's May 31st request.

Upon consideration of the record and the additional documentation provided by the Company, on June 8, 2023, the Company received a letter (the June 8th Decision") from the hearings panel stating that it had determined to reverse its initial delisting decision and grant the Company's request for an exception to the continued listing rules until August 17, 2023, subject to the satisfaction of certain conditions, which the Company met in a timely manner.

In addition to the above, there are other requirements to be met in order to maintain a continued listing on The Nasdaq Global Market. These requirements include requiring that the Company maintain at least $10 million in stockholders' equity, $5 million of Market Value of Publicly Held Shares (MVPHS) listed securities, or $50 million in total assets and total revenue over the prior two years or two of the prior three years and having a majority of independent directors.

As reported on form 8-K filed on December 7, 2023, on November 29, 2023, the Company received a letter from Nasdaq stating that based upon its review of the Company's Market Value of Publicly Held Shares ("MVPHS") for the last 30 consecutive business days, the Company no longer met the minimum requirement of $5,000,000 in MVPHS set forth in Nasdaq Listing Rule 5450(b)(1)(C). However, under the Listing Rules, the Company was provided a 180-calendar day grace period to regain compliance, through May 28, 2024.

If at any time during the compliance period the Company's MVPHS closes at $5,000,000 or more for a minimum of ten consecutive business days, Nasdaq will provide written confirmation of compliance and the matter will be closed. The Company met this requirement, notified Nasdaq and on April 10, 2024 received written notification from Nasdaq confirming that the Company has regained compliance with Nasdaq Listing Rule 5450(b)(1)(C) and the matter is now closed.

Furthermore, the requirement that we maintain a majority of independent directors and at least three members on our audit committee are Nasdaq requirements that we currently meet but have not met from time to time.

If the Company's securities are delisted from Nasdaq, it could be more difficult to buy and sell the Company's common stock and warrants or to obtain accurate quotations, and the price of the Company's common stock and warrants could suffer a material decline. Delisting could also impair the Company's ability to raise capital and/or trigger defaults and penalties under its outstanding agreements or securities. Further, even if we regain compliance with Nasdaq listing requirements, there is no guarantee that we will be able to maintain our listing for any period of time.

Delisting from Nasdaq could also result in negative publicity. Further, if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our common stock and/or warrants and the ability of our stockholders to sell our common stock and/or warrants in the secondary market. If our common stock and/or warrants are delisted by Nasdaq, our common stock and/or warrants may be eligible to trade on an over-the-counter quotation system, such as the OTCQB Market, where an investor may find it more difficult to sell our stock or obtain accurate quotations as to the market value of our common stock and/or warrants. In the event our common stock and/or warrants are delisted from The Nasdaq Global Market, we may not be able to list our common stock and/or warrants on another national securities exchange or obtain quotation on an over-the counter quotation system.

An active trading market for our common stock and warrants may never develop or be sustained, which may make it difficult to sell the shares of common stock and warrants.

An active trading market for the common stock and warrants may not develop or continue or, if developed, may not be sustained, which would make it difficult for you to sell your shares of common stock and warrants at an attractive price or at all. The market price of our common stock and warrants may decline below your purchase price, and you may not be able to sell your shares of common stock and warrants at or above the price you paid for such shares or at all.

The market price of our common stock and warrants could be highly volatile, and you may lose some or all of your investment.

The market price of our common stock and warrants could be highly volatile and may be subject to wide fluctuations in response to a variety of factors, including the following:

- announcements by us or our competitors of new products, features, or services;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- changes in the financial projections we may provide to the public or our failure to meet these projections;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- actual or perceived privacy or data security incidents;
- risks related to the organic and inorganic growth of our business and the timing of expected business milestones, including those related to announced or completed acquisitions of businesses, products, services, or technologies by us or our competitors;
- actual or anticipated changes in applicable laws or regulations;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- our ability to forecast or report accurate financial results; and
- technical factors in the public trading market for our common stock and warrants that may produce price movements that may or may not comport with macro, industry or company-specific fundamentals, including, without limitation, the sentiment of retail investors (including as may be expressed on financial trading and other social media sites), the amount and status of short interest in our securities, access to margin debt, trading in options and other derivatives on our common stock and warrants and any related hedging and other technical trading factors.

In addition, the stock markets historically have experienced extreme price and volume fluctuations that have affected the market prices of equity securities of many publicly-held companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors, as well as general economic, political, regulatory and market conditions, may negatively affect the market price of our common stock and warrants, regardless of a company's actual operating performance. In addition, in the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. If the Company faces such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm its business, results of operations, cash flow, or financial condition.

If securities or industry analysts do not publish research or reports about the Company, or publish negative reports, the Company's stock price and trading volume could decline.

The trading market for our common stock and warrants will depend, in part, on the research and reports that securities or industry analysts publish about the Company. The Company does not have any control over these analysts. If the Company's financial performance fails to meet analyst estimates or one or more of the analysts who cover the Company downgrade its common stock or change their opinion, the Company's stock price would likely decline. If one or more of these analysts cease coverage of the Company or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which could cause the Company's stock price or trading volume to decline.

Because the Company does not anticipate paying any cash dividends in the foreseeable future, capital appreciation, if any, would be your sole source of gain.

The Company currently anticipates that it will retain future earnings for the development, operation and expansion of its business and does not anticipate declaring or paying any cash dividends for the foreseeable future.

As a result, capital appreciation, if any, of the Company's shares of common stock would be your sole source of gain on an investment in such shares for the foreseeable future.

Risks Related to Our Loan Agreements and Loan Agreement Warrants

United Capital Investments London Limited, ("UCIL") may not loan us the amounts they agreed to under their amended and restated loan agreements, and Univest Securities, LLC ("Univest" or our "Placement Agent") may not be successful in whole or in part in placing our Offering. If UCIL fails to provide us with funding, and the Placement Agent is less than fully successful, we may be forced to curtail or even abandon our plan to recommence our operations and we may need to permanently cease our operations.

As previously noted, we need to raise capital to, among other things, support and restart our operations, re-hire employees and pay our expenses. The amended and restated loan agreements with Woodford and UCIL are potential sources of this needed additional capital that is presently available to us.
Univest funding was available on Dec 31 also.

Pursuant to the Woodford Amended and Restated Loan Agreement, Woodford agreed to fund up to $52.5 million, subject to certain conditions and requirements, of which, per our books and records, $885,734 was received by us through December 31, 2023.

As reported on form 8-K on August 1, 2023, the Company reported that it had not received the requisite funding on a timely basis that it expected from Woodford, despite making several requests to Woodford for said funding under the Woodford Amended and Restated Loan Agreement. Moreover, the Board of Directors determined that it was in the best interest of the Company and its stockholders to enter into a new loan agreement with UCIL, as an alternative lender to Woodford, upon receiving an event of default notice on July 21, 2023 (the "Default Notice") and an event of default and crystallization notice on July 25, 2023 (the "Crystallization Notice") from Woodford under the Woodford Amended and Restated Loan Agreement. On July 24, 2023, the Company responded to the Default Notice disputing that an event of default had occurred. Further, on July 27, 2023, the Company replied to the Crystallization Notice denying that an event of default occurred or continued, and further asserted that Woodford's attempt for crystallization was inappropriate and unlawful under its loan agreement. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

Given the uncertainty of continued financing under the Woodford Loan Agreement, on July 26, 2023, the Company secured and formalized alternative funding by entering into a Loan Agreement with UCIL which was further amended and restated on August 18, 2023. The UCIL agreement was approved by the shareholders on or about November 17, 2023 and attached to this 10-K/A as an exhibit.

The UCIL loan agreement provides for a credit facility (the "Credit Facility") consisting of (a) funding in the principal amount of up to $1,000,000 to be paid in tranches over time and as requested by the Company (the "Initial Loan"), wherein in return for the Initial Loan the Company shall issue to UCIL a number of warrants (the "Warrants") to purchase shares of the Company's common stock ("common stock") in an amount representing at least 4.5% but not exceeding 15% of the Company's issued and outstanding common stock on the date of such issuance; and (b) an additional credit facility, at the Company's written request and at UCIL's sole discretion for an amount up to a total of $49,000,000 in additional financing (the "Accordion") in subsequent funding tranches. The interest rate on the Initial Loan and the Accordion is 10% per annum. The Credit Facility provides that UCIL may elect, in its sole discretion, to convert an amount of the Initial Loan and the Accordion, together with accrued interest, into shares of common stock at a conversion price calculated in accordance with the terms of the Loan Agreement. In addition, the Credit Facility includes certain customary representations, warranties and events of default subject to customary notice and cure rights.

The Univest placement agent agreement pertains to the Company's offering ("Offering") of units ("Units") up to $5,000,000 to be offered to their investors; each Unit consisting of a convertible promissory note (each, a "Convertible Note" or collectively, the "Convertible Notes"), and a common stock purchase warrant (each, a "Warrant", or collectively, the "Warrants") to purchase shares of common stock of the Company, par value $0.001 per share (the "Common Stock") which include specific registration rights ("Registration Rights"), for their investors.

If neither Woodford nor UCIL, nor any other potential lenders or investors (including those placed through Univest) are able or willing over time to advance us amounts owed under either of their amended and restated loan agreements and/or we are unable to raise additional funds from other third parties, we may not be able to raise enough capital to recommence our operations and run our business. Consequently, we may be forced to curtail or even abandon our plan to recommence our operations and we may need to permanently cease our operations.

We are subject to certain covenants while amounts are outstanding under the loan agreements which may restrict our ability to undertake future activities, including issuing additional shares of common stock.

Each loan agreement includes confidentiality obligations, representations, warranties, covenants, and events of default, which are customary for transactions of this size and nature. For example, included in the Woodford Loan Agreement are covenants prohibiting us from (a) making any loan in excess of $1 million or obtaining any loan in amount exceeding $1 million without the consent of Woodford, which may not be unreasonably withheld; (b) selling more than $1 million in assets; (c) maintaining less than enough assets to perform our obligations under the Loan Agreement; (d) encumbering any assets, except in the normal course of business, and not in an amount to exceed $1 million; (e) amending or restating our governing documents; (f) declaring or paying any dividend; (g) issuing any shares of common stock which negatively affects the lender and (h) repurchasing any shares of common stock. Such

covenants in either loan agreement may restrict our ability to raise capital, pay consultants, officers and directors, and may ultimately result in material adverse effects to the Company. The result of that may be a decrease in the value of our securities or our need to seek bankruptcy protection. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Our obligations under the loan agreements are secured by a first priority security interest in substantially all of our assets and if we were to default, they could force us to curtail or abandon our business plans and operations.

Although, the amounts borrowed pursuant to the terms of the Woodford Loan Agreement are secured by substantially all of the present and subsequently acquired assets of the Company and its subsidiaries, the validity and application of the Woodford Loan Agreement Amendment is disputed by the Company. Under the Agreement, Woodford as a creditor, in the event of the occurrence of a default might have been able to enforce security interests over our assets and/or our subsidiaries which secure obligations, take control of such assets and operations, force us to seek bankruptcy protection, or force us to curtail or abandon our current business plans and operations. If that were to happen, any investment in the Company (including, but not limited to, any investment in our common stock) could become worthless. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

The issuance and sale of common stock upon conversion of the amounts owed or upon exercise of the warrants issued to either Woodford or UCIL under each's loan agreement may depress the market price of our common stock and cause substantial dilution.

As of December 31, 2023, per the Company's books and records, we had borrowed $798,351 under the Loan Agreement to Woodford and $697,642 from UCIL. Amounts borrowed can be repaid at any time without penalty and accrue interest per the terms and conditions of each loan agreement. Amounts borrowed may, at each lender's option, be converted into shares of common stock, beginning 60 days after the first loan date at the rate of 80% of the lowest publicly available price per share of Company common stock.

In addition, in connection with the loan agreements we agreed to grant warrants to each of Woodford and UCIL to purchase up to 15% of the shares of common stock that were then issued and outstanding, each with an exercise price equal to the average of the closing price for each of the ten days prior to the drawing of the first tranche. In the event we fail to repay the amounts borrowed when due or either lender fails to convert the amount owed into shares of common stock, the exercise price of the warrants may be offset by amounts owed, and in such case, the exercise price of the warrants will be subject to a further discount.

If sequential conversions of amounts owed under either loan agreement or warrants are exercised, and sales of such resulting shares of common stock take place, the price of our common stock may decline, and as a result, the lender will be entitled to receive an increasing number of shares of common stock, which shares could then be sold in the market, triggering further price declines and conversions or exercises for even larger numbers of shares, to the detriment of our investors. The shares of common stock issued may, under certain conditions, be sold without restriction pursuant to Rule 144. As a result, the sale of these shares may adversely affect the market price, if any, of our common stock.

Additionally, the issuance of common stock upon conversion of the amounts owed under either loan agreement or the exercise of warrants will result in immediate and substantial dilution to the interests of other stockholders.

On June 12, 2023, the Company entered into an amendment of its Loan Agreement with Woodford (the "Loan Agreement Amendment"). The Loan Agreement Amendment provides that Woodford shall henceforth be able to convert, in whole or in part, the outstanding balance of its loan into the conversion shares at a conversion price that represents a further 25% discount to the original conversion price of 20%. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

We currently owe a significant amount of money under our Loan Agreements which we may not be able to repay.

As of the date of this Amended Report per our books and records, we owe approximately: $798,351 under the Amended and Restated Woodford Loan Agreement; $697,642 under the Amended and Restated UCIL Loan Agreement; and $1,075,000 under the Univest Placement Agent Agreement. Currently, we do not have sufficient funds to repay such amounts. A high level of indebtedness increases the risk that we may default on our debt obligations. If the amounts owed under any undisputed loan agreements are not converted into common stock pursuant to the terms and conditions, we may not be able to pay the principal or interest on the loan, and future working capital, borrowings or equity financing may not be available to pay or refinance such debt. If we do not have sufficient funds and are otherwise unable to arrange financing or raise additional funds, we may have to sell significant assets or have a portion of our assets foreclosed upon which could have a material adverse effect on our business, financial condition and results of operations and could cause any investment in the Company to decline in value or become worthless.

General Risk Factors

Our insurance coverage is not adequate to cover all possible losses that we could suffer, and our insurance costs may increase.

We currently do not have effective director and officer liability insurance and may not have the financial resources or otherwise be able to obtain director and officer liability insurance at reasonable cost or terms in the future. However, we have other insurance policies with coverage features and insured limits that we believe are customary in their breadth and scope. Nevertheless, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or could result in certain losses being totally uninsured. Market forces beyond our control may limit the scope of the insurance coverage we can obtain in the future or our ability to obtain coverage at reasonable rates. Certain catastrophic losses may be uninsurable or too expensive to justify obtaining insurance. As a result, if we suffer such a catastrophic loss, we may not be successful in obtaining future insurance without increases in cost or decreases in coverage levels.

Our cash and cash equivalents may be exposed to failure of our banking institutions.

Since we seek to minimize our exposure to third-party losses of our cash and cash equivalents, we hold our cash balances in more than one financial institution. Notwithstanding such allocation, we are subject to the risk of bank failure and the consequent loss of our funds, in whole or in part. If any bank at which we hold deposits were to experience a failure, we could experience the risk of loss, or limitation on access to, our cash and cash equivalents which would adversely affect our business.

The ultimate effect of the Reverse Stock Split on the market price of our common stock cannot be predicted with any certainty and may decrease the liquidity of our common stock and magnify any decrease in our overall market capitalization.

The ultimate effect of the Reverse Stock Split on the market price of our common stock cannot be predicted with any certainty, and we cannot assure you that the Reverse Stock Split will result in any or all of the expected benefits, including enabling the Company to regain compliance with the Nasdaq listing standards, for any meaningful period of time, or at all. While we expect that the reduction in the number of outstanding shares of common stock will proportionally increase the market price of our common stock, we cannot assure you that the Reverse Stock Split will increase the market price of our common stock by a multiple of the Reverse Stock Split ratio or result in any permanent or sustained increase in the market price of our common stock. The market price of our common stock depends on multiple factors, many of which are unrelated to the number of shares outstanding, including our business and financial performance, general market conditions and prospects for future success, any of which could have a counteracting effect to the Reverse Stock Split on the per share price.

In addition, the Reverse Stock Split also reduced the total number of outstanding shares of common stock, which may lead to reduced trading for our common stock. As a result of a lower number of shares outstanding, the market for our common stock may also become more volatile. The Reverse Stock Split also increased the number of stockholders who own "odd lots" of less than 100 shares of common stock. A purchase or sale of less than 100 shares of common stock (an "odd lot" transaction) may result in incrementally higher trading costs through certain brokers, particularly "full service"

brokers. Therefore, those stockholders who own fewer than 100 shares of common stock following the Reverse Stock Split may be required to pay higher transaction costs if they sell their common stock.

Finally, the decline in the per share price of our common stock and the decline in our overall market capitalization may be greater following the Reverse Stock Split than would have occurred in the absence of a Reverse Stock Split. Any reduction in our market capitalization may be magnified as a result of the smaller number of total shares of common stock outstanding following the Reverse St

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal business location is in Spicewood, Texas, which is subject to a written lease agreement with an unrelated third party. The lease agreement is month-to-month and can be terminated by either party with 30-days written notice. The Company also pays rent on a retail facility in Waco, Texas to support the ticket processing operations of our retail partner, ALTx. Our business operations are all primarily operated out of our Spicewood, Texas location; however, our employees, including our executive management team, currently perform their job responsibilities remotely.

Item 3. Legal Proceedings.

The Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. In addition, the Company is a party to several material legal proceedings, which are described below. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts in excess of management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

J. Streicher

On July 29, 2022, the Company filed its original *Verified Complaint for Breach of Contract and Specific Performance* (the "Streicher Complaint") against J. Streicher Financial, LLC ("Streicher") in the Court of Chancery of the State of Delaware (the "Chancery Court"), styled *AutoLotto, Inc. dba Lottery.com v. J. Streicher Financial, LLC (Case No. 2022-0661-MTZ)*. In the Streicher Complaint, the Company alleged that Streicher breached the contract entered into by the parties on March 9, 2022 and demanded that Streicher return $16,500,000 it owes to the Company. On September 26, 2022, the Chancery Court entered an order in favor of the Company, *Granting with Modifications Company's Motion for Partial Summary Judgment* in the amount of $16,500,000 (the "Streicher Judgment"). On October 27, 2022, the Chancery Court further awarded the Company $397,037 in attorney's fees (the "Fee Order"). On November 15, 2022, the Company initiated efforts against Streicher to seek collections on the Judgment. On December 8, 2022, the Company's prior attorney Skadden, Arps, Slate, Meagher & Flom, LLP ("Skadden") filed its *Combined Motion to Withdraw as Counsel and For a Charging Lien* in amount of $3,024,201 for legal fees unpaid by Company ("Skadden's Motion"). On December 30, 2022, the Company filed its response to Skadden's Motion, alleging that the Chancery Court should deny Skadden's *Motion for a Charging Lien* as a matter of law or, in the alternative, limit the charging lien to the amount of the attorneys' fees awarded by the Fee Order. As of the date of this Amended Report, the Chancery Court has not set Skadden's Motion for an oral hearing, nor has it entered an order on the motion. On January 20, 2023, faced with post-judgment discovery and depositions, Streicher remitted a partial payment towards the Judgment in the amount of $75,000. On February 13, 2023, Streicher made another payment towards the Judgment in the amount of $50,000 and had agreed to make another payment in the amount of $75,000 on February 28, 2023, which it failed to make. The Company intends to fully collect on the Judgment and shall pursue all legal and equitable means to enforce the Judgment against Streicher until the Judgment is fully satisfied. See "*Item 1A. Risk Factors - Legal Proceedings Risks - We may not recover amounts owed to us from J. Streicher Financial, LLC*" for further information.

Preston Million Class Action

On August 19, 2022, Preston Million filed a *Class Action Complaint* (the "Class Action Complaint") against the Company and certain former officers and directors of the Company in the United States District Court for Southern District of New York (the "SDNY"), styled *Preston Million, Individually and on Behalf of All Others Similarly Situated vs. Lottery.com, Inc. f/k/a Trident Acquisitions Corp., Anthony DiMatteo, Matthew Clemenson and Ryan Dickinson (Case No. 1:22-cv-07111-JLR)*. The Class Action Complaint alleged violations by all defendants of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") 15 U.S.C. §§ 78j(b), 78t(a), as amended by the Private Securities Litigation Reform Act of 1995 ("PSLRA"), U.S.C. § 78u-4 *et seq*. (collectively "Federal Securities Laws"). On November 18, 2022, the SNDY ordered the appointment of RTD Bros, LLC, Todd Benn, Tom Benn and Tomasz Rzedian (collectively "Lottery Investor Group") as lead plaintiff and Glancy Prongay & Murray, LLP as lead counsel for plaintiffs and for the class in the case. On December 5, 2022, the Court stipulated a *Scheduling Order* in the case. On January 12, 2023, the Company's legal counsel timely filed its *Notice of Appearance*. On January 31, 2022, plaintiffs filed their *Amended Complaint* adding Kathryn Lever, Marat Rosenberg, Vadim Komissarov, Thomas Gallagher, Gennadii Butkevych, Ilya Ponomarev as additional defendants in the case. The *Amended Complaint* alleges, among other things, that defendants made materially false and misleading statements in violation of Section 10(b),14(a) and 20(a) of the Exchange Act and plaintiffs seek compensatory damages, reasonable costs and expenses including counsel fees and expert fees. Pursuant to the *Scheduling Order*, the Company filed its motion to dismiss the Amended Complaint on April 3, 2023, under the newly consolidated caption and its proposed order to dismiss the matter. Plaintiffs were expected to file their opposition to the motion to dismiss no later than May 18, 2023, which would trigger the Company's deadline to file its reply brief in support of their motion to dismiss no later than June 20, 2023. On February 6, 2024, the SDNY granted the Company's Motion to Dismiss. The Class Action Plaintiffs amended their complaint within the twenty-one day period provided by the judge.

TinBu Complaint

On March 13, 2023, John Brier, Bin Tu and JBBT, LLC (collectively, the "TinBu Plaintiffs") filed its original complaint against Lottery.com, Inc. f/k/a AutoLotto, Inc. and its wholly-owned subsidiary TinBu, LLC ("TinBu") in the Circuit Court of the 13th Judicial District in and for Hillsborough County, Florida (the "TinBu Complaint"). The Complaint alleges breach of contract(s) and misrepresentation with alleged damages in excess of $4.6 million. The parties agreed to extend the Company's and its subsidiary's deadline to respond until May 1, 2023. On May 2, 2023, the Company and its subsidiary retained local counsel who filed a Notice of Appearance on behalf of the Company and TinBu and filed a Motion for Enlargement requesting the Court to extend its deadline to file its initial response to the Complaint by an additional 30 days (the "Motion for Enlargement"). As of the date of this Amended Report, the Motion for Enlargement has not been set for a hearing. On May 5, 2023, Plaintiffs filed their Motion for Court Default ("Plaintiffs' Motion for Default"), despite Company's Motion for Enlargement. As of the date of this Amended Report, the Motion for Enlargement has not been set for a hearing. The Company intends to oppose Plaintiffs' Motion for Default. On May 9, 2023, Plaintiffs served Plaintiffs' First Request for Admissions (the "RFA") to the Company. On October 13, 2023, the Court granted the Defendants' Motion to Stay Litigation and Discovery pending a ruling on its Motion to Compel Arbitration. On November 16, 2023, the Court granted Defendants' Motion to Compel Arbitration in Texas. The parties await a signed written order from the Court to that effect. The TinBu Plaintiffs have appealed the Court's Order to Compel Arbitration in Texas.

Global Gaming Data

On November 21, 2023, the Company and its wholly owned subsidiary TinBu, LLC ("TinBu") (Company and TinBu collectively, "Plaintiffs") filed their *First Amended Verified Complaint* in Federal Court for the Middle District of Florida ("MDF") against John J. Brier, Jr. ("Brier"), Bin Tu ("Tu"), and Global Gaming Data, LLC ("GGD") (collectively, "Defendants") for violations of the Federal Defend Trade Secrets Act ("DTSA"), the Florida Uniform Trade Secrets Act ("FUTSA") and the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), and for breaches of contract and fiduciary duties, including the duty of loyalty, styled *Lottery.com, Inc. f/k/a AutoLotto, Inc. and TinBu, LLC* v. *John J. Brier, Jr., Bin Tu, and Global Gaming Data, LLC (Case No.: 8:23-cv-2594-KKM-TGW)* Defendants filed certain counterclaims against Plaintiffs. The Company's request for a Temporary Restraining Order was denied by the MDF in February 2024.

Woodford Eurasia

Woodford Eurasia filed a complaint in the High Court of Justice in London chancery Division. October 16, 2023, The High Court of Justice in London Chancery Division ("the Court") dismissed an application for injunctive relief initiated by Woodford against the Company. (Case: FL-2023-000023.

Woodford Eurasia Assets Limited v Lottery.com Inc.) The Court characterized Woodford's application as "fundamentally misconceived" and ordered Woodford to pay the Company's legal costs. Woodford subsequently, on the Judges' recommendation, withdrew the proceedings.

Woodford filed an additional action in the United States District Court for the District of Delaware on November 16, 2023 in Case No. 23-1317-GBW seeking a temporary restraining order, preliminary injunction and expedited discovery against Lottery.com and its directors. The Court entered an

order the next day denying the relief sought by Woodford. On February 14, 2024, Woodford filed a Notice of Voluntary Dismissal Without Prejudice, which stated that Woodford provides notice of dismissal of all claims without prejudice against Defendants Lotttery.com and its directors.

With the dismissal of this lawsuit by Woodford, no further action is required by Lottery.com or its directors at this time. The Company is determining its next course of action in resolving any further matters regarding Woodford.

The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our Common Stock is currently traded on The Nasdaq Stock Market LLC ("Nasdaq") under the symbol "LTRY." Our public warrants are traded on Nasdaq under the symbol "LTRYW".

Holders

As of December 31, 2023, there were 114 holders of record of our common stock and 10 holders of record of our warrants. In addition to holders of record of our securities we believe, based on Company records, that there are over 6,000 brokerage accounts representing "street name" holders or beneficial holders whose shares and warrants are held of record by banks, brokers and other financial institutions.

Dividends

We have not paid any cash dividends on our shares of common stock to date and do not anticipate paying any cash dividends for the foreseeable future. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition as well as general business conditions. The payment of any cash dividends will be within the discretion of the Board at such time.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings

We did not issue any equity securities during the year ended December 31, 2023 that were not registered under the Securities Act and that have not otherwise been described in a Quarterly Report on Form 10-Q or a Periodic Report on Form 8-K.

Securities Repurchases

None during the fiscal year 2023.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and the related notes appearing elsewhere in this Amended Report. This discussion contains forward-looking statements that reflect our plans, estimates, and beliefs that involve risks and uncertainties. As a result of many factors, such as those set forth under the "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements and Risk Factor Summary" sections and elsewhere in this Amended Report, our actual results may differ materially from those anticipated in these forward-looking statements.

Overview and Recent Developments

During FY 2023, the Company addressed legacy issues while successfully regaining full compliance with Nasdaq's continued listing rules and restarting operations in order to stage Lottery.com for growth in FY 2024. The cornerstone of the Company's operational progress for FY 2024 will be driven by technology, product and service capability enhancements.

This Amended Report is reflective of the Company's commitment to transparency, integrity, and responsible corporate governance. The investment commitments from United Investments Capital London, including Prosperity Investment Management and others, and investors placed by Univest Securities LLC, outlined in this report are evidence of investor belief in Management's capability to resume core lottery and gaming operations, monetize the Sports.com brand, and expand all the Company's brands across the globe.

Internal Investigation and Operational Cessation

On July 6, 2022, the Company announced that the Audit Committee (the "Audit Committee") of the board of directors of the Company (the "Board") had retained outside counsel to conduct an independent investigation that revealed instances of non-compliance with state and federal laws concerning the states in which lottery tickets were procured as well as order fulfillment. The investigation also identified issues pertaining to the Company's internal accounting controls (the "Internal Investigation"). Following a report on the filings of the Internal Investigation, on June 30, 2022, the Board terminated the employment of Ryan Dickinson as the Company's President, Treasurer and Chief Financial Officer, effective July 1, 2022. Subsequently, the Company initiated a review of its cash balances and related disclosures as well as its revenue recognition processes and other internal accounting controls.

On July 20, 2022, Armanino LLP ("Armanino"), the Company's registered independent public accountant for the fiscal years ended December 31, 2021 and 2020, advised the Company that its audited financial statements for the year ended December 31, 2021 (the "2021 Audit") and the unaudited financial statements for the quarter ended March 31, 2022 (the "March 2022 Financials"), should no longer be relied upon. Armanino advised that it had determined, subsequent to the 2021 Audit and review of the March 2022 Financials, that the Company had entered into a line of credit in January 2022 that was not disclosed in the footnotes to the 2021 Audit and was not properly recorded in the March 2022 Financials.

On July 28, 2022, the Board determined that the Company did not have sufficient financial resources to fund its operations or pay certain existing obligations, including its payroll and related obligations, due to a significant misstatement of our cash balances.

The following day, on July 29, 2022, the Company effectively ceased operations (the "Operational Cessation"), when it furloughed the majority of its employees and generally suspended its lottery game sales. The Company's remaining employees were retained at the discretion of the Company's then Chief Operating Officer and Chief Legal Officer in order to provide the minimal business functions needed to address the Company's legal and compliance issues and to secure necessary funding to resume the Company's operations. Less than twenty percent of these non-furloughed employees remain active in

the efforts to restore Company operations. Approximately $3.85 million in outstanding payroll and $1.0 million in outstanding director compensation obligations was unpaid as of December 31, 2023.

On September 27, 2022, Armanino resigned as the independent registered public accounting firm of the Company, effective immediately and subsequently, on October 7, 2022, the Audit Committee approved the engagement of Yusufali & Associates, LLC, ("Yusufali") as the Company's new independent registered public accounting firm.

Since the Operational Cessation, the Company has had minimal day-to-day operations and has primarily focused its operations on restarting certain of its core businesses (as described in more detail under "- *Plans for Recommencement of Company Operations*" below), and completing and filing the following (i) the restatements of the Company's 2021 Audit and March 2022 Financials and preparing and filing the Company's delinquent periodic reports, including Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2021, which the Company filed on May 10, 2023: (ii) Amendment No. 1 to the Company's Quarterly Report on Form 10-Q/A for the three months ended March 31, 2022, which the Company filed on May 15, 2023; (iii) the Company's Quarterly Reports on Form 10-Q for the three months ended June 30, 2022 and September 30, 2022, which the Company filed on May 22 and 24, 2023, respectively; (iv) the Company's Annual Report on Form 10-K for the year ended December 31, 2022, (v) the Company's Quarterly Report on Form 10-Q for the three months ended March 31, 2023; (vi) the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2023; (vii) the Company's Quarterly Report on Form 10-Q for the three months ended September 30, 2023; and (vii) this Amended Report.

Nasdaq Listing

On March 23, 2023, the Company requested a hearing before the Nasdaq Hearings Panel (the "Panel") to appeal a determination by the Listing Qualifications department (the "Staff") of Nasdaq dated February 23, 2023, to delist the Company's securities from Nasdaq. At the hearing before the Panel on April 24, 2023, the Company presented its plan to complete the restatement of its financial statements for the fiscal year ended December 31, 2021, and the subsequent quarter ended March 31, 2022, and to file the amended periodic reports and all subsequent required filings with the SEC. The Company requested the continued listing of its securities on Nasdaq pending the completion of its compliance plan.

By letter dated May 8, 2023, the Panel granted the Company's request for continued listing, on an interim basis, subject to the Company submitting financial projections for fiscal 2023 and filing the restated financial statements for the fiscal year ended December 31, 2021, and quarter ended March 31, 2022, with the SEC by May 15, 2023. The Company satisfied these conditions and the Panel indicated that it would review the filings, along with the updated projections, and thereafter determine whether to afford the Company additional time to complete the compliance plan presented at the hearing.

By letter dated May 24, 2023, the Panel notified the Company that it had determined to suspend trading and otherwise move to delist the Company's securities from Nasdaq effective with the open of the market on May 26, 2023. The Company's securities were suspended from trading on that date but the securities were not delisted because the Company thereafter requested that the Panel reconsider its determination to delist the Company's securities from Nasdaq based upon what the Company believed to be mistakes of material fact upon which the Panel had based its decision.

On June 8, 2023, the Panel notified the Company that it had determined to reverse its prior decision and grant the Company's request for continued listing subject to the Company's timely compliance with a number of conditions ultimately expiring on August 17, 2023, on which date the Company must satisfy all applicable criteria for continued listing on Nasdaq (the "June 8th Decision"). As a result of the foregoing, the suspension from trading ceased and the Company's securities were reinstated for trading on Nasdaq effective with the open of the market on June 15, 2023. See "*Risk Factors - Risks Related to Our Common Stock and Warrants – Although we are currently in full compliance with the continued listing standards of Nasdaq. However, we may not be able to remain in full compliance with Nasdaq's continued listing standards in the future*" for more information.

As reported on form 8-K filed on December 7, 2023, on November 29, 2023, the Company received a letter from Nasdaq stating that based upon its review of the Company's Market Value of Publicly Held Shares ("MVPHS") for the last 30 consecutive business days, the Company no longer met the minimum requirement of $5,000,000 set forth in Nasdaq Listing Rule 5450(b)(1)(C). However, under the Listing Rules, the Company was provided a 180-calendar day grace period to regain compliance, through May 28, 2024.

If at any time during the compliance period the Company's MVPHS closes at $5,000,000 or more for a minimum of ten consecutive business days, Nasdaq will provide written confirmation of compliance and the matter will be closed. The company received such notification from Nasdaq on April 10, 2024 and the matter was closed.

Furthermore, the requirement that we maintain a majority of independent directors and at least three members on our audit committee are Nasdaq requirements that we currently meet but have not met from time to time.

If the Company's securities are delisted from Nasdaq, it could be more difficult to buy and sell the Company's common stock and warrants or to obtain accurate quotations, and the price of the Company's common stock and warrants could suffer a material decline. Delisting could also impair the Company's ability to raise capital and/or trigger defaults and penalties under its outstanding agreements or securities. Further, even if we regain compliance with Nasdaq listing requirements, there is no guarantee that we will be able to maintain our listing for any period of time.

Delisting from Nasdaq could also result in negative publicity. Further, if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our common stock and/or warrants and the ability of our stockholders to sell our common stock and/or warrants in the secondary market. If our common stock and/or warrants are delisted by Nasdaq, our common stock and/or warrants may be eligible to trade on an over-the-counter quotation system, such as the OTCQB Market, where an investor may find it more difficult to sell our stock or obtain accurate quotations as to the market value of our common stock and/or warrants. In the event our common stock and/or warrants are delisted from The Nasdaq Global Market, we may not be able to list our common stock and/or warrants on another national securities exchange or obtain quotation on an over-the counter quotation system.

AutoLotto $30,000,000 Business Loan

On January 4, 2022, AutoLotto entered into a Business Loan Agreement (the “Business Loan”) with bank prov, pursuant to which the Company borrowed $30,000,000 from bank prov, which was evidenced by a $30,000,000 Promissory Note. The Promissory Note accrued interest at the rate of 2.750% per annum (7.750% upon the occurrence of an event of default) and had a maturity date of January 4, 2024. Monthly interest payments were due under the Promissory Note beginning February 4, 2022. The Promissory Note could be repaid at any time without penalty. The Promissory Note included customary events of default for a debt obligation of the size of the Promissory Note. The Business Loan included representations and warranties of AutoLotto and covenants (both positive and negative) which were customary for a transaction of this nature and size, including rights to set off. Upon the

occurrence of an event of default, Provident could declare the entire amount owed immediately due and payable. We were required to pay a 1% commitment fee at the time of our entry into the Business Loan, and another 1% annual loan fee would have been due on the first anniversary thereof.

In accordance with the terms of the Business Loan, upon entering into the agreement, $30,000,000 in a separate account with bank prov was pledged as security for the amount outstanding under the loan ("Collateral Security"). The $30,000,000 Collateral Security became restricted and remained restricted until October 12, 2022, when AutoLotto defaulted on its obligations under the Business Loan and bank prov foreclosed on the $30,000,000 of Collateral Security. The Collateral Security, which was in the form of restricted cash, was presented as a contingent liability on the Company's balance sheet from March 31, 2022 until the obligation was satisfied in October of 2022. See Note 3i to our consolidated financial statements for additional information.

Loan Agreement with Woodford

On December 7, 2022, the Company entered into a loan agreement with Woodford Eurasia Assets, Ltd. ("Woodford"), (the "Woodford Loan Agreement") pursuant to which Woodford agreed to provide the Company with up to $52.5 million, subject to certain conditions and requirements, of which, per the Company's books and records $798,351 was received by December 31, 2023 and is owed pursuant to the terms of the Woodford Loan Agreement. Amounts borrowed accrue interest at the rate of 12% per annum (or 22% per annum upon the occurrence of an event of default) and are due within 12 months of the date of each loan advance. Amounts borrowed can be repaid at any time without penalty.

Amounts borrowed pursuant to the Woodford Loan Agreement are convertible, at Woodford's option, into shares of the Company's common stock, beginning 60 days after the first loan date at the rate of 80% of the lowest publicly available price per share of common stock within 10 business days of the date of the Loan Agreement (which was equal to $5.60 per share), subject to a 4.99% beneficial ownership limitation and a separate limitation preventing Woodford from holding more than 19.99% of the issued and outstanding common stock of the Company, without the Company obtaining shareholder approval for such issuance.

Conditions to the Loan Agreement included the resignation of four prior members of the Board (Lisa Borders, Steven M. Cohen, Lawrence Anthony DiMatteo and William Thompson, all of whom resigned from the Board in September 2022), and the appointment of two new independent directors. Subsequent loans under the Woodford Loan Agreement also require the Company to comply with all listing requirements, unless waived by Woodford. The Woodford Loan Agreement also allows Woodford to nominate another director to the Board of Directors, in the event any independent member of the Board of Directors resigns.

Proceeds of the loans can only be used by to restart the Company's operations and for general corporate purposes agreed to by Woodford.

The Woodford Loan Agreement includes confidentiality obligations, representations, warranties, covenants, and events of default, which are customary for a transaction of this size and nature. Included in the Loan Agreement are covenants prohibiting us from (a) making any loan in excess of $1 million or obtaining any loan in an amount exceeding $1 million without the consent of Woodford, which consent may not be unreasonably withheld; (b) selling more than $1 million in assets; (c) maintaining less than enough assets to perform our obligations under the Loan Agreement; (d) encumbering any assets, except in the normal course of business, and not in an amount to exceed $1 million; (e) amending or restating our governing documents; (f) declaring or paying any dividend; (g) issuing any shares which negatively affects Woodford; and (h) repurchasing any shares.

The Company also agreed to grant warrants to purchase shares of common stock to Woodford (the "Woodford Warrants") in an amount equal to 15% of the Company's then issued and outstanding shares of common stock. Each Woodford Warrant has an exercise price equal to the average of the closing price of the Company's common stock for each of the ten days prior to the first amount being debited from the bank account of Woodford, which equates to an exercise price of $5.60 per share. In the event the Company fails to repay the amounts borrowed when due or Woodford fails to convert the amount owed into shares, the exercise price of the warrants may be offset by amounts owed to Woodford, and in such case, the exercise price of the warrants will be subject to a further 25% discount.

In connection with our entry into the Woodford Loan Agreement, the Company also entered into a Loan Agreement Deed, Debenture Deed and Securitization, with Woodford (the "Security Agreement"), which provides Woodford with a first floating charge security interest over all present and future assets of the Company in order to secure the repayment of amounts owed under the Loan Agreement.

On June 12, 2023, the Company entered into an amendment of the Woodford Loan Agreement (the "Woodford Loan Agreement Amendment"). The Woodford Loan Agreement Amendment provides that Woodford shall henceforth be able to convert, in whole or in part, the outstanding balance of its loan into the conversion shares at a conversion price that represents a further 25% discount to the original conversion price of 20%. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

Information regarding ongoing legal proceedings with Woodford can be found in the "Legal Proceedings" section of this form.

Business Combination

On October 29, 2021, we, as AutoLotto, Inc. ("AutoLotto"), consummated the Business Combination with Trident Acquisitions Corp. ("TDAC" and after the Business Combination described herein, the "Company"), pursuant to the terms of that certain Business Combination Agreement, dated as of February 21, 2021 (the "Business Combination Agreement"), by and among TDAC, Trident Merger Sub II Corp., a wholly-owned subsidiary of TDAC ("Merger Sub") and AutoLotto. Pursuant to the terms of the Business Combination Agreement, Merger Sub merged with and into AutoLotto with AutoLotto surviving the merger as a wholly owned subsidiary of TDAC, which was renamed "Lottery.com Inc." The aggregate value of the consideration paid by TDAC to the holders of AutoLotto common stock in the Business Combination (excluding shares that may be issued to former AutoLotto stockholders (the "Sellers") as earnout consideration) was approximately $440 million, consisting of approximately 2,000,000 shares of common stock valued at $220.00 per share. In addition, each Seller shall receive its pro rata portion of 150,000 Seller Earnout Shares and each Founder Holder shall receive one-third of 100,000 Founder Holders Earnout Shares, subject to adjustments in the normal course of business.

Reverse Stock Split

On August 9, 2023, the Company amended its Charter to implement, effective at 5:30 p.m., Eastern time, a 1-for-20 Reverse Stock Split. At the effective time of the Reverse Stock Split, every 20 shares of common stock either issued and outstanding or held as treasury stock were automatically combined into one issued and outstanding share of common stock, without any change in the par value per share. Stockholders who would have otherwise been entitled to fractional shares of common stock as a result of the Reverse Stock Split received a cash payment in lieu of receiving fractional shares. In addition, as a result of the Reverse Stock Split, proportionate adjustments will be made to the number of shares of common stock underlying the Company's outstanding equity awards, the number of shares issuable upon the exercise of the Company's outstanding warrants and the number of shares issuable under the Company's equity incentive plans and certain existing agreements, as well as the exercise, grant and acquisition prices of such equity awards and warrants, as applicable. The Reverse Stock Split was approved by the Company's stockholders at the Company's 2023 Annual Meeting of Stockholders on August 7, 2023 and was subsequently approved by the Board of Directors on August 7, 2023.

The effects of the Reverse Stock Split were reflected in the Quarterly Report on Form 10-Q for the period ended September 30, 2023 and in all subsequent reports for all periods presented.

International Expansion

In June 2021, we closed the acquisition of Global Gaming, which holds 80% of the equity of each of Aganar and JuegaLotto. Aganar operates in the licensed Online Lottery market in Mexico and is licensed to sell Mexican National Lottery draw games, instant win tickets, and other games of chance online with access to a federally approved online casino and sportsbook gaming license. JuegaLotto is licensed by Mexico authorities to commercialize international lottery games in Mexico through an authorized gaming portal and to commercialize games of chance in other countries throughout Latin America. As of the date of this Amended Report, according to Statista, the estimated size of the Latin American lottery market is $.68 billion with a compound annual growth rate projected at 6.05% through 2028. Furthermore, it is projected that there will be 3,000,000 online lottery players in the South American lottery market alone by 2028. Based on these projections, we believe these acquisitions will provide opportunities for growth of our international operations throughout Mexico and Latin America as we expand our portfolio of products and expose our existing products to new markets.

Operations Prior to Operational Cessation

Prior to the Operational Cessation, the Company was a provider of domestic and international lottery products and services. As an independent third-party lottery game service, we offered a platform that we developed and operated to enable the remote purchase of legally sanctioned lottery games in the U.S. and abroad (the "Platform"). Our revenue generating activities included (i) offering the Platform via our Lottery.com app and our websites to users located in the U.S. and international jurisdictions where the sale of lottery games was legal and our services were enabled for the remote purchase of legally sanctioned lottery games (our "B2C Platform"); (ii) offering an internally developed, created and operated business-to-business application programming interface ("API") of the Platform, which enabled our commercial partners, in permitted U.S. and international jurisdictions, to purchase certain legally operated lottery games from us and to resell them to users located within their respective jurisdictions ("B2B API"); and (iii) delivering global lottery data, such as winning numbers and results, and subscriptions to data sets of our proprietary, anonymized transaction data pursuant to multi-year contracts to commercial digital subscribers ("Data Service").

Mobile Lottery Game Platform Services

Both our B2C Platform and our B2B API provided users with the ability to purchase legally sanctioned draw lottery games via a mobile device or computer, securely maintain their acquired lottery game, automatically redeem a winning lottery game, as applicable, and receive support, if required, for the claims and redemption process. Our registration and user interfaces were designed to be easy to use, provide for the creation of an account and purchase of a lottery game with minimum friction and without the creation of a mobile wallet or requirement to pre-load minimum funds and - importantly - to provide instant confirmation of the user's lottery game numbers, whether selected at random or picked by the user. Users of our B2C Platform services paid a service fee and, in certain non-U.S. jurisdictions, a mark-up on the purchase price. Prior to the Operational Cessation, we generated revenue from this service fee and mark-up. Our B2B API Platform resumed limited operations for the month of April 2023. As of the date of this Amended Report, our B2C Platform is not currently available to the public. We anticipate that our B2C Platform will become available again by mid-year 2024.

The WinTogether Platform

Prior to the Operational Cessation, we operated and administered of all sweepstakes offered by WinTogether, a registered 501(c)(3) charitable organization ("WinTogether"), which was formed in April 2020 to support charitable, educational, and scientific causes. In consideration of our operation of the WinTogether platform and administration of the sweepstakes, we received a percentage of the gross donations to a campaign, from which we paid certain dividends and all administration costs.

The WinTogether platform continued operating after the Operational Cessation, until all sweepstakes campaigns were completed, and all prizes awarded. On March 29, 2023, the board of directors of WinTogether voted to suspend its relationship with the Company. The suspension of the relationship was rescinded by the WinTogether board on November 16, 2023. WinTogether is now operating under the DonateTo.Win brand.

Current Operations

Despite the Operational Cessation, the Company's subsidiaries have continued to operate under the direction of the leadership teams that were in place prior to the Company's acquisition of such companies. While the operational activities of these subsidiaries vary, from the Operational Cessation through the date of this Amended Report, each of Aganar and JuegaLotto have decreased their expenses and has had their revenues remain consistent or decrease slightly from pre-Operational Cessation levels. TinBu has decreased its expenses and had their revenues remain consistent for a period of time but revenue is now beginning to decrease from pre-Operational Cessation levels.

Data Services

In 2018, we acquired TinBu, LLC ("TinBu"), a digital publisher and provider of lottery data results, jackpots, results, and other data, as a wholly-owned subsidiary. Through TinBu, our Data Service delivers daily results of over 800 domestic and international lottery games from more than 40 countries, including the U.S., Canada, and the United Kingdom, to over 400 digital publishers and media organizations. See "*Item 1A. Risk Factors – We are party to pending litigation and investigations in various jurisdictions and with various plaintiffs and we may be subject to future litigation or investigations in the operation of our business. An adverse outcome in one or more proceedings could adversely affect our business, financial condition, and results of operations*" for more information about our relationship with Tinbu.

Our technology pulls real time primary source data, and, in some instances, we acquire data from dedicated data feeds from the lottery authorities. Our data is constantly monitored to ensure accuracy and timely delivery. We are not required to obtain licenses or approvals from the lottery authorities to pull this primary source data or to acquire the data from such dedicated feeds. Commercial acquirers of our Data Service pay a subscription for access to the Data Service and, for acquisition of certain large data sets, an additional per record fee.

We additionally enter into multi-year contracts pursuant to which we sell proprietary, anonymized transaction data pursuant to multi-year agreements and in accordance with our Terms of Service in consideration of a fee and in other instances provide the Data Service within a bundle of provided services.

Aganar and JuegaLotto

On June 30, 2021, we acquired 100% of the equity of Global Gaming Enterprises, Inc., a Delaware corporation ("Global Gaming"), which holds 80% of the equity of each of Medios Electronicos y de Comunicacion, S.A.P.I de C.V. ("Aganar") and JuegaLotto, S.A. de C.V. ("JuegaLotto"). JuegaLotto is federally licensed by the Mexican regulatory authorities with jurisdiction over the ability to commercialize lottery games in Mexico through an authorized federal gaming portal and to commercialize games of chance in other countries throughout Latin America. Aganar has been operating in the licensed Online Lottery market in Mexico since 2007 and has certain rights to sell Mexican National Lottery draw games, instant win tickets, and other games of chance online with access to a federally approved online casino and sportsbook gaming license and additionally issues a proprietary scratch lottery game in Mexico under the brand name Capalli. See "*Item 1A. Risk Factors – We need additional capital to, among other things, support and restart our operations, re-hire employees and pay our expenses. Such capital may not be available on commercially acceptable terms, if at all. If we do not receive the additional capital, we may be forced to curtail or abandon our plans to recommence our operations and we may need to permanently cease our operations"* for additional information.

Sports.com

In December 2021, we finalized the acquisition of the domain name https://sports.com and on November 15, 2022, we formed a wholly-owned subsidiary called Sports.com, Inc., a Texas corporation ("Sports.com"). Subsequently, Sports.com announced a partnership with the Saudi Motorsports Company, which enabled the Company to roll out the Sports.com brand at the FIFA World Cup decider at the end of November 2022. In December 2022, Sports.com signed an agreement with Data Sports Group, GmbH ("DSG"), which provides Sports.com the exclusive North American distribution rights for sports data products offered and maintained by DSG (the "DSG Data"). The DSG Data is being sold through the same sales resources and sales channels as the lottery data offered by TinBu. On July 23, 2023, DSG exercised its right to terminate the exclusive distribution rights due to Sports.com not meeting its contractual obligations.

Nook Holdings, LTD

On September 28, 2023, the company entered into Stock Purchase Agreement with the shareholders of Nook Holdings Limited ("Nook"), a private limited company incorporated and registered in the Abu Dhabi Global Market, Abu Dhabi, United Arab Emirates ("UAE"). The total purchase price is approximately $2.314 million. The Company made three payments totaling $137,500 in the fourth quarter and anticipates the transaction closing by June 30, 2024 or as otherwise agreed by the parties. Nook is known for its innovative approach to co-working in Dubai and has procured 200 licenses for individuals and companies in the sports, health and wellness sector seeking access to Dubai and the broader Middle Eastern market. With its exclusive partnership with the Dubai Multi-Commodities Centre Free Zone (DMCC), Nook offers a wide range of services, including business setup support, insurance, VAT registration, and networking opportunities for like-minded sports entrepreneurs. As part of the acquisition, Nook will be rebranded under the Sports.com umbrella.

Plans for Recommencement of Company Operations

As noted above, since the Operational Cessation, the Company has had minimal day-to-day operations and has primarily focused on restarting certain of its core businesses. The Company has developed a three-phase plan to recommence its operations, which plan is outlined below.

*Phase 1 - Relaunch B2B API Platform***.** During the Operational Cessation, the Company maintained positive relationships with its ticket-printing and courier partners, as well as several distribution partners that have been found to be in compliance with local, state, and federal rules related to ticket procurement and distribution. These partners have implemented the Lottery.com API and have advised the Company that they expect to be ready to offer lottery games to their customers through their sales channels when the Company resumes operations. As such, the Company believes that it has sufficient demand to resume operation of its B2B API platform operations, assuming it is able to maintain the core employee team to manage the lottery ticket fulfillment process and access sufficient capital to relaunch Project Nexus, which was designed to, among other things, handle high levels of user traffic and transaction volume, while maintaining expediency, security, and reliability in the administrative and back-office functionality required by the B2B API. Our B2B API Platform resumed limited operations in April 2023.

Phase 2 - Resume B2C Platform Operations. The Company believes that it will be in a position to relaunch its B2C Platform by mid-year 2024. As of the date of this Amended Report, the Company expects that it will initially relaunch its B2C Platform to customers in Texas for a period of time before rolling it out to other jurisdictions. The Company may elect to accelerate the relaunch of its Platform to customers in another state. The Company plans to limit the rollout in order to give it additional time to properly vet and confirm compliance with local, state and federal rules related to ticket procurement and distribution. For more information, see "*Item 1A. Risk Factors - Regulatory and Compliance Risks - A jurisdiction may enact, amend, or reinterpret laws and regulations governing our operations in ways that impair our revenues, cause us to incur additional legal and compliance costs and other operating expenses, or are otherwise not favorable to our existing operations or planned growth, all of which may have a material adverse effect on us or our results of operations, cash flow, or financial condition*." The Company has also maintained various pre-paid media credits that it expects to use to launch and maintain promotional campaigns geared towards encouraging prior customers to return to the Platform and to acquire new customers.

Phase 3 - Restore Other Business Lines and Projects. Assuming the success of Phase 1 and Phase 2, the Company expects to restore other products it used to offer, such as supplying lottery tickets to consumers in approved domestic jurisdictions, partnering with licensed providers in international jurisdictions to supply legitimate domestic lottery games, and reviving other products and services that were under development when the Operational Cessation occurred.

As of the date of this Amended Report, the current estimated cash balance of the Company and subsidiaries is approximately $63,346. The Company believes that this cash on hand, along with future borrowings, will be sufficient for the Company to resume its core operations.

As of the date of this Amended Report, our common stock and warrants are traded on The Nasdaq Stock Market LLC ("Nasdaq") under the ticker symbols "LTRY" and "LTRYW," respectively. As of the date of this Amended Report, we are in compliance with Nasdaq's continued listing requirements (the "Listing Rules"). See, "*Risk Factors - Risks Related to Our Common Stock and Warrants – Although we are not currently in full compliance with the continued listing standards of Nasdaq, we may not be able to remain in full compliance with Nasdaq's continued listing standards in the future*." Additionally, under its new management, the Company continues to work to improve its disclosure and reporting controls. Also, the Company plans to overhaul its systems of internal control over financial reporting and invest in additional legal, accounting, and financial resources.

Even if the Company's three phase plan to recommence its operations is successful, there can be no assurance that the Company will be able to fully regain compliance with the applicable Listing Rules, or that the Nasdaq Panel will continue to stay the delisting of the Company's securities on Nasdaq. If the Company's securities are delisted from Nasdaq, it could be more difficult to buy or sell the Company's common stock and warrants or to obtain accurate quotations, and the price of the Company's common stock and warrants could suffer a material decline. Delisting could also impair the Company's ability to raise additional capital needed to fund its operations and/or trigger defaults and penalties under outstanding agreements or securities of the Company.

There can be no assurance that we will have sufficient capital to support our operations and pay expenses, repay our debt, or that additional funds will be available on favorable terms, if at all. We may not be able to restart our operations or generate sufficient funding to support such operations in the future. The Company's ability to continue its current operations, prepare and refile deficient and restated reports, and restart its prior operations, is dependent upon obtaining new financing. Future financing options available to the Company include equity financings, debt financings or other capital sources, including collaborations with other companies or other strategic transactions. Equity financings may include sales of common stock. Such financing may not be available on terms favorable to the Company or at all. The terms of any financing may adversely affect the holdings or rights of the Company's stockholders and may cause significant dilution to existing stockholders. There can be no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company, if at all, which would have a material adverse effect on its business, financial condition and results of operations, and it could ultimately be forced to discontinue its operations and liquidate. These matters, when considered in the aggregate, raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time, which is defined as within one year after the date that the financial statements are issued. The accompanying financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Components of Our Results of Operations (Prior to the Operational Cessation)

Our Revenue

Revenue from B2C Platform. Our revenue is the retail value of the acquired lottery game and the service fee charged to the user, which we impose on each lottery game purchased from our B2C Platform. The amount of the service fee is based upon several factors, including the retail value of the lottery game purchased by a user, the number of lottery games purchased by a user, and whether such user is located within the U.S. or internationally. Currently, in the U.S, the minimum service fee is $0.50 for the purchase of a $1 lottery game and $1 for the purchase of a $2 lottery game; the service fee for additional lottery games purchased in the same transaction is 6% of the face value of all lottery games purchased. For example, the service fee for the purchase of five $2 tickets is $1.60, comprised of the $1 base service fee, plus 6% of the aggregate value of the face value of all lottery games purchased. The Company did not operate its B2C platform in 2023.

Internationally, B2C sales in jurisdictions where we do not have direct or indirect authority generate an immaterial amount of revenue, and we are assessing our operations in these jurisdictions. As discussed above, our B2C Platform is not currently operational. We anticipate that our B2C Platform will become operational by mid-year 2024.

Revenue from B2B API. Together with our third-party commercial partner(s), we agree on the amount of the technology usage fee to be imposed on the sale of each lottery game purchased through the B2B API, if any, together with a service fee to be charged to the user; we receive up to 50% of the net revenues from such technology usage fee and service fee pursuant to our commercial agreement with each commercial partner. As discussed above, following the Operational Cessation, our B2B API Platform resumed limited operations in April 2023.

Data Services. Commercial acquirers of our Data Service pay a subscription for access to the Data Service and, for acquisition of certain large data sets, an additional per record fee. The Company additionally enters into multi-year contracts pursuant to which it sells proprietary, anonymized transaction data pursuant to multi-year agreements and in accordance with our Terms of Service in consideration of a fee. Our Data Services operations were not impacted by the Operational Cessation.

Our Operating Costs and Expenses

Personnel Costs. Personnel costs include salaries, payroll taxes, health insurance, worker's compensation and other benefits for management and office personnel.

Professional Fees. Professional fees include fees paid for legal and financial advisors, accountants and other professionals related to the Business Combination and other transactions.

General and Administrative. General and administrative expenses include marketing and advertising expenses, office and facilities lease payments, travel expenses, bank fees, software dues and subscriptions, expensed research and development ("R&D") costs and other fees and expenses.

Depreciation and Amortization. Depreciation and amortization expenses include depreciation and amortization expenses on real property and other assets.

Key Trends and Factors Affecting Our Results

The following describes the trends associated with our business prior to the Operational Cessation that have impacted, and which we expect will continue to impact, our business and results of operations in a material way:

International operations. We face challenges related to expanding our footprint globally and the related process of obtaining the licenses and regulatory approvals necessary to provide services and products within new and emerging markets. The international jurisdictions where we operate and seek to expand have been subject to increasing foreign currency fluctuations against the U.S. dollar, inflationary pressures and political and economic instability. We expect these trends to continue during fiscal 2024 and believe they are likely to affect consumer spending, which could have a material impact on our revenues. As a result, it may take longer to achieve projected revenue gains or generate cash in any such regions affected or any new foreign jurisdiction into which we expand.

Introduction of a new gaming platform. We developed a proprietary, blockchain-enabled gaming platform, which we named Project Nexus. Project Nexus is designed to handle high levels of user traffic and transaction volume, while maintaining expediency, security, and reliability in (i) the processing of lottery game sales, (ii) fulfillment of retail requirements of the B2C Platform, (iii) the administrative and back-office functionality required by our B2B API, and (iv) the requirements of our claims and redemption process. We expect to utilize this platform to launch new products, including any proprietary products we may introduce. The introduction of new technology like Project Nexus is subject to risks including, among other things, implementation delays, issues successfully integrating the technology into our solutions, or the possibility that the technology does not produce the expected benefits.

Our growth plans and the competitive landscape. Our direct competitors operate in the global entertainment and gaming industries and, like us, seek to expand their product and service offerings with integrated products and solutions. Our short-to-medium term focus is on increasing our penetration in our existing U.S. jurisdictions by increasing direct to consumer marketing campaigns, introducing our B2C Platform into new U.S. and select foreign jurisdictions and acquiring synergistic regulated and sports betting enterprises domestically and abroad.

Competition in the sale of online lottery games has significantly increased in recent years, is currently characterized by intense price-based competition, and is subject to changing technology, shifting needs and frequent introductions of new games, development platforms and services. To maintain our competitive edge alongside other established industry players (many of which have more resources, or capital), we expect to incur greater operating short-term expenses, such as increased marketing expenses, increased compliance expenses, increased personnel and advisory expenses associated with being a public company, additional operational expenses and salaries for personnel to support expected growth, additional expenses associated with our ability to execute on our strategic initiatives including our aim to undertake merger and acquisition activities, as well as additional capital expenditures associated with potential further development of Project Nexus, the initial phase of which was implemented in the second quarter of 2022.

Current Plan of Operations

As of the date of this Amended Report, the Company's primary revenue drivers are the resumption of its B2B API platform and the launch of Sports.com. It is anticipated that operational costs for the next 12 months through April 30, 2024 will be greater than revenues. It is anticipated that the liquidity gap will be satisfied by equity investment or debt incurred, of which there is no assurance. We anticipate that our B2C Platform will become operational by mid-year 2024.

Beyond the next 12 months, the Company plans to continue to expand in domestic and international operations. The Moreover, the Company plans to enhance its mobile application to include pool plays, ticket subscriptions, loyalty programs and various gamification modules.

Results of Operations

Our consolidated financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation. We will require additional capital to meet our long-term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

The following table summarizes our results of operations for the years ended December 31, 2023 and December 31, 2022, respectively.

	For the Year Ended December 31,			
	2023	**2022**	**$ Change**	**% Change**
Revenue	$ 6,987,474	$ 6,779,057	$ 208,417	3%
Cost of revenue	5,666,544	4,310,750	1,355,794	31%
Gross profit	$ 1,320,930	$ 2,468,307	$ (1,147,377)	-46%
Operating expenses:				
Personnel costs	$ 4,570,206	$ 30,114,485	$ (32,544,279)	-88%
Professional fees	6,741,837	6,613,546	128,291	2%
General and administrative	9,484,681	9,012,673	472,008	5%
Depreciation and amortization	5,691,322	5,601,374	89,948	1%
Total operating expenses	26,488,046	58,342,078	(31,854,032)	-55%
Loss from operations	$ (25,167,116)	$ (55,873,771)	$ (30,706,655)	-55%
Other expenses				
Interest expense	$ 371,110	$ 764,839	$ (393,729)	-51%
Other expense	136,429	3,721,291	(3,584,862)	-96%
Total other expenses, net	512,539	4,486,130	(3,973,591)	-89%
Net loss before income tax	$ (25,679,655)	$ (60,278,909)	(34,599,254)	-57%
Income tax expense (benefit)	60,000	23,364	36,636	157%
Net loss	$ (25,739,655)	$ (60,383,265)	$ (35,003,610)	-58%
Other comprehensive loss				
Foreign currency translation adjustment, net	$ (70,273)	$ 4,277	$ (65,996)	-154%
Comprehensive loss	$ (25,809,928)	$ (60,378,988)	$ 34,569,060	57%
Net income attributable to noncontrolling interest	$ 272,613	$ 379,916	$ (107,303)	-28%
Net loss attributable to Lottery.com, Inc.	$ (25,537,315)	$ (59,999,072)	$ 34,461,757	57x%

Revenues

Revenue. Revenue for the year ended December 31, 2023 was $7.0 million, an increase of $200 thousand, or 3%, compared to revenue of $6.8 million for the year ended December 31, 2022. Revenue was up slightly for the year ended December 31, 2023 with a change in the mix which was more heavily weighted to ticket sales and data services and less to services delivered to partners.

Cost of Revenue. Cost of revenue includes product costs, commission expense to affiliates and commercial partners, and merchant processing fees. Cost of revenue for the year ended December 31, 2023 was $5.7 million, an increase of $1.4 million, or 31%, compared to cost of revenue of $4.3 million for the year ended December 31, 2022. The increase in COGS is the result of a product mix that was more heavily weighted towards products and less on higher-margin services for the year ended December 31, 2023. In 2022 there was revenue from services provided to partners that had lower costs and higher margins.

Gross Profit. Gross profit for the year ended December 31, 2023 was $1.3 million, compared to $2.5 million for the year ended December 31, 2022, a decrease of $1.2 million, or (46%). This decrease was the result of higher cost of sales on higher ticket revenue in 2023 than in 2022 and because higher margin revenue for services provided to partners in 2022 was not recurring.

Operating Costs and Expenses

	For the Year Ended December 31,			
	2023	2022	$ Change	% Change
Operating expenses:				
Personnel costs	4,570,206	37,114,485	(32,544,279)	-88%
Professional fees	6,741,837	6,613,546	128,291	2%
General and administrative	9,484,681	9,012,673	472,008	5%
Depreciation and amortization	5,691,322	5,601,374	89,948	1%
Total operating expenses	26,488,046	58,342,078	(31,854,032)	-55%

Operating expenses for the year ended December 31, 2023 were $26.5 million, a decrease of $31.8 million, or 55%, compared to $58.3 million for the year ended December 31, 2022. The decrease was primarily driven by decreased stock compensation expense, decreased headcount, decreased marketing spend and decreased depreciation and amortization expenses during the 2023 fiscal year.

Personnel Costs. Personnel costs decreased by $32.5 million, or 88%, from $37.1 million for the year ended December 31, 2022, to $4.6 million for the year ended December 31, 2023. The decrease was due primarily to decreases in stock compensation expense by $25.7 million combined with lower headcount in 2023.

Professional Fees. Professional fees increased by $128 thousand, or 2% from $6.61 million for the year ended December 31, 2022 to $6.74 million for the year ended December 31, 2023. While there were decreases in other types of professional fees, the increase was driven by fees for outside attorneys and accountants helping the company complete amended and new filings of reports 10-K and 10-Q during 2023 to regain compliance with reporting requirements.

General and Administrative. General and administrative expenses of $9.5 million for the year ended December 31, 2023 are $472 thousand, or 5%, higher than the $9.0 million reported for the year ended December 31, 2022. For the year ended December 31 2023, general and administrative expenses include write-offs to goodwill of $5.6 million related to the TinBu subsidiary and $1.1M related to the Global Gaming subsidiary as well as write offs of $800 thousand related to intangible assets of Global Gaming. Without these write-offs for impairment of intangible assets, which total $ 7.5 million, general and administrative expenses for 2023 would have been $1.97 million and 78% lower than in 2022. Some key drivers of the decrease for the year ended December 31, 2023 were business insurance expense $3 million lower, expensed developed software $530 thousand lower, software services $200 thousand lower, royalty expense $160 thousand lower, and facilities rent $110 thousand lower than for the year ended December 31, 2022.

Depreciation and Amortization. Depreciation and amortization increased $90 thousand, or 1%, from $5.6 million for the year ended December 31, 2022 to $5.7 million for the year ended December 31, 2023. The increase is due to a full year of amortization for Project Nexus in 2023 vs only half a year in 2022 as it was placed in service and amortization began mid-year 2022.

Other Expense, Net

	For the Year Ended December 31,			
	2023	2022	$ Change	% Change
Other expenses				
Interest expense	376,110	764,839	(393,729)	-51%
Other expense	136,429	3,721,291	(3,584,862)	-96%
Total other expenses, net	512,539	4,486,130	(3,973,591)	-89%

Interest Expense. Interest expense decreased by $394 thousand, or (51%), for the year ended December 31, 2023, from $765 thousand to $376 thousand as compared to the year ended December 31, 2022. This decrease relates primarily to interest on the Bank Prov line of credit in 2022 which did not occur in 2023.

Other Expense. Other expense decreased by $3.6 million, or (96)%, for the year ended December 31, 2023 as compared to the year ended December 31, 2022 from $3.7 million to $136 thousand. This decrease was driven primarily by a discount on an asset with periodic payments of $3.5 million which was recorded in 2022.

Liquidity and Capital Resources

Prior to the Operational Cessation, our primary need for liquidity was to fund working capital requirements of our business, growth, capital expenditures and for general corporate purposes. Our primary source of liquidity had historically been funds generated by financing activities. Upon the Closing of the business combination on October 29, 2021, we received net proceeds of approximately $42.8 million in cash.

Following the Operational Cessation, our primary need for liquidity has been to fund the restart of our business operations, re-hire employees and pay our expenses. The most likely source of such future funding presently available to us is through additional borrowings under loan agreements or through the issuance of equity or debt securities. If lenders do not advance us amounts as agreed under loan agreements or we are otherwise not able to secure the necessary capital to restart our operations, hire new employees, and obtain funding sufficient to support and restart our operations, we may be forced to permanently cease our operations, sell off our assets and operations, and/or seek bankruptcy protection, which could cause the value of our securities to become worthless.

These conditions, along with our current lack of material revenue producing activities, and significant debt, raise substantial doubt about our ability to continue as a going concern for the next 12 months. For more information, see *Note 2 - Significant Accounting Policies*, Going Concern to the consolidated financial statements included herein, as well as the risk factors included in Item 1A of this Amended Report entitled "*In July 2022, we furloughed the majority of our employees and suspended our lottery game sales operations after determining that we did not have sufficient financial sources to fund our operations or pay certain existing obligations, including our payroll and related obligations. As a result, we may not be able to continue as a going concern*" and "*[w]e need additional capital to, among other things, support and restart our operations, re-hire employees and pay our expenses. Such capital may not be available on commercially acceptable terms, if at all. If we do not receive the additional capital, we may be forced to curtail or abandon our plans to recommence our operations and we may need to permanently cease our operations.*"

Convertible Debt Obligations

Prior to the Closing, we funded our operations through the issuance of convertible promissory notes.

From August to October 2017, the Company entered into seven Convertible Promissory Note Agreements with unaffiliated investors for an aggregate amount of $821,500. The notes bore interest at 10% per year, were unsecured, and were due and payable on June 30, 2019. The Company and the noteholders executed amendments in February 2021 to extend the maturity date to December 21, 2021.

From November 2019 through October 28, 2021, we issued approximately $48.2 million in aggregate principal amount of Series B convertible promissory notes. The notes bore interest at 8% per year, were unsecured, and were due and payable on dates ranging from December 2020 to December 2022. For those promissory notes that would have matured on or before December 31, 2020, the parties extended the maturity date to December 21, 2021 through amendments executed in February 2021. The amendments also allowed for automatic conversion to equity as a result of the Business Combination. Nearly all of the aforementioned promissory notes automatically converted into shares of Common Stock or were terminated pursuant to their terms, as applicable, in connection with the Closing. Those that remain outstanding do not have conversion terms that were triggered by the Closing.

Immediately prior to the Closing, approximately $60.0 million of convertible debt was converted into equity of AutoLotto.

As of December 31, 2023, we had $2,570,993 of convertible debt outstanding.

See Item 1: Business: Overview and Recent Developments: *"Loan Agreement with Woodford," "Loan Agreement with United Capital Investments London Limited," and "Placement Agent Agreement with Univest Securities, LLC"* above for additional information.

Cash Flows

Net cash used by operating activities was $2.4 million for the year ended December 31, 2023, compared to net cash used by operating activities of $31.3 million for the year ended December 31, 2022. Factors affecting changes in operating cash flows were stock-based compensation expense along with decreased expenses for personnel costs, and sales and marketing activities in 2023 as compared to 2022. Net cash used in investing activities during the year ended December 31, 2023 was $0, compared to $1.3 million for the prior year. The decrease was because there were no expenditures for development of intangible assets during 2023. Net cash provided by financing activities was $2.3 million for the year ended December 31, 2023, compared to $16 thousand used by financing activities for the year ended December 31, 2022. The increase was due to funding received under convertible debt arrangements in 2023.

Changes in or Adoption of Accounting Practices

The following U.S. GAAP standards have been recently issued by the Financial Accounting Standards Board (the "FASB"). We are in the process of assessing the impact of these new standards on future consolidated financial statements. Pronouncements that are not applicable or where it has been determined do not have a significant impact on the Company have been excluded herein.

ASC 606, Revenue from Contracts with Customers

Between May 2014 and December 2016, the FASB issued several Accounting Standards Updates ("ASUs")'s on ASC 606, which updates superseded nearly all previous revenue recognition guidance under U.S. GAAP. The core principle is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. A five-step process has been defined to achieve this core principle, and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standards are effective for annual periods beginning after December 15, 2017 using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standards in each prior reporting period with the option to elect certain practical expedients; or (ii) a retrospective approach with the cumulative effect of initially adopting the standards recognized at the date of adoption (which includes additional footnote disclosures). The Company adopted these standards effective on January 1, 2018, and management concluded the adoption of this standard did not result in any financial statement impacts or changes to revenue recognition policies or processes as revenue is primarily derived from arrangements in which the transfer of control coincides with the fulfillment of performance obligations.

Critical Accounting Policies

Our financial statements are prepared in conformity with U.S. GAAP. Certain of our accounting policies require that management apply significant judgments and estimates in defining the appropriate assumptions integral to financial estimates. Judgments are based on historical experience and other factors that we believe to be reasonable under the circumstances, such as terms of contracts, industry trends and information available from outside sources, as appropriate. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. We have applied significant estimates and assumptions related to the following:

Revenue and Cost Recognition

Revenue

In May of 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASC 606"), amending revenue recognition guidance and requiring a more structured approach to measuring and recognizing revenue as well as provide more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amended guidance is effective for accounting periods commencing on or after January 1, 2018.

We have applied ASC 606 to all revenue contracts. The core principle of ASC 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are generally recognized upon the transfer of control of promised products provided to our users, customers and subscribers, reflecting the amount of consideration we expect to receive for those products. We enter into contracts that can include various products, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of any taxes collected from users, commercial partners and subscribers, which are subsequently remitted to governmental authorities. The revenue recognition policy is consistent for sales generated directly with users and sales generated indirectly through affiliates, other solution partners, and our commercial partners.

Revenues are recognized upon the application of the following steps:

1. Identification of a contract or contracts with a user, customer or subscriber;

2. Identification of performance obligation(s) in the contract;

3. Determination of the transaction price;

4. Allocation of the transaction price to the performance obligations in the contract; and

5. Recognition of revenue when, or as, the performance obligation is satisfied.

Contracts with users and customers for lottery game sales are at the point of sale and may include transfer of multiple products to a user or a customer and generally do not require future obligations. In these situations, the Company generally considers each transferred product as a separate performance obligation. The Company also has contracts with subscribers for the continued delivery of lottery and anonymized transaction data over a defined period of time. In accounting for these contracts, the Company generally considers each set of data as a separate performance obligation and recognizes revenue on their delivery ratably over the service period of the agreement. The Company's products are sold without a right of return or refund; the Company's terms of service and contracts generally include specific language that disclaims any warranties.

In addition, the Company's performance obligation in agreements with certain third parties is to transfer previously acquired Affiliate Marketing Credits. The payment for these credits by the third parties is priced on a per-contract basis. The performance obligation in these agreements is to provide title rights of the previously acquired credits to the third party. This transfer is point-in-time when the revenue is recognized, and there are no variable considerations related to this performance obligation.

Income Taxes

For both financial accounting and tax reporting purposes, the Company reports income and expenses based on the accrual method of accounting.

For federal and state income tax purposes, the Company reports income or loss from their investments in limited liability companies on the consolidated income tax returns. As such, all taxable income and available tax credits are passed from the limited liability companies to the individual members. It is the responsibility of the individual members to report the taxable income and tax credits, and to pay any resulting income taxes. Therefore, in relation to the income and losses incurred by the limited liability companies, they have been consolidated in the Company's tax return and provision based upon its relative ownership.

Income taxes are accounted for in accordance with ASC 740, "*Income Taxes*" ("ASC 740"), using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefit will not be realized.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (i) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (ii) for those tax positions that meet the more likely than not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of income tax expense or benefit. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Generally, the taxing authorities can audit the previous three years of tax returns and in certain situations audit additional years. For federal tax purposes, the Company's 2020 through 2023 tax years generally remain open for examination by the tax authorities under the normal three-year statute of limitations. For state tax purposes, the Company's 2019 through 2023 tax years remain open for examination by the tax authorities under the normal four-year statute of limitations.

Business combination

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by our management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position, which cannot be derived from active markets, is determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair values. Judgment includes, but is not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

Fair value of stock options and warrants

We use the Black-Scholes option-pricing model to calculate the fair value of stock options and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options and warrants, anticipated forfeitures, the risk-free rate, and the volatility of our share price. In making these assumptions and estimates, management relies on historical market data.

Estimated useful lives, depreciation of property, plant and equipment, and amortization of intangible assets

Depreciation of property, plant and equipment and amortization of intangible assets is dependent upon estimates of useful lives based on management's judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets.

Goodwill and intangible assets

Goodwill and indefinite life intangible asset impairment testing require us to make estimates in the impairment testing model. On an annual basis, we test whether goodwill and indefinite life intangible assets are impaired. Impairment is influenced by judgment in defining a cash-generating unit ("CGU") and determining the indicators of impairment, and estimates used to measure impairment losses. The recoverable amount is the greater of value in use and fair value less costs to sell. The recoverable value of goodwill, indefinite and definite long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding projected future cash flows and capital investment, growth rates and discount rates.

Deferred Tax Asset and Valuation Allowance

Accounting for deferred tax assets, including those arising from tax loss carry-forwards, requires management to assess the likelihood that we will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit our ability to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Emerging Growth Company Accounting Election

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. We are an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, and have elected to take advantage of the benefits of this extended transition period. We expect to remain an emerging growth company through the end of the 2024 fiscal year and we expect to continue to take advantage of the benefits of the extended transition period. This may make it difficult or impossible to compare the financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions for emerging growth companies because of the potential differences in accounting standards used.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company" as defined by Rule 10(f)(1) of Regulation S-K, the Company is not required to provide this information.

Item 8. Financial Statements and Supplementary Data.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Yusufali & Associates, LLC
Certified Public Accountants & IT Consultants
AICPA, HITRUST, PCAOB, PCIDSS, & ISC2 Registered
55 Addison Drive, Short Hills, NJ 07078

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Lottery.com Inc.
Spicewood, Texas

Opinion on the Consolidated Financial Statements

We have audited the accompanying restated consolidated balance sheets of Lottery.com Inc. (the "Company") as of December 31, 2023, and 2022, and the related consolidated statements of operations and comprehensive loss, equity, and cash flows for each of the years in the two-year period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, except for the effects of the Company having not filed its 2023 and 2022 United States federal and state corporate income tax returns as described in Note 14 of the financial statements, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has stockholder's deficit, net losses, and negative working capital. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters: The management listed the critical audit matters in the notes on accounts as they relate to the current period audit of the financial statements, specifically to (1) Note 2 revenue recognition as the core basis for the restatement of the Financial Statements (2) relate to accounts or disclosures that are material to the financial statements and (3) involved especially challenging, subjective, or complex judgments. These critical audit matters do not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by referring the critical audit matters, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Yusufali Musaji
Managing Partner
Yusufali & Associates, LLC
Short Hills, NJ
PCAOB registration # 3313
We have served as the company's auditor since 2022

June 4, 2024

LOTTERY.COM INC.

LOTTERY.COM, INC. CONSOLIDATED BALANCE SHEETS (RESTATED)

	December 31, 2023	December 31, 2022
ASSETS	(As Restated)	
Current assets:		
Cash	$ 359,826	$ 102,766
Restricted cash	-	-
Accounts receivable	24,241	208,647
Prepaid expenses	19,020,159	19,409,323
Other current assets	907,632	718,550
Total current assets	20,311,858	20,439,286
Notes receivable	2,000,000	2,000,000
Investments	250,000	250,000
Goodwill	11,227,491	19,590,758
Intangible assets, net	17,681,874	23,982,445
Property and equipment, net	21,309	108,078
Other long-term assets	12,884,686	13,009,686
Total assets	$ 64,377,218	$ 79,380,253
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	$ 7,991,802	$ 7,607,633
Deferred revenue	357,143	464,286
Notes payable - current	6,026,669	3,755,676
Accrued interest	858,875	484,172
Accrued and other expenses	11,359,616	4,626,973
Other liabilities	1,167,111	625,028
Total current liabilities	27,761,216	17,563,768
Long-term liabilities:		
Convertible debt, net - noncurrent	-	-
Other long-term liabilities	-	-
Total long-term liabilities		-
Commitments and contingencies (Note 13)	-	-
Total liabilities	27,761,216	17,563,768
Equity		
Controlling Interest		
Preferred Stock, par value $0.001, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, par value $0.001, 500,000,000 shares authorized, 2,877,045 and 2,527,045 issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	2,877	2,527
Additional paid-in capital	269,690,569	267,597,370
Accumulated other comprehensive loss	(91,667)	3,622
Accumulated deficit	(235,106,206)	(208,187,210)
Total Lottery.com Inc. stockholders' equity	34,495,573	59,416,309
Noncontrolling interest	2,120,429	2,400,176
Total Equity	36,616,002	61,816,485
Total liabilities and stockholders' equity	$ 64,377,218	$ 79,380,253

The accompanying notes are an integral part of these restated consolidated financial statements.

LOTTERY.COM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (RESTATED)

	Years Ended December 31,	
	2023	2022
	(As Restated)	
Revenue	$ 6,987,474	$ 6,779,057
Cost of revenue	5,666,544	4,310,750
Gross profit	1,320,930	2,468,307
Operating expenses:		
Personnel costs	4,570,206	37,114,485
Professional fees	6,741,837	6,613,546
General and administrative	9,484,681	9,012,673
Depreciation and amortization	5,691,322	5,601,374
Total operating expenses	26,488,046	58,261,086
Loss from operations	(25,167,116)	(55,873,771)
Other expenses		
Interest expense	376,110	764,839
Other expense	136,429	3,721,291
Total other expenses, net	512,539	4,486,130
Net loss before income tax	(25,679,655)	(60,359,901)
Income tax expense (benefit)	60,000	23,364
Net loss	(25,739,655)	(60,383,265)

Other comprehensive loss		
Foreign currency translation adjustment, net	(70,273)	4,277
Comprehensive loss	(25,809,928)	(60,378,988)
Net income attributable to noncontrolling interest	272,613	379,916
Net loss attributable to Lottery.com Inc.	$ (25,537,315)	$ (59,999,072)
Net loss per common share		
Basic and diluted	$ (9.84)	$ (23.79)
Weighted average common shares outstanding		
Basic and diluted recheck WA shares	2,596,493	2,522,175

The accompanying notes are an integral part of these restated consolidated financial statements.

LOTTERY.COM INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEAR ENDING DECEMBER 31, 2023 and 2022
(RESTATED)

	Common Stock		Additional Paid-In	Accumulated	Accumulated Other Comprehensive	Total AutoLotto Inc. Stockholders'	Noncontrolling	Total Stockholder's
	Shares	Amount	Capital	Deficit	Income	Equity	Interest	Equity
Balance as of December 31, 2021	2,512,816	2,513	239,406,387	(148,188,138)	(655)	91,220,107	2,780,092	94,000,253
Issuance of common stock upon stock option exercise	3,006	3	(57)	-	-	(54)	-	(54)
Issuance of common stock for legal settlement	3,000	3	241,737	-	-	241,740	-	241,740
Stock based compensation	8,224	8	27,949,249	-	-	27,949,257	-	27,949,257
Other comprehensive loss	-	-	-	-	4,277	4,277	-	4,277
Comprehensive loss	-	-	-	(59,999,072)	-	(59,999,072)	(379,916)	(60,378,988)
Balance as of December 31, 2022	2,527,045	$ 2,527	$ 267,597,370	$ (208,187,210)	$ 3,622	$ 59,416,309	$ 2,400,176	$ 61,816,485
Stock based compensation	350,000	$ 350	$ 2,093199	-	-	$ 2,093,549	-	$ 2,093,549
Other comprehensive loss	-	-	-	-	(70,273)	(70,273)	-	(70,273)
Prior period adjustments made to accumulated deficit				(1,381,681)	(25,016)	(1,406,413)	(7,135)	(1,413,548)
Comprehensive loss	-	-	-	(25,537,315)	-	(25,537,315)	(272,612)	(25,809,928)
Balance as of December 31, 2023	$ 2,877,045	$ 2,877	$ 269,690,569	$ (235,106,206)	$ (91,667)	$ 34,495,573	$ 2,120,429	$ 36,616,002

The accompanying notes are an integral part of these restated consolidated financial statements.

LOTTERY.COM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (RESTATED)

	Years Ended December 31,	
	2023	2022
	(As Restated)	
Cash flow from operating activities		
Net loss attributable to Lottery.com Inc.	$ (25,537,315)	$ (59,999,072)
Adjustments to reconcile net loss to net cash used in operating activities:		
Net income attributable to noncontrolling interest	279,747	(379,916)
Depreciation and amortization	5,691,379	5,601,374
Stock-based compensation expense	2,093,199	27,949,257
Loss on impairment of goodwill and intangibles	6,710,200	412,450
Issuance of common stock for legal settlement	-	214,740
Changes in assets & liabilities:		
Accounts receivable	184,406	(129,465)
Prepaid expenses	389,164	3,487,315
Notes Receivable	-	(2,000,000)
Other current assets	(189,082)	(492,351)
Trade payables	384,169	6,601,098
Deferred revenue	(107,143)	(698,049)
Accrued interest	374,703	307,912
Accrued and other expenses	6,982,419	210,805
Other liabilities	542,083	625,028
Other long-term assets	125,000	(13,009,686)
Other long-term liabilities	-	(1,169)
Prior period adjustments to Accumulated Deficit	(32,151)	-
Net cash used by operating activities	(2,109,222)	(31,272,729)
Cash flow from investing activities		
Purchases of property and equipment	-	(127,265)
Purchases of intangible assets	-	(1,124,823)
Net cash used in investing activities	-	(1,252,088)
Cash flow from financing activities		
Proceeds from issuance of notes payable	2,270,993	-
Payments on notes payable - related parties	-	(15,664)
Net cash provided by financing activities	2,270,993	(15,664)
Effect of exchange rate changes on cash	95,289	4,277
Net change in net cash and restricted cash	257,060	(32,536,204)
Cash and restricted cash at beginning of period	102,766	32,638,970
Cash and restricted cash at end of period	$ 359,826	$ 102,766
Supplemental Disclosure of Cash Flow Information:		
Interest paid in cash	$ -	$ 483,582
Taxes paid in cash	$ -	$ -

The accompanying notes are an integral part of these restated consolidated financial statements.

Note 1. Nature of Operations

Description of Business

During FY 2023, the Company addressed legacy issues while successfully regaining full compliance with Nasdaq's continued listing rules and restarting operations in order to stage Lottery.com for growth in FY 2024. The cornerstone of the Company's operational progress for FY 2024 will be driven by technology, product and service/capability enhancements.

This Amended Report is reflective of the Company's commitment to transparency, integrity, and responsible corporate governance. The investment commitments from United Investments Capital London, including Prosperity Investment Management and others, and investors placed by Univest Securities LLC, outlined in this report are evidence of investor belief in Management's capability to resume core lottery and gaming operations, monetize the Sports.com brand, and expand all the Company's brands across the globe.

Lottery.com Inc. (formerly Trident Acquisitions Corp) ("TDAC", "Lottery.com" or "the Company"), was formed as a Delaware corporation on March 17, 2016. On October 29, 2021, we consummated a business combination (the "Business Combination") with AutoLotto, Inc. ("AutoLotto"). Following the closing of the Business Combination (the "Closing") we changed our name from "Trident Acquisitions Corp." to "Lottery.com Inc." and the business of AutoLotto became our business. In connection with the Business Combination the Company moved its headquarters from New York, New York to Spicewood, Texas.

The Company is a leading provider of domestic and international lottery products and services. As an independent third-party lottery game service, the Company offers a platform that it developed and operates to enable the remote purchase of legally sanctioned lottery games in the U.S. and abroad (the "Platform"). The Company's revenue generating activities are focused on (i) offering the Platform via the Lottery.com app and our websites to users located in the U.S. and international jurisdictions where the sale of lottery games is legal and our services are enabled for the remote purchase of legally sanctioned lottery games (our "B2C Platform"); (ii) offering an internally developed, created and operated business-to-business application programming interface ("API") of the Platform to enable commercial partners in permitted U.S. and international jurisdictions to purchase certain legally operated lottery games from the Company and resell them to users located within their respective jurisdictions ("B2B API"); and (iii) delivering global lottery data, such as winning numbers and results, and sports data, such as scores and statistics, to commercial digital subscribers and provide access to other proprietary, anonymized transaction data pursuant to multi-year contracts ("Data Service").

As a provider of lottery products and services, the Company is required to comply with, and its business is subject to, regulation in each jurisdiction in which the Company offers the B2C Platform, or a commercial partner offers users access to lottery games through the B2B API. In addition, it must also comply with the requirements of federal and other domestic and foreign regulatory bodies and governmental authorities in jurisdictions in which the Company operates or with authority over its business. The Company's business is additionally subject to multiple other domestic and international laws, including those relating to the transmission of information, privacy, security, data retention, and other consumer focused laws, and, as such, may be impacted by changes in the interpretation of such laws.

On June 30, 2021, the Company acquired an interest in Medios Electronicos y de Comunicacion, S.A.P.I de C.V. ("Aganar") and JuegaLotto, S.A. de C.V. ("JuegaLotto"). Aganar has been operating in the licensed iLottery market in Mexico since 2007 as an online retailer of Mexican National Lottery draw games, instant digital scratch-off games and other games of chance. JuegaLotto is licensed by the Mexican federal regulatory authorities to sell international lottery games in Mexico.

On July 28, 2022, the Board determined that the Company did not currently have sufficient financial resources to fund its operations or pay certain existing obligations, including its payroll and related obligations and effectively ceased its operations furloughing certain employees effective July 29, 2022 (the "Operational Cessation"). Subsequently, the Company has had minimal day-to-day operations and has primarily focused its operations on restarting certain aspects of its core businesses (the "Plans for Recommencement of Company Operations").

On April 25, 2023, as part of the Plans for Recommencement of Company Operations, the Company resumed its ticket sales operations on a limited basis to support its affiliate partners through its Texas retail network.

Note 2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("*GAAP*") and include the accounts of the Company and its wholly owned operating subsidiaries. Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification ("*ASC*") and Accounting Standards Update ("*ASU*") of the Financial Accounting Standards Board ("*FASB*"). All intercompany accounts and transactions have been eliminated in consolidation.

Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and classification of liabilities and commitments in the normal course of business. The accompanying consolidated financial statements do not reflect any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classifications of liabilities that might result if the Company is unable to continue as a going concern.

Pursuant to the requirements of the Financial Accounting Standards Board's ASC Topic 205-40, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, management must evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year from the date these financial statements are issued. This evaluation does not take into consideration the potential mitigating effect of management's plans that have not been fully implemented or are not within control of the Company as of the date the financial statements are issued. When substantial doubt exists under this methodology, management evaluates whether the mitigating effect of its plans sufficiently alleviates substantial doubt about the Company's ability to continue as a going concern. The mitigating effect of management's plans, however, is only considered if both (1) it is probable that the plans will be effectively implemented within one year after the date that the financial statements are issued, and (2) it is probable that the plans, when implemented, will mitigate the relevant conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

In connection with the Company's Operational Cessation, the Company has experienced recurring net losses and negative cash flows from operations and has an accumulated deficit of approximately $235.1 million and working capital of approximately negative $7.5 million on December 31, 2023. For the year ending December 31, 2023, the Company sustained a net loss of $25.5 million. The Company sustained a loss from operations of $55.9 million and $53.0 million for the years ending December 31, 2022 and 2021, respectively. Subsequently, the Company sustained additional operating losses and anticipates additional operating losses for the next twelve months. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company has historically funded its activities almost exclusively from debt and equity financing. Management's plans in order to meet its operating cash flow requirements include financing activities such as private placements of its common stock, preferred stock offerings, and issuances of debt and convertible debt. Although Management believes that it will be able to continue to raise funds by sale of its securities to provide the additional cash needed to meet the Company's obligations as they become due beginning with a loan agreement the Company entered into with United Capital Investments Ltd. ("UCIL") on July 21, 2023, the Plans for Recommencement of Company Operations to require substantial funds to implement and there is no assurance that the Company will be able to continue raising the required capital.

The Company's ability to continue as a going concern for the next twelve months from the issuance of these financial statements depends on its ability to execute the business plan for the relaunch of its core business, the successful monetization of Sports.com, and keep expenditures in line with available operating capital. Such conditions raise substantial doubt about the Company's ability to continue as a going concern.

Impact of Trident Acquisition Corp. Business Combination

We accounted for the October 29, 2021 Business Combination as a reverse recapitalization whereby AutoLotto was determined as the accounting acquirer and Trident Acquisition Corp. ("TDAC") as the accounting acquiree. This determination was primarily based on:

- former AutoLotto stockholders having the largest voting interest in Lottery.com Inc. ("Lottery.com");
- the board of directors of Lottery.com having 7 members, and AutoLotto's former stockholders having the ability to nominate the majority of the members of the board of directors;
- AutoLotto management continuing to hold executive management roles for the post-combination company and being responsible for the day-to-day operations;
- the post-combination company assuming the Lottery.com name;
- Lottery.com maintaining the pre-existing AutoLotto headquarters; and the intended strategy of Lottery.com being a continuation of AutoLotto's strategy.

Accordingly, the Business Combination was treated as the equivalent of AutoLotto issuing stock for the net assets of TDAC, accompanied by a recapitalization. The net assets of TDAC are stated at historical cost, with no goodwill or other intangible assets recorded.

While TDAC was the legal acquirer in the Business Combination, because AutoLotto was determined as the accounting acquirer, the historical financial statements of AutoLotto became the historical financial statements of the combined company, upon the consummation of the Business Combination. As a result, the financial statements included in the accompanying consolidated financial statements reflect (i) the historical operating results of AutoLotto prior to the Business Combination; (ii) the combined results of the Company and AutoLotto following the closing of the Business Combination; (iii) the assets and liabilities of AutoLotto at their historical cost; and (iv) the Company's equity structure for all periods presented.

In connection with the Business Combination transaction, we have converted the equity structure for the periods prior to the Business Combination to reflect the number of shares of the Company's common stock issued to AutoLotto's stockholders in connection with the recapitalization transaction. As such, the shares, corresponding capital amounts and earnings per share, as applicable, related to AutoLotto convertible preferred stock and common stock prior to the Business Combination have been retroactively converted by applying the exchange ratio established in the Business Combination.

Non-controlling Interest

Non-controlling interest represents the proportionate ownership of Aganar and JuegaLotto, held by minority members and reflect their capital investments as well as their proportionate interest in subsidiary losses and other changes in members' equity, including translation adjustments.

Segment Reporting

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing operating performance. Under the provisions of ASC 280, Segment Reporting, the Company is not organized around specific services or geographic regions. The Company operates in one service line, providing lottery products and services.

We determined that our Chief Financial Officer is the Chief Operating Decision Maker and he uses financial information, business prospects, competitive factors, operating results and other non-U.S. GAAP financial ratios to evaluate our performance, which is the same basis on which our results and performance are communicated to our Board of Directors. Based on the information described above and in accordance with the applicable literature, management has concluded that we are organized and operated as one operating and reportable segment on a consolidated basis for each of the periods presented.

Concentration of Credit Risks

Financial instruments that are potentially subject to concentrations of credit risk are primarily cash. Cash holdings are placed with major financial institutions deemed to be of high-credit-quality in order to limit credit exposure. The Company maintains deposits and certificates of deposit with banks which may exceed the Federal Deposit Insurance Corporation ("FDIC") insured limit and money market accounts which are not FDIC insured. In addition, deposits aggregating approximately $13,356 at May 22, 2024 are held in foreign banks. Management believes the risk of loss in connection with these accounts is minimal.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions to determine the reported amounts of assets, liabilities, revenue and expenses. Although management believes these estimates are reasonable, actual results could differ from these estimates. The Company evaluates its estimates on an ongoing basis and prepares its estimates on historical experience and other assumptions the Company believes to be reasonable under the circumstances.

Reclassifications

Certain balances have been reclassified in the accompanying consolidated financial statements to conform to the current year presentation. These reclassifications had no effect on the balances of current or total assets and prior year's net loss or accumulated deficit.

Foreign currency translation

Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. Dollars are translated into U.S. Dollars using year-end exchange rates. Sales, costs and expenses are translated at the average exchange rates in effect during the year. Foreign currency translation gains and losses are included as a component of accumulated other comprehensive income (loss).

Cash and Restricted Cash

As of December 31, 2023 and 2022, cash was comprised of cash deposits, and deposits with some banks exceeded federally insured limits with the majority of cash held in one financial institution. Management believes all financial institutions holding its cash are of high credit quality and does not believe the Company is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

The Company had no marketable securities as of December 31, 2023 and December 31, 2022.

As of December 31, 2022, the restricted cash balance was $0 as the bank took the collateral in the restricted account during October of 2022 in order to satisfy the amount owed under the Line of Credit. (See Subsequent Events - In January of 2022, the Company pledged $30,000,000 for a line of credit which was subsequently claimed for settlement of such line of credit).

Accounts Receivable

The Company through its various merchant providers pre-authorizes forms of payment prior to the sale of digital representation of lottery games to minimize exposure to losses related to uncollected payments and does not extend credit to the user of the B2C Platform or the commercial partner of the B2B API, which are its customers, in the normal course of business. The Company estimates its bad debt exposure each period and records a bad debt provision for accounts receivable it believes it may not collect in full. The Company increased its allowance for uncollectible receivables as of December 31, 2023 by $10,000. At December 31, 2023 and December 31, 2022 the allowance for uncollectible receivables was $84,520. The Company has not incurred bad debt expense historically.

Prepaid Expenses

Prepaid expenses consist of payments made on contractual obligations for services to be consumed in future periods. The Company entered into an agreement with a third party to provide advertising services and issued equity instruments as compensation for the advertising services ("Prepaid advertising credits"). The Company expenses the service as it is performed by the third party. The value of the services provided were used to value these contracts, except for the year ended December 31, 2021 the Company reserved for potential inability to realize $2,000,000 of prepaid advertising credits in future periods. The current portion of prepaid expenses is included in current assets on the consolidated balance sheets. The Company has remaining prepaid expenses of $19,020,159 and $19,409,323 for the years ended December 31, 2023 and 2022, respectively.

Investments

On August 2, 2018, AutoLotto purchased 186,666 shares of Class A-1 common stock of a third-party business development partner representing 4% of the total outstanding shares of the company. As this investment resulted in less than 20% ownership, it was accounted for using the cost basis method.

Property and equipment, net

Property and equipment are stated at cost. Depreciation and amortization are generally computed using the straight-line method over estimated useful lives ranging from three to five years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset. Routine maintenance and repair costs are expensed as incurred. The costs of major additions, replacements and improvements are capitalized. Gains and losses realized on the sale or disposal of property and equipment are recognized or charged to other expense in the consolidated statement of operations.

Depreciation of property and equipment is computed using the straight-line method over the following estimated useful lives:

Computers and equipment	3 years
Furniture and fixtures	5 years
Software	3 years

Leases

Right-of-use assets ("ROU assets") represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Variable lease payments are not included in the calculation of the right-of-use asset and lease liability due to uncertainty of the payment amount and are recorded as lease expense in the period incurred. As most of the leases do not provide an implicit rate, the Company used its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Otherwise, the implicit rate was used when readily determinable. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Under the available practical expedient, the Company accounts for the lease and non-lease components as a single lease component for all classes of underlying assets as both a lessee and lessor. Further, management elected a short-term lease exception policy on all classes of underlying assets, permitting the Company to not apply the recognition requirements of this standard to short-term leases (i.e. leases with terms of 12 months or less).

Internal Use Software Development

Software development costs incurred internally to develop software programs to be used solely to meet our internal needs and applications are capitalized once the preliminary project stage is complete and it is probable that the project will be completed and the software will be used to perform the intended function. Additionally, we capitalize qualifying costs incurred for upgrades and enhancements to existing software that result in additional functionality. Costs related to preliminary project planning activities, post-implementation activities, maintenance and minor modifications are expensed as incurred. Internal-use software development costs are amortized on a straight-line basis over the estimated useful life of the software.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of assets acquired over the fair value of the net assets at the date of acquisition. Intangible assets represent the fair value of separately recognizable intangible assets acquired in connection with the Company's business combinations. The Company evaluates its goodwill and other intangibles for impairment on an annual basis or whenever events or circumstances indicate that an impairment may have occurred in accordance with the provisions of ASC 350, "*Goodwill and Other Intangible Assets*".

Revenue Recognition

Under the new standard, Accounting Standards Update ("ASU") 2014-09, "*Revenue from Contracts with Customers (Topic 606)*", the Company recognizes revenues when the following criteria are met: (i) persuasive evidence of a contract with a customer exists; (ii) identifiable performance obligations under the contract exist; (iii) the transaction price is determinable for each performance obligation; (iv) the transaction price is allocated to each performance obligation; and (v) when the performance obligations are satisfied. Revenues are recognized when control of the promised goods or services is transferred to the customers in an amount that reflects the consideration expected to be entitled to in exchange for those goods or services.

Lottery game revenue

Items that fall under this revenue classification include:

Lottery game sales

The Company's performance obligations of delivering lottery games are satisfied at the time in which the digital representation of the lottery game is delivered to the user of the B2C Platform or the commercial partner of the B2B API, therefore, are recognized at a point in time. The Company receives consideration for lottery game sales at the time of delivery to the customer, which may be the user or commercial partner, as applicable. There is no variable consideration related to lottery game sales. As each individual lottery game delivered represents a distinct performance obligation and consideration for each game sale is fixed, representing the standalone selling price, there is no allocation of consideration necessary.

In accordance with Accounting Standards Codification ("ASC") 606, the Company evaluates the presentation of revenue on a gross versus net basis dependent on if the Company is a principal or agent. In making this evaluation, some of the factors that are considered include whether the Company has control over the specified good or services before they are transferred to the customer. The Company also assesses if it is primarily responsible for fulfilling the promise to provide the goods or services, has inventory risk, and has discretion in establishing the price. For all of the Company's transactions, management concluded that gross presentation is appropriate, as the Company is primarily responsible for providing the performance obligation directly to the customers and assumes fulfillment risk of all lottery game sales as it retains physical possession of lottery game sales tickets from time of sale until the point of redemption. The Company also retains inventory risk on all lottery game sales tickets as they would be responsible for any potential winnings related to lost or unredeemable tickets at the time of redemption. Finally, while states have the authority to establish lottery game sales prices, the Company can add service fees to ticket prices evidencing its ability to establish the ultimate price of the lottery tickets being sold.

Other associated revenue

The Company's performance obligations in agreements with certain customers are to provide a license of intellectual property related to the use of the Company's tradename for marketing purposes by partners of the Company. Customers pay a license fee up front. The transaction price is deemed to be the license issue fee stated in the contract. The license offered by the Company represents a symbolic license which provides the customer with the right to use the Company's intellectual property on an ongoing basis with continued support throughout the term of the contract in the form of ongoing maintenance of the underlying intellectual property. There is no variable consideration related to these performance obligations.

Arrangements with multiple performance obligations

The Company's contracts with customers may include multiple performance obligations. For such arrangements, management allocates revenue to each performance obligation based on its relative standalone selling price. Management generally determines standalone selling prices based on the prices charged to customers.

Deferred Revenue

The Company records deferred revenue when cash payments are received or due in advance of any performance, including amounts which are refundable.

Payment terms vary by the type and location of the customer and the products or services offered. The term between invoicing and when payment is due is not significant. For certain products or services and customer types, management requires payment before the products or services are delivered to the customer.

Contract Assets

Given the nature of the Company's services and contracts, it has no contract assets.

Taxes

Taxes assessed by a governmental authority that are both imposed on and concurrent with specific revenue-producing transactions, that are collected by us from a customer, are excluded from revenue.

Cost of Revenue

Cost of revenue consists primarily of variable costs, comprising (i) the cost of procurement of lottery games, minus winnings to users, additional expenses related to the sale of lottery games, including, commissions, affiliate fees and revenue shares; and (ii) payment processing fees on user fees, including chargebacks imposed on the Company. Other non-variable costs included in cost of revenue include affiliate marketing credits acquired on a per-contract basis.

Stock-based Compensation

Effective October 1, 2019, the Company adopted ASU 2018-07, *Compensation - "Stock Compensation (Topic 718): Improvements to Nonemployee Share-based Payment Accounting"* ("ASC 718"), which addresses aspects of the accounting for nonemployee share-based payment transactions and accounts for share-based awards to employees in accordance with ASC 718, *Stock Compensation*. Under this guidance, stock compensation expense is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the estimated service period (generally the vesting period) on the straight-line attribute method.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2023 and 2022 were approximately $377,000 and $1,261,000 respectively.

Income Taxes

For both financial accounting and tax reporting purposes, the Company reports income and expenses based on the accrual method of accounting.

For federal and state income tax purposes, the Company reports income or loss from their investments in limited liability companies on the consolidated income tax returns. As such, all taxable income and available tax credits are passed from the limited liability companies to the individual members. It is the responsibility of the individual members to report the taxable income and tax credits, and to pay any resulting income taxes. Therefore, the income and losses incurred by the limited liability companies have been consolidated in the Company's tax return and provision based upon its relative ownership.

Income taxes are accounted for in accordance with ASC 740, "*Income Taxes*" ("ASC 740"), using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which these temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for those deferred tax assets for which it is more likely than not that the related benefit will not be realized.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (i) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position; and (ii) for those tax positions that meet the more likely than not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company's policy is to recognize interest and penalties related to the underpayment of income taxes as a component of income tax expense or benefit. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Generally, the taxing authorities can audit the previous three years of tax returns and in certain situations audit additional years. For federal tax purposes, the Company's 2020 through 2023 tax years generally remain open for examination by the tax authorities under the normal three-year statute of limitations. For state tax purposes, the Company's 2019 through 2023 tax years remain open for examination by the tax authorities under the normal four-year statute of limitations.

Fair Value of Financial Instruments

The Company determines the fair value of its financial instruments in accordance with the provisions of ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 - Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability
- Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions that market participants would use in pricing the asset or liability.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available.

The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

Fair value of stock options and warrants

Management uses the Black-Scholes option-pricing model to calculate the fair value of stock options and warrants. Use of this method requires management to make assumptions and estimates about the expected life of options and warrants, anticipated forfeitures, the risk-free rate, and the volatility of the Company's share price. In making these assumptions and estimates, management relies on historical market data.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles - Goodwill and other (Topic 350)* ("ASU 2017-04"). ASU 2017-04 simplifies the accounting for goodwill impairment and removes Step 2 of the goodwill impairment test. Goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value limited to the total amount of goodwill allocated to that reporting unit. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The same one-step impairment test will be applied to goodwill at all reporting units, even those with zero or negative carrying amounts. The amendments in this ASU are effective for goodwill impairment tests in fiscal years beginning after December 15, 2021, and early adoption is permitted. The Company is currently evaluating this new standard and management does not currently believe it will have a material impact on its consolidated financial statements, depending on the outcome of future goodwill impairment tests.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*: *Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"). ASU 2016-13 requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require the Company to use forward-looking information to formulate its credit loss estimates. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022, and early adoption is permitted. The Company is currently evaluating this new standard and currently does not expect it to have a significant impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU No 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (*"ASU2019-12"*)*. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 in Generally Accepted Accounting Principles. ASU 2019-12 is effective for annual reporting periods beginning after December 15, 2021, and early adoption is permitted. The Company is currently evaluating this new standard and currently does not expect it to have a significant impact on the Company's consolidated financial statements.

In October 2020, the FASB issued *ASU No. 2020-09, Debt (Topic 470) ("ASU 2020-09"). ASU 2020-09* amendments to SEC paragraphs pursuant to SEC release NO. 33-10762 amends terms related to Debt Guarantors and Issuers of Guaranteed Securities Registered or to be Registered with the SEC. The Company is currently evaluating the timing of adoption and impact of the updated guidance on its financial statements.

Note 3. Restatement of Financial Statements

Management of the Company re-evaluated its accounting for year ending December 31, 2023, the Company determined to restate its previously issued financial statements as of December 31, 2023 to correct accounting errors related to goodwill, current assets, revenue, and equity.

The following tables summarize the effect of the restatements on the specific items presented in our previously reported financial statements:

LOTTERY.COM INC.
CONSOLIDATED BALANCE SHEETS (RESTATED)

	Fiscal Year Ended December 31, 2023			
	As Previously Reported	Adjustments		As Restated
ASSETS				
Cash	$ 359,826	$		$ 359,826
Accounts receivable	24,241			24,241
Prepaid expenses	19,020,159			19,020,159
Other current assets	825,948	81,684	(1)	907,632
Notes receivable	2,000,000			2,000,000
Investments	250,000			250,000
Goodwill	12,880,558	(1,653,067)	(2)	11,227,491
Intangible assets, net	17,681,874			17,681,874
Property and equipment, net	21,309			21,309
Other long term assets	12,884,686			12,884,686
Total Assets	$ 65,948,601	$ (1,571,383)	(1)(2)	$ 64,377,218
LIABILITIES AND STOCKHOLDERS' EQUITY				
Trade payables	8,009,534	(17,732)	(3)	7,991,802
Deferred revenue	357,143			357,143
Notes payable – current	6,075,594	(48,925)	(4)	6,026,669
Accrued interest	867,236	(8,361)		858,875
Accrued and other expenses	11,519,474	(160,426)	(5)	11,359,048

Other liabilities	1,070,233	96,878	(6)	1,167,111
Total current liabilities	27,899,214	(138,566)		27,760,648
Total liabilities	27,899,214	(138,566)	(3) to (6)	27,760,648
Common Stock	2,877			2,877
Additional paid in capital	269,690,569			269,690,569
Accumulated other comprehensive loss	(144,729)	53,062	(7e)	(91,667)

Accumulated deficit	(233,759,640)	1,346,566	(1) to (7)	(235,106,206)
Noncontrolling interest	2,260,310	(139,881)	(7f)	2,120,429
Total Lottery.com Inc. stockholders' equity	38,049,387	1,432,817	(1) to (7)	36,616,002
Total liabilities and stockholders' equity	$ 65,948,601	$ (1,571,383)		$ 64,377,218

The accompanying notes are an integral part of these consolidated financial statements.

LOTTERY.COM INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (RESTATED)

	Year Ended December 31,			
	2023 (As Previously Reported)	Adjustments		2023 (As Restated)
Revenue	$ 6,482,638	504,836	(7a)	$ 6,987,474
Cost of revenue	5,545,531	121,013	(7b)	5,666,544
Gross margin	937,107	383,823	(7c)	1,320,930
Operating expenses:	25,119,831	1,368,215	(7)	26,488,046
Loss from operations	(24,182,724)	(984,382)	(7)	$ (25,167,116)
Net loss before income tax	$ (24,702,722)	-		$ (25,679,655)
Income tax expense (benefit)	-	60,000	(8)	60,000
Net Loss	$ (24,702,722)			$ (25,739,655)
Other comprehensive loss				
Foreign currency translation adjustment, net	(34,256)	36,017	(7g)	(70,273)
Comprehensive loss	(24,736,978)			(25,809,928)
Net income attributable to noncontrolling interest	72,227	200,386	(7h)	272,613
Net loss attributable to Lottery.com Inc.	(24,664,751)			(25,537,315)
Net loss per common share				
Basic and diluted	$ (9.12)			$ (9.84)
Weighted average common shares outstanding				
Basic and diluted	2,704,032			2,596,493

The accompanying notes are an integral part of these consolidated financial statements.

LOTTERY.COM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,			
	2023 (As Previously Reported)	Adjustments		2023 (As Restated)
Cash flow from operating activities				
Net loss attributable to Lottery.com Inc.	$ (24,664,751)	$ (872,564)	(7a) to (7c)	$ (25,537,315)
Adjustments to reconcile net loss to net cash used in operating activities:				
Net income attributable to noncontrolling interest	(72,227)	351,974	(7h)	279,747
Depreciation and amortization	4,498,477	1,192,902	(7)	5,691,379
Stock-based compensation expense	2,093,199			2,093,199
Loss on impairment of intangibles	7,510,000	(799,800)	(2)	6,710,200
Changes in assets & liabilities:				
Accounts receivable	184,406			184,406
Prepaid expenses	389,164			389,164
Other current assets	(107,398)	(81,684)	(1)	(189,082)
Trade payables	401,901	(17,732)	(3)	384,169
Deferred revenue	(107,143)			(107,143)
Accrued interest	383,064	(8,361)		374,703
Accrued and other expenses	6,892,501	89,918	(5)	6,982,419
Other liabilities	445,205	96,878	(6)	542,083
Other long term assets	125,000			125,000
Prior period adjustments to Accumulated Deficit	0	32,151	(8)	(32,151)
Net cash provided by operating activities	(2,028,602)	80,620		(2,109,222)
Cash flow from investing activities				
Net cash used in investing activities	-			-
Cash flow from financing activities				
Proceeds from issuance of notes payable	2,319,918	48,925	(4)	2,270,993
Net cash provided by financing activities	2,319,918		(7g)	2,270,993
Effect of exchange rate changes on cash	(34,256)	129,545		95,289
Net change in net cash and restricted cash	257,060			257,060
Cash and restricted cash at beginning of period	102,766			102,766
Cash and restricted cash at end of period	359,826			359,826

The specific explanations for the items noted above in the restated financial statements are as follows:

1. After reexamination of funding provided by UCIL, it was determined that payments made by UCIL for deposits toward the acquisition of Nook had not been recorded by the Company. Such payments have been recorded as an asset for deposits for acquisition and as an increase to the balance of the convertible note owed to UCIL.
2. In connection with completion of the tax provision for 2023, a transaction which had been recorded in 2021 was reevaluated and a decision was made that it should not have been recorded and should be reversed. Specifically, at the end of 2021, a decision was made to increase goodwill related to the acquisition of Global Gaming Enterprises, Inc. due to an incorrect conclusion that "an adjustment should be made to goodwill for the recording of related deferred tax liabilities as the Company released $1.6 million of valuation allowance since the additional deferred tax liabilities represent a future source of taxable income". This approach improperly accelerated the effects of future amortization of intangible assets related to Global Gaming, resulting in inappropriately releasing part of a valuation allowance for deferred taxes which is not in compliance with GAAP. At that time, the Company recorded an increase to goodwill for Global Gaming and an income tax benefit each in the amount of $1,653,067. We have reversed this transaction by reducing goodwill for Global Gaming by $1,653,067 and have increased accumulated deficit to remove the income tax benefit which was incorrectly recorded for year ended December 31, 2021.
3. In connection with a review of UCIL, it was also determined that UCIL had paid the open balance owed to two vendors. The correction recorded was a decrease to accounts payable and an increase to the loan from UCIL.
4. Woodford Debt

    a. a. Upon further review of amounts recorded as convertible debt from Woodford during the first half of 2023 a determination was made that certain amounts had been incorrectly credited to Woodford, and inadvertently recorded as additional operating expenses. This was corrected by reducing the balance for convertible debt from Woodford and reducing operating expenses.
    b. The item described in (1) above resulted in an increase to convertible debt from UCIL by $81,464.
    c. The net effect of these corrections was an increase in Convertible debt by $48,925

5. In connection with additional review of balance sheet accounts, it was determined that certain items had been over accrued. As a result, we reduced accrued and other expenses.
6. Further review of funding amounts received from third parties in the first half of 2023 resulted in certain reclassifications that increased other liabilities.
7. After the 10-K for the year ended December 31, 2023 was filed, it was determined that an error had occurred in consolidating results of operations such that only the fourth quarter of 2023 had been included for Global Gaming and the first through third quarters for Global Gaming were

inadvertently omitted. It was also determined that there were some issues with calculations and exchange rates and related to non-controlling interest. These issues were corrected by:

a. Increasing revenue to include the first through third quarters of 2023 for Global Gaming.
b. Increasing cost of revenue to include the first through third quarters of 2023 for Global Gaming.
c. The effect of 7.a. and 7.b was a net increase to gross margin
d. Increasing operating expenses to include the first through third quarters of 2023 for Global Gaming.
e. A correction was made to accumulated and other comprehensive loss in connection with the changes described here in item 7.
f. A correction was made to non-controlling interest in connection with the changes described here in item 7.
g. A correction was made to foreign currency translation adjustment, net in connection with the changes described here in item 7.
h. A correction was made to net income attributable to non-controlling interest in connection with the changes described here in item 7.

8. In connection with completion of the tax provision for the year ended December 31, 2023, it was determined that: there would be state taxes owed to Texas in connection with the lottery ticket sales that occurred in April; there may be taxes owed to other states; the existence of multiple legal entities appears to result in state taxes being owed by more than one entity from a consolidated perspective. As a result, we recorded an estimate of $60,000 as an expense for state taxes and as an addition to accrued taxes payable.

Note 4. Business Combination

TDAC Combination

On October 29, 2021, the Company and AutoLotto consummated the transactions contemplated by the Merger Agreement. At the Closing, each share of common stock and preferred stock of AutoLotto that was issued and outstanding immediately prior to the effective time of the Merger (other than excluded shares as contemplated by the Merger Agreement) was cancelled and converted into the right to receive approximately 3.0058 shares (the "Exchange Ratio") of Lottery.com. common stock.

The Merger closing was a triggering event for the Series B convertible notes, of which $63.8 million was converted into 164,426 shares of AutoLotto that were then converted into 488,225 shares of Lottery.com common stock using the Exchange Ratio.

At the Closing, each option to purchase AutoLotto's common stock, whether vested or unvested, was assumed and converted into an option to purchase a number of shares of Lottery.com common stock in the manner set forth in the Merger Agreement.

The Company accounted for the Business Combination as a reverse recapitalization whereby AutoLotto was determined as the accounting acquirer and TDAC as the accounting acquiree. Refer to *Note 2, Summary of Significant Accounting Policies*, for further details. Accordingly, the Business Combination was treated as the equivalent of AutoLotto issuing stock for the net assets of TDAC, accompanied by a recapitalization. The net assets of TDAC are stated at historical cost, with no goodwill or other intangible assets recorded.

The accompanying consolidated financial statements and related notes reflect the historical results of AutoLotto prior to the merger and do not include the historical results of TDAC prior to the consummation of Business Combination.

Upon the closing of the transaction, AutoLotto received total gross proceeds of approximately $42,794,000, from TDAC's trust and operating accounts. Total transaction costs were approximately $9,460,000, which principally consisted of advisory, legal and other professional fees and were recorded in additional paid in capital. Cumulative debt repayments of approximately $11,068,000, inclusive of accrued but unpaid interest, were paid in conjunction with the close, which included approximately $5,475,000 repayment of notes payable to related parties, and approximately $5,593,000 payment of accrued underwriter fees.

Pursuant to the terms of the Business Combination Agreement, the holders of issued and outstanding shares of AutoLotto immediately prior to the Closing (the "Sellers") were entitled to receive up to 300,000 additional shares of Common Stock (the "Seller Earnout Shares") and Vadim Komissarov, Ilya Ponomarev and Marat Rosenberg (collectively the "TDAC Founders") were also entitled to receive up to 200,000 additional shares of Common Stock (the "TDAC Founder Earnout Shares" and, together with the Seller Earnout Shares, the "Earnout Shares"). One of the earnout criteria had not been met by the December 31, 2021 deadline thus no earnout shares were granted specific to that criteria. 150,000 of the Seller Earnout Shares and 100,000 TDAC Founder Earnout Shares were still eligible Earnout Shares until December 31, 2022. Conditions for the earnout were not met and the potential earnout shares were forfeited on December 31, 2022.

Global Gaming Acquisition

On June 30, 2021, the Company completed its acquisition of 100 percent of equity of Global Gaming Enterprises, Inc., a Delaware corporation ("Global Gaming"), which holds 80% of the equity of each of Medios Electronicos y de Comunicacion, S.A.P.I de C.V. ("Aganar") and JuegaLotto, S.A. de C.V. ("JuegaLotto"). JuegaLotto is federally licensed by the Mexico regulatory authorities with jurisdiction over the ability to sell international lottery games in Mexico through an authorized federal gaming portal and is licensed for games of chance in other countries throughout Latin America. Aganar has been operating in the licensed Lottery market in Mexico since 2007 and is licensed to sell Mexican National Lottery draw games, instant win tickets, and other games of chance online with access to a federally approved online casino and sportsbook gaming license and additionally issues a proprietary scratch lottery game in Mexico under the brand name Capalli. The opening balance of the acquirees have been included in our consolidated balance sheet since the date of the acquisition. Since the acquirees' financial statements were denominated in Mexican pesos, the exchange rate of 22.0848 pesos per dollar was used to translate the balances.

The net purchase price was allocated to the assets and liabilities acquired as per the table below. Goodwill represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The fair values of the acquired intangible assets were determined using Level 3 inputs which were not observable in the market.

The total purchase price of $10,989,691, consisting of cash of $10,530,000 and 687,439 shares of common stock of AutoLotto at $0.67 per share. The total consideration transferred was approximately $10,055,214, reflecting the purchase price, net of cash on hand at Global Gaming and the principal amount of certain loans acquired. The purchase price is for an 80% ownership interest and is therefore grossed up to $13,215,842 to reflect the 20% minority interest in the acquirees. The purchase price was allocated to the identified tangible and intangible assets acquired based on their estimated fair values at the acquisition date as follows:

Cash	$	517,460
Accounts receivable, net		34,134
Prepaids		5,024
Property and equipment, net		2,440
Other assets, net		65,349
Intangible assets		8,590,000
Goodwill		4,940,643
Total assets	$	14,155,050
Accounts payable and other liabilities	$	(387,484)
Customer deposits		(134,707)
Related party loan		(417,017)
Total liabilities	$	(939,208)
Total net assets of Acquirees	$	13,215,842

Goodwill recognized in connection with the acquisition - is primarily attributed to an anticipated growing lottery market in Mexico that is expected to be achieved from the integration of these Mexican entities. None of the goodwill is expected to be deductible for income tax purposes.

Following are details of the purchase price allocated to the intangible assets acquired.

Category	**Fair Value**	
Customer relationships	$	410,000
Gaming licensees		4,020,000
Trade names and trademarks		2,540,000
Technology		1,620,000
Total Intangibles	**$**	**8,590,000**

Note 5. Property and Equipment, net

Property and equipment, net as of December 31, 2023 and 2022, consisted of the following:

	December 31, 2023	**December 31, 2022**
Computers and equipment	$ 124,199	$ 124,199
Furniture and fixtures	16,898	16,898
Software	2,026,200	2,026,200
Property and equipment	2,167,297	2,167,297
Accumulated depreciation	(2,145,988)	(2,059,219)
Property and equipment, net	$ 21,309	$ 108,078

Depreciation expense for the years ended December 31, 2023 and 2022 amounted to $90,744 and $160,466, respectively.

Note 6. Prepaid Expenses

Prepaid expenses consist primarily of advertising credits from two top tier media organizations that operate in the United States. The advertising credits were obtained in return for warrants, shares of common stock and shares of preferred stock. The agreements do not specify a time period for utilizing these credits and there is no requirement to provide cash or other consideration in connection with utilizing them. The balance can be utilized at any time at the mutual consent of the parties. The Company expects to begin utilizing these credits in the second quarter of 2024 and anticipates fully utilizing all of them by the end of 2024. Accordingly, they are presented as current assets.

Note 7. Notes Receivable

On March 22, 2022, the Company entered into a three-year secured promissory note agreement with a principal amount of $2,000,000. The note bears simple interest at the rate of approximately 3.1% annually, due upon maturity of the note. The note is secured by all assets, accounts, and tangible and intangible property of the borrower and can be prepaid any time prior to its maturity date. As of September 30, 2023, the entire $2,000,000 in principle was outstanding.

This note was received in consideration for a portion of the development work that the Company performed for the borrower who had intended to use the Company's technology to launch its own online game in a jurisdiction outside the U.S., where the Company is unlikely to operate.

Note 8. Write-Off of Goodwill and Intangibles

As required by ASC 350 Intangibles – Goodwill and Other Impairment and ASC 360 – Impairment Testing: Long-Lived Assets, in connection with preparing the consolidated financial statements for the period ended December 31, 2023, management conducted a review as to whether there are conditions or circumstances that may indicate the impairment of its long-lived assets, goodwill and other indefinite-lived intangible assets.

The Company reviewed the goodwill and intangibles acquired in the acquisitions of TinBu, LLC and Global Gaming Enterprises, Inc., the domain names and software purchased from third parties, and software developed in-house. Each of TinBu, Global Gaming, and Lottery.com is considered a reporting unit for application of the annual review for potential impairment.

The company performed a valuation of each of the reporting units described above, using discounted cash flow methodologies and estimates of fair market value. Given the results of the quantitative assessment, the company determined that the goodwill for the TinBu and Global Gaming reporting units was impaired. For the year ended December 31, 2023, the company recognized goodwill impairment charges of $5.65 million for the TinBu reporting unit and $1.06 million for the Global Gaming reporting unit. The total impairment charges related to goodwill were $6.71 million. In addition, it was determined that there was an impairment of certain intangible assets related to Global Gaming. For the year ended December 31, 2023, the Company recorded impairment charges of $488 thousand to trade names and trademarks and $312 thousand to technology acquired from Global Gaming. The total impairment charges to intangible assets were $800 thousand.

Additionally, in connection with completion of the tax provision for 2023, a transaction which had been recorded for the year ended December 31, 2021 was reevaluated and a decision was made that it should not have been recorded and should be reversed. Specifically, at the end of 2021, a decision was made to increase goodwill related to the acquisition of Global Gaming Enterprises, Inc. due to an incorrect conclusion that "an adjustment should be made to goodwill for the recording of related deferred tax liabilities as the Company released $1.6 million of valuation allowance since the additional deferred tax liabilities represent a future source of taxable income". This approach improperly accelerated the effects of future amortization of intangible assets related to Global Gaming, resulting in inappropriately releasing part of a valuation allowance for deferred taxes which is not in compliance with GAAP. At that time, the Company recorded an increase to goodwill for Global Gaming and an income tax benefit each in the amount of $1,653,067. We have reversed this transaction by reducing goodwill for Global Gaming by $1,653,067 and have increased accumulated deficit to remove the income tax benefit which was incorrectly recorded for year ended December 31, 2021.

Note 9. Intangible assets, net

Gross carrying values and accumulated amortization of intangible assets:

		December 31, 2023			December 31, 2022		
	Useful Life	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortizing intangible assets							
Customer relationships	6 years	$ 1,350,000	$ (1,006,389)	$ 343,611	$ 1,350,000	$ (781,385)	$ 568,615
Trade name	6 years	2,550,000	(1,555,925)	994,075	2,550,000	(642,222)	1,907,778
Technology	6 years	3,050,000	(2,257,205)	792,795	3,050,000	(1,437,778)	1,612,222
Software agreements	6 years	14,450,000	(8,791,944)	5,658,056	14,450,000	(5,968,611)	8,481,389
Gaming license	6 years	4,020,000	(1,675,000)	2,345,000	4,020,000	(1,005,000)	3,015,000
Internally developed software	2 - 10 years	2,904,473	(737,053)	2,167,420	2,192,050	(350,232)	2,554,241

Domain name	15 years	6,935,000	(1,554,083)	5,380,917	6,935,000	(1,091,750)	5,843,250
		$ 35,259,473	$ (17,577,599)	$ 17,681,874	$ 34,547,050	$ (11,276,978)	$ 23,982,495

Amortization expense with respect to intangible assets for the year ended December 31, 2023 and 2022 totaled $5,550,882 and $5,440,908, respectively, which is included in depreciation and amortization in the Statements of Operations. The Company determined that there was an impairment of long-lived assets of $412,450 during the year ended December 31, 2022, which relates to a project no longer being pursued by the

Company. In connection with the annual review of goodwill and intangibles, the Company determined that it was necessary to write down goodwill by $5,650,000 for TinBu and $1,060,200 for Global Gaming. The total impairment charges related to goodwill were $6,710,200 for the year ended December 31, 2023. It was also determined that there was impairment of certain intangible assets related to Global Gaming. As a result, the Company recorded impairment charges of $488,300 to trade names and trademarks and $311,500 to technology acquired from Global Gaming. The total impairment charges to intangible assets for the year ended December 31, 2023 were $798,800.

Estimated amortization expense for years of useful life remaining is as follows: double check future amortization.

Years ending December 31,		**Amount**
	2024	$ 4,829,655
	2025	4,509,655
	2026	2,642,155
	2027	1,245,517
Thereafter		4,454,892
		$ 17,681,874

The Company had software development costs of $476,850 related to projects not placed in service as of both December 31, 2023 and December 31, 2022, which is included in intangible assets in the Company's consolidated balance sheets. Amortization will be calculated using the straight-line method over the appropriate estimated useful life when the assets are put into service.

Note 10. Notes Payable and Convertible Debt

Secured Convertible Note

In connection with the Lottery.com domain purchase, the Company issued a secured convertible promissory note ("Secured Convertible Note") with a fair value of $935,000 that matured in March 2021. The Company used the fair value of the Secured Convertible Note to value the debt instrument issued. In March 2021, the Secured Convertible Note was fully converted into 69,910 share of the Company's common stock. (see Note 11).

Series A Notes

From August to October 2017, the Company entered into seven Convertible Promissory Note Agreements with unaffiliated investors for an aggregate amount of $821,500. The notes bear interest at 10% per year, are unsecured, and were due and payable on June 30, 2019. The parties verbally agreed to extend the maturity of the notes to December 31, 2021. As of both December 31, 2023 and December 31, 2022, the balance due on these notes was $771,500. The Company cannot prepay the loan without consent from the noteholders. As of December 31, 2021, there were no Qualified Financing events, that trigger conversion, this included the TDAC combination. As of December 31, 2022, the remaining outstanding balance of $771,500 relates to notes that are no longer convertible which have been reclassified to Notes Payable as per the agreement. Accrued interest on the Series A notes payable was $318,909 on December 31, 2023.

Series B Notes

From November 2018 to December 2020, the Company entered into multiple Convertible Promissory Note agreements with unaffiliated investors for an aggregate amount of $8,802,828. The notes bear interest at 8% per year, are unsecured, and were due and payable on dates ranging from December 2020 to December 2021. For those notes maturing on or before December 31, 2020, the parties entered into amendments in February 2021 to extend the maturity of the notes to December 21, 2021. The Company cannot prepay the loans without consent from the noteholders.

During the year ended December 31, 2021, the Company entered into multiple Convertible Promissory Note agreements with unaffiliated investors for an aggregate amount of $38,893,733. The notes bear interest at 8% per year, are unsecured, and are due and payable on dates ranging from December 2021 to December 2022. The Company cannot prepay these loans without consent from the noteholders. As of December 31, 2021, the Series B Convertible Notes had a balance of $0.

During the year ended December 31, 2021, the Company entered into amendments with six of the Series B promissory noteholders to increase the principal value of the notes. The additional principal associated with the amendments totaled $3,552,114. The amendments were accounted for as a debt extinguishment, whereby the old debt was derecognized and the new debt was recorded at fair value. The Company recorded loss on extinguishment of $71,812 as a result of the amendment which was mapped in "Other expenses" on the consolidated statements of operations and comprehensive loss.

As of October 29, 2021, all except $185,095 of the series B convertible notes were converted into 488,226 shares of Lottery.com common stock after accounting for the 20:1 reverse stock split that took place on August 9, 2023. As of December 31, 2023, the remaining notes comprising the outstanding balance of $185,095 are no longer convertible and have been reclassified to notes payable. See Note 11. Accrued interest on this note payable as of December 31, 2023 and 2022 was $64,799 and $49,992, respectively.

PPP Loan

On May 1, 2020, the Company entered into a Promissory Note with Cross River Bank, which provided for a loan in the aggregate amount of $493,225, pursuant to the Paycheck Protection Program, ("PPP"). The PPP, established under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") enacted on March 27, 2020, provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest were forgivable after eight weeks as long as the borrower utilized the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities ("Qualified Expenses"), and maintained its payroll levels. On August 24, 2021, the PPP loan and accrued interest was forgiven by the U.S. Small Business Administration ("SBA") in full. The Company recorded the full amount related to the forgiveness of the PPP loan as a gain on extinguishment of debt during the third quarter of fiscal year 2021.

Short term loans

On June 29, 2020, the Company entered into a Promissory Note with the U.S. Small Business Administration ("SBA") for $150,000. The loan has a thirty-year term and bears interest at a rate of 3.75% per annum. Monthly principal and interest payments are deferred for twelve months after the date of disbursement. The loan may be prepaid at any time prior to maturity with no prepayment penalties. The Promissory Note contains events of default and other provisions customary for a loan of this type. As of December 31, 2023 and 2022, the balance of the loan was $150,000. As of December 31, 2023 and December 31, 2022, the accrued interest on this note was $5,253 and $3,764 respectively.

In August 2020, the Company entered into three separate note payable agreements with three individuals for an aggregate amount of $37,199. The notes bear interest at a variable rate, are unsecured, and the parties have verbally agreed the notes will be due upon a qualifying financing event. As of December 30, 2023 and 2022, the balance of the loans totaled $13,000, respectively.

Notes payable

On August 28, 2018, in connection with the purchase of the entire membership interest of TinBu, the Company entered into several notes payable for $12,674,635 with the sellers of the TinBu and a broker involved in the transaction. The notes had an interest rate of 0%, and original maturity date of January 25, 2022. The notes payable were modified during 2021 to extend the maturity to June 30, 2022 and change the interest rate to include simple interest of 4.1% per annum effective October 1, 2021. Each of the amendments were evaluated and determined to be loan modifications and accounted for accordingly.

As of both December 30, 2023 and December 31, 2022, the balance of the notes was $2,601,370. Accrued interest on these notes was $242,381 on December 31, 2023 and $164,846 on December 31, 2022, respectively.

Note 11. Stockholders' Equity

Reverse Split

On August 9, 2023, the Company amended its Charter to implement, effective at 5:30 p.m., Eastern time, a 1-for-20 Reverse Stock Split. At the effective time of the Reverse Stock Split, every 20 shares of common stock either issued and outstanding or held as treasury stock were automatically combined into one issued and outstanding share of common stock, without any change in the par value per share. Stockholders who would have otherwise been entitled to fractional shares of common stock as a result of the Reverse Stock Split received a cash payment in lieu of receiving fractional shares. In addition, as a result of the Reverse Stock Split, proportionate adjustments will be made to the number of shares of common stock underlying the Company's outstanding equity awards, the number of shares issuable upon the exercise of the Company's outstanding warrants and the number of shares issuable under the Company's equity incentive plans and certain existing agreements, as well as the exercise, grant and acquisition prices of such equity awards and warrants, as applicable. The Reverse Stock Split was approved by the Company's stockholders at the Company's 2023 Annual Meeting of Stockholders on August 7, 2023 and was subsequently approved by the Board of Directors on August 7, 2023.

The effects of the Reverse Stock Split were reflected in the Quarterly Report on Form 10-Q for the period ended September 30, 2023 and in all subsequent reports for all periods presented.

Preferred Stock

Pursuant to the Company's charter, the Company is authorized to issue 1,000,000 shares of preferred stock, par value $0.001 per share. Our board of directors has the authority without action by the stockholders, to designate and issue shares of preferred stock in one or more classes or series, and the number of shares constituting any such class or series, and to fix the voting powers, designations, preferences, limitations, restrictions and relative rights of each class or series of preferred stock, including, without limitation, dividend rights, conversion rights, redemption privileges and liquidation preferences, which rights may be greater than the rights of the holders of the common stock. As of December 31, 2023, there were no shares of preferred stock issued and outstanding.

Common Stock

Our Charter authorizes the issuance of an aggregate of 500,000,000 shares of Common Stock, par value $0.001 per share. The shares of Common Stock are duly authorized, validly issued, fully paid and non-assessable. Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL. Unless our Board determines otherwise, we will issue all shares of our common stock in an uncertificated form. Holders of our Common Stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. The holders of Common Stock do not have cumulative voting rights in the election of directors. Upon our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our Common Stock will be entitled to receive pro rata our remaining assets available for distribution.

As of December 31, 2023 and December 31, 2022, 2,877,045 and 2,527,045 shares of Common Stock, post reverse stock split, respectively, were outstanding. During the year ended December 31, 2022, the Company issued the following shares of common stock. No similar issuances occurred in 2023.

As of December 31, 2021	2,512,815
Issuance of Common Stock for legal settlement	3,000
Exercise of options (Note 11)	3,006
Restricted stock award	8,224
As of December 31, 2022	2,527,045
Issuance of common stock	350,000
As of December 31, 2023	2,877,045

Public Warrants

The Public Warrants became exercisable 30 days after the Closing; the Company has an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The S-1 registration became effective November 24, 2021. The Public Warrants will expire five years after October 29, 2021, which was the completion of the TDAC Combination or earlier upon redemption or liquidation.

The Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon a minimum of 30 days' prior written notice of redemption;
- if, and only if, the last sale price of the Company's common stock equals or exceeds $320.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such warrants at the time of redemption and for the entire 30-day trading period referred to above and continuing each day thereafter until the date of redemption.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a "cashless basis," as described in the warrant agreement. These warrants cannot be net cash settled by the Company in any event.

After giving effect to the Business Combination, as of December 31, 2023 there were Public Warrants outstanding for the issuance of 1,006,250 shares of common stock of the Company, which total includes previously issued warrants of AutoLotto, now warrants of Lottery.com Inc., which are exercisable for the purchase of an aggregate of 19,784 shares of common stock of the Company.

Private Warrants

Private warrants of TDAC issued before the business combination were forfeited and did not transfer to the surviving entity.

Unit Purchase Option

On June 1, 2018, the Company sold to the underwriter (and its designees), for $100, an option to purchase up to a total of 87,500 Units exercisable at $240.00 per Unit (or an aggregate exercise price of $21,000,000) commencing on the consummation of the Business Combination. The 87,500 Units represents the right to purchase 87,500 shares of common stock and 87,500 warrants to purchase 87,500 shares of common stock. The unit purchase option, which was exercisable for cash or on a cashless basis, at the holder's option, expired on May 29, 2023. The Units issuable upon exercise of this option were identical to those offered by Lottery.com. The Company accounted for the unit purchase option, inclusive of the receipt of $100 cash payment, as an expense of the Business Combination resulting in a charge directly to stockholders' equity. As of December 31, 2023 all of the 87,500 Units have been forfeit.

Common Stock Warrants

The Company did not issue any warrants during the years ended December 31, 2023 and 2022. All 24,415 outstanding warrants are fully vested and have a weighted average remaining contractual life of 2.7 years. The Company did not incur any expense for the year ended December 31, 2023 and 2022.

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Outstanding at December 31, 2021	19,784	$ 2.20	4.0	$ 272,638
Granted	4,631	151.20	3.8	0
Exercised	-	-	-	
Forfeited/cancelled	-	-	-	
Outstanding at December 31, 2022	24,415	0.11	2.8	1,200,387
Granted	-	-	-	
Exercised	-	-	-	
Forfeited/cancelled	-	-	-	
Outstanding at December 31, 2023	24,415	$ 0.11	1.8	$ 1,200,387

Beneficial Conversion Feature - Convertible Debt

As detailed in *Note 10* - Notes Payable and Convertible Debt, the Company has issued two series of convertible debt. Both issuances resulted in the recognition of the beneficial conversion features contained within both of the instruments. The Company recognized the proceeds allocable to the beneficial conversion feature of $8,480,697 as additional paid in capital and a corresponding debt discount of $2,795,000. This additional paid in capital is reflected in the accompanying consolidated Statements of Equity.

Earnout Shares

As detailed in Note 4 - as part of the TDAC Combination as of December 31, 2021 a total of 5,000,000 Earnout Shares were eligible for issuance until December 31, 2022. Conditions for the earnout were not met and the potential earnout shares were forfeited on December 31, 2022.

Note 12. Stock-based Compensation

Expense *2015 Stock Option Plan*

Prior to the closing of the Business Combination, AutoLotto had the AutoLotto, Inc. 2015 Stock Option/Stock Issuance Plan (the "2015 Plan") in place. Under the 2015 Plan, incentive stock options may be granted at a price not less than fair market value of the common stock (110% of fair value to holders of 10% or more of voting stock). If the Common Stock is at the time of grant listed on any Stock Exchange, then the Fair Market Value shall be the closing selling price per share of Common Stock on the date in question on the Stock Exchange, as such price is officially quoted in the composite tape of transactions on such exchange and published in The Wall Street Journal. If there is no closing selling price for the Common Stock on the date in question, then the Fair Market Value shall be the closing selling price on the last preceding date for which such quotation exists. If the Common Stock is at the time neither listed on any Stock Exchange, then the Fair Market Value shall be determined by the Board of Directors or the Committee acting in its capacity as administrator of the Plan after taking into account such factors as the Plan Administrator shall deem appropriate. The maximum number of shares of Common Stock which may be issued over the term of the Plan shall not exceed Twenty-Two Thousand Five Hundred (22,500). Options are exercisable over periods not to exceed 10 years (five years for incentive stock options granted to holders of 10% or more of voting stock) from the date of grant. Shares of Common Stock issued under the Stock Issuance Program may, in the discretion of the Plan Administrator, be fully and immediately vested upon issuance or may vest in one or more instalments over the Participant's period of Service or upon attainment of specified performance objectives. The Plan Administrator may not impose a vesting schedule upon any option grant or the shares of Common Stock subject to that option which is more restrictive than twenty percent (20%) per year vesting, with the initial vesting to occur not later than one (1) year after the option grant date. However, such limitation shall not be applicable to any option grants made to individuals who are officers of the Corporation, non-employee Board members or independent consultants.

2021 Equity Incentive Plan

In connection with the Business Combination, our board of directors adopted, and our stockholders approved, the Lottery.com 2021 Incentive Award Plan (the "2021 Plan") under which 616,518 shares of Class A common stock were initially reserved for issuance. The 2021 Plan allows for the issuance of incentive and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock or cash-based awards. The number of shares of the Company's Class A common stock available for issuance under the 2021 Plan increases annually on the first day of each calendar year, beginning on and including January 1, 2022 and ending on and including January 1, 2031 by a number of shares of Company common stock equal to five percent (5%) of the total outstanding shares of Company common stock on the last day of the prior calendar year. Notwithstanding the foregoing, the Board may act prior to January 1st of a given year to provide that there will be no such increase in the share reserve for such year or that the increase in the share reserve for such year will be a lesser number of shares of Company common stock than would otherwise occur pursuant to the preceding sentence. As of December 31, 2023, the Company has not granted awards under the 2021 Plan.

2023 Equity Incentive Plan

On October 10, 2023, the Board adopted the Lottery.com 2023 Employees' Directors' and Consultants Stock Issuance and Option Plan (the "2023 Plan") under which 500,000 shares of Class A common stock were initially reserved for issuance. The 2023 Plan allows for the issuance of incentive and non-qualified stock options, and restricted stock. As of December 31, 2023, the Company had awarded 350,000 shares under the 2023 Plan.

Stock Options

The Company did not issue any new stock options during the years ended December 31, 2023 and 2022. The following table shows stock option activity for the years ended December 31, 2023 and 2022:

	Shares Available for Grant	Outstanding Stock Awards	Average Exercise Price	Weighted Remaining Contractual Life (years)	Weighted Average Aggregate Intrinsic Value
Outstanding at December 31, 2021	13,461	17,283	$ 19.40	4.4	$ 2,061,303
Granted	-	-	-	-	
Exercised		(3,006)	(13.40)	-	
Forfeited/cancelled	(3,006)	3,006	13.40	-	
Outstanding at December 31, 2022	10,455	17,283	8.20	3.4	944,544
Granted	-	-	-	-	
Exercised	-	-	-	-	
Forfeited/cancelled (uncancelled)	-	-	-	-	
Outstanding at December 31, 2023	10,455	17,283	$ 8.20	2.4	$ 944,544

Stock-based compensation expense related to the employee options was $0 for the year ended December 31, 2023, and 2022.

Restricted awards

The Company awarded restricted stock to employees on October 28, 2021, which were granted with various vesting terms including immediate vesting, service-based vesting, and performance-based vesting. In accordance with ASC 718, the Company has classified the restricted stock as equity.

For employee issuances, the measurement date is the date of grant, and the Company recognizes compensation expense for the grant of the restricted shares, over the service period for the restricted shares that vest over a period of multiple years and for performance-based vesting awards, the Company recognizes the expense when management believes it is probable the performance condition will be achieved. As of December 31, 2021, the Company had granted 191,622 shares with vesting to begin April 2022. For the year ended December 31, 2022, the Company recognized $27,137,991 of stock compensation expense related to the employee restricted stock grants. As of December 31, 2023, unrecognized stock-based compensation associated with the restricted stock awards is $0.

The Company had restricted stock activity summarized as follows:

	Number of Shares	Weighted Average Grant Fair Value
Outstanding at December 31, 2021	191,622	$ 295.00
Granted	-	-
Vested	-	-
Forfeited/cancelled	-	-
Restricted shares unvested at December 31, 2022	191,622	$ 295.00
Outstanding at December 31, 2022	191,622	$ 295.00
Granted	350,000	2.91
Vested	398,590	2.91
Forfeited/cancelled	(143,032)	-
Restricted shares unvested at December 31, 2023	-	$ -

Note 13. Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share:

	Year ended December 31, 2022	
	2023	2022
Comprehensive net loss attributable to stockholders	$ (25,537,315)	$ (59,999,072)
Weighted average common shares outstanding		
Basic and diluted	2,596,493	2,522,175
Net loss per common share		
Basic and diluted	$ (9.84)	$ (23.79)

As of December 31, 2023, the Company excluded 10,456 stock options, 23,417 restricted awards, 24,415 warrants, 250,000 earn out shares and 87,500 unit purchase options from the calculation of diluted net loss per share with the effect being anti-dilutive.

As of December 31, 2023, the Company excluded 17,283 stock options, 100,639 convertible debt into common shares, 191,622 restricted awards, 193,465 warrants, 86,301 earn out shares and 30,206 unit purchase options from the calculation of diluted net loss per share with the effect being anti-dilutive.

Note 14. Income Taxes

The Company's pre-tax income (loss) by jurisdiction was as follows for the years ending December 31, 2023 and December 31, 2022:

	Year ended December 31, 2022	
	2023	2022
Domestic	$ (25,683,200)	$ (13,525,998)
Foreign	3,545	(1,899,580)
Total	(25,679,655)	(15,425,578)

The provision for income taxes for continuing operations for the year ended December 31, 2023 and 2022 consist of the following

	Year ended December 31, 2022	
	2023	2022
Current Income Taxes		
Federal	$ 0	$ 0
State	60,000	23,364
Foreign	0	0
Total current income taxes	60,000	23,364
Deferred Income Taxes		
Federal	-	-
State	-	-
Foreign	-	-
Total deferred income taxes	-	-
Total Income Tax Expense (benefit)	$ 60,000	$ 23,364

A reconciliation between the amount of reported income tax expense (benefit) and the amount computed by multiplying income from continuing operations before income taxes by the statutory federal income tax rate is shown below. Income tax expense for the year ended December 31, 2023 includes state minimum taxes, permanent differences, and deferred tax assets for which a full valuation allowance has been placed.

	Year ended December 31, 2022	
	2023	2022
Tax Expense at statutory federal rate of 21%	$ (5,392,727)	$ (3,239,371)
State income taxes, net of federal income tax benefit	60,000	23,364
Foreign Rate Differential	318	-
Permanent Differences	1,203,361	37,919
Other - Misc.		
Change in Valuation Allowance	4,189,048	3,201,452
Income tax expense (benefit)	60,000	23,364

Deferred income taxes reflect the tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. The following table discloses those significant components of our deferred tax assets and liabilities, including any valuation allowance:

	2023	2022
Long-term deferred tax assets:		
Federal Net Operating Loss Carryforwards	$ 36,378,116	$ 20,145,126
Intangible Assets	1,492,426	(861,317)
Accrued Compensation & Benefits	863,049	-
Foreign Net Operating Loss Carryforwards	773,134	-
Stock Compensation	-	-
State Net Operating Loss Carryforwards	-	-
Other	19,540	19,540
Total deferred tax assets before valuation allowance	39,526,265	29,214,108
	-	-
Deferred tax liabilities:	-	-
Fixed Assets	316	(46,035)
Intangible Assets	-	-
Total deferred tax liabilities	316	(46,035)
Valuation Allowance	(39,525,949)	(29,260,143)
Net deferred tax assets and liabilities	$ -	$ -

For the year ended December 31, 2023, the valuation allowance increased by $10,265,807. The Company believes a full valuation allowance against the net deferred tax asset is appropriate at this time. The Company will continue to evaluate the realizability of its deferred tax assets in future years.

At December 31, 2023, our carryforwards available to offset future taxable income consisted of federal net operating loss ("NOL") carryforwards of approximately $173,229,125. Of this total $22,050149 expires between 2035 and 2037 and $151,178,976 of which has no expiration date.

We account for uncertain tax positions in accordance with ASC 740-10-25, which prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. We have not recorded any unrecognized tax benefits as of December 31, 2023.

Our practice is to recognize interest and penalties related to income tax matters in income tax expense in our consolidated statements of operations.

The Company files U.S. federal and state returns. The Company's foreign subsidiary also files a local tax return in their local jurisdiction. From a U.S. federal, state and Mexican perspective the years that remain open to examination are consistent with each jurisdiction's statute of limitations. The Company has not filed its 2021, 2022 and 2023 U.S. federal and state corporate income tax returns. The Company's foreign subsidiary in Mexico is current with the filing of its tax returns through 2022. The Company expects to file these documents as soon as possible. While the Company is in a net loss position and expects no income tax amounts to be due except for minimum state and local income taxes, the Company is at risk of penalties for failure to file. As of the date of this Amended Report, the Company has not been informed that such penalties have been assessed, therefore no accrual for such has been recorded in the Company's financial statements. The Company's federal income tax returns for the years 2020-2023 remain subject to examination by the Internal Revenue Service. The state returns for 2019-2023 are also open for exam.

Note 15. Commitments and Contingencies

Indemnification Agreements

The Company enters into indemnification provisions under its agreements with other entities in its ordinary course of business, typically with business partners, customers, landlords, lenders and lessors. Under these provisions, the Company generally indemnifies and holds harmless the indemnified party for losses suffered or incurred by the indemnified party as a result of the Company's activities or, in some cases, as a result of the indemnified party's activities under the agreement. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is unlimited. The Company has not incurred material costs to defend lawsuits or settle claims related to these indemnification agreements. As a result, the Company believes the estimated fair value of these agreements is minimal. Accordingly, the Company has no liabilities recorded for these agreements as of December 31, 2023 and 2022.

Digital Securities

In 2018, the Company commenced a sale offering and issuance (the "LDC Offering") of 285 million revenue participation interests (the "Digital Securities") of the net raffle revenue of LDC Crypto Universal Public Company Limited ("LDC"). The Digital Securities do not have any voting rights, redemption rights, or liquidation rights, nor are they tied in any way to other equity securities of LDC or the Company nor do they otherwise hold any rights that a holder of equity securities of LDC or the Company may have or that a holder of traditional equity securities or capital stock may have. Rather, each of the holders of the Digital Securities has a pro rata right to receive 7% of the net raffle revenue. If the net raffle revenue is zero for a given period, holders of the Digital Securities are not eligible to receive any cash distributions from any raffle sweepstakes of LDC for such period. For the years ended December 31, 2023 and December 31, 2022, the company did not incur any obligations to the holders of the outstanding Digital Securities. For the year ended December 31, 2021, the Company incurred

an obligation to pay an aggregate amount of approximately $5,632 to holders of the outstanding Digital Securities. The Company did not satisfy any of those obligations during the years ended December 31, 2021, 2022, or 2023.

Leases

The Company leased office space in Spicewood, Texas which expired January 31, 2024 and has continued to utilize that facility on a month to month basis with monthly rent of $1,669 per month. Additionally, the Company has leased retail space in Waco , TX which expires on December 31, 2024 with monthly rent of $2,434. For the year ended December 31, 2023, the Company's total rent expense was approximately $61,960.

As of December 31, 2023, future minimum rent payments due under non-cancellable leases with initial are as follows:

Years ending December 31,	Amount
2024	30,880
Thereafter	-
	$ 30,880

Litigation and Other Loss Contingencies

As of December 31, 2023, there were no pending proceedings that are deemed to be materially detrimental. The Company is a party to legal proceedings in the ordinary course of its business. The Company believes that the nature of these proceedings is typical for a company of its size and scope. See *Part II, Item 1* for additional information.

Note 16. Related Party Transactions

The Company has entered into transactions with related parties. The Company regularly reviews these transactions; however, the Company's results of operations may have been different if these transactions were conducted with nonrelated parties.

During the year ended December 31, 2020, the Company entered into borrowing arrangements with the individual founders to provide operating cash flow for the Company. The Company paid $4,700 during 2021 and the outstanding balance was $13,000 on December 31, 2023 and December 31, 2022.

During the years ended December 31, 2021 and 2020, the Company entered into a services agreement with Master Goblin Games, LLC ("Master Goblin Games"), an entity owned by Ryan Dickinson, a former officer of the Company, to facilitate the establishment of receipt of retail lottery licenses in certain jurisdictions. As of December 31, 2023, the Company had no outstanding related party payables.

Pursuant to the Service Agreement, Master Goblin was authorized and approved by the Company to incur up to $100,000 in initial expenses per location for the commencement of operations at each location, including, without limitation, tenant improvements, furniture, inventory, fixtures and equipment, security and lease deposits, and licensing and filing fees. Similarly, pursuant to the Service Agreement, during each month of operation, Master Goblin was authorized to submit to the Company for reimbursement on-going expenses of up to $5,000 per location for actually incurred lease expenses. The initial expenses were submitted by Master Goblin to the Company upon Master Goblin securing a lease and leases were only secured by Master Goblin in any location upon request of the Company. Such initial expenses were recorded by the Company as lease obligations. On-going expenses were submitted by Master Goblin to the Company on a monthly basis, subject to offset, and were recorded by the Company as an expense. To the extent Master Goblin had a positive net income in any month, exclusive of the sale of lottery games, such net income reduced or eliminated such reimbursable expenses for that month.

In January 2023, Woodford Eurasia Assets, Ltd. signed a letter of intent to acquire Master Goblin. Such letter of intent would give Woodford the right to appoint a director to the Board of Directors of the Company (see Subsequent Events). As of the date of this Amended Report, no definitive documentation for this transaction has been signed.

The Company paid Master Goblin an aggregate of approximately $53,000 and $440,000, including expense reimbursements under the Service Agreement and additional reimbursable expenses, during the years ended December 31, 2023 and 2022, respectively. In January of 2023, the company paid $53,000 to Master Goblin Games for settlement of outstanding obligations of $316,919 and the parties mutually agreed to terminate the business relationship.

Note 17. Subsequent Events

As reported on form 8-K filed with the SEC on February 9, 2024, on February 5, 2024, the Company entered into a Memorandum of Understanding (the "MOU") with WA Technology Group Limited ("WATG"), whereby the Company has agreed to pay WATG a total of $500,000 US dollars in restricted common stock at a price of $3.00 per share. A second payment by Lottery.com to WATG shall be due in five years and 2 months from the date of the definitive agreement to be signed by the parties at a later date. The total consideration for the second payment is the equivalent of $500,000 US dollars in restricted common stock at market value on the date the second payment is due. In addition, the Company will nominate an individual (at a later date) from WATG to act as a dedicated consultant to the Company for the purpose of expanding its brand, ticket sales and global operations. In exchange, the Company shall own a non-exclusive perpetual single use license for WATG's Lottery Player & Account Management Software ("PAM") and WATG shall provide its full spectrum of iGaming solutions to the Company to manage its global growth strategy. The parties shall co-operate and collaborate with one another's businesses and shall enter a more definitive agreement at a later date.

As reported on form 8-K filed with the SEC on February 21, 2024, on February 15, 2024, the Company entered into a Memorandum of Understanding (the "MOU") with S&MI Ltd. ("SportLocker.com"), whereby it agreed to pay the shareholders of S&MI Ltd. a total of $1,000,000 in restricted common stock at a valuation of $3.00 per share. The first payment of $150,000 in restricted common stock (50,000 shares) of the Company is due and payable not later than June 15, 2024. The remaining payments in restricted common stock to the shareholders of S&MI Ltd. by the Company will be made as follows: (i) a second payment of $212,500 (70,833 shares) due on or before August 14, 2024; (ii) a third payment, of $212,500 (70,833 shares) due on or before November 12, 2024; (iii) a fourth payment of $212,500 (70,833 shares) due on or before February 10, 2025; and (vi) a final and fifth payment of $212,500 (70,834 shares) due on or before May 16, 2025. The terms and conditions set forth in the MOU shall be incorporated into a definitive agreement to be entered into by the parties with a Closing Date on or before June 30, 2024 or at a date agreeable to both parties.

In addition, the Company has agreed to make available to the business of SportLocker.com, cash, media credits or combination thereof over the twelve months following the Closing Date as additional capital investment into the business plan, to facilitate brand awareness, user acquisition and general performance marketing and promotion, influencer and subscription campaigns and branding activities of S&MI's streaming and social engagement, subject to the Company successfully raising a minimum of new capital.

On March 7, 2024, Sports.com, a wholly-owned subsidiary of the Company, announced by press release that it has launched the "Sports.com App". The App (which is available for download for free from all major app stores) connects sports content with audiences worldwide. By uniting a diverse community of sports enthusiasts across various genres, demographics, and countries, Sports.com plans to eliminate multiple cultural barriers and foster a global sports community.

On March 28, 2024, Sports.com, a wholly-owned subsidiary of the Company, announced by press release that it has obtained the rights to live stream the March 31, 2024 heavyweight title fight between Frazier Clarke and Fabio Wardley. The live stream was available to view for free for millions of sports fans in Africa, via the Sports.com website.

The live streaming event is the result of a partnership between Sports.com, BOXXER, the fast-growing UK boxing promotional company, and Sky Sports in the UK and Ireland. Sports.com had entered into an agreement with BOXXER to provide live coverage through the Sports.com platform in Africa, via local telecom partners such as Vodacom, which will provide free access to millions of viewers.

This partnership underscores Sports.com's commitment to bringing inclusivity, innovation, and entertainment to sports. To view the live streaming event on Sports.com, African-based sports fans were able to sign up via local mobile operators to watch the fight on the Sports.com platform. Sports.com's strategic intent is to provide more such content to sports fans in underserved markets including those in the Middle East and Africa.

On April 1, 2024, Lottery.com resumed its sweepstakes offerings through its partnership with the WinTogether.org foundation (DBA: DonateTo.Win). The initial sweepstakes will be active until at least September 30, 2024.

On April 22, 2024, the Company, by and through its outside legal counsel, issued a cease and desist notice to PR Fire Limited, a U.K. based firm and Mr. Samuel Allcock, its CEO, for unlawful attempts to manipulate the public markets by disseminating false and misleading statements about the Company, its current officers and directors in certain articles caused to be published by PR Fire Limited. The Company's outside legal counsel reported the matter to the proper authorities.

On April 24, 2024, the Company, by and through its outside legal counsel, issued a cease and desist notice to certain individuals and entities in participation with a common scheme and acting in concert to financial harm to the Company by privately and publicly disseminating false and misleading statements about the Company, its current officers and directors. The Company's outside legal counsel reported the matter to the proper authorities.

On April 29, 2024, the Board of Directors of the Company approved the addition of Mr. Warren Macal as a member of the Company's Board of Directors. Macal's nomination follows the December 2023 $18 million investment commitment from Prosperity Investment Management subject to due diligence.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

See "*Item 14. Principal Accounting Fees and Services.*"

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As previously disclosed, in connection with the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2021 (the "Original 2021 Annual Report") on April 1, 2022, our management, with the participation of our then Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based on their evaluation, our then Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2021, our disclosure controls and procedures were not effective due to material weaknesses in our internal control over financial reporting with respect to our financial statement close and reporting process.

In connection with the filing of Amendment No. 1 to the Company's Annual Report on Form 10-K/A for the year ended December 31, 2021 (the "Amended 2021 Annual Report"), our management, with the participation of our Chief Executive Officer, reevaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021 and determined they were not effective due to the material weaknesses in our internal control over financial reporting with respect to our financial statement close and reporting process. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost benefit relationship of possible controls and procedures. In connection with this Amended Report, our management, with the participation of our Chief Executive Officer, reevaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2022. Based on such reevaluation, our Chief Executive Officer concluded that, as of the end of the period covered by this Amended Report, our disclosure controls and procedures were still not effective due to the material weaknesses in our internal control over financial reporting with respect to our financial statement close and reporting process, as described further below. As a result of this conclusion, we retained third-party accounting consultants who performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with GAAP. Accordingly, management believes that the financial statements included in this Amended Report present fairly in all material respects our financial position, results of operations and cash flows for the periods presented. The issues which were identified during the initial and subsequent review continued until the new management team for the company began addressing them in the fall of 2022. Efforts to strengthen and improve internal controls over accounting and financial reporting are ongoing.

Material Weaknesses in Internal Control Over Financial Reporting

In connection with the audit of our condensed consolidated financial statements included in this Amended Report, our management has identified material weaknesses in our internal control over financial reporting as of December 31, 2023 and 2022 relating to deficiencies in the design and operation of the procedures relating to the closing of our financial statements. These include: (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience in accounting for complex or non-routine transactions, (ii) the fact that our policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively; (iii) our inability to complete the timely closing of financial books at the quarter and fiscal year end, and (iv) incomplete segregation of duties in certain types of transactions and processes.

Specifically, management did not design and maintain sufficient procedures and controls related to revenue recognition including those related to ensuring accuracy of revenue recognized from non-routine transactions such as the sales of LotteryLink Credits. As a result, we determined that there was an overstatement of revenue in the consolidated statement of operations of approximately $52.1 million during the year ended December 31, 2021, which required a restatement of the previously issued financial statements for the year ended December 31, 2021 contained in the Amended 2021 Annual Report.

We have begun implementing remediation steps to improve our internal control over financial reporting and to remediate the identified material weaknesses, including (i) adding personnel with sufficient accounting knowledge; (ii) adopting a more rigorous period-end review process for financial reporting; (iii) adopting improved period close processes and accounting processes, and (iv) clearly defining and documenting the segregation of duties for certain transactions and processes. Management has expanded and will continue to enhance our system of identifying transactions and evaluating and implementing the accounting standards that apply to our financial statements, including through enhanced analyses by our personnel and third-party professionals with whom we consult regarding complex accounting applications. We intend to continue take steps to remediate the material weaknesses described above and further continue re-assessing the design of controls, the testing of controls and modifying processes designed to improve our internal control over financial reporting. The Company plans to continue to assess its internal controls and procedures and intends to take further action as necessary or appropriate to address any other matters it identifies or are brought to its attention. We will not be able to fully remediate these material weaknesses until these steps have been completed and have been operating effectively for a sufficient period of time. The implementation of our remediation will be ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting.

We cannot assure you that the measures we take will be sufficient to remediate the material weaknesses we identified or avoid the identification of additional material weaknesses in the future. If the steps we take do not remediate the material weaknesses in a timely manner, there could continue to be a reasonable possibility that this control deficiency or others could result in another material misstatement of our annual or interim financial statements that would not be prevented or detected on a timely basis.

For more information, see "*Item 1A. Risk Factors - Public Company Operating Risks - If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the trading price of our common stock and warrants may be materially and adversely affected*."

Changes in Internal Control Over Financial Reporting

Except as otherwise described herein, there was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

On June 12, 2023, the Company entered into an amendment of its Woodford Loan Agreement (the "Woodford Loan Agreement Amendment"). The Woodford Loan Agreement Amendment provides that Woodford shall henceforth be able to convert, in whole or in part, the outstanding balance of its loan into the conversion shares at a conversion price that represents a further 25% discount to the original conversion price of 20%. The validity and application of the Woodford Loan Agreement Amendment is disputed by the Company.

Despite requests from the Company, Woodford has repeatedly amongst other things: failed to prove the amounts borrowed by the Company or claimed to have been advanced by Woodford to the Company; failed to indicate if it would accept accelerated payment of those verified amounts; failed to provide an anti-money laundering acceptable account to which payment could be made by the Company and failed to explain failure to respond to requests for other funding to be accepted in the context of the Woodford Loan Agreement; failed to respond to requests for funding under the accordion facility of the Woodford Loan Agreement; and failed to respond to allegations of money laundering and conspiracy to defraud the Company and others.

On July 26, 2023, the Company entered into a credit facility (the "UCIL Credit Facility"), with United Capital Investments London Limited ("UCIL") which is represented by a loan agreement that included a supplemental credit facility, at the Company's written request and at UCIL's sole discretion, for an amount up to a total of $49,000,000 in a supplemental funding (the "Accordion") with an initial loan tranche of up to $1,000,000. This loan agreement was amended and restated on August 8, 2023 and subsequently amended on August 18, 2023 (as so amended, the "UCIL Loan Agreement")., UCIL is an entity in which each of Matthew McGahan, the Company's Chief Executive Officer and Chair of the Company's Board, and Barney Battles, a member of the Board, have a direct or indirect interest. The decision by the Company to enter into the UCIL Loan Agreement follows, amongst other things, an acknowledgment by the Company that it had not received the requisite funding on a timely basis that it expected from Woodford, despite the Company making several requests to Woodford for said funding under the Woodford Loan Agreement. Moreover, the Board of Directors determined that it was in the best interest of the Company and its stockholders to enter into the UCIL Loan Agreement with UCIL, as an alternative lender to Woodford, upon receiving an event of default notice on July 21, 2023 (the "Default Notice") and an event of default and crystallization notice on July 25, 2023 (the "Crystallization Notice") from Woodford under the Woodford Loan Agreement. On July 24, 2023, the Company responded to the Default Notice disputing that an event of default had occurred given the Company's earlier announcement that UCIL had agreed to enter into a funding arrangement with the Company. On July 27, 2023, the Company replied to the Crystallization Notice denying that an event of default occurred or continued, and further asserted that Woodford's attempt for crystallization was inappropriate and unlawful under the Woodford Loan Agreement. Given the uncertainty of the continued financing under the Woodford Loan Agreement, the Board of Directors sought to secure and formalize the Company's alternative funding by entering into the UCIL Loan Agreement.

As reported on form 8-K filed with the SEC on February 6, 2024, on December 6, 2023, the Company entered into a placement agent agreement (the "Placement Agent Agreement") with Univest Securities, LLC (the "Placement Agent"), whereby the Placement Agent agreed to act as placement agent in connection with the Company's offering ("Offering") of units ("Units") up to $1,000,000; each Unit consisting of a convertible promissory note (each, a "Convertible Note" or collectively, the "Convertible Notes"), and a common stock purchase warrant (each, a "Warrant", or collectively, the "Warrants") to purchase shares of common stock of the Company, par value $0.001 per share (the "Common Stock") which include specific registration rights ("Registration Rights"), directly to one or more investors (each, an "Investor" and, collectively, the "Investors") through the Placement Agent.

On February 1, 2024, the parties agreed to increase the offering amount from $1,000,000 to $5,000,000. All other terms and conditions of the offering remain the same. The Securities shall be offered and sold pursuant to Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act").

As reported on Form 8-K filed on August 24, 2023, on August 18, 2023, the Company amended the Loan Agreement with UCIL resulting in an "Amended and Restated Loan Agreement", dated August 8, 2023, which made certain technical amendments to the conversion mechanics therein to comply with Nasdaq's listing rules relating to stockholder voting rights.

On February 16, 2024, the Company and UCIL entered into an "Amendment and Restatement Agreement No. 2" to the "Amended and Restated Loan Agreement" to increase the amount of the Accordion from $49,000,000 to $149,000,000 (the "Amendment").

On February 16, 2024, as reported on form 8-K filed with the SEC on February 22, 2024, Prosperity Investment Management, a multinational investment management firm with offices in Basel, Switzerland, Dubai, UAE, and Miami, Florida, in advance of the completion of their due diligence on the Company, began to fund their commitment to the Company of an investment of $18 million through UCIL's Amended and Restated Loan Agreement.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

The following sets forth certain information, as of the date of this report, concerning the directors and officers of the Company.

Name	Age	Position
Matthew McGahan	54	Chairman of the Board and Chief Executive Officer
Barney Battles	57	Director
Christopher Gooding	66	Director
Paul S. Jordan	63	Director
Tamer T. Hassan	55	Director
Warren Macal	49	Director
Robert Stubblefield	60	Chief Financial Officer
Gregory Potts	53	Chief Operating Officer

Matthew McGahan has enjoyed a successful and distinguished career in the corporate and philanthropic worlds. Most recently he was appointment as Chairman and CEO of Nasdaq listed, Lottery.com and Vice-President of Sports.com, its wholly owned subsidiary and a leading sports entertainment and media content platform. Appointed interim CEO of Lottery.com in July 2023, and having served as Chairman of the Board since October 2022, McGahan's leadership is pivotal in steering the company towards new horizons. Born into an entrepreneurial family, Matt's business acumen was nurtured from a young age. His professional journey began at Guildford Engineering Technology College, setting the stage for a career characterized by strategic foresight and a penchant for turning challenges into opportunities. Joining his family's venture, Pinewood Motor Group, founded in 1969 by his father, McGahan played a crucial role in introducing Toyota Motor Corporation to the United Kingdom, marking a significant milestone in the country's automotive industry. McGahan's entrepreneurial streak led him to establish Magic Automotive Group, which emerged as one of Europe's largest Harley-Davidson and BMW dealerships. His leadership propelled the company to substantial success until its sale in 2010, reflecting his ability to build and scale businesses successfully.

Beyond the realm of business, Matt's philanthropic efforts are equally commendable. He founded "Mask Our Heroes" (MOH) in memory of his father, Alan, a victim of the COVID-19 pandemic. MOH was at the forefront of addressing the urgent need for personal protective equipment during the pandemic's early stages, successfully securing and distributing over 30 million surgical masks to healthcare facilities across the UK. This initiative highlighted his capacity to lead with empathy and impact, leveraging his resources and network to address a global crisis.

Through his various family office vehicles, Matt has since invested and advised businesses across a variety of sectors, including motorsports, EV, technology minerals mining, recycling, fintech, and medical research, showcasing his versatility, keen investment insight and focus on innovation and social responsibility. His ability to identify and nurture potential across a spectrum of industries has not only contributed to his personal success but has also driven innovation and growth in each of these fields.

His career can be characterized as a blend of entrepreneurial success, philanthropic leadership, and strategic vision. His journey from the automotive industry to the helm of Lottery.com and Sports.com, coupled with his profound impact on societal well-being through "Mask Our Heroes," reflects a legacy of innovation, compassion, and resilience.

Robert J. Stubblefield has served as the chief financial officer of DeMeta, Inc. since January 2022 and of Regnum Corp. since March 2020. Mr. Stubblefield was the chief financial officer of Wookey Project Corp. and Wookey Search Technologies Corporation from March 2020 to December 2021. Further, Mr. Stubblefield served as a contract chief financial officer of Sherpa Digital Media, Inc. from February 2019 to December 2021. Prior to this role, from October 2017 to December 2019, Mr. Stubblefield served as a consulting chief financial officer for various start-ups and growth companies in the San Francisco Bay Area and has experience in senior finance, accounting, and operations roles in public companies. He has held a CPA License from the state of California since the late 1980's.

Gregory Potts has more than 25 years of strategic growth and marketing experience, including the successful implementation of growth strategies for consumer brands and their channel affiliates. He most recently served as Global Vice President of Affiliate Success at Lottery.com. Prior to that he served in leadership roles for several organizations ranging from SMEs to multi-billion corporations. His successful career covers a diverse set of industries including consumer and B2B technology; syndicated data; and not-for-profit development. He currently is a trustee of WinTogether.org and sits on the board of Medios Electrónicos Y De Comunicación, S.A.P.I. de CV and the American Advertising Federation Lexington chapter.

Barney Battles has been a member of the Board since October 2022. In 2014, Mr. Battles founded The League of Angels, a network of UHNW international members investing in fast growth British ventures with a global impact and strong corporate values. Mr. Battle is the former co-owner of Jackpot Games, a Maltese online gaming venture that was then sold to a large German Media Group. Additionally, Mr. Battles is the former senior advisor to the Rank Group PLC (LSE: RNK), where he focused on the Grosvenor Casinos and Bingo (a UK-based chain of 53 casinos located in major towns and cities across the UK and 76 bingo clubs located in Belgium, Spain, and the UK). During his time at Grosvenor Casinos and Bingo, Mr. Battles focused on delivering interactive digital gaming formats across their retail footprint. He also has extensive FTSE experience, working as Executive Chairman/CFO in turnaround or high growth sectors and is a former CFO of London's largest digital agency. Mr. Battles earned a Masters in Computing Science from the University of Aberdeen and was a Scottish Chartered Accountant with Ernst & Young.

Christopher Gooding has been a member of the Board of Directors since August of 2023. Mr. Gooding brings decades of service at respected law firms, predominantly within the heart of London's financial district. His professional journey began as an Assistant Solicitor at Clifford Turner in London and Dubai, advancing to a 15-year tenure at Clyde & Co. A consummate legal strategist, he also served as a partner at LeBoeuf Lamb Greene & MacRae and Howard Kennedy. Notably, from 1999 to 2009, he held the position of Director at the Sovereign Trade Corporation. Adding to his diverse portfolio, Gooding subsequently held partner roles at Fasken Martineau and Nabarro LLC (now CMS). Since 2022, he has honed his expertise as a Consultant at Crowell and Morsing.

Paul S. Jordan is a motorsport commercial specialist with extensive international sponsorship, acquisitions and communication skills and experience. With an active career in motorsport that spans more than four decades, Mr. Jordan has held senior positions with the world's top Formula One Teams and some of most recognizable motorsport brands. Mr. Jordan is chairman of the Company's audit committee.

Tamer T. Hassan is a former boxer and worked in football management before becoming a British actor with a slate of over 60 films. He is best known for his role as the leader of the Millwall firm, opposite Danny Dyer, in "The Football Factory" (2004), "Layer Cake (2004) opposite Daniel Craig, "Batman Begins" (2005), "The Business" (2005), and "Game of Thrones" (2016). Mr. Hasan has recently completed filming for "The Witcher" (Season 2) on Netflix with Henry Cavil. He also remains involved with creative content and participates in voice-over roles. Mr. Hassan's entrepreneurial skills have led him to participate in large-scale projects in entertainment, sports & leisure, and hospitality. He has a passion for supporting emerging acting talent in Cyprus and is the founder of The Tamer Hassan Academy for Acting.

Warren Macal is the Managing Director at Prosperity Investment Management ("PIM") and the head of its PIM Motorsport Investment Division. He brings more than 15 years of extensive experience in wealth management and strategic financial planning to the Company. Specializing in the financial needs of high-net-worth individuals and professional athletes, particularly in the motorsports arena, his expertise will be invaluable as Lottery.com Inc. continues to expand its global reach and product offerings and develops its Sports.com brand.

Our Executive Officers

Mr. McGahan, our Chief Executive Officer ("CEO"), President and Secretary, serves at the discretion of our Board and holds office until his successor is duly appointed or until his earlier resignation or removal.

Mr. Stubblefield, our Chief Financial Officer ("CFO"), serves at the discretion of our Board and holds office until his successor is duly appointed or until his earlier resignation or removal.

Mr. Potts, our Chief Operating Officer ("COO") serves at the discretion of our Board and holds office until his successor is duly appointed or until his earlier resignation or removal.

Board Composition

Our Board consists of six directors. Each of our current directors will continue to serve as a director until the election and qualification of his successor or until his earlier death, resignation, or removal. The authorized number of directors may be changed by resolution of our Board. Vacancies on our Board may be filled by resolution of our Board.

Our Board consists of Matthew McGahan, Barney Battles, Christopher Gooding, Paul S. Jordan, Tamer T. Hassan and Warren Macal, with Mr. McGahan acting as chairman of the Board.

Our Board has affirmatively determined that each of Messrs. Battles, Gooding, Jordan and Hassan is an "independent director" under the Nasdaq listing rules applicable to board members. For more details, see the section entitled "Independence of our Board."

Our Board is divided into three classes with only one class of directors being elected in each year, and with each class serving a three-year term:

- our Class I directors are Mr. Gooding and Mr. Macal, and their terms will expire at the 2026 annual meeting of stockholders;
- our Class II directors are Mr. Battles and Mr. Jordan, and their terms will expire at the 2024 annual meeting of stockholders; and
- our Class III directors are Mr. McGahan and Mr. Hassan, and their terms will expire at the 2025 annual meeting of stockholders.

As a result of the staggered Board, only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective terms. At any meeting of stockholders at which directors are to be elected, the number of directors elected may not exceed the greatest number of directors then in office in any class of directors. The members of each class will hold office until the annual meeting stated above when their term expires and until their successors are elected and qualified. At each succeeding annual meeting of the stockholders, the successors to the class of directors whose term expires at that meeting will be elected by plurality vote of all votes cast at such meeting to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors are elected and qualified. Subject to the rights, if any, of the holders of any series of preferred stock to elect additional directors under circumstances specified in a preferred stock designation, directors may be elected by the stockholders only at an annual meeting of stockholders.

Independence of our Board and Executive Officer

Based on information provided by each director concerning his background, employment, and affiliations, our Board has determined that the Board meets independence standards under the applicable rules and regulations of the SEC and the listing standards of Nasdaq. There are no family relationships among any of our directors and executive officers. In making these determinations, our Board considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director, and the transactions involving them described under the heading "*Item 13. Certain Relationships and Related Party Transactions, and Director Independence.*"

Board Committees

Our Board has three standing committees: an Audit Committee a Compensation Committee, and a Nominating Committee. Each of the committees reports to the Board as it deems appropriate and as the Board may request. The composition, duties and responsibilities of these committees are set forth below. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities.

Audit Committee

There are three members of our Board who serve as members of our Audit Committee, Messrs. Jordan, Gooding and Hassan. Mr. Jordan is the chairman of our Audit Committee. All members of the Audit Committee are "independent" in accordance with the Nasdaq Rules (as defined below) and rules of the U.S. Securities and Exchange Commission (the "SEC") applicable to boards of directors in general and Audit Committee members in particular. The Board has determined that each member of the Audit Committee is "financially literate" within the meaning of the Nasdaq Rules because each member is able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. In addition, the Board has determined that Mr. Jordan qualifies as an "audit committee financial expert" as defined by Item 407(d) of Regulation S-K, and therefore, also satisfies the "financial sophistication" requirement in accordance with Nasdaq Rule 5605(c)(2)(A). The Board reached its conclusion as to Mr. Jordan's' qualifications based on, among other things, his business background.

The duties and responsibilities of the Audit Committee include:

- those duties and responsibilities delegated to it by the Board, including overseeing our financial reporting policies, our internal controls, and our compliance with legal and regulatory requirements applicable to financial statements and accounting and financial reporting processes;
- being directly responsible for the appointment, retention, replacement and oversight of our independent registered public accounting firm and reviewing and evaluating its qualifications, performance and independence;
- pre-approving the audit and non-audit services and the payment of compensation to the independent registered public accounting firm;
- reviewing reports from, and material written communications between, management and the independent registered public accounting firm, including with respect to issues as to the adequacy of the Company's internal controls;
- reviewing and approving any related person transaction that is required to be disclosed pursuant to Item 404(a) of Regulation S-K promulgated by the SEC and prior to our entering into such transaction;
- reviewing and discussing with management and the independent registered public accounting firm our guidelines and policies with respect to risk assessment and risk management; and
- reviewing the Audit Committee Charter and the Audit Committee's performance at least annually.

With respect to our reporting and disclosure matters, the Audit Committee is also responsible for reviewing and discussing with the independent registered public accounting firm and management our annual audited financial statements and our quarterly financial statements prior to their inclusion in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or other publicly disseminated materials in accordance with the applicable SEC rules and regulations.

Compensation Committee

The members of our Compensation Committee are Messrs. Hassan, Gooding and Jordan. Mr. Hassan is the chairman of our Compensation Committee. All members of the Compensation Committee are "independent" in accordance with the Nasdaq Rules and SEC rules applicable to boards of directors in general and compensation committees in particular. In addition, at least two members of the Compensation Committee qualify as "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act.

The Compensation Committee is responsible for reviewing and overseeing our compensation policies and practices and meets regularly throughout the year to review and discuss, among other items, our compensation philosophy, changes in compensation governance, and compliance rules and best practices. With respect to executive compensation, the Compensation Committee:

- annually reviews and approves corporate goals and objectives relevant to the compensation of our CEO and other executive officers;
- evaluates, as a committee or together with the other independent directors (as directed by the Board), the performance of our CEO and other executive officers in light of such corporate goals and objectives, as well as their individual achievements;
- approves and recommends to our Board for approval of the compensation of our CEO and other executive officers based on this evaluation; and
- periodically reviews and approves of all elements of our CEO's and other executive officers' compensation, including cash-based and equity-based awards and opportunities, as well as any employment agreements and severance agreements, change in control agreements and special or supplemental compensation and benefits.

Nominating Committee

The members of our Nominating Committee are Messrs. Gooding, Jordan and Hassan. Mr. Gooding is the chairman of our Nominating Committee. All members of the Nominating Committee are "independent" in accordance with the Nasdaq Rules and SEC rules applicable to boards of directors in general and nominating committees in particular.

Director nominations are approved by a vote of a majority of our directors, each of whom is independent, as required under the Nasdaq rules and regulations. We believe that the current process in place functions effectively to select director nominees who will be valuable members of our Board of Directors.

We identify potential nominees to serve as directors through a variety of business contacts, including current executive officers, directors and stockholders. We may, to the extent they deem appropriate, retain a professional search firm and other advisors to identify potential nominees.

We believe that our Board as a whole should encompass a range of talent, skill, and expertise enabling it to provide sound guidance with respect to our operations and interests. Our independent directors evaluate all candidates to our Board by reviewing their biographical information and qualifications and having each candidate vetted by outside legal counsel.

Code of Business Conduct and Ethics and Corporate Governance Guidelines

Corporate Governance Guidelines. To further our commitment to sound governance, our Board has adopted the Corporate Governance Guidelines to ensure that the necessary policies and procedures are in place to facilitate the Board's review and make decisions with respect to the Company's business operations that are independent from management. The Corporate Governance Guidelines set forth the practices regarding Board and committee composition, selection and performance evaluations; Board meetings; director qualifications and expectations, including with respect to continuing education obligations; and management succession planning, including for the CEO.

Code of Business Conduct and Ethics. We maintain a Code of Business Conduct and Ethics (the "Code of Conduct") that is applicable to all of our directors, officers and employees, including our Chairperson, CEO and other members of management. The Code of Conduct sets forth standards of ethical business conduct, including conflicts of interest, compliance with applicable laws, rules and regulations, timely and truthful disclosure, protection and proper use of our assets and reporting mechanisms for illegal or unethical behavior. The Code of Conduct also satisfies the requirements for a code of ethics as defined by Item 406 of Regulation S-K promulgated by the SEC. If the Company ever were to amend or waive any provision of the Code of Conduct and that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or any person performing similar functions, the Company intends to satisfy its disclosure obligations, if any, with respect to any such waiver or amendment by posting such information on its website set forth above rather than by filing a Current Report on Form 8-K. Amendments to the Code of Conduct must be approved by our Board and will be promptly disclosed (other than technical, administrative or non-substantive changes) on our website. A copy of the Code of Conduct will be provided free of charge by making a written request and mailing it to our corporate headquarters offices to the attention of our Compliance Manager.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires executive officers, directors and persons who beneficially own more than 10% of a company's common stock to file initial reports of ownership (Forms 3) and reports of changes in ownership (Forms 4 and 5) with the SEC. Based solely on our review of copies of such reports and on written representations from our executive officers and directors, we believe that none of our executive officers and directors complied with their Section 16(a) filing requirements during our fiscal year ended December 31, 2023.

Item 11. Executive Compensation.

This section discusses the material components of the executive compensation program for the executive officers of Lottery.com who were "named executive officers," or NEOs for fiscal 2023. This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from the existing and currently planned programs summarized or referred to in this discussion.

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to "smaller reporting companies" as such term is defined in the rules promulgated under the Securities Act, which, in general, require compensation disclosure for our principal executive officer and its two other most highly compensated executive officers, referred to herein as our NEOs.

Introduction

The primary objectives of our executive compensation programs are to attract and retain talented executives to effectively manage and lead our Company. Our NEOs for fiscal 2023 are:

- Matthew McGahan CEO and former CEO Mark Gustavson
- Our executive officers, Gregory Potts, COO and Robert Stubblefield, CFO

Summary Compensation Table

The following table provides summary information concerning compensation of our named executive officers for services rendered to us during the years noted.

Name and Principal Position	Year	Salary[1] ($)	Bonus ($)(3)	Stock Awards[2] ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Matthew McGahan, *CEO*	2023	262,302	131,923	—(4)	—			394,225
Mark Gustavson, *Former CEO*	2023	140,770	—	—	—	—	—	140,770
Tony DiMatteo, *Former CEO*	2022	269,231	227,740					496,971
Sohail S. Quraeshi, *Former CEO*	2022	116,538	—	—	—	—	—	116,538
Robert Stubblefield, *CFO*	2023	127,678	31,995	72,750				232,423
Edward Moffley, *Former CFO*	2022	—	—	—	—	—	—	-
Gregory Potts, *COO*	2023	204,680	4,170	72,750				281,600
Ryan Dickinson, *Former CFO and President*	2022	250,000	227,740	—				477,740
Harry Dhaliwahl Former Interim CFO	2022		—	—	—	—	117,552	117,552
Matthew Clemenson, *Former CRO*	2022	250,000	227,740	—	—	—	—	477,740

(1) Amounts reflect the pro-rated portion of the NEO's base salary earned during the fiscal year presented based on time in the role.
(2) USD value of stock awards. Amount represents the aggregate grant date fair value of common stock share awards made to the named executive officer computed in accordance with Financial Accounting Standards Codification Topic 718, Compensation - Stock Compensation ("Topic 718"). As required by SEC rules, awards are reported in the year of grant. For more information, see "*Narrative Disclosure to Summary Compensation Table — Supplemental Table*" below.
(3) Refers to any annual bonus, each of which is subject to the approval of the Compensation Committee of the Board.
(4) 125,000 S-8 shares are reserved for later issuance.

Narrative Disclosure to Summary Compensation Table

Equity Awards

On October 10, 2023, the Board approved the "2023 Employees Directors and Consultants Stock Issuance and Option Plan" (the "Plan") in order for the Company to be able to attract and retain key personnel and to provide a means whereby certain directors, officers, employees, consultants and advisors of the Company can acquire and maintain an equity interest in the Company, or be paid incentive compensation, which may be measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of the Company and its Affiliates and aligning their interests with those of the Company's stockholders.

As a result of the Board's approval of the Plan, S-8 common stock was awarded to: Matthew McGahan, CEO, who received a 125,000 share common stock grant (not as yet issued), Robert Stubblefield, CFO, received 25,000 shares of common stock and Greg Potts, COO, received 25,000 shares of common stock. Ryan Peterson, EVP of Technology, is to receive 25,000 shares of common stock which are yet to be issued.

Fiscal 2022

There were no equity awards granted to our named executive officers during fiscal 2022.

Cash Compensation

Base Salary

Base salaries are generally set at levels deemed necessary to attract and retain our executives. We provide each named executive officer with a base salary for the services that the executive officer performs for us. This compensation component constitutes a stable element of compensation while other compensation elements may be variable. Base salaries are generally reviewed annually and may be increased based on any number of factors at the discretion of the Compensation Committee, including the individual performance of the named executive officer, company performance, any change in the executive's position within our business, the scope of their responsibilities and market data. For fiscal 2023, the amounts earned by our named executive officers are shown in the Summary Compensation Table above.

Bonuses

In addition to base salaries, the named executive officers may receive discretionary annual bonuses, guaranteed and/or retention bonuses at the discretion of the Compensation Committee.

Retirement Benefits, and Termination and Change in Control Provisions on December 31, 2023 and 2022

There were no pension or retirement benefits pursuant to any existing plan provided or contributed to by the Company or any of its subsidiaries. In addition, there were no termination and change in control provisions in effect for our NEOs.

Outstanding Equity Awards on December 31, 2023

Of our executive officers, Matthew McGahan, CEO, Robert Stubblefield, CFO and Gregory Potts, COO, each received equity awards in 2023. Matthew McGahan, CEO, received a 125,000 share common stock grant (not as yet issued), Robert Stubblefield, CFO, received 25,000 shares of common stock and Gregory Potts, COO, received 25,000 shares of common stock. Ryan Peterson, EVP of Technology, is to receive 25,000 shares of common stock which are yet to be issued.

DIRECTOR COMPENSATION

On July 14, 2023, our Board approved a Non-Employee Director Compensation program providing for a cash fee of $6,000 USD per month per director ($72,000 USD per year). Such plan is a continuation of the Non-Employee Director Compensation program that was established and approved by the previous Board of Directors. Total cash fees paid to our directors under this program during fiscal 2023 were $60,000 USD.

The following table sets forth the total compensation earned by each of our non-employee directors for their service on the Board during fiscal 2023:

Name[1]	Directors Fees Earned ($)(8)	Stock Awards ($)	Total ($)(9)
Matthew McGahan (2)	220,579	-0-	220,579
Barney Battles(3)	246,464	-0-	246,464
Christopher Gooding (4)	138,609	-0-	138,609
Paul S. Jordan (5)	146,433	-0-	146,433
Tamer T. Hassan (6)	146,433	-0-	146,433
Nick Kounoupias (7)	41,604	-0-	41,604
Naila Chowdhry (8)	12,000	-0-	12,000

(1) Represents all non-employee directors who served on our Board during fiscal 2023. Amounts accrued per director each include an $85,000 USD initial fee earned after 3 months of service, which is to be paid in stock.
(2) Mr. McGahan was appointed to our Board on October 19, 2022, and served as a non-employee director until his initial appointment as Interim CEO, on July 20, 2023. During said time, compensation for Mr. McGahan has been accrued for his service on the Board during fiscal 2022 and 2023 at the rate of $6,000 per month as any other director. No stock was awarded to him pertaining to his role as a non-employee director, stock was only granted in relation to his role as CEO of the Company.
(3) Mr. Battles was appointed to our Board on November 3, 2022. Compensation for Mr. Battles has been accrued for his service on the Board during fiscal 2022 and 2023 at the rate of $6,000 per month.
(4) Mr. Gooding was appointed to our Board on August 10, 2023 and compensation for his service has been accrued at the rate of $6,000 per month.
(5) Mr. Jordan was appointed to our Board on July 20, 2023 and compensation for his service has been accrued at the rate of $6,000 per month.
(6) Mr. Hassan was appointed to our Board on July 20, 2023 and compensation for his service has been accrued at the rate of $6,000 per month.
(7) Mr. Kounoupias, appointed an independent outside director on April 4, 2023, resigned from our Board on August 7, 2023. Compensation for his service was accrued at $6,000 per month.
(8) Ms. Chowdhry, an independent outside director, resigned from our Board on March 9, 2023. Discuss w Amar
(9) Of the aggregate total accrued for our Board, of the “Fee Earned”, only $60,000 of the accrual was paid on December 18, 2023.

Compensation Committee Interlocks and Insider Participation

None of the individuals who served as a member of the Compensation Committee during fiscal 2023 is, or has ever been, an officer or employee of the Company or any of its subsidiaries or has or had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K under the Exchange Act. In addition, during the last fiscal year, no executive officer of the Company served as a member of the board of directors or the compensation committee of any other entity that has or has had one or more executive officers serving on our Board or our Compensation Committee.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table shows information with respect to the beneficial ownership of our common stock as of December 31, 2023, for:

- each person known to us to own beneficially 5% or more of our outstanding common stock;
- each of our directors or director nominees;
- each of our NEOs; and
- all of our directors and executive officers as a group.

As of December 31, 2023, there were 2,596,493 shares of our common stock outstanding. Except as indicated by footnote and subject to community property laws where applicable, to our knowledge, the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them:

The amounts and percentages of shares beneficially owned are reported based on SEC regulations governing the determination of beneficial ownership of securities. Under SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person's ownership percentage, but not for purposes of computing any other person's percentage. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest.

DIRECTORS, NAMED EXECUTIVE OFFICERS AND FIVE PERCENT (5%) STOCKHOLDERS (1)	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENT OF COMMON STOCK OUTSTANDING
OFFICERS AND DIRECTORS		
Matthew McGahan, CEO, Director	-0-	-0-
Robert Stubblefield, CFO	25,000	.865%
Greg Potts, COO	25,000	.865%
Barney Battles, Director	-0-	-0-
Christopher Gooding, Director	-0-	-0-
Paul S. Jordan, Director	-0-	-0-
Tamer T. Hassan, Director	-0-	-0-
5% STOCKHOLDERS		
Matt Clemenson(2)	314,474	10.8%
DIRECTORS AND EXECUTIVE OFFICERS AS A GROUP (SEVEN PERSONS)	50,000	1.73%

(1) The business address of each of these stockholders is c/o Lottery.com Inc., 20808 State Hwy 71 W, Unit B, Spicewood, TX 78669.
(2) Interests shown are held by MC Holdings, LLC ("MC Holdings"). Mr. Clemenson may be deemed to beneficially own the shares held by MC Holdings.

Equity Compensation Plan Information

The following table summarizes share and exercise price information about the Company's equity compensation plans as of December 31, 2023.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation plans approved by security holders[(1)]	—	—	656,918

(1) Relates only to the Lottery.com 2021 Incentive Plan.

In connection with the Business Combination, the Board and stockholders approved the Lottery.com 2021 Incentive Plan, which enables the Company to grant non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, other share based awards and cash awards to directors, employees, consultants and advisors to improve the ability of the Company to attract and retain key personnel upon whom the Company's sustained growth and financial success depend, by providing such persons with an opportunity to acquire or increase their proprietary interest in the Company.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Investor Rights Agreement

Simultaneously with the closing of the Business Combination on October 29, 2021 (the "Business Combination Closing"), the Company entered into an investor rights agreement (the "Investor Rights Agreement") with the initial stockholders of Trident Acquisition Corp. and certain stockholders of AutoLotto, including Lawrence Anthony DiMatteo III, our former chief executive officer, and Matthew Clemenson, our former chief revenue officer (collectively, the "Stockholder Parties"). Pursuant to the Investor Rights Agreement, such parties agreed to vote or cause to be voted all shares owned by them or take such other necessary action to ensure that (i) our Board was made up of at least five directors at Closing, (ii) one director nominated by the Initial Stockholders (the "Initial Stockholders Director") and the remaining directors nominated by the AutoLotto stockholders (the "AutoLotto Directors") would be elected to our initial Board, with the Initial Stockholders Director designated as a Class II director, and (iii) following the nomination of our initial Board, neither the Initial Stockholders nor the AutoLotto Stockholders shall have ongoing nomination rights, except that in the event that a vacancy is created on our Board at any time by the death, disability, resignation or removal of the Initial Stockholders Director or any AutoLotto Director during their initial term, then (x) the AutoLotto Stockholders, with respect to a vacancy created by the death, disability, resignation or removal of an AutoLotto Director, or (y) the Initial Stockholders, with respect to a vacancy created by the death, disability, resignation or removal of an Initial Stockholders Director, will be entitled to designate an individual to fill the vacancy. In addition, the Investor Rights Agreement provides that we will register for resale under the Securities Act, certain shares of Common Stock and other equity securities that are held by the parties thereto from time to time as well as other customary registration rights for the parties thereto. The Investor Rights Agreement was terminated in connection with the Woodford Loan Agreement.

Director Independence and Independence Determinations

The Board has established the Corporate Governance Guidelines to assist it in making independence determinations for each director of our Board. The Corporate Governance Guidelines define an "independent director" to align with the definition provided under the corporate governance requirements of the Nasdaq Stock Market LLC (collectively, the "Nasdaq Rules"). Under Nasdaq Rule 5605(a)(2), a director is not independent unless the Board affirmatively determines that they do not have a direct or indirect relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of the Company. Directors who serve on the Audit Committee and Compensation Committee are subject to the additional independence requirements under applicable SEC rules and Nasdaq Rules.

It is the policy of the Board to make affirmative independence determinations for all directors at least annually in connection with the preparation of the Company's proxy statement. In making independence determinations, the Board will broadly consider all relevant facts and circumstances in addition to the requirements of Nasdaq Rule 5605(a)(2).

The Board undertook its annual review of director independence. As a result of this review, the Board affirmatively determined that Messrs. Battles, Gooding, Jordan and Hassan are independent within the meaning of the Nasdaq Rules, including with respect to their respective committee service. The Board has determined that each member of the Audit Committee is "independent" for purposes of service on the Audit Committee in accordance with Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that each member of the Compensation Committee is "independent" for purposes of service on the Compensation Committee in accordance with Section 10C(a)(3) of the Exchange Act.

Item 14. Principal Accounting Fees and Services.

Audit Fees

On September 27, 2022, Armanino LLP ("Armanino") resigned as the independent registered public accounting firm of the Company, effective immediately. On October 7, 2022, the Audit Committee approved the engagement of Yusufali & Associates, LLC ("Yusufali") as the Company's new independent registered public accounting firm, effective immediately, for the fiscal year ended December 31, 2022. For fiscal 2023, Yusufali continues its engagement for the Company as its independent registered public accounting firm The following table sets forth the aggregate fees billed to us for the fiscal year ended December 31, 2022 and December 31, 2023 by Yusufali:

	2022	2023
Audit Fees[1]	$ 225,000	$ 100,000
Audit-Related Fees[2]	75,000	75,000
Tax Fees	—	—
All Other Fees[3]	—	—
Total:	$ 300,000	$ 175,000

(1) Audit Fees represent the aggregate fees billed for professional services rendered for the audits of the annual financial statements, for review of the consolidated financial statements included in the Company's Quarterly Reports on Form 10-Q filings; for the audits and reviews of certain of our subsidiaries; and for services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings. In particular, Yusufali audited the ending Balance Sheet for 2020, audited the amended financial statements for the year ended December 31, 2021 and audited the financial statements for the year ended December 31, 2022 and December 31, 2023. No additional services were required or provided for 2023.

(2) Audit-Related Fees represent the aggregate fees billed for assurance and other services related to the performance of the audit or review of our consolidated financial statements that are not reported under heading (1) above. These services may include due diligence related to mergers and acquisitions and consultation concerning financial accounting and reporting standards. In particular, Yusufali reviewed the amended financial statements

for March 31, 2022, reviewed the financial statements for June 30 and September 20, 2022, and reviewed the financial statements for March 31, 2023, June 30, 2023, and September 30, 2023.

(3) All Other Fees represent fees billed for all other services.

Audit Committee Pre-Approval Procedures for Independent Registered Public Accounting Firm

The Audit Committee has sole authority to engage and determine the compensation of our independent registered public accounting firm. The Audit Committee also is directly responsible for evaluating the independent registered public accounting firm, reviewing and evaluating the lead partner of the independent registered public accounting firm and overseeing the work of the independent registered public accounting firm. In addition, and pursuant to its charter and the Company's Audit and Non-Audit Services Pre-Approval Policy, the Audit Committee annually reviews and pre-approves the audit services to be provided by Yusufali & Associates, LLC, and also reviews and pre-approves the engagement of Yusufali for the provision of other services during the year, including audit-related, tax and other permissible non-audit. For each proposed service, the Company's management and the independent registered public accounting firm are required to jointly submit to the Audit Committee detailed supporting documentation at the time of approval to permit the Audit Committee to make a determination as to whether the provision of such services would impair the independent registered public accounting firm's independence, and whether the fees for the services are appropriate.

Changes in Independent Registered Public Accounting Firm

Resignation of Armanino LLP

As previously disclosed in the Current Report on Form 8-K filed with the SEC on October 12, 2022 (the "October 12, 2022 Form 8-K"), the Audit Committee approved on October 7, 2022 the engagement of Yusufali as the Company's independent registered public accounting firm for the fiscal year ended December 31, 2022, effective on the same day. As previously disclosed in the Current Report on Form 8-K filed with the SEC on October 6, 2022 (the "October 6, 2022 Form 8-K"), Armanino resigned as the Company's independent registered public accounting firm on September 27, 2022, effectively immediately.

As previously disclosed in the October 6, 2022 Form 8-K, Armanino's report on the Company's financial statements for the fiscal years ended December 31, 2021 and December 31, 2020 did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. In addition, there were no disagreements between the Company and Armanino on accounting principles or practices, financial statement disclosure or auditing scope or procedure, which, if not resolved to the satisfaction of Armanino, would have caused them to make reference to the disagreement in their report for such period, or any subsequent interim period preceding Armanino's resignation. However, on July 20, 2022, the Company was advised by Armanino, its registered independent public accountant for the fiscal year ended December 31, 2021, that the audited financial statements for the year ended December 31, 2021, and the unaudited financial statements for the quarter ended March 31, 2022, should no longer be relied upon. Armanino advised and determined subsequent to the audit and review of such financial statements, respectively, that a Company subsidiary entered into a line of credit in January 2022 that was not disclosed in the footnotes to the December 31, 2021 financial statements and was not recorded in the March 31, 2022 financial statements.

As previously disclosed in the October 6, 2022 Form 8-K, during the Company's two audited fiscal years ended December 31, 2021 and December 31, 2020, and the subsequent interim period through September 27, 2022, Armanino identified the following reportable events of the type described in Item 304(a)(1)(v) of Regulation S-K: based on Armanino's evaluation of the facts and circumstances pertaining to matters disclosed in the Company's recent Form 8-K filings regarding the resignations of certain officers and directors, Armanino is unable to rely on the representations of management.

The Company provided Armanino with a copy of the foregoing disclosures and requested that Armanino furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the Company set forth above. A copy of Armanino's letter, dated October 7, 2022, was filed as Exhibit 16.1 to the amendment to the October 12, 2022 Form 8-K.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(1) Financial Statements

The consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements are filed as part of this Amended Report.

(2) Exhibits

The exhibits listed below are filed as part of this Amended Report or incorporated herein by reference to the location indicated.

Exhibit Number	Description
2.1†	Business Combination Agreement, dated as of February 21, 2021, by and among Trident Acquisitions Corp., Trident Merger Sub II Corp., and AutoLotto, Inc. (incorporated by reference to Exhibit 2.1 of the Current Report on Form 8-K, filed by Lottery.com with the SEC on February 23, 2021).
3.1	Second Amended and Restated Certificate of Incorporation of Lottery.com Inc. (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
3.2	Amended and Restated Bylaws of Lottery.com Inc. (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
4.1	Warrant Agreement, dated as of May 29, 2018, between TDAC and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K, filed by Lottery.com with the SEC on June 4, 2018).
4.2	Description of Capital Stock (incorporated by reference to Exhibit 4.2 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.1	Letter Agreement among Trident Acquisitions Corp., Trident Acquisitions Corp.'s officers, directors and stockholders (incorporated by reference to Exhibit 10.2 to Amendment No. 2 to the Registration Statement on Form S-1/A (File No. 333-223655) filed by Lottery.com with the SEC on May 21, 2018).
10.2	Stock Escrow Agreement between Trident Acquisitions Corp., Continental Stock Transfer & Trust Company and the initial stockholders of Trident Acquisitions Corp (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K, filed by Lottery.com with the SEC on June 4, 2018).
10.3	Services Agreement, dated as of March 10, 2020, by and between AutoLotto, Inc. and Master Goblin Games LLC (incorporated by reference to Exhibit 10.8 of the Registration Statement on Form S-4 (Reg. No. 333-257734), filed by Lottery.com with the SEC on October 5, 2021).
10.4	Amendment No. 1 to Services Agreement, dated as of June 28, 2021, by and between AutoLotto, Inc. and Master Goblin Games LLC (incorporated by reference to Exhibit 10.9 of the Registration Statement on Form S-4 (Reg. No. 333-257734), filed by Lottery.com with the SEC on October 5, 2021).
10.5	Investor Rights Agreement, dated as of October 29, 2021, by and among Lottery.com Inc., AutoLotto, Inc. and the security holders party thereto (incorporated by reference to Exhibit 10.12 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.6	Initial Stockholder Forfeiture Agreement, dated as of October 29, 2021, by and among Lottery.com Inc., AutoLotto, Inc. and the security holders party thereto (incorporated by reference to Exhibit 10.13 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.7#	Employment Agreement, dated as of February 21, 2021, by and between Lawrence Anthony DiMatteo III and AutoLotto, Inc. (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.8#	Employment Agreement, dated as of February 21, 2021, by and between Matthew Clemenson and AutoLotto, Inc. (incorporated by reference to Exhibit 10.4 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.9#	Amendment to Employment Agreement, dated March 23, 2022, by and between Matthew Clemenson and Lottery.com (incorporated by reference to Exhibit 10.9 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.10#	Employment Agreement, dated as of February 21, 2021, by and between Ryan Dickinson and AutoLotto, Inc. (incorporated by reference to Exhibit 10.5 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.11#	Amendment to Employment Agreement, dated March 23, 2022, by and between Ryan Dickinson and Lottery.com (incorporated by reference to Exhibit 10.11 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.12#	Employment Agreement, dated as of March 19, 2021, by and between Kathryn Lever and AutoLotto, Inc. (incorporated by reference to Exhibit 10.12 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.13#	Amendment to Employment Agreement, dated as of March 28, 2022, by and between Kathryn Lever and Lottery.com Inc. (incorporated by reference to Exhibit 10.13 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.14#	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.6 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.15#	AutoLotto, Inc. 2015 Stock Option/Stock Issuance Plan (incorporated by reference to Exhibit 10.8 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).

10.16#	Form of Restricted Stock Award Agreement under the AutoLotto, Inc. 2015 Stock Option/Stock Issuance Plan (incorporated by reference to Exhibit 10.9 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
10.17#	Lottery.com 2021 Incentive Plan (incorporated by reference to Exhibit 10.7 of the Registration Statement on Form S-4 (Reg. No. 333-257734), filed by Lottery.com with the SEC on October 5, 2021).
10.18#	Form of Option Award Agreement under the Lottery.com 2021 Incentive Plan (incorporated by reference to Exhibit 10.18 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.19#	Form of Restricted Stock Award Agreement under the Lottery.com 2021 Incentive Plan (incorporated by reference to Exhibit 10.19 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.20#	Form of Director Restricted Stock Award Agreement under the Lottery.com 2021 Incentive Plan (incorporated by reference to Exhibit 10.20 of the Annual Report on Form 10-K filed by Lottery.com with the SEC on April 1, 2022).
10.21#	Resignation and Release Agreement, dated July 22, 2022, by and between Lottery.com and Lawrence Anthony DiMatteo III (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Lottery.com with the SEC on July 22, 2022).
10.22#	Consulting Agreement by and between AutoLotto, Inc. dba Lottery.com and Simpexe, LLC, specifically Harry Dhaliwal, dated July 1, 2022 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Lottery.com with the SEC on July 6, 2022).
10.23+	Master Affiliate Agreement, dated as of October 2, 2021 (incorporated by reference to Exhibit 10.4 of the Quarterly Report on Form 10-Q filed by Lottery.com with the SEC on May 16, 2022).
10.24	Loan Agreement (Deed), dated December 7, 2022, between Lottery.com and Woodford Eurasia Assets Ltd, as lender (incorporated by reference to Exhibit 10.24 of the Annual Report on Form 10-K/A filed by Lottery.com with the SEC on May 10, 2023).
10.25	Loan Agreement Deed, Debenture Deed and Securitization, dated December 7, 2022, between Lottery.com and Woodford Eurasia Assets Ltd, as security holder (incorporated by reference to Exhibit 10.25 of the Annual Report on Form 10-K/A filed by Lottery.com with the SEC on May 10, 2023).
10.26*	Amended and Restated Loan Agreement and Deed, dated August 8, 2023, between Lottery.com and United Capital Investments London Limited as lender
10.27**	Amendment to Amended and Restated Loan Agreement, dated as of August 18, 2023, by and between Lottery.com Inc. and United Capital Investments London Limited.
10.28	Business Loan Agreement dated January 4, 2022, between AutoLotto, Inc. and The Provident Bank (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q filed by Lottery.com with the SEC on May 22, 2023).
10.29	§30,000,000 Promissory Note dated January 4, 2022, between AutoLotto, Inc. and The Provident Bank (incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q filed by Lottery.com with the SEC on May 22, 2023).
10.30*	Amendment and Restatement Agreement in respect of Loan Agreement (Deed) dated 7 December 2022, between Lottery.com and Woodford Eurasia Assets Ltd.
10.40*	Lottery.com Inc. 2023 Employees', Directors' and Consultant's Stock Issuance and Option Plan
10.50*	Nook Holdings Share Purchase Agreement
10.51*	Amendment 1 to Nook Holdings Share Purchase Agreement
21.1*	List of Subsidiaries of Lottery.com Inc. (incorporated by reference to Exhibit 21.1 of the Current Report on Form 8-K filed by Lottery.com with the SEC on November 4, 2021).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer and Principal Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Inline XBRL for the cover page of this Amended Report on Form 10-K/A, included in the Exhibit 101 Inline XBRL Document Set.

* Filed herewith.

** Furnished herewith.

† Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish copies of any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission. any of the omitted schedules and exhibits upon request by the U.S. Securities and Exchange Commission.

+ Certain portions of this exhibit have been omitted pursuant to Regulation S-K Item 601(b)(10)(iv). The Registrant agrees to furnish an unredacted copy of the exhibit to the SEC upon its request.

# Indicates management contract or compensatory plan or arrangement.

Item 16. Form 10-K/A Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Amended Report to be signed on its behalf by the undersigned, thereunto duly authorized**.**

LOTTERY.COM INC.

Date: June 3, 2024

By: */s/ Matthew McGahan*
Name: Matthew McGahan
Title: Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Amended Report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated.

Name	Title	Date
/s/ Matthew McGahan Matthew McGahan	Chief Executive Officer (Principal Executive Officer)	June 3, 2024
/s/ Matthew McGahan Matthew McGahan	Chairman of the Board	June 3, 2024
/s/ Barney Battles Barney Battles	Director	June 3, 2024
/s/ Christopher Gooding Christopher Gooding	Director	June 3, 2024
/s/ Paul S. Jordan Paul S. Jordan	Director	June 3, 2024
/s/ Tamer T. Hassan Tamer T. Hassan	Director	June 3, 2024
/s/ Warren Macal Warren Macal	Director	June 3, 2024

Exhibit 10.26

SCHEDULE 1

Amended and Restated Loan Agreement

United Capital Investments London Limited
as Lender

and

Lottery.com Inc
as Borrower

---

amended and Restated Loan Agreement

---

originally dated 26 July and amended and restated on 8 August 2023

CONTENTS

This loan agreement (the "**Agreement**") is originally made on 26 July 2023 and subsequently amended and restated by an amendment and restatement agreement executed on 8 August 2023 by and between:

Parties

(1) **UNITED CAPITAL INVESTMENTS LONDON LIMITED**, a company existing under the laws of **10490012**, having its registered office at: **18 (2nd Floor) Savile Row, London, England, W1S 3PW** (the "**Lender**"); and

(2) **LOTTERY.COM, INC**, a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the "**Borrower**").

The Lender and the Borrower are jointly referred to as the "**Parties**" and each individually as a "**Party**".

Recitals

(A) The Lender has agreed to provide certain financing to the Borrower on the terms set out in this Agreement.

(B) Each Party enters into this Agreement in consideration of the other Party entering into this Agreement and accepting its terms.

It is agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following terms shall have the following meanings:

"**1st Amendment and Restatement Agreement**" means the amendment and restatement agreement to this Agreement dated 8 August 2023;

"**Accordion**" means the principal amount of **USD 49,000,000** (or such other amount or type of financing in lieu of loan as the Parties may agree in writing) made or to be made available by the Lender on the terms of this Agreement, with the pricing being consistent with the Initial Loan;

"**Affiliate**" means, with respect to any person, any other person that, directly or indirectly, controls, is controlled by, or is under common control with such person in each case from time to time;

"**Applicable Law**" means any applicable law, statute, ordinance, code, rule, regulation, resolution, order, decree, judgments, awards and decisions of any court, arbitral tribunal or competent authority permit or variance of any governmental entity, or any binding agreement with any governmental entity, in each case having force of law;

"**Board**" means the board of directors of the Borrower as constituted from time to time;

"**Business Day**" means a day other than Saturday and Sunday or public holiday in London (the United Kingdom) or New York (the US) and on which banks generally are open in London (the United Kingdom) or New York (the US) for the transaction of normal banking business, and, where used to specify the period, within which any act is to be done or not to be done, a day other than a day, which is a Saturday, Sunday or public holiday in any jurisdiction, in which such act is to be done or not to be done;

"**Conditions**" has the meaning given in clause 2.3(a);

"**Conversion**" means the conversion of an amount of the Initial Loan and Accordion together with the accrued interest, in whole or in part, as determined by the Lender at its sole discretion, into the Conversion Shares in accordance with clause 9 (*Conversion*);

"**Conversion Date**" has the meaning given in clause 9.3 (*Completion*);

"**Conversion Price**" means the lower of:

(a) USD 0.075 per Share; and

(b) if the Shares are no longer listed on Nasdaq or the trading of Shares is suspended for a period of 5 (five) consecutive Business Days or more, the fair market price per Share reasonably determined by the Lender with a 20% discount or if the Borrower disagrees with the Share price proposed by the Lender, the fair market price per Share determined by the Independent Valuer with a 20% discount;

"**Conversion Shares**" means the Shares to be issued in favour of the Lender during the Conversion, the amount of which shall be calculated by diving the Repayable Amount to be discharged by way of Conversion by the Conversion Price;

"**Encumbrance**" means any mortgage, charge, pledge, lien, option, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security, or the creation of a right to acquire (including any option, right of first refusal or right of pre-emption), third party right or interest, other encumbrance or security interest or derivative interest of any kind, or any other type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement to create any of the foregoing, and "**Encumber**" shall be construed accordingly;

"**Event of Default**" has the meaning given in clause 8.1 (*Event of Default*);

"**IFRS**" means the International Financial Reporting Standards, together with the pronouncements on the above from time to time, and applied on a consistent basis;

"**Indebtedness**" means, in respect of any company or other entity, any borrowing or indebtedness in the nature of borrowing (including any indebtedness for monies borrowed or raised under any bank or third party guarantee, acceptance credit, bond, note, bill of exchange or commercial paper, letter of credit, finance lease, hire purchase agreement, forward sale or purchase agreement or conditional sale agreement or other transaction having the commercial effect of a borrowing and all finance, loan and other obligations of a kind required to be included in the balance sheet of a company or other entity pursuant to the IFRS;

"**Independent Valuer**" means a reputable independent valuer, having experience of not less than 10 (ten) years conducting valuation of businesses of similar type and standing as the Borrower, not affiliated with the Lender or Borrower, chosen by the Lender with the consent of the Borrower (such consent not to be unreasonably withheld or denied);

"**Initial Loan**" means the principal amount of **USD 1,000,000** made or to be made available by the Lender on the terms of this Agreement;

"**Initial Loan Maturity Date**" has the meaning given in clause 4.1(a)(i);

"**Loan**" means together:

(a) the principal amount of the Initial Loan; and

(b) if applicable, the principal amount of the Accordion;

"**Loan Disbursement Date**" has the meaning given in clause 2.3(g);

"**Material Adverse Effect**" means any circumstance or event not explicitly and in writing disclosed to the Lender and/or subsequent to the date of this Agreement (including the commencement of any litigation, arbitration or administrative proceeding, change of law) which, in the opinion of the Lender, has caused or evolved to a material adverse effect on the business, financial condition or assets of the Borrower or the ability of the Borrower to comply with its obligations under the Transaction Documents, wherein any such "Material Adverse Effect" has not been waived in writing by the Lender within five (5) business days of its occurrence;

"Paying Agent" means any Affiliate or any related party of the Lender acting as the Lender' paying agent;

"Permitted Security" means such mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other arraignment or agreement having similar effect with respect to any assets of the Borrower in existence as of the date of this Agreement and which has been duly disclosed to the Lender prior to the date of this Agreement;

"**Repayable Amount**" means an amount equal to the Loan disbursed by the Lender to the Borrower or otherwise provided on the terms of this Agreement plus interest accrued as specified in clause 2.2 (*Interest*), from time to time;

"**Shares**" means the highest-ranking shares of common stock in the Borrower from time to time;

"**Sports.com**" means a company existing under the laws of the State of Texas, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States;"

"**Sports.com Shares**" means all of the shares in Sports.com from time to time;

"**Transaction Documents**" means this Agreement, the 1st Amendment Agreement, any Warrant, and any other documents contemplated by any of them;

"**Transferee**" means any person designated by the Lender, to whom the Borrower shall transfer the relevant Shares on the terms of this Agreement;

"**UCIL**" means United Capital Investments London Limited, company number 10490012**,** having its registered office at: 18 (2nd Floor) Savile Row, London, England, W1S 3PW;

"**UCIL Securitization Agreement**" means the agreement to be entered into by and between the Parties regarding certain assets of the Borrower at such time as may be requested by the Lender in accordance with this Agreement; and

"**Warrants**" has the meaning given in clause 10(a).

1.2 Headings

Clause headings and the table of contents are inserted for ease of reference only and shall not affect construction.

1.3 Recitals, *etc*.

References to this Agreement include the Recitals, which form part of this Agreement for all purposes. References in this Agreement to the Parties, the Recitals and clauses are references respectively to the Parties, the Recitals and clauses of this Agreement.

1.4 Meaning of references

Save where specifically required or indicated otherwise:

(a) words importing one (1) gender shall be treated as importing any gender, words importing individuals shall be treated as importing companies and *vice versa*, words importing the singular shall be treated as importing the plural and *vice versa*, and words importing the whole shall be treated as including a reference to any part of the whole;

(b) a reference to the Transaction Documents and, in particular, this Agreement or to any other agreement or document referred to in this Agreement is a reference to this the Transaction Documents or such other document or agreement as amended, supplemented, varied or novated from time to time;

(c) a reference to the "**Borrower**" or the "**Lender**" shall, where relevant, be construed so as to include their respective successors in title, permitted transferees or assignees (whether immediate or derivative);

(d) the Event of Default being described as "**continuing**" means that it has neither been remedied to the satisfaction of the Lender nor expressly waived in writing (including by email) by the Lender;

(e) references to a "**person**" shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality;

(f) references to a "**company**" shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established, and so as to include any company in succession to all, or substantially all, of the business of that company or firm;

(g) references to the word "**include**", "**including**" or "**in particular**" (or any similar term) are not to be construed as implying any limitation, except where made together with words like "**exclusively**" (or any similar term) and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;

(h) reference to "**writing**" or "**written**" includes any method of reproducing words or text in a legible and non-transitory form, and, for the avoidance of doubt, shall not include email, unless this Agreement provides to the contrary; and

(i) references to "**USD**" are to the lawful currency of the United States of America from time to time.

1.5 Understanding of time

Time periods in this Agreement shall be understood in the following way:

(a) references to times of the day are to that time in London, the United Kingdom (unless otherwise stipulated);

(b) references to a "**day**" are to a period of twenty-four (24) hours running from midnight to midnight;

(c) references to a "**year**" are to a calendar year, meaning any period of twelve (12) consecutive months; and

(d) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day.

1.6 Inconsistencies

(a) Where there is any inconsistency between the definitions set out in this clause 1 (*Definitions and interpretation*) and the definitions set out in any clause, then, for the purposes of construing such clause, the definitions set out in such clause shall prevail.

(b) Where there is any inconsistency between any number in words in this Agreement and the same number in digits determined in brackets, then for the purpose of construing such number, number in words shall prevail.

1.7 Meaning of undefined terms

If a word or term used in this Agreement is not defined in this clause 1 (*Definitions and interpretation*), it shall have the meaning ascribed to it in the text of this Agreement.

1.8 Negotiation of Agreement

The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.

2. LOAN

2.1 Amount of Loan

Subject to the terms of this Agreement and in reliance on the representations and warranties contained in clause 5 (*Borrower's representations and warranties*), the Lender agrees to make available and lend to the Borrower, and the Borrower agrees to borrow, the Initial Loan, and, subject to clause 2.4 (*Accordion*), the Accordion.

2.2 Interest

The Borrower shall pay to the Lender interest on the Loan at the rate of **ten (10) per cent per annum**, subject to the following:

(a) interest on the Initial Loan shall accrue daily, starting from the first Loan Disbursement Date in relation to the Initial Loan, on the outstanding principal amount of the Initial Loan and shall be calculated on the basis of actual number of days elapsed and a year of three hundred and sixty-five (365) days;

(b) the interest accrued on the outstanding amount of the Initial Loan shall be repaid on the Initial Loan Maturity Date, together with the relevant amount of the Initial Loan;

(c) interest on Accordion shall accrue daily, starting from the first disbursement of an Accordion (or any part thereof), on the outstanding principal amount of the Accordion outstanding from time to time and shall be calculated on the basis of actual number of days elapsed and a year of three hundred and sixty-five (365) days;

(d) the interest accrued on the outstanding amount of the Accordion shall be repaid on the Accordion Maturity Date (as this term is defined in clause 4.1(a)(ii)), together with the relevant amount of the Accordion Loan; and

(e) if the Borrower fails to make any payment due under this Agreement on the due date for payment, interest on the unpaid amount of the Loan shall accrue daily, from the date of non-payment to the date of actual payment, at 8% above the rate specified in this clause 0. Interest accrued under this clause 2.2(e) shall be immediately payable by the Borrower on demand from the Lender.

2.3 Disbursement of Loan

(a) The Loan shall be disbursed by the Lender in such amounts and at such times prior to the termination of this Agreement as the Borrower may request on the terms of the remaining provisions of this clause 2.3.

(b) Each disbursement of the Loan, shall be made subject to the Borrower satisfying or procuring the satisfaction of, to the fullest extent applicable, all conditions set out in clause 2.5 (*Conditions*) (together the "**Conditions**") on the relevant Loan Disbursement Date and, in relation to Accordion only, the Lender having agreed to provide the Accordion to the Borrower and the Parties have executed and perfected the UCIL Securitization Agreement to the satisfaction of the Lender in accordance with the terms of this Agreement.

(c) For the avoidance of doubt, the Lender shall not be obliged to transfer (or procure the transfer by the Paying Agent of) any amount of the Loan (other than the Initial Loan) to the Borrower or otherwise, unless all the Conditions have been satisfied and continue to be satisfied on the relevant Loan Disbursement Date.

(d) Unless the Parties agree otherwise in writing in accordance with 2.3(a) above, the Lender shall (or shall procure that its Paying Agent shall) make the disbursements of the Initial Loan, provided that:

(A) the Borrower has confirmed in writing that it is prepared to issue Conversion Shares in the amount of 20% of the capital of the Borrower (post-money) as soon as reasonably practicable and not later than within three (3) Business Day of the relevant disbursement of the Initial Loan; and

(B) the Borrower has provided to the Lender a Warrant for 4.5% Shares in the Borrower.

(e) If the Borrower wishes to draw any amount of the Loan, the Borrower shall give the Lender a request (each such request being an "**Loan Tranche Request**") in writing specifying:

(i) the amount of the Loan to be disbursed;

(ii) the intended disbursement date, which shall be not less than five (5) Business Days following the date of the Lender's receipt of the relevant Loan Tranche Request, unless the Parties agree otherwise;

(iii) the recipient (the Borrower or any third-party recipient) and the relevant bank account details of the payment recipient;

(iv) the purpose of the relevant payment; and

(v) any additional details reasonably sufficient for the Lender to transfer the relevant amount of any of the Loan Tranches pursuant to such Loan Tranche Request,

in any case, provided that:

(A) the total amount of the Initial Loan disbursements shall not exceed the total amount of the Initial Loan, unless the Parties agree otherwise in writing; and

(B) the total amount of all disbursements in relation to the Accordion shall not exceed USD 49,000,000 unless the Parties agree otherwise in writing.

(f) Each Loan Tranche Request shall be irrevocable and oblige the Borrower to borrow the respective amount of the Loan on the terms of this Agreement. For the avoidance of doubt, there may be several Loan Tranche Requests up until the earlier of:

(i) the Loan is disbursed by the Lender in full; or

(ii) the date falling twenty-four (24) months after the date of this Agreement.

(g) The Lender shall (or shall procure that its Paying Agent shall), within five (5) Business Days upon the Lender receiving the relevant Loan Tranche Request or on such other later reasonable date as the Borrower indicates in the Loan Tranche Request, disburse the amount of the Loan specified in the relevant Loan Tranche Request or such lower amount as the Parties may agree in writing to the bank account as notified in the relevant Loan Tranche Request, with value date as of the date of the disbursement (each such value date being the "**Loan Disbursement Date**"), in each case, subject to clause 2.5 (*Conditions*).

(h) The obligation of the Lender to disburse the relevant amount of the Loan shall be deemed duly performed after the funds in the respective amount (including, for the avoidance of doubt, to cover the relevant Borrower's expenses and/or costs) were duly debited from the bank account of the Lender, its Paying Agent and/or any other person acting on behalf of the Lender, as applicable.

(i) The Parties hereby confirm and acknowledge that:

(i) the Lender's obligation to disburse the relevant amount of the Initial Loan pursuant to this clause 2.3 may be performed:

(A) by transferring such amount to any third-party recipient indicated in the relevant Loan Tranche Request (including, for the avoidance of doubt, to pay the Borrower's bills); and

(B) by the Lender's Paying Agent,

and the disbursement of any amount of the Initial Loan as set out in clauses 2.3(i)(i)(A) and 2.3(i)(i)(B), as applicable, shall be deemed to be due fulfilment of the Lender's obligation to disburse the respective amount of the Loan and shall be accounted and accepted in discharge of the Loan. Notwithstanding anything to the contrary, the Lender may, at its discretion and in lieu of the relevant disbursement of any amount of the Loan, finance some or all of the Borrower's costs and/or expenses (including, for the avoidance of doubt, by paying to the Borrower's suppliers). In this case, such payments shall be accounted and accepted in discharge of the amounts of the Loan to be disbursed by the Lender under this Agreement; and

(ii) any amounts of financing provided or caused to be provided by the Lender and/or its Paying Agent and/or any other person acting on behalf of the Lender, in each case to the Borrower, another person indicated by or on behalf of the Borrower or any other person as determined at the Lender's sole discretion to cover any costs and/or expenses of the Borrower, shall be accounted and accepted in discharge of the amounts of the Loan to be disbursed by the Lender under this Agreement.

2.4 Accordion

Subject to clause 2.5 (*Conditions*) and the Borrower's written request, the Lender may (but is not obliged to) agree to provide additional funding (the Accordion) to the Borrower (or as the Parties may otherwise agree) in the principal amount of up to USD 49,000,000 (forty nine million) to be provided:

(a) by the Lender to the Borrower (or as the Parties otherwise agree) in one (1) or several instalments (for the avoidance of doubt, this clause shall not limit the number of such instalments) as the Parties may agree in writing or, if so agreed between the Parties in writing, in which case clause 2.3(e) shall apply mutatis mutandis; and

(b) subject to the Parties agreeing the business plan of the Borrower.

2.5 Conditions

(a) Disbursement of any amounts of the Loan shall be at all times conditional on the following Conditions having been satisfied and continuing to be satisfied, to the satisfaction of the Lender and to fullest extent applicable:

(i) all necessary or appropriate corporate, governmental or statutory approvals having been obtained and any other actions required having been taken to authorise execution and performance of the Transaction Documents by the Borrower;

(ii) the making of the disbursement does not conflict and will not conflict with any other agreement or other document to which the Borrower or its assets are subject;

(iii) no Material Adverse Effect has occurred or is continuing, which event has not been waived by the Lender;

(iv) no Event of Default is continuing or will occur as a result of disbursement of the Loan; and

(v) the Borrower's compliance with all the listing requirements, including any current audited financial statements in form and content acceptable to the Lender, unless waived by the lender for the relevant tranches at its discretion.

(b) The Borrower shall procure that the Board members shall:

(i) be acceptable to any governmental and quasi-governmental authorities having regulatory authority over the conduct of lottery, gaming and sports betting in the United States or any jurisdictions in which the Borrower conducts business; and

(ii) not cause the Borrower to violate any Nasdaq or U.S. Securities and Exchange Commission (SEC) requirements with respect to corporate governance, shareholder approval (if required), disclosure, independence or diversity.

(c) With respect to the first disbursement under the Accordion only, the Parties have executed and perfected the UCIL Securitization Agreement to the satisfaction of the Lender at all times ensuring that the terms of such UCIL Securitization Agreement does not conflict and will not conflict with any other agreement or other document to which the Borrower or its assets are subject.

(d) The Lender may in its discretion waive either in whole or in part the Conditions at any time by a notice in writing (including by email) to the Borrower.

3. PURPOSE

Unless the Parties agree otherwise in writing, the proceeds of the Loan shall be used as follows:

(a) in relation to the proceeds of the Initial Loan:

(i) to restart the operations of the Borrower, including paying the relevant amount of salary remuneration or other compensation and applicable taxes, and expenses to the Borrower's staff and consultants, as appropriately documented; and

(ii) for general corporate purposes as requested by the Borrower as approved by the Lender (such approval not to be unreasonably withheld); and

(b) in relation to the proceeds of the Accordion:

(i) for general corporate purposes as requested by the Borrower as approved by the Lender (such approval not to be unreasonably withheld); and

(ii) for any other purpose to be agreed between the Parties in writing,

(together the "**Purpose**") provided that the Lender is not obliged to monitor or verify how any amount advanced under this Agreement is used.

4. REPAYMENT

4.1 Borrower's obligation to repay Loan

(a) The Borrower shall repay the Repayable Amount:

(i) in relation to the Initial Loan together with all accrued interest thereon (each an "**Initial Loan Maturity Date**") on the date which is twenty four (24) months from the date of the Initial Loan First Disbursement; and

(ii) in relation to the Accordion together with all accrued interest on the Accordion, on the date which is twenty-four (24) months from the date of the first disbursement under the Accordion (the "**Accordion Maturity Date**").

(b) Any certification or determination by the Lender of the relevant Repayable Amount, including, for the avoidance of doubt, the amounts set out in clauses 2.3(i)(i) and 2.3(i)(ii), is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

The Lender may provide the relevant certification or determination to the Borrower in writing (including by email).

(c) All repayments of the Loan shall be applied first to the accrued interest, and thereafter to the principal amount of the Loan.

(d) The obligation of the Borrower to repay the Repayable Amount shall be deemed duly performed after the funds in the amount of the Repayable Amount were duly credited to the bank account of the Lender.

4.2 Prepayments

The Borrower shall have a right to prepay the principal amount of the Loan outstanding without a prior written consent of the Lender, but without prejudice to (a) the Lender's right to the Conversion pursuant to clause 9 (*Conversion*) and (b) the Borrower's obligation to issue the Warrants pursuant to clause 10 (*Warrants*).

4.3 Payments

(a) Any amount due by the Borrower to the Lender under this Agreement shall be paid in such currency, in which the relevant Loan was disbursed to the Borrower (except as otherwise agreed by the Parties or required by the Applicable Law), to the Lender's account as the Lender may designate by written notice (including by email) to the Borrower at least three (3) Business Days before the date of payment, and in each case without any deduction, withholding, counterclaim or set-off, except to the extent provided for under the Applicable Law.

(b) If the Borrower is compelled by the Applicable Law to withhold or deduct the taxes from any amount payable under this Agreement, such amount due from the Borrower shall be increased to an amount which (after making any such withholding or deduction) leaves an amount equal to the payment, which would have been due from the Borrower if no such withholding or deduction had been required.

5. BORROWER'S REPRESENTATIONS AND WARRANTIES

5.1 Borrower's representations and warranties

The Borrower represents and warrants to the Lender that on the date of this Agreement each of the statements provided for in this clause 5 is true, accurate and not misleading. All such representations and warranties shall be deemed to be repeated with reference to the facts and circumstances then subsisting on the date of this Agreement and on each next day until the Repayable Amount has been paid to the Lender in full.

5.2 Borrower duly incorporated

The Borrower is a company duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

5.3 Borrower's power to contract

The Borrower has all requisite capacity, power and authority to enter into, deliver, and perform its respective obligations under the Transaction Documents in accordance with their terms, and shall have taken all necessary corporate and other actions to authorise the execution, delivery and performance of the Transaction Documents. For the avoidance of doubt, this includes all requisite capacity, power and authority of the Borrower to issue the Conversion Shares and the Warrants.

5.4 Borrower's business

The Borrower has obtained all licenses, permits, permissions, registrations, authorisations and consents required for carrying on its business effectively in the places and in the manner, in which such business is now carried on. All such licenses, permits, permissions, registrations, authorisations and consents are in full force and effect, are not limited in duration (save for their terms) or subject to any unusual or onerous conditions.

5.5 No winding-up

No order has been made, petition presented or meeting convened for the winding up of the Borrower, or for the appointment of an administrator or any provisional liquidator (or equivalent in the jurisdiction of its incorporation) (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors and/or shareholders or other contributors), and the Borrower is fully solvent and able to meet its debs under the Applicable Law.

5.6 Validity of obligations

The Transaction Documents constitute the Borrower's legal, valid and binding obligations, enforceable in accordance with the respective terms of the Transaction Documents.

5.7 No breach

The entry into and performance by the Borrower of the Transaction Documents do not conflict with:

(a) any Applicable Law or regulation;

(b) constitutional documents of the Borrower;

(c) any agreement or instrument binding the Borrower or any assets of the Borrower; or

(d) any order, judgment, decree or other restriction applicable to the Borrower.

5.8 Governing law and enforcement

The choice of English law as the governing law of this Agreement will be recognised and enforced in the jurisdiction of incorporation of the Borrower.

5.9 Ranking

The payment obligations of the Borrower under this Agreement rank at least *pari passu* in right and priority of payment with all other Borrower's unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by the Applicable Law.

5.10 Disclosure

The Borrower has disclosed to the Lender before the date of this Agreement all information relating to it and the transaction that is material to be known by a lender (in the context of a loan for a similar amount and on terms similar to this Agreement) and the information is accurate and complete in all material respects.

5.11 No litigation

Except as fairly and fully disclosed to the Lender, no litigation, arbitration, administrative or criminal proceedings are taking place or pending, or, to the best of the Borrower's knowledge and belief (after due and careful enquiry), have been threatened against it, or any of its directors or any of its assets which, in any case, might have a material adverse effect on its business, assets, condition or ability to comply with its obligations under the Transaction Documents.

5.12 Sports.com

(a) Sports.com is a company duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

(b) The Sports.com Shares are fully paid and not subject to any option to purchase or similar rights other than in favour of the Lender.

(c) No order has been made, petition presented or meeting convened for the winding up of Sports.com, or for the appointment of an administrator or any provisional liquidator (or equivalent in the jurisdiction of its incorporation) (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors and/or shareholders or other contributors), and Sports.com is fully solvent and able to meet its debs under the Applicable Law.

5.13 Sports.com domain, Lottery.com domain

The Borrower:

(a) is the sole legal and beneficial owner of or has licensed to it all the intellectual property to domains "sports.com" and "lottery.com"; and

(b) has taken all formal or procedural actions (including payment of fees) required to maintain all intellectual property to domains "sports.com" and "lottery.com".

6. BORROWER'S UNDERTAKINGS

6.1 Borrower's undertakings

During the term of this Agreement, the Borrower shall comply with undertakings provided for in the remaining provisions of this clause 6.

6.2 Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and supply to the Lender certified copies of any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgment or registration required to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents and to carry on its specific businesses.

6.3 Compliance with laws

The Borrower shall comply in all respects with all laws, to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Transaction Documents.

6.4 Ranking

The Borrower shall ensure that Borrower's payment obligations under this Agreement rank at least *pari passu* in right and priority of payment with all other Borrower's unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by the Applicable Law.

6.5 Loans and guarantees

Until the date when the Loan has been paid to the Lender in full, the Borrower shall not:

(a) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, without a prior written consent of the Lender, wherein any such amount is in excess of USD1,000,000; and/or

(b) attract or obtain any loans, credits or other financing for the amount exceeding USD1,000,000 without a prior written consent of the Lender, which consent shall not be unreasonably withheld by Lender.

6.6 Assets

(a) The Borrower shall not, without a prior written consent of the Lender, sell, lease, transfer or otherwise dispose of (either by a single transaction or by a series of transactions, whether related or not) any assets with a market value, as determined by independent third-party appraisal, of more than USD1,000,000.

(b) The Borrower shall maintain enough assets to perform its obligations under the Transaction Documents.

6.7 Supply of information

The Borrower shall promptly supply to the Lender, upon the Lender providing it with reasonable advance notice, any and all documents and information (including any of its financial statements) as the Lender may reasonably request from to time.

6.8 Encumbrances

The Borrower shall not, without a prior written consent of the Lender, encumber any of its assets, except in the normal course of business and for no more than USD1,000,000, or any of shares that it holds in its Affiliates, unless the Parties agree otherwise, other than the Permitted Security.

6.9 Tax

The Borrower shall comply with all tax regulations under the Applicable Law, including filing all required tax returns and paying all due taxes.

6.10 Anti-corruption law

The Borrower shall:

(a) conduct its businesses in compliance with applicable anti-corruption laws; and

(b) maintain policies and procedures designed against the breach of such

6.11 Change of business

The Borrower shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Agreement and that the Borrower carry on its business in the ordinary and usual course in accordance with the Applicable Law in the same manner as the Borrower was operating prior to the date of this Agreement.

6.12 Merger

The Borrower shall not enter into any amalgamation, demerger, merger, or corporate reconstruction without the prior written consent of the Lender.

6.13 Access

The Borrower shall, if the Lender reasonably suspects an Event of Default is continuing or may occur, permit the Lender or accountants or other professional advisers of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Borrower to the office premises, assets, books, accounts and records of the Borrower and meet and discuss matters with the directors of the Borrower.

6.14 Corporate matters

The Borrower shall not, without prior written consent of the Lender:

(a) amend or restate memorandum and articles of association, charter or other constitutional documents of the Borrower;

(b) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind), except as required by law, on or in respect of its share capital (or any class of its share capital) or any warrants for the time being in issue;

(c) repay or distribute any dividend or share premium reserve or capital redemption or any undistributable reserve;

(d) perpetrate any additional emission of shares, which may negatively affect the position of the Lender (including through dilution of any stake that the Lender holds in the Borrower), without the consent of the Lender;

(e) pay any management, advisory or other fee to, or to the order of, any of the shareholders or other Affiliates of the Borrower; or

(f) reduce, redeem, repurchase, defense, retire or repay any of its share capital or any warrants for the time being in issue or resolve to do so.

6.15 Indemnity

The Borrower shall, within 5 (five) Business Days of demand, indemnify the Lender and each officer, employee or authorised representative of the Lender (each such person for the purposes of this clause, an "**Indemnified Person**"), against any cost (including, for the avoidance of doubt any legal costs incurred by the Indemnified Party), loss or liability incurred by the Indemnified Person in connection with or arising out of any dispute or claim brought against the Indemnified Party by Woodford Eurasia Assets Limited, company number 10264067 with registered office 10 Foster Lane, 3rd Floor, London, EC2V 6HR (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the

above), unless such loss or liability is caused by the gross negligence, willful misconduct or unlawful conduct of the relevant Indemnified Person. Any officer or employee or the authorised representative of the Lender may rely on this clause 6.15 subject to clause 19 (*Third Party Rights*) and the provisions of the Third Parties Act.

7. DEFAULT

7.1 Lender's rights in case of Event of Default

Upon and at any time after the occurrence of the Event of Default, and for so long as it is continuing, the Lender may (in its sole discretion) by notice in writing (including by email) to the Borrower declare the Loan, any accrued interest and all other amounts accrued or outstanding under this Agreement to be immediately due and payable on a written demand, on which the Loan and any accrued interest shall be immediately due and payable on such written demand.

7.2 Notification of default

The Borrower shall notify the Lender of any Event of Default (and the steps, if any, being taken to remedy it) promptly, but in any case, not later than five (5) Business Days upon becoming aware of its occurrence.

8. EVENTS OF DEFAULT

8.1Event of Default

Occurrence of any of the events provided for in the remaining provisions of this clause 8 shall constitute an event of default (the "**Event of Default**").

8.2 Insolvency

The Borrower is or is presumed or deemed to be unable or admits inability to pay its debts (by reason of actual or anticipated financial difficulties), suspends making payments on any of its debts.

8.3 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any Indebtedness of the Borrower, winding- up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

(b) the appointment of a liquidator, provisional liquidator, administrator, trustee in bankruptcy, receiver, administrative receiver, compulsory manager or similar officer in respect of the Borrower or any of its assets,

or any analogous procedure or step is taken in any jurisdiction.

8.4 Misuse of Loan

The Borrower uses the Loan for the purpose other than the Purpose set out in clause 3 (***Purpose***).

8.5 Non-payment

The Borrower does not pay on the due date any amount payable pursuant to this Agreement at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error, and the payment is made within five (5) Business Days of its due date.

8.6 Undertakings

The Borrower fails to perform in a timely manner any of its obligations under clause 6 (***Borrower's*** *undertakings*) and, if capable of remedy, such failure to perform has continued for a period of ten (10) Business Days after the notice of such breach has been given to the Borrower by the Lender.

8.7 Misrepresentation

Any representation, statement or warranty made, repeated or deemed to be made by the Borrower in the Transaction Documents or in connection with the Transaction Documents is (or proves to have been) incomplete, untrue, incorrect or misleading in any respect when made, repeated or deemed to be made.

8.8 Sports.com

(a) Sports.com is or is presumed or deemed to be unable or admits inability to pay its debts (by reason of actual or anticipated financial difficulties), suspends making payments on any of its debts.

(b) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any Indebtedness of Sports.com, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of Sports.com;

(ii) the appointment of a liquidator, provisional liquidator, administrator, trustee in bankruptcy, receiver, administrative receiver, compulsory manager or similar officer in respect of Sports.com or any of its assets,

(iii) or any analogous procedure or step is taken in any jurisdiction.

(c) Any action is taken by any person (including the Borrower or Sports.com) or any other circumstance occurs that results in the intellectual property rights to the domain "sports.com" being challenged, infringed, limited, revoked or other adversely affected.

(d) Any entity other than the Borrower or the Lender gains control over Sport.com. For these purposes "control" means, in respect of an entity:

(i) having the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(A) cast, or control the casting of, the relevant percentage of the maximum number of votes that might be cast at a general meeting of the relevant entity;

(B) appoint or remove all of the directors or other equivalent officers of the relevant entity; and

(C) give directions with respect to the operating and financial policies with which the directors or other equivalent officers of the Issuer are obliged to comply; and

(ii) holding beneficially the relevant percentage of the issued share capital of the relevant entity (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital) that allows to exercise rights as described in sub-paragraph (i) above.

9. CONVERSION

9.1 Conversion

(a) In each case in accordance with this clause 9, the Lender may proceed, in accordance with all U.S. federal and state law and regulation, with the Conversion:

(i) in relation to any amount under the Loan, at any time immediately following their respective disbursement and until, in each case, the relevant Repayable Amount remains outstanding; and

(ii) at any time when an Event of Default has occurred and is continuing.

(b) For the avoidance of doubt:

(i) if the Lender exercises the Warrants for the price less than the Repayable Amount, the Lender shall retain the right to the Conversion for the outstanding Repayable Amount; and

(ii) the Warrants are in addition to the Lender's right to the Conversion.

(c) Unless paragraph (d) applies, at any time while common stock shares of the Borrower are listed on the Nasdaq stock exchange:

(i) the Lender may not hold more than 4.99% of the issued and outstanding common stock shares of the Borrower (the "**Disclosure Threshold**"), without acknowledging and agreeing that holding beneficial ownership above the Disclosure Threshold shall require disclosure requirements pursuant to Nasdaq and SEC rules by Borrower; and

(ii) the Lender may not hold more than 19.99% of the issued and outstanding common stock shares of the Borrower (the "**Shareholder Approval Threshold**"), without acknowledging and agreeing that holding beneficial ownership above the Shareholder Approval Threshold shall require consent by Borrower's shareholders and disclosure requirements pursuant to Nasdaq and SEC rules by Borrower.

(d) If there is a shareholders or similar agreement executed directly or indirectly in relation to common stock shares of the Borrower or otherwise affecting governance in relation to the Borrower (the "**Relevant SHA**") that has the effect of disapplying, varying or otherwise affecting the Disclosure Threshold and / or Shareholder Approval Threshold (as applicable)(any such threshold calculated taking into account the terms of a Relevant SHA, the "**SHA Threshold**"), then, at any time while common stock shares of the Borrower are listed on the Nasdaq stock exchange, no Lender may hold more than the SHA Threshold without acknowledging and agreeing that holding beneficial ownership above the SHA Threshold shall require disclosure requirements pursuant to Nasdaq and SEC rules by Borrower.

9.2 Service of Conversion Notice

In accordance with all Nasdaq and SEC rules (if applicable), during the period set out in clause 9.1 (*Conversion*), the Lender may serve a notice on the Borrower, requesting the Borrower to convert, in whole or in part, the Repayable Amount of the Loan into the Conversion Shares on the Conversion Date at the Conversion Price (the "**Conversion Notice**"). For the avoidance of doubt: (i) clause 4.1(b) shall apply *mutatis mutandis* to the determination of the Lender of the Repayable Amount; and (ii) the Lender may exercise the right to the Conversion more than once by giving the relevant Conversion Notice to the Borrower. The Lender may at any time revoke the Conversion Notice, but in any case, prior to the Conversion. Unless the Lender specifically agrees in writing (including by email), the Borrower shall not have the right to repay the Repayable Amount of the Loan after the Conversion Notice was served.

9.3 Completion

Within ten (10) Business Days after the receipt of the Conversion Notice (the "**Conversion Date**") the Borrower shall cause, subject to certain regulatory restrictions (if applicable), in each case, to the extent applicable:

(a) issue the Conversion Shares to the Lender or the Transferee free from any Encumbrances, except those Encumbrances, which are in favour of the Lender, in consideration of the rights of the Lender under the Loan;

(b) transfer the share certificates in respect of the Conversion Shares to the Lender or the Transferee;

(c) make a record to shareholders' register of the Borrower, indicating the Lender or the Transferee as the owner of the Conversion Shares; and

(d) sign all such resolutions, deeds, agreements, documents, notices, acknowledgements, consents, waivers, letters and other ancillary documents (in each case in such form and with such amendments, whether substantive or otherwise as the Lender may think fit) and to do all such other acts and things, in each case as may be necessary, desirable or otherwise required (directly or indirectly) in order to transfer full legal and beneficial title to the Conversion Shares to the Lender or the Transferee free of any Encumbrances, except those Encumbrances, which are in favour of the Lender,

Conversion shall be deemed completed when the Lender or the Transferee has acquired full legal and beneficial title to the Conversion Shares free from any Encumbrances, except those Encumbrances, which are in favour of the Lender. Until the Conversion of all Repayable Amount shall be deemed completed, the Loan shall remain outstanding and shall be secured by the Debenture.

9.4 Premium on Conversion Shares

Each Conversion Share shall be issued and allotted at such premium to reflect the difference between the nominal value of one (1) Share and the amount of the Loan converted into one (1) Share on the Conversion Date. The Conversion Shares shall be credited as fully paid and rank at least *pari passu* with Shares of the same class in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared for the same class after the Conversion Date.

9.5 Share fractions

Upon any Conversion, the entitlement of the Lender to a fractional Share shall be rounded up to the next whole Share.

9.6 Rights attached to Conversion Shares

The Parties agree that upon the Conversion the Conversion Shares shall grant the Lender the following rights:

(a) rights inherent to the Shares;

(b) right to receive dividends;

(c) liquidation preference based on class.

9.7 Set-off and discharge of the Loan

(a) Subject to the Lender exercising its right to the Conversion and unless the Lender revokes its Conversion Notice, in each case, on the terms of this clause 9 and herein, the Parties agree to set off the Lender's obligation to pay the relevant price for the Conversion Shares in the amount of the Repayable Amount of the Loan as converted into the Conversion Shares against the relevant obligation of the Borrower to repay such Repayable Amount to the Lender. In this case:

(i) the relevant obligation of each Party shall be deemed fully performed and discharged; and

(ii) no Party shall have any claims whatsoever to the other Party in respect of the performance of the relevant obligation.

(b) For the avoidance of doubt, following the Conversion, the relevant Repayable Amount of the Loan as converted into the Conversion Shares pursuant to this clause 9 shall be deemed discharged and repaid in full.

9.8 Undertakings prior to Conversion

From the date:

(a) falling sixty days following any first disbursement of the Initial Loan (in relation to any possible Conversion of Repayable Amounts under the Initial Loan); and

(b) falling ninety days following any first disbursement of the Accordion (in relation to any possible Conversion of Repayable Amounts under the Accordion),

and until full repayment of all amounts due under this Agreement, the Borrower shall maintain sufficient authorised but unissued share capital in the Borrower to satisfy in full, without the need for the passing of any further resolutions of Borrower's shareholders, all of the outstanding rights of conversion for the time being attaching to the said Loan amount under this Agreement, without first having to offer the same to any existing shareholders of the Borrower or any other person.

10. WARRANTS

(a) In consideration of the Lender providing the Loan on the terms of this Agreement, the Borrower shall, as soon as practicable as determined at the Lender's sole discretion (but in

any case, not earlier than the first Initial Loan Disbursement Date) issue and deliver, to the satisfaction of the Lender, common stock purchase warrants (the "**Warrants**") to the Lender (or the Transferee as designated by the Lender by notice to the Borrower in writing (including by email) reasonably in advance prior to the issuance of the Warrants) on the following key terms:

(i) the Warrants issued shall not exceed 15% of the issued and outstanding common stock of the Borrower; and

(ii) the exercise price for each relevant Warrant Share shall be Conversion Price and otherwise subject to clause 10(b); and

(iii) the Warrants may be exercisable, in whole or in part, at any time during the term of this Agreement commencing on the issuance date of the Warrants.

(b) To the extent the relevant amount of the Repayable Amount of the Initial Loan was not (i) repaid by the Borrower and/or (ii) converted into Shares, the Lender shall have a right to set off the Lender's obligation to pay the Warrants exercise price set out in clause 10(a)(ii) in the amount of the Repayable Amount of the Initial Loan then outstanding against the relevant obligation of the Borrower to repay such Repayable Amount to the Lender. In this case, the Borrower shall set off the relevant obligations as set out in this clause 10(b), and:

(i) the relevant obligation of each Party shall be deemed fully performed and discharged; and

(ii) no Party shall have any claims whatsoever to the other Party in respect of the performance of the relevant obligation.

(c) Clause 10(b) shall be without prejudice to the Lender's right to pay (or procuring its Paying Agent to pay) to the Borrower any amount of the exercise price due for the relevant Shares, without exercising its right to set off.

11. DELETED

[*Intentionally left blank.*]

12. NOTICES

12.1 Form of notices

Any notice (including any demand or any other communication) given under this Agreement or in connection with this Agreement shall be in writing (including, in relation to the notices given by the Lender, by email) and in English, signed by or on behalf of a Party giving it, and sent to another Party for the attention of the person and to the contact details given in clause 12.4 (*Contact details*).

12.2 Delivery of notices

A Party may send any notice by any of the below methods and, if sent by a particular method, the corresponding deemed delivery date and time when such notice takes effect, shall, if there is no evidence of the earlier receipt, be as follows:

(a) if delivered by hand, at the time of delivery at that address signed for by the recipient and dated at such address

(b) if sent by courier delivery service, at the time of delivery at that address as evidenced by the courier delivery service;

(c) if sent by pre-paid airmail providing proof of postage, at 9.00 am on the third Business Day after posting; and

(d) if sent by email, at the time of transmission.

12.3 Time of delivery

For the purposes of clause 12.2 (*Delivery of notices*):

(a) all references to time are to local time in the place of deemed receipt; and

(b) any notice received or deemed received on a day that is not the Business Day or after 5.00 pm on any Business Day, shall be deemed to have been received on the next following Business Day.

12.4 Contact details

The relevant details of the Parties are as follows:

(a) Lender:**UNITED CAPITAL INVESTMENTS LONDON LIMITED**

Attention: Barney Battles, Director

Address: 18 Savile Row LONDON

Tel.: (+44) 7789 766242

Email: Barney.Battles@ucilondon.com

(b) Borrower: **LOTTERY.COM INC**

Attention: Robert J. Stubblefield (or another CFO of the Borrower from time to time)

Address: 20808 State Highway 71 W, Suite B, Spicewood, TX 78669

Tel.: (+1) 650 823 3727

Email: rob.stubblefield@lotter.com

12.5 Delivery by email

Save for the notices given by the Lender by email, a notice sent by any of the methods mentioned in clause 12.2 (*Delivery of notices*) shall be simultaneously dispatched to the contact details given in 12.4 (*Contact details*) by email, provided that such notice shall be deemed delivered and take effect when delivered in accordance with 12.2 (*Delivery of notices*). A notice given by the Borrower under or in connection with the Transaction Documents shall not be valid, if sent by email only.

12.6 Change of address

A Party may by giving notice in accordance with this clause 11 change its relevant details given in clause 12.4 (*Contact details*). The change shall take effect for a Party notified of the change at 9.00 am on the later of:

(a) the date, if any, specified in the notice as the effective date for the change; or

(b) the fifth Business Day after deemed receipt of the notice took place in accordance with clauses 12.2 (*Delivery of notices*) and 12.3 (*Time of delivery*).

13. CONFIDENTIALITY

13.1 Confidential Information

Each Party shall (and shall ensure that its Affiliates shall) keep confidential (and ensure that their officers, employees, agents and professional and other advisers keep confidential) and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person any information (whether received, provided or obtained before, on or after the date of this Agreement and whether in writing, orally, electronically or in any other form or medium):

(a) in respect of the existence or contents of the Transaction Documents, the arrangements contemplated by the Transaction Documents or the contents of the discussions and negotiations which have led up to the Transaction Documents, including in respect of the Loan; and

(b) in respect of another Party's (and its Affiliates) business, operations, assets or affairs, collectively, the "**Confidential Information**".

13.2 Use of Confidential Information

No Party shall use the Confidential Information for its own business purposes or disclose it to any third party without a prior written consent of another Party.

13.3 Permitted disclosure

The obligations of confidentiality under clauses 13.1 (*Confidential Information*) and 13.2 (*Use of Confidential Information*) shall not apply to:

(a) disclosure (subject to clause 13.4 (*Disclosure to representatives*) on a "need to know" basis in confidence to an Affiliate of either Party where the disclosure is for a purpose reasonably incidental to this Agreement;

(b) disclosure (subject to clause 13.4 (*Disclosure to representatives*) in confidence to the Parties' professional advisers of information reasonably required to be disclosed for a purpose reasonably incidental to this Agreement;

(c) information, which is independently developed by the relevant Party or acquired from a third party to the extent that it is acquired with the right to disclose it;

(d) disclosure of information to the extent required to be disclosed by the Applicable Law, any stock exchange regulation or any binding judgment, order or requirement of any court or other competent authority, provided that, before any such required disclosure is made, a Party that is (or whose Affiliate is) required to make disclosure must, to the extent permitted by law and the relevant disclosure requirement:

(i) notify a Party that made the relevant information available to it (the "**Discloser**") as soon as reasonably practicable after it becomes aware that disclosure is required;

(ii) take all steps reasonably required by the Discloser to prevent or restrict the disclosure of that information; and

(iii) co-operate with the Discloser regarding the timing and content of such disclosure,

and for the purposes of this clause 13.3(d), where the information required to be disclosed is the existence or contents of, or the negotiations relating to, this Agreement, references to the Discloser are taken to be references to each Party;

(e) disclosure in connection with the commencement, pursuit or defense by a Party of or in any legal proceedings, to which any Confidential Information is relevant, provided that such a legal proceeding arises out of or in connection with this Agreement and/or concerns the transaction, contemplated by this Agreement, and/or involves both Parties; or

(f) information, which is already in the public domain (otherwise than as a result of a breach of this clause 13).

13.4 Disclosure to representatives

Each Party shall inform (and shall ensure that any of its Affiliates shall inform) any officer, employee or agent or any professional or other adviser advising it in relation to the matters referred to in this Agreement, or to whom it provides the Confidential Information, that such information is confidential and shall instruct them to keep it confidential and not to disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with the terms of this Agreement). The disclosing Party is responsible for any breach of this clause 13 by the person to whom the Confidential Information is disclosed.

13.5 Term of confidentiality obligations

The provisions of this clause 13 shall continue to apply during two (2) years following the date when the Lender has received the Loan or the termination of this Agreement, whichever occurs earlier.

14. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts, and each such counterpart shall constitute an original of this Agreement, but all of which together constitute one and the same instrument. This Agreement shall not be effective until each Party has executed at least one (1) counterpart. Delivery of this Agreement by an email attachment or a telecopy shall be an effective mode of delivery.

15. VARIATION, WAIVER AND CONSENT

15.1 Form of variation

Any variation of this Agreement shall be in writing and signed by or on behalf of each Party.

15.2 Form of waiver

Any waiver of any right under this Agreement is only effective if it is in writing and signed by a waiving or consenting Party and it applies only in the circumstances, for which it is given, and shall not prevent a Party who has given the waiver from subsequently relying on the provision it has waived.

15.3 No effect of failure to exercise

No failure to exercise or delay in exercising any right or remedy provided under this Agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part of such right or remedy.

15.4 No effect of partial exercise

No single or partial exercise of any right or remedy under this Agreement shall preclude or restrict the further exercise of any such right or remedy.

15.5 Rights and remedies cumulative

Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law.

16. ENTIRE AGREEMENT

The Transaction Documents constitute the entire agreement between the Parties and supersede and extinguishes all previous drafts, agreements, arrangements, and understandings between them, whether written or oral, relating to their subject matter.

17. INVALIDITY

Each of the provisions of this Agreement is severable and enforceable independently of each other provision. If any provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it in that respect with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

18. FURTHER ASSURANCE

Each Party shall promptly execute and deliver all such documents, and do all such things, as any other Party may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement.

19. THIRD PARTY RIGHTS

Except as expressly provided for in this Agreement to the contrary, the Parties do not intend that any term of this Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement. Notwithstanding that any provision of this Agreement may be enforceable by any third party, this Agreement and its provisions may be amended, waived, modified, rescinded or terminated by the Parties without the consent or approval of any third party.

20. ASSIGNMENT

20.1 No assignment

Subject to clause 20.2 (*Assignment by Lender*), no Party may assign or transfer all or any of its rights or obligations under this Agreement or dispose of any right or interest in this Agreement without a prior written consent of another Party.

20.2 Assignment by Lender

The Lender may at any time assign and/or transfer all or a portion of the Lender's rights and/or obligations under this Agreement to any Lender's related party (a "**Permitted Assignee**") without consent of the Borrower.

21. SURVIVING PROVISIONS

Termination of this Agreement in respect of the rights and obligations of any Party shall not affect:

(a) claims arising out of any antecedent breach of the Transaction Documents (excluding the Lender's obligations under clause 2.3 (*Disbursement of Loan*); and

(b) provisions of this Agreement that are expressed to survive its termination or expiry, or which from their nature or context are contemplated to survive termination or expiry of this Agreement, including clauses 1 (*Definitions and interpretation*), 10 (*Warrants*), 12 (Notices), 13 (*Confidentiality*), 19 (*Third party rights*), 21 (*Surviving provisions*), 24 (*Governing law and jurisdiction*) and any provision of this Agreement necessary for its interpretation or enforcement.

22. REMEDIES

Without prejudice to any other rights or remedies which a Party may have, each Party acknowledges and agrees that damages alone are not an adequate remedy for breach of the provisions of the Transaction Documents and, accordingly, agrees that each Party shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of a Party's obligations in the Transaction Documents, without proving special damages.

23. COSTS

Unless otherwise expressly provided for in this Agreement, all costs in connection with the negotiation, preparation, execution and performance of the Transaction Documents, and any documents referred to in it, shall be borne by a Party that incurred the costs.

24. GOVERNING LAW AND JURISDICTION

24.1 Governing law

The Transaction Documents and any dispute or claim arising out of or in connection with the Transaction Documents or their subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

24.2 Jurisdiction

Any dispute arising out of or in connection with the Transaction Documents, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the LCIA under the LCIA Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this

clause. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this clause 24.2. For the avoidance of doubt, this clause 24.2 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Party agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this clause 24.2. Each Party consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under the arbitration agreement set out in this clause 24.2. For the avoidance of doubt, this clause 24.2 constitutes each Party's agreement to consolidation in writing for the purposes of the Rules.

25. GOVERNING LANGUAGE

The official text of this Agreement shall be in English. In the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to this Agreement as written in English and not to any translation into any other language.

Dated 8 August 2023

WHITE & CASE

Amendment and Restatement Agreement
in respect of a

Loan Agreement
originally dated 26 July 2023

between

United Capital Investments London Limited
as Lender

and

Lottery.com Inc
as Borrower

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This Agreement is dated 8 august 2023 and made between:

(1) **UNITED CAPITAL INVESTMENTS LONDON LIMITED**, a company existing under the laws of England with company number **10490012**, having its registered office at: **18 (2nd Floor) Savile Row, London, England, W1S 3PW** (the "**Lender**"); and

(2) **Lottery.com, INC**, a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the "**Borrower**"),

(the "**Parties**" and each a "**Party**").

Whereas:

(A) Reference is made to the loan agreement dated 26 July 2023 and made between the Lender and the Borrower (as amended, restated, supplemented, varied or extended from time to time, the "**Loan Agreement**").

(B) The Parties have agreed that certain terms of the Loan Agreement do not reflect the agreement reached between the Borrower and the Lender at the time of their entry into the Loan Agreement; specifically, at the time of execution of the Loan Agreement, there was no intention to grant any option rights with respect to Sport.com (as defined below) shares or Sports.com domain name and, consequently, provisions to that effect should not have been included in the Loan Agreement.

(C) Consequently, the Parties wish to amend and restate the Loan Agreement on the terms and subject to the conditions set out in this Agreement.

(D) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a party may only execute this Agreement under hand.

It is agreed as follows:

1. Definitions and Interpretation

1.1 Interpretation

(a) Save as defined in this Agreement, words and expressions defined in the Loan Agreement shall have the same meanings in this Agreement.

(b) Clauses 1.2 through 1.7 and 19 (*Third Party right*s) of the Loan Agreement shall be deemed to be incorporated into this Agreement, save that references in the Loan Agreement to "this Agreement" shall be construed as references to this Agreement.

1.2 Definitions

In this Agreement the following expressions shall have the following meanings:

"**Amended Loan Agreement**" means the Loan Agreement as amended and restated by this Agreement.

"**Effective Date**" means the date of this Agreement.

"Sports.com" means a company existing under the laws of the State of Texas, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States.

2. Amendment and Restatement of the Loan Agreement

2.1 Pursuant to the terms of the Loan Agreement, each Party consents to the amendments and restatement to the Loan Agreement contemplated by this Agreement.

2.2 With effect on and from the Effective Date:

(a) the Loan Agreement shall be amended and restated in the form set out in Schedule 1 (*The Amended and Restated Loan Agreement*); and

(b) all references in the Loan Agreement to "this Agreement" shall be construed to be to the Amended Loan Agreement.

2.3 With effect on and from the Effective Date, the Loan Agreement and this Agreement shall be read and construed as one document and references to the Loan Agreement in each Transaction Document shall be read and construed as references to the Amended Loan Agreement.

2.4 Save as amended and restated by this Agreement, the Loan Agreement, and each Transaction Document to which it is a party shall continue in full force and effect.

3. Confirmations

3.1 The Borrower shall, at the request of the Lender, and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or intended to be effected pursuant to this Agreement.

4. Representations and Warranties

The Borrower on the Effective Date makes the representations and warranties set out in Clause 5 (*Borrower's Representations and Warranties*) of the Loan Agreement as if references to "this Agreement" in those representations were references to this Agreement.

5. Costs and Expenses

The provisions of Clause 23 (*Costs*) of the Loan Agreement shall apply to this Agreement as if it were expressly set out in this Agreement with the necessary changes being made and with each reference in the Loan Agreement to "this Agreement" being construed as references to this Agreement.

6. Incorporation of Terms

The terms of clauses 12 (*Notices*), 17 (*Invalidity*) and 22 (*Remedies*) of the Loan Agreement shall be deemed to be incorporated into this Agreement save that references in the Loan Agreement to "this Agreement" shall be construed as references to this Agreement.

7. Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

8. Governing Law

This Agreement and any dispute or claim arising out of or in connection with this Agreement or their subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

9. Enforcement

Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the LCIA under the LCIA Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into this Clause 9. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this Clause 9. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this Clause 9. For the avoidance of doubt, this Clause 10 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Party agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this Clause 9. Each Party consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under the arbitration agreement set out in this Clause 9. For the avoidance of doubt, this Clause 9 constitutes each Party's agreement to consolidation in writing for the purposes of the Rules.

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Borrower and is intended to be and is delivered by them as a deed on the date specified above.

Schedule 1
The Amended and Restated Loan Agreement

Signatories

The Borrower

Executed as a deed by
Lottery.com Inc

/s/ Paul Jordan
By: Paul Jordan

in the presence of:

Date: 8/14/2023
Name of Witness: Position:

The Lender

Executed as a deed by
United Capital Investments London Limited

/s/ Barney Battles
By: Barney Battles

in the presence of:

Date: 8/14/2023
Name of Witness: Position:

Exhibit 10.27

WHITE & CASE

Dated August 18, 2023

Amendment Agreement
in respect of a

Loan Agreement (Deed)
dated 26 July 2023 and amended and restated on 8 August 2023

between

United Capital Investments London Limited
as Lender

and

Lottery.com Inc
as Borrower

White & Case llp
5 Old Broad Street
London EC2N 1DW

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This Agreement is dated August 18, 2023 and made between:

(1) **United Capital Investments London Limited,** a company existing under the laws of England and Wales, company registration number 10490012, having its registered office at: 18 (2nd Floor) Savile Row, London, England, W1S 3PW, the United Kingdom (the "**Lender**"); and

(2) **Lottery.com, INC**, a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the "**Borrower**").

Whereas:

(A) Reference is made to the loan agreement dated 26 July 2023 (as amended and restated on 8 August 2023) and made between the Lender and the Borrower (as may be further amended, restated, supplemented, varied or extended from time to time, the "**Loan Agreement**").

(B) The Parties wish to amend the Loan Agreement on the terms and subject to the conditions set out in this Agreement.

(C) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a party may only execute this Agreement under hand.

It is agreed as follows:

1. Definitions and Interpretation

1.1 **Interpretation**

(a) Save as defined in this Agreement, words and expressions defined in the Loan Agreement shall have the same meanings in this Agreement.

(b) Clauses 1.2 through 1.7 and 19 (*Third Party right*s) of the Loan Agreement shall be deemed to be incorporated into this Agreement, save that references in the Loan Agreement to "this Agreement" shall be construed as references to this Agreement.

1.2 **Definitions**

In this Agreement the following expressions shall have the following meanings:

"**Effective Date**" means the date of this Agreement.

2. Definitions and Interpretation

2.1 **Interpretation**

(a) Save as defined in this Agreement, words and expressions defined in the Loan Agreement shall have the same meanings in this Agreement.

(b) Clauses 1.2 (*Construction*) and 1.3 (*Third Party right*s) of the Loan Agreement shall be deemed to be incorporated into this Agreement save that references in the Loan

3. Amendments to the Loan Agreement

3.1 Pursuant to the terms of the Loan Agreement, each Party consents to the amendments to the Loan Agreement contemplated by this Agreement.

3.2 With effect from the Effective Date paragraphs (c) and (d) of clause 9.1 (*Conversion*) of the Loan Agreement shall be deleted in their entirety and the following paragraphs (e) through (f) (inclusive) shall be inserted to clause 9.1 (*Conversion*) of the Loan Agreement instead:

*"(c) Unless paragraph (f) applies, at any time while common stock shares of the Borrower are registered under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Lender may not hold more than 4.99% of the issued and outstanding common stock shares of the Borrower (the "**Disclosure Threshold**"), without acknowledging and agreeing that holding beneficial ownership above the Disclosure Threshold shall require disclosure requirements pursuant to Nasdaq and SEC rules by Borrower.*

(d) *The Borrower shall not issue or sell any Shares (including shares of common stock underlying the Warrant) pursuant to this Agreement and the Lender shall not purchase or acquire any Shares pursuant to this Agreement, to the extent that after giving effect thereto, the aggregate number of Shares that could be issued pursuant to this Agreement and the transactions contemplated hereby would exceed such number of shares equal to 19.99% of the Shares issued and outstanding immediately prior to the execution of this Agreement, which number of shares shall be reduced, on a share-for-share basis, by the number of shares issued or issuable pursuant to any transaction or series of transactions (including any warrants or other securities convertible into Shares) that may be aggregated with the transactions contemplated by this Agreement under applicable rules of Nasdaq (such maximum number of shares, the "**Exchange Cap**"), unless the Borrower's stockholders have approved the issuance of Shares pursuant to this Agreement in excess of the Exchange Cap in accordance with the applicable rules of Nasdaq. The Exchange Cap shall apply during the life of the Agreement notwithstanding whether the Shares remain listed on Nasdaq.*

(e) *The Parties further acknowledge that:*

(i) *the Borrower may not issue or sell any Shares if such sale would result in violation of any Nasdaq rules applicable to the Borrower or its Shares; and*

(ii) *any Shares issued in accordance with this Agreement or issued or issuable pursuant to any transaction or series of transactions (including any warrants or other securities convertible into Shares) that may be aggregated with the transactions contemplated by this Agreement under applicable rules of Nasdaq cannot be voted on (and any such vote will be ignored) to remove the Exchange Cap.*

(f) *If there is a shareholders or similar agreement executed directly or indirectly in relation to common stock shares of the Borrower or otherwise affecting governance in relation to the Borrower (the "**Relevant SHA**") that has the effect of disapplying, varying or otherwise affecting the Disclosure Threshold (as applicable)(such threshold calculated taking into account the terms of a Relevant SHA, the "SHA Threshold"), then, at any time while common stock shares of the Borrower are listed on the Nasdaq, no Lender may hold more than the SHA Threshold without acknowledging and agreeing that holding beneficial ownership above the SHA Threshold shall require disclosure pursuant to Nasdaq and SEC rules by Borrower."*

3.3 With effect from the Effective Date:

(a) all references in the Loan Agreement to "this Agreement" shall include the Loan Agreement as amended by this Agreement; and

(b) the Loan Agreement and this Agreement shall be read and construed as one document and references in the Loan Agreement and in each Transaction Document shall be read and construed as references to the Loan Agreement as amended by this Agreement.

3.4 Save as amended by this Agreement, the Loan Agreement and each Transaction Document to which it is a party shall continue in full force and effect.

4. Confirmations

4.1 The Borrower shall, at the request of the Lender, and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or intended to be effected pursuant to this Agreement.

5. Representations and Warranties

The Borrower on the Effective Date makes the representations and warranties set out in Clause 5 (*Borrower's Representations and Warranties*) of the Loan Agreement as if references to "this Agreement" in those representations were references to this Agreement.

6. Costs and Expenses

The provisions of Clause 23 (*Costs*) of the Loan Agreement shall apply to this Agreement as if it were expressly set out in this Agreement with the necessary changes being made and with each reference in the Loan Agreement to "this Agreement" being construed as references to this Agreement.

7. Incorporation of Terms

The terms of clauses 12 (*Notices*), 17 (*Invalidity*) and 22 (*Remedies*) of the Loan Agreement shall be deemed to be incorporated into this Agreement save that references in the Loan Agreement to "this Agreement" shall be construed as references to this Agreement.

8. Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

9. Governing Law

This Agreement and any dispute or claim arising out of or in connection with this Agreement or their subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

10. Enforcement

Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the LCIA under the LCIA Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into this Clause 10. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this Clause 10. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this Clause 10. For the avoidance of doubt, this Clause 10 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Party agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this Clause 10. Each Party consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under the arbitration agreement set out in this Clause 10. For the avoidance of doubt, this Clause 10 constitutes each Party's agreement to consolidation in writing for the purposes of the Rules.

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Borrower and is intended to be and is delivered by them as a deed on the date specified above.

Signatories

The Borrower

Executed as a deed by
Lottery.com Inc

By:

The Lender

Executed as a deed by
United Capital Investments London Limited

By:

Exhibit 10.28

Dated 12 June 2023

Amendment and Restatement Agreement
in respect of a

Loan Agreement (Deed)
dated 7 December 2022

between

Woodford Eurasia Assets Ltd
as Lender

and

Lottery.com Inc
as Borrower

White & Case LLP
5 Old Broad Street
London EC2N IDW

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This Agreement is dated 12 June 2023 and made between:

(1) **WOODFORD EURASIA ASSETS LTD,** a company existing under the laws of England and Wales, having its registered office at: IO Foster Lane, 3rd Floor, London EC2V 6HR, the United Kingdom (the **"Lender");** and

(2) **Lottery.com, INC,** a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the **"Borrower").**

Whereas:

(A) Reference is made to the loan agreement dated 7 December 2022 between the Lender and the Borrower as amended, restated, supplemented, varied or extended from time to time (the **"Loan Agreement").**

(B) The parties wish to amend and restate the Loan Agreement on the terms and subject to the conditions set out in this Agreement.

(C) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a party may only execute this Agreement under hand.

It **is agreed** as follows:

1. Definitions and Interpretation

1.1Interpretation

(a) Save as defined in this Agreement, words and expressions defined m the Loan Agreement shall have the same meanings in this Agreement.

(b) Clauses 1.2 *(Construction)* and 1.3 *(Third Party rights)* of the Loan Agreement shall be deemed to be incorporated into this Agreement save that references in the Loan Agreement to "this Agreement" shall be construed as references to this Agreement.

1.2 Definitions

In this Agreement the following expressions shall have the following meanings:

"Acceleration Notice" means the notice from the Lender to the Borrower dated 31 May 2023.

"Amended Loan Agreement" means the Loan Agreement, as amended and restated by this Agreement.

"Effective Date" means the later of the date of this Agreement and the date on which the Lender confirms in writing to the Borrower that it has received all of the documents and other evidence listed in Schedule I *(Conditions Precedent),* in each case, in form and substance satisfactory to it.

"Sports.com" means a company existing under the laws of the State of Texas, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States.

2. Amendment and Restatement of the Loan Agreement

2.1 Pursuant to the terms of the Loan Agreement, each Party consents to the amendments and restatement to the Loan Agreement contemplated by this Agreement.

2.2 With effect from the Effective Date:

(a) the Facilities Agreement shall be amended and restated on the terms set out in amended and restated facilities agreement in the form set out in Schedule 2 *(The Amended and Restated Facilities Agreement);* and

(b) all references in the Loan Agreement to "this Agreement" shall include the Loan Agreement as amended by this Agreement.

2.3 With effect from the Effective Date, the Loan Agreement and this Agreement shall be read and construed as one document and references in the Loan Agreement and in each Transaction Document shall be read and construed as references to the Loan Agreement as amended and restated by this Agreement; and save as amended and restated by this Agreement, the Loan Agreement and each Transaction Document to which it is a party shall continue in full force and effect.

3. Confirmations

3.1 The Borrower confirms that after giving effect to the amendments effected by this Agreement, each of the security interests created under the Debenture:

(a) continue in full force and effect as security for the payment or discharge of all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Borrower to the Lender under the Transaction Documents (including, without limitation, the Amended Loan Agreement).

(b) continue to constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their terms.

3.2The Borrower shall, at the request of the Lender and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Agreement.

4. Revocation of the Acceleration Notice

4.1 The Lender hereby agrees, with effect on and from the Effective Date, to revoke the Acceleration Notice in its entirety, so that the payment terms (including that relating to principal repayment and accrual and payment of interest) are restored as if no Acceleration Notice had been issued by the Lender.

4.2 The Borrower acknowledges and agrees that as of the date of this Agreement the total amount outstanding under the Loan Agreement (including principal and interest) is USD 2,159,838.15.

5. Representations and Warranties

The Borrower on the date of execution of this Agreement and the Effective Date makes the representations and warranties set out in Clause 5 *(Borrower's Representations and Warranties)* of the Loan Agreement as if references to "this Agreement" in those representations were references to this Agreement.

6. Costs and Expenses

The provisions of Clause 23 (Costs) of the Loan Agreement shall apply to this Agreement as if it were expressly set out in this Agreement with the necessary changes being made and with each reference in the Loan Agreement to "this Agreement" being construed as references to this Agreement.

7. Incorporation of Terms

The terms of clauses 12 *(Notices),* 17 *(Invalidity)* and 22 *(Remedies)* of the Loan Agreement shall be deemed to be incorporated into this Agreement save that references in the Facilities Agreement to "this Agreement" shall be construed as references to this Agreement.

8. Counterparts

This Agreement may be executed in any number of counterparts and all of such counterparties taken together shall be deemed to constitute one and the same instrument.

9. Governing Law

This Agreement and any dispute or claim arising out of or in connection with this Agreement or their subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

10. Enforcement

Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the LCIA under the LCIA Rules (the **"Rules"),** which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one (I). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this clause. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this clause 10. For the avoidance of doubt, this clause 10 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Party agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this clause 10. Each Party consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under the arbitration agreement set out in this clause 10. For the avoidance of doubt, this clause 10 constitutes each Party's agreement to consolidation in writing for the purposes of the Rules.

This Agreement has been entered into on the date stated at the beginning of this Agreement and executed as a deed by the Borrower and is intended to be and is delivered by them as a deed on the date specified above.

Schedule 1

Conditions Precedent

I. The Borrower and Sports.com

(a) A copy of the constitutional documents of the Borrower and Sports.com.

(b) A copy of a resolution of the authorised governing body of the Borrower:

(i) approving the terms of, and the transactions contemplated by, the Transaction Documents listed in paragraph 2 below to which it is a pa1iy and resolving that it execute, deliver and perform the Transaction Documents listed in paragraph 2 below to which it is a party;

(ii) authorising a specified person or persons to execute the Transaction Documents listed in paragraph 2 below to which it is a party on its behalf; and

(iii) authorising a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with the Transaction Documents listed in paragraph 2 below to which it is a party.

(c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.

(d) A certificate of a director of the Borrower, ce1iifying that each copy document relating to it specified in this Schedule I is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.

2. Finance Documents

(a) A copy of this Agreement duly executed by the Borrower.

3. Other Documents and Evidence

(a) Evidence that the fees, costs and expenses then due pursuant to clause 6 (Costs *and Expenses)* have been paid or will be paid.

(b) A copy of any Authorisation or other document, opinion or assurance which, in the opinion of the Agent, is necessary or desirable in connection with the entry into and performance of the transactions contemplated by this Agreement or for the validity and enforceability of this Agreement.

(c) Evidence to the reasonable satisfaction of the Lender that Sp01is.com becomes the sole holder of all intellectual property and other applicable rights to domain ‘sports.com’.

Schedule 2

The Amended and Restated Loan Agreement

Signatories

Executed as a Deed

The Borrower

Lottery.com Inc

By: */s/Matthew McGahan*

Matthew McGahan
Chairman
6/12/2023

The Lender

Woodford Eurasia Assets Ltd

By: */s/ Alex Smotlak*

Alex Smotlak
Director
6/12/2023

Exhibit B

SCHEDULE 2

AMENDED AND RESTATED LOAN AGREEMENT

WOODFORD EURASIA ASSETS LTD

as Lender

and

LOTTERY.COM INC
as Borrower

AMENDED AND RESTATED LOAN AGREEMENT (DEED)

originally dated 7 December 2022 and amended and restated on 12 June 2023

CONFIDENTIAL

CONTENTS

This loan agreement (the **"Agreement")** is originally made as a deed on 7 December 2022 and subsequently amended and restated by an amendment and restated agreement executed as a deed on 12 June 2023 by and between:

PARTIES

(1) **WOODFORD EURASIA ASSETS LTD,** a company existing under the laws of England and Wales, having its registered office at: IO Foster Lane, 3'd Floor, London EC2V 6HR, the United Kingdom (the **"Lender");** and

(2) **LOTTERY.COM, INC,** a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the **"Borrower").**

The Lender and the Borrower are jointly referred to as the **"Parties"** and each individually as a **"Party".**

RECITALS

(A) The Lender has agreed to provide certain financing to the Borrower on the terms set out in this Agreement.

(B) Each Party enters into this Agreement m consideration of the other Party entering into this Agreement and accepting its terms.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, the following terms shall have the following meanings:

"1st Amendment Agreement" means the amendment and restatement agreement to this Agreement dated 12 June 2023;

"Accordion" means the principal amount of USD50,000,000 (or such other amount or type of financing in lieu of loan as the Parties may agree in writing) made or to be made available by the Lender on the terms of this Agreement, with the pricing being consistent with the Initial Loan;

"Affiliate" means, with respect to any person, any other person that, directly or indirectly, controls, is controlled by, or is under common control with such person in each case from time to time;

"Applicable Law" means any applicable law, statute, ordinance, code, rule, regulation, resolution, order, decree, judgments, awards and decisions of any court, arbitral tribunal or competent authority permit or variance of any governmental entity, or any binding agreement with any governmental entity, in each case having force of law;

"Board" means the board of directors of the Borrower as constituted from time to time;

"Business Day" means a day other than Saturday and Sunday or public holiday in London (the United Kingdom) or New York (the US) and on which banks generally are open in London (the United Kingdom) or New York (the US) for the transaction of normal banking business, and, where used to specify the period, within which any act is to be done or not to be done, a day other

than a day, which is a Saturday, Sunday or public holiday in any jurisdiction, in which such act is to be done or not to be done;

"Conditions" has the meaning given in clause 2.3(a);

"Conversion" means the conversion of an amount of the Initial Loan and Accordion together with the accrued interest, in whole or in part, as determined by the Lender at its sole discretion, into the Conversion Shares in accordance with clause 10 *(Conversion);*

"Conversion Date" has the meaning given in clause 10.3 (*Completion);*

"Conversion Price" means USD 0.10 per Share;

"Conversion Shares" means the Shares to be issued in favour of the Lender during the Conversion, the amount of which shall be calculated at the following price per one (I) Share: the lowest publicly available price per one (I) Share within 10 Business days of the date of this Agreement (with a 20% discount);

"Debenture" means the debenture (deed) entered into by and between the Parties in relation to ce1iain assets of the Borrower on or about the date of this Agreement;

"Encumbrance" means any mortgage, charge, pledge, lien, option, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement, the effect of which is the creation of security, or the creation of a right to acquire (including any option, right of first refusal or right of pre-emption), third party right or interest, other encumbrance or security interest or derivative interest of any kind, or any other type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement to create any of the foregoing, and **"Encumber"** shall be construed accordingly;

"Event of Default" has the meaning given in clause 9.1 *(Event of Default);*

"IFRS" means the International Financial Reporting Standards, together with the pronouncements on the above from time to time, and applied on a consistent basis;

"Indebtedness" means, in respect of any company or other entity, any borrowing or indebtedness in the nature of borrowing (including any indebtedness for monies borrowed or raised under any bank or third party guarantee, acceptance credit, bond, note, bill of exchange or commercial paper, letter of credit, finance lease, hire purchase agreement, forward sale or purchase agreement or conditional sale agreement or other transaction having the commercial effect of a borrowing and all finance, loan and other obligations of a kind required to be included in the balance sheet of a company or other entity pursuant to the IFRS;

"Initial Loan" means the principal amount of USD2,500,000 made or to be made available by the Lender on the terms of this Agreement;

"Initial Loan Disbursement Date" has the meaning given in clause 2.3(e);

"Initial Loan Maturity Date" has the meaning given in clause 4.1(a)(i);

"Interim CEO" means Mr. Sohail Quraeshi or such other CEO of the Borrower from time to time;

"Loan" means together:

(a) the principal amount of the Initial Loan; and

(b) if applicable, the principal amount of the Accordion;

"Material Adverse Effect" means any circumstance or event not explicitly and in writing disclosed to the Lender and/or subsequent to the date of this Agreement (including the commencement of any litigation, arbitration or administrative proceeding, change of law) which, in the opinion of the Lender, has caused or evolved to a material adverse effect on the business, financial condition or assets of the Borrower or the ability of the Borrower to comply with its obligations under the Transaction Documents, wherein any such "Material Adverse Effect" has not been waived in writing by the Lender within five (5) business days of its occurrence;

"Option Exercise Notice" has the meaning given to that term in clause 12.l(c);

"Option Price" has the meaning given to that term in clause 12.1(b);

"Option Shares" has the meaning given to that term in clause 12.1(c)(i);

"Paying Agent" means any Affiliate or any related party of the Lender acting as the Lender' paying agent;

"Repayable Amount" means an amount equal to the Loan disbursed by the Lender to the Borrower or otherwise provided on the terms of this Agreement plus interest accrued as specified in clause 2.2 *(Interest),* from time to time;

"Shares" means the highest-ranking shares of common stock in the Borrower from time to time;

"Sports Option" means the option for common shares in Sports.com issued by the Borrower in favour of the Lender on the terms set out in clause 12 *(Sports Option and Equity Contribution);*

"Sports.com" means a company existing under the laws of the State of Texas, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States;"

"Sports.com Shares" means all of the shares in Sports.com from time to time;

"Transaction Documents" means this Agreement, the 1st Amendment Agreement, the Debenture, any Warrant, any Sports Option and any other documents contemplated by any of them;

"Transferee" means any person designated by the Lender, to whom the Borrower shall transfer the relevant Shares on the terms of this Agreement; and

"Warrants" has the meaning given in clause l l(a).

1.2 Headings

Clause headings and the table of contents are inse1ied for ease of reference only and shall not affect construction.

1.3* Recitals, *etc.

References to this Agreement include the Recitals, which form pati of this Agreement for all purposes. References in this Agreement to the Parties, the Recitals and clauses are references respectively to the Parties, the Recitals and clauses of this Agreement.

1.4 Meaning of references

Save where specifically required or indicated otherwise:

(a) words importing one (I) gender shall be treated as importing any gender, words importing individuals shall be treated as importing companies and *vice versa,* words importing the singular shall be treated as importing the plural and *vice versa,* and words importing the whole shall be treated as including a reference to any part of the whole;

(b) a reference to the Transaction Documents and, in particular, this Agreement or to any other agreement or document referred to in this Agreement is a reference to this the Transaction Documents or such other document or agreement as amended, supplemented, varied or novated from time to time;

(c) a reference to the **"Borrower"** or the **"Lender"** shall, where relevant, be construed so as to include their respective successors in title, permitted transferees or assignees (whether immediate or derivative);

(d) the Event of Default being described as **"continuing"** means that it has neither been remedied to the satisfaction of the Lender nor expressly waived in writing (including by email) by the Lender;

(e) references to a **"person"** shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality;

(f) references to a **"company"** shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established, and so as to include any company in succession to all, or substantially all, of the business of that company or firm;

(g) references to the word **"include", "including" or "in particular"** (or any similar term) are not to be construed as implying any limitation, except where made together with words like **"exclusively"** (or any similar term) and general words introduced by the word **"other"** (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;

(h) reference to **"writing" or "written"** includes any method of reproducing words or text in a legible and non-transitory form, and, for the avoidance of doubt, shall not include email, unless this Agreement provides to the contrary; and

(i) references to **"USD"** are to the lawful currency of the United States of America from time to time.

1.5 Understanding of time

Time periods in this Agreement shall be understood in the following way:

(a) references to times of the day are to that time in London, the United Kingdom (unless otherwise stipulated);

(b) references to a **"day"** are to a period of twenty four (24) hours running from midnight to midnight;

(c) references to a **"year"** are to a calendar year, meaning any period of twelve (12) consecutive months;

(d) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day.

1.6 Inconsistencies

(a) Where there is any inconsistency between the definitions set out in this clause I *(Definitions and inte1pretation)* and the definitions set out in any clause, then, for the purposes of construing such clause, the definitions set out in such clause shall prevail.

(b) Where there is any inconsistency between any number **in** words in this Agreement and the same number in digits determined in brackets, then for the purpose of construing such number, number in words shall prevail.

I.7 Meaning of undefined terms

If a word or term used in this Agreement is not defined in this clause I *(Definitions and inte1pretation),* it shall have the meaning ascribed to it in the text of this Agreement.

1.8 Negotiation of Agreement

The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Patties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.

2. LOAN

2.1 Amount of Loan

Subject to the terms of this Agreement and in reliance on the representations and warranties contained in clause 5 *(Borrower's representations and warranties),* the Lender agrees to make available and lend to the Borrower, and the Borrower agrees to borrow, the Initial Loan, and, subject to clause 2.4 *(Accordion),* the Accordion.

2.2 Interest

(a) The Borrower shall pay to the Lender interest on the Initial Loan at the rate of twelve(12) per cent per annum, subject to the following:

(i) interest shall accrue daily, starting from the first Initial Loan Disbursement Date, on the outstanding principal amount of the Initial Loan and shall be calculated on the basis of actual number of days elapsed and a year of three hundred and sixty five (365) days;

(ii) the interest accrued on the outstanding amount of the Initial Loan shall be repaid on the Initial Loan Maturity Date, together with the relevant amount of the Initial Loan; and

(iii) if the Borrower fails to make any payment due under this Agreement on the due date for payment, interest on the unpaid amount of the Initial Loan shall accrue daily, from the date of non-payment to the date of achial payment, at 10% above the rate specified in this clause 2.2(a). Interest accrued under this clause 2.2(a)(iii) shall be immediately payable by the Borrower on demand from the Lender.

(b) The Parties may (but are not obliged to) agree on the relevant interest rate on the Accordion and other relevant terms pursuant to clause 2.4(a)(iii). If the Parties agree on the relevant interest rate, it shall be repaid on the Accordion Maturity Date (as this term is defined in clause 4.1(a)(ii)), and clauses 2.2(a)(i) through 2.2(a)(iii) shall apply *mutatis mutandis* to such interest, in each case, unless the Parties agree otherwise in writing.

2.3 Disbursement of Initial Loan

(a) The Initial Loan shall be disbursed by the Lender in such amounts and at such times prior to the termination of this Agreement as the Borrower may request on the terms of the remaining provisions of this clause 2.3, in each case, subject to the Borrower satisfying or procuring the satisfaction of, to the fullest extent applicable, all conditions set out in clause 2.5 *(Conditions)* (together the **"Conditions")** on the relevant Initial Loan Disbursement Date. For the avoidance of doubt, the Lender shall not be obliged to transfer (or procure the transfer by the Paying Agent of) any amount of the Initial Loan to the Borrower or otherwise, unless all the Conditions have been satisfied and continue to be satisfied on the relevant Initial Loan Disbursement Date.

(b) Unless the Parties agree otherwise in writing and subject to 2.3(a) above, the Lender shall (or shall procure that its Paying Agent shall) disburse the Initial Loan in the following two (2) tranches:

(i) the first tranche in the total amount of USDI ,250,000 **("Initial Loan Tranche 1");** and

(ii) the second tranche in the total amount of USD1,250,000 **("Initial Loan Tranche 2"** and, together with Initial Loan Tranche I, the **"Initial Loan Tranches"),**

in each case, to be provided by the Lender to the Borrower or otherwise in one (I) or several instalments (for the avoidance of doubt, this clause 2.3(b) shall not limit the number of such instalments) as the Interim CEO reasonably directs pursuant to clause 2.3(c).

(c) If the Borrower wishes to draw any amount of any of the Initial Loan Tranches, the Borrower shall procure that the Interim CEO shall give the Lender a request (each such request being an **"Initial Loan Tranche Request")** in writing specifying:

(i) the amount of the Initial Loan to be disbursed;

(ii) the intended disbursement date, which shall be not less than five (5) Business Days following the date of the Lender's receipt of the relevant Initial Loan Tranche Request;

(iii) the recipient (the Borrower or any third-party recipient) and the relevant bank account details of the payment recipient;

(iv) the purpose of the relevant payment; and

(v) any additional details reasonably sufficient for the Lender to transfer the relevant amount of any of the Initial Loan Tranches pursuant to such Initial Loan Tranche Request, in any case, provided that the total amounts of Initial Loan Tranche 1 and Initial Loan Tranche 2 so transferred pursuant to this clause 2.3(c) (including, for the avoidance of doubt, any amounts set out in clauses 2.3(g)(i) and 2.3(g)(ii)) shall not exceed the amounts set out in clauses 2.3(b)(i) and 2.3(b)(ii), as applicable, unless the Parties agree otherwise in writing.

(d) Each Initial Loan Tranche Request shall be irrevocable and oblige the Borrower to borrow the respective amount of the Initial Loan on the terms of this Agreement. For the avoidance of doubt, there may be several Initial Loan Tranche Requests up until the Initial Loan is disbursed by the Lender in full.

(e) The Lender shall (or shall procure that its Paying Agent shall), within five (5) Business Days upon the Lender receiving the relevant Initial Loan Tranche Request or on such other later reasonable date as the CEO indicates in the Initial Loan Tranche Request, disburse the amount of the Initial Loan specified in the relevant Initial Loan Tranche Request or such lower amount as the Parties may agree in writing to the bank account as notified in the relevant Initial Loan Tranche Request, with value date as of the date of the disbursement (each such value date being the **"Initial Loan Disbursement Date"),** in each case, subject to clause 2.5 *(Conditions).*

(f) The obligation of the Lender to disburse the relevant amount of the Initial Loan shall be deemed duly performed after the funds in the respective amount (including, for the avoidance of doubt, to cover the relevant Borrower's expenses and/or costs) were duly debited from the bank account of the Lender, its Paying Agent and/or any other person acting on behalf of the Lender, as applicable.

(g) The Parties hereby confirm and acknowledge that:

(i) the Lender's obligation to disburse the relevant amount of the Initial Loan pursuant to this clause 2.3 may be performed:

(A) by transferring such amount to any third-party recipient indicated in the relevant Initial Loan Tranche Request (including, for the avoidance of doubt, to pay the Borrower's bills); and

(B) by the Lender's Paying Agent,

and the disbursement of any amount of the Initial Loan as set out in clauses 2.3(g)(i)(A) and 2.3(g)(i)(B), as applicable, shall be deemed to be due fulfilment of the Lender's obligation to disburse the respective amount of the Initial Loan and shall be accounted and accepted in discharge of the Initial Loan. Notwithstanding anything to the contrary, the Lender may, at its discretion and in lieu of the relevant disbursement of any amount of the Initial Loan, finance some or all of the Borrower's costs and/or expenses (including, for the avoidance of doubt, by paying to the Borrower's suppliers). In this case, such payments shall be accounted and accepted in discharge of the amounts of the Initial Loan to be disbursed by the Lender under this Agreement; and

(ii) any amounts of financing provided or caused to be provided by the Lender and/or its Paying Agent and/or any other person acting on behalf of the Lender, in each case to the Borrower, another person indicated by or on behalf of the Borrower or any other person as determined at the Lender's sole discretion to cover any costs and/or expenses of the Borrower, shall be accounted and accepted in discharge of the amounts of the Initial Loan to be disbursed by the Lender under this Agreement.

2.4 Accordion

(a) Subject to clause 2.5 *(Conditions)* and the Borrower's written request, the Lender may (but is not obliged to) agree to provide additional funding (the Accordion) to the Borrower (or as the Parties may otherwise agree), in which case the Parties shall apply the following terms (without prejudice to the Parties' right to agree otherwise in writing):

(i) the Accordion being provided in the following (2) tranches:

(A) USD20,000,000; and

(B) USD30,000,000,

in each case, to be provided:

(A) by the Lender to the Borrower (or as the Parties otherwise agree) in one (I) or several instalments (for the avoidance of doubt, this clause shall not limit the number of such instalments) as the Parties may agree in writing or, if so agreed between the Parties in writing, as the as the Interim CEO reasonably directs, in which case clause 2.3(c) shall apply *mutatis mutandis;* and

(B) subject to the Parties agreeing the business plan of the Borrower;

(ii) any obligation to provide the Accordion commencing on the expiry of thirty (30) days following the first Initial Loan Disbursement Date or as the Parties otherwise agree in writing; and

(iii) such other terms and conditions being agreed between the Patties, which shall be at all times consistent with the terms and conditions of the Initial Loan set out in this Agreement.

(b) Unless the Patties agree otherwise in writing, clauses 2.3(f) and 2.3(g) shall apply *mutatis mutandis* to the Accordion provided pursuant to this clause 2.4.

2.5 Conditions

(a) Disbursement of any amounts of the Loan shall be at all times conditional on the following Conditions having been satisfied and continuing to be satisfied, to the satisfaction of the Lender and to fullest extent applicable:

(i) the due resignation of each of the following Board members becoming effective:

(A) Lisa Borders;

(B) Steven M. Cohen;

(C) Lawrence Anthony DiMatteo; and

(D) William Thompson;

(ii) subject to clauses 2.5(b) through 2.5(d), the due appointment of two (2) new independent Board members becoming effective immediately upon resignation of the Board members set out in clause 2.5(a)(i);

(iii) the Board constituted as set out in clause 2.5(a)(ii) (subject to, for the avoidance of doubt, clauses 2.5(b) through 2.5(d)) being empowered to appoint and remove the members and, in particular, the chairpersons of the following bodies of the Borrower:

(A) the audit committee or another body replacing the relevant audit committee from time to time;

(B) the compensation committee or another body replacing the relevant compensation committee from time to time;

(C) any other committees of the Board existing from time to time (including, for the avoidance of doubt, the nominating and corporate governance committee); and

(iv) the CEO of the Borrower, the Borrower procuring, to the fullest extent required by the Applicable Law, the perfection of any security conferred or intended to be conferred on the Lender pursuant to the Debenture or delivering the legal opinion to the Lender by a reputable law firm acceptable to the Lender confirming that no perfection requirements apply to the relevant security under the Applicable Law;

(v) all necessary or appropriate corporate, governmental or statutory approvals having been obtained and any other actions required having been taken to authorise execution and performance of the Transaction Documents by the Borrower; and

(vi) no Material Adverse Effect has occurred or is continuing, which event has not been waived by the Lender; and

(vii) Submission of a business plan not later than March 31, 2023 confirming the Borrower's ability to operate as a going concern, repay the Loan and acceptable to the Lender at its discretion.

(viii) For any tranche beyond the first tranche of the Initial Loan, the Borrower's compliance with all the listing requirements, including any current audited financial statements in form and content acceptable to the Lender, unless waived by the lender for the relevant tranches at its discretion.

(b) The Borrower shall procure that the Board members shall:

(i) be acceptable to any governmental and quasi-governmental authorities having regulat01y authority over the conduct of lottery, gaming and sports betting in the United States or any jurisdictions in which the Borrower conducts business; and

(ii) not cause the Borrower to violate any Nasdaq or U.S. Securities and Exchange Commission (SEC) requirements with respect to corporate governance, shareholder approval (if required), disclosure, independence or diversity.

(c) If any independent Board member resigns, the Borrower shall, as soon as practicable, procure the appointment of another independent Board member nominated by the Lender by notice to the Borrower in writing (including by email).

(d) If any person nominated by the Lender pursuant to clause 2.5(c) is prohibited by the Applicable Law (including the Nasdaq listing rules) from acting as a Board member or does not meet any regulatory fit and proper requirements or the Borrower (acting reasonably) determines that any such person is in breach of any Applicable Law (including applicable anti-bribery laws and sanctions laws, excluding any other minor offenses that do not have an effect on the reputation or fit and proper status of such individual), the Lender will nominate, and the Borrower shall procure the appointment of another person pursuant to clause 2.5(c).

(e) The Lender may in its discretion waive either in whole or in part the Conditions at any time by a notice in writing (including by email) to the Borrower.

3. PURPOSE

Unless the Parties agree otherwise in writing, the proceeds of the Loan shall be used as follows:

(a) in relation to the proceeds of the Initial Loan:

(i) to restart the operations of the Borrower, including:

(A) returning of and paying the relevant amount of salary remuneration or other compensation and applicable taxes, and expenses to the Borrower's staff and consultants, as appropriately documented; and

(B) paying salary, remuneration or other compensation and expenses to the Board members and the Interim CEO;

(ii) for general corporate purposes to be agreed between the Parties; and

(iii) for any other purposes, subject to the approval of the Interim CEO; and

(b) in relation to the proceeds of the Accordion, for the purposes to be agreed between the Parties in writing,

(together the **"Purpose")** provided that the Lender is not obliged to monitor or verify how any amount advanced under this Agreement is used.

4. REPAYMENT

4.1 Borrower's obligation to repay Loan

(a) The Borrower shall repay the Repayable Amount:

(i) in relation to the Initial Loan Tranches together with all accrued interest thereon from the date of each such loan advance against any of the Initial Loan Tranches (each an **"Initial Loan Maturity Date")** which is twelve (12) months from the date of each loan advance; and

(ii) in relation to the Accordion together with all accrued interest on the Accordion (if applicable), on such date as the Parties agree in writing pursuant to clause 2.4(a) (the **"Accordion Maturity Date").**

(b) Any certification or determination by the Lender of the relevant Repayable Amount, including, for the avoidance of doubt, the amounts set out in clauses 2.3(g)(i) and 2.3(g)(ii), is, in the absence of manifest error, conclusive evidence of the matters to which it relates. The Lender may provide the relevant certification or determination to the Borrower in writing (including by email).

(c) All repayments of the Loan shall be applied first to the accrued interest, and thereafter to the principal amount of the Loan.

(d) The obligation of the Borrower to repay the Repayable Amount shall be deemed duly performed after the funds in the amount of the Repayable Amount were duly credited to the bank account of the Lender.

4.2 Prepayments

The Borrower shall have a right to prepay the principal amount of the Loan outstanding without a prior written consent of the Lender, but without prejudice to (a) the Lender's right to the Conversion pursuant to clause IO *(Conversion)* and (b) the Borrower's obligation to issue the Warrants pursuant to clause 11 *(Warrants).*

4.3 Payments

(a) Any amount due by the Borrower to the Lender under this Agreement shall be paid in such currency, in which the relevant Loan was disbursed to the Borrower (except as otherwise agreed by the Parties or required by the Applicable Law), to the Lender's account as the Lender may designate by written notice (including by email) to the Borrower at least three (3) Business Days before the date of payment, and in each case without any deduction, withholding, counterclaim or set-off, except to the extent provided for under the Applicable Law.

(b) If the Borrower is compelled by the Applicable Law to withhold or deduct the taxes from any amount payable under this Agreement, such amount due from the Borrower shall be increased to an amount which (after making any such withholding or deduction) leaves an amount equal to the payment, which would have been due from the Borrower if no such withholding or deduction had been required.

5. BORROWER'S REPRESENTATIONS AND WARRANTIES

5.1 Borrower's representations and warranties

The Borrower represents and warrants to the Lender that on the date of this Agreement each of the statements provided for in this clause 5 is true, accurate and not misleading. All such representations and warranties shall be deemed to be repeated with reference to the facts and circumstances then subsisting on the date of this Agreement and on each next day until the Repayable Amount has been paid to the Lender in full.

5.2 Borrower duly incorporated

The Borrower is a company duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

5.3 Borrower's power to contract

The Borrower has all requisite capacity, power and authority to enter into, deliver, and perform its respective obligations under the Transaction Documents in accordance with their terms, and shall have taken all necessary corporate and other actions to authorise the execution, delive1y and performance of the Transaction Documents. For the avoidance of doubt, this includes all requisite capacity, power and authority of the Borrower to issue the Conversion Shares and the Warrants.

5.4 Borrower's business

The Borrower has obtained all licences, permits, permissions, registrations, authorisations and consents required for carrying on its business effectively in the places and in the manner, in which such business is now carried on. All such licences, permits, permissions, registrations, authorisations and consents are in full force and effect, are not limited in duration (save for their terms) or subject to any unusual or onerous conditions.

5.5 No winding-up

No order has been made, petition presented or meeting convened for the winding up of the Borrower, or for the appointment of an administrator or any provisional liquidator (or equivalent in the jurisdiction of its incorporation) (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors and/or shareholders or other contributors), and the Borrower is fully solvent and able to meet its debs under the Applicable Law.

5.6 Validity of obligations

The Transaction Documents constitute the Borrower's legal, valid and binding obligations, enforceable in accordance with the respective terms of the Transaction Documents.

5.7 No breach

The ent1y into and performance by the Borrower of the Transaction Documents do not conflict with:

(a) any Applicable Law or regulation;

(b) constitutional documents of the Borrower;

(c) any agreement or instrument binding the Borrower or any assets of the Borrower; or

(d) any order, judgment, decree or other restriction applicable to the Borrower.

5.8 Governing law and enforcement

The choice of English law as the governing law of this Agreement will be recognised and enforced in the jurisdiction of incorporation of the Borrower.

5.9 Ranking

The payment obligations of the Borrower under this Agreement rank at least *pari passu* in right and priority of payment with all other Borrower's unsecured and unsubordinated obligations and liabilities, present or future, actual or contingent, except for those obligations and liabilities mandatorily preferred by the Applicable Law. The payment obligations of the Borrower under this Agreement are secured by the Debenture.

5.10 Disclosure

The Borrower has disclosed to the Lender before the date of this Agreement all information relating to it and the transaction that is material to be known by a lender (in the context of a loan for a similar amount and on terms similar to this Agreement) and the information is accurate and complete in all material respects.

5.11 No litigation

Except as fairly and fully disclosed to the Lender, no litigation, arbitration, administrative or criminal proceedings are taking place or pending, or, to the best of the Borrower's knowledge and belief (after due and careful enquiry), have been threatened against it, or any of its directors or any of its assets which, in any case, might have a material adverse effect on its business, assets, condition or ability to comply with its obligations under the Transaction Documents.

5.12 Sports.com

(a) Sports.com is a company duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.

(b) The shares of Sports.com are fully paid and not subject to any option to purchase or similar rights other than in favour of the Lender. The constitutional documents of Sports.com do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Sports option. There are no agreements in force which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of Sports.com (including any option or right of pre-emption or conversion), other than in favour of the Lender.

(c) No order has been made, petition presented or meeting convened for the winding up of Sports.com, or for the appointment of an administrator or any provisional liquidator (or equivalent in the jurisdiction of its incorporation) (or other process whereby the business is terminated and the assets of the company concerned are distributed amongst the creditors and/or shareholders or other contributors), and Sp01is.com is fully solvent and able to meet its debs under the Applicable Law.

(d) Sports.com:

(i) is the sole legal and beneficial owner of or has licensed to it all the intellectual prope1iy to the domain "sports.com"; and

(ii) has taken all formal or procedural actions (including payment of fees) required to maintain all intellectual property to the domain "spo1is.com".

6. BORROWER'S UNDERTAKINGS

6.1 Borrower's undertakings

During the term of this Agreement, the Borrower shall comply with undertakings provided for in the remaining provisions of this clause 6.

6.2 Authorisations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect and supply to the Lender certified copies of any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration required to enable it to perform its obligations under the Transaction Documents, to ensure the legality, validity, enforceability or admissibility in evidence of the Transaction Documents and to carry on its specific businesses.

6.3 Compliance with laws

The Borrower shall comply in all respects with all laws, to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Transaction Documents.

6.4 Ranking

The Borrower shall ensure that Borrower's payment obligations under this Agreement rank and will continue to rank secured by the Debenture.

6.5 Loans and guarantees

Until the date when the Loan has been paid to the Lender in full, the Borrower shall not:

(a) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, without a prior written consent of the Lender, wherein any such amount is in excess ofUSDl,000,000; and/or

(b) attract or obtain any loans, credits or other financing for the amount exceeding USD1,000,000 without a prior written consent of the Lender, which consent shall not be unreasonably withheld by Lender.

6.6 Assets

(a) The Borrower shall not, without a prior written consent of the Lender, sell, lease, transfer or otherwise dispose of (either by a single transaction or by a series of transactions, whether related or not) any assets with a market value, as determined by independent third-party appraisal, of more than USDI ,000,000.

(b) The Borrower shall maintain enough assets to perform its obligations under the Transaction Documents.

6.7 Supply of information

The Borrower shall promptly supply to the Lender, upon the Lender providing it with reasonable advance notice, any and all documents and information (including any of its financial statements) as the Lender may reasonably request from to time.

6.8 Encumbrances

The Borrower shall not, without a prior written consent of the Lender, encumber any of its assets, except in the normal course of business and for no more than USD1,000,000, or any of shares that it holds in its Affiliates, unless the Parties agree otherwise.

6.9 Tax

The Borrower shall comply with all tax regulations under the Applicable Law, including filing all required tax returns and paying all due taxes.

6.10 Anti-corruption law

The Borrower shall:

(a) conduct its businesses in compliance with applicable anti-corruption laws; and

(b) maintain policies and procedures designed against the breach of such laws.

6.11 Change of business

The Borrower shall not make any substantial change to the general nature or scope of its business as carried on at the date of this Agreement and that the Borrower carry on its business in the ordinary and usual course in accordance with the Applicable Law in the same manner as the Borrower was operating prior to the date of this Agreement.

6.12 Merger

The Borrower shall not enter into any amalgamation, demerger, merger, or corporate reconstruction without the prior written consent of the Lender.

6.13 Access

The Borrower shall, if the Lender reasonably suspects an Event of Default is continuing or may occur, permit the Lender or accountants or other professional advisers of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Borrower to the office premises, assets, books, accounts and records of the Borrower and meet and discuss matters with the directors of the Borrower.

6.14 Corporate matters

The Borrower shall not, without prior written consent of the Lender:

(a) amend or restate memorandum and articles of association, charter or other constitutional documents of the Borrower, save as to the extent required to satisfy the Condition set out in clause 2.5(a)(iii);

(b) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind), except as required by law, on or in respect of its share capital (or any class of its share capital) or any warrants for the time being in issue;

(c) repay or distribute any dividend or share premium reserve or capital redemption or any undistributable reserve;

(d) perpetrate any additional emission of shares, which may negatively affect the position of the Lender, without the consent of the Lender;

(e) pay any management, advisory or other fee to, or to the order of, any of the shareholders or other Affiliates of the Borrower; or

(f) reduce, redeem, repurchase, defease, retire or repay any of its share capital or any warrants for the time being in issue or resolve to do

7. SECURITY

On or about the date of this Agreement, the Borrower shall:

(a) enter into the Debenture in respect of certain assets of the Borrower with the Lender, as security for the proper, due and punctual observance and performance by the Borrower of all of its obligations under this Agreement; and

(b) duly perform its obligations under the Debenture during the entire term of the Debenture.

8. DEFAULT

8.1 Lender's rights in case of Event of Default

Upon and at any time after the occurrence of the Event of Default, and for so long as it is continuing, the Lender may (in its sole discretion) by notice in writing (including by email) to the Borrower declare the Loan, any accrued interest and all other amounts accrued or outstanding under this Agreement to be immediately due and payable on a written demand, on which the Loan and any accrued interest shall be immediately due and payable on such written demand.

8.2 Notification of default

The Borrower shall notify the Lender of any Event of Default (and the steps, if any, being taken to remedy it) promptly, but in any case, not later than five (5) Business Days upon becoming aware of its occurrence.

9. EVENTS OF DEFAULT

9.1Event of Default

Occurrence of any of the events provided for in the remaining provisions of this clause 9 shall constitute an event of default (the **"Event of Default").**

9.2 Insolvency

The Borrower is or is presumed or deemed to be unable or admits inability to pay its debts (by reason of actual or anticipated financial difficulties), suspends making payments on any of its debts.

9.3 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any Indebtedness of the Borrower, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

(b) the appointment of a liquidator, provisional liquidator, administrator, trustee in bankruptcy, receiver, administrative receiver, compulsory manager or similar officer in respect of the Borrower or any of its assets,

or any analogous procedure or step is taken in any jurisdiction.

9.4 Misuse of Loan

The Borrower uses the Loan for the purpose other than the Purpose set out in clause 3 *(Purpose).*

9.5 Non-payment

The Borrower does not pay on the due date any amount payable pursuant to this Agreement at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error, and the payment is made within five (5) Business Days of its due date.

9.6 Undertakings

The Borrower fails to perform in a timely manner any of its obligations under clause 6 *(Borrower's undertakings)* and, if capable of remedy, such failure to perform has continued for a period of ten (10) Business Days after the notice of such breach has been given to the Borrower by the Lender.

9.7 Misrepresentation

Any representation, statement or warranty made, repeated or deemed to be made by the Borrower in the Transaction Documents or in connection with the Transaction Documents is (or proves to have been) incomplete, untrue, incorrect or misleading in any respect when made, repeated or deemed to be made.

9.8 Sports.com

(a) Sports.com is or is presumed or deemed to be unable or admits inability to pay its debts (by reason of actual or anticipated financial difficulties), suspends making payments on any of its debts.

(b) Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any Indebtedness of Sports.com, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of Sports.com;

(ii) the appointment of a liquidator, provisional liquidator, administrator, trustee in bankruptcy, receiver, administrative receiver, compulsory manager or similar officer in respect of Sports. Corn or any of its assets,

(iii) or any analogous procedure or step is taken in any jurisdiction.

(c) Any action is taken by any person (including the Borrower or Sports.com) or any other circumstance occurs that results in Sports.com intellectual property rights to the domain "sports.com" being challenged, infringed, limited, revoked or other adversely affected.

10. CONVERSION

10.1 Conversion

(a) In each case in accordance with this clause I 0, the Lender may proceed, in accordance with all U.S. federal and state law and regulation, with the Conversion: (i) at any time when an Event of Default has occurred; or (ii) at any time after sixty (60) days following the first Initial Loan Disbursement Date and until, in each case, the relevant Repayable Amount remains outstanding.

(b) For the avoidance of doubt:

(i) if the Lender exercises the Warrants for the price less than the Repayable Amount, the Lender shall retain the right to the Conversion for the outstanding Repayable Amount; and

(ii) the Warrants are in addition to the Lender's right to the Conversion.

(c) Unless paragraph (d) applies, at any time while common stock shares of the Bo1rnwer are listed on the Nasdaq stock exchange:

(i) the Lender may not hold more than 4.99% of the issued and outstanding common stock shares of the Borrower (the **"Disclosure Threshold"),** without acknowledging and agreeing that holding beneficial ownership above the Disclosure Threshold shall require disclosure requirements pursuant to Nasdaq and SEC rules by Borrower; and

(ii) the Lender may not hold more than 19.99% of the issued and outstanding common stock shares of the Borrower (the **"Shareholder Approval Threshold"),** without acknowledging and agreeing that holding beneficial ownership above the Shareholder Approval Threshold shall require consent by Borrower's shareholders and disclosure requirements pursuant to Nasdaq and SEC rules by Borrower.

(d) If there is a shareholders or similar agreement executed directly or indirectly in relation to common stock shares of the Borrower or otherwise affecting governance in relation to the Borrower (the "Relevant SHA") that has the effect of disapplying, varying or otherwise affecting the Disclosure Threshold and / or Shareholder Approval Threshold (as applicable)(any such threshold calculated taking into account the terms of a Relevant SHA, the **"SHA Threshold"),** then, at any time while common stock shares of the Borrower are listed on the Nasdaq stock exchange, no Lender may hold more than the SHA Threshold without acknowledging and agreeing that holding beneficial ownership above the SHA Threshold shall require disclosure requirements pursuant to Nasdaq and SEC rules by Borrower.

10.2 Service of Conversion Notice

In accordance with all Nasdaq and SEC rules (if applicable), during the period set out in clause 10.1 *(Conversion),* the Lender may serve a notice on the Borrower, requesting the Borrower to convert, in whole or in part, the Repayable Amount of the Initial Loan into the Conversion Shares on the Conversion Date at the Conversion Price reduced by a 25% discount (the **"Conversion Notice").** For the avoidance of doubt: (i) clause 4.1(b) shall apply *mutatis mutandis* to the determination of the Lender of the Repayable Amount; and (ii) the Lender may exercise the right to the Conversion more than once by giving the relevant Conversion Notice to the Borrower. The Lender may at any time revoke the Conversion Notice, but in any case, prior to the Conversion. Unless the Lender specifically agrees in writing (including by email), the Borrower shall not have the right to repay the Repayable Amount of the Initial Loan after the Conversion Notice was served.

10.3 Completion

Within ten (I 0) Business Days after the receipt of the Conversion Notice (the **"Conversion Date")** the Borrower shall cause, subject to certain regulatory restrictions (if applicable), in each case, to the extent applicable:

(a) issue the Conversion Shares to the Lender or the Transferee free from any Encumbrances, except those Encumbrances, which are in favor of the Lender, in consideration of the rights of the Lender under the Loan;

(b) transfer the share certificates in respect of the Conversion Shares to the Lender or the Transferee;

(c) make a record to shareholders' register of the Borrower, indicating the Lender or the Transferee as the owner of the Conversion Shares; and

(d) sign all such resolutions, deeds, agreements, documents, notices, acknowledgements, consents, waivers, letters and other ancillary documents (in each case in such form and with such amendments, whether substantive or otherwise as the Lender may think fit) and to do all such other acts and things, in each case as may be necessary, desirable or otherwise required (directly or indirectly) in order to transfer full legal and beneficial title to the Conversion Shares to the Lender or the Transferee free of any Encumbrances, except those Encumbrances, which are in favour of the Lender,

Conversion shall be deemed completed when the Lender or the Transferee has acquired full legal and beneficial title to the Conversion Shares free from any Encumbrances, except those Encumbrances, which are in favour of the Lender. Until the Conversion of all Repayable Amount shall be deemed completed, the Loan shall remain outstanding and shall be secured by the Debenture.

10.4 Premium on Conversion Shares

Each Conversion Share shall be issued and allotted at such premium to reflect the difference between the nominal value of one (1) Share and the amount of the Loan converted into one (I) Share on the Conversion Date. The Conversion Shares shall be credited as fully paid and rank at least *pari passu* with Shares of the same class in issue on the Conversion Date and shall carry the right to receive all dividends and other distributions declared for the same class after the Conversion Date.

10.5 Share fractions

Upon any Conversion, the entitlement of the Lender to a fractional Share shall be rounded up to the next whole Share.

10.6 Rights attached to Conversion Shares

The Pa1iies agree that upon the Conversion the Conversion Shares shall grant the Lender the following rights:

(a) rights inherent to the Shares;

(b) right to receive dividends;

(c) liquidation preference based on class; and

10.7 Set-off and discharge of Initial Loan

(a) Subject to the Lender exercising its right to the Conversion and unless the Lender revokes its Conversion Notice, in each case, on the terms of this clause 10 and herein, the Patties agree to set off the Lender's obligation to pay the relevant price for the Conversion Shares in the amount of the Repayable Amount of the Initial Loan as converted into the Conversion Shares against the relevant obligation of the Borrower to repay such Repayable Amount to the Lender. In this case:

(i) the relevant obligation of each Party shall be deemed fully performed and discharged; and

(ii) no Party shall have any claims whatsoever to the other Party in respect of the performance of the relevant obligation.

(b) For the avoidance of doubt, following the Conversion, the relevant Repayable Amount of the Initial Loan as conve1ted into the Conversion Shares pursuant to this clause 10 shall be deemed discharged and repaid in full.

10.8 Undertakings prior to Conversion

(a) From the date of any Initial Loan Tranche, or full repayment of all amounts due under this Agreement, the Borrower shall maintain sufficient authorised but unissued share capital in the Borrower to satisfy in full, without the need for the passing of any further resolutions of Borrower's shareholders, all of the outstanding rights of conversion for the time being attaching to the said Loan amount under this Agreement, without first having to offer the same to any existing shareholders of the Borrower or any other person.

(b) Borrower will be allowed up to ninety (90) days from the date of any draw down of funds from the Accordion (as distinct and separate from either Initial Loan Tranche) to facilitate any conversion of the drawn down amount from the Accordion.

11. WARRANTS

(a) In consideration of the Lender providing the Loan on the terms of this Agreement, the Borrower shall, as soon as practicable as determined at the Lender's sole discretion (but in any case, not earlier than the first Initial Loan Disbursement Date) issue and deliver, to the satisfaction of the Lender, common stock purchase warrants (the **"Warrants")** to the Lender(or the Transferee as designated by the Lender by notice to the Borrower in writing (including by email) reasonably in advance prior to the issuance of the Warrants) on the following key terms:

(i) the Warrants issued shall be equal to 15% of the issued and outstanding common stock of the Borrower; and

(ii) the exercise price for each relevant Warrant Share shall be Conversion Price reduced by a 25% discount and otherwise subject to clause 11(b); and

(iii) the Warrants may be exercisable, in whole or in part, at any time during the term of this Agreement commencing on the issuance date of the Warrants.

(b) To the extent the relevant amount of the Repayable Amount of the Initial Loan was not

(i) repaid by the Borrower and/or (ii) converted into Shares, the Lender shall have a right to set off the Lender's obligation to pay the Warrants exercise price set out in clause 11(a)(ii) in the amount of the Repayable Amount of the Initial Loan then outstanding against the relevant obligation of the Borrower to repay such Repayable Amount to the Lender. In this case, the Borrower shall set off the relevant obligations as set out in this clause 11(b), and:

(i) the relevant obligation of each Party shall be deemed fully performed and discharged;

(ii) no Party shall have any claims whatsoever to the other Party in respect of the performance of the relevant obligation.

(c) Clause 11(b) shall be without prejudice to the Lender's right to pay (or procuring its Paying Agent to pay) to the Borrower any amount of the exercise price due for the relevant Shares, without exercising its right to set off.

12. SPORTS OPTION AND EQUITY CONTRIBUTION

12.1 In consideration of the Lender providing the Loan on the terms of the Loan Agreement, the Borrower hereby grants to the Lender an option to buy up to 100% of the Sports.com Shares (the "Spo1is Option") on the terms set out in this clause 12 *(Sports Option and Equity Contribution):*

(a) the Lender can exercise the Sports Option in one or more installments, in each case, for such amount of the Sports.com Shares as the Lender may determine in its sole discretion, provided that the total number of Sports.com Shares that the Lender (or its Designee, as defined below) can acquire under the Sports Option can never exceed I 00% of the issued share capital of Sports.com;

(b) the option exercise price for each relevant Sports.com Share shall be determined using a valuation of USD 6,000,000 for 100% of the Sports.com Share (the **"Option Price");**

(c) the Lender may exercise the Sports Option by delivering a notice (the **"Option Exercise Notice")** to the Borrower, specifying:

(i) the number of the Sports.com Shares to be transferred (the **"Option Shares");**

(ii) whether the Spo1is.com Shares shall be transferred to the Lender or any third party designated by the Lender (the **"Designee");**

(iii) the Option Price and the total price payable for the Option Shares (the **"Total Consideration");**

(iv) whether the Total Consideration will be paid by the Lender by way of a moneta1y transfer or by way of set-off against the Repayable Amount;

(v) if applicable, the Repayable Amount to be discharged as a result of the exercise of the Sp01is Option in accordance with this Option Exercise Notice, it being understood that clause 4.1(b) shall apply *mutatis mutandis* to such determination of the Lender;

(d) Lender may serve an Option Exercise Notice at any time during the term of 24 (twenty four) months commencing on the date of the Effective Date under and as defined in the Ist Amendment Agreement.

12.2 The Lender may at any time revoke the Option Exercise Notice, but in any case, prior to the Lender or its Designee assuming legal and beneficial title to the Option Shares. Unless the Lender specifically agrees in writing (including by email), the Borrower shall not have the right to repay the Repayable Amount of the Initial Loan after the Option Exercise Notice was served.

12.3 Within ten (I 0) Business Days after the receipt of the Option Exercise Notice the Borrower shall as appropriate itself or, where applicable, shall cause Sports.com, subject to certain regulatory restrictions (if applicable), in each case, to the extent applicable:

(a) transfer the Option Shares to the Lender or its Designee free from any Encumbrances, except those Encumbrances, which are in favour of the Lender, in consideration of the rights of the Lender under the Loan;

(b) transfer the share certificates in respect of the Option Shares to the Lender or its Designee;

(c) make a record to shareholders' register of Sports.com, indicating the Lender or its Designee as the owner of the Option Shares; and

(d) sign all such resolutions, deeds, agreements, documents, notices, acknowledgements, consents, waivers, letters and other ancillary documents (in each case in such form and with such amendments, whether substantive or otherwise as the Lender may think fit) and to do all such other acts and things, in each case as may be necessary, desirable or otherwise required (directly or indirectly) in order to transfer full legal and beneficial title to the Option Shares to the Lender or its Designee free of any Encumbrances, except those Encumbrances, which are in favour of the Lender.

12.4 Transfer of Sports.com Shares shall be deemed completed when the Lender or its Designee has acquired full legal and beneficial title to the Option Shares free from any Encumbrances, except those Encumbrances, which are in favour of the Lender.

12.5 The Parties agree that upon the transfer of the Option Shares to the Lender or its Designee the Option Shares shall grant the Lender (or its Designee) the following rights:

(a) rights inherent to the Option Shares;

(b) right to receive dividends;

(c) liquidation preference based on class.

12.6 In addition and fully independently from the Sports Option under this clause 12.1 and in further consideration of the Lender providing the Loan on the terms of the Loan Agreement, the Borrower hereby grants to the Lender the right to make an equity contribution into the Sports.com share capital by way of a share subscription (the **"Equity Contribution"),** on the terms set out in this clause 12 *(Sports Option and Equity Contribution):*

(a) the Lender can exercise the Equity Contribution in one or more installments, in each case, for such amount as the Lender may determine in its sole discretion;

(b) the price per each new share to be issued in Sports.com shall be determined prior to any Equity Contribution by using a pre-money valuation of USD 6,000,000 for I 00% of the Sports.com Share and hereinafter the pre-money valuation of USD 6,000,000 for 100% of the Sports.com Share adjusted to reflect the Equity Contributions having been made;

(c) the Lender may exercise the Equity Contribution by delivering a notice (the **"Equity Contribution Exercise Notice")** to the Borrower, specifying:

(i) the amount of the respective Equity Contribution and number of the Sports.com Shares to be issued (the **"Additional Shares");**

(ii) whether the Equity Contribution will be made by the Lender by way of a monetary transfer or by way of set-off against the Repayable Amount; and

(iii) if applicable, the Repayable Amount to be discharged as a result of the exercise of the Sports Equity Contribution in accordance with this Equity Contribution Exercise Notice, it being understood that clause 4.1(b) shall apply *mutatis mutandis* to such determination of the Lender;

(d) Lender may serve an Equity Contribution Exercise Notice at any time during the term of 24 (twenty four) months commencing on the date of the Effective Date under and as defined in the Ist Amendment Agreement;

(e) The Borrower agrees to waive any pre-emption rights that it may have, to exercise its rights as shareholder in such manner and to provide such necessary approvals and waivers as may be required to allow the issue of new Shares in accordance with this clause 12.

(t) The Borrower shall perform and shall procure that Spmis.com will perform each and every action which may be require to effect the Equity Contribution and to confer on the Lender such rights and entitlements intended to be conferred on it by or pursuant to clause 12.6, including but not limited to taking of all corporate approvals, making all required filings, amending the memorandum and articles of association, charter or other constitutional documents.

12.7 If the Lender has made an election in accordance with clause 12.1(c)(iv) or 12.6(b)(ii) above to discharge the Total Consideration by way of set-off against the Relevant Amount, then the Parties agree to set off the Lender's obligation to pay the Total Consideration in the amount of the Repayable Amount of the Initial Loan (but not exceeding the Total Consideration) against the relevant obligation of the Borrower to repay such Repayable Amount (in an amount not exceeding the Total Consideration) to the Lender. In this case:

(a) the relevant obligation of each Party shall be deemed fully performed and discharged; and

(b) no Party shall have any claims whatsoever to the other Party in respect of the performance of the relevant obligation.

For the avoidance of doubt, following such set off, the relevant Repayable Amount of the Initial Loan as set off against the Total Consideration pursuant to this clause 12.6 shall be deemed discharged and repaid in the amount of the Total Consideration.

13. NOTICES

13.1 Form of notices

Any notice (including any demand or any other communication) given under this Agreement or in connection with this Agreement shall be in writing (including, in relation to the notices given by the Lender, by email) and in English, signed by or on behalf of a Party giving it, and sent to another Party for the attention of the person and to the contact details given in clause 13.4 (*Contact details).*

13.2 Delivery of notices

A Party may send any notice by any of the below methods and, if sent by a particular method, the corresponding deemed delivery date and time when such notice takes effect, shall, if there is no evidence of the earlier receipt, be as follows:

(a) if delivered by hand, at the time of delivery at that address signed for by the recipient and dated at such address

(b) if sent by courier delive1y service, at the time of delivery at that address as evidenced by the courier delivery service;

(c) if sent by pre-paid airmail providing proof of postage, at 9.00 am on the third Business Day after posting; and

(d) if sent by email, at the time of transmission.

13.3 Time of delivery

For the purposes of clause 13.2 *(Delivery of notices):*

(a) all references to time are to local time in the place of deemed receipt; and

(b) any notice received or deemed received on a day that is not the Business Day or after

5.00 pm on any Business Day, shall be deemed to have been received on the next following Business Day.

13.4 Contact details

The relevant details of the Parties are as follows:

(a) Lender: **WOODFORD EURASIA ASSETS LTD**

Attention:	Mr. Alex Smotlak
Address:	10 Foster Lane, 3rd Floor, London EC2V 6HR, the United Kingdom
Tel.:	+44 (0)20 7535 1070
Email:	Alex.Srnotlak@uibt.com

(b) Borrower: **LOTTERY.COM INC**

Attention:	Mr. Sohail Quraeshi (or another CEO of the Borrower replacing Mr. Sohail Quraeshi from time to time)
Address:	20808 State Highway 71 W, Suite B, Spicewood, TX 78669
Tel.:	+l (561) 332-6722
Email:	sohail@lottery.com
With copies to:	matthew.mcgahan@lottery.com

13.5 Delivery by email

Save for the notices given by the Lender by email, a notice sent by any of the methods mentioned in clause 13.2 *(Delivery of notices)* shall be simultaneously dispatched to the contact details given in 13.4 *(Contact details)* by email, provided that such notice shall be deemed delivered and take effect when delivered in accordance with 13.2 *(Delivery of notices).* A notice given by the Borrower under or in connection with the Transaction Documents shall not be valid, if sent by email only.

13.6 Change of address

A Party may by giving notice in accordance with this clause 13 change its relevant details given in clause 13.4 *(Contact details).* The change shall take effect for a Party notified of the change at 9.00 am on the later of:

(a) the date, if any, specified in the notice as the effective date for the change; or

(b) the fifth Business Day after deemed receipt of the notice took place in accordance with clauses 13.2 *(Delivery of notices)* and 13.3 *(Time of delivery).*

14. CONFIDENTIALITY

14.1 Confidential Information

Each Party shall (and shall ensure that its Affiliates shall) keep confidential (and ensure that their officers, employees, agents and professional and other advisers keep confidential) and shall not by failure to exercise due care or otherwise by any act or omission disclose to any person any information (whether received, provided or obtained before, on or after the date of this Agreement and whether in writing, orally, electronically or in any other form or medium):

(a) in respect of the existence or contents of the Transaction Documents, the arrangements contemplated by the Transaction Documents or the contents of the discussions and negotiations which have led up to the Transaction Documents, including in respect of the Loan; and

(b) in respect of another Party's (and its Affiliates) business, operations, assets or affairs, collectively, the **"Confidential Information".**

14.2 Use of Confidential Information

No Party shall use the Confidential Information for its own business purposes or disclose it to any third party without a prior written consent of another Party.

14.3 Permitted disclosure

The obligations of confidentiality under clauses 14.1 (*Confidential Information)* and 14.2 (*Use of Confidential Information)* shall not apply to:

(a) disclosure (subject to clause 14.4 *(Disclosure to representatives)* on a "need to know" basis in confidence to an Affiliate of either Party where the disclosure is for a purpose reasonably incidental to this Agreement;

(b) disclosure (subject to clause 14.4 *(Disclosure to representatives)* in confidence to the Parties' professional advisers of information reasonably required to be disclosed for a purpose reasonably incidental to this Agreement;

(c) information, which is independently developed by the relevant Party or acquired from a third party to the extent that it is acquired with the right to disclose it;

(d) disclosure of information to the extent required to be disclosed by the Applicable Law, any stock exchange regulation or any binding judgment, order or requirement of any court or other competent authority, provided that, before any such required disclosure is made, a Party that is (or whose Affiliate is) required to make disclosure must, to the extent permitted by law and the relevant disclosure requirement:

(i) notify a Party that made the relevant information available to it (the **"Discloser")** as soon as reasonably practicable after it becomes aware that disclosure is required;

(ii) take all steps reasonably required by the Discloser to prevent or restrict the disclosure of that information; and

(iii) co-operate with the Discloser regarding the timing and content of such disclosure,

and for the purposes of this clause 14.3(d), where the information required to be disclosed is the existence or contents of, or the negotiations relating to, this Agreement, references to the Discloser are taken to be references to each Party;

(e) disclosure in connection with the commencement, pursuit or defence by a Party of or in any legal proceedings, to which any Confidential Information is relevant, provided that such a legal proceeding arises out of or in connection with this Agreement and/or concerns the transaction, contemplated by this Agreement, and/or involves both Parties; or

(f) information, which is already in the public domain (otherwise than as a result of a breach of this clause 14).

14.4 Disclosure to representatives

Each Party shall inform (and shall ensure that any of its Affiliates shall inform) any officer, employee or agent or any professional or other adviser advising it in relation to the matters referred to in this Agreement, or to whom it provides the Confidential Information, that such information is confidential and shall instruct them to keep it confidential and not to disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with the terms of this Agreement). The disclosing Party is responsible for any breach of this clause 14 by the person to whom the Confidential Information is disclosed.

14.5 Term of confidentiality obligations

The provisions of this clause 14 shall continue to apply during two (2) years following the date when the Lender has received the Loan or the termination of this Agreement, whichever occurs earlier.

15. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by the Parties to it on separate counterparts, and each such counterpart shall constitute an original of this Agreement, but all of which together constitute one and the same instrument. This Agreement shall not be effective until each Party has executed at least one (1) counterpart. Delivery of this Agreement by an email attachment or a telecopy shall be an effective mode of delivery.

16. VARIATION, WAIVER AND CONSENT

16.1 Form of variation

Any variation of this Agreement shall be in writing and signed by or on behalf of each Party.

16.2 Form of waiver

Any waiver of any right under this Agreement is only effective if it is in writing and signed by a waiving or consenting Party and it applies only in the circumstances, for which it is given, and shall not prevent a Party who has given the waiver from subsequently relying on the provision it has waived.

16.3 No effect of failure to exercise

No failure to exercise or delay in exercising any right or remedy provided under this Agreement or by law constitutes a waiver of such right or remedy or shall prevent any future exercise in whole or in part of such right or remedy.

16.4 No effect of partial exercise

No single or partial exercise of any right or remedy under this Agreement shall preclude or restrict the further exercise of any such right or remedy.

16.5 Rights and remedies cumulative

Unless specifically provided otherwise, rights arising under this Agreement are cumulative and do not exclude rights provided by law

17. ENTIRE AGREEMENT

The Transaction Documents constitute the entire agreement between the Parties and supersede and extinguishes all previous drafts, agreements, arrangements, and understandings between them, whether written or oral, relating to their subject matter.

18. INVALIDITY

Each of the provisions of this Agreement is severable and enforceable independently of each other provision. If any provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction, it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it in that respect with a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

19. FURTHER ASSURANCE

Each Party shall promptly execute and deliver all such documents, and do all such things, as any other Party may from time to time reasonably require for the purpose of giving full effect to the provisions of this Agreement.

20. THIRD PARTY RIGHTS

Except as expressly provided for in this Agreement to the contrary, the Parties do not intend that any term of this Agreement shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement. Notwithstanding that any provision of this Agreement may be enforceable by any third party, this Agreement and its provisions may be amended, waived, modified, rescinded or terminated by the Parties without the consent or approval of any third party.

21. ASSIGNMENT

21.1 No assignment

Subject to clause 21.2 *(Assignment by Lender),* no Party may assign or transfer all or any of its rights or obligations under this Agreement or dispose of any right or interest in this Agreement without a prior written consent of another Party.

21.2 Assignment by Lender

(a) The Lender may at any time assign and/or transfer all or a portion of the Lender's rights and/or obligations under this Agreement to any Lender's related party (a **"Permitted Assignee")** without consent of the Borrower.

(b) The Lender shall procure that any Permitted Assignee shall remain an Affiliate of the Lender at all times within the period of validity of this Agreement.

22. SURVIVING PROVISIONS

Termination of this Agreement in respect of the rights and obligations of any Party shall not affect:

(a) claims arising out of any antecedent breach of the Transaction Documents (excluding the Lender's obligations under clause 2.3 *(Disbursement of Initial Loan);* and

(b) provisions of this Agreement that are expressed to survive its termination or expiry, or which from their nature or context are contemplated to survive termination or expiry of this Agreement, including clauses 1 *(Definitions and interpretation),* 11 *(Warrants),* 12 *(Sports Option and Equity Contribution),* 13 *(Notices),* 14 *(Confidentiality),* 20 *(Third party rights),* 22 *(Surviving provisions),* 25 *(Governing law and jurisdiction)* and any provision of this Agreement necessary for its interpretation or enforcement.

23. REMEDIES

Without prejudice to any other rights or remedies which a Party may have, each Party acknowledges and agrees that damages alone are not an adequate remedy for breach of the provisions of the Transaction Documents and, accordingly, agrees that each Party shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of a Party's obligations in the Transaction Documents, without proving special damages.

24. COSTS

Unless otherwise expressly provided for in this Agreement, all costs in connection with the negotiation, preparation, execution and performance of the Transaction Documents, and any documents referred to in it, shall be borne by a Party that incurred the costs.

25. GOVERNING LAW AND .JURISDICTION

25.1 Governing law

The Transaction Documents and any dispute or claim arising out of or in connection with the Transaction Documents or their subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

25.2 Jurisdiction

Any dispute arising out of or in connection with the Transaction Documents, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by the LCIA under the LCIA Rules (the **"Rules"),** which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this clause. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this clause 25.2. For the avoidance of doubt, this clause 25.2 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Patty agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this clause 25.2. Each Patty consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under the arbitration agreement set out in this clause 25.2. For the avoidance of doubt, this clause 25.2 constitutes each Patty's agreement to consolidation in writing for the purposes of the Rules.

26. GOVERNING LANGUAGE

The official text of this Agreement shall be in English. In the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to this Agreement as written in English and not to any translation into any other language.

IN WITNESS of which this Agreement has been executed as a deed and delivered on the date stated at the beginning of this Agreement.

[the remainder of this page is *intentionally left blank]*

Exhibit 10.30

CONFIDENTIAL **Execution version**

LOTTERY.COM INC

as Company

in favour of

WOODFORD EURASIA ASSETS LTD

as Security Holder

LOAN AGREEMENT DEED, DEBETURE DEED AND SECURIZATION

Date: 7 December 2022

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Clause **Page**

This Loan Agreement Deed, Debeture Deed and Securitization (the "**Agreement**") is made as a deed on 7 December 2022 by and between:

PARTIES

(1) **LOTTERY.COM INC**, a company existing under the laws of the State of Delaware, having its registered office at: 20808 State Hwy. 71W, Unit B, Spicewood, Texas 78669, the United States (the "**Company**"); and

(2) **WOODFORD EURASIA ASSETS LTD**, a company existing under the laws of England and Wales, having its registered office at: 10 Foster Lane, 3rd Floor, London EC2V 6HR, the United Kingdom (the "**Security Holder**").

The Company and the Security Holder are collectively referred to as the "**Parties**" and each individually as a "**Party**".

RECITALS

(A) On or about the date of this Agreement, the Company and the Security Holder have entered into Loan Agreement (DEED), dated 7 December 2022, under which the Security Holder has agreed to provide certain amount of financing to the Company, as amended, varied, novated or supplemented from time to time (the "**Loan Agreement**").

(B) The Company has agreed to charge the Charged Assets (as defined below) in favour of the Security Holder under this Agreement as security for the full and timely discharge of the Company's obligations under the Loan Agreement.

(C) Each Party enters into this Agreement in consideration of the other Party entering into this Agreement and accepting its terms, undertakings and covenants.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement the following words and expressions shall have the following meanings:

"**Account**" means any account opened or maintained by the Company with any bank, financial institution or any other person (and any replacement account or subdivision or subaccount of that account), the debt or debts represented thereby and all Related Rights;

"**Assigned Account**" means any Account that may from time to time be identified in writing as an assigned account by the Security Holder;

"**Business Day**" means a day other than Saturday and Sunday or public holiday in London (the United Kingdom) or New York (the US) and on which banks generally are open in London (the United Kingdom) or New York (the US) for the transaction of normal banking business, and, where used to specify the period, within which any act is to be done or not to be done, a day other than a day, which is a Saturday, Sunday or public holiday in any jurisdiction, in which such act is to be done or not to be done;

"**Charged Property**" means all the assets and undertaking of the Company which from time to time are the subject of the security created or expressed to be created in favour of the Security Holder by or pursuant to this Agreement;

"**Collateral Rights**" means all rights, powers and remedies of the Security Holder provided by or pursuant to this Agreement or by law;

"**Encumbrances**" means any mortgage, charge, pledge, lien, option, restriction, assignment, hypothecation, security interest, right of first refusal, right of pre-emption, third party right or interest, other encumbrance or security interest or derivative interest of any kind, or any other type of preferential arrangement (including a title transfer or retention arrangement) having similar effect (and, where used in respect of any Shares, voting trust, any voting agreements, right of first refusal, pre-emption or similar rights or arrangements, save to the extent provided for generally in the applicable law), and "**Encumber**" shall be construed accordingly;

"**Event of Default**" means any failure of the Company to perform any of the Secured Obligations;

"**Insurance Policy**" means any policy of insurance in which the Company may from time to time have an interest;

"**Intellectual Property**" means any patents, trademarks, service marks, designs, business names, copyrights, domains (namely, "Lottery.com", "Sports.com" and "Wintogether.org"), software licenses, gambling licenses (including for "Power Ball"), design rights, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests, whether registered or unregistered, the benefit of all applications and rights to use such assets and all Related Rights;

"**Investments**" means:

(a) any stocks, shares, debentures, securities and certificates of deposit;

(b) all interests in collective investment schemes; and

(c) all warrants, options and other rights to subscribe or acquire any of the investments described in paragraphs (a) and (b) above,

in each case whether held directly by or to the order of the Company or by the Security Holder, nominee, fiduciary or clearance system on its behalf and all Related Rights (including all rights against the Security Holder, nominee, fiduciary or clearance system);

"**Loan Agreement**" has the meaning given in Recital (A);

"**Monetary Claims**" means any book and other debts and monetary claims owing to the Company and any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any Intellectual Property, any Investment, the proceeds of any Insurance Policy, any court order or judgment, any contract or agreement to which the Company is a party and any other assets, property, rights or undertaking of the Company);

"**Receiver**" means a receiver or receiver and manager or, where permitted by law, an administrative receiver of the whole or any part of the Charged Property, including any appointee made under a joint and/or several appointment;

"**Related Rights**" means, in relation to any asset:

(a) the proceeds of sale of any part of that asset;

(b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;

(c) all rights, powers, benefits, claims, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and

(d) any monies and proceeds paid or payable in respect of that asset;

"**Secured Obligations**" means all obligations covenanted to be discharged by the Company in clause 2.1 (*Covenant to pay*); and

"**Tangible Moveable Property**" means any plant, machinery, office equipment, computers, vehicles and other chattels (excluding any for the time being forming part of the Company's stock in trade or work in progress) and all Related Rights.

1.2 Headings

Clause headings are inserted for ease of reference only and shall not affect construction.

1.3 Recitals, *etc.*

References to this Agreement include the Recitals, which form part of this Agreement for all purposes. References in this Agreement to the Parties, the Recitals and clauses are references respectively to the Parties, the Recitals and clauses of this Agreement.

1.4 Meaning of references

Save where specifically required or indicated otherwise:

1.4.1 words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing companies and *vice versa*, words importing the singular shall be treated as importing the plural and *vice versa*, and words importing the whole shall be treated as including a reference to any part of the whole;

1.4.2 a reference to this Agreement or to any other agreement or document referred to in this Agreement is a reference to this Agreement or such other document or agreement as it may be amended, supplemented, varied or novated from time to time;

1.4.3 any reference to the "**Security Holder**" or the "**Company**" shall be construed so as to include its and any subsequent successors and any permitted transferees in accordance with their respective interests;

1.4.4 references to a "**person**" shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality;

1.4.5 references to a "**company**" shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established, and so as to include any company in succession to all, or substantially all, of the business of that company or firm;

1.4.6 references to the word "**include**", "**including**" or "**in particular**" (or any similar term) are not to be construed as implying any limitation, except where made together with words like "**exclusively**" (or any similar term) and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;

1.4.7 reference to "**writing**" or "**written**" includes any method of reproducing words or text in a legible and non-transitory form, and, for the avoidance of doubt, shall not include email, unless this Agreement provides to the contrary;

1.4.8 any obligation on the Party not to do something includes an obligation not to allow that thing to be done; and

1.4.9 notwithstanding that any obligation thereof may be expressed as an obligation of a Party to do, if applicable, such obligation shall be construed as imposing an obligation on such Party to procure compliance with the relevant obligation by its affiliates.

1.5 Understanding of time

Time periods in this Agreement shall be understood in the following way:

1.5.1 references to times of the day are to that time in London (the United Kingdom) (unless otherwise stipulated);

1.5.2 references to a "**day**" are to a period of twenty four (24) hours running from midnight to midnight;

1.5.3 references to a "**month**" are to a calendar month. If the relevant calendar month in which the period expires is too short to provide a corresponding date, the period expires on the last day of that month, but if that period expires in a calendar month, which is long enough to provide a corresponding date, that date appears to be the date, on which the period expires; and

1.5.4 if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day.

1.6 Inconsistencies

Where there is any inconsistency between the definitions set out in this clause 1 (*Definitions and interpretation*) and the definitions set out in any clause, then, for the purposes of construing such clause, the definitions set out in such clause shall prevail.

1.7 Meaning of undefined terms

If a word or term used in this Agreement is not defined in this clause 1 (*Definitions and interpretation*), it shall have the meaning ascribed to it in the text of this Agreement.

1.8 Negotiation of Agreement

The Parties have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.

1.9 Statutory provisions

All references to statutes, statutory provisions, enactments, shall include references to any consolidation, re-enactment, modification or replacement of the same, any statute, statutory provision, enactment, of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the date of this Agreement would extend or increase the liability of either Party to another under this Agreement.

2. PAYMENT OF SECURED OBLIGATIONS

2.1 Covenant to pay

The Company shall on written demand of the Security Holder discharge all payment obligations when they become due owing to the Security Holder by the Company under or pursuant to the Loan Agreement or this Agreement, whether present or future, actual or contingent (and whether incurred solely or jointly and whether as principal or as surety or in some other capacity), provided that neither such covenant nor the security constituted by this Agreement shall extend to or include any liability or sum which would, but for this clause, cause such covenant or security to be unlawful or prohibited by any applicable law.

2.2 Interest on demands

If the Company fails to pay any sum on the due date for payment of that sum, the Company shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the date of written demand until the date of payment calculated on a daily basis at 10% above the rate set out in clause 2.2 (*Interest*) of the Loan Agreement or such other interest rate as the Parties may agree in writing, but in no circumstances shall such interest rate exceed the allowable maximum interest rate chargeabe in transactions of this type in its applicable jurisdiction.

3. FLOATING CHARGE AND ASSIGNMENTS

3.1 Floating charge

3.1.1 The Company charges with full title guarantee in favour of the Security Holder with the payment and discharge of the Secured Obligations by way of first floating charge all present and future assets and undertaking of the Company, including all the Company's right, title and interest from time to time in and to:

(a) the Tangible Moveable Property;

(b) the Intellectual Property (including, for the avoidance of doubt, any domains of the Company, in particular "Lottery.com", "Sports.com" and "Wintogether.com");

(c) the Investment;

(d) any goodwill and rights in relation to the uncalled capital of the Company; and

(e) all Monetary Claims and all Related Rights other than any claims which are otherwise subject to assignment (at law or in equity) pursuant to this Agreement.

3.1.2 Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created pursuant to this clause 3.1.

3.2 Assignments

The Company assigns and agrees to assign absolutely with full title guarantee to the Security Holder as security for the payment and discharge of the Secured Obligations all the Company's right, title and interest from time to time in and to each of the following assets (subject to obtaining any necessary consent to such assignment from any third party):

3.2.1 the proceeds of any Insurance Policy and all Related Rights; and

5.2 Notices of charge

The Company shall if requested by the Security Holder from time to time promptly deliver to the Security Holder (or procure delivery of) notices of charge (in form and content reasonably satisfactory to the Security Holder) duly executed by, or on behalf of, the Company and acknowledged by each of the banks or financial institutions with which any of the Accounts are opened or maintained.

6. FURTHER ASSURANCE

6.1 Necessary action

The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary and/or the Security Holder may reasonably request for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Security Holder by or pursuant to this Agreement.

6.2 Consents

The Company shall use all reasonable endeavours to obtain (in form and content reasonably satisfactory to the Security Holder) as soon as possible any consents necessary to enable the assets of the Company to be the subject of an assignment pursuant to 3.2 (*Assignments*) and, immediately upon obtaining any such consent, the asset concerned shall become subject to such security and the Company shall promptly deliver a copy of each consent to the Security Holder.

7. NEGATIVE PLEDGE AND DISPOSALS

7.1 Negative pledge

The Company undertakes that, other than pursuant to this Agreement, it shall not, except with the prior written consent of the Security Holder, at any time during the subsistence of this Agreement, create or permit to subsist any Encumbrance over all or any part of the Charged Property.

7.2 No disposal of interests

Save (i) as permitted by this Agreement, (ii) with the prior written consent of the Security Holder, which shall not be unreasonably withheld, or (iii) in respect of the Charged Property that is only subject to the floating charge while it remains uncrystallised, which property may be disposed of in the ordinary course of business, the Company undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Agreement:

7.2.1 execute any disposal, conveyance, transfer, lease or assignment of, or other right to use or occupy, all or any part of the Charged Property;

7.2.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property; or

7.2.3 assign or otherwise dispose of any interest in any Account.

8. INVESTMENTS

8.1 Payment of calls

The Company shall pay when due all calls or other payments which may be or become due in respect of any of the Investments, and in any case of default by the Company in such payment, the Security Holder may, if it reasonably thinks fit, make such payment on behalf of the

Company, in which case any sums paid by the Security Holder shall be reimbursed by the Company to the Security Holder on demand and shall carry interest from the date of payment by the Security Holder until reimbursed at the rate and in accordance with clause 2.2 (*Interest on demands*).

8.2 Delivery of documents of title

Upon the occurrence of an Event of Default and as long as it is continuing the Company shall promptly on the request of the Security Holder deliver (or procure delivery) to the Security Holder, and the Security Holder shall be entitled to retain, all of the Investments and any certificates and other documents of title representing the Investments to which the Company (or its nominee(s)) is or becomes entitled together with any other document which the Security Holder may reasonably request (in such form and executed as the Security Holder may reasonably require) with a view to perfecting or improving its security over the Investments or to registering any Investment in its name or the name of any nominee(s).

8.3 Exercise of Rights

The Company shall not exercise any of its rights and powers in relation to any of the Investments in any manner which, in the reasonable opinion of the Security Holder, would prejudice the value of, or the ability of the Security Holder to enforce, the security created by this Agreement.

9. ACCOUNTS

9.1 Notification and variation

The Company, during the subsistence of this Agreement:

9.1.1 shall deliver to the Security Holder on the date of this Agreement (and, if any change occurs thereafter, on the date of such change), details of each Account maintained by it with any bank or financial institution; and

9.1.2 shall not, without the Security Holder's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

9.2 Operation before Event of Default

So long as an Event of Default has not occurred the Company shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account (other than an Assigned Account).

9.3 Operation after Event of Default

After the occurrence of an Event of Default (as long as it is continuing) the Company shall not be entitled to open any account with any financial institution or receive, withdraw or otherwise transfer any credit balance from time to time on any Account, except with the prior consent of the Security Holder, which consent shall not be unreasonably withheld. Nothwithstanding anything to the contrary contained herein, Company may withdraw funds to cure an Event of Default with Security Holder or Lender without prior consent of Security Holder. .

9.4 Assigned Accounts

9.4.1 In the Event of Default or so long as a prior Event of Default has not been cured by Company, the Company shall not be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Assigned Account, except with the prior consent of the Security Holder and under clause 10 (*Monetary Claims*) or to cure an

Event of Default with Security Holder or Lender without prior consent of Security Holder.

9.4.2 The Security Holder shall, upon the occurrence of an Event of Default (as long as it is continuing), be entitled without notice to exercise from time to time all rights, powers and remedies held by it as assignee of the Assigned Accounts and to:

(a) demand and receive all and any monies due under or arising out of each Assigned Account; and

(b) exercise all such rights as the Company was then entitled to exercise in relation to such Assigned Account or might, but for the terms of this Agreement, exercise.

9.5 Application of monies

The Security Holder shall, upon the occurrence of an Event of Default (as long as it is continuing), be entitled with notice to Company to apply, transfer or set-off any or all of the credit balances from time to time on any Account in or towards the payment or other satisfaction of all or part of the Secured Obligations in accordance with clause 15 (*Application of monies*).

10. MONETARY CLAIMS

10.1 Dealing with Monetary Claims

In the Event of Default or so long as a prior Event of Default has not been cured by Company, the Company shall not, without the prior written consent of the Security Holder:

10.1.1 deal with the Monetary Claims;

10.1.2 factor or discount any of the Monetary Claims or enter into any agreement for such factoring or discounting; or

10.1.3 be entitled to withdraw or otherwise transfer the proceeds of the realisation of any Monetary Claims standing to the credit of any Account.

11. GENERAL UNDERTAKINGS

11.1 Intellectual Property

The Company shall during the subsistence of this Agreement in respect of any Intellectual Property:

11.1.1 take all such steps and do all such acts as may be necessary to preserve and maintain the subsistence and the validity of any such Intellectual Property; and

11.1.2 not use or permit any such Intellectual Property to be used in any way which may materially and adversely affect its value.

11.2 Information and access

The Company shall from time to time, on request of the Security Holder, furnish the Security Holder with such information as the Security Holder may reasonably require (including by email) about the Company's business and affairs, the Charged Property and its compliance with the terms of this Agreement, and permit the Security Holder, its representatives, professional advisers and contractors, free access at all reasonable times and on reasonable notice (which may be given by email) to (a) inspect and take copies and extracts from the books, accounts

and records of the Company and (b) to view the Charged Property.

12. ENFORCEMENT OF SECURITY

12.1 Enforcement

At any time after the occurrence of an Event of Default (as long as it is continuing) or if the Company requests the Security Holder to exercise any of its powers under this Agreement or if a petition or application is presented for the winding up or dissolution of the Company or the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court, the security created by or pursuant to this Agreement shall immediately become enforceable and the Security Holder may, without notice to the Company or prior authorisation from any court, in its absolute discretion enforce all or any part of that security (at the times, in the manner and on the terms it reasonably thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property.

12.2 Right of appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Agreement and the obligations of the Company under this Agreement constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226), as amended (the "**Regulations**")) the Security Holder shall have the right, at any time after the security constituted by this Agreement has become enforceable, to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice (including by email) to the Company. For this purpose, the Parties agree that the value of such financial collateral so appropriated shall be (a) in the case of cash, the amount standing to the credit of each of the Accounts, together with any accrued but unposted interest, at the time the right of appropriation is exercised; and (b) in the case of Investments, the market price of such Investments determined by the Security Holder by reference to a public index or by such other process as the Security Holder may reasonably select, including independent valuation. In each case, the Parties agree that the method of valuation provided for in this Agreement shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

12.3 Effect of moratorium

The Security Holder shall not be entitled to exercise its rights under clause 12.1 (*Enforcement*) or clause 4 (*Crystallisation of floating charge*) where the right arises as a result of an Event of Default occurring solely due to any person obtaining or taking steps to obtain a moratorium under the applicable law.

13. APPOINTMENT OF RECEIVER OR ADMINISTRATOR

13.1 Appointment and removal

After the occurrence of an Event of Default (as long as it is continuing) or if a petition or application is presented for the winding up or dissolution of the Company or for the making of an administration order in relation to the Company or if any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or if requested to do so by the Company, the Security Holder may by deed

or otherwise (acting through an authorised officer of the Security Holder), without prior notice to the Company:

13.1.1 appoint one (1) or more persons to be a Receiver of the whole or any part of the Charged Property;

13.1.2 appoint one (1) or more Receivers of separate parts of the Charged Property;

13.1.3 remove (so far as it is lawfully able) any Receiver so appointed;

13.1.4 appoint another person(s) as an additional or replacement Receiver(s); or

13.1.5 appoint one (1) or more persons to be an administrator of the Company.

13.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to clause 13.1 (*Appointment and removal*) shall be:

13.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver; and

13.2.2 for all purposes deemed to be the agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Holder.

13.3 Statutory powers of appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Holder under the Law of Property Act 1925 (as extended by this Agreement) or otherwise and such powers shall remain exercisable from time to time by the Security Holder in respect of any part of the Charged Property.

14. POWERS OF RECEIVER

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Company) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Company which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Agreement (in the name of or on behalf of the Company or in his own name and, in each case, at the cost of the Company):

14.1.1 all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;

14.1.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

14.1.3 all the powers and rights of an absolute owner and power to do or omit to do anything which the Company itself could do or omit to do; and

14.1.4 the power to do all things (including bringing or defending proceedings in the name or on behalf of the Company) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including the realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Company forming part of, or which when got in would be, Charged Property.

15. APPLICATION OF MONIES

All monies received or recovered by the Security Holder or any Receiver pursuant to this Agreement or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Security Holder (notwithstanding any purported appropriation by the Company) in such order and manner as the Security Holder shall reasonably think fit:

15.1.1 in or towards the discharge of all or any of the Secured Obligations which are then due and payable; or

15.1.2 if any of the Secured Obligations are then contingent, in payment to the credit of any accounts selected by the Security Holder to be held until such time as the Security Holder shall reasonably think fit pending their application in or towards the discharge of all or any of the Secured Obligations which are at that time due and payable; or

15.1.3 in payment to the credit of any suspense or impersonal account for so long as the Security Holder shall reasonably think fit pending any further application of such monies (as the Security Holder shall be entitled, but not obliged, to do in its discretion) in accordance with the previous provisions of this clause; and

15.1.4 if the Company is under no further actual or contingent liability under the Loan Agreement, in payment of the surplus to the Company or any other person entitled to it.

16. PROTECTION OF PURCHASERS

16.1 Consideration

The receipt of sale proceeds by the Security Holder or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Security Holder or any Receiver may do so for such consideration, in such manner and on such terms as it reasonably thinks fit.

16.2 Protection of purchasers

No purchaser or other person dealing with the Security Holder or any Receiver shall be bound to inquire whether the right of the Security Holder or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Holder or such Receiver in such dealings.

17. POWER OF ATTORNEY

17.1 Appointment and powers

The Company by way of security irrevocably appoints the Security Holder and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the attorney may consider to be required or desirable for:

17.1.1 performing any obligation imposed on the Company by this Agreement or any other agreement binding on the Company to which the Security Holder is party (including

the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Property); and

17.1.2 enabling the Security Holder and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Agreement or by law (including, after the occurrence of an Event of Default, which is continuing, the exercise of any right of a legal or beneficial owner of the Charged Property).

17.2 Ratification

The Company shall ratify and confirm all things done and all documents executed by any attorney in the proper and lawful exercise or purported exercise of all or any of his powers referred to in clause 17.1 (*Appointment and powers*).

18. EFFECTIVENESS OF SECURITY

18.1 Continuing security

18.1.1 The Security created by or pursuant to this Agreement shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Holder.

18.1.2 No part of the security from time to time intended to be constituted by the Agreement will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

18.2 Cumulative rights

The security created by or pursuant to this Agreement and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Security Holder may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Security Holder over the whole or any part of the Charged Property shall merge into the security constituted by this Agreement.

18.3 No prejudice

The security created by or pursuant to this Agreement and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Company or any other person or by any other thing which might otherwise prejudice that security or any Collateral Right.

18.4 Remedies and waivers

No failure on the part of the Security Holder to exercise, nor any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right or constitute an election to affirm this Agreement. No election to affirm this Agreement shall be effective unless it is in writing. No single or partial exercise of any Collateral Right shall preclude any further or other exercise of that or any other Collateral Right.

18.5 No liability

None of the Security Holder, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Agreement or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part.

18.6 Partial invalidity

If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Agreement is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of that security.

19. RELEASE OF SECURITY

19.1 Redemption of security

Upon the Secured Obligations being discharged in full and the Security Holder having no further actual obligation, the Security Holder shall, at the request and cost of the Company, release and cancel the security constituted by this Agreement and procure the reassignment to the Company of the property and assets assigned to the Security Holder pursuant to this Agreement, in each case subject to clause 19.2 (*Avoidance of payments*) and without recourse to, or any representation or warranty by, the Security Holder or any of its nominees. Notwithstanding anything to the contrary contained herein, for the purposes of this Agreement, the Secured Obligations shall be considered fully discharged in full requiring the Security Holder to release and cancel the security constituted by the Agreement and procure the reassignment to the Company of the property and assets assigned to the Security Holder pursuant to this Agreement at the time the Company has repaid the Loan and/or Conversion took place.

19.2 Avoidance of payments

If the Security Holder reasonably considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under this Agreement and the security constituted by this Agreement shall continue and such amount shall not be considered to have been irrevocably paid.

19.3 Retention of security

The Security Holder may retain this Agreement, the security constituted by or pursuant to this Agreement and all documents of title, certificates and other documents relating to or evidencing ownership of all or any part of the Charged Property for a period of three (3) months after any discharge in full of the Secured Obligations, provided that if at any time during that period a petition or application is presented for an order for the winding-up of, or the making of an administration order in respect of, the Company or any person who is entitled to do so gives written notice of its intention to appoint an administrator of the Company or files such a notice with the court or the Company commences to be wound-up voluntarily or any analogous proceedings are commenced in respect of it, the Security Holder may continue to retain this Agreement, such security and such documents for such further period as the Security Holder may reasonably determine and this Agreement, such security and such documents shall be deemed to have continued to have been held as security for the Secured Obligations.

20. SET-OFF

The Company authorises the Security Holder (but the Security Holder shall not be obliged to exercise such right), after the occurrence of an Event of Default which is continuing, to set off against the Secured Obligations any amount or other obligation (contingent or otherwise) owing by the Security Holder to the Company and apply any credit balance to which the Company is entitled on any account with the Security Holder in accordance with clause 15 (*Application of*

monies) (notwithstanding any specified maturity of any deposit standing to the credit of any such account).

21. SUBSEQUENT SECURITY INTERESTS

If the Security Holder at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of this Agreement, all payments thereafter by or on behalf of the Company to the Security Holder shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations as at the time when the Security Holder received such notice.

22. CURRENCY

22.1 Currency conversion

For the purpose of or pending the discharge of any of the Secured Obligations, the Security Holder may convert any monies received, recovered or realised or subject to application by the Security Holder or any Receiver pursuant to this Agreement from one (1) currency to another and any such conversion shall be made at the Security Holder's spot rate of exchange for the time being for obtaining such other currency with the first currency and the Secured Obligations shall be discharged only to the extent of the net proceeds of such conversion received by the Security Holder.

22.2 Currency indemnity

If any sum (a "**Sum**") owing by the Company under this Agreement or any order or judgment given or made in relation to this Agreement has to be converted from the currency (the "**First Currency**") in which such Sum is payable into another currency (the "**Second Currency**") for the purpose of:

22.2.1 making or filing a claim or proof against the Company;

22.2.2 obtaining an order or judgment in any court or other tribunal;

22.2.3 enforcing any order or judgment given or made in relation to this Agreement; or

22.2.4 applying the Sum in satisfaction of any of the Secured Obligations,

the Company shall indemnify the Security Holder from and against any loss suffered or incurred as a result of any discrepancy between (a) the rate of exchange used for such purpose to convert such Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to the Security Holder at the time of such receipt of such Sum.

23. ASSIGNMENT

23.1 Assignment

Except as provided for in clause 23.2 (Assignment by Security Holder), no Party may assign or transfer all or any of its rights or obligations under this Agreement or dispose of any right or interest in this Agreement without a prior written consent of another Party.

23.2 Assignment by Security Holder

The Security Holder may at any time assign all or a portion of its rights under this Agreement to any such third party(-ies) to whom the Security Holder assigns all or a portion of its rights

under the Loan Agreement, without prior written consent of the Company. The Security Holder shall be entitled to disclose such information concerning the Company and this Agreement as the Security Holder reasonably considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law.

24. NOTICES

24.1 Form of notices

Any notice (including any demand or any other communication) given under this Agreement or in connection with this Agreement shall be in writing (including, in relation to the notices given by the Security Holder, by email) and in English, signed by or on behalf of a Party giving it, and sent to another Party for the attention of the person and to the contact details given in clause 24.4 (*Contact details*).

24.2 Delivery of notices

A Party may send any notice by any of the below methods and, if sent by a particular method, the corresponding deemed delivery date and time when such notice takes effect, shall, if there is no evidence of the earlier receipt, be as follows:

24.2.1 if delivered by hand, at the time of delivery at that address signed for by the recipient and dated at such address;

24.2.2 if sent by courier delivery service, at the time of delivery at that address as evidenced by the courier delivery service;

24.2.3 if sent by pre-paid airmail providing proof of postage, at 9.00 am on the third (3rd) Business Day after posting; and

24.2.4 if sent by email, at the time of transmission;

24.3 Time of delivery

For the purposes of clause 24.2 (*Delivery of notices*):

24.3.1 all references to time are to local time in the place of deemed receipt; and

24.3.2 any notice received or deemed received on a day that is not the Business Day or after 5.00 pm on any Business Day, shall be deemed to have been received on the next following Business Day.

24.4 Contact details

The relevant details of the Parties are as follows:

24.4.1	Security Holder:	WOODFORD EURASIA ASSETS LTD
	Attention:	Mr. Alex Smotlak
	Address:	10 Foster Lane, 3rd Floor, London EC2V 6HR, the United Kingdom
	Tel.:	+44 (0)20 7535 1070
	Email:	Alex.Smotlak@uibt.com

24.4.2	Company:	**LOTTERY.COM INC**
	Attention:	Mr. Sohail Quraeshi (or another CEO of the Borrower replacing Mr. Sohail Quraeshi from time to time)
	Address:	20808 State Highway 71 W, Suite B, Spicewood, TX 78669
	Tel.:	+1 (561) 332-6722
	Email:	sohail@lottery.com
	With a copy to:	matthew.mcghan@lottery.com

24.5 Delivery by email

Save for the notices given by the Lender by email, a notice sent by any of the methods mentioned in clause 24.2 (*Delivery of notices*) shall be simultaneously dispatched to the contact details given in 24.4 (*Contact details*) by email, provided that such notice shall be deemed delivered and take effect when delivered in accordance with 24.2 (*Delivery of notices*). A notice given by the Company under or in connection with the Transaction Documents shall not be valid, if sent by email only.

24.6 Change of address

A Party may by giving notice in accordance with this clause 24 change its relevant details given in clause 24.4 (*Contact details*). The change shall take effect for a Party notified of the change at 9.00 am on the later of:

24.6.1 the date, if any, specified in the notice as the effective date for the change; or

24.6.2 the fifth (5th) Business Day after deemed receipt of the notice took place in accordance with clauses 24.2 (*Delivery of notices*) and 24.3 (*Time of delivery*).

25. EXPENSES, STAMP TAXES AND INDEMNITY

25.1 Expenses

The Company shall, from time to time on demand of the Security Holder, reimburse the Security Holder for all the costs and expenses (including legal fees) on a full indemnity basis together with any VAT thereon incurred by it in connection with the exercise, preservation and/or enforcement of any of the Collateral Rights or the security contemplated by this Agreement or any proceedings instituted by or against the Security Holder as a consequence of taking or holding the security or of enforcing the Collateral Rights, and shall carry interest from the date of such demand until so reimbursed at the rate and on the basis mentioned in clause 2.2 (*Interest on demands*).

25.2 Indemnity

The Company shall, notwithstanding any release or discharge of all or any part of the security contemplated by this Agreement, indemnify the Security Holder, its agents, attorneys and any Receiver against any action, proceeding, claims, losses, liabilities and costs which it may sustain as a consequence of any breach by the Company of the provisions of this Agreement, the proper and lawful exercise or purported exercise of any of the rights and powers conferred on them by this Agreement or otherwise relating to the Charged Property, except in the case of gross negligence or wilful default upon their part.

26. PAYMENTS FREE OF DEDUCTION

All payments to be made under this Agreement shall be made free and clear of and without any deductions or withholdings, unless the Company is required to make such payment subject to the deduction or withholding of any present and future taxes, levies, imposts, duties, fees or charges of whatever nature (together with interest thereon), in which case the sum payable by the Company in respect of which such deduction or withholding is required to be made shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Security Holder receives and retains (free from any liability in respect of any such deduction or withholding) a net sum equal to the sum which it would have received and so retained had no such deduction or withholding been made or required to be made.

27. DISCRETION AND DELEGATION

27.1 Discretion

Any liberty or power which may be exercised or any determination which may be made under this Agreement by the Security Holder or any Receiver may be exercised or made in its absolute and unfettered reasonable discretion without any obligation to give reasons.

27.2 Delegation

Each of the Security Holder and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Agreement (including the power of attorney) on such terms and conditions as it shall reasonably see fit which delegation shall not preclude either the subsequent exercise, any subsequent delegation or any revocation of such power, authority or discretion by the Security Holder or the Receiver itself.

28. GOVERNING LAW AND DISPUTE RESOLUTION

28.1 Governing law

This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination, enforceability or breach (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, English law.

28.2 Arbitration

Subject to clause 28.3 (*Security Holder's option*), any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, (a "**Dispute**") shall be referred to and finally resolved by the LCIA under the LCIA Rules (the "**Rules**"), which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one (1). The seat, or legal place, of arbitration shall be London, the United Kingdom. The language to be used in the arbitral proceedings shall be English. The Parties agree that any restriction in the Rules upon the nomination or appointment of an arbitrator by reason of nationality shall not apply to any arbitration commenced pursuant to this clause. Any decision under such arbitration proceedings shall be final and binding on the Parties. The tribunal shall order an unsuccessful Party in the arbitration to pay the legal and other costs incurred in connection with the arbitration by a successful Party. Each Party consents to be joined in the arbitration commenced under the arbitration agreement set out in this clause 28.2. For the avoidance of doubt, this clause 28.2 constitutes each Party's consent to joinder in writing for the purposes of the Rules. Each Party agrees to be bound by any award rendered in the arbitration, to which it was joined pursuant to this clause 28.2. Each Party consents to the consolidation, in accordance with the Rules, of two (2) or more arbitrations commenced under

the arbitration agreement set out in this clause 28.2. For the avoidance of doubt, this clause 28.2 constitutes each Party's agreement to consolidation in writing for the purposes of the Rules.

28.3 Security Holder's option

28.3.1 Before the Security Holder has filed a request for arbitration or a response to a request for arbitration (as the case may be), the Security Holder may (in its sole discretion) require that a specific Dispute be heard by a court of law.

28.3.2 If the Security Holder elects to have a Dispute determined by a court of law pursuant to clause 28.3.1, it shall give written notice of such election (including by email) to the Company (the "**Notice of Litigation**"). The Security Holder may (in its sole discretion) give such Notice of Litigation (including by email) either prior or subsequent to the commencement of proceedings of the Dispute to which the Notice of Litigation refers, provided that such Notice of Litigation shall be given no later than the date on which the Company is first served with a claim form or equivalent document to commence proceedings in connection with such Dispute.

28.4 Jurisdiction

If the Security Holder elects to have a Dispute determined by a court of law pursuant to clause 28.3.1, the following shall apply:

28.4.1 subject to clause 28.4.3, the courts of England shall have exclusive jurisdiction to settle such Dispute;

28.4.2 the Parties agree that the courts of England are the most appropriate and convenient courts to settle the Dispute and, accordingly, no Party shall argue to the contrary; and

28.4.3 this clause 28.4 is for the benefit of the Security Holder only. As a result and notwithstanding clause 28.4.1, the Security Holder may take proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Holder may take concurrent proceedings in any number of jurisdictions.

28.5 Service of process

Without prejudice to any other mode of service allowed under any relevant law, the Company:

28.5.1 upon the written request of the Security Holder to the Company, shall irrevocably appoint the process agent as its agent for service of process in relation to any proceedings before the English courts or any arbitration in connection with this Agreement; and

28.5.2 agrees that failure by an agent for service of process to notify the Company of the process shall not invalidate the proceedings concerned.

28.6 Waiver of immunity

The Company waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:

28.6.1 the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and

28.6.2 the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues.

29. THIRD PARTY RIGHTS

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

IN WITNESS of which this Agreement has been executed as a deed and has been delivered on the date stated at the beginning of this Agreement.

[*the remainder of this page is intentionally left blank*]

SIGNATURE PAGE TO AGREEMENT (DEED)

EXECUTED AND DELIVERED as a deed)

by **LOTTERY.COM INC**)

acting by:) DocuSigned by:

Sohail Quraeshi)

based on: Unanimous Written Consent of the Board of Lottery.com, Inc. dated Dec. 7, 2022)

Witnessed by:) DocuSigned by:

Gregory Potts)

Residing at: 400 Redding Rd #19)

Lexington, KY 40517 USA)

)

Occupation: Chief Revenue Officer)

Lottery.com)

[*the remainder of this page is intentionally left blank*]

SIGNATURE PAGE TO AGREEMENT (DEED)

EXECUTED AND DELIVERED as a deed)

by **WOODFORD EURASIA ASSETS LTD**)

acting by:) DocuSigned by: Alex Smotlak DD6A10BA7C0E476...

Alex Smotlak _____) .....

based on: _____)

)

Witnessed by:)

_____) .....

Residing at: _____)

_____)

_____)

Occupation: _____)

_____)

[*the remainder of this page is intentionally left blank*]

Exhibit 10.40

LOTTERY.COM, INC.
2023 EMPLOYEES', DIRECTORS' AND CONSULTANTS' STOCK ISSUANCE AND OPTION PLAN

Upon adoption by the Board of Directors, this 2023 Employees', Directors' and Consultants' Stock Issuance Option Plan (the "Plan") authorizes Lottery.com, Inc. to issue either shares directly or options to purchase up to 500,000 shares of common stock, on terms to be determined, to its Employees, Directors, and Consultants subject to the following terms.

1. Purpose of the Plan.

The purpose of the Plan is to enable the Company to attract, retain and motivate its employees, directors and qualified consultants by providing for or increasing the proprietary interests of such employees, directors and consultants in the Company through increased stock ownership.

The Plan provides for direct issuance of shares and/or options which either (i) qualify as incentive stock options ("Incentive Options") within the meaning of that term in Section 422 of the Internal Revenue Code of 1986, as amended, or (ii) do not so qualify under Section 422 of the Code ("Nonstatutory Options") (collectively "Options"). Any Option granted under this Plan will be clearly identified at the time of grant as to whether it is intended to be either an Incentive Option or a Nonstatutory Option.

2. Definitions.

The following terms, when appearing in the text of this Plan in capitalized form, will have the meanings set out below:

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as heretofore or hereafter amended.

(c) "Committee" means the committee appointed by the Board pursuant to Section 3 below.

(d) "Company" means Lottery.com, Inc. or any parent or "subsidiary corporation," as that term is defined by Section 424(f) of the Code, thereof, unless the context requires it to be limited to Lottery.com, Inc.

(e) "Consultants" means the class of persons consisting of individuals engaged by the Company by contract or otherwise to provide services to the Company as the Committee shall so determine.

(f) "Directors" means the class of persons consisting of individuals duly elected to and actively serving on the Company's Board of Directors.

(g) "Disabled Grantee" means a Grantee who is disabled within the meaning of Section 422(c)(6) of the Code.

(h) "Employees" means the class of employees consisting of individuals regularly employed by the Company on a full-time salaried basis who are identified as key employees, or such other employees as the Committee shall so determine.

(i) "Executive Officer" means those individuals who, on the last day of the taxable year at issue:

(i) served as the Company's chief executive officer or was acting in a similar capacity, regardless of compensation level; and (ii) the four most highly compensated executive officers (other than the chief executive officer) all as determined pursuant to Treasury Regulation 1.162-27(c)(2).

(j) “Fair Market Value” means, with respect to the common stock of the Company, the price at which the stock would change hands between an informed, able and willing buyer and seller, neither of which is under a compulsion to enter into the transaction. Fair Market Value will be determined in good faith by the Committee in accordance with a valuation method which is consistent with the guidelines set forth in Treasury Regulation 1.421-7 (e) (2) or any applicable regulations issued pursuant to Section 422(a) of the Code. Fair Market Value will be determined without regard to any restriction other than a restriction which, by its terms, will never lapse.

(k) “Grantee” means an eligible Employee, Director or Consultant under this Plan who has been granted either shares or an Option.

(l) “Incentive Option” means an Option that qualifies for the benefit described in Section 421 of the Code, by virtue of compliance with the provisions of Section 422 of the Code.

(m) “Nonstatutory Option” means an Option that is not an Incentive Option.

(n) “Option” means either an Incentive Option or a Nonstatutory Option granted under this Plan.

(o) “Option Agreement” means the agreement entered into between the Company and an individual Grantee and specifying the terms and conditions of the Option granted to the Grantee, which terms and conditions will recite or incorporate by reference: (i) the provisions of this Plan which are not subject to variation; and (ii) the variable terms and conditions of each Option granted hereunder which will apply to that Grantee.

(p) “Optionee” means a Grantee, and, under the appropriate circumstances, his guardian, representative, heir, distributee, legatee or successor in interest, including any transferee.

(q) “Stock” means the Company’s common stock.

3. Administration of the Plan.

(a) Committee Membership. The Plan shall be administered by a committee appointed by the Board, to be known as the Compensation Committee (the “Committee”). The Committee shall be not less than two members and to the extent possible shall be comprised solely of Non-employee Directors, as defined by Rule 16b-3(b)(3)(i) of the Securities Exchange Act of 1934 (“1934 Act”), or any successor definition adopted by the Securities and Exchange Commission, and who shall each also qualify as an Outside Director for purposes of Section 162(m) of the Code. Any vacancy occurring on the Committee may be filled by appointment by the Board. The Board at its discretion may from time to time appoint members to the Committee in substitution of members previously appointed, may remove members of the Committee and may fill vacancies, however caused, in the Committee. The Committee shall initially consist of Tamer T. Hassan, Paul S. Jordan and Christopher Gooding.

(b) Committee Procedures. The Committee shall select one of its members as chairman and shall hold meetings at such times and places as it may determine. A quorum of the Committee shall consist of a majority of its members, and the Committee may act by vote of a majority of its members present at a meeting at which there is a quorum, or without a meeting by written consent signed by all members of the Committee. If any powers of the Committee hereunder are limited or denied by the Board or under applicable law, the same powers may be exercised by the Board.

(c) Committee Powers and Responsibilities. The Committee will interpret the Plan, prescribe, amend and rescind any rules or regulations necessary or appropriate for the administration of the Plan, and make such other determinations and take such other actions it deems necessary or advisable, except as otherwise expressly reserved for the Board. Subject to the limitations imposed by the Board or under applicable law and the terms of the Plan, the Committee may periodically determine which Employees, Directors, and/or Consultants should receive Shares directly or Options under the Plan, whether any such options shall be Incentive Options or Nonstatutory Options, the number of shares covered by such Issuance of Shares or Options, the per share purchase price for such shares, and the terms thereof, and shall have full power to grant such Issuance of Shares or Options. In making its determinations, the Committee shall consider, among other relevant factors, the importance of the duties of the Grantee to the Company, his or her experience with the Company, and his or her future value to the Company. All decisions, interpretations and other actions of the Committee shall be final and binding on all Grantees, Optionees and all persons deriving their rights from a Grantee or Optionee. No member of the Board or the Committee shall be liable for any action taken or failed to be taken in good faith or for any determination made pursuant to the Plan.

4. Stock Subject to Plan.

This Plan authorizes the Committee to grant Shares and/or Options to Employees, Directors and/or Consultants up to the aggregate amount of 500,000 shares of Stock, subject to eligibility and any limitations specified herein. Adjustment in the shares subject to the Plan shall be made as provided in Section 9. Any shares covered by an Option which, for any reason, expires, terminates or is canceled may be reoptioned under the Plan.

5. Eligibility

(a) General Rule. All Employees, Directors and Consultants defined in Section 2(e) and 2(g) shall be eligible.

(b) Ten Percent Stockholders. An Employee, Director or Consultant who owns more than ten percent (10%) of the total combined voting power of all classes of outstanding Stock shall not be eligible for designation as a Grantee of an Incentive Option unless (i) the exercise price for each share of Stock subject to such Incentive Option is at least one hundred ten percent (110%) of the Fair Market Value of a share of Stock on the date of grant, and (ii) such Incentive Option, by its terms, is not exercisable after the expiration of five (5) years from the date of grant.

(c) Attribution Rules. For purposes of Subsection (b) above, in determining stock ownership, an Employee, Director or Consultant shall be deemed to own the Stock owned, directly or indirectly, by or for his brothers, sisters (whether by whole or half blood), spouse, ancestors and lineal descendants. Stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be deemed to be owned proportionately by or for its stockholders, partners or beneficiaries.

(d) Outstanding Stock. For purposes of Subsection (b) above, "Outstanding Stock" shall include all Stock actually issued and outstanding immediately after the grant. "Outstanding Stock" shall not include shares authorized for issuance under outstanding options held by the Employee, Director or Consultant, or by any other person.

(e) Individual Limits of Executive Officers. Subject to the provisions of Section 9 hereof, the number of option shares granted in a fiscal year to any Executive Officer shall not exceed 500,000 shares for the first fiscal year during which such person becomes an Executive Officer and shall not exceed 1,000,000 shares for any subsequent fiscal year during which such person serves as an Executive Officer.

(f) Incentive Option Limitation. The aggregate Fair Market Value of the stock for which Incentive Options granted to any one eligible Employee, Director or Consultant under this Plan and under all incentive stock option plans of the Company, its parent(s) and subsidiaries, may by their terms first become exercisable during any calendar year shall not exceed $100,000 determining Fair Market Value of the stock subject to any Option as of the time that Option is granted. If the date on which one or more Incentive Options could be first exercised would be accelerated pursuant to any other provision of the Plan or any Stock Option Agreement referred to in Section 6(a), or an amendment thereto, and the acceleration of such exercise date would result in a violation of the restriction set forth in the preceding sentence, then notwithstanding any such other provision the exercise date of such Incentive Options shall be accelerated only to the extent, if any, that is permitted under Section 422 of the Code and the exercise date of the Incentive Options with the lowest option prices shall be accelerated first. Any exercise date which cannot be accelerated without violating the $100,000 restriction of this section shall nevertheless be accelerated, and the portion of the Option becoming exercisable thereby shall be treated as a Nonstatutory Option.

6. Terms and Conditions of All Options Under the Plan.

(a) Option Agreement. All Options granted under the Plan shall be evidenced by a written Option Agreement and shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in an Option Agreement.

(b) Number of Shares. Each Option Agreement shall specify the number of shares of the Stock each such Employee, Director or Consultant will be entitled to purchase pursuant to the Option and shall provide for the adjustment of such number in accordance with Section 9. Each Option Agreement shall state the minimum number of shares which must be exercised at any time, if any.

(c) Nature of Option. Each Option Agreement shall specify the intended nature of the Option as an Incentive Option, a Nonstatutory Option or partly of each type.

(d) Exercise Price. Each Option Agreement shall specify the exercise price. The exercise price of either the Incentive Option or the Nonstatutory Option shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Stock on the date of grant. Subject to the foregoing, the exercise price under any Option shall be determined by the Committee in its sole discretion. The exercise price shall be payable in the form described in Section 7.

(e) Term of Option. The Option Agreement shall specify the term of the Option. The term of any Option granted under this Plan is subject to expiration, termination, and cancellation as set forth within this Plan.

(f) Exercisability; Vesting. Each Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. Such Option shall not be exercisable after the expiration of such term which shall be fixed by the Committee, but in any event not later than ten years from the date such Option is granted. Subject to the provisions of the Plan, the Committee may grant Options which are vested, or which become vested upon the happening of an event or events as specified by the Committee.

(g) Withholding Taxes. Upon exercise of any Nonstatutory Option (or any Incentive Option which is treated as a Nonstatutory Option because it fails to meet the requirements set forth in the Code for Incentive Options), the Optionee must tender full payment to the Company for any federal income tax withholding required under the Code in connection with such exercise ("Withholding Tax"). If the Optionee fails to tender to the Company the Withholding Tax, the Committee, at its discretion, shall withhold from the Optionee any and all shares subject to such Option, and accordingly, subject to Withholding Tax until such time as either of the following events has occurred:

(i) the Optionee tenders to the Company payment in cash to pay the Withholding Tax;

or

(ii) if the Optionee is an Employee, the Company withholds from the Optionee's wages an amount sufficient to pay the Withholding Tax.

(h) Termination and Acceleration of

Option. For Incentive Options:

(i) If the employment of a Grantee who is not a Disabled Grantee is terminated without cause, or such Grantee voluntarily quits or retires under any retirement plan of the Company, any then outstanding and exercisable stock option held by such a Grantee shall be exercisable, in accordance with the provisions of the Option Agreement, by such Grantee at any time prior to the expiration date of such Option or within three months after the date of termination of employment or service, whichever is the shorter period.

(ii) If the employment of a Grantee who is a Disabled Grantee is terminated without cause, any then outstanding and exercisable Option held by such a Grantee shall be exercisable, in accordance with the provisions of the Option Agreement, by such a Grantee at any time prior to the expiration date of such Option or within one year after the date of such termination of employment or service, whichever is the shorter period.

For all Options issued hereunder:

(i) If the Company terminates the employment of a Grantee for cause, all outstanding stock options held by the Grantee at the time of such termination shall automatically terminate unless the Committee notifies the Grantee that his or her options will not terminate. A termination "for cause" shall be defined under each written Option Agreement. The Company assumes no responsibility and is under no obligation to notify a Permitted Transferee (as hereafter defined in section 13) of early termination of an Option on account of a Grantee's termination of employment.

(ii) Whether termination of employment or other service is a termination "for cause" or whether a Grantee is a Disabled Grantee shall be determined in each case, in its discretion, by the Committee and any such determination by the Committee shall be final and binding.

(iii) Following the death of a Grantee during employment, any outstanding and exercisable Options held by such Grantee at the time of death shall be exercisable, in accordance with the provisions of the Option Agreement, by the person or persons entitled to do so under the Will of the Grantee, or, if the Grantee shall fail to make testamentary disposition of the stock option or shall die intestate, by the legal representative of the Grantee at any time prior to the expiration date of such Option or within one year after the date of death, whichever is the shorter period.

(iv) The Committee may grant Options, or amend Options previously granted, to provide that such Options continue to be exercisable up to ten years after the date of grant irrespective of the termination of the Grantee's employment with the Company, and which vest upon grant or become vested upon the happening of an event or events specified by the Committee, although the exercise of such vested Options in the case of Incentive Options more than three months after termination of employment may convert such Options to Nonstatutory Options with respect to the income tax consequences of such exercise.

7. Payment for Shares

(a) Cash. Payment in full for shares purchased under an Option shall be made in cash (including check, bank draft or money order) or pursuant to a cashless exercise provision, if any is available under the Option Agreement, at the time that the Option is exercised.

(b) Stock. In lieu of cash an Optionee may, with the consent of the Committee, make payment for Stock purchased under an Option, in whole or in part, by tendering to the Company in good form for transfer, shares of Stock valued at Fair Market Value on the date the Option is exercised. Such shares will have been owned by the Optionee or the Optionee's representative for the time specified by the Committee but in no case shall the Optionee or his representative have held a beneficial interest in such tendered shares for a period less than six months prior to the exercise of the Option.

8. Use of Proceeds from Stock.

Cash proceeds from the sale of Stock pursuant to Options granted under the Plan shall constitute general funds of the Company.

9. Adjustments.

Changes or adjustments in the Option price, number of shares subject to an Option or other specifics as the Committee should decide will be considered or made pursuant to the following rules:

(a) Upon Changes in Stock. If the outstanding Stock is increased or decreased, or is changed into or exchanged for a different number or kinds of shares or securities, as a result of one or more reorganizations, recapitalization, stock splits, reverse stock splits, split-up, combination of shares, exchange of shares, change in corporate structure, or otherwise, appropriate adjustments will be made in the exercise price and/ or the number and/or kind of shares or securities for which Options may thereafter be granted under this Plan and for which Options then outstanding under this Plan may thereafter be exercised. The Committee will make such adjustments as it may deem fair, just and equitable to prevent substantial dilution or enlargement of the rights granted to or available for Optionees. No adjustment provided for in this Section 9 will require the Company to issue or sell a fraction of a share or other security. Nothing in this Section will be construed to require the Company to make any specific or formula adjustment.

(b) Prohibited Adjustment. If any such adjustment provided for in this Section 9 requires the approval of stockholders in order to enable the Company to grant or amend Options, then no such adjustment will be made without the required stockholder approval. Notwithstanding the foregoing, if the effect of any such adjustment would be to cause an Incentive Option to fail to continue to qualify under Section 422 of the Code or to cause a modification, extension or renewal of such stock option within the meaning described in Section 424 of the Code, the Committee may elect that such adjustment not be made but rather shall use reasonable efforts to effect such other adjustment of each then outstanding Option as the Committee, in its sole discretion, shall deem equitable and which will not result in any disqualification, modification, extension or renewal (within the meaning of Section 424 of the Code) of such Incentive Option.

(c) Further Limitations. Nothing in this Section will entitle the Optionee to adjustment of his Option in the following circumstances:

(i) The issuance or sale of additional shares of the Stock, through public offering or otherwise;

(ii) The issuance or authorization of an additional class of capital stock of the Company;

(iii) The conversion of convertible preferred stock or debt of the Company into Stock;

(iv) The payment of dividends except as provided in Section 9 (a).

The grant of an Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

10. Legal Requirements:

(a) Compliance with All Laws. The Company will not be required to issue or deliver any certificates for shares of Stock prior to (a) the listing of any such Stock to be acquired pursuant to the exercise of any Option on any stock exchange on which the Stock may then be listed, and (b) the compliance with any registration requirements or qualification of such shares under any federal securities laws, including without limitation the Securities Act of 1933, as amended ("1933 Act"), the rules and regulations promulgated thereunder, or state securities laws and regulations, the regulations of any stock exchange or interdealer quotation system on which the Company's securities may then be listed, or obtaining any ruling or waiver from any government body which the Company may, in its sole discretion, determine to be necessary or advisable, or which, in the opinion of counsel to the Company, is otherwise required.

(b) Compliance with Specific Code Provisions. It is the intent of the Company that the Plan and its administration conform strictly to the requirements of Section 422 of the Code with respect to Incentive Options. Therefore, notwithstanding any other provision of this Plan, nothing herein will contravene any requirement set forth in Section 422 of the Code with respect to Incentive Options and if inconsistent provisions are otherwise found herein, they will be deemed void and unenforceable or automatically amended to conform, as the case may be.

(c) Plan Subject to Delaware Law. All questions arising with respect to the provisions of the Plan will be determined by application of the Code and the laws of the state of Delaware except to the extent that Nevada laws are preempted by any federal law.

11. Rights as a Stockholder.

An Optionee shall have no rights as a stockholder with respect to any Stock covered by his or her Option until the date of issuance of the stock certificate to him or her after receipt of the consideration in full set forth in the Option Agreement. Except as provided in Section 9 hereof, no adjustments will be made for dividends, whether ordinary or extraordinary, whether in cash, securities, or other property, or for distributions for which the record date is prior to the date on which the Option is exercised.

12. Restrictions on Shares.

Prior to the issuance or delivery of any shares of the Stock under the Plan, the person exercising the Option may be required to:

(a) represent and warrant that the shares of the Stock to be acquired upon exercise of the Option are being acquired for investment for the account of such person and not with a view to resale or other distribution thereof;

(b) represent and warrant that such person will not, directly or indirectly, sell, transfer, assign, pledge, hypothecate or otherwise dispose of any such shares unless the sale, transfer, assignment, pledge, hypothecation or other disposition of the shares is pursuant to the provisions of this Plan and effective registrations under the 1933 Act and any applicable state or foreign securities laws or pursuant to appropriate exemptions from any such registrations; and

(c) execute such further documents as may reasonably be required by the Committee upon exercise of the Option or any part thereof, including but not limited to any stock restriction agreement that the Committee may choose to require.

Nothing in this Plan shall assure any Optionee that shares issuable under this Option are registered on a Form S-8 under the 1933 Act or on any other Form. The certificate or certificates representing the shares of the Stock to be issued or delivered upon exercise of an Option may bear a legend evidencing the foregoing and other legends required by any applicable securities laws. Furthermore, nothing herein or any Option granted hereunder will require the Company to issue any Stock upon exercise of any Option if the issuance would, in the opinion of counsel for the Company, constitute a violation of the 1933 Act, applicable state securities laws, or any other applicable rule or regulation then in effect. The Company shall have no liability for failure to issue shares upon any exercise of Options because of a delay pending the meeting of any such requirements.

13. Transferability.

The Committee shall retain the authority and discretion to permit a Nonstatutory Option, but in no case an Incentive Option, to be transferable as long as such transfers are made only to one or more of the following: family members, limited to children of Grantee, spouse of Grantee, or grandchildren of Grantee, or trusts for the benefit of Grantee and/or such family members ("Permitted Transferee"), provided that such transfer is a bona fide gift and accordingly, the Grantee receives no consideration for the transfer, and that the Options transferred continue to be subject to the same terms and conditions that were applicable to the Options immediately prior to the transfer. Options are also subject to transfer by will or the laws of descent and distribution. Options granted pursuant to this Plan shall not be otherwise transferred, assigned, pledged, hypothecated or disposed of in any way, whether by operation of law or otherwise. A Permitted Transferee may not subsequently transfer an Option. The designation of a beneficiary shall not constitute a transfer.

14. No Right to Continued Employment.

This Plan and any Option granted under this Plan will not confer upon any Optionee any right with respect to continued employment or engagement by the Company nor shall they alter, modify, limit or interfere with any right or privilege of the Company under any employment agreement heretofore or hereafter executed with any Optionee, including the right to terminate any Optionee's employment or engagement at any time for or without cause, to change his or her level of compensation or to change his or her responsibilities or position.

15. Corporate Reorganizations.

Upon the dissolution or liquidation of the Company, or upon a reorganization, merger or consolidation of the Company as a result of which the outstanding securities of the class then subject to Options hereunder are changed into or exchanged for cash or property or securities not of the Company's issue, or upon a sale of substantially all the property of the Company to, or the acquisition of stock representing more than eighty percent (80%) of the voting power of the stock of the Company then outstanding by another corporation or person, the Plan will terminate and all Options will lapse. The result described above will not occur if provision is made in writing in connection with such transaction for the continuance of the Plan and/or for the assumption of Options earlier granted, or the substitution for such Options of options covering the stock of a successor employer corporation, or a parent or a subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices, in which event the Plan and Options theretofore granted will continue in the manner and under the terms so provided. If the Plan and unexercised Options shall terminate pursuant to the foregoing, all persons holding any unexercised portions of Options then outstanding shall have the right, at such time prior to the consummation of the transaction causing the termination as the Company shall designate, to exercise the unexercised portions of their options, including the portions thereof which would but for this Section 15 not yet be exercisable.

16. Modification, Extension and Renewal.

(a) Options. Subject to the conditions of and within the limitations prescribed in the Plan herein, the Committee may modify, extend, cancel or renew outstanding Options. Notwithstanding the foregoing, no modification will, without the prior written consent of the Optionee, alter, impair or waive any rights or obligations associated with any Option earlier granted under the Plan.

(b) Plan. The Board may at any time and from time to time interpret, amend or discontinue the Plan.

17. Plan Date and Duration.

The Plan shall take effect on the date it is adopted by the Board. Options may not be granted under this Plan after December 31, 2026.

Exhibit 10.50

DATED 11 September **2023**

SHARE PURCHASE AGREEMENT

amongst

DANI ALYAMOUR

DAVID COOK

PAUL DAVID SEBRIGHT

NISHANT JOHN FARIA

OSAMA MUNIR RAGHEB ALKALOTI

TRIPLE R HOLDINGS LLC

WEST IRELAND INVESTMENT LIMITED

DUPLAYS HOLDINGS LIMITED

and

LOTTERY.COM, INC.

CONTENTS

CLAUSE

SCHEDULE

THIS AGREEMENT is dated 11 September **2023**

PARTIES

(1) **DANI ALYAMOUR**, a Canadian national with passport number HP123618 and whose residential address is at 107 Burj Khalifa, 500161, Dubai, UAE;

(2) **DAVID COOK**, a British national with passport number 138948587 and whose residential address is at Masakin Al Furjan, Block B 101, Al Furjan, Dubai, UAE;

(3) **PAUL DAVID SEBRIGHT**, a British national with passport number 124326446 and whose residential address is Glencruitten House, Oban, Scotland, PA34 4QB;

(4) **NISHANT JOHN FARIA**, a Canadian national with passport number AS2004407 and whose residential address is at Apt 402, Tower 6, Burj Residences, Downtown Dubai, Dubai, UAE;

(5) **OSAMA MUNIR RAGHEB ALKALOTI**, a Jordanian national with passport number 9771000767 and whose residential address is at Villa 367, Plot No. 3, Um Al Sheif, Dubai, UAE;

(6) **TRIPLE R HOLDINGS LLC**, a limited liability company incorporated in Sharjah Media City Free Zone Company (SHAMS) with registered number 1803853.01 and having its registered address at Sharjah Media City, Sharjah, UAE;

(7) **WEST IRELAND INVESTMENT LIMITED**, a freezone offshore company incorporated in Jebel Ali Free Zone with registered number 197344 and having its registered address at Suite 1901, Level 19, Boulevard Plaza Tower 1, Sheikh Mohammed Bin Rashid Boulevard, Downtown Dubai, Dubai, UAE;

(together the **Sellers**); and

(8) **LOTTERY.COM, INC.**, a Delaware corporation and having its registered address at 20808 State Highway 71W, Spicewood, TX 78669 or Assignees, as defined by clause 9.2 (jointly or severally the **Buyer**),

each a **Party**, and together, the **Parties**.

BACKGROUND

The Sellers have agreed to sell and the Buyer has agreed to buy the Sale Shares subject to the terms and conditions of this agreement.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this agreement.

ADGM: Abu Dhabi Global Market.

AED: United Arab Emirate Dirham, the lawful currency of the UAE.

Business: the business carried on by the Company and the Subsidiary, namely the provision of coworking space and serviced offices to, and incubation activities for the benefit of, sports-related business customers in the UAE.

Business Day: a day other than a Saturday, Sunday or public holiday in the UAE when banks are open for non-automated business.

Claim: a claim for breach of any of the Warranties.

Closings: First Closing and Second Closing.

Commission: has the meaning given in clause 3.4.

Company: Nook Holdings Limited, a private limited company incorporated and registered in the ADGM with company number 000001429 whose registered office is at DD-15-134-004-007, Level 15, Wework Hub71, Al Khatem Tower, Al Maryah Island, Al Maryah Island, Abu Dhabi, United Arab Emirates, further details of which are set out in Schedule 1.

Control:

(a) owning or controlling (directly or indirectly) more than 50% of the voting share capital of the relevant undertaking;

(b) being able to direct the casting of more than 50% of the votes exercisable at general meetings of the relevant undertaking on all, or substantially all, matters;

(c) having the right to appoint or remove directors of the relevant undertaking holding a majority of the voting rights at meetings of the board on all, or substantially all, matters; or

(d) having the power to determine the conduct of business affairs of an undertaking (whether through ownership of equity interest or partnership or other ownership interests, by contract or otherwise),

and **Controlled** and **Controlling** shall have a corresponding meaning;

Deposit: has the meaning given in clause 3.1(a).

Encumbrance: any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or any other security agreement or arrangement.

First Closing: the completion of the sale and purchase of the First Closing Shares in accordance with this agreement.

First Closing Consideration has the meaning given in clause 3.1(b).

First Closing Date: has the meaning given in clause 4.1.

First Closing Shares: the Sale Shares set out in column 4 of the table at Schedule 2.

Group:

(a) in respect of any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person; and

(b) in respect of any individual, any Relative of that individual.

Purchase Price: the purchase price for the Sale Shares, as set out in clause 3.1.

Relative: in relation to an individual:

(a) the spouse, parent, son, daughter, brother or sister (whether by blood or adoption) of that individual; or

(b) any person married to any of the persons specified in paragraph (a) of this definition;

Relevant Percentage: the percentage of Sale Shares held by each Seller as set out in column 6 of the table at Schedule 2.

Sale Shares: 8,000,000 preference shares and 500,000 ordinary shares of USD0.0001 each in the Company, all of which have been issued and are fully paid and which are held by the Sellers in the numbers shown in column 3 of the table at Schedule 2 comprising the First Closing Shares and the Second Closing Shares.

Second Closing: the completion of the sale and purchase of the Second Closing Shares in accordance with this agreement.

Second Closing Consideration: has the meaning given in clause 3.1(c).

Second Closing Shares: the Sale Shares set out in column 5 of the table at Schedule 2.

Sellers' Bank Account: in respect of:

(a) the Deposit, means the account of the Company having the following details:

Bank name:	Emirates NBD
Account name:	Nook Office DMCC
IBAN:	AE74 0260 0010 1550 5051 701; and

(b) in respect of all other payments due to the Sellers, such bank accounts as each Seller shall notify the Buyer and the Company;

Subsidiary: Nook Office DMCC, a limited liability company incorporated under the laws of the Dubai Multi Commodities Centre with registration number DMCC107621 and having its registered address at OneJLT-02-02, One JLT, DMCC-EZ1-1AB, Jumeirah Lakes Towers, Dubai, UAE, and which is a wholly-owned subsidiary of the Company.

UAE: United Arab Emirates.

USD: United States Dollars, the lawful currency of the United States of America.

Warranties: the warranties set out in Schedule 4.

1.2 References to clauses and Schedules are to the clauses of and Schedules to this agreement and references to paragraphs are to paragraphs of the relevant Schedule.

1.3 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules.

1.4 This agreement shall be binding on and enure to the benefit of, the Parties to this agreement and their respective successors and permitted assigns, and references to a **Party** shall include that Party's successors and permitted assigns.

1.5 A reference to a **company** shall include any company, corporation or other body corporate, wherever and however incorporated or established.

1.6 A reference to **writing** or **written** includes email (unless otherwise expressly provided in this agreement).

1.7 A **subsidiary** is a corporate entity Controlled by another corporate entity and a **wholly-owned subsidiary** is a subsidiary which is owned 100 per cent. by the other corporate entity.

1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.9 References to a document in **agreed form** are to that document in the form agreed by the Parties and initialled by them or on their behalf for identification.

1.10 Unless otherwise provided, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force as at the date of this agreement. A reference to a statute or statutory provision shall include all subordinate legislation made as at the date of this agreement under that statute or statutory provision.

2. SALE AND PURCHASE

The Sellers shall sell and the Buyer shall buy, with effect from each Closing, the Sale Shares with full title guarantee, free from all Encumbrances and together with all rights attached or accruing to them on the terms and subject to the conditions of this agreement.

3. PURCHASE PRICE

3.1 The Purchase Price is AED8,500,000 and shall be paid by the Buyer in cash as follows:

(a) AED500,000 as a non-refundable deposit on the Business Day following the date of this agreement (**Deposit**);

(b) AED5,000,000 on or before First Closing (**First Closing Consideration**);

(c) AED2,000,000 on or before Second Closing (**Second Closing Consideration**);

(d) AED1,000,000 on or before 30 November 2024.

3.2 The Purchase Price shall be deemed to be reduced by the amount of any payment made to the Buyer in respect of any Claim.

3.3 The Deposit constitutes part of the Purchase Price but shall in no circumstances be refundable and the Parties agree that the Deposit represents a reasonable pre-estimate of the losses suffered by the Sellers as a result of the transactions contemplated in this agreement not completing for any reason whatsoever.

3.4 The Sellers have agreed pursuant to prior arrangements to pay to Duplays Holdings Limited a commission of AED425,000 being 5 per cent. of the total Purchase Price (the **Commission**)

and, provided always that the Buyer shall under no circumstances have any liability to any person in respect of the Commission, agrees to pay, at the request and on behalf of the Sellers, 5 per cent. of all payments in respect of the Purchase Price to such account as Duplays Holdings Limited shall notify to the Buyer in respect of the Commission.

3.5 Each Seller shall be entitled to its Relevant Percentage of the Purchase Price (less the Commission).

4. CLOSINGS

4.1 First Closing shall take place on 31 October 2023 or such date as the Parties may agree in writing (the **First Closing Date**) at such place as the Parties agree.

4.2 At First Closing, the Sellers shall comply with their obligations in Part 1 of Schedule 3.

4.3 Subject to the Sellers complying with clause 4.2, the Buyer shall pay, to the extent not paid prior to First Closing, the First Closing Consideration to the Sellers' Bank Account.

4.4 Second Closing shall take place on 30 November 2023 or such date as the Parties may agree in writing at such place as the Parties agree in writing.

4.5 At Second Closing, the Sellers shall comply with their obligations in Part 2 of Schedule 3.

4.6 Subject to the Sellers complying with clause 4.5, the Buyer shall:

(a) to the extent not paid prior to Second Closing, pay the Second Closing Consideration;

(b) pay the residual part of the Purchase Price pursuant to, and (to the extent not paid prior to such date) on the date stated in, clause 3.1(d),

to the Sellers' Bank Account.

4.7 Payment of the Purchase Price made in accordance with clause 3.4 and this clause shall be a good and valid discharge of the Buyer's obligation towards the Sellers to pay the Purchase Price.

4.8 This agreement (other than obligations that have already been fully performed) remains in full force after each Closing.

5. WARRANTIES AND UNDERTAKINGS

5.1 The Sellers warrant to the Buyer that each Warranty is, to the best of their knowledge, true, accurate and not misleading in any material respect.

5.2 Each of the Warranties is separate and, unless expressly provided otherwise, is not limited by reference to any other Warranty or any other provision in this agreement.

5.3 The Sellers covenant with the Buyer:

(a) not to sell, transfer, assign or create (or allow to exist) any Encumbrance on any Sale Share during the term of this agreement; and

(b) to hold all Sale Shares as encumbered in favour of the Buyer pending transfer to the Buyer on the terms of this agreement,

provided that the obligations of the Sellers pursuant to this clause 5.3 shall:

(y) cease to apply to the extent that the Sellers are no longer obliged to transfer shares to the Buyer, whether because of the termination or expiry of this agreement, on default of the Buyer or otherwise; and

(z) not include an obligation to create any kind of registered or registerable security over the Sale Shares.

6. LIMITATIONS ON CLAIMS

6.1 The Sellers shall be jointly, but not severally, liable for any Claims.

6.2 The aggregate liability of the Sellers for all Claims shall not exceed an amount equal to 30 per cent. of the Purchase Price.

6.3 The Sellers shall not be liable for a Claim unless notice in writing of the Claim, summarising the nature of the Claim and, as far as is reasonably practicable, the amount claimed, has been given by or on behalf of the Buyer to the Sellers on or before the first anniversary of First Closing.

6.4 Nothing in this clause 6 applies to exclude or limit the Sellers' liability to the extent that a Claim arises or is delayed as a result of dishonesty, fraud, wilful misconduct or wilful concealment by the Seller, its agents or advisers intended to deceive or induce the Buyer.

7. CONFIDENTIALITY AND ANNOUNCEMENTS

7.1 Except to the extent required by law or any legal or regulatory authority of competent jurisdiction:

(a) each Seller shall not (and shall procure that no member of its Group shall) at any time disclose to any person (other than its professional advisers) the terms of this agreement or any trade secret or other confidential information relating to the Company, the Business or the Buyer, or make any use of such information other than to the extent necessary for the purpose of exercising or performing its rights and obligations under this agreement; and

(b) subject to clause 7.2, no Party shall make, or permit any person to make, any public announcement, communication or circular concerning this agreement without the prior written consent of the other Parties.

7.2 The Buyer may, at any time after First Closing, announce its acquisition of the Sale Shares to any employees, clients, customers or suppliers of the Company or any other member of the Buyer's Group.

7.3 Nothing in this agreement shall prevent the Buyer from complying with any reporting, disclosure or press release obligations arising from the Buyer being listed on NASDAQ or any other regulatory obligations.

8. FURTHER ASSURANCE

The Sellers shall (and shall use reasonable endeavours to procure that any relevant third Party shall) promptly execute and deliver such documents and perform such acts as the Buyer may reasonably require from time to time for the purpose of giving full effect to this agreement.

9. ASSIGNMENT

9.1 Sellers may not assign, mortgage, charge, declare a trust of, or deal in any other manner with any or all of its rights and obligations under this agreement without the prior written consent of the Buyer.

9.2 At any time, the Buyer at its sole discretion shall have the right to assign this agreement, including any of its rights or obligations, in whole or in part, to any affiliated entities or third parties it deems necessary in the performance of this agreement or in the operations of the Company (the **Assignees**), and no consent on the part of Seller shall be required for such assignment(s). Seller shall not be released from this agreement by any such assignment(s).

10. ENTIRE AGREEMENT

This agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to their subject matter.

11. COSTS AND SET-OFF

11.1 Each Party shall pay its own costs and expenses incurred in connection with the negotiation, preparation, execution and implementation of this agreement and the transaction contemplated by this agreement.

11.2 The Parties shall be entitled to set-off any amount which is due by one Party to the other Parties under this agreement against any amount owed to the first Party by the second Party.

12. DEFAULT INTEREST

Any sums not paid when due pursuant to this agreement shall accrue interest at the rate of two per cent. per calendar month or part thereof from the due date until the date of actual payment.

13. VARIATION AND WAIVER

13.1 No variation of this agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives).

13.2 No failure or delay by a Party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy. A waiver of any right or remedy under this agreement or by law is only effective if it is in writing.

13.3 Except as expressly provided in this agreement, the rights and remedies provided under this agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

14. NOTICES

14.1 Any notice or other communication (**Notice**) to be given under this agreement must be given in English and in writing and may be delivered in person or sent by pre-paid international courier or email (to the extent details are set out below) to the relevant Party as follows:

to the **Buyer**:

Address:	Lottery.com, Inc., 20808 State Highway 71W, Spicewood, Texas 78669
Email:	matthew.mcgahan@lottery.com

to the **Sellers**:

Address:	Nook Holdings Limited, DD-15-134-004-007, Level 15, Wework Hub71, Al Khatem Tower, Al Maryah Island, Al Maryah Island, Abu Dhabi, United Arab Emirates
Email:	ravi@duplays.com

or at any such other address or email address as it may notify the other Parties under this clause 14.

14.2 Any Notice shall be effective upon receipt and shall be deemed to have been received:

(a) if delivered in person, at the time of delivery;

(b) if sent by pre-paid international courier, at 9.00am on the fifth Business Day after posting or at the time recorded by the delivery service; or

(c) if sent by email, on the date a delivery receipt is received by the sender in respect of the Notice.

14.3 If any Notice is sent by email, a hard copy of such Notice shall be couriered to the recipient of the Notice immediately at the address set out in clause 14.1. No Notice in relation to the service of proceedings under clause 17 may be served by email.

15. SEVERANCE

If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

16. THIRD PARTY RIGHTS

A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

17. GOVERNING LAW AND JURISDICTION

17.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

17.2 Each Party irrevocably agrees that the courts of the ADGM shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

This agreement has been entered into on the date stated at the beginning of it.

SIGNATURES

DocuSigned by:
2E5CEEA173C1498...

Dani Alyamour
Date: 9/11/2023

DocuSigned by:
4B4ED30526F1473...

David Cook
Date: 9/11/2023

DocuSigned by:
Paul Sebright
D97BE29701CA413...

Paul David Sebright
Date: 9/11/2023

DocuSigned by:
Nishant Faria
58101FAD32F541E...

Nishant John Faria
Date: 9/12/2023

DocuSigned by:
4F2A6A872CF74E5...

Osama Munir Ragheb Alkaloti
Date: 9/11/2023

DocuSigned by:
Ravi Bhusari
0E96AB04872C4D8...

Ravi Bhusari for and on behalf of **Duplays Holdings Limited**
Date: 9/11/2023

DocuSigned by:
2F43B33287DA475...

Mahesh Gobind Dalamal for and on behalf of **Triple R Holdings LLC**
Date: 9/12/2023

DocuSigned by:
47088C4130D3462...

Steven Daniel Mayne for and on behalf of **West Ireland Investment Limited**
Date: 9/10/2023

DocuSigned by:
BA47625D68EA4FA...

Matthew McGahan for and on behalf of **Lottery.com, Inc.**
Date: 9/13/2023

Schedule 1 Particulars of the Company

Registered name:	Nook Holdings Limited
Registration number:	000001429
Place of incorporation:	ADGM
Registered office:	DD-15-134-004–007, Level 15, WeWork Hub71, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates,
Issued share capital:	**Amount:** USD1,000 **Divided into:** 1,500,000 ordinary shares and 8,500,000 preference shares of USD0.0001 each
Directors and shadow directors:	Ravi Nagesh Bhusari Dani Alyamour David Cook Paul David Sebright Davinder Rao Vilhelm Nikolai Paus Hedberg Steven Daniel Mayne
Authorised signatories:	Ravi Nagesh Bhusari
Secretary:	None

Schedule 2 Shareholdings and Sale Shares

1	2		3		4		5		6	7
Shareholder	**Number and class of shares held**		**Number of Sale Shares**		**First Closing Shares**		**Second Closing Shares**		**Relevant Percentage**	**Purchase Price allocation in AED**
	Preference shares	**Ordinary shares**	**Preference shares**	**Ordinary shares**	**Preference shares**	**Ordinary shares**	**Preference shares**	**Ordinary shares**		
Duplays Holdings Limited	0 500,000	1,000,000 0	- -	- -	- -	- -	- -	- -	- -	425,000
Dani Alyamour	0 500,000	500,000 0	0 500,000	500,000 0	0 325,000	325,000 0	0 175,000	175,000 0	11.7647	950,000
David Cook	2,000,000	0	2,000,000	0	1,300,000	0	700,000	0	23.5294	1,900,000
Paul David Sebright	1,500,000	0	1,500,000	0	975,000	0	525,000	0	17.6471	1,425,000
Nishant John Faria	1,000,000	0	1,000,000	0	650,000	0	350,000	0	11.7647	950,000
Osama Munir Ragheb Alkaloti	1,000,000	0	1,000,000	0	650,000	0	350,000	0	11.7647	950,000
Triple R Holdings LLC	1,000,000	0	1,000,000	0	650,000	0	350,000	0	11.7647	950,000
West Ireland Investment Limited	1,000,000	0	1,000,000	0	650,000	0	350,000	0	11.7647	950,000
Totals	**8,500,000**	**1,500,000**	**8,000,000**	**500,000**	**5,200,000**	**325,000**	**2,800,000**	**175,000**	**100.00%**	**8,500,000**

Schedule 3 Seller's Closing obligations

PART 1: FIRST CLOSING

1. DOCUMENTS TO BE DELIVERED AT FIRST CLOSING

At First Closing, the Sellers shall deliver to the Buyer:

(a) transfers of the First Closing Shares executed by the Sellers in favour of the Buyer;

(b) the share certificates for the Sale Shares or an indemnity for any lost certificates;

(c) resignations of all directors of the Company other than Ravi Bhusari, Davinder Rao and David Cook;

(d) where required, a written resolution of the board of the Company appointing Matthew McGahan to the board of the Company and accepting the resignations of the resigning directors;

(e) executed copies of all documents required by the Company's registered agent to transfer the First Closing Shares from the Sellers to the Buyer and removing the resigning directors from the board of the Company;

(f) signed minutes, in agreed form, of the board meeting held by the Company pursuant to paragraph 2 of this Schedule 3;

2. CLOSING BOARD MEETING

The Sellers shall cause a board meeting of the Company to be held at First Closing at which the matters set out in this agreement as they relate to First Closing shall be resolved and approved.

3. POST-CLOSING

The Sellers shall cause the issuance of share certificates to the Buyer and each Seller reflecting the post-First Closing shareholdings, as follows:

Shareholder	**Preference shares held post-First Closing**	**Ordinary shares held post-First Closing**
Lottery.com, Inc. or Assignee	5,200,000	325,000
Duplays Holdings Limited	500,000	1,000,000
Dani Alyamour	175,000 0	0 175,000
David Cook	700,000	0
Paul David Sebright	525,000	0
Nishant John Faria	350,000	0
Osama Munir Ragheb Alkaloti	350,000	0
Triple R Holdings LLC	350,000	0
West Ireland Investment Limited	350,000	0
Totals	**8,500,000**	**1,500,000**

PART 2: SECOND CLOSING

1. DOCUMENTS TO BE DELIVERED AT SECOND CLOSING

At Second Closing, the Sellers shall deliver to the Buyer:

(a) transfers of the Second Closing Shares executed by the Sellers in favour of the Buyer;

(b) the share certificates for the Second Closing Shares or an indemnity for any lost certificates;

(c) resignations of all directors of the Company other than Ravi Bhusari and Matthew McGahan;

(d) where required, the written resolution of the board of the Company appointing a person designated by the Buyer to the board of the Company and as the Company's authorised signatory and accepting the resignations of Davinder Rao and David Cook;

(e) executed copies of all documents required by the Company's registered agent to transfer the shares from the Sellers to the Buyer and removing all directors from the board and authorised signatory positions of the Company, other than Ravi Bhusari and any person appointed by the Buyer;

(f) any corporate credit card, debit card, and all other banking documents, credentials and instruments relating to the bank accounts of the Company and the Subsidiary;

(g) signed minutes, in agreed form, of the board meeting held by the Company pursuant to paragraph 2 of this Schedule 1;

2. CLOSING BOARD MEETING

The Sellers shall cause a board meeting of the Company to be held at Second Closing at which the matters set out in this agreement and not previously resolved upon pursuant to paragraph 2 of Part 1 of this Schedule 3 shall be resolved and approved.

Schedule 4 Warranties

1. POWER TO SELL THE SALE SHARES

1.1 Each Seller has the requisite power and authority to enter into and perform this agreement and the documents referred to in it (to which it is a party), and they constitute valid, legal and binding obligations on each Seller in accordance with their respective terms.

1.2 The execution and performance by the Sellers of this agreement and the documents referred to in it will not breach or constitute a default under any Seller's articles of association, or any agreement, instrument, order, judgment or other restriction which binds any Seller.

2. SHARES IN THE COMPANY

2.1 The Sale Shares constitute 85 per cent. of the allotted and issued share capital of the Company and are fully paid or credited as fully paid.

2.2 Each Seller is the sole legal and beneficial owner of the Sale Shares set against its name in column 3 of the table at Schedule 2 and is entitled to transfer the legal and beneficial title to such Sale Shares to the Buyer free from all Encumbrances, without the consent of any other person.

2.3 No person has any right to require at any time the transfer, creation, issue or allotment of any share, loan capital or other securities of the Company (or any rights or interest in them), and no person has agreed to confer or has claimed any such right.

2.4 No Encumbrance has been granted to any person or otherwise exists affecting the Sale Shares or any unissued shares, debentures or other unissued securities of the Company, and no commitment to create any such Encumbrance has been given, nor has any person claimed any such rights.

2.5 The Subsidiary is a wholly-owned subsidiary of the Company.

3. CONSTITUTIONAL AND CORPORATE DOCUMENTS

So far as each Seller is aware, all deeds and documents belonging to the Company Group (or to which it is a party) are in the possession of the Company Group.

4. INFORMATION

4.1 The particulars set out in Schedule 1 are true, accurate and complete.

4.2 All information (excluding information received by the Sellers from the Buyer) given by or on behalf of the Sellers to the Buyer (or its agents or advisers) in the course of the negotiations leading up to this agreement, was when given, and is now, true, accurate and, so far as the Sellers are aware, complete.

5. COMPLIANCE AND CONSENTS

5.1 The Company Group has at all times conducted its business in accordance with, and has acted in compliance with, all applicable laws and regulations.

5.2 The Company Group holds all licences, consents, permits and authorities necessary to carry on the Business in the places and in the manner in which it is carried on at the First Closing Date (**Consents**).

5.3 Each of the Consents is valid and subsisting, the Company Group is not in breach of the terms or conditions of the Consents (or any of them) and there is no reason why any of the Consents may be revoked or suspended (in whole or in part) or may not be renewed on the same terms.

6. EFFECT OF SALE OF THE SALE SHARES

The acquisition of the Sale Shares by the Buyer will not:

(a) cause the Company Group to lose the benefit of any right, asset or privilege it presently enjoys; or

(b) relieve any person of any obligation to the Company Group, or enable any person to determine any such obligation, or any right or benefit enjoyed by the Company Group, or to exercise any other right in respect of the Company Group.

7. NO INSOLVENCY

No insolvency event has occurred in relation to any Seller.

Exhibit 10.51

AMENDMENT TO SHARE PURCHASE AGREEMENT

THIS AMENDMENT TO SHARE PURCHASE AGREEMENT ("First Amendment"), is made as of the 18th day of December, 2023 (the "Effective Date"), by and between **LOTTERY.COM, INC.**, a Delaware corporation (the "Buyer"), with its principal place of business located at 20808 State Hwy. 71, Spicewood, Texas 78669 and **RAVI BHUSARI** (on behalf of the "Sellers").

W I T N E S S E T H:

WHEREAS, Buyer and Sellers entered into that certain Share Purchase Agreement dated September 11, 2023 (the "Agreement"), under which Buyer agreed to purchase from Sellers, and Sellers agreed to sell to Buyer the Sale Shares in Nook Holdings Limited, a private company incorporated and registered in Abu Dhabi Global Market ("ADGM"), under and subject to the terms and conditions set forth in such Agreement;

WHEREAS, the Agreement is incorporated into this Amendment by reference and made a part of this Amendment;

WHEREAS, pursuant to the Agreement, the parties were to perform the completion of the sale and purchase of the First Closing Shares on October 31, 2023 (the "First Closing");

WHEREAS, pursuant to the Agreement, the parties were to perform the completion of the sale and purchase of the Second Closing Shares on November 30, 2023 (the "Second Closing");

WHEREAS, Buyer and Sellers have agreed to amend the Agreement under the terms and conditions contained in this Amendment in order to facilitate the delay of the parties completion of the First Closing and Second Closing.

NOW, THEREFORE, with the foregoing background incorporated herein by reference, and in consideration of the mutual covenants and agreements set forth herein, intending to be legally bound, the parties hereto agree to amend the Agreement as follows:

1. Interpretation of Agreed Terms. Save as defined in this Amendment, the terms, words and expressions defined in the Agreement shall have the same effect and meaning in this Amendment.

2. Date of Closing: The Closing shall occur on or before March 30, 2024 (the "Amended Closing").

3. Deposit. Sellers acknowledge that the balance of the Deposit has been paid in full on or before the Effective Date of this Amendment.

4. Miscellaneous.

a. Except as specifically set forth above in this Amendment, the Agreement shall continue unmodified and otherwise remain in full force and effect in accordance with its

terms in all respects and Buyer and Sellers hereby ratify and restate all the terms and conditions thereof. This Amendment does not address any other provision or rights under the Agreement or Applicable Law.

b. This Amendment may be executed in counterparts. Each such counterpart shall for all purposes be deemed to be an original, and all such counterparts shall further constitute and be but one and the same instrument. Facsimile/PDF copies shall be deemed originals.

c. In the event of a conflict between this Amendment and the Agreement, the terms of this Amendment shall prevail. This Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, executors, personal representatives, successors and assigns. All capitalized terms used but not defined in this Amendment shall have the meanings ascribed to such terms in the Agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the Effective Date.

BUYER: LOTTERY.COM, INC., a Delaware corporation

By: DocuSigned by:  BA47925D8BE44F4...

Name: Matthew McGahan

Title: Chairman, CEO and President

Date: December 18, 2023

ON BEHALF OF SELLERS: RAVI BHUSARI

By: DocuSigned by: Ravi Bhusari 0F98AB04872C4D8...

Name: Ravi Bhusari

Title: Authorized Representative

Date: December 18, 2023

Exhibit 21.1

List of Subsidiaries

Name of Subsidiary	Jurisdiction of Incorporation or Organization
AutoLotto, Inc.	Delaware
Global Gaming Enterprises, Inc.	Delaware
Electrónicos y de Comunicación, SAPI de C.V.	Mexico
Juega Lotto, S.A. DE C.V	Mexico
Tinbu, LLC	Florida
LDC Wintogether, Inc.	Texas
Sports.com, Inc.	Texas
LDC IP Holdings, Inc.	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO

RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,

AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Matthew McGahan, certify that:

1. I have reviewed this Amended Report on Form 10-K/A of Lottery.com Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15 (f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 3, 2024

By:*/s/ Matthew McGahan*

Matthew McGahan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Stubblefield, certify that:

1. I have reviewed this Amended Report on Form 10-K/A of Lottery.com Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter of the annual report) that has materially affected or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditor and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 3, 2024

By: */s/ Robert Stubblefield*

Robert Stubblefield
Chief Financial Officer and Principal Accounting Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Amended Report of Lottery.com Inc. (the "Company") on Form 10-K/A for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Amended Report"), I, Matthew McGahan, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Amended Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Amended Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

Date: June 3, 2024

By: */s/ Matthew McGahan*

Matthew McGahan
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEYACT OF 2002

In connection with the Amended Report on Form 10-K/A for the period ended December 31, 2023 of Lottery.com Inc., a Delaware corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Amended Report"), I, Robert Stubblefield, Chief Financial Officer and Principal Accounting Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Amended Report fully complies with the requirements of Section 13(a) or15(d) of the Securities and Exchange Act of 1934, as amended; and

2. The information contained in this Amended Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

June 3, 2024

By:*/s/ Robert Stubblefield*

Robert Stubblefield, Chief Financial Officer, Principal Accounting Officer